Portage Resources Inc.
Form 10-Q
January 13, 2011

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

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITES EXCHANGE ACT OF 1934

For the quarter period ended November 30, 2010

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period form to

Commission File number 333-144585

PORTAGE RESOURCES INC.
(Exact name of small business issuer as specified in its charter)

Nevada	75-3244927
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

990 Richard Street, Saint Wenceslas, Quebec, Canada, G0Z 1J0
(Address of principal executive offices)

1-819-740-0810
(Issuer's telephone number)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definition of "large accelerated filer", "accelerated filer" and "small reporting company" Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ]

Non-accelerated filer [ ] (Do not check if a small reporting company) Small reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes [ ] No [X]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PROCEDING FIVE YEARS

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 after the distribution of securities subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

January 10, 2010: 63,720,000 common shares

PART 1 – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying balance sheets of Portage Resources Inc. (pre-exploration stage company) (the Company) at November 30, 2010 (with comparative figures as at May 31, 2010) and the statement of operations for the three and six months ended November 30, 2010 and 2009 and for the period from July 20, 2006 (date of incorporation) to November 30, 2010 and the statement of cash flows for the six months ended November 30, 2010 and 2009 and for the period from July 20, 2006 (date of incorporation) to November 30, 2010 have been prepared by the Company's management in conformity with accounting principles generally accepted in the United States of America. 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 November 30, 2010 are not necessarily indicative of the results that can be expected for the year ending May 31, 2011.

PORTAGE RESOURCES INC.
(Pre-exploration Stage Company)
BALANCE SHEETS

(UNAUDITED)

	November 30, 2010	May 31, 2010
ASSETS		
CURRENT ASSETS		
Cash	$ 554	$ 832
Total Current Assets	$ 554	$ 832
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Accounts payable	$ 22,412	$ 24,059
Advances from related parties	100,796	95,983
Total Current Liabilities	123,208	120,042
STOCKHOLDERS' DEFICIENCY		
Common stock		
500,000,000 shares authorized, at $0.001 par value;		
63,720,000 shares issued and outstanding	63,720	63,720
Capital in excess of par value	(33,770)	(37,670)
Deficit accumulated during the pre-exploration stage	(152,604)	(145,260)
Total Stockholders' Deficiency	(122,654)	(119,210)
	$ 554	$ 832

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

PORTAGE RESOURCES INC.
(Pre-exploration Stage Company)
STATEMENT OF OPERATIONS
(UNAUDITED)
For the three and six months ended November 30, 2010 and 2009 and for the period from July 20, 2006 (date of inception) to November 30, 2010

	Three months ended Nov. 30, 2010	Three months ended Nov. 30, 2009	Six months ended Nov. 30, 2010	Six months ended Nov. 30, 2009	Date of Inception to November 30, 2010
REVENUES	$ -	$ -	$ -	$ -	$ -
EXPENSES:					
Accounting and audit	-	1,550	1,650	3,178	34,346
Bank charges	21	14	43	19	206
Consulting	-	-	-	-	25,000
Exploration	-	-	-	-	2,272
Filing fees	-	-	-	350	3,587
Geological report	-	-	-	-	4,240
Impairment of mineral claim acquisition costs	-	-	-	-	5,000
Incorporation costs	-	-	-	-	650
Legal	-	-	-	-	6,500
Management fees	-	3,000	3,000	6,000	43,000
Office	155	105	526	155	3,253
Rent	-	900	900	1,800	12,900
Travel	-	-	-	-	4,733
Transfer agent	-	-	1,225	100	6,917
	176	5,569	7,344	11,602	152,604
NET LOSS FROM OPERATIONS	$ (176)	$ (5,569)	$(7,344)	$(11,602)	$(152,604)
NET LOSS PER COMMON SHARE					
Basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	
WEIGHTED AVERAGE OUTSTANDING SHARES					

Basic	63,720,000	63,720,000	63,720,000	63,720,000

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

PORTAGE RESOURCES INC.
(Pre-exploration Stage Company)
STATEMENT OF CASH FLOWS
(UNAUDITED)
For the six months ended November 30, 2010 and 2009 and for the period from July 20, 2006 (date of inception) to November 30, 2010

