

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

FORM 10-QSB/A
(Amendment No.1)
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE PERIOD ENDED September 30, 2005

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 333-88480

PRIME RESOURCE, INC.

(Exact name of registrant as specified in its charter)

Utah

04-3648721

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1245 East Brickyard Road, Suite 590
Salt Lake City, Utah 84106

(801) 433-2000

(Address of principal executive officers)

(Registrant's telephone number,
including area code)

None
(Former name, former address and former fiscal year,
if changed since last report)

Securities registered pursuant to Section 12(b) of
the Act:

None

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 has 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 an accelerated filer (as defined in Rule 126-2 of the Exchange Act). 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 practical date.

Common Stock: 2,955,900 shares issued and outstanding as of September 30, 2005, No Par Value. Authorized - 50,000,000 common voting shares.

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Prime Resource, Inc.
For The Quarter Ending September 30, 2005

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Consolidated Statements of Shareholders' Equity as of December 31,

2004 through September 30, 2005

Consolidated Statements of Cash Flows (Unaudited) - For the nine months ended September 30, 2005, and for the nine months ended September 30, 2004.

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Part I - Financial Information

Item 1. Financial Statements

Prime Resource, Inc.
Consolidated Balance Sheet (Unaudited)
September 30, 2005
(Restated - note 5)

<TABLE>
<CAPTION>
ASSETS

Current Assets:

<S>	<C>
Cash	\$ 570,795
Accounts receivable	545,498
Interest receivable	29,844
Investments in trading securities	3,629
Income taxes receivable	6,837
Notes receivable, current	350,000

Total Current Assets 1,506,603

Property and equipment, net 158,826

Notes receivable	40,000
Deferred tax assets	37,233
Other assets	15,298
Investment in non-trading securities	60,000

Total assets \$ 1,817,960

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$ 33,868
Accrued compensation, commissions and benefits	513,796
Deferred taxes payable	9,767
Notes payable, current portion	29,820

Total Current Liabilities 587,251

Long-term Liabilities:

Notes payable, net of current portion	34,661
---------------------------------------	--------

Total Long-Term Liabilities 34,661

Total Liabilities	621,912
Common stock, no par value, 50,000,000 shares authorized, 2,983,850 shares issued and 2,955,290 outstanding	964,802
Treasury Stock	(83,553)
Retained earnings	314,799

Stockholders' Equity	1,196,048

Total Liabilities and Stockholders' Equity	\$ 1,817,960
	=====

</TABLE>

See notes to financial statements.

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Prime Resource, Inc.
Consolidated Statements of Income (Unaudited)

<TABLE>
<CAPTION>

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
	-----	-----	-----	-----
-				
	(Restated - note 5)		(Restated - note 5)	
REVENUES				
<S>	<C>	<C>	<C>	<C>
Commissions	\$ 1,690,409	\$ 1,212,050	\$ 4,862,975	\$ 3,557,284
Investment and business advisory fees	164,942	155,314	502,915	480,249
Interest and dividends	11,063	3,951	32,089	11,687
Other income	-	-	-	-
	-----	-----	-----	-----
-				
Total Revenues	1,866,414	1,371,315	5,397,979	4,049,220
	-----	-----	-----	-----
-				
EXPENSES				
Commissions	1,267,202	788,398	3,577,322	2,299,183
Compensation and benefits	381,312	317,692	1,163,811	951,358
General and administrative	115,496	101,354	382,840	305,836
Occupancy expense	32,022	34,855	97,592	98,970
Depreciation expense	15,888	12,768	45,897	36,711
Interest expense	1,206	961	3,120	2,719
	-----	-----	-----	-----
-				
Total Expenses	1,813,126	1,256,028	5,270,584	3,694,777
	-----	-----	-----	-----
-				
Net operating income	53,288	115,287	127,395	354,443
	-----	-----	-----	-----
-				
GAINS AND LOSSES				
Realized gains on trading securities	-	505	(111)	1,368
Unrealized gains (losses) on trading securities	(4,347)	3,402	(8,336)	3,402
	-----	-----	-----	-----
-				
Total Gains (Losses)	(4,347)	3,907	(8,447)	4,770
	-----	-----	-----	-----
-				
Net income before income taxes	48,641	119,194	118,948	359,213
Income tax expense	5,124	69,564	29,412	151,612
	-----	-----	-----	-----
-				
Net income	\$ 43,517	\$ 49,630	\$ 89,536	\$ 207,601

BASIC AND FULLY DILUTED NET INCOME PER SHARE	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.07
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	2,945,475	2,934,000	2,937,825	2,934,000

</TABLE>

See notes to financial statements.

