

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 **June 30, 2010**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: 333-141927

MIPSOLUTIONS, INC.

(Exact Name of Issuer as Specified in Its Charter)

Nevada

State of Incorporation

4941

Primary Standard Industrial
Classification Code Number

20-4047619

I.R.S. Employer
Identification No.

**26421 Highway 395 North
Kettle Falls, WA 99141
916-673-6608**

(Address and Telephone Number of Issuer's Principal Executive Offices)

**Laughlin Associates, Inc.
2533 N. Carson Street
Carson City, NV 89706**

Telephone (775) 883-8484 ext 202

(Name, Address, and Telephone Number of Agent for Service)

Indicate by check mark whether the registrant (1) has filed all documents and 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 filings 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 ☐

Non-accelerated filer ☐

(Do not check if a smaller reporting company)

Accelerated filer ☐

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 ☒

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock at the latest practicable date. As of August 17, 2010, the Registrant had 12,709,721 shares outstanding of its common stock.

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THIS REPORT CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES SUCH AS THE DEPENDENCE OF THE COMPANY ON AND THE ADEQUACY OF CASH FLOWS. THESE FORWARD-LOOKING STATEMENTS AND OTHER STATEMENTS MADE ELSEWHERE IN THIS REPORT ARE MADE IN RELIANCE ON THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

MIP SOLUTIONS, INC.
(A Development Stage Company)
BALANCE SHEETS

	(Unaudited) June 30, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS		
Cash	\$ -	\$ -
Prepaid expenses	18	18
Total Current Assets	<u>18</u>	<u>18</u>
PROPERTY AND EQUIPMENT, NET OF DEPRECIATION	<u>496</u>	<u>662</u>
OTHER ASSETS		
License	-	-
Patent	-	-
Accumulated amortization	-	-
Total Other Assets	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 514</u>	<u>\$ 680</u>
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 93,330	\$ 89,062
Advances	40,513	
Accrued expense	45,000	45,000
Accrued interest	5,740	4,074
Accrued payroll	149,189	89,189
Note payable	62,882	102,883
Note payable - related party	-	28,009
Royalty payable	80,000	50,000
Buyout provision payable	18,750	-
Common stock to be issued	41,045	41,045
Total Current Liabilities	<u>536,449</u>	<u>449,262</u>
COMMITMENTS AND CONTINGENCIES	<u>-</u>	<u>-</u>
STOCKHOLDERS' (DEFICIT)		
Common stock, \$0.001 par value; 50,000,000 shares authorized, 12,409,721 and 11,929,721 shares issued and outstanding, respectively	13,510	11,930
Additional paid-in capital	2,535,586	2,412,357
Deficit accumulated during the development stage	<u>(3,085,031)</u>	<u>(2,872,869)</u>
Total Stockholders' Deficit	<u>(535,935)</u>	<u>(448,582)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	<u>\$ 514</u>	<u>\$ 680</u>

See accompanying condensed notes to interim financial statements.

MIP SOLUTIONS, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended		From
	June 30,	June 30,	June 30	June 30	December 19,
	2010	2009	2010	2009	2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(Inception) to
					June 30, 2010
					(unaudited)
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES					
Consulting	5,000	8,000	33,800	14,300	1,174,275
Depreciation and amortization	83	10,613	166	16,302	57,138
General and administrative	1,710	5,610	2,867	19,126	194,840
Professional fees	24,729	33,363	35,136	48,778	418,076
Research and development	-	7,093	-	11,042	186,468
Officers and directors fees	30,000	30,000	60,000	60,000	598,575
Option fee	-	-	-	-	5,000
Travel and meals	888	-	1,777	3,519	47,037
Royalty expense	-	-	30,000	100,000	130,000
Lease termination expense	-	-	-	148,687	148,687
Buyout provision payable	-	-	18,750	18,750	37,500
TOTAL OPERATING EXPENSES	<u>62,410</u>	<u>94,679</u>	<u>182,496</u>	<u>440,504</u>	<u>2,997,596</u>
LOSS FROM OPERATIONS	<u>(62,410)</u>	<u>(94,679)</u>	<u>(182,496)</u>	<u>(440,504)</u>	<u>(2,997,596)</u>
OTHER INCOME (EXPENSE)					
Other income	-	40	-	87	192
Interest expense	(523)	(2,335)	(29,666)	(16,784)	(105,924)
Loss on disposition of assets	-	-	-	-	(7,619)
Loss on impairment of assets	-	-	-	-	(125,731)
Forgiveness of debt	-	-	-	-	151,647
TOTAL OTHER INCOME	<u>(523)</u>	<u>(2,295)</u>	<u>(29,666)</u>	<u>(16,697)</u>	<u>(87,435)</u>
LOSS BEFORE TAXES	<u>(62,933)</u>	<u>(96,974)</u>	<u>(212,162)</u>	<u>(457,201)</u>	<u>(3,085,031)</u>
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
NET LOSS	<u>(62,933)</u>	<u>\$ (96,974)</u>	<u>(212,162)</u>	<u>\$ (457,201)</u>	<u>(3,085,031)</u>
NET LOSS PER COMMON SHARE,					
BASIC AND DILUTED	<u>(0.01)</u>	<u>\$ (0.01)</u>	<u>(0.02)</u>	<u>\$ (0.05)</u>	
WEIGHTED AVERAGE NUMBER OF					
COMMON STOCK SHARES					
OUTSTANDING, BASIC AND DILUTED	<u>12,409,721</u>	<u>9,460,274</u>	<u>9,000,777</u>	<u>9,000,777</u>	

