

Edgar Filing: SOLANEX MANAGEMENT INC - Form 10-Q

SOLANEX MANAGEMENT INC

Form 10-Q

November 14, 2002

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

FORM 10-QSB

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

For the quarterly period ended September 30, 2002  
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☐ TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transition period from ----- to -----

0-49632  
Commission file number

SOLANEX MANAGEMENT CORP.  
(Exact name of small business issuer as specified in its charter)

Nevada	#98-0361151
-----	-----
(State of Incorporation)	(I.R.S. Employer Identification No.)

Suite 440, 1555 E. Flamingo Road  
Las Vegas, Nevada 89119  
-----  
(Address of principal executive offices)

(604) 681-7806  
-----  
(Issuer's telephone number)

Check whether the issuer (1) 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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. (1) Yes ☒ No ☐  
(2) Yes ☒ No ☐

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date: As of November 01, 2002, the Issuer had 5,000,000 shares of common stock, par value \$0.001, issued and outstanding.

Transitional Small Business Disclosure Format (Check one): Yes ☐ No ☒

PART I - FINANCIAL INFORMATION

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## Item 1. Financial Statements.

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The Financial Statements of the Company required to be filed with this 10-QSB Quarterly Report were prepared by management and commence on the following page, together with related Notes. In the opinion of management, the Financial Statements fairly present the financial condition of the Company. The Company's auditors have expressed a going concern qualification with respect to the Company's audited financial statements at December 31, 2001.

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## SIGNATURES

Solanex Management Corp.  
(A Development Stage Company)  
Balance Sheets  
As at September 30, 2002 and December 31, 2001  
(Unaudited)  
(expressed in U.S. dollars)

September 30,	December 31,
2002	2001
\$	

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Assets	0	0
	-----	-----
Liabilities and Stockholders' Deficiency		
Current Liabilities		
Accounts payable	24,054	6,228
	-----	-----
Contingent Liability (Note 1)		
Stockholders' Deficiency		
Common Stock:		
100,000,000 shares authorized with a par value of \$.001;		
Preferred Stock:		
20,000,000 shares authorized with a par value of \$.001;		
5,000,000 shares of common stock issued and outstanding	5,000	5,000
Additional Paid-in Capital	0	0
	-----	-----
	5,000	5,000
Deficit Accumulated During the Development Stage	(29,054)	(11,228)
	-----	-----
	(24,054)	(6,228)
	-----	-----
	0	0
	-----	-----

Solanex Management Corp.  
(A Development Stage Company)  
Statements of Operations  
(unaudited)  
(expressed in U.S. dollars)

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	Three Months Ended Sept 30, 2002 \$	Three Months Ended Sept 30, 2001 \$	Nine Months Ended Sept 30, 2002 \$	Ni Mo En Se 20 \$
Expenses				
Organization expenses	0	0	0	
Technology cost	0	0	0	
Administration	3,000	0	3,000	
Consulting	3,000	0	3,000	
Professional fees	3,874	0	7,474	
Office	4,000	0	4,352	
	-----	--	-----	
	13,874	0	17,826	
	-----	--	-----	
Net Loss	(13,874)	0	(17,826)	
Net Loss Per Share	(0.00)	(0.00)	(0.00)	
Weighted Average Shares Outstanding	5,000,000	5,000,000	5,000,000	5,000,000

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Solanex Management Corp.  
(A Development Stage Company)  
Statements of Cash Flows  
(unaudited)  
(expressed in U.S. dollars)

	Three Months 2002 ----	2001 ----	Nine Months 2002 ----	2001 ----
Operating Activities				
Net income (loss)	\$ (13,874)	\$ (0)	\$ (17,826)	\$
Adjustments to reconcile net income (loss) to net cash used by operating activities				
Expenses not paid with cash	0	0	0	
Changes in operating assets and liabilities	13,874	0	17,826	
	-----	--	-----	
Net cash provided by (used by) operating activities	0	0	0	
	--	--	--	
Investing Activities				

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## Financing Activities

Inflow (outflow) of cash	0	0	0
Cash, beginning of period	0	0	0
	--	--	--
Cash, end of period	\$0	\$0	\$0
	--	--	--

## Supplemental information

Interest paid	\$0	\$0	\$0
Shares issued for services	\$0	\$0	\$0
Corporate income taxes paid	\$0	\$0	\$0
Shares issued for technology	\$0	\$0	\$0

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Solanex Management Corp.

