

Edgar Filing: ARES VENTURES CORP. - Form 10-Q

ARES VENTURES CORP.
Form 10-Q
May 06, 2010

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2010

Commission file number 333-154455

ARES VENTURES CORP.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

4600 Lamont Street #4-327
San Diego, CA 92109-3535
(Address of principal executive offices, zip code)

(858)408-2457
(Telephone number, including area code)

Shane Ellis
Ares Ventures Corp.
4600 Lamont Street #4-327
San Diego, CA 92109-3535
Telephone & Facsimile (858)408-2457
(Name and Address of Agent for Service)

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 registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (ss.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 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," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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 NO

State the number of shares outstanding of each of the issuer's classes of common

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equity, as of the latest practicable date: 6,000,000 shares as of May 6, 2010

ITEM 1. FINANCIAL STATEMENTS

The financial statements for the quarter ended March 31, 2010 immediately follow.

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ARES VENTURES CORP.
(An Exploration Stage Company)
Balance Sheet

| | As of March 31, 2010 ----- | As of September 30, 2009 ----- |
|---|-------------------------------------|---|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 28,690 | \$ 47,758 |
| | ----- | ----- |
| TOTAL CURRENT ASSETS | 28,690 | 47,758 |
| | ----- | ----- |
| TOTAL ASSETS | \$ 28,690 | \$ 47,758 |
| | ===== | ===== |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ -- | \$ 4,000 |
| | ----- | ----- |
| TOTAL CURRENT LIABILITIES | -- | 4,000 |
| | ----- | ----- |
| TOTAL LIABILITIES | -- | 4,000 |
| | ----- | ----- |
| STOCKHOLDERS' EQUITY | | |
| Common stock, (\$0.001 par value, 75,000,000 shares authorized; 6,000,000 shares issued and outstanding as of March 31, 2010 and September 30, 2009) | 6,000 | 6,000 |
| Additional paid-in capital | 69,000 | 69,000 |
| Deficit accumulated during development stage | (46,310) | (31,242) |
| | ----- | ----- |
| TOTAL STOCKHOLDERS' EQUITY | 28,690 | 43,758 |
| | ----- | ----- |
| TOTAL LIABILITIES & STOCKHOLDERS' EQUITY | \$ 28,690 | \$ 47,758 |
| | ===== | ===== |

See Notes to Financial Statements

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ARES VENTURES CORP.
(An Exploration Stage Company)
Statement of Operations

| | Three Months ended March 31, 2010 | Three Months ended March 31, 2009 | Six Months ended March 31, 2010 | Six Months ended March 31, 2009 |
|---|--|--|--|--|
| REVENUES | | | | |
| Revenues | \$ -- | \$ -- | \$ -- | \$ -- |
| TOTAL REVENUES | -- | -- | -- | -- |
| OPERATING EXPENSES | | | | |
| Office and Administration | 1,582 | 456 | 1,739 | 3,208 |
| Mineral Exploration Expenses | 8,000 | -- | 8,000 | 7,000 |
| Professional Fees | 1,830 | 1,500 | 5,330 | 6,500 |
| TOTAL OPERATING EXPENSES | (11,412) | (1,956) | (15,069) | (16,708) |
| Provision for Income Taxes | -- | -- | -- | -- |
| NET INCOME (LOSS) | \$ (11,412) | \$ (1,956) | \$ (15,069) | \$ (16,708) |
| BASIC EARNINGS (LOSS) PER SHARE | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.01) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 6,000,000 | 3,000,000 | 6,000,000 | 3,000,000 |

See Notes to Financial Statements

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ARES VENTURES CORP.
(An Exploration Stage Company)
Statement of Cash Flows

| | Six Months ended March 31, 2010 | Six Months ended March 31, 2009 |
|----------------------|--|--|
| OPERATING ACTIVITIES | | |
| Net income (loss) | \$ (15,069) | \$ (16,708) |

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Adjustments to reconcile net loss to net cash provided by (used in) operating activities:

