Bearing Mineral Exploration, Inc.
Form 10-Q
September 08, 2011

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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED JULY 31, 2011

OR

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

Commission file number 000-53881

BEARING MINERAL EXPLORATION, INC.
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation or organization)

92 Wishing Well Drive
Toronto, Ontario
CANADA, M1T 1J4
(Address of principal executive offices, including zip code.)

(416) 816-6219
(telephone number, including area code)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 last 90 days. YES [X] NO [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (SS 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES [ ] NO [X]

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 the definitions of “large accelerated filer, “accelerated filer,” “non-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 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 CORPORATE ISSUERS:

Indicated the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 5,968,750 as of September 6, 2011.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

F-1

-2-

Bearing Mineral Exploration, Inc.
(A Development Stage Company)
Balance Sheets
(Unaudited)

		July 31, 2011		October 31, 2010
ASSETS				
Current Assets:				
Cash	$	1,093	$	2,340
Total Assets	$	1,093	$	2,340
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current Liabilities:				
Accounts payable		2,303		2,331
Accrued liabilities		-		4,500
Advance from shareholder		37,000		28,000
Total Liabilities	$	39,303	$	34,831
STOCKHOLDERS' DEFICIT				
Common Stock 75,000,000 shares authorized, with a $0.001 par value, 5,968,750 shares issued and outstanding as of 07/31/11 and 10/31/10 respectively	$	5,969	$	5,969
Additional Paid-in Capital		35,044		35,044
Deficit Accumulated During the Development Stage		(79,223)		(73,504)
Total Stockholders' Deficit		(38,210)		(32,491)
Total Liabilities and Stockholders' Deficit	$	1,093	$	2,340

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

Bearing Mineral Exploration, Inc.
(A Development Stage Company)
Statements of Operations
(Unaudited)

	Three Months Ended July 31, 2011	Three Months Ended July 31, 2010	Nine Months Ended July 31, 2011	Nine Months Ended July 31, 2010	For the Period From June 11, 2008 (inception) to July 31, 2011
REVENUE	$ -	$ -	$ -	$ -	$ -
EXPENSES					
General and administrative expenses	1,925	4,756	5,719	22,662	74,427
Mineral property costs	-	-	-	-	4,796
Total Expenses	1,925	4,756	5,719	22,662	79,223
NET LOSS	$ (1,925)	$ (4,756)	$ (5,719)	$ (22,662)	$ (79,223)
LOSS PER SHARE: Basic and Diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.00	
Weighted Average Number of Shares Outstanding - Basic and Diluted	5,968,750	5,968,750	5,968,750	5,968,750	

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

Bearing Mineral Exploration, Inc.
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

	Nine Months Ended July 31, 2011	Nine Months Ended July 31, 2010	For the Period From June 11, 2008 (inception) to July 31, 2011
CASH FROM OPERATING ACTIVITIES:			
Net loss	$ (5,719)	$ (22,662)	$ (79,223)
Changes in operating assets and liabilities			
Accounts payable and accrued liabilities	(4,528)	(1,585)	2,303
Prepaid expenses	-	498	-
Net Cash Used by Operating Activities	(10,247)	(23,749)	(76,920)
CASH FROM FINANCING ACTIVITIES:			
Net advances from shareholder	9,000	10,000	37,000
Proceeds from issuance of common stock	-	-	41,013
Net Cash Provided By (Used In) Financing Activities	9,000	10,000	78,013
Net Increase (decrease) in Cash	(1,247)	(13,749)	1,093
Cash, Beginning	$ 2,340	$ 16,399	$ -
Cash, Ending	$ 1,093	$ 2,650	$ 1,093

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

Bearing Mineral Exploration, Inc.
(A Development Stage Company)
Notes to the Financial Statements
July 31, 2011

1. Basis of Financial Statement Presentation

The accompanying unaudited interim financial statements of Bearing Mineral Exploration, Inc. (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's October 31, 2010 annual financial statements filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim period presented have been reflected herein. The results of operations for the interim period are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal period ended October 31, 2010, as reported in the Form 10-K, have been omitted.

2. Recent Issued Accounting Pronouncements

We do not expect the adoption of other recently issued accounting pronouncements to have a significant impact on our results of operations, financials position or cash flow.

3. Going Concern

As of July 31, 2011, the Company has never generated any revenues and has accumulated losses of $79,223 since inception. The Company has limited cash resources and will likely require new financing, either through issuing shares or debt, to continue the development of its business. Management intends to offer additional common stock; however, there can be no assurance that management will be successful in raising the funds necessary to maintain operations, or that a self-supporting level of operations will ever be achieved. The likely outcome of these future events is indeterminable. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

4. Related Party Transactions

As of July 31, 2011, our President had advanced an aggregate of $37,000 to the Company for additional working capital. The amount advanced is unsecured, non-interest bearing and due on demand.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This quarterly report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. 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 that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from 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 financial statements are stated in United States Dollars (US$) and are prepared in accordance with United States Generally Accepted Accounting Principles. 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 the terms "we", "us", "our", and the "Company" means Bearing Mineral Exploration, Inc., unless otherwise indicated.

