

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

FORM 10-QSB

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

For the quarterly period ended May 31, 2004

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

For the transition period from _____ to _____

Commission file number: 0-49685

Bi-Optic Ventures Inc.

(Name of small business issuer in its charter)

British Columbia, Canada
(Jurisdiction of Incorporation/Organization)

N/A
(IRS Tax ID No.)

1030 West Georgia Street #615, Vancouver, British Columbia, Canada V6E 2Y3
(Address of principal executive offices)

Issuer's Telephone Number: 604-689-2646

Securities to be registered pursuant to Section 12(b) of the Act: None

Securities to be registered pursuant to Section 12(g) of the Act:
Common Shares without par value.
(Title of Class)

Indicate the number of shares outstanding of each of the issuer's classes
of common stock as of 7/15/2004: 6,664,235 Common Shares w/o par value

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

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BI-OPTIC VENTURES INC.

INTERIM FINANCIAL STATEMENTS
(Unaudited)

MAY 31, 2004

Bi-Optic Ventures Inc.

(A Development Stage Company)

Balance Sheets

(expressed in Canadian dollars)

	May 31, 2004 \$ (unaudited)	February 29, 2004 \$ (audited)
Assets		
Current Assets		
Cash	44,703	23,631
Amounts receivable	2,398	2,073
Prepaid expenses	5,000	-
Total Current Assets	52,101	25,704
Property and Equipment (Note 3)	2,625	2,776
Total Assets	54,726	28,480
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	56,250	63,185
Accrued liabilities	1,500	3,500
Due to related parties (Note 4(c))	-	107,895
Total Liabilities	57,750	174,580
Stockholders' Deficit		
Common Stock (Note 5): 100,000,000 common shares authorized without par value; 6,664,235 and 5,164,235 shares issued and outstanding, respectively	2,949,280	2,719,192
Common Stock Subscribed	-	48,400
Deficit Accumulated During the Development Stage	(2,952,304)	(2,913,692)
Total Stockholders' Deficit	(3,024)	(146,100)
Total Liabilities and Stockholders' Deficit	54,726	28,480

Contingent Liability (Note 1)

(The accompanying notes are an integral part of the financial statements)

Bi-Optic Ventures Inc.

(A Development Stage Company)

Statements of Operations

(expressed in Canadian dollars)

(unaudited)

	Accumulated from May 31, 1984 (Date of Inception) to May 31, 2004 \$	For the three months ended May 31, 2004 \$	May 31, 2003 \$
Revenue	-	-	-
Expenses			
Acquisition costs written off	347,815	-	-
Amortization	5,272	150	190
Bad debts	20,658	-	-
Consulting and management fees (Note 4(a))	307,106	10,500	11,270
Cost recoveries	(11,123)	-	-
Interest and bank charges	5,642	104	69
Investor and public relations	37,393	-	-
Office, rent and telephone (Note 4(a))	184,355	9,590	7,929
Professional fees (Note 4(b))	209,933	13,786	6,600
Transfer agent and regulatory fees	52,564	2,692	474
Travel and promotion	61,016	1,790	1,079
Less: Interest income	(2,606)	-	-
Total Expenses	1,218,025	38,612	27,611
Net Loss Before Discontinued Operations	(1,218,025)	(38,612)	(27,611)
Loss from Discontinued Operations	(1,734,279)	-	-
Net Loss for the Period	(2,952,304)	(38,612)	(27,611)
Basic Net Loss Per Share		(0.01)	(0.01)
Weighted Average Shares Outstanding		6,534,000	4,364,000

(Diluted loss per share has not been presented as the result is anti-dilutive)

(The accompanying notes are an integral part of the financial statements)

Bi-Optic Ventures Inc.