(A Development Stage Company)

Statement of Stockholders' Deficiency

From October 12, 2000 (Date of Inception) to September 30, 2002

(unaudited)

(expressed in U.S. dollars)

	Common Stock Shares #	Amount \$	Additional Paid-in Capital \$	T
Balance - October 12, 2000 (Date of Inception)	0	0	0	
Stock issued for \$1,500 of organization expenses	1,500,000	1,500	0	1
Stock issued for technology	3,500,000	3,500	0	3
Net loss for the period	0	0	0	
	-----	-----	--	--
Balance - December 31, 2001	5,000,000	5,000	0	5
Net loss for the period	0	0	0	

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Balance - September 30, 2002	5,000,000	5,000	0
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Solanex Management Corp.  
(a Development Stage Company)  
NOTES TO FINANCIAL STATEMENTS  
Nine Months Ended September 30, 2002  
(unaudited)

### 1. Nature of Operations

#### a) Development Stage Company

Solanex Management Corp. herein (the "Company") was incorporated in the State of Nevada on October 12, 2000, under the name EcoSoil Management Inc., and is in its early developmental stage. The Company changed its name to Solanex Management Corp. on December 6, 2001. To date, the Company's only activities have been organizational, directed at acquiring its principal asset, raising its initial capital and developing its business plan.

On October 12, 2000, Solanex acquired a license to certain technology and intellectual property from Colin V. Hall, the developer of the technology, and a group of investors. The license grants a non-exclusive right to manufacture, market and sell a thermal destructor for site remediation to industrial, petrochemical and site remediation organizations. The intellectual property assets acquired include all licensing, modification, marketing, distribution and sales rights worldwide in perpetuity. Under the terms of the Agreement and Assignment of Intellectual Property Rights, a cash payment of two thousand (\$2,000) dollars was made on behalf of the Company and the Company issued seventeen thousand five hundred (17,500) shares of common stock, now three million five hundred thousand (3,500,000) shares following a forward stock split that was authorized by the Board of Directors on December 7, 2001.

#### b) Going Concern

Since inception, the Company has suffered recurring losses, net cash outflows from operations and at September 30, 2002 has a working capital deficiency of \$24,054. The company expects to continue to incur substantial losses to complete the manufacture and marketing of its Thermal Destructor. Since its inception, the company has funded operations through common stock issuances and accounts payable in order to meet its strategic objectives. Management believes that sufficient funding will be available to meet its business objectives including anticipated cash needs for working capital and is currently evaluating several financing options. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue the development of, and if successful, to commence the sale of its products under development. As a result of the foregoing, there exists substantial doubt about the company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### 2. Basis of Accounting Presentation

These unaudited financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States of America for interim financial information, are condensed and do not include all disclosures required for annual financial statements. The organization and business of the Company, accounting policies followed by the Company and other

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information are contained in the notes to the Company's audited financial statements filed as part of the Company's Form 10-SB for the year ended December 31, 2001.

In the opinion of the Company's management, these financial statements reflect all adjustments necessary to present fairly the Company's financial position at September 30, 2002 and the results of its operations for the nine months then ended. The results of operations for the nine months ended September 30, 2002 are not necessarily indicative of the results to be expected for the entire fiscal year.

### 3. Summary of Significant Accounting Policies

#### a) Year end

The Company's fiscal year end is December 31.

#### b) Technology Development Costs

Technology development costs will be expensed as incurred.

#### c) Use of Estimates

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The preparation of financial statements in conformity with 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 periods. Actual results could differ from those estimates.

#### d) Net Loss Per Share

Net loss per share is calculated using the weighted average number of common shares outstanding during the period. Fully diluted loss per share is not presented as the impact of the exercise of options is anti-dilutive (There are no options granted at September 30, 2002).

### 4. Related Party Transaction

An individual who became a director of the Company received \$2,000 and 1,500,000 (post-split) common shares pursuant to the acquisition of technology (see note 1 (a)).

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

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The following discussion should be read in conjunction with the accompanying unaudited interim financial statements.

