APD ANTIQUITIES, INC.
Form 10-Q
November 21, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X]

Quarterly report pursuant Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2011.

[ ]

Transition report pursuant Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _______ to _______.

000-50738

(Commission file number)

APD ANTIQUITIES, INC.

(Exact name of small business issuer as specified in its charter)

Nevada

91-1959986

(State or other jurisdiction

(IRS Employer

of incorporation or organization)

Identification No.)

1314 S. Grand Blvd, Ste. 2-250, Spokane, WA 99202

(Address of principal executive offices)

(509) 744-8590

(Registrant s telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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 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 Website, if any, every Interactive DataFile 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 [X] 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. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ]

Accelerated filer [ ]

Non-accelerated filer [ ]

Smaller reporting company [X]

(Do not check if a 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 [X] No [ ]

As of November 21, 2011, there were 4,431,111 shares of the registrant s common stock outstanding.

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SEPTEMBER 30, 2011

APD ANTIQUITIES, INC.

CONSOLIDATED BALANCE SHEETS

September 30, 2011

December 31, 2010

(unaudited)

ASSETS

CURRENT ASSETS

Cash	$ 28,524	$ 41
Inventory	1,255	3,755

Northern Adventures Receivable	
	170,000
	-
Interest Receivable	
	3,848
	-

Total Current Assets

203,627

3,796

TOTAL ASSETS

$

203,627

$

3,796

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	$ 1,050	$ 21,154
Accrued expenses	2,300	5,500
Accrued interest payable	5,936	

Commissions payable - related party	
2,250	
4,229	
Convertible notes payable	
266,000	
-	

Total Current Liabilities

277,536

30,883

LONG TERM LIABILITIES

Loan payable	
-	6,200
Total Long Term Liabilities	
-	6,200

TOTAL LIABILITIES

277,536

37,083

COMMITMENTS AND CONTINGENCIES

-

STOCKHOLDERS' EQUITY

Preferred stock, 5,000,000 shares authorized,

$0.001 par value; no shares issued and outstanding

-

-

Common stock, 70,000,000 shares authorized, $0.001

par value; 4,431,111 and 3,911,111 shares issued and outstanding, respectively

4,431

3,911

Additional paid-in capital

199,444

186,964

Accumulated deficit

(277,784)

(224,162)

Total Stockholder's Equity

(73,909)

(33,287)

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 203,627	$ 3,796

The accompanying notes are an integral part of these financial statements

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APD ANTIQUITIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

For The Three Months Ended

For The Nine Months Ended

September 30, 2011

September 30, 2010

September 30, 2011

September 30, 2010

(Unaudited)

(Unaudited)

(Unaudited)

(Unaudited)

SALES

$

-

$

-

$

2,500

$

-

COST OF GOODS SOLD
-
-
2,500
-

GROSS PROFIT

-

-

-

-

EXPENSES

Marketing

-

-

82

162

Rent

900

900

2,700

2,700

General and administrative

1,783

24

2,536

680

Professional fees

16,156

2,003

46,216

24,746

TOTAL EXPENSES
18,839
2,927
51,534
28,288

LOSS FROM OPERATIONS
(18,839)
(2,927)
(51,534)
(28,288)

OTHER INCOME (EXPENSE)

Interest income

3,848

3,848

3,848

-

Interest expense

(3,426)

-

(5,936)

(113)

TOTAL OTHER INCOME (EXPENSE)
422
-
(2,088)
(113)

INCOME (LOSS) BEFORE INCOME TAXES
(18,417)
(2,927)
(53,622)
(28,401)

INCOME TAXES

-

-

-

-

NET INCOME (LOSS)
$ (18,417)
$ (2,927)
$ (53,622)
$ (28,401)

NET LOSS PER
COMMON
SHARE,

BASIC AND
DILUTED

$

nil

$

nil

$

(0.01)

$

(0.01)

WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED
4,431,111
3,911,111
4,331,477
3,372,649

The accompanying notes are an integral part of these financial statements

APD ANTIQUITIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Nine Months Ended

September 30, 2011

September 30, 2010

(Unaudited)

(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	$ (53,622)	$ (28,401)
Adjustments to reconcile net loss		

to net cash provided (used) by operating activities:

