MAGELLAN GOLD Corp
Form 10-Q
June 28, 2018

0001515317 --12-31 mgc Yes No No true false false 2018 Q1 0001515317 2018-01-01 2018-03-31 0001515317 2018-03-31 0001515317 2018-06-25 0001515317 2018-06-25 2018-06-25 0001515317 2017-12-31 0001515317 2017-01-01 2017-03-31 0001515317 2016-12-31 0001515317 2017-03-31 0001515317 fil:InAugust2015Member 2018-01-01 2018-03-31 0001515317 fil:OnJuly92015Memberfil:SilverDistrictClaimsMember 2018-01-01 2018-03-31 0001515317 2017-03-31 2017-03-31 0001515317 us-gaap:FairValueInputsLevel1Member 2018-03-31 0001515317 us-gaap:FairValueInputsLevel2Member 2018-03-31 0001515317 us-gaap:FairValueInputsLevel3Member 2018-03-31 0001515317 us-gaap:FairValueInputsLevel1Member 2017-12-31 0001515317 us-gaap:FairValueInputsLevel2Member 2017-12-31 0001515317 us-gaap:FairValueInputsLevel3Member 2017-12-31 0001515317 fil:UnsecuredLoanFromJohnPowerMember 2018-01-01 2018-03-31 0001515317 fil:UnsecuredLoanFromJohnPowerMember 2018-03-31 0001515317 fil:UnsecuredLoanFromJohnPowerMember 2017-12-31 0001515317 fil:UnsecuredLoan2FromJohnPowerMember 2018-01-01 2018-03-31 0001515317 fil:UnsecuredLoan2FromJohnPowerMember 2018-03-31 0001515317 fil:UnsecuredLoan2FromJohnPowerMember 2017-12-31 0001515317 fil:ThreeShortTermNotesMember 2018-01-01 2018-03-31 0001515317 fil:ThreeShortTermNotesMember 2018-03-31 0001515317 fil:ThreeShortTermNotesMember 2017-12-31 0001515317 fil:AdditionalSecuredLoanForAdvancesMember 2018-01-01 2018-03-31 0001515317 fil:AdditionalSecuredLoanForAdvancesMember 2018-03-31 0001515317 fil:AdditionalSecuredLoanForAdvancesMember 2017-12-31 0001515317 fil:Series2017NotesMember 2018-03-31 0001515317 fil:Series2017NotesMember 2017-12-31 0001515317 fil:Series2017NotesFromNonRelatedPartiesMember 2018-03-31 0001515317 fil:Series2017NotesFromNonRelatedPartiesMember 2017-12-31 0001515317 fil:Series2017NotesMember 2018-01-01 2018-03-31 0001515317 fil:AuctusNoteMember 2018-01-01 2018-03-31 0001515317 fil:AuctusNoteMember 2018-03-31 0001515317 fil:EmaNoteMember 2018-01-01 2018-03-31 0001515317 fil:EmaNoteMember 2018-03-31 0001515317 fil:AuctusAndEmaConvertibleNotesMember 2018-03-31 0001515317 fil:AuctusAndEmaConvertibleNotesMember 2017-12-31 0001515317 fil:AuctusAndEmaConvertibleNotesMember 2018-01-01 2018-03-31 0001515317 fil:StockOptionsMember 2018-01-01 2018-03-31 0001515317 fil:StockWarrantsMember 2018-01-01 2018-03-31 0001515317 fil:StockOptionsMember 2017-12-31 0001515317 fil:StockWarrantsMember 2017-12-31 0001515317 fil:StockOptionsMember 2018-03-31 0001515317 fil:StockWarrantsMember 2018-03-31 0001515317 fil:MrPowerMember 2018-01-01 2018-03-31 0001515317 fil:MrPowerMember 2017-01-01 2017-03-31 0001515317 fil:MrPowerMember 2018-03-31 0001515317 fil:MrPowerMember 2017-12-31 0001515317 fil:MrGibbsMember 2018-03-31 0001515317 fil:MrGibbsMember 2017-12-31 0001515317 fil:DrCarsonMember 2018-03-31 0001515317 fil:DrCarsonMember 2017-12-31 0001515317 fil:MrPowerMember 2016-01-01 2017-12-31 0001515317 fil:MrPowerMember 2017-01-01 2017-12-31 0001515317 fil:DrCarsonMember 2017-01-01 2017-12-31 0001515317 2017-01-01 2017-12-31 0001515317 fil:Event1Member 2018-01-01 2018-03-31 0001515317 fil:Event2Member 2018-01-01 2018-03-31 0001515317 fil:Event3Member 2018-01-01 2018-03-31 0001515317 fil:Event4Member 2018-01-01 2018-03-31 0001515317 fil:Event5Member 2018-01-01 2018-03-31 0001515317 fil:Event6Member 2018-01-01 2018-03-31 0001515317 fil:Event7Member 2018-01-01 2018-03-31 0001515317 fil:Event8Member 2018-01-01 2018-03-31 0001515317 fil:Event9Member 2018-01-01 2018-03-31 xbrli:pure iso4217:USD xbrli:shares iso4217:USD xbrli:shares

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

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2018

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ____________

Commission file number: 333-174287

MAGELLAN GOLD CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**273566922**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
2010A Harbison Drive #312, Vacaville, CA	**95687**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(707) 884-3766**

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 [X] 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 [X] 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 [ ] (Do not check if a smaller reporting company)	Smaller Reporting Company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company [X]

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

On June 25, 2018, there were 117,081,382 shares of the registrant's common stock, $0.001 par value, issued and outstanding.

PART I. FINANCIAL INFORMATION

MAGELLAN GOLD CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash	$98,654	$421
Due from Rose Petroleum	25,053	27,147
Investment in Rio Silver equities	106,697	109,532
Prepaid expenses & other current assets	150,860	121,283
Total current assets	381,264	258,383
Mineral rights, net of impairment	323,200	323,200
Property, plant & equipment net of accumulated depreciation of $42,857 and $11,822, respectively	1,216,168	1,155,811
Other Assets:		
Prepaid expenses and other assets	235,138	216,151
Total other assets	235,138	216,151
Total assets	$2,155,770	$1,953,545
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		

Accounts payable	$395,264	$270,424
Accrued liabilities	93,092	60,296
Line of credit - related party	932,500	932,500
Notes payable - related parties, net of unamortized discounts	1,219,028	1,197,437
Note payable, net of unamortized discounts	103,056	100,783
Accrued interest - related parties	268,762	238,651
Convertible note payable, net of unamortized discounts	278,565	271,697
Accrued interest	15,737	5,750
Advances payable, related party	8,100	8,100
Total current liabilities	3,314,104	3,085,638
Long term liabilities:		
Asset Retirement Obligation	125,167	115,914
Total liabilities	3,439,271	3,201,552
Shareholders' deficit:		
Preferred shares, $0.001 par value, 25,000,000 shares authorized, no shares issued and outstanding	-	-
Common shares - $0.001 par value; 1,000,000,000 shares authorized, 107,081,382 and 95,581,382 shares issued and outstanding, respectively	107,081	95,581
Additional paid-in capital	3,022,370	2,803,870
Accumulated other comprehensive loss	(10,056)	(87,570)
Accumulated deficit	(4,402,896)	(4,059,888)
Shareholders' deficit	(1,283,501)	(1,248,007)

Total liabilities and shareholders'deficit	**$2,155,770**	**$1,953,545**

See accompaning notes to the unaudited consolidated financial statements

MAGELLAN GOLD CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

	Three months ended March 31,	
	2018	2017
Operating expenses:		
Exploration costs	$6,780	$8,956
General and administrative expenses	221,444	155,116
Depreciation Expense	31,035	–
Total operating expenses	259,259	164,072
Operating loss	(259,259)	(164,072)
Other income (expense):		
Interest expense	(83,749)	(15,193)
Gain on change in derivative liability	–	57,430
Net loss	(343,008)	(121,835)
Other comprehensive income (loss):		
Foreign currency translation	80,349	(130)
Unrealized loss on available-for-sale securities	(2,835)	–
Net comprehensive loss	$(265,494)	$(121,965)
Basic and diluted net loss per common share	$(0.00)	$(0.00)
Basic and diluted weighted-average common shares outstanding	98,009,160	65,642,215

