JOSHUA GOLD RESOURCES INC
Form 10-Q
November 15, 2012

UNITED STATES

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, 2012

¨ 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 (State or other jurisdiction of incorporation or organization)	27-0531073 (I.R.S. Employer Identification No.)

2368 Lakeshore Rd. W, Suite 300, Oakville, Ontario L6L 1H5 Canada

(Address of principal executive offices)

(877) 354-9991

(Registrant s telephone number, including area code)

99 Bronte Road, Suite 121, Oakville, ON L6L 3B7 Canada

(Former name, former address and former 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 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 x 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 x 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	¨	Accelerated Filer	¨
Non-accelerated Filer	¨	Smaller Reporting Company x	

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

As of November 8, 2012, there were 219,945,089 shares of common stock, par value $0.0001, issued and outstanding.

JOSHUA GOLD RESOURCES INC.

FORM 10-Q

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PART I---FINANCIAL INFORMATION

Item 1. Financial Statements.

Joshua Gold Resources Inc.

(An Exploration Stage Company)

Balance Sheets

As Of

	September 30, 2012 (Unaudited)	December 31, 2011 (Audited)
ASSETS		
Current Assets	$	$
Cash	31,813	24,566
Accounts receivable	15,806	27,582
Notes receivable	15,000	14,750
Total Current Assets	62,619	66,898
Other Assets		
Equipment	5,479	6,380
Mineral property interests	530,186	378,753
Total Other Assets	535,665	385,133
	$	$
Total Assets	598,284	452,031
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current Liabilities	$	$
Bank indebtedness	-	-
Accounts payable and accrued liabilities	197,938	46,456
Advances from stockholders	238,695	129,153
Dividends payable	38,400	38,400
Due on mineral rights acquisition current portion	111,500	43,265
Total Current Liabilities	586,533	257,274
Long Term Liabilities		

Due on mineral rights acquisition	45,000	78,664
Total Liabilities	631,533	335,938
Stockholders' (Deficit) Equity		
Preferred stock, $0.0001 par value; 100,000,000 shares authorized; 240,000 shares issued and outstanding (December 31, 2011 240,000)	24	24
Common stock**,** $0.0001 par value; 400,000,000 shares authorized; 291,954,300 shares issued and outstanding (December 31, 2011 278,579,678)	29,195	27,858
Additional paid-in capital	2,619,702	1,357,543
Stock to be issued and redeemed	135,085	303,190
Subscriptions receivable	(25,000)	(103,247)
Accumulated other comprehensive income	(3,647)	25,175
Deficit accumulated during the exploration stage	(2,788,608)	(1,494,450)
Total Stockholders' (Deficit) Equity	(33,249)	116,093
Total Liabilities and Stockholders' (Deficit) Equity	$ 598,284	$ 452,031

See accompanying notes to the financial statements.

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Joshua Gold Resources Inc.

(An Exploration Stage Company)

Statements of Operations and Comprehensive Loss

(Unaudited)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011
OPERATING EXPENSES		
Management fees	$ 23,550	$ -
Consulting fees	283,021	-
Exploration	1,009	-
Professional fees	53,201	13,243
General and administrative	13,446	11,337
Interest	7,066	
Depreciation	336	3,584
TOTAL OPERATING EXPENSES	381,629	28,164
LOSS FROM CONTINUING OPERATIONS		(28,164)
Loss from discontinued operations	(381,629)	-
		$
NET LOSS	(381,629)	(28,164)
OTHER COMPREHENSIVE (LOSS) INCOME		
Foreign currency translation	0	41
	$	$
COMPREHENSIVE LOSS	(381,629)	(28,123)
	$	$
LOSS PER WEIGHTED NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	(0.00)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	291,584,126	265,190,416

See accompanying notes to the financial statements.

Joshua Gold Resources Inc.

(An Exploration Stage Company)

Statements of Operations and Comprehensive Loss

(Unaudited)

	Nine Months Ended September 30, 2012	**Nine Months Ended September 30, 2011**	**For the Period from Inception July 10, 2009 to September 30, 2012**
OPERATING EXPENSES			
	$	$	$
Management fees	374,291	-	754,854
Consulting fees	567,851	-	930,470
Exploration	110,115	13,299	212,857
General and administrative	135,026	64,542	194,142
Professional fees	87,759	35,130	163,530
Interest	18,107	-	36,211
Depreciation	1,009	11,336	16,229
			2,308,293
TOTAL OPERATING EXPENSES	1,294,158	124,337	
LOSS FROM CONTINUING OPERATIONS	(1,294,158)	(124,337)	(2,308,293)
Loss from discontinued operations		-	(441,486)
	$	$	$
NET LOSS	(1,294,158)	(124,337)	(2,749,779)
OTHER COMPREHENSIVE INCOME			
Foreign currency translation	0	(1,271)	(3,647)
	$	$	$
COMPREHENSIVE LOSS	(1,294,158)	(123,602)	(2,749,563)
LOSS PER WEIGHTED NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	$ (0.00)	$ (0.00)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	286,394,722	265,348,487	

See accompanying notes to the financial statements.

