

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

Geneva Resources, Inc.
Form 10-Q
January 13, 2009

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

Mark One

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the period ended November 30, 2008

☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 0-32593

GENEVA RESOURCES, INC.

(NAME OF SMALL BUSINESS ISSUER IN ITS CHARTER)

NEVADA

(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

98-0441019

(I.R.S. EMPLOYER
IDENTIFICATION NO.)

2533 N. CARSON STREET, SUITE 125
CARSON CITY, NEVADA 89706

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(775) 348-9330

(ISSUER'S TELEPHONE NUMBER)

SECURITIES REGISTERED PURSUANT TO SECTION
12 (b) OF THE ACT:
NONE

NAME OF EACH EXCHANGE ON WHICH
REGISTERED:

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
COMMON STOCK, \$0.001PAR VALUE

(TITLE OF CLASS)

Indicate by checkmark whether the issuer: (1) has 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

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO ISSUER INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS.

N/A

Indicate by checkmark whether the issuer has filed all documents and reports required to be filed by Section 12, 13 and 15(d) of the Securities Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

APPLICABLE ONLY TO CORPORATE REGISTRANTS

Indicate the number of shares outstanding Outstanding as of January 6, 2009
of each of the issuer's classes of common
stock, as of the most practicable date:

Class	
Common Stock, \$0.001 par value	38,536,862

Transitional Small Business Disclosure Format (Check one): Yes ☐ No ☒

2

GENEVA RESOURCES, INC.

FORM 10-Q

	Page
Part I. FINANCIAL INFORMATION	4
Item 1. FINANCIAL STATEMENTS	
Balance Sheets	5
Statements of Operations (unaudited)	6
Statements of Cash Flows (unaudited)	7
Notes to Financial Statements (unaudited)	8

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	24
Item 4.	Controls and Procedures	24
Part II.	OTHER INFORMATION	26
Item 1.	Legal Proceedings	26
Item 1A.	Risk Factors	26
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	26
Item 3.	Defaults Upon Senior Securities	26
Item 4.	Submission of Matters to a Vote of Security Holders	27
Item 5.	Other Information	27
Item 6.	Exhibits	27

3

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)

FINANCIAL STATEMENTS

NOVEMBER 30, 2008
(Unaudited)

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)

BALANCE SHEETS

November 30,
2008

(unaudited)

ASSETS

CURRENT ASSETS

Cash	\$ 63,037
Other receivable	270,430

TOTAL CURRENT ASSETS	333,467
----------------------	---------

Deposit on property (Note 3a)	165,010
-------------------------------	---------

TOTAL ASSETS	\$ 498,477
--------------	------------

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 175,798
Due to related parties (Note 6)	30,000
Shareholder's loan and accrued interest (Note 7)	1,857,494

2,063,292

GOING CONCERN CONTINGENCY AND COMMITMENTS (Notes 1 and 8)

STOCKHOLDERS' DEFICIT

Capital stock (Note 4)	
Authorized 200,000,000 shares of common stock, \$0.001 par value,	
Issued and outstanding	
38,536,862 shares of common stock (May 31, 2008 - 38,136,862)	38,537
Additional paid-in capital	5,025,879
Private placement subscriptions	-
Deficit accumulated during the exploration stage	(6,629,231)

TOTAL STOCKHOLDERS' DEFICIT	(1,564,815)
-----------------------------	-------------

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT \$ 498,477

The accompanying notes are an integral part of these financial statements

5

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Six Months
	November 30,	November 30,	November 30,
	2008	2007	2008
REVENUE	\$ -	\$ -	\$ -
DIRECT COSTS	-	-	-
GROSS MARGIN (LOSS)	-	-	-
GENERAL AND ADMINISTRATIVE EXPENSES			
Office and general	2,190	18,967	9,320
Consulting fees	75,220	15,000	158,907
Marketing expenses	-	3,460	-
Management fees	-	2,000	-
Mineral property expenditures (Note 3)	(10,000)	154,089	90,000
Professional fees	90,284	130,489	158,155
TOTAL GENERAL & ADMINISTRATION EXPENSES	(157,694)	(324,005)	(416,382)
NET OPERATING LOSS	(157,694)	(324,005)	(416,382)
OTHER INCOME (EXPENSE)			
Net gains on settlements	-	-	-
Interest expense	(40,209)	(15,197)	(74,892)
TOTAL OTHER INCOME (EXPENSE)	(40,209)	(15,197)	(74,892)

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

NET LOSS	\$ (197,903)	\$ (339,202)	\$ (491,274)
----------	--------------	--------------	--------------

BASIC LOSS PER COMMON SHARE	\$ (0.00)	\$ (0.01)	\$ (0.01)
-----------------------------	-----------	-----------	-----------

WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
- BASIC	38,497,302	41,205,055	38,316,097

The accompanying notes are an integral part of these financial statements

6

GENEVA RESOURCES, INC. (AN EXPLORATION STAGE COMPANY) STATEMENTS OF CASH FLOWS (UNAUDITED)

Six months ended November 30, 2008	Six Nove
---------------------------------------	-------------

CASH FLOWS FROM OPERATING ACTIVITIES

Net (loss) for the period	\$ (491,275)
Adjustments to reconcile net loss to net cash used in operating activities:	
Non-cash mineral property expenditures (recoveries)	-
Non-cash net gain on settlement	-
Stock-based compensation	-
Changes in operating assets and liabilities:	
Other receivable	(430)
Property deposits	-
Accrued interest on shareholder's loan	74,892
Due to related parties	-
Accounts payable and accrued liabilities	(24,506)

(441,319)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds on sale and subscriptions of common stock	-
Proceeds from shareholder advances	495,000

NET CASH PROVIDED BY FINANCING ACTIVITIES	495,000
---	---------

NET INCREASE (DECREASE) IN CASH	53,681
---------------------------------	--------

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

CASH, BEGINNING	9,356
-----------------	-------

CASH, ENDING	\$ 63,037
--------------	-----------

SUPPLEMENTAL CASH FLOW INFORMATION AND NONCASH INVESTING AND FINANCING ACTIVITIES

Shares issued for settlement of liability	\$ -
---	------

Shares issued as deposit on mineral property purchase option	\$ -
--	------

Other receivable due in shares	\$ -
--------------------------------	------

The accompanying notes are an integral part of these financial statements

7

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2008 (UNAUDITED)

NOTE 1 - NATURE OF OPERATIONS AND BASIS OF PRESENTATION

The Company was incorporated in the State of Nevada on April 5, 2004. The Company was initially formed to engage in the business of reclaiming and stabilizing land in preparation for construction in the United States of America. On November 27, 2006, the Company filed Articles of Merger with the Secretary of State of Nevada in order to effectuate a merger whereby the Company (as Revelstoke Industries, Inc.) would merge with its wholly-owned subsidiary, Geneva Gold Corp. This merger became effective as of December 1, 2006 and the Company changed its name to Geneva Gold Corp. On March 1, 2007, the Company (Geneva Gold Corp.) merged with its wholly-owned subsidiary, Geneva Resources, Inc., pursuant to Articles of Merger that the Company filed with the Nevada Secretary of State. This merger became effective March 1, 2007 and the Company changed its name to Geneva Resources, Inc.