	Six months ended November 30, 2010	Six months ended November 30, 2009	Date of inception to November 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (7,344)	$ (11,602)	$ (152,604)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Capital contributions – noncash expenses	3,900	-	9,100
Changes in accounts payable	(1,647)	169	22,412
Net Cash Provided (Used) in Operations	(5,091)	(11,433)	(121,092)
CASH FLOWS FROM INVESTING ACTIVITIES:	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from advances from related party	4,813	8,786	100,796
Proceeds from issuance of common stock	-	-	20,850
	4,813	8,786	121,646
Net (Decrease) Increase in Cash	(278)	(2,647)	554
Cash at Beginning of Period	832	6,125	-
CASH AT END OF PERIOD	$ 554	$ 3,478	$ 554

SCHEDULE OF NON-CASH OPERATING ACTIVITIES

Capital contributions – noncash expenses	$ 3,900	$ -	$ 9,100

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

PORTAGE RESOURCES INC.
(Pre-exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

1. ORGANIZATION

The Company, Portage Resources Inc., was incorporated under the laws of the State of Nevada on July 20, 2006 with the authorized common stock of 200,000,000 shares at $0.001 par value. On May 1, 2008, the Secretary of State for Nevada approved an amendment to the Articles of Incorporation where the total number of shares of common stock was increased to 500,000,000 shares of common stock with a par value of $0.001 per share.

The Company was organized for the purpose of acquiring and developing mineral properties. The Company has not established the existence of a commercially minable ore deposit and therefore has not reached the exploration stage and is considered to be in the pre-exploration stage. In December 2009 the Company allowed the mineral claim to lapse without renewing it and has no longer any rights to the minerals thereon nor does it have any liability associated with it. The Company is seeking other minerals claims to explore and determine if there is a commercially viable ore reserve located on them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Methods

The Company recognizes income and expenses based on the accrual method of accounting.

Dividend Policy

The Company has not yet adopted a policy regarding payment of dividends.

Basic and Diluted Net Income (loss) Per Share

Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Diluted net income (loss) per share amounts are computed using the weighted average number of common and common equivalent shares outstanding as if shares had been issued on the exercise of the common share rights unless the exercise becomes antidulutive and then only the basic per share amounts are shown in the report.

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect, when the differences are expected to be reversed. An allowance against deferred tax assets is recorded, when it is more likely than not, that such tax benefits will not be realized.

On November 30, 2010 the Company had a net operating loss carry forward of $152,604 for income tax purposes. The tax benefit of approximately $45,800 from the loss carry forward has been fully offset by a valuation reserve because the future tax benefit is undeterminable since the Company is unable to establish a predictable projection of operating profits for future years. Losses will begin to expire in 2026.

PORTAGE RESOURCES INC.
(Pre-exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Foreign Currency Translations

Part of the transactions of the Company were completed in Canadian dollars and have been translated to US dollars as incurred, at the exchange rate in effect at the time, and therefore, no gain or loss from the translation is recognized. The functional currency is considered to be US dollars.

Revenue Recognition

Revenue is recognized on the sale and delivery of a product or the completion of a service provided.

Advertising and Market Development

The company expenses advertising and market development costs as incurred.

Financial Instruments

The carrying amounts of financial instruments are considered by management to be their fair value due to their short term maturities.

Impairment of Long-lived Assets

The Company reviews and evaluates long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The assets are subject to impairment consideration under ASC 360-10-35-17 if events or circumstances indicate that their carrying amounts might not be recoverable. When the Company determines that an impairment analysis should be done, the analysis will be performed using rules of ASC 930-360-35, Asset Impairment, and 360-10-15-3 through 15-5, Impairment or Disposal of Long-Lived Assets.

Mineral Property Acquisition Costs

Mineral property acquisition costs are initially capitalized when incurred. These costs are then assessed for impairment when factors are present to indicate the carrying costs may not be recoverable. Mineral exploration costs are expensed when incurred.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with general accepted accounting principles. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

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PORTAGE RESOURCES INC.
(Pre-exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Statement of Cash Flows

For the purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Environmental Requirements

At the report date environmental requirements related to the mineral claim acquired are unknown and therefore any estimate of any future cost cannot be made.

