

Osprey Ventures, Inc.  
Form 10-Q  
April 14, 2010

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

**FORM 10-Q**

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

For the quarterly period ended FEBRUARY 28, 2010

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 333-148625

**OSPREY VENTURES, INC.**

(Exact name of small business issuer in its charter)

Wyoming  
(State or other jurisdiction of incorporation or  
organization)

26-0665571  
(I.R.S. Employer Identification No.)

Unit 905, 9th Floor, Two Chinachem Exchange Square  
338 Kings Road, North Point, Hong Kong  
(Address of principal executive offices)

N/A  
(Zip Code)

Issuer s telephone number: (888) 755-9766

Securities Registered Under Section 12(b) of the Exchange Act: None

Securities Registered Under Section 12(g) of the Exchange Act: Common Stock, \$0.001 par value  
(Title of class)

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 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  No

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

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer or a smaller reporting

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company.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 9,040,000 shares of Common Stock as of the date of this report.

Transitional Small Business Format. Yes  No

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**PART I FINANCIAL INFORMATION**

**Item 1. Financial Statements**

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**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**FINANCIAL STATEMENTS**

**For the quarter ended FEBRUARY 28, 2010**

**BALANCE SHEETS AS OF FEBRUARY 28, 2010 (UNAUDITED), AND MAY 31, 2009.**

**STATEMENTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2010 (UNAUDITED), AND FEBRUARY 28, 2009 (UNAUDITED), AND THE PERIOD FROM MAY 17, 2006 (INCEPTION), TO FEBRUARY 28, 2010 (UNAUDITED).**

**STATEMENT OF STOCKHOLDERS EQUITY (DEFICIT) FOR THE PERIOD FROM MAY 17, 2006 (INCEPTION), TO FEBRUARY 28, 2010 (UNAUDITED).**

**STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED FEBRUARY 28, 2010 (UNAUDITED), AND FEBRUARY 28, 2009 (UNAUDITED), AND FOR THE PERIOD FROM MAY 17, 2006 (INCEPTION), TO FEBRUARY 28, 2010 (UNAUDITED).**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED).**

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**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**BALANCE SHEETS**  
**AS OF FEBRUARY 28, 2010 AND MAY 31, 2009**

|  | February 28, 2010<br>(Unaudited) | May 31, 2009  |
|--|----------------------------------|---------------|
| <b>ASSETS</b>  |                                  |               |
| <b>CURRENT ASSETS</b>                                      |                                  |               |
| Cash   | \$ 15,347                        | \$ 96         |
| Prepaid expenses   | 1,500                            | -             |
| <b>TOTAL ASSETS</b>  | <b>\$ 16,847</b>                 | <b>\$ 96</b>  |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)</b>       |                                  |               |
| <b>CURRENT LIABILITIES</b>                                 |                                  |               |
| Due to a former officer (Note 3)                           | \$ 5,483                         | \$ 5,000      |
| Due to an officer and director (Note 3)                    | -                                | 3,225         |
| Due to a related party (Note 3)                            | 7,129                            | 16,041        |
| Accounts payable and accrued liabilities                   | 1,265                            | 4,279         |
| <b>TOTAL LIABILITIES</b>                                   | <b>13,877</b>                    | <b>28,545</b> |
| <b>STOCKHOLDERS EQUITY (DEFICIT)</b>                       |                                  |               |
| Capital stock (Note 6)                                     |                                  |               |
| Authorized   |                                  |               |
| 200,000,000 shares of common stock, \$0.001 par value,     |                                  |               |
| Issued and outstanding                                     |                                  |               |
| 9,040,000 shares of common stock (May 31, 2009: 7,200,000) | 9,040                            | 7,200         |
| Common stock subscribed                                    | -                                | -             |
| Additional paid-in capital                                 | 110,260                          | 20,100        |
| Deficit accumulated during the exploration stage           | (116,330)                        | (55,749)      |
| Total stockholders equity (deficit)                        | 2,970                            | (28,449)      |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)</b> | <b>\$ 16,847</b>                 | <b>\$ 96</b>  |

The accompanying notes are an integral part of these financial statements

**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2010, AND FEBRUARY 28, 2009,**  
**AND THE PERIOD FROM MAY 17, 2006 (INCEPTION), TO FEBRUARY 28, 2010**  
**(Unaudited)**

|   | Three Months<br>Ended<br>February 28,<br>2010 | Three Months<br>Ended<br>February 28,<br>2009 | Nine Months<br>Ended<br>February 28,<br>2010 | Nine Months<br>Ended<br>February 28,<br>2009 | May 17, 2006,<br>(inception) to<br>February 28,<br>2010 |
|---|---|---|--|--|---|
| <b>REVENUE</b>                                      | \$ -  | \$ -  | \$ -   | \$ -   | \$ -  |
| Total revenue                                       | -   | -   | -  | -  | -   |
| <b>EXPENSES</b>                                     |   |   |  |  |   |
| Bank charges  | 164   | 32  | 305  | 120  | 878   |
| Loss on currency exchange                           | -   | (1,495)                                       | (3)  | 438  | 777   |
| Interest expense on promissory note                 | 189   | 242   | 742  | 367  | 1,518   |
| Contributed administrative support                  | -   | -   | -  | -  | 300   |
| Exploration of resource property                    | 20,000  | -   | 20,000                                       | -  | 20,000  |
| Office  | 294   | -   | 3,444  | 119  | 7,357   |
| Organizational costs                                | -   | -   | -  | -  | 300   |
| Professional & consulting fees                      | 12,015  | 906   | 19,054                                       | 9,195  | 54,372  |
| Corporate services                                  | -   | -   | -  | -  | 5,000   |
| Public relations                                    | -   | -   | -  | -  | 790   |
| Registration and filing fees                        | 863   | -   | 2,067  | 3,143  | 6,095   |
| Travel and meals                                    | 4,545   | -   | 4,545  | -  | 5,291   |
| Transfer agent fees                                 | 5,675   | -   | 5,675  | -  | 5,675   |
| Management fees                                     | 881   | 1,290   | 4,752  | 1,290  | 7,977   |
| Total expenses                                      | 44,626  | 975   | 60,581                                       | 14,672                                       | 116,330   |
| <b>NET LOSS FOR THE PERIOD</b>                      | \$ (44,626)                                   | \$ (975)                                      | \$ (60,581)                                  | \$ (14,672)                                  | \$ (116,330)  |
| <b>BASIC AND DILUTED LOSS PER COMMON SHARE</b>      | \$ (0.01)                                     | \$ (0.001)                                    | \$ (0.01)                                    | \$ (0.002)                                   |   |
| <b>WEIGHTED AVERAGE NUMBER OF BASIC AND DILUTED</b> | 8,099,558                                     | 7,200,000                                     | 7,996,557                                    | 7,200,000                                    |   |

