

SILVER HORN MINING LTD.  
Form 10-Q  
May 11, 2012

UNITED STATES  
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 AND EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

or

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

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

Commission File Number: 000-25097

Silver Horn Mining Ltd.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation of organization)

65-0783722  
(I.R.S. Employer  
Identification No.)

3346 W. Guadalupe Rd., Apache Junction, Arizona 85120  
(Address of principal executive offices) (Zip Code)

(480) 288-6530  
(Registrant's telephone number, including area code)

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 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   
(Do not check if 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. 253,033,555 shares of common stock are issued and outstanding as of May 15, 2012.

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SILVER HORN MINING LTD. AND SUBSIDIARIES  
(AN EXPLORATION STAGE COMPANY)  
FORM 10-Q  
March 31, 2012

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OTHER PERTINENT INFORMATION

Unless specifically set forth to the contrary, "Silver Horn," "Eclips," "we," "us," "our" and similar terms refer to Silver Horn Mining Ltd., a Delaware corporation, and subsidiaries.

SILVER HORN MINING LTD. AND SUBSIDIARIES  
(AN EXPLORATION STAGE COMPANY)  
CONSOLIDATED BALANCE SHEETS

	March 31, 2012 (Unaudited)	December 31, 2011
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$10,669	\$15,047
Prepaid expenses	21,347	39,945
Debt issuance cost - current portion	-	517
<b>Total Assets</b>	<b>\$32,016</b>	<b>\$55,509</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$586,984	\$430,408
Convertible debentures and notes payable, net of debt discount	108,824	145,959
Liabilities of discontinued operations	112,397	112,397
<b>Total Liabilities</b>	<b>808,205</b>	<b>688,764</b>
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, \$0.0001 par value; 10,000,000 authorized		
Series A, 3,000,000 issued and outstanding	300	300
Series B, none issued and outstanding	-	-
Series C, none issued and outstanding	-	-
Common stock; \$0.0001 par value; 750,000,000 shares authorized; 253,033,555 and 225,833,555 shares issued and outstanding as of March 31, 2012 and December 31, 2011, respectively	25,303	22,583
Additional paid-in capital	47,809,748	44,125,952
Accumulated deficit	(41,947,270)	(41,947,270)
Accumulated deficit since inception of exploration stage (April 25, 2011)	(6,664,270 )	(2,834,820 )
<b>Total Stockholders' Deficit</b>	<b>(776,189 )</b>	<b>(633,255 )</b>
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$32,016</b>	<b>\$55,509</b>

See accompanying notes to unaudited consolidated financial statements.

SILVER HORN MINING LTD. AND SUBSIDIARIES  
(AN EXPLORATION STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended March 31,		Period from Inception of Exploration stage (April 25, 2011) through March 31, 2012
	2012 (Unaudited)	2011 (Unaudited)	(Unaudited)
Net revenues	-	\$-	\$ -
<b>Operating expenses:</b>			
Payroll expense and stock based compensation	3,627,912	9,000	4,138,282
Exploration cost	10,949	-	167,312
Impairment of mineral rights	-	-	500,000
Professional and consulting	70,987	118,815	379,236
General and administrative expenses	99,381	15,837	416,955
Total operating expenses	3,809,229	143,652	5,601,785
Loss from operations	(3,809,229 )	(143,652 )	(5,601,785 )
<b>Other income (expense)</b>			
Gain from settlement of debt	-	28,244	-
Interest income (expense), net	(20,221 )	(296,831 )	(381,545 )
Change in fair value of derivative liabilities	-	(5,467,711 )	(680,940 )
Total other expenses	(20,221 )	(5,736,298 )	(1,062,485 )
Net Loss	(3,829,450 )	\$(5,879,950 )	\$ (6,664,270 )
<b>NET LOSS PER COMMON SHARE:</b>			
Basic and Diluted	(0.02 )	\$(0.03 )	\$ (0.03 )
<b>WEIGHTED AVERAGE COMMON SHARES</b>			
OUTSTANDING - Basic and Diluted	237,901,687	181,649,788	218,238,833

See accompanying notes to unaudited consolidated financial statements.

SILVER HORN MINING LTD. AND SUBSIDIARIES  
(AN EXPLORATION STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31,		Period from Inception of Exploration stage (April 25, 2011) through March 31, 2012 (Unaudited)
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)
<b>Cash flows from operating activities:</b>			
Net loss	\$ (3,829,450 )	\$ (5,879,950 )	\$ (6,664,270 )
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of prepaid expenses	-	45,567	95,034
Amortization of debt issuance costs	517	1,563	5,206
Amortization of debt discount	17,865	288,854	352,678
Impairment of mineral rights	-	-	500,000
Change in fair value of derivative liabilities	-	5,467,711	680,940
Stock based consulting	-	-	130,000
Stock based compensation expense	41,516	-	373,648
Common stock issued for services	3,500,000	-	3,500,000
Gain from settlement of debt	-	(28,244 )	-
(Increase) Decrease in:			
Prepaid expense	18,598	(24,200 )	(2,206 )
Increase (Decrease) in:			
Accounts payable and accrued expenses	156,576	54,156	343,308
Liabilities of discontinued operations	-	(15,000 )	-
Net cash used in operating activities	(94,378 )	(89,543 )	(685,662 )
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of common stock	-	-	550,000
Proceeds from exercise of stock warrants	-	125,000	-
Net proceeds from debentures	90,000	-	90,000
Net cash provided by financing activities	90,000	125,000	640,000
Net increase (decrease) in cash	(4,378 )	35,457	(45,662 )
Cash, beginning of period	15,047	94,053	56,331
Cash, end of period	\$ 10,669	\$ 129,510	\$ 10,669

SUPPLEMENTAL DISCLOSURE OF CASH FLOW  
INFORMATION:

Cash paid during the period for:

Interest	\$ -	\$ -	\$ -
Income Taxes	\$ -		