See accompaning notes to the unaudited consolidated financial statements

MAGELLAN GOLD CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended March 31,	
	2018	2017
Operating activities:		
Net loss	$(343,008)	$(121,835)
Adjustments to reconcile net loss to net cash used in operating activites:		
Accretion of discounts on notes payable	30,732	
Amortization of service contracts	40,625	11,979
Depreciation Expense	31,035	-
Gain on change in derivative liability	-	(57,430)
Changes in operating assets and liabilities:		
Due from Rose Petroleum	2,094	-
Prepaid expenses and other assets	(89,189)	(20,200)
Accounts payable and accrued liabilities	157,636	65,777
Accrued interest	40,098	14,812
Net cash used in operating activities	(129,977)	(106,897)
Investing activities:		
Purchase of Rio Silver equity securities	-	(58,297)
Payment of option to acquire SDA mill	-	(50,000)
Net cash used in investing activities	-	(108,297)
Financing activities:		
Proceeds from advances from related parties	-	120,000
Payments on advances from related parties	-	(15,000)
Proceeds from sale of common stock and warrants	230,000	120,000
Net cash provided by financing activities	230,000	225,000
Effect of foreign currency exchange	(1,790)	(130)
Net increase in cash	98,233	9,676
Cash at beginning of period	421	485

Cash at end of period	$98,654	$10,161
Supplemental disclosure of cash flow information		
Cash paid for interest	$12,357	$382
Cash paid for income taxes	$-	$-
Non-cash financing and investing activities:		
Subscription receivable for common stock and warrants	$-	$5,000
Unrealized loss on available-for-sale securities	$2,835	$-

See accompaning notes to the unaudited consolidated financial statements

MAGELLAN GOLD CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 – Organization, Basis of Presentation, and Nature of Operations

Magellan Gold Corporation ("we" "our", "us", the "Company" or "Magellan") was incorporated on September 28, 2010, under the laws of the State of Nevada. Our principal business is the acquisition and exploration of mineral resources. We have not presently determined whether the properties to which we have mining rights contain mineral reserves that are economically recoverable.

On November 30, 2017, the Company purchased from Rose Petroleum plc ("Rose") a mineral processing mill operation located in the state of Navarit, Mexico (the "SDA Mill") as well as its associated assets, licenses and agreements.

On October 17, 2017, the Company amended the agreement to include the acquisition of Minerales Vane Operaciones ("MVO") (the entity that provides labor to the Mill) for $2,500. In January 2018 the Company paid the purchase price and obtained legal control of MVO. MVO is the sister entity which was organized for the purpose of employing all personnel of the SDA mill. The acquisition of MVO did not result in the acquisition of any additional assets or liabilities.

Our primary focus with the acquisition of the SDA Mill in Mexico is to transform Magellan into a production company, to continue to advance our Arizona silver project towards resource definition and eventual development, and possibly to acquire additional mineral rights and conduct additional exploration, development and permitting activities. Our mineral lease payments, permitting applications and exploration and development efforts will require additional capital. We rely upon the sale of our securities as well as advances and loans from executive management and significant shareholders to fund our operations as we have not generated any significant revenue.

Basis of Presentation

We prepare our financial statements in accordance with accounting principles generally accepted in the United States ("GAAP"). The accompanying unaudited interim consolidated financial statements have been prepared in accordance with GAAP for interim financial information in accordance with Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2018 are not necessarily indicative of the results for the full year. While we believe that the disclosures presented herein are adequate and not misleading, these interim financial statements should be read in conjunction with the audited financial statements and the footnotes thereto contained in our annual report on Form 10-K for the year ended December 31, 2017.

Our consolidated financial statements include our accounts and the accounts of our 100% owned subsidiaries, Gulf + Western Industries, Inc., Magellan Acquistion Corporation, Minerales Vane 2, S.A. de C.V., and Minerales Vane Operaciones, S.A de C.V. All intercompany transactions and balances have been eliminated. Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Reclassification

Certain reclassifications have been made to the prior periods to conform to the current period presentation.

Recent Accounting Pronoucments

Accounting Standards Update No. 2014-09—Revenue from Contracts with Customers (Topic 606). On May 28, 2014, the FASB issued guidance that requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This ASU was further amended by ASU No. 2015-14, No. 2016-08, No. 2016-10, No. 2016-12 and No. 2016-20. The guidance provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. The Company has performed an assessment of the revised guidance and the impacts on the Company's Consolidated Financial Statements and disclosures and has determined that the adoption of this guidance did not have an impact. The Company adopted the new guidance effective January 1, 2018 using the modified retrospective approach.

Liquidity and Going Concern

Our unaudited consolidated financial statements have been prepared on a going concern basis, which assumes that we will be able to meet our obligations and continue our operations during the next fiscal year. Asset realization values may be significantly different from carrying values as shown in our consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values of assets and liabilities should we be unable to continue as a going concern. At March 31, 2018, we had not yet generated any revenues or achieved profitable operations and we have accumulated losses of $4,402,896. We expect to incur further losses in the development of our business, all of which raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate future profits and/or to obtain the necessary financing to meet our obligations arising from normal business operations when they come due.

During the three months ended March 31, 2018, we sold 11,500,000 units consisting of common stock and warrants and realized net proceeds of $230,000. The proceeds were generally used to fund working capital.

Additionally through various transactions with related parties during the year ended December 31, 2017, the Company realized approximately $1,075,000 which is primarily reflected in a series of promissory notes ("Series 2017 Notes"). The proceeds were generally used to fund the purchase of the SDA Mill in Mexico. The Series 2017 Notes are secured by a pledge of all the outstanding shares of Magellan Acquisition Corporation, a wholly-owned subsidiary that owns the SDA Mill through Minerales Vane 2.

We anticipate that additional funding will be in the form of additional loans from officers, directors or significant shareholders, or equity financing from the sale of our common stock but cannot assure than any future financings will occur.

Note 2 – Mineral Rights and Properties

Silver District

In August 2012, we entered into an option agreement with Columbus Exploration f/k/a Columbus Silver Corporation, which granted us the right to acquire all of Columbus' interest in its Silver District properties located in La Paz County, Arizona. The properties acquired from Columbus were assigned into our subsidiary Gulf+Western Industries, Inc. and our total acquisition cost capitalized was $323,200.

The Silver District property consists of 110 unpatented lode and mill site mining claims, six patented lode claims, and an Arizona State Exploration Permit, all of which are held directly or under lease agreements, totaling over 2,000 acres. Certain of the claims are subject to third party net smelter royalties and/or net profits of varying percentages.

In August 2017, we renewed the BLM lode and mill site claims in La Paz County, Arizona with the Bureau of Land Management and these claims will remain in good standing through August 31, 2018. Additionally, in both August 2017 and 2016, we made advance minimum royalty payments of $10,000 to a third party landowner on the Red Cloud lease, which includes the Red Cloud Patented claim and two BLM lode claims. In 2017, we continued to make such payments. We also expanded the Arizona State Exploration Permit to approximately 334.85 acres on the Arizona State section that comprises part of our Silver District land package and are current on our obligations under this permit.

On July 9, 2015, G+W entered into two Lease and Purchase Agreements (“Agreements”) with an individual that grant the Company certain exploration and mining rights for two patented lode claims located in the Silver District, La Paz County, Arizona. The Agreements provide for scheduled variable annual advance minimum royalty payments to the lessor. In addition, the Agreements have an initial term of 20 years, and provide for the purchase of the properties for $125,000 each during the term of the lease, net of any advance royalty payments made up to the date of the purchase. The Company paid the initial advance royalty payments totaling $3,000 and advance royalty payments of $1,000 in July 2016 to maintain these Agreements. Due to an uncertainty associated with the clarification of the legal title for these two patented lode claims, these payments have not been capitalized as mining rights, and therefore are included in exploration costs during the period in which the obligation was due.

Note 3 – Mining Option Agreement

On June 30, 2016 the Company signed a non-binding Letter of Intent (“LOI”) with Rio Silver Inc., and on October 24, 2016 the Company executed a definitive Mining Option Agreement (“Option Agreement), pursuant to which Magellan is granted the option to earn an undivided 50% interest in the Niñobamba Silver-Gold Property (“Property”), located 330 kilometers southeast of Lima in the Department of Ayacucho, Peru.

As a condition of the LOI, the Company had paid a refundable $12,000 deposit. This payment was recorded as a deposit and was subsequently used to maintain certain mining concessions on the property.

