Geneva Resources, Inc.
Form 10QSB
October 22, 2007

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

Mark One
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the period ended August 31, 2007

[ ] 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 | 98-0441019 |
| --- | --- |
| (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION) | I.R.S. EMPLOYER IDENTIFICATION NO.) |

1005 TERMINAL WAY, SUITE 110
RENO, NEVADA 89502
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(775) 348-9330
(ISSUER'S TELEPHONE NUMBER)

| SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: | NAME OF EACH EXCHANGE ON WHICH REGISTERED: |
| --- | --- |
| NONE | |

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 reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No[ ]

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

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 of each of Outstanding as of October 8, 2007 the issuer's classes of common stock, as of the most practicable date:

| Class | |
|---|---|
| Common Stock, $0.001 par value | 41,200,000 |

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

GENEVA RESOURCES, INC.

FORM 10-QSB

Part I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

- Balance Sheet
- Statements of Operations
- Statements of Cash Flows
- Notes to Financial Statements

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION.

Item 3. CONTROLS AND PROCEDURES.

Part II OTHER INFORMATION.

Item 1 LEGAL PROCEEDINGS.

Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

Item 3. DEFAULTS UPON SENIOR SECURITIES.

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

Item 5. OTHER INFORMATION.

Item 6. EXHIBITS.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)

FINANCIAL STATEMENTS

AUGUST 31, 2007
(UNAUDITED)

BALANCE SHEETS

STATEMENTS OF OPERATIONS

STATEMENTS OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)

BALANCE SHEETS

| | ( |
|---|---|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | |

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES
Accounts payable and accrued liabilities
Due to related parties (Note 5)
Shareholder's loan and accrued interest (Note 6)

GOING CONCERN CONTINGENCY AND COMMITMENTS (Notes 1 and 3 )

STOCKHOLDERS' EQUITY (DEFICIT)
Capital stock (Note 4)
Authorized
200,000,000 shares of common stock, $0.001 par value,
Issued and outstanding
41,200,000 shares of common stock (May 31, 2007 - 41,200,000)
Additional paid-in capital
Private placement subscriptions
Deficit accumulated during the development stage

The accompanying notes are an integral part of these financial statements

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)

STATEMENTS OF OPERATIONS
(UNAUDITED)

| | Three months ended August 31, 2007 | Three months ended August 31, 2006 |
|---|---|---|

| | | |
|---|---|---|
| REVENUE | $ - | $ - |
| DIRECT COSTS | - | - |
| GROSS MARGIN (LOSS) | - | - |
| GENERAL AND ADMINISTRATIVE EXPENSES | | |
| Office and general | 30,174 | 335 |
| Consulting fees | 15,000 | - |
| Marketing expenses | - | - |
| Management Fees | 60,000 | - |
| Mineral Property Expenditures (Note 3) | 180,834 | - |
| Professional fees | 55,105 | 17,531 |
| | 341,113 | 17,866 |
| NET LOSS | $ (341,113) | $ (17,866) |
| BASIC AND DILUTED LOSS PER COMMON SHARE | $ (0.00) | $ (0.00) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED | 41,200,000 | 67,200,000 |

The accompanying notes are an integral part of these financial statements

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)

STATEMENTS OF CASH FLOWS
(UNAUDITED)

| | Three months ended August 31, 2007 |
|---|---|

| | |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Net loss | $ (341,113) |
| Adjustments to reconcile net loss to net cash used in operating activities: | |
| Non-cash mineral property expenditures | - |
| Stock-based compensation | - |
| Changes in operating assets and liabilities: | |
| Accounts receivable | - |
| Prepaid expenses | - |
| Accrued interest on shareholder's loan | 12,148 |
| Due to related parties | (60,000) |
| Accounts payable and accrued liabilities | (37,248) |
| NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES | (426,213) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Proceeds on sale of common stock | 400,000 |
| Proceeds from shareholder advances | 125,000 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 525,000 |
| NET INCREASE (DECREASE) IN CASH | 98,787 |
| CASH, BEGINNING | 5,749 |
| CASH, ENDING | $ 104,536 |
| SUPPLEMENTAL CASH FLOW INFORMATION AND NONCASH INVESTING AND FINANCING ACTIVITIES | |
| Interest paid | $ - |
| Income taxes paid | $ - |

The accompanying notes are an integral part of these financial statements

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007 (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 the quarter ended November 30, 2006 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 the period the Company entered into Option Agreements to obtain mineral leases in Canada, Panama, Peru and Nigeria.

The Company has elected 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 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 $10,365,603. As at August 31, 2007, the Company has a working capital deficit of $1,425,765. The Company requires additional funding to meet its ongoing obligations and 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 INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principals for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. 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 has been no material changes in the information disclosed in the notes to the financial statements for the year ended May 31, 2007 included in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. The interim 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 three months ended August 31, 2007 are not necessarily indicative of the results that may be expected for the year ending May 31, 2008.

COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the current year's financial statement presentation.

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.

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007 (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 mineral properties are acquired under option agreements with future acquisition payments to be made at the sole discretion of the Company, those future payments, whether in cash or shares, are recorded only when the Company has made or is obliged to make the payment or issue the shares. Because option payments do not meet the definition of tangible property under EITF 04-2, all option payments 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. To May 31, 2007 any potential costs relating to the ultimate disposition of the Company's mineral property interests have not yet been 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 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 May 31, 2007 the Company had net operating loss carry forwards. 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.

