

NORTH BAY RESOURCES INC
Form 10-Q
November 09, 2011

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

FORM 10-Q

(Mark One)

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 000-54213

NORTH BAY RESOURCES INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

83-0402389
(IRS Employer Identification No.)

2120 Bethel Road
Lansdale, Pennsylvania 19446
(Address of principal executive offices)

(215) 661-1100
(Issuer's telephone number, including area code)

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

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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 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

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

State the number of shares outstanding of each of the issuer’s classes of common equity, as of the latest practicable date: 96,858,810 shares of Common Stock as of November 8, 2011.

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NORTH BAY RESOURCES INC.
(AN EXPLORATION STAGE COMPANY)

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NORTH BAY RESOURCES INC.
(AN EXPLORATION STAGE COMPANY)
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

	Sep 30, 2011	Dec 31, 2010
ASSETS		
Current Assets		
Cash	\$211,887	\$47,000
Accounts Receivable	30,000	-
Prepaid Expenses	5,000	9,910
Total Current Assets	246,887	56,910
Other Assets		
Certificates of Deposit	171,618	-
Goodwill	5,341	-
Mining Claims	1,964,278	-
Property, Plant & Equipment, net of accumulated depreciation	891,460	-
Purchase Option - Ruby Mine	-	393,983
Total Other Assets	3,032,697	393,983
TOTAL ASSETS	\$3,279,584	\$450,893
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)		
Liabilities		
Current Liabilities		
Accounts Payable	\$-	\$10,000
Accrued Expenses	730,474	838,474
Accrued Interest	14,617	2,264
Convertible notes payable (net of discounts of \$0 and \$88,475, respectively)	-	29,025
Note Payable	1,920,000	-
Total Current Liabilities	2,665,091	879,763
Long-Term Liabilities		
Asset Retirement Obligation	171,618	-
Total Long-Term Liabilities	171,618	-
Total Liabilities	\$2,836,709	\$879,763
Stockholders' Equity (Deficit)		
Preferred stock, Series I, \$0.001 par value, 100 shares authorized, 100 shares issued and outstanding at		
September 30, 2011 and December 31, 2010, respectively	-	-
Convertible Preferred stock, Series A, \$0.001 par value, 8,000,000 shares authorized, 4,000,000 and 4,000,000 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	4,000	4,000

Convertible Preferred stock, Series G, \$0.001 par value, 1,500,000 shares authorized, 100,000 and 100,000 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	100	100
Common stock, \$0.001 par value, 250,000,000 shares authorized, 96,704,001 and 80,186,434 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	96,704	80,186
Additional Paid-In Capital	11,240,125	9,797,237
Stock Payable	25,000	-
Deficit Accumulated During Exploration Stage	(10,923,054)	(10,310,393)
Total Stockholders' Equity (Deficit)	442,875	(428,870)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	\$3,279,584	\$450,893

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

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE AND NINE MONTH PERIODS ENDING
 SEPTEMBER 30, 2011 AND 2010 (Unaudited)
 AND THE PERIOD FROM
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2011 (Unaudited)

	3 months ended September 30, 2011	3 months ended September 30, 2010	9 months ended September 30, 2011	9 months ended September 30, 2010	Since inception (June 18, 2004 - September 30, 2011)
Revenues					
Retail Sales (revenue prior to change to mining company in 2006)	\$ -	\$ -	\$ -	\$ -	\$ 40,567
Cost of Revenue	-	-	-	-	49,070
Gross Loss	-	-	-	-	(8,503)
Operating Expenses					
Commissions & Consulting Fees	-	-	43,215	-	302,999
General & Administrative Costs	86,967	40,304	262,900	187,349	9,403,965
Mining Property Costs	73,358	27,491	131,599	56,654	963,198
Depreciation Expense	17,028	-	17,028	-	17,028
Professional Services	13,350	32,865	42,370	45,615	160,118
Total Operating Expenses	190,703	100,660	497,112	289,618	10,847,308
Net Operating Loss	(190,703)	(100,660)	(497,112)	(289,618)	(10,855,811)
Other Income (Expenses)					
Gain on Mineral Claim Sales	-	-	103,500	5,000	223,244
Gain on Joint-Ventures	-	25,000	-	35,550	277,149
Interest Income	121	3	226	45	335
Interest Expense	(32,552)	(3,393)	(157,180)	(3,398)	(252,618)
Loss on Conversion of Debt	-	-	-	-	(137,000)
Bad Debt Expense	-	-	-	-	(19,149)
Loss on Settlement	-	-	(62,095)	-	(62,095)
Realized Gain (Loss) on Investment	-	-	-	9,875	(97,109)
	(32,431)	21,610	(115,549)	47,072	(67,243)

