Keyser Resources, Inc.
Form 10-Q
November 17, 2010

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

FORM 10-Q

(Mark one)

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

For the quarterly period ended September 30, 2010

|_| TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _________ to ___________

KEYSER RESOURCES, INC.

(Name of small business issuer in its charter)

Nevada	333-159561	N/A
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

61 Sherwood Circle NW, Calgary Alberta T3R 1R3
(Address of principal executive offices) (Zip code)

Issuer's telephone number: (403) 455-7185
Securities registered pursuant to Section 12(b) of the Act: None

N/A
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 Web site, if any, every Interactive Data File 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 [ ] 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 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 [ ]

The number of shares of the registrant's Common Stock, $0.001 par value per share, outstanding as of November 12, 2010 was 5,764,996.

Table of Contents

Keyser Resources Inc.
(An Exploration Stage Company)
Balance Sheets
(Expressed in US dollars)

	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)
ASSETS		
Current Assets		
Cash	132	6,099
Prepaid expenses	–	344
Total Assets	132	6,443
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	7,687	928
Accrued liabilities (Note 5)	25,000	28,507
Due to related party (Note 4)	17,574	–
Total Liabilities	50,261	29,435
Contingencies and Commitments (Note 1 and 5)		
Stockholders' Deficit		
Common stock, 75,000,000 shares authorized, $0.001 par value; 5,764,996 shares issued and outstanding	5,765	5,765
Additional paid-in capital	78,260	78,260
Deficit accumulated during the exploration stage	(134,154)	(107,017)
Total Stockholders' Deficit	(50,129)	(22,992)
Total Liabilities and Stockholders' Deficit	132	6,443

(The Accompanying Notes are an Integral Part of These Unaudited Interim Financial Statements)

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Keyser Resources Inc.
(An Exploration Stage Company)
Statements of Operations
(Expressed in US dollars)
(Unaudited)

	For the Three Months Ended September 30, 2010	For the Three Months Ended September 30, 2009	For the Nine months Ended September 30, 2010	For the Nine months Ended September 30, 2009	Accumulated from November 26, 2007 (Date of Inception) to September 30, 2010
Revenue	–	–	–	–	–
Expenses					
General and administrative	13,468	4,534	26,740	65,364	99,004
Exploration costs	–	8,791	397	13,032	22,670
Management fees	–	12.480	–	12,480	12,480
Total Expenses	13,468	25,805	27,137	90,876	134,154
Provision for Income Tax	–	–	–	–	–
Net Loss for the Period	(13,468)	(25,805)	(27,137)	(90,876)	(134,154)
Loss Per Share – Basic and Diluted	–	–	–	(0.02)	
Weighted Average Common Shares Outstanding	5,765,000	5,765,000	5,765,000	5,765,000	

(The Accompanying Notes are an Integral Part of These Unaudited Interim Financial Statements)

Keyser Resources Inc.
(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in US dollars)
(Unaudited)

	For the Nine months Ended September 30, 2010	For the Nine months Ended September 30, 2009	Accumulated from November 26, 2007 (Date of Inception) to September 30, 2010
Operating Activities			
Net loss for the period	(27,137)	(90,876)	(134,154)
Adjustments to reconcile net loss to net cash used in operating activities:			
Changes in operating assets and liabilities:			
Prepaid expenses	344	–	–
Accounts payable and accrued liabilities	3,252	28,650	32,687
Due to related party	–	12,480	–
Net Cash Used In Operating Activities	(23,541)	(49,746)	(101,467)
Financing Activities			
Advances from related party	17,574	–	17,574
Proceeds from sale of common stock	–	–	84,025
Net Cash Provided By Financing Activities	17,574	–	101,599
(Decrease) Increase in Cash	(5,967)	(49,746)	132
Cash - Beginning of Period	6,099	73,513	–
Cash - End of Period	132	23,767	132
Supplemental Disclosures			
Interest paid	–	–	–
Income taxes paid	–	–	–

(The Accompanying Notes are an Integral Part of These Unaudited Interim Financial Statements)

Keyser Resources Inc.
(An Exploration Stage Company)
Notes to the Unaudited Interim Financial Statements
September 30, 2010
(Expressed in US dollars)

