

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 10-Q**

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

**For the quarterly period ended March 31, 2010**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

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

**GOLD CREST MINES, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

**000-52392**

**82-0290112**

(State or other jurisdiction of incorporation or organization)

Commission file number

(IRS Employer Identification Number)

**724 E Metler Lane  
Spokane, WA**

**99218**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(509) 893-0171**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 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). Yes ☐ 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.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐  
No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:

At May 6, 2010, 85,705,828 shares of the registrant's common stock were outstanding.

**GOLD CREST MINES, INC.**  
**FORM 10-Q**  
**For the Quarter Ended March 31, 2010**

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**GOLD CREST MINES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**Consolidated Balance Sheets**

	<b>March 31, 2010</b>	<b>December 31, 2009</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 8,428	\$ 12,931
Prepaid claim fees	8,108	12,974
Total Current Assets	<u>16,536</u>	<u>25,905</u>
Equipment, net of accumulated depreciation of \$2,060 and \$1,889, respectively	1,353	1,524
Mineral properties	11,373	-
Investment in Golden Lynx LLC	-	11,373
<b>TOTAL ASSETS</b>	<b>\$ <u>29,262</u></b>	<b>\$ <u>38,802</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 32,330	\$ 34,773
Accounts payable – related party	36,000	36,000
Accrued liabilities	6,297	5,739
Deposit on option agreement	20,000	-
Total Current Liabilities	<u>94,627</u>	<u>76,512</u>
Total Liabilities	<u>94,627</u>	<u>76,512</u>
Commitments and contingencies (Note 7)		
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Preferred stock; no par value; 10,000,000 shares authorized, none issued or outstanding	-	-
Common stock; \$0.001 par value; 500,000,000 shares authorized; 85,705,828 and 85,705,828 shares issued and outstanding, respectively	85,706	85,706
Additional paid-in capital	9,394,003	9,394,003
Accumulated deficit during exploration stage	(9,545,074)	(9,517,419)
Total Stockholders' Equity (Deficit)	<u>(65,365)</u>	<u>(37,710)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS'   EQUITY (DEFICIT)</b>	<b>\$ <u>29,262</u></b>	<b>\$ <u>38,802</u></b>

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

**GOLD CREST MINES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	<b>Three Months Ended</b>		<b>From Inception</b>
	<b>March 31,</b>	<b>March 31,</b>	<b>January 11, 2005</b>
	<b>2010</b>	<b>2009</b>	<b>to March 31, 2010</b>
REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES:			
Exploration expenditures	7,339	7,219	4,344,278
Settlement of drilling contract	-	-	161,813
Abandonment of mineral lease	-	-	83,600
Gain on sale of mineral lease	-	-	(16,875)
Impairment of mineral properties and royalty interest	-	-	616,875
Impairment of investment in Golden Lynx LLC	-	-	43,202
Loss on disposal of equipment	-	2,444	22,988
Legal and accounting expenses	11,226	19,694	515,440
Directors' fees	-	-	844,000
General and administrative	9,090	34,869	2,986,375
TOTAL OPERATING EXPENSES	<u>27,655</u>	<u>64,226</u>	<u>9,601,696</u>
LOSS FROM OPERATIONS	(27,655)	(64,226)	(9,601,696)
OTHER INCOME (EXPENSE):			
Interest income	-	-	79,182
Interest expense	-	-	(22,560)
TOTAL OTHER INCOME (EXPENSE)	<u>-</u>	<u>-</u>	<u>56,622</u>
LOSS BEFORE TAXES	(27,655)	(64,226)	(9,545,074)
INCOME TAXES	<u>-</u>	<u>-</u>	<u>-</u>
NET LOSS	\$ <u>(27,655)</u>	\$ <u>(64,226)</u>	\$ <u>(9,545,074)</u>
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	\$ <u>Nil</u>	\$ <u>Nil</u>	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED	<u>85,705,828</u>	<u>84,265,884</u>	

