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

FORM 10-Q

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

For the quarterly period ended May 31, 2010

OR

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

For the transition period from to

Commission file number: 000-51563

TEXADA VENTURES INC.

(Exact Name of Registrant as Specified in its Charter)

NEVADA	**98-0374224**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11616 East Montgomery Drive, No. 54 **Spokane Valley, Washington**	**99206**
(Address of Principal Executive Offices)	(Zip Code)

(509) 301-6635
(Registrant's Telephone Number, including Area Code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
☐ Yes ☐ No

Indicate by check mark whether the Registrant is ☐ a large accelerated filer, ☐ an accelerated file, ☐ a non-accelerated filer, or ☒ a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act)

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

Number of shares of issuer's common stock outstanding as of July 14, 2010: 24,293,334

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q, and, therefore, do not include all information and notes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the six months ended May 31, 2010 are not necessarily indicative of the results that can be expected for the year ending November 30, 2010.

As used in this Quarterly Report, the terms "we", "us", "our", “the Company” and “Texada” mean Texada Ventures Inc., unless otherwise indicated. All dollar amounts in this Quarterly Report are in U.S. dollars unless otherwise stated.

Texada Ventures Inc.
(An Exploration Stage Company)
Balance Sheets
(Expressed in US dollars)

	May 31, 2010 (Unaudited)	November 30, 2009
ASSETS		
Current Assets		
Cash	$ 8,326	$ 2,416
Total Assets	$ 8,326	$ 2,416
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable (Note 5(c))	$ 116,832	$ 117,788
Accrued liabilities (Note 4)	182,792	148,113
Due to related parties (Notes 5(a) and (b))	86,635	70,389
Promissory notes payable (Note 6)	452,500	365,000
Total Current Liabilities	838,759	701,290
Convertible debentures, less unamortized discount of $3,538 and $5,497, respectively (Note 7)	581,462	579,503
Total Liabilities	1,420,221	1,280,793
Nature of Operations and Continuance of Business (Note 1)		
Commitments (Note 10)		
Stockholders' Deficit		
Preferred shares, 100,000,000 shares authorized, $0.001 par value; None issued and outstanding	–	–
Common shares, 200,000,000 shares authorized, $0.001 par value; 24,293,334 shares issued and outstanding (Note 8)	24,293	24,293
Additional paid-in capital	340,107	340,107
Deficit accumulated during the exploration stage	(1,776,295)	(1,642,777)
Total Stockholders' Deficit	(1,411,895)	(1,278,377)
Total Liabilities and Stockholders' Deficit	$ 8,326	$ 2,416

(The accompanying notes are an integral part of these financial statements)

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

	Accumulated from October 17, 2001 (Date of Inception) to May 31, 2010	For the Six months Ended May 31, 2010	For the Six months Ended May 31, 2009	For the Three months Ended May 31, 2010	For the Three months Ended May 31, 2009
Revenue	$ –	$ –	$ –	$ –	$ –
Operating Expenses					
Amortization	798	–	–	–	–
Consulting (Notes 5(a) and (b))	204,247	21,289	34,615	7,011	15,340
Exploration costs	20,091	–	–	–	–
General and administrative	605,731	92,338	75,869	77,932	25,339
(Gain) Loss on foreign exchange	(307)	137	3,402	835	3,767
Mineral property costs	3,747	–	–	–	–
Total Operating Expenses	834,307	113,764	113,886	85,778	44,446
Loss from Operations	(834,307)	(113,764)	(113,886)	(85,778)	(44,446)
Other Income (Expense)					
Accretion of discount on convertible debentures	(230,463)	(1,960)	(9,573)	(1,106)	(194)
Interest income	4,022	–	–	–	–
Interest on convertible debentures	(125,160)	(23,335)	(23,347)	(11,795)	(11,795)
Interest on promissory notes	(57,630)	(11,344)	(10,820)	(5,734)	(5,649)
Interest on related party loans	(8,500)	–	–	–	–
Gain on settlement of debt	5,960	70	–	–	–
Loss on disposal of equipment	(2,075)	–	–	–	–
Loss on write down of note receivable	(86,797)	–	–	–	–
Loss on write down of oil and gas deposit	(365,000)	–	–	–	–
(Provision) recovery for loan receivable	(76,345)	16,815	–	16,815	–
Total Other Income (Expense)	(941,988)	(19,754)	(43,740)	(1,820)	(17,638)
Net Loss	$ (1,776,295)	$ (133,518)	$ (157,626)	$ (87,598)	$ (62,084)
Net Loss Per Share – Basic and Diluted		$ (0.01)	$ (0.01)	$ –	$ –
Weighted Average Shares Outstanding		24,293,334	24,293,334	24,293,334	24,293,334

(The accompanying notes are an integral part of these financial statements)

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

	Accumulated from October 17, 2001 (Date of Inception) to May 31, 2010	For the Six months Ended May 31, 2010	For the Six months Ended May 31, 2009
Operating Activities			
Net loss	$ (1,776,295)	$ (133,518)	$ (157,626)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accretion of convertible debt discount	230,463	1,960	9,573
Amortization	798	–	–
Gain on settlement of debt	(5,890)	–	–
Loss on disposal of equipment	2,075	–	–
Loss on write down of note receivable	86,797	–	–
Provision for loan receivable	76,345	(16,815)	–
Write-off of oil and gas deposit	365,000	–	–
Changes in operating assets and liabilities:			
Note receivable	(9,876)	–	(9,876)
Prepaid expenses	–	–	(4,880)
Accounts payable and accrued liabilities	309,499	43,598	60,456
Due to related parties	92,525	16,246	26,511
Net Cash Used in Operating Activities	(628,559)	(88,529)	(75,842)
Investing Activities			
Acquisition of oil and gas interests	(365,000)	–	–
(Advance) Repayment of note receivable	(163,142)	6,939	–
Purchase of equipment	(2,873)	–	–
Net Cash Used In Investing Activities	(531,015)	6,939	–
Financing Activities			
Advances from related party loan	50,000	–	–
Repayment of related party loan	(50,000)	–	–
Proceeds from convertible debentures	585,000	–	–
Proceeds from promissory notes payable	452,500	87,500	75,000
Proceeds from issuance of common shares	130,400	–	–
Net Cash Provided by Financing Activities	1,167,900	87,500	75,000
Increase (Decrease) in Cash	8,326	5,910	(842)
Cash - Beginning of Period	–	2,416	3,352
Cash - End of Period	$ 8,326	$ 8,326	$ 2,510
Supplemental Disclosures			
Interest paid	$ 8,500	$ –	$ –
Income taxes paid	$ –	$ –	$ –

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

   Texada Ventures Inc. (the "Company") was incorporated in the State of Nevada on October 17, 2001. The Company is an Exploration Stage Company, as defined by ASC 915, *Development Stage Entities*. The Company's principal business is the acquisition and exploration of oil and gas and mineral resources. The Company has not presently determined whether its properties contain mineral reserves that are economically recoverable.

