

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

FORM 10-Q

☒ 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: 000-53662

BUTTE HIGHLANDS MINING COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

81-0409475

(I.R.S. Employer Identification No.)

P.O. Box 99, Liberty Lake, WA

(Address of principal executive offices)

99019

(Zip Code)

509) 979-3153

(Issuer's telephone number, including area code)

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 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:

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: According to our Transfer Agent, at July 15, 2010, there were 1,317,948 shares of Class A Common Stock and 1,663,941 shares of Class B Common Stock issued and outstanding.

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION	3
ITEM 1. FINANCIAL STATEMENTS	3
BALANCE SHEETS	3
STATEMENTS OF OPERATION	4
STATEMENTS OF CASH FLOWS.....	5
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS	6
ITEM 2. MANAGERMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	10
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	12
ITEM 4. CONTROLS AND PROCEDURES.....	12
PART II – OTHER INFORMATION	13
ITEM 1. LEGAL PROCEEDINGS.....	13
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	13
ITEM 3. DEFAULTS UPON SENIOR SECURITIES	13
ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	13
ITEM 5. OTHER INFORMATION	13
ITEM 6. EXHIBITS (filed with this report).....	13
SIGNATURES	14

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
BALANCE SHEETS

	June 30 2010 (unaudited)	December 31 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 245,236	\$ 202,496
Accrued interest	1,109	1,109
Refund receivable	-	19,478
Total Current Assets	<u>246,345</u>	<u>223,083</u>
PROPERTY AND EQUIPMENT		
Equipment	4,338	4,338
Less: accumulated depreciation	<u>(4,213)</u>	<u>(4,159)</u>
Total Property and Equipment	<u>125</u>	<u>179</u>
OTHER ASSETS		
Investments	<u>51,700</u>	<u>116,640</u>
Total Other Assets	<u>51,700</u>	<u>116,640</u>
TOTAL ASSETS	<u>\$ 298,170</u>	<u>\$ 339,902</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 1,875
Total Current Liabilities	<u>-</u>	<u>1,875</u>
COMMITMENTS AND CONTINGENCIES	<u>-</u>	<u>-</u>
STOCKHOLDERS' EQUITY		
Common stock, Class A, \$0.01 par value 23,292,907 shares authorized; 1,317,948 shares issued and outstanding, respectively	13,179	13,179
Common stock, Class B, \$0.01 par value 1,707,093 shares authorized; 1,663,941 shares issued and outstanding, respectively	16,640	16,640
Additional paid-in capital	242,632	242,632
Accumulated income prior to development stage	476,706	476,706
Accumulated deficit during development stage	(476,837)	(477,010)
Other comprehensive income	25,850	65,880
Total Stockholders' Equity	<u>298,170</u>	<u>338,027</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 298,170</u>	<u>\$ 339,902</u>

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

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
STATEMENTS OF OPERATION

	Three Months Ended June 30		Six Months Ended June 30		Period from May 18, 2007 (Inception of Development Stage) to June 30, 2010
	2010 (unaudited)	2009 (unaudited)	2010 (unaudited)	2009 (unaudited)	2010 (unaudited)
MINERAL LEASE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES					
Professional fees	11,256	14,778	28,519	28,779	133,678
Depreciation	27	144	54	203	1,169
Officers & directors fees	-	-	-	-	2,000
General and administrative	533	1,556	2,513	1,856	26,126
TOTAL OPERATING EXPENSES	<u>11,816</u>	<u>16,478</u>	<u>31,086</u>	<u>30,838</u>	<u>162,973</u>
INCOME (LOSS) FROM OPERATIONS	(11,816)	(16,478)	(31,086)	(30,838)	(162,973)
OTHER INCOME (EXPENSES)					
Interest income	26	712	52	800	7,810
Interest expense	-	-	-	-	(553)
Other income	740	-	740	-	740
Other expense	-	-	(459)	-	(459)
Other than temporary impairment of investment	-	-	-	-	(165,240)
Gain on sale of investment	15,965	-	30,926	-	30,926
TOTAL OTHER INCOME (EXPENSES)	<u>16,731</u>	<u>712</u>	<u>31,259</u>	<u>800</u>	<u>(126,776)</u>
INCOME (LOSS) BEFORE TAXES	<u>4,915</u>	<u>(15,766)</u>	<u>173</u>	<u>(30,038)</u>	<u>(289,749)</u>
INCOME TAXES					
Income tax benefit	-	-	-	-	(15,501)
Tax expense	-	-	-	-	(171,587)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,088)</u>
NET INCOME (LOSS)	\$ <u>4,915</u>	\$ <u>(15,766)</u>	\$ <u>173</u>	\$ <u>(30,038)</u>	\$ <u>(476,837)</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Unrealized gain (loss) on available for sale securities	<u>(6,050)</u>	<u>7,560</u>	<u>(8,510)</u>	<u>12,960</u>	<u>77,890</u>
COMPREHENSIVE INCOME (LOSS)	<u><u>(1,135)</u></u>	<u><u>(8,206)</u></u>	<u><u>(8,337)</u></u>	<u><u>(17,078)</u></u>	<u><u>(398,947)</u></u>
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ <u>nil</u>	\$ <u>nil</u>	\$ <u>nil</u>	\$ <u>nil</u>	
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	<u>2,981,889</u>	<u>2,981,889</u>	<u>2,981,889</u>	<u>2,981,889</u>	

