

Janus Resources, Inc.
Form 10-Q
November 09, 2011

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2011

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: 000-30156

JANUS RESOURCES, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation)

98-0170247
(I.R.S. Employer Identification No.)

430 Park Avenue, Suite 702, New York, NY
(Address of principal executive offices)

10022
(Zip Code)

800-755-5815
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes 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).

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Yes No Not Applicable

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" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

Yes No

As of November 7, 2011, the registrant had 63,075,122 shares of its common stock, par value \$0.00001 per share, issued and outstanding.

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 (Formerly Entheos Technologies, Inc.)

FORM 10-Q
 For the Quarterly Period Ended September 30, 2011

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

JANUS RESOURCES, INC.
(formerly Entheos Technologies, Inc.)
CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 964,448	\$ 2,052,305
Accounts receivable	16,091	2,615
Prepaid expenses	3,870	-
Total current assets	984,409	2,054,920
Oil and gas properties		
Proven properties	433,522	432,089
Unproven properties	97,838	103,087
Accumulated depreciation, depletion, amortization and impairment	(511,517)	(508,583)
Oil and gas properties, net	19,843	26,593
Mineral properties	484,100	-
Total assets	\$ 1,488,352	\$ 2,081,513
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 24,518	\$ 9,404
Accounts payable - related parties	8,488	13,270
Warrant liability	888,941	5,248,041
Total current liabilities	921,947	5,270,715
Long-term liabilities		
Asset retirement obligation	54,596	52,558
Total liabilities	976,543	5,323,273
Stockholders' equity (deficit)		
Preferred stock: \$0.0001 par value: Authorized: 10,000,000 shares Issued and outstanding: nil	-	-
Common stock: \$0.00001 par value: Authorized: 200,000,000 shares Issued and outstanding: 63,075,122 shares (2010: 63,075,122)	631	631
Additional paid-in capital	5,462,236	5,462,236
Accumulated deficit	(4,912,476)	(8,704,627)
Accumulated other comprehensive income (loss)	(38,582)	-

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Total stockholders' equity (deficit)	511,809	(3,241,760)
Total liabilities and stockholders' equity (deficit)	\$ 1,488,352	\$ 2,081,513

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

JANUS TECHNOLOGIES, INC.
(Formerly Entheos Technologies, Inc.)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Revenue				
Oil and gas sales	\$ 6,095	\$ 6,150	\$ 23,808	\$ 30,237
Expenses				
Lease operating expenses	5,319	4,247	16,080	15,886
Exploration costs	39,828	-	141,763	-
General and administrative expenses	151,993	62,021	432,121	193,536
Impairment and depreciation	331	12,113	2,934	52,996
Total operating expenses	197,471	78,381	592,898	262,418
Operating Loss	(191,376)	(72,231)	(569,090)	(232,181)
Other income / (expense)				
Change in fair value of warrant liability	1,358,452	1,068,044	4,359,100	1,083,644
Gain on disposal of assets	2,141	-	2,141	-
	1,360,593	1,068,044	4,361,241	1,083,644
Net income				
attributable to common stockholders	\$ 1,169,217	\$ 995,813	\$ 3,792,151	\$ 851,463
Earnings per share - basic				
Income per common share	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.01
Weighted average shares outstanding				
	63,075,122	63,075,122	63,075,122	63,075,122
Earnings per share - diluted				
Income per common share	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.01
Weighted average shares and dilutive potential common shares outstanding				
	64,501,373	63,075,122	64,465,803	63,075,122

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

JANUS RESOURCES, INC.
(Formerly Entheos Technologies, Inc.)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) AND COMPREHENSIVE
INCOME (LOSS)
(Unaudited)

	Common Stock		Additional paid-in capital	Comprehensive income	Accumulated earnings (deficit)	Accumulated	Total
	Shares	Amount				other comprehensive income (loss)	stockholders' equity (deficit)
Balance, December 31, 2010	63,075,122	\$ 631	\$ 5,462,236		\$ (8,704,627)	\$ -	\$ (3,241,760)
Comprehensive income:							
Net							
income, September 30, 2011	-	-	-	\$ 3,792,151	3,792,151	-	3,792,151
Foreign currency translation adjustment	-	-	-	(38,582)	-	(38,582)	(38,582)
Total comprehensive income				\$ 3,753,569			
Balance, September 30, 2011	63,075,122	\$ 631	\$ 5,462,236		\$ (4,912,476)	\$ (38,582)	\$ 511,809

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

JANUS RESOURCES, INC.
(formerly Entheos Technologies, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2011	2010
Cash flows from operating activities		
Net income	\$ 3,792,151	\$ 851,463
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Impairment and depreciation	2,934	52,996
Stock-based compensation	-	(36,138)
Accretion of asset retirement obligation	2,038	1,906
Change in fair value of warrant liability	(4,359,100)	(1,083,644)
Gain on disposal of assets	(2,141)	-
Changes in operating assets and liabilities:		
Accounts receivable	(13,476)	7,327
Inventory	-	(2,507)
Prepaid expenses	(3,870)	-
Accounts payable & accrued liabilities including related party payables	10,332	(11,929)
Net cash flows from operating activities	(571,132)	(220,526)
Cash flows from investing activities		
Acquisition of oil and gas properties	(1,433)	(8,523)
Proceeds from disposal of oil and gas properties	7,390	-
Acquisition of mineral properties	(484,100)	-
Net cash flows from investing activities	(478,143)	(8,523)
Effect of exchange rate changes on cash		
	(38,582)	-
Decrease in cash and cash equivalents	(1,087,857)	(229,049)
Cash and cash equivalents, beginning of period	2,052,305	2,409,770
Cash and cash equivalents, end of period	\$ 964,448	\$ 2,180,721
Supplemental disclosure of cash flow information:		
Interest paid in cash	\$ -	\$ -
Income tax paid in cash	\$ -	\$ -

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

JANUS RESOURCES, INC.
(Formerly Entheos Technologies, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Nature of Operations

Janus Resources, Inc. (formerly Entheos Technologies, Inc.) (the “Company”) is in the business of location, acquisition, exploration and, if warranted, development of both mineral exploration properties and oil and gas properties. The Company pursues oil and gas prospects in partnership with oil and gas companies with exploration, development and production expertise. Currently, its interests consist of non-operating, minority working interests in oil and gas properties. On June 8, 2011, the Company completed the acquisition of the Fostung tungsten property, located in Foster Township, Sudbury, Ontario, Canada.

The Company’s general business strategy is to acquire mineral properties and oil and gas properties either directly or through the acquisition of operating entities. Its continued operations and the recoverability of property costs are dependent upon the existence of economically recoverable mineral and oil and gas reserves, the confirmation of its interest in the underlying properties, its ability to obtain necessary financing to complete development, and future profitable production.

Incorporated under the laws of the State of Nevada, the Company has an authorized capital of 200,000,000 shares of \$0.00001 par value common stock, of which 63,075,122 shares are outstanding and 10,000,000 shares of \$0.0001 par value preferred stock, of which none are outstanding as of September 30, 2011.

Effective January 5, 2011, the Company changed its name from “Entheos Technologies, Inc.” to “Janus Resources, Inc.” so as to more fully reflect the Company’s operations.

Note 2. Accounting Policies

Basis of Presentation and Principles of Accounting

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all information and disclosures required by generally accepted accounting principles (“GAAP”) in the United States (“U.S.”), and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Therefore, this information should be read in conjunction with Janus Resources, Inc. financial statements and notes contained in its 2010 Annual Report on Form 10-K. The information furnished herein reflects all adjustment that are, in the opinion of management, necessary for the fair statement of the results for the interim periods reported. All such adjustments are, in the opinion of management, of a normal recurring nature. Operating results for the nine month period ended September 30, 2011, are not necessarily indicative of the results that may be expected for the year ending December 31, 2011.

