ELEMENT 21 GOLF CO
Form 10QSB
May 21, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2004

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________________

Commission File No. 0-15260

Element 21 Golf Company
(Exact name of small business issuer as specified in its charter)

Delaware	*88-0218411*
(State or other jurisdiction of incorporation or organization)	*(Internal Revenue Service Employer Identification No.)*

200 Perimeter Road, Manchester, NH 03103

(Address of principal Executive offices Zip Code)

(603) 641-8443
Issuer's telephone number, including area code

Former name, former address and formal fiscal year if changed since last report.

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 X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date, 62,193,302 shares of common stock, par value $.01 per share as of May 14, 2004.

Transitional Small Business Disclosure Format (Check One) Yes No X

Element 21 Golf Company

(formerly BRL Holdings, Inc.)

INDEX

PART I. FINANCIAL INFORMATION

<u>Table of Contents</u>

Part 1. Financial Information

ITEM 1. Financial Statement

ELEMENT 21 GOLF COMPANY

(Formerly BRL HOLDINGS, INC.)

(A DEVELOPMENT STAGE ENTERPRISE)

CONSOLIDATED BALANCE SHEETS

March 31, 2004 and June 30, 2003

		March 31, 2004 (Unaudited)		June 30, 2003
ASSETS				
Current Assets:				
Cash	$	1,317	$	89
Inventories		125,000		-
Other receivables		133,907		19,500
Prepaid expenses and other current assets		120,000		-
Total current assets		380,224		19,589
Property, plant and equipment		267,000		-
Other assets:				
Investments		10,626		2,717
Total assets	$	657,850	$	22,306
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCIES)				
Current liabilities:				
Accounts payable	$	355,394	$	252,190
Accounts payable – related party		20,687		20,687
Accrued expenses		363,562		558,771
Total current liabilities		739,643		831,648

Other liabilities – related party	*392,000*	*-*
Total liabilities	*1,131,643*	*831,648*
Stockholders' equity (Deficiency):		
Preferred stock of $.10 per share value, authorized 5,000,000 shares, no shares outstanding at December 31, 2003 and June 30, 2003	*-*	*-*
Common stock of $.01 par value, authorized 100,000,000 shares, 63,193,302 and 49,906,220 issued and outstanding at March 31, 2004 and June 30, 2003 respectively	*621,933*	*499,062*
Additional paid-in capital	*8,223,892*	*7,826,135*
Accumulated deficit prior to development stage activities	*(8,102,149)*	*(8,102,149)*
Development stage accumulated earnings (deficit)	*(1,217,469)*	*(1,032,390)*
Total Stockholders' Deficit	*(473,793)*	*(809,342)*
Total liabilities and stockholders' equity (deficit)	*$ 657,850*	*$ 22,306*

The accompanying notes are an integral part of the consolidated financial statements.

ELEMENT 21 GOLF COMPANY

(FORMERLY BRL HOLDINGS, INC.)

(A DEVELOPMENT STAGE ENTERPRISE

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three Months Ended March 31, 2004 and 2003

(Unaudited)

	2004	2003
	(Unaudited)	(Unaudited)
Revenues	$ -	$ -
Cost of goods sold	-	-
Gross profit	-	
Costs and expenses:		
Research and development	-	-
Purchased technologies cost	-	-
General and administrative	(180,977)	109,017
Stock-based compensation expense	-	-
Total costs and expenses	(180,977)	109,017
(Loss)/Gain from operations	(180,977)	(109,017)
Other Income (Costs):		
Gain on settlement of liabilities	-	-
Loss from investments	-	-
Other income (cost)	-	-
Total other income (cost)	-	-
Loss before provision for (benefit from) income taxes	(180,977)	(109,017)
Provision for income taxes	-	-
Net gain (loss)	$ (180,977)	$ (109,017)

Weighted average shares		*62,193,302*		*47,906,220*
Basic and fully diluted loss per share	$	*(0.00)*	$	*(0.00)*

The accompanying notes are an integral part of the consolidated financial statements.