NET LOSS PER SHARE
The Company computes 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 loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares during the



---

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

---

period. Diluted 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.

STOCK-BASED COMPENSATION

On March 1, 2006, the Company adopted SFAS No. 123 (revised 2004) (SFAS No. 123R), SHARE-BASED PAYMENT, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. In January 2005, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 107, which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R eliminates the ability to account for stock-based compensation transactions using the intrinsic value method under Accounting Principles Board (APB) Opinion No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES, and instead generally requires that such transactions be accounted for using a fair-value-based method. The Company uses the Black-Scholes-Merton ("BSM") option-pricing model to determine the fair-value of stock-based awards under SFAS No. 123R, consistent with that used for pro forma disclosures under SFAS No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION. The Company has elected the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior periods have not been restated to reflect the impact of SFAS No. 123R. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on March 1, 2006. Stock-based compensation expense for awards granted prior to March 1, 2006 is based on the grant date fair-value as determined under the pro forma provisions of SFAS No. 123.

Prior to the adoption of SFAS No. 123R, the Company measured compensation expense for its employee stock-based compensation plans using the intrinsic value method prescribed by APB Opinion No. 25. The Company applied the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148, ACCOUNTING FOR STOCK-BASED COMPENSATION - TRANSITION AND DISCLOSURE, as if the fair-value-based method had been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of the Company's employee stock options was equal to the market price of the underlying stock on the date of the grant, no compensation expense was recognized.

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.

NOTE 3 -MINERAL EXPLORATION PROPERTIES

---

(A) GEORGES LAKE PROPERTY

On October 20, 2006 the Company entered into a "Mineral Property Option Agreement", with War Eagle Mining Company, Inc., a TSX Venture Exchange company ("War Eagle"). pursuant to which War Eagle has granted the Company the sole and exclusive option to acquire a 70% undivided interest in and to seven mineral claims comprising a total of 979 hectares, which are located in the Province of Saskatchewan, Canada.

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)

(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007 (UNAUDITED)

---

NOTE 3 -MINERAL EXPLORATION PROPERTIES (CONTINUED)

---

(A) GEORGES LAKE PROPERTY (CONTINUED)
In order to exercise its Option the Company is required to incur, or cause to be incurred, on or before December 31, 2008, expenditures in connection with the Property of not less than $1,000,000 pursuant to a work program or work programs commenced and operated by the operator thereon. Upon exercise of the Option, if any, the parties further interests in and to the property will be determined through an industry standard joint venture agreement which will be deemed to be effective upon the exercise of the Option. No cash consideration has been paid for the option and no costs have been incurred as of May 31, 2007.

(B) SAN JUAN PROPERTY
On November 16, 2006 the Company entered into a "Property Option Agreement" with Petaquilla Minerals Ltd ("Petaquilla"). Petaquilla therein has granted the Company the sole and exclusive option to acquire up to a 70% undivided interest in and to five exploration concessions situated in the Republic of Panama which are owned and controlled by Petaquilla's wholly-owned subsidiary.

In order to exercise the initial portion of its Option (the "First Option") to acquire an initial 60% undivided interest in and to the property the Company is required: (i) to pay to Petaquilla the aggregate sum of $600,000 in cash, as noted in 1, 3 and 4 below;
(ii) issue Petaquilla 4,000,000 common shares from the treasury of the Company; and (iii) incur, or cause to be incurred, directly or indirectly, and pay for an aggregate of $6,000,000 in exploration expenditures as follows:

1. The sum of $100,000 in cash (paid).
2. 4,000,000 common shares of the Company to be issued and delivered to Petaquilla within five business days from the execution and delivery of the Option Agreement. On December 1, 2006 the Company issued to Petaquilla 4,000,000 common shares from the treasury of the Company, at which time Petaquilla became a significant shareholder of the Company. The estimated fair value of the 4,000,000 shares was $7,400,000 and has been recorded as mineral property expenditures and included in operating results for the year ended May 31, 2007.
3. An additional $200,000 in cash to be paid by wire transfer, and exploration expenditures of not less than $1,000,000 to be incurred and paid, both on or before May 31, 2007. An additional $300,000 in cash to be paid by wire transfer, and exploration expenditures of not less than $3,000,000 to be incurred and paid, both on or before May 31, 2008.
4. Cumulative exploration expenditures of not less than $6,000,000 to be incurred and paid on or before May 31, 2009. Subject to the prior exercise of the First Option, and in accordance with the terms and conditions of the Option Agreement, Petaquilla has therein also granted to the Company the exclusive right and further option (the "Second Option") to increase the Company's undivided interest in the property from 60% to 70% by incurring and paying for an additional $3,000,000 in exploration expenditures during the period between exercise of the First Option and May 31, 2010.
5. During the term of the Option Agreement Petaquilla is entitled to nominate up to 40% of the total number of directors of the Company.
6. In addition, the Company is to establish a stock option plan which allocates not less than 15% of the then issued shares in the capital of the Company for the granting of options and shall grant to

Petaquilla, or its nominees stock options equal in number to not less than one-third of the number of options allocated under such plan.