1. Nature of Operations and Continuance of Business

Keyser Resources Inc. (the "Company") was incorporated in the State of Nevada on November 26, 2007. The Company is an Exploration Stage Company as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, Development Stage Entities. The Company has acquired a mineral property located in the province of British Columbia, Canada, and has not yet determined whether this property contains reserves that are economically recoverable.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As at September 30, 2010, the Company has accumulated losses of $134,154 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

On January 19, 2010, the Company filed a Registration Statement on Form S-1/A with the United States Securities and Exchange Commission ("SEC") to register 2,765,000 shares of common stock for resale by existing stockholders of the Company at $0.001 per share until the shares are quoted on the OTC Bulletin Board, and thereafter at prevailing market prices. On February 3, 2010, the Registration Statement was declared effective by the SEC. The Company will not receive any proceeds from the resale of shares of common stock by the shareholders.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars. The Company's fiscal year-end is December 31.

b) Interim Financial Statements

The unaudited financial statements as of September 30, 2010 and for the three months and nine months ended September 30, 2010 and 2009, and for the period November 26, 2007 (inception) to September 30, 2010 have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with instructions to Form 10-Q. In the opinion of management, the unaudited financial statements have been prepared on the same basis as the annual financial statements and reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the financial position as of September 30, 2010 and the results of operations and cash flows for the periods ended September 30, 2010 and 2009, and for the period November 26, 2007 (inception) to September 30, 2010. The financial data and other information disclosed in these notes to the interim financial statements related to these periods are unaudited. The results for the nine month period ended

September 30, 2010 is not necessarily indicative of the results to be expected for any subsequent quarter of the entire year ending December 31, 2010. The balance sheet at December 31, 2009 has been derived from the audited financial statements at that date.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the Securities and Exchange Commission's rules and regulations. These unaudited financial statements should be read in conjunction with our audited financial statements and notes thereto for the year ended December 31, 2009 as included in our Form 10-K filed with the Securities and Exchange Commission.

Keyser Resources Inc.
(An Exploration Stage Company)
Notes to the Unaudited Interim Financial Statements
September 30, 2010
(Expressed in US dollars)

2. Summary of Significant Accounting Policies (continued)

c) Recent Accounting Pronouncements

In February 2010, FASB issued ASU No. 2010-09, Amendments to Certain Recognition and Disclosure Requirements (ASU 2010-09). This update amends Subtopic 855-10 and gives a definition to SEC filer, and requires SEC filers to assess for subsequent events through the issuance date of the financial statements. This amendment states that an SEC filer is not required to disclose the date through which subsequent events have been evaluated for a reporting period. ASU 2010-09 becomes effective upon issuance of the final update. The Company adopted the provisions of ASU 2010-09 for the period ended September 30, 2010.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. Mineral Property

On June 11, 2008, the Company entered into an agreement with Bearclaw Capital Corp. ("Bearclaw") to acquire a 90% interest in certain mineral claims located in British Columbia, Canada by making exploration expenditures totalling CDN$150,000 and paying CDN$12,500 by September 30, 2010. The Company has paid US$12,292 to the seller in full satisfaction of the CDN$12,500 requirement. Our progress toward meeting the exploration expenditure requirement is as follows:

Expenditures:

i. CDN$5,000 (paid US$4,492) by December 31, 2008;

ii. CDN$25,000 (paid US$4,722 – balance unpaid is CDN$20,000) by July 31, 2010, and;

iii. CDN$120,000 by September 30, 2010 (not paid).

Upon fulfilling the above obligations, the Company will have earned a 90% interest in the property. Bearclaw's 10% interest is a fully carried interest through to production. The Company is in the process of negotiating an extension to the terms of the agreement.

4. Related Party Transaction

As at September 30, 2010, the Company owes the president of the Company $17,574 (December 31, 2009 - $Nil) for cash advances provided to the Company. This amount is unsecured, non-interest bearing and has no specific terms of repayment.

5. Commitment

On February 11, 2009, the Company entered into an agreement with an attorney to pay US$25,000 (paid February 13, 2009) in legal fees relating to the preparation and filing of a Form S-1 Registration Statement, and is obligated to pay an additional US$25,000 in legal fees once the Registration Statement has been declared effective by the SEC. The Registration Statement was declared effective by the SEC on February 3, 2010. The US$25,000 has not been paid to-date.

