

ATHENA SILVER CORP  
Form 10-Q  
May 08, 2014

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

**FORM 10-Q**

**QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF  
1934**

**For the quarterly period ended March 31, 2014**

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number: 000-51808**

**ATHENA SILVER CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or  
organization)

**2010A Harbison Drive #312, Vacaville, CA**

(Address of principal executive offices)

**25-1909408**

(IRS Employer Identification Number)

**95687**

(Zip Code)

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

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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

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 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  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

On May 6, 2014, there were 36,002,320 shares of the registrant's common stock, \$.0001 par value, outstanding.

**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****ATHENA SILVER CORPORATION**  
**(An Exploration Stage Company)****CONSOLIDATED BALANCE SHEETS**

	March 31, 2014 (unaudited)	December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 3,631	\$ 16,934
Prepaid expenses	300	-
Total current assets	3,931	16,934
Mineral rights and properties - unproven	1,712,214	1,689,297
Total assets	\$ 1,716,145	\$ 1,706,231
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 76,846	\$ 70,195
Accrued liabilities	4,167	71,250
Due to related parties	63,226	50,735
Derivative warrant liability	40,400	17,500
Convertible notes payable - related parties	1,110,000	990,000
Total current liabilities	1,294,639	1,199,680
Commitments and contingencies	-	-
Shareholders' equity:		
Preferred stock, \$.0001 par value, 5,000,000 shares authorized, none outstanding	-	-
Common stock - \$.0001 par value; 100,000,000 shares authorized, 36,002,320 issued and outstanding	3,600	3,600
Additional paid-in capital	6,580,048	6,580,048
Accumulated deficit - prior to exploration stage	(3,601,431)	(3,601,431)
Accumulated deficit - exploration stage	(2,560,711)	(2,475,666)
Total shareholders' equity	421,506	506,551

Total liabilities and shareholders' equity	\$	1,716,145	\$	1,706,231
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See notes to unaudited condensed consolidated interim financial statements.

**ATHENA SILVER CORPORATION**  
**(An Exploration Stage Company)**

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

	Three months ended March 31,		Inception (January 1, 2010) through March 31, 2014
	2014	2013	
Operating expenses:			
Exploration costs	\$ 463	\$ 34,455	\$ 889,348
Other operating costs	-	340	113,272
General and administrative expenses	49,191	40,235	1,174,300
Total operating expenses	49,654	75,030	2,176,920
Operating loss	(49,654)	(75,030)	(2,176,920)
Other income (expense):			
Interest expense	(12,491)	(8,140)	(78,057)
Change in fair value of warrant liability	(22,900)	14,866	(4,507)
Loss on extinguishment of debt and accounts payable - related parties, net	-	-	(236,741)
Other income	-	1	980
Total other income (expense)	(35,391)	6,727	(318,325)
Loss from continuing operations	(85,045)	(68,303)	(2,495,245)
Net loss from discontinued operations	-	-	(65,466)
Net loss	\$ (85,045)	\$ (68,303)	\$ (2,560,711)
Basic and diluted net loss per common share			
Basic and diluted net loss per share from continuing operations	\$ (0.00)	\$ (0.00)	
Basic and diluted net loss per common share	\$ (0.00)	\$ (0.00)	
Basic and diluted weighted-average common shares outstanding	36,002,320	35,446,764	

See notes to unaudited condensed consolidated interim financial statements.



**ATHENA SILVER CORPORATION**  
(An Exploration Stage Company)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	<b>Three Months Ended March 31,</b>		<b>Inception of</b>
	<b>2014</b>	<b>2013</b>	<b>Exploration</b>
			<b>Stage (January</b>
			<b>1, 2010)</b>
			<b>through</b>
			<b>March 31, 2014</b>
			<b>\$</b>
Cash flows from operating activities:			
Net loss	\$ (85,045)	\$ (68,303)	(2,560,711)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of deferred financing costs	-	-	5,000
Share-based compensation expense	-	-	209,773
Common stock and warrants issued for services	-	-	53,700
Derivative warrants issued for services	-	-	35,793
Change in fair value of derivative warrant liability	22,900	(14,866)	4,507
Loss on extinguishment of debt - related parties	-	-	237,366
Gain on extinguishment of accounts payable	-	-	(625)
Loss on sale of discontinued operations	-	-	9,892
Changes in operating assets and liabilities:			
Account receivable	-	-	11,104
Prepaid expenses	(300)	30,831	700
Inventory	-	-	46,385
Other assets	-	-	11,036
Accounts payable	6,651	(37,080)	135,320
Accrued liabilities and other liabilities	12,491	11,850	130,758
Net cash used in operating activities	(43,303)	(77,568)	(1,670,002)

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See notes to unaudited condensed consolidated interim financial statements.



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**ATHENA SILVER CORPORATION**  
**(An Exploration Stage Company)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	<b>Three Months Ended March 31,</b>		<b>Inception of Exploration Stage (January 1, 2010) through March 31, 2014</b>
	<b>2014</b>	<b>2013</b>	
Cash flows from investing activities:			
Acquisition of mineral rights	(90,000)	(205,000)	(793,098)
Investment in nonmarketable equity securities	-	-	(7,348)
Cash used in disposition of fixed assets, intangibles and other	-	-	(82)
Net cash used in investing activities	(90,000)	(205,000)	(800,528)
Cash flows from financing activities:			
Net change in advances payable - related parties	-	(1,000)	(13,295)
Borrowings from notes payable - related parties	120,000	275,000	1,420,000
Repayments of notes payable - related parties	-	-	(38,750)
Proceeds from sale of common stock, net	-	-	1,106,206
Net cash provided by financing activities	120,000	274,000	2,474,161
Net increase (decrease) in cash	(13,303)	(8,568)	3,631
Cash at beginning of period	16,934	12,229	-
Cash at end of period	\$ 3,631	\$ 3,661	\$ 3,631
Supplemental disclosure of cash flow information			
Cash paid for interest	\$ -	\$ -	\$ 6,714
Cash paid for income taxes	\$ -	\$ -	\$ -
Supplemental disclosure of non-cash investing and financing activities:			
Increase (decrease) in accrued liabilities applicable to mineral rights	\$ (67,083)	\$ (59,583)	\$ 4,167
Common stock issued for mineral rights	\$ -	\$ 340,000	\$ 924,653