Decrease (increase) in inventory

2,500

-

Decrease (increase) in interest receivable

(3,848)

-

Increase (decrease) in accrued expenses

(3,200)

(7,170)

Increase (decrease) in accounts payable

(20,105)

4,907

Increase (decrease) in interest payable

5,936

-

Increase (decrease) in commissions payable

(1,978)

(1,233)

Net cash provided by operating activities

(74,317)

(31,897)

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in Northern Adventure receivable	(170,000)	-
Net cash used by investing activities	(170,000)	-

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from sale of common stock	
13,000	
30,000	
Proceeds from convertible notes payable	
266,000	
-	
Payment of note payable	
(6,200)	

	-
Net cash used by financing activities	272,800
	30,000
Change in cash	28,483
	(1,897)

Cash, beginning of period	
	41
	1,961

Cash, end of period

$

28,524

$

64

SUPPLEMENTAL CASH FLOW DISCLOSURES:

Interest paid

$

-

$

113

Income taxes paid

$

-

$

-

The accompanying notes are an integral part of these financial statements

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APD ANTIQUITIES, INC.

Notes to the Consolidated Financial Statements

September 30, 2011

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

APD Antiquities, Inc. (hereinafter APD or the Company) was incorporated on July 23, 1996 under the laws of the State of Nevada for the purpose of acquiring, importing, marketing, and selling valuable antiquity and art items of Asian origin. Examples of these items are such things as furniture, works of art, antiques, glass works, porcelain, statues, pottery, sculptures and other collectibles and collector items that have their origin in the Far East. These collectibles and antiques will be acquired through a variety of agents and wholesale distribution sources in Hong Kong and the Peoples Republic of China. Acquisitions will be made by agents of APD and as the result of direct buying trips and direct contact with wholesale companies located in several Asian countries. The Company changed its name from APD International Corporation in August of 1999.

On May 7, 2011, the Company formed APD Metals, Inc. a wholly owned subsidiary corporation in the state of Nevada, with the intent of acquiring mining properties in the Northwest. The company entered into a Letter of Intent with an unrelated entity to acquire options to lease mineral properties at a future date (see NOTE 5).

The Company maintains its corporate office in Spokane, Washington and offers its products online. The Company is now searching for an acquisition target. The Company s fiscal year end is December 31.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company s management, which is responsible for their integrity and objectivity.

Basis of presentation

The accompanying unaudited interim financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission (SEC) to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim financial statements furnished reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Unaudited interim results are not necessarily indicative of the results for the full year. These unaudited interim financial statements should be read in conjunction with the financial statements of the Company for the fiscal year ended December 31, 2010 and notes thereto contained in the information as part of the Company s Annual Report on Form 10-K filed with the SEC on April 1, 2011.

Accounting Method

The Company s financial statements are prepared using the accrual method of accounting.

Advertising Costs

Advertising costs, including costs for direct mailings, are expensed when incurred. Advertising costs incurred during the period ending September 30, 2011, and 2010 were $82 and $162, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a remaining maturity of three months or less to be cash equivalents.

Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and has adopted paragraph 820-10-35-37 of the FASB Accounting Standards Codification (Paragraph 820-10-35-37) to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1

Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2

Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3

Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company s financial assets and liabilities, such as cash, accounts receivable, accounts payable and accrued expenses approximate their fair values because of the short maturity of these instruments.

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis. Consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at September 30, 2011. There are no gains or losses reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the periods ended September 30, 2011 or 2010.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Income taxes

The Company accounts for income taxes under paragraph 710-10-30-2 of the FASB Accounting Standards Codification. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (Section 740-10-25). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Inventories

Inventories are accounted for using the specific identification method, and stated at the lower of cost or market, with market representing the lower of replacement cost or estimated net realizable value. The Company has no insurance coverage on its inventory. The Company has no inventory on consignment at June 30, 2011. In the future, if the Company consigns inventory, it will retain title and will insure the inventory until the inventory is sold, returned, lost, stolen, damaged, or destroyed.

Due to deteriorating economic market conditions, the Company impaired its inventory to fifty percent (50%) of its original cost at December 31, 2010. No additional impairment was made for the period ending September 30, 2011.