In addition to the deposit, the Company was obliged to subscribe to two private placement unit financings in Rio Silver, each for aggregate proceeds of Cdn$75,000. The Company completed the first unit private placement on August 23, 2016. The first placement included 1,500,000 units priced at Cdn$0.05, which included one share of Rio Silver common stock and one warrant to purchase one share of Rio Silver common stock for Cdn$0.05 which expire on February 23, 2018. The cost of the units in the first private placement totaled USD $59,753. The second placement included 1,250,000 units priced at Cdn$0.06, which was completed on January 19, 2017, and included one share of Rio Silver common stock and one warrant to purchase one share of Rio Silver common stock for Cdn$0.06 which expire on July 19, 2018. The cost of the units in the second private placement totaled USD $58,297. Each of these transactions were recorded as an investment in Rio Silver equity securities and included on the accompanying consolidated balance sheets at March 31, 2018 and December 31, 2017. As of March 31, 2018, we have recorded an unrealized loss of $2,835 to write-down the investment. The shares of common stock and warrants of Rio Silver have been pledged by the Company to John Power to secure repayment of a $125,000 loan.

Under the terms of the Agreement, the Company had the right to earn an undivided 50% interest in the Niñobamba Silver/Gold Project in central Peru. To earn its 50% interest, the Company was required to spend $2.0 million in exploration over three years. The Niñobamba project is comprised of five concessions that total 36.5 square kilometers (9,026 acres). The concessions include the original Rio Silver concession, three concessions recently acquired from a Peruvian company owned jointly by Newmont Mining Corporation and Southern Peru Copper Corporation, and one concession for which application was made, and which was granted in 2017.

On January 5, 2018, Magellan entered into a Termination Agreement, effective December 31, 2017, with Rio Silver Inc. to mutually terminate the Company's option to earn an interest in Rio Silver's Niñobamba exploration property in Peru. In connection with the termination of the agreement, Rio Silver agreed to apply to the TSX Venture Exchange for an 18-month extension of 2,750,000 warrants that Magellan holds in Rio Silver stock, which otherwise would expire in February and July 2018. The TSX Venture Exchange subsequently approved the extensions.

In connection with the termination of the agreement, Magellan agreed to grant Rio Silver a right of first refusal on any sale of the 2,750,000 shares of Rio Silver stock that Magellan currently holds.

Additionally effective in 2018, the Company sold its interest in Magellan Gold Peru S.A.C. for consideration of $1.00. The Company realized a loss on disposition of $567.

Note 4 – Acquisition of SDA Mill

On March 3, 2017 the Company entered into a Memorandum of Understanding ("MOU") with Rose Petroleum plc ("Rose"), a multi-asset natural resource business, to purchase an operating floatation plant that also includes a precious metals leach circuit and associated assets, licenses and agreements (together, the "SDA Mill") located in the State of Nayarit, Mexico.

Prior to closing, all of the assets and operations related to the SDA Mill were transferred to a newly incorporated entity, Minerales Vane 2 S.A. de C.V. ("Minerales Vane 2"). Effective November 30, 2017, the Company's newly incorporated wholly-owned subsidiary, Magellan Acquisition Corporation ("MAC"), acquired 100% of the issued and outstanding shares of Minerales Vane 2.

The total purchase price for the SDA Mill was determined to be $1,476,025 which consisted of $850,000 cash, a $50,000 promissory note, the $50,000 non-refundable option payment, the $100,000 paid for the option-to-purchase extension, and 14,200,834 shares of common stock (the "Shares") with a fair value of $426,025. The note was non-interest bearing and was paid in full April 12, 2018. This note was grouped with Notes Payable Related Party due to Rose's share ownership in the Company. The Shares will be held in escrow for a period of 12 months and the Company has the option to repurchase the Shares from Rose for the sum of $500,000 in the first six months and $550,000 in months 7 to 12.

On April 12, 2018, the Company satisfied its note payable in the amount of $50,000 in favor of Rose Petroleum, plc in respective of the purchase of the SDA Mill, as required under terms of the Stock Purchase Agreement.

Subsequent to the purchase of the SDA Mill, the Company and Rose Petroleum executed an IVA Agreement which implemented the provisions of the Stock Purchase Agreement with respect to the payment of the IVA Tax assessed by the Mexican taxing authorities on the sale and purchase of the IVA Mill. Under the terms of the IVA Agreement, Rose Petroleum advanced the IVA tax, in Mexican Pesos, for the payment of the IVA tax, approximately $260,000. The Company has agreed that all future tax credits or refunds that it receives from the Mexican taxing authority will be paid over to Rose until such time as Rose has recouped the advance, in full. Mr. Carson executed a Guaranty of the Company's obligations under the IVA Agreement effective March 8, 2018.

In March 2018, the Company and Rose Petroleum, plc satisfied their respective obligations for payment of Mexican VAT on purchase of the SDA Mill, as required under terms of the Stock Purchase Agreement.

Pro forma results of operations for the three months ended 2017 as though the Company had acquired the SDA Mill on the first day of the fiscal year of 2017 are set forth below:

	March 31, 2017 Pro Forma
Net Sales	$129,008
Operating Expenses	456,557
Net Loss	$(327,549)

Note 5 – Interim Toll Milling Agreement

On November 7, 2017 the Company and Rose executed an Interim Milling Agreement (the "Agreement"), with an effective date of November 1, 2017, whereby, pending closing of the SDA Mill acquisition, Rose shall cause its subsidiary, Minerales Vane S.A. de C.V., a Mexico corporation ("Vane"), to reopen the SDA Mill and recommence operations on a toll milling basis for a third-party. Under the Agreement, the Company is required to provide the working capital to fund the operations and is entitled to all the positive cash flow after covering the related expenses.

The Agreement was completed and terminated during November 2017. The Company has an outstanding receivable from Rose of $25,053 as of March 31, 2018 and $27,147 as of December 31, 2017, respectively.

Note 6 - Fair Value of Financial Instruments

Financial assets and liabilities recorded at fair value in our consolidated balance sheets are categorized based upon a fair value hierarchy established by GAAP, which prioritizes the inputs used to measure fair value into the following levels:

Level 1— Quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2— Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable and can be corroborated by observable market data.

Level 3— Inputs reflecting management's best estimates and assumptions of what market participants would use in pricing assets or liabilities at the measurement date. The inputs are unobservable in the market and significant to the valuation of the instruments.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value at March 31, 2018	**Fair Value Measurement at March 31, 2018**		
		Level 1	**Level 2**	**Level 3**
Investment in Rio Silver equities	$ 106,697	$ 106,697	$ -	$ -

	Fair Value at December 31, 2017	**Fair Value Measurement at December 31, 2017**		
		Level 1	**Level 2**	**Level 3**
Investment in Rio Silver equities	$ 109,532	$ 109,532	$ -	$ -

The carrying values for cash and cash equivalents, prepaid assets, accounts payable and accrued liabilities, related party line of credit and notes payable approximate their fair value due to their short-term maturities.

Note 7 – Line of Credit – Related Party

Effective December 31, 2012, we entered into a line of credit arrangement with John D. Gibbs, a significant investor, to facilitate timely cash flows for the Company's operations. The line of credit originally provided for a maximum balance of $250,000, accrued interest at 6% annually, and matured on December 31, 2014.

On December 31, 2013 we amended our credit agreement with Mr. Gibbs to increase the borrowing limit under the line of credit to $750,000. All other terms of the credit agreement, including the interest rate and maturity date remained unchanged.

On December 31, 2014, we again amended the credit agreement to increase the borrowing limit to $900,000 and extend the maturity date to December 31, 2015. As part of the 2014 amendment and the subsequent appointment of Dr. Pierce Carson as the President, CEO and Director of G+W effective June 1, 2015, we had pledged all of our 85% equity interest in G+W, which owns the Silver District properties, as security for all amounts outstanding under the credit agreement. In July 2016, we completed a share exchange with Dr. Carson to re-acquire the 15% interest in G+W, and therefore at September 30, 2017 our entire 100% interest in G+W remains pledged as security for outstanding amounts under this credit agreement.

On December 31, 2015 we again amended the credit agreement to increase the borrowing limit to $1,000,000 and extended the maturity date to December 31, 2016. Finally, on March 31, 2017 with an effective date of December 31, 2016 we again amended the credit agreement to extend the maturity date to December 31, 2018. All other terms of the agreement were unchanged. At March 31, 2018 the Company has $67,500 available under the credit line.

No draws were made during the three months ended March 31, 2018. At both March 31, 2018 and December 31, 2017, a total of $932,500 was outstanding under this line of credit. In addition, a total of $227,453 and $213,657 of interest has been accrued on this obligation and is included in Accrued interest - related parties on the accompanying consolidated balance sheets at March 31, 2018 and December 31, 2017, respectively.

Note 8 – Notes Payable – Related Parties

In August 2011, we entered into an unsecured loan from John Power, the Company's Director, evidenced by a $20,000 promissory note. The promissory note bears interest at 6% per annum and is payable on demand with thirty days' notice from the lender. During 2014, the Company made payments totaling $5,000 to pay down the principal balance of the note. At both March 31, 2018 and December 31, 2017, the note balance was $15,000. At March 31, 2018 and December 31, 2017, interest totaling $222 and $1,576, respectively, was accrued on this note payable and is included in Accrued interest – related parties on the accompanying consolidated balance sheets.

