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

**FORM 10-QSB**

(Mark One)

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended March 31, 2006**

or

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**LITTLE SQUAW GOLD MINING COMPANY**

(Exact Name of Small Business Registrant as Specified in its Charter)

**ALASKA**

(State or other jurisdiction of incorporation)

**001-06412**

(Commission File Number)

**91-0742812**

(IRS Employer Identification No.)

**3412 S. Lincoln Drive, Spokane WA**

(Address of principal executive offices)

**99203-1650**

(Zip Code)

Registrant's telephone number, including area code:

**(509) 624-5831**

Check whether the issuer (1) has filed all documents and reports required to be filed by Sections 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 filings for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act: Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

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

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 26,453,420 shares of Common Stock as of May 5, 2006

Transitional Small Business Disclosure format (check one): Yes ☐ No ☒

SEC 2334 (9-05)

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## PART I

### ITEM 1. FINANCIAL STATEMENTS

#### **Little Squaw Gold Mining Company**

*(An Exploration Stage Company)*

#### **Balance Sheets**

*March 31, 2006 and December 31, 2005*

	(unaudited) March 31, 2006	December 31, 2005
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,454,368	\$ 891,380
Interest receivable	4,979	2,386
Prepaid expenses	74,165	10,728
Total current assets	<u>2,533,512</u>	<u>904,494</u>
Plant, equipment, and mining claims:		
Equipment, net of depreciation	351,683	3,595
Mining and mineral properties	332,854	321,041
Total plant, equipment and mining claims	<u>684,537</u>	<u>324,636</u>
Other assets:		
Deferred financing costs	115,556	126,389
Other assets	12,186	6,111
Total other assets	<u>127,742</u>	<u>132,500</u>
<b>Total assets</b>	<u><u>\$ 3,345,791</u></u>	<u><u>\$ 1,361,630</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 114,822	\$ 9,809
Accrued interest payable	21,203	6,575
Capital lease payable	22,900	-
Total current liabilities	<u>158,925</u>	<u>16,384</u>
Long-term liabilities:		
Accrued remediation costs	50,000	50,000
Convertible debenture, net of discounts	738,184	709,546
Total long-term liabilities	<u>788,184</u>	<u>759,546</u>
Total liabilities	<u>947,109</u>	<u>775,930</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; 26,453,420 and 16,833,420 issued and outstanding, respectively	2,645,342	1,683,342
Additional paid-in capital	2,573,064	1,297,708
Deficit accumulated during the exploration stage	(2,819,724)	(2,395,350)
Total stockholders' equity	<u>2,398,682</u>	<u>585,700</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 3,345,791</u></u>	<u><u>\$ 1,361,630</u></u>

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

**Little Squaw Gold Mining Company**  
*(An Exploration Stage Company)*  
**Statements of Operations**  
*(unaudited)*

	Three Months Ended March 31,		From Inception (March 26, 1959) Through March 31,
	2006	2005	2006
Revenue:			
Royalties, net	\$ -	\$ -	\$ 398,752
Lease and rental	-	-	99,330
Gold sales and other	-	-	31,441
	-	-	529,523
Expenses:			
Management fees and salaries	40,625	16,400	1,059,582
Directors' fees	9,100	3,100	105,575
Directors' fees – non cash	44,250	-	187,450
Professional services	65,167	56,020	881,423
Other general and administrative expense	74,140	6,279	352,937
Exploration expense	135,685	6,599	201,162
Mineral property maintenance	5,454	1,633	26,009
Office supplies and other expense	5,061	1,735	249,279
Depreciation	5,171	211	11,265
Reclamation and miscellaneous	-	-	115,102
Loss on partnership venture	-	-	53,402
Equipment repairs	-	-	25,170
Other costs of operations	-	-	8,030
	384,653	91,977	3,276,386
Other (income) expense:			
Interest income	(14,474)	(71)	(44,921)
Interest expense and finance costs	54,195	30	117,782
Total other (income) expense	39,721	(41)	72,861
Net loss	\$ 424,374	\$ 91,936	\$ 2,819,724
Net loss per common share	\$ 0.02	\$ 0.01	\$ 0.42
Weighted average common shares outstanding-basic	21,593,753	13,759,503	6,720,555