Net income (loss) per common share

Net income (loss) per common share is computed pursuant to paragraph of 260-10-45-10 of the FASB Accounting Standards Codification. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during each period. Diluted net income (loss) per

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share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during each period to reflect the potential dilution that could occur from common shares issuable through stock options and warrants. There were no potentially dilutive shares outstanding as of September 30, 2011 or 2010.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported losses.

Revenue and Cost Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Although the Company does not provide a written warranty on its items sold, the Company will refund the purchase price paid to any customer in those instances when an item sold is proven to be non-authentic. In a majority of instances, the Company receives a certificate of authenticity for documents (items) purchased from its vendors and is reasonably assured as to the provenance of its products. Since inception, the Company has made no refunds for the sale of any non-authentic items nor has the Company received any claims or notice of prospective claims relating to such items. Accordingly, the Company has not established a reserve against forgery or non-authenticity.

If a product proves not to be authentic, the Company would give a full refund to the purchaser and record a charge for sales returns.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts. At September 30, 2011, the Company had not participated in consignment or conditional sales; therefore, there are no unsettled transactions related to sales or cost of sales.

Recently Issued Accounting Pronouncements

Management has reviewed and does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will disclose the date through which subsequent events have been evaluated and that date is the date when the financial statements were issued.

NOTE 3 GOING CONCERN

As reflected in the accompanying financial statements, the Company had an accumulated deficit of $277,784 at September 30, 2011 and had a net loss of $53,622 and net cash used in operating activities of $74,317 for the period ended September 30, 2011, respectively.

While the Company is attempting to generate sufficient revenues, the Company s cash position may not be sufficient enough to support the Company s daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate sufficient revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate sufficient revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company s ability to further implement its business plan and generate sufficient revenues.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 COMMITMENTS

Rental Agreement

The Company has a month-to-month rental agreement for office space in Spokane, Washington. The monthly rent is $300.

NOTE 5 NOTES PAYABLE

On April 7, 2011, APD Antiquities, Inc. (the Company) entered into a definitive agreement with an accredited investor and executed a convertible promissory note relating to a loan in the amount of $50,000 at 8% interest per annum with a maturity date of December 29, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note. During the period ending June 30, 2011 $9,000 was repaid on this promissory note.

On April 12, 2011, the Company entered into a similar definitive agreement with an accredited investor and executed a convertible promissory note relating to a loan in the amount of $50,000 at 8% interest with a maturity date of December 31, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note.

On April 30, 2011, the Company entered into a similar definitive agreement with an accredited investor and executed a convertible promissory note relating to a loan in the amount of $50,000 at 8% interest with a maturity date of December 31, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note.

On August 23, 2011, the Company entered into a similar definitive agreement with an accredited investor and executed a convertible promissory note relating to a loan in the amount of $50,000 at 8% interest with a maturity date of December 31, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note.

On September 6, 2011, the Company entered into a similar definitive agreement with an accredited investor and executed a convertible promissory note relating to a loan in the amount of $25,000 at 8% interest with a maturity date of December 31, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note.

On September 20, 2011, the Company entered into a similar definitive agreement with an accredited investor and executed a convertible promissory note relating to a loan in the amount of $25,000 at 8% interest with a maturity date of December 31, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note.

On September 30, 2011, the Company entered into a similar definitive agreement with an accredited investor and executed a convertible promissory note relating to a loan in the amount of $25,000 at 8% interest with a maturity date of December 31, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note.

At September 30, 2011 a total of $5,936 of interest has been accrued on the convertible promissory notes.

NOTE 6 LETTER OF INTENT

On April 8, 2011, the Company entered into a non-binding Letter of Intent with Northern Adventures LLC. (Northern) related to securing an option to enter into a lease agreement related to two mineral properties located in the state of Montana.

As part of the transaction with Northern, the Company made a one hundred twenty (120) day unsecured loan in the amount of $95,000 to Northern for the express purpose of securing additional mineral rights in the immediate area of the two mineral properties owned by Northern by locating, filing and recording approximately 125 unpatented mining claims at an average cost of $400 each. The promissory note bears interest at 8% per annum. This note has subsequently been extended by the parties to December 31, 2011.

On August 24, 2011, a $40,000 unsecured loan was made to Northern Adventures, LLC. A promissory note for 180 days bears 8% per annum.

