

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

FORM 10-QSB

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

For the quarterly period ended June 30, 2004

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 001-06412

LITTLE SQUAW GOLD MINING COMPANY

Alaska
(State of other jurisdiction of incorporation
or organization)

91-0742812
(I.R.S. Employer Identification No.)

3412 S. Lincoln Drive
Spokane, WA
(Address of principal executive offices)

99203-1650
(Zip Code)

(509) 624-5831
(Issuer's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 at least the past 90 days.
Yes ☒ No ☐

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 14,974,117 shares of Common Stock as of July 31, 2004
Transitional Small Business Disclosure Format (check one); Yes ☐ No ☒

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ITEM 1. FINANCIAL STATEMENTS

Little Squaw Gold Mining Company

(A Development Stage Company)

Balance Sheets

June 30, 2004 and December 31, 2003

	(unaudited) <u>2004</u>	<u>2003</u>
ASSETS		
Current assets:		
Cash	\$ 197,181	\$ 98,834
Prepaid expenses	4,926	6,252
Gold inventory	<u>3,025</u>	<u> </u>
Total current assets	205,132	105,086
Plant, equipment, and mining claims:		
Other equipment, net of depreciation	4,863	
Mining and mineral properties	<u>318,597</u>	<u>318,597</u>
Total assets	<u>\$ 528,592</u>	<u>\$ 423,683</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	<u>\$ 27,224</u>	<u>\$ 22,360</u>
Total current liabilities	27,224	22,360
Long-term liabilities:		
Accrued remediation costs	36,000	36,000
Convertible accrued compensation - Walters LITS		82,437
Convertible success award - Walters LITS		<u>88,750</u>
Total long-term liabilities	<u>36,000</u>	207,187
Total liabilities	<u>63,224</u>	<u>229,547</u>
Stockholders' equity		
Preferred stock; No par value, 10,000,000 shares authorized; No shares issued or outstanding		
Common stock; \$0.10 par value, 200,000,000 shares authorized; 14,974,117 and 11,998,636 issued and outstanding, respectively	1,497,412	1,199,863
Additional paid-in capital	624,057	454,880
Deficit accumulated during the development stage	<u>(1,656,101)</u>	<u>(1,455,923)</u>
	465,368	(198,820)
Less treasury stock, 0 and 117,103 shares, at cost, respectively		<u>(4,684)</u>
Total stockholders' equity	<u>465,368</u>	<u>(194,136)</u>
Total liabilities and stockholders' equity	<u>\$ 528,592</u>	<u>\$ 423,683</u>

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

Little Squaw Gold Mining Company
(A Development Stage Company)
Statements of Operations
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		From Inception (March 26, 1959 Through June 30,
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>
Revenue:					
Royalties, net					\$ 398,752
Lease and rental					99,330
Gold sales and other	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 895</u>	<u>31,441</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 895</u>	<u>\$ 529,523</u>
Expenses:					
Other costs of operations				114	8,030
Management fees and salaries	\$ 15,825		\$ 33,400		914,932
Directors' fees	2,900		11,800		77,575
Professional services	62,752	\$ 6,076	130,617	6,051	573,112
Other general and administrative expense	7,462	20	13,020	128	172,921
Mineral property maintenance	2,220		4,440		9,260
Office supplies and other expense	5,073	57	7,207	162	235,412
Depreciation	70		70		5,318
Reclamation and miscellaneous					101,102
Loss on partnership venture					53,402
Equipment repairs	<u>96,302</u>	<u>6,153</u>	<u>200,554</u>	<u>6,455</u>	<u>2,176,234</u>
Other (income) expense:					
Interest expense					36,301
Interest income	<u>(235)</u>	<u>-</u>	<u>(376)</u>	<u>-</u>	<u>(26,911)</u>
Total other (income) expense	<u>(235)</u>	<u>-</u>	<u>(376)</u>	<u>-</u>	<u>9,390</u>
Net income (loss)	<u>\$ (96,067)</u>	<u>\$ (6,153)</u>	<u>\$ (200,178)</u>	<u>\$ (5,560)</u>	<u>\$ (1,656,101)</u>
Net loss per common share	<u>\$ Nil</u>	<u>\$ Nil</u>	<u>\$ Nil</u>	<u>\$ Nil</u>	<u>\$ Nil</u>
Weighted average common shares outstanding-basic	<u>14,974,117</u>	<u>8,468,506</u>	<u>14,360,062</u>	<u>8,468,506</u>	<u>6,322,159</u>

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

Little Squaw Gold Mining Company
(A Development Stage Company)
Statements of Cash Flows
(unaudited)