Reclassification

Certain prior period amounts have been reclassified to conform with the current period's financial statement presentation.

Recent Accounting Pronouncements

The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact on its financial statements.

3. AQUISITION OF MINERAL CLAIM

In late 2006, the Company had the ROK 1-20 claims staked and ownership put into its own name. In December 2009, the Company allowed its mineral claims to lapse without any work being performed on them. The Company has no further rights to the minerals on the claims nor does it have any liabilities attached thereto.

The acquisition costs have been impaired and expensed because there has been no exploration activity nor has there been any reserve established and we cannot currently project any future cash flows or salvage value for the coming year and the acquisition costs will not be recoverable.

4. SIGNIFICANT TRANSACTIONS WITH RELATED PARTY

For the six months ended November 30, 2010, a Director made advances of $4,813 to the Company. These advances are non-interest bearing and payable on demand.

Officers-directors and their families have acquired 75% of the common stock issued and have made advances to the Company of $100,796 and paid expenses on behalf of the Company in the amount of $9,100 ($3,900 for the six months ended November 30, 2010).

Officers-directors were compensated for their services in the amount of a total $1,000 per month starting February 1, 2007 which ended in February 2010.

5. CAPITAL STOCK

On February 21, 2007, Company completed a private placement consisting of 48,000,000 post split common shares sold to directors and officers for a total consideration of $1,200. On May 31, 2007, the Company completed a private placement of 15,720,000 common shares for a total consideration of $19,650.

PORTAGE RESOURCES INC.
(Pre-exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

5. CAPITAL STOCK - Continued

On April 30, 2008, the directors of the Company approved a resolution to forward split the common shares of the Company on the basis of the issuance of 39 new shares for one existing share of common stock presently held (the “Forward Split”). As a result of the Forward Split every one outstanding share of common stock was increased to forty shares of common stock. As at August 31, 2010, there were 63,720,000 common shares issued and outstanding. The 63,720,000 post split common shares are shown as split from the date of inception.

6. GOING CONCERN

The Company intends to seek business opportunities that will provide a profit. However, the Company does not have the working capital necessary to be successful in this effort and to service its debt, which raises substantial doubt about its ability to continue as a going concern.

Continuation of the Company as a going concern is dependent upon obtaining additional working capital from its President, Martine Caron, and the management of the Company has developed a strategy, which it believes will accomplish this objective through additional loans from related parties, and equity funding, which will enable the Company to operate for the coming year.

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

The following discussion should be read in conjunction with the information contained in the financial statements of Portage Resources Inc. ("Portage") and the notes which form an integral part of the financial statements which are attached hereto.

The financial statements mentioned above have been prepared in conformity with accounting principles generally accepted in the United States of America and are stated in United States dollars.

The Company was incorporated under the laws of the State of Nevada on July 20, 2006 under the name of Portage Resources Inc. Our fiscal year end is May 31. Our executive offices are located at 990 Richard Street, Saint Wenceslas, Quebec, Canada, G0Z 1J0. Our telephone is (819) 740 - 0810. We do not have any subsidiaries, affiliated companies or joint venture partners.

We are a start-up mineral company in the pre-exploration stage and have not generated any operating revenues since inception. We have incurred losses since inception and our auditors have issued a going concern opinion since we must raise additional capital, through the sale of our securities, in order to fund our operations. There can be no assurance we will be able to raise this capital.

Our sole mineral property, the ROK 1-20 Claims (hereinafter the "Portage Claims"), was located in the Yukon Territory ("Yukon"), Canada. In December 2009, the Company allowed the claims to lapse and hence have no further rights to the minerals associated with the ROK 1-20 claims. In addition, the Company has no liabilities associated with the mineral claim. Management decided that the claims were remote and difficult to carry out any meaningful exploration program and therefore did not renew the claims in December 2009.

Management is actively seeking another mineral claim of merit in either the Yukon or the Northwest Territories in Canada.

