GOLD RESOURCE CORP
Form S-1/A
November 04, 2010

As filed with the Securities and Exchange Commission on November 4, 2010

Registration No. 333-170101

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to

Form S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

GOLD RESOURCE CORPORATION
(Exact name of registrant as specified in its charter)

Colorado	84-1473173
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2886 Carriage Manor Point, Colorado Springs, Colorado 80906
(303) 320-7708
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

William Reid, Chairman and Chief Executive Officer
Gold Resource Corporation
2886 Carriage Manor Point, Colorado Springs, Colorado 80906
(Name, address and telephone number of agent for service)

With copies to:
David J. Babiarz, Esq.
Jessica M. Browne, Esq.
Dufford & Brown, P.C.
1700 Broadway, Suite 2100
Denver, Colorado 80290-2100
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Approximate date of commencement of proposed sale to public: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

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, please 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, please 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 registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. o

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. 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 o	Accelerated filer x	Non-accelerated filer o	Smaller reporting company 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 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

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 NOVEMBER 4, 2010

PROSPECTUS

GOLD RESOURCE CORPORATION

3,475,000 Shares
of Common Stock
Offered by
Selling Shareholders

Certain of our shareholders identified in the section of this prospectus titled "SELLING SHAREHOLDERS", their transferees, pledgees, donees or successors in interest, may offer and sell from time to time up to 3,475,000 shares of our common stock owned by these shareholders. The shares were acquired by the Selling Shareholders in a private placement completed on September 23, 2010 and we agreed to file a registration statement of which this prospectus is a part to register the shares for resale. The shares may be offered on the NYSE Amex, in market transactions, in negotiated transactions or otherwise at prices prevailing in the market or at privately negotiated prices. We will not receive the proceeds from the sale of the shares. The selling shareholders may sell these shares 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 or a supplement to this prospectus, as required. See "PLAN OF DISTRIBUTION" on page 14 for additional information.

Our common stock currently trades on the NYSE Amex LLC, which we refer to as the NYSE Amex, under the symbol "GORO." On November 2, 2010, the closing price of our common stock was $21.45 per share.

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 _____, 2010

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Additional Information

This prospectus contains or incorporates by reference 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, or incorporated by reference into, 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.

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 our financial statements incorporated by reference from our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, as well as the section herein entitled "RISK FACTORS" for information about important risks that you should consider before investing in our common stock.

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 a precious metal production and exploration company focusing on gold and silver, organized in Colorado on August 24, 1998. We currently have an interest in five properties located in the southern state of Oaxaca, Mexico, one of which is currently in production. 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 and development activities to date have primarily focused on the El Aguila property. We commenced commercial production of the mineralized material from the El Aguila property in July 2010. To date, we have conducted limited drilling of our El Rey property but have yet to commence drilling of the Las Margaritas property, the Solaga property or the Alta Gracia property.

In 2007, in response to what we perceived to be promising drilling results at the El Aguila property, we implemented plans to develop this property for production, which we now refer to as the "El Aguila Project." During 2009, we completed construction of a mill facility at El Aguila designed to process up to 850 tonnes of ore per day through a flotation circuit and 150 tonnes of ore per day through an agitated leach circuit, depending on the type of ore. We began commissioning the mill in December 2009 and began producing concentrate in February 2010. In July 2010, we declared commercial production, when the mill was consistently reaching 80% recovery on at least 640 tonnes per day of mineralized material through the flotation circuit.

Our production to date has been exclusively from the El Aguila near-surface open pit mine. In an effort to assure a source of ore for continuous production, we undertook development of an underground mine at the nearby La Arista vein in early 2010. If that underground mine is successfully completed, we expect the ore will be processed at the existing mill at El Aguila, located a distance of approximately 2 kilometers from the mine. We expect to commence production from the underground mine sometime in 2011.

In December 2008, we entered into a strategic alliance agreement with Hochschild Mining Holdings Limited, which we refer to as Hochschild, a Peruvian-based precious metal producer operating primarily in the Americas. Pursuant to that agreement, we agreed, among other things, to sell Hochschild some of our common stock, to grant it a preemptive right to participate in future financings and a first right of refusal to participate in any joint ventures which we may propose to organize in the future. Since executing that agreement, we have sold 14,186,374 shares of our common stock to Hochschild for aggregate proceeds of approximately $65 million. Hochschild has also appointed one member of our board of directors, and has the right to appoint an additional member in the event its beneficial ownership of our common stock equals or exceeds 40%.

We are considered an exploration stage company for accounting purposes, since we have no proven or probable reserves under definitions recognized by the Securities and Exchange Commission, which we refer to as the SEC. In order to report proven or probable reserves, we believe it would be necessary for us to conduct additional drilling and exploration to further define our mineralization, as well as perform a feasibility study evaluating the economic and legal feasibility of producing mineralization at one or more of our projects. While we have not completed the steps necessary to define proven or probable reserves, we may undertake those efforts in the future.

Our principal executive offices are located at 2886 Carriage Manor Point, Colorado Springs Colorado 80906, 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. Except for any documents that are incorporated by reference into this prospectus that may be accessed from our website, the information available on or through our website is not a part of this prospectus.

Recent Events

Financing. On September 23, 2010, we completed a private placement pursuant to which we sold 3,475,000 shares of common stock for $16.00 per share (or gross proceeds of $55.6 million) to the investors listed in the "SELLING SHAREHOLDERS" section below. We intend to use the proceeds from the financing to accelerate the development of the La Arista underground mine and our exploration program at our Oaxaca properties, as well as to identify and acquire additional properties in an effort to diversify our property portfolio. Jefferies & Company, Inc. acted as the sole placement agent for this transaction and received a placement agent fee equal to 6% of the sale proceeds, or $3,336,000, plus expenses. In connection with the private placement, we agreed to file a registration statement with the SEC, of which this prospectus forms a part, to register the shares sold in the private placement for resale.

Exchange Listing. On August 26, 2010, our common stock was accepted for listing on the NYSE Amex, and continues to trade under the symbol "GORO."

The Offering

Common Stock outstanding before the Offering	52,998,303 shares(1)(2)
Common Stock outstanding after the Offering	52,998,303 shares(1)(2)
Common Stock offered by the Selling Shareholders	3,475,000
Use of Proceeds	We will not receive any proceeds from the sale of common stock by the selling shareholders.
Stock Symbol	"GORO" on the NYSE Amex

(1) Excludes 4,080,000 shares of common stock underlying options which are presently exercisable.
(2) 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 mineral reserves, a limited history of production, dependence on a single property, a royalty on certain production in favor of a third party, volatility in the price of gold and silver, intense competition, the possible need for additional capital, the possibility of uninsured losses, location of our

properties in a foreign country and dependence on key personnel. Risk factors relating to our common stock include market overhang, our limited trading market, limited 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, 2009, 2008 and 2007 has been derived from our consolidated financial statements, which have been audited by StarkSchenkein, LLP, our independent registered public accounting firm. The financial information for the six months ended June 30, 2010 and 2009 is unaudited and does not reflect proceeds from the private placement completed in September 2010. All amounts included in these tables are stated in United States dollars. You should read the data set forth below in conjunction with our financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference from our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

