Rhino Outdoor International, Inc.
Form 10QSB
November 19, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)
[X] Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2007

[ ] Transition report under Section 13 or 15(d) of the Exchange Act for the transition period from __________ to __________.

Commission File Number: **333-62690**

RHINO OUTDOOR INTERNATIONAL, INC.

(Exact name of small business issuer as specified in its charter)

Nevada	**65-1000634**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1191 Center Point Dr., Henderson, Nevada	**89704**
(Address of principal executive office)	(Zip Code)

1-800-288-3099

(Issuer's telephone number)

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

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 o

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act 1934).

Yes o No x

As of September 30, 2007, the number of outstanding shares of the issuer's common stock was 87 706 500 shares.

TRANSITIONAL SMALL BUSINESS DISCLOSURE FORMAT: Yes o No x

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ITEM 1. FINANCIAL STATEMENTS

RHINO OUTDOOR INTERNATIONAL, INC
(A Development Stage Enterprise)
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2007	December 31, 2006
ASSETS		
CURRENT ASSETS		
Cash	$ 70,028	$ 1,862
Inventories	113,490	123,490
Other current assets	101,954	2,052
Total Current Assets	285,472	127,404
PROPERTY AND EQUIPMENT, NET	104,087	107,954
OTHER ASSETS		
Investments	810	14,400
Goodwill	3,165,963	3,013,463
Total Other Assets	3,166,773	3,027,863
TOTAL ASSETS	$ 3,556,332	$ 3,263,221
LIABILITIES AND NET CAPITAL DEFICENCY		
CURRENT LIABILITIES		
Accounts payable	$ 1,292,514	$ 1,300,032
Checks outstanding in excess of cash in bank	-	21,534
Accrued liabilities	1,814,409	1,332,860
Lines of credit	287,689	299,896
Deferred revenue and customer deposits	272,991	448,027
Notes payable	399,692	294,192
Notes payable - related party	477,614	573,814
Convertible debt	279,980	-
Other current liabilities	429,524	440,484
Total Current Liabilities	5,254,413	4,710,840
Long-term debt	41,723	59,729
COMMITMENTS AND CONTINGENCIES		
NET CAPITAL DEFICIENCY		
Preferred stock, $.001 par value; 5,000,000 shares authorized,		
	836	836

Series A - 835,660 shares issued and outstanding				
Series B - 1,000,000 shares issued and outstanding		1,000		1,000
Series C - 2,250,000 shares issued and outstanding		1,038		2,250
Common stock, $.001 par value; 500,000,000 shares authorized; shares issued and outstanding 87,706,500 (50,748,709 in 2006)		87,706		50,749
Additional paid-in capital		38,220,112		35,502,478
Accumulated deficit prior to current development stage		(19,234,,546)		(19,234,546)
Accumulated deficit in development stage		(20,704,262)		(17,394,515)
Accumulated comprehensive loss		(111,600)		(435,600)
Net Capital Deficiency		(1,739,806)		(1,507,348)
TOTAL LIABILITIES AND NET CAPITAL DEFICIENCY	$	3,,556,330	$	3,263,221

