

JPX Global Inc.
Form 10-Q
December 20, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2013

OR

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: 000-54793

JPX GLOBAL, INC.

(Name of Small Business Issuer in Its Charter)

Nevada (State or Other Jurisdiction of Incorporation or Organization)	26-2801338 (IRS Employer Identification No.)
9864 E Grand River, Ste 110-301 Brighton, MI (Address of Principal Executive Offices)	48116 (Zip Code)

(780) 349-1755
(Issuer's Telephone Number)

(Former Name, Former
Address and Former Fiscal
Year, if Changed Since Last
Report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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, non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Smaller reporting company

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer’s classes of common equity, as of the latest practicable date. As of November 1, 2013, the Company had outstanding 32,133,380 shares of common stock, par value \$0.001 per share.

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JPX GLOBAL, INC.

QUARTERLY PERIOD ENDED SEPTEMBER 30, 2013

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JPX GLOBAL, INC.
(formerly Jasper Explorations Inc.)
(A Development Stage Company)
Balance Sheets
(Unaudited)

ASSETS

	September 30, 2013	December 31, 2012
CURRENT ASSETS		
Cash and cash equivalents	\$1,331	\$—
Accounts receivable	839	—
Due from joint venture partner	10,169	—
Total Current Assets	12,339	—
OTHER ASSETS		
Mineral rights	75,617	—
Total Other Assets	75,617	—
TOTAL ASSETS	\$87,956	\$—
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Bank overdraft	\$2,898	\$—
Accounts payable and accrued liabilities	18,638	—
Advances from related party	129,343	49,978
Convertible loan payable - related party	1,500	1,500
Notes payable (net of debt discount of \$24,238 and \$-0-, respectively)	59,687	—
Total Current Liabilities	212,066	51,478
TOTAL LIABILITIES	212,066	51,478
STOCKHOLDERS' DEFICIT		
Preferred stock, \$0.001 par value; 40,000,000 shares authorized, -0- shares issued and outstanding	—	—
Common stock, \$0.001 par value; 500,000,000 shares authorized, 32,133,380 and 30,100,000 shares issued and outstanding, respectively	31,975	30,100
Stock payable	197,975	—

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Additional paid-in capital	2,341,875	—
Deficit accumulated during development stage	(2,695,935)	(81,578)
Total Stockholders' Deficit	(124,110)	(51,478)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$87,956	\$—

The accompanying notes are an integral part of these financial statements

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JPX GLOBAL, INC.
(formerly Jasper Explorations Inc.)
(A Development Stage Company)
Statements of Operations
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended		From Inception (December 18, 2008) through September 30, 2013
	September 30,		September 30,		
	2013	2012	2013	2012	2013
NET SALES	\$ 14,294	\$—	\$ 14,294	\$—	\$ 14,294
COST OF SALES	7,240	—	7,240	—	7,240
GROSS MARGIN	7,054	—	7,054	—	7,054
OPERATING EXPENSES					
Consulting fees	198,033	—	2,541,783	—	2,541,783
Impairment loss on mineral claims	—	—	—	—	15,091
Professional and accounting fees	24,430	2,500	34,486	12,057	100,973
Other general and administrative	29,814	—	31,917	—	31,917
Total Operating Expenses	252,277	2,500	2,608,186	12,057	2,689,764
LOSS FROM OPERATIONS	(245,223)	(2,500)	(2,601,132)	(12,057)	(2,682,710)
OTHER INCOME (EXPENSES)					
Interest expense	(1,038)	—	(1,038)	—	(1,038)
Debt discount expense	(12,187)	—	(12,187)	—	(12,187)
Total Other Income (Expenses)	(13,225)	—	(13,225)	—	(13,225)
NET LOSS	\$(258,448)	\$(2,500)	\$(2,614,357)	\$(12,057)	\$(2,695,935)
Net loss per common share - basic	\$(0.01)	\$(0.00)	\$(0.08)	\$(0.00)	
Weighted average common shares outstanding - basic	31,975,000	30,100,000	30,773,077	30,100,000	

