

JOSHUA GOLD RESOURCES INC
Form 10-Q
November 14, 2011

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

**x QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2011

**“ TRANSITION REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 000-53809

JOSHUA GOLD RESOURCES INC.

(Exact name of registrant as specified in its charter)

Nevada	27-0531073
(State or other jurisdiction	(I.R.S. Employer
of	Identification No.)
incorporation or	
organization)	
99 Bronte Road Suite 121 Oakville ON L6L 3B7 Canada	

Edgar Filing: JOSHUA GOLD RESOURCES INC - Form 10-Q

(Address of principal executive offices)

(877) 354-9991

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicated by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>

Check whether the issuer is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 2, 2011, there were 271,617,147 shares of common stock, par value \$0.0001, issued and outstanding.

JOSHUA GOLD RESOURCES INC.

FORM 10-Q

INDEX

	Page
<u>PART I – FINANCIAL INFORMATION</u>	
<u>Item 1 Financial Statements</u>	3
<u>Item 2 Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 3 Quantitative and Qualitative Disclosures About Market Risk</u>	15
<u>Item 4 Controls and Procedures</u>	15
<u>PART II – OTHER INFORMATION</u>	
<u>Item 1 Legal Proceedings</u>	17
<u>Item 1A Risk Factors</u>	17
<u>Item 2 Unregistered Sales of Equity Securities and Use of Proceeds</u>	17
<u>Item 3 Defaults Upon Senior Securities</u>	17
<u>Item 4 Removed and Reserved</u>	17
<u>Item 5 Other Information</u>	17
<u>Item 6 Exhibits</u>	18
<u>SIGNATURES</u>	19

PART I---FINANCIAL INFORMATION**Item 1. Financial Statements.****JOSHUA GOLD RESOURCES INC.**

(An Exploration Stage Corporation)

BALANCE SHEETS

AS OF

	September 30,	December 31,
	2011	2010
	(Unaudited)	(Audited)
ASSETS		
Current Assets	\$	\$
Cash	23,655	24,786
Accounts receivable	-	999
Notes receivable	14,310	14,997
Prepaid expense	-	12,997
Accounts receivable from discontinued operations	16,190	10,942
Total Current Assets	54,155	64,721
Other Assets		
Minerals rights		180,201
Deposit on mineral rights		9,063-
Total Other Assets		189,264
	\$	\$
Total Assets	243,419	264,681
	LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	\$	\$
Accounts payable and accrued liabilities	14,674	17,580
Advances from stockholders	144,872	39,711
Due on mineral rights acquisition – current portion	33,390	34,993
Liabilities from discontinued operations	26,880	83,756
Total Current Liabilities	219,816	176,040
Long Term Liabilities		
Due on mineral rights acquisition	62,010	64,987

Edgar Filing: JOSHUA GOLD RESOURCES INC - Form 10-Q

Long term liabilities from discontinued operations	-	26,245
Total Long Term Liabilities	62,010	91,232
Total Liabilities	281,826	267,272
Stockholders' Deficit		
Preferred stock, \$0.0001 par value; 100,000,000 shares authorized; 240,000 shares issued and outstanding (December 31, 2010 – 240,000)	24	24
Common stock, \$0.0001 par value; 400,000,000 shares authorized; 266,353,749 shares issued and outstanding (December 31, 2010 – 265,190,416)	26,635	26,519
Additional paidin capital	413,357	340,196
Additional paidin capital - warrants	13,973	-
Stock to be issued	98,450	98,450
Accumulated other comprehensive income	3,190	1,919
Deficit accumulated during the exploration stage	(594,036)	(469,699)
Total Stockholders' Deficit	(38,407)	(2,591)
	\$	\$
Total Liabilities and Stockholders' Deficit	243,419	264,681

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

Joshua Gold Resources Inc.

