

LITTLE SQUAW GOLD MINING CO
Form SB-2/A
February 08, 2006

As filed with the Securities and Exchange Commission on February 8, 2006.

Registration Statement No. 333-130819

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SB-2 /A

(Amendment No. 1)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Little Squaw Gold Mining Company

(Exact name of Registrant as specified in its charter)

Alaska (State or jurisdiction of incorporation or organization)	1040 (Primary Standard Industrial Classification Code Number)	91-0742812 (I.R.S. Employee Identification No.)
3412 S. Lincoln Dr., Spokane, Washington 99203-1650 (Address of principal executive offices)		(509) 624-5831 (Registrant's telephone number, including area code)

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Approximate date of proposed sale to the public: **From time to time after the effective date of this registration statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933,

please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the

Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act

registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act

registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information contained in this prospectus is not complete and may be changed. The selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these shares, and the Selling Shareholders are not soliciting an offer to buy these shares in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

Subject to Completion: Dated February 8, 2006

Little Squaw Gold Mining Company

10,431,400 Shares of Common Stock

This is a public offering up to 10,431,400 shares of the common stock, par value \$0.10 per share, of Little Squaw Gold Mining Company, by selling shareholders listed beginning on page 13 of this prospectus. All of the shares being offered, when sold, will be sold by selling shareholders. The shares of common stock registered for resale under this registration statement include:

1,231,400 shares of common stock held by selling shareholders;

5,000,000 shares of common stock acquirable upon conversion of 6% Convertible Debentures of Little Squaw Gold Mining Company in the principal amount of One Million United States Dollars (US\$1,000,000);

1,200,000 shares of common stock acquirable upon exercise of warrants at exercise prices of \$0.30 to \$0.40 per share; and

3,000,000 shares of common stock acquirable upon exercise of Class A Warrants at the exercise price of \$0.30 per share.

The price at which the selling shareholders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions.

We will not receive any proceeds from the sale or distribution of the common stock by the selling shareholders. We may receive proceeds from the exercise of the warrants and/or the Class A Warrants upon exercise of these warrants, if any, and will use the proceeds from any exercise for general working capital purposes.

Our common stock is quoted on the National Association of Securities Dealers NASD Over-the-Counter Bulletin Board OTCBB under the symbol LITS:OB . On February 6, 2006 , the closing sale price for our common stock was \$0. 55 on the NASD OTCBB.

Investing in our common stock involves risks. See Risk Factors and Uncertainties beginning on page 6.

These securities have not been approved or disapproved by the SEC or any state securities commission nor has the SEC or any state securities commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2006.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from the information contained in this prospectus. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of when this prospectus is delivered or when any sale of our common stock occurs.

SUMMARY INFORMATION

The Offering

This is an offering of up to 10,431,400 shares of our common stock by certain selling shareholders.

Shares Offered By the Selling 10,431,400 shares of common stock, \$0.10 par value per share,
Shareholders including:

1,231,400 shares of common stock held by selling shareholders;

5,000,000 shares of common stock acquirable upon conversion of 6% Convertible Debentures of Little Squaw Gold Mining Company in the principal amount of One Million United States Dollars (US\$1,000,000);

1,200,000 shares of common stock acquirable upon exercise of warrants at exercise prices of \$0.30 to \$0.40 per share; and

3,000,000 shares of common stock acquirable upon exercise of Class A Warrants at the exercise price of \$0.30 per share.

Offering Price Determined at the time of sale by the Selling Shareholders

Common Stock Outstanding 20,611,217 shares

as of February 8, 2006 ⁽¹⁾

Use of Proceeds We will not receive any of the proceeds of the shares offered by the Selling Shareholders. We may receive proceeds from the exercise of the warrants and/or the Class A Warrants upon exercise of these warrants, if any, and will use the proceeds from any exercise for general working capital purposes.

Dividend Policy We currently intend to retain any future earnings to fund the development and growth of our business. Therefore, we do

not currently anticipate paying cash dividends.

