SILVERSTAR MINING CORP.
Form 10-Q
May 15, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

or

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________

Commission File Number **333-140299**

SILVERSTAR MINING CORP.
(Exact name of registrant as specified in its charter)

Nevada	**N/A**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
621 Bank Street, Wallace, Idaho	**83873**
(Address of principal executive offices)	(Zip Code)

604.960.0535
(Registrant s telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] YES [ ] NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act

Large accelerated filer	[ ]		Accelerated filer	[ ]
Non-accelerated filer	[ ]	(Do not check if a smaller reporting company)	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act

[ ] YES [X] NO

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

[ ] YES [ ] NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date. Our company had 43,018,837 common shares issued and outstanding as of May 13, 2009

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PART 1 FINANCIAL INFORMATION

Item 1. Financial Statements.

Our unaudited interim consolidated financial statements for the six month period ended March 31, 2009 form part of this quarterly report. They are stated in United States Dollars (US$) and are prepared in accordance with United States generally accepted accounting principles.

Silverstar Mining Corp.
(A Development Stage Company)

Consolidated Financial Statements
(Expressed in U.S. Dollars)
(Unaudited)
31 March 2009

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Silverstar Mining Corp.
(A Development Stage Company)
Consolidated Balance Sheets
(Expressed in U.S. Dollars)
(Unaudited)

	As at 31 March 2009 $	As at 30 September 2008 (Audited) $
Assets		
Current		
Cash and cash equivalents	1,035	89,819
Prepaid expenses	800	800
	1,835	90,619
Mineral property costs (Note 5)	805,321	805,321
Website development costs (Note 4)	6,600	6,600
	813,756	902,540
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	8,580	45,622
Stockholders equity		
Capital stock (Note 8)		
Authorized		
225,000,000 of common shares, par value $0.001		
Issued and outstanding		
31 March 2009 43,018,837 common shares, par value $0.001		
30 September 2008 44,834,000 common shares, par value $0.001	43,019	44,834
Additional paid-in capital	1,270,002	759,011
Share subscriptions received in advance	-	422,176
Deficit, accumulated during the development stage	(507,845)	(369,103)
	805,176	856,918
	813,756	902,540

Nature, Basis of Presentation and Continuance of Operations (Note 1), **Commitments** (Note 11) and **Subsequent Event** (Note 12)

On behalf of the Board:

Donald James MacKenzie Director

Donald James MacKenzie

The accompanying notes are an integral part of these consolidated financial statements.

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Silverstar Mining Corp.
(A Development Stage Company)
Consolidated Statements of Operations
(Expressed in U.S. Dollars)
(Unaudited)

	For the period from the date of inception on 5 December 2003 to 31 March 2009 $	For the three month period ended 31 March 2009 $	For the three month period ended 31 March 2008 $	For the six month period ended 31 March 2009 $	For the six month period ended 31 March 2008 $
Expenses					
Bank charges and interest	1,740	138	34	517	34
Consulting (Note 7)	143,467	3,500	-	57,000	-
Exploration and development (Note 5)	15,829	-	-	2,459	-
Filing fees	10,851	2,302	525	4,861	1,525
Investor relations	97,492	10,000	-	38,100	-
Legal and accounting (Note 7)	128,135	11,778	14,582	32,163	19,979
Licences and permits	3,415	-	2,316	-	2,316
Management fees (Notes 7, 8 and 10)	58,000	13,000	4,500	13,000	9,000
Office and miscellaneous	8,466	362	-	405	-
Rent (Notes 7, 8 and 10)	22,900	1,500	1,500	3,900	3,000
Transfer agent	14,684	1,687	1,906	3,095	2,656
Travel and entertainment	17,391	-	-	4,142	-
Write-down of mineral property acquisition costs (Note 5)	6,375	-	-	-	-
Recovery of expenses	(20,900)	(20,900)	-	(20,900)	-
Net loss for the period	(507,845)	(23,367)	(25,363)	(138,742)	(38,510)
Basic and diluted loss per common share		(0.001)	(0.001)	(0.003)	(0.001)
Weighted average number of common shares used in per share calculations		44,939,816	55,500,000	44,864,898	55,500,000

The accompanying notes are an integral part of these consolidated financial statements.

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Silverstar Mining Corp.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Expressed in U.S. Dollars)
(Unaudited)

	For the period from the date of inception on 5 December 2003 to 31 March 2009	For the three month period ended 31 March 2009	For the three month period ended 31 March 2008	For the six month period ended 31 March 2009	For the six month period ended 31 March 2008
	$	$	$	$	$
Cash flows used in operating activities					
Net loss for the period	(507,845)	(23,367)	(25,363)	(138,742)	(38,510)
Adjustments to reconcile loss to net cash used by operating activities					
Contributions to capital by related parties (Notes 7, 8 and 10)	113,500	53,500	6,000	53,500	12,000
Write-down of mineral property acquisition costs (Note 5)	6,375	-	-	-	-
Changes in operating assets and liabilities					
Increase in accounts receivable		-	(3,000)	-	(3,000)
Increase in prepaid expenses	(800)	-	(2,100)	-	(2,100)
Increase (decrease) in accounts payable and accrued liabilities	8,580	(51,435)	11,334	(37,042)	10,109
	(380,190)	(21,302)	(13,129)	(122,284)	(21,501)
Cash flows used investing activities					
Acquisition of Silverdale, net of cash received (Note 3)	(140,221)	-	-	-	-
Mineral property acquisition costs (Note 5)	(21,375)	-	-	-	-
Website development costs (Note 4)	(6,600)	-	-	-	-
	(168,196)	-	-	-	-
Cash flows from financing activities					
Share subscriptions received in advance (Note 8)	-	(218,176)	-	(422,176)	-
Share issue costs	(1,255)	-	-	-	-
Common shares issued for cash	550,677	218,176	-	455,676	-
Common shares redeemed	(1)	-	-	-	-

	549,421	-	-	33,500	-
Increase (decrease) in cash and cash equivalents	1,035	(21,302)	(13,129)	(88,784)	(21,501)
Cash and cash equivalents, beginning of period	-	22,337	33,798	89,819	42,170
Cash and cash equivalents, end of period	1,035	1,035	20,669	1,035	20,669

Supplemental Disclosures with Respect to Cash Flows (Note 10)

The accompanying notes are an integral part of these consolidated financial statements.

Silverstar Mining Corp.
(A Development Stage Company)
Consolidated Statements of Changes in Stockholders Equity (Deficiency)
(Expressed in U.S. Dollars)
(Unaudited)

	Number of shares issued	Capital stock $	Share subscription received in advance / additional paid in capital $	Deficit, accumulated during the development stage $	Stockholders equity (deficiency) $
Balance at 5 December 2003 (inception)	-	-	-	-	-
Common share issued for cash ($0.33 per share) (Note 8)	3	-	1	-	1
Net loss for the period	-	-	-	(450)	(450)
Balance at 30 September 2004	3	-	1	(450)	(449)
Net loss for the year	-	-	-	(300)	(300)
Balance at 30 September 2005	3	-	1	(750)	(749)
Common shares issued for cash ($0.0003 per share) (Note 8)	30,000,000	30,000	(20,000)	-	10,000
Common shares redeemed cash ($0.33 per share) (Note 8)	(3)	-	(1)	-	(1)
Contributions to capital by related parties expenses (Notes 7, 8 and 10)	-	-	24,000	-	24,000
Net loss for the year	-	-	-	(40,190)	(40,190)
Balance at 30 September 2006	30,000,000	30,000	4,000	(40,940)	(6,940)
Contributions to capital by related parties expenses (Notes 7, 8 and 10)	-	-	24,000	-	24,000
Common shares issued for cash ($0.0033 per share) (Note 8)	25,500,000	25,500	59,500	-	85,000
Net loss for the year	-	-	-	(64,567)	(64,567)
Balance at 30 September 2007	55,500,000	55,500	87,500	(105,507)	37,493

Contributions to capital by related parties					
expenses (Notes 7, 8 and 10)	-	-	12,000	-	12,000
Share subscriptions received in advance					
(Note 8)	-	-	422,176	-	422,176
Share issue costs	-	-	(1,255)	-	(1,255)
Common shares issued for business					
acquisition ($0.15 per share) (Notes 3, 8					
and 10)	4,334,000	4,334	645,766	-	650,100
Common shares returned to treasury and					
cancelled (Notes 8 and 10)	(15,000,000)	(15,000)	15,000	-	-
Net loss for the year	-	-	-	(263,596)	(263,596)
Balance at 30 September 2008	44,834,000	44,834	1,181,187	(369,103)	856,918
Contributions to capital by related parties					
expenses (Notes 7, 8 and 10)	-	-	53,500	-	53,500
Share subscriptions received in advance					
(Note 8)	-	-	(422,176)	-	(422,176)
Common shares issued for cash ($0.25					
per share) (Note 8)	950,000	950	236,550	-	237,500
Common shares issued for cash ($0.45					
per share) (Note 8)	484,837	485	217,691	-	218,176
Common shares returned to treasury and					
cancelled (Notes 8 and 10)	(3,250,000)	(3,250)	3,250	-	-
Net loss for the period	-	-	-	(138,742)	(138,742)
Balance at 31 March 2009	43,018,837	43,019	1,270,002	(507,845)	805,176

The accompanying notes are an integral part of these consolidated financial statements.