In January 2014, we entered into an additional unsecured loan from Mr. Power, evidenced by a $50,000 promissory note. The promissory note bears interest at 6.75% per annum and is payable on demand with thirty days' notice from the lender. At March 31, 2018 and December 31, 2017, interest totaling $832 and $6,249, respectively, was accrued on this note payable and is included in Accrued interest – related parties on the accompanying consolidated balance sheets. At both March 31, 2018 and December 31, 2017, the note balance was $50,000.

On May 31, 2017 we entered into three short-term notes with Mr. Gibbs, Dr. Carson and Mr. Power in the principal amounts of $100,000, $25,000 and $25,000, respectively. The notes bear interest at 6% and matured on November 15, 2017. A total of $3,760 and $4,512 of interest is accrued on these notes as of March 31, 2018 and December 31, 2017, respectively. The note balances were subsequently rolled into the Series 2017 Notes.

On June 30, 2017 we entered into an additional secured loan for advances from Mr. Power and evidenced by a $125,000 promissory note. The promissory note bears interest at 6% per annum and matured on December 31, 2017 and is currently past due. The note is collateralized by our investment in Rio Silver shares and warrants. At both March 31, 2018 and December 31, 2017, the note balance was $125,000. A total of $1,849 and $3,781 of interest is accrued on these notes as of March 31, 2018 and December 31, 2017, respectively and is included in Accrued interest – related parties on the accompanying consolidated balance sheets.

On November 30, 2017 we entered into a series of secured promissory notes (“Series 2017 Notes”) with both related and unrelated parties in the aggregate amount of $1,155,000, including financing fees of $105,000 recorded as a discount to the notes.

Net proceeds on the issuance after reducing for the transfers previously listed total $900,000. The notes are secured by a stock pledge agreement covering 100% of the outstaning common stock of Magellan Acquisition Corporation, bear interest at 10% and mature on December 31, 2018.

The total of portion of the Series 2017 Notes from related parties totaled $1,045,000, including financing fees of $95,000 recorded as discount to the notes. Mr. Gibbs, Dr. Carson, and Mr. Power transferred $100,000, $25,000, and $25,000, respectively, from the May 31, 2017 short term related party notes into the Series 2017 Notes. As of March 31, 2018 the balance on the Series 2017 Notes from related parties, net of unamortized discount of $65,972, is $979,028 with accrued interest of $34,642. As of December 31, 2017, the balance on the Series 2017 Notes from related parties, net of unamortized discount of $87,563, is $957,437 with accrued interest of $8,875.

During the three months ended March 31, 2018 $21,591 of debt discount related to the above notes was amortized to interest expense.

Note 9 – Notes payable

As discussed in Note 8 – Notes Payable – Related Parties, on November 30, 2017 we entered into a series of secured promissory notes (“Series 2017 Notes”) with both related and unrelated parties in the aggregate amount of $1,155,000, including financing fees of $105,000 recorded as a discount to the notes.

The total of portion of the Series 2017 Notes from non-related parties totaled $110,000, including financing fees of $10,000 recorded as discount to the notes. As of March 31, 2018 the balance on the notes from non-related parties, net of unamortized discount of $6,944, is $103,056 with accrued interest of $3,647. As of December 31, 2017, the balance on the notes from non-related parties, net of unamortized discount of $9,217 is $100,783 with accrued interest of $934.

During the three months ended March 31, 2018 $2,273 of debt discount related to the above notes was amortized to interest expense.

Note 10 – Convertible Note Payable

On November 1, 2017, the Company sold a 10% Convertible Promissory Note (“Auctus Note”) in a principal amount of $170,000. After deducting the investor’s discount and legal fees, net proceeds to the Company were $153,650. The Note matures on November 1, 2018 and can be converted into the Company’s common stock after 180 days from the date the Note is issued.

On November 2, 2017, the Company sold a 10% Convertible Promissory Note (“EMA Note”) in principal amount of $125,000. After deducting the investor’s discount and legal fees, net proceeds to the Company were $113,500. The Note matures on November 2, 2018 and can be converted into the Company’s common stock after 180 days from the date the Note is issued.

Both the Auctus Note and EMA Note contain certain conversion features to equity which necessitate classification as derivative liabilities once they are eligible for conversion. Each of the notes is convertible 180 days after the note issue date. Accordingly, no derivative liability is recorded on the notes at March 31, 2018 since neither was yet eligible for conversion.

As of March 31, 2018 the balance on the notes, net of unamortized discount of $16,436, is $278,565 with accrued interest of $12,089. As of December 31, 2017, the balance on the notes, net of unamortized discount of $23,303 is $271,697 with accrued interest of $4,815. During the three months ended March 31, 2018 $6,867 of debt discount related to the above notes was amortized to interest expense.

Effective June 8, 2018 the Company and EMA Financial, LLC (“EMA”) signed an Amendment No. 1 to the Convertible Promissory Noted (the “EMA Note”) dated November 2, 2017 (the “EMA Amendment”). Under the terms of the EMA Amendment, the principal outstanding balance of the EMA Note has been increased from $125,000, to $156,250. Also, EMA agreed to forbear from exercising rights arising from certain Events of Default (as defined in the Note) unless a new Event of Default occurs or the Company fails to become current in its required SEC filings by June 30, 2018. EMA also agreed not to exercise its conversion privileges under the EMA Note at prices below $.02 per share until September 30, 2018.

Effective June 8, 2018 the Company and Auctus Fund, LLC (“Auctus”) signed an Amendment No. 1 to the Convertible Promissory Noted (the “Auctus Note”) dated November 1, 2017 (the “Auctus Amendment”). Under the terms of the Auctus Amendment, the principal outstanding balance of the Auctus Note has been increased from $170,000, to $212,500. Also, Auctus agreed to forbear from exercising rights arising from certain Events of Default (as defined in the Note) unless a new Event of Default occurs or the Company fails to become current in its required SEC filings by June 30, 2018. Auctus also agreed not to exercise its conversion privileges under the Auctus Note at prices below $.02 per share until September 30, 2018.

Note 11 – Stockholders’ Deficit

Sales of common stock and warrants:

During the quarter ended March 31, 2018, the Company raised $230,000 through the sale of 11,500,000 common stock and warrants ("Units") at a price of $0.02 per Unit, each Unit consisting of one share of common stock and one warrant exercisable until June 30, 2018 to purchase one additional share of common stock at an exercise price of $0.02 per share. The releative fair value of the shares and the warrants was $155,292 and $74,708 respectively. Of this raise $220,000 was purchased by directors or significant shareholders. A price protection feature of the offering provides that if at December 31, 2018, the Company has issued common stock at a price less than $0.02 per share, then the number of Units issuable to each investor shall be increased so as to reduce the Unit price to the lower price.

Stock Options and the 2017 Equity Incentive Plan:

Under the 2017 Equity Incentive Plan, the Company is authorized to grant rights to acquire up to a maximum of 10,000,000 shares of common stock. The 2017 Plan provides for the grant of (1) both incentive and nonstatutory stock options, (2) stock bonuses, (3) rights to purchase restricted stock and (4) stock appreciation rights.

During the year ended December 31, 2017, the Company granted ten-year options to purchase 3,600,000 shares of common stock at an option exercise price of $0.04 per share, the closing price on the date of grant. As of March 31, 2018 the Company had 6,400,000 shares available for future grant.

Stock option activity within the 2017 Equity Incentive Plan and warrant activity outside the plan, for the three months ended March 31, 2018 is as follows:

	Stock Options		Stock Warrants	
		Weighted Average		Weighted Average
	Shares	Exercise Price	Shares	Exercise Price
Outstanding at December 31, 2017	3,600,000	$ 0.04	1,850,000	$ 0.10
Granted	---	---	11,500,000	$ 0.02
Cancelled	---	---	---	---
Expired	---	---	---	---
Exercised	---	---	---	---
Outstanding at March 31, 2018	3,600,000	$ 0.04	13,350,000	$ 0.03
Exercisable at March 31, 2018	3,600,000	$ 0.04	13,350,000	$ 0.03

As of March 31, 2018 the outstanding stock options have a weighted average remaining term of 9.58 years and no intrinsic value, and the outstanding stock warrants have a weighted average remaining term of 0.27 years and no intrinsic value.