	Balance Sheet Data		
	June 30, 2010 (unaudited)	December 31, 2009	2008
Cash and Cash Equivalents	$5,390,651	$6,752,325	$3,534,578
Total Assets	22,495,547	22,664,758	4,781,018
Current Liabilities	1,618,228	724,439	1,753,285
Total Liabilities	3,680,051	2,716,426	1,753,285
Shareholders' Equity	18,815,496	19,948,332	3,027,733

	Operating Data				
	Six months ended June 30,		Year ended December 31,		
	2010	2009	2009	2008	2007
	(unaudited)				
Other Income	$33,721	$ 8,919	$54,497	$333,609	$242,513
Property Exploration and Evaluation	2,286,369	1,982,993	7,811,371	8,171,396	5,731,771
Engineering and Construction	8,275,278	11,757,472	20,994,436	14,501,461	--
General and Administrative Expenses	2,119,357	3,636,467	5,211,004	3,552,007	2,539,604
Total costs and expenses	13,111,151	17,447,868	34,183,804	26,348,812	8,318,855
Net Comprehensive (Loss)	(13,039,817)	(17,365,983)	(35,096,907)	(25,951,667)	(8,166,281)
Net (Loss) per Share	$(0.27)	$ (0.44)	$(0.78)	$(0.76)	$(0.28)

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.

Risks Relating to Our Company

We have incurred substantial losses since our inception and may never be profitable. Since our inception in 1998, we have never been profitable, and have not reported revenue from operations. During the fiscal years ended December 31, 2009 and 2008, and for the six months ended June 30, 2010, we have reported net losses of approximately $34 million, $26 million and $13 million, respectively. We had an accumulated deficit of approximately $88 million as of June 30, 2010. We expect to continue to incur losses unless and until we generate sufficient revenue from production to fund continuing operations. There is no assurance we will be profitable for any quarterly or annual period. Our failure to report profits may adversely affect the price of our common stock and you may lose all or part of your investment.

We have no proven or probable reserves, and any funds spent by us on exploration or development could be lost. We have not established the presence of any proven or probable mineral reserves, as defined by the SEC, at any of our properties. The SEC has defined a “reserve” as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Any mineralized material discovered by us should not be considered proven or probable reserves.

In order to demonstrate the existence of proven or probable reserves, it would be necessary for us to perform additional exploration to demonstrate the existence of sufficient mineralized material with satisfactory continuity and then obtain a positive feasibility study. Exploration is inherently risky, with few properties ultimately proving economically successful. Establishing reserves also requires a feasibility study demonstrating with reasonable certainty that the deposit can be economically and legally extracted and produced. We have not completed a feasibility study with regard to all or a portion of any of our properties to date. The absence of proven or probable reserves makes it more likely that our properties may never be profitable and that the money we have spent on exploration and development may never be recovered.

Estimates of mineralized material are based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated. Unless otherwise indicated, estimates of mineralized material presented in our press releases and regulatory filings are based upon estimates made by us and our consultants. When making determinations about whether to advance any of our projects to development, we must rely upon such estimated calculations as to the mineralized material on our properties. Until mineralized material is actually mined and processed, it must be considered an estimate only. These estimates are imprecise and depend on geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. We cannot assure you that these mineralized material estimates will be accurate or that this mineralized material can be mined or processed profitably. Any material changes in estimates of mineralized material will affect the economic viability of placing a property into production and such property’s return on capital. There can be no assurance that minerals recovered in small scale metallurgical tests will be recovered at production scale.

The mineralized material estimates have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove inaccurate. Extended declines in market prices for gold and silver may render portions of our mineralized material uneconomic and adversely affect the commercial viability of one or more of our properties and could have a material adverse effect on our results of operations or financial condition.

If we are unable to achieve gold and silver production levels anticipated from our El Aguila Project, our financial condition and results of operation will be adversely affected. We are proceeding with the processing of the El Aguila open-pit area ore and the development of the La Arista mine at the El Aguila Project based on estimates of mineralized material identified in our drilling program and estimates of gold and silver recovery based on test work developed during our scoping study. However, risks related to metallurgy are inherent when working with extractable minerals. Sales of gold and silver, if any, that we realize from future mining activity will be less than anticipated if the mined material does not contain the concentration of gold and silver predicted by our geological exploration. This risk may be increased since we have not sought or obtained a feasibility study or reserve report with regard to any of our properties. If sales of gold and silver are less than anticipated, we may not be able to recover our investment in our property and our operations may be adversely affected. Our inability to realize production based on quarterly or annual projections may adversely affect the price of our common stock and you may lose all or part of your investment.

Our existing production is limited to a single property and our ability to become and remain profitable over the long term will depend on our ability to identify, explore and develop additional properties. Gold and silver properties are wasting assets. They eventually become depleted or uneconomical to continue mining. We do not anticipate that production from our El Aguila open pit mine will extend beyond approximately 12 months from the commencement of commercial production. Accordingly, our ability to become and remain profitable over the long term depends on our ability to finalize development of the La Arista underground vein and produce mineralization from that mine and/or identify and successfully develop one or more additional properties. The acquisition of gold and silver properties and their exploration and development are subject to intense competition. Companies with greater financial resources, larger staff, more experience and more equipment for exploration and development may be in a better position than us to compete for such mineral properties. If we are unable to find, develop, and economically mine new properties, we most likely will not be profitable on a long term basis and the price of our common stock may suffer.

The volatility of the price of gold could adversely affect our future operations and, if warranted, our ability to develop our properties. The potential for profitability of our operations, the value of our properties and our ability to raise funding to conduct continued exploration and development, if warranted, are directly related to the market price of gold and other precious metals. The price of gold may also have a significant influence on the market price of our common stock and the value of our properties. Our decision to put a mine into production and to commit the funds necessary for that purpose must be made long before the first revenue from production would be received. A decrease in the price of gold may prevent our property from being economically mined or result in the write-off of assets whose value is impaired as a result of lower gold prices.

The price of gold is affected by numerous factors beyond our control, including inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, the sale of gold by central banks, and the political and economic conditions of major gold producing countries throughout the world. During the last five years, the average annual market price of gold has fluctuated between $445 per ounce and $972 per ounce, based on the daily London P.M. fix, as shown in the table below:

2005	2006	2007	2008	2009
$445	$604	$696	$872	$972

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As of November 2, 2010, the price of gold had risen to $1,351 per ounce, based on the daily London PM fix on that date. The volatility of mineral prices represents a substantial risk which no amount of planning or technical expertise can fully eliminate. In the event gold prices decline or remain low for prolonged periods of time, we might be unable to develop our properties, which may adversely affect our results of operations, financial performance and cash flows.

We currently do not enter into forward sales, commodity, derivatives or hedging arrangements with respect to our gold production and as a result we are exposed to the impact of any significant decrease in the gold price. We sell the gold we are producing at the prevailing market price. Currently, we do not enter into forward sales, commodity, derivative or hedging arrangements to establish a price in advance for the sale of future gold production, although we may do so in the future. As a result, we may realize the benefit of any short-term increase in the gold price, but we are not protected against decreases in the gold price, and if the gold price decreases significantly, our revenues may be materially adversely affected.