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

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RHINO OUTDOOR INTERNATIONAL, INC.
(A Development Stage Enterprise)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30 2007	2006	Nine Months Ended September 30 2007	2006	Cumulative Activity During Current Development Stage (January 1, 2005) toSeptember 30, 2007
REVENUES	$ 112,484	$ 23,398	$ 529,869	$ 53,148	$ 606,962
COST OF GOODS SOLD	35,990	44,183	151,751	68,837	251,991
GROSS PROFIT (LOSS)	76,494	(20,785)	378,118	(15,689)	354,971
OPERATING EXPENSES					
General and administrative	318,107	333,853	972,691	1,182,784	3,515,394
Marketing	50,250	3,516,474	464,425	4,112,533	10,216,612
Selling	-	3,547,474	374,730	359,300	5,511,840
Total Operating Expenses	368,357	7,397,801	1,796,416	9,007,647	19,243,846
LOSS FROM OPERATIONS	(291,863)	(7,418,586)	(1,418,298)	(9,023,386)	(18,888,875)
OTHER INCOME (EXPENSES)					
Other income	-	180,155	-	194,218	340,272
Interest, net	(18,301)	(28,358)	(43,007)	(68,216)	(206,379)
Acquisition expense	-		(25,098)		(25,098)
Loss on sale of investment	-	(11,763)	(328,377)	(11,763)	(340,140
Other	-	-	-	-	(11,641)
Total Other Income (Expenses)	(18,301)	140,034	(396,482)	114,239	(218,050)
LOSS BEFORE TAXES	(310,164)	(7,278,552)	(1,814,780)	(8,909,097)	(19,106,925)
INCOME TAXES	-	-	-	-	-
NET LOSS	(310,254)	(7,278,552)	(1,814,780)	(8,909,097)	(19,106,925)
COMPREHENSIVE LOSS					
Unrealized loss on investments	(90)	(920,731)	(111,600)	(411,571)	(547,290)
COMPREHENSIVE LOSS	$ (310,254)	$ (8,199,283)	$ (1,926,470)	$ (9,320,668)	$ (19,654,215)
NET LOSS PER COMMON SHARE:					
Basic And Diluted	$ (0.00)	$ (0.96)	$ (0.02)	$ (1.24)	

WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	72,677,356	7,564,217	72,194,261	7,185,378

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

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RHINO OUTDOOR INTERNATIONAL, INC
(A Development State Enterprise)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30		Cumulative Activity During Current Development Stage (January 1, 2005) to September 30,
	2007	2006	2007
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (1,814,780)	$ (8,909,097)	(19,106,925)
Depreciation and amortization	47,067	9,403	56,470
Stock issued for accrued wages	-	450,000	510,000
Stock issued for compensation & services	-	1,207,630	7,436,392
Reserve for issuance of preferred stock	-	-	400,000
Stock issued for accrued management fees	-	600,000	600,000
Other	-	-	11,671
Common stock issued for debt	-	1,000,000	20,000
Amortization of deferred revenues	(234,375)	-	(562,500)
Common stock issued for marketing and selling expenses	773,726	7,062,449	8,699,468
Loss on sale of investment	328,377	11,763	417,544
Preferred stock issued fro accrued management fees	-	600,000	36,657
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Changes in assets & liabilities:			
Inventories	10,000	40,000	79,720
Deposits	(88,302)		(88,302)
Other assets	(4,500)	(7,740)	(12,240)
Accounts payable	(6,852)	76,443	291,493
Deferred revenue & customer deposits	443,735	(109,165)	334.,570
Accrued liabilities	(10,689)	(526,958)	(154,576)
	(556,593)	912,228	(1,138,950)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant, property, and equipment	(22,500)	-	(22,500)
Other	-	53,940	43,534
	(22,500)	53,940	21,034
CASH FLOWS FROM FINANCING ACTIVITIES:			
Advances from related parties	(53,700)	(969,380))	22,883
Proceeds from issuance of convertible debt	479,980	-	479,980
Proceeds from sale of common stock	264,687	-	264,687
Other	(35,674)	8,046	361,969
	655,293	(961,334)	1,129,519
Change in cash	76,200	4,834	11,603

Cash at beginning of period		1,862		-		-
Cash at end of period	$	78,062	$	4,834	$	78,062
		-				
SUPPLEMENTAL CASH FLOW INFORMATION:						
Interest paid	$	-	$	4,618	$	21,298
NON-CASH INVESTING AND FINANCING ACTIVITIES:						
Common stock issued for debt	$	20,000	$	-	$	97,500
Common stock issued for accrued wages		-		450,000		45,000
Common stock issued for convertible debt		200,000		-		200,000
Preferred shares issued for subsidiary		-		1,650,000		16,500
Shares issued for related party payable		-		1,233,231		1,233,231

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

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RHINO OUTDOOR INTERNATIONAL, INC.
(A Development Stage Enterprise)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 1 - BASIS OF PRESENTATION AND DESCRIPTION OF THE BUSINESS

Rhino Outdoor International, Inc. (fka Cyberads, Inc), was incorporated on April 12, 2000 in the State of Florida. On August 10, 2005, the Company changed domicile from Florida to Nevada.

The Company provides management and sales support to businesses focused in the Extreme Sports/Lifestyle market segment. The Company earns commissions/fees on securing distribution for the businesses and products it represents. Additionally, the Company will earn commissions when product deliveries are made through the distribution channel. The Company and its management has devoted their attention toward restructuring debt and seeking profitable products in 2005 and 2006. The Company's year-end is December 31.

As of January 1, 2005, the Company abandoned its previous business plan of marketing cellular phone services and began a new development stage where it intends to provide management and sales support to businesses focused in the Extreme Sports/Lifestyle market segment.

On June 21, 2006, the Company entered into a share exchange agreement and plan of reorganization with Rhino Off Road Industries, Inc. Under this agreement and plan of reorganization, the Company acquired 100 percent of the outstanding common stock of Rhino in exchange for 1,650,000 shares of the Company's Series C convertible preferred stock. Furthermore, the Company issued another 600,000 shares of Series C convertible preferred stock for the retention of the subsidiary's officers and agreed to issue 400,000 shares of Series C convertible preferred stock for loan guarantees. As of September 30, 2007, the 400,000 shares had not yet been issued. Rhino Off Road Industries, Inc. was incorporated on September 25, 2003 in the State of Nevada. The principal business of the Company is the design, manufacturing and sale of off road vehicles and related parts. The Company's operations are located in Henderson, Nevada. See Note 3.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Rhino Outdoor International, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

<u>Cash and Cash Equivalents</u>
For purposes of the statement of cash flows, the Company considers all highly liquid investments and short-term debt instruments with original maturities of three months or less to be cash equivalents.

<u>Development Stage Activities</u>
Since the inception of the current development stage (which began January 1, 2005), the Company has realized minimal revenue from operations. It expects to be engaged to provide management and sales support to businesses focused in the Extreme Sports/Lifestyle market segment.

RHINO OUTDOOR INTERNATIONAL, INC.
(A Development Stage Enterprise)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the financial statements, the Company has limited cash and revenues, has incurred a net loss for the six months ended September 30, 2007, and has an accumulated deficit since the inception of the Company. These factors indicate that the Company may be unable to continue in existence. The Company is currently putting business plans in place which will, if successful, mitigate these factors which raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments related to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue existence.

Management has established plans designed to increase the sales of the Company's products and services and decrease debt. These plans will include providing management and sales support to businesses focused in the Extreme/Lifestyle market segment where the Company anticipates earning commissions/fees on securing distribution from business and products it represents.

An estimated $2 million is believed necessary to continue operations and increase development through the next fiscal year. The timing and amount of capital requirements will depend on a number of factors, including demand for products and services and the availability of opportunities for international expansion through affiliations and other business relationships. Management intends to seek new capital from new equity securities issuances to provide funds needed to increase liquidity, fund internal growth, and fully implement its business plan.

Goodwill

Goodwill represents the excess of the purchase price and related direct costs over the fair value of net assets acquired as of the date of the acquisition of Rhino Off Road Industries, Inc. The Company reviews periodically its goodwill to assess recoverability based on projected undiscounted cash flows from operations. Impairments are recognized in operating results when a permanent diminution in value occurs. At September 30, 2007, no impairment was deemed necessary for the Company's goodwill.

Investments

The Company's investments in securities are classified as either trading, held to maturity, or available-for-sale in accordance with Statement of Financial Accounting Standards No. 115. Available-for-sale securities consist of equity securities not classified as trading securities or as securities to be held to maturity. Unrealized holding gains and losses, net of tax, on available-for-sale securities are reported as a net amount in a separate component of other comprehensive income. Gains and losses on the sale of available-for-sale securities are determined using the average cost method and are included in earnings. The Company determines the gain or loss on investment securities held as available-for-sale, based upon the accumulated cost basis of specific investment accounts. On the Company's balance sheet, short-term available for sale securities are classified as "investments."