4

Table of Contents

ELEMENT 21 GOLF COMPANY

(FORMERLY BRL HOLDINGS, INC.)

(A DEVELOPMENT STAGE ENTERPRISE

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Nine Months Ended March 31, 2004 and 2003

and the Cumulative Period (October 4, 2002) to March 31, 2004

(Unaudited)

		2004		2003		Inception (October 4, 2002) to March 31, 2004
		(Unaudited)		(Unaudited)		(Unaudited)
Revenues	$	-	$	-	$	-
Cost of goods sold		-		-		-
Gross profit		-		-		-
Costs and expenses:						
Research and development		-		-		-
Purchased technologies		-		2,445		2,445
General and administrative income		674,964		659,812		1,532,363
(expense)						
Stock based compensation		-		-		-
Total costs and expenses		674,964		662,257		1,534,808

(Loss)/Gain from operations	*(674,961)*	*(662,257)*	*(1,534,808)*
Other Income (Costs):			
Gain on settlement of liabilities	*361,962*	*-*	*361,962*
Loss from investments	*-*	*(288,585)*	*(294,103)*
Other income (cost)	*-*	*90,017*	*210,017*
Total other income (cost)	*361,962*	*(198,568)*	*277,876*
Loss before provision for income taxes	*(313,002)*	*(860,825)*	*(1,256,932)*
Provision for income taxes	*-*	*-*	*-*
Net gain (loss)	*$ (313,002)*	*$ (860,825)*	*$ (1,256,932)*
Weighted average shares	*58,097,608*	*31,389,168*	*24,134,845*
Basic and fully diluted loss per share	*$ (0.01)*	*$ ($0.03)*	*$ (0.05)*

The accompanying notes are an integral part of the consolidated financial statements.

5

Table of Contents

ELEMENT 21 GOLF COMPANY

(FORMERLY BRL HOLDINGS, INC.)

(A DEVELOPMENT STAGE ENTERPRISE)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Nine Months Ended March 31, 2004 and 2003 and

the Cumulative Period from Inception to March 31, 2004

(Unaudited)

	Nine Months Ended March 31, 2004	*2003*	*Inception (October 4, 2002) To March 31, 2003*
Cash flows from operating activities:			
Net Loss	*$ (313,002)*	*$ (860,825)*	*$ (1,256,932)*
Adjustments to reconcile net loss to net cash used in development activities:			
Depreciation and amortization	*-*	*-*	
Common stock issued in exchange for purchased technology	*-*	*2,445*	*-*
Common stock issued for services rendered	*478,287*	*-*	*479,487*
Common stock issued in settlement of liabilities	*20,433*	*-*	*20,433*
Net effect of subsidiary transactions	*149,83*	*97,930*	*255,412*
Common stock issued in exchange for common stock of subsidiary	*-*	*212,362*	*212,362*
(Increase) Decrease in current assets:			
Accounts receivable	*-*	*(19,088)*	*-*
Inventories	*(125,000)*	*-*	*(125,000)*
Other receivables	*(114,407)*	*-*	*(247,111)*
Prepaid expenses and other current assets	*(120,000)*	*(525)*	*(119,475)*
Increase (Decrease) in current liabilities			
Accounts payable	*103,204*	*195,155*	*310,311*
Accrued expenses	*(195,209)*	*374,721*	*357,062*
Related party payables	*392,000*	*-*	*392,000*
Net cash provided by operating activities	*$ 134,137*	*$ (542)*	*$ 278,549*
Cash flows from investing activities:			
Purchase of fixed assets	*$ (267,000)*	*$ -*	*$ (267,000)*
Purchase of intangible assets	*-*	*-*	*-*

Investments	*(7,909)*	*(2,717)*	*(10,626)*
Net cash used in investing activities	*(274,909)*	*(2,717)*	*(277,626)*
Cash flows from financing activities:			
Notes receivable	-	-	-
Notes payable	-	-	-
Issuance of common stock, net	-	-	-
Net cash provided by investing activities	-	-	-
Net increase (decrease) in cash	*1,228*	*(542)*	*923*
Cash at beginning of period	*89*	*1,148*	*394*
Cash at end of period	*$ 1,317*	*$ 606*	*$ 1,317*

The accompanying notes are an integral part of the consolidated financial statements.