Joshua Gold Resources Inc.

(An Exploration Stage Company)

Statements of Cash Flows

(Unaudited)

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	Period from Inception (July 10, 2009) to September 30, 2012
CASH FLOWS FOR CONTINUING OPERATIONS OPERATING ACTIVITIES			
	$		$
Loss from continuing operations	(1,294,158)	(124,337)	(2,308,297)
Adjustments for non-cash items:			
Depreciation	1,009	11,366	16,229
Stock-based compensation	735,841	-	1,354,534
Accrued interest on advances from stockholders	18,107	14,590	18,107
Adjustments for changes in working capital:			
Accounts receivable	12,046	999	(15,806)
Prepaid expenses	-	12,997	-
Accounts payable and accrued liabilities	125,482	(2,906)	171,938
NET CASH USED IN OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	(401,673)	(87,291)	(763,295)
FINANCING ACTIVITIES			
Note receivable	-	-	(15,000)
Advances from stockholders	102,700	64,326	238,695
Due on mineral rights acquisition	(32,500)	-	156,500
Dividends	-	-	(38,825)
Proceeds on issuance of capital stock	336,000	87,250	881,816
NET CASH PROVIDED BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	406,200	151,576	1,223,186
INVESTING ACTIVITIES			
Acquisition of mineral property interests	-	-	(292,180)
Deposit on mineral rights	-	(9,063)	-
Acquisition of equipment	-	-	(6,615)
NET CASH USED IN INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	-	(9,063)	(298,795)
NET (DECREASE) INCREASE IN CASH FROM CONTINUING OPERATIONS	4,527	55,222	161,096
CASH FLOWS FOR DISCONTINUED OPERATIONS OPERATING ACTIVITIES			

Loss from discontinued operations	-	-	(441,486)
Adjustments for non-cash items:			
Stock-based compensation	-	-	270,859
Interest accrued on long term loan for discontinued operations	-	-	1,213
Adjustments for changes in working capital:			
Accounts receivable from discontinued operations	-	(5,248)	-
Liabilities from discontinued operations	-	(56,876)	4,454
NET CASH USED IN OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS	-	(51,628)	(164,960)
NET CASH PROVIDED BY FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS	-	-	-
NET DECREASE IN CASH FROM DISCONTINUED OPERATIONS	-	(51,628)	(164,960)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2,720	(4,725)	35,677
NET INCREASE (DECREASE) IN CASH	7,247	(1,131)	31,813
CASH, BEGINNING OF PERIOD	24,566	24,786	-
CASH, END OF PERIOD	$ 31,813	$ 23,655	$ 31,813
SUPPLEMENTAL CASH FLOW INFORMATION			
Interest Paid	-	-	-
Income Taxes Paid	-	-	-
Stock issued for purchase of a mineral property	95,000	-	-
Purchase of common stock for accounts payable	(26,000)	-	(26,000)

See accompanying notes to the financial statements.

Joshua Gold Resources Inc.

(An Exploration Stage Company)

Notes to Financial Statements

For the Period from Inception (July 10, 2009) to September 30, 2012

(Unaudited)

1.

Nature of Operations

Joshua Gold Resources Inc. (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 headquartered in Oakville, Ontario, Canada. Its principal business activity is the acquisition, exploration and development 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 financing and developing these property interests.

The Company has the rights to three mineral properties, the Carson Property in the Northwest Territories, Canada, the Garrett Property in Ontario, Canada, and the Elijah Property in Shining Tree, Ontario, Canada. There has been no determination whether the Company s interests in unproven mineral properties contain mineral reserves, which are economically recoverable.

2.

Basis of Presentation

The accompanying unaudited interim 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, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012.

