

METALLINE MINING CO
Form 10-Q
March 16, 2010

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED January 31, 2010.

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

FOR THE TRANSITION PERIOD OF _____ TO _____.

Commission File Number: 001-33125

METALLINE MINING COMPANY
(Exact name of registrant as specified in its charter)

Nevada
State or other jurisdiction of
incorporation or organization

91-1766677
(I.R.S. Employer
Identification No.)

1330 E. Margaret Ave., Coeur d'Alene, ID 83815
(Address of principal executive offices, including zip code)

Registrant's telephone number: (208) 665-2002

Indicate by check mark whether the registrant (1) 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 smaller reporting company:

Edgar Filing: METALLINE MINING CO - Form 10-Q

Large accelerated filer Accelerated filer Non-accelerated filer
 Smaller reporting Company R

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

As of March 12, 2009, there were 55,366,829 shares of the Registrant's \$.01 par value Common Stock ("Common Stock"), the Registrant's only outstanding class of voting securities, outstanding

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

METALLINE MINING COMPANY
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JANUARY 31, 2010

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	PAGE
Consolidated Financial Statements:	
Consolidated Balance Sheets as January 31, 2010 and October 31, 2009	2
Consolidated Statements of Operations for the three months ended January 31, 2010 and January 31, 2009, and for the period from inception (November 8, 1993) to January 31, 2010	3
Consolidated Statements of Cash Flows for the three months ended January 31, 2010 and January 31, 2009, and for the period from inception (November 8, 1993) to January 31, 2010	4-5
Notes to Consolidated Financial Statements	6-19

[The balance of this page has been intentionally left blank.]

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

	January 31, 2010 (Unaudited)	October 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,624,865	\$ 1,482,943
Other receivables	17,068	18,303
Prepaid expenses	213,612	134,122
Prepaid income taxes	23,606	—
Total Current Assets	2,879,151	1,635,368
PROPERTY CONCESSIONS		
Sierra Mojada District (Note 4)	3,707,945	3,713,722
EQUIPMENT		
Office and mining equipment, net of accumulated depreciation of \$726,075 and \$679,659, respectively (Note 5)	1,036,896	1,005,733
OTHER ASSETS		
Value-added tax receivable, net of allowance for uncollectible taxes of \$273,335 and \$273,761, respectively (Note 3)	732,613	686,992
TOTAL ASSETS	\$ 8,356,605	\$ 7,041,815
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 181,212	\$ 55,037
Accrued liabilities and expenses	169,157	346,446
Deferred salaries and costs (Note 5)	—	393,903
Income tax payable	—	9,290
Total Current Liabilities	350,369	804,676
COMMITMENTS AND CONTINGENCIES (Notes 6 and 10)		
STOCKHOLDERS' EQUITY (Notes 7, 8 and 9)		
Common stock, \$0.01 par value; 160,000,000 shares authorized, 55,366,829 and 48,834,429 shares issued and outstanding, respectively	553,668	488,344
Additional paid-in capital	58,127,432	55,144,214
Deficit accumulated during exploration stage	(53,226,412)	(51,917,015)

Edgar Filing: METALLINE MINING CO - Form 10-Q

Other comprehensive income	2,551,548	2,521,596
Total Stockholders' Equity	8,006,236	6,237,139

TOTAL LIABILITIES AND STOCKHOLDERS'		
EQUITY	\$ 8,356,605	\$ 7,041,815

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

2

METALLINE MINING COMPANY
 (AN EXPLORATION STAGE COMPANY)
 CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Period from
	January 31,	2009	November 8,
	2010		1993
			(Inception)
			to January 31,
			2010
REVENUES	\$ —	\$ —	\$ —
EXPLORATION AND PROPERTY HOLDING COSTS			
Exploration and property holding costs	405,899	478,099	17,330,397
Depreciation and asset write-off	43,470	45,537	919,366
TOTAL EXPLORATION AND PROPERTY HOLDING COSTS	449,369	523,636	18,249,763
GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and payroll			