(An Exploration Stage Company)

Statements of Stockholders' Deficit

For the Period Inception (July 10, 2009) to September 30, 2011

(Unaudited)

	Preferred Stock Class A	Common Stock	Additional Shares to be Issued	Additional Paid-In Capital	Acc. Other Paid-In Comprehensive Capital - Warrants income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Par Value	Par Value				
Issuance of stock for cash		35,000,000	3,500				3,500
Net loss						(16,446)	(16,446)
Balance, 31 December 2009		35,000,000	3,500			(16,446)	(12,946)
Issuance of stock for cash		96,550,000	9,655		70,518		80,173
Issuance of stock for notes receivable		50,000,000	5,000		9,435		14,435
Issuance of stock for services	240,000	2483,640,416	8,364		260,243		268,631
Common stock issuable for acquisition of mineral rights				98,450			98,450
Foreign currency translation						1,919	1,919
Net loss						(453,253)	(453,253)
Balance, 31 December 2010	240,000	2465,190,416	26,519	98,450	340,196	1,919	(469,699)
		630,000	63		47,187		47,250

Edgar Filing: JOSHUA GOLD RESOURCES INC - Form 10-Q

Issuance of stock for cash								
Issuance of stock in settlement of debt		533,333	53		39,947			40,000
Issuance of warrants					(13,973)	13,973		
Foreign currency translation							1,271	1,271
Net loss								(124,337)
Balance, 30 September 2011	\$	240,000	\$	\$	\$	\$	\$	\$
		2,663,537	749	26,635	98,450	413,357	3,190	(594,036)
								(38,407)

See accompanying notes to the financial statements.

JOSHUA GOLD RESOURCES INC.

(An Exploration Stage Corporation)

STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three Months Ended	Three Months Ended
	September 30, 2011	September 30, 2010
SALES	\$ -	\$ -
COST OF SALES	-	-
GROSS PROFIT	-	-
OPERATING EXPENSES		
General and administration	48,808	-
Exploration expenditures	487	-
Professional fees	7,114	-
Depreciation	4,132	-
TOTAL OPERATING EXPENSES	60,541	-
LOSS FROM CONTINUING OPERATIONS	(60,541)	-
Loss from discontinued operations	-	(98,898)
NET LOSS	\$ (60,541)	\$ (98,898)
OTHER COMPREHENSIVE (LOSS) INCOME		
Foreign currency translation	5,389	-
COMPREHENSIVE LOSS	\$ (55,152)	\$ (98,898)
LOSS PER WEIGHTED NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED	265,347,102	265,107,359

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

JOSHUA GOLD RESOURCES INC.

(An Exploration Stage Corporation)

STATEMENTS OF OPERATIONS

(UNAUDITED)

	Nine Months Ended	Nine Months Ended	Period from Inception
	September 30, 2011	September 30, 2010	(July 10, 2009) to September 30, 2011
OPERATING EXPENSES			
General and administrative	64,542	-	68,131
Exploration expenses	13,299	-	13,299
Professional fees	35,130	-	59,754
Depreciation	11,366	-	11,366
TOTAL OPERATING EXPENSES	-124,337	-	152,550
LOSS FROM CONTINUING OPERATIONS	(124,337)	-	(152,550)
Loss from discontinued operations	-	(196,530)	(441,486)
NET LOSS	\$ (124,337)	\$ (196,530)	\$ (594,036)
OTHER COMPREHENSIVE (LOSS) INCOME			
Foreign currency translation	1,271	-	3,190
COMPREHENSIVE LOSS	\$ (123,602)	\$ (196,530)	\$ (590,846)
LOSS PER WEIGHTED NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED	\$ (0.00)	\$ (0.00)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED	265,348,487	134,409,312	

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

JOSHUA GOLD RESOURCES INC.

(An Exploration Stage Corporation)

STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Nine Months Ended	Nine Months Ended	Period from Inception
	September 30, 2011	September 30, 2010	(July 10, 2009) to September 30, 2011
CASH FLOWS FOR CONTINUING OPERATIONS			
OPERATING ACTIVITIES			
Loss from continuing operations	\$ (124,337)	\$ -	\$ (152,550)
Adjustments for non-cash items:			
Depreciation	11,366	-	11,366
Interest on loans and advances	14,590	-	15,803
Adjustments for changes in working capital:			
Accounts receivable	999	-	
Prepaid expenses	12,997	-	-
Accounts payable and accrued liabilities	(2,906)	-	14,674
NET CASH USED IN OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	(87,291)	-	(110,707)
FINANCING ACTIVITIES			
Notes receivable	-	-	
Due on mineral rights acquisition	-	-	
Advances from stockholders	64,326	-	129,069
Proceeds on issuance of capital stock	87,250	-	174,533
NET CASH PROVIDED BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	151,576	-	303,602
INVESTING ACTIVITIES			
Mineral rights	-	-	-
Deposit on mineral rights	(9,063)	-	(9,063)
NET CASH USED IN INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	(9,063)	-	(9,063)
NET INCREASE IN CASH FROM CONTINUING OPERATIONS	55,222	-	183,832
CASH FLOWS FOR DISCONTINUED OPERATIONS			
OPERATING ACTIVITIES			
Loss from discontinued operations	-	(196,350)	(441,486)
Adjustments for non-cash items:			
Stock-based compensation	-	-	270,859
Adjustments for changes in working capital:			

