DANA RESOURCES

FORM 10-Q
(Quarterly Report)

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Industry	Gold
Sector	Basic Materials
Fiscal Year	06/30

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **December 31, 2009**

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

For the transition period from _________ to _________

Commission File Number: **333-138471**

Dana Resources

(Name of Small Business Issuer in its charter)

Wyoming	**N/A**
(state or other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

810 Malecon Cisneros
Miraflores, Lima Peru R5 18
(Address of principal executive offices)

380 44 331 6201
Issuer's telephone number

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was require to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
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 definition 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** ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ **No** ☒

APPLICABLE ONLY TO CORPORATE ISSUERS

As of **February 22, 2010** the registrant had **88,437,980** shares of common stock outstanding.

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PART I - FINANCIAL INFORMATION

Safe Harbor Statement

This report on Form 10-Q contains certain forward-looking statements. All statements other than statements of historical fact are "forward-looking statements" for purposes of these provisions, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operation; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; statements of belief; and any statement of assumptions underlying any of the foregoing. Such forward-looking statements are subject to inherent risks and uncertainties, and actual results could differ materially from those anticipated by the forward-looking statements.

These forward-looking statements involve significant risks and uncertainties, including, but not limited to, the following: competition, promotional costs, and risk of declining revenues. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of a number of factors. These forward-looking statements are made as of the date of this filing, and we assume no obligation to update such forward-looking statements. The following discusses our financial condition and results of operations based upon our consolidated financial statements which have been prepared in conformity with accounting principles generally accepted in the United States. It should be read in conjunction with our financial statements and the notes thereto included elsewhere herein.

Item 1. Financial Statements

The unaudited interim consolidated financial statements of Dana Resources (the "Company", "Dana", "we", "our", "us") follow. All currency references in this report are in U.S. dollars unless otherwise noted.

The accompanying Condensed Consolidated Financial Statements of Dana Resources, Inc. should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2008. Significant accounting policies disclosed therein have not changed except as noted below.

Dana Resources
(A Development Stage Company)
Unaudited
(Express in U.S. Dollars)

December 31, 2009

DANA RESOURCES
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS

	December 31, 2009 (Unaudited)	June 30, 2009 (Audited)
ASSETS		
Current assets		
Cash	$ 9,505	$ 7,641
Total current assets	9,505	7,641
Deposit on mineral concession	-	9,360,361
Total assets	$ 9,505	$ 9,368,002
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accrued expenses	$ 38,531	$ 59,853
Accrued salaries	189,051	138,500
Accrued royalties	160,000	100,000
Notes Payable	152,915	49,000
Total current liabilities	540,497	347,353
Total liabilities	540,497	347,353
STOCKHOLDERS' EQUITY		
Preferred stock; $.001 par value; unlimited authorized; none issued and outstanding	-	-
Common stock; $.001 par value; unlimited authorized 57,820,480 and 50,320,480 issued and outstanding, respectively	57,822	50,322
Additional paid in capital	30,584,749	30,017,249
Accumulated other comprehensive income	(181)	-
Deficit accumulated during the exploration stage	(31,173,382)	(21,046,922)
Total stockholders' equity	(530,992)	9,020,649
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 9,505	$ 9,368,002

The Accompanying Notes are an Integral Part of these Financial Statements

DANA RESOURCES
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Six Months Ended December 31, 2009	Six Months Ended December 31, 2008	July 21, 2006 (Inception) December 31, 2009
Revenues	$ -	$ -	$ -	$ -	$ -
Expenses					
General and administrative expenses	7,886	1,508	30,840	3688	96,386
Payroll expense	25,500	25,000	70,550	70000	259,050
Professional fees	26,532	27,973	49,055	77414	196,288
Mining Expenses	-	-	-	-	25,000
Land claim fees	-	-	-	-	22,253
Royalties	30,000	50	60,000	-	160,050
Total expenses	89,918	54,531	210,445	151,102	759,027
Loss from operations	(89,918)	(54,531)	(210,445)	(151,102)	(759,027)
Other income (expense)					
Interest expense	(555,052)		(555,654)	-	(555,654)
Gain on debt settlement	-	-	-	-	5,660
Loss on impairment	(4,680,180)	-	(9,360,361)	-	(28,760,361)
Total other income (expense)	(5,235,232)		(9,916,015)	-	(29,310,355)
Net loss	$ (5,325,150)	$ (54,531)	$ (10,126,460)	$ (151,102)	$ (30,069,382)
Other comprehensive income (loss)					
Foreign exchange adjustment	(181)		(181)		(181)
Net comprehensive income (loss)	$ (5,325,331)	$ -	$ (10,126,641)		$ (30,069,563)
Net loss per share basic	$ (0.10)#	$ (0.00)	$ (0.20)	$ (0.00)	
Weighted average number of shares	53,205,095#	61,482,878	51,754,906	68,612,905	