On September 8, 2011, a $15,000 unsecured loan was made to Northern Adventures, LLC. A promissory note for 180 days bears 8% per annum.

On September 21, 2011, a $20,000 unsecured loan was made to Northern Adventures, LLC. A promissory note for 180 days bears 8% per annum.

The Company accrued $3,848 in interest related to these unsecured loans at 9/30/11.

NOTE 7 PREFERRED AND COMMON STOCK

The Company has 5,000,000 shares of preferred stock authorized and none issued.

On April 2, 2010, the Company sold 600,000 shares of common stock in a private placement for cash of $15,000 ($0.025 per share).

On May 11, 2010, the Company sold 300,000 shares of common stock in a private placement for cash of $7,500 ($0.025 per share).

On June 24, 2010, the Company sold 300,000 shares of common stock in a private placement for cash of $7,500 ($0.025 per share).

On February 4, 2011, the Company sold 320,000 shares of common stock in a private placement for cash of $8,000 ($0.025 per share).

On March 21, 2011, the Company sold 200,000 shares of common stock in a private placement for cash of $5,000 ($0.025 per share).

NOTE 8 STOCK OPTION PLAN

The Company s board of directors approved the adoption of the 2001 Non-Qualified Stock Option and Stock Appreciation Rights Plan by unanimous consent on January 15, 2001. This plan was initiated to encourage and enable officers, directors, consultants, advisors and other key employees of the Company to acquire and retain a proprietary interest in the Company by ownership of its common stock. A total of 1,000,000 of the authorized shares of the Company s common stock may be subject to, or issued pursuant to, the terms of the plan. No options have been issued under the plan as of September 30, 2011.

NOTE 9 INCOME TAXES

The Company accounts for income taxes and the related accounts under the liability method. Deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and the income tax basis of assets and liabilities. A valuation allowance is applied against any net deferred tax asset if, based on available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

At September 30, 2011 and December 31, 2010 the Company had gross deferred tax assets calculated at the expected rate of 34% of approximately $94,400 and $76,200, respectively, principally arising from net operating loss carryforwards for income tax purposes. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the deferred tax asset, a valuation allowance of $94,400 and $76,200 has been established at September 30, 2011 and December 31, 2010, respectively.

The significant components of the Company s net deferred tax asset (liabilities) at September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011	December 31, 2010
Net operating loss carryforwards	$ 277,700	$ 224,000
Gross deferred tax assets (liabilities):		
Net Operating Loss		

$ 94,400

$ 76,200

Valuation Allowance

(94,400)

(76,200)

Net Deferred tax asset (liability)

$ -

$ -

At September 30, 2011 and December 31, 2010, the Company has net operating loss carryforwards of approximately $277,700 and $224,000 respectively, which will expire in the years 2016 through 2033. The net change in the allowance account was an increase of $18,200.

NOTE 10 SUBSEQUENT EVENTS

The Company has evaluated all events that occur after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were the following reportable subsequent events to be disclosed.

On October 10, 2011 a $7,500 unsecured loan was made to Northern Adventures, LLC. The promissory note bears an 8% per annum interest and is due December 31, 2011.

On November 1, 2011 a $20,000 unsecured loan was made to Northern Adventures, LLC. The promissory note bears 8% per annum interest and is due December 31, 2011.

On November 1, 2011, the Company entered into an agreement with a private accredited investor and executed a convertible promissory note relating to a loan in the amount of $25,000 at 8% interest with a maturity date of December 31, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note.

On October 17, 2011, pursuant to a resolution by the Board of Directors, the officers of the corporation are authorized to change the name of the Corporation from APD Antiquities, Inc. to American Cordillera Mining Corporation.

On October 17, 2011, pursuant to a resolution by the Board of Directors, the officers of the corporation are instructed and authorized to increase the number of authorized shares from Seventy Five Million (75,000,000) shares up to Two Hundred Million (210,000,000) shares, composed of an increase in authorized shares of Common Stock from Seventy Million (70,000,000) up to Two Hundred Million (200,000,000) and increasing the number of authorized shares of preferred stock from Five Million (5,000,000) up to Ten Million (10,000,000) shares. This change in the authorized shares has been approved by a majority of the stockholders pursuant to a written consent. The amendment of the Articles of Incorporation of the Company shall not occur until December 2011.