Accounts receivable from discontinued operations	5,248	-	(16,190)
Liabilities from discontinued operations	(56,876)	196,631	26,880
NET CASH USED IN OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS	(51,628)	281	(159,937)
NET DECREASE IN CASH FROM DISCONTINUED OPERATIONS	(51,628)	281	(159,937)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(4,725)	704	(240)
NET (DECREASE) INCREASE IN CASH	(1,131)	985	23,655
CASH, BEGINNING OF PERIOD	24,786	-	-
CASH, END OF PERIOD	\$ 23,655	\$ 985	\$ 23,655

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

JOSHUA GOLD RESOURCES INC.

(An Exploration Stage Corporation)

NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED September 30, 2011

(UNAUDITED)

Note 1- Nature of Operations

Joshua Gold Resources Inc. (until February 10, 2011 known as Bio-Carbon Systems International Inc., collectively referred to herein as "Joshua", or the "Company"), was incorporated on July 10, 2009 in the State of Nevada.

The Company operates as a mineral exploration business located in Oakville, Ontario. Its principal business activity is the exploration of mineral property interests in Canada. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to exploring these property interests. There has been no determination whether the Company's interests in unproven mineral properties contain mineral reserves which are economically recoverable.

On December 23, 2010, the Company optioned a 1,550 acre mineral lease in the Canadian territory, the Northwest Territories, two hours north-north-west of the capital city of Yellowknife. On June 25, 2011 the Company optioned a 3,128.4 acre mineral claim in the Canadian Province, Ontario. The property is located south west of the mining centre of Timmins Ontario.

Note 2- Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Security and Exchange Commission ("SEC") Form 10-Q and Article 8 of SEC Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011.

Note 3- Going Concern

The financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operation.

The Company has incurred a net loss of \$124,337 for the nine months ended September 30, 2011, and a working capital deficit of \$165,661. This casts doubt on the Company's ability to continue as a going concern unless it can generate net profit and raise adequate financing.

The Company has been seeking additional debt or equity financing to support its operations until it becomes cash flow positive. There can be no assurances that action and plan such as above will be sufficient for the Company to continue operating as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts classified as liabilities that might be necessary should the Company be unable to continue in existence. These adjustments could be material.

Note 4- Mineral Rights and Deposits on Mineral Rights

On December 23, 2010, the Company entered into a mineral property acquisition agreement (the "Acquisition Agreement") with 2214098 Ontario Ltd. ("2214098"), an Ontario corporation, pursuant to which 2214098 has agreed to sell to the Company the property ("mining lease") located 195 kilometers north-northwest of the City of Yellowknife, N.W.T, on the west shore of Damoti Lake in the Indin Lake Greenstone Belt and known as a claim BR2 (the "Carson Lake Property"). The claim covers an area of 1549.5 acres. Under the Acquisition Agreement, the Company will acquire the Carson Lake Property in consideration for the following payments.

1) the Corporation paying CDN\$100,000 to be paid by the Corporation to 2214098 as follows:

- a. \$25,000 on or before April 30, 2011;
- b. \$10,000 on or before each of September 30th, 2011, 2012, 2013, 2014; and
- c. \$35,000 on or before September 30th, 2015;

(2) the Corporation paying 1,000,000 common shares in the capital of the Corporation (the "Shares") to 2214098, and deliver the Shares to 2214098 on or before March 30th, 2011;

(3) upon and following the commencement of commercial production, the Corporation shall pay a 2% royalty to John Rapski, and a 1% royalty to 2214098 of net smelter returns on the terms and conditions as set out in the Acquisition Agreement

The Company's intangible assets consist of the value of mineral acquisition agreement with 2214098 Ontario Ltd. The mineral acquisition agreement is a single mining lease that expires June 30, 2024. Therefore, the agreement is being amortized using the straight-line method over the term of the mining lease (13.5 years).

On June 25, 2011 the Company entered into a Mineral Property Acquisition Agreement with Firelake Resources Inc. whereby it acquired certain mineral interests in the townships of Eric and Huffman in the Province of Ontario. Consideration for the mineral interests is as follows:

1. CDN \$50,000 to be paid in two equal installments of CDN \$25,000 on January 31, 2012 and January 31, 2013.
2. 2,000,000 shares of common stock to be issued before January 31, 2012

3. Royalty of 2% of all net smelter returns upon commencement of commercial production at the property.

The Company has paid an advance against the required installments of \$9,063 (CDN \$9,500). The Company will record the full price of the acquisition when all conditions of the agreement are met.

Mineral Rights	September 30, 2011	December 31, 2010
	\$	
Cost	191,567	-
Accumulated amortization	(11,366)	-
	\$	
	180,201	-

Note 5- Related Party Transactions

During the nine months ended September 30, 2011, shareholders advanced \$99,802 (nine months ended September 30, 2010 - \$Nil) to fund the Company's working capital from continuing operations. As of September 30, 2011 the Company has total advances from shareholders of \$144,872 (December 31, 2010 - \$39,711) which bear interest at an annual rate of 12%.

Note 6- Common shares Issued and to be Issued

During the quarter, the Company issued 533,333 shares of common stock in settlement of \$40,000 of stockholder advances.

Private placements

During the quarter the Company completed several private placements consisting of 630,000 units at a price of \$0.075 per unit for gross proceeds of \$47,250. Each unit consisted of one common share and one non-transferable share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.10 per share for a period of 12 months.

The fair value of \$13,973 of the warrants issued was determined using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	4.0%
Expected life of warrants	1 years
Expected volatility	100%
Expected dividend yield	0%

Warrants

As at September 30, 2011, the following stock warrants were outstanding:

Number	Exercise	
of Shares	Price	Expiry Date
333,334	\$0.10	August 11, 2012
296,666	\$0.10	September 11, 2012

Note 7- Supplemental cash flow information

During the quarter, the Company issued 533,333 shares of common stock in settlement of \$40,000 of stockholder advances.

Note 8- Subsequent Events

Events that have occurred subsequent September 30, 2011 have been evaluated through the date of filing these financial statements. There have been no subsequent events that occurred during such period that would require disclosure in these financial statements or would be required to be recognized in the financial statements as of or for the nine months ended September 30, 2011.

Note 9- Comparative Figures

Certain figures shown for comparative purposes have been reclassified to conform to the presentation adopted in the current period.

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

Forward Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believes", "project", "expects", "anticipates", "estimate", "intends", "strategy", "plan", "may", "will", "would", "will be", "will continue", "will likely result", and similar expressions. Such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Overview

With respect to this discussion, the terms "we" "us" "our" and the "Company" refer to Joshua Gold Resources Inc.

(a) Corporate History and Background.

We were incorporated in the State of Nevada on July 10, 2009. Prior to the Stock Purchase transaction described below in this Item 2, our business purpose was to seek the acquisition of or merger with, an existing private company. Accordingly, we were engaged in organizational efforts in order to put us in a position where we could seek to target and eventually acquire an existing private company.

On June 4, 2010, Ben Fuschino, our sole officer and director at that time, sold his 35,000,000 shares of the Company's common stock, which shares represented 100% of our issued and outstanding common stock, to Luc Duchesne and Robert Cormier for a total purchase price of \$7,000 (the "Stock Purchase"). Upon closing of the Stock Purchase, (i) Mr. Duchesne and Mr. Cormier held a controlling 100% ownership in the Company, (ii) we changed our business and became a start-up carbon measuring company and (iii) we changed our name to Bio-Carbon Systems International Inc. to better reflect our new business enterprise.

Immediately after the closing of the Stock Purchase, on June 4, 2010, we entered into a license agreement (the “Cormier License”) with R&B Cormier Enterprises Inc. (“Cormier Enterprises”), an Ontario corporation and a license agreement (the “GSN License”) with GSN Dreamworks, Inc., an Ontario corporation (“GSN”). The Cormier License and GSN License (collectively, the “License Agreements”) granted the Company licensed intellectual property and technology to conduct airborne and other surveys of forested lands in areas that are difficult to access. Those surveys would have been conducted in a statistically verifiable process designed for use in carbon trading programs to assess the potential value of

the surveyed lands as carbon sequestration land parcels in carbon trading, carbon sequestration, and other greenhouse gas emission control, offset and reduction programs.

