

**QUARTERLY REPORT  
INFORMATION AND DISCLOSURE STATEMENT**  
Pursuant to Rule 15c2-(11)(a)(5)

For

**SOUTHRIDGE ENTERPRISES, INC.**

May 31, 2012

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11 (a)(5) promulgated under the Securities and Exchange Act of 1934, as amended. The enumerated captions contained herein correspond to the sequential format as set forth in the rule.

**“We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction.”**

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***Item 1. Exact name of the issuer and the address of its principal executive offices.***

The name of the Issuer is: ***Southridge Enterprises, Inc.***

***Southridge Enterprises, Inc.***

3625 N. Hall Street, Suite 900

Dallas TX 75219

(214) 699.6255

e-Mail - info@southridgeminerals.com

www.southridgeminerals.com

***Item 2. Shares Outstanding.***

Period End Date: May 31, 2012

***Common Stock***

- (i) Number of shares authorized: 1,000,000,000
- (ii) Number of shares outstanding: 799,900,868
- (iii) Freely tradable shares (public float): 399,773,230
- (iv) Total number of beneficial shareholders: 1
- (v) Total number of shareholders of record: 131

**SOUTHRIDGE ENTERPRISES INC.**  
**(A Development Stage Company)**  
Unaudited Financial Statements

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**SOUTHRIDGE ENTERPRISES, INC.**  
**(A Development Stage Company)**  
**Consolidated Balance Sheets**

	<u>(Unaudited)</u> May 31, 2012	<u>(Unaudited)</u> August 31, 2011
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,966,374	\$ 660,483
Plant and Equipment (net of depreciation)	\$ 12,902,614	\$ 12,957,624
Intellectual Property	2,500,000	2,500,000
Land	850,000	850,000
Mineral Properties	7,857,100	7,500,000
Mineral Production Facilities	950,560	-
Exploration and Prospecting Equipment (net)	482,798	302,893
Utility Vehicles and Accessories (net)	223,688	146,238
Total Assets	<u>\$ 27,733,134</u>	<u>\$ 24,917,238</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Account Payable	\$ 92,284	\$ 11,623
Demand loans – former related party	1,063,773	973,780
Interest Payable	21,687	12,489
Total Current Liabilities	<u>1,177,744</u>	<u>997,892</u>
Non-current Liabilities		
Debentures	5,942,450	5,435,748
Notes Payable - Properties	6,019,728	1,122,702
Total Liabilities	<u>\$ 11,962,178</u>	<u>\$ 6,558,450</u>
Stockholders' Equity		
Common stock, \$0.001 par value, authorized 1,000,000,000 shares, 799,900,868 issued at May 31, 2012 and 966,937,868 issued at August 31, 2011	799,900	966,937
Additional paid-in Capital	14,895,408	16,995,408
Deficit accumulated during development stage	(1,102,096)	(601,449)
Total stockholders' equity (deficiency)	<u>\$ 14,593,212</u>	<u>\$ 17,360,896</u>
Total Liabilities and Stockholders' Equity	<u>\$ 27,733,134</u>	<u>\$ 24,917,238</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHRIDGE ENTERPRISES, INC.**

(A Development Stage Company)

Consolidated Statements of Operations

(Unaudited)

	For the Three Months Ended		For the Nine Months Ended		Accumulated
	May 31,		May 31,		Since
	2012	2011	2012	2011	May 4, 2004
					Inception of
					Development
					Stage
Revenues	\$ 942,314	\$ -	\$ 942,314	\$ -	\$ 12,702,314
Cost of Goods	-	-	-	-	(6,727,000)
Net Revenues	<u>942,314</u>	<u>-</u>	<u>942,314</u>	<u>-</u>	<u>5,975,314</u>
Expenses					
Consulting fees	\$ 145,731	\$ 36,761	\$ 192,968	\$ 64,978	\$ 1,803,630
General and Administrative	16,569	98,478	95,009	204,776	1,115,326
Investor Relations	11,246	4,912	18,664	8,243	271,992
Legal	68,924	-	68,924	-	68,924
Leases - Surface Rights - CM Agrarian Community	45,730	-	45,730	-	45,730
Leases - Vehicle & Facilities	34,900	-	34,900	-	34,900
Security	6,232	-	6,232	-	6,232
Travel	36,872	-	36,872	-	36,872
Mineral Property Costs - Other	22,341	254,627	333,857	462,871	1,063,736
Total Expenses	<u>388,545</u>	<u>394,778</u>	<u>833,156</u>	<u>740,868</u>	<u>4,447,342</u>
Other Expenses					
Financing Fees	-	212,500	-	425,000	425,000
Loss of Sale of Land	-	-	-	-	375,000
Depreciation Expense	20,791	13,243	65,548	39,729	207,995
Interest Expense	221,367	102,637	544,257	307,910	1,622,073
Net Income (Loss)	<u>\$311,611</u>	<u>(\$723,158)</u>	<u>(\$500,647)</u>	<u>(\$1,513,507)</u>	<u>(\$1,102,096)</u>
Weighted Average Shares	<u>799,900,868</u>	<u>880,137,111</u>	<u>799,900,868</u>	<u>880,137,111</u>	
Net Income (Loss) Per Common Share	<u>0.0004</u>	<u>(0.0008)</u>	<u>(0.0006)</u>	<u>(0.0017)</u>	

The accompanying notes are an integral part of these financial statements.

