PARAMOUNT GOLD & SILVER CORP.

Form 10-Q February 09, 2012

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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended December 31, 2011

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

For the transition period from

to

Paramount Gold and Silver Corp. (Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation) 0-51600 (Commission File Number) 20-3690109 (I.R.S. Employer Identification No.)

665 Anderson Street, Winnemucca, Nevada 89445 (Address of Principal Executive Office) (Zip Code)

(775)625-3600 (Issuer's telephone number, including area code)

N/A

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

Indicate by a 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 the filing requirements for the past 90 days. Yes b 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 b 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer " Accelerated filer b

Non-accelerated filer " Smaller reporting company "

(Do not check if 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 b

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13, or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes "No"

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstand	ling of each of the issuer's classe	es of Common Stock as of the lat	est practicable
date: 136,887,012 shares of Common S	Stock, \$.001 par value as of Janu	ıary 31, 2012.	
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011 contains "forward-looking statements". Generally, the words "believes", "anticipates," "may," "will," "should," "expect," "intend," "estimate," "continue similar expressions or the negative thereof or comparable terminology are intended to identify forward-looking statements which include, but are not limited to, statements concerning the Company's expectations regarding its working capital requirements, financing requirements, business prospects, and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Such statements are subject to certain risks and uncertainties, including the matters set forth in this Quarterly Report or other reports or documents the Company files with the Securities and Exchange Commission from time to time, which could cause actual results or outcomes to differ materially from those projected.

These forward-looking statements were based on various factors and were derived utilizing numerous assumptions and other factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, economic, political and market conditions and fluctuations, the prevailing market price for gold and silver, government and industry regulation, interest rate risk, U.S. and global competition, and other factors. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein.

Undue reliance should not be placed on these forward-looking statements which speak only as of the date hereof. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

OTHER PERTINENT INFORMATION

When used in this report, the terms "Paramount," the "Company," "we," "our," and "us" refers to Paramount Gold and Silver Corp., a Delaware corporation.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PARAMOUNT GOLD AND SILVER CORP.

(An Exploration Stage Mining Company)

Consolidated Financial Statements

(Unaudited)

Period ended December 31, 2011 and 2010

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PARAMOUNT GOLD AND SILVER CORP.

(An Exploration Stage Mining Company)

Consolidated Balance Sheets

As at December 31, 2011(Unaudited) and June 30, 2011 (Audited)

(Expressed in United States dollars, unless otherwise stated)

		As at		As at
		December 31,		June 30,
	20	011 (Unudited)	2	011 (Audited)
Assets				
Current Assets				
Cash and cash equivalents	\$	7,234,561	\$	14,689,241
Amounts receivable		1,277,880		1,625,724
Prepaid and deposits		354,854		34,252
Prepaid insurance, current portion (Note 11)		245,215		245,215
Marketable securities (Note 3)		162,172		319,219
Total Current Assets		9,274,682		16,913,651
Non-Current Assets				
Mineral properties (Note 8)		50,579,859		49,515,859
Fixed assets (Note 9)		465,610		487,740
Prepaid insurance, non current portion (Note 11)		490,428		613,035
Reclamation bond (Note 11)		2,746,998		2,765,742
Total Non-Current Assets		54,282,895		53,382,376
Total Assets	\$	63,557,577	\$	70,296,027
Liabilities and Shareholders' Equity				
Liabilities				
Liaonities				
Current Liabilities				
Accounts payable	\$	1,200,368	\$	769,172
Warrant Liability (Note 4)		9,626,541		16,914,660
Total Current Liabilities		10,826,909		17,683,832
Non-Current Liabilities				
Reclamation and Environmental Obligation (Note 11)		1,198,205		1,143,892
Total Liabilities	\$	12,025,114		18,827,724
Shareholders' Equity				
Capital stock (Note 6)		136,887		136,249
Additional paid in capital		131,109,089		129,664,660
Contributed surplus		11,389,431		11,287,242
Deficit accumulated during the exploration stage		(90,920,552)		(89,637,633)
Accumulated other comprehensive income		(182,392)		17,785
Total Shareholders' Equity		51,532,463		51,468,303
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Total Liabilities and Shareholders' Equity

\$ 63,557,577

\$ 70,296,027

Subsequent Events (Note 12)

The accompanying notes are an integral part of the consolidated financial statements

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PARAMOUNT GOLD AND SILVER CORP.

(An Exploration Stage Mining Company)

Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

For the Six Month Period Ended December 31, 2011 and 2010

(Expressed in United States dollars, unless otherwise stated)

	For the Three Month Period Ended December 31, 2011	For the Six Month Period Ended December 31, 2011	For the Three Month Period Ended December 31, 2010	For the Six Month Period Ended December 31, 2010	Cumulative Since Inception to December 31, 2011
Revenue					
Interest Income	\$ (3,702)	\$ 16,940	\$ 25,416	\$ 46,352	\$ 1,153,772
Other Income	48,130	73,130	178,230	178,230	253,963
Total Revenue	\$ 44,428	\$ 90,070	\$ 203,646	\$ 224,582	\$ 1,407,735

Expenses: