

Blackhawk Fund
Form 10QSB
November 14, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 September 30, 2006

OR

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

For the transition period from ____ to ____

Commission File Number: **000-49672**

THE BLACKHAWK FUND

(Exact Name of Small Business Issuer as Specified in its Charter)

NEVADA
(State or Other Jurisdiction of
Incorporation or Organization)

88-0408213
(IRS Employer
Identification Number)

1802 N. CARSON STREET, SUITE 212-3018
CARSON CITY, NEVADA 89701
Address of Principal Executive Offices

(775) 887-0670
(Registrant's Telephone Number, Including Area Code)

Check whether the Issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Issuer 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 is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

State the number of shares outstanding of each of the Issuer's classes of common equity as of the latest practicable date: As of September 30, 2006, the issuer had 30,209,007 shares of its common stock issued and outstanding.

Transitional Small Business Disclosure Format (check one): Yes No

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements
Balance Sheets as of September 30, 2006 and December 31, 2005 (unaudited).....3
Statements of Operations for the three and nine months ended September 30, 2006 and 2005
(unaudited).....4
Statements of Cash Flows for the nine months ended September 30, 2006 and 2005 (unaudited).....5
Notes to Financial Statements (unaudited).....6

Item 2. Management's Discussion and Analysis or Plan of Operation.....9

Item 3. Controls and Procedures.....10

PART II - OTHER
INFORMATION.....12

Item 1. Legal Proceedings.....12

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.....12

Item 3. Defaults Upon Senior Securities12

Item 4. Submission of Matters to a Vote of Security Holders.....12

Item 5. Other Information.....
12

Item 6.
Exhibits.....12

SIGNATURES

.....12

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

THE BLACKHAWK FUND
BALANCE SHEETS
(Unaudited)

	September 30, 2006	December 31, 2005
ASSETS		
Cash	\$ 176,871	\$ 12,709
Total current assets	176,871	12,709
Property - held-for-sale	1,628,583	-
TOTAL ASSETS	\$ 1,805,454	\$ 12,709
 LIABILITIES AND STOCKHOLDERS' DEFICIT		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 10,033	\$ 6,080
Notes payable - related party	532,496	77,495
Total current liabilities	542,529	83,575
Note payable	1,496,000	-
Commitments and contingencies	-	-
 STOCKHOLDERS' DEFICIT		
Preferred stock, \$.001 par value:		
Series A: Authorized 20,000,000 no shares issued and outstanding	-	9,000
Series B: Authorized 10,000,000 10,000,000 issued and outstanding	10,000	10,000
Series C: Authorized 20,000,000 10,000,000 issued and outstanding	10,000	10,000
Common stock, \$.001 par value, 4,000,000,000 shares authorized, 30,209,007 and 3,209,007 shares issued and outstanding	30,209	3,209
Additional paid in capital	34,641,226	34,457,058
Stock subscriptions receivable	(1,315)	(40,000)
Retained deficit	(34,923,195)	(34,520,133)
Total Stockholders' Deficit	(233,075)	(70,866)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 1,805,454	\$ 12,709

See accompanying notes to financial statements.

THE BLACKHAWK FUND
 STATEMENTS OF OPERATIONS
 For the Three Months and Nine Months
 Ended September 30, 2006 and 2005
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2006	2005	September 30, 2006	2005
Income:				
Gain on sale of property	\$ 7,451	\$ -	\$ 7,451	\$ -
Consulting	-	10,899	-	22,550
Total	7,451	10,899	7,451	22,550
Expenses:				
General & administrative	210,270	69,694	349,364	4,753,907
Loss from operations	(202,819)	(58,795)	(341,913)	(4,731,357)
Interest expense	32,698	-	61,149	-
Net loss	\$ (235,517)	\$ (58,795)	\$ (403,062)	\$ (4,731,357)
Basic and diluted loss per share	\$ (0.01)	\$ (0.05)	\$ (0.03)	\$ (5.60)
Weighted average shares outstanding	23,274,941	1,209,012	14,824,392	845,068

See accompanying notes to financial statements.

THE BLACKHAWK FUND
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2006 and 2005
(Unaudited)

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (403,062)	\$ (4,731,357)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued for services	53,000	4,014,700
Stock option expense	-	401,122
Gain on sale of property	(7,451)	-
Changes in:		
Accounts payable and accrued liabilities	3,952	6,850
NET CASH USED IN OPERATING ACTIVITIES	(353,561)	(308,635)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of buildings	(272,583)	-
Proceeds from sale of building	147,451	-
NET CASH USED IN INVESTING ACTIVITIES	(125,132)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from stock issuances/subscriptions	182,854	292,813
Proceeds from stock sales	5,000	-
Proceeds from note payable - related party	478,001	31,063
Payments on note payable - related party	(23,000)	(5,863)
NET CASH PROVIDED BY FINANCING ACTIVITIES	642,855	318,013
NET CHANGE IN CASH	164,162	9,328
CASH BALANCES		
-Beginning of period	12,709	-
-End of period	\$ 176,871	\$ 1,291
Supplemental disclosures:		
Interest paid	\$ 51,115	-
Income taxes paid	-	-
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Mortgage liability assumed on home	\$1,000,000	-
Conversion of 10,000 preferred shares to common	\$ 9,000	-

See accompanying notes to financial statements.

THE BLACKHAWK FUND
NOTES TO FINANCIAL STATEMENTS
(Unaudited)