**SOUTHRIDGE ENTERPRISES, INC.**  
(A Development Stage Company)  
Statement of Stockholders' Equity at May 31, 2012  
(Expressed in US Dollars)

	Common Stock		Paid In Capital In Excess of Par Value	Deficit Accumulated From 4-May-04 Inception of Development Stage	Total Stockholders' Equity (Deficiency)
	Shares	Amount			
Balance at May 4, 2004 (inception)	-	\$ -	\$ -	\$ -	\$ -
Common stock issued for cash					
(\$0.01 per share)	30,000,000	30,000	(24,000)	-	6,000
(\$0.02 per share)	21,675,000	21,675	65,038	-	86,713
Net loss - May 4, 2004 to August 31, 2004	-	-	-	(36,870)	(36,870)
Balance at August 31, 2004	51,675,000	51,675	41,038	(36,870)	55,843
Net loss	-	-	-	(45,025)	(45,025)
Balance at August 31, 2005	51,675,000	51,675	41,038	(81,895)	10,818
Net loss	-	-	-	(28,414)	(28,414)
Balance at August 31, 2006	51,675,000	51,675	41,038	(110,309)	(17,596)
Stock issued for consulting services at \$.15/share	1,330,000	1,330	198,170	-	199,500
Net loss	-	-	-	(1,038,820)	(1,038,820)
Balance at August 31, 2007	53,005,000	\$ 53,005	\$ 239,208	\$ (1,149,129)	\$ (856,916)
Stock issued for technology acquisition at \$.05/share January 2008	50,000,000	50,000	2,450,000		2,500,000
Share consolidation 103,005,000 outstanding @ 1: 10 March 6, 2008	10,300,500	10,300	2,781,913		
Stock issued for debt conversion at \$.01/share March 2008	117,751,600	117,751	1,059,764		1,177,516
Stock issued for debt conversion at \$.10/share April 2008	315,584	315	31,584		31,900
Stock issued for consulting services at \$.05/share July 2008	854,316	854	41,862		42,716
Stock issued for plant & property acquisition at \$.05/share July 2008	145,000,000	145,000	7,105,000		7,250,000
Share consolidation 274,222,000 outstanding @ 1: 2,000 October 23, 2008	137,111	137	11,294,208		
Electronic book entry correction November 2008	757				
Stock issued for mineral properties acquisition at \$.00625/share March 2009	800,000,000	800,000	4,200,000		5,000,000
Net Income	-	-	-	3,504,550	3,504,550
Balance at August 31, 2009	800,137,868	\$ 800,137	\$ 15,494,208	\$ 2,355,421	\$ 18,649,766
Stock issued for debt conversion at \$.01/share July 2010	80,000,000	80,000	720,000		800,000
Net Loss	-	-	-	(952,783)	(952,783)
Balance at August 31, 2010	880,137,868	\$ 880,137	\$ 16,214,208	\$ 1,402,638	\$ 18,496,983
Stock issued for debt conversion at \$.01/share August 2011	86,800,000	86,800	781,200		868,000

The accompanying notes are an integral part of these financial statements.

**SOUTHRIDGE ENTERPRISES, INC.**  
(A Development Stage Company)  
Statement of Stockholders' Equity at May 31, 2012  
(Expressed in US Dollars)

Net Loss	-	-	-	(2,004,087)	(2,004,087)
Balance at August 31, 2011	966,937,868	\$ 966,937	\$ 16,995,408	\$ (601,449)	\$ 17,360,896
Stock issued for debt conversion at \$0.01/share November 2011	76,147,000	76,147	-	-	76,147
Stock purchased and retired to treasury in November 2011	(200,000,000)	(200,000)	(1,050,000)	-	(1,250,000)
Net Loss for Three Months Ending November 30, 2011	-	-	-	(394,752)	(394,752)
Balance at November 30, 2011	843,084,868	\$ 843,084	\$ 15,945,408	\$ (996,201)	\$ 15,792,291
Net Loss for Three Months Ending February 29, 2012	-	-	-	(417,506)	(417,506)
Balance at February 29, 2012	843,084,868	\$ 843,084	\$ 15,945,408	\$ (1,413,707)	\$ 15,374,785
Stock issued for debt conversion at \$0.01/share April 2012	82,254,000	82,254	-	-	82,254
Stock issued for debt conversion at \$0.01/share May 2012	74,562,000	74,562	-	-	74,562
Stock purchased and retired to treasury in May 2012	(200,000,000)	(200,000)	(1,050,000)	-	(1,250,000)
Net Income (Loss) for Three Months Ending May 31, 2012	-	-	-	311,611	311,611
Balance at May 31, 2012	799,900,868	\$ 799,900	\$ 14,895,408	\$ (1,102,096)	\$ 14,593,212

The accompanying notes are an integral part of these financial statements.



**SOUTHRIDGE ENTERPRISES, INC.**  
**(A Development Stage Company)**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	For the Nine Months Ending May 31,		Deficit Accumulated Since May 4, 2004 Inception of Development Stage
	2012	2011	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Net Income/(Loss)	(\$500,647)	(\$952,783)	(\$1,102,096)
Adjustment to reconcile Net Income/(Loss) in operations:			
Stock issued for consulting expenses	-	-	242,216
Change in non-cash working capital items:			-
Increase (decrease) in depreciation expense	185,548	54,638	258,492
Increase (decrease) in accounts payable	130,661	(7,377)	38,061
Increase (decrease) in interest/notes payable	544,257	363,020	1,126,271
Net cash from operating activities	<u>\$359,819</u>	<u>(\$542,502)</u>	<u>562,944</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
Plant construction costs	-	-	(412,4613)
Purchase of plant & equipment	-	-	(7,250,000)
Purchase of mineral properties & equipment	(1,109,317)	-	(9,058,448)
Debt / Share retirement	(2,732,963)	(800,000)	(5,578,479)
Purchase of property	-	-	(587,500)
Land - loss on disposal adjustment	-	375,000	(375,000)
Net cash used in investing activities	<u>(\$3,842,280)</u>	<u>(\$425,000)</u>	<u>(\$26,224,040)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>			
Increase (decrease) in demand loans – related party	-	-	849,762
Issuance of common stock	232,963	800,000	15,450,192
Debenture / Loan Proceeds	5,000,000	-	10,150,000
Proceeds from Line of Credit	-	-	1,177,516
Net cash provided by financing activities	<u>\$5,232,963</u>	<u>800,000</u>	<u>\$27,627,470</u>
Net increase (Decrease) in Cash and Cash Equivalents	\$1,750,502	(167,502)	\$1,966,374
Cash and Cash Equivalents at the Beginning of Period	\$215,872	256,749	-
Cash and Cash Equivalents at the End of the Period	\$1,966,374	\$ 89,247	\$1,966,374
<b><u>SUPPLEMENTAL CASH FLOW INFORMATION:</u></b>			
Interest	\$ -	\$ -	\$ -
Income Taxes	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

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SOUTHRIDGE ENTERPRISES, INC.  
(A Development Stage Company)  
Notes to Consolidated Financial Statements  
(Expressed in US Dollars)

**1. Organization and Continuance of Operations**

This summary of accounting policies for Southridge Enterprises Inc. is presented to assist in understanding the Company's consolidated financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the consolidated financial statements.