The accompanying notes are an integral part of these financial statements

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JPX GLOBAL, INC.
(formerly Jasper Explorations Inc.)
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended September 30,		From Inception (December 18, 2008) through September 30, 2013
	2013	2012	2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$(2,614,357)	\$(12,057)	\$(2,695,935)
Adjustments to reconcile net loss to net cash used by operating activities:			
Common stock issued for services	2,541,725	—	2,541,825
Debt discount expense	12,187	—	12,187
Impairment loss of mineral claims	—	—	15,091
Changes in operating assets and liabilities:			
Accounts receivable	(839)	—	(839)
Due from joint venture partner	(10,169)	—	(10,169)
Accounts payable and accrued liabilities	18,638	(5,421)	18,638
Net Cash Used by Operating Activities	(52,815)	(17,478)	(119,202)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of mineral claim	(75,617)	—	(90,708)
Net Cash Used by Investing Activities	(75,617)	—	(90,708)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Bank overdraft	2,898	—	2,898
Proceeds from convertible notes payable - related parties	—	—	1,500
Proceeds from advances - related party	79,365	47,478	129,343
Proceeds from sale of common stock	—	—	30,000
Proceeds from notes payable	47,500	—	47,500
Net Cash Provided by Financing Activities	129,763	47,478	211,241
NET INCREASE (DECREASE) IN CASH AND			

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CASH EQUIVALENTS	\$1,331	\$30,000	\$1,331
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	—
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$1,331	30,000	\$1,331
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash Payments For:			
Interest	\$—	\$—	\$—
Taxes	\$—	\$—	\$—
Non-cash activity:			
Common stock issued for services	\$2,541,725	\$—	\$2,541,825

The accompanying notes are an integral part of these financial statements

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1. ORGANIZATION

The company was incorporated under the laws of the state of Nevada on December 18, 2008, with 75,000,000 authorized common shares with a par value of \$0.001. On January 3, 2013, the Company approved the action to amend and restate the Articles of Incorporation of the Company and increase the authorized common shares to 500,000,000 and create and authorize 40,000,000 shares of Preferred Stock which was approved by written consent of the holders representing approximately 67% of the outstanding voting securities of the Company. Series A Preferred Stock was created and designated with super-voting rights of 100 votes per share of Series A Preferred Stock held, and is convertible into 10 shares of common stock for every share of preferred stock held.

The Company was initially organized for the purpose of acquiring and exploring mineral claims. The company acquired a mineral claim with unknown reserves. We intend to continue to hold the mining claims, but will not be developing these assets during 2013. For this reason, we are no longer classifying the Company as an exploration stage company. The Company has entered the sand and gravel extraction business with its joint venture in the state of Washington and expects to receive revenue from the joint venture during the 2013 fiscal year. The future goal of the Company will be to develop a waste services division. The Company has modified its business plan to include the development of waste management services including the storage, recycling, and disposal of waste. The Company does not presently have any waste management operations and is considered to be in the development stage, but due to our joint venture we expect to have revenues and adjust our classification as a development stage company to an operational stage company as sales are made.

2. GOING CONCERN

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. The company does not have sufficient working capital for its planned activity, and to service its debt, which raises substantial doubt about its ability to continue as a going concern. The Company has incurred accumulated losses of \$2,695,935 since inception (December 18, 2008) through September 30, 2013.

Continuation of the company as a going concern is dependent upon obtaining additional working capital and the management of the company has developed a strategy which it believes will accomplish this objective through short term loans from an officer-director, and additional equity investments, which will enable the company to continue operations for the coming year. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Pursuant to the rules and regulations of the Securities and Exchange Commission for Form 10-Q, the financial statements, footnote disclosures and other information normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The financial statements contained in this report are unaudited but, in the opinion of management, reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the interim financial statements. The results of operations for any interim period are not necessarily indicative of results for the full year. The balance sheet as at December 31, 2012 has been derived from audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

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The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Management reviews these estimates and assumptions on an ongoing basis using currently available information. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized upon completion of services or delivery of goods where the sales price is fixed or determinable and the collectability is reasonably assured. As part of the joint venture agreement, a buyer will make an order by requesting material or gravel. Arrangements are then made for the customer to either pick up the material directly from the quarry or delivered to their site. Once the material is either picked up or delivered, the company records the sale.

Income Tax

The company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect, when the differences are expected to be reverse. An allowance against deferred tax assets is recorded, when it is more likely than not that such tax benefits will not be realized.

Since inception through September 30, 2013, the company had a net operating loss available for carry forward of \$2,695,935.

Earnings Per Share

The Company follows ASC Topic 260 to account for earnings per share. Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation. Because the Company does not have any potentially dilutive securities, the accompanying presentation is only of basic loss per common share.

Cash & Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Impairment of Long-Lived Assets

The Company reviews and evaluates long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The assets are subject to impairment consideration under FASB ASC 360-10-35-17 if events or circumstances indicate that their carrying amount might not be recoverable. When the Company determines that an impairment analysis should be done, the analysis will be performed using the rules of FASB ASC 930-360-35, Asset Impairment, and 360-10 through 15-5, Impairment or Disposal of Long-Lived Assets.