**COMMON SHARES  
OUTSTANDING**

The accompanying notes are an integral part of these financial statements

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**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**STATEMENT OF STOCKHOLDERS EQUITY (DEFICIT)**  
**FOR THE PERIOD FROM MAY 17, 2006 (INCEPTION), TO FEBRUARY 28, 2010 (UNAUDITED)**

|  | (Note 6 )<br>Common Stock | Additional<br>Paid-in<br>Capital | Share<br>Subscription<br>Receivable | Deficit<br>Accumulated<br>During the<br>Exploration<br>Stage | Total           |
|--|---------------------------|----------------------------------|-------------------------------------|--|-----------------|
|  | Number of<br>shares       | Amount                           |                                     |  |                 |
| Common stock issued for cash at \$0.001 per share  |                           |                                  |                                     |  |                 |
| - May 31, 2006 (note 3)  | 5,000,000                 | \$ 5,000                         | \$ -                                | \$ -   | \$ -            |
| - Share Subscription receivable  | -                         | -                                | (5,000)                             | -  | -               |
| Net loss for the period ended May 31, 2006   | -                         | -                                | -                                   | (300)  | (300)           |
| <b>Balance, May 31, 2006</b>   | <b>5,000,000</b>          | <b>5,000</b>                     | <b>-</b>                            | <b>(300)</b>   | <b>(300)</b>    |
| Share Subscription Received  | -                         | -                                | 5,000                               | -  | 5,000           |
| March 23, 2007, common stock sold in private placement offering (\$0.01/ share) (note 6) | 2,200,000                 | 2,200                            | 19,800                              | -  | 22,000          |
| Net loss for the year ended May 31, 2007   | -                         | -                                | 200                                 | (12,102)   | (11,902)        |
| <b>Balance May 31, 2007</b>  | <b>7,200,000</b>          | <b>7,200</b>                     | <b>20,000</b>                       | <b>(12,402)</b>  | <b>14,798</b>   |
| Contributed administrative support   | -                         | -                                | 100                                 | -  | 100             |
| Net loss for the year ended May 31, 2008   | -                         | -                                | -                                   | (22,061)   | (22,061)        |
| <b>Balance May 31, 2008</b>  | <b>7,200,000</b>          | <b>7,200</b>                     | <b>20,100</b>                       | <b>(34,463)</b>  | <b>(7,163)</b>  |
| Net loss for the year ended May 31, 2009   | -                         | -                                | -                                   | (21,286)   | (21,286)        |
| <b>Balance May 31, 2009</b>  | <b>7,200,000</b>          | <b>7,200</b>                     | <b>20,100</b>                       | <b>(55,749)</b>  | <b>(28,449)</b> |
| Common stock subscribed for cash at \$0.05 per share under S-1 registration              | 1,840,000                 | 1,840                            | 90,160                              | -  | 92,000          |



|   |   |   |   |   |          |          |
|---|---|---|---|---|----------|----------|
| Net loss for the period<br>ended February 28, 2010<br>(unaudited) | - | - | - | - | (60,581) | (60,581) |
|---|---|---|---|---|----------|----------|

|                                      |                  |           |              |           |                |           |          |           |                  |           |              |
|--------------------------------------|------------------|-----------|--------------|-----------|----------------|-----------|----------|-----------|------------------|-----------|--------------|
| <b>Balance February 28,<br/>2010</b> | <b>9,040,000</b> | <b>\$</b> | <b>9,040</b> | <b>\$</b> | <b>110,260</b> | <b>\$</b> | <b>-</b> | <b>\$</b> | <b>(116,330)</b> | <b>\$</b> | <b>2,970</b> |
|--------------------------------------|------------------|-----------|--------------|-----------|----------------|-----------|----------|-----------|------------------|-----------|--------------|

The accompanying notes are an integral part of these financial statements

**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED FEBRUARY 28, 2010, AND FEBRUARY 28, 2009,**  
**AND FOR THE PERIOD FROM INCEPTION TO FEBRUARY 28, 2010**  
**(Unaudited)**

|  | Nine Months<br>Ended<br>February 28, 2010 | Nine Months<br>Ended<br>February 28, 2009 | Cumulative results of<br>operations May 17,<br>2006 (inception), to<br>February 28, 2010 |
|--|---|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                |   |   |  |
| Net loss for the period  | \$ (60,581)                               | \$ (14,672)                               | \$ (116,330)   |
| Adjustments to reconcile net loss to net cash used in operating activities |   |   |  |
| - contributed administrative expense                                       | -   | -   | 300  |
| Changes in:  |   |   |  |
| - due to a related party   | -   | 1,290                                     | 3,225  |
| - prepaid expense  | (1,500)                                   | -   | (1,500)  |
| - accounts payable and accrued liabilities                                 | (5,488)                                   | (12,859)                                  | (1,212)  |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>                               | <b>(67,569)</b>                           | <b>(26,241)</b>                           | <b>(115,517)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                |   |   |  |
| Proceeds from issuance of common stock                                     | 92,000                                    | -   | 119,000  |
| Principal payments on debt   | (9,230)                                   | -   | (9,230)  |
| Proceeds from issuance of notes payable                                    | 50  | 14,749                                    | 21,094   |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>                           | <b>82,820</b>                             | <b>14,749</b>                             | <b>130,864</b>   |
| <b>NET INCREASE (DECREASE) IN CASH</b>                                     | <b>(15,251)</b>                           | <b>(11,492)</b>                           | <b>15,347</b>  |
| <b>CASH, BEGINNING OF PERIOD</b>   | <b>96</b>                                 | <b>11,609</b>                             | <b>-</b>   |
| <b>CASH, END OF PERIOD</b>   | <b>\$ 15,347</b>                          | <b>\$ 117</b>                             | <b>\$ 15,347</b>   |

The accompanying notes are an integral part of these financial statements]

**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**Notes to the Interim Financial Statements**  
**February 28, 2010**

**NOTE 1: BASIS OF PRESENTATION**

The condensed financial statements presented herein have been prepared by the Company in accordance with the accounting policies in its audited financial statements for the period ended May 31, 2009, as filed with the SEC on Form 10K and should be read in conjunction with the notes thereto. The Company is in the exploration stage. In April, 2007, the Company entered into an Option to Purchase and Royalty Agreement to acquire a 25% interest in a mining property with no known reserves, known as the Gao Feng property, in Jiangxi Province, east-central China. (see Note 4).

In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary to provide a fair presentation of operating results for the interim period presented have been made. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the year.

The Company is considered an exploration stage company as it has not generated revenues from its operations.

**Recently Adopted and Recently Enacted Accounting Pronouncements**

In April 2008, the FASB issued ASC 350-10, "Determination of the Useful Life of Intangible Assets." ASC 350-10 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 ASC 350-10, "Goodwill and Other Intangible Assets." ASC No. 350-10 is effective for fiscal years beginning after December 15, 2008. The adoption of this ASC did not have a material impact on our consolidated financial statements.

In April 2009, the FASB issued ASC 805-10, "Accounting for Assets Acquired and Liabilities assumed in a Business Combination That Arise from Contingencies" an amendment of FASB Statement No. 141 (Revised December 2007), "Business Combinations". ASC 805-10 addresses application issues raised by preparers, auditors and members of the legal profession on initial recognition and measurement, subsequent measurement and accounting and disclosure of assets and liabilities arising from contingencies in a business combination. ASC 805-10 is effective for assets or liabilities arising from contingencies in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. ASC 805-10 will have an impact on our accounting for any future acquisitions and its consolidated financial statements.

In May 2009, the FASB issued ASC Topic 855, "Subsequent Events". ASC Topic 855 established principles and requirements for evaluating and reporting subsequent events and distinguishes which subsequent events should be recognized in the financial statements versus which subsequent events should be disclosed in the financial statements. ASC Topic 855 also requires disclosure of the date through which subsequent events are evaluated by management. ASC Topic 855 was effective for interim periods ending after June 15, 2009 and applies prospectively. Because ASC Topic 855 impacts the disclosure requirements, and not the accounting treatment for subsequent events, the adoption of ASC Topic 855 did not impact our consolidated results of operations or financial condition. See Note 10 for disclosures regarding our subsequent events.

Effective July 1, 2009, we adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 105-10, Generally Accepted Accounting Principles Overall ("ASC 105-10"). ASC 105-10 establishes the FASB Accounting Standards Codification (the "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of

financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification is non-authoritative. The FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the bases for conclusions on the change(s) in the Codification. References made to FASB guidance throughout these consolidated financials have been updated for the Codification.

**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**Notes to the Interim Financial Statements**  
**February 28, 2010**

**NOTE 1: BASIS OF PRESENTATION (continued)**

In August 2009, the FASB issued ASU No. 2009-05, Measuring Liabilities at Fair Value, which provides additional guidance on how companies should measure liabilities at fair value under ASC 820. The ASU clarifies that the quoted price for an identical liability should be used. However, if such information is not available, an entity may use the quoted price of an identical liability when traded as an asset, quoted prices for similar liabilities or similar liabilities traded as assets, or another valuation technique (such as the market or income approach). The ASU also indicates that the fair value of a liability is not adjusted to reflect the impact of contractual restrictions that prevent its transfer and indicates circumstances in which quoted prices for an identical liability or quoted price for an identical liability traded as an asset may be considered level 1 fair value measurements. This ASU is effective October 1, 2009. We are currently evaluating the impact of this standard, but would not expect it to have a material impact on the our consolidated results of operations or financial condition.

Recently Issued Accounting Standards

In June 2009, the Financial Accounting Standards Board ("FASB") established the FASB Accounting Standards Codification ( the "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by non-governmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The introduction of the Codification does not change GAAP and other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the our consolidated financial statements.

In August 2009, the FASB issued an amendment to the accounting standards related to the measurement of liabilities that are recognized or disclosed at fair value on a recurring basis. This standard clarifies how a company should measure the fair value of liabilities and that restrictions preventing the transfer of a liability should not be considered as a factor in the measurement of liabilities within the scope of this standard. This standard was effective for the Company on

October 1, 2009. The Company does not expect the impact of its adoption to be material to its financial statements.

**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**Notes to the Interim Financial Statements**  
**February 28, 2010**

**NOTE 1: BASIS OF PRESENTATION (continued)**

In October 2009, the FASB issued an amendment to the accounting standards related to the accounting for revenue in arrangements with multiple deliverables including how the arrangement consideration is allocated among delivered and undelivered items of the arrangement. Among the amendments, this standard eliminated the use of the residual method for allocating arrangement considerations and requires an entity to allocate the overall consideration to each deliverable based on an estimated selling price of each individual deliverable in the arrangement in the absence of having vendor-specific objective evidence or other third party evidence of fair value of the undelivered items. This standard also provides further guidance on how to determine a separate unit of accounting in a multiple-deliverable revenue arrangement and expands the disclosure requirements about the judgments made in applying the estimated selling price method and how those judgments affect the timing or amount of revenue recognition. This standard became effective for the Company on January 1, 2011. The Company does not expect the impact of its adoption to be material to its financial statements.

In October 2009, the FASB issued an amendment to the accounting standards related to certain revenue arrangements that include software elements. This standard clarifies the existing accounting guidance such that tangible products that contain both software and non-software components that function together to deliver the product's essential functionality, shall be excluded from the scope of the software revenue recognition accounting standards. Accordingly, sales of these products may fall within the scope of other revenue recognition standards or may now be within the scope of this standard and may require an allocation of the arrangement consideration for each element of the arrangement. This standard became effective for the Company on January 1, 2011. The Company does not expect the impact of its adoption to be material to its financial statements.

**NOTE 2 GOING CONCERN**

These financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's significant operating losses raise substantial doubt about the ability to continue as a going concern. Inherent in the Company's business are various risks and uncertainties, including its limited operating history, historical operating losses, dependence upon strategic alliances, and the historical success rate of mineral exploration.

As shown in the accompanying financial statements, the Company has incurred an accumulated deficit of \$116,330 for the period from May 17, 2006 (inception), to February 28, 2010, and has no revenue. The Company's future success is primarily dependent upon the existence of gold or

other precious minerals on properties for which the Company owns a working interest or an option to acquire an interest. No minerals have yet been discovered on the property. The Company's success will also be dependent upon its ability to raise sufficient capital to fund its exploration programs and, if gold is discovered, to exploit the discovery on a timely and cost-effective basis.

**NOTE 3 RELATED PARTY TRANSACTIONS**

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Officers contributed administrative services to the Company for all periods to May 31, 2008. The time and effort was recorded in the accompanying financial statements based on the prevailing rates for such services, which equaled \$50 per hour based on the level of services performed. The services are reported as contributed administrative support with a corresponding credit to additional paid-in capital. No contributed administrative costs have been incurred in the current year to date.

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**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**Notes to the Interim Financial Statements**  
**February 28, 2010**

**NOTE 3 RELATED PARTY TRANSACTIONS (continued)**

In 2006, the Company issued a total of 5,000,000 shares of its restricted common stock to two directors (2,500,000 to each) for \$5,000 (\$0.001/share) .

On March 25, 2008, the Company's secretary loaned the Company \$5,000 in exchange for a promissory note. The note carries a five percent (5%) interest rate and matured in June 2009 but has not been called as of the date of this report. Accrued interest payable on the note was \$483 at February 28, 2010.

On September 13, 2008, the two founding directors resigned all positions with the Company and sold their shares to two new directors at cost.

On December 1, 2008, the Company entered into a line of credit with a related party to assist the Company in the payment of its debts. The line of credit / promissory note bears interest at the rate of 7.5% per annum and was repayable in full on December 1, 2009; the portion of the note that has not already repaid has not been called as of the date of this report. The payable amount under the note, including accrued interest, was \$7,129 at February 28, 2010.

On January 1, 2009, the Company entered into a Management Services Agreement with its President and Director to provide certain financial and administrative management services for the Company at a rate of Hong Kong \$5,000 (approximately US \$645) per month for a one year period. The contract was fully paid in December, 2009 but was not renewed for the current calendar year as a result of the lack of available funds from within the Corporation's operations.

**NOTE 4 OPTION ON MINERAL PROPERTY UNPROVEN MINERAL INTERESTS**

In April, 2007 the Company entered into an Option to Purchase and Royalty Agreement, as amended May 15, 2009, to acquire a 25% interest in a mining property with no known reserves, in Jiangxi Province, China.

As at February 28, 2010, the Company had paid for its portion of the first phase of a planned two-phase exploration program in the amount of \$20,000 (Osprey's portion of a planned gross expenditure on phase I of \$80,000).

Under the terms of the Option Agreement, the Company is required to:

- A. Make option exploration expenditures as follows:

| Exploration Expenditures | Due Date            |
|--------------------------|---------------------|
| \$20,000                 | May 31, 2010 (paid) |
| <u>\$40,000</u>          | May 31, 2011        |
| <u>\$60,000</u>          |                     |

- B. Make annual payments of \$25,000, commencing May 31, 2012, as long as the Company holds any interest in the claim as prepayment of the net smelter royalty.



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- C. Issue 1,000,000 shares of Osprey Ventures, Inc. upon completion of a phase I exploration program as recommended by a geologist.

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**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**Notes to the Interim Financial Statements**  
**February 28, 2010**

**NOTE 4 OPTION ON MINERAL PROPERTY UNPROVEN MINERAL INTERESTS (continued)**

- D. Osprey may acquire an additional 26% of the right, title and interest, by the payment of US \$25,000 and by incurring an additional US \$100,000 in exploration expenditures on the Property on or before May 31, 2013.
- E. In addition to the above terms, the optionor is to retain a three percent net smelter royalty. Osprey has a right to purchase one-half of the Royalty by paying to the optionor the sum of US \$500,000 per Royalty percentage point.

**NOTE 5 INCOME TAXES**

As of February 28, 2010, the Company had net operating loss carry forwards of approximately \$116,330 that may be available to reduce future years taxable income and will expire beginning in 2027. Availability of loss usage is subject to change of ownership limitations under Internal Revenue Code 382. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements, as their realization is determined not likely to occur and accordingly, the Company has recorded a valuation allowance for the future tax loss carry-forwards.

**NOTE 6 CAPITAL STOCK**

a) **Common Stock**

In 2006 the Company issued 5,000,000 of its common stock at a price of \$0.001 per share for proceeds of \$5,000. The offering was made pursuant to section 4(2) of the United States Securities Act of 1933, as amended.

In 2007, the Company offered for sale 3,000,000 shares of its common stock at a price of \$0.01 per share. The Company sold 2,200,000 shares for net proceeds of \$22,000. The offering was made pursuant to Rule 903 of Regulation S of the Securities Act.

In late 2008 and early 2009, the Company took receipt of \$92,000 in payment for 1,840,000 shares of its common stock at a price of \$0.05 per share issued under an S-1 registration statement dated September 5, 2008, which became effective on September 18, 2008. The shares were originally paid for by placees in Shanghai, China but the Board had significant issues opening corporate bank accounts in China for a foreign entity. As a result, most of the funds became stale dated by mid 2009. It has taken a length of time to establish new banking relationships, get the funds reissued for deposit in North America and actually get the funds into the banking system; all the funds have now been received and have cleared both U.S. and Chinese banking systems. On January 15, 2010, the Corporation issued treasury orders regarding the issuance of 1,840,000 shares that were sold under the S-1 registration statement.

b) **Stock Options**

The Company does not have a stock option plan and no options or rights to acquire options have been granted.



**OSPREY VENTURES, INC.**  
**(An Exploration Stage Company)**

**Notes to the Interim Financial Statements**  
**February 28, 2010**

**NOTE 7 SUBSEQUENT EVENTS**

There are no subsequent events upon which to report. Subsequent events have been evaluated through the date of this financial report.

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

**Cautionary Statement Regarding Forward-Looking Statements**

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. Some discussions in this report may contain forward-looking statements that involve risk and uncertainty. A number of important factors could cause our actual results to differ materially from those expressed in any forward-looking statements made by us in this report. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions or words which, by their nature, refer to future events.

In some cases, you can also identify forward-looking statements by terminology such as may, will, should, plan, 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, including the risks in the section entitled Risks on page 4, 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.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity 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.

**General Information**

Our financial statements are stated in United States Dollars (USD or US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. All references to common shares refer to the common shares in our capital stock.

As used in this annual report, the terms we, us, our, and Osprey mean Osprey Ventures, Inc., unless otherwise indicated.

Osprey is an exploration stage company. There is no assurance that commercially viable mineral deposits exist on the claim that we have under option. Further exploration will be required before a final evaluation as to the economic and legal feasibility of the claim is determined.

**Foreign Currency and Exchange Rates**

Dollar costs of Osprey's property acquisition and planned exploration costs are in Chinese (Yuan) Renminbi (RMB) while management fees are in Hong Kong Dollars (HKD). For purposes of consistency and to express United States Dollars throughout this report, Chinese, including Hong Kong, currency has been converted into United States currency at the rate of US \$1.00 being approximately equal to RMB 7.50 or RMB 1.00 being approximately equal to US \$0.13 which is the approximate average exchange rate during recent months and which is consistent with the incorporated financial statements.

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**THE FOLLOWING ANALYSIS OF THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF THE CORPORATION FOR THE PERIOD ENDING FEBRUARY 28, 2010, SHOULD BE READ IN CONJUNCTION WITH THE CORPORATION'S CONSOLIDATED FINANCIAL STATEMENTS, INCLUDING THE NOTES THERETO CONTAINED ELSEWHERE IN THIS FORM 10-Q AND IN OUR**

**ANNUAL REPORT ON FORM 10K.**

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## **Overview**

We were incorporated in the State of Wyoming on May 17, 2006, as Osprey Ventures, Inc. and established a fiscal year end of May 31. Our statutory registered agent's office is located at 1620 Central Avenue, Suite 202, Cheyenne, Wyoming 82001 and our business office is located at Unit 905, 9th Floor, Two Chinachem Exchange Square, 338 Kings Road, North Point, Hong Kong. Our telephone number in North America is (888) 755-9766. There have been no material reclassifications, mergers, consolidations or purchases or sales of any significant amount of assets not in the ordinary course of business since the date of incorporation. We are a start-up, exploration stage company engaged in the search for gold and related minerals. There is no assurance that a commercially viable mineral deposit, a reserve, exists in our optioned property or can be shown to exist until sufficient and appropriate exploration is done and a comprehensive evaluation of such work concludes economic and legal feasibility.

On April 22, 2007, as amended on May 15, 2009, we optioned a 25 percent interest in a gold exploration and mining property referred to as the Gao Feng Gold Mining Property located in north-eastern Jiangxi Province, China by entering into an Option To Purchase And Royalty Agreement with Jiujiang Gao Feng Mining Industry Limited Company, the beneficial owner of the property. The option allows us to acquire an interest in the property by making certain expenditures and carrying out certain exploration work.

Under the terms of the agreement, Jiujiang granted to Osprey the right to acquire 25% of the right, title and interest of Jiujiang in the property, subject to its receiving annual payments and a royalty, in accordance with the terms of the agreement as follows:

- (a) Osprey, or its permitted assigns, contributing exploration expenditures on the property of a minimum of US \$20,000 on or before May 31, 2010 (paid);
- (b) Osprey, or its permitted assigns, contributing exploration expenditures on the property of a further US \$40,000 for aggregate minimum contributed exploration expenses of US \$60,000 on or before May 31, 2011;
- (c) Osprey shall allot and issue 1,000,000 shares in the capital of Osprey to Jiujiang upon completion of a phase I exploration program as recommended by a competent geologist;
- (d) Osprey will pay to Jiujiang an annual royalty of three percent of Net Smelter Returns;
- (e) Upon exercise of the option, Osprey will pay to Jiujiang US \$25,000 per annum commencing on May 31, 2012, as prepayment of the NSR; and
- (f) Osprey has the right to acquire an additional 26% of the right, title and interest in and to the Property by the payment of US \$25,000 and by incurring an additional US \$100,000 in exploration expenditures on the Property on or before May 31, 2012.

To date we have paid \$20,000 as our portion of the phase I exploration program which was finally commenced on February 15 and was concluded on March 3, 2010. We have not spent any money on research and development activities. Information about the claims was presented to a former director for review without any contractual obligations. We must conduct exploration to determine if gold exists on the property and if any gold which is found can be economically extracted and profitably processed.

The reader of this Report is directed to our Form 10-K Report for May 31, 2009, dated September 8, 2009, and our S-1 registration statement dated September 05, 2008, for further discussion of the property, mineral exploration in China, geology and other, more detailed, background information on the optioned property.

## **Our Proposed Exploration Program Plan of Operation**

Our business plan is to proceed with the initial exploration of the Gao Feng property to determine if there are commercially exploitable deposits of gold and silver.

We do not claim to have any ores or reserves whatsoever at this time on our optioned property.

We anticipated that our portion of phase I of the recommended geological exploration program would cost \$30,000 of a total \$120,000 planned expenditure with the balance being funded by Jiujiang based on the Report which is a reflection of local costs for the specified type of operation. Prior to the commencement of the work program, that expenditure was reduced to \$80,000 with the decision to reduce the amount of diamond drilling planned for the first phase. We had \$15,347 in cash reserves as of February 28, 2010. Accordingly, we will not be able to proceed to the second phase of the exploration program and carry on normal business operations without additional funding.

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**Phase I Exploration Program**

Exploration will assist in the determination of whether gold exists on the property and if any which is found can be economically extracted and profitably processed. If our initial exploration efforts are favourable we intend to proceed with longer term exploration.

Phase II will not be carried out until 2011 and will be contingent upon favourable results from phase I and specific recommendations in the resulting report. Specifics of the work to be carried out will be delineated as recommendations in the reporting of the results of phase I. The second phase may require up to six weeks work and may cost up to \$200,000 in total (Osprey's portion being \$50,000) comprised of wages, fees, camp, equipment rental, trenching, diamond drilling, assays and related. Four months may be required for analysis and the preparation of a report and evaluation on the work accomplished.

**Employees**

Initially, we intend to use the services of subcontractors for manual labour exploration work on our claims and an engineer or geologist to manage the exploration program. Our only employee will be Yiu Yeung Lung James, our senior officer and director and Ma Cheng Ji, a director.

At present, we have no employees, other than Messrs. Yiu and Ma. On January 01, 2009, we entered into a Management Services Agreement with Yiu Yeung Lung James, our President and a director, to provide certain financial and administrative management services for the Company at a rate of Hong Kong \$5,000 per month for a one year period (approximately US \$650 per month). On December 31, 2009, Mr. Yiu elected not to renew the agreement as the result of our inability to generate the cash flow required. Mr. Ma does not have an employment agreement with us. We presently do not have pension, health, annuity, insurance, stock options, profit sharing or similar benefit plans; however, we may adopt such plans in the future. There are presently no personal benefits available to employees.

We intend to hire geologists, engineers and excavation subcontractors on an as needed basis. We retained Gao Feng-Lin as senior geological consultant for the first phase exploration program.

**Offices**

Our offices are located at Unit 905, 9th Floor, Two Chinachem Exchange Square, 338 Kings Road, North Point, Hong Kong. Currently, these facilities are provided to us by Yiu Yeung Lung James, a director and our President, without charge, but such arrangement may be cancelled at anytime without notice. Specific direct expenses incurred such as telephone and secretarial services are charged at cost on a quarterly basis.

**Risks**

At present we do not know whether or not the claims contain commercially exploitable reserves of gold or any other valuable mineral. Also, the proposed expenditures to be made by us in the exploration of the claim may not result in the discovery of commercial quantities of ore. Problems such as unusual or unexpected formations and other unanticipated conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. In such a case, we would be unable to complete our business plan.

In order to complete future phases of exploration we will need to raise additional funding. Even if the first phase of our exploration program is deemed to be successful there is no guarantee that we will be able to raise any additional capital in order to finance future operations.



The Vendor holds the mining rights to the claims which thereby gives it or its designated agent, the rights to mine and recover all of the minerals contained within the surface boundaries of the lease continued vertically downward. In the event Jiujiang were to grant another deed which is subsequently registered prior to our deed, the third party would obtain good title and we would have nothing.

Jiujiang has granted an option to Osprey to allow us to explore, mine and recover any minerals on the claims. As with the preceding, if they were to grant an option to another party, that party would be able to enter the claims, carry out certain work commitments and earn right and title to the claims; we would have little recourse as we would be harmed, would not own any claims and would have to cease operations. However, in either event, Jiujiang would be liable to us for monetary damages for breach of the agreement. The extent of that liability would be for our out of pocket costs for expenditures on the claims, if any, in addition to any lost opportunity costs if the claims proved to be of value in the future. The agreement does not specifically reference these risks or the recourse. Although we would have recourse against Jiujiang in the situations described, there is a question as to whether that recourse would have specific value.

Even if our exploration program is successful we may not be able to obtain commercial production. If our exploration is successful and commercial quantities of ore are discovered we will require a significant amount of additional funds to place the claim into commercial production.

### **Results of Operations**

Osprey was incorporated on May 17, 2006; comparative periods for the quarters and nine month periods ended February 28, 2010, and February 28, 2009, and from May 17, 2006 (inception), through February 28, 2010, are presented in the following discussion.

Since inception, we have used our common stock, an advance from a related party and promissory notes from related parties to raise money for our optioned acquisition and for corporate expenses. Net cash provided by financing activities (less offering costs) from inception on May 17, 2006, to February 28, 2010, was \$130,864 as a result of proceeds received from sales of our common stock (\$119,000), an advance from a former director (\$5,000 excluding interest payable) and the non-repaid proceeds to date from a line of credit we have been able to negotiate at an interest rate of 7.5% per annum (\$7,129).

The Corporation did not generate any revenues from operations for the quarter or nine month period ended February 28, 2010. To date, we have not generated any revenues from our mineral exploration business.

### **REVENUES**

**REVENUE** Gross revenue for the quarters ended February 28, 2010 and February 28, 2009, was \$0.

**COMMON STOCK** Net cash provided by financing activities during the nine month period the amount was \$92,000 all from the proceeds of the sale of 1,840,000 shares of common stock issued under our S-1 registration statement. For the same period in 2009, the amount was \$0 (nil) and for the period from inception on May 17, 2006, through to and including February 28, 2010, the amount was \$119,000 provided by the sale of common stock in 2006 and 2009. No options or warrants were issued to issue shares at a later date in the most recent quarter.

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EXPENSES

|                                     | Three<br>Months<br>Ended<br>February<br>28, 2010 | Three<br>Months<br>Ended<br>February<br>28, 2009 | Nine<br>Months<br>Ended<br>February<br>28, 2010 | Nine<br>Months<br>Ended<br>February<br>28, 2009 | May 17,<br>2006<br>(inception)<br>to February<br>28, 2010 |
|-------------------------------------|--|--|---|---|---|
| <b>REVENUE</b>                      | \$ -   | \$ -   | \$ -  | \$ -  | \$ -  |
| <b>EXPENSES</b>                     |  |  |   |   |   |
| Bank charges                        | 164  | 32   | 305   | 120   | 878   |
| Loss on currency exchange           | -  | (1,495)  | (3)   | 438   | 777   |
| Interest expense on promissory note | 189  | 242  | 742   | 367   | 1,518   |
| Contributed administrative support  | -  | -  | -   | -   | 300   |
| Exploration of resource property    | 20,000   | -  | 20,000  | -   | 20,000  |
| Office                              | 294  | -  | 3,444   | 119   | 7,357   |
| Organizational costs                | -  | -  | -   | -   | 300   |
| Professional & consulting fees      | 12,015   | 906  | 19,054  | 9,195   | 54,372  |
| Corporate services                  | -  | -  | -   | -   | 5,000   |
| Public relations                    | -  | -  | -   | -   | 790   |
| Registration and filing fees        | 863  | -  | 2,067   | 3,143   | 6,095   |
| Management fees                     | 881  | 1,290  | 4,752   | 1,290   | 7,977   |
| Transfer agent fees                 | 5,675  | -  | 5,675   | -   | 5,675   |
| Travel and meals                    | 4,545  | -  | 4,545   | -   | 5,291   |
| <b>Total expenses</b>               | <b>\$ 44,626</b>                                 | <b>\$ 975</b>                                    | <b>\$ 60,581</b>                                | <b>\$ 14,672</b>                                | <b>\$ 116,330</b>   |

**SUMMARY** Total expenses were \$44,626 in the quarter ended February 28, 2010, and \$975 for the similar period in 2009. For the nine month periods ended February 28, 2010, and February 28, 2009, the comparative values were \$60,581 and \$14,672 respectively. A total of \$116,330 in expenses has been incurred since inception on May 17, 2006, through February 28, 2010. These costs have and will vary from quarter to quarter based on the level of general corporate activity, exploration operations and capital raising. Costs were significantly higher in the quarter and nine month period under discussion as we commenced our business plan and ceased being inactive. Costs can be further subdivided into:

**BANK CHARGES:** Osprey incurred \$164 in bank and related fees for the quarter ended on February 28, 2010, and \$32 for the similar period in 2009. For the nine month periods ended February 28, 2010, and February 28, 2009, the comparative values were \$305 and \$120 respectively. From inception on May 17, 2006, we have incurred a total of \$878 in bank charges. This cost category should generally have little variance between quarters and was slightly larger than normal this quarter as a result of fees incurred with receiving inbound wire deposits.

**LOSS ON CURRENCY EXCHANGE:** Osprey incurred no costs or gains in currency exchange in the most recent quarter ended on February 28, 2010, and gained \$1,495 for the quarter ended February 28, 2009. For the nine month periods ended February 28, 2010 and February 28, 2009, the comparative values were a gain of \$3 and a loss of \$438 respectively. From inception on May 17, 2006, to February 28, 2010, we have incurred a total of \$777 in losses on currency exchange.

**INTEREST EXPENSE ON PROMISSORY NOTE AND LINES OF CREDIT:** On March 25, 2008, a related party and former director advanced \$5,000 to Osprey in the form of a promissory note which bears interest at the rate of 5%. On December 01, 2008, we were able to arrange a line of credit to pay for existing accounts payable through a related

party which is charging 7.5% interest on amounts utilized. During this last quarter we incurred \$189 for the interest due on those advances. During the similar period in 2009 there were \$242 in such charges or accruals. For the nine month periods ended February 28, 2010, and February 28, 2009, the comparative values were \$742 and \$367 respectively. From inception on May 17, 2006, we have incurred a total of \$1,518 in interest payable on the advances. In the future this cost category will change based on whether there are advances or loans from related parties. The first note was due and payable on June 1, 2009, but has not been called for redemption. The line of credit was payable on December 01, 2009 but as of the date of this report the remaining balance of \$7,129 has not been called for redemption. Each were paid in full subsequent to the end of the quarter under discussion.

CONTRIBUTED ADMINISTRATIVE SUPPORT: \$0 in contributed expenses (for contributed administrative costs) were incurred for the quarter or nine month periods ended February 28, 2010 and 2009, while \$0 was incurred in the three months and nine months periods ended on February 28, 2010 and 2009. A total of \$300 has been incurred in the period from inception on May 17, 2006, to February 28, 2010. All contributed expenses are reported as contributed costs with a corresponding credit to additional paid-in capital.