Southridge Enterprises Inc. (the "Company") was incorporated in the State of Nevada on May 4, 2004. The Company was originally organized to explore mineral properties in British Columbia, Canada. The Company's fiscal year end is August 31. The Company conducted its exploration activities in British Columbia through Southridge Exploration Inc., a wholly-owned British Columbia corporation incorporated on July 19, 2004). Based on a review of the mineralization data of its claims, the Company abandoned these mineral property claims. The Company is based in Dallas, TX, and remains partially in the ethanol industry, but is in the process of completely divesting from all ethanol assets and interests due to severe economic challenges in the alternative energy markets. The Company has begun to re-focus its business back into the mineral exploration industry and is currently concentrating the majority of its efforts and resources on properties in Mexico.

These consolidated financial statements are presented on the basis that the Company is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business over a reasonable length of time. As of May 31, 2012, the Company had a cash balance of \$1,966,374 working capital of \$1,966,374, stockholders' equity of \$14,593,212 and an accumulated net loss of \$1,102,096 since inception. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Its continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing or refinancing as may be required, to develop a commercially viable ethanol production facility or a mineral producing property to ultimately establish sustained profitable operations.

Management's plans for the continuation of the Company as a going concern include financing the Company's operations through issuance of its common stock. If the Company is unable to complete its financing requirements or achieve revenue as projected, it will then modify its expenditures and plan of operations to coincide with the actual financing completed and actual operating revenues. There are no assurances, however, with respect to the future success of these plans.

Unless otherwise indicated, amounts provided in these notes to the consolidated financial statements pertain to continuing operations.

The Company is currently earning revenues.

**Basis of Presentation**

The accompanying consolidated balance sheets and related statements of operations, cash flows, and stockholders' equity (deficiency) include all adjustments, consisting of normal recurring items, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results and outcomes may differ from management's estimates and assumptions.

**2. Summary of Significant Accounting Policies**

**a) Consolidation**

The consolidated financial statements include the accounts of Southridge Enterprises Inc. and its wholly owned subsidiaries, Southridge Minerals, Inc., Southridge Ethanol, Inc., and, Southridge Environmental, Inc.

All significant inter-company transactions and balances have been eliminated.

SOUTHRIDGE ENTERPRISES, INC.  
(A Development Stage Company)  
Notes to Consolidated Financial Statements  
(Expressed in US Dollars)

**(b) Use of Estimates and Assumptions**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(c) Foreign Currency translation**

In accordance with the Financial Accounting Standards Board (“FASB”) Statement of Financial Accounting Standards No. 52 (“SFAS No. 52”), “Foreign Currency Translation”, the United States dollar is considered the functional currency. Accordingly, the Company translates its monetary assets and liabilities at year-end exchange rates, and income, expenses and cash flows at average exchange rates. Non-monetary assets and liabilities are translated in the rates prevailing at the dates the assets were acquired and liabilities were incurred. The resulting translation adjustment is recorded as a component of accumulated other comprehensive loss in the accompanying consolidated balance sheet.

**(d) Cash**

Cash consists of cash on deposit with high quality major financial institutions, and to date the Company has not experienced losses on any of its balances. The carrying amounts approximated fair market value due to the liquidity of these deposits. For purposes of the consolidated balance sheets and consolidated statements of cash flows, the Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. At May 31, 2012, the Company had \$1,966,374 in cash equivalents.

**(e) Concentration of Credit Risk**

The Company has no significant off-balance-sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements. The Company maintains the majority of its cash balances with one financial institution, in the form of demand deposits.

**(f) Long-Lived Assets**

The Company accounts for long-lived assets under the FASB Statements of Financial Accounting Standards Nos. 142 and 144 “Accounting for Goodwill and Other Intangible Assets” and “Accounting for Impairment or Disposal of Long-Lived Assets” (“SFAS No. 142 and 144”). In accordance with SFAS No. 142 and 144, long-lived assets, goodwill and certain identifiable intangible assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, goodwill and intangible assets, the recoverability test is performed using undiscounted net cash flows related to the long-lived assets.

**(g) Income Taxes**

The Company accounts for income taxes under the FASB Statement of Financial Accounting Standards No. 109, “Accounting for Income Taxes” (“SFAS No. 109”). Under Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

SOUTHRIDGE ENTERPRISES, INC.  
(A Development Stage Company)  
Notes to Consolidated Financial Statements  
(Expressed in US Dollars)

**2. Summary of Significant Accounting Policies (continued)**

**(h) Loss per Share**

FASB Statement of Financial Accounting Standards No. 128 (“SFAS No.128”), “Earnings per Share”, requires dual presentation of basic earnings per share (“EPS”) and diluted EPS on the face of all income and loss statements, for all entities with complex capital structures. Basic EPS is computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants and other convertible securities. At May 31, 2012 and 2011, the Company had no outstanding stock options, warrants and other convertible securities.

**(i) Fair Values of Financial Instruments**

Financial instruments include cash, and accounts payable and accrued expenses. Management of the Company does not believe that the Company is subject to significant interest, currency or credit risks arising from these financial instruments. The respective carrying values of financial instruments approximate their fair values. Fair values were assumed to approximate carrying values since they are short-term in nature or they are receivable or payable on demand.

**(j) Accounting for Derivative Instruments and Hedging Activities**

The Company has adopted FASB Statement of Financial Accounting Standards No. 133 (“SFAS No. 133”), “Accounting for Derivative Instruments and Hedging Activities”, which requires companies to recognize all derivatives contracts as either assets or liabilities in the balance sheet and to measure them at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk, or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change. The Company has not entered into derivative contracts either to hedge existing risks or for speculative purposes.

**(k) Stock-based Compensation**

The Company adopted the fair value method of accounting for stock-based compensation recommended by FASB Statement of Financial Accounting Standards No. 123 (“SFAS No. 123”), “Accounting for Stock-based Compensation”. The Company does not have a stock option plan nor has it granted any stock options since inception.