On January 30, 2007 the Company was advised that Petaquilla Minerals Ltd. had resolved to rescind its Property Option Agreement with the Company. The Company has disputed the alleged rescission and advised Petaquilla that the Option is in good standing. Consequently, on February 13, 2007 the Company, in accordance with the provisions of the Agreement and as a consequence of Petaquilla's purported rescission of the Agreement, filed a notice with the British Columbia International Commercial Arbitration Centre seeking arbitration. On March 5, 2007 the Company filed its Statement of Claim with the arbitrators seeking specific performance of the Agreement and damages. On April 10, 2007 Petaquilla filed a Statement of Defence. The parties are awaiting formal arbitration proceedings and accordingly the outcome of the arbitration is presently not determinable.

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

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007 (UNAUDITED)

---

NOTE 3 -MINERAL EXPLORATION PROPERTIES (CONTINUED)

---

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

(D) ALLIED MINERAL PROPERTY

Effective April 30, 2007, the Company entered into a Property Financing and Operating Agreement with Allied Minerals ("Allied"), a company incorporated under the laws of the Federal Republic of Nigeria. Pursuant to the Agreement, Allied granted the Company the exclusive right and option, to acquire an initial and undivided 65% beneficial and economic interest in and to certain mineral licenses, claims, concessions or reservations situated in Nigeria.

Under the terms of the Agreement, the Company was granted a forty five day due diligence period starting on the effective date of the Agreement which has subsequently been extended to November 11, 2007. If the Company does not provide Allied with written notice to proceed (the "Notice") the Agreement shall be treated as being at an end and of no further force and effect.

If the Company provides Allied with written notice to proceed, under the terms of the Agreement, the Company will be deemed to have exercised the Option, and shall be entitled to an undivided initial 65% and economic interest in and to the Property, provided that the Company:

1. Grants to Allied, within five business days of the date of the notice to proceed 300,000 stock options to acquire an equivalent number of common shares of the Company, with the Share Options being exercisable for a period of three years from the grant date at an exercise price equal to the five-day average trading price of the Company's shares preceding the date of delivery of the notice to proceed; and
2. Fund certain expenditures on the Property totaling not less than $3,000,000 commencing after the Notice to Proceed is given.
3. Each of the Company and Allied will have the right to appoint one representative to the Board of Directors of the other party.

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007 (UNAUDITED)

---

NOTE 3 -MINERAL EXPLORATION PROPERTIES (CONTINUED)

---

(D) ALLIED MINERAL PROPERTY (CONTINUED)

4. The Company will be the operator of the Property and the Company and Allied will establish a Management Committee to determine overall policies and objectives with a view to bringing the Property into commercial production as a mine.
5. The Company will be required to contribute 100% of all costs with respect to the Property. Following commencement of commercial production, if any, the net profit interests will be 35% Allied and 65% for the Company until such time a the Company has recouped 175% of its preproduction and production costs, after which the Company shall be entitled to received 52% of all cash flow from the Property and Allied shall be entitled to receive 48% of all cash flow from the Property.
6. If and when the Company has recouped 175% of its costs as set forth in

item 5 and commercial production reaches 250 tons of mineral product per day, the Company will issue to the order and direction of Allied 250,000 fully paid and non-assessable shares from the Company's treasury.

NOTE 4 - STOCKHOLDERS' EQUITY

---

The Company's capitalization is 200,000,000 common shares with a par value of $0.001 per share. On January 12, 2007 shareholder 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 7,500,000 (pre - 4:1 Forward Split) of their restricted founders' shares, previously issued at $0.0016 - $0.009 (pre - 4:1 Forward Split) 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.

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

As of August 31, 2007 the Company has received $400,000 under a private placement. The Units were offered at $1.00 per unit. Each unit consists of one common share and one warrant to acquire an additional common share, exercisable at $1.50 for twelve months.

NOTE 5 - STOCK OPTION PLAN

---

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 maybe 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.

GENEVA RESOURCES, INC.
(FORMERLY GENEVA GOLD CORP.)
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007 (UNAUDITED)

NOTE 5 - STOCK OPTION PLAN (CONTINUED)

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 3 years, a risk free interest rate of 4.49%, a dividend yield of 0% and expected volatility of 164% and has been recorded as a stock based compensation expense in the year ended May 31, 2007

A summary of the Company's stock options as of August 31, 2007 and changes during the period ended is presented below: There were 1,500,000 stock options granted in fiscal 2007.

| | Number of Options | Weighted average exercise Price per share | We Co |
|---|---|---|---|
| Outstanding at May 31, 2006 | - | - | |
| Granted | 1,500,000 | - | |
| Exercised | - | - | |
| OUTSTANDING AT MAY 31, 2007 AND AUGUST 31, 2007 | 1,500,000 | $1.00 | |

NOTE 6 - RELATED PARTY TRANSACTIONS

MANAGEMENT FEES
During the three month period ended August 31, 2007, the Company incurred $60,000 for management fees to officers and directors (2006 - $16,799). The total amount owing to the officers and directors as of August 31, 2007 was $107,500 (May 31, 2007 - $47,500.)

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 to Petaquilla on behalf of the Company (Refer to Note 3). Additional advances of $303,500 were received during the year ended May 31, 2007. During the three

months ended August 31, 2007 an additional $125,000 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 August 31, 2007 including accrued interest is $552,038.

NOTE 8 - CONTINGENCY

---

During July 2007 we terminated our President's employment for cause. She has since made certain false allegations against the Company, as specifically described in the body of the August 31, 2007 10-QSB. Although the Company refutes her 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.

## FORWARD LOOKING STATEMENTS

Statements made in this Form 10-QSB 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-QSB 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 OR PLAN 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 February 28, 2007, we changed our name to "Geneva Resources, Inc.".