RHINO OUTDOOR INTERNATIONAL, INC.
(A Development Stage Enterprise)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Long-lived Assets
The Company accounts for its long-lived assets in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This standard establishes a single accounting model for long-lived assets to be disposed of by sale, including discontinued operations, and requires that these long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. Accordingly, the Company reviews the carrying amount of long-lived assets for impairment where events or changes incircumstances indicate that the carrying amount may not be recoverable. The determination of any impairment would include a comparison of estimated future cash flows anticipated to be generated during the remaining life of the assets to the net carrying value of the assets.

Property and Equipment
Property and equipment are stated at cost. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Principles of Consolidation
The accompanying consolidated financial statements at September 30, 2007 include the accounts of Rhino Outdoor International, Inc. and its wholly owned subsidiaries: IDS Cellular, Inc. ("IDS") and Rhino Off Road Industries, Inc. All significant transactions and balances among the companies included in the consolidated financial statements have been eliminated. The operations of IDS are currently idle.

Provision for Taxes
Income taxes are provided based upon the liability method of accounting pursuant to Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (hereinafter "SFAS No. 109). Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the "more likely than not" standard imposed by SFAS No. 109 to allow recognition of such an asset.

Revenue Recognition
The Company recognizes revenue for product sales when there is a mutually executed sales contract, when the products are shipped and title passes to customers, when the contract price and terms are fixed, and when collectibility is reasonably assured.

Use of Estimates
The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

RHINO OUTDOOR INTERNATIONAL, INC.
(A Development Stage Enterprise)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 3 - CAPITAL STOCK

Preferred Stock
The Company is authorized to issue 5,000,000 shares of preferred stock with a par value of $0.001. These shares are convertible to common stock. As of September 30, 2006, the Company has issued 835,660 shares of preferred Series A, 1,000,000 shares of preferred Series B, and 2,250,000 shares of preferred Series C.

On June 26, 2005, the Company issued 1,000,000 shares of its convertible preferred Series B stock in exchange for partial payment of accrued salary to an officer of the Company. The shares were recorded at $0.10 value, which was a fair price average during the period of accrual. The Company recorded a reduction in accrued salary liability as a result of this issuance. While each share of Series B preferred was originally entitled to 100 votes per share, this was increased to 255 votes per share on June 21, 2006.

On June 21, 2006, the Company issued 1,650,000 shares of its convertible preferred Series C stock in a share exchange agreement and plan of reorganization when the Company acquired 100 percent of the outstanding common stock of Rhino Off Road Industries, Inc. The Company also issued another 600,000 shares of Series C convertible preferred stock for the retention of the subsidiary's officers. Per the merger agreement, 400,000 shares were to be issued for loan guarantees that the subsidiary's officers had for lines of credit and bank indebtedness. As of September 30, 2006, these shares have not been issued.

Common Stock
The Company is authorized to issue 500,000,000 shares of common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

On August 30, 2006, the board of directors approved and the Company effected a one hundred-for-one reverse stock split of the Company's common stock. All references in the financial statements to shares, share prices, per share amounts and stock plans have been adjusted retroactively for the one hundred-for-one reverse stock split.

During the twelve months ended December 31, 2006, the Company issued 245,000 and 205,000 shares of its common stock for $490,000 and $410,000 in exchange for management and consulting services and accrued wages, respectively. The services were measured at the fair market value of the shares received on the day the shares were issued. Also, during the year ended December 31, 2006, the Company issued 43,865,191 shares of common stock in exchange for marketing and selling expenses for $7,875,993. Also, during the year ended December 31, 2006, the Company issued 5,200,000 shares of common stock for related party debt of $1,300,000.