6. Subsequent Event

The Company has determined that there were no subsequent events up to and including the date of the issuance of these financial statements that warrant disclosure or recognition in the financial statements.

ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Special Note on Forward-Looking Statements

This Form 10-Q contains “forward-looking statements.” Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “believes” or “does not believe”, "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation, risks related to:

- risks and uncertainties relating to the interpretation of sampling results, the geology, grade and continuity of mineral deposits;

- risks and uncertainties that results of initial sampling and mapping will not be consistent with our expectations;

- the potential for delays in exploration activities;

- the substantial risk that no commercially viable gold or copper deposits will be found as a result of the speculative nature of mineral property exploration

- risks related to the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses;

- failure to make required payments or expenditures that could lead to the loss of title to the mineral claim

- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms for our planned exploration program;

- other risks and uncertainties related to our mineral property, mining business and business strategy.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the sections titled "Risk Factors", "Description of the Business" and "Management's Discussion and Analysis" of this Form 10-Q. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. Forward-looking statements speak only as of the date made. Except as required by law, we disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Background

COMPANY HISTORY

We are a start-up exploration stage company without significant operations and we are in the business of gold and copper exploration. Keyser Resources Incorporated was incorporated in the State of Nevada on November 26, 2007. On the date of our incorporation, we appointed Maurice Bidaux as our Director. Mr. Bidaux was then appointed President, Principal Financial Officer, Principal Accounting Officer and Secretary of our company. Our principal office is located at 61 Sherwood Circle NW, Calgary Alberta T3R 1R3. Our telephone number is (403) 455-7185.

OUR BUSINESS

On June 11, 2008 we signed an option agreement with Bearclaw Capital Corporation ("Bearclaw") to acquire 90% interest in the Rey Lake Property, which is located in the Nicola Mining Division of British Columbia, 45 kilometers north-west of Merrit, British Columbia, Canada. There is no assurance that a commercially viable deposit exists on this mineral claim. Exploration will be required before a final evaluation as to the economic and legal feasibility of the mineral claim is determined.

The agreement with Bearclaw allows Keyser to acquire the 90% interest in the Rey Lake Property by making exploration expenditures totaling CDN$150,000 (approximately US$156,000 using current translation rates) through September 30, 2010 and paying CDN $12,500 (approximately US$ 13,000) to Bearclaw by September 30, 2010. The Company has paid US$12,292 to the seller in full satisfaction of the CDN$12,500 requirement. Our progress toward meeting the exploration expenditure requirement is as follows: (1) CDN$5,000 (paid US$4,492) by December 31, 2008; (2) CDN$25,000 (paid US$4,722 – balance unpaid is CDN$20,000) by July 31, 2010; and (3) CDN$120,000 by September 30, 2010 (unpaid).

The agreement with Bearclaw was amended on September 28, 2009 to extend a requirement for an interim exploration milestone from September 30, 2009 to July 31, 2010. The option agreement required that Bearclaw transfer title to us within 30 days of signing the agreement. On our request, Bearclaw transferred title to our President, Mr. Maurice Bidaux, who has executed a trust agreement and has agreed to hold the claim in trust for us (since British Columbia laws prevent a Nevada corporation from holding title directly). If we do not make the exploration expenditures, we will forfeit our right to exercise the option.

The Company has not met the milestones that needed to be met by September 30, 2010 and is in the process of negotiating an extension to the terms of the agreement.

BUSINESS DEVELOPMENT

Our President, Mr. Bidaux, has had an interest in British Columbia mineral exploration for over 12 years having invested in B.C. and other Western Canada publicly listed mineral exploration companies over that period. Mr. Bidaux decided to start a mineral exploration company on November 26, 2007 after years of experience in investing in publicly listed mineral exploration companies and observing that the commodity prices for gold, zinc, copper and other minerals appeared to be at a sustained attractive level.