Silverstar Mining Corp.
(A Development Stage Company)
Notes to Consolidated Financial Statements
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1. Nature, Basis of Presentation and Continuance of Operations

Silverstar Mining Corp. (the Company) was incorporated under the laws of the State of Nevada on 5 December 2003. On 4 March 2008, the Company completed a merger with its wholly-owned subsidiary, Silverstar Mining Corp., which was incorporated by the Company solely to effect the name change of the Company to Silverstar Mining Corp. The Company was incorporated for the purpose to promote and carry on any lawful business for which a corporation may be incorporated under the laws of the State of Nevada.

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Silverdale Mining Corp. (Silverdale) from 24 July 2008, the date of acquisition.

The Company is an development stage company, as defined in Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 7 *Accounting and Reporting by Development Stage Enterprises* , and Industry Guide 7 of the Securities Exchange Commission Industry Guide. The Company is devoting all of its present efforts in securing and establishing a new business, and its planned principle operations have not commenced, and, accordingly, no revenue has been derived during the organization period.

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to development stage enterprises, and are expressed in U.S. dollars. The Company s fiscal year end is 30 September.

These consolidated financial statements as at 31 March 2009 and for the three and six month periods then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has a loss for the three month period of $23,367 (2008 loss $25,363) and a loss for the six month period of $138,742 (2008 loss $38,510, cumulative loss $507,845) and has working capital deficit of $6,745 at 31 March 2009 (30 September 2008 - working capital of $44,997).

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company will be able to raise additional capital to continue operating and maintaining its business strategy during the fiscal year ending 30 September 2009. However, if the Company is unable to raise additional capital in the near future, due to the Company s liquidity problems, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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At 31 March 2009, the Company had suffered losses from development stage activities to date. Although management is currently attempting to implement its business plan, and is seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. Accordingly, the Company must rely on its president to perform essential functions without compensation until a business operation can be commenced. These factors raise substantial doubt about the ability of the Company to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

Principles of consolidation

All inter-company transactions and balances have been eliminated in these consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Mineral property costs

The Company has been in the development stage since its formation on 5 December 2003 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties.

Mineral property acquisition costs are initially capitalized as tangible assets when purchased. At the end of each fiscal quarter end, the Company assesses the carrying costs for impairment. If proven and probable reserves are established for a property and it has been determined that a mineral property can be economically developed, costs will be amortized using the units-of- production method over the estimated life of the probable reserve.

Mineral property exploration costs are expensed as incurred.

Estimated future removal and site restoration costs, when determinable are provided over the life of proven reserves on a units-of-production basis. Costs, which include production equipment removal and environmental remediation, are estimated each period by management based on current regulations, actual expenses incurred, and technology and industry standards. Any charge is included in exploration expense or the provision for depletion and depreciation during the period and the actual restoration expenditures are charged to the accumulated provision amounts as incurred.

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As of the date of these consolidated financial statements, the Company has not established any proven or probable reserves on its mineral properties and incurred only acquisition and exploration costs (Note 5).

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Reclamation costs

The Company s policy for recording reclamation costs is to record a liability for the estimated costs to reclaim mined land by recording charges to production costs for each tonne of ore mined over the life of the mine. The amount charged is based on management s estimation of reclamation costs to be incurred. The accrued liability is reduced as reclamation expenditures are made. Certain reclamation work is performed concurrently with mining and these expenditures are charged to operations at that time.

Long-lived assets

In accordance with SFAS No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets* , the carrying value of long-lived assets is reviewed on a regular basis for the existence of facts or circumstance that may suggest impairment. The Company recognized an impairment when the sum if the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

Financial instruments

The carrying value of cash and cash equivalents and accounts payable and accrued liabilities approximates their fair value because of the short maturity of these instruments. The Company s operations are in Nevada and virtually all of its assets and liabilities are giving rise to significant exposure to market risks from changes in foreign currency rates. The Company s financial risk is the risk that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Derivative financial instruments

The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

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Website development costs

The costs of website development during the planning stage, as defined under Emerging Issued Task Force (EITF) No. 00-2 *Accounting for Web Site Development Costs* , will be expensed as incurred. Website development incurred during the development stage, including external direct costs of creating graphics and website content, will be capitalized and amortized over the estimated useful life, beginning when the website is operational.

Income taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the consolidated financial statements and those reported for income tax purposes in accordance with SFAS No. 109, *Accounting for Income Taxes* , which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax loss and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

Basic and diluted net loss per share

The Company computes net loss per share in accordance with SFAS No. 128, *Earnings per Share* . SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the consolidated income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all potentially dilutive common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all potentially dilutive shares if their effect is anti-dilutive.

Comprehensive loss

SFAS No. 130, *Reporting Comprehensive Income* , establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at 31 March 2009, the Company has no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the consolidated financial statements.

Segments of an enterprise and related information.

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SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*, supersedes SFAS No. 14, *Financial Reporting for Segments of a Business* Enterpris e. SFAS No. 131 establishes standards for the way that public companies report information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial statements issued to the public. It also establishes standards for disclosures regarding products and services, geographic areas and major customers. SFAS No. 131 defines operating segments as components of a company about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company has evaluated this SFAS and does not believe it is applicable at this time.

Start-up expenses

The Company has adopted Statement of Position No. 98-5, *Reporting the Costs of Start-up Activities*, which requires that costs associated with start-up activities be expensed as incurred. Accordingly, start-up costs associated with the Company s formation have been included in the Company s general and administrative expenses for the period from the date of inception on 5 December 2003 to 31 March 2009.

Foreign currency translation

The Company s functional and reporting currency is in U.S. dollars. The consolidated financial statements of the Company are translated to U.S. dollars in accordance with SFAS No. 52, *Foreign Currency Translation*. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Recent accounting pronouncements

In May 2008, FASB issued SFAS No. 163, *Accounting for Financial Guarantee Insurance Contracts an interpretation of FASB Statement No. 60*. SFAS No. 163 provides enhanced guidance on the recognition and measurement to be used to account for premium revenue and claim liabilities and related disclosures and is limited to financial guarantee insurance (and reinsurance) contracts, issued by enterprises included within the scope of FASB Statement No. 60, *Accounting and Reporting by Insurance Enterprises*. SFAS No. 163 also requires that an insurance enterprise

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recognize a claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. SFAS No. 163 is effective for financial statements issued for fiscal years and interim periods beginning after 15 December 2008, with early application not permitted. The adoption of SFAS No. 163 did not have an impact on the consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with GAAP for nongovernmental entities. Prior to the issuance of SFAS No. 162, GAAP hierarchy was defined in the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards (SAS) No. 69, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. SAS No. 69 has been criticized because it is directed to the auditor rather than the entity. SFAS No. 162 addresses these issues by establishing that the GAAP hierarchy should be directed to entities because it is the entity, not its auditor, that is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP. SFAS No. 162 is effective 60 days following the SEC s approval of the Public Company Accounting Oversight Board Auditing amendments to AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.* The Company does not expect SFAS No. 162 to have a material effect on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133*. SFAS No. 161 is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity s derivative instruments and hedging activities and their effects on the entity s financial position, financial performance, and cash flows. SFAS No. 161 applies to all derivate instruments within the scope of SFAS No. 133 *Accounting for Derivative Instruments and Hedging Activities*. It also applies to non-derivative hedging instruments and all hedged items designated and qualifying as hedges under SFAS No. 133. SFAS No. 161 is effective prospectively for financial statements issued for fiscal years beginning after 15 November 2008, with early application encouraged. The adoption of SFAS No. 161 did not have an impact on the Company s consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations*. SFAS No. 141(R) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS No. 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS No. 141(R) is effective for fiscal years beginning after 15 December 2008. The adoption of SFAS No. 141(R) did not have an impact on the Company s consolidated financial statements.

