Stargold Mines, Inc.
Form 10-Q
November 14, 2008

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

FORM 10-Q

(Mark One)
x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended September 30, 2008

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

For the transition period from _____ to _____

Commission File Number: 000-51197

STARGOLD MINES, INC.
(Exact name of issuer as specified in its charter)

Nevada	98-0400208
(State of incorporation)	(IRS Employer ID Number)

260 Madison Avenue
8 th Floor
New York, New York 10016
(Address of principal executive offices)

(646) 216-2049
(Issuer's telephone number)
1840 Gateway Drive
Suite 200
San Mateo, California 94404
(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 Exchange Act during the past 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 x No o

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” and “smaller reporting company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer o Accelerated filero

Non-accelerated filer o (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 o No x

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.

As of November 1, 2008 the issuer had 56,519,311shares outstanding.

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements.

STARGOLD MINES, INC. AND SUBSIDIARY
(FORMERLY SOCKEYE SEAFOOD GROUP INC.)
(A DEVELOPMENT STAGE COMPANY)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007

UNAUDITED

CONTENTS

STARGOLD MINES, INC. AND SUBSIDIARY
(FORMERLY SOCKEYE SEAFOOD GROUP INC.)
(A DEVELOPMENT STAGE COMPANY)
Condensed Consolidated Balance Sheets
September 30, 2008 and December 31, 2007
Unaudited

		September 30, 2008		December 31, 2007
ASSETS				
Current				
Cash	$	—	$	2,930
Accounts and other receivable		**32,000**		—
Prepaid and deposits		**978,812**		31,229
Total Current Assets		**1,010,812**		34,159
Loans Receivable		**—**		1,009,925
Total Assets	$	1,010,812	$	1,044,084
LIABILITIES				
Current				
Accounts payable	$	512,845	$	80,626
Accrued liabilities		**63,871**		47,069
Loans payable (note 6)		**419,181**		155,042
Advances from related party (note 7)		**72,000**		—
Total Current Liabilities		**1,067,897**		282,737
Total Liabilities		**1,067,897**		282,737
STOCKHOLDERS' (DEFICIT) EQUITY				
Capital Stock (note 8)				
Authorized				
1,000,000,000 common stock, par value $0.0001 per share				
Issued and outstanding 56,519,311 common stock (2007 - 41,219,311)		**5,652**		4,122
Additional Paid-in Capital		**3,236,168**		1,551,698
Accumulated Other Comprehensive Income (Loss)		**132,499**		(209,075)
Deficit Accumulated During the Development Stage		(3,431,404)		(585,398)
Total Stockholders' (Deficit) Equity		(57,085)		761,347
Total Liabilities and Stockholders' (Deficit) Equity	$	1,010,812	$	1,044,084

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

STARGOLD MINES, INC. AND SUBSIDIARY
(FORMERLY SOCKEYE SEAFOOD GROUP INC.)
(A DEVELOPMENT STAGE COMPANY)
Condensed Consolidated Statements of Operation and Comprehensive Loss
Three Months and Nine Months Ended September 30, 2008 and 2007, and the Period from Date of Inception (May 21, 2003) through September 30, 2008
Unaudited

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007
Revenue	**$ —**	$ —
Cost of Sales	—	—
Gross Profit	—	—
Expenses		
Professional fees	**42,935**	155,174
Salary and benefits	**18,000**	20,000
Office and general	**75,011**	30,488
Bad debt	**(59,000)**	—
Consulting fees	—	—
Total Expenses	**76,946**	205,662
Operating Loss	**(76,946)**	(205,662)
Other Income (Expense)		
Interest	**(36,177)**	—
Total Other Income (Expense)	**(36,177)**	—
Total Loss Before Income Taxes	**(113,123)**	(205,662)
Deferred income taxes - expense (note 9)	—	—
Net Loss	**(113,123)**	(205,662)
Foreign exchange adjustment	**21,000**	(237,415)
Comprehensive Loss	**$ (92,123)**	$ (443,077)
Net Loss per Share - Basic and Diluted	**$ 0.00**	$ 0.00
Basic and Diluted Weighted Average Number of Common Shares Outstanding During the Period	**56,427,003**	41,219,311