Our producing property is subject to a lease in favor of a third party which provides for royalties on production. We lease our El Aguila property from a third party. Our lease for the El Aguila property provides for a net smelter return royalty of 4% where production is sold in the form of gold/silver dorè and 5% where production is sold in concentrate form. The requirement to pay royalties to the owner of the concessions at our El Aguila property, including the existing open pit mine and the La Arista underground mine, will reduce our profitability from production of gold or other precious metals.

Since we have a very limited operating history, investors have little basis to evaluate our ability to operate. We were organized in 1998 and only recently declared commercial production of our first mine. Our activities to date have been focused on raising financing, exploring our properties and preparing for production at the El Aguila Project. Our mill at the El Aguila Project was only recently commissioned and we are still in the process of optimizing production from that facility. 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.

The construction of our underground mine and optimization of our mill is subject to all of the risks inherent in construction and start-up. These risks include potential delays, cost overruns, shortages of material or labor, construction defects, and injuries to persons and property. We expect to engage a combination of American and Mexican subcontractors and material suppliers in connection with the continued development of the El Aguila Project. While we anticipate taking all measures which we deem reasonable and prudent in connection with construction of the underground mine and the operation of the mill, there is no assurance that the risks described above will not cause delays or cost overruns in connection with such construction or operation. Any delays would postpone our anticipated receipt of revenue and adversely affect our operations, which in turn may adversely affect the price of our stock.

Our operations are subject to permitting requirements which could require us to delay, suspend or terminate our operations. Our operations, including our ongoing exploration drilling program and production plan at the El Aguila Project, require permits from the Mexican government. If we cannot obtain or maintain the necessary permits, or if there is a delay in receiving future permits, our timetable and business plan will be adversely affected.

Our properties are located in Mexico and are subject to changes in political conditions and regulations in that country. All of our existing properties are located in Mexico. In the past, Mexico has been subject to political and social instability, changes and uncertainties which may cause changes to existing government regulations affecting mineral exploration and mining activities. Our mineral exploration and mining activities in Mexico may be adversely affected in varying degrees by changing governmental regulations relating to the mining industry or shifts in political conditions that increase the costs related to our activities or maintaining our properties. Finally, Mexico’s status as a

developing country may make it more difficult for us to obtain required financing for our projects.

Our business operations may be adversely affected by social and political unrest in Oaxaca. Our existing properties are all located in the State of Oaxaca, Mexico. Oaxaca City, the capital of the State of Oaxaca, experienced a period of social and political unrest in 2006. Certain civilian groups seeking political reform staged protests and demonstrations in various locations in Oaxaca City, including schools, government offices and major roadways. Our business operations could be negatively impacted if Oaxaca or other areas of Mexico experiences another similar event. Our exploration and development program may be interrupted if we are unable to hire qualified personnel or if we are denied access to the site where our property is located. We may also be required to make additional expenditures to provide increased security in order to protect property or personnel located at our exploration and construction sites. Significant delays in exploration or increases in expenditures will likely have a material adverse affect on our financial condition and results of operations.

Our ability to develop our property is subject to the rights of the Ejido (local inhabitants) to use the surface for agricultural purposes. Our ability to mine minerals is subject to maintaining satisfactory arrangements with the Ejido for access and surface disturbances. Ejidos are groups of local inhabitants who were granted rights to conduct agricultural activities on the property. We must negotiate and maintain a satisfactory arrangement with these residents in order to disturb or discontinue their rights to farm. While we have successfully negotiated and signed such agreements related to the El Aguila Project, our inability to maintain these agreements or consummate similar agreements for new projects could impair or impede our ability to successfully mine the properties.

Competition in the mining industry is intense, and we have limited financial and personnel resources with which to compete. Competition in the mining industry for desirable properties, investment capital and personnel is intense. Numerous companies headquartered in the United States, Canada and elsewhere throughout the world compete for properties on a global basis. We are an insignificant participant in the gold mining industry due to our limited financial and personnel resources. We presently operate with a limited number of personnel and we anticipate that we will compete with other companies in our industry to hire additional qualified personnel which will be required to successfully operate our mine and mill site. We may be unable to attract the necessary investment capital or personnel to fully explore and if warranted, develop our properties and be unable to acquire other desirable properties.

Since we have no proven or probable reserves, our investment in mineral properties is not reported as an asset in our financial statements which may have a negative impact on the price of our stock. We prepare our financial statements in accordance with accounting principles generally accepted in the United States of America and have reported substantially all exploration and construction expenditures as expenses until such time, if ever, we are able to establish proven or probable reserves, and expect to continue that practice in the future. If we are able to establish proven or probable reserves, we would report development expenditures as an asset subject to future amortization using the units-of-production method. Since it is uncertain when, if ever, we will establish proven or probable reserves, it is uncertain whether we will ever report these expenditures as an asset. Accordingly, our historical financial statements report fewer assets and greater expenses than would be the case if we had proven or probable reserves, which could have a negative impact on our stock price.

We may require significant additional capital to fund our business plan. We will be required to expend significant funds to determine if proven and probable mineral reserves exist at any of our properties, to continue exploration and if warranted, develop our existing properties and to identify and acquire additional properties to diversify our property portfolio. We have spent and will be required to continue to expend significant amounts of capital for drilling, geological and geochemical analysis, assaying and feasibility studies with regard to the results of our exploration. We may not benefit from these investments if we are unable to identify commercially exploitable mineralized material. If we do locate commercially mineable material or decide to put additional properties into production, we may be required to upgrade our milling facility at the El Aguila project or construct new facilities.

Our ability to obtain necessary funding for these purposes, in turn, depends upon a number of factors, including the status of the national and worldwide economy and the price of gold and other precious metals. Capital markets worldwide have been adversely affected by substantial losses by financial institutions, in turn caused by investments in asset-backed securities. We may not be successful in obtaining the required financing, or if we can obtain such financing, such financing may not be on terms that are favorable to us. Failure to obtain such additional financing could result in delay or indefinite postponement of further mining operations or exploration and development and the possible partial or total loss of our potential interest in our properties.

Since most of our expenses are paid in Mexican pesos, and we sell our production in United States dollars, we are subject to adverse changes in currency values that may adversely affect our results of operation. Our operations in the future could be affected by changes in the value of the Mexican peso against the United States dollar. The appreciation of non-US dollar currencies such as the peso against the US dollar increases expenses and the cost of purchasing capital assets in US dollar terms in Mexico, which can adversely impact our operating results and cash flows. Conversely, depreciation of non-US dollar currencies usually decreases operating costs and capital asset purchases in US dollar terms. The value of cash and cash equivalents denominated in foreign currencies also fluctuates with changes in currency exchange rates.

Our activities are subject to significant environmental regulations, which could raise the cost of doing business or adversely affect our ability to develop our properties. Our mining operations are subject to environmental regulation by SEMARNAT, the environmental protection agency of Mexico. Regulations governing development of new projects or significant changes to existing projects require that an environmental impact statement, known in Mexico as a Manifiestacion de Impacto Ambiental, be prepared by a third party contractor for submission to SEMARNAT. Studies required to support this impact statement include a detailed analysis of many subject areas, including soil, water, vegetation, wildlife, cultural resources and socio-economic impacts. We may also be required to submit proof of local community support for a project to obtain final approval. If an environmental impact statement is adverse or if we cannot obtain community support, our ability to develop our properties could be adversely affected. Significant environmental legislation exists in Mexico, including fines and penalties for spills, release of emissions into the air, seepage and other environmental damage, which fines or penalties could adversely affect our financial condition or results of operation.

