

ELEMENT 21 GOLF CO
Form 10QSB
May 20, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2005
OR

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

For the transition period from _____ to _____

Commission File No. 0-15260

Element 21 Golf Company

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

Delaware
(State or other jurisdiction of incorporation or
organization)

88-0218411
(Internal Revenue Service Employer
Identification No.)

207 Queens Quay W. #455, Toronto, Ontario, Canada, M5J 2A7
(Address of principal Executive offices Zip Code)

800-710-2021

Issuer's telephone number, including area code

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

264 Queens Quay W. #303, Toronto , Ontario , Canada , M5J 2L4

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 No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date, 86,653,312 shares of common stock, par value \$.01 per share as of March 31, 2005.

Transitional Small Business Disclosure Format (Check One) Yes No

Element 21 Golf Company

INDEX

	Page Number
PART I. FINANCIAL INFORMATION	
Item 1 Consolidated Condensed Financial Statements:	
Balance sheets as of March 31, 2005 (unaudited) and June 30, 2004	3
Statements of Operations for the Three and Nine Months Ended March 31, 2005 and 2004 and the Cumulative Period During the Development Stage Period (September 17, 2002 to March 31, 2005) (unaudited)	4
Statements of Cash Flows for the Nine Months Ended March 31, 2005 and 2004 and the Cumulative Period During the Development Stage Period (September 17, 2002 to March 31, 2005) (unaudited)	5
Notes to Unaudited Financial Statements	6
Item 2 Management's Discussion and Analysis or Plan of Operation	9
Item 3 Controls and Procedures	12
PART II OTHER INFORMATION	13
Item 1 Legal Proceedings	13
Item 2 Unregistered Sales of Equity Securities and Use of Proceeds	13
Item 3 Defaults upon Senior Securities	13
Item 4 Submission of Matters to a Vote of Security Holders	13
Item 5 Other Information	13
Item 6 Exhibits	13
SIGNATURES	14
EXHIBITS	15

PART 1 - FINANCIAL INFORMATION**Item 1 - Financial Statements**

ELEMENT 21 GOLF COMPANY
(A Development Stage Enterprise)
CONSOLIDATED CONDENSED BALANCE SHEETS

	March 31, 2005 (Unaudited)	June 30, 2004 (Audited)
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,250	2,794
Accounts receivable	3,148	--
Inventory	187,879	--
Prepaid expenses	--	2,187
TOTAL CURRENT ASSETS	192,277	4,981
Fixed assets, net of accumulated depreciation of \$1,152	12,041	--
	204,318	4,981
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	481,011	96,745
Accrued expenses	35,679	31,937
TOTAL CURRENT LIABILITIES	516,690	128,682
LONG-TERM LIABILITIES		
Loans payable - shareholders	141,040	27,818
Due to other related parties	569,954	513,630
	710,994	541,448
TOTAL LIABILITIES	1,227,684	670,130
SHAREHOLDERS' DEFICIT		
Preferred stock, \$.10 par share value, authorized 5,000,000 shares, no shares issued and outstanding	--	--
Common stock, \$.01 par value; 100,000,000 shares authorized 86,653,312 and 82,653,312 shares issued and outstanding at March 31 2005 and June 30, 2004, respectively	866,533	826,533
Additional paid-in capital	10,119,868	9,871,868
Deficit accumulated during the development stage	(3,907,618)	(3,261,401)
Accumulated deficit prior to development stage	(8,102,149)	(8,102,149)
	(1,023,366)	(665,149)
	204,318	4,981

See accompanying notes.

ELEMENT 21 GOLF COMPANY
(A Development Stage Enterprise)
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31		Nine Months Ended March 31		Development Stage Period - - September 17, 2002 to March 31
	2005	2004	2005	2004	2005
	\$	\$	\$	\$	\$
Sales	16,835	--	16,835	--	16,835
Cost of sales	11,810	--	11,810	--	11,810
Gross profit	5,025	--	5,025	--	5,025
Expenses					
General, administrative and selling	150,551	180,977	651,242	674,964	3,734,935
Research and development	--	--	--	--	2,445
	150,551	180,977	651,242	674,964	3,737,380
Loss from operations	(145,526)	(180,977)	(646,217)	(674,964)	(3,732,355)
Other income(expense)					
Gain on settlement of liabilities	--	--	--	361,962	--
Loss from investments	--	--	--	--	(385,280)
Other income	--	--	--	--	210,017
-	--	--	--	361,962	(175,263)
Loss before provision for income taxes	(145,526)	(180,977)	(646,217)	(313,002)	(3,907,618)
Provision for income taxes	--	--	--	--	--
Loss for the period	(145,526)	(180,977)	(646,217)	(313,002)	(3,907,618)
Basic and diluted weighted average number of shares outstanding					
	86,653,312	62,193,302	85,748,203	58,097,608	61,579,644
Basic and diluted (loss) per share					
	(0.00)	(0.00)	(0.01)	(0.01)	(0.15)

See accompanying notes.

ELEMENT 21 GOLF COMPANY
(A Development Stage Enterprise)
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended March 31		Development Stage Period (September 17, 2002-March 31, 2005)
	2005	2004	
CASH FLOWS FROM OPERATING ACTIVITIES	\$	\$	\$
Net (loss)	(646,217)	(313,002)	(3,907,618)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:			
Depreciation	1,152	--	1,152
Net effect of subsidiary transactions	--	14,983	192,384
Compensatory stock	288,000	613,135	2,672,201
Common stock issued in acquisition of subsidiary	--	20,433	212,362
Changes in:			
Prepaid expenses and other current assets	2,187	(120,000)	(4,899)
Inventories	(187,879)	(125,000)	(187,878)
Receivable from shareholders	--	--	(113,204)
Other receivables	(3,148)	(114,407)	(3,148)
Accounts payable	384,266	103,204	435,928
Accrued expenses	3,742	(195,209)	29,179
Net cash (used in) operating activities	(157,897)	(115,863)	(673,541)
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures	(13,193)	(267,000)	(13,193)
Investment	--	(7,909)	(2,717)
Net cash used in investing activities	(13,193)	(274,909)	(15,910)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Advances from related parties	56,324	--	569,954
Loan proceeds from shareholders	113,222	392,000	120,353
Net cash provided from financing activities	169,546	392,000	690,307
NET INCREASE (DECREASE) IN CASH	(1,544)	1,228	856
Cash, beginning of year	2,794	89	394
CASH, END OF YEAR	\$ 1,250	\$ 1,317	\$ 1,250
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	\$ --	\$ --	\$ --
Taxes paid	--	--	--

See accompanying notes.

ELEMENT 21 GOLF COMPANY
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
March 31, 2005
(Unaudited)

NOTE 1 NATURE OF BUSINESS AND OPERATIONS:

Element 21 Golf Company and subsidiaries (a development stage enterprise) (the “Company” and or “Element 21”) design, develop and expect to market Scandium alloy golf products. The first products manufactured using the Company’s proprietary technology have been recently produced and these products commenced distribution to wholesalers and retail markets during the third quarter.

Element 21 was incorporated under the laws of the state of Delaware on June 26, 1986 and, until October 2003, was doing business under the name BRL Holdings, Inc. The Company owns 100% of Element 21 Technologies, Inc. (“Technologies”), a development stage company that holds the license to use the proprietary Scandium alloy technology for golf products, 34.2% of AssureTec Holdings Inc. (“AssureTec” Formerly Tech Ventures, Inc.), which includes the ownership of 100% of both Advanced Conductor Technologies, Inc. (“ACT”) and IJAM Enterprises, Inc., neither of which have had operations.

Immediately following the closing of the Technologies acquisition, the Company declared: 1) a 2 for 1 split of its common stock effected in the form of a dividend and 2) a dividend of 100% of its ownership of AssureTec and ACT, which collectively represented substantially all of the Company’s assets prior to the acquisition of Technologies (the “Spin Off”) and the officers and directors immediately prior to the acquisition resigned. The shareholders who received common stock in connection with the Technologies acquisition have received the stock dividend, but waived their rights to receive distributions associated with the planned Spin Off. The Spin Off will only occur after compliance with Securities and Exchange Commission (“SEC”) regulations.

In connection with the planned Spin-Off, AssureTec filed a registration statement on Form 10-SB with the SEC in December 2003 to become a reporting company. Commencing with the quarter ending December 31, 2003, AssureTec began filing quarterly reports with the SEC on Forms 10-QSB. On March 31, 2004, AssureTec completed a common stock and common stock equivalent share exchange with individual stockholders of AssureTec Systems (the “Share Exchange”) wherein AssureTec acquired the remaining 65.8% ownership of AssureTec Systems, resulting in Element 21’s ownership percentage dropping to the current 26.5%.

Element 21 is considered to be a development stage enterprise because it has not generated revenues until this current quarter, and such revenues are insignificant. The Company is subject to a number of risks similar to those of other companies in the early stage of development. Principal among these risks are dependencies on key individuals, competition from other current or substitute products and larger companies, the successful development and marketing of its products and the need to obtain adequate financing necessary to fund future operations. Recently, certain consultants who are also stockholders of the Company, advanced funds to allow the Company to acquire aluminum Scandium alloy concentrate from Russia and to acquire critical lateral forging equipment made in the US, both of which were shipped to South Korea to enable the production of Scandium alloy golf shafts.

The accompanying unaudited consolidated condensed financial statements have been prepared from the books and records of Element 21 on the same basis as the annual financial statements and are consistent with the instructions to Form 10-QSB and Rule 310 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements and should be read in conjunction with the Company’s audited consolidated financial statements as of and for the fiscal year ended June 30, 2004. In the opinion of management, all significant adjustments that are normal, recurring in nature and

necessary for a fair presentation of the financial position, cash flows and results of the operations of the Company, have been consistently recorded. The operating results for the interim periods presented are not necessarily indicative of expected performance for the entire year ending June 30, 2005.

-6-

ELEMENT 21 GOLF COMPANY
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
March 31, 2005
(Unaudited)

NOTE 2 FUTURE OPERATIONS/GOING CONCERN:

These interim financial statements have been presented on the basis that the Company is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company however has only recently established revenues albeit not on any consistent basis. Even with the generation of revenues from the sale of golf shafts now being produced and sold, the Company expects to incur expenses in excess of revenues for an indefinite period.

Key financial information follows:

	March 31, 2005	June 30, 2004
	\$	\$
Negative working capital	324,413	123,701
Accumulated deficit during the development stage	3,907,618	3,261,401
Net loss	646,218	2,229,011

As shown in the accompanying financial statements, during the three and nine months ended March 31, 2005 the Company incurred net losses of \$145,527 and \$646,218, respectively. For the three and nine months ended March 31, 2004 realized net losses of \$180,977 and \$313,002, respectively. Cash utilized by operations during the nine months ended March 31, 2005 was \$157,897 and the cumulative loss from September 17, 2002 to March 31, 2005 (the development stage period) was \$3,907,618.

These factors, among others, raise significant doubt about the Company's ability to continue as a going concern. The unaudited consolidated condensed financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow and meet its obligations on a timely basis and ultimately attain profitability. Since acquiring the Element 21 Technologies golf development business, the Company has depended on advances and consulting services from consultants engaged by the Company. Without these continuing advances and services, the Company could not continue with the development and marketing of its golf products.

Management's plans for the Company include implementation of the plan to sell the Company's products into wholesale and retail golf sales channels and raising additional capital and other strategies designed to optimize shareholder values. No assurance however can be made that management will be successful in fulfilling all elements of its plan. The failure to achieve this plan will have a material adverse effect on the Company's financial position, results of operations and ability to continue as a going concern.

During fiscal 2004 the Company issued 32,644,927 shares of its common stock to consultants for services rendered by them and recorded an expense of \$2,352,770. For the nine months ended March 31, 2005, the Company issued 4,000,000 shares of its common stock to two consultants and recorded an expense of \$288,000.

ELEMENT 21 GOLF COMPANY
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
March 31, 2005
(Unaudited)

NOTE 3 RELATED PARTY ADVANCES:

During the nine month period ended March 31, 2005, certain stockholders of the Company advanced to the Company a total of \$113,222. These advances are recorded as an increase in shareholders' loans. In addition, affiliates of the Company also provided services during this quarter valued at \$56,324 . This amount, which is unpaid, is included in Due to Other Related Parties.

NOTE 4 NET LOSS PER SHARE:

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding for the periods. Diluted net loss per share reflects, in addition to the weighted average number of common shares, the potential dilution if stock options and warrants outstanding were exercised and/or converted into common stock, unless the effect of such equivalent shares was anti-dilutive.

For the three and nine months ended March 31, 2005 and 2004, the effect of stock options and other potentially dilutive shares were excluded from the calculation of diluted net loss per common shares, as their inclusion would have been anti-dilutive. Therefore diluted loss per share is equal to basic loss per share.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Cautionary Statement Regarding Forward-Looking Information

Under the Private Securities Litigation Reform Act of 1995, companies are provided with a “safe harbor” for making forward-looking statements about the potential risks and rewards of their strategies. Forward-looking statements often include the words “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate” or similar expressions. In this Form 10-QSB, forward-looking statements also include:

- statements about our business plans;
- statements about the potential for the development, regulatory approval and public acceptance of new services;
- estimates of future financial performance;
- predictions of national or international economic, political or market conditions;
- statements regarding other factors that could affect our future operations or financial position; and
- other statements that are not matters of historical fact.

These statements may be found under “Management’s Discussion and Analysis or Plan of Operation” as well as in this Form 10-QSB generally. Our ability to achieve our goals depends on many known and unknown risks and uncertainties, including changes in general economic and business conditions. These factors could cause our actual performance and results to differ materially from those described or implied in forward-looking statements.

These forward looking statements speak only as of the date of this Form 10-QSB. We believe it is in the best interest of our investors to use forward-looking statements in discussing future events. However, we are not required to, and you should not rely on us to, revise or update these statements or any factors that may materially affect actual results, whether as a result of new information, future events or otherwise. You should carefully review the risk factors described in this Form 10-QSB and also review the other documents we file from time to time with the Securities and Exchange Commission (“SEC”).

Results of Operations

The following discussion includes the business of Element 21 Golf Company (the “Company” or “Element 21”) and its wholly-owned subsidiaries. During the three months ended March 31, 2005 the Company commenced operations. Where relevant, all numbers retroactively take into account the operations of both Element 21 and Element 21 Technologies, Inc. (“Technologies”). The Company has announced its plans to spin off Assure Tec Holdings, Inc. (“AssureTec”) as an independent company, but the spin-off will only occur after compliance with SEC regulations.

Three Months Ended March 31, 2005 and 2004

For the three months ended March 31, 2005, the Company, had revenue of \$16,835 and incurred general and administrative expenses of \$150,551 yielding a net loss of \$145,526, as compared with the three months ended March 31, 2004 in which the Company had no revenues and general and administrative expenses of \$180,977, resulting in a net loss also of \$180,977. The primary reason for the lower amount of general and administrative expenses during the three months ending March 31, 2005 is that there were no consulting fees paid during that period.

Nine Months Ended March 31, 2005 and 2004

For the nine months ended March 31, 2005 the Company, had revenues of \$16,835 which all occurred in the third quarter and incurred general and administrative expenses of \$651,242 yielding a net loss of \$646,217. In comparison, the nine months ended March 31, 2004 in which the Company had no revenues and general and

administrative expenses of \$674,964, with gain on settlements of liabilities of \$361,962 resulting in a net loss of \$313,002 for the nine months ended March 31, 2004. General and administrative costs for both three-month periods consisted primarily of consulting costs and legal and accounting fees.