   These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has never generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As at May 31, 2010, the Company has a working capital deficit of $830,433 and has accumulated losses of $1,776,295 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

   As at May 31, 2010, the Company had cash of $8,326 on hand, and for the next twelve months, management anticipates that the minimum cash requirements to fund its proposed exploration program and continued operations will be $500,000. Accordingly, the Company does not have sufficient funds to meet planned expenditures over the next twelve months, and will need to seek additional debt or equity financing to meet its planned expenditures. There is no assurance that the Company will be able to raise sufficient cash to fund its future exploration programs and operational expenditures.

2. Summary of Significant Accounting Policies

   a) Basis of Presentation

      These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars. The Company's fiscal year-end is November 30.

   b) Interim Financial Statements

      The interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission ("SEC") Form 10-Q. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended November 30, 2009, included in the Company's Annual Report on Form 10-K filed on March 16, 2010 with the SEC.

      The financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position at May 31, 2010, and the results of its operations and cash flows for the fiscal periods ended May 31, 2010 and 2009. The results of operations for the three months and six months ended May 31, 2010 are not necessarily indicative of the results to be expected for future quarters or the full year.

   c) Reclassifications

      Certain reclassifications have been made to prior period financial statements to conform to the current period presentation.

2. Summary of Significant Accounting Policies (continued)

d) Use of Estimates

The preparation of financial statements in conformity with US generally accepted accounting principles requires 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. The Company regularly evaluates estimates and assumptions related to its investment in mining and mineral claims, valuation of note receivable, stock-based compensation, and deferred income tax asset valuations. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

e) Earnings (Loss) Per Share

The Company computes earnings (loss) per share in accordance with ASC 260, *Earnings per Share*. ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing earnings (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive. As at May 31, 2010, the Company has 1,136,260 split-adjusted dilutive securities outstanding. At May 31, 2010 and 2009, the effect of the Company's outstanding common stock equivalents would have been anti-dilutive. Accordingly, only basic EPS is presented.

f) Mineral Property Costs

The Company is engaged in the acquisition, exploration and development of mineral properties. Mineral property acquisition costs are capitalized in accordance with ASC 360, *Property, Plant, and Equipment,* when management has determined that probable future benefits consisting of a contribution to future cash inflows have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and budgeted exploration and development expenditures. Mineral property acquisition costs are expensed as incurred if the criteria for capitalization are not met. In the event that a mineral property is acquired through the issuance of the Company's shares, the mineral property will be recorded at the fair value of the respective property or the fair value of common shares, whichever is more readily determinable.

When mineral properties are acquired under option agreements with future acquisition payments to be made at the sole discretion of the Company, those future payments, whether in cash or shares, are recorded only when the Company has made or is obliged to make the payment or issue the shares. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves and feasibility, the costs incurred to develop such property are capitalized.

g) Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, *Compensation - Stock Based Compensation*, and ASC 505-50, *Equity Based Payments to Non-Employees* using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

2. Summary of Significant Accounting Policies (continued)

h) Long-lived Assets

In accordance with ASC 360, *Property, Plant and Equipment*, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

i) 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.

j) Financial Instruments

ASC 820, *Fair Value Measurements* requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1: Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2: Applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3: Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Our financial instruments consist principally of cash, accounts payable, amounts due to related parties, promissory notes payable, and convertible debentures. Pursuant to ASC 820, the fair value of our cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

The Company has operations in Canada, which results in exposure to market risks from changes in foreign currency rates. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

(Expressed in US dollars)

2. Summary of Significant Accounting Policies (continued)

j) Financial Instruments (continued)

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as of May 31, 2010 as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of May 31, 2010
Assets:				
Cash equivalents	$ 8,326	$ –	$ –	$ 8,326
Total assets measured at fair value	$ 8,326	$ –	$ –	$ 8,326
Liabilities:				
Convertible notes payable	–	581,462		581,462
Total liabilities measured at fair value	$ –	$ 581,462	$ –	$ 581,462

We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

k) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

l) Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. Occasional transactions may occur in a foreign currency and the Company follows ASC 830, *Foreign Currency Translation.* Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average monthly rates are used to translate revenues and expenses. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

m) Adopted Accounting Pronouncements

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

3. Mineral Properties

Pursuant to an agreement dated November 2, 2001, the Company acquired a 100% interest in eight mineral claims located in the Whitehorse Mining District, Yukon Territory, Canada known as the Peek claims for $2,500. The property is being held in trust for the Company by a third party.

4. Accrued Liabilities

Accrued liabilities consist of accrued interest of $182,792 (November 30, 2009 - $148,113) on the convertible debentures and promissory notes payable.

5. Related Party Transactions

a) On September 12, 2008, Company entered into an engagement letter with the Chief Executive Officer ("CEO") of the Company as described in Note 10(a). Pursuant to the agreement the Company incurred $9,289 (2009 - $10,616) in consulting fees to a company owned and controlled by the CEO of the Company during the six months ended May 31, 2010. As at May 31, 2010, $17,178 (November 30, 2009 - $13,059) in consulting fees are owed to the CEO.

b) During the six months ended May 31, 2010, the Company incurred $12,000 (2009 - $24,000) in consulting fees to the former President of the Company. As at May 31, 2010, $56,000 (November 30, 2009 - $44,000) in consulting fees and $13,457 (November 30, 2009 - $13,330) of expenditures incurred on behalf of the Company are owed to the former President of the Company.

c) As at May 31, 2010, accounts payable includes $3,125 (November 30, 2009 - $3,125) owing to a former director for expenses incurred on the Company's behalf.

d) The Company neither owns nor leases any real or personal property. The Chief Financial Officer provides office services without charge. Such costs are immaterial to the financial statements and accordingly, have not been reflected therein.