The Accompanying Notes are an Integral Part of these Financial Statements

DANA RESOURCES
(An Exploration Stage Company)
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

	Preferred Stock Shares	Preferred Stock Value	Common Stock Shares	Common Stock Value	Additional Paid-In Capital	Accum Other Comprehensive Income	Common Stock Subscribed	Deficit Accumulated During the Exploration Stage	Total
Balance at Inception July 21, 2006	-	$ -	-	$ -	$ -	$ -	$ -	$ -	$ -
Stock issued for cash and subscription receivable	-	-	1,120,000,000	1,120,000	-	-	(11,000)	(1,104,000)	5,000
Forgiveness of debt - related party	-	-	-	-	500	-	-		500
Net loss	-	-	-	-	-	-	-	(41,976)	(41,976)
Balance at June 30, 2007	**-**	**-**	**1,120,000,000**	**1,120,000**	**500**		**(11,000)**	**(1,145,976)**	**(36,476)**
Shares cancelled	-	-	(1,069,799,290)	(1,069,799)	1,069,799	-	-	-	-
Proceeds from subscription	-	-	-	-	-	-	11,000	-	11,000
Contributed capital	-	-	-	-	15,272	-	-	-	15,272
Forgiveness of debt - related party	-	-	-	-	51,319	-	-	-	51,319
Shares issued for mineral rights	-	-	25,000,000	25,000	28,725,000	-	-	-	28,750,000
Shares issued for cash	-	-	80,000	80	79,920	-	-	-	80,000
Contributed capital - mining expenses	-	-	-	-	10,000	-	-	-	10,000
Net loss	-	-	-	-	-	-	-	(19,553,948)	(19,553,948)
Balance at June 30, 2008	**-**	**-**	**75,280,710**	**$ 75,281**	**$ 29,951,810**		**-**	**$ (20,699,924)**	**$ 9,327,167**
Shares issued for cash	-	-	40,480	41	40,439	-	-	-	40,480
Shares cancelled	-	-	(25,000,710)	(25,000)	25,000	-	-	-	-
Net loss	-	-	-	-	-	-	-	(346,998)	(346,998)
Balance at June 30, 2009	**-**	**$ -**	**50,320,480**	**$ 50,322**	**$ 30,017,249**		**$ -**	**$ (21,046,922)**	**$ 9,020,649**
Share issued for debt settlement	-	-	2,500,000	2,500	272,500	-	-	-	275,000
Share issued for debt settlement	-	-	5,000,000	5,000	295,000	-	-	-	300,000
Foreign exchange adjustment	-	-	-	-	-	(181.00)	-	-	(181)
Net loss	-	-	-	-	-	-	-	(10,126,460)	(10,126,460)
Balance at December 31, 2009	**-**	**$ -**	**57,820,480**	**$ 57,822**	**$ 30,584,749**	**$ (181)**	**$ -**	**$ (31,173,382)**	**$ (530,992)**

The Accompanying Notes are an Integral Part of these Financial Statements

DANA RESOURCES
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS

		Six Months Ended December 31, 2009 (Unaudited)		Six Months Ended December 31, 2008 (Unaudited)		July 21, 2006 (Inception) Through December 31, 2009 (Unaudited)
Cash Flows from Operating Activities:						
Net loss	$	(10,126,460)	$	(151,102)	$	(30,069,382)
Adjustments to reconcile net loss to net cash used in operating activities:						
Impairment of mineral rights		9,360,361		-		28,760,361
Gain on settlement of debt		-		-		(5,660)
Non-cash interest expense		555,000				555,000
Changes in operating assets and liabilities:						
Accounts payable		-		12,192		-
Accounts payable- related party		-		(7,679)		-
Accrued salaries		50,551		-		189,051
Accrued royalties		60,000		-		160,000
Accrued expenses		(21,322)		89,158		96,010
Net cash used by operating activities		(121,870)		(57,431)		(314,620)
Cash Flows from Investing Activities:						
Mineral claim fees		-		-		(10,361)
Net cash used by investing activities		-		-		(10,361)
Cash Flows from Financing Activities:						
Proceeds from promissory notes		154,915		-		208,645
Payment made as settlement of promissory notes		(31,000)		-		(35,730)
Contributions of capital		-		-		25,272
Proceeds from sale of common stock		-		40,480		136,480
Net cash provided by financing activities		123,915		40,480		334,667
Change in cash		2,045		(16,951)		9,686
Effect on foreign exchange		(181)				(181)
Beginning cash		7,641		23,466		-
Ending cash	$	9,505	$	6,515	$	9,505
Supplemental Disclosures						
Cash Paid For:						
Interest	$	-	$	-	$	-
Income taxes	$	-	$	-	$	-
Schedule of Non-Cash Investing and Financing Activities						
Forgiveness of debt (related party)	$	-	$	-	$	51,819
Issuance of common stock for mineral rights	$	-	$	-	$	28,750,000
Shares issued as debt settlement	$	20,000	$	-	$	20,000