OTC Bulletin Board Symbol

LITS:OB

(1)

Excludes 5,000,000 shares of common stock acquirable upon conversion of the 6% convertible debentures, 1,200,000 shares of common stock acquirable upon exercise of warrants at \$0.30 to \$0.40 per share , 3,000,000 shares of common stock acquirable upon exercise of Class A Warrants at \$0.30 per share , and 2,337,000 shares of common stock acquirable upon the exercise of Class B Warrants at \$0.35 to \$0.65 per share .. After giving effect to these transactions, we would have 32,148,217 shares of common stock issued and outstanding as of February 8, 2006 ..

Unless otherwise indicated, the number of shares of our common stock outstanding excludes:

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320,000 shares of common stock issuable upon vested exercise of options outstanding as of February 8, 2006 at a weighted average exercise price of \$0.23 per share; and

1,200,000 shares of common stock issuable upon exercise of warrants outstanding as of February 8, 2006 at a weighted average exercise price of \$0.35 per share;

5,000,000 shares issuable upon conversion of 6% convertible debentures at the conversion price of \$0.20 per share outstanding as of February 8, 2006 ; and

580,000 shares of common stock available for future grant under our Restated 2003 Stock Option Plan as of February 8, 2006 ..

2,337,000 shares of common stock issuable upon exercise of Class B Warrants at an exercise price of \$0.35 per share through January 31, 2006, \$0.50 per share from February 1, 2007 through January 31, 2008, and \$0.65 per share from February 1, 2008 through January 31, 2009.

Summary of Our Business

We, Little Squaw Gold Mining Company, are engaged in the business of acquiring and exploring mineral properties throughout the Americas, primarily those containing gold and associated base and precious metals. We are incorporated under the laws of the State of Alaska on March 26, 1959. Our executive offices are located at 3412 S. Lincoln Dr., Spokane, WA 99203, and our phone number there is (509) 624-5831.

At this time our 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 (Map 1). We own in fee 426.5 acres of patented federal mining claims consisting of 21 lode claims, one placer claim and one mill site. We control an additional 9,566.5 acres of unpatented State of Alaska mining claims consisting of 90 claims. State mining claims provide exploration and mining rights to both lode and placer mineral deposits. The claims are contiguous, comprising a block covering 9,993 acres, and are being maintained by us specifically for the possible development of placer and lode gold deposits (Map 2). We do not intend to conduct mining operations on our own account at this time. Rather we plan to undertake cost efficient and effective exploration activities to discover mineralization and potentially mineral reserves, which may upgrade the value of our properties and then joint venture or sell properties to qualified major mining companies. We intend to focus our activities only on projects that are primarily gold deposits.

We are an exploration stage company, and none of the properties that we own or control contain any known ore reserves or mineralized material under the definition of ore reserves under SEC Industry Guide 7. Although there is a history of past lode and placer production on our Chandalar property, the property is at an early stage of exploration, and the probability that ore reserves that meet SEC guidelines will be discovered on an individual prospect at Chandalar is slight. We have assayed gold mineralization in samples from 28 prospects on our Chandalar property (Map 3). A great deal of further work is required on our properties before a final determination as to the economic and legal feasibility of a mining venture can be made. There is no assurance that a commercially viable deposit will be proven through the exploration efforts by us at Chandalar. We cannot assure you that funds expended on our properties will be successful in leading to the delineation of ore reserves that meet the criteria established under SEC guidelines.

Our initial focus is on exploration of our Chandalar property. The arctic climate limits exploration activities to a summer field season that generally starts in early May and lasts until freeze up in mid-September. There are many operating mines located elsewhere within North America that are located above the Arctic Circle. Management believes year-round operations at Chandalar are feasible should an exploitable deposit of gold be proven through seasonal exploration and development.

We intend to raise approximately \$ 1,000,000 during the next six months to fund exploration work on the Chandalar property and for working capital requirements. We expect to accomplish this by private placement offerings of our securities similar to those by which the selling shareholders acquired their shares and under comparable terms or also possibly by entering into a joint venture mineral development agreement on our Chandalar property with a senior mining company partner which could involve, in part, their purchasing our securities.

Selected Financial Data

The selected financial information presented below as of and for the periods indicated is derived from our financial statements contained elsewhere in this prospectus and should be read in conjunction with those financial statements.