Note 12 - Commitments and Contingencies

Mining Claims

As part of our acquisition of the Silver District properties from Columbus Exploration, we assumed the Red Cloud lease whose initial term expires in August 2026. The lease requires annual advance minimum royalty payments of $10,000 through the term of the lease due on the annual anniversary of the agreement. The lease is also subject to a 2% net production royalty to be paid to the lessor from the sale of precious metals extracted from the leased property. In order to maintain the BLM lode and mill site claims, annual payments are required before the end of August of each year. Payments are also due annually on two patented claims we leased in July 2015 and on our Arizona State Minerals Exploration Permit. As of March 31, 2018, all of these claims and leases are in good standing except for the two patented claims leased in 2015.

Leases

As part of our acquisition of MV2 in Mexico, we assumed the following leases payable in local currency as follows:

a) Ejido S.D.A, 10 year lease, 6 hectares, executed January 2016, expires December 2025. Annual payments 25,000 MX pesos. Renewable for 10 years.

b) Silverio Medina Ozuna, 3 year lease, 1 hectare, executed May 2017, expires April 2020. Annual payments 15,000 MX pesos. Renewable for 3 year periods.

c) Silverio Medina Ozuna, 10 year lease, 2 hectares, executed May 2010, expires April 2020. Payment $100,000 MX pesos paid in advance at lease execution. Renewable for 10 years.

The minimum future payments due on these leases are as follows for the next five years and thereafter and have been translated to US dollars using an exchange rate at March 31, 2018 of 18.22 MX pesos to US dollars:

Payment Due Date	Minimum Due ($)
2018	2,196
2019	2,196
2020	1,372
2021	1,372
2022 and thereafter	5,490

Other contractual arrangements

On November 1, 2016 the Company executed a Finder's Agreement ("Agreement"), with a third party consultant to introduce the Company to potential investors beginning with its November 2016 private placement offering. The term of the Agreement is six months, or until the Company informs the consultant it has located investors to purchase the securities. The consultant is to be compensated for the services by cash payments totaling $30,000, payable at or before the termination of the Agreement. As of March 31, 2018, the Company paid approximately $23,500 in total to the consultant pursuant to the Agreement, including $12,500 paid during year ended December 31, 2017 and $11,000 during the year ended December 31, 2016.

On October 24, 2016, the Company entered into an agreement with Rio Silver, discussed in Note 3 – Mining Option Agreement, requiring the Company to spend $2,000,000 in exploration costs over the three-year period commencing with the execution of the Agreement. Effective December 31, 2017, the Company agreed with Rio Silver to terminate the option agreement, thereby terminating the requirement for exploration cost expenditures and the Company's option to earn an interest in the Niñobamba Silver/Gold Project.

Note 13 – Executive Employment Agreement

On June 1, 2016 we executed an employment agreement with Dr. Carson in which he assumed the positions of President and Chief Executive Officer of Magellan Gold Corporation. The agreement also provided that Dr. Carson be appointed a Director of Magellan Gold Corporation, and effective June 30, 2016, Dr. Carson was appointed a Director of Magellan. The term of the agreement covered the period from June 1, 2016 to May 31, 2017 and is subject to annual renewal. The agreement has subsequently been renewed each year and is currently effective from June 1, 2018 to May 31, 2019, with all terms of the original agreement remaining unchanged.

During the term of the agreement, Magellan agreed to pay Dr. Carson a base salary in equal semi-monthly installments less required withholding and other applicable taxes. Dr. Carson's salary was set at $6,667 per month during the three-month period from June 1, 2016 through August 31, 2016, and thereafter at $10,000 per month. Until such time as Magellan is properly funded, Magellan may defer and accrue salary owed. If not properly funded before the end of the term, Magellan may at its option issue shares of Magellan common stock as settlement of the accrued salary liability.

Dr. Carson shall have the right to voluntarily terminate his employment with Magellan during the term. To effect such voluntary termination, Dr. Carson shall provide Magellan at least 60 days advanced written notice of such termination. Upon termination, Dr. Carson shall be paid his base salary through the date of termination, including any amount that may have been deferred and accrued.

At March 31, 2018 a total of $60,000 and $5,592 of salary and associated payroll tax obligations, respectively, is accrued in connection with the agreement and included in accrued liabilities on the accompanying consolidated balance sheets.

At December 31, 2017 a total of $30,000 and $2,796 of salary and associated payroll tax obligations, respectively, is accrued in connection with the agreement and included in accrued liabilities on the accompanying consolidated balance sheets.

Note 14- Related Party Transactions

Conflicts of Interests

Athena Silver Corporation (“Athena”) is a company under common control. Mr. Power is also a director and CEO of Athena. Mr. Gibbs is a significant investor in both Magellan and Athena. Magellan and Athena are both exploration stage companies involved in the business of acquisition and exploration of mineral resources.

Silver Saddle Resources, LLC is also a company under common control. Mr. Power and Mr. Gibbs are significant investors and managing members of Silver Saddle. Magellan and Silver Saddle are both exploration stage companies involved in the business of acquisition and exploration of mineral resources.

The existence of common ownership and common management could result in significantly different operating results or financial position from those that could have resulted had Magellan, Athena and Silver Saddle been autonomous.

Management Fees

The Company previously maintained a month-to-month management agreement with Mr. Power requiring a monthly payment, in advance, of $2,500 as consideration for his services as CFO to Magellan. Effective August 31, 2017, Mr. Power resigned as CFO and Secretary of the Company and was replaced by Michael P. Martinez on September 18, 2017 to serve as CFO, Secretary and Treasurer. Mr. Power continues to serve as a member of the Board of Directors.

Management fees to Mr. Power for the three months ended March 31, 2018 and 2017, are $-0- and $7,500, respectively. These fees are included in general and administrative expenses in our statement of operations. At March 31, 2018 and December 31, 2017, $27,500 of the fees had not been paid and are included in accrued liabilities on the accompanying consolidated balance sheets.

Accrued Interest - Related Parties

Accrued interest due to related parties is included in our consolidated balance sheets as follows:

	March 31, 2018	December 31, 2017
Accrued interest payable - Mr. Gibbs	$ 247,782	$ 221,103
Accrued interest payable - Mr. Power	19,316	16,562
Accrued interest payable - Dr. Carson	1,664	986
	$ 268,762	$ 238,651

During the three months ended March 31, 2018, we paid a total of $12,357 to Mr. Power representing unpaid accrued interest on notes payable. During the year ended December 31, 2017, we paid a total of $382 to Mr. Power representing unpaid accrued interest on notes payable.

Advances Payable – Related Party

We borrowed and repaid non-interest bearing advances from/to related parties as follows:

	Three Months Ended March 31, 2018	
	Advances	Repayments
	$ -	$ -

	Year Ended December 31, 2017	
	Advances	Repayments
Mr. Power	$ 26,050	$ 26,050
Mr. Carson	8,100	-
Totals	$ 34,150	$ 26,050

At March 31, 2018 and December 31, 2017 a total of $8,100 of short-term advances from related parties were outstanding and are included in advances payable, related party on the accompanying consolidated balance sheets.

In addition to the above, during the year ended December 31, 2017, Mr. Power loaned the Company $25,000 in a short term note that was subsequently transferred into the Series 2017 Notes.

The Company also utilizes a credit card owned by Mr. Power to pay travel and other obligations when the availability of cash is limited or the timing of the payments is considered critical. No amounts were outstanding on this credit card at either March 31, 2018 or December 31, 2017.

Note 15 – Subsequent Events

On May 8, 2018, EMA Financial, LLC submitted a notice to convert an aggregate of $27,225 in accrued and unpaid interest under their Convertible Note dated November 2, 2017 into five million shares of common stock. EMA subsequently agreed to cancel this Notice of Conversion.

Effective May 18, 2018, John Gibbs and the Company entered into an Agreement to Convert Debt pursuant to which Mr. Gibbs agreed to convert an aggregate of $100,000 in due under his line of credit into five million shares of common stock.

Effective June 8, 2018 the Company and EMA Financial, LLC ("EMA") signed an Amendment No. 1 to the Convertible Promissory Noted (the "EMA Note") dated November 2, 2017 (the "EMA Amendment"). Under the terms of the EMA Amendment, the principal outstanding balance of the EMA Note has been increased from $125,000 to $156,250. Also, EMA agreed to forbear from exercising rights arising from certain Events of Default (as defined in the Note) unless a new Event of Default occurs or the Company fails to become current in its required SEC filings by June 30, 2018. EMA also agreed not to exercise its conversion privileges under the EMA Note at prices below $.02 per share until September 30, 2018.