The Accompanying Notes are an Integral Part of these Financial Statements

DANA RESOURCES
(An Exploration Stage Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Quarter Ended December 31, 2009

1. Nature of Operations and Continuance of Business

Dana Resources (the "Company") was organized under the laws of the State of Wyoming on July 21, 2006 under its former name DanaPC.com. The Company’s business was originally to develop a website to give consumers information on commonly encountered problems with personal computers. In February 2008, the Company’s major shareholders sold their positions. At this time the Company’s new management changed the business direction to exploring and mining for gold. The Company has acquired natural resource properties in Peru, South America (see Note 7). Additionally, the Company will no longer engage in the computer business as the Company has not yet generated revenue from that business model. As of December 31, 2009, no further operations or activity were present within Dana Resources Peru S.A.C. and no further operations are anticipated in the future. On September 24, 2008, the Company incorporated a wholly owned Peruvian subsidiary, Dana Resources SAC. On February 2, 2010, the Company incorporated a wholly owned Peruvian subsidiary, Dana Mining Corp. S.A.C. to run its operations in Peru. The Company has not yet generated any revenues from planned principal operations and is considered an exploration stage company as defined by the Financial Accounting Standards Board’s Accounting Standard Codification

(FASB ASC) 915 *"Development Stage Entities"* . The Company has, at the present time, not paid any dividends and any dividends that may be paid in the future will depend upon the financial requirements of the Company and other relevant factors.

The Company amended its articles of incorporation to change its name to "Dana Resources" on January 28, 2008 to reflect the Company's intention to acquire natural resource properties. Additionally, on February 20, 2008, the Company effected a 70-for-1 forward stock split. Finally, on September 23, 2008, the Company effected a change in par value to $.001 per share. Both of these changes (forward stock split and change in par) have been reflected in the financial statements on a retroactive basis since inception.

2. Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplate continuation of the Company as a going concern. However, the Company has not yet been successful in establishing profitable operations. As of December 31, 2009, the Company had no revenues and an accumulated deficit of $31,173,382. These factors raise substantial doubt about the ability of the Company to continue as a going concern. The Company's financial statements as at December 31, 2009 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. In this regard, management is proposing to raise any necessary additional funds not provided by operations through loans or through additional sales of their common stock. There is no assurance that the Company will be successful in raising this additional capital or in achieving profitable operations. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from the outcome of this uncertainty.

3. 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 U.S. dollars. The Company's fiscal year-end is June 30.

b) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Dana Mining Corp. S.A.C, a Peruvian company. All intercompany balances and transactions have been eliminated in consolidation.

c) Exploration Stage Company

The Company is in the exploration stage and has not yet realized any revenues from its planned operations. The Company's business plan is to evaluate, structure, and complete a merger with, or acquisition of, prospects consisting of private companies, partnerships or sole proprietorships. We plan to initially concentrate on completing a comprehensive review of all the data available from the previous exploration of our mineral properties and carry out surveys to identify potential drill targets. To that end, we have not completed a plan of operation or exploration and have not anticipated the cost of exploring our mineral properties. We intend to complete a plan of operation and exploration once we have completed the title registration of our mineral properties. There is no assurance that we will be able to accurately anticipate the cost of exploring our mineral properties or obtain the financing necessary to complete any plan of exploration. This could prevent us from achieving revenues.

Based upon the Company's business plan, it is an exploration stage company as defined by the Financial Accounting Standards Board's Accounting Standard Codification (FASB ASC) 915 *"Development Stage Entities."* Accordingly, the Company presents its financial statements in conformity with the accounting principles generally accepted in the United States of America that apply in establishing operating enterprises. As an exploration stage company, the Company discloses the deficit accumulated during the exploration stage as well as the cumulative statements of operations, stockholders' equity and cash flows from inception to the current balance sheet date.

d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

e) Financial Instruments

The carrying value of cash, accounts payable and accrued expenses approximates their fair value because of the short maturity of these instruments.