**(l) Comprehensive Income**

The Company has adopted FASB Statement of Financial Accounting Standards No. 130 (“SFAS No. 130”), “Reporting Comprehensive Income”, which establishes standards for reporting and display of comprehensive income, its components and accumulated balances. When applicable, the Company would disclose this information on its consolidated Statement of Stockholders’ Equity (Deficiency). Comprehensive income comprises equity except those resulting from investments by owners and distributions to owners. The Company has no elements of “other comprehensive income” for the period ended May 31, 2012.

SOUTHRIDGE ENTERPRISES, INC.  
(A Development Stage Company)  
Notes to Consolidated Financial Statements  
(Expressed in US Dollars)

**2. Summary of Significant Accounting Policies (continued)**

**(m) Intangible Assets**

The Company has adopted FASB Statement of Financial Accounting Standards No. 142 (“SFAS No. 142”), “Goodwill and Other Intangible Assets”, which requires that goodwill and intangible assets with indefinite life are not amortized but rather tested at least annually for impairment. Intangible assets with a definite life are required to be amortized over their useful life. The Company has \$2,500,000 in intangible assets with indefinite life at May 31, 2012 and since inception.

**(n) Environmental Costs**

Environmental expenditures that relate to current operations are charged to operations or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are charged to operations. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company’s commitments to plan of action based on the then known facts.

**(o) Recent Accounting Pronouncements**

In September 2006, the FASB issued SFAS No. 157, "Accounting for Fair Value Measurements." SFAS No. 157 defines fair value, and establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure about fair value measurements. SFAS No. 157 is effective for the Company for financial statements issued subsequent to November 15, 2007. The Company does not expect the new standard to have any material impact on the financial position and results of operations.

In September 2006, the staff of the Securities and Exchange Commission issued Staff Accounting Bulletin No. 108 (“SAB 108”) which provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. SAB 108 becomes effective in fiscal 2007. Management is evaluating the financial impact of this pronouncement.

In October 2005, the FASB issued FSP FAS 123(R)-2, “Practical Accommodation to the Application of Grant Date as Defined in FASB Statement No. 123(R)”, which provides clarification of the concept of mutual understanding between employer and employee with respect to the grant date of a share-based payment award. This FSP provides that a mutual understanding of the key terms and conditions of an award shall be presumed to exist on the date the award is approved by management if the recipient does not have the ability to negotiate the key terms and conditions of the award and those key terms and conditions will be communicated to the individual recipient within a relatively short time period after the date of approval. This guidance was applicable upon the initial adoption of SFAS 123(R). The adoption of this pronouncement did not have an impact on the Company’s financial position, results of operations, or cash flows.

SOUTHRIDGE ENTERPRISES, INC.  
(A Development Stage Company)  
Notes to Consolidated Financial Statements  
(Expressed in US Dollars)

**(o) Recent Accounting Pronouncements (continued)**

In February 2007, the FASB issued SFAS no, 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”). SFAS 159 provides companies with an option to report selected financials assets and liabilities at fair value. The objective of SFAS 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. Generally accepted accounting principles have required different measurement attributes for different assets and liabilities that can create artificial volatility in earnings. The FASB has indicated it believes that SFAS 159 helps to mitigate this type of accounting-induced volatility by enabling companies to report related assets and liabilities at fair value, which would likely reduce the need for companies to comply with detailed rules for hedge accounting. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in SFAS 157 and SFA No. 107, “Disclosures about Fair Value of Financial Instruments.” SFAS 159 is effective for the Company as of the beginning of fiscal year 2009. The adoption of this pronouncement is not expected to have an impact on the Company’s financial position, results of operations or cash flows.

**3. Development Stage Company/Going Concern**

The Company has just recently begun principal operations and as is common with a development stage company, the Company has had recurring losses during its development stage. The continuation of the Company as a going concern is dependent upon expanding revenues and obtaining the additional working capital necessary to be successful in its planned activities. The management of the Company has developed a strategy, which it believes will accomplish this objective through additional equity funding and long term financing that will enable the Company to operate and expand for the coming year.

**4. Common Stock**

On October 3, 2006, the Company split its common shares on the basis of 5 for 1. As a result, its articles of incorporation were amended to increase its authorized common stock from 100,000,000 shares to 500,000,000 shares. The par value of the Company’s common stock remained \$0.001 per share. The Company’s authorized preferred stock was also amended from 100,000,000 shares to 500,000,000 restricted shares. Prior to the stock split, there were 10,335,000 shares of common stock outstanding. After the stock split there were 51,675,000 shares of common stock outstanding. The record date for the split was September 21, 2006 and became effective October 3, 2006. All references to common stock, common shares outstanding, average number of common shares outstanding and per share amounts in these Financial Statements and Notes to Financial Statements prior to the effective date of the forward stock splits have been restated to reflect the 5 to 1 common stock splits on a retroactive basis. The Company’s trading symbol was changed from “SDGE” to “SORD” in connection with the forward stock split.

On April 12, 2007, the Company issued 1,330,000 shares of restricted common stock for consulting services valued at \$199,500. The shares were valued at \$.15 per share, which was the fair market value of the stock on the date of the agreement.

On January 10, 2008 the company issued 50,000,000 restricted shares at an average price of \$0.05 per share pursuant to a purchase agreement for \$2,500,000 with Celuhol Biotech Inc. (Celuhol), a private company, to acquire ownership rights to the Celuhol Intellectual Property (IP), along with some research and development assets, with respect to the cellulosic technology being developed for converting biomass into ethanol. The Company has recorded an asset based on this share issuance value.

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**Common Stock (continued)**

On January 08, 2008; Southridge Enterprises, Inc. notified the NASDAQ that the Company's Board of Directors had established a record date of December 31, 2007 to affect a one-for-ten reverse stock split of its outstanding common stock. The reverse stock split was approved by the by the Company's shareholders at special meeting held on January 31, 2008. Pursuant to the reverse stock split, each shareholder of record of the Company's common stock on the record date of December 31, 2007 will become entitled to receive one new common share in exchange for every ten old common shares held by such shareholder. No fractional shares will be issued in connection with the reverse stock split and, in lieu thereof; any fractional share shall be rounded up to the nearest whole share. The exercise price and the number of shares of common stock issuable under the Company's outstanding options and warrants will be proportionately adjusted to reflect the reverse stock split. The reverse split became effective on March 6, 2008 and the Company's stock symbol on the OTC Bulletin Board was changed from SORD to SRDG.