Supplemental Disclosures of cash Flow Information:			
Cash paid during the period for:			
Interest	*$ -*	*$ -*	*$ -*
Income taxes	*$ -*	*$ -*	*$ -*
Supplemental disclosure of non-cash Investing and Financing Activities:			
Cash paid for interest	-	-	-
Stock issued for acquisition of subsidiary	-	-	*212,362*
Stock issued in payment of services	*478,287*	-	*478,287*
Liabilities repaid through issuance of common stock	*20,433*	-	*20,433*

ELEMENT 21 GOLF COMPANY

(FORMERLY BRL HOLDING, INC.)

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

(UNAUDITED)

Note 1 NATURE OF BUSINESS AND OPERATIONS

The Company

Element 21 Golf Company and subsidiary (a development stage enterprise) (the “Company” and or “Element 21”) design develop and expect to market Scandium alloy golf products. The first products manufactured using Company’s proprietary technology have been recently produced and will soon be test marketed for distribution to wholesalers and retail markets.

Element 21 was incorporated under the laws of the state of Delaware on June 26, 1986 and, until October 2003, was doing business under the name BRL Holdings, Inc. The Company owns 100% of Element 21 Technologies, Inc. a development stage company that holds the license to use the proprietary Scandium alloy technology, 34.2% of AssureTec Holdings Inc. (”AssureTec” Formerly Tech Ventures, Inc.), which includes the ownership of 100% of both Advanced Conductor Technologies, Inc. and IJAM Enterprises, Inc., both of which have never had operations. The Company is in the process of spinning out AssureTec to shareholders of record on October 25, 2002. In December 2003, AssureTec filed a Form 10SB with the SEC to become a reporting company. Commencing with quarter ending December 31, 2003 AssureTec began filing quarterly reports with the SEC on Form 10QSB. On March 31, 2004 AssureTec completed a common stock and common stock equivalent share exchange with individual stockholders of AssureTec Systems (the “Share Exchange”) wherein AssureTec acquired the remaining 65.8% ownership of AssureTec Systems, resulting in Element 21’s ownership percentage dropping to the current 34.2%.

Element 21 is considered to be a development stage enterprise because it has not generated revenues from products that have been developed to date. The Company is subject to a number of risks similar to those of other companies in the early stage of development. Principal among these risks are dependencies on key individuals, competition from other current or substitute products and larger companies, the successful development and marketing of its products and the need to obtain adequate financing necessary to fund future operations. Recently, certain consultants who are also stockholders of the Company advanced moneys to allow the Company to acquire aluminum Scandium alloy concentrate from Russia and to acquire critical lateral forging equipment made in the US, both of which were shipped to South Korea to enable the production of Scandium alloy golf shafts.

The accompanying un-audited consolidated financial statements have been prepared from the books and records of Element 21 on the same basis as the annual financial statements and are consistent with the instructions to Form 10-QSB and Rule 310 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements at and for the fiscal year ended June 30, 2003. In the opinion of management, all significant adjustments that are normal, recurring in nature and necessary for a fair presentation of the financial position, cash flows and results of the operations of the Company, have been consistently recorded. The operating results for the interim periods presented are not necessarily indicative of expected performance for the entire year ended June 30, 2004.

Note 2 Inventories

The amount of $267,000 during the quarter by consultants and stockholders to acquire master Scandium/aluminum alloy that was shipped directly to the Company's manufacturer in Seoul, Korea. The first 500 Scandium alloy shafts were manufactured and delivered from South Korea to the Company at the end of the quarter that are being tested by representatives of the Company. The Company has not yet completed full acceptance of the shafts. Inventory costs have been increased to reflect these items.

Note 3 Equipment

During the third quarter ending March 31, 2004 certain consultants and stockholders acquired, for the benefit of the Company, lateral forging equipment tooling on behalf of the Company in the amount of $125,000. This equipment, manufactured in the US, was delivered to the Company's manufacturer in Seoul, Korea and installed. This equipment value has been reflected at cost.

