

GRYPHON GOLD CORP
Form 10-Q/A
November 21, 2011

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

FORM 10-Q/A
Amendment No.1

**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: 333-127635

GRYPHON GOLD CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Nevada

*(State of other jurisdiction of incorporation or
organization)*

92-0185596

(I.R.S. Employer Identification No.)

**611 N Nevada Street
Carson City, Nevada**

(Address of Principal Executive Offices)

89703

(Zip Code)

(604) 261-2229

(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 the 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 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

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

Yes No

Number of common shares outstanding at November 14, 2011: 193,769,882

Explanatory Note

This Amendment No.1 on Form 10-Q/A (Amendment No. 1) to the Company s Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, originally filed with the Securities and Exchange Commission on November 14, 2011 (Form 10-Q), amends the Cover Page of the Form 10-Q to correct a typographical error that incorrectly identified the Reporting Issuer as a Shell Company . The Cover Page has been updated accordingly.

No other changes have been made to the Form 10-Q. This Form 10-Q/A does not reflect events that may have occurred subsequent to the original filing date, and does not modify or update in any way disclosures made in the Form 10-Q.

GRYPHON GOLD CORPORATION

September 30, 2011

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PART I - FINANCIAL INFORMATION**Item 1. Financial Statements****Gryphon Gold Corporation****Consolidated Balance Sheets**

(Unaudited) (Stated in U.S. Dollars)

	As at September 30, 2011	As at March 31, 2011
ASSETS		
Current Assets		
Cash	\$ 2,716,799	\$ 837,457
Accounts receivable	56,890	29,892
Note receivable	-	2,975
Prepaid expenses	386,554	122,716
Inventories	638,184	-
Deferred issue costs	296,323	281,278
Total Current Assets	4,094,750	1,274,318
Property, plant and equipment	16,904,436	2,760,330
Deposit on plant	620,703	-
Reclamation bonds	2,259,393	225,893
Total Assets	\$ 23,879,282	\$ 4,260,541
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,957,463	\$ 397,106
Current portion of the long term debt	265,208	-
Notes payable, net of discount	2,855,220	-
Total Current Liabilities	5,077,891	397,106
Asset retirement obligation	2,024,215	51,300
Long-term debt	3,244,292	-
Total Liabilities	10,346,398	448,406
Commitments & contingencies [note 15]		
Stockholders' Equity		
Common stock	193,770	96,984
Additional paid-in capital	52,677,837	41,665,952
Accumulated deficit	(39,338,723)	(37,950,801)
Total Stockholders' Equity	13,532,884	3,812,135
Total Liabilities & Stockholders' Equity	\$ 23,879,282	\$ 4,260,541

See Note 1 Nature of Operations and Going Concern Uncertainty

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

Gryphon Gold Corporation
Consolidated Statements of Operations
(Unaudited) (Stated in US Dollars)

	Three months ended September 30, 2011	Three months ended September 30, 2010	Six months ended September 30, 2011	Six months ended September 30, 2010
Continuing operations:				
Exploration	\$ 4,358	\$ 192,789	\$ 95,254	\$ 578,429
Management salaries & consulting fees	238,761	228,203	472,168	542,131
General and administrative	234,577	208,098	374,610	347,931
Legal and audit	66,853	126,408	141,000	183,821
Travel and accommodation	42,788	35,755	93,261	69,293
Depreciation	13,953	14,213	17,462	27,622
Asset retirement obligation accretion	16,996	-	16,996	-
Foreign exchange loss	123,545	5,806	94,796	16,738
Interest income	(3,161)	(1,906)	(3,227)	(2,006)
Interest expense, net of capitalized interest	65,791	280	85,602	873
Unrealized loss on securities	-	-	-	104,293
Realized (gain) loss on sale of securities	-	2,656	-	(28,521)
Loss for the period from continuing operations	(804,461)	(812,302)	(1,387,922)	(1,840,604)
Discontinued operations:				
Loss from discontinued operations	-	-	-	(18,241)
Gain on sale of discontinued operations	-	-	-	653,949
Income from discontinued operations	-	-	-	635,708
Net loss for the period	\$ (804,461)	\$ (812,302)	\$ (1,387,922)	\$ (1,204,896)
Basic and diluted income (loss) per share:				
Loss from continuing operations	Nil	\$ (0.01)	\$ (0.01)	\$ (0.02)
Income from discontinued operations	Nil	Nil	Nil	0.01
Total loss per share	Nil	(0.01)	(0.01)	(0.01)
Basic and diluted weighted average number of common shares outstanding				
	168,282,997	88,620,186	168,299,718	87,653,800