3. Summary of Significant Accounting Policies (continued)

f) Stock-Based Compensation

The Company has one stock-based employee compensation plan (See Note 4b). The Company accounts for its plan under the recognition and measurement principles of FASB ASC 718-10, "Compensation – Stock Compensation" and related Interpretations. The Company has not issued any stock options or warrants.

g) Income Taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the financial statements and those reported for income tax purposes in accordance with FASB ASC 740 "Income Taxes", which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits 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, and for tax loss and credit carry-forwards. 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. The Company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

h) Loss Per Share

The Company computes net loss per share in accordance with FASB ASC 260, "Earnings per Share", and SEC Staff Accounting Bulletin No. 98 (SAB 98). Under the provisions of ASC 260 and SAB 98, basic net loss per share is computed by dividing the net loss available to common stockholders for the period by the weighted average number of shares of common stock outstanding during the period. The calculation of diluted net loss per share gives effect to common stock equivalents; however, potential common shares are excluded if their effect is anti-dilutive. For the period from July 21, 2006 (Date of inception) through December 31, 2009, the Company had no potentially dilutive securities. The per share calculation reflects the effect of the stock split on a retroactive basis.

i) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimated.

3. Summary of Significant Accounting Policies (continued)

j) Long-Lived Assets

In accordance with FASB ASC 360-10 "Property Plant and Equipment," long-lived assets to be held and used are analyzed for impairment and disposal of whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, the Company uses future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. Long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value of the asset less cost to sell.

k) Mineral property costs

The Company has been in the exploration stage since February 2008 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties. Mineral property acquisition and exploration costs are charged to operations as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property, are capitalized. Such costs will be depleted using the units-of-production method over the estimated life of the probable reserve.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Due to the pending litigation regarding its mineral asset and the uncertainty of its legal status as to rights and ownership, the Company has reclassified its mineral asset as a deposit on mineral concessions. In addition, in order to conservatively report its financial status, the Company has impaired the value of its deposit on mineral concessions by 100% due to the uncertainty of recourse on amounts paid for the mineral concessions and pending outcome of a final legal determination of its rights and ownership. As of December 31, 2009, no legal action has been taken to recover the title.

l) Reclassifications

Certain amounts in the June 30, 2009 financial statements have been reclassified to conform to the December 31, 2009 presentation. These reclassifications had no effect on the previously reported net loss. Specifically these items are mineral rights to deposit on mineral concessions.

4. Stockholders' Equity (Deficit)

a) Common Stock

The Company has authorized an unlimited number of shares of $.001 par value common stock and preferred stock. In July 2006, in connection with its organization, the Company issued 1,120,000,000 shares of common stock to various individuals including 700,000,000 shares which were issued to an officer/shareholder of the Company; the remaining 420,000,000 shares were issued to various individuals for cash of $16,000. Additionally, the financial statements reflect a change in par value from no par value to $.001 per share effected on June 30, 2008.

In November 2006, an entity related to a stockholder performed legal services valued at $500 in connection with the Company's registration statement on Form SB-2. The related payable was forgiven by the law firm and was accounted for as a contribution to capital.

The Company effected a 70-for-1 forward stock split as of February 20, 2008. Certain shareholders cancelled shares held by them in connection with the forward stock split. These shares represent 394,800,000 shares subject to a Lockup Agreement dated July 31, 2007 as well as 674,999,290 shares owned by the sole officer and director at that time. The total number of cancelled shares is 1,069,799,290 shares, 50,200,710 shares remained outstanding after the stock split.

For the period ended March 31, 2008, a director of the Company contributed $15,272 for working capital purposes and waived any rights of repayment.

During the quarter ended March 31, 2008, the outstanding accounts payable, accrued salary and amounts due to related parties were forgiven by some shareholders and treated as contributed capital totaling $51,319.

On May 2, 2008, the Company entered into an agreement with MRC1 Exploraciones to perform an evaluation of the mineral claims for a fee of $25,000 of which, the CEO of the Company contributed $10,000 and waived any rights of repayment.

On June 3, 2008, the Company entered into an agreement with Sociedad Minera De Responsabilidad Limitada Angelo XXI ("Angelo XXI") for the assignment of mining rights located in Peru, South America. The purchase price was 25,000,000 shares of restricted common stock, valued at $28,750,000; the fair value of the underlying shares (See Note 7).

On June 29, 2008, the Company issued 80,000 shares through a private placement. The shares were sold at $1.00 per share and the placement was exempt under 4(2).

On September 26, 2008, the Company sold 13,500 shares of common stock for $13,500.

On October 9, 2008, the Company sold 13,480 shares of common stock for $13,480.

4. Stockholders' Equity (Deficit) (continued)

a) Common Stock (continued)

On October 13, 2008, the Company sold 13,500 shares of common stock for $13,500.

On October 31, 2008, the Company canceled 25,000,710 shares of common stock; there was no consideration paid and the shares canceled are reflected in the financial statements.

On October 21, 2009, the Company issued 2,500,000 shares as full settlement of principal and interest in the amount of $5,090. The shares were issued at a discount to ensure recoverability to our creditor. The Company recorded the value of the shares based on the market price of the date of grant of $0.11 per shares. The value assigned was $275,000. The difference in value of $270,000 was recorded as interest expense.