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Prime Resource, Inc.
Consolidated Statement of Stockholders' Equity (Unaudited)
For the nine months ended September 30, 2005

<TABLE>
<CAPTION>

Total Equity	Common Stock		Treasury	Retained Earnings	
	Shares	Amount	Stock	(Deficit)	
	-----	-----	-----	-----	-----
<S> Balance, December 31, 2004 1,054,935	<C> 2,934,000	<C> \$ 907,427	<C> \$ (77,755)	<C> \$ 225,263	<C> \$
Common stock issued for services 57,375	22,950	57,375	-	-	
Treasury stock (5,798)	(960)	-	(5,798)	-	
Net income 89,536	-	-	-	89,536	
	-----	-----	-----	-----	-----
Balance, September 30, 2005 (Restated - note 5) 1,196,048	2,955,990	\$ 964,802	\$ (83,553)	\$ 314,799	\$
	=====	=====	=====	=====	

</TABLE>

See notes to financial statements.

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Prime Resource, Inc.
Consolidated Statements of Cash Flows (Unaudited)

<TABLE>
<CAPTION>

	For the nine months ended September 30,	
	2005	2004
	-----	-----
	(Restated - note 5)	
Cash Flows From Operating Activities:	<C>	<C>
<S> Net income	\$ 89,536	\$ 207,601
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	45,897	36,711
Change in deferred taxes	749	36,386
Issuance of shares for services	57,375	-
Realized loss on trading securities	111	-
Unrealized (gains) losses on trading securities	8,336	(1,368)

Changes in assets and liabilities:		
Accounts receivable	(111,284)	(98,255)
Interest receivable	(18,511)	(3,000)
Income taxes receivable	2,933	33,354
Other assets	(2,194)	9,000
Accounts payable	(6,823)	36,166
Accrued expenses	127,467	56,191
Income tax payable	-	24,745
	-----	-----
Net Cash Provided By Operating Activities	193,592	337,531
Cash Flows From Investing Activities:		
Notes receivable	(350,000)	-
Treasury stock	(5,798)	-
Purchase of non-trading securities	(35,000)	-
Purchase of trading securities	(23,595)	(105,215)
Proceeds from sales of trading securities	19,723	3,376
Purchase of equipment	(41,820)	(27,889)
	-----	-----
Net Cash Used In Investing Activities	(436,490)	(129,728)
Cash Flows From Financing Activities:		
Payments on notes payable	(13,711)	(9,610)
	-----	-----
Net Cash Used In Financing Activities	(13,711)	(9,610)
	-----	-----
Net Increase (Decrease) In Cash And Cash Equivalents	(256,609)	198,193
Cash And Cash Equivalents At Beginning Of Year	827,404	399,403
	-----	-----
Cash And Cash Equivalents At End Of Period	\$ 570,795	\$ 597,596
	=====	=====
Supplemental Cash Flow Information:		
Cash paid for interest	\$ 3,120	\$ 2,719
Cash paid for taxes	\$ 35,500	\$ 83,000
NONCASH ACTIVITIES:		
Purchase of equipment with long term note payable	\$ -	\$ 30,822

</TABLE>

See notes to financial statements.

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Prime Resource, Inc. and Subsidiaries
Notes to Financial Statements (Unaudited)
September 30, 2005

1. Presentation

The financial statements as of September 30, 2005 and 2004 and for the three and nine months ended September 30, 2005 and 2004, were prepared by the Company without audit pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all necessary adjustments, which consist primarily of normal recurring adjustments, to the financial statements have been made to present fairly the financial position and results of operations and cash flows. The results of operations for the respective periods presented are not necessarily indicative of the results for the respective complete years. The Company has previously filed with the SEC an annual reports on Form 10-KSB which included audited financial statements for the two years ended December 31, 2004. It is suggested that the financial statements contained in this filing be read in conjunction with the statements and notes thereto contained in the Company's 10-KSB filing.