(A Development Stage Company)

Statements of Cash Flows

(expressed in Canadian dollars)

(unaudited)

	For the three months ended	
	May 31, 2004 \$	May 31, 2003 \$
Cash Flows to Operating Activities		
Net loss	(38,612)	(27,611)
Adjustment to reconcile net loss to net cash used by operating activities		
Amortization	150	190
Changes in operating assets and liabilities		
Amounts receivable	(325)	233
Prepaid expenses	(5,000)	-
Accounts payable and accrued liabilities	(8,934)	(15,652)
Due to related parties	(107,895)	42,733
Net Cash Used by Operating Activities	(160,616)	(107)
Cash Flows to Investing Activities	-	-
Cash Flows From Financing Activities		
Issuance of common shares	181,688	-
Net Cash Provided by Financing Activities	181,688	-
Change in Cash	21,072	(107)
Cash - Beginning of Period	23,631	107
Cash - End of Period	44,703	-
Non-Cash Financing and Investing Activities	-	-
Supplemental Disclosures		
Interest paid	-	-
Income tax paid	-	-

(The accompanying notes are an integral part of the financial statements)

Bi-Optic Ventures Inc.

(A Development Stage Company)

Notes to the Financial Statements

(expressed in Canadian dollars)

1. Development Stage Company

Bi-Optic Ventures Inc. herein (the "Company") was incorporated in the Province of British Columbia, Canada on May 31, 1984. The Company is currently evaluating various business opportunities.

The Company is in the early development stage. In a development stage company, management devotes most of its activities in evaluating various business opportunities. The ability of the Company to emerge from the development stage is dependent upon its successful efforts in evaluating and acquiring or developing a business opportunity, raising additional equity financing and/or generating significant revenue. There is no guarantee that the Company will be able to raise enough equity to develop and implement a business plan. There is substantial doubt regarding the Company's ability to continue as a going concern.

The Company's 10-SB Registration Statement filed with the U.S. Securities Exchange Commission was declared effective in 2003.

The Company has a working capital deficit of \$5,649 as at May 31, 2004 and has suffered substantial recurring operating losses since inception totalling \$2,952,304 to May 31, 2004.

2. Summary of Significant Accounting Policies**(a) Basis of Presentation**

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States and are expressed in Canadian dollars. The Company has not produced any revenue and is a development stage company as defined by Statement of Financial Accounting Standard ("SFAS") No. 7. There are no financial statements using Canadian generally accepted accounting principles, however, there would be no material reconciling items other than presentation items.

(b) Use of Estimates

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

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Property and Equipment

Property and equipment is recorded at cost. Amortization is computed on a declining balance basis at the following rates:

Computer equipment	30%
Furniture and equipment	20%

Bi-Optic Ventures Inc.
(A Development Stage Company)
Notes to the Financial Statements
(expressed in Canadian dollars)

2. Summary of Significant Accounting Policies (continued)

(e) Long-Lived Assets

In accordance with Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", the carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes an impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

(f) Income Taxes

The Company utilizes the liability method of accounting for income taxes as set forth in SFAS No. 109, "Accounting for Income Taxes". Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized.

(g) Financial Instruments

The carrying value of cash, amounts receivable, accounts payable, accrued liabilities and due to related parties approximate fair value due to the relatively short maturity of these instruments.

(h) Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at May 31, 2004 and 2003, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

(i) Basic and Diluted Net Income (Loss) per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, "Earnings per Share" (SFAS 128). SFAS 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti dilutive.

(j) Stock-Based Compensation

The Company accounts for stock-based awards using the intrinsic value method of accounting in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25). Under the intrinsic value method of accounting, compensation expense is recognized if the exercise price of the Company's employee stock options is less than the market price of the underlying common stock on the date of grant.

Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," (SFAS 123), established a fair value based method of accounting for stock-based awards. Under the provisions of SFAS 123, companies that elect to account for stock-based awards in accordance with the provisions of APB 25 are required to disclose the pro forma net income (loss) that would have resulted from the use of the fair value based method under SFAS 123.

Bi-Optic Ventures Inc.

(A Development Stage Company)

Notes to the Financial Statements

(expressed in Canadian dollars)

2. Summary of Significant Accounting Policies (continued)

(j) Stock-Based Compensation (continued)

The Company adopted the disclosure requirements of Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure an Amendment of FASB Statement No. 123" (SFAS 148), to require more prominent disclosures in both annual and interim financial statements regarding the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

No pro forma information is disclosed as the Company does not currently have a stock option plan in place.

