

NORTH BAY RESOURCES INC
Form 10-Q
August 13, 2014

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 June 30, 2014

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)

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

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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: 217,118,103 shares of Common Stock as of August 12, 2014.

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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 JUNE 30, 2014 AND DECEMBER 31, 2013

	Jun 30, 2014	Dec 31, 2013
ASSETS		
Current Assets		
Cash	\$ 123,474	\$ 133,873
Total Current Assets	123,474	133,873
Other Assets		
Certificates of Deposit	173,043	172,880
Prepaid Expenses	57,373	57,373
Deferred Financing Costs, net	54,777	22,966
Mining Claims – Unproved	1,795,780	1,797,488
Property, Plant & Equipment, net of accumulated depreciation	553,142	608,038
Available For Sale Securities	10,000	22,500
Reclamation Bond – Fraser River	5,000	5,000
Total Other Assets	2,649,115	2,686,245
TOTAL ASSETS	\$ 2,772,589	\$ 2,820,118
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 45,299	\$ 41,611
Accrued Expenses - Related Party	881,474	820,474
Accrued Interest	153,815	101,366
Convertible notes payable (net of discounts of \$517,169 and \$264,389, respectively)	1,041,361	836,858
Advance Gold Sales (net of discounts of \$0 and \$4,289, respectively)	5,000	195,711
Derivative Liabilities – Convertible Debt	644,163	696,648
Derivative Liabilities – Advances on Gold	5,556	22,223
Note Payable – Ruby Mine Mortgage	633,104	627,101
Note Payable - Equipment	9,272	41,687
Total Current Liabilities	3,419,044	3,383,679
Long-Term Liabilities		
Note Payable – Ruby Mine Mortgage, net of current portion	1,093,082	1,205,537
Note Payable – Equipment, net of current portion	23,641	-
Asset Retirement Obligation	4,716	6,158
Total Long-Term Liabilities	1,121,439	1,211,695
Total Liabilities	\$ 4,540,483	\$ 4,595,374
Commitment & Contingencies		

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Common shares subject to redemption, stated at estimated redemption value, 10,217,468 and 10,217,468 shares outstanding at June 30, 2014 and December 31, 2013, respectively	697,046	667,758
Total Commitment & Contingencies	\$ 697,046	\$ 667,758
Stockholders' Equity (Deficit)		
Preferred stock, Series I, \$0.001 par value, 100 shares authorized, 100 shares issued and outstanding at June 30, 2014 and December 31, 2013, 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 June 30, 2014 and December 31, 2013, respectively	4,000	4,000
Common stock, \$0.001 par value, 500,000,000 shares authorized, 187,087,567 and 127,897,079 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively	187,087	127,898
Additional Paid-In Capital	13,935,779	12,962,791
Accumulated Other Comprehensive Income	(15,050)	(2,550)
Stock Payable	18,392	-
Deficit Accumulated During Exploration Stage	(16,595,148)	(15,535,153)
Total Stockholders' Equity (Deficit)	(2,464,940)	(2,443,014)
TOTAL LIABILITIES, COMMITMENTS & CONTINGENCIES, & STOCKHOLDERS' EQUITY (DEFICIT)	\$ 2,772,589	\$ 2,820,118

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

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE AND SIX MONTH PERIODS ENDING
 JUNE 30, 2014 AND 2013 AND THE PERIOD FROM
 JUNE 18, 2004 (INCEPTION) THROUGH JUNE 30, 2014

	3 months ended June 30, 2014	3 months ended June 30, 2013	6 months ended June 30, 2014	6 months ended June 30, 2013	Since inception (June 18, 2004 - June 30, 2014)
Revenues					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of Revenue	-	-	-	-	-
Gross Profit	-	-	-	-	-
Operating Expenses					
Commissions & Consulting Fees	-	4,800	-	4,800	316,800
General & Administrative Costs	86,289	80,732	181,171	161,728	9,684,587
Mining Property Costs	401,360	179,639	686,105	226,540	3,205,952
Depreciation Expense	25,110	24,060	53,896	48,120	312,289
Impairment Expense	-	-	-	-	145,995
Accretion Expense	114	76	266	163	1,596
Professional Services	34,064	36,368	90,728	66,270	458,872
Total Operating Expenses	546,937	325,675	1,012,166	507,621	14,126,091
Net Operating Loss	(546,937)	(325,675)	(1,012,166)	(507,621)	(14,126,091)
Other Income (Expenses)					
Gain on Mineral Claim Sales	-	-	-	113,499	471,243
Other Income from Mineral Claims	-	-	-	-	309,649
Interest Income	538	120	4,872	244	6,887
Interest Expense	(381,985)	(98,321)	(625,003)	(405,900)	(2,286,212)
Gain/Loss on Derivative Liability	313,211	(359,114)	552,578	(576,640)	113,164
Loss on Conversion of Debt	-	-	-	-	(137,000)
Loss on Equity Modification	-	-	-	-	(85,399)
Bad Debt Expense	-	-	-	-	(47,185)
Loss on Settlement	(32,479)	-	(32,479)	-	(94,574)
Other Expense	-	(1,913)	-	-	(2,222)
Other Income	-	-	52,203	1,094	53,297
Realized Gain (Loss) on Investment	-	-	-	-	(97,109)
Net Other Income (Expenses)	(100,715)	(459,228)	(47,829)	(867,703)	(1,795,461)
Loss From Continuing Operations	(647,652)	(784,903)	(1,059,995)	(1,375,324)	(15,921,552)
	-	-	-	-	(673,596)

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Loss From Discontinued Operations					
Net Loss	(647,652)	(784,903)	(1,059,995)	(1,375,324)	(16,595,148)
Accretion of Discount on Redeemable Common Stock	-	(489)	-	(14,701)	(81,862)
Excess Cash Received Compared to Redeemable Amount of Stock	-	-	-	-	974
Interest on Redeemable Common Stock	(14,644)	(12,337)	(29,288)	(21,298)	(103,158)
Net Loss Attributable to Common Shareholders	(662,296)	(797,729)	(1,089,283)	(1,411,323)	(16,779,194)
Unrealized (Loss)/Gain on Available For Sale Securities	(12,500)	(7,500)	(12,500)	2,450	(15,050)
Total Comprehensive Loss	(674,796)	(805,229)	(1,101,783)	(1,408,873)	(16,794,244)

WEIGHTED AVG NUMBER OF SHARES OUTSTANDING (Basic)	172,223,752	112,522,912	159,851,777	108,542,908	
Basic Net Loss per Share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	
WEIGHTED AVG NUMBER OF SHARES OUTSTANDING (Diluted)	172,223,752	112,522,912	159,851,777	108,542,908	
Diluted Net Loss per Share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	

The accompanying notes are an integral part of these financial statements

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH JUNE 30, 2014 (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
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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 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH JUNE 30, 2014 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock						Total Stockholders' Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount	Additional Paid-In Capital	Stock Payable	Accumula- Deficit	Accumula- OCI	
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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 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH JUNE 30, 2014 (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)
Expenses paid by shareholder	-	-	-	-	-	-	-	-	70,623	-	-	-	70,623
Net loss for year	-	-	-	-	-	-	-	-	-	-	(1,490,871)	-	(1,490,871)
	-	-	100	\$ 2,400	\$-	\$-	16,522,261	\$ 16,522	\$ 8,513,664	\$-	\$ (8,907,591)	\$-	\$ (377,400)

Balance at
12/31/2007

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH JUNE 30, 2014 (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 Amount	Series A Amount	Series G Amount	Series I Amount	Shares	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	\$ 8,755,889	\$-	\$ (9,236,069)	\$ 22,780	\$ (433,103)

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 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH JUNE 30, 2014 (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	\$ 9,246,214	\$ 115,310	\$ (10,023,0

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH JUNE 30, 2014 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumulated Deficit	Other 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 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	-	-	-	50,000
Discount on convertible notes from beneficial conversion features and attached warrants	-	-	-	-	-	-	-	-	107,406	-	-	-	107,406
Common Stock issued for Ruby Mine Purchase Option	-	-	-	-	-	-	10,000,000	10,000	140,000	-	-	-	150,000