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Net Other Income
(Expenses)

Net Gain (Loss)	(223,134)	(79,050)	(612,661)	(242,546)	(10,923,054)
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WEIGHTED AVG
NUMBER OF SHARES
OUTSTANDING (Basic)

	95,880,831	69,319,095	89,719,476	69,319,095
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Basic Net Gain (Loss)

per Share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
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WEIGHTED AVG
NUMBER OF SHARES
OUTSTANDING

(Diluted)	95,880,831	69,319,095	89,719,476	69,319,095
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Diluted Net Gain (Loss)

per Share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
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The accompanying notes are an integral part of these financial statements.

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2011 (Unaudited)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumulated Deficit	Accumulated OCI	Total Stockholders' Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount					
Inception 6/18/2004	-	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
Founder's Shares issued	1,200,000	-	-	1,200	-	-	320,000	320	(1,520)	-	-	-	-
Shares issued for merger	1,200,000	-	-	1,200	-	-	320,000	320	(1,520)	-	-	-	-
Common Stock issued for cash	-	-	-	-	-	-	200,000	200	4,800	-	-	-	5,000
Net loss for year	-	-	-	-	-	-	-	-	-	-	(95,587)	-	(95,587)
Balance at 12/31/2004	2,400,000	-	-	\$ 2,400	\$ -	\$ -	840,000	\$ 840	\$ 1,760	\$ -	\$ (95,587)	\$ -	\$ (90,587)
Common Stock issued to convert debt	-	-	-	-	-	-	12,127	12	180,213	-	-	-	180,225
Common Stock issued for services	-	-	-	-	-	-	121,491	121	2,586,046	-	-	-	2,586,167
Common Stock issued for cash	-	-	-	-	-	-	102,643	103	517,597	-	-	-	517,700

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Net loss for year	-	-	-	-	-	-	-	-	-	-	(1,816,896)	-	(1,816,896)
Balance at 12/31/2005	2,400,000	-	-	\$ 2,400	\$-	\$-	1,076,261	\$ 1,076	\$ 3,285,616	\$-	\$(1,912,483)	\$-	\$ 1,376,609

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2011 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumulated Deficit	Accumulated OCI	Total Stockholders' Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount					
Common Stock issued to convert debt	-	-	-	-	-	-	1,202,000	1,202	2,206,398	-	-	-	2,207,600
Common Stock issued for services	-	-	-	-	-	-	1,309,000	1,309	1,543,191	-	-	-	1,544,500
Expenses paid by shareholder	-	-	-	-	-	-	-	-	164,371	-	-	-	164,371
Net loss for year	-	-	-	-	-	-	-	-	-	-	(5,504,237)	-	(5,504,237)
Balance at 12/31/2006	2,400,000	-	-	\$ 2,400	\$ -	\$ -	3,587,261	\$ 3,587	\$ 7,199,576	\$ -	\$ (7,416,720)	\$ -	\$ (211,157)

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2011 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumula- Deficit	Accumula- OCI	Total Stock- holders' Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount					
Beneficial Conversion Features on notes payable	-	-	-	-	-	-	-	-	62,000	-	-	-	62,000
Common Stock issued to convert debt	-	-	-	-	-	-	1,350,000	1,350	120,150	-	-	-	121,500
Common Stock issued for services	-	-	-	-	-	-	10,575,000	10,575	959,425	-	-	-	970,000
Common Stock issued as interest on loan	-	-	-	-	-	-	10,000	10	1,490	-	-	-	1,500
Preferred Shares issued for services	-	-	100	-	-	-	-	-	101,000	-	-	-	101,000
Common Stock issued for conversion of preferred shares	(2,400,000)	-	-	(2,400)	-	-	1,200,000	1,200	1,200	-	-	-	-
Shares bought back and retired	-	-	-	-	-	-	(200,000)	(200)	(1,800)	-	-	-	(2,000)

