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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ending June 30, 2010

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to_____

Commission file number 000-53236

SILVER HILL MINES, INC.

(Name of Small Business Issuer in its Charter)

NEVADA	91-1257351
(State of Incorporation)	(IRS Employer identification No.)
2802 South Man O'War, Veradale, WA	99037
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number, (509)891-8373

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes [X]** 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 **[X]**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definitions of "accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer [ ], Accelerated filer [ ], Non-accelerated filer [ ], Smaller reporting company **[X]**

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

As of August 1, 2010 we had 49,918,961 shares of common stock issued and outstanding and 10,000,000 shares of 2009 Series A Preferred stock issued and outstanding.

SILVER HILL MINES, INC.
FORM 10-Q
June 30, 2010

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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

Silver Hill Mines, Inc.
Balance Sheet

	(Unaudited) June 30, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	$ -	$ -
Total current assets	-	-
Total assets	$ -	$ -
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable – Related party	$ 5,159	$ 101,836
Due to related party	1,714	1,714
Total current liabilities	6,873	103,550
Stockholders' equity		
Preferred stock, 12,000,000 shares authorized, par value $.001; 10,000,000 shares issued and outstanding	10,000	-
Common stock, 250,000,000 shares authorized, par value $.0001, 49,918,961 shares issued and outstanding	141,887	49,919
Additional paid-in capital	721,048	721,048
Retained earnings	(879,808)	(874,517)
Total stockholders' equity	(6,873)	(103,550)
Total liabilities and stockholders' equity	$ -	$ -

See accompanying notes to financial statements

Silver Hill Mines, Inc.
Statements of Operations
(Unaudited)

	For the three months ended June 30, 2010	For the three months ended June 30, 2009	For the six months ended June 30, 2010	For the six months ended June 30, 2009
Revenues	$ --	$ --	$ --	$ --
General and administrative expenses	3,501	165	5,291	9,475
Loss from operations	(3,501)	(165)	(5,291)	(9,475)
Interest income	-	-	-	-
Net loss	$ (3,501)	$ (165)	$ (5,291)	$ (9,475)
asic loss per common share	$ (0.000)	$ (0.000)	$ (0.000)	$ (0.000)
Fully diluted loss per common share	$ (0.000)	$ (0.000)	$ (0.000)	$ (0.000)
Weighted average number of common shares outstanding				
asic	49,918,961	49,918,961	49,918,961	49,918,961
Fully diluted	122,117,772	49,918,961	122,117,772	49,918,961

See accompanying notes to financial statements

Silver Hill Mines, Inc.
Statements of Cash Flows
(Unaudited)

	For the six months ended June 30, 2010	For the six months ended June 30, 2009
Cash flows used for operating activities		
Net loss	$ (5,291)	$ (9,475)
Adjustment to reconcile net income to net cash provided by operating activities		
Change in operating assets and liabilities:		
Increase in accounts payable – Related party	5,291	9,475
Increase in interest receivable	-	
Cash flows used for operating activities	-	-
Cash flows from financing activities		
Payments received from note receivable	-	-
Advances from officer	-	-
Cash flows from financing activities	-	-
Increase in cash and cash equivalents	-	-
Cash and cash equivalents - Beginning of period	-	-
Cash and cash equivalents - End of period	$ -	$ -
Supplemental Disclosures regarding cash flows		
Interest paid	$ -	$ -
Income taxes paid	-	-
Non-cash financing activities		
Preferred stock issued for related party accounts payable	$ 101,968	$ -

See accompanying notes to financial statements

NOTE A - Organization and Description of Business

The Company was originally incorporated in the State of Washington on March 27, 1961, for the primary purpose of acquiring and developing mining properties. The Company has not attained commercial mining operations since its inception.

On May 11, 2007 the shareholders approved changing the corporate domicile Washington to Nevada. On June 21, 2007, Silver Hill Mines, Inc., a Nevada corporation, was organized as the merger partner. On September 5, 2007, the change in domicile was completed by merging Silver Hill Mines, Inc., the Washington corporation into Silver Hill Mines, Inc., the Nevada corporation. Silver Hill Mines, Inc., the Nevada corporation, was the surviving corporation.