Mr. Bidaux believed he had located claims of merit in the Omineca Mining District using the Province of British Columbia's on-line staking system and staked 4 claims on our behalf in April 2008. These claims proved to be not viable after consulting a geologist at Discovery Consultants Inc. Mr. Bidaux then approached Discovery Consultants Inc., about attractive unencumbered properties that Discovery might be able to identify for us to acquire and develop.

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The tenure number of the Rey Lake mineral claim is 510210. Under the British Columbia Mineral Tenure Act, title to British Columbia mineral claims can only be held by individuals or British Columbia corporations. Because of this regulation, our President is holding the mineral claim in trust for us until we can determine whether there is a commercially viable copper/gold/molybdenum deposit on our claim. If we determine that there is a commercially viable gold and/or copper deposit on our claim we will incorporate a British Columbia subsidiary to hold title to the claim and our President will transfer the mineral claim to the subsidiary. The transfer will be at no cost to us other than the costs associated with the incorporation of the British Columbia subsidiary.

In November 2008, we engaged a professional geoscientist named Agnes Koffyberg, who is familiar with the Nicola Mining District area to develop a report about the Rey Lake property that we optioned from Bearclaw. Agnes Koffyberg was introduced to us through Bill Gilmour, P. Eng. of Discovery Consultants. Discovery Consultants was contracted to assess the properties staked in the Nicola Mining District. The report entitled “Report on the Rey Lake Property” dated November 28, 2008 describes the mineral claim, the regional geology, the mineral potential of the claim and recommendations how we should explore the claim.

PLAN OF OPERATION

The agreement with Bearclaw allows Keyser to acquire the 90% interest in the Rey Lake Property by making exploration expenditures totalling CDN$150,000 (approximately US$156,000 using current translation rates) through September 30, 2010 and paying CDN $12,500 (approximately US$ 13,000) to Bearclaw by September 30, 2010. The Company has paid US$12,292 to the seller in full satisfaction of the CDN$12,500 requirement. Our progress toward meeting the exploration expenditure requirement is as follows: (1) CDN$5,000 (paid US$4,492) by December 31, 2008; (2) CDN$25,000 (paid US$4,722 – balance unpaid is CDN$20,000) by July 31, 2010; and (3) CDN$120,000 by September 30, 2010 (unpaid).

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Our consulting geologist Agnes Koffyberg has written the Rey Lake Geologist Report providing us with recommendations of how we should explore our claim. The potential economic significance of the mineral claim is that according to the Rey Lake Geologist Report, the known mineralization has been classified as a porphyry-copper-molybdenum type deposit and contains zones of skarn alteration within the meta-sedimentary layers. Further, according to the Rey Lake Geologist Report, our property has the potential to host a deposit containing copper-molybdenum and gold mineralization.

Regionally, the Property is situated in a geologically prospective area that has proven historic copper-molybdenum mineralization. On the property, copper-molybdenum mineralization has been shown to occur for a distance of about 325m from DDH 75-24 (81m of 0.21% Cu, 0.023% Mo) to 72-6 (“skarn zone”) to DDH72-1 and 2 (“breccia zone), in a north-northwest to south-southeast direction. It remains open to the north and south. Best host rocks for copper-molybdenum appear to be the “breccia zone” and the “skarn zone”, although copper and molybdenum mineralization have also been encountered within altered and fractured andesites and within the quartz monzonite stock.

Due to thick sequences of overburden, (Overburden refers to the loose soil, silt, sand, gravel or other unconsolidated material overlying bedrock. Overburden is removed during surface mining, but is typically not contaminated with toxic components and may be used to restore a mining site to a semblance of its appearance before mining began.) the effectiveness of geological mapping and rock sampling are limited. Therefore, as recommended by our geologist, MMI soil sampling, (Mobile Metal Ion measurement), as done by a company called Southern Rio in 2005 will be utilized as it is more effective than conventional B-horizon soil sampling due to our properties areas of thick overburden.

It is the geologist’s conclusion in the Rey Lake Geologist's Report that the Rey Lake Property is a property of merit and it is recommended that further exploration be carried out on the Property. A program to identify extensions of altered mineralized rock is recommended with initial work consisting of an extensive gridded MMI soil survey with the aim of determining further drill targets. Depending on the results, targets could be follow-up by a diamond drill program. If this work is successful in encountering copper-molybdenum-gold mineralization, more drilling and investment will be required to properly evaluate the Property.

