

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2009

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: 333-130696

**Touchstone Mining Limited**

(Exact name of Registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0468420

(IRS Employer Identification No.)

11923 SW 37 Terrace  
Miami, Florida 33175

(Address of principal executive offices)

(305) 677-9456

(Registrant's telephone number, including area code)

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 filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

As of May 15, 2009, there were 6,238,889 shares of the issuer's common stock, par value \$0.00001, outstanding.

**TOUCHSTONE MINING LIMITED**  
**FORM 10-Q**  
**FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2009**  
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## PART I – FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's Form 10-K filed with the SEC on December 29, 2008. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the periods presented have been reflected herein. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

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**Touchstone Mining Limited**  
*(A Development Stage Company)*

**Balance Sheets**

	As of March 31, 2009 <i>(Unaudited)</i>	As of September 30, 2008
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 854	\$ 7,591
Withholding tax receivable	3	-
Total current assets	857	7,591
<b>Non-Current Assets</b>		
Mineral property reclamation bond <i>(Note 5)</i>	4,330	4,330
<b>TOTAL ASSETS</b>	\$ 5,187	\$ 11,921
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 59,201	\$ 40,920
<b>TOTAL LIABILITIES</b>	59,201	40,920
<b>STOCKHOLDERS' DEFICIT</b>		
<b>Capital Stock <i>(Note 3)</i></b>		
Authorized:		
100,000,000 common shares, \$0.00001 par value		
Issued and outstanding shares:		
6,238,889 common shares	62	62
Capital in excess of par value	146,440	146,440
Deficit accumulated during the development stage	(200,516)	(175,501)
Total stockholders' deficit	(54,014)	(28,999)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	\$ 5,187	\$ 11,921

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

**Touchstone Mining Limited**  
*(A Development Stage Company)*

**Interim Statements of Operations**  
*(Unaudited)*

	Three Months Ended March 31,		Six Months Ended March 31,		Cumulative from Inception (September 12, 2005) to March 31,
	2009	2008	2009	2008	2009
Income	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenses</b>					
Mineral property costs	-	-	-	3,331	33,821
Professional fees	5,396	2,610	20,734	12,252	149,317
Office and administrative	2,262	3,061	4,293	5,409	16,920
<b>Total Operating Expenses</b>	<b>7,658</b>	<b>5,671</b>	<b>25,027</b>	<b>20,992</b>	<b>200,058</b>
<b>Other Income (Expense)</b>					
Foreign currency transaction loss	-	-	-	-	(470)
Interest income	-	-	12	-	12
<b>Total Other Income (Expense)</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>(458)</b>
<b>Net Loss Applicable to Common Shares</b>	<b>\$ (7,658)</b>	<b>\$ (5,671)</b>	<b>\$ (25,015)</b>	<b>\$ (20,992)</b>	<b>\$ (200,516)</b>
<b>Basic and Diluted Loss per Common Share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>6,238,889</b>	<b>6,182,418</b>	<b>6,238,889</b>	<b>6,140,984</b>	

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

**Touchstone Mining Limited**  
*(A Development Stage Company)*

**Interim Statements of Cash Flows**  
*(Unaudited)*

	Six Months Ended March 31, 2009	2008	Cumulative From Inception (September 12, 2005) to March 31, 2009
<b>Cash Flow from Operating Activities:</b>			
Loss for the period	\$ (25,015)	\$ (20,992)	\$ (200,516)
Adjustments to reconcile net loss to net cash used in operations:			
Changes in operating assets and liabilities:			
(Increase) in withholding tax receivable	(3)	-	(3)
Increase in accounts payable and accrued liabilities	18,281	5,385	59,201
Net cash used in operating activities	<u>(6,737)</u>	<u>(15,607)</u>	<u>(141,318)</u>
<b>Cash Flow from Investing Activities:</b>			
Mineral property reclamation bond	-	-	(4,330)
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>(4,330)</u>
<b>Cash Flow from Financing Activities:</b>			
Proceeds from notes payable – related party	-	5,000	34,502
Issuance of common stock	-	50,000	112,000
Net cash provided by financing activities	<u>-</u>	<u>55,000</u>	<u>146,502</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,737)	39,393	854
Cash and Cash Equivalents – Beginning of Period	7,591	42	-
Cash and Cash Equivalents – End of Period	<u>\$ 854</u>	<u>\$ 39,435</u>	<u>\$ 854</u>
<b>Supplemental Cash Flow Disclosure:</b>			
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Non-Cash Financing and Investing Activities:</b>			
Note payable – related party converted to common stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,502</u>