Changes in operating assets and liabilities:

| | | |
|---|---------|-------|
| Increase (decrease) in Accounts Payable | (4,000) | (515) |
|---|---------|-------|

| | | |
|---|----------|----------|
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | (19,069) | (17,223) |
|---|----------|----------|

INVESTING ACTIVITIES

| | | |
|---|----|----|
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | -- | -- |
|---|----|----|

FINANCING ACTIVITIES

| | | |
|--------------------------|----|----|
| Issuance of common stock | -- | -- |
|--------------------------|----|----|

| | | |
|-------------------------------|----|--------|
| Stock Subscription Receivable | -- | 13,000 |
|-------------------------------|----|--------|

| | | |
|------------------------------|----|--------|
| Stock Subscriptions Received | -- | 18,800 |
|------------------------------|----|--------|

| | | |
|---|----|--------|
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | -- | 31,800 |
|---|----|--------|

| | | |
|---------------------------------|----------|--------|
| NET INCREASE (DECREASE) IN CASH | (19,069) | 14,577 |
|---------------------------------|----------|--------|

| | | |
|-----------------------------|--------|-------|
| CASH AT BEGINNING OF PERIOD | 47,758 | 2,000 |
|-----------------------------|--------|-------|

| | | |
|-----------------------|-----------|-----------|
| CASH AT END OF PERIOD | \$ 28,690 | \$ 16,577 |
|-----------------------|-----------|-----------|

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during period for:

| | | |
|----------|-------|-------|
| Interest | \$ -- | \$ -- |
|----------|-------|-------|

| | | |
|--------------|-------|-------|
| Income Taxes | \$ -- | \$ -- |
|--------------|-------|-------|

See Notes to Financial Statements

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ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
March 31, 2010

NOTE 1. CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by Ares Ventures Corp. (the "Company") without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at March 31, 2010, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's September 30,

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2009 audited financial statements. The results of operations for the period ended March 31, 2010 are not necessarily indicative of the operating results for the full year.

NOTE 2. GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from management and other investors sufficient to meet its minimal operating expenses and seeking equity and/or debt financing. However management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Below is a listing of the most recent accounting standards, the Company does not expect that the adoption of any of these changes will have a material impact on the Company's financial position, or statements.

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ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
March 31, 2010

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

- * Accounting Standards Update 2010-13 Compensation-Stock Compensation (Topic 718): Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades—a consensus of the FASB Emerging Issues Task Force. Effective July 1, 2009.
- * Accounting Standards Update 2010-12 Income Taxes (Topic 740): Accounting for Certain Tax Effects of the 2010 Health Care Reform Acts (SEC Update). Effective July 1, 2009.
- * Accounting Standards Update 2010-11 Derivatives and Hedging (Topic 815): Scope Exception Related to Embedded Credit Derivatives. Effective July 1, 2009.
- * Accounting Standards Update 2010-10 Consolidation (Topic 810): Amendments

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for Certain Investment Funds. Effective July 1, 2009.

- * Accounting Standards Update 2010-09 Subsequent Events (topic 855): Amendments to Certain Recognition and Disclosure Requirements. Effective July 1, 2009.
- * Accounting Standards Update 2010-08 Technical Corrections to Various Topics
- * Accounting Standards Update 2010-07 Not-for-Profit Entities (Topic 958): Not-for-profit Entities: Mergers and Acquisitions. Effective July 1, 2009.
- * Accounting Standards Update 2010-06 Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. Effective July 1, 2009.
- * Accounting Standards Update 2010-05 Compensation-Stock Compensation (Topic718):Escrowed share arrangements and the Presumption of Compensation (SEC Update). Effective July 1, 2009.
- * Accounting Standards Update 2010-04 (ASU 2010-04), Accounting for Various Topics-Technical Corrections to SEC Paragraphs. Effective July 1, 2009.
- * Accounting Standards Update 2010-03 (ASU 2010-03), Extractive Activities--Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures. (January 2010) Effective for annual reporting periods ending on or after December 31, 2009. Early adoption is not permitted.
- * Accounting Standards Update 2010-02, Consolidation (Topic 810): Accounting and Reporting for Decreases in Ownership of a Subsidiary. (January 2010) For those entities that have already adopted FAS 160, the amendments are effective at the beginning of the first interim or annual reporting period ending on or after December 15, 2009. The amendments should be applied retrospectively to the first period that an entity adopted FAS 160.