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

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

	Six Months Ended June 30		Period from May 18, 2007 (Inception of Development Stage) to June 30 2010
	2010 (unaudited)	2009 (unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 173	\$ (30,038)	\$ (476,837)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation	54	203	1,169
Gain on sale of investments	(30,926)	-	(30,926)
Other than temporary impairment of investment	-	-	165,240
Changes in assets and liabilities:			
Decrease (increase) in prepaid expense	-	-	961
Decrease (increase) in deferred tax asset	-	-	50,830
Decrease (increase) in interest receivable	-	-	(1,109)
Decrease (increase) in refund receivable	19,478	-	-
Increase (decrease) in accounts payable	(1,874)	(3,499)	2
Net cash used by operating activities	<u>(13,095)</u>	<u>(33,334)</u>	<u>(290,670)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for equipment purchased	-	-	(543)
Cash received for mining claims	-	-	405,000
Cash received for sale of investment	55,835	-	55,835
Net cash used by investing activities	<u>55,835</u>	<u>-</u>	<u>460,292</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received from sale of common stock	-	-	35,000
Net cash used by financing activities	<u>-</u>	<u>-</u>	<u>35,000</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	42,740	(33,334)	204,622
Cash, beginning of period	<u>202,496</u>	<u>237,043</u>	<u>40,614</u>
Cash, end of period	\$ <u><u>245,236</u></u>	\$ <u><u>203,709</u></u>	\$ <u><u>245,236</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	
Income taxes paid	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Investment received for mining claims	\$ -	\$ -	\$ 216,000

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

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Butte Highlands Mining Company (hereinafter “Butte” or “the Company”) was incorporated in May 1929 under the laws of the State of Delaware for the purpose of exploring and mining the Butte Highland’s (Only Chance) Mine, south of Butte, Montana. The Company was reorganized in October 1996 for the purpose of acquiring and developing mineral properties. As of the date of reorganization, stockholders representing approximately 76% of the outstanding capital stock could not be located. In order to obtain the quorum necessary for the special meetings, the Company obtained an order from the Superior Court of Spokane County, Washington appointing a trustee for the benefit of those stockholders which could not be located.

As of May 17, 2007 the Company had disposed of all of its historical mineral properties or claims, and has reentered the development stage. The Board of Directors intends to seek out an appropriate business opportunity and has not limited its search to any particular industry. Management believes it can identify opportunities in several sectors and will proceed with the appropriate diligence to create value for the shareholders. Operations are primarily conducted from the Company headquarters in Spokane, Washington.

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 three month period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Butte Highlands Mining Company 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 and have been consistently applied in the preparation of the financial statements.

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
June 30, 2010

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.

Marketable Securities

The Company accounts for marketable securities as required by ASC 320 *Investments – Debt & Equity* Topic of the FASB Accounting Standards Codification. At acquisition, an entity shall classify debt securities and equity securities into one of the following three categories

Held to Maturity – the positive intent and ability to hold to maturity. Amounts are reported at amortized cost, adjusted for amortization of premiums and accretion of discounts.

Trading Securities – bought principally for purpose of selling them in the near term. Amounts are reported at fair value, with unrealized gains and losses included in earnings.

Available for Sale – not classified in one of the above categories. Amounts are reported at fair value, with unrealized gains and losses excluded from earnings and reported separately as a component of stockholders' equity.