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

**Little Squaw Gold Mining Company**  
**(An Exploration Stage Company)**  
**Statements of Cash Flows (unaudited)**

	Three Months Ended March 31,		From Inception (March 26, 1959) Through March 31,
	2006	2005	2006
Cash flows from operating activities:			
Net loss	\$ (424,374)	\$ (91,936)	\$ (2,819,724)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	5,171	211	11,758
Common stock, warrants, and options issued for salaries and fees	70,750	14,000	502,650
Compensation expense under SFAS 123R for stock option grants	51,115	-	51,115
Amortization of discount on convertible debenture for value of warrant	14,319	-	19,092
Amortization of discount on convertible debenture for beneficial conversion feature	14,319	-	19,092
Amortization of deferred financing costs	10,833	-	14,444
Change in:			
Interest receivable	(2,593)	-	(4,979)
Prepaid expenses	(63,437)	(231)	(74,165)
Other assets	(6,075)	-	(12,186)
Accounts payable, other	105,013	4,922	114,821
Accounts payable, related party	-	14,334	20,000
Accrued interest payable	14,628	-	21,203
Accrued compensation, related party	-	-	255,450
Accrued payroll taxes	-	-	19,323
Convertible success award, Walters LITS	-	-	88,750
Accrued remediation costs	-	-	50,000
Net cash used - operating activities	(210,331)	(58,700)	(1,723,356)
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	(330,205)	-	(379,506)
Additions to mining and mineral properties - direct costs for claim staking and acquisition	(11,813)	-	(332,854)
Net cash used - investing activities	(342,018)	-	(25,418)
Cash flows from financing activities:			
Proceeds from related party debt	-	100,000	100,000
Payments on related party debt	-	-	(100,000)
Proceeds from issuing convertible debenture, net of deferred financing costs paid from proceeds	-	-	600,000
Proceeds from issuance of warrants in connection with issuance of convertible debenture	-	-	150,000

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

**Little Squaw Gold Mining Company**  
**(An Exploration Stage Company)**  
**Statements of Cash Flows (unaudited)**

	Three Months Ended March 31,		From Inception (March 26, 1959) Through March 31,
	2006	2005	2006
Proceeds allocated to beneficial conversion feature of convertible debenture	\$ -	\$ -	\$ 150,000
Issuance of common stock, net of offering costs	2,115,491	-	3,311,470
Payments on capital lease payable	(154)	-	(154)
Acquisitions of treasury stock	-	-	(8,174)
Net cash provided - financing activities	2,115,337	100,000	4,203,142
Net increase in cash and cash equivalents	1,562,988	41,300	2,454,368
Cash and cash equivalents, beginning of period	891,380	32,855	0
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2,454,368</b>	<b>\$ 74,155</b>	<b>\$ 2,454,368</b>
Supplemental disclosures of cash flow information:			
Non-cash investing and financing activities:			
Mining claims purchased - common stock	\$ -	\$ -	\$ 35,000
Additions to property, plant and equipment acquired through capital lease	\$ 23,053	\$ -	\$ 23,053
Related party liabilities compensation converted to common stock	\$ -	\$ -	\$ 301,086
Issuance of warrants for deferred financing costs of convertible debenture	\$ -	\$ -	\$ 30,000

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

**Little Squaw Gold Mining Company**  
**Notes to 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 three-month period ended March 31, 2006 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2006.

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, 2005.

Net Loss Per Share

Statement of Financial Accounting Standards No. 128, "Earnings per Share," requires dual presentation of basic earnings per share ("EPS") and diluted EPS on the face of all income statements issued after December 15, 1997, for all entities with complex capital structures. Basic EPS is computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants, and other convertible securities. The dilutive effect of convertible and exercisable securities would be:

<u>For periods ended</u>	<b>March 31, 2006</b>	<b>December 31, 2005</b>	<b>March 31, 2005</b>
Stock Options	465,000	320,000	320,000
Warrants	9,897,000	4,200,000	-
Convertible debenture	5,000,000	5,000,000	-
<b>Total possible dilution</b>	<b>15,362,000</b>	<b>9,520,000</b>	<b>320,000</b>

For the periods ended March 31, 2006 and 2005, the effect of the Company's outstanding options and common stock equivalents would have been anti-dilutive. Accordingly, only basic EPS is presented.