Also, on June 4, 2010, the Company entered into consulting agreements (collectively, the “Consulting Agreements”) with Mr. Duchesne and Mr. Cormier, pursuant to which Mr. Duchesne and Mr. Cormier agreed to provide the Company with management and advisory services with respect to the intellectual property licensed to the Company under the Cormier and GSN Licenses.

On December 23, 2010, the Company elected to terminate the License Agreements and Consulting Agreements as the Company determined that conditions were not in place for the successful exploitation of the technology covered by the License Agreements. The termination did not give rise to any penalties against the Company as the termination was concluded through a mutual agreement of separation.

(b)

Current Business of Issuer.

Upon termination of the aforementioned License and Consulting Agreements, the Company abandoned the carbon measuring business and became a mineral exploration company located in Oakville, Ontario through the acquisition of a mineral rights lease, as described in further detail below. The Company’s principal business activity now is the exploration of mineral property interests. The Company is considered to be in the exploration stage and substantially all of the Company’s efforts are devoted to exploring mineral property interests. There has been no determination whether the Company’s interests in unproven mineral properties contain mineral reserves which are economically recoverable.

On December 23, 2010, the Company entered into a mineral property acquisition agreement (the “2214098 Acquisition Agreement”) with 2214098 Ontario Ltd. (“2214098”) whereby the Company purchased from 2214098 the mining lease for a certain property located 195 kilometers north-northwest of the City of Yellowknife, N.W.T, on the west shore of Damoti Lake in the Indin Lake Greenstone Belt and known as a claim BR2 (the “Carson Property”). The term of the lease runs until June 30, 2024. The lease is registered at the Northwest Territories Mining Recorder as mining lease 3446 and covers an area of approximately 1,550 acres. Management believes that the Carson Property could potentially host economic gold deposits and, upon expert opinion of their geologists, warrants continued mineral exploration on the property.

In December of 2010, the Company retained an independent geological firm, Aurora Geosciences Inc. to visit the Carson Property and write an evaluation report under Canada’s National Instrument 43-101 guidelines. Management, upon the recommendation of Mr. David White, the qualified person who completed the National Instrument 43-101 report, has committed to a phased exploration of the Carson Property upon attainment of sufficient capital. Management is currently preparing an exploration budget based on this recommendation.

Additionally, on June 25, 2011, the Company entered into a mineral property acquisition agreement (the “Fire Lake Acquisition Agreement”) with Fire Lake Resources Inc. (“Fire Lake”) whereby the Company agreed to purchase from Fire Lake certain mineral interests located in the townships of Eric and Huffman in the Province of Ontario, Canada (the “Eric and Huffman Property”) in consideration for the sum of Fifty Thousand and No/100 Dollars (CDN \$50,000) and Two Million (2,000,000) shares of common stock of the Company (the “Firelake Shares”), to be paid by Company to Fire Lake as follows: CDN \$25,000 on or before January 31, 2012; CDN \$25,000 on or before January 31, 2013; and delivery of the Fire Lake Shares on or before January 31, 2012. Additionally, upon commencement of commercial production of the Eric and Huffman Property, the Company will pay to Fire Lake a royalty equal to 2% of all net smelter returns on minerals from the Property. CDN \$50,000 is approximately USD \$52,220 and CDN \$25,000 is approximately USD \$26,102.

Liquidity and Capital Resources

We are an exploration stage company focused on developing our business in the mineral exploration sector. Our principal business objective for the next twelve (12) months will be to continue to develop our business plan in this sector. As we have not commenced material operations, we have not earned any revenues.

As of October 26, 2011, we had cash on hand of \$33,799 and current liabilities of \$215,046. We do not have sufficient capital to operate our business and will require additional funding to sustain operations through December 2012. There is no assurance that we will be able to achieve revenues sufficient to become profitable.

We have incurred losses since inception and our ability to continue as a going concern depends upon our ability to develop profitable operations and to continue to raise adequate financing. We are actively targeting sources of additional financing to provide continuation of our operations. In order for us to meet our liabilities as they come due and to continue our operations, we are solely dependent upon our ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds, in which case we may be unable to meet our obligations and we may cease operations.

Results of Operations

As we are an exploration stage company, we are not yet operational; therefore, we do not have any operations to report at this time. Our focus has been on the development of our business plan. All expenses to date have related to the development of our business plan and other expenses related to the daily operations of a public company.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations,

liquidity, capital expenditures or capital resources and would be considered material to investors.