To meet our ongoing need for cash, to finance our continuing operations, we must raise additional capital through a private placement or public offering of shares of our common stock, or through loans from our officers and directors. Our officers and directors are unwilling to make any commitment to advance funds to the Company and we have made no arrangements whatsoever to raise additional cash. If we are unable to raise the additional cash we will need to continue operation we will have no alternative but to cease operations and go out of business which could result in the loss of your entire investment in our common stock.

We have no full-time employees and management of Portage, all of whom reside in Quebec, Canada, devotes a very small percentage of their time to the affairs of the Company. While none of our officers and directors is a director or officer of any other company involved in the mining industry there can be no assurance such involvement will not occur in the future. Such involvement could create a conflict of interest.

The shareholders may read and copy any material filed by Portage with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC, 20549. The shareholders may obtain information on the operations of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information which Portage has filed electronically with the SEC by assessing the website using the following address: http://www.sec.gov. Portage has no website at this time.

LIQUIDITY AND CAPITAL RESOURCES

Portage has had no revenue since inception and its accumulated deficit is $152,604. To date, the growth of Portage has been funded by the sale of shares and advances by its director in order to meet the requirements of filing with the SEC and to seek out a new mineral property.

The plan of operations during the next twelve months is for us to search and obtain a new mineral claim with the potential for future exploration work, and hopefully, an ore reserve located on it. Presently we do not have the funds to consider any additional mineral claims.

Our management estimates that a minimum of $45,289 will be required over the next twelve months to pay for such expenses as follows:

Funds required	Estimated Amount
Accounting and audit – quarter and annual financial statements	$ 9,261
Bank charges	70
Edgar filing costs – for quarter and annual financial statements	1,250
Exploring a new mineral claim and obtaining a geological report thereon	10,000
Filing fees – Nevada; Sec of State	350
Office and general expenses	500
Transfer agent fees	2,000
Estimated expenses for the next twelve months	23,431
Account payable – unrelated parties at November 30, 2010	22,412
Total requirements for cash before consideration of money in bank	45,843
Bank balance as at November 30, 2010	(554)
Estimated funds required over the next twelve months	$45,289

Until February 1, 2010, Martine Caron was paid $1,000 each month as management fees for various services she performed on behalf of the Company. Due to the lack of funds in the Company, she agreed to not take any further management fees. Nevertheless, the Company realizes there is a cost associated with managing the Company and has expensed in February $1,000 with an offsetting credit to Capital in Excess of Par Value. This amount will not be paid in either cash or share either now or in the future.

Obviously Portage does not have the required funds on hand to meet the above noted obligation and therefore it will have to either sell additional shares or obtain advances from its directors and officers. The directors and officers are prepared to advance further funds to the company to ensure that it is able to pay its current obligations as noted above.

RESULTS OF OPERATIONS

Corporate Organization and History Within Last Five years

Portage was incorporated under the laws of the State of Nevada on July 20, 2006 under the name of Portage Resources Inc. Portage does not have any subsidiaries, affiliated companies or joint venture partners. We have not been involved in any bankruptcy, receivership or similar proceedings since inception nor have we been party to a reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business other than the abandonment of the ROK 1-20 mineral claims located in the Yukon, Canada.

Business Development Since Inception

We raised $1,200 in initial seed capital on February 21, 2007 from our directors and officers. Monies used to begin the search for and arrange to acquire a mineral property that we consider holds the potential to contain uranium and gold were advanced to Portage by our President Martine Caron.

On February 16, 2007 we acquired by staking the ROK 1-20 mineral claims (collectively referred to as the “Portage Claims”), situated in the Yukon Territories (“Yukon”), Canada.

On May 31, 2007 Portage completed a private placement pursuant to Regulation S of the Securities Act of 1933, whereby 393,000 common shares were sold at the price of $0.05 per share to raise $19,650.

On January 24, 2007 we engaged R. Alan Doherty, Professional Geologist of Aurium Geological Consultants Ltd. to conduct a review and analysis of the Portage Claims and the previous exploration work undertaken on the property and to recommend a mineral exploration program for the Portage Claims. In December 2009, we allowed the ROK 1-20 mineral claims to expire which results in the Company having no further interest in the mineral rights on the claims nor does it have any liabilities associated with the claim.