NOTE B - Preparation of Financial Statements

The Company follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and has adopted a year-end of December 31.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reporting period. Actual results could differ from those estimates.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company’s system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Interim Financial Statements

The accompanying unaudited condensed financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) and should be read in conjunction with our audited financial statements and footnotes thereto for the year ended December 31, 2009 included in our Form 10-K filed on April 6, 2010. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such rules and regulations. However, we believe that the disclosures are adequate to make the information presented not misleading. The financial statements reflect all adjustments (consisting primarily of normal recurring adjustments) that are, in the opinion of management necessary for a fair presentation of our financial position and results of operations. The operating results for the three months ended March 31, 2010 are not necessarily indicative of the results to be expected for any other interim period of any future year.

NOTE C - Summary of Significant Accounting Policies

<u>Cash and cash equivalents</u>

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

<u>Use of estimates</u>

In preparing financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenues and expenses in the statement of operations. Actual results could differ from those estimates.

Fair Value Measurements

For certain financial instruments, including accounts receivable, accounts payable, accrued expenses, interest payable, advances payable and notes payable, the carrying amounts approximate fair value due to their relatively short maturities.

On January 1, 2008, the Company adopted ASC 820-10, *"Fair Value Measurements and Disclosures."* ASC 820-10 defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company did not identify any non-recurring assets and liabilities that are required to be presented in the balance sheets at fair value in accordance with ASC 815.

In February 2007, the FASB issued ASC 825-10 *"Financial Instruments."*ASC 825-10 permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. ASC 825-10 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company adopted ASC 825-10 on January 1, 2008. The Company chose not to elect the option to measure the fair value of eligible financial assets and liabilities. The carrying amounts of cash and current liabilities approximate fair value due to the short maturity of these items. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment, and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign exchange, commodity price, or interest rate market risks.

Income taxes

Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates of the date of enactment.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Applicable interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the statements of operations.

Basic and diluted net loss per share

The Company computes net income (loss) per share in accordance with ASC 260-10, *"Earnings Per Share."* The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per share gives effect to all dilutive potential common shares outstanding during the period using the *"as if converted"* basis. For the six months ended June 30, 2009 and for the three months ended March 31, 2010, and 2009 there were no potential dilutive securities. At June 30, 2010 there were 200,000,000 potential dilutive securities.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and cash equivalents. The Company places its cash with high quality financial institutions and at times may exceed the FDIC insurance limit.

Special purpose entities

The Company does not have any off-balance sheet financing activities.

Impairment or Disposal of Long-Lived Assets

The Company follows ASC 360-10, *"Property, Plant, and Equipment,"* which established a *"primary asset"* approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. Through June 30, 2010, the Company had not experienced impairment losses on its long-lived assets.

Stock Based Compensation

Effective January 1, 2006, the Company adopted the fair value recognition provisions of ASC 718 *"Compensation-Stock Compensation,"* using the modified-prospective transition method. Under this method, stock-based compensation expense is recognized in the consolidated financial statements for stock options granted, modified or settled after the adoption date. In accordance with ASC 718, the unamortized portion of options granted prior to the adoption date is recognized into earnings after adoption. Results for prior periods have not been restated, as provided for under the modified-prospective method.

Under ASC 718, stock-based compensation expense recognized is based on the value of the portion of share-based payment awards that are ultimately expected to vest during the period. Based on this, our stock-based compensation is reduced for estimated forfeitures at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes option pricing model. Assumptions used in the Black-Scholes models are based upon the following data: (1) The expected life of the option, estimated by considering the contractual term of the option, the vesting period of the option, the employees' expected exercise behavior and the post-vesting employee turnover rate. (2) The expected stock price volatility of the underlying shares over the expected term of the option, based upon historical share price data. (3) The risk free interest rate, based on published U.S. Treasury Department interest rates for the expected terms of the underlying options. (4) Expected dividends, based on historical dividend data and expected future dividend activity. (5) The expected forfeiture rate, based on historical forfeiture activity and assumptions regarding future forfeitures based on the composition of current grantees.