During 2007, the Company entered the business of exploration of precious metals with a focus on the exploration and development of gold deposits in North America and Internationally. During this period the Company entered into Option Agreements to obtain mineral leases in Canada, Panama, Peru and Nigeria.

The Company has a fiscal year of May 31. On May 5, 2006, the Company completed a forward stock split by the issuance of 42 new shares for each 1 outstanding

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

share of the Company's common stock. On October 13, 2006, the Company completed a forward stock split by the issuance of 4 new shares for each 1 outstanding share of the Company's stock.

GOING CONCERN

To date the Company has generated minimal revenues from its business operations and has incurred operating losses since inception of \$6,629,231. As at November 30, 2008, the Company has a working capital deficit of \$1,729,825. The Company requires additional funding to meet its ongoing obligations and to fund anticipated operating losses. The ability of the Company to continue as a going concern is dependant on raising capital to fund its initial business plan and ultimately to attain profitable operations. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern. The Company intends to continue to fund its mineral exploration business by way of private placements and advances from related parties as may be required.

UNAUDITED FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for financial information and with the instructions to Form 10-Q. They do not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there have been no material changes in the information disclosed in the notes to the financial statements for the year ended May 31, 2008 included in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. The unaudited financial statements should be read in conjunction with those financial statements included in the Form 10-KSB. In the opinion of Management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the six months ended November 30, 2008, are not necessarily indicative of the results that may be expected for the year ending May 31, 2009.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

These financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America.

USE OF ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Accordingly, actual results could differ from those estimates.

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2008 (UNAUDITED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MINERAL PROPERTY EXPENDITURES

The Company is primarily engaged in the acquisition, exploration and development of mineral properties.

Mineral property acquisition costs are capitalized in accordance with EITF 04-2 when management has determined that probable future benefits consisting of a contribution to future cash inflows have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and budgeted exploration and development expenditures. Mineral property acquisition costs are expensed as incurred if the criteria for capitalization are not met. In the event that mineral property acquisition costs are paid with Company shares, those shares are recorded at the estimated fair value at the time the shares are due in accordance with the terms of the property agreements.

Mineral property exploration costs are expensed as incurred.

When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves and pre-feasibility, the costs incurred to develop such property are capitalized.

Estimated future removal and site restoration costs, when determinable are provided over the life of proven reserves on a units-of-production basis. Costs, which include production equipment removal and environmental remediation, are estimated each period by management based on current regulations, actual expenses incurred, and technology and industry standards. Any charge is included in exploration expense or the provision for depletion and depreciation during the period and the actual restoration expenditures are charged to the accumulated provision amounts as incurred.

As of the date of these financial statements, the Company has incurred only property option payments and exploration costs which have been expensed.

To date the Company has not established any proven or probable reserves on its mineral properties.

ASSET RETIREMENT OBLIGATIONS

The Company has adopted the provisions of SFAS No. 143 "Accounting for Asset Retirement Obligations," which establishes standards for the initial measurement and subsequent accounting for obligations associated with the sale, abandonment or other disposal of long-lived tangible assets arising from the acquisition, construction or development and for normal operations of such assets. The adoption of this standard has had no effect on the Company's financial position or results of operations. As of November 30, 2008, any potential costs relating to the ultimate disposition of the Company's mineral property interests are not yet determinable.

INCOME TAXES

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

carrying amounts of existing assets and liabilities and their respective tax balances. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. As at November 30, 2008, the Company had net operating loss carryforwards, however, due to the uncertainty of realization, the Company has provided a full valuation allowance for the deferred tax assets resulting from these loss carryforwards. Deferred income taxes are reported for timing differences between items of income or expense reported in the financial statements and those reported for income tax purposes in accordance with SFAS No. 109, "Accounting for Income Taxes," which requires the use of the asset/liability method of accounting for income taxes. Deferred income taxes and tax benefits are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax loss and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides for deferred taxes for the estimated future tax effects attributable to temporary differences and carry-forwards when realization is more likely than not.

9

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2008 (UNAUDITED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET INCOME (LOSS) PER SHARE

The Company computes income (loss) per share in accordance with SFAS No. 128, "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted income (loss) per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in United States dollars. In accordance with SFAS No. 52, "Foreign Currency Translation", foreign denominated monetary assets and liabilities are translated to their United States dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the period. Related translation adjustments are reported as a separate component of stockholders' equity, whereas gains or losses resulting from foreign currency transactions are included in results of operations. To November 30, 2008, the

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

Company has not recorded any translation adjustments into stockholders' equity.

STOCK-BASED COMPENSATION

On June 1, 2006, the Company adopted the fair value recognition provisions of Financial Accounting Standards Board ("FASB") Statement No. 123(R), SHARE-BASED PAYMENT, ("SFAS 123(R)"). The Company adopted SFAS 123(R) using the modified-prospective-transition method. Under this method, compensation cost recognized for the year ended May 31, 2007 includes: a) compensation cost for all share-based payments granted prior to, but not yet vested as of May 31, 2006, based on the grant-date fair value estimated in accordance with the original provisions of SFAS 123, and b) compensation cost for all share-based payments granted subsequent to May 31, 2006, based on the grant-date fair value estimated in accordance with the provisions of SFAS 123(R). In addition, deferred stock compensation related to non-vested options is required to be eliminated against additional paid-in capital upon adoption of SFAS 123(R). The results for the prior periods were not restated.

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123(R) and the conclusions reached by the Emerging Issues Task Force ("EITF") in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with the requirements of SFAS No. 107, the Company has determined the estimated fair value of financial instruments using available market information and appropriate valuation methodologies. The fair value of financial instruments classified as current assets or liabilities approximate their carrying value due to the short-term maturity of the instruments.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2008, the FASB issued SFAS No. 163, ACCOUNTING FOR FINANCIAL GUARANTEE INSURANCE CONTRACTS ("SFAS 163"). SFAS 163 clarifies how SFAS 60, ACCOUNTING AND REPORTING BY INSURANCE ENTERPRISES applies to financial guarantee insurance contracts issued by insurance enterprises, including the recognition and measurement of premium revenue and claim liabilities. It also requires expanded disclosures about financial guarantee insurance contracts. SFAS 163 is effective for the Company's interim period commencing June 1, 2009, except for disclosures about an insurance enterprise's risk-management activities, which were effective for the Company's interim period commencing June 1, 2008. Management does not expect the adoption of SFAS 163 to have a material impact on the Company's financial position, cash flows and results of operations.