In preparing the accompanying consolidated financial statements, the Company has evaluated information about subsequent events that became available to them through the date the financial statements were issued. This information relates to events, transactions or changes in circumstances that would require us to adjust the amounts reported in the financial statements or to disclose information about those events, transactions or changes in circumstances.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Fostung Resources, Ltd (“Fostung”). Collectively, they are referred to herein as “the Company”. Significant intra-entity accounts and transactions have been eliminated. Fostung Resources, Ltd. was incorporated on May 10, 2011 in Ontario, Canada.

The Company accounts for its undivided interest in oil and gas properties using the proportionate consolidation method, whereby its share of assets, liabilities, revenues and expenses are included in its financial statements.

Applicable Accounting Guidance

Any reference in these notes to applicable accounting guidance is meant to refer to the authoritative non-governmental United States GAAP as found in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Management’s judgments and estimates in these areas are based on information available from both internal and external sources, including engineers, geologists, consultants and historical experience in similar matters. The more significant reporting areas impacted by management’s judgments and estimates are accruals related to oil and gas sales and expenses; estimates used in the impairment of oil and gas properties; and the estimated future timing and cost of asset retirement obligations.

Actual results could differ from the estimates as additional information becomes known. The carrying values of oil and gas properties are particularly susceptible to change in the near term. Changes in the future estimated oil and gas reserves or the estimated future cash flows attributable to the reserves that are utilized for impairment analysis could have a significant impact on the future results of operations.

Full Cost Method of Accounting for Oil and Gas Properties

The Company has elected to utilize the full cost method of accounting for its oil and gas activities. In accordance with the full cost method of accounting, all costs associated with acquisition, exploration, and development of oil and gas reserves, including directly related overhead costs and related asset retirement costs, are capitalized.

All capitalized costs of oil and gas properties, including the estimated future costs to develop proved reserves, are amortized on the unit-of-production method using estimates of proved reserves once proved reserves are determined to exist. The Company has not yet obtained reserve reports. Management is assessing production data to determine the feasibility of obtaining reserves studies. At September 30, 2011, there were no capitalized costs subject to amortization.

Oil and gas properties without estimated proved reserves are not amortized until proved reserves associated with the properties can be determined or until impairment occurs. As a result of management's impairment analysis, the Company recorded an impairment loss of \$2,934 and \$19,621 during the nine month periods ended September 30, 2011 and 2010, respectively. The impairment is similar to amortization and therefore is not added to the costs of properties being amortized. See "Note 6. Fair Value Measurement" for further information.

Sales of oil and gas properties are accounted for as adjustments of capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized in income. The Company has not sold any oil and gas properties.

Full Cost Ceiling Test

At the end of each quarterly reporting period, the unamortized costs of oil and gas properties are subject to a "ceiling test" which basically limits capitalized costs to the sum of the estimated future net revenues from proved reserves, discounted at 10% per annum to present value, based on current economic and operating conditions, adjusted for related income tax effects.

Asset Retirement Obligation

The Company accounts for its future asset retirement obligations by recording the fair value of the liability during the period in which it was incurred. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The increase in carrying value of a property associated with the capitalization of an asset retirement obligation is included in proven oil and gas properties in the balance sheets. The Company's asset retirement obligation consists of costs related to the plugging of wells, removal of facilities and equipment and site restoration on its oil and gas properties. The asset retirement liability is allocated to operating expense using a systematic and rational method. Asset retirement obligations amounted to \$54,596 and \$52,558 at September 30, 2011 and December 31, 2010, respectively.

Mineral Properties and Explorations Costs

The Company accounts for its mineral properties on a cost basis whereby all direct costs, net of pre-production revenue, relative to the acquisition of the properties are capitalized. All sales received are first credited against the

costs of the related property, with any excess credited to earnings. Once commercial production has commenced, the net costs of the applicable property will be charged to operations using the unit-of-production method based on estimated proven and probable recoverable reserves. The net costs related to abandoned properties are charged to operations.

Exploration costs are charged to operations as incurred until such time that proven reserves are discovered. From that time forward, the Company will capitalize all costs to the extent that future cash flow from mineral reserves equals or exceeds the costs deferred. The deferred costs will be amortized over the recoverable reserves when a property reaches commercial production.

The Company reviews the carrying values of its mineral properties on a regular basis by reference to the project economics including the timing of the exploration and/or development work, the work programs and the exploration results experienced by the Company and others. The review of the carrying value of any producing property will be made by reference to the estimated future operating results and net cash flows. When the carrying value of a property exceeds its estimated net recoverable amount, provision is made for the decline in value.

The recoverability of the amounts recorded for mineral properties is dependent on the confirmation of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to successfully complete their development and the attainment of future profitable operations or proceeds from disposition.

Estimated costs related to site restoration programs during the commercial development stage of the property are accrued over the life of the project.

Warrant Liability Derivative

The Company evaluates financial instruments for freestanding or embedded derivatives. As part of the July 2008 financing, the Company issued warrants that did not meet the specific conditions for equity classification. The Company is required to classify the fair value of the warrants issued as a liability, with subsequent changes in fair value recorded as income (loss). The fair value of the warrants will continue to be classified as a liability until the warrants are exercised, expire or are amended in a way that would no longer require classification as a liability.

Oil and Gas Revenues

The Company recognizes oil and gas revenues when oil and gas production is sold to a purchaser at a fixed or determinable price, when delivery has occurred and title has transferred, and if collectability of the revenue is probable. Delivery occurs and title is transferred when production has been delivered to a purchaser's pipeline or truck. As a result of the numerous requirements necessary to gather information from purchasers or various measurement locations, calculate volumes produced, perform field and wellhead allocations, distribute and disburse funds to various working interest partners and royalty owners, the collection of revenues from oil and gas production may take up to 45 days following the month of production. Therefore, the Company may make accruals for revenues and accounts receivable based on estimates of its share of production. Since the settlement process may take 30 to 60 days following the month of actual production, its financial results may include estimates of production and revenues for the related time period. The Company will record any differences between the actual amounts ultimately received and the original estimates in the period they become finalized.

Foreign Currency Translation

For operations outside of the U.S. that prepare financial statements in currencies other than U.S. dollars, the Company translates the financial statements into U.S. dollars. Results of operations and cash flows are translated at average exchange rates during the period, and assets and liabilities are translated at end of period exchange rates, except for equity transactions and advances not expected to be repaid in the foreseeable future, which are translated at historical costs. The effects of exchange rate fluctuations on translating foreign currency assets and liabilities into U.S. dollars are accumulated as a separate component in other comprehensive income (loss).

Comprehensive income

The Company displays comprehensive income (loss) and its components as part of the consolidated statements of stockholders' equity. Comprehensive income (loss) is as follows for the three and nine months ended September 30, 2011 and 2010:

	Three Months Ended September		Nine Months Ended September	
	30,	30,	30,	30,
	2011	2010	2011	2010
Net income (loss) for the period	\$ 1,169,217	\$ 995,813	\$ 3,792,151	\$ 851,463
Foreign currency translation adjustments	(30,572)	-	(38,582)	-
Total comprehensive income (loss)	\$ 1,138,645	\$ 995,813	\$ 3,753,569	\$ 851,463

Accumulated other comprehensive income consists entirely of foreign currency translation adjustments at September 30, 2011 and December 31, 2010.