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

**GOLD CREST MINES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	From Inception January 11, 2005 to March 31, 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss	\$ (27,655)	\$ (64,226)	\$ (9,545,074)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	171	2,384	51,840
Common stock and options issued for services	-	-	1,368,976
Equity compensation for management and directors	-	13,355	1,214,241
Interest paid with common shares	-	-	12,500
Settlement of drilling contract	-	-	161,813
Gain recognized on equipment exchanged in settlement of accounts payable	-	-	(3,421)
Loss on disposal of equipment	-	2,444	22,988
Abandonment of mineral lease	-	-	83,600
Impairment of mineral properties and royalty interest	-	-	616,875
Impairment of investment in Golden Lynx LLC	-	-	43,202
Gain on sale of mineral properties	-	-	(16,875)
Changes in operating assets and liabilities:			
Interest receivable	-	-	(6,266)
Prepaid expenses and deposits	4,866	13,179	49,891
Miscellaneous receivable	-	3,000	3,000
Accounts payable and accrued liabilities	(1,885)	9,695	104,456
Net cash used by operating activities	<u>(24,503)</u>	<u>(20,169)</u>	<u>(5,838,254)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash received in reverse merger	-	-	7,456
Note receivable issued	-	-	(200,000)
Purchase of royalty interest in mineral property	-	-	(400,000)
Purchase of mineral properties	-	-	(388,175)
Proceeds from the sale of equipment	-	729	16,729
Proceeds from the sale of mineral properties	-	25,000	50,000
Proceeds from deposit on option agreement	20,000	-	20,000
Purchase of equipment	-	-	( 134,971)
Net cash provided (used) by investing activities	<u>20,000</u>	<u>25,729</u>	<u>(1,028,961)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Borrowings under line of credit	-	-	250,000
Payments on line of credit	-	-	(250,000)
Proceeds from the issuance of stock on the exercise of warrants	-	-	201,300
Sale of common stock, net of issuance costs	-	10,000	6,674,343
Net cash provided by financing activities	<u>-</u>	<u>10,000</u>	<u>6,875,643</u>
Net change in cash and cash equivalents	(4,503)	15,560	8,428
Cash and cash equivalents, beginning of period	12,931	924	-
Cash and cash equivalents, end of period	<u>\$ 8,428</u>	<u>\$ 16,484</u>	<u>\$ 8,428</u>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES</b>			
Land contributed in exchange for investment in Golden Lynx LLC	\$ -	\$ -	\$ 54,575
Land held in Golden Lynx LLC returned as mineral properties	\$ 11,373	\$ -	\$ 11,373
Note receivable forgiven in connection with settlement agreement	\$ -	\$ -	\$ 120,000
Equipment relinquished in connection with settlement agreement	\$ -	\$ -	\$ 12,654
Equipment exchanged for settlement of accounts payable	\$ -	\$ -	\$ 29,828

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

**Gold Crest Mines, Inc.**  
**(An Exploration Stage Company)**  
**Notes to Unaudited Consolidated Financial Statements**

**NOTE 1. Basis of Presentation**

Gold Crest Mines, Inc. and its subsidiaries ("Gold Crest" and "the Company") is a Nevada corporation originally incorporated on August 20, 1968, as Silver Crest Mines, Inc., an Idaho corporation.

On August 1, 2006, Gold Crest acquired 100% of the issued and outstanding shares of Niagara Mining and Development Co., ("Niagara"), an Idaho corporation formed on January 11, 2005, and its wholly-owned subsidiary, Kisa Gold Mining, Inc. ("Kisa"), an Alaskan corporation formed on July 28, 2006. Gold Crest's sole asset on the merger date was cash of \$7,456, which was accounted for as being acquired by Niagara in exchange for 14,600,100 common shares of Niagara. Niagara's sole asset on the merger date was cash of \$150,000. Neither company had liabilities on the date of the merger. This transaction has been treated as a reverse merger, effectively as if Niagara had issued shares for consideration equal to the net monetary assets of Gold Crest. Under reverse acquisition accounting, the consolidated financial statements of the entity are considered a continuation of the financial statements of Niagara, the accounting acquirer. On June 20, 2008, 100% of the issued and outstanding shares of Kisa were transferred from Niagara to the Company.

The Company is in the business of exploration, development, and if warranted the mining of properties containing valuable mineral deposits. The focus of the Company's exploration programs is directed at precious metals, primarily gold.

The interim Consolidated Financial Statements of the Company and its subsidiaries are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. All such adjustments are, in the opinion of management, of a normal recurring nature. The results reported in these interim Consolidated Financial Statements are not necessarily indicative of the results that may be reported for the entire year. These interim Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements included in its Annual Report on Form 10-K for the year ended December 31, 2009.