INCOME STATEMENT DATA:	Year Ended		Three Months Ended		Nine Months Ended	
	December 31,		September 30,		September 30,	
	2004	2003	2005	2004	2005	2004
			(unaudited)		(unaudited)	
Revenue	-	\$ 5,799	-	-	-	-
Operating Expenses	-	4,904	-	-	-	-
Net Loss	\$ 553,178	221,772	\$ 95,141	\$ 107,861	\$ 283,988	\$ 308,040
Loss per Common share*	\$0.04	\$0.02	Nil	Nil	Nil	Nil
Weighted Average Number of Common Shares Outstanding ⁽¹⁾						
	14,811,488	9,898,792	15,835,594	14,974,117	15,573,728	14,564,747

BALANCE SHEET DATA:	At December 31, 2004	At September 30, 2005⁽¹⁾
		(unaudited)
Working Capital (Deficiency)	\$ 1,261	\$ (97,997)
Total Assets	367,560	427,388
Accumulated (Deficit)	(2,009,101)	(2,293,089)
Stockholders Equity	\$279,768	\$182,961

*

Basic.

(1)

Effective November 21, 2005, we closed the private placement of 6% Convertible Debentures in the principal amount of One Million United States Dollars (\$1,000,000) and 2,500,000 Class A Warrants for and in consideration of One Million United States Dollars (\$1,000,000). We also issued 500,000 Class A Warrants exercisable to acquire shares of common stock at \$0.30 per shares to a placement agent in connection with the private placement. On January 31, 2006, we closed a private placement of 3,895,000 Units, at a price of \$0.25 per Unit for gross proceeds of \$973,750. Each Unit consisted of one share of the registrant's common stock, par value \$0.10, 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. We paid an agent's commission of 10% of the gross proceeds and issued the agent 389,500 Class B Warrants. Information contained in the selected financial data table does not give effect to the private placement s ..



RISK FACTORS AND UNCERTAINTIES

Readers should carefully consider the risks and uncertainties described below before deciding whether to invest in shares of our common stock.

Our failure to successfully address the risks and uncertainties described below would have a material adverse effect on our business, financial condition and/or results of operations, and the trading price of our common stock may decline and investors may lose all or part of their investment. We cannot assure you that we will successfully address these risks or other unknown risks that may affect our business.

Estimates of mineralized material are inherently forward-looking statements subject to error. Although estimates of mineralized material require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Actual results will inherently differ from estimates. The unforeseen events and uncontrollable factors include: geologic uncertainties including inherent sample variability, metal price fluctuations, variations in mining and processing parameters, and adverse changes in environmental or mining laws and regulations. The timing and effects of variances from estimated values cannot be accurately predicted.

We have no proven or probable reserves.

We have no probable or proven reserves on any of our properties, and we have not completed a feasibility study on our Chandalar property. Therefore, we cannot be certain that minerals will be discovered in sufficient quantities and grade at Chandalar to justify commercial operations. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. If we are unable to upgrade our mineralized material to proven and probable reserves in sufficient quantities to justify commercial operations, we will be unable to develop mines and our financial condition and results of operations could be adversely affected.

We have no history of commercial production.

Small scale placer and lode miners have historically produced limited amounts of gold on the Chandalar property. Recorded historical production on the property since 1904 totals 83,987 ounces of gold (not all of the gold production has been recorded) Between 1979 and 1999 we were paid an 8% in kind production royalty of 1,246.14 ounces of gold on 15,735.54 ounces of gold mined by our placer miner lessees. Between 1970 and 1983 combined lode production from our operations and those of our lessees was 9,039 ounces of gold from 11,819 tons. These operations were economically marginal and did not yield profits of any significance to the Company. We currently have no commercial placer or lode production operation at Chandalar, and have carried on our business of exploring the property at a loss. We expect to continue to incur losses unless and until such time as our properties enter into commercial production and generate sufficient revenues to fund our continuing operations. The development of new mining operations at Chandalar will require the commitment of substantial resources toward exploration work and the

completion of a feasibility study. We expect to incur substantial losses for the foreseeable future related to operating expenses, exploration activities and capital expenditures, which may increase in subsequent years as needed consultants, personnel and equipment are retained as we continue exploration and, if warranted, development activities. The amounts and timing of expenditures will depend on the progress of ongoing exploration, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, our acquisition of additional properties, and other factors, many of which are beyond our control. We may not generate any revenues or achieve profitability.