Earnings (Loss) Per Share

The computation of basic net income (loss) per common share is based on the weighted average number of shares that were outstanding during the year. The computation of diluted net income (loss) per common share is based on the weighted average number of shares used in the basic net income (loss) per share calculation plus the number of common shares that would be issued assuming the exercise of all potentially dilutive common shares outstanding using the treasury stock method for shares subject to stock options and warrants. See “Note 3. Earnings (Loss) Per Share” for further discussion.

Related Party Transactions

A related party is generally defined as (i) any person who holds 10% or more of the Company's securities and their immediate families, (ii) the Company's management, (iii) someone who directly or indirectly controls, is controlled by or is under common control with the Company, or (iv) anyone who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. See "Note 9. Related Party Transactions" for further discussion.

Concentration of Risk

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, and accounts receivable. The Company occasionally has cash deposits in excess of federally insured limits. The Company has not experienced any losses related to these balances, and management believes its credit risk to be minimal. Accounts receivable are with the operators of the oil wells in which the Company participates. Given the close working relationship between the operators and the Company, management believes its credit risk is minimal.

Fair Values of Financial Instruments

The Company measures certain financial assets and liabilities at fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable approximate fair value due to the short-term nature of maturity of the instruments. See Note 6 for further discussion on fair value of financial instruments.

Recent and Adopted Accounting Pronouncements

From time to time, new accounting guidance is issued by FASB that the Company adopts as of the specified effective date. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on our financial statements upon adoption.

In June 2011, the FASB updated its guidance to make the presentation of comprehensive income more prominent in financial statements. The updated guidance requires companies to present net income, items of other comprehensive income and total comprehensive income in one continuous statement or two separate but consecutive statements. Presentation in the statement of stockholders' equity will no longer be permitted. These updates will become effective for the Company for interim and annual periods beginning in 2012, with early adoption permitted. The Company is still in the process of evaluating the manner in which it will implement this guidance.

Note 3. Earnings (Loss) Per Share (EPS)

There were no adjustments to net income in calculating diluted net income per share. The table below reconciles basic weighted shares outstanding to diluted weighted average shares outstanding:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Basic weighted average shares outstanding	63,075,122	63,075,122	63,075,122	63,075,122

Effect of dilutive securities - warrants	1,426,251	-	1,390,681	-
Diluted weighted average shares outstanding	64,501,373	63,075,122	64,465,803	63,075,122

Note 4. Oil and Gas Properties

The aggregate amount of capitalized costs relating to crude oil and natural gas producing activities and the aggregate amount of related accumulated depreciation, depletion and amortization at September 30, 2011 and December 31, 2010:

	September 30, 2011	December 31, 2010	Change (\$)
Proven properties	\$ 433,522	\$ 432,089	\$ 1,433
Unproven properties	97,838	103,087	(5,249)
	531,360	535,176	(3,816)
Impairment and depletion, depreciation and amortization	(511,517)	(508,583)	(2,934)
Oil and gas properties, net	\$ 19,843	\$ 26,593	\$ (6,750)

The Company amortizes all capitalized costs of oil and gas properties on the unit-of-production method using proved reserves, if available. The Company has not obtained reserve studies with estimated proved reserves. Management is assessing production data to determine the feasibility of obtaining reserves studies. Therefore at September 30, 2011 and December 31, 2010 there were no capitalized costs subject to amortization.

Unproven properties costs as of September 30, 2011 and December 31, 2010 are associated with a development oil well which was completed in August 2009 and did not produce. Management has impaired the well to the extent of anticipated salvage value of the equipment. During January 2011, the operator of this well presented a two-phase drilling plan to the working interest owners that required a significant investment. Management determined to not participate in the plan due to the required capital investment and the risk of a dry well. According to the Joint Operating Agreement the Company is subject to non-consent penalties that include a relinquishment of its interest in production from the well in favor of the participating working interest owners until the participating working interest owners have recovered 400% of the costs which would have been borne by the Company if it had elected to participate. During the three months ended September 30, 2011, the operator removed equipment from this well for use in another property in which we do not have a working interest. Our proportionate share of the equipment removed was \$7,390 which was greater than our net book value of \$5,249. The difference of \$2,141 was recognized as a gain on disposal of assets in the Consolidated Statement of Operations.

Properties which are not being amortized are assessed quarterly, on a property-by-property basis, to determine whether they are recorded at the lower of cost or fair market value. As a result of this analysis and lack of reserve studies, the Company recorded an impairment loss of \$2,934 and \$19,621 for the nine month periods ended September 30, 2011 and 2010, respectively. The impairment is similar to amortization and therefore is not added to the cost of properties being amortized.

Asset Retirement Obligation

The following table summarizes the activity for the Company's asset retirement obligations:

	September 30, 2011	December 31, 2010
Asset retirement obligations, beginning of period	\$ 52,558	\$ 50,000
Accretion expense	2,038	2,558
Asset retirement obligations, end of period	54,596	52,558
Less: current portion	-	-
Long-term asset retirement obligations, end of period	\$ 54,596	\$ 52,558

Note 5. Mineral Properties and Exploration Expenses

Foster Township, Sudbury Ontario, Canada – Fostung Tungsten Property

On June 8, 2011, pursuant to an asset purchase agreement, the Company paid CAD \$500,000 in cash for the acquisition of EMC Metals Corp's. 100% leasehold interest in two mining leases known as the Fostung tungsten property. The Fostung tungsten property consists of two contiguous claim blocks of 30 claims totaling 485 hectares. The nine claims covered by Mining Lease 108592 ("Lease One") expire on October 31, 2031. The twenty one claims covered by Mining Lease 105604 ("Lease Two") which originally expired on March 31, 2011 are in the process of being renewed and extended three years to 2014 by the Ministry of Northern Development, Mines and Forestry ("MNDMF"). The Company has performed the necessary assessment work and applied to the MNDMF to extend the expiry of Lease Two to October 2032. The Fostung property is located in Foster Township, Sudbury

Mining Division, Ontario, Canada. It is approximately 8 kilometers southeast of the town of Espanola and 70 kilometers west-southwest of the town of Sudbury. An excellent all-weather gravel road extends from Espanola, crossing the property and providing access to the west bay of Lake Panache.

A production bonus in the amount of CAD \$500,000 is payable to Breakwater Resources Ltd. by the Company within thirty business days following the commencement of commercial production from the property. A 1% net smelter return royalty on the property is also payable to Breakwater Resources Ltd. by the Company. No capitalized costs have been amortized as of September 30, 2011. The Company did not incur any impairment of these capitalized costs through September 30, 2011.

Note 6. Fair Value Measurement

Fair value is defined within the accounting rules as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The rules established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. As presented in the tables below, this hierarchy consists of three broad levels:

Level 1: Valuations consist of unadjusted quoted prices in active markets for identical assets and liabilities and has the highest priority;

Level 2: Valuations rely on quoted prices in markets that are not active or observable inputs over the full term of the asset or liability;

Level 3: Valuations are based on prices or third party or internal valuation models that require inputs that are significant to the fair value measurement and are less observable and thus have the lowest priority.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Certain assets and liabilities are reported at fair value on a recurring basis in the Company's Balance Sheet. The following methods and assumptions were used to estimate the fair values:

Warrant Liability. Warrant liability derivatives are valued at each quarter-end using the Black-Scholes option pricing model and are affected by changes in inputs to that model including the Company's stock price, expected stock price volatility, the contractual term, and the risk-free interest rate. These unobservable inputs reflect the Company's own assumptions that market participants would use in pricing the liability. Given the unobservable nature of the inputs, the measurement of fair value is deemed to use Level 3 inputs. The changes in value are recognized as other income (expense) in the statements of operations. A reconciliation of the beginning and ending balances and changes in the warrant liability is included in Note 7.

The following table presents the Company's financial liabilities, which were accounted for at fair value on a recurring basis as of September 30, 2011, by level within the fair value hierarchy.