Our Business

Provided we have sufficient funds to do so, we intend to identify a new mineral claim for future explorations in hopes of obtaining an ore reserve sufficient to commence commercial production thereon.

We are presently in the pre-exploration stage and there is no assurance that mineralized material with any commercial value exists on any property we acquire in the future.

Particularly since we have a limited operating history, no reserves and no revenue, our ability to raise additional funds might be limited. If we are unable to raise the necessary funds, we would be required to suspend Portage's operations and liquidate our company.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market Information

There are no common shares subject to outstanding options, warrants or securities convertible into common equity of our Company.

The number of shares subject to Rule 144 is 43,200,000. Share certificates representing these shares have the appropriate legend affixed on them.

There are no shares being offered to the public other than indicated in our effective registration statement and no shares have been offered pursuant to an employee benefit plan or dividend reinvestment plan.
While our shares are traded on the Pink Sheets. Although the Pink Sheets does not have any listing requirements per se, we will remain current in our filings with the SEC; being as a minimum Forms 10-Q and 10-K.

In the future our common stock trading price might be volatile with wide fluctuations. Things that could cause wide fluctuations in our trading price of our stock could be due to one of the following or a combination of several of them:

our variations in our operations results, either quarterly or annually;

trading patterns and share prices in other exploration companies which our shareholders consider similar to ours;

the potential value of any new mineral claim we acquire, and

other events which we have no control over.

In addition, the stock market in general, and the market prices for thinly traded companies in particular, have experienced extreme volatility that often has been unrelated to the operating performance of such companies. These wide fluctuations may adversely affect the trading price of our shares regardless of our future performance. In the past, following periods of volatility in the market price of a security, securities class action litigation has often been instituted against such company. Such litigation, if instituted, whether successful or not, could result in substantial costs and a diversion of management’s attention and resources, which would have a material adverse effect on our business, results of operations and financial conditions.

Trends

We are in the pre-explorations stage, have not generated any revenue and have no prospects of generating any revenue in the foreseeable future. We are unaware of any known trends, events or uncertainties that have had, or are reasonably likely to have, a material impact on our business or income, either in the long term of short term, as more fully described under ‘Risk Factors’.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including Martine Caron, Chief Executive Officer and Russell James, Chief Accounting Officer, they have evaluated the effectiveness of Portage’s disclosure controls and procedures as required by the Exchange Act Rule 13a-15(d) as at November 30, 2010 (the “Evaluation Date”). Based on the evaluation by management, they have concluded these disclosure controls and procedures were not effective as of the Evaluation Date as a result of material weaknesses in internal control over financial reporting as more fully discussed below.

Under Rule 13a-15(e)/15d-15(e); Regulation S-K, Item 307, the SEC states that “disclosure controls and procedures” have the following characteristics:

designed to ensure disclosure of information that is required to be disclosed in the reports that Portage files or submits under the Exchange Act;

recorded, processed, summarized and reported with the time period required by the SEC’s rules and forms; and

accumulated and communicated to management to allow them to make timely decisions about the required disclosures.

As of November 30, 2010, the management of Portage assessed the effectiveness of the Company’s internal control over financial reporting based on the criteria for effective internal control over financial reporting established in

Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and SEC guidance on conducting such assessments.

Even though management’s assessment that Portage’s internal control over financial reporting was not effective and there are certain material weaknesses as more fully described below, management believe that Portage’s financial statements contained in its Quarterly Report on Form 10-Q for the six months ended November 30, 2010 fairly present its financial condition, results of operations and cash flows in all material respects.

Material Weaknesses

Management assessed the effectiveness of Portage's internal control over financial reporting as of the Evaluation Date and identified the following material weaknesses:

As at November 30, 2010, Portage did not have an audit committee which complies to the requirements of an audit committee since it did not have an independent "financial expert" on the committee. Even though it has a Code of Ethics it does not emphasize fraud and methods to avoid it. Due to the small size of Portage a whistleblower policy is not necessary.

Due to a significant number and magnitude of out-of-period adjustments identified during the quarterly closing process, management has concluded that the controls over the quarter-end financial reporting process were not operating effectively. A material weakness in the quarter-end financial reporting process could result in Portage not been able to meet its regulatory filing deadlines and, if not remedied, has the potential to cause a material misstatement or to miss a filing deadline in the future. Management override of existing controls is possible given the small size of the organization and lack of personnel.