2. Net income per common share

Net income per common share is computed based on the weighted-average number of common shares and, as appropriate, dilutive common stock equivalents outstanding during the period. Stock options and warrants are considered to be common stock equivalents.

Basic net income per common share is the amount of net income for the period available to each share of common stock outstanding during the reporting period. Diluted net income per common share is the amount of net income for the period

available to each share of common stock outstanding during the reporting period and to each share that would have been outstanding assuming the issuance of common shares for all dilutive potential common shares outstanding during the period.

No changes in the computation of diluted earnings per share amounts are presented since no potentially dilutive securities have been granted or issued.

3. Short-term Note receivable

The Company entered into a promissory note receivable by lending money to an unrelated entity in anticipation of a contemplated merger with that entity. The note is convertible into shares of that entity if the merger takes place. The note receivable bears interest at 8% and is due on demand on or after ninety days from the date of the agreement. Management anticipates the note is collectible and believes the fair value to be substantially equal to its carrying value based on the terms of repayment. If certain due diligence and performance factors are met then Prime may pursue an acquisition of the entity. In that instance the loan would be satisfied as then the loan would be with Prime itself. In the event that these factors are not met and the loan would be called there is certain intellectual property and guarantees from two founding shareholders of the private company beyond all other corporate assets to repay the loan. Prime may also consider conversion of the loan to equity in the private entity as a possible solution if a default occurs. In either event Prime feels it has sufficient liquid resources to properly finance its core business and provide for growth outside of the capital committed to this note. The Company expanded its previous \$250,000 promissory note receivable by lending an additional \$100,000 to the unrelated entity during the 3rd quarter in anticipation of a contemplated merger with that entity and extended the term of the note to complete additional due diligence

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4. Segment information

The sector breakdown of revenues and profits by the two operating entities as well as the parent holding company for comparative quarters is generally summarized below:

FBA Analysts:

3rd Quarter 2005 Gross Revenues	\$ 1,690,409
4. Segment information (continued)	
Net income before income taxes	\$ 370,749
Income taxes	\$ (39,056)
Net Income	\$ 331,693
3rd Quarter 2004 Gross Revenues	\$ 1,212,050
Net income before income taxes	\$ 291,308
Income taxes	\$ (116,523)
Net Income	\$ 174,785

Belsen Getty:

3rd Quarter 2005 Gross Revenues	\$ 164,942
Net loss before income taxes	\$ (306,082)
Income taxes	\$ 32,244
Net Loss	\$ (273,838)
3rd Quarter 2004 Gross Revenues	\$ 155,314
Net loss before income taxes	\$ (17,127)
Income taxes	\$ 6,851
Net Loss	\$ (10,276)

Prime:

3rd Quarter 2005 Gross Revenues	\$ 11,063
Net loss before income taxes	\$ (16,026)
Income taxes	\$ 1,688
Net Loss	\$ (14,338)
3rd Quarter 2004 Gross Revenues	\$ 3,951
Net income before income taxes	\$ (191,465)
Income taxes	\$ 76,586
Net Loss	\$ (114,879)

Totals:

3rd Quarter 2005 Gross Revenues	\$ 1,866,414
Net income before income taxes	\$ 48,641
Income taxes	\$ (5,124)
Net Income	\$ 43,517
3rd Quarter 2004 Gross Revenues	\$ 1,371,315

Net income before income taxes	\$	119,194
Income taxes	\$	69,564
Net Income	\$	49,630

5. Restatement

Subsequent to the issuance of its previous interim financial statements as of and for the period(s) ended September 30, 2005, the Company reevaluated its portfolio of investments and concluded that certain securities previously classified as trading securities did not qualify as such, and accordingly, restated its statements of operations to adjust unrealized gain or loss on trading securities. The restatement resulted in a year to date reduction in unrealized gains on trading securities from \$5,797 to unrealized losses of \$8,336 and a corresponding decrease in income tax expense of \$10,370, resulting in after tax decrease in net income of \$3,761. The restatement also resulted in a reduction in trading securities (at fair value) on the balance sheet from \$330,854 to \$3,629, an increase in Investments in non-