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In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements an amendment of Accounting Research Bulletin No. 51*. SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable and to the noncontrolling interest, changes in a parent s ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after 15 December 2008. The adoption of SFAS No. 160 did not have an impact on the Company s consolidated financial statements.

3. Acquisition

In accordance with SFAS No. 141, *Business Combinations* , acquisitions are accounted for under the purchase method of accounting. Under the purchase method of accounting, assets acquired and liabilities assumed are recorded at their estimated fair values. Goodwill is recorded to the extent the purchase price consideration, including certain acquisition and closing costs, exceeds the fair value of the net identifiable assets acquired at the date of the acquisition.

On 24 July 2008, the Company acquired Silverdale. The aggregate consideration paid by the Company was $791,860 of which $141,760 was paid in cash, and the Company issued 4,334,000 common shares of the Company valued at $650,100 to acquire 100% of the issued and outstanding common shares of Silverdale (Notes 8 and 10). Silverdale was acquired pursuant to a Stock Exchange Agreement with Silverdale and the former shareholders of Silverdale dated 13 June 2008. The acquisition of Silverdale expanded the Company s business of acquiring and exploring mineral properties.

A valuation of certain assets was completed and the Company internally determined the fair value of other assets and liabilities. In determining the fair value of acquired assets, standard valuation techniques were used including the market and income approach.

The purchase price allocation has been determined as follows:

	$
Assets purchased:	
Cash and cash equivalents	1,539
Mineral property interests	790,321
Total assets acquired	791,860
Purchase price	791,860

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Pro forma information

The following unaudited consolidated pro forma financial information presents the combined results of operations of the Company and Silverdale for the six month periods ended 31 March 2009 and 2008 as if the acquisitions had occurred at 1 October 2007, including the issuance of the Company s common stock as consideration for the acquisition of Silverdale.

	Consolidated Pro Forma	
	31 March 2009 $	**31 March 2008 $**
Revenues	Nil	Nil
Net loss	138,742	280,165
Basic and diluted loss per common share	(0.003)	(0.005)

The unaudited consolidated pro forma financial information does not include adjustments to remove certain private company expenses, which may not be incurred in future periods. Similarly, the unaudited consolidated pro forma financial information does not include adjustments for additional expenses, such as rent, insurance, and other expenses that would have been incurred subsequent to the acquisition date. The unaudited consolidated pro forma financial information does not necessarily reflect the results of operations that would have occurred had the Company and Silverdale been a single entity during these periods.

4. Website Development Costs

			Net Book Value	
	Cost $	**Accumulated amortization $**	**31 March 2009 $**	**30 September 2008 $**
Website and development costs	6,600	-	6,600	6,600

During the six month period ended 31 March 2009, the Company incurred website development costs of $Nil (31 March 2008 - $Nil). The Company has temporarily postponed further development of its website.

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5. Mineral Property Costs

Rose Prospect Lode Mining Claim

During the year ended 30 September 2006, the Company acquired an interest in a mineral claim located in Clark County, Nevada (the Rose Prospect Lode Mining Claim) for $6,375. In May 2006, the Company commissioned a geological evaluation report of the Rose Prospect Lode Mining Claim and in June 2006, the Company commissioned a Phase I work program as recommended by the evaluation report. During the Phase I work program, the Company staked a second claim adjacent to the west of the Rose Lode Claim to cover other indicated mineralized zones observed in that area (the Rose Prospect II Lode Mining Claim). The acquisition cost of $6,375 was initially capitalized as a tangible asset. During the year ended 30 September 2006, the Company recorded a write-down of mineral property acquisition costs of $6,375 related to the Rose Prospect Lode Mining Claim.

The Company had no expenditures related to the Rose Prospect Lode Mining Claim property for the three and six month periods ended 31 March 2009 and 31 March 2008.

Pinehurst Properties

During the year ended 30 September 2007, the Company entered into a mineral property option agreement, through its wholly-owned subsidiary, to acquire an undivided 100% right, title and interest in eight unpatented mining claims described as the Corby , Cory FR , Walker , Linda , Eddie , Smokey , Dorian and V (the Pinehurst Properties) located near Pinehurst, Shoshone County, Idaho. The mineral property option agreement calls for cash payments of $1,000,000 ($50,000 paid), the issuance of 1,000,000 restricted common shares of the Company and the completion of exploration expenditures of $1,000,000 on the claims detailed as follows:

		Payments $	Shares	Exploration Expenditures $
Upon execution of agreement	(paid)	50,000	100,000	100,000
On or before 14 September 2009		100,000	150,000	200,000
On or before 14 September 2010		350,000	250,000	300,000
On or before 14 September 2011		500,000	500,000	400,000
		1,000,000	1,000,000	1,000,000

The Company had no expenditures related to the Pinehurst Properties for the three month and six month periods ended 31 March 2009 and 31 March 2008.

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Silver Strand Properties

On 1 March 2008, the Company entered into a mineral property option agreement with New Jersey Mining Company ("NJMC") to purchase a 50% Joint Venture Interest in mining operations on certain mining properties collectively known as the Silver Strand Properties, located in Kootenai County, Idaho. The terms of the option agreement calls for the Company to make payments as follows:

i. $120,000 upon the signing of the agreement (paid);
ii. $150,000 on or before 30 April 2008 (paid); and
iii. $230,000 on or before 30 May 2008.

The terms of the option agreements call for the Company to contribute 50% of the reclamation bond held as a treasury bill, the receipt of which is due on or before 30 May 2008, for the benefit of the Joint Venture. NJMC will be the operator of the mine.

The Company had no expenditures related to the Silver Strand Properties for the three and six month periods ended 31 March 2009 and 31 March 2008.

Cobalt Canyon Gold Project

On 8 September 2008, the Company entered into a letter of intent with Gold Canyon Properties, LLP to examine and possibly acquire 100% of the Cobalt Canyon Gold Project located in Lincoln County, Nevada. The Cobalt Canyon properties are located in the Chief Mining District of southeastern Nevada. The project includes numerous small underground mines within the Chief District situated just north of Caliente, Nevada. The project includes 22 unpatented federal lode claims (approximately 363 acres) and an option to acquire 59 acres in three patented mining claims. In October 2008, the Company staked sixteen claims, the Cobalt Lode Claims in Lincoln County, Nevada. The Company and Gold Canyon Properties, LLP are determining the terms related to this letter of intent.

In January 2009, the Company decided not to proceed with the Gold Canyon Gold Project. The Company incurred total expenditures of $5,859 related to the Cobalt Canyon Gold Project before abandoning it.

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

Included in accounts payable and accrued liabilities is amount due to related parties of $Nil (30 September 2008 - $24,500) (Note 7).

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7. Related Party Transactions

Included in accounts payable and accrued liabilities is amount due to related parties of $Nil (30 September 2008 - $24,500) (Note 6).

On 1 April 2008, the Company has agreed to pay an officer and director of the Company of $6,500 per month for management and consulting services commencing 1 March 2008 expiring in 30 days upon cancellation notice by either party. On 1 February 2009, the officer and director elected to contribute his salary to the Company until further notice. The Company paid $26,000 to the officer and director for these services during the six month period ended 31 March 2009 (31 March 2008 - $6,500, cumulative - $71,500) (Note 11).

On 1 April 2008, the Company agreed to pay an officer of the Company of $3,500 per month for management and consulting services commencing 1 March 2008 expiring in 30 days upon cancellation notice by either party. The Company accrued $17,500 to the officer and director for these services during the six month period ended 31 March 2009 (31 March 2008 - $3,500, cumulative - $42,000). During the six month period ended 31 March 2009, the officer resigned, received a $3,000 payment in settlement of the balance payable of $42,000, and made a contribution to capital by forgiving the remaining balance payable in the amount of $39,000. This forgiveness of related party debt has been recorded as an increase in contributed surplus (Notes 8 and 11).