In September 2007, the Company entered into a Securities Purchase Agreement with La Jolla Cove Investors, Inc., wherein La Jolla Cove has agreed to purchase a debenture in the amount of \$150,000. In connection with the debenture, the Company also agreed to issue share purchase warrants to purchase common stock of the Company. The agreement also allows La Jolla Cove to purchase, at the one year anniversary date of the debenture, or upon conversion of the principal amount of the debenture into common stock, a second debenture in the amount of \$150,000 with a warrant to purchase up to 1,500,000 shares of the Company's common stock. The debenture will carry an interest rate of 5% per annum and the interest will be payable monthly. In March and April 2008, the Company issued a total of 315,584 shares for the conversion of \$2,900 of the debenture and the purchase of \$29,000 in new share equity. The balance owing and accrued interest on this loan at May 31, 2012, were \$195,321 and \$48,252.

On March 28, 2008, the Company received a conversion notice and retired the total outstanding balance of the Line of Credit of \$1,177,516 by issuing 117,751,600 restricted treasury shares to the Lender in lieu of payment.

On July 6, 2008, the Company issued 854,316 shares of restricted common stock for consulting services valued at \$42,716. The shares were valued at \$.05 per share, which was near the market value of the stock on the date of the agreement.

On July 14, 2008, the Company entered into an ethanol plant purchase agreement with Rincon Industrial Management Inc. and issued 145,000,000 shares of restricted common stock for the completion of the acquisition valued at \$7,250,000. The shares were valued at \$.05 per share, which was near the market value of the stock on the date of the agreement. This transaction was the Company's participation in a joint venture partnership to construct and operate its ethanol facility in Brazil with Durmundo Carasca SA ("DCSA") which agreed to contribute \$5,000,000 USD to the joint venture to earn a 15% interest in the Brazil facility and participate on a pro-rata basis in the start-up and operating costs of the plant. DCSA recently contributed \$2,500,000 to the joint venture. However, the Company is currently in the process of divesting, liquidating and transitioning its ethanol assets to other alternative energy companies and will utilize the future proceeds to advance the exploration and development of its mineral properties going forward.

On October 14, 2008; Southridge Enterprises, Inc. notified the NASDAQ that the Company's Board of Directors had established a record date of October 23, 2008 to affect a one-for-two thousand reverse stock split of its outstanding common stock. The reverse stock split was approved by the by the Company's shareholders at special meeting held on September 25, 2008. Pursuant to the reverse stock split, each shareholder of record of the Company's common stock on the record date of October 23, 2008 will become entitled to receive one new common share in exchange for every two thousand old common shares held by such shareholder. No fractional shares will be issued in connection with the reverse stock split and, in lieu thereof; any fractional share shall be rounded up to the nearest whole share. The exercise price and the number of shares of common stock issuable under the Company's outstanding options and warrants will be proportionately adjusted to reflect the reverse stock split. The reverse split became effective on October 23, 2008 and the Company's stock symbol on the OTC Bulletin Board was changed from SRDG to SRGE. Additionally, in September of 2008 the Company authorized an increase in its authorized common stock to 1,000,000,000 and eliminated its unused preferred share class.

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**Common Stock (continued)**

On March 27, 2009, the Company entered into a Preliminary Mineral Exploration Agreement with Omar Alejandro Flores Madrigal for a 100% interest in the Cinco Minas and Gran Cabrera Gold properties and mineral concessions in Mexico for a total purchase price of \$7,500,000 USD. On March 30, 2009, the Company paid a deposit of \$5,000,000 for the properties by issuing a total of 800,000,000 restricted shares at \$.00625 to Comercializadora, Servicios Y Distribuidora Track, S.A. DE C.V. (400,000,000 shares) and to Omar Alejandro Flores Madrigal, Principal Officer, (400,000,000 shares). On April 6, 2009, the 800,000,000 shares were assigned to Novamex Mineral S.A.. On December 10, 2010, the mineral exploration agreement was finalized with the purchase price for the assets comprising the mineral concessions "Gran Cabrera" was \$2,500,000 and "Cinco Minas" was \$5,000,000. As of May 31, 2012, the total purchase price has been paid in full and \$1,420,836 has been incurred for exploration and development costs.

On July 14, 2010, the Company received a notice from Rockridge Capital Holdings Corporation to convert \$800,000 of its outstanding loan to the Company and 80,000,000 restricted shares were issued at \$.01 per share to retire this portion of the debt outstanding, per agreement.

On August 10, 2011, the Company converted \$86,800 of its outstanding debt to Rockridge Capital Holdings Corporation, at their request, and issued 86,800,000 restricted shares at \$.01 per share to retire that portion of the debt outstanding, per agreement.

On November 4, 2011, the Company purchased 200,000,000 restricted shares at \$.00625 from Novamex Mineral S.A. and retired these shares back to the Company treasury as part of the Share Buy-Back Program. The Company entered a 3 year, 6% interest promissory note for the original cost and purchase price of \$1,250,000.

On November 23, 2010, the Company converted \$76,147 of its outstanding debt to Rockridge Capital Holdings Corporation, at their request, and issued 76,147,000 restricted shares at \$0.01 per share to retire that portion of the debt outstanding, per agreement.

On April 10, 2012, the Company converted \$82,254 of its outstanding debt to Rockridge Capital Holdings Corporation, at their request, and issued 82,254,000 restricted shares at \$.01 per share to retire that portion of the debt outstanding, per agreement.

On May 21, 2012, the Company converted \$74,562 of its outstanding debt to Rockridge Capital Holdings Corporation, at their request, and issued 74,562,000 restricted shares at \$.01 per share to retire that portion of the debt outstanding, per agreement.