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

STARGOLD MINES, INC. AND SUBSIDIARY
(FORMERLY SOCKEYE SEAFOOD GROUP INC.)
(A DEVELOPMENT STAGE COMPANY)
Condensed Consolidated Statements of Operation and Comprehensive Loss (cont'd)
Three Months and Nine Months Ended September 30, 2008 and 2007, and the Period from Date of Inception (May 21, 2003) through September 30, 2008
Unaudited

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	Period from Date of Inception (May 21, 2003) through September 30, 2008
Revenue	$ —	$ —	$ 68,739
Cost of Sales	**—**	—	60,508
Gross Profit	**—**	—	8,231
Expenses			
Professional fees	**288,815**	203,577	673,787
Salary and benefits	**161,462**	60,000	241,462
Office and general	**131,680**	44,637	219,315
Bad debt	**25,000**	—	51,915
Consulting fees	**7,000**	20,000	27,000
Total Expenses	**613,957**	328,214	1,213,479
Operating Loss	**(613,957)**	(328,214)	(1,205,248)
Other Income (Expense)			
Interest	**(46,802)**	—	(46,802)
Foreign exchange gain	**2,000**	—	2,000
Loss on disposition of mineral rights (note 5)	**(2,187,254)**	—	(2,187,254)
Debt forgiveness	**—**	—	5,900
Total Other Income (Expense)	**(2,232,056)**	—	(2,226,156)
Total Loss Before Income Taxes	**(2,846,013)**	—	(3,431,404)
Deferred income taxes - expense (note 9)	—	—	—
Net Loss	**(2,846,013)**	(328,214)	(3,431,404)
Foreign exchange adjustment	**132,499**	(237,415)	132,499
Comprehensive Loss	**$ (2,713,514)**	$ (565,629)	$ (3,298,905)
Net Loss per Share - Basic and Diluted	**$ (0.05)**	$ 0.00	
Basic and Diluted Weighted Average Number of Common Shares Outstanding During the Period	**52,057,773**	66,184,327	

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

STARGOLD MINES, INC. AND SUBSIDIARY
(FORMERLY SOCKEYE SEAFOOD GROUP INC.)
(A DEVELOPMENT STAGE COMPANY)
Condensed Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2008 and 2007, and the Period from
Date of Inception (May 21, 2003) through September 30, 2008
Unaudited

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	Period from Date of Inception (May 21, 2003) through September 30, 2008
Cash Flows from Operating Activities			
Net loss	**$ (2,846,013)**	$ (328,214)	$ (3,431,404)
Adjustments to reconcile non-cash item:			
Issuance of common stock for services	**36,000**	2,500	38,500
Bad debt	**25,000**	—	25,000
Loss on disposition of mineral rights	**2,187,254**	—	2,187,254
Changes in working capital:			
Prepaid and deposits	**27,417**	(87,515)	(3,812)
Accounts payable	**366,771**	3,218	447,397
Accrued liabilities	**16,802**	—	63,871
Deposit	**(55,000)**	—	(55,000)
Net Cash Used in Operating Activities	**(241,769)**	(410,011)	(728,194)
Cash Flows from Investing Activities			
Loans receivable	**(79,300)**	(199,000)	(1,298,300)
Net Cash Used in Investing Activities	**(79,300)**	(199,000)	(1,298,300)
Cash Flows from Financing Activities			
Issuance of common stock and warrants for cash	—	508,320	1,553,320
Advance from related party	**62,000**	(240)	62,000
Proceeds from loans payable	**259,139**	100,042	414,174
Repayment of loan	**(3,000)**	—	(3,000)
Net Cash Provided by Financing Activities	**318,139**	608,122	2,026,494
Net Decrease in Cash	**(2,930)**	(889)	—
Cash - Beginning of Period	**2,930**	7,879	—
Cash - End of Period	$ —	$ 6,990	$ —

Supplemental Disclosure of Cash Flow Information (note 10)

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

STARGOLD MINES, INC. AND SUBSIDIARY
(FORMELY SOCKEYE SEAFOOD GROUP INC.)
(A DEVELOPMENT STAGE COMPANY)
Notes to Condensed Consolidated Financial Statements
Nine Months Ended September 30, 2008 and 2007
Unaudited

1. Description of Business and Going Concern

a) Description of Business

Stargold Mines, Inc., formerly Sockeye Seafood Group Inc., (Sockeye Seafood Group Inc. merged with its wholly-owned subsidiary Stargold Mines, Inc. on November 23, 2006 and changed its name to Stargold Mines, Inc.) was incorporated under the laws of the State of Nevada on May 21, 2003. Stargold Mines, Inc. was formed to engage in the business of procuring and marketing seafood products direct from Pacific Northwest First Nations organizations to North American and international wholesalers, distributors, and retailers.