**2. RECLASSIFICATIONS:**

The Statement of Operations presented herein contains reclassifications of expenses for the periods ended March 31, 2005 and Inception to Date (March 26, 1959) through March 31, 2006 to conform to revisions in the Company's financial reporting. The nature of these reclassifications was to segregate Exploration Expenses and report them as a separate item on the Statement of Operations. These reclassifications had no effect on the reported Net Loss or Loss per Share for the periods.

**Little Squaw Gold Mining Company**  
**Notes to Financial Statements (Unaudited)**

**3. 2003 SHARE INCENTIVE PLAN:**

**Stock-Based Compensation:**

As of January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123(R)"), which requires the measurement of the cost of employee services received in exchange for an award of an equity instrument on the grant-date fair value of the award. The Company has chosen to use the modified prospective transition method under SFAS 123(R). The Company's Financial Statements for the three months ended March 31, 2006, reflect the impact of this adoption.

In accordance with the modified prospective transition method, the Company's unaudited consolidated financial statements for prior periods have not been restated to reflect the impact of SFAS 123(R). Stock-based non-cash compensation expense recognized under SFAS 123(R) for the three months ended March 31, 2006, was \$51,115, which is the total weighted average grant-date fair value of the options granted and vested during the quarter, and was recorded to Professional services and Other general and administrative expenses in the Unaudited Statement of Operations. The effect of the adoption of SFAS 123(R) on basic loss per share was nil. During the remainder of 2006, the Company expects to recognize \$7,600 in additional compensation as required by SFAS 123(R) for options granted during the quarter ended March 31, 2006, but vesting during the following quarter.

**Stock Options:**

Under the Company's Restated 2003 Share Incentive Plan (the "Plan"), options to purchase shares of common stock may be granted to key employees, contract management and directors of the Company. The Plan permits the granting of nonqualified stock options, incentive stock options and shares of common stock. Upon exercise of options, shares of common stock are issued from the Company's treasury stock or, if insufficient treasury shares are available, from authorized but unissued shares. Options are granted at a price equal to the closing price of the common stock on the date of grant. The stock options are generally exercisable immediately upon grant and for a period of 10 years. In the event of cessation of the holder's relationship with the Company, the holder's exercise period terminates 6 months following such cessation. A total of 1,200,000 shares are authorized under the Plan, of which 300,000 restricted common shares have been issued and are included in the outstanding shares of the Company.

Prior to January 1, 2006, the Company applied Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" in accounting for stock-based employee compensation arrangements whereby compensation cost related to stock options was generally not recognized in determining net income and the pro forma impact of compensation cost related to stock options was disclosed. No stock options were issued in first quarter of 2005, therefore no compensation cost related to stock options was disclosed for that period.

For the period ended March 31, 2006, the Company used the Black-Scholes valuation, which requires the input of highly subjective assumptions, including the expected volatility of the stock price, which may be difficult to estimate for small business issuers traded on micro-cap stock exchanges. The following is a summary of the assumptions used:

Risk-free interest rate	4.58% - 4.79%
Expected dividend yield	--
Expected term	10 years
Expected volatility	109% - 128%



**Little Squaw Gold Mining Company**  
**Notes to Financial Statements (Unaudited)**

The risk-free interest rate is based on the U.S. Treasury yield curve at the time of the grant. The expected term of stock options granted is the 10-year life of the grant. The expected volatility is based on historical volatility.

A summary of stock option transactions for the three months ended March 31, 2006 is as follows:

	Shares	Weighted-Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (Years)
Options outstanding at the beginning of the period	320,000	\$ 0.22	
Granted	200,000	\$ 0.55	
Exercised	0	\$ -	
Forfeited	(55,000)	\$ 0.22	
Options outstanding at the end of the period	465,000	\$ 0.36	8.9
Options exercisable at the end of the period	415,000	\$ 0.36	8.7
Options available for future grants	435,000		

The weighted average grant-date fair value of stock options granted during the three months ended March 31, 2006 was \$0.90 per share. There were no exercises of stock options during the three months ended March 31, 2006. The aggregate intrinsic value of vested options at March 31, 2006 was \$154,600 at a price of \$0.73 per exercisable share.

As of March 31, 2006 there was \$32,500 of total unrecognized compensation cost related to nonvested stock options which is expected to be recognized in the second quarter of 2006.

