

NORTH BAY RESOURCES INC
Form 10-Q
November 12, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2013

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: 122,099,168 shares of Common Stock as of November 8, 2013.

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NORTH BAY RESOURCES INC.
(AN EXPLORATION STAGE COMPANY)

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NORTH BAY RESOURCES INC.
(AN EXPLORATION STAGE COMPANY)
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2013 AND DECEMBER 31, 2012 (RESTATED)

	September 30, 2013	December 31, 2012 (restated)
ASSETS		
Current Assets		
Cash	\$ 51,413	\$ 42,008
Total Current Assets	51,413	42,008
Other Assets		
Available For Sale Securities	42,500	12,550
Prepaid Expenses	55,000	-
Certificates of Deposit	172,793	172,499
Deferred Financing Costs, net	10,890	14,471
Mining Claims – Unproved	1,797,510	1,797,488
Property, Plant & Equipment, net of accumulated depreciation	617,646	635,212
Reclamation Bond – Fraser River	5,000	2,000
Total Other Assets	2,701,339	2,634,220
TOTAL ASSETS	\$ 2,752,752	\$ 2,676,228
LIABILITIES, COMMITMENTS & CONTINGENCIES, & STOCKHOLDERS' EQUITY (DEFICIT)		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 43,616	\$ 56,617
Accrued Expenses - Related Party	981,474	884,474
Accrued Expenses – Ruby Mine	2,906	12,250
Accrued Interest	78,351	41,363
Convertible notes payable (net of discounts of \$160,936 and \$166,307, respectively)	405,578	608,193
Advance Gold Sales (net of discounts of \$12,677 and \$0, respectively)	209,546	-
Deferred Gain	-	9,835
Derivative Liability	679,586	496,827
Note Payable - Equipment	18,691	-
Note Payable – Ruby Mine Mortgage	1,188,610	1,774,822
Total Current Liabilities	3,608,358	3,884,381
Long-Term Liabilities		
Convertible notes payable , net of current portion	396,097	-
Note Payable – Ruby Mine Mortgage, net of current portion	681,101	-
Note Payable – Equipment, net of current portion	37,380	-
Asset Retirement Obligation	5,834	5,584

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Total Long-Term Liabilities	1,120,412	5,584
Total Liabilities	\$ 4,728,770	\$ 3,889,965
Commitments & Contingencies		
Common shares subject to redemption, stated at estimated redemption value, 10,217,486 and 4,517,601 shares outstanding at September 30, 2013 and December 31, 2012, respectively	\$ 652,789	\$ 367,490
Total Commitments & Contingencies	652,789	367,490
Stockholders' Equity (Deficit)		
Preferred stock, Series I, \$0.001 par value, 100 shares authorized, 100 shares issued and outstanding at September 30, 2013 and December 31, 2012, respectively	-	-
Convertible Preferred stock, Series A, \$0.001 par value, 8,000,000 shares authorized, 4,000,000 and 4,000,000 shares issued and outstanding at September 30, 2013 and December 31, 2012, respectively	4,000	4,000
Common stock, \$0.001 par value, 250,000,000 shares authorized, 105,728,190 and 97,485,130 shares issued and outstanding at September 30, 2013 and December 31, 2012, respectively	105,729	97,485
Additional Paid-In Capital	12,096,575	11,805,636
Accumulated Other Comprehensive Income/(Loss)	17,450	(12,500)
Deficit Accumulated During Exploration Stage	(14,852,561)	(13,475,848)
Total Stockholders' Equity (Deficit)	(2,628,807)	(1,581,227)
TOTAL LIABILITIES, COMMITMENTS & CONTINGENCIES, & STOCKHOLDERS' EQUITY (DEFICIT)	\$ 2,752,752	\$ 2,676,228

The accompanying notes are an integral part of these financial statements

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NORTH BAY RESOURCES INC.
(AN EXPLORATION STAGE COMPANY)
UNAUDITED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTH PERIODS ENDING
SEPTEMBER 30, 2013 AND 2012 (RESTATED)
AND THE PERIOD FROM
JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (Unaudited)

	3 months ended September 30, 2013	3 months ended September 30, 2012 (restated)	9 months ended September 30, 2013	9 months ended September 30, 2012 (restated)	Since inception (June 18, 2004 - September 30, 2013)
Revenues					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of Revenue	-	-	-	-	-
Gross Profit	-	-	-	-	-
Operating Expenses					
Commissions & Consulting Fees	-	-	4,800	6,000	316,800
General & Administrative Costs	161,057	85,640	322,785	251,926	9,449,750
Mining Property Costs	272,617	140,146	499,157	447,296	2,205,488
Depreciation Expense	25,520	21,432	73,640	73,802	232,873
Impairment Expense	-	-	-	-	145,995
Accretion Expense	87	76	250	279	1,006
Professional Services	19,336	10,922	85,606	36,172	336,038
Total Operating Expenses	478,617	258,216	986,238	815,475	12,687,950
Net Operating Loss	(478,617)	(258,216)	(986,238)	(815,475)	(12,687,950)
Other Income (Expenses)					
Gain on Mineral Claim Sales	166,675	-	280,174	4,500	507,918
Other Income from Mineral Claims	-	-	-	-	309,649
Interest Income	147	159	391	584	1,863
Interest Expense	(121,620)	(155,879)	(527,520)	(323,667)	(1,434,480)
Gain/Loss on Derivative Liability	432,026	(449,291)	(144,614)	(449,291)	(531,447)
Loss on Conversion of Debt	-	-	-	-	(137,000)
Bad Debt Expense	-	981	-	981	(47,185)
Loss on Settlement	-	-	-	-	(62,095)
Other Expense	-	(2,222)	-	(177,269)	(2,222)
Other Income	-	-	1,094	-	1,094
Realized Gain (Loss) on Investment	-	-	-	-	(97,109)
Net Other Income (Expenses)	477,228	(606,252)	(390,475)	(944,162)	(1,491,014)
Loss From Continuing Operations	-	-	-	-	(14,178,964)
Loss From Discontinued Operations	-	-	-	-	(673,597)

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Net Loss	(1,389)	(864,468)	(1,376,713)	(1,759,637)	(14,852,561)
Accretion of Discount on Redeemable Common Stock	(37,645)	(4,157)	(52,346)	(25,599)	(81,862)
Excess Cash Received Compared to Redeemable Amount of Stock	-	-	-	-	974
Interest on Redeemable Common Stock	(14,655)	(6,907)	(35,953)	(14,885)	(58,901)
Net Loss Attributable to Common Shareholders	(53,689)	(875,532)	(1,465,012)	(1,800,121)	(14,992,350)
Unrealized (Loss)/Gain on Available For Sale Securities	27,500	-	29,950	-	17,450
Total Comprehensive Loss	(26,189)	(875,532)	(1,435,062)	(1,800,121)	(14,974,900)

WEIGHTED AVG NUMBER OF SHARES OUTSTANDING

(Basic) 114,243,164 100,200,957 110,463,873 99,212,170

Basic Net Loss per Share \$ (0.00) \$ (0.01) \$ (0.01) \$ (0.02)

WEIGHTED AVG NUMBER OF SHARES OUTSTANDING

(Diluted) 114,243,164 100,200,957 110,463,873 99,212,170

Diluted Net Loss per Share \$ (0.00) \$ (0.01) \$ (0.01) \$ (0.02)

The accompanying notes are an integral part of these financial statements

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (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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NORTH BAY RESOURCES INC.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE PERIOD
JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (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					
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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 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (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)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (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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 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (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)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (Unaudited)
 (Continued)

	Preferred Stock			Common Stock			Additional Paid-In Capital	Stock Payable	Accumula Deficit		
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount				Shares	Amount
Common Stock issued for commitment fee on equity offering	-	-	-	-	-	-	6,589,147	6,589	108,721	(115,310)	
Common Stock issued for cash	-	-	-	-	-	-	5,000,000	5,000	45,000	-	
Discount on convertible notes from beneficial conversion features and attached warrants	-	-	-	-	-	-	-	-	107,406	-	
Common Stock issued for Ruby Mine Purchase Option	-	-	-	-	-	-	10,000,000	10,000	140,000	-	
Warrants issued for Purchase Option – Ruby Mine	-	-	-	-	-	-	-	-	149,896	-	
Net loss for year	-	-	-	-	-	-	-	-	-	-	(287,300)
Balance at 12/31/2010	4,000,000	100,000	100	\$ 4,000	\$ 100	\$ -	80,186,434	\$ 80,186	\$ 9,797,237	\$ -	\$ (10,310,300)

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (Unaudited)
 (Continued)

	Preferred Stock						Common Stock		Additional Paid-In Capital	Stock Payable	Accumula ^t Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount			
Common Stock issued for cash	-	-	-	-	-	-	9,433,985	9,434	758,566	-	
Common Stock issued for convertible debt conversion	-	-	-	-	-	-	4,459,092	4,459	169,393	-	
Common Stock issued for services	-	-	-	-	-	-	42,857	43	2,957	-	
Common Stock issued for settlement of services	-	-	-	-	-	-	550,000	550	61,545	-	
Common Stock issued for deferred compensation	-	-	-	-	-	-	2,000,000	2,000	178,000	-	
Common Stock issued for directors compensation	-	-	-	-	-	-	111,112	111	9,889	-	
Discount on convertible notes from beneficial conversion feature	-	-	-	-	-	-	-	-	70,568	-	
Term Extension of Ruby warrants	-	-	-	-	-	-	-	-	2,519	-	
Warrants issued for Purchase Option – Ruby Mine	-	-	-	-	-	-	-	-	219,940	-	

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Stock payable for warrant exercise	-	-	-	-	-	-	-	-	-	-	25,000
Excess cash received compared to redeemable amount for stock	-	-	-	-	-	-	-	-	-	974	-
Interest on redeemable stock	-	-	-	-	-	-	-	-	-	(247)	-
Net loss for year (restated)	-	-	-	-	-	-	-	-	-	-	(1,045,7
Balance at 12/31/2011 (restated)	4,000,000	100,000	100	\$4,000	\$100	\$-	96,783,480	\$96,783	\$11,271,341	\$25,000	\$(11,356,1

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NORTH BAY RESOURCES INC.
 (AN EXPLORATION STAGE COMPANY)
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD
 JUNE 18, 2004 (INCEPTION) THROUGH SEPTEMBER 30, 2013 (Unaudited)
 (Continued)

	Preferred Stock					Common Stock			Additional Paid-In Capital	Stock Payable	Accumulated Deficit	Accumulated OCI	Total Stockholders' Deficit
	Series A Shares	Series G Shares	Series I Shares	Series A Amount	Series G Amount	Series I Amount	Shares	Amount					
Cancellation of Series G Preferred	-	(100,000)	-	-	(100)	-	-	-	100	-	-	-	-
Common Stock issued for services	-	-	-	-	-	-	116,650	117	10,543	-	-	-	10,660
Common Stock issued for deferred financing costs	-	-	-	-	-	-	85,000	85	5,525	-	-	-	5,610
Common Stock issued for stock payable	-	-	-	-	-	-	500,000	500	24,500	(25,000)	-	-	-
Mark to market AFS securities	-	-	-	-	-	-	-	-	-	-	-	(12,500)	(12,500)
Settlement of Derivative Liability	-	-	-	-	-	-	-	-	-	-	-	-	-