At this time, the Company holds securities classified as available for sale. See "Note 3, Investments" for further details.

Property and Equipment

Fixed assets are recorded at cost. Depreciation is provided using the straight line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations. Depreciation expense for the periods ended June 30, 2010 and 2009 was \$27 and \$59, respectively.

Fair Value of Financial Instruments

The Company's financial instruments as defined by FASB ASC 825-10-50, include cash, receivables, accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at June 30, 2010.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. FASB ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
June 30, 2010

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company measures its investments at fair value on a recurring basis. See Note 3.

The following table represents our assets by level measured at fair value on a recurring basis at June 30, 2010.

Description	Level 1	Level 2	Level 3
Assets			
Investments	\$51,700	\$ -	\$ -

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 *Income Taxes – Recognition*. Under the 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 to allow recognition of such an asset. See Note 5.

NOTE 3 - INVESTMENTS

The Company holds securities classified as available for sale. Amounts are reported at fair value, with unrealized gains and losses excluded from earnings and reported separately as a component of stockholders’ equity. The cost of securities sold is based on the specific identification method; realized gains and losses resulting from such sales are included in investment income.

Investment securities are reviewed for impairment in accordance with ASC 320-10 Investments - Debt and Equity Securities. We periodically review our investments for indications of other than temporary impairment considering many factors, including the extent and duration to which a security's fair value has been less than its cost, overall economic and market conditions, and the financial condition and specific prospects for the issuer. Impairment of investment securities results in a charge to income when a market decline below cost is other than temporary.

Unrealized gains and losses are recorded on the income statement as other comprehensive income (loss) and also on the balance sheet as other comprehensive income. The Company recognized an unrealized gain for the period ended June 30, 2010 of \$25,850 and an unrealized loss for the period ended June 30, 2009 of \$178,200.

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
June 30, 2010

The following summarizes the securities available for sale at June 30, 2010

Security	# of Shares	Cost	Market Value
Timberline Resources	55,000	\$25,850	\$51,700

The fair value of securities is determined by quoted market prices.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company utilized office facilities provided by its president. The value of the office facilities provided by the Company's president is nominal and immaterial to the financial statements.

NOTE 5 – 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.

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 carryforwards	-	-
Unrealized loss on investments	28,611	56,182
Deferred tax asset	28,611	56,182
Valuation allowance for deferred asset	(28,611)	(56,182)
Net deferred tax asset	-	-

At June 30, 2010, the Company has net operating loss carryforwards of approximately \$0, which begin to expire in the year 2030. The change in the allowance account from December 31, 2009 to June 30, 2010 was \$27,571.

NOTE 6 – SUBSEQUENT EVENTS

For the period ended June 30, 2010, there were no recognizable or non recognizable subsequent events. Subsequent events have been evaluated through the date the financial statements were issued.

ITEM 2. MANagements DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement

Some sections of this management's discussion and analysis of our financial condition and results of operations may contain forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance and underlying assumptions that are not statements of historical facts. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words "believe," "expect," "anticipate," "intends," "estimates," "forecast," "project" and similar expressions identify forward-looking statements. The forward-looking statements in this document are based upon various assumptions, and although we believe that these assumptions were reasonable when made, these statements are not guarantees of future performance and are subject to certain risks and uncertainties, some of which are beyond our control, and are difficult to predict. Actual results could differ materially from those expressed in forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements, which reflect management's view only as of the date of this report.

Business of Butte Highlands Mining Company

Butte Highlands Mining Company (hereinafter "Butte," "We" or "the Company") was incorporated in May 1929 under the laws of the State of Delaware for the purpose of exploring and mining the Butte Highland's (Only Chance) Mine, south of Butte, Montana. The Company is inactive, having sold the last of its mining claims in 2007.

We intend to acquire an interest in a business seeking the perceived advantages of a publicly registered corporation. We will not restrict our search to any specific business or industry, and We may participate in a business venture of virtually any kind or nature. The Company may seek a business opportunity with an entity which has recently commenced operations, wishes to utilize the public marketplace in order to raise additional capital to expand into new products or markets, develop a new product or service, or for other corporate purposes. The Company may acquire assets and/or establish subsidiaries in various businesses, or acquire existing businesses as subsidiaries. Business opportunities may be available in many different industries 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.