Certain amounts in prior period financial statements have been reclassified to conform to the 2010 presentation. These reclassifications had no effect on the net loss, accumulated deficit or cash flows as previously recorded.

**NOTE 2. Summary of Significant Accounting Policies**

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

*Consolidation of Subsidiaries*

The consolidated financial statements include the Company's accounts and the accounts of wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

*Fair Values of Financial Instruments*

The carrying amounts of financial instruments including cash and cash equivalents approximated their fair values as of March 31, 2010 and December 31, 2009.

*Fair Value Accounting*

Accounting guidance has established a hierarchy of assets that are measured at fair value on a recurring basis. The three levels included in the hierarchy are:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: significant other observable inputs
- Level 3: significant unobservable inputs

At March 31, 2010 and December 31, 2009, the Company has no assets or liabilities that are recorded at fair value on a recurring basis.

### Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted net loss per share for the Company is the same as basic net loss per share, as the inclusion of common stock equivalents would be anti-dilutive. At March 31, 2010, the common stock equivalents consisted of 5,280,000 options exercisable at prices ranging from \$0.28 to \$0.53 per share. At March 31, 2009, the common stock equivalents consisted of 6,480,000 options exercisable at prices ranging from \$0.28 to \$0.53 per share and 4,291,500 common stock warrants exercisable at \$0.30 per share.

### **NOTE 3. Going Concern**

As shown in the accompanying financial statements, the Company has had no revenues and incurred an accumulated deficit of \$9,545,074 through March 31, 2010. Another factor is that the Company has a negative current ratio of 0.17: 1 at March 31, 2010. The current ratio is a measurement of the degree to which current assets cover current liabilities (current assets / current liabilities). A high ratio indicates a good probability the enterprise can retire current debts. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management intends to seek additional capital from new equity securities offerings and joint venture agreements that will provide funds needed to increase liquidity, fund internal growth and fully implement its business plan.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Should the Company be unable to raise capital through future private placements and/or joint venture agreements, its business, and, as a result, its financial position, results of operations and cash flow will likely be materially adversely impacted. As such, substantial doubt as to the Company's ability to continue as a going concern remains as of the date of these financial statements.

The Company drastically reduced its overhead expenses going into 2009 such as reducing staff on payroll to one part time employee and eliminating its office space. With these reductions in overhead, the Company believes it will only need an estimated \$50,000 to \$100,000 to continue operations through the next twelve months. The timing and amount of capital requirements will depend on a number of factors, including the Company's ability to successfully enter into a joint venture on our Alaska properties and the Company's future personnel requirements.

On January 27, 2010, the Company signed an option agreement with North Fork Resources Pty Ltd ("North Fork") which grants North Fork an exclusive option to purchase and/or earn an interest in the Company's Southwest Kuskokwim Project area. Under the terms of the option, North Fork made a payment to the Company in the amount of \$20,000 on February 16, 2010 which was recorded as a deposit on option agreement, for the exclusive right to explore the claims up until October 31, 2010. See "Note 4. Mineral Properties – *North Fork Option*".

### **NOTE 4. Mineral Properties**

The following is a summary of the Company's mineral properties in Alaska.

<u>Alaska Mineral Properties</u>	<u>Number of Claims</u>	<u>Acres</u>
<b>Southwest Kuskokwim Project</b>		
AKO	45	7,200
Luna	50	8,000
Kisa	38	5,840
Gold Lake	69	9,720
Gold Creek	12	1,920
Little Swift	14	2,240
Gosson Valley	2	320
<b>TOTAL Southwest Kuskokwim Project</b>	<u>230</u>	<u>35,240</u>
<b>Buckstock Project</b>		
Chilly	<u>44</u>	<u>7,040</u>
<b>TOTAL Buckstock Project</b>	<u>44</u>	<u>7,040</u>

The Company is required to perform certain work commitments and pay annual assessments to the State of Alaska to hold these claims in good standing. See “Note 7. Commitments and Contingencies”.

In August 2006, the Company acquired exploration properties in southwest Alaska approximately 90 miles east of the village of Bethel covering approximately 22,520 acres of State of Alaska-owned lands in 6 claim groups known as the Kisa, Gold Lake, Ako, Little Swift, Gold Creek and Gossan Valley within the Kuskokwim Mineral Belt known as the Company’s Southwest Kuskokwim Project. Based on field work completed in late 2006 and summer of 2007, airborne geophysical surveys completed in the fall of 2006 and spring of 2007 and results of data compilations conducted over the winter months, the Company identified additional ground for acquisition. Approximately 8,000 acres in the Southwest Kuskokwim Project area known as the Luna claim group and approximately 50,560 acres, known as the Buckstock Project claim groups located approximately 30-80 miles south of the Donlin Creek deposit and north of the Company’s other claim groups were acquired based on the results.