(k) Recent Accounting Pronouncements

In December 2003, the United States Securities and Exchange Commission issued Staff Accounting Bulletin No. 104, "Revenue Recognition" (SAB 104), which supersedes SAB 101, "Revenue Recognition in Financial Statements." The primary purpose of SAB 104 is to rescind accounting guidance contained in SAB 101 related to multiple element revenue arrangements, which was superseded as a result of the issuance of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." While the wording of SAB 104 has changed to reflect the issuance of EITF 00-21, the revenue recognition principles of SAB 101 remain largely unchanged by the issuance of SAB 104. The adoption of SAB 104 did not have a material impact on the Company's financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). The requirements of SFAS No. 150 apply to issuers' classification and measurement of freestanding financial instruments, including those that comprise more than one option or forward contract. SFAS No. 150 does not apply to features that are embedded in a financial instrument that is not a derivative in its entirety. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003, except for mandatory redeemable financial instruments of non-public entities. It is to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of SFAS No. 150 and still existing at the beginning of the interim period of adoption. Restatement is not permitted. The adoption of this standard is not expected to have a material effect on the Company's results of operations or financial position.

(l) Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current period's presentation.

3. Property and Equipment

	Cost	Accumulated Amortization	May 31, 2004 Net Carrying Value \$ (unaudited)	February 29, 2004 Net Carrying Value \$ (audited)
	\$	\$		
Computer equipment	2,568	2,126	442	478
Furniture and equipment	6,932	4,749	2,183	2,298
	9,500	6,875	2,625	2,776

Bi-Optic Ventures Inc.

(A Development Stage Company)

Notes to the Financial Statements

(expressed in Canadian dollars)

4. Related Party Transactions/Balances

- (a) The Company paid \$7,500 (2003 - \$7,500) in management fees and \$7,500 (2003 - \$7,500) in rent to a company controlled by the President of the Company.
- (b) The Company paid \$8,000 (2003 - \$2,500) in professional fees to a company controlled by a director.
- (c) The amounts due to companies controlled by officers and/or directors are without interest, unsecured and due on demand.

5. Common Stock

- (a) On March 8, 2004, the Company closed a private placement totalling 1,500,000 units at \$0.16 per unit for gross proceeds of \$240,000. Each unit consisted of one share and one warrant to purchase an additional share at \$0.215 per share expiring on March 9, 2005. The Company paid a finder's fee of \$2,910 in connection with this private placement.

(b) Share Purchase Warrants

At May 31, 2004, there are 1,500,000 share purchase warrants outstanding.

The following table summarizes the continuity of the Company's warrants:

	Number of shares	Weighted average exercise price \$
Balance, February 28, 2003 (audited)	800,000	0.10
Exercised	(800,000)	0.10
Expired	-	-
Balance, February 29, 2004 (audited)	-	-
Exercised	-	-
Issued	1,500,000	0.215
Expired	-	-
Balance, May 31, 2004 (unaudited)	1,500,000	0.215

(c) Stock Options

The Company does not currently have a stock option plan.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-QSB contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, principally in ITEM #2, "Management's Discussion and Analysis of Financial Condition and Results of Operations". These statements may be identified by the use of words like "plan," "expect," "aim," "believe," "project," "anticipate," "intend," "estimate," "will," "should," "could" and similar expressions in connection with any discussion, expectation, or projection of future operating or financial performance, events or trends. In particular, these include statements about the Company's strategy for growth, property exploration, mineral prices, future performance or results of current or anticipated mineral production, interest rates, foreign exchange rates, and the outcome of contingencies, such as acquisitions and/or legal proceedings.

Forward-looking statements are based on certain assumptions and expectations of future events that are subject to risks and uncertainties. Actual future results and trends may differ materially from historical results or those projected in any such forward-looking statements depending on a variety of factors, including, among other things, the factors discussed in this Registration Statement under ITEM #3, "Key Information, Risk Factors" and factors described in documents that we may furnish from time to time to the Securities and Exchange Commission. We undertake no obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise.