The Development Stage Period - September 17, 2002 to March 31, 2005

During the development stage period (September 17, 2002 to March 31, 2005), the Company, had revenues of \$16,835, cost of goods sold of \$11,810, research and development costs of \$2,445, administrative costs of \$3,734,935, including stock-based compensation of \$2,672,201, and realized loss from investments of \$385,280 and other income of \$210,017, yielding an accumulated net loss of \$3,907,618.

-9-

Financial Condition, Liquidity and Capital Resources

The Company has negative working capital as of March 31, 2005 of \$324,413. The Company retains consultants who are also significant stockholders of the Company to perform development and public company reporting activities in exchange for stock of the Company. At June 30, 2004, we had a working capital deficiency of \$123,701. Our continuation as a going concern will require that we raise significant additional capital.

Without continued issuance of common stock for services by these consultants and continued advances by stockholders of the Company, the Company cannot manufacture its golf shaft product line or market golf products based on its technologies. The Company is actively searching for capital to implement its business plans, supply the Company with products for distribution, and develop collateral materials for its potential customer base. There can be no assurance such capital will be raised on terms acceptable to the Company and if this capital is raised, may cause significant dilution to the Company's stockholders.

Dividend Policy

The Company has not declared or paid any cash dividends on its common stock since its inception and does not anticipate the declaration or payment of cash dividends in the foreseeable future. The Company intends to retain earnings, if any, to finance the development and expansion of its business. The Company's future dividend policy will be subject to the discretion of the Board of Directors and will be contingent upon future earnings, if any, the Company's financial condition, capital requirements, general business conditions and other factors. Therefore, there can be no assurance that dividends of any kind will ever be paid.

Effect of Inflation

Management believes that inflation has not had a material effect on its operations for the periods presented.

Risk Factors

We Have A Limited Operating History And A History Of Substantial Operating Losses.

We have a history of substantial operating losses and an accumulated deficit of \$12,009,767 as of March 31, 2005, of which \$3,907,618 represents development stage losses and the remainder of \$8,102,149 represents accumulated losses prior to the merger with Technologies. For the nine months ended March 31, 2005, our net loss was \$646,217. We have historically experienced cash flow difficulties primarily because our expenses have exceeded our revenues. We expect to incur additional operating losses. These factors, among others, raise significant doubt about our ability to continue as a going concern. If we are unable to generate sufficient revenue from our operations to pay expenses or we are unable to obtain additional financing on commercially reasonable terms, our business, financial condition and results of operations will be materially and adversely affected.

We Will Need Additional Financing In Order to Continue Our Operations Which We May Not Be Able to Raise.

We will require additional capital to finance our future operations. We can provide no assurance that we will obtain additional financing sufficient to meet our future needs on commercially reasonable terms or otherwise. If we are unable to obtain the necessary financing, our business, operating results and financial condition will be materially and adversely affected.

We Have No Employees and Our Success Is Dependent On Our Ability to Retain And Attract Consultants to Operate Our Business and There Is No Assurance That We Can Do So.

As of March 31, 2005, we have no employees. Consultants Nataliya Hearn, PhD, who is also our CEO and President based in Toronto, Canada, oversee the Company's engineering, alloy supply and production, Jim Morin, who is also our Vice-President, Secretary and Treasurer, and Frank Gojny, both of whom are based in California, oversee the development, testing and United States Golf Association compliance for golf products.

The Duran Group was added in December 2004 to consult on the sales and marketing of the Company. Our future success will depend in large part upon our ability to attract and retain highly skilled technical, managerial, sales and marketing personnel and consultants. There is significant competition for such personnel in our industry. There can be no assurance that we will continue to be successful in attracting and retaining the consultants and/or personnel we require to develop new and enhanced technologies and to grow and operate profitably.

-10-

Our Performance Depends On Market Acceptance Of Our Products and We Cannot Be Sure That Our Products Are Commercially Viable.

We expect to derive a substantial portion of our future revenues from the sales of Scandium alloy golf shafts that are only now entering the initial marketing phase. Although we believe our products and technologies will be commercially viable, these are new and untested products. If markets for our products fail to develop, develop more slowly than expected or are subject to substantial competition, our business, financial condition and results of operations will be materially and adversely affected.