	Six Months Ended June 30,		From Inception (March 26, 1959) Through June 30,
	<u>2004</u>	<u>2003</u>	<u>2004</u>
Cash flows from operating activities:			
Net loss	\$ (200,178)	\$ (5,561)	\$ (1,656,101)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	70		5,318
Common stock, warrants, and options issued for salaries and fees	11,910		219,194
Change in:			
Prepaid expenses	1,326		(4,926)
Accounts receivable, related party		421	
Gold inventory	(3,025)	4,906	(3,025)
Accounts payable, other	4,865		27,225
Accounts payable, related party			20,000
Accrued compensation, related party			255,450
Accrued payroll taxes		274	19,323
Convertible success award, Walters LITS			88,750
Accrued remediation costs			36,000
Net cash used - operating activities	<u>(185,032)</u>	<u>40</u>	<u>(992,792)</u>
Cash flows from investing activities:			
Receipts attributable to unrecovered promotional, exploratory, and development costs			626,942
Proceeds from the sale of equipment			60,000
Additions to property, plant, equipment, and unrecovered promotional, exploratory, and development costs	<u>(4,934)</u>	<u>(275)</u>	<u>(367,899)</u>
Net cash - investing activities	<u>(4,934)</u>	<u>(275)</u>	<u>319,043</u>
Cash flows from financing activities:			
Issuance of common stock, net of offering costs	288,313		879,104
Acquisitions of treasury stock	<u>-</u>	<u>-</u>	<u>(8,174)</u>
Net cash - financing activities	<u>288,313</u>	<u>-</u>	<u>870,930</u>
Net increase (decrease) in cash	98,347	(235)	197,181
Cash, beginning of period	<u>98,834</u>	<u>1,210</u>	<u>0</u>
Cash, end of period	<u>\$ 197,181</u>	<u>\$ 975</u>	<u>\$ 197,181</u>
Supplemental disclosures of cash flow information:			
Non-cash investing activities:			
Mining claims purchased - common stock	<u>\$ 35,000</u>		<u>\$ 35,000</u>
Non-cash financing activities:			
Related party liabilities compensation converted to common stock	<u>\$ 88,750</u>		<u>\$ 88,750</u>

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

PART I. - FINANCIAL INFORMATION, CONTINUED:

Little Squaw Gold Mining Company
(A Development Stage Company)
Notes to Consolidated Financial Statements (Unaudited)

1. BASIS OF PRESENTATION:

The unaudited financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the six-month period ended June 30, 2004 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2004. Certain financial statement amounts for the six-month period ended June 30, 2003 have been reclassified to conform to the 2004 presentation. These reclassifications had no effect on the net loss or accumulated deficit as previously reported.

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2003.

2. 2003 SHARE INCENTIVE PLAN:

During the first quarter of 2004, the Company issued 5,000 non qualified stock options to each of the four members of the Board of Directors, excluding the Company President, for services performed in 2003. The Company's 2003 Share Incentive Plan (the "Plan") permits the granting of nonqualified stock options, incentive stock options and shares of common stock to employees, directors and consultants.

Statement of Financial Accounting Standards No. 123, ("SFAS No. 123"), "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations and to furnish the pro forma disclosures required under SFAS No. 123, if material. Compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. Common stock purchase options granted under the Company's plan during the first quarter have been valued using the intrinsic value method and, accordingly, non-cash (option) expense of directors' compensation recognized herewith during the first quarter. The Company's management estimates that no material difference exists between the valuation of options granted during the first quarter under the intrinsic method versus the fair value method.

ITEM 2. MANagements DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

Plan of Operations

During 2003, the Company significantly restructured its management and began financing activities that it believes ultimately will be integral in developing its mining properties. The Board of Directors has authorized the sale of up to 10,000,000 shares in a financing to raise capital for the development of the Company's property in Alaska. Partly because of the recent decline in metals prices, such a financing may be difficult to arrange. The Company does not have any indications of interest in a financing of any type as of the date of this report. The Company is also looking for a potential joint venture partner capable of assisting in the development of its properties. If the Company is not able to arrange financing or obtain a partner, development and exploration of the properties will not commence in the next two fiscal years.

The Company commissioned Pacific Rim Geological Consultants, Inc. of Fairbanks, Alaska to analyze the Company's database on the Chandalar property and to produce a scientific report with independent findings. The independent technical report was completed in April 2004 and confirms the potential of the project to become a new Alaskan gold producer. The report explained that gold lodes are mesothermal, probably of metamorphic origin and can be expected to have great vertical extent. The mineral bearing structures can be seen running for miles across the mountains. Past operators focused on selective high-grading, mainly of the Mikado vein, missing other bonanza grade vein opportunities and ignoring the lower grade bulk missing possibilities of the property. Additionally, Pacific Rim identified the lower parts of Big Squaw and Little Squaw Creeks as being highly prospective for a major placer gold deposit discovery, and said it may host the largest undeveloped placer deposit in Alaska, a state famous for its placer mines.

