AMERICAN INTERNATIONAL VENTURES INC /DE/
Form 10-Q
May 20, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x	**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended February 28, 2015

OR

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

Commission File Number 000-30368

American International Ventures, Inc.

(Name of Small Business Issuer in its charter)

Delaware	**22-3489463**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

15122 Tealrise Way

Lithia, Florida	**33547**
(Address of principal executive offices)	(Zip Code)

(813) 260-2866
(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the proceeding 12 months and (2) has been subject to such filing requirements for the past 90 days. x Yes o No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer o Accelerated filer o Non-accelerated filer o Smaller Reporting Company x

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) o Yes x No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of February 28, 2015, is 212,049,945 shares of Common Stock, $.00001 par value.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN INTERNATIONAL VENTURES, INC.

(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

	(Unaudited) February 28, 2015	May 31, 2014
ASSETS		
Current Assets		
Cash	$ 1,770	$ 12,862
Miscellaneous receivables	22,820	22,911
Inventories	-	31,228
Total current assets	24,590	67,001
Fixed Assets		
Vehicles	74,839	150,039
Mining equipment	577,600	502,400
Office furniture and equipment	30,221	30,022
Total assets	682,660	682,461
Less accumulated depreciation	249,820	208,101
Net fixed assets	432,840	474,360
Other Assets		
Investment in securities	6,500	5,000
Mining claims	861,707	1,321,707
Total other assets	868,207	1,326,707
TOTAL ASSETS	$ 1,325,637	$ 1,868,068
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portions of notes payable	$ 85,385	$ 465,980
Accounts payable and accrued expenses	144,893	95,629
Taxes payable	74,896	70,103
Advances from officers and directors	163,325	58,000
Total current liabilities	468,499	689,712
Long Term Liabilities		
Long term portions of notes payable	102,956	27,392
Warrant liability	27,150	135,750
Total long term liabilities	130,106	163,142
Total Liabilities	598,605	852,854

Stockholders' Equity		
Common stock - authorized, 400,000,000 shares of $.00001 par value; issued and outstanding, 212,899,945 and 206,020,044 shares, respectively	2,129	2,060
Additional paid in capital	7,203,586	6,902,860
Accumulated deficit	(6,449,048)	(5,871,988)
Total American International Ventures, Inc. stockholders equity	756,667	1,032,932
Non controlling interest	(29,637)	(17,718)
Total stockholders' equity	727,030	1,015,214
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 1,325,635	$ 1,868,068

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

AMERICAN INTERNATIONAL VENTURES, INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Month Periods Ended		Nine Month Periods Ended	
	February 28,		February 28,	
	2015	2014	2015	2014
	$	$		
Sales	-	57,239	$ 58,278	$ 187,200
Cost of goods sold	-	53,055	30,340	158,536
Gross profit	-	4,184	27,938	28,664
Administrative expenses	(51,,854)	120,510	479,661	530,049
Operating loss	(51,854)	(116,326)	(451,723)	(501,385)
Other Income and Expense:				
Change in valuation of warrants	-	27,150	108,600	190,050
Loss on sale of mining claim	(48,000)	5,000	(206,500)	5,000
Interest income	(109)	111	2,973	111
Interest expense	(3,437)	(17,941)	(37,144)	(41,180)
Total other income (expense)	(51,546)	14,320	(132,071)	153,981
Net loss before taxes	(103,400)	(102,006)	(583,794)	(347,404)
Provision for income taxes	-	29,960	5,008	29,960
Net Loss	(103,400)	(131,966)	(588,802)	(377,364)
Net loss attributable to noncontrolling interests	-	-	11,919	-
Net loss attributable to American International Ventures, Inc.	$ (103,400)	$ (131,966)	$ (576,883)	$ (377,364)
Net Loss Per Share Basic and Diluted	$ -	$ -	$ -	$ -
Weighted Average Number of Shares Outstanding	210,294,389	205,210,044	208,879,044	204,982,132

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

AMERICAN INTERNATIONAL VENTURES, INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Month Periods Ended February 28, 2015	2014
Cash Flows From Operating Activities:		
Net loss	$ (588,802)	$ (377,364)
Adjustments to reconcile net loss to net cash consumed by operating activities:		
Charges and credits not requiring the use of cash:		
Depreciation	41,719	76,632
Gain on sale of securities	(1,500)	-
Equity items issued for services	246,800	191,501
Loss (gain) on sale of mining claim	208,000	(5,000)
Interest charge related to debt discount	526	480
Interest on convertible loans	-	20,421
Gain on revaluation of warrants	(108,600)	(190,050)
Changes in assets and liabilities:		
Increase (decrease) in accounts payable and accrued expenses	58,259	(3,136)
Increases in taxes payable	4,793	103,651
Increase in convertible notes payable		
Decrease (increase) in inventory	31,228	(71,241)
Increase in other current assets	-	(4,576)
Net cash consumed by operating activities	(107,577)	(258,682)
Cash Flows From Investing Activities:		
Purchases of fixed assets	-	(23,408)
Net cash consumed by investing activities	-	(23,408)
Cash Flows From Financing Activities:		
Proceeds from issuances of convertible notes	-	245,000
Proceeds from issuances of demand notes	105,325	45,000
Payments on financing lease	(8,840)	(8,331)
Net Cash provided by financing activities	96,485	281,669