On December 14, 2009, the Company issued 5,000,000 S-8 shares as full settlement of principal in the amount of $15,000. The shares were issued at a discount to ensure recoverability to our creditor. The Company recorded the value of the shares based on the market price of the date of grant of $0.06 per shares. The value assigned was $300,000. The difference in value of $285,000 was recorded as interest expense.

As of December 31, 2009, there are 57,820,480 shares issued and outstanding.

b) Stock Option Plan

In July 2006, the Board of Directors adopted and the stockholders at that time approved the 2006 Stock Option Plan ("the Plan"). The Plan provides for the granting of qualified and non-qualified stock options to issue up to 2,000,000 shares of common stock to directors, officers, advisors and employees of the Company as well as to employees of companies that do business with the Company. Awards under the plan will be granted as determined by the Stock Option Committee of the Board of Directors. The Plan limits awards to directors, officers and employees to $100,000 of compensation per year. The options will expire after 10 years or 5 years if the option holder owns at least 10% of the common stock of the Company. The exercise price of a non-qualified option must be at least 85% of the market price. The exercise price of a qualified option must be at least equal to the market price or 110% of the market price if the option holder owns at least 10% of the common stock of the Company. At December 31, 2009, no awards had been made and total awards available to be granted from the Plan amounted to 2,000,000 shares.

c) S-8 shares

On December 9, 2009, the Board of Directors of the Company ratified, approved and adopted a Stock Option Plan for the Company in the amount of 10,000,000 shares. On December 9, 2009, the Company filed a Form S-8 to register these shares.

5. Notes payable

On April 22, 2008, the Company received loans of $1,800 and $2,930 bearing interest at 5% per annum and due on April 22, 2009. As of June 30, 2008, these loans have been paid in full.

On February 15, 2009, the Company issued a loan of $5,000 bearing interest at 5% per annum and due on the earlier of December 31, 2009 or within 7 days of the Completion of borrowing by the Company of more than $100,000. As of December 31, 2009, this loan has been paid in full.

On April 22, 2009, the Company issued a loan of $5,000 bearing interest at 5% per annum and due on the earlier of December 31, 2009 or within 7 days of the Completion of borrowing by the Company of more than $100,000. As of December 31, 2009, this loan has been paid in full.

On June 23, 2009, the Company issued three loans of $13,000 each for total proceeds of $39,000 all of which bear interest at 5% per annum and are due on the earlier of June 23, 2010 or within 7 days of the Completion of borrowing by the Company of more than $1,000,000. As of December 31, 2009, $26,000 of principle has been paid, $13,000 remains due.

During the three month period ending September 30, 2009, the Company issued three loans totaling $124,915 all of which bear interest at 5% per annum and are due on the earlier of August 13, 2010 or within 7 days of the Completion of borrowing by the Company of more than $1,000,000. As of December 31, 2009, $15,000 of principal has been paid, $109,915 remains due.

During the three month period ending December 31, 2009, the Company issued two loans totaling $30,000 all of which bear interest at 5% per annum and are due on the earlier of December 15, 2010 or within 7 days of the Completion of borrowing by the Company of more than $1,000,000.

As of December 31, 2009 a balance of $152,915 remains due. Interest expense for the six month period ended December 31, 2009 and 2008 totaled $555,654 and $0, respectively.

6. Related Party Transactions

a) The Company has not had a need to rent office space. An officer/shareholder of the Company is allowing the Company to use his offices, as needed, at no expense to the Company. Such costs are immaterial to the financial statements and, accordingly have not been reflected therein.

b) An officer and shareholder advanced $1,800 to pay web development costs during the quarter ended March 31, 2007. The same officer and shareholder had accrued salary of $45,000 for the fifteen months ended March 31, 2008 at the rate of $3,000 per month. As of June 30, 2008, the balance due was forgiven.

c) During the quarter ended March 31, 2008, the outstanding accounts payable, accrued salary and amounts due to related parties were forgiven by some shareholders and treated as contributed capital totaling $51,319.

d) On May 2, 2008, the Company entered into an agreement with MRC1 Exploraciones to perform an evaluation of the mineral claims which $10,000 was contributed by the CEO and has waived any rights of repayment.

e) As of June 30, 2008 and 2007, outstanding advances made to the Company by Len De Melt, the Company's current president, respectively, were $7,679. As of December 31, 2009, all outstanding advances have been repaid.

f) On April 29, 2008, the Company appointed Len De Melt as the new President and Chief Financial officer and entered into a management agreement dated April 29, 2008 with the President of the Company for the provision of management services at $5,000 per month commencing in May 2008 for an indefinite term. The Company has accrued $100,000 as of December 31, 2009.