See accompanying condensed notes to interim financial statements.

MIP SOLUTIONS, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2010 (unaudited)	Six Months Ended June 30, 2009 (unaudited)	From December 19, 2005 (Inception) to June 30, 2010 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (212,162)	\$ (457,201)	\$ (3,085,031)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:			
Depreciation and amortization	166	16,302	57,138
Loss on disposition of assets	-	-	7,619
Loss on impairment of assets	-	-	125,731
Common stock and warrants issued for services	28,800	-	1,043,504
Interest expense for beneficial conversion feature	-	-	1,087
Warrants issued for royalty payable	-	50,000	-
Common stock issued for payables	-	-	130,532
Forgiveness of debt	-	-	(151,647)
Financing Expense	28,000	-	28,000
Decrease (increase) in:			
Prepaid expenses	-	(5,000)	(18)
Increase (decrease) in:			
License fee payable	-	-	(80,000)
Accounts payable	4,267	182,440	287,336
Accrued expense	-	-	45,000
Accrued interest	1,666	2,307	32,013
Accrued payroll	60,000	40,509	353,622
Related party payable	-	-	44,009
Buyout provision payable	18,750	18,750	18,750
Royalty payable	30,000	50,000	80,000
Debt discount	-	11,956	11,956
Common stock to be issued	-	-	41,045
Net cash provided (used) by operating activities	(40,513)	(89,937)	(1,009,354)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment	-	-	(20,755)
Purchase of license	-	-	(65,000)
Purchase of patents	-	(1,420)	(29,972)
Sale of asset	-	-	9,960
Net cash provided (used) by investing activities	-	(1,420)	(105,767)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Common stock and warrants for cash, net of fees	-	-	787,676
Warrants issued for financing expense	-	-	15,549
Proceeds from note payable	40,513	105,264	362,249
Repayment of note payable	-	(9,264)	(50,353)
Net cash provided by financing activities	40,513	96,000	1,115,121
Net increase (decrease) in cash and cash equivalents	-	4,643	-
Cash, beginning of period	-	58	-
Cash, end of period	\$ -	\$ 4,701	\$ -
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -
NON-CASH TRANSACTIONS:			
Equipment issued for accounts payable	\$ -	\$ 7,372	\$ -
Common stock issued for license	\$ -	\$ -	\$ 550
Common stock issued for patent	\$ -	\$ -	\$ 1,122
Common stock issued for note payable & accrued interest	\$ 40,000	\$ 60,376	\$ 252,198
Common stock issued for asset	\$ -	\$ -	\$ 60,200
Common stock issued for officers & directors fees	\$ -	\$ -	\$ 204,200
Common stock issued for accounts payable	\$ -	\$ 0	\$ 34,480
Common stock issued for related party payable	\$ 28,009	\$ -	\$ 28,009

See accompanying condensed notes to interim financial statements.

MIP SOLUTIONS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – BASIS OF PRESENTATION

MIP Solutions, Inc (“the Company”), was incorporated on December 19, 2005 in the State of Nevada, and has been in the development stage since its formation.

The principal business of the Company had been the development of Molecularly Imprinted Polymers (“MIPs”) for various commercial applications relating to the removal of targeted molecules from water. In late 2009, The Company began exploring other business opportunities and is concentrating substantially all its efforts to raising capital and pursuing other opportunities.