Chandalar is located within the remote Arctic Circle region and exploration and development activities may be limited by climate and location.

Our initial focus is on exploration of our Chandalar property. The arctic climate limits exploration activities to a summer field season that generally starts in early May and lasts until freeze up in mid-September. The remote location of our Chandalar property limits access and increases exploration and development expenses. Costs associated with such activities are estimated to be between 25% and 50% higher than costs associated with similar activities in the lower 48 states in the United States. Transportation and availability of qualified personnel is also limited because of the remote location. Higher costs associated with exploration activities and limitations on the periods in which we can carry on exploration activities will increase the costs and time associated with our planned activities and may affect the value of our property and securities.

Our operations will require us to raise an additional \$ 1,000,000 in capital during the next six months.

We are an early stage company and currently do not have sufficient capital to fully fund the Plan of Operation at the Chandalar property. We estimate that we will be required to raise an additional \$ 1,000,000 within the next six months to provide us with sufficient capital to fund our planned exploration work on the Chandalar property and our working capital requirements for 2006. We expect to accomplish this by private placement offerings of our securities similar to those by which the selling shareholders acquired their shares and under comparable terms or also possibly by entering into a joint venture mineral development agreement on our Chandalar property with a senior mining company partner which could involve, in part, their purchasing our securities. We estimate that we will require substantial additional financing thereafter, the level of which will depend on the results of our exploration work and recommendations of our management and consultants. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production, if warranted, on any or all of our properties or even a loss of property interest. We cannot be certain that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable or acceptable to us.

Our exploration activities may not be commercially successful.

We currently have no properties that produce gold, as our initial property is the Chandalar property which is an exploration project. Mineral exploration is highly speculative in nature, involves many risks and is frequently nonproductive. Unusual or unexpected geologic formations, and the inability to obtain suitable or adequate machinery, equipment or labor are risks involved in the conduct of exploration programs. We are currently conducting exploration and deposit definition drilling at Chandalar. The success of gold exploration is determined in part by the following factors:

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the identification of potential gold mineralization based on superficial analysis;

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availability of government-granted exploration permits;

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the quality of our management and our geological and technical expertise; and

the capital available for exploration.

Substantial expenditures are required to establish proven and probable reserves through drilling and analysis, to develop metallurgical processes to extract metal, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which fluctuate widely; and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. We cannot assure you that any gold reserves or mineralized material acquired or discovered will be in sufficient quantities to justify commercial operations.

Exploration activities involve a high degree of risk.

Our operations will be subject to all the hazards and risks normally encountered in the exploration, and if warranted development and production of gold and other base or precious metals. These hazards and risks include, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

The parameters used in estimating mining and processing efficiency are based on testing and experience with previous operations. While the parameters used have a reasonable basis, various unforeseen conditions can occur that may materially affect the estimates. In particular, past operations indicate that care must be taken to ensure that proper ore grade control is employed and that proper steps are taken to ensure that the underground mining operations are executed as planned. The mining contracts for the mines include clauses addressing these issues to help ensure planned requirements are met. Nevertheless, unforeseen difficulties may occur in planned operations.

If we make a decision to develop the Chandalar property, we plan to process the gold mineralization using technology that has been demonstrated to be commercially effective at other quartz vein hosted gold deposits in Alaska and elsewhere in the world. These techniques may not be as efficient or economical as we project, and we may never achieve profitability.

We may be adversely affected by fluctuations in gold prices.

The value and price of securities, our financial results, and our exploration activities may be significantly adversely affected by declines in the price of gold and other precious metals. Gold prices fluctuate widely and are affected by numerous factors beyond our control such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of gold producing countries throughout the world. The price for gold fluctuates in response to many factors beyond anyone's ability to predict. The prices used in making the resource estimates are disclosed and differ from daily prices quoted in the news media. The percentage change in the price of a metal cannot be directly related to the estimated resource quantities, which are affected by a number of additional factors. For example, a 10 percent change in price may have little impact on the estimated resource quantities and affect only the resultant positive cash flow, or it may result in a significant change in the amount of resources. Because mining occurs over a number of years, it may be prudent to continue mining for some periods during which cash flows are temporarily negative for a variety of reasons including a belief that the low price is temporary and/or that a greater expense would be incurred in closing a property permanently.

