

Tirex CORP
Form 10QSB
February 13, 2008

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **December 31, 2007**.

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ____ to ____

Commission File Number 33-17598-NY

THE TIREX CORPORATION

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware
(State or other jurisdiction of
Incorporation or Organization)

22-2824362
(I.R.S. Employer
Identification No.)

PO Box 1000
Stratford, CT, USA
06614-9991
(Mailing Address)

(203) 522-3247

(Issuer's telephone number, including area code)

PO Box 1000,
Stratford CT USA 06614-9991
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the issuer was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding for each of the issuer's classes of common equity, as of December 31, 2007 :
249,895,892 shares

Transitional Small Business Disclosure Format (check one): Yes

No Q

The Tirex Corporation
(A Development Stage Company)

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The financial statements are unaudited. However, Management of registrant believes that all necessary adjustments, including normal recurring adjustments, have been reflected to present fairly the financial position of registrant at December 31, 2007 and the results of its operations and changes in its cash position for the three and six month periods ended December 31, 2007 and 2006 and for the period from inception (July 15, 1987). This quarterly statement has not been reviewed by an independent accountant.

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THE TIREX CORPORATION
A DEVELOPMENT STAGE COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007

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THE TIREX CORPORATION
A DEVELOPMENT STAGE COMPANY

CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2007

**December
31,
2007**

ASSETS

Current Assets	
Cash and cash equivalents	\$ -
Accounts receivable	-
Notes receivable	20,475
Inventory	73,322
Research and Experimental Development tax credits receivable	-
	93,797
Property and equipment, salvage value	25,000
Other assets	
Investment, at cost	89,500
	89,500
	\$ 208,297
<u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u>	
Current Liabilities	
Accounts payable and accrued liabilities	\$ 3,076,624
Current portion of long-term debt	112,537
	3,189,161
Other liabilities	
Long-term deposits and notes	217,500
Government loans (net of current)	-
Capital lease obligations (net of current)	-
Convertible notes	399,389
Convertible notes	195,556
Convertible loans	2,359,135
	3,171,580
	6,360,741
Stockholders' Equity (Deficit)	
Common stock, \$.001 par value, authorized 250,000,000 shares, issued and outstanding 249,895,892 shares (June 30, 2005 - 249,895,892 shares)	249,896
Additional paid-in capital	25,222,219
Deficit accumulated during the development stage	(30,661,310)

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Unrealized gain (loss) on foreign exchange	(963,249)
	(6,152,444)
	\$ 208,297

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THE TIREX CORPORATION
A DEVELOPMENT STAGE COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three months ended		Six months ended		Cumulative from March 26, 1993 to December 31, 2007
	December 31		December 31		
	2007	2006	2007	2006	
Revenues	\$ -	\$ -	\$ -	\$ -	1,354,088
Cost of Sales	-	-	-	-	1,031,075
Gross profit	-	-	-	-	323,013
Operations					
General and administrative	97,378	127,215	194,328	221,207	13,415,177
Depreciation and amortization	-	-	-	-	390,545
Research and development	-	-	-	-	15,396,966
Total Expense	97,378	127,215	194,328	221,207	29,202,688
Income (loss) before other expenses	(97,378)	(127,215)	(194,328)	(221,207)	(28,879,675)
Other expenses (income)					
Interest expense	11,699	11,699	23,397	23,397	1,015,775
Interest income	-	-	-	-	(45,443)
Income from stock options	-	-	-	-	(10,855)
Loss on disposal of equipment	-	-	-	-	4,549
	11,699	11,699	23,397	23,397	964,026
Net income (loss)	(109,077)	(138,914)	(217,725)	(244,604)	(29,843,701)
Other comprehensive loss					
Loss (gain) on foreign exchange	-	-	-	-	106,137
Net income (loss) and comprehensive loss	\$ (109,077)	\$ (138,914)	\$ (217,725)	\$ (244,604)	\$ (29,949,838)
Basic and Diluted net loss and comprehensive loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.30)
Weighted average shares of common stock outstanding	249,895,892	249,895,892	249,895,892	249,895,892	100,755,610

THE TIREX CORPORATION
A DEVELOPMENT STAGE COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended		Six months ended		Cumulative from
	December 31		December 31		March 26, 1993 to
	2007	2006	2007	2006	December 31, 2007
Cash flows from operating activities:					
Net income (loss)	\$ (109,077)	\$ (138,914)	\$ (217,725)	\$ (244,604)	\$ (29,949,838)
Adjustments to reconcile net loss to net cash used in operating activities:					
Depreciation and amortization	-	-	-	-	389,304
(Gain) loss on disposal and abandonment of assets	-	-	-	-	2,005,498
Stock issued in exchange for interest	-	-	-	-	169,142
Stock issued in exchange for services and expenses	-	-	-	-	10,574,972
Stock options issued in exchange for services	-	-	-	-	3,083,390
Unrealized (loss) gain on foreign exchange	(7,748)	75,488	(154,030)	77,938	(962,996)
Other non-cash items	83,750	83,500	167,500	133,500	1,420,688
Changes in assets and liabilities:					
(Increase) decrease in:					
Account receivable	-	-	-	-	-
Inventory	-	-	-	-	(73,323)
Sales tax receivable	-	-	-	-	(36)
Research and experimental development tax credits receivable	-	-	-	-	-
Other assets	-	-	-	-	(10,120)
(Decrease) increase in :					
Accounts payables and accrued liabilities	1,825	(51,324)	141,755	(29,334)	2,639,501
Accrued salaries	31,250	31,250	62,500	62,500	760,652
Due to stockholders	-	-	-	-	5,000
Net cash used in operating activities	-	-	-	-	(9,948,166)
Cash flow from investing activities:					
Increase in notes receivable	-	-	-	-	(259,358)

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Investment	-	-	-	-	(89,500)
Equipment	-	-	-	-	(321,567)
Equipment assembly costs	-	-	-	-	(1,999,801)
Organization cost	-	-	-	-	6,700
Reduction in security deposit	-	-	-	-	(1,542)
Net cash used in investing activities	-	-	-	-	(2,427,416)
Cash flow from financing activities:					
Loans from related parties					4,354,835
Deferred financing costs	-	-	-	-	180,557
Proceeds from deposits	-	-	-	-	143,500
Payments on notes payable	-	-	-	-	(409,939)
Proceeds from convertible notes	-	-	-	-	