During the six months ended June 30, 2007, the Company issued 15,649,500 shares of its common stock in exchange for marketing and selling expenses of $823,475, and 5,268,000 shares in exchange for cash of $264,687 and 400,000 shares in payment of $20,000 in notes payable. Additionally, the Company cancelled 6,000,000 shares that were previously issued for services.

RHINO OUTDOOR INTERNATIONAL, INC.
(A Development Stage Enterprise)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 4 - COMMITMENTS AND CONTINGENCIES

On June 9, 2006, the Company signed an agreement with Hebei Sida Industry Group Col, Ltd ("Sida"), pursuant to which Sida will become an authorized exclusive distributor of the Company's products in China. Sida has agreed to purchase 1,000 units over a three year period. Under the agreement, Sida will manufacture these units in China and pay the Company a license fee of 10% over its purchase costs for distribution rights.

The Company is non-compliant with respect to certain federal and state payroll related taxes. Included in accrued payroll and payroll related liabilities at September 30, 2007 is approximately $601,482 of unpaid payroll taxes.

In April 2004, the Company agreed to indemnify a former officer of the Company for any loss he sustained in a settlement reached with a cellular phone service provider against IDS and him personally. Under the indemnification agreement, the Company was obligated to pay an aggregate of $72,261 with the balance due October 1, 2004. These amounts were never paid. The indemnification had no effect on the accompanying financial statements as the amount owed to the cellular phone service provider was previously recorded as accounts payable in the records of IDS.

The Company is currently in negotiations with an individual who has threatened a lawsuit against the Company, a former officer and a cellular phone service provider. The Company has offered to issue the individual 250,000 shares of common stock to settle any claims he may have against the Company. This individual has verbally accepted the settlement offer. The offer had no effect on the accompanying consolidated financial statements as consulting services totaling $27,500 owed this individual were previously recorded as accounts payable in the records of Rhino Outdoor International, Inc. The Company has reserved 250,000 shares of common stock to be issued under this settlement offer.

A claim against the Company of approximately $500,000 has been threatened by the Creditors Committee of World Com. The Company does not believe that it owes the amount and intends to vigorously defend the claim. The claim has not been pursued and the Company is not subject to any legal action pursuing this claim. Any claims asserted may be challenged by claims of the Company concerning funds owed to Rhino Outdoor International, Inc. for its prior trade relationship with World Com.

NOTE 5 - RELATED PARTY TRANSACTIONS

Accrued payroll and accrued taxes represents amounts owed to management for services provided. At September 30, 2007 and 2006 the Company had accrued payroll of $598,277 and $211,333, respectively.

Related party payables represent amounts due to management and shareholders, who have loaned money to the Company to pay expenses on behalf of the Company. At September 30, 2007 and 2006, short-term related party payables were $358,614 and $1,687,925, respectively. These loans are unsecured, non-interest bearing, and payable on demand.

RHINO OUTDOOR INTERNATIONAL, INC.
(A Development Stage Enterprise)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 6 – BUSINESS COMBINATION

Effective September 28, 2007 the company acquired certain assets and assumed certain assets of W.E.Rock an event planning and off-road championship series company. The business combination was accounted for as a purchase

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

Management's discussion and analysis contains various forward-looking statements within the meaning of the Securities and Exchange Act of 1934. These statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may", "expect", "anticipate", "estimates", or "continue" or use of negative or other variations of comparable terminology. We caution that these statements are further qualified by important factors that could cause actual results to differ materially from those contained in our forward looking statements, that these forward looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in our forward looking statements.

Management's discussion and analysis should be read in conjunction with the financial statements and the notes thereto.

OVERVIEW

Rhino Outdoor International, Inc. (ROI) did not record revenues during 2005. We discontinued the third party affiliate sales of Cellular phones and services during 2004, and discontinued all cellular sales in 2005 due to the financial losses inherent with the commission structure paid to third party affiliates. The affiliate commissions were earned on "leads" provided, rather than on sales made, therefore the cancellations and returns on cellular phones were not recouped from the third party affiliate and the losses became ROI expense. During 2006 and 2005, we focused on developing a new business plan in the extreme sports sector and marketing of its lifestyle. We engaged with three primary products during 2005, XBoard, Rhino, and Planet X TV.