	September 30, 2011			
	Level 1	Level 2	Level 3	Total
LIABILITIES				
Warrant liability	\$-	\$-	\$888,941	\$888,941

The following table presents the Company's financial liabilities, which were accounted for at fair value on a recurring basis as of December 31, 2010, by level within the fair value hierarchy:

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
LIABILITIES				
Warrant liability	\$-	\$-	\$5,248,041	\$5,248,041

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are reported at fair value on a nonrecurring basis in the Company's Balance Sheet. The following methods and assumptions were used to estimate the fair values:

Oil and Gas Properties. Oil and gas properties which are not being amortized are assessed quarterly, on a property-by-property basis, to determine whether they are recorded at the lower of cost or fair market value. In determining whether such costs should be impaired, the Company evaluates historical experience, current drilling results, lease expiration dates, current oil and gas industry conditions, international economic conditions, capital availability, and available geological and geophysical information. Given the unobservable nature of the inputs, the measurement of fair value is deemed to use Level 3 inputs. The impairment is included in operating costs. See Note 4 for a summary of changes in capitalized costs of oil and gas properties.

Asset Retirement Obligation. The Company estimates asset retirement obligations pursuant to the provisions of FASB ASC Topic 410, "Asset Retirement and Environmental Obligations." The income valuation technique is utilized by the Company to determine the fair value of the liability at the point of inception by taking into account 1) the cost of abandoning oil and gas wells, which is based on the Company's historical experience for similar work, or estimates from independent third-parties; 2) the economic lives of its properties, which is based on estimates by management; 3) the inflation rate; and 4) the credit adjusted risk-free rate, which takes into account the Company's credit risk and the time value of money. Given the unobservable nature of the inputs, the initial measurement of the asset retirement obligation liability is deemed to use Level 3 inputs. See Note 4 for a summary of changes in the Company's ARO liability.

The following table presents the Company's financial assets and liabilities, which were accounted for at fair value on a non-recurring basis as of September 30, 2011, by level within the fair value hierarchy.

	September 30, 2011			
	Level 1	Level 2	Level 3	Total
ASSETS				
Oil and gas properties, net	\$-	\$-	\$19,843	\$19,843
LIABILITIES				
Asset retirement obligation	\$-	\$-	\$54,596	\$54,596

The following table presents the Company's financial assets and liabilities, which were accounted for at fair value on a non-recurring basis as of December 31, 2010, by level within the fair value hierarchy.

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
ASSETS				
Oil and gas properties, net	\$-	\$-	\$26,593	\$26,593
LIABILITIES				
Asset retirement obligation	\$-	\$-	\$52,558	\$52,558

Note 7. Stockholders' Equity

On July 28, 2008, the Company completed a self-directed private placement of 6,450,000 units at a price of \$0.50 per unit or \$3,225,000 in the aggregate. Each unit consists of one share of the Company's common stock, one Series A stock purchase warrant ("Series A warrant") to purchase one share of common stock at \$0.60 per share for a period of 18 months from the date of issuance and one Series B stock purchase warrant ("Series B warrant") to purchase one share of common stock at \$0.75 per share for a period of 24 months from the date of issuance (refer to the "Warrants" section below for a discussion of the extension of the expiration date of the warrants).

In the event that during the period when the warrants are outstanding, if the Company issues common stock or common stock equivalents at a price per share which is less than the warrant exercise price, \$0.60 per share for Series A warrants and \$0.75 per share for Series B warrants, then the exercise price for the warrants shall be reduced to equal the share price of the new issuance and the number of warrant shares issuable shall be increased such that the aggregate exercise price payable shall be equal to the aggregate exercise price prior to such adjustment according to the Securities Purchase Agreement (the "Dilutive Issuance").

Warrants

Each of the Company's warrants outstanding entitles the holder to purchase one share of the Company's common stock for each warrant share held. No warrants were exercised during the nine month periods ended September 30, 2011 and September 30, 2010.

On August 27, 2010, the Company extended the expiration date of the 6,450,000 Series A warrants and the 6,450,000 Series B warrants to December 31, 2011. The exercise price of the warrants was not changed.

The potential of a Dilutive Issuance to the warrants' exercise price and number of underlying shares of common stock may result in a settlement amount that does not equal the difference between the fair value of a fixed number of the Company's common stock and a fixed exercise price. Accordingly, the warrants are not considered indexed to the Company's stock and, therefore, are accounted for as a derivative pursuant to ASC 815-40 Contracts in an Entity's Own Equity which became effective January 1, 2009. Upon the adoption of this guidance, the Company recognized a

one-time decrease to opening accumulated deficit of \$1,624,513.

As of September 30, 2011, the Company has not sold any shares of common stock or common stock equivalents that would result in an adjustment to the exercise price or number of shares of common stock underlying the warrants outstanding. Additionally, the Company does not intend to sell any shares of common stock or common stock equivalents at a price that is below the exercise price of the warrants, prior to their expiration dates, which would result in a Dilutive Issuance. Since the Company determined that the future probability of a Dilutive Issuance is deemed unlikely, it did not have a material impact on the fair value estimate of the warrant liability at September 30, 2011 as it relates to the Series A or Series B Warrants.

At September 30, 2011, the Company valued the warrant liability using a Black-Scholes model (Level 3 inputs) containing the following assumptions:

	Series A Warrants	Series B Warrants
Warrants outstanding and exercisable at September 30, 2011	6,450,000	6,450,000
Exercise price	\$ 0.60	\$ 0.75
Black-Scholes option pricing model assumptions:		
Risk-free interest rate	0.200	% 0.200 %
Expected term (in years)	0.25	0.25
Expected volatility	10.43	% 10.43 %
Dividend per share	\$ 0	\$ 0
Expiration date	December 31, 2011	December 31, 2011

The following table is a roll forward of the fair value of the warrant liability related to the common stock warrants using the Black-Scholes assumptions as of September 30, 2011 (Level 3 inputs):

	Series A Warrants	Series B Warrants	Total
Balance, December 31, 2010	\$ 2,744,200	\$ 2,503,841	\$ 5,248,041
Change in fair value	58,652	(64,488)	(5,836)
Balance, March 31, 2011	2,802,852	2,439,353	5,242,205
Change in fair value	(1,367,682)	(1,627,130)	(2,994,812)
Balance, June 30, 2011	1,435,170	812,223	2,247,393
Change in fair value	(594,732)	(763,720)	(1,358,452)
Balance, September 30, 2011	\$ 840,438	\$ 48,503	\$ 888,941

As a result of adjusting the warrant liability to fair value, the Company recorded a non-cash gain of \$594,732 and \$763,720 relating to the Series A and Series B Warrants, respectively, for the three month period ended September 30, 2011.

Note 8. Commitments and Contingencies

As part of the acquisition of the Fostung tungsten property, located in Foster Township, Sudbury Mining Division, Ontario, Canada, the Company will pay to Breakwater Resources Ltd. (i) a Production Bonus in the amount of CAD \$500,000 within thirty (30) business days following the commencement of commercial production from the property and (ii) a 1% Net Smelter Return royalty.

