

MUSTANG GEOTHERMAL CORP
Form 10-Q
November 21, 2011

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 **September 30, 2011**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **000-50191**

MUSTANG GEOTHERMAL CORP.

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(Exact name of registrant as specified in its charter)

UREX ENERGY CORP.

(If there is a name change, the Former Name of registrant)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0201259

(IRS Employer Identification No.)

10580 N. McCarran Blvd., Building 115 208, Reno, Nevada 89503

(Address of principal executive offices) (zip code)

775.747.0667

(Registrant's telephone number, including area code)

Not Applicable

(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.

Yes No

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

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

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

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

33,492,057 common shares issued and outstanding as of September 30, 2011

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

It is the opinion of management that the interim financial statements for the quarter ended September 30, 2011 include all adjustments necessary in order to ensure that the interim financial statements are not misleading.

The interim financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

MUSTANG GEOTHERMAL CORP

(Formerly UREX ENERGY CORP.)

(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

	September 30, 2011	March 31, 2011 (Audited)
ASSETS		
Current Assets		
Cash	\$ 3,767	\$ 43,989
Prepays	6,732	211,181
Receivables	1,561	703
Total current assets	12,060	255,873
Geothermal Leases, net	1,872,500	2,877,500
Total Assets	\$ 1,884,560	\$ 3,133,373
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 697,191	\$ 583,345
Due to related party	22,500	22,500
Line of credit	32,910	33,403
Notes payable to related party	470,550	355,550
Convertible notes payable	100,000	100,000
Total current liabilities	1,323,151	1,094,798
Stockholders' Equity		
Common stock, \$0.001 par value 300,000,000 shares authorized 33,492,057 shares issued and outstanding,	33,492	33,492
Preferred stock, \$0.001 par value. 10,000,000 shares authorized. No shares outstanding and issued.	-	-

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Additional paid-in capital	13,781,508	13,781,508
Deficit accumulated during the exploration stage	(13,253,042)	(11,776,425)
Total comprehensive income	(549)	-
Total stockholders' equity	561,409	2,038,575
Total Liabilities and Stockholders' Equity	\$ 1,884,560	\$ 3,133,373

See accompanying notes to the financial statements

MUSTANG GEOTHERMAL CORP

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CONSOLIDATED STATEMENTS OF OPERATIONS

For the six months ended September 30, 2011 and 2010, and

For the period from February 6, 2002 (Date of Inception) to September 30, 2011

	For the three months ended		For the six months ended		For the period from Feb 6, 2002 (inception) to
	Sep 30, 2011	Sep 30, 2010	Sep 30, 2011	Sep 30, 2010	Sep 30, 2011
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES					
Depreciation	-	232	-	465	2,787
Depreciation geothermal leases	69,167	42,500	146,667	67,500	369,167
Management fees	38,806	30,000	69,582	60,000	675,416
Professional fees	22,795	10,851	58,139	16,351	495,258
Consulting fees	14,203	-	45,532	-	667,882
Exploration costs	943,200	35,592	1,118,218	35,592	1,493,306
Interest on loans	9,873	5,129	17,724	10,201	136,021
Investor relation fees	-	-	-	-	415,097
Travel	43	-	1,241	20,216	68,239
General and administrative	9,858	7,490	19,514	14,293	240,108
Recovery of expenses	-	-	-	-	(5,575)
Impairment of intangible asset	-	-	-	-	7,560,753
Total operating expenses	1,107,945	131,794	1,476,617	224,618	12,118,459
Operating loss	(1,107,945)	(131,794)	(1,476,617)	(224,618)	(12,118,459)
OTHER INCOME					

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Interest income	-	-	-	-	10,127
Total other income	-	-	-	-	10,127
Net loss from continuing operations	\$ (1,107,945)	\$ (131,794)	\$ (1,476,617)	\$ (224,618)	\$ (12,108,332)
DISCONTINUED OPERATIONS					
Gain (Loss) from disposal of subsidiary	-	-	-	-	(1,899,991)
Gain from disposal of subsidiary	-	-	-	-	755,281
Gain (Loss) on discontinued operations	-	-	-	-	(1,144,710)
NET INCOME (LOSS)	\$ (1,107,945)	\$ (131,794)	\$ (1,476,617)	\$ (224,618)	\$ (13,253,042)
Net loss per share for continuing operations basic and diluted	\$ (0.03)	\$ (0.02)	\$ (0.04)	\$ (0.05)	\$ -
Net loss per share for discontinued operations basic and diluted	\$ -	\$ -	\$ -	\$ -	\$ -
Weighted average common shares outstanding - Basic and diluted	33,492,057	6,995,318	33,492,057	4,271,155	-
Comprehensive income (loss) Foreign currency translation	1,973	-	(549)	-	(549)
Comprehensive loss	\$ (1,105,972)	\$ (131,794)	\$ (1,477,166)	\$ (224,618)	\$ (13,253,591)

See accompanying notes to the financial statements

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CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER S EQUITY

For the period February 6, 2002 (Date of Inception) to September 30, 2011

Common Stock						
300,000,000						
shares authorized						
	Par					
	Value	Additional		Deferred	Accumulated	Total
	\$.001					
Shares		Paid-In	Accumulated	Consulting	Comprehensive	Shareholders'
Issued	per	Capital	Deficit	Fees	Losses	Equity
	share					
BALANCE,						
MARCH 31, 2008	422,128	\$ 422	\$ 8,141,578	\$ (7,950,369)	\$ -	(512) \$ 191,119