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 $1,294,158 for the nine month period ended September 30, 2012, and a working capital deficit of $523,914 as of September 30, 2012. As an exploration stage entity, the Company has not yet commenced its mining operations and accordingly does not have any revenue. This casts doubt on the Company s ability to continue as a going concern unless it can begin to raise adequate financing and generate net profit.

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.

4.

Mineral Property Interests

		Mineral Property Interest
Carson Property (a)	$	200,000
Balance at December 31, 2010		**200,000**
Garrett Property (b)		185,186
Balance at December 31, 2011		**385,186**
Elijah Property (c)		145,000
Balance at September30, 2012	**$**	**530,186**

a)

Carson Property

On December 23, 2010, the Company entered into a mineral property acquisition agreement with 2214098 Ontario Ltd. pursuant to which the Company acquired the mining lease to the Carson Property. Under the acquisition agreement, the Company is required to pay:

1.

Cash consideration of $100,000 ($100,000 CAD) to be paid according to an installment schedule between April 30, 2011 and September 30, 2015;

2.

Equity consideration of 1,000,000 shares of common stock to be issued on or before March 30, 2011; and

3.

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

The Carson Property is 1,812 acres in area and is located north-north-west of the City of Yellowknife, in the Northwest Territories, Canada. The Company s interest in the property consists of a 21 year mining lease, which expires on June 30, 2024 and for which the Company is responsible for making annual lease payment of $1,141, in order to keep the lease in good standing.

In accordance with the Company s accounting policy, the only costs related to the property that can be capitalized are the costs of acquisition of a mineral interest from a third party. As such, annual lease payments are expensed as incurred. As of September30, 2012, management determined that there were no events or changes in circumstances which may have impaired the carrying value of the Carson Property.

As of September 30, 2012, the Company paid $27,500 of the balance due on the Carson Property, and issued 1,000,000 shares of common stock to 2214098 Ontario Ltd.

b)

Garrett Property

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 Garrett Property. Consideration for the mineral interests is as follows:

1.

Cash consideration of $50,000 ($50,000 CAD) to be paid in two equal installments of $25,000 ($25,000 CAD) on January 31, 2012 and January 31, 2013.

2.

Equity consideration of 2,000,000 shares of common stock to be issued on or before January 31, 2012

3.

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

As of September 30, 2012, the Company paid $6,000 ($6,000 CAD) of the balance due on the Garrett Property, and issued 2,000,000 shares of common stock to Firelake Resources Inc.

The Garrett Property is 8,900 acres in area and is located north of the City of Sudbury, in Ontario, Canada. The Company s interest in the property consists of 157 mineral claim units staked by a prospector. Mining cannot take place until the claims are brought to lease. In order to keep the claims in good standing, the Company is required to perform $32,800 of exploration work before November 2012 and $30,000 of exploration work before October 2013.

In accordance with the Company s accounting policy, the only costs related to the property that can be capitalized are the costs of acquisition of a mineral interest from a third party. As such, claim staking and exploration work has been expensed as incurred. As of September 30, 2012, management determined that there were no events or changes in circumstances, which may have impaired the carrying value of the Garrett Property.

c)

Elijah Property

On February 13, 2012, the Company finalized a mineral property acquisition agreement with Shining Tree Resources Corp. (Shining Tree), under which the Company would acquire a 50% interest in the Elijah Property in the townships of Churchill and Asquith in the Province of Ontario, Canada. In exchange for the interest in the property, the Company will:

1.

Pay cash consideration of $50,000 ($50,000 CAD) according to an installment schedule between February and July 2012;

2.

Issue 1,000,000 shares of common stock to Shining Tree; and

3.

Complete exploration expenditures having a value of $200,000 ($200,000 CAD) on the conveyed property before February 10, 2014. Upon completion of payment for the conveyed property in the aggregate amount of $50,000 ($50,000 CAD) and of exploration expenditures on the conveyed property, Shining Tree will issue to the Company 1,000,000 common shares of Shining Tree common stock, on or before July 30, 2012

As of September 30, 2012, the Company paid $10,000 ($10,000 CAD) of the balance due on the Elijah Property.

The Elijah Property consists of four unpatented mining claims (38 units- approximately 1,520 acres) in Asquith and Churchill Townships, Larder Lake Mining District, Ontario, Canada. The property lies approximately 3km northeast of the hamlet of Shining Tree.

5.

Advances From Stockholders

The Company has advances from stockholders due to various individuals and corporations who are not related parties. These amounts are unsecured, interest-bearing at 12% per annum, and are due on demand.

6.