Our objective is to conduct exploration activities on our mineral claim to assess whether the claim possesses any commercially viable gold/copper/molybdenum deposits. Until we can validate otherwise, the claim is without known reserves and we are planning a two phase program to explore our claim. Access to the claim is limited to the period of April 1 to October 31 of each year due to snow in the area. This means that our exploration activities are limited to a period of about seven months per year. We will explore our claim between April 1, 2010 and October 31, 2010. Our goal is to complete our Phase One of exploration within this period. Prior to carrying out a drill program on the Property, Keyser will carry out the recommended MMI soil survey to test for copper-molybdenum-gold mineralization below areas of thick overburden as described above.

Before the soil survey is performed, permission from private landowners is required. As mentioned in the Rey Lake Geologist Report, a land title search shows much of the property is on private land. Also, the present access road to the property also passes through several private land lots. Land owners must be given a ten day advance notice when access to the property is required. Discovery Consultants of Vernon B.C. prepared letters of notice of work to the landowners and sent them out in August, 2009. Work can commence any time after 8 days after the landowners receive the notice. No reply or follow-up is necessary unless a landowner expresses a concern. To date, no concerns have been expressed by any landowner.

To make best use of our funds, our Phase One Exploration program targets, as recommended by our geologist, testing in locations with a higher probability of success based on favorable geology and as a logical follow-up to areas of previous work performed on the site. If the high priority targets recommended do not result in economically viable results, we can move on to another area without the unnecessary expenditures to continue exploration of areas considered to be lower priority targets (lower probability of success) by our geologist or consider letting the option on the Rey Lake property expire.

Our plan of operation for the next twelve months is to complete the following objectives within the time periods specified, subject to our obtaining any additional funding necessary for the continued exploration of our Rey Lake mineral property. We anticipate that we have enough funds to complete our Phase One exploration program. We do not have enough funds to complete Phase Two of our program. Our President, Mr. Bidaux is not obligated to provide personally any necessary funding for the listed programs. Mr. Bidaux, however, will use his best efforts to arrange for the financing of the shortfall We intend to raise the funds for our near-term 12-month cash requirements from private placements, shareholder loans or possibly a registered public offering (either self-underwritten or through a broker-dealer). If we are unsuccessful in raising enough money through future capital raising efforts, we may review other financing possibilities such as bank loans. At this time we do not have any commitments from any broker-dealer to provide us with financing.

We do not currently have any full time or part time employees. Our sole director and officer works as part time consultant in the areas of business development and management, contributing approximately 20% of his time to us. We currently engage independent contractors in the areas of accounting, geologist services, legal, and auditing services. We intend to retain the services of independent geologists, prospectors and consultants on a contract basis to conduct the exploration programs on our Rey Lake mineral property.

Results of Operations

We have had no operations from our inception on November 26, 2007, through to June 11, 2008. On June 11, 2008 we signed an option agreement with Bearclaw Capital Corporation (“Bearclaw”) to acquire 90% interest in the Rey Lake Property, which is located in the Nicola Mining Division of British Columbia, 45 kilometers north-west of Merrit, British Columbia, Canada. The agreement with Bearclaw allows Keyser to acquire the 90% interest in the Rey Lake Property by making exploration expenditures totalling CDN$150,000 (approximately US$156,000 using current translation rates) through September 30, 2010 and paying CDN $12,500 (approximately US$ 13,000) to Bearclaw by September 30, 2010. The Company has paid US$12,292 to the seller in full satisfaction of the CDN$12,500 requirement. Our progress toward meeting the exploration expenditure requirement is as follows: (1) CDN$5,000 (paid US$4,492) by December 31, 2008; (2) CDN$25,000 (paid US$4,722 – balance unpaid is CDN$20,000) by July 31, 2010; and (3) CDN$120,000 by September 30, 2010 (unpaid).