On November 30, 2006, Stargold Mines, Inc. entered into a Stock Purchase Agreement with UniverCompany Limited Liability Company, a Russian limited liability society (“UniverCompany”), and the shareholder of UniverCompany (collectively, the “Univer Agreement”). Pursuant to the Univer Agreement, Stargold Mines, Inc. agreed to purchase from the UniverCompany’s shareholder 100% of the issued and outstanding shares of common stock of UniverCompany in exchange for 41,000,000 shares of Stargold Mines, Inc.'s common stock. In May 2007, the Univer Agreement was amended to provide that the consideration for the shares of UniverCompany would be 15,000,000 shares of Stargold Mines, Inc.'s common stock, rather than 41,000,000 shares.

On March 18, 2008, Stargold Mines, Inc. was advised that, according to the laws of the Russian Federation, all requirements had been met for the acquisition of UniverCompany and as such was completed. As a result of the acquisition, UniverCompany has become a wholly-owned subsidiary of Stargold Mines, Inc. UniverCompany holds licenses to develop and extract natural resources of gold, copper, tin and lead located in the Siberian and Far Eastern Federal Districts of Russia

Stargold Mines, Inc. and subsidiary's (the "Company") operations have been limited to general administrative operations, purchasing a limited amount of sample inventory, minimal sales and establishing its website. The Company is considered a development stage company in accordance with Statement of Financial Accounting Standards ("SFAS") No. 7 "Accounting and Reporting by Development Stage Enterprises". The Company is currently working on acquiring licenses to develop and extract natural resources in the Siberian and Far Eastern Districts of Russia.

b) Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America with the assumption that the Company will be able to realize its assets and liabilities in the normal course of business. The Company has experienced recurring losses since inception and has negative cash flows from operations that raise substantial doubt as to its ability to continue as a going concern. For the nine months ended September 30, 2008 and 2007, the Company experienced net losses of $2,846,013 and $328,214, respectively, and has a deficit accumulated during the development stage of $3,431,404 at September 30, 2008.

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Unaudited

1. Description of Business and Going Concern (cont'd)

b) Going Concern (cont'd)

The Company's ability to continue as a going concern is contingent upon its ability to secure additional financing and attaining profitable operations.

Management is pursuing various sources of equity financing. Although the Company plans to pursue additional financing, there can be no assurance that the Company will be able to secure financing when needed or obtain such on terms satisfactory to the Company, if at all.

The accompanying unaudited condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the inability of the Company to continue as a going concern.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The unaudited condensed consolidated financial statements presented herein have been prepared by the Company in accordance with U.S. generally accepted accounting principles for interim financial statements and in accordance with the instructions to Form 10-Q. Accordingly, they do not include all information and notes required by U.S. generally accepted accounting principles for complete financial statements. The unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments and accruals which, in the opinion of management, are considered necessary for a fair presentation of the Company's consolidated financial position, results of operations and cash flows for the interim periods presented.

Results of operations for the interim periods are not necessarily indicative of results of operations for future interim periods or for the full fiscal year ending December 31, 2008. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Company for the fiscal year ended December 31, 2007.

b) Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, UniverCompany. All significant inter-company balances and transactions have been eliminated on consolidation.

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2. Summary of Significant Accounting Policies (cont'd)

c) Mineral Rights

The Company records its interest in mineral rights at cost. Accordingly, all costs associated with acquisition, exploration and development of mineral reserves, including directly related overhead costs, are capitalized and are subject to ceiling tests to ensure the carrying value does not exceed fair value.

All capitalized costs of mineral properties subject to amortization and the estimated future costs to develop proven reserves are amortized using the unit-of-production method using estimates of proven reserves. Investments in unproved properties and major exploration and development projects are not amortized until proved reserves associated with the projects can be determined or until impairment occurs. If the results of an assessment indicate that the properties are impaired, the capitalized cost of the property will be added to the costs to be amortized. The Company presently has no proven reserves. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if the carrying values can be recovered. If the carrying values exceed estimated recoverable values, then the costs are written-down to fair value with the write-down expensed in the period.

d) Foreign Currency Translation

The Company accounts for foreign currency translation pursuant to SFAS No. 52, "Foreign Currency Translation". The Company's functional currency is United States dollars ("USD"). The currency used in foreign operations is the Russian ruble. All assets and liabilities are translated into United States dollars using the current exchange rate at period end. Revenues and expenses are translated using the average exchange rate prevailing throughout the period. Translation adjustments are included in comprehensive income for the period.

e) Environmental Liabilities

Liabilities for environmental remediation are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated.

f) Pension and Post-employment Benefits

The Company's mandatory contributions to the governmental pension plan are expensed when incurred. Discretionary pensions and other post-employment benefits are not material.