There is no system in place to review and monitor internal control over financial reporting. This is due to Portage maintaining an insufficient complement of personal to carry out ongoing monitoring responsibilities and ensure effective internal control over financial reporting.

ITEM 4T CONTROLS AND PROCEDURES

There were no changes in Portage's internal controls over financial reporting during the six months ended November 30, 2010 that have materially affected, or are reasonably likely to material affect, Portage's internal control over financial reporting.

PART 11 – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no legal proceedings to which Portage is a party nor to the best of management's knowledge are any material legal proceedings contemplated.

ITEM 1A RISK FACTORS

Forward Looking Statements

This section of this Form 10-Q includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this prospectus. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

An investment in our securities involves an exceptionally high degree of risk and is extremely speculative. In addition to the other information regarding Portage contained in this Form 10-Q, you should consider many important factors in determining whether to purchase the shares in our company.

The following risk factors reflect the potential and substantial material risks which could be involved if you decide to purchase shares in our Company.

Risk Factors

An investment in our securities involves an exceptionally high degree of risk and is extremely speculative. In addition to the other information regarding Portage contained in this Form 10-Q, you should consider many important factors in determining whether to purchase the shares in our Company. The following risk factors reflect the potential and substantial material risks which could be involved if you decide to purchase shares in our Company.

Risks Associated with our Company:

1. Our liquidity, and thus our ability to continue to operate, depends upon our ability to raise additional capital.

In order to finance our continuing operations over the next twelve months we must raise additional capital. We estimate our cash needs for the immediate future, over and above cash on hand, to be $45,289. There is no assurance we will be able to raise this cash. If we fail to do so we will be forced to go out of business. Options available to us for raising the cash we will require include the issuance of shares of our common stock, through a private placement or public offering, and loans advanced to us by our officers and directors. We have no arrangements whatsoever to raise additional cash at the present time. If we are unable to make such arrangements to raise additional cash we will be forced to go out of business, which could result in the total loss of any investment in our shares of common stock.

2. Because our auditors have issued a going concern opinion and because our officers and directors may not loan any additional money to us, we may not be able to achieve our objectives and may have to suspend or cease exploration activity.

Our auditors' report on our May 31, 2010 financial statements expressed an opinion that substantial doubt exists as to whether we can continue as an ongoing business for the next twelve months. Because our officers and directors maybe unwilling to commit to loan or advance additional capital to us, we believe that if we do not raise additional capital through the issuance of treasury shares, we will be unable to conduct exploration activity and may have to cease operations and go out of business.

3. Presently we do not have a viable asset in the Company.

With the abandonment of the ROK 1-20 mineral claims in December 2009, the Company does not have an asset it can development and the changes are that it might not unless the directors identify a mineral claim of merit during the forthcoming year.

4. We lack an operating history and have losses which we expect to continue into the future. As a result, we may have to suspend or cease exploration activity or cease operations.

We were incorporated on July 20, 2006, have not yet conducted any exploration activities and have not generated any revenues. We have an insufficient exploration history upon which to properly evaluate the likelihood of our future success or failure. Our net loss from inception to November 30, 2010 is $152,604. Our ability to achieve and maintain profitability and positive cash flow in the future is dependent upon

* our ability to locate a profitable mineral property
* our ability to locate an economic ore reserve
* our ability to generate revenues
* our ability to reduce exploration costs.

Based upon current plans, we expect to incur operating losses in future periods. This will happen because there are expenses associated with the research and exploration of any future mineral claim we acquire. We cannot guarantee we will be successful in generating revenues in the future. Failure to generate revenues will cause us to go out of business.

5. Because our officers and directors do not have technical training or experience in starting, and operating an exploration company nor in managing a public company, we will have to hire qualified personnel to fulfill these functions. If we lack funds to retain such personnel, or cannot locate qualified personnel, we may have to suspend or cease exploration activity or cease operations that will result in the loss of your investment.