Mineralized material calculations and life-of-mine plans, if any, using significantly lower gold and precious metal prices could result in material write-downs of our investments in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting our mineralized material estimates and its financial aspects, declining metal prices can impact operations by requiring a reassessment of the commercial feasibility of a particular project. Such a reassessment may be the result of a management decision related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays in development or may interrupt operations, if any, until the reassessment can be completed.

Title to our properties may be subject to other claims.

Although we believe we have exercised the commercially reasonable due diligence with respect to determining title to properties we own or control and in the Chandalar mining district, there is no guarantee that title to such properties will not be challenged or impugned. Our mineral property interests may be subject to prior unrecorded agreements or transfers and title may be affected by undetected defects. There may be valid challenges to the title of our properties which, if successful, could impair development and/or operations.

A significant portion of our mineral rights to the Chandalar property consist of unpatented lode mining claims created and maintained on deeded state land in accordance with the laws governing Alaska state mining claims . We have no unpatented mining claims on federal land in the Chandalar mining district, or anywhere else. Unpatented mining claims are unique property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of complex state laws and regulations. Also, unpatented mining claims are always subject to possible challenges by third parties or validity contests by the state government. In addition, there are few public records that definitively determine the issues of validity and ownership of unpatented state mining claims.

None of our mining property is leased from or to other parties. Estimates of mineralized materials are subject to geologic uncertainty and inherent sample variability.

No fraction of our Chandalar property is held by mineral lease from another party, nor have we leased any of the property to another person or business entity.

Although any estimates of mineralized material at Chandalar would have been delineated with appropriately spaced drilling, there is inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There also may be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations. Acceptance of these uncertainties is part of any mining operation.

We currently depend on a single property - the Chandalar property.

Our only mineral property is the Chandalar property. Even though the Chandalar property encompasses several areas with known gold mineralization, unless we acquire additional properties or projects outside of Chandalar or discover additional deposits at Chandalar, we will be solely dependent upon a single mine operation at the Chandalar property for its revenue and profits, if any. We cannot provide any assurance that we will establish any reserves on the Chandalar property or that we will successfully develop any mining operations at the Chandalar property.

Government regulation may adversely affect our business and planned operations.

We believe our Chandalar, Alaska project currently complies with existing environmental and mining laws and regulations affecting its operations. Our mining, processing, development and mineral exploration activities, if any, are subject to various laws governing prospecting, mining, development, production, taxes, labor standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

We cannot assure that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. The economics of any potential mining operation on our Chandalar property would be particularly sensitive to changes in the State of Alaska's tax regime. At present, Alaska has a 7% net profits mining license tax on all mineral production (AS 43.65), a 3% net profits royalty on minerals from state lands (AS 38.05.212) (where we hold unpatented state mining claims), and a graduated mining claim rental beginning at \$0.50/acre. Alaska state corporate income tax is 9.4% if net profit is more than a set threshold amount. Alaska has an exploration incentive credit program (AS 27.30.010) whereby up to \$20 million in approved accrued exploration credits can be deducted from the state mining license tax, the state corporate income tax, and the state mining royalty. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a material adverse impact on our business and financial condition.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on our business and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Our operations are subject to environmental risks.

All phases of our operations, if any, will be subject to federal, state and local environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. We cannot be certain that future changes in environmental regulation, if any, will not adversely affect our operations, if any. Environmental hazards may exist on the properties on which we hold and will hold interests which are unknown to us at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to

compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Production, if any, at our mines will involve the use of hazardous materials. Should these materials leak or otherwise be discharged from their containment systems, then we may become subject to liability for hazards that may not be insured against or for clean up work that may not be insured.

We will be required to locate mineral reserves for our long-term success.

Because mines have limited lives based on proven and probable mineral reserves, we will have to continually replace and expand mineral reserves, if any, should the Chandalar property begin gold production. Our ability to maintain or increase annual production of gold once the Chandalar property is restarted, if at all, will be dependent almost entirely on our ability to bring new mines into production.

We do not insure against all risks.