On September 1, 2008, the Company elected to abandon approximately 43,520 of the Buckstock acres leaving only the Chilly claim group covering 7,040 acres for lack of interest in joint ventures and due to the financial situation of the Company. During the 2008 season, an additional 4,720 acres were staked as part of the Kisa and Gold Lake claim groups bringing the total acres in the Southwest Kuskokwim Project area to 35,240.

In Alaska, the lands are held under and are subject to the State’s mining laws and regulations.

#### Golden Lynx, LLC

Of the 35,240 acres in our Southwest Kuskokwim Project area, approximately 20,040 were placed with Golden Lynx LLC as part of a joint venture in 2008 originally with Cougar Gold LLC who later transferred their interest to TintinaGold Resources Inc. (TintinaGold). The claim groups transferred to Golden Lynx LLC were our Kisa, Gold Lake, Gold Creek, Little Swift and Gossan Valley properties. On December 23, 2009 the Company was notified by TintinaGold that it had elected to resign its membership in the Golden Lynx LLC, in accordance with the Golden Lynx LLC agreement dated April 18, 2008.

The resignation of TintinaGold as a member of the Golden Lynx and TintinaGold’s failure to meet the initial contribution requirements of the Golden Lynx LLC Limited Liability Company Agreement (the “Operating Agreement”) terminates its interests in Golden Lynx, LLC. TintinaGold will have no further rights to receive distributions, or any other payments from Golden Lynx or Kisa, except as provided for in the Operating Agreement. Therefore, at December 31, 2009, the Company was the sole shareholder of Golden Lynx LLC.

After having received the notice of TintinaGold’s resignation, the Company determined that the carrying value of the Investment in Golden Lynx LLC had been impaired. The Company recorded a write-down of \$43,202, which was recognized as an impairment of investment in Golden Lynx LLC in the fourth quarter of 2009 leaving a carrying value of \$11,373 at December 31, 2009. The \$11,373 carrying value was based primarily on the ongoing negotiations with an interested third party who was looking at entering into an option agreement with the Company worth \$20,000 on the Company’s Southwest Kuskokwim Project area. The option agreement was entered into on January 27, 2010 for the agreed on amount of \$20,000 which was received on February 16, 2010. See “North Fork Option” for further details.

On February 10, 2010, the Company had all the claims from the Golden Lynx LLC quitclaimed back into Kisa and decided to either let the Golden Lynx LLC dissolve or since there was nothing left in it we could assign our interest to a third party and let them take control of it. Therefore, the Company reclassified the remaining balance of \$11,373 held under “Investment in Golden Lynx LLC” to “Mineral Properties” during the quarter ending March 31, 2010.

#### North Fork Option

On January 27, 2010, the Company, through its wholly owned subsidiaries, Kisa Gold Mining, Inc. and Golden Lynx, LLC signed an option agreement with North Fork Resources Pty Ltd (“North Fork”) which grants North Fork an exclusive option to purchase and/or earn an interest in the Company’s Southwest Kuskokwim Project area. The Southwest Kuskokwim Project area consists of exploration properties in southwest Alaska approximately 90 miles east of the village of Bethel covering approximately 35,240 acres of State of Alaska-owned lands in 7 claim groups known as the Kisa, Luna, AKO, Gold Lake, Little Swift, Gold Creek and Gossan Valley (“The Projects”) within the Kuskokwim Mineral Belt.

Under the terms of the option, North Fork made a payment to the Company in the amount of \$20,000 which was received on February 16, 2010 which was recorded as a deposit on option agreement, for the exclusive right to explore the claims up until October 31, 2010. During the option period, North Fork agrees to meet the minimum annual expenditure



requirements on the claims for the period up to September 1, 2010. Following the expiration of the option on October 31, 2010, North Fork will have 30 days to notify the Company of its decision to exercise its option to purchase and/or earn into any or all of the claim groups.

