

FOCUS GOLD Corp  
Form 10-Q/A  
March 20, 2014

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-Q/A**

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QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended November, 2013**

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TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number: 000-52720**

**FOCUS GOLD CORPORATION**

(Exact name of registrant as specified in its charter)

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**Nevada**  
(State or other jurisdiction of incorporation or organization)

**26-4205169**  
(I.R.S. Employer Identification No.)

**1365 N. Courtenay Parkway, Suite A**

**Merritt Island, FL**  
(Address of principal executive offices)

**32953**  
(Zip Code)

**(321) 452-9091**  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the 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  No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, non-accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>

(Do not check if a smaller reporting company)

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

Yes  No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

There were 547,016,386 shares of common stock issued and outstanding as of February 21, 2014.



**FOCUS GOLD CORPORATION**

**Quarterly Report On Form 10-Q/A**

**For The Quarterly Period Ended**

**November 30, 2013**

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**FOCUS GOLD CORPORATION**

**Amended Quarterly Report on Form 10-Q/A**

**For The Quarterly Period Ended November 30, 2013**

**Forward Looking Statements**

This amended quarterly report on Form 10-Q/A contains forward-looking statements that involve risks and uncertainties. Forward-looking statements in this quarterly report include statements regarding our capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding our ability to successfully refinance our debt, the availability of additional financing for working capital purposes, our ability to successfully restructure our exploration and development business (i.e., gold, silver, platinum and copper), our ability to successfully execute our business plan with respect to our proposed energy exploration and development business, availability of financing, and other factors. Forward-looking statements are made, without limitation, in relation to our business plans, availability of funds and operating costs. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expect, plan, intend, anticipate, estimate, predict, potential or continue, the negative of such terms or other comparable terminology. Actual event results may differ materially. In evaluating these statements, you should consider various factors outlined in our annual report on Form 10-K for the year ended February 28, 2013, and, from time to time, in other reports that we file with the Securities and Exchange Commission (the SEC). These factors may cause our actual results to differ materially from any forward-looking statement. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

**Explanatory Note**

The Company is filing this Amendment No. 2 (the "Amended Report") to its Quarterly Report on Form 10-Q/A for the quarterly period ended November 30, 2013, originally filed with the US Securities and Exchange Commission ("SEC") on January 21, 2014 (the "Original Filing"), to amend and restate its consolidated balance sheet at November 30, 2013, consolidated statement of operations for the three and nine month periods ended November 30, 2013, and the consolidated statements of cash flows for the nine month period ended November 30, 2013, to correct errors associated with the inclusion of incorrect financial results in the previously filed consolidated financial statements, primarily related to the calculation of derivative liabilities. In addition, the Company's discussion in the MD&A section for the three and nine months ended November 30, 2013 was based on the incorrect financial results referred to above. The changes are summarized in Footnote 10 to the enclosed financial statements.

In addition to the comments presented above, the Original Filing was submitted by the Company to the SEC under the assumption that it was reviewed by its independent registered public accounting firm. The amended Form 10-Q/A

filed herein has been reviewed by the independent registered public accounting firm.

**Part I Item 1.**

**Financial Statements**

The following unaudited condensed consolidated interim financial statements of Focus Gold Corporation (sometimes referred to as we, us, our Company or Focus Gold) are included in this quarterly report on Form 10-Q:

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Condensed consolidated Balance Sheets at November 30, 2013 (unaudited) and February 28, 2013	3
Condensed consolidated Statements of Operations for the three month and nine month periods ended November 30, 2013 and November 30, 2012, and for the period October 1, 2010 (Entry into Exploration Stage) to November 30, 2013	4
Condensed consolidated Statements of Cash Flows for the nine month period ended November 30, 2013 and November 30, 2012, and for the period October 1, 2010 (Entry into Exploration Stage) to November 30, 2013	5
Notes to Condensed Consolidated Financial Statements	6

It is the opinion of management that the interim condensed consolidated financial statements for the nine months ended November 30, 2013 and 2012 include all adjustments necessary in order to ensure that the condensed consolidated financial statements are not misleading. These condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented in accordance with accounting principles generally accepted in the United States of America. These interim condensed consolidated financial statements follow the same accounting policies and methods of their application as our Company's audited annual financial statements for the year ended February 28, 2013. All adjustments are of a normal

recurring nature. These interim condensed consolidated financial statements should be read in conjunction with our Company's audited annual financial statements as of and for the year ended February 28, 2013.





REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and  
Stockholders of Focus Gold Corporation

We have reviewed the condensed consolidated balance sheet of Focus Gold Corporation as of November 30, 2013, and the related condensed consolidated statements of operations for the three-month and nine month periods ended November 30, 2013 and 2012 and, condensed consolidated statements of cash flows for the nine periods then ended. We have also reviewed the condensed consolidated statements of operations and condensed consolidated statements of cash flows for the period October 1, 2010 (entry into exploration stage) to November 30, 2013. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Focus Gold Corporation as of February 28, 2013, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the year then ended and for the period October 1, 2010 (entry into exploration stage) to November 30, 2013 (not presented herein); and in our report dated May 31, 2013, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of November 30, 2013, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the condensed consolidated financial statements, the Company

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is in the exploration stage and has suffered recurring losses from operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 10, the Company restated its condensed consolidated financial statements as of November 30, 2013 and for the three and nine months then ended and for the period October 1, 2010 (entry into exploration stage) to November 30, 2013.

/s/ Rosenberg Rich Baker Berman & Company

Somerset, NJ

March 20, 2014

**FOCUS GOLD CORPORATION**  
 (An Exploration Stage Company)  
**Condensed Consolidated Balance Sheets**

	<b>ASSETS</b>	
	<b>November 30, 2013</b>	<b>February 28, 2013</b>
	<b>(Restated)</b>	
	<b>(Unaudited)</b>	
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,025	\$ 1,237
Total Current Assets	5,025	1,237
Long term note receivable	-	2,085,602
Mineral royalty interest	1,892,000	-
<b>Total Assets</b>	<b>\$ 1,897,025</b>	<b>\$ 2,086,839</b>
<b>LIABILITIES &amp; STOCKHOLDERS' DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 471,359	\$ 467,336
Accounts payable and accrued expenses - related party	10,000	28,093
Notes payable, net of discounts	1,022,200	832,737
Derivative liabilities	1,831,399	1,773,986
Total Current Liabilities	3,334,958	3,102,152
Commitment and contingencies	-	-
<b>Stockholders' Deficit</b>		
Preferred stock, \$0.00001 par value, authorized shares		
100,000,000 shares		
Series A, 3,000,000 authorized and nil outstanding as of November 30, 2013 and 3,000,000 shares issued and outstanding at February 28, 2013	-	30
Series B, 7,000,000 authorized, 0 issued and outstanding as of November 30, 2013 and 1,850 at February 28, 2013	-	-
Common stock, \$0.00001 par value, authorized		
2,000,000,000 shares, 375,235,752 shares issued and outstanding as of November 30, 2013 and 8,734,877 shares issued and outstanding as of February 28, 2013	37,524	87
Additional paid-in capital	19,536,440	18,409,825
Accumulated deficit prior to exploration stage	(414,284)	(414,284)
Accumulated deficit during exploration stage	(20,401,788)	(18,815,146)

Treasury stock	(195,825)	(195,825)
<b>Total Stockholders' Deficit</b>	<b>( 1,437,933)</b>	<b>( 1,015,313)</b>
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$ 1,897,025</b>	<b>\$ 2,086,839</b>

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

**FOCUS GOLD CORPORATION**

(An Exploration Stage Company)

**Condensed Consolidated Statements of Operations**

(Unaudited)

	For the Three Months Ended		For the Nine Months Ended		For the period
	November 30, 2013	November 30,	November 30, 2013	November	October 1, 2010
	(Restated)	2012	(Restated)	30, 2012	(Entry into
					Exploration
					Stage)to
					November 30,
					2013 (Restated)
	\$	\$	\$	\$	\$
<b>Revenues</b>	-	-	-	-	-
<b>Operating Expenses</b>					
Exploration expense	10,000	37,650	61,638	40,000	367,683
Mineral property impairment	-	50,000	-	50,000	50,000
General & administrative expenses	572,920	204,046	916,595	617,599	4,175,917
<b>Total Operating Expenses</b>	582,920	291,696	978,233	707,599	4,593,600
<b>Other Income (Expenses)</b>					
Interest income	-	30,704	-	30,704	107,445
Amortization of debt discount	( 113,500)	( 121,724)	( 358,392)	(578,669)	( 1,071,613)
Interest and financing fees	( 338,522)	( 227,809)	( 657,474)	(1,543,852)	( 2,866,221)
Change in derivative liabilities	98,046	1,067,307	541,927	1,294,111	1,145,887
Gain on extinguishment of debt	-	-	-	389,325	207,927
Note receivable impairment	-	-	-	-	( 545,849)
Loss on settlement	(128,918)	-	(128,918)	( 111,736)	( 240,654)
	(482,894)	748,478	(602,857)	(520,117)	(3,263,078)