In March 2008, the FASB issued SFAS No. 161, DISCLOSURES ABOUT DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES ("SFAS 161"). SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. SFAS 161 achieves these improvements by requiring disclosure of the fair values of derivative instruments and their gains and losses in a tabular format. It also provides more information about an entity's liquidity by requiring disclosure of derivative features that are credit risk-related. Finally, it requires cross-referencing within footnotes to enable financial statement users

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2008 (UNAUDITED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (CONTINUED)

to locate important information about derivative instruments. SFAS 161 will be effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 and will be adopted by the Company beginning in the first quarter of 2009. The Company has determined that the adoption of SFAS 161 during the period did not have any material impact on the Company's results of operations or financial position

In December 2007, the FASB issued SFAS No. 160, NONCONTROLLING INTEREST IN CONSOLIDATED FINANCIAL STATEMENTS, AN AMENDMENT OF ARB NO. 51 ("SFAS No. 160"), which will change the accounting and reporting for minority interests and will be recharacterized as noncontrolling interests and classified as a component of equity within the consolidated balance sheets. SFAS No. 160 is effective as of the beginning of an entity's first fiscal year beginning on or after December 15, 2008. Earlier adoption is prohibited. Management has not determined the effect that adopting this statement would have on the Company's financial position or results of operations.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), BUSINESS COMBINATIONS ("SFAS No. 141R"). SFAS No. 141R will change the accounting for business combinations. Under SFAS No. 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. SFAS No. 141R will change the accounting treatment and disclosure for certain specific items in a business combination. SFAS No. 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the entity's first annual reporting period beginning on or after December 15, 2008. Accordingly, any business combinations completed by the Company prior to June 1, 2009 will be recorded and disclosed following existing GAAP. Management has not determined the effect that adopting this statement would have on the Company's financial position or results of operations.

In February 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 159, THE FAIR VALUE OPTION FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES - INCLUDING AN AMENDMENT OF FASB STATEMENT NO. 115 ("SFAS No. 159"). This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. This statement is effective as of the beginning of the Company's first fiscal year that begins after November 15, 2007, although earlier adoption is permitted. The Company has

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

determined that the adoption of SFAS 159 during the period did not have any material impact on the Company's results of operations or financial position.

In September 2006, FASB issued SFAS No. 157, FAIR VALUE MEASURE ("SFAS No. 157"). This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), expands disclosures about fair value measurements, and applies under other accounting pronouncements that require or permit fair value measurements. SFAS No. 157 does not require any new fair value measurements. However, the FASB anticipates that for some entities, the application of SFAS No. 157 will change current practice. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, which for the Company is the fiscal year beginning June 1, 2008. The Company is currently evaluating the impact of adopting SFAS No. 157 but does not expect that it will have a significant effect on its financial position or results of operations.

NOTE 3 -MINERAL EXPLORATION PROPERTIES

(A) VILCORO GOLD PROPERTY

On February 23, 2007, the Company entered into a Property Option Agreement with St. Elias Mines Ltd., ("St. Elias") a publicly traded company on the TSX-V exchange, to acquire not less than an undivided 66% legal, beneficial and registerable interest in certain mining leases in Peru comprised of approximately 600 hectares in Peru.

11

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2008 (UNAUDITED)

NOTE 3 -MINERAL EXPLORATION PROPERTIES (CONTINUED)

(A) VILCORO GOLD PROPERTY (CONTINUED)

On December 1, 2007, the Company entered into an extension agreement with St. Elias (the "December Extension Agreement"). The December Extension Agreement (i) acknowledges that in accordance with the terms and provisions of the Property Option Agreement, the Company must incur and pay exploration expenditures of not less than \$500,000 prior to January 17, 2008, and (ii) provides an extension until March 31, 2008 to incur and pay such Exploration Expenditures. On June 4, 2008, an indefinite extension was granted by St. Elias to pay such Exploration Expenditures, based on the Operator's work on schedule.

Under the terms of the Property Option Agreement, and in order to exercise its Option to acquire the properties, the Company is required to make the following non-refundable cash payments to St. Elias totaling \$350,000 in the following manner:

1. Payment of \$50,000 in cash (paid).

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

2. The second payment of \$100,000 cash and 50,000 shares of the Company's common stock are due on or before the twelve-month anniversary of the signing of the Property Option Agreement (paid).
3. The third payment of \$200,000 cash is due on or before the twenty-fourth-month anniversary of the signing of the Property Option Agreement.

The Company is also required to incur costs totaling \$2,500,000 as follows:

1. expenditures of \$500,000 are to be incurred on or before the twelve month anniversary (subsequently indefinitely extended as described above) of the signing of the Property Option Agreement. (\$551,000 was incurred from the inception of the agreement through November 30, 2008)
2. expenditures of \$750,000 are to be incurred on or before the twenty-fourth-month anniversary of the signing of the Property Option Agreement; and
3. expenditures of \$1,250,000 are to be incurred on or before the thirty-sixth-month anniversary of the signing of the Property Option Agreement.

Also under the terms of the Property Option Agreement, St. Elias will be the operator of the properties and will receive an 8% operator fee on all exploration expenditures. Once the Company exercises the Option, the Company agrees to pay 100% of all ongoing exploration, development and production costs until commercial production and the Company has the right to receive 100% of any cash flow from commercial production of the properties until it has recouped its production costs, after which the cash flow will be allocated 66% to the Company and 34% to St. Elias.

On November 10, 2008, the Company commenced legal proceedings in the Supreme Court of British Columbia, Canada against each of St. Elias and John Brophy P. Geol. The Company is seeking rescission of the property option agreement and the return of all funds and shares advanced by the Company to St. Elias. The Company alleges that St. Elias failed to properly discharge its duty as an operator of the Vilcoro Property and also alleges that each of St. Elias and John Brophy failed to provide the Company complete and accurate information relating to the ownership of the Vilcoro Property and to the ownership of the adjacent property, including failing to disclose that John Brophy and his wife had an interest in the Vilcoro Property and the adjacent property. The Company also has alleged that St. Elias used some of the exploration funds provided by the Company to fund the exploration of the adjoining property.

A statement of Defence was filed by St. Elias and John Brophy on December 23, 2008, denying the majority of the allegations made by Geneva Resources. In addition St. Elias and John Brophy also filed a counter claim against Geneva for abuse of process and punitive damages. All allegations of Geneva, St. Elias and John Brophy remain to be proved in Court.

During the period, the Company recorded a mineral property recovery of \$50,000 in connection with the return of funds originally paid into trust to fund exploration activities.

(B) SAN JUAN PROPERTY

On November 16, 2006, the Company entered into a Property Option Agreement with Petaquilla Minerals Ltd ("Petaquilla"). Petaquilla therein granted the Company the sole and exclusive option to acquire up to a 70% undivided interest in and

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

to five exploration concessions situated in the Republic of Panama owned and controlled by Petaquilla's wholly-owned subsidiary.

12

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2008 (UNAUDITED)

NOTE 3 -MINERAL EXPLORATION PROPERTIES (CONTINUED)

(B) SAN JUAN PROPERTY (CONTINUED)

During 2007, certain disputes arose between the Company and Petaquilla which were resolved during 2008 by way of a settlement agreement (the "Settlement"), mutual release and the ultimate termination of the original option agreement. Pursuant to the terms of the Settlement: (i) Petaquilla shall issue 100,000 shares of its common stock to the Company, subject to pooling and release in four equal monthly tranches commencing no later than December 31, 2008 and certain other conditions, (ii) the 4,000,000 shares of the restricted common stock previously issued by the Company to Petaquilla shall be returned to the Company; and (iii) the \$100,000 previously paid by the Company in order to exercise the initial portion of the Option shall be returned to the Company.