CURRENT BUSINESS OPERATIONS

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 American and internationally. As of the date of this Quarterly Report, our mineral interests consist mainly of options agreements on exploration stage properties as discussed below. We have not established any proven or probable reserves on our mineral property interests.

MINERAL PROPERTIES

GEORGE LAKE PROPERTY

On approximately October 20, 2006, we entered into a mineral property option agreement (the "George Lake Option Agreement") with War Eagle Mining Company ("War Eagle"). In accordance with the terms and provisions of the George Lake Option Agreement: (i) War Eagle granted to us the sole and exclusive option (the "Option") to acquire a 70% undivided interest in and to seven mineral claims comprising a total of 979 hectares located in the Province of Saskatchewan, Canada, approximately 135 kilometers northwest of La Ronge, Saskatchewan (the "George Lake Property"); (ii) in order to exercise the Option, we are required to incur or cause to be incurred on or before December 31, 2008 expenditures in connection with the George Lake Property of not less than $1,000,000 pursuant to a work program to be commenced and operated by the operator thereon; and (iii) upon exercise of the Option, the further interests of the parties in and to the George Lake Property will be determined through an industry standard joint venture agreement, which will be deemed to be effective upon the exercise of the Option. As of the date of this Quarterly Report, we have not paid any consideration to exercise the Option nor incurred any expenditures.

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, as described below.

On January 30, 2007, we received notice pursuant to a news release from Petaquilla that the board of directors of Petaquilla has resolved to rescind the Petaquilla Option Agreement. We were current in our obligations under the Petaquilla Option Agreement and disputed the alleged rescission and advised Petaquilla that the Option was in good standing. Consequently, on February 13, 2007, in accordance with the provisions of the Petaquilla Option Agreement and as a result of Petaquilla's purported rescission of the Petaquilla Option Agreement, we filed a notice with the British Columbia International Commercial Arbitration Center seeking arbitration. On March 5, 2007, we filed our Statement of Claims with the arbitrators seeking specific performance of the Petaquilla Option Agreement and damages. On April 10, 2007, Petaquilla filed a Statement of Defense. As of the date of this Quarterly Report, we are awaiting formal arbitration proceedings. "Part II. Item 1. Legal Proceedings."

FIRST OPTION. In order to exercise the initial portion of the Option to acquire an initial 60% undivided interest in and to the San Juan Property (the "First Option"), we are required to: (i) pay to Petaquilla the aggregate sum of $600,000 (of which $100,000 was paid on approximately November 17, 2006); (ii)

issue to Petaquilla 4,000,000 shares of our restricted common stock (which 4,000,000 shares were issued as of December 1, 2006); and (iii) incur or cause

to be incurred directly or indirectly and pay for an aggregate of $6,000,000 in cumulative exploration expenditures as follows: (a) the sum of $100,000, which has been paid to Petaquilla); (b) issue 4,000,000 shares of restricted common stock, which have been issued to Petaquilla; (c) payment of an additional $200,000 and incurrence and payment of exploration expenditures of not less than $1,000,000 on or before May 31, 2007; (d) payment of an additional $300,000 and incurrence and payment of exploration expenditures of not less than $3,000,000 on or before May 31, 2008; and (e) incurrence and payment of cumulative exploration expenditures of not less than $6,000,000 on or before May 31, 2009.

As of December 1, 2006, we satisfied our current obligations with respect to the exercise of the First Option under the Petaquilla Option Agreement to acquire an initial 60% undivided interest in and to the San Juan Property. SECOND OPTION. Subject to the prior exercise of the First Option and in accordance with the terms and conditions of the Petaquilla Option Agreement, Petaquilla granted to us the exclusive right and further portion of the Option (the "Second Option") to increase our undivided interest in and to the San Juan Property from 60% to 70% by incurring and paying for $3,000,000 in exploration expenditures during the period between the delivery of the Notice of Election and May 31, 2010. Within sixty (60) days following the exercise of the First Option, we are required to give Petaquilla notice (the Notice of Election) that either: (i) we elect to accept the grant of the Second Option; or (ii) we elect not to accept the Second Option. If we make the election, then all further work on the San Juan Property and the subsequent relationship between us and Petaquilla shall be governed by a joint venture agreement between the parties. If we elect to accept the grant of the Second Option but fail to exercise the Second Option, we and Petaquilla shall have initial interests of 60% and 40%, respectively. We shall be deemed to have exercised the Second Option and thus acquired a 70% undivided interest in the San Juan Property by having incurred and paid for $3,000,000 in exploration expenditures during the period between the delivery of the Notice of Election and May 31, 2010. If we fail to incur the $3,000,000 in exploration expenditures by the end of the last day, we may at any time within fifteen days of such day make a cash payment to Petaquilla in an amount equal to the deficiency in the $3,000,000 exploration expenditures to be incurred.

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 "Volcoro 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 `Volcoro Option").

Under the terms of the Volcoro Option Agreement and in order to exercise the Volcoro Option, we are 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 Volcoro Option Agreement, which as of

the date of this Annual Report, has been paid; (ii) $100,000 due on or before

the 12-month anniversary of execution of the Volcoro Option Agreement; and (iii) $200,000 due on or before the 24-month anniversary of execution of the Volcoro Option Agreement.