Note 9. Related Party Transactions

Legal Fees

Legal fees expensed for the three and nine month periods ended September 30, 2011, totaled \$8,489 (2010: \$12,358) and \$42,504 (2010: \$22,793), respectively, were paid or are due to the Company's attorney, Mr. Sierchio, who was appointed to the board effective August 26, 2010.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Except for the historical information presented in this document, the matters discussed in this Form 10-Q for the three-months ended September 30, 2011, and specifically in the items entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," or otherwise incorporated by reference into this document, contain "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are identified by the use of forward-looking terminology such as "believes," "plans," "intend," "scheduled," "potential," "continue," "estimates," "hopes," "goal," "objective," "expects," "may," "will," "should," or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

The safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, apply to forward-looking statements made by the Company. The reader is cautioned that no statements contained in this Form 10-Q should be construed as a guarantee or assurance of future performance or results. These forward-looking statements involve risks and uncertainties, including those identified within this Form 10-Q. The actual results that the Company achieves may differ materially from any forward-looking statements due to such risks and uncertainties. These forward-looking statements are based on current expectations, and the Company assumes no obligation to update this information. Readers are urged to carefully review and consider the various disclosures made by the Company in this Form 10-Q and in the Company's other reports filed with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect the Company's business.

Overview

Incorporated under the laws of the State of Nevada, we have an authorized capital of 200,000,000 shares of \$0.00001 par value common stock, of which 63,075,122 shares are outstanding and 10,000,000 shares of \$0.0001 par value preferred stock, of which none are outstanding as of September 30, 2011.

Our principal executive offices are located at 430 Park Avenue, Suite 702, New York, NY, 10022. Our telephone number is 800-755-5815.

Description of Business

Janus Resources, Inc. (formerly Entheos Technologies, Inc.) (the "Company", "we", "us", and "our") is in the business of location, acquisition, exploration and, if warranted, development of both mineral exploration properties and oil and gas properties. The Company pursues oil and gas prospects in partnership with oil and gas companies with exploration, development and production expertise. Currently, its interests consist of non-operating, minority working interests in oil and gas properties. On June 8, 2011, the Company completed the acquisition of the Fostung tungsten property, located in Foster Township, Sudbury, Ontario, Canada.

We currently have interests in producing properties in La Salle County, Fayette County, Lee County and Frio County, Texas. The leases for these properties are maintained and operated by our partners Leexus Oil LLC and Millennium Petro Physics who recently took over for Bayshore Exploration LLC; there are no obligations to further explore or develop lands in the lease areas to maintain the leases. The operators of the leases are not affiliated with the Company or any of its directors or major shareholders. We are not aware of any relationships or affiliations between or among any of our leasehold partners and the lease operators.

On June 14, 2011, we completed the acquisition of the Fostung tungsten property, located in Foster Township, Sudbury, Ontario, Canada, from EMC Metals Corp. The sale price was CAD \$500,000 cash, for 100% of the property rights.

The Fostung tungsten property was originally discovered and staked by local prospectors in 1966. Union Carbide Corporation (“UCC”) optioned the claims in 1978 and pursued a large tonnage, lower grade skarn deposit with an exploration program that represents most of the money and work that has been expended throughout the property’s history. Breakwater Resources Ltd. (“Breakwater”) of Toronto, Canada optioned the property from UCC in 1988, and subsequently sold the property to EMC Metals Corp. (Golden Predator Corp.), in 2007. An independent National Instrument 43-101 technical report and resource estimate on the property was prepared in November of 2007 by SRK Consulting, of Lakewood, Colorado. That initial resource report presented an inferred resource estimate of 12.4 million tonnes, grading 0.213% WO₃, with a cut-off grade of 0.125%. SRK based this estimate on data from a total of 43 diamond core drill holes and an aggregate of 9,185 meters of drill results.

The property was subject to a production bonus payable to Breakwater, which was renegotiated from a common share payment to a straight cash payment of CAD \$500,000, and which was assumed by the Company. A 1% net smelter return royalty on the property, also payable to Breakwater, was also assumed by the Company.

Oil and Gas Properties

The following table sets forth a summary of our current oil and gas interests:

	Acquisition Date	Interest Working	Interest Net Revenue	Month Production Started	Acreage	Formation
Proven Properties:						
Cooke #6	9/1/2008	21.75	% 16.3125	% Dec-07	40	Escondido
Onnie Ray #1	9/12/2008	20.00	% 15.00	% Oct-08	80	Austin Chalk
Stahl #1	9/12/2008	20.00	% 15.00	% Oct-08	20	Austin Chalk
Pearce #1	10/31/2008	20.00	% 15.00	% Dec-08	360	Austin Chalk
Unproven Properties:						
Haile #1	9/12/2008	20.00	% 15.00	% -	100	Austin Chalk

We utilize the full cost method of accounting for our oil and gas activities. In accordance with the full cost method of accounting, all costs associated with acquisition, exploration, and development of oil and gas reserves, including directly related overhead costs and related asset retirement costs, are capitalized. Net capitalized costs associated with oil and gas properties as of September 30, 2011 and December 31, 2010 are summarized as follows:

	September 30, 2011	December 31, 2010	Change (\$)
Proven properties	\$ 433,522	\$ 432,089	\$ 1,433
Unproven properties	97,838	103,087	(5,249)
	531,360	535,176	(3,816)
Impairment and depletion, depreciation and amortization	(511,517)	(508,583)	(2,934)
Oil and gas properties, net	\$ 19,843	\$ 26,593	\$ (6,750)

The unproven property is a well completed in August 2009 which did not produce. Management has impaired the well to the extent of the anticipated salvage value of the equipment. During January 2011, the operator of this well presented a two-phase drilling plan to the working interest owners that required a significant investment. Management determined to not participate in the plan due to the required capital investment and the risk of a dry well. According to the Joint Operating Agreement the Company is subject to non-consent penalties that include a relinquishment of its interest in production from the well in favor of the participating working interest owners until the participating working interest owners have recovered 400% of the costs which would have been borne by the Company if it had elected to participate. During the three months ended September 30, 2011, the operator removed equipment from this well for use in another property in which we do not have a working interest. Our proportionate share of the equipment removed was \$7,390 which was greater than our net book value of \$5,249. The difference of \$2,141 was recognized as a gain on disposal of assets in the Consolidated Statement of Operations.

Critical Accounting Policies

Full Cost Method of Accounting for Oil and Gas Properties

The Company has elected to utilize the full cost method of accounting for its oil and gas activities. In accordance with the full cost method of accounting, all costs associated with acquisition, exploration, and development of oil and gas reserves, including directly related overhead costs and related asset retirement costs, are capitalized.

All capitalized costs of oil and gas properties, including the estimated future costs to develop proved reserves, are amortized on the unit-of-production method using estimates of proved reserves once proved reserves are determined to exist. The Company has not yet obtained reserve reports. Management is assessing production data to determine the feasibility of obtaining reserves studies. At September 30, 2011, there were no capitalized costs subject to amortization.

Oil and gas properties without estimated proved reserves are not amortized until proved reserves associated with the properties can be determined or until impairment occurs. As a result of management's impairment analysis, the Company recorded an impairment loss of \$2,934 and \$19,621 during the nine month periods ended September 30, 2011 and 2010, respectively. The impairment is similar to amortization and therefore is not added to the costs of properties being amortized. See "Note 6. Fair Value Measurement" for further information.

Sales of oil and gas properties are accounted for as adjustments of capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized in income. The Company has not sold any oil and gas properties.

Full Cost Ceiling Test

At the end of each quarterly reporting period, the unamortized costs of oil and gas properties are subject to a “ceiling test” which basically limits capitalized costs to the sum of the estimated future net revenues from proved reserves, discounted at 10% per annum to present value, based on current economic and operating conditions, adjusted for related income tax effects.

Asset Retirement Obligation

The Company accounts for its future asset retirement obligations by recording the fair value of the liability during the period in which it was incurred. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The increase in carrying value of a property associated with the capitalization of an asset retirement obligation is included in proven oil and gas properties in the balance sheets. The Company’s asset retirement obligation consists of costs related to the plugging of wells, removal of facilities and equipment and site restoration on its oil and gas properties. The asset retirement liability is allocated to operating expense using a systematic and rational method. Asset retirement obligations amounted to \$54,596 and \$52,558 at September 30, 2011 and December 31, 2010, respectively.

