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

Form 10-QSB

☒ QUARTERLY REPORT UNDER SECTION 13 OF 15(D) OF THE SECURITIES EXCHANGE
COMMISSION ACT OF 1934

For the quarterly period ended May 31, 2004

☐ 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: 001-05970

Silver Butte Company
(Formerly Silver Butte Mining Company)
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of
Incorporation or organization)

82-0263301
(I.R.S. Employer
Identification Number)

520 Cedar Street, Sandpoint, ID
(Address of Principal Executive Offices)

83864
(Zip Code)

(208) 263-5154
Registrant's telephone number, including area code

COMMON STOCK
Name and exchange on which registered

Check whether the issuer (1) 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 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 ()

At June 24, 2004, 16,410,415 shares of the Company's common stock were outstanding.

SEC 2334 (1/04) 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.

SILVER BUTTE COMPANY
(FORMERLY SILVER BUTTE MINING COMPANY)
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PART I.

ITEM 1. FINANCIAL INFORMATION

Silver Butte Company (formerly Silver Butte Mining Company)
Balance Sheets, May 31, 2004 (Unaudited) and August 31, 2003

	May 31, 2004 (unaudited)	August 31, 2003
<i>ASSETS</i>		
Current assets:		
Cash and cash equivalents	\$ 20,190	\$ 10,602
Prepaid expenses	<u>0</u>	<u>5,021</u>
Total current assets	20,190	15,623
Property, plant and equipment, net	<u>3,000</u>	<u>3,000</u>
Total assets	<u>\$ 23,190</u>	<u>\$ 18,623</u>
<i>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</i>		
Current liabilities:		
Accounts payable	\$ 328	\$ 6,583
Accounts payable to related parties	300	770
Directors' fees payable	<u>0</u>	<u>15,000</u>
Total current liabilities	<u>628</u>	<u>22,353</u>
Stockholders' equity (deficit):		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, none issued and outstanding		
Common stock, \$0.001 par value; 300,000,000 shares authorized, 16,410,415 shares issued and outstanding at May 31, 2004	16,410	
Common stock, \$0.05 par value; 150,000,000 shares authorized, 8,760,415 shares issued and outstanding at August 31, 2003		438,021
Additional paid-in capital	849,359	363,919
Accumulated deficit	<u>(843,207)</u>	<u>(805,670)</u>
Total stockholders' equity (deficit)	<u>22,562</u>	<u>(3,730)</u>
Total liabilities and stockholders' equity	<u>\$ 23,190</u>	<u>\$ 18,623</u>

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

Silver Butte Company (formerly Silver Butte Mining Company)
Statements of Operations for the three months and nine months ended May 31, 2004 and May 31, 2003 - Unaudited

	<u>Three months ended</u>		<u>Nine months ended</u>	
—	<u>5/31/2004</u>	<u>5/31/2003</u>	<u>5/31/2004</u>	<u>5/31/2003</u>
Operating expenses:				
Directors' fees paid in cash	\$ 0	\$ 0	\$ 0	\$ (3,443)
Directors' expense reimbursements	(300)	0	(1,271)	(706)
Professional service fees	(4,086)	(3,323)	(25,637)	(15,731)
Professional service fees paid to related parties	(2,146)	(4,540)	(8,203)	(11,600)
Other general and administrative	0	(376)	(2,533)	(2,901)
Total operating expenses	<u>(6,532)</u>	<u>(8,239)</u>	<u>(37,644)</u>	<u>(34,381)</u>
Other income (expense):				
Interest income	<u>46</u>	<u>38</u>	<u>108</u>	<u>259</u>
Total other income (expense)	<u>46</u>	<u>38</u>	<u>108</u>	<u>259</u>
Net loss	<u>\$ (6,486)</u>	<u>\$ (8,201)</u>	<u>\$ (37,536)</u>	<u>\$ (34,122)</u>
Loss per common share – basic	<u>Nil</u>	<u>\$ (0.001)</u>	<u>\$ (0.003)</u>	<u>\$ (0.004)</u>
Weighted average common shares Outstanding – basic	<u>16,410,415</u>	<u>8,623,458</u>	<u>13,555,836</u>	<u>8,614,811</u>

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

Silver Butte Company (formerly Silver Butte Mining Company)
Statements of Cash Flows for the nine months ended May 31, 2004 and May 31, 2003 -
Unaudited