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

**Touchstone Mining Limited**  
*(A Development Stage Company)*

**Interim Notes to Financial Statements**  
**March 31, 2009**  
*(Unaudited)*

**1. Organization**

Touchstone Mining Limited (the "Company") was incorporated on September 12, 2005 in the State of Nevada, USA, and is based in Miami, Florida. The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America, and the Company's fiscal year end is September 30.

The Company was initially incorporated for the purpose of engaging in the acquisition, exploration, and development of mineral resource properties. The Company has obtained the right to conduct exploration work on ten mineral mining claims in Humboldt County, Nevada, USA. Prior to this, the Company's activities have been limited to its formation, the raising of equity capital, and its mining exploration work program. Although the Company has not disposed of its interest in its mining properties (Note 5), it has discontinued exploration on the property and is actively seeking other ventures of interest that may include, but not be limited to, mergers, acquisitions, or similar transactions.

**Development Stage Company**

The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards (SFAS) No. 7, "Accounting and Reporting by Development Stage Enterprises."

**2. Significant Accounting Policies**

**Use of Estimates**

The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's periodic filings with the Securities and Exchange Commission include, where applicable, disclosures of estimates, assumptions, uncertainties, and markets that could affect the financial statements and future operations of the Company.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash in banks, money market funds, and certificates of term deposits with maturities of less than three months, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value. The Company had \$854 and \$7,591 in cash and cash equivalents at March 31, 2009 and September 30, 2008, respectively.

**Touchstone Mining Limited**  
*(A Development Stage Company)*

*Interim Notes to Financial Statements*  
**March 31, 2009**  
*(Unaudited)*

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

**Mineral Acquisition and Exploration Costs**

The Company has been in the development stage since its formation on September 12, 2005 and has not yet realized any revenue from its planned operations. It has been primarily engaged in the acquisition, exploration, and development of mining properties. Mineral property acquisition and exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserves.

**Start-Up Costs**

In accordance with the American Institute of Certified Public Accountant's Statement of Position 98-5, "Reporting on the Costs of Start-up Activities," the Company expenses all costs incurred in connection with the start-up and organization of the Company.

**Net Income or (Loss) Per Share of Common Stock**

The Company has adopted Financial Accounting Standards Board ("FASB") Statement Number 128, "Earnings per Share," ("EPS") which requires presentation of basic and diluted EPS on the face of the statements of operations for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. In the accompanying financial statements, basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. The Company has no potentially dilutive securities, such as options or warrants, currently issued and outstanding.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March		Six Months Ended March 31,	
	2009	31, 2008	2009	2008
Net loss applicable to common shares	\$ (7,658)	\$ (5,671)	\$ (25,015)	\$ (20,992)
<b>Weighted average common shares</b>				
Outstanding (Basic)	6,238,889	6,182,418	6,238,889	6,140,984
Options	-	-	-	-
Warrants	-	-	-	-
Weighted average common shares outstanding (Basic and Diluted)	<u>6,238,889</u>	<u>6,182,418</u>	<u>6,238,889</u>	<u>6,140,984</u>
Net loss per share (Basic and Diluted)	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>



**Touchstone Mining Limited**  
*(A Development Stage Company)*

**Interim Notes to Financial Statements**  
**March 31, 2009**  
*(Unaudited)*

**2. Accounting Policies (continued)**

**Concentrations of Credit Risk**

The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents and related party payables it will likely incur in the near future. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. At times, its cash and cash equivalents with a particular financial institution may exceed any applicable government insurance limits. The Company's management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

**Risks and Uncertainties**

The Company previously operated in the resource exploration industry that is subject to significant risks and uncertainties, including financial, operational, technological, and other risks associated with operating a resource exploration business, including the potential risk of business failure.