Due On Mineral Rights Acquisitions

	September 30, 2012 (Unaudited)	**December 31, 2011 (Audited)**
Due to 2214098 Ontario Ltd re Carson Lake Property	72,500	78,664
Due to Firelake Resources Inc. re Eric & Huffman Property	44,000	43,265
Due to Shining Tree re Churchill & Asquith Property	40,000	-
	156,500	**121,929**
Less: current portion	111,500	(43,265)
Long-Term Debt	**45,000**	**78,664**

The Company is required to make certain payments in respect of its 2010 acquisition of the Carson Property, its 2011 acquisition of the Garrett Property and its 2012 acquisition of the Elijah Property (note 4). These payments are due to 2214098 Ontario Ltd., Firelake Resources Inc., and Shining Tree, the corporations from which the properties were acquired.

The amounts due are unsecured, non-interest bearing, and are due as follows:

2012 (three months)	$	76,500
2013		35,000
2014		10,000
2015		35,000
Total	**$**	**156,500**

As of September 30, 2012, the Company is in arrears on its payments by $76,500. This amount has been included above in the installments due for 2012.

7. Capital Stock

a)

Common Stock

During the nine months ended September 30, 2012, the Company issued 2,803,508 shares of common stock pursuant to private placement transactions at prices of $0.075 to $0.10 per share and for total cash proceeds of $230,500 and stock subscription receivable of $25,000.

During the nine months ended September 30, 2012, the Company issued 7,571,117 shares of common stock to directors of the Company for services rendered. These transactions have been recorded as stock-based compensation with a total value of $735,841. Of these issuances, 600,000 shares of common stock were recorded as shares to be issued as of December 31, 2011 for $45,104.

During the nine months ended September 30, 2012, the Company issued 3,000,000 shares of common stock to 2214098 Ontario Ltd. and Firelake Resources Inc. (note 4) in relation to previous mineral rights acquisitions. As of December 31, 2011, these shares were recorded within shares to be issued for $250,576.

Included with the private placement transactions referred to above, the Company issued 400,000 flow-through units (FT Units) at $0.10 per FT Unit for total cash proceeds of $40,000. Each FT Unit consists of one flow-through common share (FT Share), and one-half of one non-flow-through share purchase warrant. Each Unit consists of one common share and one-half of one non-flow through share (NFT Share) purchase warrant (the Warrants). Each whole Warrant is exercisable into one common share at the price of $0.15 per share for one year from the issue date.

A flow-through share premium obligation of $nil was recognized which represents the difference between the FT unit price of $0.50 and NFT price of $0.50 on the announcement date.

b)

Stock To Be Issued and Redeemed

As of September 30, 2012, the Company has yet to issue 1,000,000 shares of common stock to Shining Tree (note 4), in relation to a mineral rights acquisition, which were recorded at a value of $95,000.

As of September 30, 2012, the Company has yet to issue 695,631 shares of common stock to directors and consultants for services rendered. The Company has recorded stock to be issued of $66,085 in respect of these obligations.

As of September 30, 2012 the Company has yet to repurchase 33,800,000 shares of common stock which it agreed for $26,000.

c)

Subscriptions Receivable

During the nine months ended September30, 2012, the Company has received payments of $103,247 related to subscriptions receivable, and recorded additional $25,000 subscriptions receivable for shares issued.

d)

Warrants

The below table summarizes the Company s activity with respect to warrants:

		Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance	**December 31, 2010**	**-**	**-**	**-**
Granted		3,723,397	0.129	0.164
Cancelled		-	-	-
Exercised		-	-	-
Balance	**December 31, 2011**	**3,723,397**	**0.129**	**0.164**
Granted		2,793,245	0.106	0.135
Cancelled		-	-	-
Exercised		-	-	-
Balance	**September 30, 2012**	**6,516,642**	**$ 0.119**	**0.246**

On various dates between October 18, 2011 and September 30, 2012, the Company issued 6,516,642 warrants in connection with its private placements of common stock. Each warrant entitles the holder to purchase 1 share of common stock of the Company at exercise prices ranging from $0.10 to $0.20 per share for a term of 1 year from the issue date.

e)

Stock-Based Compensation

The Company incurred stock-based compensation expense in connection with its compensation agreements for its directors, management, and employees. Under these agreements, common stock may be issued as a signing bonus or at certain benchmark dates within an individual s period of service. Stock-based compensation is calculated as the fair value of the stock issued or to be issued to an individual and is recorded at the time the stock becomes owing to the individual. Stock issued to a director, manager, or employee is deferred in the event that their contract requires the individual to remain employed with the Company for a specified time period after issuance.