The foregoing unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles in the United States of America for complete financial statements.

These unaudited interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2009. In the opinion of management, the unaudited interim financial statements furnished herein includes all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented. Operating results for the six month period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company’s financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions and could have a material effect on the reported amounts of the Company’s financial position and results of operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

This summary of significant accounting policies of MIP Solutions, Inc. is presented to assist in understanding the Company’s 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.

Recent Accounting Pronouncements

In February 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-09, *Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements*. This Update amends to Subtopic 855-10, Subsequent Events – Overall, to require SEC filers to evaluate subsequent events through the date that the financial statements are issued, but does not require them to disclose the date through which subsequent events have been evaluated.

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Fair Value Measurements and Disclosures (Topic 820)*. This Update provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures – Overall, that require new disclosures and clarify existing disclosures. The amendments in this Update are effective for interim and annual periods beginning after December 15, 2010.

Income Taxes

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 *Income Taxes – Recognition*. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard imposed by ASC 740-10-25-5.

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(A DEVELOPMENT STAGE COMPANY)
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JUNE 30, 2010

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes.

Significant components of the deferred tax assets for the periods ended June 30, 2010 and December 31, 2009 are as follows:

	June 30, 2010	December 31, 2009
Net operating loss carryforward	<u>\$ 3,085,031</u>	<u>\$ 2,872,869</u>
Deferred tax asset	\$ 1,048,911	\$ 976,800
Deferred tax asset valuation allowance	<u>(1,048,911)</u>	<u>(976,800)</u>
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2010, the Company has net operating loss carryforwards of approximately \$3,085,031 which expire in the years 2026-2029. The change in the allowance account from December 31, 2009 to June 30, 2010 was \$72,111.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Going Concern

As shown in the accompanying financial statements, the Company had negative working capital and an accumulated deficit of \$3,085,031 as of June 30, 2010. These factors raise substantial doubt about the Company's ability to continue as a going concern. However, the Company is currently pursuing other opportunities that, if successful, will mitigate these factors. 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 can not continue in existence.

An estimated \$1 million is believed necessary to continue operations through the next fiscal year. Management intends to seek additional capital from new equity securities offerings or to pursue merger partners, which will provide funds needed to increase liquidity, allow the Company to decrease debt and reverse the present deficit. Furthermore, management plans include negotiations to convert significant portions of existing debt into equity.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The useful lives of property, plant and equipment for purposes of computing depreciation are five to forty years. The following is a summary of property, equipment, and accumulated depreciation:

	June 30, 2010	December 31, 2009
Office equipment	<u>\$ 1,779</u>	<u>\$ 1,779</u>
Total assets	1,779	1,779
Less accumulated depreciation	<u>(1,283)</u>	<u>(1,117)</u>
	<u>\$ 496</u>	<u>\$ 662</u>

Depreciation and amortization expense for the period ended June 30, 2010 and December 31, 2009 was \$166 and \$780, respectively. The Company evaluates the recoverability of property and equipment when events and circumstances indicate that such assets might be impaired. The Company determines impairment by comparing the undiscounted future cash flows

MIP SOLUTIONS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
JUNE 30, 2010

estimated to be generated by these assets to their respective carrying amounts. Maintenance and repairs are expensed as incurred. Replacements and betterments are capitalized. The cost and related reserves of assets sold or retired are removed from the accounts, and any resulting gain or loss is reflected in results of operations.

NOTE 4 – COMMON STOCK AND WARRANTS

Common Stock

The Company is authorized to issue 50,000,000 shares of common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

During the period ended June 30, 2010, the Company issued 480,000 shares of common stock services valued at \$28,800 and 800,000 shares of common stock for a note payable valued at \$40,000.

NOTE 5 – COMMITMENTS

Under the terms of the license agreement with The Johns Hopkins University, the Company will be held responsible to pay JHU/APL fees and/or royalties when they achieve certain milestones, related to annual net sales and total funds raised from external investors. This agreement is currently in default.

On October 13, 2008, the Company entered into a consulting agreement with Russ Lakeman for consulting services, with terms of \$5,000 per month for a period of six months, and 50,000 shares of common stock valued at \$19,500. The stock will be held by the Company until the completion of the contract and be rescinded if Mr. Lakeman resigns or terminates the contract prior to the end of the six month term. This contract was terminated on December 3, 2008, and \$5,000 remains owing at June 30, 2010.