Because our officers and directors are inexperienced with exploring for minerals and starting, and operating a mineral exploration company, we will have to hire qualified persons to perform surveying, exploration, and excavation of our property. Our officers and directors have no direct training or experience in these areas and as a result may not be fully aware of many of the specific requirements related to working within the industry. Their decisions and choices may not take into account standard engineering or managerial approaches, mineral exploration companies commonly use. Consequently our exploration, earnings and ultimate financial success could suffer irreparable harm due to certain of management's lack of experience in this industry. Additionally, our officers and directors have no direct training or experience in managing and fulfilling the regulatory reporting obligations of a 'public company' like Portage. Unless our two part time officers are willing to spend more time addressing these matters, we will have to hire professionals to undertake these filing requirements for Portage and this will increase the overall cost of operations. As a result we may have to suspend or cease exploration activity, or cease operations altogether, which will result in the loss of your investment.

6. Because our officers and directors have other outside business activities and may not be in a position to devote a majority of their time to our exploration activity, our exploration activity may be sporadic which may result in periodic interruptions or suspensions of exploration.

Our President and CEO, will be devoting only 10% of her time, approximately 15 hours per month, to our operations or business. Our CFO and Secretary-Treasurer will be devoting only approximately 10 hours per month to our operations. As a consequence our business may suffer. For example, because our officers and directors have other outside business activities and may not be in a position to devote a majority of their time to our exploration activity, our exploration activity may be sporadic or may be periodically interrupted or suspended. Such suspensions or interruptions may cause us to cease operations altogether and go out of business.

7. Our directors and officers control a substantial number of our outstanding shares and will be able to effect corporate transactions without further shareholder approval.

Our directors and officers own 75.3% of our outstanding shares. Because of their control, they will be able to approve certain corporate transactions without seeking further shareholder approval. In addition, because of their control, it will be harder to change the board of directors and management.

8. We anticipate the need to sell additional treasury share in the future meaning that there will be a dilution to our existing shareholders resulting in their percentage ownership in the Company being reduced accordingly.

We expect that the only way we will be able to acquire additional funds is through the sale of our common stock. This will result in a dilution effect to our shareholders whereby their percentage ownership interest in the Company is reduced. The magnitude of this dilution effect will be determined by the number of shares we will have to issue in the future to obtain the funds required.

9. Because our securities are subject to penny stock rules, you may have difficulty reselling your shares.

Our shares are "penny stocks" and are covered by Section 15(g) of the Securities Exchange Act of 1934 which imposes additional sales practice requirements on broker/dealers who sell the Company's securities including the delivery of a standardized disclosure document; disclosure and confirmation of quotation prices; disclosure of compensation the broker/dealer receives; and, furnishing monthly account statements. For sales of our securities, the broker/dealer must make a special suitability determination and receive from its customer a written agreement prior to making a sale. The imposition of the foregoing additional sales practices could adversely affect a shareholder's ability to dispose of his stock.

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

There has been no change in our securities since the fiscal year ended May 31, 2010.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no matters brought forth to the securities holders to vote upon during this quarter.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

The following exhibits are included as part of this report by reference:

3.1 Certificate of Incorporation (incorporated by reference from Portage's Registration Statement on Form SB-2 filed on July 16, 2007, Registration No. 333-144585)

3.2 Articles of Incorporation (incorporated by reference from Portage's Registration Statement on Form SB-2 filed on July 16, 2007, Registration No.333-144585)

3.3 By-laws (incorporated by reference from Portage's Registration Statement on Form SB-2 filed on July 16, 2007, Registration No. 333-144585)

4 Stock Specimen (incorporated by reference from Portage's Registration Statement on Form SB-2 filed on July 16, 2007, Registration No. 333-144585)

10.1 Transfer Agent and Registrar Agreement (incorporated by reference from Portage's Registration Statement on Form SB-2 filed on July16, 2007 Registration No. 333-144585)

SIGNATURES

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

PORTAGE RESOURCES INC.
(Registrant)

Date: January 12, 2011	MARTINE CARON Chief Executive Officer, President and Director
Date: January 12, 2011	R U S S E L L L E S L I E JAMES Chief Financial Officer, Chief Accounting Officer, Secretary and Director