Our insurance will not cover all the potential risks associated with a mining company's operations. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to us or to other companies in the mining industry on acceptable terms. We might also become subject to liability for pollution or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could have a material adverse effect upon our financial condition and results of operations.

We compete with larger, better capitalized competitors in the mining industry.

The mining industry is competitive in all of its phases. We face strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than us. As a result of this competition, we may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, our revenues, operations and financial condition could be materially adversely affected.

We are dependent on our key personnel.

Our success depends on our key executives: Richard R. Walters, President and Becky Corigliano, Chief Financial Officer. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Corporation. Our ability to manage our exploration and development activities, and hence our success, will depend in large part on the efforts of these individuals. We face intense competition for qualified personnel, and we cannot be certain that we will be able to attract and retain such personnel.

New legislation, including the Sarbanes-Oxley Act of 2002, may make it difficult for us to retain or attract officers and directors.

We may be unable to attract and retain qualified officers, directors and members of board committees required to provide for our effective management as a result of the recent and currently proposed changes in the rules and

regulations which govern publicly-held companies. The Sarbanes-Oxley Act of 2002 has resulted in a series of rules and regulations by the Securities and Exchange Commission that increase responsibilities and liabilities of directors and executive officers. The perceived increased personal risk associated with these recent changes may deter qualified individuals from accepting these roles.

While we believe we have adequate internal control over financial reporting, we are required to evaluate our internal controls under Section 404 of the Sarbanes-Oxley Act of 2002, and any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on the price of our shares of common stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we expect that beginning with our annual report on Form 10-KSB for the fiscal year ended December 31, 2007, we will be required to furnish a report by management on our

internal controls over financial reporting. Such report will contain among other matters, an assessment of the effectiveness of our internal control over financial reporting, including a statement as to whether or not our internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by our management. Such report must also contain a statement that our auditors have issued an attestation report on our management's assessment of such internal controls. Public Company Accounting Oversight Board Auditing Standard No. 2 provides the professional standards and related performance guidance for auditors to attest to, and report on, our management's assessment of the effectiveness of internal control over financial reporting under Section 404.

While we believe our internal control over financial reporting is effective, we are still compiling the system and processing documentation and performing the evaluation needed to comply with Section 404, which is both costly and challenging. We cannot be certain that we will be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that such internal control is effective. If we are unable to assert that our internal control over financial reporting is effective as of December 31, 2007 (or if our auditors are unable to attest that our management's report is fairly stated or they are unable to express an opinion on the effectiveness of our internal controls), we could lose investor confidence in the accuracy and completeness of our financial reports, which would have a material adverse effect on our stock price.

Failure to comply with the new rules may make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage and/or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors, or as executive officers.

Risks Related to this Offering

You may lose your entire investment in our securities.

An investment in our common stock is highly speculative and may result in the loss of your entire investment. Only potential investors who are experienced investors in high risk investments and who can afford to lose their entire investment should consider an investment in us.

The market for our common shares has been volatile in the past, and may be subject to fluctuations in the future.

The market price of our common stock has ranged from a high \$0.55 and a low \$0.20 during the twelve month period ended December 31, 2005. See "Market for Common Equity and Related Stockholder Matters" beginning on page 42 of this prospectus. We cannot assure you that the market price of our common stock will not significantly fluctuate from its current level. The market price of our common stock may be subject to wide fluctuations in response to quarterly variations in operating results, announcements of technological innovations or new products by us or our competitors, changes in financial estimates by securities analysts, or other events or factors. In addition, the financial markets have experienced significant price and volume fluctuations for a number of reasons, including the failure of the operating results of certain companies to meet market expectations that have particularly affected the market prices of equity securities of many exploration companies that have often been unrelated to the operating performance of such companies. These broad market fluctuations, or any industry-specific market fluctuations, may adversely affect the market price of our common stock. In the past, following periods of volatility in the market price of a company's securities, class action securities litigation has been instituted against such a company. Such litigation, whether with or

without merit, could result in substantial costs and a diversion of management's attention and resources, which would have a material adverse effect on our business, operating results and financial condition.

Broker-dealers may be discouraged from effecting transactions in our common stock because they are considered a penny stock and are subject to the penny stock rules.