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5. Restatement (continued)

trading securities (recorded at cost) of \$60,000, and a reduction of deferred tax liabilities of \$109,548 from \$119,315 to \$9,767 and a reduction in retained earnings of \$157,677. The financial statements for the calendar year ended December 31, 2004 were also restated for the same adjustment. In addition, the Company discovered interest income for the quarter and nine-months ended September 30, 2005 was improperly computed and thus overstated by \$32,489, resulting in a decrease in pre-tax income and interest receivable of \$32,489 and a corresponding decrease in income tax expense of \$9,396, reducing income taxes payable to \$0 and increasing income taxes receivable by \$6,837. The cumulative impact of the two adjustments on pre-tax income was a decrease of \$46,622, a decrease of income tax expense of \$19,766, and a decrease in after tax net income of \$26,854, resulting in a decrease in earnings per share of \$.01.

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

Forward-Looking Information

Certain statements in this Section and elsewhere in this report are forward-looking in nature and relate to trends and events that may affect the Company's future financial position and operating results. Forward Looking Statements are defined within the meaning of Section 27-A of the Securities Act of 1933 and Section 21-E of the Securities Act of 1934. The terms "expect," "anticipate," "intend," and "project" and similar words or expressions are intended to identify forward-looking statements. These statements speak only as of the date of this report. The statements are based on current expectations, are inherently uncertain, are subject to risks, and should be viewed with caution. Actual results from experience may differ materially from the forward-looking statements as a result of many factors, including changes in economic conditions in the markets served by the company, increasing competition, fluctuations in prices and demand, and other unanticipated events and conditions. It is not possible to foresee or identify all such factors. The company makes no commitment to update any forward-looking statement or to disclose any facts, events, or circumstances after the date hereof that may affect the accuracy of any forward-looking statement.

Plan of Operation

Prime Resource, Inc. ("Prime") is a Utah Corporation which was organized and filed of record on March 29, 2002 as a successor entity to Prime, LLC, (a Utah limited liability company). Prime is an integrated business entity that conducts all of its actual business activities through its wholly owned subsidiaries: Belsen Getty, LLC ("Belsen Getty") and Fringe Benefit Analysts, LLC ("FBA"). Prime Retirement Services, LLC, ("Prime Retirement") had previously been organized to potentially assume some of the core businesses or similar services of Prime, but it will not be organized or funded. Unless otherwise specifically described in this report, the reference to Prime shall collectively mean both Prime and its two current operating subsidiaries.

The principal business activity of Prime has been, and will continue to be for the immediate future, providing insurance and related insurance products principally in the health, life, dental and disability areas, as well as implementing and managing various employee related benefit programs and plans, such as 401(k) retirement accounts. See description of probable reorganization below.

The insurance activities of Prime are primarily conducted through FBA. FBA is licensed as an insurance broker. Belsen Getty supplies collateral services

related primarily to formation and funding of pension and investment management programs, as well as retirement planning and general business and financial consulting. Belsen Getty is a registered investment advisory firm. Prime Retirement was a potential start-up consulting entity which has not commenced operations.

The sector breakdown of revenues and profits by the two operating entities as well as the parent holding company for comparative quarters is generally summarized below:

FBA Analysts:

3rd Quarter 2005 Gross Revenues	\$ 1,690,409
Net income before income taxes	\$ 370,749

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Item 2. Management's Discussion and Analysis of Financial Condition or Plan of Operation (continued)

Income taxes	\$ (39,056)
Net Income	\$ 331,693
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Net income before income taxes	\$ 291,308
Income taxes	\$ (116,523)
Net Income	\$ 174,785

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Net Loss	\$ (10,276)

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Income taxes	\$ 76,586
Net Loss	\$ (114,879)

Totals:

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Net income before income taxes	\$ 48,641
Income taxes	\$ (5,124)
Net Income	\$ 43,517
3rd Quarter 2004 Gross Revenues	\$ 1,371,315
Net income before income taxes	\$ 119,194
Income taxes	\$ 69,564
Net Income	\$ 49,630

Historically, management intended to attempt to grow the company primarily through the acquisition of other insurance agencies into the FBA entity and by developing new client relationships. Concurrently, Belsen Getty attempted to expand its financial and business consulting and pension planning services principally by creating a more extensive investment advisory role. Prime Retirement Services has been abandoned.