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**RESOURCE PROPERTY EXPLORATION EXPENSES:** \$20,000 for our portion of the costs pertaining to the phase I exploration program on our optioned exploration property, the Gai Feng gold property, were incurred in the quarter ended February 28, 2010, while no such expenses have been incurred in the past. This category of costs will vary based on overall exploration activity.

**OFFICE EXPENSES:** \$294 in office costs were incurred in the quarter ended February 28, 2010, while \$0 (nil) was incurred for the similar period in 2009. For the nine month periods ended February 28, 2010 and February 28, 2009, the comparative values were \$3,444 and \$119 respectively. For the period May 17, 2006 (inception), through February 28, 2010, a total of \$7,357 has been spent on office related expenses. Cost items included encompass telephone, facsimile, courier, photocopying, postage, website design and operation and general office expenses and services. This category will vary based on overall business activity as well as financing activities.

**ORGANIZATIONAL COSTS:** No charges for organizational costs were incurred for the quarter or nine month periods ended on February 28, 2010, and 2009. From inception to May 17, 2006, we have incurred a total of \$300 in organizational expenses. We expect infrequent charges.

**PROFESSIONAL & CONSULTING FEES:** Osprey incurred \$12,015 in professional fees for the quarter ended on February 28, 2010, and \$906 for the 2009 period. For the nine month periods ended February 28, 2010 and February 28, 2009, the comparative values were \$19,054 and \$9,195 respectively. From inception on May 17, 2006, we have incurred a total of \$54,372 in professional fees mainly spent on legal, accounting and consulting matters in areas in which we were unfamiliar. This cost category will vary in spending depending on legal, accounting and new business activities.

**COMPENSATION:** No compensation costs were incurred for the quarter or nine month periods ended February 28, 2010, or 2009 and no direct compensation costs have been incurred since inception.

**MANAGEMENT SERVICES:** On January 01, 2009, we entered into a Management Services Agreement with James Yiu, our President and a director, to provide certain financial and administrative management services for the Company at a rate of Hong Kong \$5,000 per month (approximately US \$665) for a one year period. Osprey incurred \$881 in management service fees for the quarter ended on February 28, 2010, and \$1,90 for the similar period in 2009. For the nine month periods ended February 28, 2010 and February 28, 2009, the comparative values were \$4,752 and \$1,290 respectively. From inception on May 17, 2006, we have incurred a total of \$7,977 in management service fees. As result of our inability to generate revenues in the foreseeable future, Mr. Yiu elected to not renew the Agreement.

**CORPORATE SERVICES:** Osprey incurred \$0 in corporate service fees for the quarter and nine month periods ended on February 28, 2010 and 2009. From inception on May 17, 2006, we have incurred a total of \$5,000 in corporate service fees.

**PUBLIC RELATIONS:** Osprey incurred \$0 in public relations and related costs for the quarters and nine month periods ended on February 28, 2010, and 2009. From inception on May 17, 2006, we have incurred a total of \$790 in public relations fees.

**REGISTRATION AND FILING FEES:** Osprey incurred \$863 in registration and filing fee expenses for the quarter ended on February 28, 2010, and \$0 (nil) for the similar period in 2009. For the nine month periods ended February 28, 2010 and February 28, 2009, the comparative values were \$2,067 and \$3,143 respectively. From inception on May 17, 2006, we have incurred a total of \$6,095 in registration and filing fees. This cost category will vary depending on the capital raising activities of the Corporation but otherwise consists of the cost of filing our annual and quarterly reports on EDGAR as well as the cost of the filing of general meeting information therein.



**TRAVEL AND MEAL EXPENSES:** \$4,545 was spent in travel and meal costs in the quarter and nine month periods ended on February 28, 2010 while \$0 (nil) was spent in the corresponding periods for 2009. For the period May 17, 2006 (inception), through February 28, 2010, a total of \$5,291 has been spent on travel and meal expenses.

**NET CASH USED IN OPERATING ACTIVITIES:** For the nine month period ended February 28, 2010, \$67,569 in net cash was used while \$26,241 was used for the similar period in 2009. A total of \$115,517 in net cash has been used for the period from inception on May 17, 2006, to February 28, 2010.

**INCOME TAX PROVISION:** As a result of operating losses, there has been no provision for the payment of income taxes to date in 2009 2010 or from the date of inception.

During the nine month period under review, Osprey took receipt of \$92,000 in payment for 1,840,000 shares of its common stock issued under an S-1 registration statement dated September 5, 2008, which became effective on September 18, 2008. The shares were originally paid for by placees in Shanghai, China but the Board had significant issues opening corporate bank accounts in that country being a foreign entity. As a result, most of the funds became stale dated in 2009 and it has taken a length of time to establish new banking relationships in the United States, get the funds reissued for deposit in North America and actually get the funds into the banking system. As of the date of this report Osprey has 9,040,000 common shares issued and outstanding.

Osprey continues to carefully control its expenses and overall costs as it moves forward with the development of its business plan. We do not have any employees and engage personnel through outside consulting contracts or agreements or other such arrangements, including for legal, accounting and technical consultants.

### **Plan of Operation**

Osprey believes we can satisfy our cash requirements for the current fiscal year end of May 31, 2010, with the proceeds of our S-1 offering which raised \$92,000. As of February 28, 2010, we had \$2,970 in working capital.

For the balance of the current fiscal year to May 31, 2010, we will concentrate our efforts on a review of the phase I work on our optioned mineral property. Following industry trends and demands we are also considering the acquisition of other properties and projects of merit. A new public offering would be needed during a subsequent period to do so.

If it turns out that we have not raised enough money to complete our secondary exploration program through phase II, we will try to raise the funds from a second public offering, a private placement, loans or the establishment of a joint venture whereby a third party would pay the costs associated with phase II and we would retain a carried interest. At the present time, we have not made any plans to raise additional funds and there is no assurance that we would be able to raise money in the future.

We do not expect any changes or more hiring of employees since contracts are given on an as needed basis to consultants and sub-contractor specialists in specific fields of expertise for the exploration works.

Presently, our revenues are not sufficient to meet operating and capital expenses. We have incurred operating losses since inception, and this is likely to continue through fiscal 2009 2010. Management projects that we may require up to \$130,000 to fund ongoing operating expenses and working capital requirements for the next twelve months, broken down as follows:

|                    |          |
|--------------------|----------|
| Operating expenses | \$35,000 |
|--------------------|----------|



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|                              |               |
|------------------------------|---------------|
| Phase II exploration program | 50,000        |
| Working Capital              | <u>45,000</u> |
| Total                        | \$130,000     |

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As at February 28, 2010, we had a working capital surplus of \$2,970. We do not anticipate that we will be able to satisfy any of these funding requirements internally until we significantly increase our revenues.