As of May 31, 2008, the Company had received \$100,000 and the return of the 4,000,000 restricted shares of the Company's common stock with an estimated fair value of \$5,440,000. In addition, the Company recorded the 100,000 common shares of Petaquilla, with an estimated fair value of \$270,000, as accounts receivable as of May 31, 2008. The total proceeds of \$5,810,000 was included in amounts recorded as gain on settlements during 2008.

NOTE 4 - STOCKHOLDERS' DEFICIT

The Company's capitalization is 200,000,000 common shares with a par value of \$0.001 per share. On January 12, 2007, shareholders consented to increase the authorized share capital of the Company from 50,000,000 shares of common stock to 200,000,000 shares of common stock with the same par value of \$0.001 per share.

On May 1, 2006, a majority of shareholders and the directors of the Company approved a special resolution to undertake a forward stock split of the common stock of the Company on a 42 new shares for 1 old share basis whereby 16,400,000 common shares were issued pro-rata to shareholders of the Company as of the record date on May 1, 2006.

On September 27, 2006, four founding shareholders returned 30,000,000 of their restricted founders' shares, previously issued at prices ranging from \$0.0004 - \$0.00225 per share, to treasury and the shares were subsequently cancelled by the Company. The shares were returned to treasury for no consideration to the founding shareholders.

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

On October 13, 2006, a majority of the Board of Directors approved by way of a stock dividend to undertake a forward stock split of the common stock of the Company on a 4 new shares for 1 old share basis whereby 27,900,000 common shares were issued pro-rata to shareholders of the Company as of October 13, 2006.

All references in these financial statements to number of common shares, price per share and weighted average number of common shares outstanding prior to the 42:1 forward split and the 4:1 forward split have been adjusted to reflect these stock splits on a retroactive basis, unless otherwise noted.

On December 1, 2006, the Company issued 4,000,000 common shares valued at \$7,400,000 in connection with the San Juan Property Option Agreement

In August 2007, the Company received \$400,000 towards a planned private placement of Units to be offered at \$1.00 per unit with each unit consisting of one common share and one warrant to acquire an additional common share, exercisable at \$1.50 for twelve months. On February 29, 2008, the Company changed the terms of the planned private placement of Units now to be offered at \$1.00 per unit with each unit consisting of one common share only. The 400,000 shares were issued on September 9, 2008.

On October 15, 2007, the Company issued 10,000 common shares with a fair value of \$15,000 as a finder's fee payment in connection with the Vilcoro Gold Property Option Agreement.

On January 31, 2008, the Company issued 50,000 common shares to St. Elias Mines Ltd. with a fair value of \$65,000 in connection with the Vilcoro Gold Property Option Agreement (Refer Note 3a).

On March 14, 2008, the Company returned to treasury the 4,000,000 common shares with a fair value of \$5,440,000 in connection with the settlement with Petaquilla (Refer to Note 3b).

13

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2008 (UNAUDITED)

NOTE 4 - STOCKHOLDERS' EQUITY (CONTINUED)

On May 29, 2008, the Company issued 86,500 common shares at \$1.25 per share totaling \$108,125, in settlement of \$86,500 in debt owed by the Company to the president of the Company (Refer Note 6), resulting in a \$21,625 loss on the debt settlement.

On May 29, 2008, the Company issued 790,362 common shares at \$1.25 per share totaling \$987,953, in settlement of \$790,362 in debt owed by the Company to a supplier of the Company, resulting in a \$197,591 loss on the debt settlement.

NOTE 5 - STOCK OPTION PLAN

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

On May 9, 2007, the Board of Directors of the Company ratified, approved and adopted a Stock Option Plan for the Company in the amount of 5,000,000 shares with an exercisable period up to 10 years. In the event an optionee ceases to be employed by or to provide services to the Company for reasons other than cause, any Stock Option that is vested and held by such optionee may be exercisable within up to ninety calendar days after the effective date that his position ceases. No Stock Option granted under the Stock Option Plan is transferable. Any Stock Option held by an optionee at the time of his death may be exercised by his estate within one year of his death or such longer period as the Board of Directors may determine. On May 9, 2007, the Board of Directors of the Company ratified and approved under the Company's existing Stock Option Plan the issuance of 1,500,000 shares for ten years at \$1.00 per share.

On May 9, 2007, the Company granted 1,500,000 stock options to officers, directors and consultants of the Company at \$1.00 per share. The term of these options are ten years. The total fair value of these options at the date of grant was \$965,671, and was estimated using the Black-Scholes option pricing model with an expected life of 10 years, a risk free interest rate of 4.49%, a dividend yield of 0% and expected volatility of 164% and was recorded as a stock based compensation expense in the year ended May 31, 2007.

On April 28, 2008, the Company granted 350,000 stock options to a director of the Company at \$1.20 per share. The term of these options are ten years. The total fair value of these options at the date of grant was \$388,500 and was estimated using the Black-Scholes option pricing model with an expected life of 10 years, a risk free interest rate of 3.86%, a dividend yield of 0% and expected volatility of 126% and has been recorded as a stock based compensation expense in the year ended May 31, 2008.

A summary of the Company's stock options as of November 30, 2008, and changes during the period then ended is presented below:

	Number of Options	Weighted average exercise Price per share	Weighted average remaining Contractual life (in years)
OUTSTANDING AT MAY 31, 2007	1,500,000	1.00	9.94
Granted during the period	-	1.20	-
Exercised during the year	-	-	-
OUTSTANDING AT MAY 31, 2008	1,500,000	1.04	9.12
Granted during the period	350,000	-	-
Exercised during the period	-	-	-
OUTSTANDING AT NOVEMBER 30, 2008	1,850,000	\$1.04	8.62
=====			

NOTE 6 - RELATED PARTY TRANSACTIONS

MANAGEMENT FEES

In July 2007 the Company terminated the former President's employment for cause. As of November 30, 2008 the Company had accrued \$30,000 in management fees still owing to its former president. (Refer Note 8)

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

On May 29, 2008, the Company issued 86,500 common shares at \$1.25 per share totaling \$108,125, in settlement of \$86,500 in debt owed by the Company to the president of the Company resulting in a \$21,625 loss on the debt settlement.

14

GENEVA RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2008 (UNAUDITED)

NOTE 6 - RELATED PARTY TRANSACTIONS (CONTINUED)

MANAGEMENT FEES (CONTINUED)

During the period ended November 30, 2008, the Company incurred no management fees to officers and directors (November 30, 2007 - \$62,000).

The above transactions have been in the normal course of operations and, in management's opinion, undertaken with similar terms and conditions as transactions with unrelated parties.

NOTE 7 - SHAREHOLDER'S LOAN

On November 14, 2006, a significant shareholder of the Company advanced \$100,000 on behalf of the Company regarding a previous property option agreement. Additional advances of \$303,500 and \$795,000 were received during the years ended May 31, 2007 and May 31, 2008, respectively. During the period ended November 30, 2008, an additional \$495,000 was advanced by the same shareholder under the same terms and conditions. These amounts are unsecured, bear interest at 10% per annum, and have no set terms of repayment. The total amount outstanding as of November 30, 2008 including accrued interest is \$1,857,494 (May 31, 2008 - \$1,287,602).

NOTE 8 - CONTINGENCY

During July 2007, the Company terminated the former President's employment for cause. The former President has since made certain false allegations against the Company, as specifically described in the body of the Company's February 29, 2008 filing on Form 10-QSB. Although the Company refutes these allegations and believes termination was justified, it is possible that the Company may be exposed to a loss contingency. However, the amount of such loss, if any, cannot be reasonably estimated at this time and accordingly, no amount has been recorded to date.

NOTE 9 - INCOME TAXES

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

The Company has adopted the FASB No. 109 for reporting purposes. As of November 30, 2008, the Company had net operating loss carry forwards of approximately \$5,275,000 that may be available to reduce future years' taxable income through 2028. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements, as their realization is determined not likely to occur and accordingly, the Company has recorded a valuation allowance for the deferred tax asset relating to these tax loss carryforwards.

15

FORWARD LOOKING STATEMENTS

Statements made in this Form 10-Q that are not historical or current facts are "forward-looking statements" made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 (the "Act") and Section 21E of the Securities Exchange Act of 1934. These statements often can be identified by the use of terms such as "may," "will," "expect," "believe," "anticipate," "estimate," "approximate," or "continue," or the negative thereof. We intend that such forward-looking statements be subject to the safe harbors for such statements. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management's best judgment as to what may occur in the future. However, forward-looking statements are subject to risks, uncertainties and important factors beyond our control that could cause actual results and events to differ materially from historical results of operations and events and those presently anticipated or projected. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events.

AVAILABLE INFORMATION

Geneva Resources, Inc. files annual, quarterly, current reports, proxy statements, and other information with the Securities and Exchange Commission (the "Commission"). You may read and copy documents referred to in this Quarterly Report on Form 10-Q that have been filed with the Commission at the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. You may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. You can also obtain copies of our Commission filings by going to the Commission's website at <http://www.sec.gov>.

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

GENERAL

Geneva Resources, Inc. was incorporated under the laws of the State of Nevada on April 5, 2004 under the name "Revelstoke Industries, Inc." for the purpose of reclaiming and stabilizing land in preparation for construction in Canada. Effective November 27, 2006, we changed our name to "Geneva Gold Corp.". Subsequently, effective March 1, 2007, we changed our name to "Geneva Resources, Inc.".

CURRENT BUSINESS OPERATIONS

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

We are currently engaged in the business of exploration of precious metals with a focus on the exploration and development of gold deposits in North America and internationally. As of the date of this Quarterly Report, our mineral interests consist mainly of option agreements on exploration stage properties as discussed below. We have not established any proven or probable reserves on our mineral property interests.

16

MINERAL PROPERTIES

VILCORO GOLD PROPERTY

On January 22, 2007, we entered into a letter of intent with St. Elias Mines Ltd. ("St Elias"), pursuant to which St. Elias proposed to grant to us an option to acquire not less than an undivided 66% legal, beneficial and registerable interest in certain mining leases in Peru including St. Elias' option to earn a 95% interest in the Vilcoro Gold Property project comprised of approximately 600 hectares in Peru (collectively, the "Vilcoro Properties").

On February 23, 2007, we entered into a formal property option agreement (the "Vilcoro Option Agreement") with St. Elias pursuant to which St. Elias granted to us an option to acquire not less than the undivided 66% legal, beneficial and registerable interest in the Vilcoro Properties (the "Vilcoro Option").

On December 1, 2007, we entered into an extension agreement with St. Elias (the "December 2007 Extension Agreement"). The December 2007 Extension Agreement acknowledged that in accordance with the terms and provisions of the Vilcoro Option Agreement, we must incur and pay exploration expenditures of not less than \$500,000 prior to January 17, 2008 (the "Exploration Expenditures"), and provided us an extension until March 31, 2008 to incur and pay such Exploration Expenditures. On March 28, 2008, we entered into a second extension agreement with St. Elias (the "March 2008 Extension Agreement"), which provided us with an extension until June 30, 2008 to incur and pay such Exploration Expenditures. On June 4, 2008, we entered into a third extension with St. Elias (the "June 2008 Extension Agreement"), which provides us with an indefinite extension to pay such Exploration Expenditures based on the Operator's work schedule.

Under the terms of the Vilcoro Option Agreement and in order to exercise the Vilcoro Option, we were required to make the following non-refundable cash payments to St. Elias aggregating \$350,000 as follows: (i) \$50,000 within five business days from the execution of the Vilcoro Option Agreement, which as of the date of this Quarterly Report, was paid; (ii) \$100,000 due on or before the 12-month anniversary of execution of the Vilcoro Option Agreement (which was paid); and (iii) \$200,000 due on or before the 24-month anniversary of execution of the Vilcoro Option Agreement.

In accordance with the terms and provisions of the Vilcoro Option Agreement, we were further required to: (i) issue to St. Elias 50,000 shares of our restricted common stock on or before the 12-month anniversary of execution of the Vilcoro Option Agreement (which as of the date of this Quarterly Report have been issued); and (ii) incur costs totaling \$2,500,000 as follows: (a) expenditures of \$500,000 were to be incurred on or before the 12-month anniversary of execution of the Vilcoro Option Agreement of which \$551,000 had been advanced from inception of the agreement until the date of this Quarterly Report (which date was subsequently extended indefinitely based on the June 2008 Extension Agreement); (b) second expenditure of \$750,000 was to be incurred on or before

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

the 24-month anniversary of execution of the Vilcoro Option Agreement; and (iii) third expenditure of \$1,250,000 was to be incurred on or before the 36-month anniversary of execution of the Vilcoro Option Agreement.

17

Under further terms of the Vilcoro Option Agreement: (i) St. Elias would have been the operator (the "Operator") of the Vilcoro Properties and would have received an 8% operator fee on all exploration expenditures; (ii) once we exercised the Vilcoro Option, we agreed to pay 100% of all on-going exploration, development and production costs until commercial production (the "Production Costs"); and (iii) we would have had the right to receive 100% of any cash flow from commercial production of the Vilcoro Properties until we recouped the Production Costs after which the cash flow would have been allocated 66% to us and 34% to St. Elias.

PHASE I EXPLORATION PROGRAM. We were previously engaged in our Phase I exploration program. The Vilcoro Property comprised approximately 1,600 hectares and lay along the game geological belt of Tertiary rocks that host deposits in northern Peru, such as Newmont's Yanacocha Mine and Barrick's Pierina deposit. A total of 256 channel samples and 28 check samples had been collected from outcrops, trenches and underground workings, which sample preparation and analytical work was undertaken at ALS Chemex SA Laboratory (an ISO-certified facility) in Lima Peru, using standard industry practice fire assay with an atomic absorption finish. Most of the channel samples were three to five meters long. This work defined two mineralized trends referred to as the Main Trend and the South Trend. Six individual mineralized zones (Zones 1 through 6) had been identified within the Main Trend and three individual mineralized zones (Zones A through C) had been identified within the South Trend. The South Trend laid approximately 200 meters to the south of the Main Trend and comprised an east-west alignment (parallel to the Main Trend) of mineralized hydrobreccia occurrences in three zones.

On approximately April 9, 2008, we received a technical report (the "Technical Report") in accordance with the provisions of National Instrument 43-101 of the Canadian Securities Administrators on the Vilcoro Properties. The Technical Report was authored by John A. Brophy, P.Geo., who has thirty-two years of continuous geological experience on exploring for a variety of commodities including gold, copper, zinc, lead, uranium and silver. Based on the contents of the Technical Report, management was pleased with the evidence of disseminated mineralization on the Vilcoro Properties with average ore grades of 0.8 g/t, and previously continued fieldwork at Vilcoro Properties with emphasis on additional trenching between the individual zones on the Main Trend. The Technical Report is available on our website at WWW.GENEVARESOURCESINC.COM.

LITIGATION AND STATEMENT OF CLAIM. On November 6, 2008, we filed a Writ of Summons and Statement of Claim (collectively, the "Statement of Claim") against St. Elias and John A. Brophy ("Brophy") in the Supreme Court of British Columbia. The Statement of Claim relates to the Property Option Agreement.

The Statement of Claim alleges the following claims: (i) in tort against Brophy alleging non-disclosure of material facts and complete and accurate information relating to the ownership of the Vilcoro Property and to the ownership of the adjacent property, including failing to disclose that Brophy and his wife had an interest in the Vilcoro Property and the adjacent property, which entitles us to rescind the Property Option Agreement and return of an aggregate of \$150,000 paid to St. Elias under the Property Option Agreement, an aggregate of \$486,000

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

paid in exploration expenditures, and 50,000 shares of our common stock issued to St. Elias; (ii) breach of the Property Option Agreement relating to the failure by St. Elias to provide to us all data and information in its possession or under its control relating to St. Elias' exploration activities on and in the

18

vicinity of the Vilcoro Properties; and (iii) breach of the Technical Services Agreement by failure of St. Elias to timely prepare and provide a budget or work programs or to expeditiously advance the work on the Vilcoro Properties and diversion by St. Elias of money, time and resources.

As of the date of this Quarterly Report, we are seeking to rescind the Property Option Agreement and the Technical Services Agreement and damages associated with tortious misrepresentation and breach, punitive or exemplary damages. See "Part II. Other Information. Item 1. Legal Proceedings".

SAN JUAN PROPERTY

On approximately November 16, 2006, we entered into a property option agreement (the "Petaquilla Option Agreement") with Petaquilla Minerals Ltd. ("Petaquilla"). In accordance with the terms and provisions of the Petaquilla Option Agreement, Petaquilla granted to us the sole and exclusive option (the "Option") to acquire up to a 70% undivided interest in and to five exploration concessions situated in the Republic of Panama (the "San Juan Property"), which are owned and controlled by Petaquilla's wholly-owned Panamanian subsidiary.

During 2007, certain disputes arose between us and Petaquilla which were resolved during 2008 by way of a settlement agreement (the "Settlement"), mutual release and the ultimate termination of the Petaquilla Option Agreement. Pursuant to the terms of the Settlement: (i) Petaquilla shall issue 100,000 shares of its common stock to us, subject to pooling and release in four equal monthly tranches commencing no later than December 31, 2008 and certain other conditions, (ii) the 4,000,000 shares of the restricted common stock previously issued by us to Petaquilla shall be returned to us; and (iii) the \$100,000 previously paid by us in order to exercise the initial portion of the Option shall be returned to us.

As of May 31, 2008, we received \$100,000 and the return of the 4,000,000 restricted shares of our common stock with an estimated fair value of \$5,440,000. In addition, we recorded the 100,000 common shares of Petaquilla, with an estimated fair value of \$270,000, as accounts receivable as of May 31, 2008. The total proceeds of \$5,810,000 was included in amounts recorded as gain on settlements during 2008.

RESULTS OF OPERATION

SIX MONTH PERIOD ENDED NOVEMBER 30, 2008 COMPARED TO SIX MONTH PERIOD ENDED NOVEMBER 30, 2007.

The summarized consolidated financial data set forth in the tables below and discussed in this section should be read in conjunction with our consolidated financial statements and related notes for the six month period ended November 30, 2008 and November 30, 2007, which financial statements are included elsewhere in this Quarterly Report.

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

19

	SIX MONTH PERIOD ENDED NOVEMBER 30, 2008 (UNAUDITED)	SIX MONTH PERIOD ENDED NOVEMBER 30, 2007 (UNAUDITED)	APRIL 5, 2004 (TO NOVEMBER 30, 2007) (UNAUDITED)
REVENUE	-0-	-0-	\$ 46,
DIRECT COSTS	-0-	-0-	56,
GROSS MARGIN (LOSS)	-0-	-0-	(9,
GENERAL AND ADMINISTRATIVE EXPENSES			
Office and general	9,320	33,433	136,
Consulting fees	158,907	30,000	676,
Marketing expenses	-0-	7,020	894,
Management fees	-0-	62,000	1,241,
Mineral property expenditures	90,000	334,923	8,258,
Professional fees	158,155	185,594	838,
NET OPERATING LOSS	(\$416,382)	(\$652,970)	(12,056,
OTHER INCOME (EXPENSE)			
Interest expense	(74,892)	(27,345)	(163,
Net gain on settlements	-0-	-0-	5,590,
TOTAL OTHER INCOME (EXPENSE)	(74,892)	(27,345)	5,426,
NET INCOME (LOSS)	(\$491,274)	(\$680,315)	\$ (6,629,

Our net loss during the six month period ended November 30, 2008 was approximately (\$491,274) compared to a net loss of (\$680,315) for the six month period ended November 30, 2007 (a decrease of \$189,041).

During the six month periods ended November 30, 2008 and November 30, 2007, respectively, we did not generate any revenue. During the six month period ended November 30, 2008, we incurred general and administrative expenses in the aggregate amount of \$416,382 compared to \$652,970 incurred during the six month period ended November 30, 2007 (a decrease of \$236,588). The operating expenses incurred during the six month period ended November 30, 2008 consisted of: (i) office and general of \$9,320 (2007: \$33,433); (ii) consulting fees of \$158,907 (2007: \$30,000); (iii) marketing expenses of \$-0- (2007: 7,020); (iv) management fees of \$-0- (2007: \$62,000); (v) mineral property expenditures of \$90,000 (2007: \$334,923); (vi) professional fees of \$158,155 (2007: \$185,594); and (vii) interest expenses of \$74,892 (2007: \$27,345). The decrease in expenses incurred during the six month period ended November 30, 2008 compared to the six month period ended November 30, 2007 resulted primarily from a decrease in management fees and a decrease in mineral property expenditures based upon the current status of the scale and scope of exploratory and acquisition programs.

