

ENTREE GOLD INC
Form 6-K
November 16, 2005

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

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November, 2005

Commission File Number 001-32570

Entrée Gold Inc.

(Translation of registrant's name into English)

Suite 1201 - 1166 Alberni Street, Vancouver, BC V6E 3Z3

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____.

ENTREE GOLD INC.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States Dollars)

September 30, 2005

ENTREE GOLD INC.
 (An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
 (Expressed in United States dollars)

| | September 30, 2005 (unaudited) | December 31, 2004 |
|--|---|------------------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | \$ 20,927,382 | \$ 6,060,371 |
| Receivables | 247,087 | 100,410 |
| Prepaid expenses | 249,406 | 62,514 |
| Total current assets | 21,423,875 | 6,223,295 |
| Equipment (Note 4) | 686,591 | 139,120 |
| | \$ 22,110,466 | \$ 6,362,415 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 516,193 | \$ 198,763 |
| Stockholders' equity | | |
| Common stock, no par value, unlimited number authorized (Note 6) 66,075,276 (December 31, 2004 - 50,868,066) issued and outstanding | 40,920,209 | 20,692,906 |
| Additional paid-in capital | 9,113,156 | 4,898,250 |
| Accumulated other comprehensive income: | | |
| Foreign currency cumulative translation adjustment | 1,331,911 | 180,482 |
| | (29,771,003) | (19,607,986) |

Accumulated deficit during exploration
stage

| | | |
|--|------------|--------------|
| Total stockholders' equity | 21,594,273 | 6,163,652 |
| Total liabilities and stockholders' equity | 22,110,466 | \$ 6,362,415 |

Nature of operations (Note 2)

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

ENTREE GOLD INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

(Expressed in United States dollars)

| | Three Month Period Ended September 30, 2005 | Three Month Period Ended September 30, 2004 | Nine Month Period Ended September 30, 2005 | Nine Month Period Ended September 30, 2004 | Cumulative Period from Inception (July 19, 1995) to September 30, 2005 |
|---|--|--|---|---|---|
| EXPENSES | | | | | |
| Audit and accounting | \$ 7,229 | \$ 15,913 | \$ 48,453 | \$ 36,256 | \$ 154,936 |
| Consulting fees (Note 6) | 20,119 | 39,681 | 1,095,505 | 120,216 | 1,349,747 |
| Depreciation | 35,285 | 7,081 | 76,731 | 16,978 | 111,266 |
| Escrow shares compensation (Notes 6 and 7) | - | (139,903) | (435,583) | (947,422) | 1,790,959 |
| Foreign exchange loss (gain) | (12,679) | 9,062 | (9,528) | 4,057 | 8,982 |
| Legal (Note 6) | 84,718 | 53,313 | 338,273 | 160,542 | 1,013,623 |
| Loss on settlement of debt (Note 6) | - | - | - | - | 5,252 |
| Management fees (Notes 6 and 7) | 16,648 | 61,665 | 1,704,795 | 280,763 | 2,623,740 |
| Mineral property interests (Note 5 and 6) | 2,569,409 | 674,620 | 5,680,637 | 2,021,015 | 19,363,494 |
| Office and administration (Note 6) | 239,026 | 132,439 | 1,205,642 | 378,673 | 1,984,865 |
| Regulatory and transfer agent fees | 25,295 | 6,316 | 62,087 | 23,402 | 146,689 |
| Shareholder communications and investor relations (Note 6) | 121,730 | 89,709 | 432,334 | 328,159 | 1,248,392 |
| Travel | 73,679 | 20,122 | 142,392 | 77,115 | 296,222 |
| Loss from operations | (3,180,459) | (970,018) | (10,341,738) | (2,499,754) | (30,098,167) |
| Interest income | 125,790 | 15,073 | 178,721 | 70,526 | 327,164 |

