

PARAMOUNT GOLD & SILVER CORP.
Form 10-Q/A
November 05, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A-1

(Mark One)

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

For the quarterly period ended September 30, 2010

Or

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 offices) (Zip Code)

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

(Former name or former address, if changed since last report)

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

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(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 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
(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

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 outstanding of each of the issuer's classes of Common Stock as of the latest practicable date: 132,077,034 shares of Common Stock, \$.001 par value as of October 31, 2010.

Explanatory Note

Paramount Gold and Silver Corp. (the "Company") is filing this Amendment No. 1 on Form 10-Q/A to amend its Quarterly Report on Form 10-Q for the period ended September 30, 2009, as filed with the Securities and Exchange Commission on November 16, 2009 (the "Original Filing"). The Company is filing this amendment to its Original Filing to reflect the following changes:

1. Consolidated Statement of Operations: Allocated stock based compensation to type of expense incurred
2. Consolidated Statement of Operations: Recomputed Basic and Diluted Loss per Share to reflect shares issued that are held in escrow
3. Consolidated Balance Sheets, Consolidated Statement of Operations, Consolidated Statement of Cash Flows and Consolidated Statement of of Stockholder's Equity: Adopted amended provisions of ASC 815. Warrants and Options issued with exercise prices denominated in Canadian dollars are now recorded as liabilities whereas they were previously recorded as equity.
4. Corresponding Management Discussion and Analysis has been amended to reflect the changes to the Company's Financial Statements that have been amended by this Form 10-Q/A

These restatements are further described in our Notes to the Consolidated Financial Statements (Note 15). Except as indicated above, no other information included in the Original Filing is amended by this Form 10-Q/A Amendment No. 1.

PARAMOUNT GOLD AND SILVER CORP.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009 contains “forward-looking statements”. Generally, the words “believes”, “anticipates,” “may,” “will,” “should,” “expect,” “intend,” “estimate,” “continue,” and 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, 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.

PART I. – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PARAMOUNT GOLD AND SILVER CORP.

(An Exploration Stage Mining Company)

Consolidated Financial Statements

(Unaudited)

Period ended September 30, 2009 and 2008

PARAMOUNT GOLD AND SILVER CORP.
(An Exploration Stage Mining Company)
Consolidated Balance Sheets (Unaudited)
As at September 30, 2009 and June 30, 2009
(Expressed in United States dollars, unless otherwise stated)

	As at September 30, 2009 (Unaudited) (Restated)	As at June 30, 2009 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,851,389	\$7,040,999
Amounts receivable	368,611	221,267
Notes Receivable (Note 9)	91,365	91,365
Prepaid and Deposits	169,925	82,583
Term deposit	1,045,615	1,063,772
	3,526,905	8,499,986
Long Term Assets		
Mineral properties (Note 7)	22,138,703	18,436,951
Fixed assets (Note 8)	509,274	520,858
	22,647,977	18,957,809
	\$ 26,174,882	\$27,457,795
Liabilities and Stockholders' Equity		
Liabilities		
Current Liabilities		
Accounts payable	\$ 973,386	\$383,445
Warrant Liability (Note 2)	13,162,453	-
	14,135,839	383,445
Stockholders' Equity		
Capital stock (Note 5)	83,023	83,018
Additional paid in capital	52,509,802	52,506,278
Contributed surplus	14,515,091	17,969,510
Deficit accumulated during the exploration stage	(54,792,344)	(43,197,264)
Cumulative translation adjustment	(276,529)	(287,192)
	12,039,043	27,074,350

	\$ 26,174,882	\$27,457,795
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Commitments (Note 13) Subsequent Events (Note 14)

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 (Unaudited)
(Expressed in United States dollars, unless otherwise stated)