In accordance with ASC 718, the benefits of tax deductions in excess of the compensation cost recognized for options exercised during the period are classified as financing cash inflows rather than operating cash inflows.

The Company did not grant any new employee options and no options were cancelled or exercised during the six months periods ended June 30, 2010 or 2009. As of June 30, 2010 there were no options outstanding.

Business segments

ASC 280, *"Segment Reporting"* requires use of the *"management approach"* model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company determined it has one operating segment as of June 30, 2010 and June 30, 2009.

Recently issued accounting pronouncements

On July 1, 2009, the Company adopted Accounting Standards Update (*"ASU"*) No. 2009-01, "Topic 105 - Generally Accepted Accounting Principles - amendments based on Statement of Financial Accounting Standards No. 168, *"The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles"* (*"ASU No. 2009-01"*). ASU No. 2009-01 re-defines authoritative GAAP for nongovernmental entities to be only comprised of the FASB Accounting Standards Codification™ (*"Codification"*) and, for SEC registrants, guidance issued by the SEC. The Codification is a reorganization and compilation of all then-existing authoritative GAAP for nongovernmental entities, except for guidance issued by the SEC. The Codification is amended to effect non-SEC changes to authoritative GAAP. Adoption of ASU No. 2009-01 only changed the referencing convention of GAAP in Notes to the consolidated financial statements.

In October 2009, the FASB issued an Accounting Standards Update (*"ASU"*) regarding accounting for own-share lending arrangements in contemplation of convertible debt issuance or other financing. This ASU requires that at the date of issuance of the shares in a share-lending arrangement entered into in contemplation of a convertible debt offering or other financing, the shares issued shall be measured at fair value and be recognized as an issuance cost, with an offset to additional paid-in capital. Further, loaned shares are excluded from basic and diluted earnings per share unless default of the share-lending arrangement occurs, at which time the loaned shares would be included in the basic and diluted earnings-per-share calculation. This ASU is effective for fiscal years beginning on or after December 15, 2009, and interim periods within those fiscal years for arrangements outstanding as of the beginning of those fiscal years. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

On December 15, 2009, the FASB issued ASU No. 2010-06 Fair Value Measurements and Disclosures Topic 820 *"Improving Disclosures about Fair Value Measurements"*. This ASU requires some new disclosures and clarifies some existing disclosure requirements about fair value measurement as set forth in Codification Subtopic 820-10. The FASB's objective is to improve these disclosures and, thus, increase the transparency in financial reporting. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

NOTE D - Going Concern Uncertainty

The Company has had no significant operations, assets or liabilities since 1993 and, accordingly, is fully dependent on either future sales of securities or upon its current management and/or advances or loans from significant stockholders or corporate officers to provide sufficient working capital to preserve the integrity of the corporate entity. Because of these factors, our auditors have issued an audit opinion for the Company which includes a statement describing our going concern status. This means, in our auditor's opinion, substantial doubt about our ability to continue as a going concern exists at the date of their opinion.

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis.

The Company anticipates offering future sales of equity securities. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

If no additional operating capital is received during the next twelve months, the Company will be forced to rely upon additional funds loaned by management and/or significant stockholders to preserve the integrity of the corporate entity at this time. In the event, the Company is unable to acquire advances from management and/or significant stockholders, the Company's ongoing operations would be negatively impacted.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

In such a restricted cash flow scenario, the Company would be unable to complete our business plan steps, and would, instead, delay all cash intensive activities. Without necessary cash flow, the Company may become dormant during the next twelve months, or until such time as necessary funds could be raised in the equity securities market. While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach our goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps.

NOTE E - Income Taxes

The components of income tax (benefit) expense for the years ended December 31, 2009 and 2008, respectively, are as follows:

	Years ended December 31,	
	2009	2008
Federal:		
Current	$ —	$ —
Deferred	—	—
	—	—
State:		
Current	—	—
Deferred	—	—
	—	—
Total	$ —	$ —

The Company has a nominal net operating loss carryforward to offset future taxable income. Subject to current regulations, this carryforward will begin to expire in 2021. The amount and availability of the net operating loss carryforwards may be subject to limitations set forth by the Internal Revenue Code. Factors such as the number of shares ultimately issued within a three year look-back period; whether there is a deemed more than 50 percent change in control; the applicable long-term tax exempt bond rate; continuity of historical business; and subsequent income of the Company all enter into the annual computation of allowable annual utilization of the carryforwards.