In 2006, we focused 100% of our efforts on Rhino Off Road Industries, and it’s product the RTV. On June 21, 2006 we acquired by share exchange agreement and plan of reorganization all the outstanding shares of capital stock of Rhino in exchange for shares of capital stock of ROI, formerly known as CyberAds. On August 30, 2006 the company was renamed Rhino Outdoor International, Inc, to reflect a more accurate brand name for our business model. During 2006, we implemented sales and marketing strategies for the Rhino Off Road RTV, and invested in further development of new models which are designed to increase sales to consumers, and potentially to government agencies for the Search and Rescue requirements. During the first quarter of 2007 we continued to focus on developing the Rhino RTV product line, and began marketing to consumers through trade advertising and direct sales through our web site.

During the 3rd quarter of 2007 we continued development of the Rhino Off Road RTV and our implementation of the production facility in China. Management spent time in China finalizing plant layout and assisting our plant facility in obtaining necessary equipment to build the RTV product line.

RELATED PARTIES AND RELIANCE ON CERTAIN PROVIDERS

We rely on the suppliers of inventory to Rhino, for production of products specific to our reselling, or direct selling rights.

RECENT EVENTS

As noted above we entered into relationships with Aqua Xtremes, Inc., and its products XBoard, whereby the company was provided exclusive rights to resell distribution and dealers within a defined territory. During 2005, we developed a resell relationship with Rhino Off Road Industries whereby the

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company would recruit and demonstrate the Rhino product line to Distributors, Dealers, and consumers. During 2005, we developed a relationship with Planet X TV whereby the company would be compensated for recruiting advertisers and sponsors for the Planet X TV shows.

During 2006, we did not focus on either Planet X or XBoard as we put all our efforts towards Rhino and the acquisition and subsequent development of the RTV and potential government Search and Rescue opportunities. In 2006, we entered into an LOI with Great West Vans (GWV), at this time we have not concluded on the transaction and there is no guarantee that the company will raise the capital required to complete this specific transaction.

During the first quarter of 2007 we continued to pursue the GWV acquisition. Further, we have developed a strategic relationship with Arizona Emergency products for the distribution to government agencies of our recently developed Emergency Response vehicle. Additionally, we are completing the design and prototype on a new 4-seater version of the RTV to expand our product line to meet the consumer demand.

During the second quarter of 2007 we focused our efforts on finalizing the China production facility, and completing the design and prototype for AEP and our Rapid Response 4 seater style vehicle.

PATENTS AND PROPRIETARY RIGHTS

We do not hold any trademark, copyright or patent protection.

RESULTS OF OPERATIONS

Quarter Ended September 30, 2007 and 2006

We reported revenues of $112,484 and $23,395 for the quarter ending September 30, 2007 and 2006, respectively, losses of $ 310,254 and $7,278,552 during the quarters ended September 30, 2007 and 2006, respectively. The increase in revenue from 2007 to 2006 is attributed to the acquisition of Rhino Off Road effective June 21, 2006 and our effort to develop into an Outdoor lifestyle sector company. The Increase in losses was due to the developmental stage of the company, and our investment in developing the sales and marketing plan for Rhino Off Road. The decrease in loss is attributable to the increase in revenue during 2007 compared with 2006 3rd quarter

RESULTS OF OPERATIONS

Three months ended September 30, 2007 compared to the three months ended September 30, 2006.

			Increase	
	2007	**2006**	**Amount**	**Percentage**
Revenue	$ 112,484	$ 23,398	$ 89,086	381%

Revenue for the three months ended September 30, 2007 resulted from the sale of Rhino RTV vehicles, and parts. There were limited sales in 2006 as we were in developmental stage.