The nature of mineral exploration and production activities involves a high degree of risk and the possibility of uninsured losses. Exploration for and the production of minerals is highly speculative and involves greater risk than many other businesses. Many exploration programs do not result in the discovery of mineralization, and any mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Our operations are, and any future development or mining operations we may conduct will be, subject to all of the operating hazards and risks normally incident to exploring for and development of mineral properties, such as, but not limited to:

- economically insufficient mineralized material;
- fluctuation in production costs that make mining uneconomical;
- labor disputes;
- unanticipated variations in grade and other geologic problems;

- environmental hazards;
- water conditions;
- difficult surface or underground conditions;
- industrial accidents;
- metallurgic and other processing problems;
- mechanical and equipment performance problems;
- failure of pit walls or dams;
- unusual or unexpected rock formations;
- personal injury, fire, flooding, cave-ins and landslides; and
- decrease in the value of mineralized material due to lower gold and silver prices.

Any of these risks can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures, potential revenues and production dates. We currently have limited insurance to guard against some of these risks. If we determine that capitalized costs associated with any of our mineral interests are not likely to be recovered, we would incur a writedown of our investment in these interests. All of these factors may result in losses in relation to amounts spent which are not recoverable, or result in additional expenses.

We depend upon a limited number of personnel and the loss of any of these individuals could adversely affect our business. If any of our current executive employees or our principal financial consultant were to die, become disabled or leave our company, we would be forced to identify and retain individuals to replace them. Messrs. William, David and Jason Reid and Mr. Jorge Sanchez del Toro are our critical employees at this time. Frank L. Jennings is a financial consultant who provides services to us as chief financial officer. There is no assurance that we can find suitable individuals to replace them or to add to our employee base if that becomes necessary. We are entirely dependent on these individuals as our critical personnel at this time. We have no life insurance on any individual, and we may be unable to hire a suitable replacement for them on favorable terms, should that become necessary.

In the event of a dispute regarding title to our property or any facet of our operations, it will likely be necessary for us to resolve the dispute in Mexico, where we would be faced with unfamiliar laws and procedures. The resolution of disputes in foreign countries can be costly and time consuming, similar to the situation in the United States. However, in a foreign country, we face the additional burden of understanding unfamiliar laws and procedures. We may not be entitled to a jury trial, as we might be in the United States. Further, to litigate in any foreign country, we would be faced with the necessity of hiring lawyers and other professionals who are familiar with the foreign laws. For these reasons, we may incur unforeseen losses if we are forced to resolve a dispute in Mexico or any other foreign country.

We are required to annually evaluate our internal control over financial reporting 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 a material adverse effect on the price of our common stock. Under Section 404 of the Sarbanes-Oxley Act of 2002, we are required to furnish a report by our management on internal control over financial reporting. Such a report must 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. In addition, our evaluation of the effectiveness of our internal controls will be subject to an annual audit by our independent registered public accounting firm and there is no assurance that they will agree with our assessment. If we are unable to maintain and to assert that our internal control over financial reporting is effective, or if we disclose material weaknesses in our internal control over financial reporting, or if our independent registered public accounting firm does not agree with our assessment, investors could lose confidence in the accuracy and completeness of our financial reports, which could have a material adverse effect on our stock price.

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The laws of the State of Colorado and our Articles of Incorporation may protect our directors from certain types of lawsuits. The laws of the State of Colorado provide that our directors will not be liable to us or our shareholders for monetary damages for all but certain types of conduct as directors of the company. Our Articles of Incorporation permit us to indemnify our directors and officers against all damages incurred in connection with our business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing shareholders from recovering damages against our directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require us to use our limited assets to defend our directors and officers against claims, including claims arising out of their negligence, poor judgment, or other circumstances.

Risks Related to Our Common Stock

Our stock price may be volatile and as a result you could lose all or part of your investment. In addition to volatility associated with equity securities in general, the value of your investment could decline due to the impact of any of the following factors upon the market price of our common stock:

- Changes in the worldwide price for gold;
- Disappointing results from our exploration or production efforts;
- Producing at rates lower than those targeted;
- Failure to meet our revenue or profit goals or operating budget;
- Decline in demand for our common stock;
- Downward revisions in securities analysts' estimates or changes in general market conditions;
- Technological innovations by competitors or in competing technologies;
- Investor perception of our industry or our prospects; and
- General economic trends.

In addition, stock markets have experienced extreme price and volume fluctuations and the market prices of securities have been highly volatile. These fluctuations are often unrelated to operating performance and may adversely affect the market price of our common stock. As a result, investors may be unable to resell their shares at a fair price.

The sale of our common stock by the selling shareholders may depress the price of our common stock due to the limited trading market which exists. Due to a number of factors, including our stage of development and our past history trading in the over the counter securities market, the trading volume in our common stock has historically been limited. Trading over the last 12 months has averaged approximately 120,000 shares per day. As a result, the sale of a significant amount of common stock by the selling shareholders may depress the price of our common stock. As a result, you may lose all or a part of your investment.

A small number of existing shareholders own a significant amount of our common stock, which could limit your ability to influence the outcome of any shareholder vote. Our executive officers and directors beneficially own approximately 19% of our common stock and our largest shareholder owns approximately 28% of our common stock as of the date of this prospectus. Under our Articles of Incorporation and Colorado law, the vote of a majority of the shares outstanding is generally required to approve most shareholder action. As a result, this group may be able to influence the outcome of shareholder votes for the foreseeable future, including votes concerning the election of directors, amendments to our Articles of Incorporation or proposed mergers or other significant corporate transactions. We have no existing agreements or plans for mergers or other corporate transactions that would require a shareholder vote at this time. However, shareholders should be aware that they may have limited ability to influence the outcome of any vote in the future.

We are subject to the Continued Listing Criteria of the NYSE Amex and our failure to satisfy these criteria may result in delisting of our common stock. Our common stock is currently listed on the NYSE Amex. In order to maintain the listing, we must maintain certain share prices, financial and share distribution targets, including maintaining a minimum amount of shareholders' equity and a minimum number of public shareholders. In addition to objective standards, the NYSE Amex may delist the securities of any issuer if, in its opinion, the issuer's financial condition and/or operating results appear unsatisfactory; if it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing on the NYSE Amex inadvisable; if the issuer sells or disposes of principal operating assets or ceases to be an operating company; if an issuer fails to comply with the NYSE Amex's listing requirements; if an issuer's common stock sells at what the NYSE Amex considers a "low selling price" and the issuer fails to correct this via a reverse split of shares after notification by the NYSE Amex; or if any other event occurs or any condition exists which makes continued listing on the NYSE Amex, in its opinion, inadvisable.

If the NYSE Amex delists our common stock, investors may face material adverse consequences, including, but not limited to, a lack of trading market for our securities, reduced liquidity, decreased analyst coverage of our securities, and an inability for us to obtain additional financing to fund our operations.

