

GOLD RESOURCE CORP
Form POS AM
October 07, 2009

As filed with the Securities and Exchange Commission on October 6, 2009
Registration No. 333-129321

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

FORM S-1/A
Post- Effective Amendment No. 5

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

GOLD RESOURCE CORPORATION
(Name of small business issuer in its charter)

Colorado	1041	84-1473173
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

222 Milwaukee Street, Suite 301, Denver, Colorado 80206
(303) 320-7708
(Address and telephone number of principal executive offices)

222 Milwaukee Street, Suite 301, Denver, Colorado 80206
(Address of principal place of business or intended place of business)

William W. Reid, President
Gold Resource Corporation
222 Milwaukee Street, Denver, Colorado 80206
(303) 320-7708
(Name, address and telephone number of agent for service)

With a copy to:
David J. Babiarz, Esq.
Jessica M. Browne, Esq.
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1700 Broadway, Suite 2100
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Approximate date of commencement of proposed sale to public: As soon as practical 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, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒ x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) 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. ☐ o

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. ☐ o

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. ☐ o

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	<input type="checkbox"/> o	Accelerated filer	<input type="checkbox"/> o
Non-accelerated filer	<input checked="" type="checkbox"/> x	Smaller reporting company	<input type="checkbox"/> o

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 the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

The registrant hereby files this fifth post-effective amendment to its registration statement on Form SB-2 (File No. 333-129321) as originally filed with the Securities and Exchange Commission on October 28, 2005. The amendment is filed to include information required by Section 10(a)(3) of the Securities Act of 1933, as amended (the “Securities Act”).

The registrant previously paid a registration fee of \$1,929.19 in connection with the filing of the initial registration statement.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 6, 2009

PROSPECTUS

GOLD RESOURCE CORPORATION

7,293,407 Shares
of Common Stock
Offered by
Selling Shareholders

Certain of our shareholders identified in the section of this prospectus titled "SELLING SHAREHOLDERS" may offer and sell from time to time up to 7,293,407 shares of our common stock owned by those shareholders, their transferees, pledges, donees or successors in interest. The shares may be offered at prices prevailing in the market or at privately negotiated prices. We will not receive the proceeds from the sale of those shares. The selling shareholders may sell these securities to or through one or more underwriters, broker-dealers or agents, or directly to purchasers on a continuous or delayed basis. The names of any underwriters or agents will be included in a post-effective amendment to the registration statement of which this prospectus is a part, as required. See "PLAN OF DISTRIBUTION" on page 51 for additional information.

Our common stock currently trades over the counter and is quoted on the OTC Bulletin Board ("OTCBB") under the symbol "GORO." On October 5, 2009, the closing price of our common stock was \$7.35.

Investing in our common stock involves risks that are described in the "RISK FACTORS" section beginning on page 4 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of our common stock or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2009

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Additional Information

This prospectus contains descriptions of certain contracts, agreements or other documents affecting our business. These descriptions are not necessarily complete. For the complete text of these documents, you can refer to the exhibits filed with the registration statement of which this prospectus is a part. (See “WHERE YOU CAN FIND MORE INFORMATION”).

You should rely only on the information contained in this prospectus, or to which we have referred you. We have not authorized anyone to provide you with information other than as contained or referred to in this prospectus. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate as of the date of this document.

Special Note Regarding Forward-Looking Statements

Please see the note under “RISK FACTORS” for a description of special factors potentially affecting forward-looking statements included in this prospectus

SUMMARY

The following summary highlights information contained elsewhere in this prospectus. It does not contain all of the information you should consider before investing in our stock. You should read the entire prospectus carefully, including the sections entitled “RISK FACTORS” and “FINANCIAL STATEMENTS.”

As used in this prospectus, unless the context requires otherwise, the terms “Gold Resource,” “we,” “our” or “us” refer to Gold Resource Corporation and where the context requires, our consolidated subsidiaries.