The Company's income tax expense (benefit) for the years ended December 31, 2009 and 2008, respectively, differed from the statutory federal rate of 34 percent as follows:

	Year ended December 31, 2009	Year ended December 31, 2008
Statutory rate applied to loss before income taxes	$ (5,200)	$ (33,000)
Increase (decrease) in income taxes resulting from:		
State income taxes	—	—
Other, including reserve for deferred tax asset	5,200	33,000
Income tax expense	$ —	$ —

Temporary differences due to statutory requirements in the recognition of assets and liabilities for tax and financial reporting purposes, generally including such items as organizational costs, accumulated depreciation and amortization, allowance for doubtful accounts, organizational and start-up costs and vacation accruals. These differences give rise to the financial statement carrying amounts and tax bases of assets and liabilities causing either deferred tax assets or liabilities, as necessary, as of December 31, 2009 and 2008, respectively:

	December 31, 2009	December 31, 2008
Deferred tax assets		
Net operating loss carryforwards	$ 33,000	$ 1,230
Less valuation allowance	(33,000)	(1,230)
Net Deferred Tax Asset	$ —	$ —

During the year ended December 31, 2009 and 2008, respectively, the reserve for the deferred current tax asset increased by approximately $33,000 and $1,230 respectively.

NOTE F - Related Party Transactions

On May 12, 2010 the Company’s Board of Directors authorized the Company to issue Gregory M. Wilson, an affiliate shareholder, 10,000,000 shares of 2009 Series “A” Preferred stock in exchange for all corporate debt owed to Mr. Wilson, which on that date was $101,968. The preferred shares issued to Mr. Wilson represents voting control of the Company. The Preferred Shares were issued on June 28, 2010.

On April 2, 2007, the Company’s Board of Directors authorized the issuance of 9,250,000 shares of the Company’s restricted common stock at par value totaling $9,250. Consideration for the shares was a promissory note issued by a corporation controlled by a related party in the amount of $9,250 with interest at 5% per annum until paid. At December 31, 2009 the balance of the note receivable was $-0- and interest receivable totaled $-0-.

A related party has advanced $6,703 to the Company. As of December 31, 2008, the related party accepted as partial payment, the note receivable and accrued interest receivable, described above. The balance of the note receivable and accrued balance was $5,341. The remaining advance in the amount of $1,714 has no due date and is non-interest bearing.

NOTE G – 2009 Series *"A"* Preferred Shares

On May 12, 2010, the Company's Board of Directors authorized amending the Certificate of Designation to increase the 2009 Series "A" Preferred stock from 11,500,000 to 12,000,000 and added a convertibility feature permitting the 2009 Series "A" Preferred stock to be convertible into common shares at the rate of 20 shares of common stock for each share of Series "A" Preferred Stock. On May 15, 2010, the amended Certificate of Designation was filed with the Nevada Secretary of State.

On February 24, 2009, the Company filed a Certificate of Designation authorizing eleven million five hundred thousand (11,500,000) 2009 Series *"A"* Preferred shares. The 2009 Series *"A"* Preferred shares have twenty (20) votes per share at any meeting of the shareholders where votes are submitted.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation

When used in this Form 10-Q and in our future filings with the Securities and Exchange Commission, the words or phrases will likely result, management expects, or we expect, will continue, is anticipated, estimated or similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speak only as of the date made. These statements are subject to risks and uncertainties, some of which are described below. Actual results may differ materially from historical earnings and those presently anticipated or projected. We have no obligation to publicly release the result of any revisions that may be made to any forward-looking statements to reflect anticipated events or circumstances occurring after the date of such statements.

Plan of Operation

We have had no operations and have not produced any revenue in the last two years.