Effective June 8, 2018 the Company and Auctus Fund, LLC ("Auctus") signed an Amendment No. 1 to the Convertible Promissory Noted (the "Auctus Note") dated November 1, 2017 (the "Auctus Amendment"). Under the terms of the Auctus Amendment, the principal outstanding balance of the Auctus Note has been increased from $170,000 to $212,500. Also, Auctus agreed to forbear from exercising rights arising from certain Events of Default (as defined in the Note) unless a new Event of Default occurs or the Company fails to become current in its required SEC filings by June 30, 2018. Auctus also agreed not to exercise its conversion privileges under the Auctus Note at prices below $.02 per share until September 30, 2018.

Effective June 15, 2018, John Gibbs exercised three million warrants to purchase an aggregate of three million shares of common stock at an exercise price of $0.02 per share.

Subsequent to March 31, 2018, John Power (i) exercised one million warrants to purchase an aggregate of one million shares of common stock at an exercise price of $0.02 per share and (ii) purchased an aggregate of 925,000 Units of the Company's securities for a purchase price of $18,500. Each Unit consisted on one share of common stock and one warrant exercisable until June 30, 2018 to purchase one additional share at an exercise price of $0.02 per share.

In addition, the Company sold 75,000 Units at $0.02 for proceeds of $1,500 to an unaffiliated investor.

A director paid $45,561 of expenses on the Company's behalf subsequent to quarter end. We plan to reimburse the director for expenses paid plus any credit card fees incurred as funds become available.

The Company has received a General Notice Letter and Request for Information from the U.S. Department of Interior regarding a tailings impoundment at the Red Cloud Mine, which we lease. We have 30 days from June 15, 2018 to respond to the Request. We intend to fully cooperate with the Department of Interior concerning this matter.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We use the terms "Magellan," "we," "our," and "us" to refer to Magellan Gold Corporation.

The following discussion and analysis provides information that management believes is relevant for an assessment and understanding of our results of operations and financial condition. This information should be read in conjunction with our audited financial statements, which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and our interim unaudited financial statements and notes thereto included with this report in Part I, Item 1.

Forward-Looking Statements

Some of the information presented in this Form 10-Q constitutes "forward-looking statements". These forward-looking statements include, but are not limited to, statements that include terms such as "may," "will," "intend," "anticipate," "estimate "expect," "continue," "believe," "plan," or the like, as well as all statements that are not historical facts. Forward-looking statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from current expectations. Although we believe our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from expectations.

All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

Overview

We were incorporated on September 28, 2010, in Nevada. Our principal business is the acquisition and exploration of mineral resources. We have not presently determined whether the properties to which we have mineral rights contain mineral reserves that are economically recoverable.

We have only had limited operations to date and we rely upon the sale of our securities and borrowings from officers, directors and other significant investors to fund our operations, as we have not generated any revenue.

In August 2012, we entered into an option agreement and subsequently purchased the "Silver District" project consisting of 85 unpatented lode mining claims, 4 patented lode claims, a Arizona State Exploration Permit of 154.66 acres and 23 unpatented mill site claims, totaling over 2,000 acres in La Paz County, Arizona. Since our acquisition, we have increased our land position in the Silver District by staking two unpatented lode mining claims, leased two additional patented claims and have increased our Arizona State Exploration Permit to 334.85 acres.

On September 30, 2014, we formed and organized a new wholly-owned subsidiary, Gulf + Western Industries, Inc., a Nevada corporation ("Gulf+Western" or "G+W"), to own our Silver District mining interests. On October 1, 2014 we completed the transfer of those assets from Magellan to G+W. At the time of the transfer, Magellan owned all the outstanding common stock of G+W. Effective December 31, 2014, Magellan pledged all its ownership interest in G+W to Mr. John D. Gibbs, a significant shareholder in the Company, as security for outstanding amounts under a line of credit agreement between Magellan and Mr. Gibbs. As of March 31, 2018, the total amount owed under the credit agreement was $1,159,952, which includes $932,500 of principal and $227,453 of accrued interest.

On June 1, 2015, we transferred 15% of our ownership interest in G+W to Dr. Pierce Carson in exchange for one year of service as President, Chief Executive Officer and Director of G+W. As a result of the transaction, Magellan's ownership interest in G+W was reduced to 85%. The transaction was valued at $50,000 representing deferred compensation for the one-year period June 2015, through May 2016. On June 1, 2016 Magellan entered into a one-year employment agreement with Dr. Carson in which he assumed the positions of President and Chief Executive Officer of Magellan. As a result, Mr. John Power resigned his positions as President and Chief Executive Officer concurrent with the execution of Dr. Carson's employment agreement. Mr. Power has retained the positions of Chief Financial Officer and Director of Magellan. Dr. Carson was appointed a Director of Magellan effective June 30, 2016.

In July 2016, the Company completed a share exchange with Dr. Carson in which Dr. Carson surrendered his 15% interest in G+W in exchange for 8,623,957 shares of Magellan Gold Corporation. As a result of this transaction, G+W became a wholly owned subsidiary of Magellan Gold Corporation.

On October 24, 2016, the Company entered into a Mining Option Agreement ("Agreement") between and among Rio Silver Inc., a Canadian company ("Rio Silver"), Minera Rio Plata S.A.C., a Peruvian company and subsidiary of Rio Silver ("Minera"), and Magellan Gold Peru S.A.C., a Peruvian company and wholly owned subsidiary of the Company ("Magellan Peru") pursuant to which Rio Silver through Minera, granted to the Company the sole and exclusive option to acquire an undivided 50% interest in and to property located in central Peru. . Effective December 31, 2017, the Company agreed with Rio Silver to terminate the option agreement, thereby terminating the Company's option to earn an interest in the Niñobamba Silver/Gold Project. The Company retained its ownership of Rio Silver stock and warrants, which have been pledged to secure a $125,000 loan from John Power.

On November 30, 2017, the Company purchased from Rose Petroleum plc ("Rose") a mineral processing mill operation located in the state of Navarit, Mexico (the "SDA Mill") as well as its associated assets, licenses and agreements. Magellan paid a $50,000 option payment, and an additional $100,000 option-to-purchase extension. The $100,000 option extension payment was applied against the cash portion of the purchase price.

The purchase price for the SDA Mill consisted of $850,000 cash, a $50,000 promissory note, the $50,000 non-refundable option payment, the $100,000 for the option-to-purchase payment, and 14,200,834 shares of common stock (the "Shares") with a fair value of $426,025 at the closing date. The note is non-interest bearing and was due on March 10, 2018 and paid in April 2018. The Shares will be held in escrow for a period of 12 months and the Company has the option to repurchase the Shares from Rose for the sum of $500,000 in the first six months and $550,000 in months 7 to 12.

Prior to closing, all of the assets and operations related to the SDA Mill were transferred to a newly incorporated entity, Minerales Vane 2 S.A. de C.V. ("Minerales Vane 2"). Effective November 30, 2017, the Company's newly incorporated wholly-owned subsidiary, Magellan Acquisition Corporation ("MAC"), acquired 100% of the issued and outstanding shares of Minerales Vane 2.

On October 17, 2017, the Company amended the agreement to include the acquisition of Minerales Vane Operaciones ("MVO") (the entity that provides labor to the Mill) for $2,500. In January 2018 the Company paid the purchase price and obtained legal control of MVO. MVO is the sister entity which was organized for the purpose of employing all personnel of the SDA mill. The acquisition of MVO will not result in the acquisition of any additional assets or liabilities.

Our primary focus with the acquisition of the SDA Mill in Mexico is to transform Magellan into a production company, to continue to advance our Arizona silver project towards resource definition and eventual development, and possibly to acquire additional mineral rights and conduct additional exploration, development and permitting activities. Our mineral lease payments, permitting applications and exploration and development efforts will require additional capital. We rely upon the sale of our securities as well as advances and loans from executive management and significant shareholders to fund our operations as we have not generated any significant revenue.

Results of Operations for the three months Ended March 31, 2018 and 2017

	Three Months Ended March 31,	
	2018	2017
Operating expenses:		
Exploration costs	$ 6,780	$ 8,956
General and administrative expenses	221,444	155,116
Depreciation Expense	31,035	
Total operating expenses	259,259	164,072
Operating loss	(259,259)	(164,072)
Other income (expense):		
Interest expense	(83,749)	(15,193)
Gain on change in derivative liability	-	57,430
Net loss	$ (343,008)	$ (121,835)

Operating expenses

During the three months ended March 31, 2018, our total operating expenses were $259,259 as compared to $164,072 during the three months ended March 31, 2017.