6. Promissory Notes Payable

a) On March 30, 2010, the Company entered into a promissory note with a third party for $60,000, which is unsecured, non interest bearing and due on demand.

b) On February 15, 2010, the Company entered into a promissory note with a third party for $27,500, which is unsecured, non interest bearing and due on demand.

c) On March 25, 2009, the Company entered into a promissory note with a third party for $25,000, which is unsecured, due on demand and bears interest at 5% per annum. Interest and principal are due on demand.

d) On December 19, 2008, the Company entered into a promissory note with a third party for $50,000, which is unsecured, due on demand and bears interest at 5% per annum. Interest and principal are due on demand.

e) On October 27, 2008, the Company entered into a promissory note with a third party for $140,000, which is unsecured, due on demand and bears interest at 5% per annum. Interest and principal are due on demand.

f) On February 15, 2007, the Company entered into a promissory note with a third party for $50,000, which is unsecured, due on demand and bears interest at 8% per annum. Interest is payable annually due on or before February 14 of each year.

g) On November 20, 2006, the Company entered into a promissory note with a third party for $100,000, which is unsecured, due on demand and bears interest at 8% per annum.

7. Convertible Debentures

a) On April 10, 2007, the Company issued a 6% convertible debenture with a principal amount of $200,000 which was due and payable on December 31, 2008. Interest is payable semi-annually beginning on September 30, 2007, and thereafter on March 31st and September 30th of each year, payable at the option of the Company in cash or shares. As at November 30, 2009, the Company had not made any interest payments and pursuant to the debenture has accrued default interest of 8% since September 30, 2007. The principal and accrued interest on the debenture may be converted at any time into shares of the Company's common stock at a price of $0.625 per share, at the option of the holder.

In accordance with ASC 470-20, Debt with Conversion and Other Options, the Company recognized the intrinsic value of the embedded beneficial conversion feature of $80,000 as additional paid-in capital and an equivalent discount which will be charged to operations over the term of the convertible debenture. The Company records accretion expense over the term of the convertible debenture up to its face value of $200,000. On December 18, 2008, the Company entered into an amendment to the convertible debenture to extend the maturity date of the note from December 31, 2008 to December 31, 2010. As at December 18, 2008, $78,352 had been accreted increasing the carrying value of the convertible debenture to $198,352. As at December 18, 2008, the Company had accrued interest of $25,151.

7. Convertible Debentures (continued)

Pursuant to ASC 470-60, Troubled Debt Restructurings by Debtors, the total future cash flows of the restructured debt was compared with the carrying value of the original debt. As the total future cash flows of the restructured debt were greater than the carrying value at the date of amendment, the carrying value of the original debt at the date of modification was not adjusted. Pursuant to ASC 470-60, a new effective interest rate was computed and used to determine interest expense for the modified debenture. As at May 31, 2010, $79,016 has been accreted increasing the carrying value of the convertible debenture to $199,016. As at May 31, 2010, the Company has accrued interest of $48,340.

b) On May 2, 2007, the Company issued a 6% convertible debenture with a principal amount of $125,000 which was due and payable on December 31, 2008. Interest is payable semi-annually beginning on September 30, 2007, and thereafter on March 31st and September 30th of each year, payable at the option of the Company in cash or shares. As at November 30, 2009, the Company had not made any interest payments and pursuant to the debenture has accrued default interest of 8% since September 30, 2007. The principal and accrued interest on the debenture may be converted at any time into shares of the Company's common stock at a price of $0.625 per share, at the option of the holder.

In accordance with ASC 470-20, Debt with Conversion and Other Options, the Company recognized the intrinsic value of the embedded beneficial conversion feature of $50,000 as additional paid-in capital and an equivalent discount which will be charged to operations over the term of the convertible debentures. The Company records accretion expense over the term of the convertible debenture up to its face value of $125,000. On December 18, 2008, the Company entered into an amendment to the convertible debenture to extend the maturity date of the note from December 31, 2008 to December 31, 2010. As at December 18, 2008, $48,933 had been accreted increasing the carrying value of the convertible debenture to $123,933. As at December 18, 2008, the Company had accrued interest of $15,267.

Pursuant to ASC 470-60, Troubled Debt Restructurings by Debtors, the total future cash flows of the restructured debt was compared with the carrying value of the original debt. As the total future cash flows of the restructured debt were greater than the carrying value at the date of amendment, the carrying value of the original debt at the date of restructuring was not adjusted. Pursuant to ASC 470-60, a new effective interest rate was computed and used to determine interest expense for the modified debenture. As at May 31, 2010, $49,373 has been accreted increasing the carrying value of the convertible debenture to $124,373. As at May 31, 2010, the Company has accrued interest of $29,760.

c) On November 19, 2007, the Company issued a 6% convertible debenture with a principal amount of $110,000 which was due and payable on December 31, 2008. Interest is payable semi-annually beginning on May 31, 2008, and thereafter on May 31st and November 30th of each year, payable at the option of the Company in cash or shares. As at November 30, 2009, the Company had not made any interest payments and pursuant to the debenture has accrued default interest of 8% since May 31, 2008. The principal and accrued interest on the debenture may be converted at any time into shares of the Company's common stock at a price of $0.625 per share, at the option of the holder.

In accordance with ASC 470-20, *Debt with Conversion and Other Options,* the Company recognized the intrinsic value of the embedded beneficial conversion feature of $44,000 as additional paid-in capital and an equivalent discount which will be charged to operations over the term of the convertible debenture. The Company records accretion expense over the term of the convertible debenture up to its face value of $110,000. On December 18, 2008, the Company entered into an amendment to the convertible debenture to extend the maturity date of the note from December 31, 2008 to December 31, 2010. As at December 18, 2008, $42,598 had been accreted increasing the carrying value of the convertible debenture to $108,598. As at December 18, 2008, the Company had accrued interest of $8,333.