We intend to seek to acquire the assets or shares of an entity actively engaged in business in exchange for our securities through a business combination transaction. While we will attempt to obtain audited financial statements of a business combination candidate, there is no assurance that such audited financial statements will be available. The Board of Directors does intend to obtain certain assurances of value of the candidate entity's assets prior to consummating such a transaction. We have no full time employees. Presently, our officers have agreed to allocate a portion of their time to our activities without compensation. However, we may compensate them in stock for services rendered at some future date. Management anticipates that our business plan can be implemented by an officer devoting an aggregate of approximately 5 hours per week to our business affairs. Consequently, conflicts of interest may arise with respect to the limited time commitment by such officers. In addition, our officers and directors may, in the future, become involved with other companies, which have a business purpose similar to that of ours. As a result, additional conflicts of interest may arise in the future.

Any business combination or transaction will likely result in a significant issuance of shares and substantial dilution to our present stockholders.

General Business Plan

Our purpose is to seek, investigate and, if such investigation warrants, acquire an interest in a business opportunity which desires to seek the perceived advantages of an Exchange Act registered corporation. We will not restrict our search to any specific business, industry, or geographical location and we may participate in a business venture of virtually any kind or nature. This discussion of the proposed business is purposefully general and is not meant to be restrictive of our virtually unlimited discretion to search for and enter into potential business opportunities. Management anticipates that it will be able to participate in only one potential business venture because we have nominal assets and limited financial resources. This lack of diversification should be considered a substantial risk to our shareholders because it will not permit us to offset potential losses from one venture against gains from another. We may seek a business opportunity with entities which have recently commenced operations, or that wish to utilize the public marketplace in order to raise additional capital in order to expand into new products or markets, to develop a new product or service, or for other corporate purposes. We anticipate that the selection of a business opportunity in which to participate will be complex and extremely risky. Due to general economic conditions, rapid technological advances being made in some industries and shortages of available capital, management believes that there are numerous firms seeking the perceived benefits of a publicly registered corporation. Such perceived benefits may include facilitating or improving the terms on which additional equity financing may be sought, providing liquidity for incentive stock options or similar benefits to key employees, providing liquidity (subject to restrictions of applicable statutes) for all shareholders and other factors. Business opportunities may be available in many different industries and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities extremely difficult and complex. We have, and will continue to have, minimal capital with which to provide the owners of business opportunities with any significant cash or other assets. However, management believes we will be able to offer owners of acquisition candidates the opportunity to acquire a controlling ownership interest in a publicly registered company without incurring the cost and time required to conduct an initial Public Offering. The owners of the business opportunities will, however, incur significant legal and accounting costs in connection with the acquisition of a business opportunity, including the costs of preparing Form 8-K's, 10-K's, agreements and related reports and documents. The Securities Exchange Act of 1934 (the "34 Act"), specifically requires that any merger or acquisition candidate comply with all applicable reporting requirements, which include providing audited financial statements to be included within the numerous filings relevant to complying with the 34 Act. The analysis of new business opportunities will be undertaken by, or under the supervision of, our officers and directors, none of whom is a professional business analyst. Management intends to concentrate on identifying preliminary prospective business opportunities which may be brought to its attention through present associations of our officers, directors and attorney. In analyzing prospective business opportunities, management will consider such matters as the available technical, financial and managerial resources; working capital and other financial requirements; history of operations, if any; prospects for the future; nature of present and expected competition; the quality and experience of management services which may be available and the depth of that management; the potential for further research, development, or exploration; specific risk factors not now foreseeable but which then may be anticipated to impact our proposed activities; the potential for growth or expansion; the potential for profit; the perceived public recognition or acceptance of products, services, or trades; name identification; and other relevant factors. We will not acquire or merge with any company for which audited financial statements cannot be obtained within the time frame required by federal securities laws. It is not anticipated that any outside consultants or advisors, other than our legal counsel and accountants, will be utilized by us to effectuate our business purposes described herein. We will not restrict our search to any specific industry, but may acquire a venture which is in its preliminary or development stage, which is already in operation, or in essentially any stage of its corporate life. It is impossible to predict, at this time, the status of any business in which we may become engaged, in that such business may need to seek additional capital, may desire to have its shares publicly traded, or may seek other perceived advantages which we may offer.