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

Gryphon Gold Corporation
Consolidated Statements of Changes in Stockholder s Equity
(Unaudited) (Stated in US Dollars)

	Common stock Shares #	Amount	Additional paid-in capital	Accumulated deficit	Total
Balance, March 31, 2010	86,033,774	\$ 86,034	\$ 39,585,228	\$ (35,202,910)	\$ 4,468,352
Shares issued:					
For private placements	7,964,429	7,964	1,500,593		1,508,558
Option consideration	1,500,000	1,500	268,500		270,000
Consultant compensation	550,000	550	125,950		126,500
Share issue costs			(104,729)		(104,729)
Settlement of accounts payable	436,929	437	59,563		60,000
Fair value of restricted stock units granted	275,000	275	41,923		42,198
Fair value of options granted			142,212		142,212
Exercise of warrants	223,500	224	46,712		46,935
Net loss for the period				(2,747,891)	(2,747,891)
Balance, March 31, 2011	96,983,632	96,984	41,665,952	(37,950,801)	3,812,135
Shares issued:					
For public offering	89,060,000	89,060	10,979,302		11,068,362
Exercise of option to reduce royalty	7,726,250	7,726	1,073,949		1,081,675
Share issue costs			(13,177)		(13,177)
Public offering costs			(1,466,723)		(1,466,723)
Fair value of options granted			98,652		98,652
Fair value of warrants issued on debt			339,882		339,882
Net loss for the period				(1,387,922)	(1,387,922)
Balance, September 30, 2011	193,769,882	\$ 193,770	\$ 52,677,837	\$ (39,338,723)	\$ 13,532,884

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

Gryphon Gold Corporation
Consolidated Statements of Cash Flows
(Unaudited) (Stated in US dollars)

	Six months ended September 30, 2011	Six months ended September 30, 2010
OPERATING ACTIVITIES		
Net loss for the period	\$ (1,387,922)	\$ (1,204,896)
Items not involving cash:		
Depreciation	17,642	27,622
Asset retirement obligation accretion	16,996	-
Write down of accrued liability	-	(124,008)
Share based compensation	98,651	99,210
Amortization of debt offering costs	65,409	-
Amortization of notes payable discount	69,376	-
Non-cash interest expense on discontinued operations	-	10,364
Unrealized gain on foreign exchange	31,099	-
Realized (gain) on sale of securities	-	(28,521)
Unrealized (gain) on sale of securities	-	104,293
Gain on sale of discontinued operations	-	(653,949)
Changes in non-cash working capital items:		
Accounts receivable	(26,998)	29,960
Accounts payable and accrued liabilities	363,297	(313,857)
Inventories	(638,184)	-
Prepaid expenses	(263,838)	(10,040)
Cash provided by (used) in operating activities	(1,654,472)	(2,063,822)
INVESTING ACTIVITIES		
Reclamation bonds purchased	(2,033,500)	(54,578)
Option payment received	-	100,000
Purchase of equipment	(595,618)	(58,307)
Payments on construction in progress	(5,567,464)	-
Deposits on ADR plant	(620,703)	-
Cash received from sale of discontinued operations	-	2,250,000
Mineral property expenditures	(79,512)	(11,003)
Option payment to amend and reduce royalty	(175,000)	(150,000)
Proceeds from sales of held for trading securities	-	116,195