#### **4. STOCKHOLDERS' EQUITY:**

##### **Common Stock and Stock Warrants**

On November 7, 2005 the Board of Directors approved an equity financing of up to \$2,000,000 of Company securities at a price equal to or greater than the terms of the November 21, 2005 Convertible Debenture. On January 31, 2006, the Company closed the first tranche of 3,895,000 Units, at a price of \$0.25 per Unit for gross proceeds of \$973,750 and net proceeds of \$876,375. Each Unit consisted of one share of common stock and one half of one (1/2) Class B Warrant. Each whole Class B Warrant is exercisable to acquire one additional share of common stock at an exercise price of \$0.35 per share during the one-year period commencing on the Closing Date, \$0.50 per share during the second year following the Closing Date, and \$0.65 per share during the third year following the Closing Date. Additionally, each Class B Warrant contains a mandatory conversion provision which grant the Company, at the Company's option, the ability to force conversion of each whole Warrant if the market price of the Company's common shares is sustained at or above \$0.875 per share for five consecutive trading days. In connection with this portion of the placement, the Company paid an Agent's commission of 10% of the gross proceeds and issued the agent 389,500 Class B Warrants.

**Little Squaw Gold Mining Company**  
**Notes to Financial Statements (Unaudited)**

On February 24, 2006, the Company closed the second tranche of an additional 5,600,000 Units, at a price of \$0.25 per Unit for gross proceeds of \$1,400,000 and net proceeds of \$1,260,000. This second closing brought the total gross proceeds received to \$2,373,750, net proceeds to \$2,136,375 and the total Units sold to 9,495,000, including an oversubscription of 1,495,000 Units which was approved by the Board of Directors on February 13, 2006. Each Unit consisted of one share of the registrant's common stock and one half of one (1/2) Class B Warrant. The Units of this second closing are identical to those of the first closing on January 31, 2006. In connection with this portion of the placement, the Company paid an Agent's commission of 10% of the gross proceeds and issued the agent 560,000 Class B Warrants, bringing the total number of Class B Warrants issued to the Agent to 949,500.

**Stock and Option Grants to Affiliates**

On March 1, 2006, the Board of Directors approved the appointment of an individual as Vice President. In connection with that appointment, the Company issued 25,000 shares of Restricted Common Stock and 50,000 Stock Options under the Restated 2003 Share Incentive Plan.

On March 1, 2006, the Board of Directors appointed an individual as Chief Financial Officer, Secretary, and Treasurer of the Company. In connection with that appointment, the Company issued 25,000 shares of Restricted Common Stock and 50,000 Stock Options under the Restated 2003 Share Incentive Plan.

On March 6, 2006, the Company contracted with a Manager of Investor Relations. In connection with that appointment, the Company issued 25,000 shares of Restricted Common Stock and 50,000 Stock Options under the Restated 2003 Share Incentive Plan.

On March 29, 2006, the Board of Directors issued to a director 50,000 shares of Restricted Common Stock and 50,000 Stock Options under the Restated 2003 Share Incentive Plan in connection with his appointment as a director on February 13, 2006.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION**

Little Squaw Gold Mining Company ("Company") is engaged in the business of acquiring, exploring, and developing mineral properties throughout the Americas, primarily those containing gold and associated base and precious metals.

At this time, the Company's only property is an exploration stage property in Alaska referred to as the Chandalar property. The Chandalar property is located approximately 190 air miles NNW of Fairbanks, Alaska, and 48 miles NE of Coldfoot, in the Chandalar mining district. The center of the district is approximately 70 miles north of the Arctic Circle. The Company owns in fee 426.5 acres of patented federal mining claims consisting of 21 lode claims, one placer claim and one mill site. The Company controls an additional 13,406.5 acres of unpatented State of Alaska mining claims consisting of 115 claims. State mining claims provide exploration and mining rights to both lode and placer mineral deposits. The claims are contiguous, comprising a block covering 13,833 acres (21.6 square miles), and are being maintained by the Company specifically for the possible development of placer and lode gold deposits. The Company does not intend to conduct mining operations on its own account at this time. Rather it plans to undertake cost efficient and effective exploration activities to discover mineralization and potentially mineral reserves, which may upgrade the value of the properties and then enter into joint ventures with, or sell the properties to, qualified major mining companies. The Company intends to focus its activities only on projects that are primarily gold deposits.