Acquisition of Business Combination Candidate

In implementing a structure for a particular business acquisition, we may become a party to a merger, consolidation, reorganization, joint venture, or licensing agreement with another corporation or entity. We may also acquire stock or assets of an existing business. On the consummation of a transaction, it is probable that our present management and shareholders will no longer be in control. In addition, our directors may, as part of the terms of the acquisition transaction, resign and be replaced by new directors without a vote of our shareholders. It is anticipated that any securities issued in any such reorganization would be issued in reliance upon exemption from registration under applicable federal and state securities laws. In some circumstances, however, as a negotiated element of the transaction, we may agree to register all or a part of such securities immediately after the transaction is consummated or at specified times thereafter. If such registration occurs, of which there can be no assurance, it will be undertaken by the surviving entity after we have successfully consummated a merger or acquisition and we are no longer considered a "shell" company. Until such time as this occurs, we will not attempt to register any additional securities. The issuance of substantial additional securities and their potential sale into any trading market which may develop in our securities may have a depressive effect on the value of our securities in the future. While the actual terms of a transaction to which we may be a party cannot be predicted, it may be expected that the parties to the business transaction will find it desirable to avoid the creation of a taxable event and thereby structure the acquisition in a so-called "tax-free" reorganization under Sections 368a or 351 of the Internal Revenue Code (the "Code"). With respect to any merger or acquisition, negotiations with target company management is expected to focus on the percentage of our company which target company shareholders would acquire in exchange for all of their shareholdings in the target company. Depending upon, among other things, the target company's assets and liabilities, our shareholders will hold a substantially lesser percentage ownership interest following any merger or acquisition. The percentage ownership may be subject to significant reduction in the event we acquire a target company with substantial assets. Any merger or acquisition effected by us can be expected to have a significant dilutive effect on the percentage of shares held by our then-shareholders. We will participate in a business opportunity only after the negotiation and execution of appropriate written agreements. Although the terms of such agreements cannot be predicted, generally such agreements will require some specific representations and warranties by all of the parties thereto, will specify certain events of default, will detail the terms of closing and the conditions which must be satisfied by each of the parties prior to and after such closing, will outline the manner of bearing costs, including costs associated with our attorneys and accountants, will set forth remedies on default and will include miscellaneous other terms. As stated hereinabove, we will not acquire or merge with any entity that cannot provide independent audited financial statements within a reasonable period of time after closing of the proposed transaction. We intend to be subject to all of the reporting requirements included in the 34 Act. Included in these requirements is our affirmative duty to file independent audited financial statements as part of our Form 8-K to be filed with the Securities and Exchange Commission upon consummation of a business combination transaction, as well as our audited financial statements included in our annual report on Form 10-K. If such audited financial statements are not available at closing, or within time parameters necessary to insure our compliance with the requirements of the 34 Act, or if the audited financial statements provided do not conform to the representations made by the candidate to be acquired in the closing documents, the closing documents may provide that the proposed transaction will be voidable, at the discretion of our present management.

Financing

The Company believes it that can satisfy its cash requirements for the foreseeable future. To the extent that additional funds are needed in the next twelve months in order to pay for financial accounting, auditing, transfer agency or EDGAR filing fees, Long Lane Capital, Inc. will advance or loan fund on behalf of the company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not Applicable to Smaller Reporting Companies.

Item 4T. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are designed to be effective in providing reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the “ SEC”), and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute assurance of achieving the desired objectives. Also, 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, 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. The design of any system of controls 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.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, management concluded that our disclosure controls and procedures are effective as of June 30, 2010 to cause the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods prescribed by SEC, and that such information is accumulated and communicated to management, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Evaluation of and Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting of the Company. Management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our internal control over financial reporting as of March 31, 2010 based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that, as of June 30, 2010, our internal control over financial reporting were effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to temporary rules of the SEC that permit the company to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

There was no change in our internal controls over financial reporting identified in connection with the requisite evaluation that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations

Our management, including our Principal Executive Officer and Principal Financial Officer, does not expect that our disclosure controls or internal controls over financial reporting will prevent all errors or all instances of fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be 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 our 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. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and any design may not succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitation of 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.