**Environmental Expenditures**

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for future reclamation and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation by application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefits. All of these types of expenditures incurred since inception have been charged against earnings due to the uncertainty of their future recoverability. Estimated future reclamation and site restoration costs, when the ultimate liability is reasonably determinable, are charged against earnings over the estimated remaining life of the related business operation, net of expected recoveries.

**Touchstone Mining Limited**  
**(A Development Stage Company)**

***Interim Notes to Financial Statements***  
**March 31, 2009**  
**(Unaudited)**

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

**Recently Issued Accounting Pronouncements**

In May 2008, the FASB issued SFAS No. 163, *“Accounting for Financial Guarantee Insurance Contracts - an interpretation of FASB Statement No. 60.”* Diversity exists in practice in accounting for financial guarantee insurance contracts by insurance enterprises under FASB Statement No. 60, *“Accounting and Reporting by Insurance Enterprises.”* That diversity results in inconsistencies in the recognition and measurement of claim liabilities because of differing views about when a loss has been incurred under SFAS No. 5, *“Accounting for Contingencies.”* This Statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This Statement also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities. Those clarifications will increase comparability in financial reporting of financial guarantee insurance contracts by insurance enterprises. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. This Statement is effective for financial statements issued for fiscal years beginning after December 15, 2008, and all interim periods within those fiscal years.

In May 2008, the FASB issued SFAS No. 162, *“The Hierarchy of Generally Accepted Accounting Principles.”* This Statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). This Statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *“The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles.”*

In March 2008, the FASB issued SFAS No. 161, *“Disclosure about Derivative Instruments and Hedging Activities – an amendment to FASB Statement No. 133.”* The use and complexity of derivative instruments and hedging activities have increased significantly over the past several years. Constituents have expressed concerns that the existing disclosure requirements in SFAS No. 133, *“Accounting for Derivative Instruments and Hedging Activities,”* do not provide adequate information about how derivative and hedging activities affect an entity's financial position, financial performance, and cash flows. Accordingly, this Statement requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008.

**Touchstone Mining Limited**  
*(A Development Stage Company)*

**Interim Notes to Financial Statements**  
**March 31, 2009**  
*(Unaudited)*

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

**Recently Issued Accounting Pronouncements (continued)**

In December 2007, the FASB issued a revision to SFAS No. 141 (revised 2007), "*Business Combinations*." The objective of this Statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008.

In September 2006, the FASB issued SFAS No. 157, "*Fair Value Measurements*." This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practice. SFAS No. 157 is effective in the first fiscal year that begins after October 1, 2009 for the Company.

None of the above new pronouncements has current application to the Company, but will be implemented in the Company's future financial reporting when applicable.

**3. Stockholders' Equity**

**Authorized Stock**

The Company has authorized 100,000,000 common shares with a par value of \$0.00001 per share. Each common share entitles the holder to one vote, in person or proxy, on any matter on which action of the stockholders of the corporation is sought.

**Share Issuances**

Since inception (September 12, 2005), the Company has issued 3,100,000 common shares at \$0.02 per share for \$62,000 in cash, and 138,889 common shares at \$0.36 per share for \$50,000 in cash, for total proceeds of \$112,000. The Company also issued 3,000,000 common shares at \$0.01 per share in satisfaction of debt of \$34,502. There were 6,238,889 common shares issued and outstanding at March 31, 2009.

**Touchstone Mining Limited**  
*(A Development Stage Company)*

**Interim Notes to Financial Statements**  
**March 31, 2009**  
*(Unaudited)*

**4. Provision for Income Taxes**

The Company recognizes the tax effects of transactions in the year in which such transactions enter into the determination of net income, regardless of when reported for tax purposes. Deferred taxes are provided in the financial statements under SFAS No. 109 to give effect to the resulting temporary differences which may arise from differences in the bases of fixed assets, depreciation methods, allowances, and start-up costs based on the income taxes expected to be payable in future years. Minimal development stage deferred tax assets arising as a result of net operating loss carryforwards have been offset completely by a valuation allowance due to the uncertainty of their utilization in future periods. Operating loss carryforwards generated during the period from September 12, 2005 (date of inception) through March 31, 2009 of \$200,516 will begin to expire in 2025. Accordingly, deferred tax assets of approximately \$70,000 were offset by the valuation allowance, which increased by approximately \$8,600 and \$7,500 during the six months ended March 31, 2009 and 2008, respectively.

