

MAGELLAN GOLD Corp

Form 10-Q

August 18, 2017

0001515317 --12-31 mgc Yes No No false 2017 Q2 0001515317 2017-01-01 2017-06-30 0001515317 2017-06-30
0001515317 2016-06-30 0001515317 2017-08-15 0001515317 2017-08-15 2017-08-15 0001515317 2016-12-31
0001515317 2017-04-01 2017-06-30 0001515317 2016-04-01 2016-06-30 0001515317 2016-01-01 2016-06-30
0001515317 2015-12-31 0001515317 us-gaap:FairValueInputsLevel1Member 2017-06-30 0001515317
us-gaap:FairValueInputsLevel2Member 2017-06-30 0001515317 us-gaap:FairValueInputsLevel3Member 2017-06-30
0001515317 us-gaap:FairValueInputsLevel1Member 2016-12-31 0001515317
us-gaap:FairValueInputsLevel2Member 2016-12-31 0001515317 us-gaap:FairValueInputsLevel3Member 2016-12-31
0001515317 fil:UnsecuredLoanFromJohnPowerMember 2017-01-01 2017-06-30 0001515317
fil:UnsecuredLoanFromJohnPowerMember 2017-06-30 0001515317 fil:UnsecuredLoanFromJohnPowerMember
2016-12-31 0001515317 fil:UnsecuredLoan2FromJohnPowerMember 2017-01-01 2017-06-30 0001515317
fil:UnsecuredLoan2FromJohnPowerMember 2017-06-30 0001515317 fil:UnsecuredLoan2FromJohnPowerMember
2016-12-31 0001515317 fil:UnsecuredLoan3FromJohnPowerMember 2017-01-01 2017-06-30 0001515317
fil:UnsecuredLoan3FromJohnPowerMember 2017-06-30 0001515317 fil:ThreeShortTermNotesMember 2017-01-01
2017-06-30 0001515317 fil:ThreeShortTermNotesMember 2017-06-30 0001515317
fil:AdditionalSecuredLoanForAdvancesMember 2017-01-01 2017-06-30 0001515317
fil:AdditionalSecuredLoanForAdvancesMember 2017-06-30 0001515317 fil:ConvertiblePromissoryNoteMember
2017-01-01 2017-06-30 0001515317 fil:ConvertiblePromissoryNoteMember 2017-06-30 0001515317
fil:ConvertiblePromissoryNoteMember 2017-04-14 2017-04-14 0001515317 fil:ConvertiblePromissoryNoteMember
2017-06-30 2017-06-30 0001515317 fil:ConvertiblePromissoryNoteMember 2016-12-31 2016-12-31 0001515317
2016-06-01 2016-06-30 0001515317 2016-11-01 2016-11-30 0001515317 2016-11-30 0001515317
fil:MiningClipsLlcMember 2017-01-01 2017-06-30 0001515317 fil:MrPowerMember 2017-01-01 2017-06-30
0001515317 fil:MrPowerMember 2016-01-01 2016-06-30 0001515317 fil:MrPowerMember 2017-06-30 0001515317
fil:MrPowerMember 2016-12-31 0001515317 fil:MrGibbsMember 2017-06-30 0001515317 fil:MrGibbsMember
2016-12-31 0001515317 fil:MrPowerMember 2016-01-01 2016-12-31 0001515317 fil:Event1Member 2017-01-01
2017-06-30 0001515317 fil:Event2Member 2017-01-01 2017-06-30 0001515317 fil:Event3Member 2017-01-01
2017-06-30 xbrli:pure iso4217:USD xbrli:shares iso4217:USD xbrli:shares

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

FORM 10-Q

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

For the quarterly period ended June 30, 2017

[] 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

273566922

(State or other jurisdiction of incorporation or organization) (IRS Employer Identification Number)

2010A Harbison Drive #312, Vacaville, CA

95687

(Address of principal executive offices)

(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 [X] 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 [X] 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 [X]

(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 []

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company []

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

On August 15, 2017, there were 74,380,548 shares of the registrant's common stock, \$0.001 par value, issued and outstanding.

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

	June 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 7,487	\$ 485
Prepaid expenses	37,500	25,729
Option to acquire SDA mill	150,000	-
Total current assets	194,987	26,214
Mineral rights, net of impairment	323,200	323,200
Prepaid expenses	5,417	29,792
Investment in Rio Silver equity securities at cost	118,050	59,753
Total assets	\$ 641,654	\$ 438,959
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 114,102	\$ 50,868
Accrued liabilities	153,683	75,592
Line of credit - related party	932,500	932,500
Notes payable - related parties	340,000	65,000
Accrued interest - related parties	191,696	161,639
Convertible note payable	3,000	33,020
Accrued interest	38	1,316
Advances payable, related party	500	-
Derivative liability	333,300	119,500
Total current liabilities	2,068,819	1,439,435
Shareholders' deficit:		
Preferred shares, \$0.001 par value, 25,000,000 shares authorized, no shares issued and outstanding	-	-
	70,881	64,631

Edgar Filing: MAGELLAN GOLD Corp - Form 10-Q

Common shares - \$0.001 par value; 100,000,000 shares authorized,
70,880,548 and 64,630,548 shares issued and outstanding

Additional paid-in capital	1,440,648	856,822
Accumulated other comprehensive loss	(520)	-
Accumulated deficit	(2,938,174)	(1,921,929)
Shareholders' deficit	(1,427,165)	(1,000,476)
Total liabilities and shareholders' deficit	\$ 641,654	\$ 438,959

3

See accompanying notes to the unaudited consolidated financial statements

MAGELLAN GOLD CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Operating expenses:				
Exploration costs	\$33,905	\$ 17,891	\$ 42,861	\$ 19,164
General and administrative expenses	31,399	73,681	286,515	140,676
Total operating expenses	65,304	91,572	329,376	159,840
Operating loss	(65,304)	(91,572)	(329,376)	(159,840)
Other income (expense):				
Interest expense	(15,800)	(15,283)	(30,993)	(30,703)
Loss on change in derivative liability	(173,306)	(163,724)	(655,876)	(146,534)
Net loss	(894,410)	(270,579)	(1,016,245)	(337,077)
Net loss attributable to noncontrolling interest	(3,949)	-	-	(7,347)
Net loss attributable	(894,410)	(266,630)	(1,016,245)	(329,730)

to common shareholders				
Other comprehensive income (loss)				
Foreign currency translation	-	(520)	-	
Net comprehensive loss	\$ (894,800)	\$ (266,630)	\$ (1,016,765)	\$ (329,730)

Basic and diluted net loss per common share	\$(0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
--	----------	-----------	-----------	-----------

Basic and diluted weighted-average common shares outstanding	30,117	51,071,014	67,889,112	49,970,053
--	--------	------------	------------	------------

4

See accompanying notes to the unaudited consolidated financial statements

MAGELLAN GOLD CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS*(unaudited)*

	Six months ended June 30	
	2017	2016
Operating activities:		
Net loss	\$ (1,016,245)	\$ (337,077)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of deferred compensation	-	20,833
Amortization of service contracts	32,804	-
Loss on change in derivative liability	655,876	146,534
Changes in operating assets and liabilities:		