Net change in cash		(11,092)		(421)
Cash balance, beginning of period		12,862		10,442
Cash balance, end of period	$	1,770	$	10,021

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

AMERICAN INTERNATIONAL VENTURES, INC.

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2015

(Unaudited)

1. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements of American International Ventures, Inc. ("the Company") as of February 28, 2015 and for the nine month periods ended February 28, 2015 and 2014 have been prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, such information contains all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results of such periods. The results of operations for the nine month period ended February 28, 2015 are not necessarily indicative of the results to be expected for the full fiscal year ending May 31, 2015.

Certain information and disclosures normally included in the notes to financial statements have been condensed or omitted as permitted by the rules and regulations of the Securities and Exchange Commission, although the Company believes the disclosure is adequate to make the information presented not misleading. The accompanying unaudited financial statements should be read in conjunction with the financial statements of the Company for the year ended May 31, 2014.

2. BACKGROUND

On March 23, 2012, the Company entered into a share exchange agreement with Placer Gold Prospecting, Inc. (Placer), a Company that was formed on January 25, 2012. This share exchange agreement was treated as a reverse recapitalization, under which the legal acquiree (Placer) was treated as the accounting acquiror and the equity accounts of the Company were adjusted to reflect a reorganization. Inasmuch as Placer was treated as the accounting acquiror, whenever historical financial information is presented, it is Placer information.

On May 3, 2013, the Company formed a subsidiary in Baja, California, to exploit a mining claim acquired by the subsidiary. It remained inactive until June 1, 2013 at which time it became operational, on a limited basis. A problem with the mining permit caused suspension of mining activity in May 2014. The Company is working to resolve that problem.

3. GOING CONCERN AND LIQUIDITY

As shown in the accompanying financial statements, the Company has experienced losses since its inception. It also had a working capital deficiency at February 28, 2015 and presently does not have sufficient resources to meet its outstanding liabilities or accomplish its objectives during the next twelve months. These factors raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue in operation.

4. DEBT OBLIGATIONS

On August 31, 2014, the Company defaulted on its obligation for $130,000 of convertible notes. This default was subsequently cured, as described in Note 7.

5. WARRANT LIABILITY

During the year ended May 31, 2013, the Company issued 2,715,000 warrants to an investment banker; these warrants have "full-ratchet anti-dilution protection". In accordance with pronouncements of the Financial Accounting Standards Board, these warrants have been classified as liabilities. They will be periodically revalued by use of a Black Sholes valuation model. Changes in the value will be recorded on the statement of operations. During the nine month periods ended February 28, 2015 and 2014, the value was reduced by $108,600 and $190,050, respectively.

AMERICAN INTERNATIONAL VENTURES, INC.

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2015

(Unaudited)

6. CAPITAL STOCK

The following is a summary of stock activity during the quarter:

	Shares	Amount
Balance May 31, 2014	206,020,044	$6,904,920
Shares issued for services	5,800,000	246,800
Shares issued upon debt conversion	1,079,901	
Balance February 28, 2015	212,899,945	$7,151,720

7. SUPPLEMENTARY CASH FLOW INFORMATION

There was $25,743 cash paid for interest in the nine month period ended February 28, 2015 and $9,450 paid in cash in the nine month period ended February 28, 2014; there was no cash paid for income taxes during either of the nine month periods.

On June 16, 2014, the Company sold its El Tule Canyon mining claim and the remainder of the Gypsy claim for 1,500,000 shares of restricted common stock of the buyer; these shares were valued at $1,500, which brings to 6,500,000 the number of shares of the buyer that are owned by the Company.

On October 22, 2014, $45,000 of the convertible notes payable and $8,995 of related interest were converted to 1,079,901 shares of Company common stock.

On February 28, 2015, the Company sold the mining claim known as the Turner Ranch. Consideration for the sale was cancellation of a $252,000 note owed to the buyer. The Company realized a $48,000 loss on the sale.

Seven demand notes due to the wife of the Company president (totaling $60,000), and a $25,000 promissory note due to a director were replaced by convertible notes due May 31, 2016. These new notes bear interest at 16% per annum. The $60,000 note is convertible at $.10 per share; the $25,000 note is convertible at $.05 per share.