The decrease in net loss during the six month period ended November 30, 2008 compared to the six month period ended November 30, 2007 is attributable primarily to the decrease in management fees and mineral property expenditures. Management fees and mineral property expenditures incurred during the six month period ended November 30, 2008 decreased due to the decrease in acquisition and development of our mineral properties and related contracted services. General and administrative expenses generally include corporate overhead, financial and administrative contracted services, marketing and consulting costs.

Our net loss during the six month period ended November 30, 2008 was (\$491,274) or (\$0.01) per share compared to a net loss of (\$680,315) or (\$0.01) per share for the six month period ended November 30, 2007. The weighted average number of shares outstanding was 38,316,097 at November 30, 2008 compared to 41,202,514 at November 30, 2007.

THREE MONTH PERIOD ENDED NOVEMBER 30, 2008 COMPARED TO THREE MONTH PERIOD ENDED NOVEMBER 30, 2007.

Our net loss during the three month period ended November 30, 2008 was approximately (\$197,903) compared to a net loss of (\$339,202) for the three month period ended November 30, 2007 (a decrease of \$141,299).

During the three month periods ended November 30, 2008 and November 30, 2007, respectively, we did not generate any revenue. During the three month period ended November 30, 2008, we incurred general and administrative expenses in the aggregate amount of \$157,694 compared to \$324,005 incurred during the three month period ended November 30, 2007 (a decrease of \$166,311). The operating expenses incurred during the three month period ended November 30, 2008 consisted of: (i) office and general of \$2,190 (2007: \$18,967); (ii) consulting fees of \$75,220 (2007: \$15,000); (iii) management fees of \$-0- (2007: \$2,000); (iv) marketing expenses of \$-0- (2007: 3,460); (v) mineral property expenditures of (\$10,000) (2007: \$154,089); (vi) professional fees of \$90,284 (2007: \$130,489); and (vi) interest expenses of \$40,209 (2007: \$15,197). The decrease in expenses incurred during the three month period ended November 30, 2008 compared to the three month period ended November 30, 2007 resulted primarily from a decrease in professional fees and a decrease in mineral property expenditures based upon the current status of the scale and scope of exploratory and acquisition programs.

The decrease in net loss during the three month period ended November 30, 2008 compared to the three month period ended November 30, 2007 is attributable primarily to the decrease in professional fees and mineral property expenditures. Professional fees and mineral property expenditures incurred during the three month period ended November 30, 2008 decreased due to the decrease in acquisition and development of our mineral properties and related contracted services.

Our net loss during the three month period ended November 30, 2008 was (\$197,903) or (\$0.00) per share compared to a net loss of (\$339,202) or (\$0.01) per share for the three month period ended November 30, 2007. The weighted average number of shares outstanding was 38,497,302 at November 30, 2008 compared to 41,205,055 at November 30, 2007.

LIQUIDITY AND CAPITAL RESOURCES

SIX MONTH PERIOD ENDED NOVEMBER 30, 2008

Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation.

As at period ended November 30, 2008, our current assets were \$333,467 and our current liabilities were \$2,063,292, resulting in a working capital deficit of \$1,729,825. As at period ended November 30, 2008, our total assets were \$498,477 compared to total assets of \$444,366 as at fiscal year ended May 31, 2008. Total assets as at period ended November 30, 2008 consisted of: (i) \$63,037 in cash; (ii) \$270,430 in other receivable; and (iii) \$165,010 in deposit on property. As at period ended November 30, 2008, our current liabilities were \$2,063,292 compared to current liabilities of \$1,517,906 as at May 31, 2008. Our current liabilities consisted of: (i) \$175,798 in accounts payable and accrued liabilities; (ii) \$1,857,494 in shareholder's loan and accrued interest; and (iii) \$30,000 due to related parties. The increase in current liabilities was primarily due to the increase in shareholder's loan and accounts payable and accrued liabilities relating to the scale and scope of business activity.

Stockholders' deficit increased from (\$1,073,540) as at May 31, 2008 to (\$1,564,815) as at November 30, 2008.

We have not generated positive cash flows from operating activities. For the six month period ended November 30, 2008, net cash flow used in operating activities was (\$441,319) compared to net cash flow used in operating activities of (\$728,330) for the six month period ended November 30, 2007. Net cash flow used in operating activities during the six month period ended November 30, 2008 consisted primarily of a net loss of (\$491,275) changed by (\$430) in other receivable, (\$24,506) in accounts payable and accrued liabilities and \$74,892 in accrued interest on shareholder's loan.

During the six month period ended November 30, 2008, net cash flow provided by financing activities was \$495,000 compared to net cash flow from financing activities of \$725,000 for the six month period ended November 30, 2007. Net cash flow provided from financing activities during the six month period ended November 30, 2008 pertained primarily to \$495,000 received as proceeds from shareholder advances.

PLAN OF OPERATION

Existing working capital, further advances and possible debt instruments, anticipated warrant exercises, further private placements, and anticipated cash flow are expected to be adequate to fund our operations over the next six months. We have no lines of credit or other bank financing arrangements. Generally, we have financed operations to date through the proceeds of the private placement of equity and debt securities. In connection with our business plan, management anticipates that administrative expenses will decrease as a percentage of revenue as our revenue increases over the next twelve months.

Additional issuances of equity or convertible debt securities will result in dilution to our current shareholders. Further, such securities might have rights, preferences or privileges senior to our common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict our business operations.

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

During fiscal year ended May 31, 2008, we received \$400,000 towards a planned private placement of units to be offered at \$1.00 per unit. Each unit was to consist of one share of our restricted common stock and one warrant to acquire an additional share of common stock at an exercise price of \$1.50 for twelve months (the "Units(s)"). During February 2008, we revised the terms of the private placement of Units, which are now to be offered at \$1.00 per unit consisting of one share of restricted common stock. The private placement offering is under Regulation S of the Securities Act.

As of the date of this Quarterly Report, we have issued 400,000 shares of our restricted common stock in connection with this private placement offering.

The report of the independent registered public accounting firm that accompanies our fiscal year end May 31, 2008 and May 31, 2007 audited financial statements contains an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. The financial statements have been prepared "assuming that we will continue as a going concern," which contemplates that we will realize our assets and satisfy our liabilities and commitments in the ordinary course of business.

MATERIAL COMMITMENTS

As of the date of this Quarterly Report and other than as disclosed below, we do not have any material commitments for fiscal year 2008/2009.

SHAREHOLDER LOAN

On November 14, 2006, one of our shareholders advanced to Petaquilla an aggregate of \$100,000 on our behalf. Additional advances of \$303,500 and \$795,000 were received during fiscal years ended May 31, 2007 and May 31, 2008, respectively. During the six month period ended November 30, 2008, an additional \$495,000 was advanced by the same shareholder under the same terms and conditions. These amounts are unsecured, accrue interest at 10% per annum and have no established terms of repayment. As at November 30, 2008, we owe an aggregate of \$1,857,494 in principal and accrued interest.

BADNER GROUP LLC

Effective April 4, 2008, we entered into a twelve-month engagement letter of agreement (the "Agreement") with Badner Group LLC ("Badner"). In accordance with the terms and provisions of the Agreement: (i) Badner provided us with general consulting and public relations services and, more specifically, relating to business development and affairs in Peru relative to our interest in developing and expanding our business in Peru and acquiring mining properties; and (ii) we paid to Badner a monthly fee of \$15,000.

As of the date of this Quarterly Report, the Agreement has been terminated. As of November 30, 2008, we owe an aggregate of \$30,000 to Badner.

PURCHASE OF SIGNIFICANT EQUIPMENT

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

We do not intend to purchase any significant equipment during the next twelve months.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this Quarterly Report, we do not have 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 that are material to investors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk represents the risk of loss that may impact our financial position, results of operations or cash flows due to adverse changes in foreign currency and interest rates.

EXCHANGE RATE

Our reporting currency is United States Dollars ("USD"). Since we have acquired properties outside of the United States, the fluctuation of exchange rates may have positive or negative impacts on our results of operations. However, any potential revenue and expenses will be denominated in U.S. Dollars, and the net income effect of appreciation and devaluation of the currency against the U.S. Dollar would be limited to our costs of acquisition of property.

INTEREST RATE

Interest rates in the United States are generally controlled. Any potential future loans will relate mainly to acquisition of properties and will be mainly short-term. However our debt may be likely to rise in connection with expansion and if interest rates were to rise at the same time, this could have a significant impact on our operating and financing activities. We have not entered into derivative contracts to hedge existing risks for speculative purposes.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was conducted under the supervision and with the participation of our management, including Marcus Johnson, our President/Chief Executive Officer ("CEO") and D. Bruce Horton, our Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures as of November 30, 2008. Based on that evaluation, Messrs. Johnson and Horton concluded that our disclosure controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Such officers also confirmed that there was no change in our internal control over financial reporting during the six month period ended November 30, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed in our

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. We conducted an evaluation (the "Evaluation"), under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer of the effectiveness of the design and operation of our disclosure controls and procedures ("Disclosure Controls") as of the end of the period covered by this report pursuant to Rule 13a-15 of the Exchange Act. The evaluation of our disclosure controls and procedures included a review of the disclosure controls' and procedures' objectives, design, implementation and the effect of the controls and procedures on the information generated for use in this report. In the course of our evaluation, we sought to identify data errors, control problems or acts of fraud and to confirm the appropriate corrective actions, if any, including process improvements, were being undertaken. Our Chief Executive Officer and our Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective and were operating at the reasonable assurance level.

There was no change in our internal control over financial reporting that occurred during the six months ended November 30, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

AUDIT COMMITTEE

The Board of Directors has established an audit committee. The members of the audit committee are Mr. Marcus Johnson and Mr. Steven Jewett. One of the two members of the audit committee are "independent" within the meaning of Rule 10A-3 under the Exchange Act. The audit committee was organized on April 25, 2006 and operates under a written charter adopted by our Board of Directors.

The audit committee has reviewed and discussed with management our unaudited financial statements as of and for the six month period ended November 30, 2008.

Based on the reviews and discussions referred to above, the audit committee has recommended to the Board of Directors that the unaudited financial statements referred to above be included in our Quarterly Report on Form 10-Q for the six month period ended November 30, 2008 filed with the Securities and Exchange Commission.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

STATEMENT OF CLAIM

On November 6, 2008, we filed a Writ of Summons and Statement of Claim (collectively, the "Statement of Claim") against St. Elias and John A. Brophy ("Brophy") in the Supreme Court of British Columbia. The Statement of Claim relates to the Property Option Agreement.

The Statement of Claim alleges the following claims: (i) in tort against Brophy alleging non-disclosure of material facts and complete and accurate information

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

relating to the ownership of the Vilcoro Property and to the ownership of the adjacent property, including failing to disclose that Brophy and his wife had an interest in the Vilcoro Property and the adjacent property, which entitles us to rescind the Property Option Agreement and return of an aggregate of \$150,000 paid to St. Elias under the Property Option Agreement, an aggregate of \$486,000 paid in exploration expenditures, and 50,000 shares of our common stock issued to St. Elias; (ii) breach of the Property Option Agreement relating to the failure by St. Elias to provide to us all data and information in its possession or under its control relating to St. Elias' exploration activities on and in the vicinity of the Vilcoro Properties; and (iii) breach of the Technical Services Agreement by failure of St. Elias to timely prepare and provide a budget or work programs or to expeditiously advance the work on the Vilcoro Properties and diversion by St. Elias of money, time and resources.

As of the date of this Quarterly Report, we are seeking to rescind the Property Option Agreement and the Technical Services Agreement and damages associated with tortious misrepresentation and breach, punitive or exemplary damages.

Management is not aware of any other legal proceedings contemplated by any governmental authority or any other party involving us or our properties. However, during July 2007, we terminated the employment of Stacey Kivel, our then President, for cause. Subsequently, Ms. Kivel has made certain false allegations against us. Although we refute her allegations and believe termination was justified, it is possible that we may be exposed to a loss contingency, which cannot be reasonably estimated at this time. As of the date of this Quarterly Report, no director, officer or affiliate is (i) a party adverse to us in any legal proceeding, or (ii) has an adverse interest to us in any legal proceedings. Management is not aware of any other legal proceedings pending or that have been threatened against us or our properties.

ITEM 1A. RISK FACTORS

No report required.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

No report required.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

No report required.

26

ITEM 4. SUBMISSION OF MATTERS TO A VOTE TO SECURITY HOLDERS

No report required.

ITEM 5. OTHER INFORMATION

RESIGNATION OF MEMBERS OF BOARD OF DIRECTORS

Effective on December 18, 2008, our Board of Directors accepted the resignation of Stephen Jewett dated December 18, 2008 as a member of our Board of Directors. There were no disagreements or disputes between us and Mr. Jewett. Therefore, the Board of Directors remains comprised of Marcus Johnson, D. Bruce Horton and

Edgar Filing: Geneva Resources, Inc. - Form 10-Q

Betrand Taquet.

ITEM 6. EXHIBITS

The following exhibits are filed with this Quarterly Report on Form 10-Q:

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
31.1	Certification of the registrant's Principal Executive Officer under the Exchange Act Rules 13a-14(a) or 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act 2002.
31.2	Certification of the registrant's Principal Financial Officer under the Exchange Act Rules 13a-14(a) or 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act 2002.
32.1	Certification of the registrant's Principal Executive Officer and Principal Financial Officer under 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002.

27

SIGNATURES

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

GENEVA RESOURCES, INC.

Dated: January 9, 2009

By: /s/ MARCUS JOHNSON

Marcus Johnson
President/Chief Executive Officer

Dated: January 9, 2009

By: /s/ D. BRUCE HORTON

D. Bruce Horton
Chief Financial Officer