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ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
March 31, 2010

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

- * Accounting Standards Update 2010-01, Equity (Topic 505): Accounting for Distributions to Shareholders with Components of Stock and Cash (A Consensus of the FASB Emerging Issues Task Force). (January 2010) Effective for interim and annual periods ending on or after December 15, 2009, and would be applied on a retrospective basis.
- * Accounting Standards Update 2009-17, Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities. This Accounting Standards Update amends the FASB Accounting Standards Codification for Statement 167. (December 2009) (See FAS 167 effective date below)
- * Accounting Standards Update 2009-16, Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets. (December 2009) This Accounting Standards Update amends the FASB Accounting Standards Codification for Statement 166. (See FAS 166 effective date below)
- * Accounting Standards Update 2009-15, Accounting for Own-Share Lending

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Arrangements in Contemplation of Convertible Debt Issuance or Other Financing. (October 2009) This Accounting Standards Update amends the FASB Accounting Standard Codification for EITF 09-1. (See EITF 09-1 effective date below)

- * Accounting Standards Update 2009-14, Software (Topic 985): Certain Revenue Arrangements That Include Software Elements. (October 2009) Effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted.
- * Accounting Standards Update 2009-13, Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements. (October 2009) Effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted.
- * Accounting Standards Update 2009-12, Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). (September 2009) It is effective for interim and annual periods ending after December 15, 2009. Early application is permitted in financial statements for earlier interim and annual periods that have not been issued.
- * EITF No. 09-1, (ASC Topic 470) "Accounting for Own-Share Lending Arrangements
- * In Contemplation of Convertible Debt Issuance" ("EITF 09-1"). (July 2009). Effective for fiscal years that beginning on or after December 15, 2009 and requires retrospective application for all arrangements outstanding as of the beginning of fiscal years beginning on or after December 15, 2009. Effective for share-lending arrangements entered into on or after the beginning of the first reporting period that begins on or after June 15, 2009.

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ARES VENTURES CORP.
(An Exploration Stage Company)
Notes to Financial Statements
March 31, 2010

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

- * SFAS No. 168 (ASC Topic 105), "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162" ("SFAS No. 168"). (June 2009) Effective for financial statements issued for interim and annual periods ending after September 15, 2009. SFAS No. 168 is effective for the Company's interim quarterly period beginning July 1, 2009.
- * SFAS No. 167 (ASC Topic 810), "Amendments to FASB Interpretation No. 46(R) ("SFAS 167"). (June 2009) Effective as of the beginning of the first fiscal year that begins after November 15, 2009. SFAS 167 will be effective for the Company beginning in 2010.
- * SFAS No. 166, (ASC Topic 860) "Accounting for Transfers of Financial Assets--an amendment of FASB Statement No. 140" ("SFAS 166"). (June 2009) Effective for financial asset transfers occurring after the beginning of an entity's first fiscal year that begins after November 15, 2009.

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* SFAS No. 164, (ASC Topic 810) "Not-for-Profit Entities: Mergers and Acquisitions - including an amendment of FASB Statement No. 142" ("SFAS 164"). (April 2009) Effective for mergers occurring on or after the beginning of an initial reporting period beginning on or after December 15, 2009 and acquisitions occurring on or after the beginning of the first annual reporting period beginning on or after December 15, 2009.