During the six month period ended 31 March 2009, the Company paid or accrued $9,000 to a company related to the Company by way of a director in common for management and consulting services (31 March 2008 - $Nil).

During the six month period ended 31 March 2009, the Company paid or accrued $15,000 to a Company controlled by a former officer and director of the Company for accounting services (31 March 2008 - $Nil).

During the six month period ended 31 March 2009, the Company paid or accrued $4,500 to an individual related to a director of the Company for management and consulting services (31 March 2008 - $Nil).

During the six month period ended 31 March 2009, an officer and director of the Company made contributions to capital for management fees in the amount of $13,000 (31 March 2008 - $9,000, cumulative - $58,000) and rent in the amount of $1,500 (31 March 2008 - $3,000, cumulative - $16,500) (Notes 8 and 10).

8. Capital Stock

Authorized capital stock consists of 225,000,000 common shares with a par value of $0.001 per common share. The total issued and outstanding capital stock is 43,018,837 common shares with a par value of $0.001 per common share.

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On 3 December 2003, 3 common shares of the Company were issued for cash proceeds of $1.

On 1 January 2006, 30,000,000 common shares were issued to an officer and director of the Company for cash proceeds of $10,000.

On 1 January 2006, 3 common shares of the Company were redeemed for proceeds of $1. These common shares were cancelled on the same date.

On 3 May 2007, the Company completed a public offering of securities pursuant to an exemption provided by Rule 504 of Regulation D, registered in the State of Nevada, and issued 25,500,000 common shares for total cash proceeds of $85,000.

On 4 March 2008, the Company effected a three (3) for one (1) forward stock split of all outstanding common shares and a corresponding forward increase in the Company s authorized common stock. The effect of the forward split was to increase the number of the Company s common shares issued and outstanding from 18,500,000 to 55,500,000 and to increase the Company s authorized common shares from 75,000,000 shares par value $0.001 to 225,000,000 shares par value $0.001. The consolidated financial statements have been retroactively adjusted to reflect this stock split.

On 24 July 2008, the Company issued 4,334,000 common shares of the Company valued at $650,100 to acquire 100% of the issued and outstanding common shares of Silverdale (Notes 3 and 10).

On 30 September 2008, a former director and officer of the Company returned to treasury 15,000,000 common shares of the Company for proceeds of $Nil. These shares were cancelled during the year ended 30 September 2008 (Note 10).

On 14 October 2008, the Company issued 950,000 common shares of the Company at a price of $0.25 per common share for total proceeds of $237,500.

On 27 October 2008, the president and a director of the Company returned to treasury 1,200,000 common shares of the Company for proceeds of $Nil. These shares were cancelled during the three month period ended 31 March 2009 (Note 10).

On 19 January 2009, the Company issued 484,837 common shares of the Company at a price of $0.45 per common share for total proceeds of $218,176.

On 25 March 2009, five directors of the Company s directors resigned and returned to treasury 400,000 of their 500,000 common shares of the Company for proceeds of $Nil. These shares were cancelled during the three month period ended 31 March 2009 (Note 10).

On 31 March 2009, the Chief Financial Officer and the Chairman of the Board of the Company s directors resigned and returned to treasury 1,650,000 of their 1,800,000 common shares of the

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Company for proceeds of $Nil. These shares were cancelled during the three month period ended 31 March 2009 (Note 10).

During the six month period ended 31 March 2009, an officer and director of the Company made contributions to capital for management fees in the amount of $13,000 (31 March 2008 - $9,000, cumulative - $58,000) and rent in the amount of $1,500 (31 March 2008 - $3,000, cumulative - $16,500) (Notes 7 and 10).

During the six month period ended 31 March 2009, an officer of the Company resigned and made contribution to capital by forgiving certain payable in the amount of $39,000 for consulting services (Notes 7 and 11).

9. Income Taxes

The Company has losses carried forward for income tax purposes to 31 March 2009. There are no current or deferred tax expenses for the period ended 31 March 2009 due to the Company s loss position. The Company has fully reserved for any benefits of these losses. The deferred tax consequences of temporary differences in reporting items for financial statement and income tax purposes are recognized, as appropriate. Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company s ability to generate taxable income within the net operating loss carryforward period. Management has considered these factors in reaching its conclusion as to the valuation allowance for financial reporting purposes.

The provision for refundable federal income tax consists of the following:

	For the six month period ended 31 March 2009 $	**For the six month period ended 31 March 2008 $**
Deferred tax asset attributable to:		
Current operations	47,172	13,094
Contributions to capital by related parties	(4,930)	(4,080)
Forgiveness of related party payable	(13,260)	-
Less: Change in valuation allowance	(28,982)	(9,014)
Net refundable amount	-	-

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The composition of the Company s deferred tax assets as at 31 March 2009 and 30 September 2008 are as follows:

	As at 31 March 2009 $	**As at 30 September 2008 (Audited) $**
Income tax operating loss carryforward	507,845	369,103
Statutory federal income tax rate	34%	34%
Contributed rent and services	-7.60%	-5.53%
Effective income tax rate	0%	0%
Deferred tax assets	134,077	105,095
Less: Valuation allowance	(134,077)	(105,095)
Net deferred tax asset	-	-

The potential income tax benefit of these losses has been offset by a full valuation allowance.

As at 31 March 2009, the Company has an unused net operating loss carry-forward balance of approximately $394,345 that is available to offset future taxable income. This unused net operating loss carry-forward balance expires between 2024 and 2029.

10. Supplemental Disclosures with Respect to Cash Flows

	For the period from the date of inception on 5 December 2003 to 31 March 2009 $	**For the six month period ended 31 March 2009 $**	**For the six month period ended 31 March 2008 $**
Cash paid during the year for interest	-	-	-
Cash paid during the year for income taxes	-	-	-

During the year ended 30 September 2008, the Company issued 4,334,000 common shares of the Company valued at $650,100 to acquire 100% of the issued and outstanding common shares of Silverdale (Notes 3 and 8).

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During the year ended 30 September 2008, a former officer and director of the Company returned to treasury 15,000,000 common shares of the Company for proceeds of $Nil. These shares were cancelled during the year ended 30 September 2008 (Note 8).

On 27 October 2008, the president and a director of the Company returned to treasury 1,200,000 common shares of the Company for proceeds of $Nil. These shares were cancelled during the three month period ended 31 March 2009 (Note 8).

On 25 March 2009, five directors of the Company s directors resigned and returned to treasury 400,000 of their 500,000 common shares of the Company for proceeds of $Nil. These shares were cancelled during the three month period ended 31 March 2009 (Note 8).

On 31 March 2009, the Chief Financial Officer and the Chairman of the Board of the Company s directors resigned and returned to treasury 1,650,000 of their 1,800,000 common shares of the Company for proceeds of $Nil. These shares were cancelled during the three month period ended 31 March 2009 (Note 8).

During the six month period ended 31 March 2009, an officer and director of the Company made contributions to capital for management fees in the amount of $13,000 (31 March 2008 - $9,000, cumulative - $58,000) and rent in the amount of $1,500 (31 March 2008 - $3,000, cumulative - $16,500) (Notes 7 and 8).

11. Commitments

On 1 April 2008, the Company has agreed to pay an officer and director of the Company of $6,500 per month for management and consulting services commencing 1 March 2008 expiring in 30 days upon cancellation notice by either party. On 1 February 2009, the officer and director elected to contribute his salary to the Company until further notice (Note 7).

On 1 April 2008, the Company has agreed to pay an officer of the Company of $3,500 per month for management and consulting services commencing 1 March 2008 expiring in 30 days upon cancellation notice by either party. During the three month period ended 31 March 2009 the officer resigned and received a $3,000 payment in settlement for services provided in the quarter ended 31 March 2009 and in settlement of all amounts owed (Notes 7 and 8).

The Company has outstanding and future commitments under mineral property option agreements to pay cash and issue common shares of the Company (Note 5).