Pursuant to ASC 470-60, Troubled Debt Restructurings by Debtors, the total future cash flows of the restructured debt was compared with the carrying value of the original debt. As the total future cash flows of the restructured debt were greater than the carrying value at the date of amendment, the carrying value of the original debt was not adjusted. Pursuant to ASC 470-60, a new effective interest rate was computed and used to determine interest expense for the modified debenture. As at May 31, 2010, $43,288 has been accreted increasing the carrying value of the convertible debenture to $109,288. As at May 31, 2010, the Company has accrued interest of $21,087.

7. Convertible Debentures (continued)

d) On March 11, 2008, the Company issued a 6% convertible debenture with a principal amount of $150,000 which was due and payable on December 31, 2008. Interest is payable semi-annually beginning on May 31, 2008, and thereafter on May 31st and November 30th of each year, payable at the option of the Company in cash or shares. As at November 30, 2009, the Company had not made any interest payments and pursuant to the debenture has accrued default interest of 8% since May 31, 2008. The principal and accrued interest on the debenture may be converted at any time into shares of the Company's common stock at a price of $0.625 per share, at the option of the holder.

In accordance with ASC 470-20, Debt with Conversion and Other Options, the Company recognized the intrinsic value of the embedded beneficial conversion feature of $60,000 as additional paid-in capital and an equivalent discount which will be charged to operations over the term of the convertible debenture. The Company records accretion expense over the term of the convertible debenture up to its face value of $150,000. On December 18, 2008, the Company entered into an amendment to the convertible debenture to extend the maturity date of the note from December 31, 2008 to December 31, 2010. As at December 18, 2008, $57,356 had been accreted increasing the carrying value of the convertible debenture to $147,356. As at December 18, 2008, the Company had accrued interest of $8,584.

Pursuant to ASC 470-60, Troubled Debt Restructurings by Debtors, the total future cash flows of the restructured debt was compared with the carrying value of the original debt. As the total future cash flows of the restructured debt were greater than the carrying value at the date of amendment, the carrying value of the original debt was not adjusted. Pursuant to ASC 470-60, a new effective interest rate was computed and used to determine interest expense for the modified debenture. As at May 31, 2010, $58,785 has been accreted increasing the carrying value of the convertible debenture to $148,785. As at May 31 2010, the Company has accrued interest of $25,975.

8. Common Stock

On March 30, 2009, the Company effected a 2.5 to 1 reverse stock split of the authorized, issued and outstanding common stock. As a result, the authorized share capital decreased from 500,000,000 shares of common stock with a par value of $0.001 per share to 200,000,000 shares of common stock with a par value of $0.001 per share. The issued and outstanding shares decreased from 60,733,335 shares of common stock to 24,293,334 shares of common stock. All share amounts have been retroactively adjusted for all periods presented.

9. Segment Disclosures

The Company operates in one operating segment, which is the acquisition and exploration of oil and gas resources and mineral resources. The Chief Executive Officer is the Company's Chief Operating Decision Maker ("CODM") as defined by ASC 280, Segment Report. The CODM allocates resources and assesses the performance of the Company based on the results of operations.

10. Commitments

a) On September 12, 2008, the Company entered into an engagement letter with the Company's Chief Executive Officer to provide management services in consideration for fees based upon time expended, with a designated portion payable in cash and balance payable in the Company's common stock at a deemed price of $2.50 per split-adjusted share. Refer to Note 5(a). In February 2010, that agreement was modified to convert non-cash portions of invoice charges through January 2010 into equity at the same price and terms as outside investors in the private placement yet to be made for the Term Sheet referred to in Note (b) below. If the Company is unsuccessful in a private placement for a subsequent term sheet, shares would be issued with valuation at the then-current market price. The timing of the share issue is at the discretion of the Company's Chief Executive Officer.

b) On February 15, 2010, the Company signed a non-binding term sheet (the "Term Sheet") with Diamond Industry Associates Limited ("DIA") that set forth the principal terms upon which the Company would enter into a definitive agreement to acquire all of the issued and outstanding equity interest of DIA, or alternatively all of the assets, liabilities and contractual obligations of DIA by issuing shares of the Company's common stock, and to commence a concurrent financing of at least $3,000,000.

The Term Sheet may be terminated by either party if the conditions set forth in the Term Sheet have not been satisfied on or before May 30, 2010. The Term Sheet may be terminated by DIA if the Company has not provided to DIA satisfactory evidence of financial commitments to raise at least $3,000,000 before May 30, 2010. On May 30, 2010, the Term Sheet was terminated.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this Quarterly Report constitute “forward-looking statements”. These statements, identified by words such as “plan”, “anticipate”, “believe”, “estimate”, “should”, “expect” and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report. We advise you to carefully review the reports and documents we file from time to time with the United States Securities and Exchange Commission (the “SEC”), particularly our Annual Reports on Form 10-K and our Current Reports on Form 8-K.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Texada Ventures Inc. (the “Company”) is engaged in the business of acquisition and exploration of mineral and resource properties. We were incorporated on October 17, 2001 under the laws of the State of Nevada. Our principal office is located at 11616 E. Montgomery Drive, Suite 54, Spokane Valley, WA 99206. Our phone number is 509-301-6635. Our facsimile number is 509-924-2524.

OUR BUSINESS

We have acquired a 100% undivided interest in a group of mineral claims located in the Wheaton River District in the Yukon Territory, Canada that we refer to as the Peek Claims. During the the quarter ended February 28, 2010, we entered into a term sheet (“DIA Term Sheet”) with Diamond Industry Associates Ltd. (“DIA”) whereby we would acquire 100% of DIA’s issued and outstanding shares or alternatively the assets and contractual obligations of DIA. On May 30, 2010, the DIA Term Sheet was terminated.

We have not earned any revenues to date. Our plan of operation is to continue to carry out exploration work on our claims in order to ascertain whether they possess commercially exploitable mineral deposits. We are presently in the exploration stage of our business and we can provide no assurance that commercially viable mineral deposits exist on our current or targeted claims or that we will discover commercially exploitable levels of mineral resources on our properties, or if such deposits are discovered, that we will enter into further substantial exploration programs. We will not be able to determine whether or not our current or targeted mineral claims contain a commercially exploitable deposit, or reserve, until appropriate exploratory work is done and an economic evaluation based on that work concludes economic viability.

