

MAGELLAN GOLD Corp
Form 10-Q
August 07, 2013

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

FORM 10-Q

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

For the quarterly period ended June 30, 2013

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

For the transition period from _____ to _____

Commission file number: 333-174287

MAGELLAN GOLD CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

2010A Harbison Drive #312, Vacaville, CA

(Address of principal executive offices)

27-3566922

(IRS Employer Identification Number)

95687

(Zip Code)

Registrant's telephone number, including area code: (707) 884-3766

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). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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
(Do not check if a smaller reporting company)

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

On August 2, 2013 there were 48,869,091 shares of the registrant's common stock, \$.001 par value, outstanding.

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

MAGELLAN GOLD CORPORATION
(An Exploration Stage Company)

BALANCE SHEETS
(unaudited)

	June 30, 2013	December 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 334	\$ 4,409
Total current assets	334	4,409
Mineral rights	158,021	117,671
Total assets	\$ 158,355	\$ 122,080
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 81,182	\$ 86,178
Line of credit - related party	269,604	115,000
Due to related parties	12,159	12,643
Advances payable - related parties	5,000	5,650
Notes payable - related parties	20,000	20,000
Total current liabilities	387,945	239,471
Shareholders' deficit:		
Preferred shares, \$.001 par value, 25,000,000		
shares authorized, no shares issued and		
outstanding	-	-
Common shares - \$.001 par value; 100,000,000		
shares authorized, 48,869,091 shares issued		
and outstanding	48,869	48,869
Additional paid-in capital	419,831	419,831
Accumulated deficit	(698,290)	(586,091)

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Total shareholders' deficit	(229,590)	(117,391)
Total liabilities and shareholders' deficit	\$ 158,355	\$ 122,080

The accompanying notes are an integral part of these unaudited financial statements.

MAGELLAN GOLD CORPORATION
(An Exploration Stage Company)

STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended June 30, 2013	2012	Six Months Ended June 30, 2013	2012	Inception (September 28, 2010) through June 30, 2013
Operating expenses:					
Exploration costs	\$ 21,097	\$ 23,957	\$ 55,969	\$ 27,558	\$ 136,548
Other operating costs	-	1,504	-	1,504	1,504
General and administrative expenses	22,511	27,148	49,976	68,980	444,776
Abandonment of mineral rights	-	25,468	-	25,468	89,729
Impairment of mineral rights	-	13,307	-	13,307	13,307
Total operating expenses	43,608	91,384	105,945	136,817	685,864
Operating loss	(43,608)	(91,384)	(105,945)	(136,817)	(685,864)
Other income (expense):					
Interest expense	(3,670)	(1,272)	(6,254)	(2,312)	(12,426)
Net loss	\$ (47,278)	\$ (92,656)	\$ (112,199)	\$ (139,129)	\$ (698,290)
Basic and diluted net loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	
Basic and diluted weighted-average common shares outstanding	48,869,091	41,153,846	48,869,091	38,945,055	

The accompanying notes are an integral part of these unaudited financial statements.

MAGELLAN GOLD CORPORATION
(An Exploration Stage Company)

STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30,		Inception (September 28, 2012) through June 30, 2013
	2013	2012	
Operating activities:			
Net loss	\$ (112,199)	\$ (139,129)	\$ (698,290)
Adjustments to reconcile net loss to net cash used in operating activities:			
Non-cash financing costs	-	-	145,000
Common stock issued for services	-	-	3,000
Abandonment of mineral rights	-	25,468	89,729
Impairment of mineral rights	-	13,307	13,307
Changes in operating assets and liabilities:			
Prepaid expenses	-	4,000	-
Accounts payable and accrued expenses	(4,996)	19,197	51,182
Due to related parties	(484)	979	12,159
Net cash used in operating activities	(117,679)	(76,178)	(383,913)
Investing activities:			
Advances to related parties	-	-	(21,000)
Repayments of advances to related parties	-	-	21,000
Acquisition of mineral rights	(40,350)	(40,000)	(231,057)
Net cash used in investing activities	(40,350)	(40,000)	(231,057)

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The accompanying notes are an integral part of these unaudited financial statements.

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MAGELLAN GOLD CORPORATION
(An Exploration Stage Company)STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30, 2013	2012	Inception (September 28, 2012) through June 30, 2013	
Financing activities:				
		\$		
Advances on line of credit - related party	154,604		\$ 25,000	\$ 269,604
Proceeds from advances from related parties	14,800		1,250	115,998
Payments on advances from related parties	(15,450)		-	(67,508)
		-	-	
Proceeds from notes payable - related parties				20,000
		-		
Proceeds from sale of common stock			90,000	277,220
Net cash provided by financing activities	153,954		116,250	615,304
Net (decrease) increase in cash	(4,075)		72	334
				-
Cash at beginning of period	4,409		107	
			\$	
Cash at end of period	<u>\$ 334</u>		<u>179</u>	<u>\$ 334</u>

Supplemental disclosure of cash flow information

Cash paid for interest	\$ -	\$ -	\$ 1,029
Cash paid for income taxes	\$ -	\$ -	\$ -

Supplemental disclosure of non-cash investing and financing activities:

Increase of accounts payable applicable to

			\$	
acquisition of mineral rights	\$	-	30,000	\$ 30,000
Common shares issued for advances payable-				
related parties	\$	-	25,000	\$ 43,480

The accompanying notes are an integral part of these unaudited financial statements.

MAGELLAN GOLD CORPORATION

(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS

(unaudited)

We use the terms Magellan, we, our, and us to refer to Magellan Gold Corporation.

Note 1 Organization, Basis of Presentation, and Continuance of Operations:

We were incorporated on September 28, 2010, in Nevada. We are an exploration stage company and our principal business is the acquisition and exploration of mineral resources. We have not presently determined whether our mineral properties contain mineral reserves that are economically recoverable.

We have only recently begun operations and we rely upon the sale of our securities and borrowings from significant shareholders to fund our operations as we have not generated any revenue.

Basis of Presentation

We prepare our financial statements in accordance with accounting principles generally accepted in the United States (GAAP). The accompanying unaudited interim financial statements have been prepared in accordance with GAAP for interim financial information in accordance with Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six month periods ended June 30, 2013, are not necessarily indicative of the results for the full year. While we