We have not generated any revenue since our inception. For the periods below, we had the following expenses:

	For the three months ended September 30, 2010	For the year ended December 31, 2009	Accumulated from November 26, 2007 to September 30, 2010
General and administrative	$ 13,468	$ 71,271	$ 99,004
Exploration	-	9,283	22,670
Management fees	-	12,480	12,480

	13,669	93,034	134,154

For the three months ended September 30, 2010, we incurred $13,468 in general and administrative expenses compared to $4,534 in general and administrative expenses for the three months ended September 30, 2009. For the nine months ended September 30, 2010, we incurred $397 in exploration costs and $26,740 in general and administrative expenses compared to $13,032 in exploration costs, $65,364 in general and administrative expenses and $12,480 in management fees for the nine months ended September 30, 2009. We will not be able to continue our exploration until we raise additional capital.

On February 11, 2009, we entered into an agreement with a law firm to pay $25,000 in upfront legal fees relating to the preparation and filing of a Form S-1 Registration Statement, and we are obligated to pay an additional $25,000 in legal fees once the Registration Statement has been declared effective by the Securities and Exchange Commission.

Liquidity and Capital resources

The following is a summary of our balance sheet as of September 30, 2010 and December 31, 2009:

	September 30, 2010 ($)	December 31, 2009 ($)
Cash	132	6,099
Current Liabilities	50,261	29,435
Working Capital	(50,129)	(22,992)
Stockholders’ Equity	(50,129)	(22,992)

As of September 30, 2010 and December 31, 2009, we had a negative working capital balance as a result of commitments to professional firms.

We anticipate that we need an additional financing of approximately $65,000 for the next 6 months beginning in January 2010 to pay for our current liabilities (approximately $30,000) incurred in connection with legal and other expenses for the registration of these shares and management expenses, to pay for other operating expenses (approximately $10,000) and to complete the Phase One Exploration Program (approximately $25,000).

If we continue to our Phase Two Exploration Program, we will have to raise an additional $200,000 for the next 12 months beginning in January 2010 to pay for our current liabilities (approximately $40,000) incurred in connection with legal and other expenses for the registration of these shares and management expenses, to pay for other operating expenses (approximately $25,000), to complete the Phase One Exploration Program (approximately $21,450), $120,000 in exploration expenditures and a $7,500 payment to Bearclaw to satisfy our agreement with Bearclaw.

The agreement with Bearclaw allows Keyser to acquire the 90% interest in the Rey Lake Property by making exploration expenditures totalling CDN$150,000 (approximately US$156,000 using current translation rates) through September 30, 2010 and paying CDN $12,500 (approximately US$ 13,000) to Bearclaw by September 30, 2010. The Company has paid US$12,292 to the seller in full satisfaction of the CDN$12,500 requirement. Our progress toward meeting the exploration expenditure requirement is as follows: (1) CDN$5,000 (paid US$4,492) by December 31, 2008; (2) CDN$25,000 (paid US$4,722 – balance unpaid is CDN$20,000) by July 31, 2010; and (3) CDN$120,000 by September 30, 2010 (unpaid). The Company has not met the milestones that needed to be met by September 30, 2010 and is in the process of negotiating an extension to the terms of the agreement.

We intend to raise the funds for our near-term 12-month cash requirements from private placements, shareholder loans or possibly a registered public offering (either self-underwritten or through a broker-dealer). If we are unsuccessful in raising enough money through future capital raising efforts, we may review other financing possibilities such as bank loans. At this time we do not have any commitments from any broker-dealer to provide us with financing.

There are no assurances that we will be able to achieve further sales of our common stock or any other form of additional financing. If we are unable to achieve the financing necessary to continue our plan of operations, then we will not be able to continue our exploration of the Rey Lake mineral property and our business will fail.

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Private Placements

To date, in addition to an issuance to Mr. Maurice Bidaux of 3,000,000 shares of common stock at $0.001 per share for cash proceeds of $3,000, we have raised $81,025 through two private placements completed in April 2008 and December 2008. The following table summarizes the date of offering, the price per share paid, the number of shares sold and the amount raised for these private placements. All of these issuances were made to non-US investors pursuant to exemptions contained in Regulation S of the Securities Act of 1933.

Closing Date of Offering	Price Per Share Paid	Number of Shares Sold	Amount Raised
April 28, 2008	$0.015	1,635,000	$24,525
December 24, 2008	$0.05	1,130,000	$56,500

Going Concern

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive exploration activities. For these reasons our auditors stated in their report that they have substantial doubt we will be able to continue as a going concern.