7. Mineral Rights and Impairment

The Company entered into an agreement dated June 3, 2008 to acquire 19 precious and base metal mining claims in Peru, South America for 25,000,000 shares of restricted common stock and the payment of a 1.5% net smelter royalty with a minimum royalty payment of $10,000 per month regardless of extraction. The Company issued 25,000,000 shares, valuing the asset at the fair value of the underlying stock as of the agreement date which was $28,750,000. On June 30, 2009 and June 30, 2008, the Company evaluated the asset for potential impairment in accordance with FASB ASC 360-10, "Property Plant and Equipment".

At the end of June 30, 2008, the Company, in accordance with FASB ASC 360-10 , valued the asset for impairment. Additionally the Company found several reports that showed that the industry traditional ly used 2 percent of the asset value, price times ounces, to establish value on the financial statements. As such, the Company used a formula (as indicated in the following paragraph) and determined that a more conservative approach for asset valuation was appropriate. The method used by the Company to determine the fair value of the mineral rights as of June 30, 2008 was as follows:

7. Mineral Rights and Impairment (continued)

The Company purchased the rights to approximately 1,100,000 ounces of estimated gold reserves. The Company anticipates extracting at least 1% of the total reserves; or approximately 11,000 ounces. Utilizing an average spot price of gold as of June 30, 2008 of $850 per oz., the estimated fair value of the rights was determined to be $9,350,000. The difference between the carrying value of $28,750,000 and the fair value of $9,350,000 which totaled $19,400,000 was recorded as impairment during 2008. The average spot price of gold as of June 30, 2009 was $940 per oz. therefore no impairment charge was recorded during 2009.

During September 2009, the Company received a notice of termination on its mineral rights agreement and completion of mining claims assignment due to non payment of the monthly royalty fees, see Note 8 for further discussions. As of December 31, 2009 the Company has not paid the monthly obligation. A balance of $160,000 has been accrued as royalty fees due under the Mineral rights agreement. A dispute as to the validity of the notice of termination exists between the selling party and the Company which the Company plans to pursue legal action to resolve this matter. The Company has not yet entered into a formal legal action against the seller.

Due to the pending litigation regarding the mineral rights agreement and the uncertainty of its legal status as to rights and ownership to the mineral assets, the Company has reclassified its mineral asset as a deposit on mineral claims. In addition, in order to conservatively report is financial status, the Company has fully impaired the value of its deposit on mineral claims due to the uncertainty of recourse on amounts paid for the mineral assets and pending outcome of a final legal determination of its rights and ownership. As of December 31, 2009, no legal action has yet been filed.

8. Commitments

On April 29, 2008, the Company appointed Len De Melt as the new President and Chief Financial Operator and entered into a management agreement dated April 29, 2008 with the President of the Company for the provision of management services at $5,000 per month commencing in May 2008 for an indefinite term. The Company has accrued $100,000 as of December 31, 2009.

On May 2, 2008, the Company entered into an agreement with MRC1 Exploraciones to perform an evaluation of the mineral claims for a fee of $25,000, of which $10,000 were contributed by the CEO and the remaining $15,000 were to be paid in October 2008. The Company has accrued $15,000 in accrued expenses. As of December 31, 2009 the $15,000 remains as due.

8. Commitments (continued)

On June 3, 2008, the Company entered into a Mineral Rights agreement with Angelo XXI. As per the agreement, the Company will pay Mr. Rosales $10,000 per month for royalties for the land, commencing in September 2008. The agreement was amended on October 1, 2008 to state that a minimum of $10,000 per month in royalties are due regardless of extractions. The Company has accrued $160,000 as of December 31, 2009. In September 2009, the Company received a notice of termination resulting principally from the unpaid royalty fees. A dispute as to the validity of the notice of termination exists between the selling party and the Company which the Company plans to pursue legal action to resolve this matter. See note 7 for additional information.

On June 21, 2008, the Company entered into an employment agreement with Elmer Rosales effective September 1, 2008. The agreement stated compensation expense of $5,000 per month free of income taxes; this was calculated to be about $6,850 per month. The Company is currently disputing the validity of this agreement. For conservative purposes the Company has accrued for $89,051 representing all salaries due under the employment agreement. As of September 30, 2009, no amounts have been paid under the agreement. No further accrual of salary was taken as he is no longer employed with the Company.

9. Subsequent Events

The Company has evaluated subsequent events through February 22, 2010, the date which the financial statements were available to be issued and the following was noted.

On January 13, 2010, the board authorized the issuance of 11,662,500 shares as settlement of debt totaling $28,290 of principal and interest.

On January 22, 2010, the board authorized the issuance of 13,000,000 shares as settlement of debt totaling $24,000 of principal.

On January 22, 2010, the Company received proceeds of $5,965 as advances from consultants to meet Company obligations.