	Period Ended September 30, 2009 (Restated)	Period Ended September 30, 2008	Cumulative Since Inception March 29, 2005 to September 30, 2009 (Restated)
Revenue			
Interest Income	\$ 54,514	\$ 97,277	\$ 1,036,623
Expenses:			
Incorporation Costs	-	-	1,773
Exploration	859,211	1,449,884	14,875,619
Professional Fees	239,932	234,976	5,533,581
Travel & Lodging	22,124	72,953	878,730
Geologist Fees & Expenses	219,288	399,995	3,956,353
Corporate Communications	39,626	255,286	2,824,584
Consulting Fees	234,182	328,171	13,620,565
Office & Administration	60,181	293,474	1,721,419
Interest & Service Charges	6,438	2,539	45,636
Loss on disposal of Fixed Assets	-	44,669	44,669
Insurance	14,144	28,193	242,212
Depreciation	14,651	27,348	244,563
Office	20,757	22,915	286,201
Miscellaneous	5,014	(1,748)	189,991
Financing	-	-	(22,024)
Acquisition expenses	364,458	-	364,458
Write Down of Mineral Property	-	-	1,471,049
Total Expense	2,100,006	3,158,655	46,279,379
Net Loss before other item	2,045,492	3,061,378	45,242,756
Other item			
Change in fair value of warrant liability	(3,088,287)	-	9,549,588
Net Loss (Gain)	(1,042,795)	3,061,378	54,792,344
Other comprehensive loss			
Foreign Currency Translation Adjustment	(10,663)	32,294	276,529
Total Comprehensive Loss for the Period	\$ (1,053,458)	\$ 3,093,672	\$ 55,068,873
Loss (Gain) per Common Share	\$ (0.01)	\$ 0.06	
Basic			
Diluted	\$ (0.01)	\$ 0.06	
Weighted Average Number of Common Shares Used in Per Share Calculations			

Basic	78,023,648	52,627,417
Diluted	83,023,648	52,627,417

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

PARAMOUNT GOLD AND SILVER CORP.
(An Exploration Stage Mining Company)
Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in United States dollars, unless otherwise stated)

	For the Period Ended September 30, 2009 (Restated)	For the Period Ended September 30, 2008	Cumulative Since Inception to September 30, 2009 (Restated)
Operating Activities:			
Net Gain (Loss)	\$ 1,042,795	\$ (3,061,378)	\$ (54,792,344)
Adjustment for:			
Depreciation	14,651	27,348	244,563
Allowance for doubtful accounts	-	-	172,170
Loss on disposal of assets	-	44,669	44,669
Stock based compensation	161,975	346,566	16,309,659
Accrued interest	-	(32,982)	(58,875)
Change in fair value of warrant liability	(3,088,287)		9,549,588
(Increase) Decrease in accounts receivable	(147,344)	4,170	(515,953)
(Increase) Decrease in prepaid expenses	(87,342)	114,338	11,497
Increase (Decrease) in accounts payable	589,941	108,664	741,365
Write-down of mineral property	-	-	1,471,049
Cash used in Operating Activities	(1,513,611)	(2,665,933)	(26,822,613)
Investing Activities:			
Purchase of GIC receivable	-	36,778	(1,004,897)
Note receivable	-	(500,000)	(3,344,557)
Purchase of Mineral Properties	(3,701,751)	(12,000)	(4,527,668)
Purchase of Equipment	(3,067)	(340,173)	(73,067)
Cash used in Investing Activities	(3,704,818)	(815,395)	(8,950,189)
Financing Activities:			
Increase (decrease) in demand notes payable	-	-	105,580
Issuance of capital stock	-	1,486,950	37,796,160
Cash from Financing Activities:	-	1,486,950	37,901,740
Effect of exchange rate changes on cash	28,819	6,027	(277,549)
Increase (Decrease) in Cash	(5,189,610)	(1,988,351)	1,851,389
Cash, beginning	7,040,999	3,199,848	-

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Cash, ending	\$ 1,851,389	\$ 1,211,497	\$ 1,851,389
Supplemental Cash Flow Disclosure:			
Interest Received	\$ -	\$ -	7,642
Taxes Paid	-	-	-
Cash	-	-	1,859,339

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

PARAMOUNT GOLD AND SILVER CORP.
(An Exploration Stage Mining Company)
Consolidated Statement of Stockholders' Equity
For the Period Ended September 30, 2009
(Expressed in United States dollars, unless otherwise stated)