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12. Subsequent Event

In April 2009, the Company issued two $5,000 convertible debentures to two unrelated parties. The convertible debentures bear interest at a rate of 10% per annum on any unpaid principle balances, are unsecured, and have no fixed terms of repayment. The holders of the convertible debentures have the right to convert any portion of the unpaid principle and/or accrued interest into restricted common shares of the Company at any time within thirty-six months from the issue date on the basis of $0.0025 per common share for each dollar of principle and/or interest due and payable. The Company may repay principal amounts due at any time without premium or penalty.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors", that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our unaudited consolidated financial statements are stated in United States Dollars (US$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our consolidated financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report, particularly in the section entitled "Risk Factors".

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report and unless otherwise indicated, the terms "we", "us", "our", Company , and Silverstar mean Silverstar Mining Corp., a Nevada corporation, unless otherwise indicated and the term Silverdale means Silverdale Mining Corp., our wholly owned subsidiary.

Corporate History

We were incorporated under the laws of the State of Nevada on December 5, 2003 under the name Computer Maid, Inc. . On February 13, 2006, we changed our name from Computer Maid, Inc. to Rose Explorations Inc. .

In February 2006, we acquired the Rose Prospect Lode Mining Claim in Clark County Nevada and in June 2006, we staked the Rose Prospect II Lode Mining Claim adjacent to the west of the Rose Lode Claim to cover other indicated mineralized zones observed in that area. From February 2006, we have been an exploration stage company engaged in the exploration of mineral properties.

Effective March 4, 2008, we completed a merger with our subsidiary, Silverstar Mining Corp., a Nevada corporation. As a result, we have changed our name from Rose Explorations Inc. to Silverstar Mining Corp. We changed the name of our company to better reflect the direction and business of our company.

In addition, effective March 4, 2008 we effected a three (3) for one (1) forward stock split of our authorized, issued and outstanding common stock. As a result, our authorized capital has increased from 75,000,000 shares of common stock with a par value of $0.001 to 225,000,000 shares of common stock with a par value of $0.001.

On March 31, 2008, we entered into a joint venture agreement with New Jersey Mining Co. to acquire a 50% interest in the Silver Strand silver mine located in the Coeur d Alene Mining District. We were unable to close the joint venture agreement as expected before September 30, 2008. We have not been notified by NJMC that we are in default.

Under the terms of the joint venture agreement, we have agreed to share equally in the production and further development and exploration of the property.

On June 13, 2008, we entered into a share exchange agreement with Silverdale Mining Corp., a Nevada corporation, and the shareholders of Silverdale Mining Corp. The closing of the transactions contemplated in the share exchange agreement and the acquisition of all of the issued and outstanding common stock in the capital of Silverdale Mining Corp. occurred on July 24, 2008. In accordance with the closing of the share exchange agreement, we issued 4,334,000 shares of our common stock to the former shareholders of Silverdale Mining Corp. in exchange for the acquisition, by our company, of all of the 4,334,000 issued and outstanding shares of Silverdale Mining Corp.

On September 2, 2008, we entered into a letter of intent with Gold Canyon Partners, LLP pursuant to which we have agreed to purchase a 100% interest in a mining property commonly known as the Cobalt Canyon Gold Project, in the Chief District, located in Lincoln County, Nevada. The acquisition contemplated by the letter of intent is subject to the fulfillment of certain conditions precedent, due diligence and the negotiation of a definitive agreement.

Due to the implementation of British Columbia Instrument 51-509 on September 30, 2008 by the British Columbia Securities Commission, we have been deemed to be a British Columbia based reporting issuer. As such, we are required to file certain information and documents at www.sedar.com

On September 30, 2008, we entered into a share cancellation/return to treasury agreement with Greg Cowan, a former director and officer of our company. Pursuant to the agreement, Mr. Cowan has agreed to the return and cancellation of 15,000,000 shares of our common stock that were held by him. We did not provide Mr. Cowan with any compensation for such cancellation.

On January 15, 2009, we closed a private placement consisting of 484,837 shares of our common stock at a price of US $0.45 per share for aggregate gross proceeds of $218,176.65. We issued 454,837 shares to 10 non-US persons pursuant to an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act of 1933, as amended. We issued 30,000 shares to 1 US persons pursuant to the exemption from registration provided for under Rule 506 of Regulation D, promulgated under the United States Securities Act of 1933, as amended.

Plan of Operation

We are an exploration stage mining company engaged in the exploration of minerals on properties located in Idaho and Nevada.

Our current operational focus is to conduct exploration activities on our Rose Load Claim, complete the mineral property option agreement and joint venture agreement held by our subsidiary, Silverdale Mining Corp and to enter into a definitive agreement with Gold Canyon Partners, LLP to acquire the Cobalt Canyon Gold Project.

Rose Prospect Lode Mining Claim

In February 2006, we acquired the Rose Prospect Lode Mining Claim in Clark County Nevada and in June 2006, we staked the Rose Prospect II Lode Mining Claim adjacent to the west of the Rose Lode Claim to cover other indicated mineralized zones observed in that area.

The Rose Lode Claim is located in the Goodsprings (Yellow Pine) Mining District situated within the southwestern comer of the State of Nevada, U.S.A. The Rose Lode Claim covers some former exploratory workings on a mineral showing.

The Yellow Pine Mining District is located in the area of the Spring Mountains of southern Nevada. Although less famous than many of the other mining districts of the Great Basin it nevertheless ranks second only to Tonopah in total Nevada lead and zinc production. During World War I this district was one of the most productive in the West, but by the end of World War II only a few mines remained in operation. The region is known for its historic production of lead, zinc, silver and gold.

The Rose Lode Claim is underlain by the Mississippian Monte Cristo Limestone Formation with the mineralization possibly comprised of copper minerals hosted by a breccia zone which may be up to 200 feet wide within the Anchor Limestone Member.

Mineral Property Option Agreement between our Company and Chuck Stein

On September 14, 2007, our wholly owned subsidiary, Silverdale Mining Corp. entered into a mineral property option agreement with Chuck Stein to acquire an undivided 100% right, tile and interest in eight unpatented mining claims described as the Corby , Cory FR , Walker , Linda , Eddie , Smokey , Dorian and Valerine claims which
Pinehurst, Shoshone County, Idaho.

In order to exercise this option we have agreed, over a period of four years, to make a total cash payment of $1,000,000, issue a total of 1,000,000 restricted shares of our common stock and conduct exploration expenditures of $1,000,000 on the claims.

To date, we have paid $50,000 but have not completed all the commitments per the agreement. However, we have not received notification from Chuck Stein of default and continue to explore opportunities to proceed with this project.

Mineral Property Joint Venture Agreement between our Company and New Jersey Mining Company

On March 1, 2008, entered into a mineral property option agreement with New Jersey Mining Company ("NJMC") to purchase a 50% Joint Venture Interest in mining operations on certain mining property commonly known as the Silver Strand mine, located in Kootenai County, Idaho.

In order to exercise this Joint Venture Agreement we have agreed to pay NJMC $500,000 and agreed to reimburse NJMC $60,000 being 50% of the current reclamation bond held by the U.S. Forest Service. We have also agreed to issue 50,000 shares of our common stock to NJMC. The NJMC will be the operator of the mine and will also mill the ore at its mineral processing plant in Kellogg, Idaho and market saleable products on behalf of the Joint Venture. Operating costs and revenues will be shared by the Joint Venture partners on an equal (50:50) basis with no add-ons for corporate general and administrative costs. To date, we have paid $270,000.

Cobalt Canyon Gold Project

On September 8, 2008, we entered into a letter of intent with Gold Canyon Properties, LLP to examine and possibly acquire 100% of the Cobalt Canyon Gold Project located in Lincoln County, Nevada. The Cobalt Canyon properties are located in the Chief Mining District of southeastern Nevada. The project includes numerous small underground mines within the Chief District situated just north of Caliente, Nevada. The project includes 22 unpatented federal lode claims (approx. 363 acres) and an option to acquire 59 acres in three patented mining claims. Our company and Gold Canyon Properties, LLP are determining the terms related to this letter of intent. To date we have paid $15,000 and were required to make an additional payment of $45,000 to complete the agreement with Gold Canyon Properties, LLP . We chose not to complete the agreement and have forfeited the $15,000 initial payment.

Purchase of Significant Equipment

We do not intend to purchase any significant equipment over the twelve month period ending March 31, 2010.