Environmental Requirements

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At the report date, environmental requirements related to a formally held mineral claim are unknown and therefore any estimate of future costs cannot be made.

Mineral Property Acquisitions Costs

Costs of acquisition and option costs of mineral rights are capitalized upon acquisition. Mine development costs incurred to develop new ore deposits, to expand the capacity of mines, or to develop mine areas substantially in advance of current production are also capitalized once proven and probable reserves exist and the property is a commercially mineable property.

Costs incurred to maintain current production or to maintain assets on a standby basis are charged to operations. If the Company does not continue with exploration after the completion of the feasibility study, the mineral rights will be expensed at that time. Costs of abandoned projects are charged to mining costs including related property and equipment costs. To determine if these costs are in excess of their recoverable amount periodic evaluation of carrying value of capitalized costs and any related property and equipment costs are based upon expected future cash flows and/or estimated salvage value in accordance with FASB Accounting Standards Codification (ASC) 360-10-35-15, Impairment or Disposal of Long-Lived Assets.

Various factors could impact our ability to achieve forecasted production schedules. Additionally, commodity prices, capital expenditure requirements and reclamation costs could differ from the assumptions the Company may use in cash flow models from exploration stage mineral interests. This, however, involves further risks in addition to those factors applicable to mineral interests where proven and probable reserves have been identified, due to the lower level of confidence that the identified mineralized material can ultimately be mined economically.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

Stock-based compensation

The Company records stock based compensation to employees in accordance with the guidance in ASC Topic 718 which requires the Company to recognize expenses related to the fair value of its employee stock option awards. This eliminates accounting for share-based compensation transactions using the intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with FASB ASC 505-50 and the conclusions reached by the FASB ASC 505-50. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by FASB ASC 505-50.

Fair value of financial instruments

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Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2013 and December 31, 2012. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, accounts payable and accrued liabilities and advances from related party. Fair values were assumed to approximate carrying values for cash, payables and advances from related party because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand.

Level 1: The preferred inputs to valuation efforts are "quoted prices in active markets for identical assets or liabilities," with the caveat that the reporting entity must have access to that market. Information at this level is based on direct observations of transactions involving the same assets and liabilities, not assumptions, and thus offers superior reliability. However, relatively few items, especially physical assets, actually trade in active markets.

Level 2: FASB acknowledged that active markets for identical assets and liabilities are relatively uncommon and, even when they do exist, they may be too thin to provide reliable information. To deal with this shortage of direct data, the board provided a second level of inputs that can be applied in three situations.

Level 3: If inputs from levels 1 and 2 are not available, FASB acknowledges that fair value measures of many assets and liabilities are less precise. The board describes Level 3 inputs as "unobservable," and limits their use by saying they "shall be used to measure fair value to the extent that observable inputs are not available." This category allows "for situations in which there is little, if any, market activity for the asset or liability at the measurement date". Earlier in the standard, FASB explains that "observable inputs" are gathered from sources other than the reporting company and that they are expected to reflect assumptions made by market participants.

Recent Accounting Pronouncements

The Company has evaluated the recent accounting pronouncements and believes that none of them will have a material effect on the company's financial statements.

4. JOINT VENTURE

On June 17, 2013, the Company entered into a *Processing Lease and Option To Purchase Agreement*, thereby effecting the *Joint Venture Agreement*, dated May 30, 2013, (collectively, the "Agreements") with CGrowth Capital, Inc., a Delaware corporation ("CGrowth"). Pursuant to the Agreements, CGrowth is obligated to provide operational, on-site, and sales support in respect to the Chewelah Community Pit, a 15 acre sand and gravel pit in Colville,

Washington. A copy of the approved Bureau of Land Management (“BLM”) *Contract For The Sale Of Mineral Materials* and all the Agreements were attached to our report on Form 8-K dated June 19, 2013. According to the terms of the Agreements, the Company is obligated to make an initial payment of \$50,000, followed by a payment of \$300,000 in 30 days or less. As of September 30, 2013, \$75,617 has been paid by the company and is recorded as Mineral Rights on the Balance Sheet. These Mineral Rights are part of the Joint Venture. Also, the Company shall be entitled to 51% of the net revenue, and CGrowth shall be entitled to 49% of the net revenue respectively. A separate DBA was created to operate the Joint Venture and all transactions have been recorded and consolidated under JPX Global. The Joint Venture Agreement expires on June 1, 2014, but will automatically extend for an additional year, in anticipation of a 5-year BLM extension. The copies of the Agreements are provided as exhibits to our Form 8-K dated June 19, 2013.