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Unaudited

2. Summary of Significant Accounting Policies (cont'd)

g) Recent Accounting Pronouncements

In April 2008, Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") on SFAS 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP SFAS 142-3"). FSP SFAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141 (revised 2007), "Business Combinations", and other U.S. generally accepted accounting principles ("GAAP"). FSP SFAS 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The requirement for determining useful lives must be applied prospectively to intangible assets acquired after the effective date and the disclosure requirements must be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date. Early adoption is prohibited. The Company is currently reviewing the effect, if any, the proposed guidance will have on its consolidated financial statements.

In May 2008, FASB issued FSP Accounting Principles Board ("APB") 14-1 "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1"). FSP APB 14-1 clarifies that convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, "Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants." Additionally, FSP APB 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is not permitted. The Company is currently reviewing the effect, if any, the proposed guidance will have on its consolidated financial statements.

In May 2008, FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles ("GAAP") in the United States (the GAAP hierarchy). SFAS 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles". The Company is currently reviewing the effect, if any, the proposed guidance will have on its consolidated financial statements.

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2. Summary of Significant Accounting Policies (cont'd)

g) Recent Accounting Pronouncements (cont'd)

In June 2008, FASB issued FSP EITF Issue 03-6-1, “Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities” (“FSP EITF 03-6-1”). FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share under the two-class method described in paragraphs 60 and 61 of SFAS No. 128, “Earnings per Share”. FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. The Company is currently reviewing the effect, if any, the proposed guidance will have on its consolidated financial statements.

September 2008, FASB issued FSP SFAS 133-1 and FIN 45-4, "Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161" (“FSP SFAS 133-1 and FIN 45-4”). FSP SFAS 133-1 and FIN 45-4 amends FASB Statement No. 133, “Accounting for Derivative Instruments and Hedging Activities”, to require disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument. FSP SFAS 133-1 and FIN 45-4 also amends FASB Interpretation No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others”, to require an additional disclosure about the current status of the payment/performance risk of a guarantee. Further, FSP SFAS 133-1 and FIN 45-4 clarifies the Board’s intent about the effective date of FASB Statement No. 161, “Disclosures about Derivative Instruments and Hedging Activities”. FSP SFAS 133-1 and FIN 45-4 is effective for reporting periods (annual or interim) ending after November 15, 2008. The Company is currently reviewing the effect, if any; the proposed guidance will have on its consolidated financial statements.

In October 2008, FASB issued FSP SFAS 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active" (“FSP SFAS 157-3”). FSP SFAS 157-3 clarifies the application of FASB Statement No. 157, “Fair Value Measurements”, in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. FSP SFAS 157-3 is effective upon issuance, including prior periods for which financial statements have not been issued. The Company is currently reviewing the effect, if any, the proposed guidance will have on its consolidated financial statements.

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3. Financial Instruments

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of the financial instruments approximates their carrying values, unless otherwise noted.

Currency Risk

While the reporting currency is the USD, approximately 8% of the Company's consolidated costs and expenses for the period ended September 30, 2008 (September 30, 2007 - 0%) are denominated in Russian ruble. As of September 30, 2008, approximately 100% of the Company's assets and 29% of the Company's liabilities are denominated in Russian ruble. The Company is exposed to foreign exchange risk as the result of operations and may be affected by fluctuations in the exchange rate between the USD and Russian ruble.

The Company has not entered into any hedging transactions in an effort to reduce the exposure to currency risk.

4. Fair Value Measurements

Effective January 1, 2008, the Company adopted SFAS 157, except as it applies to the nonfinancial assets and nonfinancial liabilities subject to FSP SFAS 157-2. SFAS 157 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, SFAS 157 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Cash (level 1), and accounts and other receivable, loans receivable, accounts payable, accrued liabilities, loans payable and advances from related party (level 2) are reflected in the condensed consolidated balance sheet at carrying value, which approximates fair value due to the short-term nature of these instruments.