**Total Other  
Income (Expenses)****Net Income (Loss)  
from Continuing  
Operations**

	\$ (1,065,814)	\$ 456,782	\$(1,581,090)	(1,227,716)	\$ (7,856,678)
Loss from operations of the discontinued entities	-	( 431,853)	-	(4,587,288)	( 5,265,727)
Gain (loss) on disposal of the discontinued entities	-	295,900	-	295,900	( 7,399,930)
Gain from discontinued operations attributable to non-controlling interest	-	3,350	-	125,448	127,023
<b>Loss from Discontinuing Operations attributable to Focus Gold</b>	-	(132,603)	-	( 4,165,940)	( 12,538,634)
<b>Net Income (Loss) Preferred Share Dividends</b>	(1,065,814)	324,179	(1,581,090)	(5,393,656)	(20,395,312)
<b>Net Income (Loss) Attributable to Focus Gold Common Stockholders</b>	\$ (1,065,814)	\$ 324,179	\$ (1,586,641)	(5,393,656)	\$ (20,401,788)
<b>Basic Net Income (Loss) Per Share, Continuing Operations</b>	\$ 0.00	\$ 0.01	\$ (0.00)	(0.22)	\$
<b>Basic Net Income (Loss) Per Share, Discontinued Operations</b>	\$ -	\$ 0.04	\$ -	(0.73)	\$
<b>Weighted average number of shares outstanding, basic</b>	184,067,573	6,910,035	79,154,853	5,674,709	
<b>Diluted Net Income (Loss) Per Share, Continuing Operations</b>	\$ -	\$ 0.01	\$ (0.002)	(0.22)	\$
<b>Diluted Net Income (Loss) Per Share, Discontinued Operations</b>	\$ -	\$ 0.04	\$ -	(0.73)	\$

**Weighted average  
number of shares  
outstanding, diluted**

374,973,964

6,910,035

32,595,285

5,674,709

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



**FOCUS GOLD CORPORATION**

(An Exploration Stage Company)

**Condensed Consolidated Statements of Cash Flow**

(Unaudited)

	For the Nine Month Period Ended		For the period
	November 30,	November 30, 2012	October 1, 2010
	2013		(Entry into
	(Restated)		Exploration Stage) to
			November 30, 2013
			(Restated)
<b>Cash Flows from Operating Activities</b>			
Net Loss	\$ (1,581,090)	\$(5,393,656)	\$ (20,395,312)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation expense	-	1,229	4,830
Amortization of debt discount	358,392	630,303	1,123,246
Non-cash interest and financing fees	657,474	1,513,248	2,716,135
Change in derivative liabilities	(541,926)	( 1,294,111)	(1,145,887)
Gain on settlement of debt	-	( 389,325)	(207,927)
Loss on settlement	118,918	111,736	230,654
Stock based compensation	-	-	1,842,200
Mineral property impairment	-	50,000	50,000
Note receivable impairment	-	-	545,849
Interest income	-	-	(80,097)
Common stock issued for services	402,272	47,059	890,881
Change in operating assets and liabilities:			
Decrease in taxes and other amounts receivable	-	113,808	114,614
Decrease/(Increase) in prepaid expenses	-	777,685	(6,087)
Increase in accounts payable and accrued expenses	90,691	324,680	667,816
(Decrease)/Increase in accounts payable and accrued expenses - related party	75,455	129,643	213,820
Discontinued operations	-	2,933,929	9,475,451
<b>Net Cash Used in Operating Activities</b>	<b>(419,814)</b>	<b>(443,772)</b>	<b>(3,928,409)</b>
<b>Cash Flows From Investing Activities</b>			
Pre-acquisition loans to former subsidiary	-	-	(1,065,347)
Post-acquisition loan to former subsidiary	-	( 200,000)	(1,089,525)
Purchase of equipment	-	-	(4,826)
Redemption of preference stock	-	-	-
Discontinued operations	-	-	1,194,064
<b>Net Cash Used in Investing Activities</b>	<b>-</b>	<b>( 200,000)</b>	<b>(965,634)</b>
<b>Cash Flows From Financing Activities</b>			