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5. ACQUISITION OF A MINERAL CLAIM

During 2010 the company acquired mineral claims for \$15,000 known as the Red Streak Jasper Property, located about three (3) kilometers southwest of the town of Westwold, British Columbia, Canada consisting of two (2) claim units consisting of a total of 12 cells located about three (3) kilometers southwest of the town of Westwold, British Columbia, Canada. The total claim area is 247.45 hectares. We intend to continue to hold the mining claims, but have not been able to develop these assets during 2013. For this reason, we are no longer classifying the Company as an exploration stage company. The primary goal of the Company will be to develop into a waste services business and classify the Company as a development stage company.

The acquisitions costs have been impaired and expensed during 2010 because there had been no exploration activities nor had there been any reserves established and we could not project any future cash flows or salvage value and the acquisition costs were not recoverable. Consequently, we have recorded an impairment loss for the full amount of \$15,091 during the year ended December 31, 2010.

On June 7, 2013, the Company acquired mineral rights to the Chewelah Community Pit, a 15 acre sand and gravel pit in Colville, Washington through its joint venture with CGrowth Capital, Inc. The joint venture started operations during the 3rd quarter of 2013. A copy of the approved Bureau of Land Management (“BLM”) *Contract For The Sale Of Mineral Materials* and all the Agreements were attached to our report on form 8-K dated June 19, 2013.

6. CONVERTIBLE LOAN RELATED PARTY

On December 18, 2008, the Company entered into a Promissory Note agreement with the then CEO of the Company. The note was for a sum of \$1,500 non interest bearing, due and payable on December 31, 2010. If note is not paid on December 31, 2010, the note can be converted to common stock of the Company for \$.001 per share. At the time the note was issued, the Company did not have a fair value for the stock therefore no beneficial conversion feature exists. At this time, the Company and the debt holder have not converted the loan into shares of the Company, and the Company does not currently plan to. The Company and the note holder have verbally agreed that the Company will pay the loan off as it is able to without penalty. As of September 30, 2013 and December 31, 2012, the balance in note payable account is \$1,500.

7. CONVERTIBLE NOTES PAYABLE

On June 25, 2013 the company entered into a Promissory Note agreement. The note was for a sum of \$47,500, carries interest rate of 8% and is due on March 28, 2014. The note was recorded on the books of the Company during the third quarter of 2013 as that is when the proceeds from the note were received. Accrued interest on the note as of September 30, 2013 was \$1,010. The note is convertible into the Company's common stock at the holder's option. The Company recorded a debt discount of \$36,425 included in the balance of Notes payable. Furthermore, the Company recorded \$12,187 in amortization of the debt discount which is disclosed as interest expense in the statement of operations.

8. CAPITAL STOCK

On August 31, 2010, the company issued 30,000,000 private placement common shares to its founder for cash of \$30,000.

On August 17, 2011, the Company issued 100,000 common shares at par value to its transfer agent for services rendered.

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On February 15, 2013, the Company entered into an agreement to acquire all of the outstanding shares of Scorpex, Inc., a Nevada corporation (hereafter, "Scorpex"), in exchange for 103,250,000 shares of Common Stock and 5,000,000 shares of Series A Preferred Stock of the Company (such transaction is hereafter referred to as the "Acquisition"). A material condition of the Acquisition, production of audited financial statements, has not been provided by Scorpex and therefore the Acquisition was terminated in accordance with its terms. All stock issuances have been rescinded associated with the Acquisition and the total issued and outstanding stock of the Company is 30,100,000 shares of common stock and 0 shares of preferred stock. No termination penalties have been incurred by the Company.

On June 19, 2013 the Company issued 1,875,000 common shares valued at \$2,343,750 for services rendered to Southbay Holdings and its affiliates. These consultants received their shares for organizing the joint venture with CGrowth and with the preparation for other acquisition, merger, and joint venture partners.

On July 9, 2013, the Company agreed to issue 158,380 common shares valued at \$197,975 for services rendered to the Company by various contract personnel. As of September 30, 2013 the shares had not been issued and are recorded as stock payable on the balance sheet.

9. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2013, a related party advanced the Company \$79,365 for development, professional fees, and expenses including \$75,617 paid toward the mineral rights and joint venture as described in Note 4. These advances are non-interest bearing and due on demand. The total balance due to related party as on September 30, 2013 and December 31, 2012 is \$129,343 and \$49,978 respectively.