Rules 15g-1 through 15g-9 promulgated under the Exchange Act impose sales practice and disclosure requirements on certain brokers-dealers who engage in certain transactions involving a penny stock. Subject to certain exceptions, a penny stock generally includes any non-NASDAQ equity security that has a market price of less than \$5.00

per share. The market price of our common stock on the OTCBB during the period from January 1, 2004 to December 31, 2005, ranged between a high \$0.55 and a low \$0.20, and our common stock is deemed penny stock for the purposes of the Exchange Act. The additional sales practice and disclosure requirements imposed upon brokers-dealers may discourage broker-dealers from effecting transactions in our common stock, which could severely limit the market liquidity of the stock and impede the sale of our stock in the secondary market.

A broker-dealer selling penny stock to anyone other than an established customer or accredited investor, generally, an individual with net worth in excess of \$1,000,000 or an annual income exceeding \$200,000, or \$300,000 together with his or her spouse, must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt. In addition, the penny stock regulations require the broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the United States Securities and Exchange Commission relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the registered representative and current quotations for the securities. Finally, a broker-dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks.

In the event that your investment in our shares is for the purpose of deriving dividend income or in expectation of an increase in market price of our shares from the declaration and payment of dividends, your investment will be compromised because we do not intend to pay dividends.

We have never paid a dividend to our shareholders, and we intend to retain our cash for the continued development of our business. We do not intend to pay cash dividends on our common stock in the foreseeable future. As a result, your return on investment will be solely determined by your ability to sell your shares in a secondary market.

FORWARD-LOOKING STATEMENTS

We use words like expects, believes, intends, anticipates, plans, targets, projects or estimates in this prospectus. When used, these words and other, similar words and phrases or statements that an event, action or result will, may, could, or should occur, be taken or be achieved identify forward-looking statements. This prospectus contains forward-looking information which may include, but is not limited to, statements with respect to the following:

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future financial or operating performances of Little Squaw, its subsidiaries and its projects;

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the future price of gold, silver or other metals;

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the estimation of mineral resources and the realization of mineral reserves, if any, based on estimates;

estimates related to costs of capital, operating and exploration expenditures;

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requirements for additional capital;

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government regulation of exploration activities operations, environmental risk and, as applicable, reclamation and rehabilitation expenses;

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title disputes or claims;

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limitations of insurance coverage; and

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the timing and possible outcome of pending regulatory and permitting matters.

Such forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions, including, the risks and uncertainties outlined under the sections titled "Risk Factors and Uncertainties" beginning at page 4 of this prospectus, "Description of the Business" beginning at page 25 of this prospectus and "Management's Discussion and Analysis" beginning at page 38 of this prospectus. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected.

Our management has included projections and estimates in this prospectus, which are based primarily on management's experience in the industry, assessments of our results of operations, discussions and negotiations with third parties and a review of information filed by our competitors with the Securities and Exchange Commission or otherwise

publicly available. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

We qualify all the forward-looking statements contained in this prospectus by the foregoing cautionary statements.

DIVIDEND POLICY

We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Any further determination to pay cash dividends will be at the discretion of our board of directors and will be dependent on the financial condition, operating results, capital requirements and other factors that our board deems relevant. We have never declared a dividend.

SELLING SHAREHOLDERS

This prospectus covers the offering of up to 10,431,400 shares of our common stock by Selling Shareholders. We will not receive any proceeds from the sale of the shares by the Selling Shareholders.

If we issue all of the common stock issuable upon exercise of the warrants and Class A Warrants held by Selling Shareholders, we will receive proceeds of between \$1,260,000 and \$1,380,000, depending on the year in which they may be exercised. We intend to use such proceeds, if any, for general working capital purposes. We cannot assure you that any of the warrants will be exercised.

The shares issued to the Selling Shareholders or issuable to Selling Shareholders upon conversion of the 6% convertible debentures or exercise of the warrants are restricted shares under applicable federal and state securities laws and are being registered to give the Selling Shareholders the opportunity to sell their shares. The registration of such shares does not necessarily mean, however, that any of these shares will be offered or sold by the Selling Shareholders. The Selling Shareholders may from time to time offer and sell all or a portion of their shares in the over-the-counter market, in negotiated transactions, or otherwise, at market prices prevailing at the time of sale or at negotiated prices.