On May 30, 2012, the Company purchased 200,000,000 restricted shares at \$.00625 from Novamex Mineral S.A. and retired these shares back to the Company treasury as part of the Share Buy-Back Program. The Company entered a 3 year, 6% interest promissory note for the original cost and purchase price of \$1,250,000.

**5. Land**

On September 28, 2006 the Company formed a wholly owned subsidiary Southridge Environmental Inc., incorporated in the state of Mississippi, which acquired land located in Quitman County, Mississippi, for the purchase price of \$375,000, that closed on October 5, 2006. The land at this location has not been viable in our current operations for some time and due to the high cost of maintenance and taxes relative to its declined value, the property was relinquished and written-off.



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On February 16, 2008, the Company acquired land in El Salvador for a purchase price of \$850,000 under a Contract for Deed/Land Contract and Note Payable for 8 payments (each for \$106,250) over 2 years with the first payment due May 5, 2008, but was extended to start July 5, 2008 due to delays in access to the property. The balance owing at August 31, 2010, was \$637,500 and payment terms have been further extended commensurate with plant development milestones. At May 31, 2012, the Company had advanced \$3,462,230 toward the plant development on the property. However, the Company is currently in the process of divesting, liquidating and transitioning its ethanol assets to other alternative energy companies and will utilize the future proceeds to advance the exploration and development of its mineral properties going forward.

## 6. Commitments and Contractual Obligations

The Company leased an executive office in Dallas, Texas. The lease term is three years commencing January 1, 2009 with the base rent in the first year is \$16,870. The lease can continue on a month-to-month basis at the end of the term. The Company believes that its office space and facilities are sufficient to meet its present needs and does not anticipate any difficulty securing alternative or additional space, as needed, on terms acceptable to the Company.

On April 16, 2011, the Company signed a binding letter of intent to acquire 80% of the Los Compadres ("Compadre") Gold and Silver property located in the highly prospective area of Santa Maria del Oro in Nayarit, Mexico. A definitive agreement was signed in October 2011 following an extensive ground work evaluation and exceptional trenching results.

On January 17, 2012, the Company entered into a Letter of Intent ("LOI") for a \$1.2 million USD funding commitment. Under the terms of the LOI, the investing partner company will earn a 35% equity stake in the net revenues from Phase 1 of the Cinco Minas Mill Production Plan and have the first right of refusal to participate in the future expansion of the mill's capacity to 500 tonnes per day, subject to due diligence and assurances.

## 7. Related Party Loans

During the period ended May 31, 2012, the Company had outstanding loans from a former related party. The following table shows the amount due at May 31, 2012:

<b>Short term loan</b>	May 31, 2012
<hr/>	
<b>4% interest bearing and unsecured</b>	
Former Officer	\$ 1,063,773
<hr/>	
<b>Total</b>	\$ 1,063,773

The former related party loan above is interest bearing at 4% per annum, unsecured and due on demand. Accrued interest on this loan at May 31, 2012, was \$210,871.

## 8. Revenues

Mineral production revenues for the nine months ending May 31, 2011 and May 31, 2012, were \$ 0 and \$ 942,314. The Company anticipates increased revenues in the next fiscal quarter.

## 9. Debentures and Notes Payable

On December 14, 2010, executed an agreement with Quixstone Investments, Inc. ("QII"), providing for a \$5,000,000 financing. This financing is in the form of a convertible debenture with terms stipulating an interest rate of 9.4% and a loan repayment term of 36 months from the date of execution of the agreement, by way of cash or through the conversion of shares of Southridge stock. The repayment terms of the financing are amenable to the Company's property development schedule and to

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**Debentures and Notes Payable (continued)**

future financings plans to retire the debt. The outstanding principal under the debentures has the option for the holder to convert into common shares in the capital of the Company ("Common Shares") at a conversion price of \$0.35 per share. The debentures will be systematically converted into common shares at a conversion price of \$0.35 in the event that the common shares trade at not less than \$0.55 per share for a minimum period of sixty (60) consecutive trading days. The proceeds from this financing have been used for corporate purposes, including working capital and funding the acquisition of the Company's Cinco Minas and Gran Cabrera Gold properties in Mexico. The entire funding has been completed for gross proceeds to the Company of \$4,575,000. As of May 31, 2012, the outstanding amount of the loan and accrued interest were \$5,747,129 and \$554,419, respectively.

On March 14, 2008, Rockridge Capital Holdings Corporation loaned the Company \$1,500,000 to secure our contribution for the "SBC Joint Venture", with Briskul Transacção LTDA. The loan bears an interest at the rate of 14% per annum and is secured by a Demand Promissory Note and/or can be converted into restricted common stock at any time. The principal amount outstanding and accrued interest on this loan at May 31, 2012, was \$0 and \$295,025 respectively.

On November 4, 2011 and May 30, 2012, the Company entered a 3 year, 6% interest promissory notes with Novamex Mineral S.A. for a share purchase and retirement for a total value of \$2,500,000. The principal amount outstanding and accrued interest on this loan at May 31, 2012, was \$2,543,671 and \$19,118 respectively

On March 12, 2012, the Company entered a 2 year, 7% interest promissory note with Duvernoi Capital Investments for proceeds of \$2,500,000 allocated to the Cinco Minas Mill Production Plan capital expenditures program. Duvernoi has the option to participate in the future expansion of the mill's capacity to 500 tonnes per day. The principal amount outstanding and accrued interest on this loan at May 31, 2012, was \$2,543,532 and \$43,532 respectively.

**10. Uncertain Tax Positions**

Effective January 1, 2007, the Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The adoption of the provisions of FIN 48 did not have a material impact on the company's condensed consolidated financial position and results of operations. At January 1, 2007, the company had no liability for unrecognized tax benefits and no accrual for the payment of related interest.

Interest costs related to unrecognized tax benefits are classified as "Interest expense, net" in the accompanying consolidated statements of operations. Penalties, if any, would be recognized as a component of "Selling, general and administrative expenses". The Company recognized \$0 of interest expense related to unrecognized tax benefits for the years ended August 31, 2009. In many cases the company's uncertain tax positions are related to tax years that remain subject to examination by relevant tax authorities. With few exceptions, the company is generally no longer subject to U.S. federal, state, local or non-U.S. income tax examinations by tax authorities for years before 2003. The following describes the open tax years, by major tax jurisdiction, as of January 1, 2007:

United States (a)	2003 – Present
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(a) Includes federal as well as state or similar local jurisdictions, as applicable.

