

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-QSB

Quarterly Report pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

For the quarterly period ended March 31, 2001

Transition Report pursuant to 13 or 15(d) of the  
Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-28535

AQUISTAR VENTURES (USA) INC.  
-----

(Exact name of Small Business Issuer as specified in its charter)

Nevada 91-1975651  
-----  
(State or other jurisdiction of (IRS Employer  
incorporation ) Identification No.)

2300 W. Sahara Ave., Suite 500  
Las Vegas, Nevada 89102  
-----  
(Address of principal executive offices (Zip Code)

Issuer's telephone number, including area code (800) 894-4646

Suite 314-837 West Hastings Street, Vancouver, BC Canada, V6C 3N6  
-----

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

Check whether the issuer (1) 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 issuer was required to file such  
reports), and (2) has been subject to such filing  
requirements for the past 90 days  Yes  No

State the number of shares outstanding of each of the  
issuer's classes of common equity, as of the latest  
practicable date: 15,463,008 shares of Common Stock as of  
March 31, 2001.

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying un-audited financial statements have been  
prepared in accordance with the instructions to Form 10-QSB and,  
therefore, do not include all information and footnotes necessary  
for a complete presentation of financial position, results of  
operations, cash flows, and stockholders' deficit 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 three months ended  
March 31, 2001 are not necessarily indicative of the results that  
can be expected for the year ending December 31, 2001.

AQUISTAR VENTURES (USA) INC.  
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001

AQUISTAR VENTURES (USA) INC.  
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

	MARCH 31 2001	JUNE 30 2000
<b>ASSETS</b>		
Current		
Cash	\$ 11,473	\$ 1,490
Accounts receivable	1,010	-
Loan receivable	25,000	-
Prepaid expenses	6,763	-
	44,246	1,490
Capital Assets	16,673	-
	\$ 60,919	\$ 1,490
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 36,485	\$ 24,713
Loan payable to shareholder	-	16,097
Deferred revenue	173,527	101,639
	210,012	142,449
Convertible Note Payable	642,885	-
	852,897	142,449
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share Capital		
Authorized:		
50,000,000 common shares with a par value of \$0.001 per share at March 31, 2001 and June 30, 2000		
Issued and Outstanding:		
15,463,008 common shares at March 31, 2001 and June 30, 2000		
	15,231	3
Additional Paid-In Capital	35,044	18,947
Deficit Accumulated During The Development Stage	(842,253)	(159,909)
	(791,978)	(140,959)
	\$ 60,919	\$ 1,490

AQUISTAR VENTURES (USA) INC.  
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	THREE MONTHS ENDED MARCH 31		NINE MONTHS ENDED MARCH 31		INCEPTION JUNE 28 1999 TO MARCH 31 2001
	2001	2000	2001	2000	2001
Operating Expenses	\$ 264,956	\$ 25,512	\$ 682,344	\$ 25,512	\$ 842,253
Loss For The Period	(264,956)	(25,512)	(682,344)	(25,512)	\$(842,253)
Accumulated Deficit, Beginning Of Period	(577,297)	-	(159,909)	-	-
Accumulated Deficit, End Of Period	\$ (842,253)	\$ (25,512)	\$ (842,253)	\$ (25,512)	\$ (842,253)
Loss Per Share	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.01)	\$ (0.01)

Weighted Average  
Number Of Shares  
Outstanding 15,463,008 15,463,008 15,463,008 15,463,008  
=====

AQUISTAR VENTURES (USA) INC.  
(A Development Stage Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

	THREE MONTHS ENDED		NINE MONTHS ENDED		INCEPTION
	MARCH 31		MARCH 31		JUNE 28
	2001	2000	2001	2000	1999 TO
					MARCH 31
					2001
-----					
Cash Flows From					
Operating Activities					
Loss for the period	\$ (264,956)	\$ (25,512)	\$ (682,344)	\$ (25,512)	\$ (842,253)
-----					
Adjustments To					
Reconcile Loss To Net					
Cash Used By Operating					
Activities					
Amortization	238	-	539	-	539
Change in accounts					
receivable	(214)	-	(214)	-	(214)
Change in loan					
Receivable	29	-	(25,000)	-	(25,000)
Change in prepaid					
Expenses	(663)	-	(6,763)	-	(6,763)
Change in accounts					
payable and accrued					
liabilities	22,549	3,500	11,772	3,500	36,485
Change in deferred					
revenue	-	22,012	71,888	22,012	173,527
-----					
Total Adjustments	21,939	25,512	52,222	25,512	178,574
-----					
	(243,017)	-	(630,122)	-	(663,679)
-----					
Cash Flows From					
Investing Activities					
Purchase of capital					
assets	(1,750)	-	(3,558)	-	(3,558)
-----					
Cash Flows From					
Financing Activities					
Issue of common					
shares	-	-	-	-	35,047
Convertible note					
payable	217,885	-	642,885	-	642,885
Cash acquired on					
acquisition of					
subsidiary	778	-	778	-	778
-----					
	218,663	-	643,663	-	678,710
-----					
Increase (Decrease)					
In Cash	(26,104)	-	9,983	-	11,473
Cash, Beginning Of					
Period	37,577	-	1,490	-	-
-----					
Cash, End Of Period	\$ 11,473	\$ -	\$ 11,473	\$ -	\$ 11,473
=====					

SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:

During the period ended March 31, 2001, a loan payable to a shareholder in the amount of \$16,097 was reclassified as a contribution to capital in connection with the Company's repurchase of common stock in preparation for the reverse take-over transaction.