	2004	2003
Cash flows from operating activities:		
Net loss	\$ (37,536)	\$ (34,122)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Professional service fees paid by issuing common stock		500
Professional service fees paid to related party by issuing common stock		2,500
Decrease in:		
Prepaid expenses	5,021	0
Accounts payable	(6,255)	(10,948)
Accounts payable to related party	(470)	0
Directors fees payable	<u>(15,000)</u>	<u>0</u>
Net cash used by operating activities	<u>(54,240)</u>	<u>(42,070)</u>
Cash flows from financing activities:		
Proceeds from sale of common stock	76,500	0
Fees paid in connection with common stock issuance	<u>(12,672)</u>	<u>0</u>
Net cash provided by financing activities	<u>63,828</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	9,588	(42,070)
Cash and cash equivalents, beginning of period	<u>10,602</u>	<u>53,449</u>
Cash and cash equivalents, end of period	<u>\$ 20,190</u>	<u>\$ 11,379</u>

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

Silver Butte Company (formerly Silver Butte Mining Company)

Notes to Financial Statements - Unaudited

1. Basis of Presentation

The financial statements of Silver Butte Company (formerly Silver Butte Mining Company) ("the Company") included herein have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Although certain information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted, the Company believes that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the financial statements and notes thereto for the fiscal year ended August 31, 2003 included in the Company's Form 10-KSB.

The financial statements included herein reflect all normal recurring adjustments that, in the opinion of management, are necessary for a fair presentation. The results for interim periods are not necessarily indicative of trends or of results to be expected for the full year ended August 31, 2004.

2. Description of Business

Silver Butte Company (formerly Silver Butte Mining Company) is a Nevada corporation, and the successor of Silver Butte Mining Company, an Idaho corporation that was incorporated on January 19, 1965. The Company was originally organized to explore, acquire and develop mineral properties and rights primarily in Idaho. However, the Company's exploration activities never developed any commercial ore deposits. During prior years, the Company made a strategic decision to abandon or sell its mineral properties and rights, and favorably position itself to seek other profitable business opportunities.

During an annual meeting of shareholders held on February 4, 2004, a merger with Silver Butte Company was ratified. Silver Butte Company was incorporated in the state of Nevada on March 4, 2004. The merger became effective on March 4, 2004 upon filing the Articles of Merger with the respective states. On that date, the Company merged into its wholly-owned Nevada subsidiary and changed its corporate domicile from the state of Idaho to the state of Nevada. Throughout this report reference to "the Company" may include the Idaho corporation prior to the merger and the Nevada corporation subsequent to the merger.

At August 31, 2003, and years prior, the Company had one class of \$0.05 par value common stock authorized and outstanding. Upon merger with Silver Butte Company on March 4, 2004, the surviving corporation's capitalization authorizes 300,000,000 shares of \$0.001 par value common stock for issue. In addition, a class of \$0.001 par value preferred stock is authorized with 10,000,000 shares available for issue.

The Company has incurred losses over the past several years and has no recurring source of revenue. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. Management's plans for the continuation of the Company as a going concern are primarily focused on the eventual merger with an entity with profitable business operations. If existing cash and cash equivalents are exhausted before this occurs, the Company could sell its unregistered common stock to finance operations. However, there are no assurances with respect to the future success of these plans. The financial statements do not contain any adjustments, which might be necessary, if the Company is unable to continue as a going concern.

Unless otherwise indicated, amounts provided in these notes to the financial statements pertain to continuing operations.

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

General

This Form 10-QSB contains 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, many of which are based on management's discussion and analysis or plan of operations and elsewhere in this report. 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.

Plan of Operation

The Company's purpose is to seek, investigate and, if such investigation warrants, acquire an interest in business opportunities presented to it by persons or firms who or which desire to seek the perceived advantages of a publicly registered corporation. The Company will not restrict its search to any specific business, industry, or geographical location and the Company may participate in a business venture of virtually any kind or nature.

The Company may seek a business opportunity with entities which have recently commenced operations, or 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. The Company may acquire assets and establish wholly owned subsidiaries in various businesses or acquire existing businesses as subsidiaries. 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.