The following is a breakdown of the proposed earn-in terms:

1. The initial interest at the time North Fork exercises its option to earn into "The Projects" will be as follows:
  - a. Gold Crest Mines, Inc. – 100%
  - b. North Fork – 0%
2. North Fork can earn a 51% interest in "The Projects" by the expenditure of \$3,000,000 on "The Projects" by October 31, 2013.
3. If North Fork withdraws from the Joint Venture prior to earning a 51% interest in "The Projects", it will have no further interest in "The Projects".
4. North Fork can earn an additional 24% interest in "The Projects", taking its total interest to 75% by the expenditure of an additional \$3,000,000 by October 31, 2016.
5. North Fork can earn a total interest of 90% in any of "The Projects" claim blocks by the completion of a Bankable Feasibility Study.
6. Gold Crest Mines, Inc. will retain a free carried 10% interest in "The Projects" up to a Decision to Mine at which point it can elect to contribute at 10% or dilute to a 2% Net Smelter Royalty.
7. North Fork is obliged to keep the Projects in "good standing".
8. North Fork will be the sole manager of "The Projects" and will make all decisions in regards to the exploration programs.

#### **NOTE 5. Prepaid Claim Fees**

During the three months ended March 31, 2010, the Company recognized \$4,866 as claim fee expense on our Southwest Kuskokwim properties leaving a prepaid balance of \$8,108 which will last through August 31, 2010. During the three months ended March 31, 2009, the Company recognized \$7,219 as claim fee expense on our Idaho properties. During the 2009 season, the claim fees for the Southwest Kuskokwim properties were paid for through our joint venture partners at the time.

#### **NOTE 6. Common Stock and Common Stock Warrants**

The Company is authorized to issue 500,000,000 shares of its common stock. All shares of common stock are equal to each other with respect to voting, liquidation, dividend, and other rights. Owners of shares are entitled to one vote for each share owned at any Shareholders' meeting. The common stock of the Company does not have cumulative voting rights, which means that the holders of more than fifty percent (50%) of the shares voting in an election of directors may elect all of the directors if they choose to do so.

During the three months ending March 31, 2010 the Company did not have any issuances of common stock.

During the three months ending March 31, 2009 the Company had the following issuances of common stock:

On February 2, 2009 the Company began a private placement, offering up to a maximum of 5,000,000 shares at \$0.01 per share for a maximum of \$50,000 in proceeds. On March 13, 2009, the Company's board of directors unanimously decided to close the offering effective immediately. As of March 13, 2009, the Company had issued 1,000,000 shares raising a total of \$10,000. The shares were being offered and sold by officers and directors of the Company who received no remuneration for the sale of the shares.

## **NOTE 7. Commitments and Contingencies**

### *Alaska Mineral Property Rent and Assessment Work Commitments*

In Alaska, land holdings consist of state mining claims totaling 42,280 acres of land. Annual rental payments in the amount of \$30,835 for these claims are due by November 30, 2010. If these rental payments are not paid by the due date, the claims will be considered abandoned.

The Alaska Department of Natural Resources, Division of Mining, Land & Water requires that upon the prospecting, and the discovery of a locatable mineral and the staking of mineral location, annual labor must be performed on the location each labor year in further development of the locatable mineral so that it can be mined. The labor year for the claims begins on September 1 and ends the following September 1. The Company would have been required to perform qualified labor in the amount of \$105,700 by September 1, 2010 except we have qualified carry-over amounts that can be applied to the labor year ending September 1, 2010 in the amount of \$82,673 leaving only \$23,027 to be performed by the September 1, 2010 deadline. If these labor requirements are not met by the due date, the claims will be considered abandoned.

### *Environmental Matters*

A predecessor entity to the Company owned mineral property interests on certain public and private lands in Idaho and Montana. Holdings included lands in mining districts designated as "Superfund" sites pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). The properties were, and are, subject to a variety of federal and state regulations governing land use and environmental matters. A consultant reviewed the potential environmental impact of the prior mineral exploration and development activities, and believes there was substantial compliance with all such regulations, and is unaware of any pending action or proceedings relating to regulatory matters that would affect the financial position of the Company. Management acknowledges, however, that the possibility exists that the Company may be subject to environmental liabilities associated with its prior activities in the unforeseeable future, although the likelihood of such is deemed remote and the amount and nature of the liabilities is impossible to estimate.