In accordance with the terms and provisions of the Volcoro Option Agreement, we are 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 Volcoro Option Agreement; and (ii) incur costs totally $2,5000,000 as follows: (a) first expenditure of $500,000 are to be incurred on or before the 12-month anniversary of execution of the Volcoro Option Agreement, (b) second expenditure of $750,000 are to be incurred on or before the 24-month anniversary of execution of the Volcoro Option Agreement; and (iii) third expenditure of $1,250,000 are to be incurred on or before the 36-month anniversary of execution of the Volcoro Option Agreement.

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

PHASE I EXPLORATION PROGRAM. As of the date of this Quarterly Report, we are engaged in our Phase I exploration program. A total of 256 channel samples and 28 check samples have 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 has defined two mineralized trends referred to as the Main Trend and the South Trend. Six individual mineralized zones (Zones 1 through 6) have been identified within the Main Trend and three individual mineralized zones (Zones A through C) have been identified within the South Trend. The South Trend lies approximately 200 meters to the south of the Main Trend and comprises an east-west alignment (parallel to the Main Trend) of mineralized hydrobreccia occurrences in three zones.

Management is pleased with the evidence of disseminated mineralization on the Vilcoro Properties with grades that are comparable to what is presently being mined at the giant Yanacocha Mine (average ore grade 0.8 g/t), and is continuing fieldwork at Vilcoro Properties with emphasis on additional trenching between the individual zones on the Main Trend.

NIGERIA PROPERTY

Effective April 30, 2007, we entered into a property financing and operating agreement (the "Operating Agreement") with Allied Minerals, a company incorporated under the laws of the Federal Republic of Nigeria ("Allied Minerals"). Pursuant to the Operating Agreement, Allied Minerals granted us the exclusive right and option (the "Option"), to acquire an initial and undivided 65% beneficial and economic interest in and to certain mineral licenses, claims, concessions or reservations situated in Nigeria (collectively, the "Nigeria Property").

Under the terms of the Operating Agreement, we were granted a forty-five (45) day due diligence period (the "Due Diligence Period") starting on the effective date of the Operating Agreement, which has been subsequently extended thrice on June 12, 2007, August 7, 2007 and September 18, 2007, respectively. During the Due Diligence Period, we have access to Allied Mineral's books, records and

properties to make such investigation as we consider advisable to enable us to determine whether to proceed with the Option. On or before the last day of the Due Diligence Period, we could elect in writing to proceed with the Option (the "Notice to Proceed"). If we do not provide Allied Minerals with the Notice to Proceed, the Operating Agreement will be treated as terminated and of no further force and effect.

If we subsequently provide Allied Minerals with the Notice to Proceed, under the terms of the Agreement, we will be deemed to have exercised the Option (the "Exercise"), and shall be entitled to an undivided initial 65% beneficial and economic interest in and to the Nigeria Property, provided that we: (i) grant to Allied Minerals, within five business days of the date of the Notice to Proceed (subject to the prior receipt of all required regulatory requirements and/or approvals, if any, as set forth in the Operating Agreement), 300,000 stock options (the "Options") to acquire an equivalent number of our shares of common stock, with the Options being exercisable for a period of three years from the grant date at an exercise price equal to the five-day average trading price of our shares of common stock on the NASD over-the-counter bulletin board preceding the date of delivery of the Notice to Proceed; and (ii) fund certain expenditures on the Nigeria Property totaling not less than $3,000,000 commencing after the Notice to Proceed is given.

Under further terms of the Operating Agreement, after Exercise: (i) we will be the operator of the Nigeria Property; (ii) together with Allied Minerals we will establish a management committee to determine overall policies, objectives, procedures, methods and actions under the Operating Agreement with a view to bringing the Nigeria Property into commercial production as a mine; and (iii) we will each have the right to appoint one representative to the board of directors of the other party. With effect from Exercise until the commencement of commercial production of the Nigeria Property, if any, we will be required to contribute 100% of all costs with respect to the Nigeria Property. Following commencement of commercial production, if any, the net profit interests will be 35% for Allied and 65% for us until such time as we have recouped 175% of our pre-production and production costs, after which we shall be entitled to receive 52% of all cash flow from the Nigeria Property and Allied Minerals shall be entitled to receive 48% of all cash flow from the Nigeria Property. In addition, if and when we have recouped 175% of our costs as set forth above and commercial production reaches 250 tons of mineral product per day, we will issue to Allied Minerals 250,000 shares of our common stock.

EXTENSION OF OPTION AND DUE DILIGENCE PERIOD. We extended the Option term in the Operating Agreement and our Due Diligence Period from its original forty-five day to a new term of seventy-five (75) days. Our management requested the extensions in order to complete our sampling and grade testing program on the Allied Mineral Properties located in the Wase area of Plateau State, Nigeria. As of the date of this Quarterly Report, we have completed the sampling and grade testing process of the most easterly side of the Nigeria Property. In the Jawando area on the east die of the Nigeria Property, copper ore was recovered from trenches cut in a wide spread, multi-vein sequence. Assays on samples taken indicated Cu at 31.27% and Pb at 8.97%. To the south of the copper vein sequence in the Gimbi area of the Nigeria Property, zinc ore was recovered from a trench

cut in another view sequence. Assays indicated Za at 60.29%. Our geological team attempted to acquire copper ore samples from the western side of the Nigeria Property in the Mavo area. Although a great deal of overburden was pushed aside, the area believed to contain a copper-bearing ore body was not exposed because of the very hard cap rock encountered.

We intend to utilize the extended Option term and Due Diligence Period to attempt a blast and trench sampling program on the west side of the Nigeria

Property. In the event this fails to get beyond the cap rock into the potential copper-bearing vein beneath, a core rig will be mobilized to accomplish the task. It is anticipated that during this time frame, our geological team will also carry out additional trenching delineation work on the major zinc vein encountered in the Gimbi area.

RESULTS OF OPERATION

THREE-MONTH PERIOD ENDED AUGUST 31, 2007 COMPARED TO THREE-MONTH PERIOD ENDED AUGUST 31, 2006.

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 three-month period ended August 31, 2007 and 2006, which financial statements are included elsewhere in this Quarterly Report.

| | THREE-MONTH PERIOD ENDED AUGUST 31, 2007 (UNAUDITED) | THREE-MONTH PERIOD ENDED AUGUST 31, 2006 (UNAUDITED) |
|---|---|---|
| REVENUE | -0- | -0- |
| DIRECT COSTS | -0- | -0- |
| GROSS MARGIN | -0- | -0- |
| GENERAL AND ADMINISTRATIVE EXPENSES | | |
| Office and general | 30,174 | 335 |
| Consulting fees | 15,000 | -0- |
| Marketing expenses | -0- | -0- |
| Management fees | 60,000 | -0- |
| Mineral property expenditures | 180,834 | -0- |
| Professional fees | 55,105 | 17,531 |
| NET LOSS | ($341,113) | ($17,866) |

Our net loss during the three-month period ended August 31, 2007 was approximately ($341,113) compared to a net loss of ($17,866) for the three-month period ended August 31, 2006 (an increase of $323,247).

During the three-month periods ended August 31, 2007 and 2006, respectively, we did not generate any revenue. During the three-month period ended August 31, 2007, we incurred general and administrative expenses in the aggregate amount of $341,113 compared to $17,866 incurred during the three-month period ended August 31, 2006 (an increase of $323,247). The operating expenses incurred during the

three-month period ended August 31, 2007 consisted of: (i) mineral property

expenditures of $180,834 (2006: $-0-); (ii) office and general of $30,174 (2006: $335); (iv) consulting fees of $15,000 (2006: $-0-); (v) management fees of $60,000 (2006: $-0-); and (vi) professional fees of $55,105 (2006: $17,531). The increase in expenses incurred during the three-month period ended August 31, 2007 compared to the three-month period ended August 31, 2006 resulted primarily from the increase in mineral property expenditures, marketing expenses and management fees based upon the increase in scale and scope of exploratory and acquisition programs and an increase in overall office and general expenses.

The increase in net loss during the three-month period ended August 31, 2007 compared to the three-month period ended August 31, 2006 is attributable primarily to the increase in mineral property expenditures and management, professional and consulting fees relating to the increase in the scale and scope of acquisition and exploratory programs. Consulting, management and professional fees incurred during the three-month period ended August 31, 2007 increased pertaining to the increase 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 three-month period ended August 31, 2007 was ($341,113) or ($0.00) per share compared to a net loss of ($17,866) or ($0.00) per share for the three-month period ended August 31, 2006. The weighted average number of shares outstanding was 41,200,000 at August 31, 2007 compared to 67,200,000 at August 31, 2006.

LIQUIDITY AND CAPITAL RESOURCES

THREE-MONTH PERIOD ENDED AUGUST 31, 2007

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 the three-month period ended August 31, 2007, our current assets were $104,536 and our current liabilities were $1,530,301, resulting in a working capital deficit of $1,425,765. As at the three-month period ended August 31, 2007, our total assets were $104,536 consisting of current assets only compared to total assets of $5,749 at fiscal year ended May 31, 2007. As at the three-month period ended August 31, 2007, our current liabilities were $1,530,301 compared to current liabilities of $1,490,401 at fiscal year ended May 31, 2007. Our current liabilities consisted of: (i) $894,301 in accounts payable and accrued liabilities; (ii) $528,500 in shareholder's loan; and (iii) $107,500 due to related parties. The slight increase in current liabilities was primarily due to the increase in shareholder's loan and amounts due to related parties relating to the increased scale and scope of business activity.

Stockholders' deficit decreased from ($1,484,652) as at May 31, 2007 to ($1,425,765) as at August 31, 2007.

We have not generated positive cash flows from operating activities. For the three-month period ended August 31, 2007, net cash flow used in operating activities was ($426,217) compared to net cash flow used in operating activities of ($10,280) for the three-month period ended August 31, 2006. Net cash flow used in operating activities during the three-month period ended August 31, 2007 consisted primarily of a net loss of ($343,113) adjusted by ($60,000) due to related party and ($37,248) in accounts payable and accrued liabilities, and an increase of $12,148 in accrued interest on shareholder's loan.

During the three-month period ended August 31, 2007, net cash flow provided by financing activities was $525,000 compared to net cash flow from financing activities of $-0- for the three-month period ended August 31, 2006. Net cash flow provided from financing activities during the three-month period ended August 31, 2007 pertained primarily to $400,000 received as proceeds for shares to be issued and $125,000 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.

The report of the independent registered public accounting firm that accompanies our fiscal year end May 31, 2007 and May 31, 2006 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 Annual Report and other than as disclosed below, we do not have any material commitments for fiscal year 2008.

VOLCORO OPTION AGREEMENT

Under the terms of the Volcoro Option Agreement and in order to exercise the Volcoro Option, we are 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 Volcoro Option Agreement which, as of the date of this Annual Report, has been paid; (ii) $100,000 due on or before the 12-month anniversary of execution of the Volcoro Option Agreement; and (iii) $200,000 due on or before the 24-month anniversary of execution of the Volcoro Option Agreement. In accordance with further terms and provisions of the Volcoro Option Agreement, we are further required to incur costs totally $2,5000,000 as follows: (a) first expenditure of $500,000 to be incurred on or before the 12-month anniversary of execution of the Volcoro Option Agreement, (b) second expenditure of $750,000 to be incurred on or before the 24-month anniversary of execution of the Volcoro Option Agreement; and (iii) third expenditure of $1,250,000 to be incurred on or before the 36-month anniversary of execution of the Volcoro Option Agreement.

PETAQUILLA OPTION AGREEMENT

Under the terms of the Petaquilla Option Agreement, we are required to: (i) pay

to Petaquilla the aggregate sum of $600,000 (of which $100,000 was paid on approximately November 17, 2006); and (ii) incur or cause to be incurred directly or indirectly and pay for an aggregate of $6,000,000 in cumulative exploration expenditures as follows: (a) the sum of $100,000, which has been paid to Petaquilla); (b) issue 4,000,000 shares of restricted common stock, which have been issued to Petaquilla; (c) payment of an additional $200,000 and incurrence and payment of exploration expenditures of not less than $1,000,000 on or before May 31, 2007, which has not been paid due to the alleged rescission by Petaquilla of the Petaquilla Option Agreement; (d) payment of an additional $300,000 and incurrence and payment of exploration expenditures of not less than $3,000,000 on or before May 31, 2008; and (e) incurrence and payment of cumulative exploration expenditures of not less than $6,000,000 on or before May 31, 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 were received during fiscal year ended May 31, 2007. These amounts are unsecured and accrue interest at 10% per annum and have no established terms of repayment. During the three-month period ended August 31, 2007, an additional $125,000 was advanced to us by the same shareholder under the same terms and conditions. The total outstanding as of August 31, 2007 including accrued interest is $551,538.

ITEM 3. 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 August 31, 2007. 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 three-month period ended August 31, 2007 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 October 20, 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 three-month period ended August 31, 2007. The audit committee has also discussed with Dale Matheson Carr-Hilton LaBonte LLP the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants. The audit committee has received and reviewed the written disclosures and the letter from Dale Matheson Carr-Hilton LaBonte LLP required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as amended, and has discussed with Dale Matheson Carr-Hilton LaBonte LLP their independence.

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-QSB for the three-month period ended August 31, 2007 filed with the Securities and Exchange Commission.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On February 27, 2007, we received notice pursuant to a news release from Petaquilla that the board of directors of Petaquilla resolved to rescind the Petaquilla Option Agreement. We are current in our obligations under the Petaquilla Option Agreement and dispute the alleged rescission and have advised Petaquilla that the Option is in good standing.

Therefore, in accordance with the terms and provisions of the Petaquilla Option Agreement, we filed a notice with the British Columbia International Commercial Arbitration Centre (the "BCICAC") seeking arbitration. On March 5, 2007, we filed a Statement of Claim with the BCICAC seeking specific performance of the Petaquilla Option Agreement and damages. On April 10, 2007, Petaquilla filed a Statement of Defense.

We have instructed counsel to vigorously pursue all claims against Petaquilla on our behalf. As of the date of this Quarterly Report, we are awaiting formal arbitration proceedings and accordingly the outcome of the arbitration is presently not determinable. While the result of arbitration is difficult to predict, we believe we have a significant likelihood of prevailing or successfully pursuing our claims against Petaquilla.

Other than as disclosed above, management is not aware of any legal proceedings contemplated by any governmental authority or any other party involving us or our properties. 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 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

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

Not applicable.

ITEM 5. OTHER INFORMATION

RESIGNATION OF DIRECTOR

We received a letter from Stacey Kivel dated October 1, 2007 (the "Resignation Letter"), tendering her resignation as one of our director. Ms. Kivel did not serve on any committees of the Board of Directors.

In the Resignation Letter, Ms. Kivel alleges that she is resigning because we had taken illegal actions in the conduct of our affairs and in our unfair

treatment of her during her tenure and ultimate termination as our President and Chief Executive Officer on July 12, 2007. Ms. Kivel itemized eight separate actions of alleged wrongdoing, the most serious of which consisted of an allegation that certain members of our Board of Directors acted to terminate Ms. Kivel as our President and Chief Executive Officer for various spurious and insupportable reasons in retaliation for her efforts to comply with rulemaking promulgated pursuant to the Sarbanes-Oxley Act of 2002 and the laws of the United States.

Our Board of Directors had resolved to terminate Ms. Kivel's employment as our officer at the Board of Director meeting held on July 12, 2007. Ms. Kivel received notice of and participated in that meeting by way of conference telephone. Our Board of Directors believes that the allegations of wrongdoing contained in the Resignation Letter are unsupported and self-serving, and are essentially a reiteration of certain allegations of misconduct that Ms. Kivel did not raise until after her termination as our President and Chief Executive Officer. Given the seriousness of the earlier allegations, our Board of Directors formed a Special Committee in July 2007 to investigate Ms. Kivel's complaints and to report back to the Board of Directors.