**5. Mineral Property Costs**

By agreement dated November 23, 2005 with Mineral Exploration Services Ltd. ("MES"), the Company acquired an option to earn a 100% interest in certain properties consisting of 10 unpatented mineral claims, known as the Boulder Claims (the "Property") located in Humboldt County, Nevada, USA.

Upon execution of the agreement, MES transferred 100% interest in the mineral claims to the Company for \$50,000 to be paid, at the Company's option, as follows:

	<u>Cash Payments</u>
Upon signing of the agreement and transfer of title (paid)	\$ 3,500
On or before November 23, 2006 (paid)	3,500
On or before November 23, 2007	8,000
On or before November 23, 2008	10,000
On or before November 23, 2009	10,000
On or before November 23, 2010	15,000
	<u>\$ 50,000</u>

In August 2007, the Company reached an agreement with MES, whereby MES relinquished its rights to the Property. During the year ended September 30, 2008, the Company proceeded to stake the claims in its own name. The Company is no longer obligated to make the payments outlined above for 2007 through 2010, and is only responsible for maintaining the mineral claims in good standing by paying all the necessary rents, taxes, and filing fees associated with the Property. As of March 31, 2009, the Company met these obligations.

**Touchstone Mining Limited**  
*(A Development Stage Company)*

**Interim Notes to Financial Statements**  
**March 31, 2009**  
*(Unaudited)*

**5. Mineral Property Costs (continued)**

Although the Company has not disposed of its interest in the Property, it has discontinued exploration and is currently evaluating its options and is seeking other ventures of interest.

A \$4,330 reclamation bond has been paid to the Bureau of Land Management (BLM) in the State of Nevada. This bond will be held by the BLM until such time as it determines that the mineral property has been properly reclaimed and indigenous species of plants have been planted and are growing. Given the uncertainty of any future exploration and/or additional work on the property, that the Company will perform and the additional time needed before a BLM inspector can view the property, this bond has been accounted for as a non-current asset. Management estimates the costs to restore the property will be nominal and that the entire bond will be recovered as a result.

**6. Going Concern and Liquidity Considerations**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. As at March 31, 2009, the Company had a working capital deficit of \$58,344 and an accumulated deficit of \$200,516. The Company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the next twelve months.

The ability of the Company to emerge from the development stage is dependent upon, among other things, obtaining additional financing to continue operations. In response to these problems, management intends to raise additional funds through public or private placement offerings.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**7. Subsequent Event**

On May 8, 2009 the Company received an \$80,000 loan from one person and in connection therewith issued an 8.25% \$80,000 convertible promissory note dated May 8, 2009. Subject to prior conversion, interest and principal are due on the note on November 8, 2010. The terms of conversion have not been determined but will be mutually determined by the Company and the holder.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Forward-Looking Statements**

Except for historical information, this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our business strategy, future revenues and anticipated costs and expenses. Such forward-looking statements include, among others, those statements including the words "expects," "anticipates," "intends," "believes" and similar language. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed herein as well as in the "Description of Business – Risk Factors" section in our Annual Report on Form 10-K for the year ended September 30, 2008. You should carefully review the risks described in our Annual Report and in other documents we file from time to time with the Securities and Exchange Commission. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this document.

Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements.

All references in this Form 10-Q to the "Company," "Touchstone," "we," "us," or "our" are to Touchstone Mining Limited.