Management of the Company, while not experienced in matters relating to the new direction of the Company, will rely primarily upon their own efforts to accomplish the business purposes. The Company does not anticipate a significant change in the number of employees during the next 12 months. It is not anticipated that any outside consultants or advisors, other than the Company's legal counsel, will be utilized to effectuate its business purposes described herein. During the next twelve months, the Company expects to be able to satisfy its cash requirements, and does not foresee the need to raise additional capital during this period.

Effective July 6, 2009 the Company's Class A Common Stock was registered under the Securities Exchange Act of 1934. Effective April 29, 2010, our Class A Common Stock was listed for quotation on the OTC Bulletin Board. Our trading symbol is "BTHI"

Result of Operations for period ended June 30, 2010 compared to the period ended June 30, 2009

During the three and six month periods ended June 30, 2010, the Company had a net income of \$4,915 and \$173 respectively compared to net loss of \$15,766 and a net loss of \$30,038 during the three month and six month periods ended June 30, 2009. This represents an increase of net income in the amount of \$20,681 and \$30,211 over the respective three and six month periods ended June 30, 2009. This increased income is due to primarily to a gain on the sale of investments

Total operating expenses decreased to \$11,816 during the three month period ended June 30, 2010 from \$16,478 for the comparable period ended June 30, 2009. The decrease is primarily due to lower professional fees.

Liquidity and Capital Resources

The Company's working capital at June 30, 2010 was \$246,345 compared to working capital of \$221,208 at December 31, 2009. Working capital increased primarily due to the gain on the sale of investments

Net cash used in operating activities was \$13,095 during the six month period ended June 30, 2010 compared with \$33,334 during the six month period ended June 30, 2009.

Cash flow from investing activities was \$55,835 during the six month period ended June 30, 2010 compared to \$0 during the six month period ended June 30, 2009.

Cash flow from financing activities was \$0 during the six month period ended June 30, 2010 compared with \$0 during the six month period ended June 30, 2009.

As a result, cash increased by \$42,740 during the six month period ended June 30, 2010. The Company had cash of \$245,236 as of June 30, 2010. It will not be necessary for the Company to raise additional capital to continue its business activities in 2010.

Off-Balance Sheet Arrangements

There are no preliminary agreements or understandings between the Company and its officers and directors or affiliates or lending institutions with respect to any loan agreements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Smaller reporting companies are not required to provide this information.

ITEM 4. CONTROLS AND PROCEDURES

a) 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.

b) 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.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

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

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

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

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS (filed with this report)

Exhibit 31.1 - Certification required by Rule 13a-14(a) or Rule 15d-14(a)

Exhibit 31.2 - Certification required by Rule 13a-14(a) or Rule 15d-14(a)

Exhibit 32.1 - Certification required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

Exhibit 32.2 - Certification required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

BUTTE HIGHLANDS MINING COMPANY

By: /s/ Paul Hatfield

Paul Hatfield, President and Director

Date: August 10, 2010

By: /s/ Paul Hatfield

Paul Hatfield, Principal Accounting Officer

Date: August 10, 2010

CERTIFICATION

I, Paul Hatfield, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Butte Highlands Mining Company.
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 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 we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this report is being prepared;
 - b) 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
 - c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter(the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent function):
 - 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 10, 2010

By: /s/ Paul Hatfield

Paul Hatfield, President and Director

CERTIFICATION

I, Paul Hatfield, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Butte Highlands Mining Company.
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 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 we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this report is being prepared;
 - b) 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
 - c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter(the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent function):
 - 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 10, 2010

By: /s/ Paul Hatfield

Paul Hatfield, Principal Accounting Officer and Director

CERTIFICATION PURSUANT TO THE SARBANES-OXLEY ACT

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO SECTION 906

OF THE SARBANES-OXLEY ACT OF 2002

I, Paul Hatfield, President and a Director of Butte Highlands Mining Company, (the “Company”) do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2010, as filed with the Securities and Exchange Commission (the “report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 10, 2010

By: /s/ Paul Hatfield

Paul Hatfield, President and Director

Exhibit 32.2

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

I, Paul Hatfield, director and Principal Accounting Officer of Butte Highlands Mining Company, (the “Company”) do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2010, as filed with the Securities and Exchange Commission (the “report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 10, 2010

By /s/ Paul Hatfield

Paul Hatfield, Principal Accounting Officer and Director