Mineral Properties and Explorations Costs

The Company accounts for its mineral properties on a cost basis whereby all direct costs, net of pre-production revenue, relative to the acquisition of the properties are capitalized. All sales received are first credited against the costs of the related property, with any excess credited to earnings. Once commercial production has commenced, the net costs of the applicable property will be charged to operations using the unit-of-production method based on estimated proven and probable recoverable reserves. The net costs related to abandoned properties are charged to operations.

Exploration costs are charged to operations as incurred until such time that proven reserves are discovered. From that time forward, the Company will capitalize all costs to the extent that future cash flow from mineral reserves equals or exceeds the costs deferred. The deferred costs will be amortized over the recoverable reserves when a property reaches commercial production.

The Company reviews the carrying values of its mineral properties on a regular basis by reference to the project economics including the timing of the exploration and/or development work, the work programs and the exploration results experienced by the Company and others. The review of the carrying value of any producing property will be made by reference to the estimated future operating results and net cash flows. When the carrying value of a property exceeds its estimated net recoverable amount, provision is made for the decline in value.

The recoverability of the amounts recorded for mineral properties is dependent on the confirmation of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to successfully complete their development and the attainment of future profitable operations or proceeds from disposition.

Estimated costs related to site restoration programs during the commercial development stage of the property are accrued over the life of the project.

Warrant Liability Derivative

The Company evaluates financial instruments for freestanding or embedded derivatives. As part of the July 2008 financing, the Company issued warrants that did not meet the specific conditions for equity classification. The Company is required to classify the fair value of the warrants issued as a liability, with subsequent changes in fair value recorded as income (loss). The fair value of the warrants will continue to be classified as a liability until the warrants are exercised, expire or are amended in a way that would no longer require classification as a liability.

Oil and Gas Revenues

The Company recognizes oil and gas revenues when oil and gas production is sold to a purchaser at a fixed or determinable price, when delivery has occurred and title has transferred, and if collectability of the revenue is probable. Delivery occurs and title is transferred when production has been delivered to a purchaser's pipeline or truck. As a result of the numerous requirements necessary to gather information from purchasers or various measurement locations, calculate volumes produced, perform field and wellhead allocations, distribute and disburse funds to various working interest partners and royalty owners, the collection of revenues from oil and gas production may take up to 45 days following the month of production. Therefore, the Company may make accruals for revenues and accounts receivable based on estimates of its share of production. Since the settlement process may take 30 to 60 days following the month of actual production, its financial results may include estimates of production and revenues for the related time period. The Company will record any differences between the actual amounts ultimately received and the original estimates in the period they become finalized.

Variables and Trends

We have very limited history with respect to our acquisition and development of oil and gas properties. In the event we are able to obtain the necessary financing to move forward with our growth plans, we expect our expenses to increase significantly as we grow our business. Accordingly, the comparison of the financial data for the periods presented may not be a meaningful indicator of our future performance and must be considered in light of these circumstances.

GLOSSARY OF CERTAIN OIL AND GAS TERMS

The following is a description of the meanings of some of the natural gas and oil industry terms used in this filing:

“Bbl” means a barrel or barrels of oil.

“BOE” means barrels of oil equivalent.

“Btu” means British thermal unit, which means the quantity of heat required to raise the temperature of one pound of water by one degree Fahrenheit.

“Completion” means the installation of permanent equipment for the production of natural gas or oil.

“Condensate” means hydrocarbons naturally occurring in the gaseous phase in a reservoir that condense to become a liquid at the surface due to the change in pressure and temperature.

“Crude” means unrefined liquid petroleum.

“Gross acres” or “gross wells” refer to the total acres or wells, as the case may be, in which a working interest is owned.

“Mcf” means thousand cubic feet of natural gas. The Company has assumed that 1Mcf = 1 MMBtu for our calculations.

“MMBtu” means one million Btus.

“Operator” refers to the individual or company responsible for the exploration, development and production of an oil or gas well or lease.

“Proved developed oil and gas reserves” refers to reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Additional oil and gas expected to be obtained through the application of fluid injection or other improved recovery techniques for supplementing the natural forces and mechanisms of primary recovery should be included as “proved developed reserves” only after testing by a pilot project or after the operation of an installed program has confirmed through production responses that increased recovery will be achieved.

“Proved oil and gas reserves” means the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Reservoirs are considered proved if economic producibility is supported by either actual production or conclusive formation test. The area of a reservoir considered proved includes (a) that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any, and (b) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of the reservoir. Reserves which can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the “proved” classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based. Estimates of proved reserves do not include the following: (a) oil that may become available from known reservoirs but is classified separately as “indicated additional reserves”; (b) crude oil, natural gas and natural gas liquids, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics or economic factors; (c) crude oil, natural gas

and natural gas liquids that may occur in undrilled prospects; and (d) crude oil, natural gas and natural gas liquids that may be recovered from oil shales, coal, gilsonite and other such sources.

“Proven properties” refers to properties containing proved reserves.

“Proved undeveloped reserves” refers to reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those drilling units offsetting productive units that are reasonably certain of production when drilled. Proved reserves for other undrilled units can be claimed only where it can be demonstrated with certainty that there is continuity of production from the existing productive formation. Proved undeveloped reserves may not include estimates attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual tests in the area and in the same reservoir.

“Recompletion” means, after the initial completion of the well, the actions and techniques of re-entering the well and redoing or repairing the original completion in order to restore the well's productivity.

“Shut-in” means a well which is capable of producing but is not presently producing.

“Unproven properties” refers to properties containing no proved reserves.

“Working interest” refers to the operating interest that gives the owner the right to drill, produce and conduct operating activities on the property and receive a share of production.

“Workover” means operations on a producing well to restore or increase production.

GLOSSARY OF CERTAIN MINERAL EXPLORATION TERMS

The following is a description of the meanings of some mineral exploration terms used in this filing:

"Net Smelter Return ("NSR") royalties are based on the value of production or net proceeds received by the operator from a smelter or refinery. These proceeds are usually subject to deductions or charges for transportation, insurance, smelting and refining costs as set out in the royalty agreement. For gold royalties, the deductions are generally minimal while for base metal projects, the deductions can be much more substantial. This type of royalty provides cash flow that is free of any operating or capital costs and environmental liabilities. A smaller percentage NSR in a project can effectively equate to the economic value of a larger percentage profit or working interest in the same project.

Results of Operations

The following table sets forth certain unaudited operating information with respect to the Company's operations for the periods indicated:

	Three Months Ended September			
	2011	2010	change	% change
Production:				
Oil (Bbls)	39.4	54.4	(15.0)	(28)%
Gas (Mcf)	210.7	339.7	(129.0)	(38)%
Total production (BOE)	74.5	111.0	(36.5)	(33)%
Average daily production (BOE)	0.8	1.2	(0.4)	(33)%
% oil of production	53 %	49 %	4 %	8 %
Average sales price:				
Oil (per Bbl)	\$ 81.94	\$ 67.66	\$ 14.28	21 %
Gas (per Mcf)	\$ 10.39	\$ 7.27	\$ 3.12	43 %
Total production (per BOE)	\$ 81.79	\$ 55.41	\$ 26.38	48 %
Oil and gas revenues:				
Oil revenue	\$ 3,816	\$ 3,679	\$ 137	4 %
Gas revenue	\$ 2,279	\$ 2,471	\$ (192)	(8)%
Total	\$ 6,095	\$ 6,150	\$ (55)	(1)%
Lease operating expenses	\$ 5,319	\$ 4,247	\$ 1,072	25 %
Additional per BOE data:				
Sales price	\$ 81.79	\$ 55.41	\$ 26.38	48 %
Lease operating expenses	\$ 71.38	\$ 38.26	\$ 33.12	87 %
Operating Margin per BOE	\$ 10.41	\$ 17.15	\$ (6.74)	(39)%