Note 4 Related party advances

During the quarter stockholders of the Company have advanced to the Company a total of $392,000. These advances were in the form of purchasing of fixed assets totaling $125,000 to reflect the lateral forging equipment now in South

Korea and $267,000 advanced for master alloy purchases. These advances are recorded as an increase in related party liabilities.

8

Table of Contents

Note 5 NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding for the periods. Diluted net loss per share reflects, in addition to the weighted average number of common shares, the potential dilution if stock options and warrants outstanding were exercised and/or converted into common stock, unless the effect of such equivalent shares was anti-dilutive.

For the nine months ended March 31, 2004 and 2003, the effect of stock options and other potentially dilutive shares were excluded from the calculation of diluted net loss per common shares, as their inclusion would have been anti-dilutive. Therefore diluted loss per share is equal to basic loss per share.

Note 6 Future Operations/Going Concern

These interim financial statements have been presented on the basis that the Company is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has not yet established revenues on any consistent basis. Even with the expected increase in revenues from the sale of golf shafts now being produced, the Company expects to incur expenses in excess of revenues for an indefinite period.

Key financial ratios are as follows		
	March 31, 2004	June 30, 2003
Negative Working capital	$ (359,418)	$ (812,059)
Accumulated deficit	(9,319,618)	(9,134,359)
Net loss	(313,002)	(1,096,720)

As shown in the Unaudited consolidated financial statements, during the nine months ended March 31, 2004 and 2003, the Company incurred net losses of $313,002 and $860,825 respectively. Cash provided by operations during the nine months ended March 31, 2004 and cumulative from October 2, 2002 (inception) to March 31, 2004 was $1,228 and $1,317 respectively.

9

Table of Contents

These factors, among others, raise significant doubt about the Company's ability to continue as a going concern. The unaudited consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow and meet its obligations on a timely basis and ultimately attain profitability. Since acquiring the Element 21 Technologies golf development business, the Company has depended on advances and consulting services from principal consultants engaged by the Company. Absent these continuing advances and services, the Company could not continue with the development and marketing of its golf products.

Managements' plans for the Company include implementation of the plan to sell its products into wholesale and retail golf sales channels, raising additional capital and other strategies designed to optimize shareholder values. However, no assurance can be made that management will be successful in fulfilling all elements of it plan. The failure to achieve these plans will have a material adverse effect on the Company's financial position, results of operations and ability to continue as a going concern.

During fiscal 2004 and 2003, the Company issued 0 and 2,000,000 shares of common stock to consultants for public relations and capital raising services rendered by them and recorded expenses of 60,000 and $0, respectively.

In 2004 the Company issued 12,184,917 shares of its common stock to consultants for services rendered by them and recorded an expense of $487,287 for the nine-month period ended March 31, 2004.

10

Table of Contents

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following discussion includes the business of Element 21 Technologies, Inc. (Formerly Element 21 Golf Company) (the "Subsidiary"), since the Company, prior to its acquisition of the Subsidiary, had recently divested its majority interest in AssureTec Systems, Inc., retaining only an investment interest carried at a nominal value through a newly formed subsidiary Assuretec Holdings, Inc. (formerly Tech Ventures, Inc.). Otherwise the Company had no operations other than raising capital and searching for an acquisition candidate (i.e., the Subsidiary). Where relevant, all numbers retroactively take into account the operations of both Assuretec Holdings and Element 21. The Company has announced its plans to spin off Tech Ventures as an independent company, but such is still pending.

Three Months Ended December 31, 2004 and 2003

For the three months ended March 31, 2004 the Company, including the Subsidiaries had no revenue and general and administrative expenses of $180,977 yielding a net loss of $180,977 as compared with the three months ended December 31, 2003 wherein the Company, including the Subsidiary had no revenues and general and administrative expenses of $109,017 resulting in a net loss of $109,017. General and administrative costs for both three-month period consisted primarily of consulting costs and legal and accounting fees.