We generally conduct our business through verbal agreements with consultants and arms-length third parties. Our verbal agreement with our geologist includes his reviewing all of the results from the exploratory work performed upon the site and making recommendations based on those results in exchange for payments equal to the usual and customary rates received by geologists performing similar consulting services.

As a result of our failure to generate substantial revenues since our inception, we reviewed our initial business plan in order to evaluate the progress of our mining business. We have not attained profitable operations to date and are dependent upon obtaining financing to pursue our plan of operation. Following Dr. John Veltheer’s acquisition of 49% of our issued and outstanding shares and his appointment to the board of Texada in October 2006, we decided to continue to develop our current mining business and to seek other business opportunities in related industries. In accordance with that decision, in September 2008, we appointed Ted R. Sharp as our President, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary and a member of our Board of Directors. In 2008, we energized our search for acquisition targets when we entered into a term sheet (“REX Term Sheet”) with Royalty Exploration, LLC (“REX”) for the purchase of that company. The REX Term Sheet was amended and restated as we made valiant attempts to consummate the transaction, but ultimately the REX Term Sheet expired on May 31, 2009. We left the door open to participation in some form of that transaction and in August 2009, we signed a letter agreement with REX (“REX Letter Agreement”) which detailed the responsibilities of the parties going forward with respect to the transaction described in the amended and restated REX Term Sheet dated March 9, 2009. At the date of this report, the transaction has not been consummated and the amended and restated REX Term Sheet has expired. The REX Letter Agreement identifies conditions under which expenses or a breakup fee would be reimbursed or paid by REX to us should REX be successful in consummating the anticipated transaction without our involvement.

On February 15, 2010, we entered into the DIA Term Sheet, whereby we would acquire 100% of DIA's issued and outstanding shares or alternatively the assets and contractual obligations of DIA. The acquisition was subject to a definitive agreement and customary terms and conditions. In conjunction with the transaction, we planned to commence a private placement financing of up to $3 million. On May 30, 2010, the DIA Term Sheet was terminated. As of the date of this report, we do not have plans to negotiate another term sheet with DIA.

We can give no assurance that we will be successful in an acquisition or attracting the capital necessary to consummate a transaction at terms that are acceptable to us.

RECENT CORPORATE DEVELOPMENTS

We have experienced the following significant corporate developments since the completion of our fiscal year ended November 30, 2009:

Term Sheet - DIA

Subsequent to the end of fiscal 2009, on February 15, 2010 we entered into the DIA Term Sheet, as described above, We were in the process of completing our due diligence and negotiating a definitive agreement with DIA in May of 2010; however, both parties could not reach agreement on the pricing and terms of the deal. As a result, the Term Sheet was terminated on May 30, 2010.

PLAN OF OPERATION

As a result of our failure to generate any revenues since our inception, we have not been satisfied with our initial business plan to this point. In September 2008, we appointed Ted R. Sharp as a member of our Board of Directors and as our President, Chief Executive Officer and Chief Financial Officer.

Our current plan of operation is to continue exploration work on our mineral properties, as described below, while also seeking acquisition opportunities to acquire a company or operation which would return sufficient shareholder value. We are currently evaluating acquisition targets in complementary industries. We cannot assure you that we will be successful in locating a suitable acquisition target, or that our capital raising efforts will be successful given the current state of the financial markets or that we can successfully complete an acquisition.

Mineral Properties

As described in previous filings, we have taken a phased approach to our exploration efforts on the Peek Claims, and have received a geological report on the results of Phase III of our program with further recommendations from our geological consultant of additional activities prior to engaging in Phase IV of our plan. In his report, our geologist recommended that, prior to proceeding with Phase IV, further geological engineering should be undertaken to define the exact source areas for the known and new vein float material. Our geologist recommended reserving a total of $10,000 for a two-stage delineation program prior to commencing Phase IV of our exploration program. We proceeded with our geologist's recommendation and completed the first phase of the delineation program during the summer exploration season of 2006. A detailed, close-spaced, soil geochemical survey over the conductors using a plugger style overburden sampling drill was recommended to locate the bed rock source of the mineralization following completion of Phase I of the delineation program.

Our decision to proceed to Phase IV of our initial exploration program will be made based on factors such as other business opportunities, the final assay results and the recommendations of our geologist, the grades of any mineralization found, the size and extent of the mineralized zones, and the strength of metal prices in international markets. Phase IV is currently estimated to cost $120,000. Given our current working capital situation and the costs of implementing Phase IV of our exploration program, we currently do not anticipate implementing Phase IV in the foreseeable future. See "Liquidity and Capital Resources" below.

Our expenditures toward the exploration of our mineral claims may not result in the discovery of mineral deposits. Problems such as unusual or unexpected formations and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. If the results of exploration do not reveal viable commercial mineralization, we may decide to abandon our claims and acquire new claims for new exploration. The acquisition of additional claims will be dependent upon our possessing sufficient capital resources at the time in order to purchase such claims. If no funding is available, we may be forced to abandon our operations. This assessment will include an assessment of our cash reserves after the completion of Phase III, the price of minerals and the market for financing of mineral exploration projects at the time of our assessment.

Plan of Operations

During the exploration stage, Ted R. Sharp, our President, Secretary, Treasurer, Chief Executive Officer and Chief Financial Officer, and Dr. Veltheer will only be devoting approximately twenty hours per week of their time to our business. We do not foresee this limited involvement as negatively impacting the Company over the next twelve months. All exploratory work on our mining properties, if any, is being performed by our geological consultant, Mr. Timmins, who contracts with appropriately experienced parties to complete work programs. However, if as a result of our acquisition efforts, the demands of our business require more business time of Mr. Sharp or Dr. Veltheer, such as raising additional capital or addressing unforeseen issues with regard to our exploration efforts, they are prepared to adjust their timetable to devote more time to our business.

RESULTS OF OPERATIONS

This discussion and analysis should be read in conjunction with the accompanying financial statements and related notes. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors. The discussion and analysis of the financial condition and results of operations are based upon the financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis the Company reviews its estimates and assumptions. The estimates were based on historical experience and other assumptions that the Company believes to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but the Company does not believe such differences will materially affect our financial position or results of operations.