All-weather road access to the Company's property would have dramatic positive economic impacts on the exploration for and development of any gold deposits the Company may find on its claims. On April 11, 2005 the State of Alaska (the plaintiff), after due notice, filed a lawsuit against the United States and sixteen companies and individuals (the defendants) to gain quiet title to the state's right-of-way for the historic Coldfoot to Chandalar Lake Trail. The Company considers this action by the State of Alaska to resolve title and right-of-way issues for road access into Chandalar to be a material event favorable to the Company should the state succeed in its lawsuit. Current access to the Company's Chandalar property is only either by winter ice trail over this route, or by aircraft to airstrips located on the property. To date, the State of Alaska has settled with fourteen of the seventeen defendants either by default or agreement. The principal defendant, the U.S. Secretary of the Interior, has not settled. Negotiations are proceeding. On December 8, 2005 a U.S. District Court judge for the District of Alaska issued a Schedule and Planning Order for the pre-trial development of the case. It specifies a time table during 2006 for the disclosure of all documents and witnesses, and motions to add other parties. It further states that all discovery must be completed by February 1, 2007, and any dispositive motions must be filed by March 2, 2007. When the time allowed for discovery and motion has passed, and all dispositive motions have been ruled upon, the Court will call upon the parties to certify that the case is ready for trial. The Company believes this will happen in the late Spring of 2007, pending lack of a pre-trial settlement. The Order contains an estimate this case will require ten days for trial by jury.

During field work completed in the summer of 2005, a good deal of attention was focused on the old reports of quartz vein showings at the Pallasgreen and Drumlummon prospects. These sites had not been evaluated since their discovery by prospectors early in the 1900s. At the Pallasgreen, mineralization was found along a multiple quartz vein system for approximately 400 feet. Soil samples geochemically anomalous in gold and an extensive "iron bleed" zone are indicative of mineralization in this area. The iron bleed, or ferricrete, is considered to be caused by ground water dissolution of buried metallic sulfides and re-participation of the metal ions in the surface hydrologic bleed zone. Additionally, gold in soil values were found about 4,000 feet westward along strike, which will be further evaluated in the coming year as a possible extension of the Pallasgreen veins.

Anomalous soil and rock results were also found in the Drumlummon area and in an unnamed site of vein quartz north of the Pallasgreen. An additional 160-acre state mining claim was located to include this area in the Company's property holding.

Further prospect definition work at the Pioneer, Crystal and Uranus sites firmly established proposed drill targets at each.

Pre-drilling prospect mapping was also initiated at the Little Squaw, Eneveloe, Grubstake West, Rock Glacier and Summit areas. Little Squaw quartz vein rubble was traced about 2,500 feet eastward from the known exposures and geologic mapping indicates that at least two mineralized quartz veins continue in that direction. The two Summit quartz veins were projected about 2,000 feet westward where they are believed to be partially covered by active accumulations of slide rock. Nevertheless, stream sediment sampling together with deep penetration soil sampling results from sites along and below its projection were highly anomalous in gold.

The Company began routinely ordering the use of metallic screen assaying of samples from gold bearing quartz veins, which had not previously been employed on the Chandalar property. This modern technique mitigates the effect of nugget gold and achieves a more representative and reliable gold assay of the sample.

### **First Quarter Preparations for 2006 Summer Exploration Season**

The Company has secured the financing it needs to pay for its exploration program for 2006 and has entered into management contracts with well-qualified project managers. The Company established accounts with the State of Alaska to enable it to process payrolls to meet its 2006 Chandalar project field labor needs. The first of approximately ten hourly paid employees is scheduled to begin work in the third week of May 2006. These are seasonal jobs that are all expected to be terminated by October 2006.

With the completion of the private placements in the fourth quarter of 2005 and in the first quarter of 2006, the Company is aggressively implementing its drilling plans for the Chandalar property. In the first quarter of 2006, the Company has paid \$330,205 in cash for capital equipment and secured additional equipment of \$23,053 through a capital lease to support the 2006 summer exploration season. The main capital items are a mid-sized excavator, a small (D-4 size) dozer, seven all terrain vehicles, a pick-up truck and welding unit. In addition, the Company is finalizing a contract with a drilling company to perform drilling services using equipment owned by the drilling company. All heavy equipment, except the contractor's drill, was moved overland to the site in March 2006. The drill is scheduled to be flown to the site in July of 2006.