On January 22, 2010, the board authorized the issuance of 6,000,000 shares under a stock subscription for $0.001 per share.

On January 26, 2010, the board authorized the issuance of 2,000,000 S-8 shares as settlement of the advances received by consultants totaling $5,965.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Business Overview and Uncertainties

We were incorporated as a Wyoming company on July 21, 2006. Our business is the acquisition, exploration and development of mineral properties. We have one wholly owned Peruvian subsidiary, Dana Mining Corp. S.A.C, which is the registered holder of title to 19 patented and unpatented base and precious metal mining properties located in the provinces of Chumbivilcas, Recuay, Piura, Huaytara, Pallasca, and Huancabamba, Peru, all of which we acquired on June 3, 2008.

Formerly, our business was to build and market an educational website on the subject of personal computing. On February 20, 2008, we amended our articles of incorporation to change our name to Dana Resources. The change of our name coincided with our decision to abandon our former business activities and to engage in the acquisition, exploration and development of mineral properties.

Our principal office is located at 810 Malecon Cisneros, Miraflores, Lima, Peru R5 18. Our telephone number is 380-44-331-62-01. Our fiscal year end is June 30.

Results of Operations for the Period From July 21, 2006 (Date of Inception) to December 31, 2009 and for the Three Months Ended December 31, 2009

Lack of Revenues

We are an exploration stage company with limited operations since our inception on July 21, 2006 to December 31, 2009. We have not generated any revenues. As of December 31, 2009, we had total assets of $9,505 and total liabilities of $540,497. Since our inception to December 31, 2009, we have accumulated a deficit of $31,173,382. We anticipate that we will continue to incur substantial losses and our ability to generate any revenues in the next 12 months remains uncertain.

Expenses

We have accumulated total expenses of $759,027 since our inception on July 21, 2006 to December 31, 2009, including $96,386 in general and administrative expenses, $259,050 in payroll expense, $196,288 in professional fees (including accounting, auditing and legal fees), $25,000 in mining expenses, $22,253 in land claim fees and $160,050 in royalties.

Our total operating expenses increased by $35,387 to $89,918 for the three months ended December 31, 2009 from $54,531 for the three months ended December 31, 2008. For the three months ended December 31, 2009, total expenses were comprised of $7,886 in general and administrative expenses, $25,500 in payroll expenses, $26,532 in professional fees and $30,000 in royalties.

Our other expenses increased to $5,235,232 for the three months ended December 31, 2009 from $0.00 for the three months ended December 31, 2008. For the three months ended December 31, 2009, other expenses were comprised of $555,052 of interest expenses and $4,680,180 due to loss on impairment of mineral rights deposits.

For the three months ended December 31, 2008 our total expenses of $54,531 consisted of $1,508 in general and administrative expenses, $25,000 in payroll expense $27,973 in professional fees and $50 in royalties.

The types of expenses that we may categorize as general and administrative expenses include foreign exchange loss, transfer agent and filing fees, office supplies, travel expenses, rent, communication expenses (cellular, internet, fax and telephone), bank charges, advertising and promotion costs, office maintenance, courier and postage costs and office equipment.

Net Loss

Since our inception on July 21, 2006 to December 31, 2009, we have incurred a net loss of $30,069,382. For the three months ended December 31, 2009, we incurred a net loss of $5,325,150 compared to a net loss of $54,531 for the same period in 2008, which is an increase in net loss of $5,270,619 between the two periods resulting from the loss on impairment of our mineral rights that occurred during the three months ended December 31, 2009.

Results of Operations for the Six Months Ended December 31, 2008

Lack of Revenues

We did not earn any revenues during the six months ended December 31, 2009.

Expenses

During the six months ended December 31, 2009, we incurred total expenses of $10,126,460 .

Our total operating expenses increased by $59,343 to $210,445 for the six months ended December 31, 2009 from $151,102 for the six months ended December 31, 2008. For the six months ended December 31, 2009, total operating expenses were comprised of $30,840 in general and administrative expenses, $70,550 in payroll expenses, $49,055 in professional fees and $60,000 in royalties.

Our total other expenses increased by $9, 916,015 to $9,916,015 for the six months ended December 31, 2009 from $0 for the six months ended December 31, 2008. For the six months ended December 31, 2009, other expenses were comprised of $555,654 of interest expenses and $9,360,361 due to loss on impairment of mineral rights deposits.

For the six months ended December 31, 2008 our total expenses of $151,102 consisted of $3,688 in general and administrative expenses, $70,000 in payroll expense and $77,414 in professional fees.

We expect that our total expenses will increase over the next year as we increase our business operations and exploration activities of mineral properties. We have not been able to reach the break-even point since our inception and have had to rely on outside capital resources. We do not anticipate generating any revenues for the next two years. Our auditors have issued us a going concern opinion, which means there is substantial doubt we will be able to sustain our operations unless we are able to obtain outside financing in the form of debt or equity financing.