Critical Accounting Policies

Critical accounting policies, the policies the Company believes are most important to the presentation of its financial statements and require the most difficult, subjective and complex judgments, are outlined below, are also disclosed in the Company’s Form 10-K as filed with the Securities and Exchange Commission on March 16, 2010, and have not changed significantly.

Mineral Property Costs

The Company is engaged in the acquisition, exploration and development of mineral properties. Mineral property acquisition costs are capitalized when management has determined that probable future benefits consisting of a contribution to future cash inflows have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and budgeted exploration and development expenditures. Mineral property acquisition costs are expensed as incurred if the criteria for capitalization are not met. In the event that a mineral property is acquired through the issuance of the Company’s shares, the mineral property will be recorded at the fair value of the respective property or the fair value of common shares, whichever is more readily determinable.

When mineral properties are acquired under option agreements with future acquisition payments to be made at the sole discretion of the Company, those future payments, whether in cash or shares, are recorded only when the

Company has made or is obliged to make the payment or issue the shares. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves and feasibility, the costs incurred to develop such property are capitalized.

Stock-based Compensation

The Company records stock-based compensation using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Revenue and Expenses

Summary	Three Months Ended May 31		Six Months Ended May 31	
	2010	2009	2010	2009
Revenue	-	-	-	-
Operating Expenses	$ 85,778	$ 44,446	$ 113,764	$ 113,886
Net Income (Loss) From Operations	$ (85,778)	$ (44,446)	$ (113,764)	$ (113,886)

Summary of Revenue

We have not earned any revenues to date. Our plan of operation, in regards to mineral properties, is to continue to carry out exploration work on our claims in order to ascertain whether they possess commercially exploitable quantities of mineral deposits and to explore acquisition opportunities. We do not anticipate earning revenues until such time as we are able to locate and process commercially exploitable levels of mineral resources on our properties or acquire commercially viable or producing properties.

We are presently in the exploration stage of our business and we can provide no assurance that a commercially viable mineral deposit exists on our claims or that we will discover commercially exploitable levels of mineral resources on our properties, or if such deposits are discovered, that we will enter into further substantial exploration programs. We will not be able to determine whether or not our mineral claims contains a commercially exploitable mineral deposit, or reserve, until appropriate exploratory work is done and an economic evaluation based on that work concludes economic viability. Also, we cannot assure you that we will be able to acquire any commercially viable properties or, if acquired, that we will be able to develop or operate any acquired property in a profitable manner.

Summary of Expenses

Our expenses for the three ended May 31, 2010 and 2009, consisted of the following:

	Three Months Ended May 31		**Six Months Ended May 31**	
	2010	**2009**	**2010**	**2009**
Expenses (Operating Expenses)				
Consulting	$ 7,011	$ 15,340	$ 21,289	$ 34,615
General and administrative	$ 77,932	$ 25,339	$ 92,338	$ 75,869
Loss on foreign exchange	$ 835	$ 3,767	$ 137	$ 3,402
Other Income (Expense)				
Accretion of discount on convertible debentures	$ (1,106)	$ (194)	$ (1,960)	$ (9.573)
Interest income	-	-	-	-
Interest on convertible debentures	$ (11,795)	$ (11,795)	$ (23,335)	$ (23,347)
Interest on promissory notes	$ (5,734)	$ (5,649)	$ (11,344)	$ (10,820)
Interest on related party loans	-	-	-	-
Recovery of loan receivable	$ 16,815	-	$ 16,815	-
Gain on settlement of debt	-	-	$ 70	-

For the three months ended May 31, 2010, our operating expenses increased from the same period in 2009, reversing the trend of the first three months of our fiscal year. As a result, our operating expenses for the six months ended May 31, 2010 are roughly equal to the same period in 2009. The increase in operating expenses for the most recent quarter is primarily due to non-repetition of costs related to due diligence and financing efforts for the DIA acquisition that were incurred in fiscal 2010. The increase of costs in due diligence and acquisition activity resulted in an increase in general and administrative expense of $52,593 and a decrease in consulting of $8,329. Other income and expense for the three months ended May 31, 2010 decreased by $15,818, primarily due to a recovery on a loan receivable for which a provision for potential uncollectability had been created in fiscal 2009.

For the six months ended May 31, 2010, our operating expenses were roughly equal to the same period in 2009. The increase in general and administrative costs was due to the increase in due diligence expense for the DIA acquisition offset the decrease in due diligence expense in the first quarter with the non-recurrence of the REX acquisition. The net increase of costs in due diligence and acquisition activity resulted in an increase in general and administrative expense of $16,469 and a decrease in consulting of $13,326. Other income and expense for the six months ended May 31, 2010 decreased by $23,986, primarily due to a $16,815 recovery on a loan receivable for which a provision for potential uncollectability had been created in fiscal 2009 and decreased accretion of discounts on the convertible debentures.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital Summary	**At May 31, 2010**	**At November 30, 2009**
Current Assets	$ 8,326	$ 2,416
Current Liabilities	(838,759)	(701,290)
Working Capital (Deficit)	$ (830,433)	$ (698,874)

Summary of Cash Flows

	Six Months Ended May 31	
	2010	**2009**
Net Cash Used In Operating Activities	$ (88,529)	$ (75,842)
Net Cash Used In Investing Activities	6,939	-
Net Cash Provided By Financing Activities	87,500	75,000
Net Increase (Decrease) In Cash During Period	$ 5,910	$ (842)

As at May 31, 2010, we had a cash balance of $8,326 and a working capital deficit of $830,433. The increase in our working capital deficit at May 31, 2010 from our year ended November 30, 2009 is primarily a result of increases in accrued interest payable on convertible debentures and promissory notes of $34,679, related party payables of $16,246 and additional promissory note liabilities of $87,500 in the most recent quarter, offset somewhat by a $956 decrease in accounts payable.

The Company has issued four separate 6% convertible debentures with principal amounts totaling $585,000 which were due and payable on December 31, 2008. Each of these convertible debentures has been extended to December 31, 2010. Interest is payable at the option of the Company in cash or shares. As at May 31, 2010, the Company had not made any interest payments and pursuant to the debentures has accrued default interest of 8% since the quarter ended May 31, 2008. Interest payable has accumulated to a total of $125,162. The principal and accrued interest on the debentures may be converted at any time into shares of the Company’s common stock at a price of $0.25 per share, at the option of the holder.