Inflation

We do not believe that inflation has had in the past or will have in the future any significant negative impact on our operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As we are a smaller reporting company, we are not required to provide the information required by this item.

Item 4. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures.

We maintain disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) that are designed to assure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. As required by Exchange Act Rule 13a-15(b), as of the end of the period covered by this report, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures and concluded that our disclosure controls and procedures are ineffective as of the date of filing this Form 10-Q due to limited accounting and reporting personnel, inadequate accounting policies and procedures, and a lack of segregation of duties due to limited financial resources and the size of our company. We will need to adopt additional disclosure controls and procedures prior to commencement of material operations. Consistent therewith, on an on-going basis we will evaluate the adequacy of our controls and procedures.

(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting during the last fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II---OTHER INFORMATION

Item 1. Legal Proceedings.

There are no legal proceedings that have occurred within the past five years concerning our directors or control persons which involved a criminal conviction, a criminal proceeding, an administrative or civil proceeding limiting one's participation in the securities or banking industries, or a finding of securities or commodities law violations.

Item 1A. Risk Factors.

As we are a smaller reporting company, we are not required to provide the information required by this item.

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

(a)

Unregistered Sales of Equity Securities.

On September 8, 2011, we commenced a Regulation D offering. Pursuant to said offering, we are offering common share units (each a "Unit") to certain investors, both accredited and non-accredited, at a subscription price of US \$0.075 per Unit, with each Unit comprised of one common share of the Company and one purchase warrant, with each warrant exercisable for 12 months from the date of issuance for one share at an exercise price of US \$0.10 per share.

In addition, with respect to the same Regulation D offering, we are offering flow-through common shares to certain investors, both accredited and non-accredited, at the price of US \$0.10 per share and purchase warrants of the Company, with each warrant exercisable for twelve (12) months from the date of issuance for one common share of the Company at an exercise price of US \$0.20 per share.

On October 25, 2011 we filed a Form D with the Securities and Exchange Commission disclosing this Regulation D offering. The information disclosed in the Form D is hereby incorporated by reference into this Item 2.

Exemption is claimed for the sale of the aforementioned securities pursuant to Rule 506 of Regulation D promulgated under Section 4(2) of the Securities Act of 1933, as amended. Offerings made by the Company under this Regulation D offering will be made to no more than thirty-five (35) non-accredited investors.

(b)

Use of Proceeds.

Not Applicable.

(c)

Affiliated Purchases of Common Stock.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. (Removed and Reserved).

Item 5. Other Information.

None.

Item 6. Exhibits.

INDEX TO EXHIBITS

Exhibit Description

- *3.1 Articles of Incorporation
- *3.2 By-laws
- *3.3 Certificate of Amendment to the Articles of Incorporation
- *10.1 Mineral Property Acquisition Agreement, by and between Company and Firelake Resources Inc., entered into on June 25, 2011
- *10.2 Mineral Property Acquisition Agreement, by and between Company and 2214098 Ontario Ltd., entered into on December 23, 2010
- *10.3 License Agreement, by and between Company and GSN Dreamworks, Inc., entered into June 4, 2010
- *10.4 License Agreement, by and between Company and R&B Cormier Enterprises Inc., entered into on June 4, 2010
- *10.5 Consulting Agreement, by and between Company and Mr. Luc Duchesne, entered into on June 4, 2010
- *10.6 Consulting Agreement, by and between Company and Mr. Rob Cormier, entered into on June 4, 2010
- 31.1 Certification of our Chief Executive Officer pursuant to Rule 13(a)-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended

Edgar Filing: JOSHUA GOLD RESOURCES INC - Form 10-Q

- 31.2 Certification of our Chief Financial Officer pursuant to Rule 13(a)-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended
- 32.1 Certification of our Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002
- 32.2 Certification of our Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002

* Included in previously filed reporting documents.

SIGNATURES

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

Joshua Gold Resources Inc.

Dated: November 14, 2011 By: /s/ Benjamin Ward
Benjamin Ward
President, Chief Executive Officer
(Principal Executive Officer) and
Director

Joshua Gold Resources Inc.

Dated: November 14, 2011 By: /s/ W. Andrew Campbell
W. Andrew Campbell
Chief Financial Officer (Principal
Financial Officer)