**11. Subsequent Events**

As announced.

**Item 4. Management's Discussion and Analysis or Plan of Operation.**

We were a renewable energy company in the ethanol business with operations in the southeastern region of the United States, Central America and Brazil. The Company expanded and had viable operations in the ethanol business in 2007 and 2008. However, unfavorable market and economic conditions severely challenged the viability of continuing the ethanol operations. In 2009, the Company began to down-size its ethanol operations and seriously re-evaluate its business focus, favoring the re-entry into the mineral exploration business. At this time, several very high quality mineral property opportunities were presented to the Company through management contacts and some of their business associates. In March of 2009, the Company entered into a mineral exploration agreement to acquire a 100% interest in the Cinco Minas and Gran Cabrera Silver/Gold properties and mineral concessions in Mexico. The properties have a history of mineralization and production and are considered advanced stage exploration and development properties. Management believes that a high potential for profitability exists on the properties, particularly at the current price levels of precious metals and the facilities and infrastructure that exists on and around the property sites.

The Company experienced a re-positioning period of its operations between the spring of 2009 and the fall of 2010. In late 2010, the Company began moving forward rapidly with its mineral exploration and development business with its current property holdings and first financing. The new business operations have expanded in 2011 with formal negotiations for additional property interests and further financing. The Company is also currently in the process of divesting and transitioning its ethanol assets to other alternative energy companies to allow management to focus its efforts and resources entirely on the exploration and development of its mineral properties going forward.

Therefore, we are now primarily an exploration stage company engaged in the acquisition and exploration of mineral properties. Our plan of operations is to initially conduct mineral exploration activities on the Cinco Minas and Gran Cabrera properties in order to confirm, expand and commercially extract existing and new mineral deposits of silver and gold. The Company is conducting the exploration program phases, per below, on multiple sites of the properties. The duration of the phases below will vary in each location, but are expected to be reduced on many of the initial targeted areas due to the significant amount of data already available from previous work completed.

However, we have not earned any revenues from our mineral exploration business to date. We do not anticipate earning revenues until such time as we enter into commercial production of our mineral properties. We are presently in the exploration stage of our business, although at an advanced stage considering the history and development of our properties to date. Further exploration is required before a final current evaluation as to the economic feasibility is required to determine the extent of the commercially viable mineral deposits of silver and gold.

<b>Phase</b>	<b>Exploration Program</b>
Phase I	Confirmation of past results by blast trenching and sampling and relocation of mineralized zones and structural features.
Phase II	Compilation and correlation of all data and reconnaissance soil geochemical sampling and geological mapping.
Phase III	Detailed rock and soil sampling and electromagnetic and magnetometer surveys prior to the fourth phase of diamond drilling selected targets.
Phase IV	Subject to positive results from the previous phases, mechanical trenching and/or diamond drilling. Preparation of a new NI 43-101 report to bring it current.
Phase V	Planning and preparation for ore extraction and mineral production operations.

b) Mining Operation Disclosure. Furnish the following information as to each of the mines, plants and other significant properties owned or operated, or presently intended to be owned or operated, by the issuer:

**(1) The location and means of access to the property.**

The Cinco Minas group is a suite of historical mining properties comprising 12 exploitation concessions covering 10,750.0690 hectares. The Gran Cabrera group is also a historical suite comprising 3 exploration and 2 exploitation concessions covering a total of 4,242.0946. The Hostotipaquillo regional infrastructure is moderately sophisticated. The town of Magdalena is roughly 20 kilometres south of Cinco Minas and Tequila is another 20 kilometres southeast of Magdalena. These will be the two primary sources for material for the project. Tequila has a population of some 50,000 persons while Magdalena is roughly 25,000. The two towns have a corresponding ability to provide supplies and manpower to the project both short and long term. Whatever cannot be obtained in Tequila will have to come from Guadalajara, which is a further 80 kilometres southeast. Guadalajara is the capital of the state of Jalisco, and a custom steel centre with an estimated population of 6.3 million people in 2008.

All three towns are linked with a good highway system. Modern trucking systems should be able to deliver any required bulk materials, steel, and plant equipment. The infrastructure is suitable for immediate mill tests on site with the installation of new equipment. Water storage around the pad system and other mill facilities can easily be controlled by well-engineered containment facilities. The 200 metre drop from the old mine to the old mill, town and proposed leach pad site provides for an excellent material flow for ore and water.

The local population of Cinco Minas is roughly 300 persons. From that group the initial work force has been established. As the project expands, training in mine related jobs; safety and other worker skills can be undertaken. However, at the outset, additional workers will be required to provide technical expertise on site. Housing for those workers will be established by the construction of a camp situation that can be controlled with respect to services, security, and expansion.

There are no extraordinary infrastructure costs or hurdles as roads, power and water are all present onsite the Cinco Minas property. The remnants of the old mill site could be quickly refitted as the land package includes the historical Cinco Minas mine and 60 Tonne mill.

**(2) A brief description of the title, claim, lease or option under which the issuer and its subsidiaries have or will have the right to hold or operate the property, indicating any conditions which the issuer must meet in order to obtain or retain the property. If held by leases or options, the expiration dates of such leases or options should be stated. Appropriate maps may be used to portray the locations of significant properties.**

On March 27, 2009, the Company entered into a Preliminary Mineral Exploration Agreement with Omar Alejandro Flores Madrigal for a 100% interest in the Cinco Minas and Gran Cabrera Gold properties and mineral concessions in Mexico for a total purchase price of \$7,500,000 USD. On March 30, 2009, the Company paid a deposit of \$5,000,000 for the properties by issuing a total of 800,000,000 restricted shares at \$.00625 to Comercializadora, Servicios Y Distribuidora Track, S.A. DE C.V. (400,000,000 shares) and to Omar Alejandro Flores Madrigal, Principal Officer, (400,000,000 shares). On April 6, 2009, the 800,000,000 shares were assigned to Novamex Mineral S.A.. On December 10, 2010, the mineral exploration agreement was finalized with the purchase price for the assets comprising the mineral concessions "Gran Cabrera" was \$2,500,000 and "Cinco Minas" was \$5,000,000. As of May 31, 2012, the total purchase price has been paid in full and \$1,420,836 has been incurred for exploration and development costs. Also, see Question 3 below.