Off-Balance Sheet Arrangements

As of March 31, 2009, our company had no off-balance sheet arrangements, including any outstanding derivative financial statements, off-balance sheet guarantees, interest rate swap transactions or foreign currency contracts. Our company does not engage in trading activities involving non-exchange traded contracts.

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Employees

We do not expect any significant changes in the number of employees during the next twelve month period. We presently conduct our business through agreements with consultants and arms-length third parties.

Results of Operations for the Three Months Ended March 31, 2009 and 2008

The following summary of our results of operations should be read in conjunction with our consolidated financial statements for the three month periods ended March 31, 2009 and 2008.

We have not generated any revenue since inception and are dependent upon obtaining financing to pursue our business activities. For these reasons, our auditors believe that there is substantial doubt that we will be able to continue as a going concern.

Our operating results for the three month periods ended March 31, 2009 and 2008 and the changes between those periods for the respective items are summarized as follows:

		Three Month Period Ended March 31, 2009		Three Month Period Ended March 31, 2008		Change Between Three Month Periods Ended March 31, 2009 and March 31, 2008
Revenue	$	Nil	$	Nil	$	Nil
Bank Charges and Interest	$	138	$	34	$	104
Consulting	$	3,500	$	Nil	$	3,500
Exploration and development	$	Nil	$	Nil	$	Nil
Filing Fees	$	2,302	$	525	$	1,777
Investor Relations	$	10,000	$	Nil	$	10,000
Legal and Accounting	$	11,778	$	14,582	$	(2,804)
Licences and permits	$	Nil	$	2,316	$	(2,316)
Management fees	$	13,000	$	4,500	$	8,500
Office and miscellaneous	$	362	$	Nil	$	362
Rent	$	1,500	$	1,500	$	Nil
Transfer Agent	$	1,687	$	1,906	$	(219)
Recovery of expenses	$	(20,900)	$	Nil	$	(20,900)
Net loss	$	(23,367)	$	(25,363)	$	1,996

Results of Operations for the Six Months Ended March 31, 2009 and 2008

The following summary of our results of operations should be read in conjunction with our consolidated financial statements for the six month periods ended March 31, 2009 and 2008.

We have not generated any revenue since inception and are dependent upon obtaining financing to pursue our business activities. For these reasons, our auditors believe that there is substantial doubt that we will be able to continue as a going concern.

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Our operating results for the six month periods ended March 31, 2009 and 2008 and the changes between those periods for the respective items are summarized as follows:

		Six Month Period Ended March 31, 2009		Six Month Period Ended March 31, 2008		Change Between Six Month Periods Ended March 31, 2009 and March 31, 2008
Revenue	$	Nil	$	Nil	$	Nil
Bank Charges and Interest	$	517	$	34	$	483
Consulting	$	57,000	$	Nil	$	57,000
Exploration and development	$	2,459	$	Nil	$	2,459
Filing Fees	$	4,861	$	1,525	$	3,336
Investor Relations	$	38,100	$	Nil	$	38,100
Legal and Accounting	$	32,163	$	19,979	$	12,184
Licences and permits	$	Nil	$	2,316	$	(2,316)
Management fees	$	13,000	$	9,000	$	4,000
Office and miscellaneous	$	405	$	Nil	$	405
Rent	$	3,900	$	3,000	$	900
Transfer Agent	$	3,095	$	2,656	$	439
Travel and Entertainment	$	4,142	$	Nil	$	4,142
Recovery of expenses	$	(20,900)	$	Nil	$	(20,900)
Net loss	$	(138,742)	$	(38,510)	$	(100,232)

Liquidity and Financial Condition

Working Capital

	Six Month Period Ended March 31, 2009	Year Ended September 30, 2008	Change between March 31, 2009 and September 30, 2008
Current Assets	$1,835	$90,619	($88,784)
Current Liabilities	$8,580	$45,622	($37,042)

Working Capital/(Deficit)	($6,745)	$44,997	($51,742)

Cash Flows

		Six Month Period Ended March 31, 2009		Six Month Period Ended March 31, 2008		Change between Six Month Periods Ended March 31, 2009 and March 31, 2008
Cash Flows used in Operating Activities	$	(122,284)	$	(21,501)	$	(100,783)
Cash Flows used in Investing Activities	$	Nil	$	Nil	$	Nil
Cash Flows provided by Financing Activities	$	33,500	$	Nil	$	33,500
Net Decrease in Cash During Period	$	(88,784)	$	(21,501)	$	(67,283)

As of March 31, 2009, our total assets were $813,756 and our total liabilities were $8,580 and we had a working capital deficit of $6,745. Our financial statements report a net loss of $138,742 for the six months ended March 31, 2009, and a net loss of $507,845 for the period from December 5, 2003 (inception) to March 31, 2009.

On January 15, 2009, we closed a private placement consisting of 484,837 shares of our common stock at a price of US $0.45 per share for aggregate gross proceeds of $218,176.65. We issued 454,837 shares to 10 non-US persons pursuant to an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act of 1933, as amended. We issued 30,000 shares to 1 US persons pursuant to the exemption from registration provided for under Rule 506 of Regulation D, promulgated under the United States Securities Act of 1933, as amended.

Going Concern

Due to the uncertainty of our ability to meet our current operating and capital expenses, in their report on the annual consolidated financial statements for the year ended September 30, 2008, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern.

We anticipate that additional funding will be required in the form of equity financing from the sale of our common stock. At this time, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock or through a loan from our directors to meet our obligations over the next twelve months. We do not have any arrangements in place for any future debt or equity financing.

Application of Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with the accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management s application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our consolidated financial statements is critical to an understanding of our consolidated financial statements.

We regularly evaluate the accounting policies and estimates that we use to prepare our consolidated financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Significant accounting policies used in the preparation of our consolidated financial statements are set forth in Note 2 to our consolidated financial statements.

Mineral property costs

Our company is primarily engaged in the acquisition, exploration and development of mineral properties.

Mineral property acquisition costs are initially capitalized as tangible assets when purchased. At the end of each fiscal quarter end, our company assesses the carrying costs for impairment. If proven and probable reserves are established for a property and it has been determined that a mineral property can be economically developed, costs will be amortized using the units-of-production method over the estimated life of the probable reserve.

Mineral property exploration costs are expensed as incurred.

Estimated future removal and site restoration costs, when determinable are provided over the life of proven reserves on a units-of-production basis. Costs, which include production equipment removal and environmental remediation, are estimated each period by management based on current regulations, actual expenses incurred, and technology and industry standards. Any charge is included in exploration expense or the provision for depletion and depreciation during the period and the actual restoration expenditures are charged to the accumulated provision amounts as incurred.

As of the date of these consolidated financial statements our company has not established any proven or probable reserves on its mineral properties and incurred only acquisition and exploration costs.

Although our company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee our company s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Reclamation costs

Our company s policy for recording reclamation costs is to record a liability for the estimated costs to reclaim mined land by recording charges to production costs for each tonne of ore mined over the life of the mine. The amount charged is based on management s estimation of reclamation costs to be incurred. The accrued liability is reduced as reclamation expenditures are made. Certain reclamation work is performed concurrently with mining and these expenditures are charged to operations at that time.

Long-lived assets

In accordance with SFAS No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets*, the carrying value of long-lived assets is reviewed on a regular basis for the existence of facts or circumstance that may suggest impairment. Our company recognized an impairment when the sum if the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

Financial instruments

The carrying value of cash and accounts payable and accrued liabilities approximates their fair value because of the short maturity of these instruments. Our company s operations are in Nevada and virtually all of its assets and liabilities are giving rise to significant exposure to market risks from changes in foreign currency rates. Our company s financial risk is the risk that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, our company does not use derivative instruments to reduce its exposure to foreign currency risk.

Income taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the financial statements and those reported for income tax purposes in accordance with SFAS No. 109, *Accounting for Income Taxes*, which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax loss and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

Basic and diluted net loss per share

Our company computes net loss per share in accordance with SFAS No. 128, *Earnings per Share*. SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all potentially dilutive common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all potentially dilutive shares if their effect is anti-dilutive.