During the nine months ended September 30, 2012, the Company issued 7,571,117 shares of common stock and a further 695,631 shares became issuable in connection with stock-based compensation arrangements. These shares were valued at $0.095 per share and resulted in compensation expense of $735,841. These fees were recorded as a component of consulting fees in the amount of $424,700 and management fees in the amount of $311,141 on the statement of operations.

8. Related Party Transactions

The following transactions with related parties were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the parties.

During the nine months ended September 30, 2012, the Company issued 7,571,117 shares of common stock as compensation to directors and officers of the Company. As of September 30, 2012, an additional 695,630 shares of common stock are due to be issued to directors and officers of the Company. Stock-based compensation of $66,085 was recorded in relation to these shares, and is presented within consulting fees on the statement of operations.

On September 25, 2012, the Company issued 400,000 flow-through shares of common stock at a price of $0.10 per share to an officer of the Company for proceeds of $40,000 cash.

9. Financial Instruments

Fair Values

The Company s financial instruments consist of cash, accounts receivable, notes receivable, accounts payable and accrued liabilities, advances from stockholders, dividends payable, and amounts due on mineral rights acquisition. The fair values of these financial instruments approximate their carrying values due to the short-term maturity of these instruments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in the rates of exchange on foreign currencies will impact the financial position or cash flows of the Company. The Company s functional currency is the Canadian dollar, thus the Company is exposed to foreign currency risks in relation to certain payables that are to be settled in US dollars. Management monitors its foreign currency exposure regularly to minimize the risk of an adverse impact on its cash flows.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss in the event that certain counterparties are unable to fulfill its obligations to the Company. The Company limits its exposure to credit loss on its cash by placing its cash with high credit quality financial institutions. Accounts receivables are harmonized sales taxes due from the Canadian government and notes receivable are due from stockholders of the Company.

Liquidity Risk

Liquidity risk is the risk that the Company s cash flows from operations will not be sufficient for the Company to continue operating and discharge is liabilities. The Company is exposed to liquidity risk as its continued operation is dependent upon its ability to obtain financing, either in the form of debt or equity, or achieving profitable operations in order to satisfy its liabilities as they come due.

Market Risk

Market risk is the risk that fluctuations in the market prices of minerals will impact the Company s ability to build and achieve profitable operations. The Company is exposed to market risk on the price of gold, which will determine the profitability of future operations, the amount of exploration and development work that the Company will be able to perform, and the number of financing opportunities that will be available. Management believes that it would be premature at this point to enter into any hedging or forward contracts to mitigate its exposure to specific market price risks.

10. Subsequent Events

On October 4, 2012 the Company entered into an agreement to acquire mineral property in British Columbia known as the Kenty Property. Under the terms of the agreement, the Company will acquire a 100% interest in the property for a total purchase price of $1,500,000 in cash and 1,700,000 shares of common stock. The cash and stock will be paid and issued on various dates between the closing date of the agreement and April 4, 2015.

On October 11, 2012 the Company issued 315,789 shares of common stock in private placements totalling $30,000.

On October 15, 2012 the Company redeemed 35,325,000 shares of common stock at no cost.

On November 6, 2012 the Company redeemed 33,800,000 shares of common stock at a total cost of $26,000, as described in note 7c.

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 , estim intends , strategy , plan , may , will , would , will be , will continue , will likely result , and similar expre 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 effect 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.

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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 given rise to any penalties against the Company as the termination was concluded through a mutual agreement of separation.

(b) Current Business of Issuer and Recent Material Transactions.
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.

Carson Property

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, Northwest Territories, Canada, 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.

Eric and Huffman Property

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 two percent (2%) of all net smelter returns on minerals from the Property. CDN $50,000 is approximately USD $50,000 and CDN $25,000 is approximately USD $25,000.

Elijah Property

On February 7, 2012, the Company entered into and closed a mineral property acquisition agreement (the Original Agreement), as amended and restated on February 13, 2012 (the Amended Agreement), with Shining Tree Resources Corp. (Shining Tree), pursuant to which Shining Tree agreed to sell to Company an undivided fifty percent (50%) interest in and to certain mineral interests found on that certain Elijah Property located in the Townships of Churchill and Asquith, Ontario, Canada (the Conveyed Property). As consideration for the sale of the Conveyed Property, the Company agreed to deliver the following to Shining Tree in the manner set forth below:

1)

USD $50,000 ($50,000 CDN) according to the following schedule:

(a)

USD $10,000 ($10,000 CDN) upon execution of the Agreement;

(b)

USD $15,000 ($15,000 CDN) due on March 30, 2012;

(c)

USD $15,000 ($15,000 CDN) due on June 30, 2012; and

(d)

USD $10,000 ($10,000 CDN) due on July 30, 2012.