Six Months Ended December 31, 2004 and 2003

For the nine months ended March 31, 2004 the Company, including the subsidiaries had no revenues, no purchased technology costs, administrative costs of $674,964, gain on settlement of liabilities of $361,962 resulting in a net loss of $313,002 as compared with the nine months ended March 31, 2002 wherein the Company, including the subsidiaries had no revenues, purchased technologies cost of $2,445, administrative costs of $659,8122, loss on investment of $288,585, other income of $90,017 resulting in a net loss of $860,825.

General and administrative expenses were $674,964 for the nine months ended March 31, 2004 as compared with $659,812 in 2003.The differences in net loss in comparing the nine months ended March 31, 2004 with 2003 was a gain on settlement of liabilities of $361,962 in 2004 compared with a loss from investments of $288,585 and other income of $90,017 in 2003.

11
Table of Contents

Inception to December 31, 2003

From inception of the consolidation of the Company with Element 21 Golf Technologies, Inc. (October 4, 2002), through March 31, 2004, the Company, including the Subsidiary, had revenues of $0, cost of goods sold of $0, purchased technology costs of $2,445, administrative costs of $1,532,363, gain on settlement of liabilities of $361,962, loss from investments of $294,103 and other income of $210,017 yielding an accumulated net loss of $1,256,932.

Financial Condition, Liquidity and Capital Resources

The Company including its subsidiaries has a negative working capital. It's liquidity from inception until the closing of the Reorganization was primarily the funds of the Company and funds from stockholders of the Company. The Company retains consultants who are also significant stockholders of the Company to perform development and public company reporting activities in exchange for stock in the Company. At March 31, 2004 we had a working capital deficiency of $359,419. Our continuation as a going concern will require that we raise significant additional capital.

Absent continued stock for services by these consultants and continued advances by stockholders of the Company, the Company cannot manufacture its golf shaft product line or market golf products based on its technologies. The Company is actively searching for capital to implement its business plans, supply the Company with product for distribution and develop collateral materials for its potential customer base. There can be no assurance such capital will be raised on terms acceptable to the Company and if raised, may cause significant dilution to the Company's stockholders.

Dividend Policy

The Company has not declared or paid any cash dividends on its common stock since its inception and does not anticipate the declaration or payment of cash dividends in the foreseeable future. The Company intends to retain earnings, if any, to finance the development and expansion of its subsidiary's business. Future dividend policy will be subject to the discretion of the Board of Directors and will be contingent upon future earnings, if any, the Company's financial condition, capital requirements, general business conditions and other factors. Therefore, there can be no assurance that dividends of any kind will ever be paid.

Table of Contents

Effect of Inflation

Management believes that inflation has not had a material effect on its operations for the periods presented.

Risk Factors

We Have A Limited Operating History And A History Of Substantial Operating Losses.

We have a history of substantial operating losses and an accumulated deficit of $9,319,618 as of March 31, 2004 of which 1,217,469 was for Element 21's development stage losses and the remainder of $8,102,149 was accumulated losses prior to the merger with Element 21 in October 2002. For the nine-months ended March 31, 2004 and cumulative from October 4, 2002 (inception) to March 31, 2004, our net losses were $313,002 and $1,256,932 respectively. We have historically experienced cash flow difficulties primarily because our expenses have exceeded our revenues. We expect to incur additional operating losses. These factors, among others, raise significant doubt about our ability to continue as a going concern. If we are unable to generate sufficient revenue from our operations to pay expenses or we are unable to obtain additional financing on commercially reasonable terms, our business, financial condition and results of operations will be materially and adversely affected.

We Will Need Additional Financing.

We will require additional capital to finance our future operations. We can provide no assurance that we will obtain additional financing sufficient to meet our future needs on commercially reasonable terms or otherwise. If we are unable to obtain the necessary financing, our business, operating results and financial condition will be materially and adversely affected.

Our Success Is Dependent On Our Ability to Retain And Attract Employees and Key Consultants.