During the three months ended March 31, 2018 we incurred $6,780 of exploration costs as compared to $8,956 during the same period in 2017. Exploration costs for the three months ended March 31, 2018 comprised of $6,780 for professional geologic fees associated with our Silver District claims. Exploration costs for the three months ended March 31, 2017 are comprised primarily of $7,434 for our consulting geologist, geochemical and maintenance expenses associated with our Silver District claims and $1,522 in various mining related expenses associated with our mining efforts in Peru.

General and administrative expenses for the three months ended March 31, 2018 totaling $221,444 as compared to $155,116 for the three months ended March 31, 2017. The $66,328 increase is primarily associated with increases in accounting and audit fees, investor relations, and other costs associated with our operations related to the SDA Mill in Mexico. For the three months ended March 31, 2018, administrative expenses were comprised of investor relations fees of $48,086, officer compensation of $32,796, accounting and auditing fees of $68,155, legal fees of $16,423, other administrative costs including travel, office and facility rents $18,182, and other expenses associated with our operations of the SDA Mill totaling $37,802.

On June 1, 2016 we executed an employment agreement with Dr. Pierce Carson in which Dr. Carson assumed the positions of President and Chief Executive Officer of Magellan Gold Corporation. Dr. Carson's salary was originally set at $6,667 per month during the three-month period from June 1, 2016 through August 31, 2016, and thereafter at $10,000 per month during the nine-month period from September 1, 2016 through May 31, 2017. Dr. Carson's employment agreement has since been extended on an annual basis and the current agreement covers the period from June 1, 2018 to May 31, 2019. A total of $32,796 representing Dr. Carson's base salary and applicable payroll taxes was expensed and is included in general and administrative expenses for the three months ended March 31, 2018 and 2017, respectively.

General and administrative expenses for the three months ended March 31, 2017 totaling $155,116 were comprised primarily of investor relations fees of $42,039, officer compensation of $32,796, accounting and auditing fees of $27,650, legal fees of $21,990, management fees to Mr. Power of $7,500, administrative service fees of $3,238, other administrative costs including travel and other office related expenses totaling $6,426.

Interest expense for the three months ended March 31, 2018 and 2017 totaled $83,749 and $15,193, respectively. Interest expense for the current period is attributable primarily to our related party line of credit $13,796, related party notes payable $50,261, notes payable $4,985, and convertible notes $14,141.

On October 1, 2014, we issued a convertible promissory note to a provider of legal services in the original principal amount of $51,532. The note was issued to evidence the Company's indebtedness for legal services previously rendered. Interest accrues quarterly on the outstanding principal and interest balance of the Note at 6% per annum. The note was unsecured and principal plus accrued and unpaid interest was due upon five days' written demand of the note holder. At March 31, 2017 the note balance was $33,020 together with accrued interest of $1,824.

The note principal and accrued interest was convertible at any time into shares of common stock at a conversion price of $0.039, which represented the closing bid price of the common stock on the OTC Bulletin Board on the date of issuance.

The Note contains certain anti-dilution provisions that would reduce the conversion price should the Company issue common stock equivalents at a price less than the Note conversion price. Accordingly, the conversion features of the Note are considered a discount to the Note. The Note is evaluated quarterly, and upon any quarterly valuations in which the value of the discount changes we recognize a gain or loss due to a decrease or increase, respectively, in the fair value of the derivative liability. As a result of this evaluation, for the three months ended March 31, 2017 we recorded a gain on the change in the derivative liability of $57,430.

In April 2016 the note holder elected to convert a total of $23,400, consisting of $18,512 of principal and $4,888 of accrued interest. The conversion resulted in the issuance of 600,000 shares of the Company's common stock. At December 31, 2016 the remaining note balance was $33,020.

On April 14, 2017 the Company entered into a series of transactions in which the conversion rate was changed, the note holder elected to convert part of the principal and accept cash payment for part of the remaining principal and accrued interest, the sale of the remaining balance of the note to a third party, a further reduction of the conversion rate, and finally the election by the new note holder to convert part of the remaining principal to shares of the Company's common stock.

Finally, on August 3, 2017 the new note holder converted all remaining principal and accrued interest into shares of the Company's common stock.

On November 1, 2016 the Company executed a Finder's Agreement ("Agreement"), with a third party consultant to introduce the Company to potential investors beginning with its November 2016 private placement offering. The term of the Agreement is nine months, or until the Company informs the consultant it has located investors to purchase the securities. The consultant is to be compensated for the services by cash payments totaling $30,000, payable at or before the termination of the Agreement. As of March 31, 2017 the Company had paid approximately $23,000 to the consultant pursuant to the Agreement, including $12,000 paid during the three months ended March 31, 2017.

Liquidity and Capital Resources:

Our unaudited consolidated financial statements have been prepared on a going concern basis, which assumes that we will be able to meet our obligations and continue our operations during the next fiscal year. Asset realization values may be significantly different from carrying values as shown in our consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values of assets and liabilities should we be unable to continue as a going concern. At March 31, 2018, we had not yet generated any revenues or achieved profitable operations and we have accumulated losses of $4,402,896. We expect to incur further losses in the development of our business, all of which raises substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate future profits and/or to obtain the necessary financing to meet our obligations arising from normal business operations when they come due.

On December 31, 2015 we amended our credit agreement with Mr. John Gibbs, a related party, to increase the borrowing limit to $1,000,000, which provides the Company an additional $67,500 available under the credit line at March 31, 2018. Effective December 31, 2016 we amended the agreement to extend the maturity date to December 31, 2018. As part of a 2014 amendment, we pledged our ownership interest in our subsidiary, G+W, which owns all our ownership interests in the Silver District properties, as security for all amounts outstanding under the credit agreement.

During the three months ended March 31, 2018 we sold 11,500,000 units consisting of common stock and warrants and realized net proceeds of $230,000. The proceeds were generally used to fund certain investing activities and for general working capital.

We anticipate that additional funding will be in the form of additional loans from officers, directors or significant shareholders, or equity financing from the sale of our common stock.

Cash Flows

A summary of our cash provided by and used in operating, investing and financing activities is as follows:

	Three Months Ended March 31,	
	2018	2017
Net cash used in operating activities	$ (129,977)	$ (106,897)
Net cash used in investing activities	-	(108,297)
Net cash provided by financing activities	230,000	225,000
Effect of foreign currency exchange	(1,790)	(130)
Net increase in cash and cash equivalents	98,233	9,676
Cash and cash equivalents beginning of period	421	485
Cash and cash equivalents end of period	$ 98,654	$ 10,161

At March 31, 2018, we had $98,654 in cash and a $2,932,840 working capital deficit. This compares to cash of $421 and a working capital deficit of $2,827,255 at December 31, 2017.

Net cash used in operating activities during the three months ended March 31, 2018 was $129,977 and was mainly comprised of our $343,008 net loss during the period, adjusted by a non-cash charges of $30,732 for accretion of discounts on notes payable, $40,625 for amortization of certain service contracts, and depreciation expense of $31,035. In addition, it reflects a decrease in due from Rose Petroleum of $2,094, a decrease in prepaid expenses and other assets totaling $89,189, as well as increases in accounts payable and accrued expenses totaling $157,636, and increases in accrued interest totaling $40,098 representing accrued interest on our related party line of credit,related party notes payable, convertible notes payable and other notes payable.

Net cash used in operating activities during the three months ended March 31, 2017 was $106,897 and was mainly comprised of our $121,835 net loss during the period, adjusted by a non-cash charge of $11,979 representing the amortization of certain service contracts, and the gain on a decrease in our derivative liability of $57,430. In addition, it reflects an increase in prepaid expenses and other assets totaling $20,200, as well as increases in accounts payable and accrued expenses totaling $65,777, and increases in accrued interest totaling $14,812 representing accrued interest on our related party line of credit and related party and other notes payable.

During the three months ended March 31, 2018, our net cash used in investing activities was $-0-.

During the three months ended March 31, 2017, our net cash used in investing activities was $108,297. During the quarter we completed the second of two private placement unit financings in Rio Silver Inc. (“Rio”), associated with our mining option agreement with Rio. The private placement resulted in the Company obtaining an additional 1,250,000 units at a price of Cdn$0.06, which included one share of Rio Silver common stock and one warrant to purchase one share of Rio Silver common stock for Cdn$0.06 which expire on July 19, 2018. This warrant was subsequently extended for an additional period of 18 months. The cost of the units in the second private placement totaled USD $58,297.

During the three months ended March 31, 2018, net cash provided by financing activities was $230,000. The funds were raised in conjunction with a private placement of equity securities in which we sold a total of 11,500,000 units priced at $0.02 per unit, resulting in total proceeds of $230,000. Each unit was comprised of one share of common stock, and one warrant entitling the holder to purchase one share of common stock at a price of $0.02 per share in cash, and expire June 30, 2018.