Accounting and Audit Plan

We intend to continue to have our outside consultant assist us in the preparation of our quarterly and annual financial statements and have these financial statements reviewed or audited by our independent auditor. Our outside consultant is expected to charge us approximately $800 to prepare our quarterly financial statements and approximately $800 to prepare our annual financial statements. Our independent auditor is expected to charge us approximately $1,200 to review our quarterly financial statements and approximately $5,000 to audit our annual financial statements. In the next twelve months, we anticipate spending approximately $10,000 to pay for our accounting and audit requirements.

Off-balance sheet arrangements

We have no significant 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 stockholders.

Critical Accounting Policies

Our financial statements are impacted by the accounting policies used and the estimates and assumptions made by management during their preparation. A complete summary of these policies is included in Note 2 of the notes to our historical consolidated financial statements. We have identified below the accounting policies that are of particular importance in the presentation of our financial position, results of operations and cash flows and which require the application of significant judgment by management.

Mineral Property Costs

We have been in the exploration stage since our inception on November 26, 2007 and have not yet realized any revenues from our planned operations. We are primarily engaged in the acquisition and exploration of mining properties. Mineral property exploration costs are expensed as incurred. Mineral property acquisition costs are initially capitalized when incurred using the guidance in EITF 04-02, “Whether Mineral Rights Are Tangible or Intangible Assets”. We assess the carrying costs for impairment under SFAS 144, “Accounting for Impairment or Disposal of Long Lived Assets” at each fiscal quarter end. When we have been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

N/A

Item 4T. Controls and Procedures.

N/A

We conducted an evaluation under the supervision and with the participation of our management, of the effectiveness of the design and operation of our disclosure controls and procedures. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (“Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive and principal financial officers concluded as of September 30, 2010 that our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses in our internal controls over financial reporting discussed immediately below.

This quarterly report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permits us to provide only management's report in this quarterly report.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our 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. Also, 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.

Management assessed the effectiveness of our internal control over financial reporting as of September 30, 2010. Based on this assessment, management concluded that the Company did not maintain effective internal controls over financial reporting as a result of the identified material weakness in our internal control over financial reporting described below. In making this assessment, management used the framework set forth in the report entitled Internal

Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring.

Identified Material Weakness

A material weakness in our internal control over financial reporting is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Management identified the following material weakness during its assessment of internal controls over financial reporting as of September 30, 2010:

Resources: As of September 30.2010, we had no full-time employees. As a result, there is a lack of proper segregation of duties necessary to insure that all transactions are accounted for accurately and in a timely manner.

Written Policies & Procedures: We need to prepare written policies and procedures for accounting and financial reporting to establish a formal process to close our books monthly on an accrual basis and account for all transactions, including equity transactions, and prepare, review and submit SEC filings in a timely manner.

Management's Remediation Initiatives

As our resources allow, we plan to prepare written policies and procedures for accounting and financial reporting to establish a formal process to close our books monthly on an accrual basis and account for all transactions, including equity transactions.

(b) Changes In Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting during this fiscal quarter that materially affected, or is reasonably likely to have a materially affect, on our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

We are not aware of any pending or threatened legal proceedings which involve Keyser Resources Incorporated or any of our properties.

Item 1A. Risk Factors.

There have been no material changes in our risk factors from those disclosed in our Form 10-K filed with the SEC on April 15, 2010, for the period ended December 31, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None

Item 3. Defaults Upon Senior Securities.

None.

Item 4. (Removed and Reserved).

Item 5. Other Information.

None

Item 6. Exhibits.

31	Certification of Periodic Financial Reports by Clint Parr in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Periodic Financial Reports by Clint Parr in satisfaction of Section 906 of the Sarbanes-Oxley Act of 2002 and 18 U.S.C. Section 1350

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

KEYSER RESOURCES INCORPORATED

By:	/s/ Maurice Bidaux
Name:	Maurice Bidaux
Title:	President, Chief Executive Officer and Chief Financial Officer Principal Executive Officer and Principal Financial Officer
Date:	November 17, 2010