Our Company

We are an exploration stage company organized in Colorado on August 24, 1998 to search for gold and silver. We currently have an interest in five properties located in the southern state of Oaxaca, Mexico. Our five properties are called the El Aguila property, the Las Margaritas property, the El Rey property, the Solaga property and the Alta Gracia property. Our exploration efforts and development activities to date are primarily focused on the El Aguila property and El Rey property. We have yet to commence exploration activity on the Las Margaritas property, the Solaga property or the Alta Gracia property.

We leased an interest in several mineral claims in 2002. We hold a 100% interest in these claims which total approximately 1,896 hectares (4,685 acres)¹ and which comprise the El Aguila property and Las Margaritas property. In response to what we perceive to be promising drilling results at the El Aguila property, we moved forward with our plans to develop this property for mineral production, which we now refer to as the “El Aguila Project.” We are nearing completion of the mill facility and other infrastructure required to commence production, including an access road and tailings impoundment facility. To date, we have committed or spent approximately \$22,000,000 on construction of a mill and an additional \$6,000,000 on infrastructure. We estimate we will spend an additional \$5,000,000 to complete the mill facility. We anticipate that the facility we are building will process 850 tonnes of ore per day through a flotation circuit and 150 tonnes of ore per day through an agitated leach circuit. We are estimating completion of the mill in 2009, but we cannot predict the exact date since the construction progress depends on the performance of multiple contractors.

We expect that mining in the first year of production will take place at the El Aguila near-surface mineralization open pit mine and have commenced pre-stripping of the open pit mine area. Mining in the second year is anticipated to come from another area of mineralized material we refer to as the La Arista vein, and will require development of an underground mine.

To date, at the El Aguila property, we have drilled approximately 373 holes totaling 53,476 meters (175,400 feet). We are continuing our exploration efforts on this property, in addition to expanding our exploration efforts at the El Rey property. Through mid-2009, we have drilled 48 holes totaling 5,293 meters (17,361 feet) at El Rey.

¹ Please see the Glossary appearing at the end of the section titled “BUSINESS AND PROPERTIES” for a description of certain terms used in this prospectus, including conversion of metric units.

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Our operations in Mexico are conducted through our wholly-owned Mexican subsidiaries, Don David Gold, S.A. de C.V., Golden Trump S. A. de C.V. and Oaxaca Servicios Mineros, S.A. de C.V. All references to us or our company in this prospectus include our subsidiaries.

Our principal executive offices are located at 222 Milwaukee Street, Suite 301, Denver, Colorado 80206, and our telephone number is (303) 320-7708. We maintain a website at www.goldresourcecorp.com and through a link on our website you can view the periodic filings that we make with the SEC. The information contained on our website is not a part of this prospectus.

Recent Events

Strategic Alliance. In December 2008, we entered into a strategic alliance agreement with Hochschild Mining Holdings Limited (“Hochschild”), a Peruvian based precious metals producer operating primarily in the Americas. Pursuant to the terms of the strategic alliance agreement, we sold Hochschild 1,670,000 shares of our common stock for gross proceeds of \$5,010,000 in a private placement. We also granted Hochschild an 80-day option to purchase 4,330,000 additional shares of our common stock for gross proceeds of \$12,990,000, which was exercised on February 25, 2009. We also agreed, among other things, to offer Hochschild a right of first refusal to participate in future equity financings solicited by us prior to commencement of commercial production.

In June 2009, pursuant to its right of first refusal, Hochschild subscribed to purchase a total of 5,000,000 shares of our common stock for gross proceeds of \$20,000,000. We completed the transaction in two stages; the first closing for 1,250,000 shares occurred on June 30, 2009 and the second closing for the remaining 3,750,000 shares took place on July 20, 2009. We expect to use the proceeds of the second financing transaction with Hochschild to continue developing the El Aguila Project and for working capital. In addition, \$4,000,000 of the proceeds have been reserved to be used solely for additional exploration. See “BUSINESS AND PROPERTIES – Recent Developments” for additional information.

Permitting. In August 2009, we received the final federal permit from the Mexican government necessary to commence mining activity at the El Aguila Project. We expect to begin commercial mineral production in 2009.

