

MAGELLAN GOLD Corp
Form 10-Q
August 15, 2016

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

FORM 10-Q

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

For the quarterly period ended June 30, 2016

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 T
(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 T

On August 14, 2016, there were 62,968,048 shares of the registrant's common stock, \$.001 par value, issued and outstanding.

PART I. FINANCIAL INFORMATION**MAGELLAN GOLD CORPORATION****CONSOLIDATED BALANCE SHEETS**

	June 30, 2016 <i>(unaudited)</i>	December 31, 2015
ASSETS		
Current Assets	\$	\$
Cash and cash equivalents	91,623	867
Prepaid expenses	3,750	559
Deposit	12,000	-
Deferred compensation	-	20,833
Total current assets	107,373	22,259
Mineral rights, net of impairment	323,200	323,200
Deposits with BLM	8,639	8,639
	\$	\$
Total assets	439,212	354,098
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:	\$	\$
Accounts payable	38,125	34,425
Accrued liabilities	7,288	2,859
Line of credit - related party	932,500	887,500
Accrued interest - related parties	131,055	103,986
Accrued interest	300	4,054
Notes payable - related parties	65,000	65,000
Convertible note payable	33,020	51,532
Derivative liability	192,430	65,940
Total current liabilities	1,399,718	1,215,296
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, 54,344,091 and 48,869,091 shares issued and	54,344	48,869

Edgar Filing: MAGELLAN GOLD Corp - Form 10-Q

outstanding		
Additional paid-in capital	656,586	424,292
Accumulated deficit	(1,698,833)	(1,369,103)
Shareholders' deficit	(987,903)	(895,942)
Noncontrolling interest in subsidiary	27,397	34,744
Total shareholders' deficit	(960,506)	(861,198)
	\$	\$
Total liabilities and shareholders' deficit	439,212	354,098

2

See accompanying notes to the unaudited consolidated financial statements

MAGELLAN GOLD CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Operating expenses:	\$	\$	\$	\$
Exploration costs	17,891	2,190	19,164	4,159
General and administrative expenses	73,681	34,377	140,676	72,769
Total operating expenses	91,572	36,567	159,840	76,928
Operating loss	(91,572)	(36,567)	(159,840)	(76,928)
Other income (expense):				
Interest expense	(15,283)	(13,587)	(30,703)	(26,497)
Loss on change in derivative liability	(163,724)	(4,300)	(146,534)	(8,620)
Net loss	(270,579)	(54,454)	(337,077)	(112,045)
Net loss attributable to noncontrolling interest	(3,949)	(1,338)	(7,347)	(1,338)
	\$	\$	\$	\$
Net loss attributable to common shareholders	(266,630)	(53,116)	(329,730)	(110,707)
	\$	\$	\$	\$
Basic and diluted net loss per common share	(0.01)	(0.00)	(0.01)	(0.00)
Basic and diluted weighted-average common shares outstanding	51,071,014	48,869,091	49,970,053	48,869,091

MAGELLAN GOLD CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30,	
	2016	2015
Operating activities:	\$	\$
Net loss	(337,077)	(112,045)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of deferred compensation	20,833	4,167
Loss on change in derivative liability	146,534	8,620
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(3,191)	(3,750)
Accounts payable and accrued expenses	8,129	11,263
Accrued interest	28,203	21,747
Net cash used in operating activities	(136,569)	(69,998)
Investing activities:		
Payment of deposit on investment in mineral properties	(12,000)	-
Net cash used in investing activities	(12,000)	-
Financing activities:		
Advances on line of credit - related party	45,000	75,000
Proceeds from advances from related parties		