Issuances of our stock in the future could dilute existing shareholders and adversely affect the market price of our common stock. We have the authority to issue up to 60,000,000 shares of common stock, 5,000,000 shares of preferred stock, and also to issue options and warrants to purchase shares of our common stock without stockholder approval. As of November 2, 2010, there were 52,998,303 shares of common stock outstanding and we are in the process of asking shareholders to approve an amendment to our Articles of Incorporation that would increase in the amount of authorized common stock to 100,000,000 shares. Future issuances of our securities could be at values substantially below the price paid for our common stock by our current shareholders. In addition, we can issue blocks of our common stock in amounts up to 20% of the then outstanding shares without further shareholder approval. Because we experience lower trading volume in our common stock than many of our larger peers, the issuance of a significant amount of our common stock may have a disproportionately large impact on its share price compared to larger companies.

Past payments of dividends on our common stock are not indictors of future payments of dividends. As of November 2, 2010, we have declared four special cash dividends on our common stock. However, our ability to pay dividends in the future will depend on a number of factors, including our ability to generate earnings from operations. Further, a portion of our earnings will likely be retained to finance our operations. We do not have a formal dividend program and any future dividends will depend upon our earnings, our then-existing financial requirements and other factors, and will be declared at the discretion of our Board of Directors.

Forward-Looking Statements

This prospectus and the documents incorporated herein by reference herein contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning our future business plans and strategies, the proposed exploration and development of our property, the receipt of working capital, future revenues and other statements that are not historical in nature. In this prospectus, forward-looking statements are often identified by the words "anticipate," "plan," "believe," "expect," "estimate," and the like. These forward-looking statements reflect our current beliefs, expectations and opinions with respect to future events, and involve future risks and uncertainties which could cause actual results to differ materially from those expressed or implied.

In addition to the specific factors identified under “RISK FACTORS” above, other uncertainties that could affect the accuracy of forward-looking statements include:

- decisions of foreign countries and banks within those countries;
- technological changes in the mining industry;
- our costs;
- the level of demand for our products;
- changes in our business strategy;
- interpretation of drill hole results and the geology, grade and continuity of mineralization;
- the uncertainty of reserve estimates and timing of development expenditures; and
- commodity price fluctuations.

This list, together with the factors identified under “RISK FACTORS,” is not exhaustive of the factors that may affect any of our forward-looking statements. You should read this prospectus and the documents incorporated herein by reference completely and with the understanding that our actual future results may be materially different from what we expect. These forward-looking statements represent our beliefs, expectations and opinions only as of the date of this prospectus. We do not intend to update these forward looking statements except as required by law. We qualify all of our forward-looking statements by these cautionary statements.

Prospective investors are urged not to put undue reliance on forward-looking statements.

DIVIDEND POLICY

Since commencing commercial mineral production in July 2010, and through November 2, 2010, we have declared four special dividends on our common stock of $0.03 per share each, for a total of $0.12 per share. However, we do not have in place a policy with respect to paying regular dividends to shareholders. Payment of future dividends, if any, will be at the discretion of our Board of Directors after taking into account various factors, including the terms of any credit arrangements, our financial condition, operating results, current and anticipated cash needs and plans for expansion. At the present time, we are not party to any agreement that would limit our ability to pay dividends.

DESCRIPTION OF CAPITAL STOCK

For a full description of our capital stock, please see the documents identified in the section “INCORPORATION BY REFERENCE” in this prospectus. As of November 2, 2010, we are authorized to issue 60,000,000 shares of common stock and 5,000,000 shares of preferred stock. On November 2, 2010, we had 52,998,303 shares of common stock issued and outstanding, and no shares of preferred stock outstanding.

SELLING SHAREHOLDERS

On behalf of certain of our shareholders, we have agreed to file a registration statement with the SEC covering the resale of our common stock as described in the table below. We have also agreed to use our best efforts to keep the registration statement effective and update the prospectus until the securities owned by the selling shareholders have been sold or may be sold without registration or prospectus delivery requirements under the Securities Act of 1933, which we refer to as the Securities Act. We will pay the costs and fees of registering the shares, but the selling shareholders will pay any brokerage commissions, discounts or other expenses relating to the sale of the shares.

The registration statement which we have filed with the SEC, of which this prospectus forms a part, covers the resale of our common stock by the selling shareholders from time to time under Rule 415 of the Securities Act. Our agreement with the selling shareholders is designed to provide those shareholders some liquidity in their ownership of common stock and to permit secondary public trading of those securities. The selling shareholders may offer our securities covered under this prospectus for resale from time to time. The selling shareholders may also sell, transfer or otherwise dispose of all or a portion of our securities in transactions exempt from the registration requirements of the Securities Act. (See “PLAN OF DISTRIBUTION”).

The table below presents information as of the date of this prospectus regarding the selling shareholders and our common stock that the selling shareholders may offer and sell from time to time under this prospectus. The table is prepared based on information supplied to us by those shareholders. Although we have assumed, for purposes of the table below, that the selling shareholders will sell all of the securities offered by this prospectus, because they may offer all or some of the securities in transactions covered by this prospectus or in another manner, no assurance can be given as to the actual number of shares that will be resold by the selling shareholders. Information covering the selling shareholders may change from time to time, and changed information will be presented in a supplement to this prospectus if and when required. If we are advised of a change in selling shareholders and the new selling shareholders, any pledges, donees or transferees wish to rely upon this prospectus in the resale of their shares, we will file an amendment to the registration statement of which this prospectus is a part, if required. Except as described above, there are no agreements, arrangements or understandings with respect to resale of any of the securities covered by this prospectus.

Name of Selling Shareholder	Number of Shares Owned Prior to the Offering	Number of Shares to be Offered	Shares Owned After Offering(1) Number (#)	Shares Owned After Offering(1) Percent (%)
Advanced Series Trust, solely on behalf of AST Academic Strategies Asset Allocation Portfolio (2)	9,000	9,000	0	*
AQR Funds - AQR Diversified Arbitrage Fund (2)	72,500	72,500	0	*
AQR Opportunistic Premium Offshore Fund, L.P. (2)	11,000	11,000	0	*
AQR Delta Sapphire Fund, L.P. (2)	11,000	11,000	0	*
CNH Diversified Opportunities Master Account, L.P. (2)	7,000	7,000	0	*
AQR Absolute Return Master Account, L.P. (2)	5,000	5,000	0	*
AQR Delta Master Account, L.P. (2)	72,000	72,000	0	*
Iroquois Master Fund, Ltd. (3)	187,500	187,500	0	*

Tocqueville Gold Fund (4)	4,908,976	1,500,000	3,408,976	6.4
Franklin Gold & Precious Metals Fund (5)(6)	1,000,000	1,000,000	0	*
BGF World Gold Fund (7)	1,366,437	360,000	1,006,437	1.9
Blackrock Gold & General Fund (7)	736,573	240,000	496,573	*
TOTAL:		3,475,000		

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* Less than 1%

(1) Assumes that all of the shares offered hereby are sold, of which there is no assurance.

(2) The selling shareholders have identified Todd Pulvino as the individual with the power to vote and dispose of these shares.