* Staff Accounting Bulletin (SAB) No. 112. (June 2009)

NOTE 4. RESTATED FINANCIAL STATEMENTS

The Company has restated its financial statements for the year ended September 30, 2008, in conjunction with the PCAOB revocation of the registration of its prior auditor. The Company had its financial statements re-audited during which it re-evaluated a transaction involving the sale of common shares to its founding director in concurrence with its new audit firm. As a result, the Company determined that funds that had previously been recorded as cash should be recorded as a Stock Subscription Receivable. This adjustment resulted in a \$13,000 decrease in cash balance and increase in Stock Subscription Receivable on the Statement of Cash Flows at the beginning of six month period beginning October 1, 2008. The following is a comparison of the summarized financial statements of the Company before and after the restatement.

| | Six Months ended March 31, 2009 | | |
|--|------------------------------------|-----------|-------------|
| | Original | Restated | Change |
| STATEMENT OF CASHFLOWS | | | |
| Stock Subscription Receivable | \$ -- | \$ 13,000 | \$ 13,000 |
| Net cash provided by (used in) financing activities | 18,800 | 31,800 | 13,000 |
| Net increase (decrease) in cash | 1,577 | 14,577 | 13,000 |
| Cash at beginning of period | \$ 15,000 | \$ 2,000 | \$ (13,000) |
| | ===== | ===== | ===== |

NOTE 5. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through May 6, 2010 and determined there are no items to disclose.

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

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements that involve risk and uncertainties. We use words such as "anticipate", "believe", "plan", "expect", "future", "intend", and similar expressions to identify such forward-looking statements. Investors should be aware that all forward-looking statements contained within this filing are good faith estimates of management as of the date of this report and actual results may differ materially from historical results or our predictions of future results.

RESULTS OF OPERATIONS

We are still in our exploration stage and have generated no revenue to date.

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We incurred operating expenses of \$11,412 and \$1,956 for the three months ended March 31, 2010 and 2009, respectively. These expenses consisted of general operating expenses and professional fees, and for the three months ended March 31, 2010 we also incurred \$8,000 in exploration expenses.

Our net loss from inception (September 25, 2008) through March 31, 2010 was \$46,310.

In September, 2008, a total of 3,000,000 shares of common stock were issued in exchange for \$15,000 US, or \$.005 per share. These securities were issued to Shane Ellis, the officer and director of the company. On May 12, 2009 the Company completed its S-1 offering, selling 3,000,000 common shares at \$.02 per share for total proceeds of \$60,000.

The following table provides selected financial data about our company for the period ended March 31, 2010.

| Balance Sheet Data: | 3/31/10 |
|----------------------|----------|
| ----- | ----- |
| Cash | \$28,690 |
| Total assets | \$28,690 |
| Total liabilities | \$ 0 |
| Shareholders' equity | \$28,690 |

LIQUIDITY AND CAPITAL RESOURCES

Our cash balance at March 31, 2010 was \$28,690. If we experience a shortage of funds in the next twelve months we may utilize funds from our director, who has agreed to advance funds for operations, however he has no formal commitment, arrangement or legal obligation to advance or loan funds to us.

PLAN OF OPERATION

Our plan of operation for the twelve months is to determine if the company will proceed with further exploration and if so to complete Phases 2 of the exploration program. In addition to the \$9,500 we would spend for Phase 2, as

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outlined below, we anticipate spending an additional \$10,000 on professional fees, including fees payable in complying with reporting obligations, and general administrative costs. Total expenditures over the next 12 months are therefore expected to be approximately \$19,500.

The following work program has been recommended by the consulting geologist who prepared the geology report.

