

DYNARESOURCE INC
Form 10-Q
November 13, 2013

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 September 30, 2013

OR

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

From the transition period _____ to _____.

Commission File Number 0-53237

DYNARESOURCE, INC.

(Exact name of small business issuer as specified in its charter)

Delaware

94-1589426

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(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

222 W Las Colinas Blvd., Suite 744 East Tower, Irving, Texas 75039

(Address of principal executive offices)

(972) 868-9066

(Issuer's telephone number)

N/A

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

Indicate by check mark whether the registrant (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 the past 90 days:

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 Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company

Indicate by a check mark whether the company is a shell company (as defined by Rule 12b-2 of the Exchange Act:

Yes No .

As of November 8, 2013 there were **11,052,008** shares of Common Stock of the issuer outstanding.

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CERTIFICATIONS

EXHIBIT 31.1 CHIEF EXECUTIVE OFFICER CERTIFICATION

EXHIBIT 31.2 CHIEF FINANCIAL OFFICER CERTIFICATION

EXHIBIT 32.1 CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

DYNARESOURCE, INC.**(An Exploration Stage Company)****Consolidated Balance Sheets****September 30, 2013 and December 31, 2012**

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$1,296,752	\$1,522,652
Accounts Receivable – Related Party	0	48,000
Foreign Tax Receivable	156,177	40,022
Other Current Assets	64,257	45,129
Total Current Assets	1,517,186	1,655,803
Fixed Assets:		
Mining Camp Equipment and Fixtures (Net of Accumulated Depreciation of \$853,000 and \$790,318)	210,275	207,919
Mining Properties (Net of Accumulated Amortization of \$522,779 and \$519,400)	4,180,588	4,183,967
Total Fixed Assets	4,390,863	4,391,886
Other Assets:		
Investment in Affiliate	70,000	70,000
Notes Receivable – Related Party	186,260	0
Other Assets	209,786	197,283
Total Other Assets	466,046	267,283
TOTAL ASSETS	\$6,374,095	\$6,314,972
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts Payable	\$64,171	\$196,252
Accrued Expenses	224,174	160,210
Due to Non-Controlling Interest	120,000	0
	408,345	356,462
Long-Term Liabilities:		
Notes Payable to Shareholders	1,325,000	0
TOTAL LIABILITIES	\$1,733,345	\$356,462
Equity:		
Preferred Stock, \$.0001 par value, 20,001,000 shares authorized		
Series A - 1,000 and 1,000 shares issued and outstanding	\$1	\$1
Series B – 217,351 and 0 shares issued and outstanding	22	0
Common Stock, \$.01 par value, 25,000,000 shares authorized		
11,052,008 and 10,802,008 shares issued and outstanding	110,520	108,020
Preferred Rights	40,000	40,000

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Additional Paid In Capital	42,077,293	40,430,499
Treasury Stock	(707,750)	(50,750)
Other Comprehensive Income	285,843	270,794
Accumulated Deficit	(6,002,516)	(6,002,516)
Accumulated Deficit Since Reentering the Development Stage	(25,581,625)	(23,714,647)
Total DynaResource, Inc. Stockholders' Equity	10,221,788	11,081,401
Noncontrolling Interest	(5,581,038)	(5,122,891)
TOTAL EQUITY	4,640,750	5,958,510
TOTAL LIABILITIES AND EQUITY	\$6,374,095	\$6,314,972

The accompanying notes are an integral part of these financial statements

DYNARESOURCE, INC.**(An Exploration Stage Company)****Consolidated Statements of Operations****For the Three and Nine Months Ended September 30, 2013 and 2012****And Cumulative Since Re-entering the Development Stage (January 1, 2007)****through September 30, 2013**

	Three Months Sept 30, 2013	Three Months Sept 30, 2012	Nine Months Sept 30, 2013	Nine Months Sept 30, 2012	Cumulative Since Re-entering the Development Stage, January 1, 2007
REVENUES	\$0	\$0	\$0	\$0	\$346,726
COST OF SALES					
Production Costs	26,501	0	26,501	0	26,501
Exploration Costs	133,754	346,042	359,755	919,011	15,696,584
GROSS PROFIT (DEFICIT)	(160,255)	(346,042)	(386,256)	(919,011)	(15,376,359)
OPERATING EXPENSES:					
Depreciation and Amortization	21,671	39,009	66,062	111,309	983,770
General and Administrative	678,771	136,522	1,655,925	1,580,368	13,639,627
TOTAL OPERATING EXPENSES	700,442	175,531	1,721,987	1,691,677	14,623,397
NET OPERATING INCOME (LOSS)	(860,697)	(521,573)	(2,108,243)	(2,610,688)	(29,999,756)
OTHER INCOME (EXPENSE)					
Portfolio Income	114	0	369	463	22,567
Other Income (Expense)	0	0	0	3,750	(59,872)
Interest Expense	(45,236)	0	(91,586)	0	(91,586)
Currency Translation Gain (Loss)	(68,038)	317,133	(120,946)	399,125	(1,248,705)
TOTAL OTHER INCOME (EXPENSE)	(113,160)	317,133	(212,163)	403,338	(1,377,596)
NET INCOME (LOSS) BEFORE INCOME TAXES	(973,857)	(204,440)	(2,320,406)	(2,207,350)	(31,337,352)
Provision for Income Taxes (Expense) Benefit	0	0	0	0	38,259

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NET LOSS	(973,857)	(204,440)	(2,320,406)	(2,207,350)	(31,339,093)
Net Loss Attributable to Non-Controlling Interest	64,869	168,813	453,428	549,478	5,527,256
NET LOSS ATTRIBUTABLE TO DYNARESOURCE, INC. COMMON SHAREHOLDERS	(908,988)	(35,627)	(1,866,978)	(1,657,872)	(25,811,837)
COMPREHENSIVE INCOME (LOSS):					
Unrealized loss on securities	0	0	0	0	(735,760)
Unrealized Currency Translation Gain (Loss)	11,511	23,831	(20,107)	75,933	920,783
COMPREHENSIVE LOSS BEFORE NON-CONTROLLING INTEREST	(897,477)	(11,796)	(1,887,085)	(1,581,939)	(25,626,814)
Comprehensive Loss (Income) Attributable to Non-Controlling Interest	3,294	(4,832)	4,719	(25,134)	85,007
COMPREHENSIVE LOSS ATTRIBUTABLE TO DYNARESOURCE, INC. COMMON SHAREHOLDERS	\$(894,183)	\$(16,628)	\$(1,882,366)	\$(1,607,073)	\$(25,541,807)
EARNINGS PER SHARE, Basic and Diluted					
Weighted Average Shares Outstanding	10,832,564	10,764,935	10,802,008	10,703,396	
(Loss) per Common Share	\$(0.0825)	\$(0.0033)	\$(0.1743)	\$(0.1549)	

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

DYNARESOURCE, INC.

(An Exploration Stage Company)

Consolidated Statement of Changes in Stockholders' Equity

For the Nine Months Ended September 30, 2013 (Unaudited)

and the Year Ended December 31, 2012 (Audited)

	Preferred-Series A		Preferred-Series B		Common		Preferred	Additional	Treasury	Other
	Shares	Amount	Shares	Amount	Shares	Amount	Rights	Paid In Capital	Stock	Comprel Income
Balance, January 1, 2012	1,000	1,000	—	—	10,602,868	106,029	40,000	38,421,114	—	575,600
Sale of Common Shares					199,140	1,991		1,260,459		
Common Stock Options Issued										