(3) Iroquois Capital Management L.L.C. ("Iroquois Capital") is the investment manager of Iroquois Master Fund, Ltd ("IMF"). Consequently, Iroquois Capital has voting control and investment discretion over securities held by IMF. As managing members of Iroquois Capital, Joshua Silverman and Richard Abbe make voting and investment decisions on behalf of Iroquois Capital in its capacity as investment manager to IMF. As a result of the foregoing, Mr. Silverman and Mr. Abbe may be deemed to have beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended) of the securities held by IMF. Notwithstanding the foregoing, Mr. Silverman and Mr. Abbe disclaim such beneficial ownership.

(4) Tocqueville Asset Management, LP is a selling shareholder on behalf of certain discretionary investment management account clients. The selling shareholder has been identified as John Hathaway, the portfolio manager for such accounts, as the individual with the power to vote and dispose of these shares.

(5) Excludes shares owned by an affiliate of the selling shareholder, of which it disclaims beneficial ownership.

(6) The selling shareholder has identified Steve Land as the individual with the power to vote and dispose of these shares.

(7) The selling shareholder has identified Evy Hambro as the individual with the power to vote and dispose of these shares.

Except as otherwise noted in the table above and to the best of our knowledge, the selling shareholders are not associated with or affiliates of United States broker-dealers, and at the time of purchase the selling shareholders purchased the securities in the ordinary course of business and did not have any agreements or understandings, directly or indirectly, with any persons to distribute or dispose of the securities. Unless otherwise stated, none of the selling shareholders have any relationship to our company, except as a shareholder.

PLAN OF DISTRIBUTION

The selling shareholders and their pledgees, donees, transferees or other successors in interest may offer the shares of our common stock from time to time after the date of this prospectus and will determine the time, manner and size of each sale on the NYSE Amex, in market transactions, in negotiated transactions or otherwise. The shares may be offered at prices prevailing in the market or at privately negotiated prices. The selling shareholders may negotiate, and may pay, brokers or dealers commissions, discounts or concessions for their services. In effecting sales, brokers or dealers engaged by the selling shareholders may allow other brokers or dealers to participate. However, the selling shareholders and any brokers or dealers involved in the sale or resale of the shares may qualify as "underwriters" within the meaning of Section 2(a)(11) of the Securities Act. In addition, the brokers' or dealers' commissions, discounts or concessions may qualify as underwriters' compensation under the Securities Act.

The methods by which the selling shareholders may sell the shares of our common stock include:

- A block trade in which a broker or dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block, as principal, in order to facilitate the transaction;
- Sales to a broker or dealer, as principal, in a market maker capacity or otherwise and resale by the broker or dealer for its account;
-

Ordinary brokerage transactions and transactions in which a broker solicits purchases;

- Privately negotiated transactions;
- Short sales;
- Any combination of these methods of sale; or
- Any other legal method.

In addition to selling their shares under this prospectus, the selling shareholders may transfer their shares in other ways not involving market makers or established trading markets, including directly by gift, distribution, or other transfer, or sell their shares under Rule 144 of the Securities Act rather than under this prospectus, if the transaction meets the requirements of Rule 144. Any selling shareholder who uses this prospectus to sell his shares will be subject to the prospectus delivery requirements of the Securities Act.

Regulation M under the Securities Exchange Act of 1934, which we refer to as the Exchange Act, provides that during the period that any person is engaged in the distribution of our shares of common stock, as defined in Regulation M, such person generally may not purchase our common stock. The selling shareholders are subject to these restrictions, which may limit the timing of purchases and sales of our common stock by the selling shareholders. This may affect the marketability of our common stock.

The selling shareholders may use agents to sell the shares. If this happens, the agents may receive discounts or commissions. The selling shareholders do not expect these discounts and commissions to exceed what is customary for the type of transaction involved. If required, a supplement to this prospectus will set forth the applicable commission or discount, if any, and the names of any underwriters, brokers, dealers or agents involved in the sale of the shares. The selling shareholders and any underwriters, brokers, dealers or agents that participate in the distribution of our common stock offered hereby may be deemed to be "underwriters" within the meaning of the Securities Act, and any profit on the sale of shares by them and any discounts, commissions, concessions or other compensation received by them may be deemed to be underwriting discounts and commissions under the Securities Act. The selling shareholders may agree to indemnify any broker or dealer or agent against certain liabilities relating to the selling of the shares, including liabilities arising under the Securities Act.

Upon notification by the selling shareholders that any material arrangement has been entered into with a broker or dealer for the sale of the shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, we will file a supplement to this prospectus, if required, pursuant to Rule 424(b) under the Securities Act, disclosing the material terms of the transaction.

LEGAL MATTERS

We have been advised on the legality of the shares included in this prospectus by Dufford & Brown, P.C., of Denver, Colorado.

EXPERTS

Our financial statements as of December 31, 2009 and for the three years then ended incorporated by reference in this prospectus have been incorporated in reliance on the reports of StarkSchenkein LLP (formerly Stark Winter Schenkein & Co., LLP), our independent registered public accounting firm. These financial statements have been incorporated on the authority of this firm as an expert in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

As a reporting company with securities registered under the Exchange Act, we file periodic reports, proxy statements and other documents with the SEC. You may read and copy any document we file at the SEC's Public Reference Rooms at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Rooms. You can also obtain copies of our SEC filings by going to the SEC's website at http://www.sec.gov.

We have filed with the SEC a registration statement on Form S-1 to register the shares of our common stock. This prospectus is part of that registration statement and, as permitted by the SEC's rules, does not contain all of the information set forth in the registration statement. For further information about us or our common stock, you may refer to the registration statement and to the exhibits filed as part of the registration statement. The description of all agreements or the terms of those agreements contained in this prospectus are specifically qualified by reference to the agreements, filed or incorporated by reference in the registration statement.

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INCORPORATION BY REFERENCE

The SEC allows us to "incorporate by reference" in this prospectus the information that we file with them. This means that we can disclose important information to you in this document by referring you to other filings we have made with the SEC. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below:

- our Annual Report on Form 10-K for our fiscal year ended December 31, 2009, filed with the SEC on March 15, 2010;

- our Quarterly Reports on Form 10-Q for our fiscal quarter ended March 31, 2010, filed with the SEC on May 7, 2010 and for our fiscal quarter ended June 30, 2010, filed with the SEC on August 9, 2010;

- our Current Reports on Form 8-K filed with the SEC on June 1, 2010, July 7, 2010, August 12, 2010 and September 23, 2010;

- our Definitive Proxy Statement on Schedule 14A filed with the SEC on October 1, 2010; and

- the description of our common stock as set forth in our Registration Statement on Form 8-A filed with the SEC on August 25, 2010 (File No. 001-34857).

This prospectus may contain information that updates, modifies or is contrary to information in one or more of the documents incorporated by reference in this prospectus. You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. You should not assume that the information in this prospectus is accurate as of any date other than the date of this prospectus or the date of the documents incorporated by reference in this prospectus.

Upon the written or oral request of any person to whom a copy of this prospectus is delivered, including any beneficial owner, we will provide at no cost a copy of any and all of the information that is incorporated by reference in this prospectus.