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

This Form 10-Q, including in "Management's Discussion and Analysis of Financial Condition and Results of Operations", includes forward-looking statements. Our forward-looking statements include our current expectations and projections about future results, performance, results of litigation, prospects and opportunities. We have tried to identify these forward-looking statements by using words such as "may," "will," "expect," "anticipate," "believe," "intend," "feel," "plan," "estimate," "project," "forecast" and similar expressions. These forward-looking statements are based on information currently available to us and are expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to Gold Crest Mines, Inc. or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The safe harbors of forward-looking statements provided by Section 21E of the Exchange Act are unavailable to issuers of penny stock. As we issued securities at a price below \$5.00 per share, our shares are considered penny stock and such safe harbors set forth under Section 21E are unavailable to us.

The following discussion should be read in conjunction with the unaudited consolidated financial statements included elsewhere in this report, as well as the audited consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-K for the year ended December 31, 2009.

### Overview and Plan of Operation

As discussed in "Note 3. Going Concern" to our consolidated financial statements, the Company has had no revenues and incurred an accumulated deficit of \$9,545,074 through March 31, 2010. Another factor is that the Company has a negative current ratio of 0.17: 1 at March 31, 2010. The current ratio is a measurement of the degree to which current assets cover current liabilities (current assets / current liabilities). A high ratio indicates a good probability the enterprise can retire current debts. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management intends to seek additional capital from new equity securities offerings and joint venture agreements that will provide funds needed to increase liquidity, fund internal growth and fully implement its business plan.

We are in the business of exploration, development, and if warranted the mining of properties containing valuable mineral deposits. We are traded on the over the counter market in the United States and, as is typical with such companies, losses are incurred in the stages of exploration and development, which typically need to be funded through equity or debt financing.

In the Kisaralik Lake area of southwest Alaska, the Company's wholly owned subsidiary Kisa Gold Mining, Inc. (Kisa) controls seven claim blocks consisting of 230 State of Alaska mining claims covering approximately 35,240 acres. The Company calls the seven claim blocks the Southwest Kuskokwim Project and the individual names of each claim block are Kisa, Gold Lake, Luna, AKO, Gold Creek, Gossan Valley and Little Swift. On January 27, 2010, the Company, through its wholly owned subsidiaries, Kisa Gold Mining, Inc. and Golden Lynx, LLC signed an option agreement with North Fork Resources Pty Ltd ("North Fork") which grants North Fork an exclusive option to purchase and/or earn an interest in the Company's Southwest Kuskokwim Project area.

Under the terms of the option, North Fork made a payment to the Company in the amount of \$20,000 which was received on February 16, 2010, for the exclusive right to explore the claims up until October 31, 2010. During the option period, North Fork agrees to meet the minimum annual expenditure requirements on the claims for the period up to September 1, 2010. Following the expiration of the option on October 31, 2010, North Fork will have 30 days to notify the Company of its decision to exercise its option to purchase and/or earn into any or all of the claim groups. See "Note 4. Mineral Properties – North Fork Option" to our consolidated financial statements for further details.

## **Liquidity and Capital Resources**

We have limited capital resources and thus have had to rely upon the sale of equity securities for the cash required for exploration and development purposes, for acquisitions and to fund our administration. Since we do not expect to generate any revenues in the near future, we must continue to rely upon the sale of our equity securities to raise capital. There can be no assurance that financing, whether debt or equity, will always be available to us in the amount required at any particular time or for any period or, if available, that it can be obtained on terms satisfactory to us.

Our cash balance at March 31, 2010 was \$8,428 versus \$12,931 at December 31, 2009. This decrease is primarily due to the fact that during the three months ended March 31, 2010, even though we received \$20,000 on the North Fork option in February, we spent more than that on daily operations. Of the money spent, approximately \$8,047 was on due diligence to decide if we wanted to pursue the acquisition of a property located in central California. After reviewing the results of our due diligence we decided not pursue it any further at this time.

### **Future Outlook**

Based on the current market environment and our low share price it is not likely we will be able to raise enough money through a private placement of our common stock. We have cut our operating costs down to the bare minimum by reducing our employee base down to only one employee with reduced time and pay and we currently intend to rely on the use of outside consultants to provide certain services to the Company.