Management of the Company, while not especially experienced in matters relating to the new business of the Company, will rely primarily upon their own efforts to accomplish the business purposes of the Company. It is not anticipated that any outside consultants or advisors, other than the Company's legal counsel and accountants, will be utilized by the Company to effectuate its business purposes described herein.

Financial Condition and Liquidity

During the nine month period ended May 31, 2004, the Company used \$54,240 of cash for operating activities, compared to \$42,070 used for operating activities in the nine months ended May 31, 2003. The increase in spending is due to an increase in professional fees incurred in connection with the annual meeting of shareholders on February 4, 2004. The Company has no recurring revenue from operating activities. The Company's sale of common stock during the nine month period is expected to finance operating expenditures of the Company for the next twelve months.

During the nine month period ended May 31, 2004, the Company offered 4,000,000 Units of the Company's common stock at a price of \$0.01 per Unit. Each Unit consists of one share of Common Stock and one Common Stock Purchase Warrant, exercisable for twenty-four months from the date of issue, to purchase one additional share of Common Stock. The exercise price of the Common Stock Purchase Warrant is \$0.01 per share for the 12 months from the date of issuance and thereafter at a price of \$0.05 per share. Through May 31, 2004, all of the Units were sold and 3,650,000 of the warrants have been exercised. Total proceeds from the sales of stock and warrants, after deducting offering costs, were \$63,828 and will be used to fund the Company's plan of operations. 350,000 warrants are outstanding at May 31, 2004.

The offering was made in reliance upon the exemptions afforded by the Securities Act of 1933, as amended, Rule 506 of Regulation D promulgated thereunder, and certain state securities law exemptions. The Shares were be offered to persons who qualify as "accredited investors" within the meaning of Rule 501(a) of the General Rules and Regulations under the Securities Act of 1933, as amended.

ITEM 3. CONTROLS AND PROCEDURES

Based on their most recent evaluation, which was completed within 90 days of the filing of this Form 10-QSB, the Company's president and principle financial officer believe the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a -14 and 15d -14) are effective to ensure that information required to be disclosed by the Company in this report is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required disclosure. There were no significant changes in the Company's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation and there were no corrective actions with regard to significant deficiencies and material weaknesses.

PART II

ITEM 1. LEGAL PROCEEDINGS

NONE

ITEM 2. CHANGES IN SECURITIES

At August 31, 2003 and years prior, the Company had one class of \$0.05 par value common stock authorized and outstanding. Upon merger with Silver Butte Company on March 4, 2004, the surviving corporation's capitalization authorizes 300,000,000 shares of \$0.001 par value common stock for issue. In addition, a class of \$0.001 par value preferred stock is authorized with 10,000,000 shares available for issue.

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 AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit 31.1 – 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.

(b) Reports on Form 8K. None.

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.

SILVER BUTTE COMPANY
(Registrant)

By: /s/ Terry McConnaughey
Terry McConnaughey, President and Director
Date: June 29, 2004

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.

By /s/ Robert J. Evans
Robert J. Evans, Secretary/Treasurer and Director
Date: June 29, 2004

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.

By /s/ Delaine H. Gruber
Delaine H. Gruber, Director
Date: June 29, 2004

INDEX TO EXHIBITS

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 32.1 – 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.

CERTIFICATIONS

I, Terry McConnaughey, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Silver Butte 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 internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the registrant's board of directors who perform the audit committee 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 small 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: June 29, 2004

By: /s/ Terry McConnaughey
Terry McConnaughey, President and Director

CERTIFICATIONS

I, Robert J. Evans, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Silver Butte 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 internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the registrant's board of directors who perform the audit committee 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 small 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: June 29, 2004

By /s/ Robert J. Evans
Robert J. Evans, Secretary/Treasurer and Director

CERTIFICATIONS 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, Terry McConnaughey, director and president of Silver Butte Company (formerly Silver Butte 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-QSB of the Company for the period ended May 31, 2004, 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: June 29, 2004

By: /s/ Terry McConnaughey
Terry McConnaughey, President and Director

CERTIFICATIONS 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, Robert J. Evans, director and secretary/treasurer of Silver Butte Company (formerly Silver Butte 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-QSB of the Company for the period ended May 31, 2004 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: June 29, 2004

By /s/ Robert J. Evans
Robert J. Evans, Secretary/Treasurer and Director