On June 7, 2010, the Company entered into a Definitive Agreement with AWG International, a Nevada based company exclusively involved in the manufacture, sales and marketing of Atmospheric Water Generators. This Agreement is outlined as Exhibit 2.1 entitled SHARE EXCHANGE AGREEMENT of the 8-K filed June 10, 2010 with the SEC reporting the event. Under the terms of the agreement upon closing, the Company will issue an amount of common shares equal 90% of the combined entity to the shareholders of AWG International and the current shareholders of the Company owning the remaining 10%. This agreement had not closed as of June 30, 2010.

NOTE 6 - NOTES PAYABLE

The Company signed a loan agreement with JHU/APL on July 1, 2008 to satisfy the cash requirements of Amendment #3 to the License Agreement between the Company and JHU/APL dated December 26, 2007. Under the terms of the loan agreement the Company will make monthly payments as follows:

July 31, 2008	\$10,000
August 31, 2008	\$ 5,000
September 30, 2008	\$ 5,000
October 31, 2008	\$ 5,000
November 30, 2008	\$ 5,000
December 31, 2008	\$ 5,000
January 31, 2009	\$ 5,000
February 28, 2009	\$ 5,000
March 31, 2009	\$ 5,000
April 30, 2009	\$ 3,929.18

The last payment consists of a \$2500 penalty fee and 8% per annum interest.

The Company has not made payments on this note since October 2008, and is in default of this note in total as of June 30, 2010.

MIP SOLUTIONS, INC.
(A DEVELOPMENT STAGE COMPANY)
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On March 5, 2009 the Company issued a \$40,000 Promissory Note with annual interest of 7% and a conversion price of \$.05 per share to a consultant. This note is secured by all assets of the company. This note was converted into common stock on March 22, 2010, the accrued interest is still outstanding.

On May 14, 2009 the Company issued a \$25,000 Promissory Note with annual interest of 7% and a conversion price of \$.05 per share to an existing shareholder. This note is secured by all assets of the company.

On June 30, 2009 the Company issued a \$5,000 Promissory Note with annual interest of 7% and a conversion price of \$.05 per share to an existing shareholder.

On June 30, 2009 the Company issued a \$5,000 Promissory Note with annual interest of 7% and a conversion price of \$.05 per share to an existing shareholder. This note is secured by all assets of the company.

NOTE 8 – CONVERTIBLE DEBT

In March, 2010 the Company issued a convertible promissory note in the amount of \$28,000, bearing no interest and is convertible into shares of the Company's common stock at a rate of one share for each \$0.14 of principal outstanding. The conversion feature of the note resulted in a beneficial conversion amount of \$28,000. The value of the beneficial conversion was expensed in the first quarter of 2010 and is included in interest expense in the financial statements.

NOTE 8 - SUBSEQUENT EVENTS

On August 2, 2010, the Company signed a Mutual Termination Agreement with JHU/APL by which all agreements including, but not limited to the License, the Payment Plan Agreement dated December 27, 2007, the Loan agreement dated July 1, 2008 and all amendments to such agreements are by mutual agreement terminated. Under the terms of the agreement, the Company must pay JHU/APL \$20,000 within 20 days following the completion of the planned share exchange agreement, and 600,000 shares of common stock. See Note 5.

Subsequent events have been evaluated through the date the financial statements were issued.

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

Cautionary Note Regarding Forward-Looking Information

This quarterly report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder, that involve inherent risks and uncertainties. Any statements about our expectations, beliefs, plans, objectives, strategies or future events or performance constitute forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend" and similar words or phrases.

Accordingly, these statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied in them. All forward-looking statements are qualified in their entirety by reference to the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2009 which is incorporated herein by reference. Among the key factors that could cause actual results to differ materially from the forward-looking statements are the following:

- dependence on commercialization of our Molecularly Imprinted Polymer (MIP) technology;
- our ability to close the pending transaction with AWG in a timely fashion
- our ability to continue as a "going concern";
- our need and ability to raise sufficient additional capital;
- ineffective internal operational and financial control systems;
- our ability to hire and retain specialized and key personnel;
- The termination of our License Agreement with The Johns Hopkins University Applied Physics Laboratory.
- our limited operating history and continued losses;
- rapid technological change;
- uncertainty of intellectual property protection;
- potential infringement on the intellectual property rights of others;
- factors affecting our common stock as a "penny stock;"
- extreme price fluctuations in our common stock;
- price decreases due to future sales of our common stock;
- general economic and market conditions;
- future shareholder dilution; and
- absence of dividends.

Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed or implied in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of future events or developments. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on

our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The following discussion of our financial condition and results of operations should be read together with our un-audited financial statements and accompanying notes that are included elsewhere in this report.

Executive Overview

We continue to need additional capital to fund the development of our Molecularly Imprinted Polymer (“MIP”) technology as well as cover our general and administrative expenses. In addition we need to close the transaction with AWG outlined as Exhibit 2.1 entitled “SHARE EXCHANGE AGREEMENT” of the 8-K filed June 10, 2010 with the SEC, which is incorporated herein by reference, in a timely fashion to further the prospect of the Company continuing as a going concern.

From the period ending December 31, 2009 to the period ending June 30, 2010 our current liabilities increased \$87,187 to \$536,449 from \$449,262, our accumulated deficit increased \$212,162 from \$2,872,869 to \$3,085,031 and, our stockholders deficit increased \$87,353 from \$448,582 to \$535,935 from the year ended December 31, 2009. The increase in accumulated deficit resulted primarily from ongoing operating expenses of \$182,496, an increase of \$48,750 due to The Johns Hopkins University Applied Physics Lab relating to the License Agreement and \$29,666 in interest expense for the period (quarter) ending June 30, 2010. The increase in current liabilities and shareholder deficit resulted primarily from an increase of accrued payroll of \$60,000 and an increase of \$48,750 due to The Johns Hopkins University Applied Physics Lab relating to the License Agreement, an increase in consulting services of \$33,800, an increase in professional fees of \$35,136, and a buyout provision payable of \$18,750.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Required

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this report on Form 10-Q, an evaluation was carried out by the Company’s management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (“Exchange Act”). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission’s rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company’s management concluded, as of the end of the period covered by this report, that the Company’s disclosure controls and procedures were not effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission’s rules and forms, and that such information was accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the period ended June 30, 2010, that materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting. There has been no progress towards remediating our previously disclosed material weaknesses due to lack of funding.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no legal proceedings pending against the Company to the knowledge of management.

ITEM 1A. RISK FACTORS

There have been no material changes in risk factors described in our Annual Report of Form 10-K for the year ended December 31, 2009.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. REMOVED AND RESERVED

ITEM 5. OTHER INFORMATION

The Company filed Form 8-K filed with the Securities and Exchange Commission on June 10, 2010 regarding a definitive Agreement with AWG outlined as Exhibit 2.1 entitled "SHARE EXCHANGE AGREEMENT" and that Agreement is incorporated herein by reference.

The Company filed Form 8-K with the Securities and Exchange Commission on August 13, 2010 relating to the termination of its License Agreement with The Johns Hopkins University Applied Physics Laboratory as Exhibit 10.1 entitled "TERMINATION AGREEMENT" and that Agreement is incorporated herein by reference.

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1	Section 302 Certification of Chief Executive Officer
31.2	Section 302 Certification of Chief Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002

SIGNATURES

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

MIP Solutions, Inc.

By: /s/ Gary MacDonald
Gary MacDonald
Chief Executive Officer

Dated: August 20, 2010

By: /s Jeff Lamberson
Jeff Lamberson
Principal Financial Officer

Dated: August 20, 2010

Certification

I, Gary MacDonald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MIPSolutions, 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 officer(s) 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 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 quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
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:
 - 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.

Date: August 20, 2010

/s/ Gary MacDonald
Gary MacDonald
Chief Executive Officer and Director

Certification

I, Jeff Lamberson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MIPSolutions, 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 officer(s) 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 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 quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
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:
 - 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.

Date: August 20, 2010

By: /s/ Jeff Lamberson

Jeff Lamberson

President, Principal Accounting Officer and Director

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SEC. 1350
(SECTION 906 OF SARBANES-OXLEY ACT OF 2002)

In connection with the Annual Report of, MIP Solutions Inc. (the "Company") on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gary McDonald, Chief Executive Officer and Director of the Company, hereby certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) 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.

Dated: August 20, 2010

/s/ Gary MacDonald

Gary MacDonald
Chief Executive Officer and Director

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SEC. 1350
(SECTION 906 OF SARBANES-OXLEY ACT OF 2002)

In connection with the Annual Report of, MIP Solutions Inc. (the "Company") on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeff Lamberson, President, Principal Accounting Officer and Director, hereby certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) 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.

Dated: August 20, 2010

By: /s/ Jeff Lamberson

Jeff Lamberson

President, Principal Accounting Officer and Director