The Company is not a party to any pending material legal proceedings.

Item 1A. Risk Factors

There have been no material changes from risk factors disclosed in our Form 10-K Annual Report for the year ending December 31, 2009 filed on April 6, 2010.

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

On June 28, 2010, the Company issued Gregory M. Wilson 10,000,000 shares of 2009 Series A Preferred Stock in exchange all corporate debt owed to Mr. Wilson which was $101,968. Details of the sale were reported on Form 8-K filed July 1, 2010.

The securities were issued in a private transaction pursuant to Section 4(2) of the Securities Act of 1933, as amended, (the "Securities Act"). These shares are considered restricted securities and may not be publicly resold unless registered for resale with appropriate governmental agencies or unless exempt from any applicable registration requirements.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Removed and Reserved.

Item 5. Other Information.

None.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description
10	Legal Engagement Letter
31	Chief Executive/Financial Officer-Section 302 Certification pursuant to Sarbanes-Oxley Act.
32	Chief Executive/Financial Officer-Section 906 Certification pursuant to Sarbanes-Oxley Act.

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.

Dated: August 11, 2010

SILVER HILL MINES, INC.

By: /s/ Steve Bergstrom
Steve Bergstrom
Title: President, Chief Executive Officer
Chief Financial Officer

Exhibit 10 - Legal Engagement Letter

Gregory M. Wilson
18610 E. 32nd Ave.
Greenacres, WA 99016
Tel. (509) 891-8373
Fax (509) 891-8382

April 7, 2007

Steve Bergstrom
Silver Hill Mines, Inc.
2802 South Man O'War
Veradale, WA 99037

Re: Legal Engagement Letter Corporate Representation

Dear Mr. Bergstrom:

This confirms the undersigned firm has been engaged to render assistance to Silver Hill Mines, Inc., a Washington corporation (hereinafter referred to as Registrant) with respect to legal services relating to holding a shareholder's meeting, assisting in a corporate reorganization, filing a Form 10SB registration statement and assisting in a business combination transaction. This assistance excludes any matters dealing with federal, state and local tax law issues, intellectual property laws and foreign laws. Any engagements for Securities Act registration matters will not be included in this engagement.

This assistance specifically includes the following:

(1) The explanation to responsible officers and directors of the Registrant of their responsibilities under the applicable requirements of the federal securities laws and regulations including in general terms the possible civil and criminal consequences of failure to comply with such requirements. The appropriate officers, directors, and promoters must devote adequate time and attention to the preparation of the SEC Documents because the securities laws place on them responsibility for assuring the SEC Documents are not materially misleading or incomplete. They should further understand that we, as lawyers, cannot relieve either the Registrant or its officers and directors of their individual responsibilities although we can certainly assist them in fulfilling them. All biographical information on officers, directors and promoters will be verified under oath and furnished to us in writing pursuant to questionnaires to be supplied by us.

We will be entitled to rely on accuracy and truthfulness of all written information furnished us by Registrant's officers, directors and promoters and they, all signatories to this letter and the Registrant, will indemnify and hold us harmless from and against all claims arising out of or resulting from material misrepresentations or omissions contained in such written information.

(2) We will discuss with the Registrant its needs to create procedures which will enable it to develop the information reasonably necessary to meet the requirements of the Securities Exchange Act of 1934 and to create a reasonable timetable and assignment of responsibilities for developing such information. The Registrant will be responsible for assigning responsibility for developing particular types of information to those persons most knowledgeable about such matters.

(3) We will assist the Registrant on the basis of information furnished to us in reaching its decisions as to what information should be included in the SEC Documents, how it should be included and to what extent its omission would raise questions under federal securities laws. The responsibility for decisions as to whether a fact is material or whether there is a material inaccuracy in the statement will remain with the Registrant. We are not obligated to search all the files and records of the Registrant to discover, for example, all material contracts or other documents but will be entitled to rely, outside of certain legal matters, on interrogations of and reports and compilations prepared by others including auditors (whom we will assist you in locating, if requested) and other lawyers. In particular, we are not being retained to furnish accounting or economic advice and our retention as

counsel specifically excludes federal and state taxation, corporate law, state joint venture and partnership law, and franchising law.

