

OMB APPROVAL
OMB Number: 3235-0416 Expires: January 31, 2007 Estimated average burden hours per response 136.00

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark one)

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

For the quarterly period ended June 30, 2006

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

For the transition period from _____ to _____

HANOVER GOLD COMPANY, INC.
(Exact name of small business issuer as specified in its charter)

Washington	000-23022	11-2740461
<small>(State or other jurisdiction of incorporation or organization)</small>	<small>Commission file number</small>	<small>(IRS Employer Identification Number)</small>
601 W. Main Ave., Suite 1017, Spokane, WA		99201
<small>(Address of principal executive offices)</small>		<small>(Zip Code)</small>

Registrant's telephone number, including area code: **(509) 462-0315**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(D) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period as the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days. Yes ☐ No ☒

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:

At November 13, 2006, 34,261,775 shares of the registrant's common stock were outstanding.

Transitional Small Business Disclosure format (check one): Yes ☐ No ☒

SEC 2334 (10-04) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

TABLE OF CONTENTS

	<u>PAGE</u>
PART I - FINANCIAL INFORMATION	
ITEM 1	Financial Information 3
ITEM 2.	Management's Discussion and Analysis or Plan of Operation 7
ITEM 3.	Controls and Procedures 7
PART II - OTHER INFORMATION	
ITEM 1.	Legal Proceedings 9
ITEM 2.	Unregistered Sales of Equity Securities and Use of Proceeds 9
ITEM 3.	Defaults Upon Senior Securities 9
ITEM 4.	Submission of Matters to a Vote of Security Holders 9
ITEM 5.	Other Information 9
ITEM 6.	Exhibits 9
	Signatures 10

PART I - FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

Hanover Gold Company, Inc.

Balance Sheet at June 30, 2006 (Unaudited)

ASSETS

Current assets:

Cash	\$	<u>359,292</u>
Total current assets		<u>359,292</u>

Mineral properties

Total assets	\$	<u>400,000</u>
		<u><u>759,292</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$	9,983
Accrued interest payable		<u>1,438</u>
Total current liabilities		<u>11,421</u>

Stockholders' equity:

Preferred stock; \$0.001 par value; 2,000,000 shares authorized, none issued or outstanding		
Common stock; \$0.0001 par value; 48,000,000 shares authorized; 33,771,775 shares issued and outstanding		3,377
Additional paid-in capital		27,656,187
Accumulated deficit		<u>(26,911,693)</u>
Total stockholders' equity		<u>747,871</u>

Total liabilities and stockholders' equity	\$	<u>759,292</u>
--	----	----------------

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

Hanover Gold Company, Inc.
Statements of Operations for the Three and Six Month Periods Ended
June 30, 2006 and 2005 (Unaudited)

	June 30, 2006		June 30, 2005	
	Three Months	Six Months	Three Months	Six Months
Operating expenses:				
Legal and accounting	\$ 11,738	\$ 11,738	\$	\$
General and administrative	2,522	2,635	4,147	8,284
Total operating expenses	<u>14,260</u>	<u>14,373</u>	<u>4,147</u>	<u>8,284</u>
Other expense:				
Interest expense, net			1,451	2,867
Total other expense			<u>1,451</u>	<u>2,867</u>
Net loss	\$ <u>14,260</u>	\$ <u>14,373</u>	\$ <u>5,598</u>	\$ <u>11,151</u>
Net loss per common share	\$ <u>Nil</u>	\$ <u>Nil</u>	\$ <u>Nil</u>	\$ <u>Nil</u>
Weighted average number of shares outstanding – basic	<u>20,079,467</u>	<u>19,926,471</u>	<u>19,398,062</u>	<u>19,398,062</u>

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

Hanover Gold Company, Inc.
Statements of Cash Flows for the Six Month Periods Ended
June 30, 2006 and 2005 (Unaudited)

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Net loss	\$ (14,373)	\$ (11,151)
Adjustments to reconcile net loss to net cash used by operating activities:		
Changes in operating assets and liabilities:		
Deposit	-	1,000
Prepaid claim fees	-	7,563
Accounts payable	4,680	
Accrued interest payable	-	2,867
Net cash (used) provided by operating activities	<u>(9,693)</u>	<u>279</u>
Cash flows from financing activities:		
Net proceeds from sale of common stock	<u>303,115</u>	<u>-</u>
Net cash provided by financing activities	<u>303,115</u>	<u>-</u>
Net increase in cash	293,422	279
Cash, beginning of period	<u>65,870</u>	<u>579</u>
Cash, end of period	<u>\$ 359,292</u>	<u>\$ 858</u>

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

Hanover Gold Company, Inc.**Notes to Financial Statements (Unaudited)****1. Organization and Description of Business:**

The unaudited financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the three and six month periods ended June 30, 2006, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2006.