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Proceeds from the sale of preferred stock	-	-	30,000
Proceeds from the sale of common stock	100,000	-	3,012,455
Proceeds from notes payable	130,000	561,500	1,304,000
Proceeds from note receivable	193,602	-	193,602
Discontinued operations	-	-	353,714
Net Cash Provided by Financing Activities	423,602	561,500	4,893,771
<b>Net Increase (decrease) in Cash</b>	\$ 3,788	\$ (82,272)	\$ (272)
<b>Foreign currency translation adjustment</b>	-	85,926	5,291
<b>Cash and Cash Equivalents at Beginning of Period</b>	\$ 1,237	\$ 2,899	\$ 6
<b>Cash and Cash Equivalents at End of Period</b>	\$ 5,025	\$ 6,553	\$ 5,025
<b>Cash paid for</b>			
Interest	\$ -	\$ -	\$ -
Income Taxes	\$ -	\$ -	\$ -

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

**FOCUS GOLD CORPORATION**

**(an exploration stage company)**

**Notes to Condensed consolidated Financial Statements**

For the nine month period ended November 30, 2013 and 2012

**1. Organization and Description of Business**

Focus Gold Corporation (the "Company") was incorporated on December 23, 2005 under the laws of the State of Nevada under the name Real Estate Referral Center Inc. On April 21, 2009, the Company changed its name to Gold Bag, Inc. and, effective June 6, 2011, to Focus Gold Corporation. In October 2010, the Company entered into an option agreement with Victoria Gold Inc. for the right to explore and purchase mineral claims located in Ontario, Canada and since that time the Company's principal business has been the acquisition and exploration of mineral resources. During the quarter ended November 30, 2013, the Company began discussions of forming a joint venture relating to a copper mine operation in Mexico, which it continues to pursue. In addition, during the quarter ended November 30, 2013, the company also developed a plan to expand its business operations to include the operation and acquisition of receivables management companies in order to generate positive cash flow in the short term, to augment expected future revenues from its existing operations. That new operation commenced in December 2013 with the acquisition of a 55 percent interest in two subsidiaries, Focus Gold Financial Corp., a Florida corporation, and Focus Gold Commercial Resolution, Inc., also a Florida corporation. The former will focus on retail collections activities and the latter, on commercial collections. The two subsidiaries have opened offices in upstate New York, near Buffalo, have engaged employees and commenced business operations and have begun generating operating revenues as of January, 2014. Once the basic operating models are in place, the Company plans to begin roll-up acquisitions in both the retail and commercial receivables management markets.

The Company has been considered an exploration stage company and its financial statements are presented in a manner similar to a development stage company as defined in FASC 915-10-05, and interpreted by the Securities and Exchange Commission for mining companies in Industry Guide 7. As at February 28, 2013, the Company disposed of all of its then existing mineral properties and the Company has initiated steps to restructure itself and engaged an outside consultant to identify, review, and assess additional mineral properties for purchase. The Company has developed a private equity strategy to acquire gold mining properties following several key investment criteria that include: properties that are in safe governmental jurisdictions primarily in the Americas; properties that provide geographic diversification across its portfolio; projects with significant exploration upside; and, where possible, properties with existing capable management teams to which it can then provide senior level experienced management oversight. Once a property has matured, the Company will seek to divest the property either through a strategic sale or through a spin-off into a stand-alone public company.

**2. Significant Accounting Policies**

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. This condensed consolidated summary should be read in conjunction with the disclosure of accounting policies in the Company's audited financial statements for the year ended February 28, 2013.

(a)

Mineral Properties, Leases and Exploration and Development Costs

The Company accounts for mineral properties in accordance with ASC 930: *Extractive Activities-Mining*. Costs of acquiring mineral properties and leases are capitalized by project area upon purchase of the associated claims (see Note 5). Mineral properties are periodically assessed for impairment of value and any diminution in value.

**FOCUS GOLD CORPORATION**

**(an exploration stage company)**

**Notes to Condensed consolidated Financial Statements**

For the nine month period ended November 30, 2013 and 2012

The Company accounts for mineral exploration and development costs in accordance with ASC 932: *Extractive Activities*. All exploration expenditures are expensed as incurred, previously capitalized costs are expensed in the period the property is abandoned. Expenditures to develop new mines, to define further mineralization in existing ore bodies, and to expand the capacity of operating mines, are capitalized and amortized on units of production basis over proven and probable reserves.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property or to exploration costs as applicable. If payments received exceed the capitalized cost of the mineral property or the exploration costs incurred, the excess is recognized as income in the year received.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

(b)