### **General Overview**

We were incorporated in the State of Nevada on September 12, 2005 to engage in the acquisition, exploration and development of mineral deposits and reserves. On November 23, 2005 we entered into a Mineral Claim Purchase Agreement (the "Agreement") with Mineral Exploration Services, Ltd. ("MES") pursuant to which we acquired an option to purchase certain unpatented mineral mining claims. The related property consisted of ten lode mineral claims located on approximately 200 acres in Humboldt County, Nevada. Under the terms of the Agreement, we agreed to pay MES an aggregate of \$50,000 over five years and to make exploration expenditures on the property of \$50,000 over the same five year period. During the initial exploration, no commercial quantities of gold or other minerals were discovered and in August 2007, we ceased exploration on the prospect. On August 16, 2007 we notified MES of our intention to return the property via a quit claim deed. At that time, MES informed us that it no longer wanted to retain the claim or the property and MES subsequently allowed such claim to lapse. Our Agreement with MES was terminated as of September 16, 2007. At the time of the termination, we had paid MES an aggregate of \$7,000 under the Agreement. In October 2007, we re-staked the claims in the property and paid the necessary fees to the Bureau of Land Management. The lease to the property is currently in our name. We do not claim to have any minerals or reserves whatsoever at this time on any of the property. Our management has no current plans for the property at this time, and all of our exploration operations have been discontinued. Following the discontinuation of our planned mineral acquisition, exploration and development activities through the present, we have determined to look at other ventures of merit to enhance stockholder value. These ventures may involve sales of our debt or equity security in merger, acquisition, or similar transactions. To date, we have achieved no operating revenues and have yet to engage in any such ventures.

## **Results of Operations**

We conducted no material operations during the quarter ended March 31, 2009 and do not have any present operations. During the quarter ended March 31, 2009, we generated no revenues. Accordingly, a discussion of our results of operations is not meaningful and will not be presented herein.

## **Liquidity and Capital Resources**

The report of our auditors on our audited financial statements for the fiscal year ended September 30, 2008 contains a going concern qualification as we have suffered losses since our inception. We have minimal assets and have achieved no operating revenues since our inception. We have depended on loans and sales of equity securities to conduct operations. As of March 31, 2009 and September 30, 2008, we had cash of \$854 and \$7,591, current assets of \$857 and \$7,591 and current liabilities of \$59,201 and \$40,920, respectively. Unless and until we commence material operations and achieve material revenues, we will remain dependent on financings to continue our operations.

## **Plan of Operation**

We were formed to engage in the acquisition, exploration and development of mineral deposits and reserves. We conducted minimal operations in this line of business and in August 2007 decided to discontinue operations in this area. We are presently inactive, but we are looking at ventures of merit for corporate participation as a means of enhancing stockholder value. This may involve sales of our equity or debt securities in merger or acquisition transactions.

We have minimal operating costs and expenses at the present time due to our limited business activities. Accordingly, absent changed circumstances, we will not be required to raise significant capital over the next twelve months, although we may do so in connection with or in anticipation of possible acquisition transactions. We do not currently engage in any product research and development and have no plans to do so in the foreseeable future. We have no present plans to purchase or sell any plant or significant equipment. We also have no present plans to add employees although we may do so in the future if we engage in any merger or acquisition transactions.

## **Off-Balance Sheet Arrangements**

We have never entered into any off-balance sheet financing arrangements and have not formed any special purpose entities. We have not guaranteed any debt or commitments of other entities or entered into any options on non-financial assets.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

**ITEM 4T. CONTROLS AND PROCEDURES****Evaluation of Our Disclosure Controls and Internal Controls**

Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, Nanuk Warman, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this quarterly report (the “Evaluation Date”). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to us, including our consolidated subsidiaries, required to be disclosed in our Securities and Exchange Commission (“SEC”) reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives. In evaluating the effectiveness of our internal control over financial reporting, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control – Integrated Framework.

**Officers’ Certifications**

Appearing as exhibits to this quarterly report are “Certifications” of our Chief Executive Officer and Chief Financial Officer. The Certifications are required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (the “Section 302 Certifications”). This section of the Quarterly Report contains information concerning the Controls Evaluation referred to in the Section 302 Certification. This information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

**Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2009 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

In the ordinary course of our business, we may from time to time become subject to routine litigation or administrative proceedings which are incidental to our business. We are not a party to nor are we aware of any existing, pending or threatened lawsuits or other legal actions involving us.

### ITEM 1A. RISK FACTORS

Not applicable.

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

We did not issue any equity securities during the quarter ended March 31, 2009.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

### ITEM 5. OTHER INFORMATION

On May 8, 2009 we received an \$80,000 loan from one person and in connection therewith issued an 8.25% \$80,000 convertible promissory note dated May 8, 2009. Subject to prior conversion, interest and principal are due on the note on November 8, 2010. The terms of conversion have not been determined but will be mutually determined by us and the holder.