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5. Loss on Disposition of Mineral Rights

Pursuant to a Purchase and Sale Agreement No. Yuv/ZGP, dated November 5, 2006, as amended on December 1, 2006 (collectively “the Nerchinskiye Agreement”), the Company obtained the rights to extract metals from two consignments of tailings, aggregating 254,906 tons, from the Nerchinskiye Rudniki mining dump (the “Nerchinkiye Dump”) from Mining Corporation Zabaikalgeoprom Limited Liability Company, a Russian entity (the “Seller”).

The Nerchinkiye Agreement provided that 133,271 tons of tailings from the Nerchinkiye Dump were to be delivered on or before December 31, 2006 (the “First Consignment”). In exchange, the Company would pay the Seller two payments of $426,000 (10,000,000 rubles), the first on or before December 31, 2007, that has not been paid to date, and the second on December 31, 2008. The balance of $28,658,332 (672,729,331 rubles) for the First Consignment would be paid in equal monthly installments between 2009 and 2012. The above referenced payments commence, if, and when, minerals are successfully extracted. If the Company is unable to implement, develop, or acquire an extraction method and begin extracting metals from the Nerchinkiye Dump, it is entitled to cancel the Nerchinkiye Agreement. Although the Company was deemed to be the owner of the Nerchinkiye Dump, if UniverCompany begins extraction of the Nerchinkiye Dump and does not make the payments described above, the Seller may terminate the Nerchinkiye Agreement and claim the property back from the Company.

The Nerchinkiye Agreement provided for the transfer of the balance of an additional 121,635 tons of tailings (the “Second Consignment”). The Second Consignment is to be delivered to the Company, provided the Company requests this consignment by December 30, 2008, however, the Company is under no obligation to do so. If the Company requests the Second Consignment, $26,934,731 (632,270,669 rubles) must be paid in equal monthly installments between 2009 and 2012.

Pursuant to an agreement dated June 2, 2008, between the Company and the Seller, the Company returned to the Seller the Nerchinkiye Dump due to the absence of financial resources and technological facilities to extract precious and rare-earth metals from this property. As a result, the Company realized a loss on disposition of the mineral rights in the amount of $2,187,254 for the nine months ended September 30, 2008 (nine months ended September 30, 2007 - $nil) .

6. Loans Payable

The loan payable to a third party, in the amount of $414,181, bears interest at the Federal Reserve's prime plus 11% per annum, is unsecured and has no specified terms of repayment.

The loan payable to Almazineteh - Consulting Limited Liability Company, in the amount of $5,000, bears interest at 11% per annum, is unsecured and was due on April 5, 2007. Pursuant to an oral amended agreement, the loan was due on July 1, 2008. The loan was not paid on the due date and the Company is in the process of negotiating an extension.

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7. Advances from Related Party

These advances from a director, bear interest at 15% per annum, are unsecured, and are due on November 1, 2008 (see note 11).

8. Capital Stock

In March 2008, the Company issued 15,000,000 shares valued at $1,650,000 for the acquisition of all of the issued and outstanding shares of UniverCompany pursuant to the terms of a purchase agreement between the Company and the shareholder of UniverCompany, dated November 30, 2006 and amended in May 2007, as described in note 1(a).

In April 2008, the directors of the Company were awarded a total of 300,000 common shares valued at $36,000, in recognition of their services to the Company. These shares were issued on July 29, 2008.

9. Income Taxes

The Company accounts for income taxes pursuant to SFAS No. 109. This standard prescribes the use of the liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates. The effects of future changes in tax laws or rates are not anticipated.

Under SFAS No. 109 income taxes are recognized for the following: a) amount of tax payable for the current period, and b) deferred tax liabilities and assets for future tax consequences of events that have been recognized differently in the financial statements than for tax purposes.

The current provision for income taxes has been computed as follows:

Expected income tax recovery at the effective statutory rate - 28%	$	(1,190,000)
Valuation allowance		**1,190,000**
Current provision for income taxes	$	-

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Unaudited

9. Income Taxes (cont'd)

The Company has no deferred income tax assets or liabilities at September 30, 2008 and December 31, 2007.

The Company has tax losses available to be applied against future years' income. Due to the losses incurred in the current period and expected future operating results, management determined that it is more likely than not that the deferred tax asset resulting from the tax losses available for carryforward will not be realized through the reduction of future income tax payments, accordingly a valuation allowance has been recorded for the current income taxes and deferred income tax assets.