We are currently seeking a new joint venture opportunity concerning our Alaska claim groups. On January 27, 2010, the Company signed an option agreement with North Fork Resources Pty Ltd ("North Fork") which grants North Fork an exclusive option to purchase and/or earn an interest in the Company's Southwest Kuskokwim Project area. Under the terms of the option, North Fork made a payment to the Company in the amount of \$20,000 which was received on February 16, 2010, for the exclusive right to explore the claims up until October 31, 2010. See "Note 4. Mineral Properties – *North Fork Option*" to our consolidated financial statements for further details.

## **Results of Operations**

### **Comparison of the Three Months Ended March 31, 2010 and March 31, 2009:**

The following table sets forth certain information regarding the components of our Consolidated Statements of Operations for the three months ended March 31, 2010 compared with the three months ended March 31, 2009. The table is provided to assist in assessing differences in our overall performance:

	<b>The Three Months Ended</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>March 31, 2010</b>	<b>March 31, 2009</b>		
REVENUES	\$ -	\$ -	\$ -	-
OPERATING EXPENSES:				
Exploration expenditures	7,339	7,219	120	1.7%
Loss on disposal of equipment	-	2,444	(2,444)	-100.0%
Legal and accounting expenses	11,226	19,694	(8,468)	-43.0%
General and administrative	9,090	34,869	(25,779)	-73.9%
TOTAL OPERATING EXPENSES	27,655	64,226	(36,571)	-56.9%
LOSS FROM OPERATIONS	(27,655)	(64,226)	36,571	-56.9%
Interest income	-	-	-	-
Interest expense	-	-	-	-
TOTAL OTHER INCOME (EXPENSE)	-	-	-	-
LOSS BEFORE TAXES	\$ (27,655)	\$ (64,226)	\$ 36,571	\$ -56.9%

## **Overview of Operating Results**

### **Operating Expenses**

The decrease of \$36,571 in operating expenses during the three months ended March 31, 2010 compared to the three months ended March 31, 2009 was primarily the result of decreased activity during the three months ended March 31, 2010. One reason for the decrease is that the Company has made a concerted effort to curtail costs by reducing the

employee base to one part time employee and by choosing not to renew the office lease. Further detail of the \$36,571 decrease is as follows:

#### Loss on Disposal of Equipment

Loss on disposal of equipment was zero for the three months ended March 31, 2010 versus \$2,444 for the three months ended March 31, 2009. The decrease was due to the following transactions in the three months ended March 31, 2009:

1. Received \$500 for the sale of a piece of office equipment with a cost of \$3,096 with accumulated depreciation of \$1,156 and recording a loss on sale of equipment for \$1,440.
2. Received \$229 for the sale of office furniture with a cost of \$2,000 with accumulated depreciation of \$767 and recording a loss on sale of equipment for \$1,004.

#### Legal and Accounting Expenses

Legal and accounting expenses were \$11,226 for the three months ended March 31, 2010 versus \$19,694 for the three months ended March 31, 2009 for a decrease of \$8,468. The decrease was mainly due to the final accrual of legal fees of \$6,000 to Janice Duval for a contract that ended in February of 2009, and higher audit fees for the Company's December 31, 2008 10-K.

#### General and Administrative

General and Administrative expenses were \$9,090 for the three months ended March 31, 2010 versus \$34,869 for the three months ended March 31, 2009 for a decrease of \$25,779. The main decreases were mainly due to the following:

1. For the three months ended March 31, 2010 there was no stock based compensation expense versus \$13,355 for the three months ended March 31, 2009 related to the vesting of stock options.
2. For the three months ended March 31, 2010 there was no directors and officers insurance expense versus \$2,094 for the three months ended March 31, 2009 due to the non-renewal of the insurance.
3. For the three months ended March 31, 2010 there were no expenses related to office rent or janitorial services versus \$4,859 for the three months ended March 31, 2009 due the fact we did not re-new our office lease at February 1, 2009 and moved operations to the home of the Chief Financial Officer which reduced the rent to zero and other overhead costs.
4. For the three months ended March 31, 2010 there was depreciation expense of only \$171 versus \$2,099 for the three months ended March 31, 2009 due to the reduction in fixed assets during 2009.

#### Overview of Financial Position

At March 31, 2010, Gold Crest had cash of \$8,428 and total liabilities of \$94,627. During the three months ended March 31, 2010, we received \$20,000 on the North Fork option. See "Note 4. Mineral Properties – *North Fork Option*" to our consolidated financial statements for further details.