PHASE 1 (COMPLETED)

Detailed prospecting, mapping and soil geochemistry. The estimated cost for this program is all inclusive. The timeline for accomplishing this phase of fieldwork including the turn-around time on analyses is approximately two months \$ 8,500 (paid)

PHASE 1A (COMPLETED)

Fill-n MMI sampling to establish a more exact pattern of Anomalies found in Phase 1. \$ 8,000 (paid)

PHASE 2

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Magnetometer and VLF electromagnetic, grid controlled surveys over the areas of interest determined by the Phase 1 survey. Included in this estimated cost is transportation, accommodation, board, grid installation, two geophysical surveys, maps and report

| | |
|--|----------|
| | \$ 9,500 |
|--|----------|

PHASE 3

Induced polarization survey over grid controlled anomalous area of interest outlined by Phase 1&2 fieldwork. Hoe or bulldozer trenching, mapping and sampling of bedrock anomalies. Includes assays, maps and reports

| | |
|--|----------|
| | \$25,000 |
| | ----- |

| | |
|-------|----------|
| Total | \$51,000 |
| | ===== |

Each phase following phase 1 is contingent upon favorable results from the previous phase.

The geologist completed Phase 1 in October 2009 and recommended a followup Phase 1 at a cost of \$8,000. He completed the field work for the followup Phase 1A, prepared his report and we are currently reviewing his recommendation regarding further exploration based upon our remaining cash resources.

The above program costs are management's estimates based upon the recommendations of the professional consulting geologist's report and the actual project costs may exceed our estimates.

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Following phase one of the exploration program, if it proves successful in identifying mineral deposits, we intend to proceed with phase two of our exploration program. The estimated cost of this program is \$9,500 and will take approximately 3 weeks to complete and an additional two to three months for the consulting geologist to receive the results from the assay lab and prepare his report.

Following phase two of the exploration program, if it proves successful and we are able to raise additional funding, we intend to proceed with phase three of our exploration program. The estimated cost of this program is \$25,000 and will take approximately one month to complete and an additional two to three months for the consulting geologist to receive the results from the assay lab and prepare his report.

If we determine the best course of action is to proceed with further exploration, we anticipate commencing the second phase of our exploration program in summer 2010. We have a verbal agreement with Western Minerals Inc., the consulting geology company who prepared the geology report on our claim, to retain their services for our planned exploration program. We cannot provide investors with any assurance that we will be able to raise sufficient funds to proceed with any work after the exploration program if we find mineralization.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 4. CONTROLS AND PROCEDURES

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
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- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of March 31, 2010 management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in ineffective oversight

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in the establishment and monitoring of required internal controls and procedures; (2) inadequate segregation of duties consistent with control objectives; and (3) ineffective controls over period end financial disclosure and reporting processes. The aforementioned material weaknesses were identified by our Chief Executive Officer in connection with the review of our financial statements as of March 31, 2010.

Management believes that the material weaknesses set forth in items (2) and (3) above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

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MANAGEMENT'S REMEDIATION INITIATIVES

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will create a position to segregate duties consistent with control objectives and will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. And, we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management when funds are available to us.

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We anticipate that these initiatives will be at least partially, if not fully, implemented by December 31, 2010. Additionally, we plan to test our updated controls and remediate our deficiencies by December 31, 2010.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

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PART II. OTHER INFORMATION

ITEM 6. EXHIBITS

| Exhibit No. ----- | Exhibit ----- | Incorporated by Reference or Filed Herewith ----- |
|----------------------|---------------------------|---|
| 3.1 | Articles of Incorporation | Incorporated by reference to the Registration Statement on Form S-1 filed with the SEC on October 20, 2008, File No. 333-154455 |

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| | | |
|------|--|---|
| 3.2 | Bylaws | Incorporated by reference to the Registration Statement on Form S-1 filed with the SEC on October 20, 2008, File No. 333-154455 |
| 31.1 | Section 302 Certification of Chief Executive Officer | Filed herewith |
| 31.2 | Section 302 Certification of Chief Financial Officer | Filed herewith |
| 32 | Section 906 Certification of Chief Executive Officer and Chief Financial Officer | Filed herewith |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

May 6, 2010 Ares Ventures Corp.

/s/ Shane Ellis

By: Shane Ellis
(Chief Executive Officer, Chief Financial Officer,
Principal Accounting Officer, President, Secretary,
Treasurer & Sole Director)