Requests for such documents should be directed to:

Jason Reid, President
Gold Resource Corporation
2886 Carriage Manor Point
Colorado Springs, Colorado 80906
Telephone: (303) 320-7708
E-mail: jasonreid@goldresourcecorp.com

You may also access the documents incorporated by reference in this prospectus through our website at www.goldresourcecorp.com. Except for the specific incorporated documents listed above, no information available on or through our website shall be deemed to be incorporated in this prospectus or the registration statement of which it forms a part.

You should rely only on the information contained in this document or that we have referred you to. We have not authorized anyone to provide you with information that is different. This prospectus is not an offer to sell common stock and is not soliciting an offer to buy common stock in any state where the offer or sale is not permitted.

3,475,000 Shares

GOLD RESOURCE CORPORATION

Common Stock

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PROSPECTUS

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

We will pay all expenses in connection with the issuance and distribution of the securities being registered except selling discounts and commissions of the selling shareholders. The following table sets forth expenses and costs related to this offering (other than underwriting discounts and commissions) expected to be incurred with the issuance and distribution of the securities described in this registration statement.

SEC registration fee	$ 5,265.07
Legal fees	30,000.00
Accounting fees	10,000.00
Miscellaneous	4,734.93
Total	$50,000.00

Item 14. Indemnification of Directors and Officers

Our Articles of Incorporation and Bylaws provide that we must indemnify, to the fullest extent permitted by Colorado law, any of our directors or officers made or threatened to be made a party to a proceeding, by reason of the person serving or having served in a capacity as such, against judgments, penalties, fines, settlements and reasonable expenses incurred by the person in connection with the proceeding if certain standards are met. At present, there is no pending litigation or proceeding involving any of our directors or officers where indemnification will be required or permitted. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors or officers pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

The Colorado Business Corporation Act (the “CBCA”) allows indemnification of directors, officers, employees and agents of a company against liabilities incurred in any proceeding in which an individual is made a party because he was a director, officer, employee or agent of the company if such person conducted himself in good faith and reasonably believed his actions were in, or not opposed to, the best interests of the company, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. A person must be found to be entitled to indemnification under this statutory standard by procedures designed to assure that disinterested members of the board of directors have approved indemnification or that, absent the ability to obtain sufficient numbers of disinterested directors, independent counsel or shareholders have approved the indemnification based on a finding that the person has met the standard. Indemnification is limited to reasonable expenses.

Our Articles of Incorporation limit the liability of our directors to the fullest extent permitted by the CBCA. Specifically, our directors will not be personally liable for monetary damages for breach of fiduciary duty as directors, except for:

- any breach of the duty of loyalty to our company or our stockholders;
- acts or omissions not in good faith or that involved intentional misconduct or a knowing violation of law;
- dividends or other distributions of corporate assets that are in contravention of certain statutory or contractual restrictions;
- violations of certain laws; or
- any transaction from which the director derives an improper personal benefit.

Liability under federal securities law is not limited by the Articles.

Item 15. RECENT SALES OF UNREGISTERED SECURITIES.

During the preceding three years, we have issued an aggregate of 23,319,874 shares of our common stock and 3,005,000 options without registering those securities under the Securities Act. The following information describes the transactions in which those securities were issued:

On October 2, 2007, we granted 50,000 options to purchase our common stock for $3.68 per share to a public relations consultant which were exercisable until October 2, 2009. We relied on the exemption provided by Section 4(2) of the Securities Act in connection with this transaction.

In November 2007, we issued 50,000 shares of our common stock to a consultant performing investor relations work on our behalf. Of these 50,000 shares, 30,000 shares were valued at $4.14 per share or $124,310, and 20,000 shares were valued at $4.24 per share or $84,703, based on the closing price of our common stock on the date of issuance. We relied on the exemption provided by Section 4(2) of the Securities Act in connection with this transaction.

On December 5, 2007, we completed the sale of 5,558,500 shares of our common stock in a private placement at a price of $4.00 per share, for aggregate gross proceeds of $22,234,000. The sales were made pursuant to a subscription agreement between the company and each subscriber. In connection with the private placement, we agreed to pay finders' fees in certain instances in an amount up to 5% of the gross proceeds in cash and 5% of the number of shares placed in the offering. As a result, we incurred aggregate finders' fees of approximately $522,000 cash and 263,900 shares of our common stock. We relied on the exemption from registration provided by Regulation 506 of Regulation D for sales made in the United States and Rule 903 of Regulation S in connection with sales outside the United States in connection with this private placement. Each U.S. investor was an "accredited investor" within the meaning of Rule 501. Further, we did not engage in any general solicitation or advertising in connection with the offering and exercised reasonable care in to ensure that the purchasers were not underwriters, including the placement of legends restricting transfer on certificates representing the securities. The remaining shares were sold to persons who were not in the United States at the time of purchase or who were not "U.S. persons" as defined in Rule 902. We did not engage in any directed selling efforts in the United States in connection with the offering and placed legends on certificates representing the common stock restricting transfer in accordance with Regulation S.

On February 22, 2008, we issued 1,000,000 options to purchase our common stock for $3.40 per share to our executive officers and directors. All of these options were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

On July 24, 2008, we issued 60,000 options to acquire our common stock for $4.51 per share to a Mexican consultant, and on August 8, 2008 we issued 210,000 options to acquire our common stock for $3.74 per share to our El Aguila Project manager, respectively. All of these options were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

From December 5, 2008 through May 26, 2010, we made several sales of our common stock to Hochschild Mining Holdings Limited in connection with a strategic alliance agreement between us and Hochschild. No underwriter or placement agent was involved in the transactions. None of the transactions with Hochschild were registered under the Securities Act and in each transaction we relied on Rule 903 of Regulation S of the Securities Act. No directed selling efforts were made in the United States, offering restrictions were implemented, the purchaser of the securities agreed to resell such securities only in accordance with the provision of Regulation S or pursuant to registration under the Securities Act or pursuant to an available exemption from registration, and a legend was placed on the certificates representing the shares noting the restrictions on transfer in accordance with Regulation S. The details pertaining to each of the Hochschild transactions are set forth below.

On December 5, 2008, we sold 1,670,000 shares of common stock to Hochschild Mining Holdings Limited for $3.00 per share, for aggregate gross proceeds of $5,010,000. In connection with the sale of common stock, we also issued an option to Hochschild to purchase 4,330,000 additional shares of common stock for $3.00 per share, for gross proceeds of $12,990,000, which was subsequently exercised on February 25, 2009.

On June 30, 2009, we sold to Hochschild an additional 5,000,000 shares of common stock for $4.00 per share, for total gross proceeds of $20,000,000. We issued 1,250,000 shares on June 30, 2009 and the remaining 3,750,000 shares of July 20, 2009.

On December 17, 2009, we sold 1,954,795 shares of common stock to Hochschild for $8.185 per share, for gross proceeds of $15,999,997.10.

On March 8, 2010, we sold to Hochschild an additional 600,000 shares of common stock for $8.62 per share, for total gross proceeds of $5,172,000.

On May 26, 2010, we sold an additional 631,579 shares of common stock to Hochschild for $9.50 per share, for total gross proceeds of $6,000,000.