On October 17, 2011, pursuant to a resolution by the Board of Directors, the officers of the corporation are instructed and authorized to undertake a 20 for 1 reverse split to reduce the number of shares of the corporation issued and outstanding down from Four Million Four Hundred Thirty One Thousand One Hundred Eleven (4,431,111) shares to Two Hundred Twenty One Thousand Five Hundred Fifty Six shares and engage in any and all necessary actions to properly report the recapitalization. The reverse stock split was approved by a of the stockholders pursuant to a written consent. Although the reverse stock split has been authorized by the Board of Directors, it is not yet effective. Therefore, retroactive restatement of equity transactions is not applicable as of September 30, 2011.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

THE FOLLOWING PLAN OF OPERATIONS SECTION SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND THE NOTES THERETO INCLUDED ON PAGES 3 THROUGH 13 OF THIS QUARTERLY REPORT ON FORM 10-Q. ALL STATEMENTS IN THIS QUARTERLY REPORT RELATED TO OUR CHANGING FINANCIAL OPERATIONS AND EXPECTED FUTURE OPERATIONAL PLANS CONSTITUTE FORWARD-LOOKING STATEMENTS. THE ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE ANTICIPATED OR EXPRESSED IN SUCH STATEMENTS. FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE.

This discussion and analysis of our financial condition and results of operations are based on our financial statements that have been prepared under accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could materially differ from those estimates. We have disclosed all significant accounting policies in Note 2 to the financial statements included in this Form 10-Q. Our critical accounting policies are:

Plan of Operations

Since commencement of operations in 1999, APD Antiquities, Inc. is in its initial operational stage as an e-commerce based company engaged in the business of acquiring and marketing antiques and collectible items, focusing our attention on high quality pieces from the Far East. Our plan of operation for the coming year is to identify and acquire a favorable business opportunity through a merger or acquisition. We have not yet entered into any agreement, nor do we have any commitment or understanding to enter into or become engaged in any transaction, as of the date of this filing. We expect to raise additional funds to be used as operating capital with a view to funding our proposed mineral exploration activities. If necessary, we may sell common stock to provide additional cash for future operations and development.

As an initial step to potentially redirect our business to the mineral exploration industry on May 7, 2011, we formed APD Metals, Inc., a wholly owned subsidiary corporation in the state of Nevada, with the intent of acquiring mining properties in the Northwest United States and for the purpose of evaluating the feasibility of diversifying into the mineral exploration business and that is our current business strategy.

On April 8, 2011, we entered into a non-binding Letter of Intent with Northern Adventures LLC, (Northern) an unrelated entity pertaining to securing an option to enter into a lease agreement related to two mineral properties located in the state of Montana. As part of the transaction with Northern, we made a one hundred twenty (120) day unsecured loan in the amount of $55,000 to Northern for the express purpose of securing additional mineral rights in the immediate area of the two mineral properties owned by Northern by locating, filing and recording approximately 125 unpatented mining claims at an average cost of $400 each. The promissory note bears interest at 8% per annum. Under the terms of the Letter of Intent , we agreed to loan Northern up to $200,000. As of September 30, 2011, we have loaned Northern a total of $170,000 at 8% interest per annum as shown in the chart below. As a consequence of protracted inclement weather which inhibited the proposed work defined in the Letter of Intent between APD and Northern executed on April 8, 2011, we have agreed with Northern to amended the non-binding Letter of Intent and extend the term of Letter of Intent and change the due date of all promissory notes to December 31, 2011.

Loaned To	**Date**	**Due**	**Amount**	**Details**
Northern Adventures LLC	4/4/2011	12/31/2011	$20,000	8% interest
Northern Adventures LLC	4/12/2011	12/31/2011	$35,000	8% interest
Northern Adventures LLC	5/3/2011	12/31/2011	$40,000	8% interest

Northern Adventures LLC	8/24/2011	12/31/2011	$40,000	8% interest
Northern Adventures LLC	9/8/2011	12/31/2011	$15,000	8% interest
Northern Adventures LLC	9/21/2011	12/31/2011	$20,000	8% interest
			$170,000	

Between April and September 30, 2011 we entered into loans pursuant to promissory notes convertible into shares of common stock at $0.05 per share for an aggregate of an additional principal amount of $225,000, each at an interest rate of 8% per annum as follows:

On April 8, 2011, we executed a convertible promissory note with an accredited unrelated party individual relating to a loan in the amount of $50,000 at 8% interest per annum with a maturity date of January 3, 2012. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note. During the period ending September 30, 2011, $9,000 was repaid on this promissory note.