#### Prepaid Expenses and Deposits

During the three months ended March 31, 2010, the company offset the prepaid claim fees on our Southwest Kuskokwim properties by recognizing \$4,866 as claim fee expense leaving a prepaid balance of \$8,108 which will last through August 31, 2010.

#### Mineral Properties & Investment in Golden Lynx LLC

Of the 35,240 acres in our Southwest Kuskokwim Project area, approximately 20,040 were placed with Golden Lynx, LLC as part of a joint venture in 2008 originally with Cougar Gold LLC who later transferred their interest to TintinaGold Resources Inc. (TintinaGold). The claim groups transferred to Golden Lynx LLC were our Kisa, Gold Lake, Gold Creek, Little Swift and Gossan Valley properties. On December 23, 2009 the Company was notified by TintinaGold that it had elected to resign its membership in the Golden Lynx LLC, in accordance with the Golden Lynx LLC agreement dated April 18, 2008.

The resignation of TintinaGold as a member of the Golden Lynx and TintinaGold's failure to meet the initial contribution requirements of the Golden Lynx LLC Limited Liability Company Agreement (the "Operating Agreement") terminates its interests in Golden Lynx, LLC. TintinaGold will have no further rights to receive distributions, or any other payments from Golden Lynx or Kisa, except as provided for in Section 6.3 of the Operating Agreement. A copy of the Operating

Agreement was attached as Exhibit 10.6 to Gold Crest's Quarterly Report Form 10-Q filed with the Securities and Exchange Commission on August 11, 2008. Therefore, at December 31, 2009, the Company was the sole shareholder of Golden Lynx LLC.

On February 10, 2010, the Company had all the claims from the Golden Lynx LLC quitclaimed back into Kisa and decided to either let the Golden Lynx LLC dissolve or since there was nothing left in it we could assign our interest to a third party and let them take control of it. Therefore, the Company reclassified the remaining balance of \$11,373 held under "Investment in Golden Lynx LLC" to "Mineral Properties" during the quarter ending March 31, 2010.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.**

Not Applicable

### **ITEM 4T. CONTROLS AND PROCEDURES**

#### *Evaluation of Disclosure Controls and Procedures*

An evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures as required by Exchange Act Rules 13a-15(e) and 15d-15(e) as of the end of the period covered by this report. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures, including controls and procedures designed to ensure that information required to be disclosed by us is accumulated and communicated to our management (including our CEO and CFO), were effective as of March 31, 2010, in ensuring them in a timely manner that material information required to be disclosed in this report has been properly recorded, processed, summarized and reported.

#### *Changes in Internal Control Over Financial Reporting*

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2010, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II – OTHER INFORMATION**

### **ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description of Document</b>
31.1	Certification of CEO pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act
31.2	Certification of CFO pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350
32.2	Certification of CFO pursuant to 18 U.S.C. Section 1350

## **SIGNATURES**

Pursuant to 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.

### **GOLD CREST MINES, INC.**

Date: May 13, 2010

By: /s/ John P. Ryan  
John P. Ryan  
President and CEO  
(Principal Executive Officer)

Date: May 13, 2010

By: /s/ Matt J. Colbert  
Matt J. Colbert  
CFO  
(Principal Financial Officer)

**Exhibit 31.1**

**Certification pursuant to rules 13a-14(a) and 15d-14(a), as  
adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002**

**Principal Executive Officer**

I, John P. Ryan, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Gold Crest Mines, 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 registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officers and I are 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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 13, 2010

/s/ John P. Ryan  
John P. Ryan  
Chief Executive Officer



**Exhibit 31.2**

**Certification pursuant to rules 13a-14(a) and 15d-14(a), as  
adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002**

**Principal Financial Officer**

I, Matt J. Colbert, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Gold Crest Mines, 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 registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officers and I are 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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 13, 2010

/s/ Matt J. Colbert  
Matt J. Colbert  
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, John P. Ryan, President and CEO of Gold Crest Mines, Inc. (“the “Registrant”) 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-Q of the Registrant for the period ended March 31, 2010, 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 Registrant.

Date: May 13, 2010

/s/ John P. Ryan

John P. Ryan  
Chief Executive Officer

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matt J. Colbert, Chief Financial Officer of Gold Crest Mines, Inc. (“the “Registrant”) 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-Q of the Registrant for the period ended March 31, 2010, 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 Registrant.

Date: May 13, 2010

/s/           Matt J. Colbert            
Matt J. Colbert  
Chief Financial Officer