8. WARRANTS

There were 2,715,000 warrants outstanding at February 28, 2015, as presented below:.

Number of Warrants	Exercise Price	Weighted Life (in Years)
2,715,000(A)	$ .125	2.38

(A) These warrants were principally issued for services. They were valued using a Black Scholes valuation model.

AMERICAN INTERNATIONAL VENTURES, INC.

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2015

(Unaudited)

9. RELATED PARTY TRANSACTIONS

During the nine month period ended February 28, 2015, the Company issued 1,250,000 shares (valued at $72,500) to its directors. In addition, options to purchase 1,500,000 shares of common stock, valued at $90,000, were issued to the directors. Options to purchase the same number of shares, which had been issued to the same directors in 2012, were cancelled. The exercise price of the new options is $.07 per share; these options do not have an expiration date.

The Company received shareholder loans during the current nine month period that totaled $105,325.

Note 7 refers to additional transactions involving related parties.

Forward Looking Statements and Cautionary Statements .

Certain of the statements contained in this Quarterly Report on Form 10-Q includes "forward looking statements." All statements other than statements of historical facts included in this Form 10-Q regarding the Company's financial position, business strategy, and plans and objectives of management for future operations and capital expenditures, and other matters, are forward looking statements. These forward-looking statements are based upon management's expectations of future events. Although the Company believes the expectations reflected in such forward looking statements are reasonable, there can be no assurances that such expectations will prove to be correct. Additional statements concerning important factors that could cause actual results to differ materially from our expectations ("Cautionary Statements") are disclosed in the Cautionary Statements section and elsewhere in the Company s Form 10-K for the period ended May 31, 2014. Readers are urged to refer to the section entitled Cautionary Statements and elsewhere in the Company s Form 10-K for a broader discussion of these statements, risks, and uncertainties. These risks include the Company s limited operations and lack of revenues. In addition, the Company s auditor, in his audit report for the fiscal year ended May 31, 2014, has expressed a going concern opinion about the future viability of the Company. All written and oral forward looking statements attributable to the Company or persons acting on the Company s behalf subsequent to the date of this Form 10-Q are expressly qualified in their entirety by the referenced Cautionary Statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

During the nine month period ended February 28, 2015, the Company had revenue of $56,213, compared with revenue of $187,200 in the same period of 2014. These revenues were derived from mining activity of its subsidiary, AIVN de Mexico. During the quarter ended August 31, 2014, AIVN de Mexico stopped all pilot plant mining operations and started the application process with the government of Mexico for mining permits. Cost of goods sold consisting of mining, milling and personnel costs was $29,265 during the nine month period ended February 28, 2015 and $158,536 during the same period of 2014.

Gross profit for the 2015 nine month period was $26,948, compared with $28,664 in the 2014 period.

Administrative expenses for the nine month period ended February 28, 2015 were $478,671 compared to $530,049 for the comparable period of 2014. Administrative expenses consist primarily of consulting fees, director awards and other services compensated with equity items. The reduction in administrative costs for the current period is due principally to decreases in such compensation.

The Company had an operating loss in the 2015 nine month period of $451,723, compared with an operating loss of $501,385 for the comparable period in 2014. The decrease is primarily due to the expense decreases described above.

Interest expense in the current nine month period was $37,144 compared with $41,180 in the comparable period of 2014. Interest expense accrues on outstanding debt obligations and on credit card charges, which were lower in the 2015 period.

The Company has a warrant issuance that is considered a derivative security. The Company realizes income from reductions in its liability for these warrants. The liability reduction was greater in 2015 than in 2014, causing an unfavorable change in Company income.

Net loss for the current nine month period was $588,802compared with a net loss of $377,364 in the comparable period of 2014. The unfavorable change is due to factors discussed above.

Since the acquisition of Placer, our operations have focused on developing, planning and operating past producing precious metal properties and mines. Specifically, we are now a gold and silver exploration and extraction company, operating primarily in Baja California, Mexico, and Nevada. We will focus on acquiring gold and base mineral resource properties that historically produced gold and silver until 1942 when all gold production in the United States was halted due to World War II. There is no guarantee that such properties will produce gold or silver in the future or that these properties may have already been depleted, as they were previously mined**.**

None of our properties or claims has any proven or probable reserves and all of our activities undertaken and currently proposed are exploratory in nature.

As of February 28, 2015, the Company had a working capital deficit of $497,904, compared with a working capital deficit of $622,711 as of May 31, 2014. The decrease in the working capital deficit is principally due to decreases in the current portions of notes payable, partially offset by increases in accounts payable and accrued expenses and advances by officers and directors.