The Special Committee delivered its report to our Board of Directors on September 29, 2007 (the "Special Committee Report"), having concluded that the allegations of misconduct made by Ms. Kivel were baseless, and that there appeared to be justification for the termination of her employment as an officer for cause.

CERTAIN FINDINGS OF THE SPECIAL COMMITTEE

Given the Special Committee's earlier investigation into Ms. Kivel's complaints, our Board of Directors instructed the Special Committee to review the Resignation Letter. The Special Committee's findings on Ms. Kivel's more serious allegations as to corporate and director misconduct are set forth below:

(1) As indicated above, Ms. Kivel has alleged that certain members of our Board of Directors acted to terminate her as our President and Chief Executive Officer in retaliation for her efforts to comply with rulemaking promulgated pursuant to the Sarbanes-Oxley Act of 2002 and the laws of the United States. The only reasons that the Special Committee is aware of for Ms. Kivel's termination as an officer are documented in the Special Committee Report. Those reasons are founded on the fact we had received information from a variety of sources which impugned the competence and business ethics of Ms. Kivel. The Special Committee believes that this decision was made in our best interests.

(2) Ms. Kivel has alleged that she was expressly denied access to our internal financial records and accounts, and that the Board of Directors commenced its efforts to remove her when she requested this material both orally and in writing. The Special Committee is aware of no evidence that would suggest any members of our Board of Directors had an ulterior motive for the decision to terminate Ms. Kivel's employment as our officer. In addition, there is e-mail correspondence between Ms. Kivel and our personnel that refutes the allegation that she was denied access to our financial records. For example, by e-mail message dated June 27, 2007, from our controller, offered to send our financial records to Ms. Kivel, and explained to her that our most recent quarterly financial statements were available on our corporate website as well as EDGAR.

(3) The Special Committee has inquired into the allegation that Ms. Kivel was somehow prevented from calling meetings of our Board of Directors. In an e-mail message dated June 27, 2007 to Marcus M. Johnson, one of our directors, Ms. Kivel advised Mr. Johnson that she was proposing to schedule a Board meeting in the "near future". This suggests to the Special Committee that Ms. Kivel, as our

President and Chief Executive Officer, as well as a director, believed it was up to her to schedule the Board meeting and that she was planning to do so (although there is no record of her following through and actually setting the meeting date). There is no indication in Ms. Kivel's e-mail correspondence with our personnel, or in any other of our records, which suggests that the other Board members were refusing to meet with her.

(4) The Special Committee has found no evidence in support of Ms. Kivel's allegations to the effect that we are majority owned and managed by an undisclosed Canadian individual. In particular, Ms. Kivel has previously asserted that Mr. Johnson acts as a nominee registered shareholder for that individual, but the Special Committee has not found any evidence in support of Ms. Kivel's allegation.

(5) Ms. Kivel has alleged that the Board meeting of July 12, 2007 was conducted illegally. That meeting was an extension of an earlier meeting held on July 9, 2007. The Special Committee found that the Board meetings of July 9, 2007 and 12, 2007 were each validly constituted and properly conducted in accordance with Nevada law and our Articles of Incorporation and Bylaws.

(6) Ms. Kivel alleges that when she was appointed as Chief Executive Officer, she was advised by certain directors and shareholders that we were undertaking to raise capital by way of a private placement of stock, as well as a disposition of assets, without her input, and without any Board action or input. The Special Committee is not aware of any private placement or disposition of assets that have been undertaken without appropriate corporate authority and Board of Director approval.

(7) Ms. Kivel has alleged that we have no Audit Committee, Compensation Committee and no Governance Committee. This allegation is inaccurate. The Audit Committee, consisting of Marcus Johnson, Steve Jewett and Alan Sedgwick, was duly appointed by Board of Director resolution of April 25, 2006.

The balance of Ms. Kivel's allegations relate to what appears to be the real basis for her grievances with us, namely, her disagreement with our Board of Director's decision to terminate her employment as an officer for cause.

RESPONSE FROM STACEY KIVEL

On October 4, 2007, we provided Ms. Kivel's counsel with a copy of the disclosures we were making in response to Item 5.02 in the Current Report on Form 8-K dated October 1, 2007 as filed with the Securities and Exchange Commission on October 5, 2007, and provided Ms. Kivel with the opportunity to furnish a letter stating whether she agrees with the statements made in the Current Report on Form 8-K. See "Item 6. Exhibits" below.

ITEM 6. EXHIBITS

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

| EXHIBIT NUMBER | DESCRIPTION OF EXHIBIT |
|---|---|
| 99.1 | Resignation letter from Stacey Kivel dated October 1, 2007 (1) |
| 99.2 | Report of the Special Committee of Directors dated September 29, 2007. (1) |
| 99.3 | Response letter from Stacey Kivel dated October 5, 2007. (1) |
| 31.1 | Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act. |
| 31.2 | Certification of the Chief Financial Officer Pursuant to Rule |

| | |
|---|---|
| | 13a-14(a) or 15d-14(a) of the Securities Exchange Act |
| 32.1 | Certification of Chief Executive Officer and Chief Financial officer Under Section 1350 as Adopted Pursuant to Section 906 of the Sarbane-Oxley Act. |

(1) Filed as an Exhibit to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 5, 2007 and incorporated herein by this reference.

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: October 9, 2007

By: /s/ MARCUS JOHNSON

Marcus Johnson, President/Chief Executive Officer

Dated: October 9, 2007

By: /s/ D. BRUCE HORTON

D. Bruce Horton, Chief Financial Officer