We Depend On Strategic Marketing Relationships and If We Fail to Maintain or Establish Them, Our Business Plan May Not Succeed.

We expect our future marketing efforts will focus in part on developing business relationships with distributors that will market our products to their customers. The success of our business depends on selling our products and technologies to a large number of distributors and retail customers. Our inability to enter into and retain strategic relationships, or the inability to effectively market our products, could materially and adversely affect our business, operating results and financial condition.

Competition From Traditional Golf Equipment Providers May Increase And We May Not Be Able to Adequately Compete.

The market for golf shafts is highly competitive. There are a number of other established providers that have greater resources, including more extensive research and development, marketing and capital than we do and also have greater name recognition and market presence. These competitors could reduce their prices and thereby decrease the demand for our products and technologies. These competitors may lower their prices to compete with us. We expect competition to intensify in the future, which could also result in price reductions, fewer customer and lower gross margins.

Rapidly Changing Technology And Substantial Competition May Adversely Affect Our Business.

Our business is subject to rapid changes in technology. We can provide no assurances that research and development by competitors will not render our technology obsolete or uncompetitive. We compete with a number of companies that have technologies and products similar to those offered by us and have greater resources, including more extensive research and development, marketing and capital than we do. We can provide no assurances that we will be successful in marketing our existing products and developing and marketing new products in such a manner as to be effective against our competition. If our technology is rendered obsolete or we are unable to compete effectively, our business, operating results and financial condition will be materially and adversely affected.

Litigation Concerning Intellectual Property Could Adversely Affect Our Business.

We rely on a combination of trade secrets, trademark law, contractual provisions, confidentiality agreements and certain technology and security measures to protect our trademarks, license, proprietary technology and know-how. However, we can provide no assurance that competitors will not infringe upon our rights in our intellectual property or that competitors will not similarly make claims against us for infringement. If we are required to be involved in litigation involving intellectual property rights, our business, operating results and financial condition will be materially and adversely affected.

It is possible that third parties might claim infringement by us with respect to past, current or future technologies. We expect that participants in our markets will increasingly be subject to infringement claims as the number of services and competitors in our industry grows. Any claims, whether meritorious or not, could be time-consuming, result in

costly litigation and could cause service upgrade delays or require us to enter into royalty or licensing agreements. These royalty or licensing agreements might not be available on commercially reasonable terms or at all.

Defects In Our Products May Adversely Affect Our Business.

Complex technologies such as the technologies developed by us may contain defects when introduced and also when updates and new products are released. Our introduction of technology with defects or quality problems may result in adverse publicity, product returns, reduced orders, uncollectible or delayed accounts receivable, product redevelopment costs, loss of or delay in market acceptance of our products or claims by customers or others against us. Such problems or claims may have a material and adverse effect on our business, financial condition and results of operations.

ITEM 3 CONTROLS AND PROCEDURES:

(a) Evaluation of disclosure controls and procedures. Management, including our Chief Executive Officer and Principal Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on this evaluation, our Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective to provide a reasonable level of assurance that the information required to be disclosed in the reports filed or submitted by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the requisite time periods.

(b) Changes in internal control over financial reporting. There were no changes in our internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1 LEGAL PROCEEDINGS

None

Item 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

Item 3 DEFAULT UPON SENIOR SECURITIES

None

Item 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS

None

Item 5 OTHER INFORMATION

None

Item 6 EXHIBITS

Exhibit No.

Exhibit Description

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

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

32.1 Certification Pursuant to Section 906 of the Sarbanes Oxley Act of 2002

SIGNATURE

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

ELEMENT 21 GOLF COMPANY

May 20, 2005

By: /s/ Nataliya Hearn, Ph.D.

Nataliya Hearn, Ph.D.
President and Director

May 20, 2005

By: /s/ Jim Morin

Jim Morin
Secretary, Treasurer, CFO and Director