On March 17, 2004 the State of Alaska filed a notice with the U.S. Secretary of the Interior of its intent to bring a quiet title action for the purpose of determining the State's asserted right to turn the historic winter trail leading into the Chandalar property into an access road. Conversion of the winter trail into an all weather road linked to the rest of Alaska's highway system would have a substantial positive impact on development of the Chandalar property.

Financial Condition and Liquidity

On June 30, 2004 the Company had total liabilities of approximately \$63,000, and total assets of about \$529,000. This compares to total liabilities of approximately \$230,000 and total assets of about \$424,000 on December 31, 2003. The conversion of the accrued salaries debt into shares of common stock has reduced the Company's debt significantly. The proceeds from the exercise of warrants increased cash by \$288,000. As of the date of this report, the Company's liabilities are limited to \$36,000 for environmental clean up. Without successful financing arrangements the Company will not be able to complete its operating plan for the property for the next twelve months.

Management plans to fund its continuing operations through proceeds of sales of its common stock or payments received from a partner in a joint venture relationship; there can be no assurances, however, that management will be successful in its plans.

Little Squaw has recently launched a website. Shareholders and other interested parties can obtain information on the Company by logging onto www.lttlesquawgold.com.

ITEM 3. CONTROLS AND PROCEDURES

The Company's President and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon this evaluation, the Company's President and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective in ensuring that material information required to be disclosed in this quarterly report has been made known to them in a timely fashion. There were no significant changes in the Company's internal controls or, to the knowledge of the management of the Company, in other factors that could significantly affect these controls subsequent to the evaluation date.

PART II – OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit 31.1

Certification of Richard R. Walters, President and Chief Executive Officer pursuant to 18 U.S.C. 1350.

Exhibit 31.2

Certification of Becky Corigliano, Chief Financial Officer pursuant to 18 U.S.C. 1350.

Exhibit 32.1

Certification of Richard R. Walters, President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.2

Certification of Becky Corigliano, Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 13, 2004

LITTLE SQUAW GOLD MINING COMPANY

By /s/ Richard R. Walters
Richard R. Walters, President and
Chief Executive Officer

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 13, 2004

LITTLE SQUAW GOLD MINING COMPANY

By /s/ Becky Corigliano
Becky Corigliano, Chief Financial Officer

EXHIBIT 31.1

I, Richard R. Walters, certify that:

1. I have reviewed this report on Form 10-QSB of Little Squaw Gold Mining Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of Little Squaw Gold Mining Company as of, and for, the periods presented in this report.
4. Little Squaw Gold Mining Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for Little Squaw Gold Mining Company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Little Squaw Gold Mining Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of Little Squaw Gold Mining Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in Little Squaw Gold Mining Company's internal control over financial reporting that occurred during Little Squaw Gold Mining Company's most recent fiscal quarter (Little Squaw Gold Mining Company's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Little Squaw Gold Mining Company's internal control over financial reporting; and
5. Little Squaw Gold Mining Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Little Squaw Gold Mining Company's auditors and the audit committee of Little Squaw Gold Mining Company's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Little Squaw Gold Mining Company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Little Squaw Gold Mining Company's internal control over financial reporting.

Date: August 13, 2004

By /s/ Richard R. Walters
Richard R. Walters, President and
Chief Executive Officer

EXHIBIT 31.2

I, Becky Corigliano, certify that:

1. I have reviewed this report on Form 10-QSB of Little Squaw Gold Mining Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of Little Squaw Gold Mining Company as of, and for, the periods presented in this report.
4. Little Squaw Gold Mining Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for Little Squaw Gold Mining Company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Little Squaw Gold Mining Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of Little Squaw Gold Mining Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in Little Squaw Gold Mining Company's internal control over financial reporting that occurred during Little Squaw Gold Mining Company's most recent fiscal quarter (Little Squaw Gold Mining Company's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Little Squaw Gold Mining Company's internal control over financial reporting; and
5. Little Squaw Gold Mining Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Little Squaw Gold Mining Company's auditors and the audit committee of Little Squaw Gold Mining Company's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Little Squaw Gold Mining Company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Little Squaw Gold Mining Company's internal control over financial reporting.

Date: August 13, 2004

By /s/ Becky Corigliano
Becky Corigliano, Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADDED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Little Squaw Gold Mining Company (the "Company") on Form 10-QSB for the period ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard R. Walters, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C.ss. 1350, as added by ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

A signed original of this written statement required by Section 906 has been provided to Little Squaw Gold Mining Company and will be retained by Little Squaw Gold Mining Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 13, 2004

By /s/ Richard R. Walters
Richard R. Walters, President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADDED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Little Squaw Gold Mining Company (the "Company") on Form 10-QSB for the period ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Becky Corigliano, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C.ss. 1350, as added by ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

A signed original of this written statement required by Section 906 has been provided to Little Squaw Gold Mining Company and will be retained by Little Squaw Gold Mining Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 13, 2004

By /s/ Becky Corigliano
Becky Corigliano, Chief Financial Officer