General

We were incorporated in the State of Nevada on June 11, 2008. We maintain our statutory registered agent's office at 1802 North Carson Street, Suite 212, Carson City, Nevada, 89701 and our corporate office is located at 92 Wishing Well Drive, Toronto, ON Canada, M1T 1J4.

Our original plan of operation was to conduct exploration activities on one mineral claim located in the Province of Newfoundland, Canada; herein referred to as the Collins Lake property. Our exploration target was to find an ore body containing gold. Due to our inability to commence exploration work on a timely basis, and due to the costly fees associated with maintaining title to the mineral claim, we decided to forfeit title to the mineral claim in May 2010. Alternatively, we have been exploring new business opportunities. We have not identified any new business opportunities and have no agreements related to such opportunities at this time.

We have no employees and own no property. We have no monthly rent, nor do we accrue any expense for monthly rent. Gerhard Schlombs, our president, chief financial officer and director, provides us his office in which we conduct business on our behalf. Mr. Schlombs does not receive any remuneration for the use of this facility or time spent on behalf of us. We do not believe that we will need to obtain additional office space at any time in the foreseeable future, until our business plan is more fully implemented. We do not intend to perform any further operations until a merger or acquisition candidate is located and a merger or acquisition consummated. We are defined as a "shell company" whose sole purpose at this time is to locate and consummate a merger and/or acquisition of an operating entity. We have no assets other than $1,093 in cash and no operations.

Limited Operating History; Need for Additional Capital

There is limited historical financial information about Bearing Mineral Exploration, Inc. upon which to base an evaluation of our performance. We are a development stage corporation and have not generated any revenues from operations. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible delays in the exploitation of business opportunities. We may fail to adopt a business model and strategize effectively or fail to revise our business model and strategy should industry conditions and competition change.

We have limited capital resources and there is no assurance that future financing will be available to our Company on acceptable terms.If additional capital is required we will raise funds by issuing debt and/or equity securities although we have no current arrangements or agreements to such financings at this time. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

Liquidity and Capital Resources

At July 31, 2011 we had total assets of $1,093, comprised solely of cash. Our liabilities totalled $39,303, resulting in a working capital deficit of $38,210 compared to $2,340 in total assets and total liabilities of $34,831 at October 31, 2010. Total liabilities for the period ended July 31, 2011 were comprised of accounts payable items totalling $2,303 and the loan of $37,000 payable to our president; Mr. Schlombs, while total liabilities for the year ended October 31, 2010 were comprised of accounts payable items of $2,331, accrued liabilities of $4,500 and the $28,000 loan payable to Mr. Schlombs.

We incurred a loss of $5,719 for the nine months ended July 31, 2011 and have incurred an aggregate deficit since inception of $79,223. Our ability to meet our financial liabilities and commitments is primarily dependent upon the continued financial support of our president and stockholders, the continued issuance of equity to new stockholders, and our ability to achieve and maintain profitable operations.

Since inception we have used our common stock to raise money for the mineral property acquisition, corporate expenses and to repay outstanding indebtedness. Net cash provided by the sale of shares since inception to July 31, 2011 was $41,013. To date, our president, Gerhard Schlombs has advanced a total of $37,000 to us for working capital. This advance will need to be repaid once funds are available. There can be no assurance that he will continue to advance funds as required or that methods of financing will be available or accessible on reasonable terms.

We do not believe we have sufficient funds to meet our cash requirements for the next twelve months. As we have yet to commence operations, and have not generated any revenues, there can be no assurance that we can generate significant revenues from operations. During the next twelve months we expect to incur indebtedness for administrative and professional charges associated with preparing, reviewing, auditing and filing our financial statements and our periodic and other disclosure documents to maintain the Company in good standing.

We presently operate with minimum overhead costs and need to raise additional capital to fund any future plan of operations. The Company’s management is exploring a variety of options to meet the Company’s cash requirements and future capital requirements, including the possibility of equity offerings, debt financing and business combinations. There can be no assurance that the Company will be able to raise additional capital, and if the Company is unable to raise additional capital, we will either have to suspend operations until we do raise the cash, or cease operations entirely.

Plan of Operations

We are a development stage corporation and have not yet realized any revenues from our business operations. A development stage corporation is one engaged in the search of business opportunities, successful negotiation and closing of business acquisition and furthering its business plan.