10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued and has determined that there are no other events that would have a material impact on the financial statements.

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

The following discussion of the financial condition and results of operations of JPX Global, Inc. (hereafter, "JPEX", the "Company," "we," "our," or "us") should be read in conjunction with the Unaudited Financial Statements and related Notes thereto included herein. This discussion may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements regarding the Company's expectations, beliefs, intentions, or future strategies that are signified by the words "expects," "anticipates," "intends," "believes," or similar language. Actual results could differ materially from those projected in the forward looking statements. Prospective investors should carefully consider the information set forth herein, and the Company cautions investors that its business and financial performance is subject to substantial risks and uncertainties.

Overview

As a result of the agreement to acquire all of the assets of Scorpex, Inc., a Nevada corporation ("Scorpex"), on February 15, 2013, the Company changed its business model to capitalize on the opportunities available in the integrated waste, and waste management services sector primarily in Mexico. Due to a condition in the agreement requiring audited financials, the asset purchase has not been effected. The Company intends to consummate the agreement with Scorpex in the future upon completion of its audits and intends to further capitalize on opportunities in its integrated waste, and waste management service operations, including the receiving, storage, transfer and disposal in an environmental manner. In providing these services, we intend to actively pursue projects and initiatives that we believe make a positive difference for our environment which will be focused on gasification of waste in an environmental manner. It is expected that our customer base will include commercial, industrial, municipal and residential customers, other waste management companies, electric utilities, and governmental entity properties. We are a development stage company and we have not realized any revenues to date. We do not have sufficient capital to enable us to commence and complete our exploration program. We will require additional financing in order to conduct the exploration program described herein." Our auditors have issued a going concern opinion, raising substantial doubt about the Company's financial prospects, and the Company's ability to continue as a going concern. As a waste management and sand and gravel extraction company, our principal sources of revenue will result from sand and gravel sales and waste management contracts, but will also include revenue from ancillary services related to the handling and conversion of waste. Expenses which comprise the costs of goods sold include the operational and staffing costs of the trucks and other vehicles used for transporting and special licensing where required. General and administrative expenses have been comprised of administrative wages and benefits; occupancy and office expenses; outside legal, accounting and other professional fees; travel and other miscellaneous office and administrative expenses. Selling and marketing expenses include selling/marketing wages and benefits, advertising and promotional expenses, as well as travel and other miscellaneous related expenses.

The Company has entered the sand and gravel extraction business with its joint venture in the state of Washington and expects to receive revenue from the joint venture during the 2013 fiscal year. The future goal of the Company will be to develop a waste services division. The Company has modified its business plan to include the development of waste management services including the storage, recycling, and disposal of waste. Due to our joint venture we expect to

have revenues and adjust our classification as a development stage company to an operational stage company as sales are made.

Our ability to generate revenues during the year 2013 and beyond depends substantially upon the Company's resources available in order to develop and grow the sand and gravel joint venture and the integrated waste and waste management businesses. Such efforts require significant systems development, marketing and personnel costs, which, in turn, require substantial funding. If we are unable to obtain such funding, its ability to generate revenues will be significantly impaired and we may be unable to continue operations.

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Because the Company has incurred losses, income tax expenses are immaterial. No tax benefits have been booked related to operating loss carryforwards, given the uncertainty of the Company being able to utilize such loss carryforwards in future years. We anticipate incurring additional losses during the coming year.

Results of Operations

Following is management's discussion of the relevant items affecting results of operations for the three and nine month periods ended September 30, 2013 and 2012.

Revenues. For both the three and nine months ended September 30, 2013 and 2012, net revenues were \$14,294 and \$-0-, respectively. The revenues were generated from sand and gravel excavation per the joint venture as previously described. The joint venture commenced operations during the quarter ended September 30, 2013.

Cost of Sales. Cost of Sales for both the three and nine months ended September 30, 2013 and 2012 were \$7,240 and \$-0-, respectively. Costs of sales relate to the processing and management of sand and gravel excavation as well as operational and staffing costs with respect thereto.

Consulting Fees. Consulting fees for the three and nine months ended September 30, 2013 were \$198,033 and \$2,541,783, respectively. During the three and nine months ended September 30, 2012 consulting fees were \$-0-. During the nine months ended September 30, 2013, the Company issued 2,033,380 shares of common stock for services rendered to the Company. The shares were valued at \$1.25 per share as per ASC Topic 505-50-25-7 for financial statement purposes.