The Offering

Common Stock outstanding before the Offering	46,095,489 shares(1)(2)(3)
Common Stock outstanding after the Offering	46,095,489 shares(1)(2)(3)
Common Stock offered by the Selling Shareholders	7,293,407
Use of Proceeds	We will not receive any proceeds from the sale of common stock by the selling shareholders
Stock Symbol	“GORO” on the OTCBB

(1) Adjusted to reflect a two for one stock split effective February 21, 2005. All references in this prospectus have been adjusted to reflect the results of that split.

(2) Excludes 3,500,000 shares of common stock underlying options which are presently exercisable.

(3) Includes shares to be offered by the selling shareholders.

Risk Factors

An investment in our common stock is subject to a number of risks. Risk factors relating to our company include a history of operating losses, lack of proven or probable reserves, location of our properties in a foreign country and dependence on key personnel. Risk factors relating to our common stock include our limited trading market, lack of dividends and volatility of our stock price. See “RISK FACTORS” for a full discussion of these and other risks.

Summary Financial Data

The following tables present certain selected historical consolidated financial data about our company. Historical consolidated financial information as of and for the years ended December 31, 2008 and 2007 has been derived from our consolidated financial statements, which have been audited by Stark Winter Schenkein & Co., LLP, our independent registered public accounting firm. The financial information for the six months ended June 30, 2009 and 2008 is unaudited. All amounts included in these tables and elsewhere in this prospectus are stated in United States dollars. You should read the data set forth below in conjunction with the section entitled “MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS,” our financial statements and related notes included elsewhere in this prospectus.

	Balance Sheet Data		
	June 30, 2009 (unaudited)	December 31, 2008	December 31, 2007
Cash and Cash Equivalents	\$ 6,122,813	\$ 3,534,578	\$ 22,007,216
Total Assets	7,460,091	4,781,018	22,557,576
Current Liabilities	1,113,987	1,753,285	768,452
Total Liabilities	1,113,987	1,753,285	768,452
Shareholders' Equity	6,346,104	3,027,733	21,789,124

	Operating Data				
	Six months ended June 30, 2009 (unaudited)		2008	Year ended December 31, 2007	2006
Other Income	\$ 8,919	\$ 264,950	\$ 333,609	\$ 242,513	\$ 57,089
Property Exploration and Evaluation	1,982,993	2,838,461	8,171,396	5,711,190	528,851
Engineering and Construction	11,757,472	3,596,871	14,501,461	--	--
General and Administrative Expenses	3,636,467	2,731,939	3,552,007	2,539,604	2,096,961
Total costs and expenses	17,447,868	9,222,694	26,348,812	8,318,855	2,743,851
Net Comprehensive (Loss)	(17,365,983)	(9,015,752)	(25,951,667)	(8,166,281)	(2,667,218)
Net (Loss) per Share	\$ (0.44)	\$ (0.26)	\$ (0.76)	\$ (0.28)	\$ (0.13)

RISK FACTORS

Investment in our common stock involves a high degree of risk and could result in a loss of your entire investment. Prior to making an investment decision, you should carefully consider all of the information in this prospectus and, in particular, you should evaluate the risk factors set forth below. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also impair our business operations. The following information summarizes all material risks known to us as of the date of this prospectus.

Risks Relating to Our Company

Since we have no operating history, investors have no basis to evaluate our ability to operate profitably. We were organized in 1998 but have had no revenue from operations since our inception. Our activities to date have been limited to organizational efforts, raising financing, acquiring mining properties, conducting limited exploration and preparation for production at the El Aguila Project. We have never produced gold or other metals and have received no revenue from operations to date. We face all of the risks commonly encountered by other businesses that lack an established operating history, including the need for additional capital and personnel, and intense competition. There is no assurance that our business plan will be successful. In particular, there can be no assurance that commercial production at our El Aguila Project will be achieved in the time frames estimated, at the rates and costs estimated, if at all.

We have a history of losses and may incur losses in the future. We have incurred losses since inception and may incur losses in the future. We incurred the following losses from operations during each of the following periods:

- Approximately \$17,448,000 for the six months ended June 30, 2009;
-