Our plan of operation for the next three months will be to: (i) consider guidelines of industries in which the Company may have an interest; (ii) adopt a business plan regarding engaging in business in any selected industry; and (iii) to commence such operations through funding and/or the acquisition of a “going concern” engaged in any industry selected.

Results of Operations

For the nine months ended July 31, 2011 compared to July 31, 2010 and for the three months ended July 31, 2011 compared to July 31, 2010

For the nine months ended July 31, 2011 and 2010: We had a net loss of $5,719 for the nine months ended July 31, 2011 compared to a net loss of $22,662 for the nine month period ended July 31, 2010. Operating expenses were $5,719 and $22,662 for the periods ended July 31, 2011 and 2010, respectively. In the nine months ended July 31, 2011, operating expenses decreased by $16,943. The decrease was primarily attributable to a decrease in legal fees, transfer agent and filing fees, and office expenses. During the nine months ended July 31, 2010, the Company paid an additional $2,372 in legal fees for the due diligence investigation of a former possible merger candidate, an additional $12,998 in transfer agent and filing fees, an additional $550 in accounting and administration, an additional $101 in bank fees and an additional $922 in office expenses. Aside from legal expenses, the majority of those fees were associated with the Company filing application for listing with FINRA during the period.

For the three months ended July 31, 2011 and 2010: We had a net loss of $1,925 for the three months ended July 31, 2011 compared to a net loss of $4,756 for the period ended July 31, 2010. Operating expenses were $1,925 and $4,756 for the three month periods ended July 31, 2011 and 2010, respectively. In the three months ended July 31, 2011, operating expenses decreased by $2,831. This was primarily a result of decreased accounting and administrative fees and legal fees as compared to the three months ended July 31, 2010. During the three months ended July 31, 2010, the Company paid an additional $2,072 in legal fees related to the due diligence investigation of a former possible merger candidate, and an additional $550 for accounting and administration, an additional $136 for office expenses and an additional $73 towards transfer agent and filing fees.

During the period ended July 31, 2011, much of the Company's resources were directed at maintaining the Company in good standing. As of the date of this report, we have yet to generate any revenues from our business operations. As a result, we have generated significant operating losses since our formation and expect to incur substantial losses and negative operating cash flows for the foreseeable future as we attempt to expand our infrastructure and development activities. Our ability to continue may prove more expensive than we currently anticipate and we may incur significant additional costs and expenses.

Going Concern Uncertainties

As of the date of this quarterly report, there is doubt about our ability to continue as a going concern as we have not generated sufficient cash flow to fund our business operations. The financial statements included in this quarterly report have been prepared on the going concern basis, which assumes that we will be able to realize our assets and discharge our obligations in the normal course of business. If we are not to continue as a going concern, we would likely not be able to realize our assets at values comparable to the carrying value or the fair value estimates reflected in the balances set out in the preparation of the financial statements.

Our future success and viability, therefore, are dependent upon our ability to generate capital financing. The failure to generate sufficient revenues or raise additional capital may have a material and adverse effect upon us and our shareholders.

Because we have a working capital deficit, have not generated any revenues, and have incurred losses from operations since inception, in their report on our audited financial statements for the year ended October 31, 2010, our independent auditors included an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

Critical Accounting Policies

There have been no material changes in our existing accounting policies and estimates from the disclosures included in our Form 10-K.

Off Balance Sheet Arrangements

At July 31, 2011, we have no off balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Pursuant to Item 305(e) of Regulation S-K, the Company, as a smaller reporting company, is not required to provide the information required by this item.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Principal Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures are not effective since the following material weaknesses exist:

(i) The Company’s management is relying on external consultants for purposes of preparing its financial reporting package and may not be able to identify errors and irregularities in the financial reporting package before its release as a continuous disclosure document.

(ii) As the Company is governed by one officer who is also a director, there is an inherent lack of segregation of duties and lack of independent governing board.

Once the Company has sufficient personnel available, our Board of Directors will nominate an audit committee and audit committee financial expert and we will appoint additional personnel to assist with the preparation of our financial statements; which will allow for proper segregation of duties as well as additional manpower for proper documentation.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended July 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 proceedings 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 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The following documents are included herein:

Exhibit No.	Document Description
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-15(e) and 15d-15(e), promulgated under the Securities and Exchange Act of 1934, as amended.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer).

SIGNATURES

In accordance with Section 13 or 15 (d) of the Securities and Exchange Act, the registrant caused this report to be signed on behalf by the undersigned, thereto duly authorized on this 6th day of September 2011.

BEARING MINERAL EXPLORATION, INC.
(Registrant)

BY:	GERHARD SCHLOMBS /s/ Gerhard Schlombs President, Principal Executive and Principal Financial Officer, Treasurer/Secretary, Principal Accounting Officer, and member of the Board of Directors

EXHIBIT INDEX

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-13-