The Company has projected that its administrative overhead for the next 12 months will be approximately $185,000 which consists of accounting fees (including tax, audit and review) in the approximate amount of $45,000, legal fees in the approximate amount of $40,000, and miscellaneous expenses of $100,000. The projected legal and accounting fees relate to the Company s reporting requirements under the Securities Exchange Act of 1934. The Company expects to incur additional legal and accounting fees in order to effect acquisitions and share exchanges or a business combination transaction. The Company has no other capital commitments. To continue its business plan, the Company will be required to raise additional funds through the private placement of its capital stock or through debt financing to meet its ongoing corporate overhead obligations. If the Company is unable to meet its corporate overhead obligations, this will have a material adverse impact on the Company and the Company may not be able to complete its plan of operations of finding a suitable business acquisition or combination candidate.

Please refer to the Company s Form 10-K for the period ending May 31, 2014 for a discussion of other risks attendant to its proposed plan of operations of effecting a business acquisition or combination, including the occurrence of significant dilution and a change of control. Even if successful in effecting a business acquisition or combination, it is likely that numerous risks will exist with respect to the new entity and its business.

Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues and results of operations, liquidity or capital expenditures

Significant Accounting Policies

a. Cash

For purposes of the Statement of Cash Flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

b. Fair Value of Financial Instruments

The carrying amounts of the Company s financial instruments, which include cash equivalents, and accrued liabilities, approximate their fair values at February 28, 2015.

c. Loss (Income) Per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common shareholders for the period by the weighted average number of shares outstanding. During periods when a net loss has occurred, as was the case in the nine month period ended February 28, 2015, outstanding options and warrants are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

d. Income Taxes

The Company accounts for income taxes in accordance with current accounting guidance, which requires the use of the liability method . Accordingly, deferred tax liabilities and assets are determined based on differences between the financial statement and tax bases of assets and liabilities, and consideration of net operating loss carry forwards, using enacted tax rates in effect for the year in which the differences are expected to reverse. Current income taxes are based on the income that is currently taxable.

e. Marketable Securities

Marketable securities, when owned, are classified as available-for-sale and are carried at fair value. Unrealized gains and losses on these securities are recognized as direct increases or decreases in accumulated other comprehensive income.

f. Fixed Assets

Fixed assets are recorded at cost. Depreciation is computed by using accelerated methods, with useful lives of seven years for furniture and equipment and five years for computers and automobiles.

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

h. Advertising Costs

The Company expenses advertising costs when the advertisement occurs. There was no advertising expense in the three and six month periods ended February 28, 2015.

i. Segment Reporting

The Company is organized in one reporting and accountable segment.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not Applicable**.** Smaller Reporting Companies are not required to provide the information required by this item.

Item 4. Controls and Procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer (one and the same person), we undertook an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Securities Exchange Act of 1934, Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that such disclosure controls and procedures were not effective to ensure (a) that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (b) that information required to be disclosed is accumulated and communicated to management to allow timely decisions regarding disclosure.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the quarter ended February 28, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 1A. Risk Factors.

Smaller Reporting Companies are not required to provide the information required by this item.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds.

There were 750,000 shares of Company common stock issued during the three month period ended August 31, 2014 as compensation to directors.

Each director is an accredited investor and agreed to hold such shares for investment purposes. In addition, the shares issued to the director contained a restricted legend. All of the securities issuances referred to above were exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended (the Act) or the rules and regulations promulgated there under, including Regulation D and Rule 701.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

None

Item 5. Other Information.

On October 9, 2014, Mr. Joshua (Simon) Shainberg was appointed president of the Company. On December 4, 2014, Mr. Shainberg resigned in such capacity. His resignation did not occur as a result of any disagreement with the Company over its practices, policies or procedures.

Item 6. Exhibits

(a) Exhibits Furnished.

Exhibit #31.1 Certification Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit #31.2 Certification Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit #32 Certification Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002.

The following exhibits contain information from our Quarterly Report on Form 10-Q for the quarter ended February 28, 2015 formatted in Extensible Business Reporting Language (XBRL):

Exhibit #101.INS XBRL Instance Document

Exhibit #101.SCH XBRL Taxonomy Schema Document

Exhibit #101.CAL XBRL Taxonomy Calculation Linkbase Document

Exhibit #101.DEF XBRL Taxonomy Extension Definition Linkbase

Exhibit #101.LAB XBRL Taxonomy Label Linkbase Document

Exhibit #101.PRE XBRL Taxonomy Presentation Linkbase Document

SIGNATURES

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

AMERICAN INTERNATIONAL VENTURES, INC.

(Registrant)

By: /s/ Jack Wagenti

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Jack Wagenti

Chairman, President and Chief Financial Officer

(Principal Executive Officer and Principal Financial Officer)

Date: May 20, 2015