Results of Operations

Until recently, the Company had been in negotiations to acquire a 50-percent undivided interest in two diamond properties located in the Otish Mountain, Quebec area. The Company has abandoned this attempt and is examining various business ventures and properties. Such investigations, due diligence and negotiations are preliminary as of 6/30/2004.

The Company has not had any sources of revenue to date and has financed its activities substantially through equity financing. The Company has incurred net losses each year since inception and, as of 5/31/2004 had an accumulated deficit of (\$2,952,304).

Operating Expenses for the Three Months Ended 5/31/2004 were \$38,612 compared to \$27,611 in the same period last year. Professional fees were \$13,786 versus \$6,600; consulting and management fees were \$10,500 versus \$11,270; and office/rent/telephone was \$9,590 versus \$7,929. Net Loss for the three months was (\$38,612) versus (\$27,611). Loss Per Share was (\$0.01) versus (\$0.01). Increased losses relate primarily to the expenses related to an equity financing.

Liquidity and Capital Resources

Working Capital deficit was (\$5,649) at 5/31/2004.

Effective 3/9/2004, the Company closed a private placement of 1,500,000 Units at a price of \$0.16 per Unit, for gross proceeds of \$240,000. Each Unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of \$0.215 until 3/9/2005. The Company paid a finder's fee of \$2,910 in connection with this private placement. As at 2/29/2004, the Company had received \$48,400 in share subscriptions.

Cash used in Three Months Ended 5/31/2004 Operating Activities totaled (\$160,616), including the (\$38,612) Net Loss; the only significant adjusting item was a (\$122,154) net change in operating assets and liabilities. Cash used in Investing Activities was \$nil. Cash provided by Financing Activities was \$181,688, including the aforementioned financing.

ITEM 3. CONTROLS AND PROCEDURES

The Board of Directors has overall responsibility for reviewing the Company's disclosure to ensure the Company provides full and plain disclosure to shareholders and other stakeholders. The Board discharges its responsibilities through its committees, specifically, with respect to financial disclosure to the Audit Committee, which is responsible for reviewing the Company's financial reporting procedures and internal controls to ensure full and accurate disclosure of the Company's financial position.

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President and Chief Financial Officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" [as defined in the Exchange Act Rule 13a-15(e)] as of the end of the period covered by this report. Based upon that evaluation, the President and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings, and that information is recorded, processed, summarized and reported as and when required.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

There was no significant change in the Company's internal control over financial reporting that occurred during the Company's most recently completed fiscal year ended 2/29/2004 or since the end of the most recently completed three-month interim period ended 5/31/2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. Nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

The Company's management, including the Chief Financial Officer, does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all 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. Because of 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, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

No Disclosure Necessary.

ITEM 2. CHANGES IN SECURITIES

- a. No Disclosure Necessary.
- b. No Disclosure Necessary.
- c. No Disclosure Necessary.
- d. No Disclosure Necessary.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

No Disclosure Necessary.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No Disclosure Necessary.

ITEM 5. OTHER INFORMATION

No Disclosure Necessary

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

No Disclosure Necessary

SIGNATURES

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

Bi-Optic Ventures Inc. -- SEC File No. 0-49685
Registrant

Date: July 20, 2004

/s/ Harry Chew
Harry Chew, Chief Executive Officer and Chief Financial Officer

Exhibit 31

CERTIFICATIONS

I, Harry Chew, certify that:

- (1) I have reviewed this Form 10-QSB of Bi-Optic Ventures, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
- (4) I am responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information;
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: July 20, 2004

/s/ Harry Chew

Harry Chew, Chief Executive Officer and Chief Financial Officer

**CERTIFICATION PURSUANT TO THE SARBANES-OXLEY ACT
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Harry Chew, Chief Executive Officer and Chief Financial Officer of Bi-optic Ventures, Inc. (the "Company") do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This Quarterly Report on Form 10-QSB of the Company for the period ended May 31, 2004 as filed with the Securities and Exchange Commission (the "report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 20, 2004

/s/ Harry Chew
Harry Chew, Chief Executive Officer and Chief Financial Officer