Effective February 2, 2001, the Company acquired 100% of the issued and outstanding shares of Custom Branded Networks, Inc. by issuing 25,000,000 common shares at the fair value of \$15,228 (Note 2).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001

1. BASIS OF PRESENTATION

The unaudited consolidated financial statements as of March 31, 2001 included herein have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States generally accepted principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with the June 30, 2000 audited financial statements and notes thereto of Custom Branded Networks, Inc.

2. ACQUISITION OF SUBSIDIARY

Effective February 2, 2001, Aquistar Ventures (USA) Inc. ("Aquistar") acquired 100% of the issued and outstanding shares of Custom Branded Networks, Inc. ("Custom Branded") by issuing 25,000,000 common shares. Since the transaction resulted in the former shareholders of Custom Branded owning the majority of the issued shares of Aquistar, the transaction, which is referred to as a "reverse take-over", has been treated for accounting purposes as an acquisition by Custom Branded of the net assets and liabilities of Aquistar. Under this purchase method of accounting, the results of operations of Aquistar are included in these financial statements from February 2, 2001.

Control of the net assets of Aquistar was acquired for the total consideration of \$15,228 representing the fair value of the assets of Aquistar. Custom Branded is deemed to be the purchaser for accounting purposes. Accordingly, its net assets are included in the balance sheet at their previously recorded values.

The acquisition is summarized as follows:

Current assets (including cash of \$778)	\$ 1,574
Capital assets	13,654
	-----
	\$ 15,228
	=====
Consideration given at fair value of:	
Common shares	\$ 15,228
	=====

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

At the beginning of the quarter, the Company devoted its efforts as a natural resource company engaged in the acquisition, exploration and development of mineral properties. On February 2, 2001 the Company acquired 100% of the issued and outstanding capital stock of Custom Branded Networks, Inc. ("CBN"), a Delaware corporation. CBN provides turnkey private label Internet solutions to businesses and private organizations that desire to affiliate with a customer base via the Internet. Since the acquisition, the Company has completely shifted its emphasis to the operations of CBN.

The company anticipates that it can meet its next 12 month budget requirements through the completion of financing on an existing debenture with OTC Investments and through either the private placement or public registration for sale of its securities. In addition, the company is in advanced discussions to acquire one or more private companies whose earnings will support the capital needs of the company on a consolidated basis. Lastly, the company has entered several contracts with customers, which contracts should provide revenues to assist in covering the capital needs of the company during the next 12 months. In the event that the Company is unable to raise capital as discussed above, the Company will have sufficient capital to meet its plan of operations for the next 60 days. The Company expects to incur additional research and development costs over the next twelve months. However, such expenditures are dependent upon the Company's ability to raise capital to support such operations.

## Forward Looking Statements

The information contained in this section and elsewhere may at times represent management's best estimates of the Company's future financial and technological performance, based upon assumptions believed to be reasonable. Management makes no representation or warranty, however, as to the accuracy or completeness of any of these assumptions, and nothing contained in this document should be relied upon as a promise or representation as to any future performance or events. The Company's ability to accomplish these objectives, and whether or not it will be financially successful is dependent upon numerous factors, each of which could have a material effect on the results obtained. Some of these factors are within the discretion and control of management and others are beyond management's control. Management considers the assumptions and hypothesis used in preparing any forward looking assessments of profitability contained in this document to be reasonable; however, we cannot assure investors that any projections or assessments contained in this document, or otherwise made by management, will be realized or achieved at any level.

7

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

None

### ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None

### ITEM 3. DEFAULT UPON SENIOR SECURITIES

None

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

None

### ITEM 5. OTHER INFORMATION

None

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits  
None

(b) Reports on Form 8-K

Form 8-K/A was filed by the Company on April 20, 2001. The purpose of this filing was to amend Form 8-K filed on February 20, 2001. The only change reported on Form 8-K/A was the inclusion of necessary unaudited proforma financial statements.

Form 8-K was filed by the Company on February 20, 2001. The purpose of this filing was to announce the acquisition by Aquistar of 100% of Custom Branded Networks, Inc. The acquisition took place on February 2, 2001.

## SIGNATURES

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

AQUISTAR VENTURES (USA) INC.

DATED: May 21, 2001

By: /s/ Steve Browning

-----  
Steve Browning, President