Due to the uncertainty of our ability to meet our current operating and capital expenses, in their report on the annual financial statements for the year ended May 31, 2009, our independent public accountants included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional notes describing the circumstances that lead to this disclosure by our independent auditors.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further financing. Our issuance of additional equity securities could result in a significant dilution in the equity interests of our current 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 obtain further funds required for continued operations. We are pursuing various financing alternatives to meet immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it could be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet obligations as they become due.

### **Liquidity and Capital Resources**

For the quarter and nine month periods ended February 28, 2010, we have yet to generate any revenues from operations.

Since inception, we have used our common stock, advances from related parties and lines of credit to raise money for our optioned acquisition and for corporate expenses. Net cash provided by financing activities from inception on May 17, 2006, to February 28, 2010, was \$130,864 as a result of gross proceeds received from sales of our common stock (less offering costs) (\$119,000), an advance in the form of a promissory note from a related party (\$5,000) and the proceeds to date that remain unpaid from a line of credit we have negotiated (\$7,129).

We issued 5,000,000 shares of common stock through a Section 4(2) offering in May 2006 for cash consideration of \$5,000. We issued 2,200,000 shares of common stock through a Rule 903 Regulation S offering in April, 2007 for cash consideration of \$22,000 to a total of 8 places. In the nine month period under review we issued 1,840,000 shares of common stock under our S-1 registration statement which became effective on September 18, 2008, and which were sold in early 2009 at a price of \$0.05 for cash consideration of \$92,000 to a total of 35 places.

As of February 28, 2010, our total assets consisted entirely of cash in the amount of \$15,347 and \$1,500 in prepaid expenses while our total liabilities were \$13,877. Working capital stood at \$2,970.

For the quarter ended February 28, 2010, the net loss was \$44,626 (\$0.01 per share) while for February 28, 2009, the net loss was \$975 (\$0.001 per share) For the nine month periods ended February 28, 2010 and February 28, 2009, the comparative values were \$60,581 (\$0.01 per share) and \$14,672 (\$0.002 per share) respectively. The loss per share was based on a weighted average of 8,099,556 common shares outstanding for the current quarter and 7,200,000 for the nine month period and 7,996,557 shares outstanding at February 28, 2010 and 7,200,000 outstanding for 2009. The net loss from May 17, 2006 (inception), to February 28, 2010, is \$116,330.

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**Inflation / Currency Fluctuations**

Inflation has not been a factor during the recent quarter ended February 28, 2010. Inflation is moderately higher than it was during 2009 but the actual rate of inflation is not material and is not considered a factor in our contemplated capital expenditure program.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

None.

**Item 4. Controls and Procedures****(a) Evaluation of Disclosure Controls and Procedures.**

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were ineffective to ensure that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

**(b) Changes in Internal Controls.**

During the quarter ended February 28, 2010, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

**PART II OTHER INFORMATION****Item 1. Legal Proceedings**

The Corporation is and has not been party to any legal proceedings in the preceding quarter.

**Item 2. Changes in Securities**

Osprey had 9,040,000 shares of common stock issued and outstanding as of the date of this report. Of these shares, approximately 5,000,000 shares are held by affiliates of the Corporation; none of those shares can be resold in

compliance with the limitations of Rule 144 as adopted by the Securities Act of 1933.

In general, under Rule 144, a person who has beneficially owned shares privately acquired directly or indirectly from us or from one of our affiliates, for at least one year, or who is an affiliate, is entitled to sell, within any three-month period, a number of shares that do not exceed the greater of 1% of the then outstanding shares or the average weekly trading volume in our shares during the four calendar weeks immediately preceding such sale. Sales under Rule 144 are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us. A person who is not deemed to have been an affiliate at any time during the 90 days preceding the sale, and who has beneficially owned restricted shares for at least two years, is entitled to sell all such shares under Rule 144 without regard to the volume limitations, current public information requirements, manner of sale provisions or notice requirements.

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The issuances discussed under this section are exempted from registration under Section 4(2) of the Securities Act. All purchasers of our securities acquired the shares for investment purposes only and all stock certificates reflect the appropriate legends as appropriate. No underwriters were involved in connection with the sale of securities referred to in this report.

### Item 3. Submission of Matters to a Vote of Security Holders

No matter has been submitted to a vote of security holders during the preceding quarter.

### Item 4. Other Information

#### Use of Proceeds

Net cash provided by financing activities from inception on May 17, 2006, to February 28, 2010, was \$130,864 as a result of proceeds received from sales of our common stock, an advance from a related party and lines of credit / promissory notes. During that same period, the following table indicates how the proceeds have been spent to date:

|  |                  |
|--|------------------|
| Bank Charges                               | 878              |
| Loss on currency exchange                  | 777              |
| Interest on promissory note                | 1,518            |
| Contributed administrative support         | 300              |
| Exploration of resource property           | 20,000           |
| Management service fees                    | 7,977            |
| Office                                     | 7,357            |
| Organizational costs                       | 300              |
| Professional fees                          | 54,372           |
| Corporate services                         | 5,000            |
| Public relations                           | 790              |
| Registration and filing fees               | 6,095            |
| Transfer agent services & fees             | 5,675            |
| Travel and meals                           | <u>5,291</u>     |
| Total Use of Proceeds to February 28, 2010 | <u>\$116,330</u> |

#### Common Stock

During the nine -month period ended February 28, 2010, 1,840,000 shares of common stock were issued under a previously effective S-1 registration statement. As of February 28, 2010, and the date of this report, there were 9,040,000 shares issued and outstanding.

#### Options

No options were granted during the three month period ending February 28, 2010.

**Code of Ethics**

The Board of Directors on April 22, 2007, adopted a formal written Code of Business Conduct and Ethics and Compliance Program for all officers, directors and senior employees. A copy of the Code of Business Conduct and Ethics is available upon written request by any person without charge. To obtain a copy, an interested party should contact our offices by telephone at (888) 755-9766 or write to Unit 905, 9th Floor, Two Chinachem Exchange Square, 338 Kings Road, North Point, Hong Kong.

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**Web Site**

Osprey maintains a Web site at <http://osprey-ventures-inc.com> and has an e-mail address at [ospreyventures@gmail.com](mailto:ospreyventures@gmail.com) .

**Item 6. Exhibits and Reports on Form 8-K**

Reports on Form 8-K filed during the quarter ended February 28, 2010: Nil

**Exhibits**

31.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**SIGNATURES**

Pursuant to the 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.

Osprey Ventures, Inc.  
(Registrant)

Date: April 14, 2010.

BY: /s/ Yiu Yeung Lung James

YIU YEUNG LUNG JAMES, President, Chief Executive Officer, Principal Executive Officer, Secretary, Treasurer, Chief Financial Officer, Principal Financial Officer and a Member of the Board of Directors

BY: /s/ Ma Cheng Ji

MA CHENG JI, Member of the Board of Directors

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