### **Plans for 2006 Summer Exploration Season**

The planned 2006 seasonal exploration program for the Chandalar property is very similar to the combination of Phase I and Phase II recommended by the Company's geologic consultant, James C. Barker. A detailed version of the program costs is presented on pages 81 to 85 of Mr. Barker's January 2, 2006 report titled "Chandalar Mining District, A Report of Findings and Recommendations, 2005" and is available on the Company's website at [www.littlesquawgold.com](http://www.littlesquawgold.com) under Technical Reports in the Chandalar Project drop-down menu. The quantity of proposed drilling in Phase II has been increased from 5,000 feet or more to 10,000 feet or more, and the project's projected cost is now approximately \$1.7 million dollars, as shown in the table below.

### Proposed 2006 Chandalar Exploration Program Budget

<b>EXPENSE CATEGORY</b>	
Planning, Permitting, Hiring	\$ 43,000
Equipment and Major Supplies Purchases (ATVs, Tractors, Vehicles)	350,000
Mobilization/Demobilization and interim charter Air Support	141,000
Contracted Geological and Technician Services	307,000
Contracted Camp Services	163,000
Contracted Aerial Geophysical Survey	50,000
Contracted Geological Studies	46,000
Contracted Geophysical Surveys	25,000
Contracted Drilling Services	189,000
Contracted Assaying Services	142,000
Site Fuel Consumption	50,000
Travel	40,000
Final Analyses and Report	40,000
Sub Total	\$ 1,586,000
Company Overhead (Management, Office support, Taxes and Insurance)	150,000
<b>TOTAL</b>	<b>\$ 1,736,000</b>

During late 2005 and early 2006, the Company raised sufficient cash to conduct the intended 2006 seasonal exploration program on the Chandalar property. See “Financial Condition and Liquidity” below for details of these financing activities. The Company plans to begin its 2006 field exploration program during the second quarter of 2006, and expects to complete it in late 2006. There can be no assurance that should exploration proceed according to the recommended program, it will lead to the discovery and delineation of ore reserves that will conform to the criteria specified in SEC Industry Guide 7.

The drilling program planned for 2006 is intended to provide an initial test of the ten identified targets, and, following appraisal of the results, is expected to lead to intensified drilling on a few selected sites in 2007. The aim of the 2007 drilling would be to establish a mineral resource on the selected sites. The Company has sufficient funds to undertake the proposed exploration and drilling program in 2006. Additionally, the Company has sufficient funds and financing to continue operations at a fully-staffed level for the next 12 months. The Company may not have sufficient funds to accomplish the 2007 follow up drilling, and may have to rely on further sales of its securities to pay for it. There can be no assurance the Company would be successful in completing such a securities offering on terms acceptable to the Company.

#### **Financial Condition and Liquidity**

The Company is an exploration stage company and has incurred losses since its inception. The Company has no recurring source of revenue and its ability to continue as a going concern is dependant on its ability to raise capital to fund future exploration and working capital requirements. The Company plans for the long term continuation as a going concern include financing future operations through sales of common stock and/or debt and the eventual profitable development of its mining properties. The Company’s plans may also, at some future point, include the formation of exploration, development or mining joint ventures with senior mining company partners on specific mineral properties whereby the joint venture partner would provide the necessary financing in return for equity in the property. During the second half of 2005 and the first quarter of 2006, the Company was successful in obtaining financing for operations through 2006.

On March 31, 2006 the Company had total liabilities of \$947,109, and total assets of \$3,345,791. This compares to total liabilities of \$775,930 and total assets of \$1,361,630 on December 31, 2005. As of March 31, 2006, the Company’s liabilities consist of \$738,184 convertible debenture, net of discounts, \$22,900 capital

lease, \$21,203 accrued interest, \$50,000 for environmental clean up, and \$114,822 in outstanding accounts payable.

The Company's principal source of liquidity during the three months ended March 31, 2006 and 2005, has been through debt and equity financing. Financing activities provided cash of \$2,136,221 during the three months ended March 31, 2006 and \$100,000 during the three months ended March 31, 2005. The Company used cash in operating activities of \$210,331 during the three months ended March 31, 2006, and \$58,700 during the three months ended March 31, 2005. Additionally, the Company used cash of \$330,205 to purchase equipment and acquired an additional \$23,053 of equipment through a capital lease during the three months ended March 31, 2006. The Company will utilize the majority of this equipment in its exploration programs for 2006 and beyond.