As of September 30, 2008, the Company had $3,431,398 of Federal and state net operating loss carryforwards available to offset future taxable income. The Company has the following losses which expire in 20 years from the date the loss was incurred.

2023	$ 1,728
2024	4,513
2025	5,676
2026	50,726
2027	522,755
2028	2,846,000
	$ 3,431,398

10. Supplemental Disclosure of Cash Flow Information

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2008	Period from Date of Inception (May 21, 2003) Through September 30, 2007
Non-cash investing activities is as follows:			
Issuance of common stock for acquisition of UniverCompany (note 8)	$ 1,650,000	$ —	$ 1,650,000
Interest and income taxes paid during the period:			
Interest	$ —	$ —	$ —
Income taxes	$ —	$ —	$ —

STARGOLD MINES, INC. AND SUBSIDIARY
(FORMELY SOCKEYE SEAFOOD GROUP INC.)
(A DEVELOPMENT STAGE COMPANY)
Notes to Condensed Consolidated Financial Statements
Nine Months Ended September 30, 2008 and 2007
Unaudited

11. Subsequent Event

Advances from Related Party

The advances from a director, in the amount of $72,000, as described in note 7, were not paid on the due date. The Company is in the process of negotiating an extension.

Item 2. Management's Discussion and Analysis or Plan of Operations.

As used in this Form 10-Q, references to the "Company," "we," "our" or "us" refer to Stargold Mines, Inc., unless the context otherwise indicates.

Forward-Looking Statements

The following discussion should be read in conjunction with our financial statements, which are included elsewhere in this Form 10-Q (the "Report"). This Report contains forward-looking statements which 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 neg 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 any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

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. 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.

Overview

We were incorporated under the laws of the State of Nevada on May 21, 2003 under the name Sockeye Seafood Group, Inc. On November 13, 2006, we entered into a Plan and Agreement of Merger with our wholly-owned subsidiary, Stargold Mines, Inc., a Nevada corporation (the "Subsidiary"). The Subsidiary had no assets or liabilities and no previous operating history; it was formed by us on November 8, 2006 for the sole purpose of entering into the merger.

The merger was consummated on November 23, 2006. Pursuant to the Articles of Merger, we also changed our name from "Sockeye Seafood Group, Inc." to "Stargold Mines, Inc."

Effective as of November 23, 2006, we implemented a one for forty (1:40) forward stock split and increased our authorized shares of common stock on a corresponding basis. The number of shares of our common stock increased on a one for forty (1:40) basis, from 25,000,000 shares, par value $0.001, to 1,000,000,000 shares, par value $0.0001.

As disclosed in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on December 5, 2006, on November 30, 2006, the Company entered into a Stock Purchase Agreement with UniverCompany Limited Liability Company, a Russian limited liability society ("UniverCompany"), and the shareholder of UniverCompany, Evgeny Belchenko (the "UniverCompany Shareholder"), (collectively, the "Univer Agreement"). Pursuant to the Univer Agreement, the Company agreed to purchase from the UniverCompany Shareholder 100% of the issued and outstanding shares of common stock of UniverCompany in exchange for 41,000,000 shares of the Company's common stock. On May 15, 2007, the Univer Agreement was amended to reduce the consideration to 15,000,000 shares of the Company's common stock.

In March 2008, the Company completed its acquisition of UniverCompany and acquired 100% of the issued and outstanding shares of common stock of UniverCompany in accordance with the Univer Agreement, as amended. UniverCompany is now wholly-owned by the Company.

Proposed Business

Under an agreement dated December 2006, UniverCompany owns approximately 17% of a “Karalon” deposit and had the option to acquire an additional 63% of the Karalon deposit in return for a payment of $2.8 million USD. However, the Company has been unable to make the required payments under our agreement with Karalon. Although we have defaulted on those payments, the remaining owners have advised that they have secured a new purchaser and if the transaction is concluded successfully, we will receive our pro rata share of the then purchase price.

In December 2006 we received $1,000,000 gross proceeds from the sale of 1,000,000 units to Hampton Park Capital LLC. Each unit consisted of one share of common stock and one share purchase warrant, exercisable for one share of common stock at an exercise price of US$2.50 for two years from the date of issuance. The $1,000,000 raised by us was lent to UniverCompany on an unsecured basis, with no specific terms for repayment.