The company's large revenue accruals tend to be fairly accurate due to their short term nature. The actual payments are primarily received before the end of the reporting period and remaining accruals are generally received shortly thereafter thus removing questions regarding how much to accrue at period end.

During the first and second quarters of 2005, it became increasingly clear to management that there were a paucity of suitable insurance agency acquisition opportunities that would meet the criteria of materially growing the revenue

Item 2. Management's Discussion and Analysis of Financial Condition or Plan of Operation (continued)

base of the company. As a result, the management has made a conscious decision to shift emphasis to explore potential merger or acquisition possibilities in unrelated areas as more fully discussed below.

FBA continues currently negotiating potential marketing plans to expand its "Advantage Program" whereby it provides plan administration services along with selling insurance products. Further, FBA is allowing access to the Advantage Program for competitors for a negotiated percentage of their gross revenues.

The company completed an initial public offering of its shares on June 16, 2003 in which it raised \$750,000 in gross proceeds and \$709,664 in net proceeds. Its stated intention was to employ the majority of these funds for acquisitions to grow its core insurance services and products as generally discussed above. During the third quarter of 2005, Prime has determined that these funds may be better employed enhancing current operations by upgrading programs, systems and equipment with the balance reserved for funding a more broad based pursuit of merger or acquisition possibilities. No proceeds of the offering are employed to pay for costs of day-to-day operations.

To the date of this report, the company has expended approximately \$709,664 of offering proceeds and has \$0 remaining which is more particularly reported under Item 5 of this report pursuant to SEC Rule 463.

To date, the company's long term growth and potential to realize profits was substantially dependent upon the ability of management of the company to successfully employ the proceeds of the public offering in a manner which will generate additional revenues and potential net income to Prime. No assurance or warranty of the success of Prime, in this regard, can be made or implied at this time.

The company experienced a profit of \$131,112 in calendar year 2004. For the third quarter of 2005 the company realized an after tax profit of \$43,517 compared to a profit \$49,630 in the comparable period of 2004.

The current quarter net income of \$43,517 on gross revenues of \$1,866,414 was primarily attributable to the company's executive efforts to negotiate a reorganization and alternative business direction. The comparable revenues for the third quarter of 2004 were \$1,371,315 and \$49,630 in net income. We attribute the revenue growth primarily to the increased marketing of our services and products to new clients and the expanded operation of our "Advantage Program". Also, Prime has increased its client base and commissions through expanding its affiliated agent base. We will continue to attempt to partner with insurance agencies that may enhance our product mix or revenue potential and offer a symbiotic relationship. The size of the agencies that affiliate with FBA will have an impact on profit margins. Larger agencies receive a larger percentage of gross commissions they produce, thus lowering FBA's margins as a percentage of gross revenues. As a result expenses for the period increased in total and as a percentage of revenue in part due to the hiring of additional support staff but more directly due to increased commission payments to staff members and affiliated agents whose compensation is somewhat tied to revenue. As we continue to grow our revenue through partnering and alliances our overall margins will be impacted by the size and volume of those partners added subsequently as the expenses associated with such partnerships are a function of the joint revenue realized. It is also our intent to expand the investment advisory business as well.

Further there has been an inflationary pressure on health care insurance premiums as set by the health care providers. This inflation of health care costs directly impacts our revenues and has been positive for our revenue. The general trend of health insurance premiums will have an impact on our revenue and we cannot project what the future may hold as far as this trend.

Each person reviewing this report should understand that the company has only had periodic profits since 2003. The failure of the company to have a long history of profits and determination to seek other business activities should be considered as potential risk factors to any person acquiring securities of the company in that it does not have a proven or sustained profit history.

Prime, including all subsidiaries, currently has 18 full-time employees, 1 part-time employee and 49 affiliated commission based insurance or other agents.

As of September 30, 2005, the outstanding current liabilities of the company were \$587,251 which is an increase of \$105,298 over the year end of 2004. Liabilities increased slightly due to greater agent commissions and substantial

Operation (continued)

costs related to reorganization activities. The company has accumulated retained earnings from its inception as a corporate entity to September 30, 2005 of \$314,799.