### **ITEM 3. CONTROLS AND PROCEDURES**

An evaluation was performed by the Company's President and Principal Financial Officer of the effectiveness of the design and operation of our disclosure controls and procedures, and on that evaluation, the Company's president and principal financial officer concluded that disclosure controls and procedures were effective as of March 31, 2006, in ensuring that all material information required to be filed in this quarterly report has been made known to them in a timely fashion.

There has been no change in our internal controls over financial reporting during the quarter ended March 31, 2006 that has materially affected, or is reasonable likely to materially affect, our internal controls over financial reporting.

During 2006, the Company will begin its efforts to comply with the Sarbanes-Oxley Act of 2002. The Company's effective date for compliance is December 31, 2007.

## **PART II – OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

None

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

On November 7, 2005 the Board of Directors approved an equity financing of up to \$2,000,000 of Company securities at a price equal to or greater than the terms of the November 21, 2005 Convertible Debenture. On January 31, 2006, the Company closed the first tranche of 3,895,000 Units, at a price of \$0.25 per Unit for gross proceeds of \$973,750 and net proceeds of \$876,375. Each Unit consisted of one share of common stock and one half of one (1/2) Class B Warrant. Each whole Class B Warrant is exercisable to acquire one additional share of common stock at an exercise price of \$0.35 per share during the one-year period commencing on the Closing Date, \$0.50 per share during the second year following the Closing Date, and \$0.65 per share during the third year following the Closing Date. Additionally, each Class B Warrant contains a mandatory conversion provision which grant the Company, at the Company's option, the ability to force conversion of each whole Warrant if the market price of the Company's common shares is sustained at or above \$0.875 per share for five consecutive trading days. In connection with this portion of the placement, the Company paid an Agent's commission of 10% of the gross proceeds and issued the agent 389,500 Class B Warrants.

On February 24, 2006, the Company closed the second tranche of an additional 5,600,000 Units, at a price of \$0.25 per Unit for gross proceeds of \$1,400,000 and net proceeds of \$1,260,000. This second closing brings the total gross proceeds received to \$2,373,750, net proceeds to \$2,136,375 and the total Units sold to 9,495,000, including an oversubscription of 1,495,000 Units which had been approved by the Board of Directors on February 13, 2006. Each Unit consisted of one share of the registrant's common stock and one half of one (1/2) Class B Warrant. The Units of this second closing are identical to those of the first closing on January 31, 2006. In connection with this portion of the placement, the Company paid an Agent's commission of 10% of the gross proceeds and issued the agent 560,000 Class B Warrants, bringing the total number of Class B Warrants issued to the Agent to 949,500.

The proceeds from this equity financing will be used to fund the 2006 Summer field exploration program, pay for general and administrative expenses of the Company and acquire additional properties for the Company's portfolio. Additional funding may be required to achieve the Company's goal of acquiring new properties in 2006 and beyond.

The Company initiated the process of registering these securities by filing a Form SB-2 with the Securities Exchange Commission on April 11, 2006. The registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(c) of the Securities Act of 1933, as amended, may determine.

### **ITEM 3. DEFAULT UPON SENIOR SECURITIES**

None

### **ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None

## **ITEM 5. OTHER INFORMATION**

None

## **ITEM 6. EXHIBITS**

Exhibit 31.1      Certification of Richard R. Walters, President, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2      Certification of Ted R. Sharp, Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.1      Certification of Richard R. Walters, President, pursuant to 18 U.S.C. 1350.

Exhibit 32.2      Certification of Ted R. Sharp, Chief Financial Officer pursuant to 18 U.S.C. 1350.



## 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: May 12, 2006

LITTLE SQUAW GOLD MINING COMPANY

By /s/ Richard R. Walters  
Richard R. Walters, President

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: May 12, 2006

LITTLE SQUAW GOLD MINING COMPANY

By /s/ Ted R. Sharp  
Ted R. Sharp, 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: May 12, 2006

By /s/ Richard R. Walters  
Richard R. Walters, President

EXHIBIT 31.2

I, Ted R. Sharp, 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:
  - c) 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;
  - d) 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
  - e) 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:
  - f) 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
  - g) 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: May 12, 2006

By /s/ Ted R. Sharp  
Ted R. Sharp, Chief Financial Officer

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 March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard R. Walters, President 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: May 12, 2006

By /s/ Richard R. Walters  
Richard R. Walters, President

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 March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ted R. Sharp, 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: May 12, 2006

By /s/ Ted R. Sharp  
Ted R, Sharp, Chief Financial Officer