Comprehensive loss

SFAS No. 130, *Reporting Comprehensive Income*, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at March 31, 2009, our company has no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

Start-up expenses

Our company has adopted Statement of Position No. 98-5, *Reporting the Costs of Start-up Activities*, which requires that costs associated with start-up activities be expensed as incurred. Accordingly, start-up costs associated with our company s formation have been included in our company s general and administrative expenses for the period from the date of inception on 5 December 2003 to 31 March 2009.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Recent accounting pronouncements

In May 2008, FASB issued SFAS No. 163, *Accounting for Financial Guarantee Insurance Contracts an interpretation of FASB Statement No. 60*. SFAS No. 163 provides enhanced guidance on the recognition and measurement to be used to account for premium revenue and claim liabilities and related disclosures and is limited to financial guarantee insurance (and reinsurance) contracts, issued by enterprises included within the scope of FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises. SFAS No. 163 also requires that an insurance enterprise recognize a claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. SFAS No. 163 is effective for financial statements issued for fiscal years and interim periods beginning after 15 December 2008, with early application not permitted. The adoption of SFAS. No. 163 did not have an impact on the consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with GAAP for nongovernmental entities. Prior to the issuance of SFAS No. 162, GAAP hierarchy was defined in the American Institute of Certified Public Accountants (AICPA) Statement on Auditing Standards (SAS) No. 69, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. SAS No. 69 has been criticized because it is directed to the auditor rather than the entity. SFAS No. 162 addresses these issues by establishing that the GAAP hierarchy should be directed to entities because it is the entity, not its auditor, that is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP. SFAS No. 162 is effective 60 days following the SEC s approval of the Public Company Accounting Oversight Board Auditing amendments to AU Section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles. Our company does not expect SFAS No. 162 to have a material effect on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133*. SFAS No. 161 is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity s derivative instruments and hedging activities and their effects on the entity s financial position, financial performance, and cash flows. SFAS No. 161 applies to all derivate instruments within the scope of SFAS No. 133 *Accounting for Derivative Instruments and Hedging Activities*. It also applies to non-derivative hedging instruments and all hedged items designated and qualifying as hedges under SFAS No. 133. SFAS No. 161 is effective prospectively for financial statements issued for fiscal years beginning after 15 November 2008, with early application encouraged. The adoption of SFAS. No. 161 did not have an impact on the consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations*. SFAS No. 141(R) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS No. 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS No. 141(R) is effective for fiscal years beginning after 15 December 2008. The adoption of SFAS. No. 141 did not have an impact on the consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements an amendment of Accounting Research Bulletin No. 51*. SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable and to the noncontrolling interest, changes in a parent s ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after 15 December 2008. The adoption of SFAS. No. 160 did not have an impact on the consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company , we are not required to provide tabular disclosure obligations.

Item 4T. Controls and Procedures

Management s Report on Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our president and chief executive officer (our principal executive officer) and our chief financial officer (our principal financial officer and principle accounting officer) to allow for timely decisions regarding required disclosure.

As of March 31, 2009, the end of our quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our president and chief executive officer (our principal executive officer and our principal financial officer and principle accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president and chief executive officer (our principal executive officer and our principal financial officer and principle accounting officer) concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting that occurred during the quarter ended March 31, 2009 that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

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PART II

OTHER INFORMATION

Item 1. Legal Proceedings

We know of no material, active or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

Item 1A. Risk Factors

Much of the information included in this quarterly report includes or is based upon estimates, projections or other forward looking statements . Such forward looking statements include any projections and estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other forward looking statements involve various risks and uncertainties as outlined below. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward looking statements .

Risks Associated With Mining

All of our properties are in the exploration stage. There is no assurance that we can establish the existence of any mineral resource on any of our properties in commercially exploitable quantities. Until we can do so, we cannot earn any revenues from operations and if we do not do so we will lose all of the funds that we expend on exploration. If we do not discover any mineral resource in a commercially exploitable quantity, our business could fail.

Despite exploration work on our mineral properties, we have not established that any of them contain any mineral reserve, nor can there be any assurance that we will be able to do so. If we do not, our business could fail.

A mineral reserve is defined by the Securities and Exchange Commission in its Industry Guide 7 (which can be viewed over the Internet at http://www.sec.gov/divisions/corpfin/forms/industry.htm#secguide7) as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. The probability of an individual prospect ever having a "reserve" that meets the requirements of the Securities and Exchange Commission's Industry Guide 7 is extremely remote; in all probability our mineral resource property does not contain any 'reserve' and any funds that we spend on exploration will probably be lost.

Even if we do eventually discover a mineral reserve on one or more of our properties, there can be no assurance that we will be able to develop our properties into producing mines and extract those resources. Both mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines.

The commercial viability of an established mineral deposit will depend on a number of factors including, by way of example, the size, grade and other attributes of the mineral deposit, the proximity of the resource to infrastructure such as a smelter, roads and a point for shipping, government regulation and market prices. Most of these factors will be beyond our control, and any of them could increase costs and make extraction of any identified mineral resource unprofitable.

Mineral operations are subject to applicable law and government regulation. Even if we discover a mineral resource in a commercially exploitable quantity, these laws and regulations could restrict or prohibit the exploitation of that mineral resource. If we cannot exploit any mineral resource that we might discover on our properties, our business may fail.

Both mineral exploration and extraction require permits from various foreign, federal, state, provincial and local governmental authorities and are governed by laws and regulations, including those with respect to prospecting, mine development, mineral production, transport, export, taxation, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that we will be able to obtain or maintain any of the permits required for the continued exploration of our mineral properties or for the construction and operation of a mine on our properties at economically viable costs. If we cannot accomplish these objectives, our business could fail.

We believe that we are in compliance with all material laws and regulations that currently apply to our activities but there can be no assurance that we can continue to remain in compliance. Current laws and regulations could be amended and we might not be able to comply with them, as amended. Further, there can be no assurance that we will be able to obtain or maintain all permits necessary for our future operations, or that we will be able to obtain them on reasonable terms. To the extent such approvals are required and are not obtained, we may be delayed or prohibited from proceeding with planned exploration or development of our mineral properties.

If we establish the existence of a mineral resource on any of our properties in a commercially exploitable quantity, we will require additional capital in order to develop the property into a producing mine. If we cannot raise this additional capital, we will not be able to exploit the resource, and our business could fail.

If we do discover mineral resources in commercially exploitable quantities on any of our properties, we will be required to expend substantial sums of money to establish the extent of the resource, develop processes to extract it and develop extraction and processing facilities and infrastructure. Although we may derive substantial benefits from the discovery of a major deposit, there can be no assurance that such a resource will be large enough to justify commercial operations, nor can there be any assurance that we will be able to raise the funds required for development on a timely basis. If we cannot raise the necessary capital or complete the necessary facilities and infrastructure, our business may fail.

Mineral exploration and development is subject to extraordinary operating risks. We do not currently insure against these risks. In the event of a cave-in or similar occurrence, our liability may exceed our resources, which would have an adverse impact on our company.

Mineral exploration, development and production involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our operations will be subject to all the hazards and risks inherent in the exploration for mineral resources and, if we discover a mineral resource in commercially exploitable quantity, our operations could be subject to all of the hazards and risks inherent in the development and production of resources, including liability for pollution, cave-ins or similar hazards against which we cannot insure or against which we may elect not to insure. Any such event could result in work stoppages and damage to property, including damage to the environment. We do not currently maintain any insurance coverage against these operating hazards. The payment of any liabilities that arise from any such occurrence would have a material adverse impact on our company.

Mineral prices are subject to dramatic and unpredictable fluctuations.

We expect to derive revenues, if any, either from the sale of our mineral resource properties or from the extraction and sale of precious and base metals such as gold, silver and copper. The price of those commodities has fluctuated widely in recent years, and is affected by numerous factors beyond our control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of our exploration properties and projects, cannot accurately be predicted.

The mining industry is highly competitive and there is no assurance that we will continue to be successful in acquiring mineral claims. If we cannot continue to acquire properties to explore for mineral resources, we may be required to reduce or cease operations.

The mineral exploration, development, and production industry is largely un-integrated. We compete with other exploration companies looking for mineral resource properties. While we compete with other exploration companies in the effort to locate and acquire mineral resource properties, we will not compete with them for the removal or sales of mineral products from our properties if we should eventually discover the presence of them in quantities sufficient to make production economically feasible. Readily available markets exist worldwide for the sale of mineral products. Therefore, we will likely be able to sell any mineral products that we identify and produce.