Products and Markets

As generally described above, the revenue sources to Prime are primarily divided into two categories. The first being the sale of a broad line of insurance products and services through FBA with a primary emphasis on group health, disability, dental and life policies. The second being the related investment and planning services of Belsen Getty.

The insurance activities of Prime are primarily offered within the eleven western United States. Prime acts as a general agent through FBA for various companies in supplying the insurance policies and services. However, four companies account, collectively, for almost all of the policies provided by Prime. These four principal suppliers of policies to Prime are Altius Insurance, (previously Pacific Health Care); United Health Care; Intermountain Health Care and Regence Blue Cross. Commissions for the placement of these products range from approximately 2-20%.

The company currently has, as of September 30, 2005, approximately 502 customers who are receiving ongoing insurance coverage and related services from FBA. FBA also has what it believes to be a unique program related to its insurance activities in which it acts as a plan developer and facilitator for various insurance programs such as COBRA, HIPAA and State continuation plans and other insurance related plans that require ongoing filing and consulting/management services. These services have previously been described as the "Advantage Program". FBA believes it has been successful in growing its business through supplying the advantage services at no additional cost to the insurance client. The company also believes it has been successful in maintaining a profit, while providing these services without additional cost to the client, by obtaining discounts from service providers who provide these ongoing management services.

Belsen Getty supplies investment advisory and pension management services to various clients of Prime. Some, but not all, of these clients are referred by FBA incident to completion of insurance funded products sold to various individuals and entities which then require pension fund management. The compensation for these valuable services are derived on a fee basis. The fees range from 25 basis points to 125 basis points per year depending upon the size of the portfolio or program managed. There are no commissions paid on investment products and the assets are held by third party custodians, such as various brokerage firms. It is anticipated that the Belsen Getty portion of the business will grow concurrently with the growth of the FBA business, but for the foreseeable future will generate revenues substantially less than the FBA component of the business. As of September 30, 2005, FBA has approximately 502 customers and Belsen Getty has 490 clients.

Liquidity and Sources of Capital

As previously noted, the parent entity, Prime Resource, Inc., completed a public offering as of April 16, 2003 resulting in net proceeds to the company of \$709,664. It was believed and anticipated that these proceeds would be sufficient to implement the general growth plan of the company, as generally described above, and which included acquisition of other insurance brokers, as well as the recruitment and training of insurance agents with existing books of business, clients, and established insurance markets. No warranty or assurance of the success of this proposed plan of operation can be made, but it is believed that there is sufficient existing capital in the company to implement this plan from the proceeds of the offering. Prime is presently in a position where it believes that its general revenues can sustain other business operations, including salaries, rent, utilities and other overhead costs, without the employment of offering proceeds for those general operating purposes.

Since the first quarter of 2005 the company has decided to use the net proceeds on an as needed basis only to enhance existing business equipment or procedures and as may become necessary to pursue and analyze subsequent business opportunities. As of September 30, 2005 there remained \$ 0 of net proceeds. The company has no present plans for any additional offering of its securities or other capital formation activities for the foreseeable future, other than generally described in the event of the share exchange discussed below.

Item 2. Management's Discussion and Analysis of Financial Condition or Plan of Operation (continued)

Further, the company does not significantly rely on lines of credit or other bank loans for its present operations and has total outstanding debt obligations, as of September 30, 2005, of approximately \$64,481, while maintaining a net worth of approximately \$1,196,048.

Recent Developments

The Company believes it is in the final negotiation stages of an anticipated reorganization with a private technology company. Prime believes it would be improper and potentially illegal to disclose or discuss any details of this potential reorganization until a final definitive agreement is reached and approved by the board. However, because the negotiation appear to be in a final stage with a high probability of the conclusion of a proposed reorganization to

be presented shortly to shareholders, management has elected to outline the probable general terms of any such reorganization with the caveat that the final definitive terms are not presently agreed upon and will be presented to shareholders only through a proxy solicitation and publicly announced 8-K filing when and if a definitive agreement is reached. Within the limitations of this caveat, Prime indicates that it appears shareholders will be presented with a share exchange and resulting reorganization incorporating the following primary terms:

1. Prime would issue and exchange a preponderate majority of its shares to the private company shareholders to acquire the private technology company as a wholly owned subsidiary.
2. The existing Prime Principal shareholders would exchange back a majority of their shares for the existing assets and businesses of Prime;
3. Current shareholders would incur a dilution and decreased percentage of ownership in the reorganized company;
4. There would be a 2.5:1 forward stock split;
5. A private placement offering of its shares and share warrants in the approximate amount of 3 million dollars as part of the share exchange together with the creation of various stock rights.
6. Shareholders would be asked to allow the Company to change its name, business purpose and elect new management as nominated by the private company being acquired.