**(3) A brief history of previous operations, including the names of previous operators, insofar as known.**

The Cinco Minas site covers roughly 10,750 hectares and is located approximately 100 kilometres northwest of the City of Guadalajara. The Gran Cabrera site covers roughly 4,300 hectares and is located approximately 35 kilometres northwest of Cinco Minas.

Anaconda Mining Company was the previous owner of the Cinco Minas property. Between 1922 and 1928 it mined a reported 1,083,000 tonnes of ore averaging 3.17 g/t gold and 476 g/t silver. This equates to 97,364 oz. of gold (2,760 kilograms) and 15,095,915 oz. of silver (427,954 kilograms).

The most recent work that was previously done on the property was by Tumi Resources Ltd. in 2003-2005. John Nebocat, P.Geo, produced three detailed technical briefs as the qualified person for that company. His reporting and assessment work is the most complete reporting that exists in the Cinco Minas area. Tumi Resources also hired the firm of Behre Dolbear de Mexico to assist Nebocat in the final determinations of resource grade estimates for their November 2004 reporting.

**(4) (i) A brief description of the present condition of the property, the work completed by the issuer on the property, the issuer's proposed program of exploration and development, and the current state of exploration and/or development of the property. Mines should be identified as either open-pit or underground. If the property is without known reserves and the proposed program is exploratory in nature, a statement to that effect shall be made.**

The Company is currently processing surface stockpiled ore for its mineral content. Further exploration of the property to identify the extent of the mineralization and future mining activities are planned for the coming fiscal years.

**(ii) The age, details as to modernization and physical condition of the plant and equipment, including subsurface improvements and equipment. Further, the total cost for each property and its associated plant and equipment should be stated. The source of power utilized with respect to each property should also be disclosed.**

Current mill facilities of various ages from the past decade have been retro-fitted for mineral production. Local electrical grid power and portable generators are used at the facilities. A total of \$950,560 has been incurred as of May 31, 2012.

**(5) A brief description of the rock formations and mineralization of existing or potential economic significance on the property, including the identity of the principal metallic or other constituents insofar as known. If proven (measured) or probable (indicated) reserves have been established, state (i) the estimated tonnages and grades (or quality, where appropriate) of such classes of reserves, and (ii) the name of the person making the estimates and the nature of his relationship to the issuer.**

The vein types located at Cinco Minas and Gran Cabrera are similar in nature and mineralization. Both are classic epithermal deposits with complex hosting environments. Due to the volcanic host rocks, intense shattering of the vein breccia and final consolidation by pulsed quartz, the mineralization is complex. A series of pulses were generated by the fault system that contained varying degrees of mineralization. Some pulse events were barren but were important in cementing the shear breccia and providing lubrication for future pulse events. The quartz ranges from white to chalcedonic and amethystine.

The mineralization is full suite, with gold, silver, copper, lead, zinc and a wide range of accessory minerals. Pyrite and chalcopyrite are also included constituents in the pulsing but the sulphides do not appear to be associated with the gold and silver. Even the copper presents as a separate component from the chalcopyrite. Gossan development occurs with manganese and silver sulphosalts and minor gold at both locations to varying degrees. Oxidation is present in all areas of the mines examined as well as on the exterior faces near El Abra, El Cohete, Cerro Colorado and on the exposures of the Minas del Coral slope above San Juan.

**1. It should be stated whether the reserve estimate is of in-place material or of recoverable material. Any in-place estimate should be qualified to show the anticipated losses resulting from mining methods and beneficiation or preparation.**

N/A

**2. The summation of proven (measured) and probable (indicated) ore reserves is acceptable if the difference in degree of assurance between the two classes of reserves cannot be readily defined.**

In 2004 a resource estimate was prepared on the Cinco Minas property that was based on work by the independent consulting firm of Behre Dolbear de Mexico (<http://www.dolbear.com>). This estimate was based on the drilling, trenching and field exploration since 2003. Based on their examinations and calculations they reported the following:

- an indicated resource of 2.27 million tonnes of 171.9 gram silver containing 12.5 million oz. of silver and 1.22 gram gold containing 89,100 oz. of gold
- an inferred resource of 400,000 tonnes of 137.9 gram silver containing 1.8 million oz. of silver and 1.07 gram gold containing

13,800 oz. of gold

**3. Estimates other than proved (measured) or probable (indicated) reserves, and any estimated values of such reserves shall not be disclosed unless such information is required to be disclosed by state law; provided, however, that where such estimates previously have been provided to a person (or any of its affiliates) that is offering to acquire, merge, or consolidate with, the issuer or otherwise to acquire the issuer's securities, such estimates may be included.**

N/A

**(6) If technical terms relating to geology, mining or related matters whose definition cannot readily be found in conventional dictionaries (as opposed to technical dictionaries or glossaries) are used, an appropriate glossary should be included in this report.**

N/A

**(7) Detailed geographic maps and reports, feasibility studies and other highly technical data should not be included in the report but should be, to the degree appropriate and necessary for understanding the issuer's presentation of business and property matters, furnished as supplemental information.**

N/A

**Off Balance Sheet Arrangements**

None.

***Item 5. Legal Proceedings***

We are not subject to any legal action nor are we aware of any legal action that is contemplated against us.

***Item 6. Defaults upon senior securities.***

None.

***Item 7. Other Information***

None.

***Item 8. Exhibits.***

Please see exhibits provided in our Initial Disclosure Statement as filed on [www.pinksheets.com](http://www.pinksheets.com) on June 27, 2011.

***Item 9. Certifications***

I, Michael Davies, certify that:

1. I have reviewed this Quarterly Report of *Southridge Enterprises, Inc.*
2. Based on my knowledge, this disclosure does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly represent in all material respects the financial conditions, results of operations and cash flows of the Issuer as of, and for, the periods presented in the disclosure statement.

Dated: October 26, 2012

/s/ Michael Davies

Michael Davies

President