	Shares	Par Value	Capital in Excess of Par Value	Accumulated Earnings (Deficiency)	Contributed Surplus	Cumulative Translation Adjustment	Total Stockholders Equity
Balance at Inception	-	\$-	\$-	\$-	\$-	\$-	\$-
Balance September 30, 2005	11,267,726	11,268	1,755	(1,773)	-	-	11,250
Capital issued for financing	34,000,000	34,000	-	-	-	-	34,000
Forward split	45,267,726	45,267	(45,267)	-	-	-	-
Returned to treasury	(61,660,000)	(61,660)	61,600	-	-	-	-
Capital issued for financing	1,301,159	1,301	3,316,886	-	-	-	3,318,187
Capital issued for services	280,000	280	452,370	-	-	-	452,650
Capital issued for mineral properties	510,000	510	1,033,286	-	-	-	1,033,796
Fair value of warrants	-	-	-	-	444,002	-	444,002
Net Income (loss)	-	-	-	(1,874,462)	-	-	(1,874,462)
Balance June 30, 2006	30,966,611	30,966	4,820,690	(1,876,235)	444,002	-	3,419,423
Capital issued for financing	11,988,676	11,990	15,225,207	-	-	-	15,237,197
Capital issued for services	3,107,500	3,107	7,431,343	-	-	-	7,434,450
Capital issued for mineral properties	400,000	400	1,159,600	-	-	-	1,160,000
Capital issued on settlement of notes payable	39,691	39	105,541	-	-	-	105,580
Fair value of warrants	-	-	-	-	7,546,270	-	7,546,270
Stock based compensation	-	-	-	-	2,169,050	-	2,169,050

Foreign currency translation adjustment	-	-	-	-	-	8,412	8,412
Net Income (loss)	-	-	-	(15,669,889)	-	-	(15,669,889)
Balance at June 30, 2007	46,502,478	46,502	28,742,381	(17,546,124)	10,159,322	8,412	21,410,493

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

PARAMOUNT GOLD AND SILVER CORP.
(An Exploration Stage Mining Company)
Consolidated Statement of Stockholders' Equity
For the Period Ended September 30, 2009
(Expressed in United States dollars, unless otherwise stated)

	Shares	Par Value	Capital in Excess of Par Value	Accumulated Earnings (Deficiency)	Contributed Surplus	Cumulative Translation Adjustment	Total Stockholders Equity
Balance at June 30, 2007	46,502,478	46,502	28,742,381	(17,546,124)	10,159,322	8,412	21,410,493
Capital issued for financing	1,000,000	1,000	1,778,590	-	-	-	1,779,590
Capital issued for services	770,000	770	1,593,582	-	-	-	1,594,352
Capital issued for mineral properties	268,519	269	489,731	-	-	-	490,000
Fair Value of warrants	-	-	-	-	470,410	-	470,410
Stock based compensation	-	-	-	-	2,911,213	-	2,911,213
Foreign currency translation	-	-	-	-	-	(28,389)	(28,389)
Net Income (loss)	-	-	-	(18,409,961)	-	-	(18,409,961)
Balance at June 30, 2008	48,540,997	48,541	32,604,284	(35,956,085)	13,540,945	(19,977)	10,217,708
Capital issued for financing	16,707,791	16,707	5,828,684	-	-	-	5,845,391
Capital issued for services	1,184,804	1,185	683,437	-	-	-	684,622
Capital issued from stock options exercised	384,627	385	249,623	-	(237,008)	-	13,000
Capital issued for mineral properties	16,200,000	16,200	13,140,250	-	-	-	13,156,450
Fair Value of warrants	-	-	-	-	3,612,864	-	3,612,864
Stock based compensation	-	-	-	-	1,052,709	-	1,052,709
Foreign currency translation	-	-	-	-	-	(267,215)	(267,215)
	-	-	-	(7,241,179)	-	-	(7,241,179)

Net Income
(loss)

Balance at June

30, 2009	83,018,219	83,018	52,506,278	(43,197,264)	17,969,510	(287,192)	27,074,350
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The accompanying notes are an integral part of the consolidated financial statements.

PARAMOUNT GOLD AND SILVER CORP.
 (An Exploration Stage Mining Company)
 Consolidated Statement of Stockholders' Equity
 For the Period Ended September 30, 2009
 (Expressed in United States dollars, unless otherwise stated)

	Shares	Par Value	Capital in Excess of Par Value	Accumulated Earnings (Deficiency) (Restated)	Contributed Surplus (Restated)	Cumulative Translation Adjustment	Total Stockholders' Equity (Restated)
Balance at June 30, 2009	83,018,219	83,018	52,506,278	(43,197,264)	17,969,510	(287,192)	27,074,350