During the past quarter the company has made bridge loans to the private technology company of approximately \$350,000, which will be converted to equity if the share exchange is closed. If not, the loans will constitute a short term obligation owing to Prime.

Risk Factors

There are significant new risk factors to shareholders if the company transitions from attempting to expand its core insurance/consulting services to potential merger and acquisition efforts with unknown entities. Any such future reorganization would most likely result in a change of management, business, and the relative share ownership of current shareholders.

Item 3. Controls and Procedures

- (a) Prime's Board maintains controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed as of the end of the period covered by the report in conforming with SEC Item 307 of Regulation S-B, the chief executive officer and the principal financial officer of the Company concluded that the Company's disclosure controls and procedures are not effective at a reasonable assurance level for its present activities under the

Item 3. Controls and Procedures (continued)

foregoing rule in consideration of the restatement of certain financial statements by Prime for the year ending 2004 in our 10-KSB/A Report and for the first three quarterly reports for the calendar year 2005. The Company identified the following material weakness: 1) the lack of sufficient knowledge and experience among the internal accounting personnel regarding the application of US GAAP and SEC requirements; 2) insufficient written policies and procedures for accounting and financial reporting with respect to the

current requirements and application of US GAAP and SEC disclosure requirements. The particular enhanced review standards in response to these insufficiencies are more fully discussed below in sub paragraph b. The Company knows of no fraudulent activities within the Company or any material accounting irregularities. The Company currently does not have an independent audit committee. The Company is advised that an independent audit committee is not required for Electronic Bulletin Board Listings, but will further review the advisability and feasibility of establishing such a committee in the future.

(b) Changes in internal controls The Company made no specific or significant changes in its internal controls during the quarter ended September 30, 2005. In October 2005 Prime was made aware of certain accounting irregularities pursuant to an SEC notice and comment pertaining to its earlier filed periodic reports for the year ending in 2004 and the first two quarters of 2005. We now report retroactively and generally that the within report contains requested changes and restates certain financial information, as well as the included changes in management's discussion and analysis. In particular, this section pertaining to controls and procedures describes action taken to ensure more accurate and effective accounting controls and procedures. In response to the foregoing the company has implemented the following enhanced financial review standards. (1) The company has provided a longer review period of time and more rigorous internal review of accounting data prior to formal review by our independent auditors. (2) During November 2005, the Company has engaged the services of an outside accounting professional which has significant expertise in the application of US GAAP and SEC reporting requirements to advise the Company in the preparation of their financial statements. (3) The Company plans to further implement written policy and procedures for accounting and financial statement preparation in accordance with current and future requirements of SEC Item 307 of Regulation S-B and SOX 404. The Company has not currently estimated the cost of implementing these changes in controls and procedures.

(c) The company is aware of the general standards and requirements of the recent Sarbanes-Oxley Act of 2002 and has implemented procedures and rules to comply, so far as applicable, such as a prohibition on company loans to management and affiliates. The company does not have any audit committee as it does not believe the act requires a separate committee for companies that are reporting companies, but not registered under the Securities and Exchange Act of 1934 [15(d) companies] and whose shares trade only on the Electronic Bulletin Board.