2)

subject to the approval of the Board of Directors of the Company, One Million (1,000,000) common shares of Company on or before March 30, 2012; and

3)

complete USD $200,000 ($200,000 CDN) of Expenditures (as defined in the Original and Amended Agreement) on the Conveyed Property on or before February 10, 2014. Upon completion of payment for the Conveyed Property in the aggregate amount of USD $50,000 ($50,000 CDN) of Expenditures on the Conveyed Property, Shining Tree will issue to Company 1,000,000 common shares of Shining Tree on or before July 30, 2012.

Kenty Gold Property

On October 4, 2012, the Company entered into and closed a mineral property acquisition agreement (the McClay Agreement) with Brian McClay, a British Columbia, Canada resident (McClay), pursuant to which McClay agreed to sell to Company an undivided one hundred percent (100%) interest in and to certain mineral interests found on the Kenty Gold Property located in the Townships of Swayze and Dore, Ontario, Canada (the McClay Conveyed Property).

As consideration for the sale of the McClay Conveyed Property, the Company agreed to deliver the following to McClay in the manner set forth below:

(a)

Closing Date. CDN$50,000 (USD$50,000) within three (3) business days following the closing date.

(b)

February 4, 2013.

(i)

CDN$100,000 (USD$100,000) on or before February 4, 2013; and

(ii)

200,000 common shares of Company on or before February 4, 2013.

(c)

April 4, 2013.

(i)

CDN$150,000 (USD$150,000) on or before April 4, 2013; and

(ii)

200,000 common shares of Company on or before April 4, 2013.

(d)

<u>October 4, 2013</u>.

(i)

CDN$300,000 (USD$300,000) on or before October 4, 2013; and

(ii)

250,000 common shares of Company on or before October 4, 2013.

(e)

April 4, 2014.

(i)

CDN$300,000 (USD$300,000) on or before April 4, 2014; and

(ii)

250,000 common shares of Company on or before April 4, 2014.

(f)

October 4, 2014.

(i)

CDN$300,000 (USD$300,000) on or before October 4, 2014; and

(ii)

250,000 common shares of Company on or before October 4, 2014.

(g)

April 4, 2015.

(i)

CDN$300,000 (USD$300,000) on or before April 4, 2015; and

(ii)

550,000 common shares of Company on or before April 4, 2015.

(h)

Reserve. Upon completion of a NI 43-101 compliant Indicated Reserve of 1,000,000 Troy Ounces of Gold (Aurum Metal) on the McClay Conveyed Property, Company shall pay CDN$1,000,000 (USD$1,022,548) to McClay.

(i)

Production.

(i)

Upon production of 1,000,000 Troy Ounces of Gold (Aurum Metal) from the McClay Conveyed Property, Company shall pay CDN$1,000,000 (USD$1,000,000) to McClay.

(ii)

Upon production of 3,000,000 Troy Ounces of Gold (Aurum Metal) from the McClay Conveyed Property, Company shall pay CDN$2,000,000 (USD$2,000,000) to McClay.

(iii)

Upon production of 5,000,000 Troy Ounces of Gold (Aurum Metal) from the McClay Conveyed Property, Company shall pay CDN$2,000,000 (USD$2,000,000) to McClay.

(j)

Early Buyout Option. Company shall have the option of early buyout within one year of execution for a cash payment of CDN$750,000 (USD$750,000) and 750,000 common shares of Company.

In addition, upon the Commencement of Commercial Production (as defined in the McClay Agreement), Company shall pay to McClay a royalty in an amount equal to three percent (3%) of all Net Smelter Returns (as defined in the McClay Agreement) on minerals mined from the McClay Conveyed Property (the Seller NSR) on the terms and conditions as set out in the McClay Agreement. Notwithstanding the foregoing, at any point in time following the closing date and upon Company s sole election, McClay shall sell to Company fifty percent (50%) of the Seller NSR for a purchase price of CDN$1,500,000 (USD $1,500,000).

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 of September 30, 2012, we had cash on hand of $31,813 and current liabilities of $586,533. 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.