Because we have as yet been unsuccessful in our efforts to raise equity to fund an acquisition, we will not have cash sufficient to satisfy the debentures in cash. We estimate that we would require a minimum of $838,759 to fund payment of our current liabilities. Absent such financing, we may negotiate with the holders of the promissory notes to extend the due dates, convert them to common stock or modify terms sufficient to remove or delay the requirement to satisfy the obligations with cash. Should we be unable to reach conversion or modification of the promissory notes on terms acceptable to us, we may be required to default on the obligations.

The Company has also issued promissory notes as follows:

a) On March 30, 2010, the Company entered into a promissory note with a third party for $60,000, which is unsecured, non interest bearing and due on demand.

b) On February 15, 2010, the Company entered into a promissory note with a third party for $27,500, which is unsecured, non interest bearing and due on demand.

c) On March 25, 2009, the Company entered into a promissory note with a third party for $25,000, which is unsecured, due on demand and bears interest at 5% per annum. Interest and principal are due on demand.

d) On December 19, 2008, the Company entered into a promissory note with a third party for $50,000, which is unsecured, due on demand and bears interest at 5% per annum. Interest and principal are due on demand.

e) On October 27, 2008, the Company entered into a promissory note with a third party for $140,000, which is unsecured, due on demand and bears interest at 5% per annum. Interest and principal are due on demand.

f) On February 15, 2007, the Company entered into a promissory note with a third party for $50,000, which is unsecured, due on demand and bears interest at 8% per annum. Interest is payable annually due on or before February 14 of each year.

g) On November 20, 2006, the Company entered into a promissory note with a third party for $100,000, which is unsecured, due on demand and bears interest at 8% per annum.

As of March 10, 2010, we owed $452,500 in aggregate principal amount on these promissory notes. We do not have sufficient capital to satisfy these promissory notes in cash if payment is demanded by their holders.

We also maintain our position in mining claims in our mineral property referred to as the Peek Claim. In the event we decide to proceed with Phase IV of our exploration program, which is estimated to cost $120,000, we will need to obtain additional financing of nearly $1,000,000 to fund exploration, operating expenses and working capital deficit.

We do not expect our business to achieve profitability in the near future as we expect to continue to incur substantial acquisition, development and operating expenses. We will require additional funding to fund our working capital requirements. However, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock or debt to fund our estimated general administration, exploration and other working capital requirements.

Currently, we do not have sufficient capital to implement our plan of operation over the next twelve months and we do not have any financing arrangements in place and there is no assurance that we will be able to obtain sufficient financing to fund our capital requirements. If we do not obtain the necessary financing, then our plan of operation will be scaled back according to the amount of funds available. The inability to raise the necessary financing will severely restrict our ability to continue exploration programs or acquisition activities as planned.

Our auditors expressed substantial doubt regarding our ability to continue as a going concern related to our financial statements for the year ended November 30, 2009, and these circumstances have not improved. The factors related to the determination of our ability to continue as a going concern include our working capital deficit, lack of foreseeable revenues from operations, need for additional capital to maintain our interest in the Peek Claims, and need for additional capital to fund our general and administrative requirements. Management's plan to resolve the going concern uncertainty has been to raise additional capital through debt or equity financing during coming months. As noted above, the DIA Term Sheet was terminated on May 30, 2010, and therefore our plan for recovery has changed. Our ability to continue as a going concern is dependent on our ability to raise additional capital, complete an acquisition and conduct successful exploration activities on its properties and drive appreciation in the value of our exploration properties and assets. If we are unable to raise additional capital in a timely manner, sufficient to close an as yet unidentified acquisition, we may be required to sell our Peek Claims or permit such claims to lapse. As a result, we may be forced to discontinue operations.

We have not declared or paid dividends on our shares since incorporation and do not anticipate doing so in the foreseeable future.

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 are material to our stockholders.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCUSSION ABOUT MARKET RISK

Not required for smaller reporting companies.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation was carried out under the supervision of, and with the participation of, the Company's management, including the Chief Executive Officer / Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) of the Securities and Exchange Act of 1934, as amended). Based on that evaluation, the Chief Executive Officer / Chief Financial Officer has concluded that as of the end of the period covered by this report, due to material weaknesses in internal controls over financial reporting as described in our Form 10-K filed on March 16, 2010, the Company's disclosure controls and procedures were not adequately designed and were not effective in ensuring that information required to be disclosed by the Company in its reports that it files or submits to the SEC under the Exchange Act, is recorded, processed, summarized and reported within the time period specified in applicable rules and forms.

Our Chief Executive Officer / Chief Financial Officer has also determined that, due to material weaknesses in internal controls over financial reporting, as described in our Form 10-K filed on March 16, 2010, the disclosure controls and procedures are not effective to ensure that material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including the Company's Chief Executive / Chief Financial Officer, to allow for accurate required disclosure to be made on a timely basis.

Management is taking steps to address the material weaknesses previously identified. Through the year ended November 30, 2009, and to the present, we have engaged legal counsel who is experienced and qualified to practice before the Securities and Exchange Commission, who actively reviewed Company events and major transactions to advise management on appropriate disclosure of those events and transactions. Additionally, the Company entered into an agreement with Ted R. Sharp, CPA, an experienced CFO of publicly-traded companies, to serve as CEO and CFO of the Company, Company filings with the SEC are reviewed by the Board of Directors, our management, and our SEC legal firm for proper and complete disclosure. Management believes that appropriate improvements in internal control over financial reporting in the future will improve the results of its evaluation of disclosure controls.