			Decrease	
	2007	**2006**	**Amount**	**%**
G&A Expenses	$ 318,107	$ 333,853	$ (15,746)	(.05)%

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G & A Expenses for the three months ended September 30, 2007 resulted from maintaining our developmental stage, and administrative expenses related to Rhino Off Road, G&A expenses in 2006 were attributable to maintaining the developmental stage of the company.

	2007	2006	Decrease Amount	%
Marketing Expenses	$ 50,250	$ 3,516,474	$ (3,466,224)	(986)%

Marketing Expenses for the three months ended September 30, 2007 decreased due to reduction in trade shows, product demonstrations, consultants, and efforts toward recruitment of Government sales which were expensed in Quarter ending September 30 2006..

	2007	2006	Decrease Amount	%
Selling Expenses	$ 0	$ 3,547,474	$ (3,547,474)	(100)%

Selling Expenses for the three months ended September 30, 2007 decreased as a result of the company not paying any commissions for Rhino RTV sales, and managements focus on production plant development only.

	2007	2006	Decrease Amount	%
Interest Expense	$ 18,301	$ 28,358	$ (10,057)	(35)%

Interest expense for the three months ended September 30, 2007 decreased as a result of a reduction in interest on notes to related parties, and interest on bank indebtedness.

FINANCIAL POSITION & LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2007 compared to September 30, 2006:

Liquidity and Capital Resources

As of September 30, 2007, the Company had current assets totaling $285,472 and a working capital deficit of $4,968,941. These assets consist of cash on hand of $70,028, inventories of $113,490, and other current assets of $101,954. Net stockholders' deficit in the Company was $1,739,806 at September 30, 2007. The Company is in the development stage and, since January 1, 2005, has experienced significant changes in liquidity, capital resources and shareholders' equity.

Cash flow used in operating activities was $556,593 for the period from January 1, 2007 through September 30, 2007. Cash over the periods was used on accounting, administration, consulting, research and development, and shares issued for marketing expenses.

Cash flow provided from financing activities was $655,293 for the period from January 1, 2007 through September 30, 2007. Financing activities over the period have consisted of sales of the investments and the company's common stock and proceeds from convertible debt.

The Company's current assets are insufficient to conduct our plan of operation over the next twelve (12) months and we will have to seek debt or equity financing to fund operations. The Company has no current commitments or arrangements with respect to, or immediate sources of funding. Further, no assurances can be given that funding, if needed, would be available or available to the Company on acceptable terms. The Company's shareholders would be the most likely source of new funding in the form of loans or equity placements though none have made any commitment for future investment and we have no agreement formal or otherwise. The Company's inability to obtain funding would have a material adverse affect on our plan of operation.

Further, there can be no assurance offered to the public by these disclosures, or otherwise, that the Company will be successful, or that we will ultimately succeed as a going concern. To the extent that existing resources and any future earnings prove insufficient to fund our activities, we will need to raise additional funds through debt or equity financing. The Company cannot provide any assurance that such additional financing will be available or that, if available, it can be obtained on terms favorable to us and our shareholders. In addition, any equity financing would result in dilution to the Company shareholders and any debt financing could involve restrictive covenants with respect to future capital raising activities or other financial or operational matters. The Company's inability to obtain adequate funds will adversely affect its operations and the ability to implement is plan of operation.

ITEM 3. CONTROLS AND PROCEDURES

As required by Rule 13a-15 under the Exchange Act, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer. Based upon that evaluation, we concluded that our disclosure controls and procedures are effective in ensuring that material information related to us, required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the rules and regulations of the SEC. There have been no significant changes in our internal controls subsequent to the date we carried out our evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer to allow timely decisions regarding required disclosure.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS

Exhibit Number	Description of Document
31.1	Rule 13a-14(a)/15d-14(a) Certification
31.2	Rule 13a-14(a)/15d-14(a) Certification
32.1	Section 1350 Certification
32.2	Section 1350 Certification

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

Rhino Outdoor International, Inc.

Date: November 19, 2007	By:	/s/ Howard Pearl Howard Pearl President and Chief Executive Officer