### ITEM 6. EXHIBITS

In reviewing the agreements included as exhibits to this Form 10-Q, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this Form 10-Q and the Company's other public filings, which are available without charge through the SEC's website at <http://www.sec.gov>.

The following exhibits are included as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
4.1	Promissory Note dated May 8, 2009
31.1 / 31.2	Rule 13(a)-14(a)/15(d)-14(a) Certification of Principal Executive and Financial Officer
32.1 / 32.2	Rule 1350 Certification of Principal Executive and Financial Officer

**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.

TOUCHSTONE MINING LIMITED

Dated: May 20, 2009

By: /s/ Nanuk Warman

\_\_\_\_\_  
Nanuk Warman  
President, Principal Executive and Financial  
Officer

NEITHER THE ISSUANCE AND SALE OF THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF (I) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (II) AN OPINION OF COUNSEL, IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT. NOT WITHSTANDING THE FOREGOING, THIS NOTE MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THIS NOTE. ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE. THE PRINCIPAL AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO THIS NOTE.

**TOUCHSTONE MINING LIMITED**

**8.25% CONVERTIBLE PROMISSORY NOTE**

Issuance Date: May 8, 2009

Principal Amount: U.S. \$80,000.00

FOR VALUE RECEIVED, **Touchstone Mining Limited**, a Nevada corporation (the "**Company**"), hereby promises to pay to **MILESTONE ENHANCED FUND LTD.** or registered assigns ("**Holder**") the amount set out above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "**Principal**") when due, whether upon the Maturity Date (as defined below), acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and to pay interest at the rate of 8.25% per annum ("**Interest**") from the date set out above as the Issuance Date (the "**Issuance Date**") until the same becomes due and payable on the Maturity Date.

1. PAYMENTS OF PRINCIPAL; MATURITY. Payment of Principal and Interest due on this Note is payable no later than November 8, 2010 (the "**Maturity Date**"); provided, however, that each of the parties hereto may mutually agree to extend the term of this Note beyond the Maturity Date.

2. PREPAYMENT. The Company and the Holder understand and agree that the principal amount of the Note and any interest accrued thereon be prepaid by the Company at any time without penalty.

3. CONVERSION OF NOTE. This Note shall be convertible into shares of the Company's common stock (the "**Shares**"), on the terms and conditions set forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(c)(i) hereof and pursuant to terms to be mutually agreed upon by the Company and the Holder in writing at a later date, the Holder shall be entitled to convert any portion of the outstanding and unpaid principal and interest balance due on the Note in accordance with Section 3 of this Note into Shares at a conversion price to be mutually determined by the Company and the Holder (the "**Conversion Price**"). The Company shall not issue any fractions of a Share upon any conversion. If the issuance would result in the issuance of a fraction of a Share, the Company shall round such fraction of a Share up to the nearest whole Share. The Company shall pay any and all taxes that may be payable with respect to the issuance and delivery of Shares upon conversion of any conversion amount.

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(b) Mechanics of Conversion.

(i) Notice of Conversion. To convert this Note, the Holder hereof shall deliver written notice thereof, substantially in the form of Exhibit A to this Note, with appropriate insertions (the "Conversion Notice"), to the Company at its address as set forth herein. The date upon which the conversion shall be effective (the "Conversion Date") shall be deemed to be the date set forth in the Conversion Notice. Except as otherwise provided herein, the Company shall not have the right to object to the conversion or the calculation of the applicable conversion price, absent manifest error. Any conversion of any portion of the Note to Shares shall be deemed to be a pre-payment of principal, without any penalty, and shall be credited against any future payments of principal in the order that such payments become due and payable

(ii) Disputes. In the event of a dispute as to the number of Shares issuable to the Holder in connection with a conversion of this Note, the Company shall issue to the Holder the number of Shares not in dispute and resolve such dispute using good faith efforts with the Holder.

(c) Limitations on Conversions.