Our future success will depend in large part upon our ability to attract and retain highly skilled technical, managerial, sales and marketing personnel and consultants. There is significant competition for such personnel in our industry. There can be no assurance that we will continue to be successful in attracting and retaining the personnel we require to develop new and enhanced technologies and to grow and operate profitably.

Our Performance Depends On Market Acceptance Of Our Products.

We expect to derive a substantial portion of our future revenues from the sales of Scandium alloy golf shafts that are only now entering the initial marketing phase. Although we believe our products and technologies will be commercially viable these are new and untested products. If markets for our products fail to develop, develop more slowly than expected or are subject to substantial competition, our business, financial condition and results of operations will be materially and adversely affected.

13

Table of Contents

We Depend On Strategic Marketing Relationships.

We expect our future marketing efforts will focus in part on developing business relationships with distributors that will market our products to their customers. The success of our business depends on selling our products and technologies to a large number of distributors and retail customers. Our inability to enter into and retain strategic relationships, or the inability to effectively market our products, could materially and adversely affect our business, operating results and financial condition.

Competition From Traditional Golf Equipment Providers May Increase.

The market for golf shafts is highly competitive. There are number of other established providers that have greater resources, including more extensive research and development, marketing and capital than us and have greater name recognition and market presence. These competitors could reduce their prices and thereby decrease the demand for our products and technologies. These competitors may lower their prices to compete with us. We expect competition to intensify in the future, which could also result in price reductions, fewer customer and lower gross margins.

Rapidly Changing Technology And Substantial Competition May Adversely Affect Our Business.

Our business is subject to rapid changes in technology. We can provide no assurances that research and development by competitors will not render our technology obsolete or uncompetitive. We compete with a number of competing companies that have technologies and products similar to those offered by us and have greater resources, including more extensive research and development, marketing and capital than us. We can provide no assurances that we will be successful in marketing our existing products and developing and marketing new products in such a manner as to be effective against our competition. If our technology is rendered obsolete or we are unable to compete effectively, our business, operating results and financial condition will be materially and adversely affected.

Table of Contents

Litigation Concerning Intellectual Property Could Adversely Affect Our Business.

We rely on a combination of trade secrets, copyright and trademark law, contractual provisions, confidentiality agreements and certain technology and security measures to protect our trademarks, patents, proprietary technology and know-how. However, we can provide no assurance that competitors will not infringe upon our rights in our intellectual property or that competitors will not similarly make claims against us for infringement. If we are required to be involved in litigation involving intellectual property rights, our business, operating results and financial condition will be materially and adversely affected.

It is possible that third parties might claim infringement by us with respect to past, current or future technologies. We expect that participants in our markets will increasingly be subject to infringement claims as the number of services and competitors in our industry grows. Any claims, whether meritorious or not, could be time-consuming, result in costly litigation and could cause service upgrade delays or require us to enter into royalty or licensing agreements. These royalty or licensing agreements might not be available on commercially reasonable terms or at all.

Defects In Our Products May Adversely Affect Our Business.

Complex technologies such as the technologies developed by us may contain defects when introduced and also when updates and new products are released. Our introduction of technology with defects or quality problems may result in *adverse publicity, product returns, reduced orders, uncollectible or delayed accounts receivable, product redevelopment costs, loss of or delay in market acceptance of our products or claims by customers or others against us. Such problems or claims may have a material and adverse effect on our business, financial condition and results of operations.*

15

Table of Contents

ITEM 3. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures. Management, including our Chief Executive Officer and Principal Financial Officer), carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end the period covered by this quarterly report. Based on this evaluation, our Chief Executive Officer concluded that our disclosure controls and procedures were effective to provide a reasonable level of assurance that the information required to be disclosed in the reports filed or submitted by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the requisite time periods.