Over the next 12 months, we plan to initially concentrate on completing a comprehensive review of all the data available from the previous exploration of our mineral properties and carry out surveys to identify potential drill targets. To that end, we have not completed a plan of operation or exploration and have not anticipated the cost of exploring our mineral properties. We intend to complete a plan of operation and exploration once we have completed the title registration of our mineral properties.

There is no assurance that we will be able to accurately anticipate the cost of exploring our mineral properties or obtain the financing necessary to complete any plan of exploration. This could prevent us from achieving revenues.

In order to improve our liquidity, we intend to pursue additional equity financing from private placement sales of our equity securities or shareholder loans. We intend to negotiate with our management and consultants to pay parts of salaries and fees with stock and stock options instead of cash. Any issuances of additional shares will result in dilution to our existing shareholders.

We currently do not have any arrangements in place for the completion of any further private placement financings and there is no assurance that we will be successful in completing any further private placement financings. If we are unable to achieve the necessary additional financing, then we plan to tailor our exploration expenses and administrative expenses proportionately to the amount of capital resources available to us.

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.

Inflation

The amounts presented in the financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

Significant Accounting Policies

Exploration Stage Company

Based upon the Company's business plan, it is an exploration stage company as defined by the Financial Accounting Standards Board's Accounting Standard Codification (FASB ASC) 915 "*Development Stage Entities*". Accordingly, the Company presents its financial statements in conformity with the accounting principles generally accepted in the United States of America that apply in establishing operating enterprises. As an exploration stage company, the Company discloses the deficit accumulated during the exploration stage as well as the cumulative statements of operations and cash flows from inception to the current balance sheet date.

Long-Lived Assets

In accordance with FASB ASC 360-10, "Property Plant and Equipment", long-lived assets to be held and used are analyzed for impairment and disposal of whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, the Company uses future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. Long-lived assets, including mineral properties, to be disposed of are reported at the lower of the carrying amount or fair value of the asset less cost to sell (refer to Note 7).

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit 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 and that such information is accumulated and communicated to our sole officer, as appropriate to allow timely decisions regarding required disclosure. We carried out an evaluation, under the supervision and with the participation of our sole officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2009. Based on the evaluation of these disclosure controls and procedures, and in light of the material weaknesses in our internal control over financial reporting identified in our Annual Report on Form 10-K for the year ended June 30, 2009, the sole officer concluded that our disclosure controls and procedures are ineffective.

Changes in internal controls

We have not yet implemented any of the recommended changes to internal control over financial reporting listed in our Annual Report on Form 10-K for the year ended June 30, 2009. As such, there were no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 4T. Controls and Procedures.

Not applicable.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We have been issued a default notice on our mineral rights obligations due to non-payment of the monthly royalty fee due. As of December 31, 2009, the Company has not made any payments towards the royalty fees. A dispute as to the validity of the default notice exists between the selling party and Dana. As of February 22, 2010, the dispute has not been resolved and we have written off our deposit on mineral concessions due to the potential risk we have of losing our deposit on mineral concession. We plan on initiating legal action in Peru to come to a final determination of the status of our deposit.

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

On October 21, 2009, we issued 2,500,000 shares of stock to a debtor as full settlement of $5,000.00 worth of debt. The Shares were issued in reliance upon the exemptions from the registration requirements of the Securities Act of 1933, as amended, afforded to us under Regulation S as the shares were issued in an "offshore transaction", as defined in Rule 902(h) of Regulation and we did not engage in any directed selling efforts, as defined in Regulation S, in the United States in connection with the sale of the securities. Each stockholder was not a U.S. person, as defined in Regulation S, and was not acquiring the securities for the account or benefit of a U.S. person

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit Number	Description
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14 or 15d-14 of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 22, 2010

Dana Resources
By: /s/ Len De Melt
Len De Melt
President, Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, Secretary, Treasurer and Director

Exhibit 31.1

Certification Of The Chief Executive Officer and Chief Financial Officer - Pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Len De Melt, certify that:

1 I have reviewed this Quarter Report on Form 10-Q of Dana Resources.

2 Based on my knowledge, this report 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 the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.

4 I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and have:

a Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the period covered by the quarter report that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting.

5 I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

a All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

b Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

By: /s/ *Len De Melt*

Len De Melt
President, Chief Executive Officer
and Chief Financial Officer

February 22, 2010

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarter Report of Dana Resources (the “Company”) on Form 10-Q for the period ended December 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Len De Melt, Chief Executive Officer and Chief Financial Officer of the Company certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: *<u>/s/ Len De Melt</u>*

Len De Melt
President, Chief Executive Officer
and Chief Financial Officer

February 22, 2010