During the three months ended March 31, 2017, net cash provided by financing activities was $225,000. During the quarter, Mr. Power, an executive and director, advanced the Company a total of $120,000 of which $15,000 was repaid during the quarter. In addition, during the three months ended March 31, 2017 we completed a private placement of equity securities with two investors in which we sold a total of 1,200,000 units priced at $0.10 per unit, resulting in total proceeds of $120,000. Each unit was comprised of one share of common stock, and one warrant entitling the holder to purchase one share of common stock at a price of $0.10 per share in cash, and expire December 30, 2017. The expiration date of the warrants was subsequently extended to December 31, 2018.

Off Balance Sheet Arrangements

We do not have and have never had any off-balance sheet arrangements.

Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

Our consolidated financial statements include our accounts and the accounts of our 100% owned subsidiaries, Gulf + Western Industries, Inc., Magellan Acquistion Corporation, Minerales Vane 2, S.A. de C.V., and Minerales Vane Operaciones, S.A de C.V.. All intercompany transactions and balances have been eliminated. Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of expenses during the period presented.

We make our estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available. We believe that our significant estimates, assumptions and judgments are reasonable, based upon information available at the time they were made. Actual results could differ from these estimates, making it possible that a change in these estimates could occur in the near term.

Foreign Currency Translations

The Company maintains its accounting records in US Dollars. Our operating subsidiaries, Minerales Vane 2, S.A. de C.V., and Minerales Vane Operaciones, S.A de C.V., report in Mexican Pesos which is the functional currency for both entities. The subsidiaries' transactions are recorded in their respective functional currencies and are reported to the Company in Mexican Pesos. For reporting, the Company translates the subsidiaries' transactions and accounts to US Dollars at exchange rates approximating those ruling at the transaction dates. Exchange gains and losses are recorded in the statements of income and comprehensive income. Assets and liabilities of the Company and its subsidiaries are translated into the U.S. dollars at exchange rates at the balance sheet date, equity accounts are translated at historical exchange rate and revenues and expenses are translated by using the average exchange rates. Translation adjustments are reported as a separate component of other comprehensive income in the consolidated statements of operations and comprehensive loss.

Fair Value of Financial Instruments

We value our financial assets and liabilities using fair value measurements. Our financial instruments primarily consist of cash and cash equivalents, accounts payable, accrued liabilities, amounts due to related parties and notes payable to related parties. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amount of cash and cash equivalents, accounts payable, accrued liabilities, notes payable to related parties and other amounts due to related parties approximates fair value because of the short-term nature of these financial instruments.

Concentrations of Credit Risk

Our financial instruments which potentially subject us to credit risk are our cash and cash equivalents. We maintain our cash and cash equivalents at reputable financial institutions and currently, we are not exposed to significant credit risk.

Cash and Cash Equivalents

We consider all amounts on deposit with financial institutions and highly liquid investments with an original maturity of three months or less to be cash equivalents at the date of purchase.

Mineral Rights

We have determined that our mineral rights meet the definition of mineral rights, as defined by accounting standards, and are tangible assets. As a result, our direct costs to acquire or lease mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with: leasing or acquiring patented and unpatented mining claims; leasing mining rights including lease signature bonuses, lease rental payments and advance minimum royalty payments; and options to purchase or lease mineral properties.

If we establish proven and probable reserves for a mineral property and establish that the mineral property can be economically developed, mineral rights will be amortized over the estimated useful life of the property following the commencement of commercial production or expensed if it is determined that the mineral property has no future economic value or if the property is sold or abandoned. For mineral rights in which proven and probable reserves have not yet been established, we assess the carrying values for impairment at the end of each reporting period and whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The net carrying value of our mineral rights represents the fair value at the time the mineral rights were acquired less accumulated depletion and any abandonment or impairment losses. Proven and probable reserves have not been established for mineral rights as of March 31, 2018. At March 31, 2018 mineral rights totaling $323,200 were net of $117,857 of impairment and abandonment charges. No impairment charges were recognized for either of the three months ended March 31, 2018 or 2017.

Impairment of Long-lived Assets and Mining Rights

We continually monitor events and changes in circumstances that could indicate that our carrying amounts of long-lived assets, including mineral rights, may not be recoverable. When such events or changes in circumstances occur, we assess the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flow. If the future undiscounted cash flow is less than the carrying amount of these assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets.

Notes Payable – Related Parties

Notes payable to related parties are classified as current liabilities as the note holders either have the ability to control the repayment dates of the notes or the notes are due within twelve months of the balance sheet date.

Exploration Costs

Mineral exploration costs are expensed as incurred. When it has been determined that it is economically feasible to extract minerals and the permitting process has been initiated, exploration costs incurred to further delineate and develop the property are considered pre-commercial production costs and will be capitalized and included as mine development costs in our balance sheets.

Income Taxes

We recognize deferred tax assets and liabilities for temporary differences between the tax basis of assets and liabilities and the amounts at which they are carried in the financial statements and the effect of net operating losses based upon the enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized. At March 31, 2018, the Company had no uncertain tax positions.

Net Loss per Common Share

We compute basic net loss per common share by dividing our net loss attributable to common shareholders by our weighted-average number of common shares outstanding during the period. Computation of diluted net loss per common share adds the weighted-average number of potential common shares outstanding to the weighted-average common shares outstanding, as calculated for basic net loss per share, except for instances in which there is a net loss. For the three months ended March 31, 2018 and 2017, potential common shares associated with convertible notes payable and outstanding warrants to purchase common stock have been omitted from the net loss per common share computation as they are anti-dilutive due to the net loss for these periods.

Stock-based Compensation

The Company determines the fair value of stock option awards granted to employees in accordance with FASB ASC Topic 718 – 10 and to non-employees in accordance with FASB ASC Topic 505 – 50. Compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period.

New Accounting Standards

From time to time, the Financial Accounting Standards Board (“FASB”) or other standards setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standards Codification are communicated through issuance of an Accounting Standards Update. Unless otherwise discussed, we believe that the impact of recently issued guidance, whether adopted or to be adopted in the future, is not expected to have a material impact on our financial statements upon adoption.

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, "Leases: Topic 842 (ASU 2016-02)", to supersede nearly all existing lease guidance under GAAP. The guidance would require lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. ASU 2016-02 is effective for the Company in the first quarter of our fiscal year ending December 31, 2019 using a modified retrospective approach with the option to elect certain practical expedients. The Company is currently evaluating the impact of its pending adoption of ASU 2016-02 on its consolidated financial statements.

Recently Adopted Accounting Standards

Accounting Standards Update No. 2014-09-Revenue from Contracts with Customers (Topic 606). On May 28, 2014, the FASB issued guidance that requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This ASU was further amended by ASU No. 2015-14, No. 2016-08, No. 2016-10, No. 2016-12 and No. 2016-20. The guidance provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. The Company has performed an assessment of the revised guidance and the impacts on the Company's Consolidated Financial Statements and disclosures and has determined that the adoption of this guidance did not have an impact. The Company adopted the new guidance effective January 1, 2018 using the modified retrospective approach.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures:

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms, and that such information is accumulated and communicated to management, including W. Pierce Carson, our President, and Michael P. Martinez, our Principal Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

Our management, with the participation of our CEO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon this evaluation, our CEO concluded that our disclosure controls and procedures were not effective as of such date as a result of material weaknesses in our internal control over financial reporting due to lack of segregation of duties, a limited corporate governance structure, and lack of a formal review process that includes multiple levels of review as discussed in Item 9A of our Form 10-K for the fiscal year ended December 31, 2017.

While we strive to segregate duties as much as practicable, there is an insufficient volume of transactions at this point in time to justify additional full time staff. We believe that this is typical in many exploration stage companies. We may not be able to fully remediate the material weakness until we commence mining operations at which time we would expect to hire more staff. We will continue to monitor and assess the costs and benefits of additional staffing.

Changes in Internal Control Over Financial Reporting:

There were no changes in our internal control over financial reporting that occurred during the last fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in Item 1A. to Part I. of our Annual Report on Form 10-K for the year ended December 31, 2017.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

All sales of unregistered securities were reported on Form 8-K during the period.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: June 28, 2018

MAGELLAN GOLD CORPORATION

By: /s/ W. Pierce Carson

W. Pierce Carson

President, Chief Executive Officer

(Principal Executive Officer),

By: /s/ Michael P. Martinez

Michael P. Martinez

Chief Financial Officer

(Principal Accounting Officer)