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Impairment and DDA	\$ 331	\$ 12,113	\$ (11,782)	(97)%
Exploration costs	\$ 39,828	\$ -	\$ 39,828	100 %
General and administrative:				
Management fees	\$ 18,000	\$ (31,129)	\$ 49,129	(158)%
Accounting & legal	\$ 65,381	\$ 53,946	\$ 11,435	21 %
Consulting, travel, and investor relations	\$ 68,612	\$ 39,204	\$ 29,408	75 %
Total	\$ 151,993	\$ 62,021	\$ 89,972	145 %
Change in fair value of warrant liability	\$ 1,358,452	\$ 1,068,044	\$ 290,408	27 %

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Nine Months Ended September
30,

	2011	2010	change	% change
Production:				
Oil (Bbls)	187.2	310.8	(123.6)	(40)%
Gas (Mcf)	654.0	1,013.8	(359.8)	(35)%
Total production (BOE)	296.2	479.7	(183.5)	(38)%
Average daily production (BOE)	1.10	1.8	(0.7)	(39)%
% oil of production	63 %	65 %	(2)%	(3)%
Average sales price:				
Oil (per Bbl)	\$ 92.24	\$ 72.47	\$ 19.77	27 %
Gas (per Mcf)	\$ 10.00	\$ 7.61	\$ 2.39	31 %
Total production (per BOE)	\$ 80.38	\$ 63.03	\$ 17.35	28 %
Oil and gas revenues:				
Oil revenue	\$ 17,269	\$ 22,519	\$ (5,250)	(23)%
Gas revenue	\$ 6,539	\$ 7,718	\$ (1,179)	(15)%
Total	\$ 23,808	\$ 30,237	\$ (6,429)	(21)%
Lease operating expenses	\$ 16,080	\$ 15,886	\$ 194	1 %
Additional per BOE data:				
Sales price	\$ 80.38	\$ 63.03	\$ 17.35	28 %
Lease operating expenses	\$ 54.29	\$ 33.11	\$ 21.18	64 %
Operating Margin per BOE	\$ 26.09	\$ 29.92	\$ (3.83)	(13)%
Impairment and DDA	\$ 2,934	\$ 52,996	\$ (50,062)	(94)%
Exploration costs	\$ 141,763	\$ -	141,763	100 %
General and administrative:				
Management fees	\$ 60,000	\$ (2,139)	\$ 62,139	(2905)%
Accounting & legal	\$ 193,297	\$ 127,024	\$ 66,273	52 %
Consulting, travel, and investor relations	\$ 178,824	\$ 68,651	\$ 110,173	160 %
Total	\$ 432,121	\$ 193,536	\$ 238,585	123 %
Change in fair value of warrant liability	\$ 4,359,100	\$ 1,083,644	\$ 3,275,456	302 %

Total Revenue

Total oil and gas revenues were flat for the three-month period ended September 30, 2011 compare to the same period in 2010 at \$6,095 compared to \$6,150. Average daily production on an equivalent basis for the three-month period ended September 30, 2011 was 0.8 BOE compared to 1.2 BOE for the same period in 2010 which represents a decrease of 33%. This decline was offset by an increase in average sales price per BOE to \$81.79 from \$55.41 for the three month periods ended September 30, 2011 to 2010. Oil comprised 53% of our production volume for the three month period ended September 30, 2011 compared to 49% for the same period in 2010.

Oil Revenue

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Oil production for the three-months ended September 30, 2011 and 2010 was 39.4 barrels and 54.4 barrels, respectively and generated revenue of \$3,816 and \$3,679, respectively, for an average price per barrel of \$81.94 and \$67.66, respectively. The 28% decrease in production was offset by the 21% increase in price per barrel.

Oil production for the nine-months ended September 30, 2011 and 2010 was 187.2 barrels and 310.8 barrels, respectively and generated revenue of \$17,269 and \$22,519, respectively, for an average price per barrel of \$92.24 and \$72.47, respectively. The 40% decrease in production was offset by the 27% increase in price per barrel.

Gas Revenue

Gas production for the three-months ended September 30, 2011 and 2010 was 210.7 and 339.7 Mcf, respectively, and generated revenue of \$2,279 and \$2,471, respectively, for an average price per Mcf of \$10.39 and \$7.27, respectively. The 38% decrease in production was offset by a 43% increase in price per Mcf. We continue to receiving premium pricing on gas production due to high quality, or high Btu, gas.

Gas production for the nine-months ended September 30, 2011 and 2010 was 654.0 and 1,013.8 Mcf, respectively, and generated revenue of \$6,539 and \$7,718, respectively, for an average price per Mcf of \$10.00 and \$7.61, respectively. The 35% decrease in production was offset by a 31% increase in price per Mcf. We continue to receiving premium pricing on gas production due to high quality, or high Btu, gas.

Lease Operating Expenses

Lease operating expenses for the three-months ended September 30, 2011 and 2010 were \$5,319 and \$4,247, respectively, representing a 25% increase.

Lease operating expenses for the nine-months ended September 30, 2011 and 2010 were \$16,080 and \$15,886, respectively, representing an 1% increase.

Impairment and DDA

Depreciation, depletion, and amortization totaled \$331 and \$12,113 for the three-months ended September 30, 2011 and 2010, respectively, and was determined using a systematic and rational method. Impairment for both three-months ended September 30, 2011 and 2010 was \$nil as the Company believes that the carrying costs approximated fair market value.

Depreciation, depletion, and amortization totaled by \$2,934 and \$52,996 for the nine-months ended September 30, 2011 and 2010, respectively, and was determined using a systematic and rational method. Impairment for the nine-months ended September 30, 2011 and 2010 was \$nil and \$19,621, respectively. The decline is due the carrying costs approaching salvage value.

Exploration Costs

Exploration costs for the three and nine month periods ended September 30, 2011 were \$39,828 and \$141,763, respectively. The Company completed its first acquisition of a mineral property in June 2011. Expenses incurred to date have been for exploration costs.

Management Fees

Management fees for the three-months ended September 30, 2011 were \$18,000 and (\$31,129), respectively. Management fees for the nine-months ended September 30, 2011 were \$60,000 and (\$2,139), respectively. The negative balances in 2010 relate to the reversal of stock option compensation expense due to the cancellation of stock options upon the change in the management team in August 2010. With the change in management, the compensation structure was also changed which included monthly compensation for services provided as executives and board members but do not include stock option based compensation.

Accounting and Legal Fees

Accounting and legal expenses for the three-months ended September 30, 2011 and 2010 were \$65,381 and \$53,946, respectively.

Accounting and legal expenses for the nine-months ended September 30, 2011 and 2010 were \$193,297 and \$127,024, respectively. The \$66,273 increase is due to increases in accounting fees due to the change in management in August 2010, and an increase in legal fees due to the acquisition of the Fostung mineral property.

Consulting, Travel and Investor Relations

Consulting, travel and investor relations expenses for the three month periods ended September 30, 2011 and 2010 were \$68,612 and \$39,204, respectively. The \$29,408 increase is due to an increase in consulting fees of \$18,393 and an increase in travel expense of \$2,871; and an increase of \$8,144 in office, facilities fees and investor relations.

Consulting, travel and investor relations expenses for the nine month periods ended September 30, 2011 and 2010 were \$178,824 and \$68,651, respectively. The \$110,173 increase is due to an increase in consulting fees of \$60,845 and an increase in travel expense of \$42,486; and an increase of \$6,842 in office, facilities fees and investor relations.