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| | | | | | |
|--|---------------|-------------|----------------|---------------|----------------|
| Net loss | \$(3,054,669) | \$(954,945) | \$(10,163,017) | \$(2,429,228) | \$(29,771,003) |
| Comprehensive loss: | | | | | |
| Net loss | (3,054,669) | (954,945) | (10,163,017) | (2,429,228) | (29,771,003) |
| Foreign currency translation adjustment | 1,168,212 | 151,602 | 1,151,429 | 15,000 | 1,331,911 |
| Comprehensive loss | \$(1,886,457) | \$(803,343) | \$(9,011,588) | \$(2,414,228) | \$(28,439,092) |
| Basic and diluted loss per share | \$ (0.05) | \$ (0.02) | \$ (0.18) | \$ (0.06) | |
| Weighted average number of shares outstanding | 65,373,384 | 42,747,166 | 57,728,965 | 42,651,527 | |

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

ENTREE GOLD INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(Expressed in United States dollars)

| | Number of Shares | Common Stock | Additional Paid- Up Capital | Accumulated Other Comprehensive Income | Accumulated Deficit During the Exploration Stage | Total Stockholders' Equity |
|---|---------------------|-----------------|--------------------------------------|---|--|----------------------------------|
| Balance, July 19, 1995 (date of inception) | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Shares issued: | | | | | | |
| Private placements | 4,200,000 | 60,852 | - | - | - | 60,852 |
| Acquisition of mineral property interests | 3,200,000 | 147,520 | - | - | - | 147,520 |
| Foreign currency translation adjustment | - | - | - | (756) | - | (756) |
| Net loss | - | - | - | - | (175,714) | (175,714) |
| Balance, April 30, 1996 | 7,400,000 | 208,372 | - | (756) | (175,714) | 31,902 |
| Shares issued: | | | | | | |
| Private placements | 3,880,000 | 274,718 | - | - | - | 274,718 |
| Foreign currency translation adjustment | - | - | - | (8,568) | - | (8,568) |
| Net loss | - | - | - | - | (56,250) | (56,250) |
| Balance, April 30,1997 | 11,280,000 | 483,090 | - | (9,324) | (231,964) | 241,802 |
| Foreign currency translation | - | - | - | (5,216) | - | (5,216) |

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| | | | | | | |
|---|------------|-----------|-----------|------------|-------------|------------|
| adjustment | | | | | | |
| Net loss | - | - | - | - | (33,381) | (33,381) |
| Balance, April 30, 1998 | 11,280,000 | 483,090 | - | (14,540) | (265,345) | 203,205 |
| Foreign currency translation adjustment | - | - | - | (3,425) | - | (3,425) |
| Net loss | - | - | - | - | (40,341) | (40,341) |
| Balance, April 30, 1999 | 11,280,000 | 483,090 | - | (17,965) | (305,686) | 159,439 |
| Escrow shares compensation | - | - | 41,593 | - | - | 41,593 |
| Exercise of stock options | 1,128,000 | 113,922 | - | - | - | 113,922 |
| Foreign currency translation adjustment | - | - | - | (896) | - | (896) |
| Net loss | - | - | - | - | (154,218) | (154,218) |
| Balance, April 30, 2000 | 12,408,000 | 597,012 | 41,593 | (18,861) | (459,904) | 159,840 |
| Foreign currency translation adjustment | - | - | - | (5,627) | - | (5,627) |
| Net loss | - | - | - | - | (18,399) | (18,399) |
| Balance, April 30, 2001 | 12,408,000 | 597,012 | 41,593 | (24,488) | (478,303) | 135,814 |
| Foreign currency translation adjustment | - | - | - | (2,561) | - | (2,561) |
| Net loss | - | - | - | - | (22,490) | (22,490) |
| Balance, April 30, 2002 | 12,408,000 | \$597,012 | \$ 41,593 | \$(27,049) | \$(500,793) | \$ 110,763 |

- continued -

ENTREE GOLD INC.

(An Exploration Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(Expressed in United States dollars)

| | Number of Common Shares | Common Stock | Additional Paid-In Capital | Comprehensive Income | Accumulated Other Income | Deficit During the Exploration Stage | Total Stockholders' Equity |
|--|-------------------------------|-----------------|-------------------------------|-------------------------|--------------------------------|--|----------------------------------|
|--|-------------------------------|-----------------|-------------------------------|-------------------------|--------------------------------|--|----------------------------------|

- continued -

**Balance, April 30,
2002**

| | | | | | | |
|------------|---------|-----------|--|--|--|--|
| 12,408,000 | 597,012 | \$ 41,593 | | | | |
|------------|---------|-----------|--|--|--|--|