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Expenses paid by shareholder	-	-	-	-	-	-	-	-	70,623	-	-	-	70,623					
Net loss for year	-	-	-	-	-	-	-	-	-	-	(1,490,871)	-	(1,490,871)					
Balance at 12/31/2007	-	-	100	\$	-	\$-	\$-	16,522,261	\$	16,522	\$	8,443,041	\$-	\$	(8,907,591)	\$-	\$	(377,400)

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 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2011 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumulated Deficit	Accumulated OCI	Total Stockholders' Deficit
	Series A	Series G	Series I	Series A	Series G	Series I	Shares	Amount					
	Shares	Shares	Amount	Amount	Amount								
Rounding of shares due to stock split	-	-	-	-	-	-	26	-	-	-	-	-	
Common Stock issued for services	-	-	-	-	-	-	5,500,000	5,500	224,500	-	-	-	230,000
Common Stock issued for cash	-	-	-	-	-	-	2,275,000	2,275	7,725	-	-	-	10,000
Contribution from investor	-	-	-	-	-	-	-	-	10,000	-	-	-	10,000
Mark to market AFS securities	-	-	-	-	-	-	-	-	-	-	-	22,780	22,780
Net loss for year	-	-	-	-	-	-	-	-	-	-	(328,478)	-	(328,478)
Balance at 12/31/2008	-	-	100	\$-	\$-	\$-	24,297,287	\$ 24,297	\$ 8,685,266	\$-	\$ (9,236,069)	\$ 22,780	\$ (433,103)

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 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2011 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumulat Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount			
Common Stock issued for services	-	-	-	-	-	-	2,500,000	2,500	27,250	-	
Preferred Stock issued for services	4,000,000	100,000	-	4,000	100	-	-	-	249,685	-	
Common Stock issued for cash	-	-	-	-	-	-	21,800,000	21,800	151,200	-	
Common Stock issued for deferred compensation	-	-	-	-	-	-	10,000,000	10,000	177,500	-	
Loss realized on AFS securities	-	-	-	-	-	-	-	-	-	-	
Stock payable for commitment fee on equity offering	-	-	-	-	-	-	-	-	(115,310)	115,310	
Net loss for year	-	-	-	-	-	-	-	-	-	-	(786,9
Balance at 12/31/2009	4,000,000	100,000	100	\$ 4,000	\$ 100	\$ -	58,597,287	\$ 58,597	\$ 9,175,591	\$ 115,310	\$ (10,023,0

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2011 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumula Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount			
Common Stock issued for commitment fee on equity offering	-	-	-	-	-	-	6,589,147	6,589	108,721	(115,310)	
Common Stock issued for cash	-	-	-	-	-	-	5,000,000	5,000	45,000	-	
Discount on convertible notes from beneficial conversion features and attached warrants	-	-	-	-	-	-	-	-	107,406	-	
Common Stock issued for Ruby Mine Purchase Option	-	-	-	-	-	-	10,000,000	10,000	140,000	-	
Warrants issued for Purchase Option – Ruby Mine	-	-	-	-	-	-	-	-	149,896	-	
Net loss for period	-	-	-	-	-	-	-	-	-	-	(287,300)
Balance at 12/31/2010	4,000,000	100,000	100	\$ 4,000	\$ 100	\$ -	80,186,434	\$ 80,186	\$ 9,726,614	\$ -	\$ (10,310,300)

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 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2011 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumulated Deficit	Accumulated OCI	Total Stockholders' Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount					
Common Stock issued for cash	-	-	-	-	-	-	9,354,506	9,355	748,645	-	-	-	758,000
Common Stock issued for convertible debt conversion	-	-	-	-	-	-	4,459,092	4,459	169,393	-	-	-	173,852
Common Stock issued for services	-	-	-	-	-	-	42,857	43	2,957	-	-	-	3,000
Common Stock issued for settlement of services	-	-	-	-	-	-	550,000	550	61,545	-	-	-	62,095
Common Stock issued for deferred compensation	-	-	-	-	-	-	2,000,000	2,000	178,000	-	-	-	180,000
Common Stock issued for directors compensation	-	-	-	-	-	-	111,112	111	9,889	-	-	-	10,000
Discount on convertible notes from beneficial conversion feature	-	-	-	-	-	-	-	-	-	-	-	-	-