Change in Fair Value of Warrant Liability

We measure the fair value of the warrant liability in accordance with ASC 820 Fair Value Measurement and Disclosure which emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). At the end of each reporting period, we revalue the warrant liability using a Black-Scholes model (Level 3 inputs). As a result of adjusting the warrant liability to fair value, we recorded a non-cash gain of \$594,732 and \$763,720 relating to the Series A and Series B Warrants, respectively, for the three-months ended September 30, 2011.

For the nine-month period ended September 30, 2011, we recorded a non-cash gain of \$1,903,762 and \$2,455,338 relating to the Series A and Series B Warrants, respectively.

Liquidity and Capital Resources

We had cash and cash equivalents of \$964,448 and \$2,052,305 as of September 30, 2011 and December 31, 2010, respectively. We have financed our operations from cash on hand for the nine-months ended September 30, 2011.

Net cash flows used in operating activities was (\$571,132) for the nine -months ended September 30, 2011 compared to net cash used in operating activities of (\$220,526) for the nine-month ended September 30, 2010 for an increase of \$350,606. Cash used for operating activities increased due to exploration costs of the Fostung tungsten mineral property located in Ontario, Canada, in the amount \$141,763, the remaining increase of \$208,843 is due to increased general and administrative expenses.

Cash used in investing activities was \$478,143 for the nine-months ended September 30, 2011, compared to cash used in investing activities of \$8,523 for the nine-months ended September 30, 2010. The increase is due is primarily due to the acquisition of the Fostung tungsten property.

We had no cash used or generated in financing activities for the nine month periods ended September 30, 2011 and 2010.

Recently Issued Accounting Pronouncements

See Note 2 in the Notes to the Financial Statements in this Report.

Related Party Transactions

See Note 9 in the Notes to the Financial Statements in this Report.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company's principal executive and principal financial officers have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) were effective as of September 30, 2011.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal

control over financial reporting.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 1A. Risk Factors

The following risk factors are material changes to those risk factors previously presented in our December 31, 2010 Annual Report on Form 10-K filed with the SEC on March, 30, 2011.

Risks Associated with the Mineral Exploration and Development Side of Our Business.

The search for valuable minerals as a business is extremely risky. We can provide investors with no assurance that the exploration of any of the properties in which we have or may acquire an interest will uncover commercially exploitable mineral reserves. It is likely that such properties will not contain any reserves and, in all likelihood, any funds spent on exploration will probably be lost. In addition, problems such as unusual or unexpected geological formations or other variable conditions are involved in exploration and, often result in unsuccessful exploration efforts.

In addition, due to our limited capital and mineralized materials, we are limited in the amount of exploration work we can do. As a result, our already low probability of successfully locating mineral reserves will be reduced significantly further. Therefore, we may not find a commercial mineable ore deposit prior to exhausting our funds. Furthermore, exploration costs may be higher than anticipated, in which case, the risk of utilizing all of our funds prior to locating any ore deposits shall be greatly increased. Factors that could cause exploration costs to increase are: adverse conditions, difficult terrain and shortages of qualified personnel.

Because we do not have any revenues from mining operations, we expect to incur operating losses for the foreseeable future.

Prior to completing exploration on our mineral properties, we anticipate that we will incur increased operating expenses without realizing any revenues. We therefore expect to incur significant losses into the foreseeable future. If we are unable to generate financing to continue the exploration of our mineral properties, we will fail and you will lose your entire investment in this offering.

None of the mineralized material properties in which we have an interest or the right to earn an interest have any known reserves.

We currently have an interest or the right to earn an interest in one (1) property, which does not have any reserves. Based on our exploration activities through the date of this document, we do not have sufficient information upon which to assess the ultimate success of our exploration efforts. If we do not establish mineral reserves we may be required to curtail or suspend our operations, in which case the market value of our common stock may decline and you may lose all or a portion of your investment.

We have only completed the initial stages of exploration of our property, and thus have no way to evaluate whether we will be able to operate the mineral exploration and development side of our business successfully. To date, we have been involved primarily in acquiring interests in properties and in conducting preliminary exploration of our property.

We are subject to all the risks inherent to mineral exploration, which may have an adverse affect on our business operations.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we plan to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If we are unsuccessful in addressing these risks, our business will likely fail and you will lose your entire investment.

We are subject to the numerous risks and hazards inherent to the mining industry and resource exploration including, without limitation, the following:

- interruptions caused by adverse weather conditions; and
- unforeseen limited sources of supplies resulting in shortages of materials, equipment and availability of experienced manpower.

The prices and availability of such equipment, facilities, supplies and manpower may change and have an adverse effect on our operations, causing us to suspend operations or cease our activities completely.

It is possible that our title for the mineral properties in which we have an interest will be challenged by third parties.

We have not obtained title insurance for our property. It is possible that the title to the property in which we have our interest will be challenged or impugned. If such claims are successful, we may lose our interest in such property.

Our failure to compete with our competitors in mineral exploration for financing, acquiring mining claims, and for qualified managerial and technical employees will cause our business operations to slow down or be suspended.

Our competition includes large established mineral exploration companies with substantial capabilities and with greater financial and technical mineralized materials than we have. As a result of this competition, we may be unable to acquire additional attractive mining claims or financing on terms we consider acceptable. We may also compete with other mineral exploration companies in the recruitment and retention of qualified managerial and technical employees. If we are unable to successfully compete for financing or for qualified employees, our exploration programs may be slowed down or suspended.

Compliance with environmental regulations applicable to our operations may adversely affect our capital liquidity.

All phases of our operations in Canada, where our property is located, will be subject to environmental regulations. Environmental legislation in Canada is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. It is possible that future changes in environmental regulation will adversely affect our operations as compliance will be more burdensome and costly.

Because we have not allocated any money for reclamation of any of our mining claims, we may be subject to fines if a mining claim is not restored to its original condition upon termination of our activities.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Removed and Reserved

Item 5. Other Information

None

Item 6. Exhibits

Exhibit Index

Exhibit No.	Description of Exhibit
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3.1	Articles of incorporation (exhibit 3.1). S-8 filing dated October 3, 2003.
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- 3.2 Bylaws (exhibit 3.2). S-8 filing dated October 3, 2003.
- 10.1 Subscription Agreement (exhibit 10.1), Series A Warrant Agreement (exhibit 10.2), Series B Warrant Agreement (exhibit 10.2), Registration Rights Agreement (exhibit 10.4) for 6,450,000 unit private placement on July 28, 2008. 8-K filing dated August 1, 2008.
- 10.2 Participation Agreement dated September 9, 2008 with respect to the Stahl #1 Well located Fayette County, Texas. 8-K filing dated October 24, 2008.
- 10.3 Participation Agreement dated September 9, 2008 with respect to the Onnie Ray #1 Well located Lee County, Texas. 8-K filing dated October 24, 2008.
- 10.4 Participation Agreement dated September 9, 2008 with respect to the Haile #1 Well located Frio County, Texas. 8-K filing dated October 24, 2008.

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10.5	2001 Incentive Stock Option Plan (exhibit 99.1). S-8 filing dated October 3, 2003.
10.6	Purchase and Sale Agreement for the acquisition of the Fostung Tungsten Property. 8-K filing dated May 7, 2011.
14.1	Code of Ethics. 10-K filing dated April 14, 2009.
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).*
32.1*	Certification by the Chief Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

*Filed here within.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15 (d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 9th day of November, 2011.

Janus Resources, Inc.
(Registrant)

Date	Signature	Title
November 9, 2011	/s/ Antonino Cacace Antonino Cacace	President, Chief Executive Officer, Chief Financial Officer and Director