On April 12, 2011, we entered into a definitive agreement with an accredited unrelated party individual and executed a convertible promissory note relating to a loan in the amount of $50,000 at 8% interest with a maturity date of January 7, 2012. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note. During the period ending September 30, 2011, $0 was repaid on this promissory note.

On April 30, 2011, we entered into a definitive agreement with an accredited unrelated party individual and executed a convertible promissory note relating to a loan in the amount of $50,000 at 8% interest with a maturity date of January 25, 2012. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note. During the period ending September 30, 2011, $0 was repaid on this promissory note.

On August 23, 2011, we entered into a definitive agreement with an accredited unrelated party individual and executed a convertible promissory note relating to a loan in the amount of $50,000 at 8% interest with a maturity date of December 31, 2011. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note. During the period ending September 30, 2011, $0 was repaid on this promissory note.

On September 6, 2011, we entered into a definitive agreement with an accredited unrelated party individual and executed a convertible promissory note relating to a loan in the amount of $25,000 at 8% interest with a maturity date of January 14, 2012. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note. During the period ending September 30, 2011, $0 was repaid on this promissory note.

On September 20, 2011, we entered into a definitive agreement with an accredited unrelated party individual and executed a convertible promissory note relating to a loan in the amount of $25,000 until December 31, 2011 at 8% interest. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note. During the period ending September 30, 2011, $0 was repaid on this promissory note.

On September 30, 2011, we entered into a definitive agreement with an accredited unrelated party individual and executed a convertible promissory note relating to a loan in the amount of $25,000 until December 31, 2011 at 8% interest. This promissory note can be converted to shares of restricted common stock at $.05 per share at any time during the term of the promissory note. During the period ending September 30, 2011, $0 was repaid on this promissory note.

At September 30, 2011, a total of $5,936 of interest has been accrued on the convertible promissory notes.

As of the date of this filing, we have not yet entered into any definitive agreements, but we do have a non-binding Letter of Intent which may result in a possible change of control transaction, of which there is no assurance, at some future date.

Results of Operations

Since APD was formed on July 23, 1996, it has earned minimal revenues and has incurred a net operating loss since its inception of $281,632 through September 30, 2011.

Results of operations for the nine months ended September 30, 2011, compared to the nine months ended September 30, 2010 are as follows:

Net cash used in operating activities during the nine months ended September 30, 2011 was $74,317 as compared to net cash used in operating activities during the nine months ended September 30, 2010 of $31,897. The increase was due to factors as follows. For the nine months ended September 30, 2011, we reported a net loss of $57,470, gross revenues of $2,500 with a gross profit on sales of $0, compared to a net loss of $28,401, sales of $0, and a gross profit on sales of $0 during the nine months ended September 30, 2010. We incurred operating expenses of $51,534 in the nine months ended September 30, 2011 and $28,288 in the nine months ended September June 30, 2010. This is an increase of $23,246. The major difference in the two periods was attributable to a increase in professional fees by double.

Revenues

Total revenues amounted to $2,500 for the nine months ended September 30, 2011 compared to $0 for the corresponding period in the prior year. This lack of revenue is attributed to the lack of time and focus of the president. The capital restraints that we have experienced have not allowed inventory augmentation and diversification, implementation of our marketing strategy, etc. Our cost of goods sold was $2,500 for the nine months ended September 30, 2011, and was zero for the nine months ended September 30, 2010.

Operating Expenses

We incurred operating expenses of $51,534 in the nine months ended September 30, 2011 and $28,288 in the nine months ended September June 30, 2010. This is an increase of $23,246. The major difference in the two periods was attributable to a increase in professional fees by double.

Net Income or Loss

For the nine months ended September 30, 2011, we reported a net loss of $57,470 compared to a net loss of $28,401 for the corresponding period in the prior year, an increase in net loss of $29,069. The net loss increase is primarily due to an increase in professional fees and interest expense.