Net cash used in operating activities. During the nine months ended September 30, 2012, net cash used in operating activities was $401,673 compared with $87,291 used in operating activities for the nine months ended September 30, 2011. The cash flow used in operating activities in the nine months ended September 30, 2012 was primarily the result of exploration, administrative, legal and audit fees. The cash flow used in operating activities in the nine months ended September 30, 2011 was primarily the result of exploration expenses.

Net cash used in investing activities. During the nine months ended September 30, 2012, net cash used in investing activities was $Nil compared with $9,063 used in investing activities for the nine months ended September 30, 2011. The cash flow used in investing activities in the nine months ended September 30, 2011 was primarily the result of exploration expenses.

Net cash provided by financing activities. During the nine months ended September 30, 2012, net cash provided by financing activities was $406,200 compared with $151,176 provided by financing activities for the nine months ended September 30, 2011. The cash flow provided by financing activities in the nine months ended September30, 2012 was primarily derived from the issuance of our stock. The cash flow provided by financing activities in the nine months ended September 30, 2011 was primarily derived from shareholder advances and issuance of stock for services.

Results of Operations

Comparison of Three Months Ended September 30, 2012 to Three Months Ended September 30, 2011

We did not earn any revenues during the three months ended September30, 2012 and September 30, 2011. We do not anticipate earning revenues until such time as we have entered into commercial production of our mineral properties. We are presently in the exploration stage of our business and we can provide no assurance that we will discover commercially exploitable levels of mineral resources on our properties, or if such resources are discovered, that we will enter into commercial production of our mineral properties.

Management Fees. Management fees increased to $23,550 for the three months ended September 30, 2012 from $Nil for the three months ended September 30, 2011. The increase in management fees was primarily attributable to increased business operations.

Consulting Fees. Consulting fees increased to $283,021 for the three months ended September 30, 2012 from $Nil for the three months ended September 30, 2011. The increase in consulting fees was primarily attributable to increased business operations.

Exploration Expenses. Exploration expenses increased to $1,009 for the three months ended September 30, 2012 from $Nil for the three months ended September 30, 2011. The increase in exploration expenses was due to increased business operations.

General and Administrative Expenses. General and administrative expenses increased to $13,446 for the three months ended September 30, 2012 from $11,337 for the three months ended September 30, 2011. The increase in general and administrative expenses is primarily related to increased business operations.

Professional Fees. Professional fees increased to $53.201 for the three months ended September 30, 2012 from $13,243 for the three months ended September 30, 2011. The increase in professional fees was primarily due to increased business operations.

Interest Expense. Interest expense increased to $7,066 for the three months ended September 30, 2012 compared with $Nil for the three months ended September 30, 2011. The increase in interest expense was primarily due to an increase in shareholder advances.

Depreciation. Depreciation expenses decreased to $336 for the three months ended September 30, 2012 from $3,584 for the three months ended September 30, 2011. The decrease in depreciation expenses was primarily due to the Company s policy not to amortize its mineral properties.

Net loss. For the three months ended September 30, 2012, we incurred a net loss of $381,629 as compared to a net loss of $28,164 for the three months ended September 30, 2011. The increase in net loss was primarily a result of increased business operations.

Comparison of Nine Months Ended September 30, 2012 to Nine Months Ended September 30, 2011

We did not earn any revenues during the nine months ended September 30, 2012 and September 30, 2011. We do not anticipate earning revenues until such time as we have entered into commercial production of our mineral properties. We are presently in the exploration stage of our business and we can provide no assurance that we will discover commercially exploitable levels of mineral resources on our properties, or if such resources are discovered, that we will enter into commercial production of our mineral properties.

Management Fees. Management fees increased to $374,291 for the nine months ended September 30, 2012 from $Nil for the nine months ended September 30, 2011. The increase in management fees was primarily attributable to increased business operations.

Consulting Fees. Consulting fees increased to $567,851 for the nine months ended September 30, 2012 from $Nil for the nine months ended September 30, 2011. The increase in consulting fees was primarily attributable to increased business operations.

Exploration Expenses. Exploration expenses increased to $110,115 for the nine months ended September 30, 2012 from $13,299 for the nine months ended September 30, 2011. The increase in exploration expenses was due to increased business operations.

General and Administrative Expenses. General and administrative expenses increased to $135,026 for the nine months ended September 30, 2012 from $64,542 for the nine months ended September 30, 2011. The increase in general and administrative expenses is primarily related to increased business operations.