On April 23, 2009, we issued 1,000,000 options to purchase our common stock for $3.95 per share to our executive officers and directors. All of these options were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

On September 23, 2009, we issued 75,000 options to acquire our common stock for $7.00 per share to an employee. These options were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

On March 10, 2010, we issued 60,000 options to purchase our common stock for $10.10 per share to an employee. These options were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

On May 7, 2010 we sold 50,000 shares of common stock at a price of $4.63 per share to a consultant who had performed investor relations services for us for cash proceeds of $231,500. The shares were valued at $538,500 and were sold at a discount pursuant to an investor relations agreement with the consultant. We relied on the exemption provided by Section 4(2) of the Securities Act in connection with this transaction.

Effective July 1, 2010, we issued 450,000 options to purchase our common stock for $11.90 per share to two employees. These options were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

On August 17, 2010, we issued 100,000 options to purchase our common stock for $14.35 to a director upon acceptance of his appointment to our Board of Directors. These options were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

On September 23, 2010, we completed the sale of 3,475,000 shares of our common stock in a private placement for a price of $16.00 per share, for aggregate gross proceeds of $55,600,000. The sales were made pursuant to a subscription agreement between the company and each subscriber. In connection with the private placement, we used a placement agent and agreed to pay a fee to the placement agent of 6% of the gross proceeds. As a result we paid a commission to the placement agent of $3,336,000. We relied on the exemption from registration provided by Regulation 506 of Regulation D for sales made in the United States and Rule 903 of Regulation S in connection with sales outside the United States. Each U.S. investor was an “accredited investor” within the meaning of Rule 501. Further, we did not engage in any general solicitation or advertising in connection with the offering and exercised reasonable care in to ensure that the purchasers were not underwriters, including the placement of legends restricting transfer on certificates representing the securities. The remaining shares were sold to persons who were not in the United States at the time of purchase or who were not “U.S. persons” as defined in Rule 902. We did not engage in any directed selling efforts in the United States in connection with the offering and placed legends on certificates

representing the common stock restricting transfer in accordance with Regulation S.

In each transaction where we relied on Rule 506, we did not engage in any general solicitation or advertising. In each case, the subscriber was provided with a subscription agreement detailing the restrictions on transfer of the shares. Further, stop transfer restrictions were placed on each of the certificates issued in connection with the offering.

In each case where we relied on the exemption provided by Section 4(2) of the Securities Act, we had a preexisting relationship with the investor and the offering was made to a very limited number of individuals or entities. We also took steps to ensure that the investors had available the same type of information that would be included in a registration statement. Finally, each of certificates representing shares issued pursuant to that exemption has been inscribed by the restrictive legend required by Rule 144 of the Securities Act.

Item 16. EXHIBITS

The following exhibits are filed with, or incorporated by reference in, this registration statement:

Item No.	Description
3.1	Articles of Incorporation of the Company as filed with the Colorado Secretary of State on August 24, 1998 (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 3.1, File No. 333-129321).
3.1.1	Articles of Amendment to the Articles of Incorporation as filed with the Colorado Secretary of State on September 16, 2005 (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 3.1.1, File No. 333-129321).
3.2	Amended and Restated Bylaws of the Company dated August 9, 2010 (incorporated by reference from our report on Form 8-K filed on August 12, 2010 Exhibit 3.2, File No. 333-129321).
4	Specimen stock certificate (incorporated by reference from our amended registration statement on Form SB-2/A filed on March 27, 2006, Exhibit 4, File No. 333-129321).
5	Opinion on Legality.
10.1	Exploitation and Exploration Agreement between the Company and Jose Perez Reynoso dated October 14, 2002 (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 10.1, File No. 333-129321).
10.2	Non-Qualified Stock Option and Stock Grant Plan (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 10.2, File No. 333-129321).
10.3	Form of Stock Option Agreement (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 10.3, File No. 333-129321).
10.4	Strategic Alliance Agreement between the Company and Hochschild Mining Holdings Limited (incorporated by reference from our report on Form 8-K dated December 5, 2008, Exhibit 10.1, File No. 333-129321).
10.5	Subscription Agreement between the Company and Hochschild Mining Holdings Limited dated February 25, 2009 (incorporated by reference from our report on Form 8-K dated February 25, 2009, Exhibit 10.2, File No. 333-129321).
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333-129321).

10.8 Subscription Agreement between the Company and Hochschild Mining Holdings Limited dated March 8, 2010 (incorporated by reference from our report on Form 8-K dated March 10, 2010, Exhibit 10.1, File No. 333-129321).

10.9 Subscription Agreement between the Company and Hochschild Mining Holdings Limited dated May 26, 2010 (incorporated by reference from our report on Form 8-K dated June 1, 2010, Exhibit 10.1, File No. 333-129321).

10.10	Amended and Restated Employment Agreement between the Company and William W. Reid effective July 1, 2010.
10.11	Amended and Restated Employment Agreement between the Company and David C. Reid effective July 1, 2010.
10.12	Amended and Restated Employment Agreement between the Company and Jason D. Reid effective July 1, 2010.
10.13	Form of Subscription Agreement between the Company and investors in the September 2010 private placement (incorporated by reference from our report on Form 8-K dated September 23, 2010, Exhibit 10.1, File No. 001-34857).
10.14	Form of Registration Rights Agreement between the Company and investors in the September 2010 private placement (incorporated by reference from our report on Form 8-K dated September 23, 2010, Exhibit 10.2, File No. 001-34857).
21	Subsidiaries of the Company (incorporated by reference from our amended registration statement on Form SB-2/A filed on January 20, 2006, Exhibit 21, File No. 333-129321).
23.1*	Consent of StarkSchenkein, LLP.
23.2	Consent of Dufford & Brown, P.C. (included in Exhibit 5).
24	Power of Attorney (included on signature page).

* Filed herewith.

Item 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

1. To file, during any period in which it offers or sells securities, a post-effective amendment to this registration statement:

i. To include any prospectus required by section 10(a)(3) of the Securities Act;

ii. To reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement; and notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in the volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

iii. To include any additional or changed material information on the plan of distribution.

2. That, for the purpose of determining liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement of the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering.

3. To remove from registration by means of a post-effective amendment any of the securities that remain unsold at the end of the offering.

4. For determining liability of the undersigned registrant under the Securities Act to any purchaser:

i. That each prospectus filed by the undersigned pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement;

ii. Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; and

iii. Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

5. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant, the registrant has been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question, whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

In accordance with the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and authorize this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Denver, Colorado, on this 3rd day of November 2010.

GOLD RESOURCE CORPORATION
(Registrant)

/s/ William W. Reid
By: William W. Reid
Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned officers and directors of Gold Resource Corporation, do hereby constitute and appoint William W. Reid to be our true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for each of us and in our name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith and about the premises, as fully to all intents and purposes as each of us might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

In accordance with the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacity and on the dates stated:

/s/ William W. Reid William W. Reid	Chief Executive Officer and Chairman of the Board	November 3, 2010
/s/ William W. Reid, as attorney in fact Frank L. Jennings	Principal Financial and Accounting Officer	November 3, 2010
/s/ William W. Reid, as attorney in fact Bill M. Conrad	Director	November 3, 2010
/s/ William W. Reid, as attorney in fact David C. Reid	Director	November 3, 2010

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EXHIBIT INDEX

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