Beneficial Ownership. The Holder of this Note (including any successor, transferee or assignee) shall not have the right or obligation to convert any portion of this Note pursuant to Section 3(b)(i) hereof to the extent that, after giving effect to such conversion, the Holder (together with the Holder's Affiliates) would beneficially own in excess of 4.99% (as may be adjusted in the manner described below, the "**Maximum Percentage**") of the number of shares of Common Stock outstanding immediately after giving effect to such conversion. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted portion of this Note beneficially owned by the Holder or any of its Affiliates and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any Other Notes or Warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 3(c), beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. For purposes of this Section 3(c), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in the most recently filed document among: (x) the Company's most recent public filing with the Securities and Exchange Commission containing such information, (y) a more recent public announcement by the Company or (z) any other notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. For any reason at any time, during regular business hours of the Company and upon the written request of the Holder, the Company shall within two (2) Business Days confirm in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, the Holder may increase or decrease the Maximum Percentage to any other percentage specified in such notice; provided that (i) any such increase will not be effective until the sixty-first (61<sup>st</sup>) day after such notice is delivered to the Company, (ii) any such increase or decrease will apply only to the Holder and not to any other holder of Notes, and (iii) such Maximum Percentage shall not, in any event, exceed 19.99%.

4. EVENT OF DEFAULT. Failure by the Company to make payment pursuant to Section 1 hereof shall constitute an event of default (“Event of Default”). In an Event of Default, the Holder shall be entitled to all legal remedies available to it to pursue collections, and the Company shall bear all reasonable costs of collection, including but not limited to necessary attorneys’ fees.

5. NO WAIVER. No failure or delay by the Holder in exercising any right, power or privilege under this Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusively of any rights or remedies provided by applicable law. No course of dealing between the Company and the Holder shall operate as a waiver of any rights by the Holder.

6. NOTICES; PAYMENTS.

(a) Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with the Securities Purchase Agreement. Unless a specific notice is otherwise required under this Note, the Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Note, including in reasonable detail a description of such action and the reason therefore.

(b) Payments. Except as otherwise provided in this Note, whenever any payment of cash is to be made by the Company to the Holder, such payment shall be made in lawful money of the United States of America by a check drawn on the account of the Company and sent via overnight courier service to the Holder at such address as previously provided to the Company in writing (which address shall be set forth in the Securities Purchase Agreement); provided that the Holder may elect to receive a payment of cash via wire transfer of immediately available funds by providing the Company with prior written notice setting out such request and the Holder's wire transfer instructions. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day.

7. TRANSFER. The Holder acknowledges and agrees that this Note may only be offered, sold, assigned or transferred by the Holder if consented to in writing by the Company.

8. CONSTRUCTION; HEADINGS. This Note shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any person as the drafter hereof. The headings of this Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Note.

9. SEVERABILITY. In the event that one or more of the provisions of this Note shall for any reasons be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

10. GOVERNING LAW. This Note and the rights and obligations of the Company and the Holder shall be governed by and construed in accordance with the laws of the State of New York.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed as of the Issuance Date set out above.

**TOUCHSTONE MINING LIMITED**

By: /s/ Nanuk Warman

Name: Nanuk Warman

Title: Chief Executive Officer



**EXHIBIT A**

**NOTICE OF CONVERSION**

(To be executed by the Holder in order to convert the Note)

**TO:**

The undersigned hereby irrevocably elects to convert \$ of the principal amount of the above Note into Shares of Common Stock of Touchstone Mining Limited, according to the conditions stated therein, as of the Conversion Date written below.

**Conversion Date:** \_\_\_\_\_

**Applicable Conversion Price:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Amount to be converted:** \$ \_\_\_\_\_

**Amount of Note unconverted:** \$ \_\_\_\_\_

**Conversion Price per Unit:** \$ \_\_\_\_\_

**Number of shares of Common Stock and Warrants to be issued including as payment of interest, if applicable:** \_\_\_\_\_

**Please issue the shares of Common Stock and Warrants in the following name and to the following address:** \_\_\_\_\_

**Issue to the following account of the Holder:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_

**Broker DTC Participant Code:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

## CERTIFICATIONS

I, Nanuk Warman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Touchstone Mining Limited.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weakness 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: May 20, 2009

/s/ Nanuk Warman

\_\_\_\_\_  
Nanuk Warman  
Principal Executive and Financial Officer

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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 Touchstone Mining Limited (the "Company") on Form 10-Q for the quarter ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nanuk Warman, Principal Executive and 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.

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

/s/ Nanuk Warman

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Name: Nanuk Warman  
Title: Principal Executive and Financial Officer  
Date: May 20, 2009

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