#### Plan of Operations

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To date, Solanex's only activities have been organizational, directed at acquiring its principal asset, raising its initial capital and developing its business plan. The Company has generated no revenues to date, has no assets and has part-time management.

No revenue was recorded for the nine month period ended September 30, 2002 and no revenue has been generated since inception.

The Company has found raising money in the current market to be a challenge. As a result, the focus is to raise money for milestone 2 in its business plan - a market survey, rather than for milestone 1 which requires a substantially greater investment. The Company continues to look to acquire a business with

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positive cash flow which would assist in pursuing its business plan.

### Liquidity and Capital Resources

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No material commitments for capital expenditures were made during the quarter ended September 30, 2002.

Solanex remains in the development stage and, since inception, has experienced no significant change in liquidity or capital resources or stockholders' equity. Consequently, Solanex's balance sheet of September 30, 2002, reflects total assets of \$nil. Organizational expenses of \$5,728 were paid for by the initial stockholders and expensed to operations.

Based on the Company's business plan, Solanex believes that during its first operational quarter, it will need a capital infusion of approximately \$850,000 to achieve a sustainable sales level, where ongoing operations can be funded out of revenues. This capital infusion is intended to cover costs of completing and readying equipment, advertising, hiring and paying two to three sales people, and administrative expenses.

The Company plans to utilize debt and/or equity financings to fund its short-term and long-term growth. The availability of future financings will depend on market conditions. A portion of any funds so raised may be used to grow the business through acquisitions of other businesses.

Solanex will need additional capital to carry out its business plan or to engage in a combination with another business. No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any additional funds will be available on terms acceptable to Solanex or at all. Solanex has no commitments for capital expenditures and has not entered any agreements for potential funding.

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The forecast of the period of time through which the Company's financial resources will be adequate to support operations is a forward-looking statement that involves risks and uncertainties. The actual funding requirements may differ materially from this as a result of a number of factors, including plans to rapidly expand its new operations. The Company's auditors caution that there can be no assurance that the Company will be able to continue as a going concern or achieve material revenues or profitable operations.

### Special Note Regarding Forward Looking Statements

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Certain statements in this report and elsewhere (such as in other filings by the Company with the Securities and Exchange Commission ("SEC"), press releases, presentations by the Company of its management and oral statements) may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and "should," and variations of these words and similar expressions, are intended to identify these forward-looking statements. Actual results may materially differ from any forward-looking statements. Factors that might cause or contribute to such differences include, among others, competitive pressures and constantly changing technology and market acceptance of the Company's products and services. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements, which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.



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## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

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To the knowledge of Solanex's directors, the Company is not a party to any legal proceeding or litigation and none of its property is the subject of a pending legal proceeding and the directors know of no other threatened or contemplated legal proceedings or litigation. To the Company's knowledge, there are no lawsuits nor were any lawsuits commenced against the Company during the quarter ended September 30, 2002, nor did the Company commence any lawsuits during the same period.

### Item 2. Changes in Securities and Use of Proceeds.

#### Changes in Securities

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There were no changes during the nine months ended September 30, 2002 in the securities issued by the Company.

#### Use of Proceeds

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Not applicable.

### Item 3. Defaults Upon Senior Securities.

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Not applicable.

### Item 4. Submission of Matters to a Vote of Security Holders.

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No matters were put forward to a vote of the security holders of the Company this quarter.

### Item 5. Other Information.

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Colin Hall resigned as a director effective November 01, 2002.

### Item 6. Exhibits and Reports on form 8-K.

#### Exhibits

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None.

#### Reports on Form 8-K

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None.

SIGNATURES

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

Solanex Management Corp.

Date: October 31, 2002  
-----

By: /s/ Piers VanZiffle  
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Name: Piers VanZiffle  
Title: President and Director

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 W.S.C. SECTION 1350 AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002,  
the undersigned Chief Executive Officer and chief Financial Officer, or persons  
fulfilling similar functions, each certify:

- (i) That the financial information included in this Quarterly Report fairly presents in all material respects the financial condition and results of operations of the Company as of September 30, 2002 and for the periods presented in the report; and
- (ii) That the Quarterly Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities exchange Act of 1934

By: /s/ Piers VanZiffle  
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Title: Chief Executive Officer and  
Chief Financial Officer

Date: October 31, 2002