Changes in internal controls over financial reporting

During the period covered by this report, there were no changes in our internal control over financial reporting (as defined in Rule 13(a)-15(f) or 15(d)-15(f)) that occurred during the period covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Not required for smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. REMOVED AND RESERVED

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibits
10.1	Letter Agreement, dated November 20, 2006, between Texada Ventures Inc. and Corvus Holdings LTD (1)
10.2	Promissory Note, dated February 15, 2007, between Texada Ventures Inc. and IFG Trust Services Inc. (2)
10.3	Promissory Note, dated October 27, 2008, between Texada Ventures Inc. and IFG Trust Services Inc.
10.4	Promissory Note, dated December 19, 2008, between Texada Ventures Inc. and IFG Trust Services Inc.
10.5	Promissory Note, dated March 25, 2009, between Texada Ventures Inc. and IFG Trust Services Inc.
10.6	Promissory Note, dated February 15, 2010, between Texada Ventures Inc. and IFG Trust Services Inc.
10.7	Promissory Note, dated March 30, 2010, between Texada Ventures Inc. and IFG Trust Services Inc.
31.1	Certification of Chief Executive Officer and Chief Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Executive Officer and Chief Financial Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(1) Filed with the SEC as an exhibit to our Current Report on Form 8-K filed on November 11, 2006
(2) Filed with the SEC as an exhibit to our Annual Report on Form 10-KSB filed on February 28, 2007

SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEXADA VENTURES INC.

By: s/ Ted R. Sharp
TED R. SHARP
Chief Executive Officer, Chief Financial Officer
President, Secretary and Treasurer and
Director
(Principal Executive Officer
and Principal Accounting Officer)

Date: July 15, 2010

Exhibit 10.3

DEMAND PROMISSORY NOTE

FOR VALUE RECEIVED **TEXADA VENTURES INC.** unconditionally promises to pay to or to the order of **IFG SERVICES INC.** on demand at Spokane Valley, WA the sum of $140,000.00 (One Hundred and Forty Thousand Dollars) in US Funds, bearing 5% interest.

The principal of this Promissory Note shall be paid in US dollars without set-off or counterclaim.

Texada Ventures Inc. waives presentment, protest and notice of any kind in the enforcement of this Promissory Note.

Made at Spokane Valley, WA this 27th day of October, 2008.

Texada Ventures Inc.
11616 East Montgomery Dr, Suite #54
Spokane Valley, WA 99206

Per: ______________________________
(Authorized Signing Officer)

IFG Services Inc.

Per: _______________________________
(Authorized Signing Officer)

Exhibit 10.4

DEMAND PROMISSORY NOTE

FOR VALUE RECEIVED **TEXADA VENTURES INC.** unconditionally promises to pay to or to the order of **IFG SERVICES INC.** on demand at Spokane Valley, WA the sum of $50,000.00 (Fifty Thousand Dollars) in US Funds, bearing 5% interest.

The principal of this Promissory Note shall be paid in US dollars without set-off or counterclaim.

Texada Ventures Inc. waives presentment, protest and notice of any kind in the enforcement of this Promissory Note.

Made at Spokane Valley, WA this 19th day of December, 2008.

Texada Ventures Inc.
11616 East Montgomery Dr, Suite #54
Spokane Valley, WA 99206

Per: ______________________________
(Authorized Signing Officer)

IFG Services Inc.

Per: ______________________________
(Authorized Signing Officer)

Exhibit 10.5

DEMAND PROMISSORY NOTE

FOR VALUE RECEIVED **TEXADA VENTURES INC.** unconditionally promises to pay to or to the order of **IFG SERVICES INC.** on demand at Spokane Valley, WA the sum of $25,000.00 (Fifty Thousand Dollars) in US Funds, bearing 5% interest.

The principal of this Promissory Note shall be paid in US dollars without set-off or counterclaim.

Texada Ventures Inc. waives presentment, protest and notice of any kind in the enforcement of this Promissory Note.

Made at Spokane Valley, WA this 25th day of March, 2009.

Texada Ventures Inc.
11616 East Montgomery Dr, Suite #54
Spokane Valley, WA 99206

Per: ____________________________
(Authorized Signing Officer)

IFG Services Inc.

Per: _____________________________
(Authorized Signing Officer)

Exhibit 10.6

DEMAND PROMISSORY NOTE

FOR VALUE RECEIVED TEXADA VENTURES INC. unconditionally promises to pay to or to the order of IFG TRUST SERVICES Inc. on demand at Vancouver, BC the sum of $ 27,500 USD (Twenty Seven Thousand Five Hundred Dollars) in US Funds, bearing no interest.

The principal of this Promissory Note shall be paid in US dollars without set-off or counterclaim.

Texada Ventures Inc. waives presentment, protest and notice of any kind in the enforcement of this Promissory Note.

Made at Vancouver, BC this 15th day of February, 2010.

TEXADA VENTURES INC.

Per: ______________________
(Authorized Signing Officer)

IFG TRUST SERVICES INC.

Per: ______________________
(Authorized Signing Officer)

Exhibit 10.7

DEMAND PROMISSORY NOTE

FOR VALUE RECEIVED __TEXADA VENTURES INC.__ unconditionally promises to pay to or to the order of __IFG TRUST SERVICES Inc.__ on demand at Vancouver, BC the sum of $__60,000 USD__ (__Sixty Thousand__ Dollars) in US Funds, bearing no interest.

The principal of this Promissory Note shall be paid in US dollars without set-off or counterclaim.

Texada Ventures Inc. waives presentment, protest and notice of any kind in the enforcement of this Promissory Note.

Made at Vancouver, BC this _30th_ day of March, 2010.

TEXADA VENTURES INC.

Per: ______________________ CEO
(Authorized Signing Officer)

IFG TRUST SERVICES INC.

Per: ______________________
(Authorized Signing Officer)

EXHIBIT 31.1

CERTIFICATIONS

I, Ted R. Sharp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Texada Ventures Inc.;

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. As the Registrant's sole certifying officer, 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 15d-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 Registrant's most recent fiscal quarter (fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. As the Registrant's sole certifying officer, 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:
   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.

Date: July 15, 2010

By: s/ Ted R. Sharp
Ted R. Sharp
Principal Executive Officer and
Principal Financial Officer

A signed original of this written statement has been provided to the Registrant and will be retained by the Registrant to be furnished to the Securities and Exchange Commission or its staff upon request.

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 quarterly report of Texada Ventures Inc. (the “Company”) on Form 10-Q for the period ended May 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ted R. Sharp, 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:

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

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

Date: July 15, 2010
By: /s/ Ted R. Sharp
Ted R. Sharp
Chief Executive Officer and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Texada Ventures, Inc. and will be retained by Texada Ventures, Inc. to be furnished to the Securities and Exchange Commission or its staff upon request.