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2005.

The Company has undertaken a new plan of operation seeking to achieve some type of business combination with a suitable merger partner with an established operating history

2. Sale of Mineral Properties

In June 2006, the Company entered into an agreement to sell its remaining mineral claims in Montana. This sale, representing the majority of our assets, requires the approval of our shareholders. If approved by our shareholders, the Company will receive proceeds of \$400,000. No gain or loss will be recognized on the sale, as the values of the Company's mineral claims were reduced to fair value during 2004. Subsequent to the closing of this sale, the Company will own no mineral properties.

3. Private Placement

During June 2006, the Company conducted a private placement offering of its common stock. The stock was sold for \$0.025 per share, and proceeds of \$350,000 were raised from the sale, less a 10% underwriting fee. A total of 14,000,000 shares of unregistered common stock were issued to accredited investors. In July 2006, the underwriter, Pennaluna and Company, Inc., exercised 490,000 warrants at \$0.05 per share for proceeds of \$24,500. The shares were offered and sold pursuant to a Regulation D exemption from the registration requirements of the Securities Act of 1933, as amended.

Item 2. Management's Discussion and Analysis or Plan of Operation

Plan of Operation

We are seeking to acquire the assets or shares of an entity actively engaged in business, in exchange for our securities. We have no particular acquisitions in mind, and have not entered into any negotiations regarding such an acquisition. None of our officers, directors, promoters or affiliates has engaged in any preliminary contact or discussions with any representative of any other company regarding the possibility of an acquisition or merger between us and such other company as of the date of this quarterly report.

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. 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.

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. The Company will not enter into any loan transactions to loan money to, or borrow money from, any prospective merger or acquisition candidates or to an unaffiliated third party. We also have no plans to conduct any offerings under Regulation S.

Item 3. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our President, who also serves as Principal Accounting Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), which disclosure controls and procedures are designed to insure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods specified by the Securities & Exchange Commission rules and forms.

Based upon that evaluation held within the last 90 days, the President, who also serves as the Principal Accounting Officer, concluded that our disclosure controls needed improvement and were not adequately effective as of September 30, 2006, to ensure timely reporting with the Securities and Exchange Commission.

Material weaknesses identified were:

The Company's corporate governance and disclosure controls and procedures do not provide reasonable assurance that required reports are timely and accurately reported in our periodic reports that we file with the Securities and Exchange Commission. In particular, the quarterly Form 10QSB's for the year ending December 31, 2006, were not filed and are currently delinquent. We are working to become current with any delinquent filings required by the Exchange Act of 1934.

Item 3. Controls and Procedures, continued:

(a) Evaluation of Disclosure Controls and Procedures, continued:

In an assessment of the effectiveness of our internal controls over financial reporting, it was determined our controls were not effective. A material weakness was identified by management because of lack of segregation of duties. The President is currently handling the duties of President and Principal Accounting Officer, and is also responsible for all cash disbursements. There is no system of proper financial controls for the segregation of duties that has been implemented at this time.

(b) Changes in Internal Control

As required by Rule 13a-15(d) the President, who also serves as the Principal Accounting Officer, conducted evaluations of our internal controls over financial reporting to determine whether any changes occurred during the fiscal year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. There have been no such changes.

(c) Limitations

Our President, who also serves as Principal Accounting 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

None

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

During June 2006, the Company conducted a private placement offering of its common stock. The stock was sold for \$0.025 per share, and proceeds of \$350,000 were raised from the sale, less a 10% underwriting fee. A total of 14,000,000 shares of unregistered common stock were issued to accredited investors. The proceeds will be used for general operating purposes. This offering was made pursuant to a Rule 506 exemption from registration promulgated under Regulation D of the Securities Act of 1933, as amended.

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

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

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 , Dunne

SIGNATURES

Pursuant to the requirements of Section 13 or 15(b) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Hanover Gold Company, Inc.
(Registrant)

By: /s/ Terrence Dunne
Terrence Dunne
President and Principal Accounting Officer

November 21, 2006
Date

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

- (1) I have reviewed this quarterly report on Form 10-QSB of Hanover Gold Company, Inc., ("Registrant").
- (2) Based on my knowledge, this quarterly 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 quarterly report;
- (3) Based on my knowledge, the financial statements and other financial information included in this quarterly 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 quarterly report;
- (4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [Not required]
 - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2006

/s/Terrence Dunne

Terrence Dunne

President and Principal Accounting Officer

Exhibit 32.1

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, Terrence Dunne, President and Principal Accounting Officer of Hanover Gold Company, Inc. (“the Registrant”) do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This Quarterly Report on Form 10-QSB of the Registrant for the period ended June 30, 2006, as filed with the Securities and Exchange Commission (the “report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 21, 2006

/s/ Terrence Dunne

Terrence Dunne

President and Principal Accounting Officer