In May 2007, the Company received gross proceeds of an aggregate of $500,000 from the sale of 111,111 units of the Company's securities. Each unit consisted of one share of common stock and one half Class A Warrant. Each Class A Warrant is exercisable for one share of common stock at an exercise price of $7.00 for two years from the date of issuance. The units were sold pursuant to Section 4(2) of the Securities Act of 1933.

In June 2007, the Company cancelled 40,000,000 shares of its common stock which had previously been issued to former directors.

As of the date of this Report, neither the Company nor UniverCompany has had any revenues for the current fiscal year ended December 31, 2007 (“2007 Fiscal Year”) and through the quarter ended September 30, 2008 (“3rd Quarter 2008”). As we have disposed of principal asset, we are uncertain as to our future business plans.

Financial Condition, Liquidity and Capital Resources

We have generated only nominal operating revenues from operations from our inception. The comparison of current period operating results with those of prior periods is not meaningful.

From our inception through September 30, 2008, we have generated only nominal revenues and have incurred cumulative losses of $3,431,404.

As of September 30, 2008, we had $0 in cash. We incurred a net loss of $113,123 for the period July 1, 2008 to September 30, 2008. In 2006, the Company obtained the rights to extract metals from two consignments of tailings, from the Nerchinskiye Rudniki mining dump (the “Nerchinkiye Dump”) from Mining Corporation Zabaikalgeoprom Limited Liability Company, a Russian entity (the “Seller”). In June 2008, the Company returned to the Seller the Nerchinkiye Dump due to the absence of financial resources and technological facilities to extract precious and rare-earth metals from this property. As a result, the Company realized a loss on disposition of the mineral rights in the amount of $2,187,254 for the nine months ended September 30, 2008 (nine months ended September 30, 2007 - $nil).

<u>Going Concern Consideration</u>

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America with the assumption that the Company will be able to realize its assets and liabilities in the normal course of business. The Company has experienced recurring losses since inception and has negative cash flows from operations that raise substantial doubt as to its ability to continue as a going concern. For the nine months ended September 30, 2008 and 2007, the Company experienced net losses of $2,846,013 and $328,214, respectively, and has a deficit accumulated during the development stage of $3,431,404 at September 30, 2008.

The Company's ability to continue as a going concern is contingent upon its ability to secure additional financing and attaining profitable operations.

Management is pursuing various sources of equity financing. Although the Company plans to pursue additional financing, there can be no assurance that the Company will be able to secure financing when needed or obtain such on terms satisfactory to the Company, if at all.

The accompanying unaudited condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the inability of the Company to continue as a going concern.

Proposed Business Operations

The commencement of our business is dependent upon obtaining further financing and achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current or future stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There are no assurances that we will be able to either (1) pay off our indebtedness (2) commence operations; (3) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (4) obtain additional financing through either private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to us. If adequate working capital is not available we may not increase our operations.

These conditions raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should we be unable to commence our business plan.

Critical Accounting Policies

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States (“US GAAP”). 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 financial statements is critical to an understanding of our financials.

Use of Estimates

The preparation of financial statements in conformity with US GAAP generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

We consider all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

Financial Instruments

The fair values of accounts payable, accrued liabilities and amounts due to a related party were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements or contractual or commercial commitments.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file, under the Securities Exchange Act of 1934, as amended, are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the United States Securities and Exchange Commission. Our Chief Executive Officer and Chief Financial Officer has reviewed the effectiveness of our “disclosure controls and procedures” (as defined in the Securities Exchange Act of 1934 Rules 13a-14(c) and 15d-14(c)) within the end of the period covered by this Quarterly Report on Form 10-Q and has concluded that the disclosure controls and procedures are effective to ensure that material information relating to the Company is recorded, processed, summarized, and reported in a timely manner. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the last day they were evaluated by our Chief Executive Officer and Chief Financial Officer.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the last quarterly period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II
OTHER INFORMATION

Item 6. Exhibits

Exhibit No.	Description	
31.1	Rule 13a-14(a)/15d14(a) Certifications	Attached Hereto
32.1	Section 1350 Certifications	Attached Hereto

SIGNATURES

In accordance with to requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November , 2008

STARGOLD MINES, INC.

By:	/s/
Name:	F. Bryson Farrill
Title:	Chief Executive Officer, Chief Financial Officer, and Director (Principal Executive, Financial, and and Accounting Officer)