Professional Fees. Professional fees increased to $87,759 for the nine months ended September 30, 2012 from $35,130 for the nine months ended September 30, 2011. The increase in professional fees was primarily due to increased business operations.

Interest Expense. Interest expense increased to $18,107 for the nine months ended September 30, 2012 compared with $Nil for the nine months ended September 30, 2011. The increase in interest expenses was primarily due to an increase in shareholder loans.

Depreciation. Depreciation expenses decreased to $1,009 for the nine months ended September 30, 2012 from $11,336 for the nine months ended September 30, 2011. The decrease in depreciation expenses was primarily due to the Company s policy not to amortize its mineral properties.

Net loss. For the nine months ended September 30, 2012, we incurred a net loss of $1,294,158 as compared to a net loss of $124,337 for the nine months ended September 30, 2011. The increase in net loss was primarily a result of increased business operations and exploration work.

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.

We have made significant changes in 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. Specifically, we implemented financial reporting procedures and protocols combined with utilization and optimization of business information systems, with full management and oversight by a fully accredited professional accountancy and its professional staff for all financial reporting and records keeping. This process of strengthening our internal controls is ongoing and we intend to further enhance our internal controls during the fourth quarter of 2012.

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.

During the quarterly period ended September 30, 2012, the Company issued shares of the Company s common stock to certain accredited investors and an officer/director of the Company as provided in further detail below.

On August 31, 2012, the Company issued 100,000 shares of the Company s common stock to a certain accredited investor of the Company in consideration for CAD$10,000*.

On September 17, 2012, the Company issued 105,263 shares of the Company s common stock to a certain accredited investor in consideration for CAD$10,000*.

On September 25, 2012, the Company issued 400,000 shares of the Company s common stock to a certain officer/director of the Company in consideration for CAD$40,000**.

The transactions described above were exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended.

*CAD$10,000 is approximately USD$10,220 at the time of filing of this 10-Q

**CAD$40,000 is approximately USD$40,879 at the time of filing of this 10-Q

(b)

Use of Proceeds.

Not Applicable.

(c)

Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Period Covered	**Total Number Of Shares Purchased (1)**	**Average Price Paid Per Share**	**Total Number Of Shares (Or Units) Purchased As Part Of Publicly Announced Plans Or Programs**	**Maximum Number (Or Approximate Dollar Value) Of Shares (Or Units) That May Yet Be Purchased Under The Plans Or Programs**
July 1-31, 2012	0	$ 0.00		
August 1-31, 2012	33,800,000	0.000769		
September 1-30, 2012	0	0.00		
Total	33,800,000	0.000769		

(1)

In August of 2012, the Company, pursuant to certain private negotiations, agreed to purchase an aggregate of 33,800,000 shares of the Company s common stock from certain shareholders of the Company for a total purchase price of $26,000. Following consummation of the foregoing, all of the purchased shares were subsequently cancelled by the Company.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

As the mines operated by the Company are not located in the United States, we are not subject to the provisions of the Federal Mine Safety and Health Act of 1977 and are thus not required to provide the information required by this Item 4.

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 2214098 Ontario Ltd., entered into on December 23, 2010
*10.2	Mineral Property Acquisition Agreement, by and between Company and Fire Lake Resources Inc., entered into on June 25, 2011
*10.3	Mineral Property Acquisition Agreement, by and between Company and Shining Tree Resources Corp., entered into on February 7, 2012
*10.4	Mineral Property Acquisition Agreement, by and between Company and Brian McClay, entered into October 4, 2012.
*10.5	License Agreement, by and between Company and GSN Dreamworks, Inc., entered into June 4, 2010
*10.6	License Agreement, by and between Company and R&B Cormier Enterprises Inc., entered into on June 4, 2010
*10.7	Consulting Agreement, by and between Company and Mr. Luc Duchesne, entered into on June 4, 2010
*10.8	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
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
**101.INS	XBRL Instance Document

**101.SCH	XBRL Taxonomy Extension Schema Document
**101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
**101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
**101.LAB	XBRL Taxonomy Extension Label Linkbase Document
**101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Included in previously filed reporting documents.

** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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 15 , 2012	By:	/s/ Benjamin Ward Benjamin Ward President, Chief Executive Officer (Principal Executive Officer) and Director
	Joshua Gold Resources Inc.	
Dated: November 15 , 2012	By:	/s/ Dino Micacchi Dino Micacchi Chief Financial Officer (Principal Financial Officer)