(4) We will assist you in the drafting of the documents to the end that in our opinion, these documents reflect what the Registrant intends them to say, is not ambiguous and is written in a way that is designed to protect the Registrant from later claims of overstatement, misleading implications, omissions or other deficiencies due to the manner in which the statements in question have been written. However, you are cautioned merely because we have assisted you in this endeavor, this will not ensure it will be free from all misleading, unclear or ambiguous statements. However, all information properly furnished to us will be provided in the SEC Documents in the precise format required. Again, the ability to determine the substance or context of the SEC Documents rests solely with the Registrant.

(5) We will not be required to, nor will we make statements, which could give a mistaken impression we have passed upon matters which we have not, nor that we take responsibility for the accuracy and completeness of the SEC Documents. We will not be named in the SEC Documents nor in any other document furnished to anyone without our prior written consent.

(6) We may advise you with respect to certain matters under the federal securities law which may arise and not relate directly to the preparation of the SEC Documents. We will provide you with a specific list of the reporting and other requirements of federal securities laws to which the Registrant may become subject. We will advise the Registrant as to the procedures and requirements involved in the processing of the SEC Documents.

The foregoing undertakings of the undersigned firm are contingent upon the Registrant promptly advancing, upon request, all costs and expenses and fees of the undersigned when due and owing. Costs and expenses include, but are not limited to, travel, printing, filing fees, photocopy, telephone, document preparation charges, courier, federal express, postage and other expenses incurred by the undersigned. The Registrant acknowledges the undersigned has no obligation to advance any expenses and may from time to time request a deposit for the same. The Registrant further acknowledges the undersigned may be required to resign this engagement if its failure to do so would result in a violation of a Disciplinary Rule, such as those prohibiting counsel from knowingly advising or assisting his client to engage in an illegal or fraudulent act.

Due to increased Registrant compliance, as required under the Sarbanes-Oxley Act, our flat fee annual retainers have increased substantially. Therefore, the firm will charge an hourly rate of $450.00 Dollars per hour for assisting the Registrant, as outlined in paragraph 1 above for legal services. The fee will be billed at the end of the engagement which contemplates a business combination agreement with an operating company.

The hourly fee will not include costs and expenses advanced on behalf of the Registrant. These costs and expenses may include, but are not limited to, travel, printing, filing fees, photocopy, telephone, document preparation charges, courier, federal express, postage and other expenses incurred by the undersigned at the request of the Registrant.

If the foregoing conforms to your understanding of our fee arrangement and respective obligations, please sign the enclosed copy of this letter and return it to me in the self-addressed envelope similarly provided.

Sincerely yours,

/s/ G.M. Wilson
Gregory M. Wilson
Attorney at Law

ACCEPTED:

Silver Hill Mines, Inc.
(Registrant)
/s/ Steve Bergstrom
By: Steve Bergstrom
Title: President

Exhibit 31 - Chief Executive Officer Certification (Section 302)

CERTIFICATION OF CHIEF EXECUTIVE AND FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Steve Bergstrom, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Silver Hill Mines, Inc., (Registrant).

(2) Based on my knowledge, this annual 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 annual report;

(3) Based on my knowledge, the financial statements and other financial information included in this annual 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 annual 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 15(d)-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 annual 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 changes 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 officers and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of 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.

Date: August 11, 2010

By: /s/ Steve Bergstrom
Steve Bergstrom
Chief Executive Officer
Chief Financial Officer

Exhibit 32 - Chief Executive and Financial Officer Certification (Section 906)

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

Pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), I, Steve Bergstrom, the undersigned Chief Executive and Financial Officer of Silver Hill Mines, Inc., (the "Company"), herby certify that, to the best of my knowledge, the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2010 (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company. A signed original of this written statement required by Section 906 has been provided to the registrant and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 11, 2010

By: /s/ Steve Bergstrom
Steve Bergstrom
Chief Executive Officer
Chief Financial Officer