In identifying and acquiring mineral resource properties, we compete with many companies possessing greater financial resources and technical facilities. This competition could adversely affect our ability to acquire suitable prospects for exploration in the future. Accordingly, there can be no assurance that we will acquire any interest in additional mineral resource properties that might yield reserves or result in commercial mining operations.

Risks Related To Our Company

We have a limited operating history on which to base an evaluation of our business and prospects.

We have been in the business of exploring mineral resource properties since February 2006 and we have not yet located any mineral reserve. As a result, we have never had any revenues from our operations. In addition, our operating history has been restricted to the acquisition and exploration of our mineral properties and this does not provide a meaningful basis for an evaluation of our prospects if we ever determine that we have a mineral reserve and commence the construction and operation of a mine. We have no way to evaluate the likelihood of whether our mineral properties contain any mineral reserve or, if they do that we will be able to build or operate a mine successfully. We anticipate that we will continue to incur operating costs without realizing any revenues during the period when we are exploring our properties. We therefore expect to continue to incur significant losses into the foreseeable future. We recognize that if we are unable to generate significant revenues from mining operations and any dispositions of our properties, we will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses and difficulties frequently encountered by companies at the start up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition. There is no history upon which to base any assumption as to the likelihood that we will prove successful and we can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

The fact that we have not earned any operating revenues since our incorporation raises substantial doubt about our ability to continue to explore our mineral properties as a going concern.

We have not generated any revenue from operations since our incorporation and we anticipate that we will continue to incur operating expenses without revenues unless and until we are able to identify a mineral resource in a commercially exploitable quantity on one or more of our mineral properties and we build and operate a mine. We had cash and cash equivalents in the amount of $1,035 as of March 31, 2009. At March 31, 2009, we had a working capital deficit of $6,745. We incurred a net loss of $138,742 for our quarter ended March 31, 2009 and have a net loss of $507,845 since inception. Due to cash shortages we have reduced our average monthly management services and administrative costs to approximately $5,000 to $10,000. Our planned exploration requires additional funding and we are exploring ways to raise the funds required. As we cannot assure a lender that we will be able to successfully explore and develop our mineral properties, we will probably find it difficult to raise debt financing from traditional lending sources. We have traditionally raised our operating capital from sales of equity and debt securities, but there can be no assurance that we will continue to be able to do so. If we cannot raise the money that we need to continue exploration of our mineral properties, we may be forced to delay, scale back, or eliminate our exploration activities. If any of these were to occur, there is a substantial risk that our business would fail.

These circumstances lead our independent registered public accounting firm, in their report dated November 30, 2008, to comment about our company s ability to continue as a going concern. Management has plans to seek additional capital through a private placement and public offering of its capital stock. These conditions raise substantial doubt about our company s ability to continue as a going concern. Although there are no assurances that management s plans will be realized, management believes that our company will be able to continue operations in the future. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event our company cannot continue in existence. We continue to experience net operating losses.

Risks Associated with Our Common Stock

Trading on the OTC Bulletin Board may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

Our common stock is quoted on the OTC Bulletin Board service of the Financial Industry Regulatory Authority. Trading in stock quoted on the OTC Bulletin Board is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTC Bulletin Board is not a stock exchange, and trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of their shares.

Our stock is a penny stock. Trading of our stock may be restricted by the SEC s penny stock regulations and FINRA s sales practice requirements, which may limit a stockholder s ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines penny stock to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors . The term accredited investor refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer s account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer s confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common stock.

In addition to the penny stock rules promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer s financial status, tax status, investment objectives and other information. Under interpretations of these rules, the Financial Industry Regulatory Authority believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The Financial Industry Regulatory Authority requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock.

Other Risks

Trends, Risks and Uncertainties

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On January 15, 2009, we closed a private placement consisting of 484,837 shares of our common stock at a price of US $0.45 per share for aggregate gross proceeds of $218,176.65.

We issued 454,837 shares to 10 non-US persons pursuant to an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act of 1933, as amended.

We issued 30,000 shares to 1 US persons pursuant to the exemption from registration provided for under Rule 506 of Regulation D, promulgated under the United States Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Securities Holders

None.

Item 5. Other Information

Effective March 25, 2009, we entered into a share cancellation/return to treasury agreement with each of Dennis O Brien, Matt Williams, Howard Lahti and David Rice wherein each have agreed to the cancellation and return to treasury of all but 25,000 shares of common stock of our company held by each.

Effective March 25, 2009, we entered into a share cancellation/return to treasury agreement with Grant Brackebusch, wherein Grant Brackebusch has agreed to the cancellation and return to treasury of all of the shares of common stock of our company held by Grant Brackebusch.

Effective March 31, 2009, we entered into a share cancellation/return to treasury agreement with David Bond wherein David Bond has agreed to the cancellation and return to treasury of all but 50,000 shares of common stock of our company held by David Bond.

Effective March 31, 2009, we entered into a share cancellation/return to treasury agreement with John Jardine wherein John Jardine has agreed to the cancellation and return to treasury of all but 100,000 shares of common stock of our company held by John Jardine.

Effective March 25, 2009, Dennis O Brien, Matt Williams, Howard Lahti and David Rice resigned as directors of our company.

Effective March 31, 2009, David Bond resigned as a director and chairman of the board of our company.

Effective March 31, 2009, John Jardine resigned as chief financial officer, secretary and treasurer of our company.

Effective March 31, 2009, Lawrence Siccia was elected a director of our company.

Item 6. Exhibits

Exhibit Number	Description
(3)	**Articles of Incorporation and Bylaws**
3.1	Articles of Incorporation (incorporated by reference from our Registration Statement on Form SB-2 filed on January 30, 2007).
3.2	By-laws (incorporated by reference from our Registration Statement on Form SB-2 filed on January 30, 2007).
3.3	Articles of Merger filed with the Secretary of State of Nevada on February 20, 2008 and which is effective March 4, 2008 (incorporated by reference from our Current Report on Form 8-K filed on March 5, 2008).
3.4	Certificate of Change filed with the Secretary of State of Nevada on February 20, 2008 and which is effective March 4, 2008 (incorporated by reference from our Current Report on Form 8-K filed on March 5, 2008).
(10)	**Material Contracts**
10.1	Purchase Agreement Rose Prospect Lode Claim (incorporated by reference from our Registration Statement on Form SB-2 filed on January 30, 2007).
10.2	Share Exchange Agreement dated June 13, 2008, among our company, Silverdale Mining Corp. and the selling the shareholders of Silverdale Mining Corp. as set out in the share exchange agreement (incorporated by reference from our Current Report on Form 8-K filed on June 16, 2008).
10.3	Mineral Property Option Agreement dated September 14, 2007 between Silverdale Mining Corp. and Chuck Stein (incorporated by reference from our Current Report on Form 8-K filed on July 28, 2008).
10.4	Joint Venture Agreement dated March 31, 2008 between our company and New Jersey Mining Company (incorporated by reference from our Current Report on Form 8-K filed on July 28, 2008).
10.5	Consulting Agreement dated April 1, 2008 between our company and Mr. James MacKenzie (incorporated by reference from our Quarterly Report on Form 10-QSB filed on August 14, 2008).
10.6	Share Cancellation/Return to Treasury Agreement with Donald James MacKenzie (incorporated by reference from our Current Report on Form 8-K filed on October 17, 2008).
10.7	Share Cancellation/Return to Treasury Agreement with Greg Cowan (incorporated by reference from our Current Report on Form 8-K filed on October 17, 2008).
(14)	**Code of Ethics**

14.1	Code of Ethics and Business Conduct (incorporated by reference from our Annual Report on Form 10-KSB filed on December 29, 2008).

(21)	**Subsidiaries of the Registrant**
21.1	Silverdale Mining Corp.
(31)	**Section 302 Certifications**
31.1*	Section 302 Certification of Principal Executive Officer.
(32)	**Section 906 Certification**
32.1*	Section 906 Certification of Principal Executive Officer.

**filed herewith*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SILVERSTAR MINING CORP.
(Registrant)

Dated: May 15, 2009

/s/ Jim MacKenzie
Jim MacKenzie
President, Chief Executive Officer and Director
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)