

PARAMOUNT GOLD & SILVER CORP.
Form 10-Q
May 09, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2011
or

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

For the transition period from _____ to _____

Paramount Gold and Silver Corp.
(Exact name of registrant as specified in its charter)

Delaware	0-51600	20-3690109
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

665 Anderson Street, Winnemucca, Nevada 89445
(Address of Principal Executive Office) (Zip Code)

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

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

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to the filing requirements for the past 90 days. Yes No

Edgar Filing: PARAMOUNT GOLD & SILVER CORP. - Form 10-Q

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 <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

(Do not check if smaller reporting company)

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13, or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date: 136,195,117 shares of Common Stock, \$.001 par value as of April 29, 2011.

PARAMOUNT GOLD AND SILVER CORP.

INDEX

<u>PART I. – FINANCIAL INFORMATION</u>		1
<u>Item 1. Financial Statements</u>		1
Item 2.	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operation</u>	23
Item 3.	<u>Quantitative and Qualitative Disclosure About Market Risk</u>	31
Item 4.	<u>Controls and Procedures</u>	32
<u>PART II. – OTHER INFORMATION</u>		33
Item 1.	<u>Legal Proceedings</u>	33
Item 1A.	<u>Risk Factors</u>	33
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	33
Item 3.	<u>Defaults upon senior securities</u>	33
Item 4.	<u>Removed and Reserved</u>	33
Item 5.	<u>Other information</u>	33
Item 6.	<u>Exhibits</u>	33

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 contains “forward-looking statements”. Generally, the words “believes”, “anticipates,” “may,” “will,” “should,” “expect,” “intend,” “estimate,” “continue,” and similar expressions or the negative thereof or comparable terminology are intended to identify forward-looking statements which include, but are not limited to, statements concerning the Company’s expectations regarding its working capital requirements, financing requirements, business prospects, and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Such statements are subject to certain risks and uncertainties, including the matters set forth in this Quarterly Report or other reports or documents the Company files with the Securities and Exchange Commission from time to time, which could cause actual results or outcomes to differ materially from those projected.

These forward-looking statements were based on various factors and were derived utilizing numerous assumptions and other factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein.

Undue reliance should not be placed on these forward-looking statements which speak only as of the date hereof. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

OTHER PERTINENT INFORMATION

When used in this report, the terms "Paramount," the "Company," "we," "our," and "us" refers to Paramount Gold and Silver Corp., a Delaware corporation.

Index

PART I. – FINANCIAL INFORMATION

Item 1. Financial Statements

PARAMOUNT GOLD AND SILVER CORP.

(An Exploration Stage Mining Company)

Consolidated Financial Statements

(Unaudited)

Period ended March 31, 2011 and 2010

Index

PARAMOUNT GOLD AND SILVER CORP.

(An Exploration Stage Mining Company)

Consolidated Balance Sheets

As at March 31, 2011(Unaudited) and June 30, 2010 (Audited)

(Expressed in United States dollars, unless otherwise stated)

	As at March 31, 2011 (Unaudited)	As at June 30, 2010 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 16,264,965	\$ 21,380,505
Amounts receivable	1,881,297	1,511,619
Equity conversion right (Note 12)	501,078	516,545
Loan advance	-	243,495
Prepaid and deposits	130,690	45,368
Prepaid insurance, current portion (Note 11)	245,215	-
Marketable securities	1,800	-
Total Current Assets	19,025,045	23,697,532
Non-Current Assets		
Mineral properties (Note 7)	48,666,487	22,111,203
Fixed assets (Note 8)	493,244	519,446
Prepaid insurance, non current portion (Note 11)	674,340	-
Reclamation bond (Note 11)	2,801,797	-
Total Non-Current Assets	52,635,868	22,630,649
Total Assets	\$ 71,660,913	\$ 46,328,181
Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts payable	\$ 419,376	\$ 430,323
Warrant Liability (Note 2)	21,726,833	5,979,767
Total Current Liabilities	22,146,209	6,410,090
Non-Current Liabilities		
Reclamation and Environmental Obligation	1,146,574	-
Total Non-Current Liabilities	1,146,574	-
Shareholder's Equity		
Capital stock (Note 5)	136,182	110,069
Additional paid in capital	129,529,437	90,613,573
Contributed surplus	11,240,782	10,825,222
Deficit accumulated during the exploration stage	(92,587,140)	(61,187,098)
Cumulative translation adjustment	48,869	(443,675)
Total Shareholder's Equity	48,368,130	39,918,091

Total Liabilities and Shareholder's Equity	\$71,660,913	\$46,328,181
--	--------------	--------------

Subsequent Events (Note 14)

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

Index

PARAMOUNT GOLD AND SILVER CORP.

(An Exploration Stage Mining Company)

Consolidated Statements of Operations (Unaudited)

(Expressed in United States dollars, unless otherwise stated)

	Three Month Period Ended March 31, 2011	Nine Month Period Ended March 31, 2011	Three Month Period Ended March 31, 2010	Nine Month Period Ended March 31, 2010	Cumulative Since Inception March 29, 2005 to March 31, 2011
Revenue					
Interest Income	\$39,474	\$85,826	\$14,446	\$80,755	\$1,103,789
Other Income	\$2,603	\$180,833			