(b) Changes in internal control over financial reporting. There were no changes in our internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

16

Table of Contents

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

We proposed to effect by exemption from registration under the Securities Act or by registration there under, a spin-off of our interests in one of our two subsidiaries, Assuretec Holdings, Inc., a Delaware corporation, ("Holdings"), that was recently formed to hold substantially all of our assets and business that we owned prior to the closing of the Element 21 Acquisition, and of Advanced Conductor Technologies, Inc., a Delaware corporation ("Advanced Conductor"), both with ex-dividend dates of October 25, 2002, and distribution dates to be set once it has been determined whether these distributions can be made without registration under the Securities Act or must be subject to a prior registration statement filed with the Securities and Exchange Commission under the Securities Act. Holders of beneficial interests acquired after October 25, 2002 and all holders of shares and options issued or exchanged under the Element 21 Acquisition will not have any right to any of the spin-off dividends as a condition to the Acquisition, but all were accorded the 100% share for share dividend with a distribution date of November 8, 2002.

Item 3. Default Upon Senior Securities

None

Item 4. Submission of matters to a Vote of Securities Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

17

Table of Contents

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Element 21 Golf Company

May 20, 2004	*By:*	*/s/ Nataliya Hearn*
		Nataliya Hearn, Ph.D. *President and Director*
	By:	*/s/ Jim Morin*
		Secretary, Treasurer, *CFO and Director*

18

Table of Contents

Exhibit 31.1

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jim Morin, Secretary/Treasurer and Chief Financial Officer of Element 21 Golf Company (the "Registrant"), certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of the Registrant;

2. Based on my knowledge, this Quarterly 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 Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly 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 Quarterly Report;

4. The Registrant's other certifying officer and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Quarterly Report (the "Evaluation Date"); and

c) presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

19

Table of Contents

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function);

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officer and I have indicated in this Quarterly Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 20, 2004 By/s/Jim Morin
Secretary/Treasurer,
CFO and Director

20

Table of Contents

Exhibit 32.1

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 Element 21 Golf Company (formerly BRL Holdings, Inc.) (the "Registrant") on Form 10-QSB for the quarter ended December 31, 2003, as filed with the Securities and Exchange Commission on the date hereof, we, Nataliya Hearn, Ph.D., President and Chief Executive Officer, and Jim Morin, Secretary/Treasurer and Chief Financial Officer of the Registrant, 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 Quarterly 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 Quarterly Report fairly presents, in all material respects, the financial condition and result of operations of the Registrant.

Date: May 20, 2004 By/s/Nataliya Hearn, Ph.D.
President and Director

Date: May 20, 2004 By/s/Jim Morin
Secretary/Treasurer,
CFO and Director

21
Table of Contents

FINANCIAL DATA SCHEDULE

ELEMENT 21 GOLF COMPANY
(FORMERLY BRL HOLDINGS, INC.)

CURRENCY	US
FISCAL YEAR END	JUN-30-2004
PERIOD START	JAN-01-2004
PERIOD END	MAR-31-2004
CASH	$1,317
SECURITIES	$10,626
RECEIVABLES	$ 0
ALLOWANCE	$ 0
INVENTORY	$ 125,000
CURRENT ASSETS	$ 380,224

PP & E	*$ 267,000*
DEPRECIATION	*$ 0*
TOTAL ASSETS	*$ 657,850*
CURRENT LIABILITIES	*$ 739,643*
BONDS	*$ 0*
PREFERRED-MANDATORY	*$ 0*
PREFERRED	*$ 0*
COMMON STOCK	*$ 621,933*
OTHER SECURITIES	*$ 0*
TOTAL LIABILITIES AND EQUITY	*$ 657,850*
SALES	*$ 0*
TOTAL REVENUE	*$ 0*
CGS	*$ 0*
TOTAL COSTS	*$ 674,961*
OTHER EXPENSES	*$ (361,962)*
LOSS PROVISION	*$ 0*
INTEREST EXPENSE	*$ 0*
INCOME TAX	*$ 0*
INCOME-PRETAX	*$ (313,002)*
INCOME-CONTINUING	*$ (674,961)*
DISCONTINUED	*$ 361,962*
EXTRAORDINARY	*$ 0*
CHANGES	*$ 0*
NET INCOME	*$ (313,002)*
EPS-PRIMARY	*$ (0.01)*
EPS-DILUTED	*$ (0.01)*

Table of Contents