Professional Fees. Professional fees for the three months ended September 30, 2013 were \$24,430 compared to \$2,500 for the three months ended September 30, 2012. For the nine months ended September 30, 2013, professional fees were \$34,486 compared to \$12,057 for the nine months ended September 30, 2012. Professional fees consist mainly of the fees for the review of the Company's financial statements of the prior quarter as well as the filings with the SEC. The Company anticipates that professional fees will increase commensurate with an increase in our operations.

Other General and Administrative Expenses. Other general and administrative expenses for the three months ended September 30, 2013 were \$29,814 compared to \$-0- for the three months ended September 30, 2012. For the nine months ended September 30, 2013, other general and administrative expenses were \$31,917 compared to \$-0- for the nine months ended September 30, 2012. The increase is mainly the result of operating expenses associated with the

joint venture. We expect that salaries and consulting expenses, that are cash- instead of share-based, will increase as we add personnel to build our waste management business.

Other Income (Expense). The Company had net other expenses of \$13,225 for both the three and nine months ended September 30, 2013 compared to \$-0- for the three and nine months ended September 30, 2012. Other expenses consist of interest expenses of \$1,038 and debt discount expenses of \$12,187 related to the promissory note issued by the Company during the quarter ended September 30, 2013.

Liquidity and Capital Resources

As of September 30, 2013, our primary source of liquidity consisted of \$1,331 in cash and cash equivalents. We hold most of our cash reserves in trust account maintained by our attorney. Since inception, we have financed our operations through a combination of short term loans from related parties and through the private placement of our common stock.

We have sustained significant net losses which have resulted in an accumulated deficit at September 30, 2013 of \$2,695,935 and are currently experiencing a substantial shortfall in operating capital

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which raises doubt about our ability to continue as a going concern. Historically, we have funded operating expenses and our acquisition of mineral claim through advances from related parties. We anticipate a net loss for the year ended December 31, 2013 and with the expected cash requirements for the coming months, without additional cash inflows from an increase in revenues combined with continued cost-cutting or a receipt of cash from capital investment, there is substantial doubt as to the Company's ability to continue operations.

There is presently no agreement in place with any source of financing for the Company and we cannot assure you that the Company will be able to raise any additional funds, or that such funds will be available on acceptable terms. Funds raised through future equity financing will likely be substantially dilutive to current shareholders. Lack of additional funds will materially affect the Company and its business, and may cause us to cease operations. Consequently, shareholders could incur a loss of their entire investment in the Company.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company we are not required to provide this information.

ITEM 4. CONTROLS AND PROCEDURES

Management's Report on Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, to allow for timely decisions regarding required disclosure.

As of September 30, 2013, the end of our third quarter covered by this report, we carried out an evaluation, under the supervision of our Chief Executive Officer and Controller, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, we concluded that our disclosure controls and procedures were ineffective as of the end of the period covered by this quarterly report because there was no segregation of the duties with only a sole member in our management team. Our board of directors has only one member. We do not have a formal audit committee.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act, as amended). In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control include providing management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States. Our management assessed the effectiveness of our internal control over financial reporting as of September 30, 2013. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control-Integrated Framework*. Our management has concluded that, as of September 30, 2013, our internal control over financial reporting is ineffective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US generally accepted accounting principles. This quarterly report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this quarterly report.

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Inherent limitations on effectiveness of controls

Internal control over financial reporting has inherent limitations which include but is not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Internal control over financial reporting is a process which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis, however these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There have been no significant changes in our internal controls over financial reporting that occurred during the quarter ended September 30, 2013 that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not a party to any material legal proceedings and to our knowledge; no such proceedings are threatened or contemplated.

ITEM 1A. RISK FACTORS

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

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

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ITEM 6. EXHIBITS

The following documents are filed as exhibits to this Form 10-Q:

INDEX TO EXHIBITS

Number	Exhibits
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- | | |
|-----|--|
| 3.1 | Amended and Restated Articles of Incorporation (incorporated by reference from our report on form 8-K filed on January 9, 2013). |
| 3.2 | Amended and Restated Bylaws (incorporated by reference from our report on form 8-K filed on January 9, 2013). |
| 31 | <u>Certification by Chief Executive Officer, James P. Foran, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| 32 | <u>Certification by Chief Executive Officer, James P. Foran, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |

SIGNATURES

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

JPX GLOBAL, INC.

Date: December 20, 2013 By: /s/ James P. Foran
James P. Foran
Chief Executive Officer

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