Part II - Other Information

Item 5. Other Matters

(1) Public Offering & Use of Proceeds. As generally noted above, Prime completed its initial public offering of 150,000 shares to 17 new shareholders as of June 16, 2003. Pursuant to SEC Rule 463, the use or employment of the proceeds are periodically disclosed as part of this report. We have elected to set-out such information in a tabular format:

1. Offering Effective Date		
4/16/2003		
2. Offering Closed	\$750,000	\$709,664
6/16/2003	Gross Proceeds	Net Proceeds

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Item 5. Other Matters (continued)

3. Costs of offering including legal, accounting, filing fees, consulting and miscellaneous (No commissions were paid)	\$40,336	N/A
4. No direct payments were made to any officer, director or affiliated person. The offering was a self-underwriting with no commissions.	0	0

Of the net proceeds, the following principal expenditures have been made during this third Quarter:

(i) Software/computer upgrades	\$	
(ii) Database work & website costs	\$	
(iii) Legal-primarily NASD listing	\$	
(iv) Working Capital	\$	330,591
(v) Office equipment	\$	
(vi) Marketing	\$	
(vii) New Employees	\$	
(viii) New Marketing Coordinator	\$	
(ix) Client gifts and costs	\$	

	\$	330,591
		=====

Prior Offering Proceeds Expenditures \$ 379,073.11
(Previously Reported)

Remaining Net Proceeds \$ 0

(2) Auditors. Child, Sullivan and Company, of Kaysville, Utah will continue, subject to Board discretion, as the Company's new independent auditors. The auditors were appointed in August, 2003. The company has no differences of opinion with its prior or current auditors.

(3) Trading. The company trades on the Electronic Bulletin Board under the symbol "PRRO". The Electronic Bulletin Board is essentially an informal trading mechanism managed by the National Association of Securities Dealers, but does not constitute a regular NASDAQ exchange or listing. It is, essentially, an electronic intra-dealer quotation system for small public companies not meeting the requirements for regular NASDAQ listing. During the third quarter of 2005 the trading range of the company's stock was as follows:

High	Low
\$5.75	\$1.10

(4) Annual Meeting. The company held its last annual meeting of shareholders on the 5th of June, 2004, wherein the nominated directors were re-elected and the choice of independent auditors was ratified by majority shareholder vote. No meeting date in 2005 has presently been set, but a meeting of shareholders will be required shortly if the company successfully completes the contemplated share exchange.

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Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 31.1 Certification under Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification under Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. SECTION 1350)

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the reporting period.

(c) Other Exhibits-None

SIGNATURES

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

Date: January 5, 2006 By: /s/ Terry M. Deru

Mr. Terry M. Deru President, Director

Date: January 5, 2006 By: /s/ Andrew W. Limpert

Mr. Andrew W. Limpert Director, Treasurer/CFO

CERTIFICATION PURSUANT TO
SECURITIES EXCHANGE ACT OF 1934: RULES 13a-14, 13a-15, 15d-14, and 15d-15
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Terry Deru, certify that:

- (1) I have reviewed this report on Form 10-QSB/A (Amendment No.1) of Prime Resource, Inc;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the small business as of, and for, the periods presented in this report.
- (4) The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15(e) and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure the material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation, of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer'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 small business issuer's internal control over financial reporting.

DATE: January 5, 2006

_____/s/ Terry M. Deru_____
Signature

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Terry M. Deru, Chief Executive Office

CERTIFICATION PURSUANT TO
SECURITIES EXCHANGE ACT OF 1934: RULES 13a-14, 13a-15, 15d-14, and 15d-15
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Limpert, certify that:

- (1) I have reviewed this report on Form 10-QSB/A (Amendment No. 1) of Prime Resource, Inc;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the small business as of, and for, the periods presented in this report.
- (4) The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15(e) and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure the material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation, of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer'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 small business issuer's internal control over financial reporting.

DATE: January 5, 2006

_____/s/ Andrew Limpert_____
Signature

- -----
Andrew Limpert, Chief Financial Officer

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 Prime Resource, Inc. (the "Company") on Form 10-QSB/A (Amendment No. 1) for the period ending September 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Mr. Terry Deru, President and Chief Executive Officer and Mr. Andrew Limpert, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge and belief:

(1) The accompanying quarterly report on form 10 -QSB/A (Amendment No.1) for the period ending September 30, 2005 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 result of operations of Prime Resource, Inc.

Date: January 5, 2006

/s/ Terry M. Deru
Mr. Terry M. Deru
President, Director

Date: January 5, 2006

/s/ Andrew W. Limpert
Mr. Andrew W. Limpert
CFO, Director

A signed original of this written statement required by Section 906 or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form with the electronic version of this written statement 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.