Liquidity and Capital Resources

With respect to long term liquidity (periods in excess of one year), we are unable to reasonably project or otherwise make assumptions concerning future cash flows or amounts of funds that may be available to us. With additional funding to carry on and support operations, management anticipates that our operating expenses would increase in the long-term as a result of an increase in sales and marketing activities, as well as general and administrative costs.

Long-term liquidity is directly dependent upon either the future success of our business or our ability to identify and acquire a favorable business opportunity through merger or acquisition. Without reasonable funding in the near future, we would attempt to enter into one or more business transactions that could involve a merger or sale of our company and/or the sale of some or all of its assets to protect our shareholders interest and investments. No binding merger or acquisition agreements have been entered into at this time.

Our cash in the bank at September 30, 2011 was $28,524. We do not have any available lines of credit. Since inception we have financed our operations from private placements of equity securities and loans. Between April and September 30, 2011 we received loans for an aggregate of an additional principal amount of $225,000 as described above. As of September 30, 2011, we have loaned Northern a total of $170,000 at 8% interest per annum pursuant a Letter of Intent as described above. Our recent cash burn rate in our operations over year 2011 has been approximately $6,000 per month. We expect that that cash burn rate to remain constant over the next quarter. Given this recent rate of use of cash in our operations, we do not have sufficient capital to carry on operations past December 2011. Our long term capital requirements and the adequacy of our available funds will depend on many factors, including the reporting company costs, public relations fees, and operating expenses, among others. If we are unable to raise additional capital to repay loans, generate sufficient revenue, or receive further loans on an as needed basis, we will have to curtail or cease our operations.

We have had minimal operations and very limited revenues. From inception to September 30, 2011, we have had and accumulated deficit of $281,632. For the nine months ended September 30, 2011, we had a net loss of $57,470 and no revenues from sales. At September 30, 2011, we had cash of $28,524, inventories of $1,255, and receivables of $170,000, for total current assets of $199,779. $170,000 of these assets are from notes receivable. At September 30, 2011 our total liabilities were $277,536. $266,000 of these liabilities were from convertible notes payable. We have realized only minimal revenue from sales and had a net loss for the year ended December 31, 2010 and 2009. We believe that we could experience negative operating cash flow for the foreseeable future. At September 30, 2011, we had outstanding debt of $266,000 from convertible loans as described in the Plan of Operations section above. If our outstanding convertible debt is not converted to equity before the various maturity dates and we cannot repay this debt on the maturity dates, we will be required to ask for extensions from the lenders or engage in another equity offering to provide capital to repay the debt. If the lenders do not convert their debt to equity and we cannot raise further capital through and equity offering, there is a high probability that that company would become insolvent and potentially go out of business.

Our existing cash position is not sufficient to support our operations. Accordingly, we continue to examine a range of possible funding sources, including additional strategic alliances, additional equity or debt private placements, the sale of existing assets, as well as the possibility of entering into one or more business transactions that could involve a merger or sale of our company and/or the sale of some or all of its assets. We do not currently have any contractual restrictions on our ability to incur debt. Any such indebtedness could contain covenants that would restrict our operations. There can be no assurance that additional financing will be available on terms favorable to us, or at all. If equity or convertible debt securities are issued, the percentage ownership of our stockholders will be reduced, stockholders may experience additional dilution and such securities may have rights, preferences or privileges senior to those of our common stock. This effect is attributed to the fact that while additional shares of common stock are issued from our treasury, our earnings at that particular moment remain consistent and, therefore, the earnings per share decreases. If we are unsuccessful in these efforts, we will be required to curtail our ongoing operations. If we were unable to sufficiently curtail our costs in such a situation, we might be forced to seek protection of the courts through reorganization, bankruptcy or insolvency proceeding, or cease operations completely.

General

The only development costs incurred since inception are with respect to finding suitable products that offer us potential for revenues and profits, as we market these products through our website.

Our ability to achieve profitable operations is subject to the validity of our assumptions and risk factors within the industry and pertaining to us.

Our financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We use cash and cash equivalents as our primary measure of liquidity. Except as discussed above, management is not aware of any other known trends, events, commitments, or uncertainties that will have a significant impact on liquidity.

Our inventory is periodically reviewed by management to determine if there has been any known auction or interdealer sales of similar antiques at reduced prices and to determine if a reduction in the inventory carrying value is needed. Our review of our inventory of antiques has shown no decline in market value below cost.

During the past two fiscal years, there has been no adverse impact from inflation. However, in the event prices for antiques increase materially or the value of the dollar decreases against other currencies, the ability to acquire antiques, and, in turn, its ability to market such newly acquired antiques to its market, may be adversely affected. Thus, although the retail and wholesale values of existing inventory might be favorably affected by increasing prices, passing along such increases to customers could have an inhibiting effect on the overall business. Our management believes that tangible collectibles move inversely with financial assets over the long term. As a result, during times of greater inflationary expectations, tangible collectibles may actually be the beneficiary of greater interest.

Going Concern

Our independent public accountants have included explanatory paragraphs in their reports on our financial statements for the years ended December 31, 2010 and 2009, which express substantial doubt about our ability to continue as a going concern. As discussed in Footnote 3 of our financial statements, included with this 10-Q, we have suffered recurring losses from operations since inception and accumulated deficit that raises substantial doubt about its ability to continue as a going concern.

For more information concerning our ability to continue as a going concern, see Note 2 to the consolidated financial statements. Our significant accounting policies are also detailed in Note 2 of our consolidated financial statements.

Critical Accounting Policies and Estimates

Revenue recognition: Sales are recognized as revenue when the amounts are contractually earned, fixed and determinable, and there is substantial probability of collection. Revenues from retail sales are recognized at the time the products are delivered.

Although we do not provide a written warranty on its items sold, we will refund the purchase price paid to any customer in those instances when an item sold is proven to be non-authentic. In a majority of instances, we receive a certificate of authenticity for documents (items) purchased from our vendors and are reasonably assured as to the provenance of its products. Since inception, we have made no refunds for the sale of any non-authentic items nor has we received any claims or notice of prospective claims relating to such items. Accordingly, we have not established a reserve against forgery or non-authenticity.

Estimates: 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. Our accounting estimates principally concern the net reliability of its receivables and the marketability and value of its inventory. Actual results could differ from those estimates.

Inventories: Inventories are accounted for using the specific identification method, and stated at the lower of cost or market, with market representing the lower of replacement cost or estimated net realizable value. We have no insurance coverage on our inventory.

We had no inventory on consignment at September 30, 2011 or 2010. In the future, if we consign inventory, it will retain title and will insure the inventory until the inventory is sold, returned, lost, stolen, damaged, or destroyed.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this quarterly report on Form 10-Q, an evaluation was carried out by our management, with the participation of our Chief Executive Officer and 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 SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on its evaluation, and in light of the previously-identified material weaknesses in internal control over financial reporting, as of December 31, 2010, described in the 2010 Annual Report on Form 10-K, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2011, our disclosure controls and procedures were not effective.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. There has been no progress towards remediating our previously disclosed material weakness due to the lack of funding.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Registrant is not currently involved in any litigation.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

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

None.

ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

Exhibits

2.1

Acquisition Agreement and Plan of Merger between APD Antiquities, Inc. and GCJ, Inc. dated December 27, 2004 (Incorporated by reference to the corresponding exhibit to the Form 8-K previously filed by APD Antiquities, Inc.) on December 30, 2004 (File No. 000-50738) (the December 30, 2004 Form 8-K)

2.2

Articles of Merger (Nevada) dated December 29, 2004 (File No. 000-50738) (Incorporated by reference to exhibit 2.1 to the December 30, 2004 Form 8-K)

3.1

Articles of Incorporation*

3.2

By-Laws*

10.1	2001 Stock Option Plan (Incorporated by reference to Exhibit 10.1 to the December 31, 2008 Annual Report on Form 10-K) (File No. 000-50738)
31.1	Section 302(a) CEO and Principal Financial Officer Certification
32.1	Section 1350 Certifications

* Incorporated by reference to the Registrant's Registration Statement on

Form 10SB12G filed on May 3, 2004, File No. 000-50738

SIGNATURES

Pursuant to the requirements 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.

APD ANTIQUITIES, INC.

BY: /s/ Cindy K. Swank

Date: November 21, 2011

Cindy K. Swank, President, Treasurer,

CEO, Principal Financial Officer