

GOLD RESOURCE CORP
Form 10-Q
November 19, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

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

For the transition period from _____ to _____

Commission File Number: 333-129321

GOLD RESOURCE CORPORATION

(Exact Name of Small Business Issuer as Specified in its Charter)

Colorado

(State or other jurisdiction of

incorporation or organization)

84-1473173

(I.R.S. Employer

Identification No.)

222 Milwaukee Street, Suite 301, Denver, Colorado 80206

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(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number including area code: **(303) 320-7708**

N/A

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

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No 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 definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Larger accelerated filer o
Non-accelerated filer o

Accelerated filer o
Smaller reporting company x

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

Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 34,417,556 shares of common stock, par value \$0.001, outstanding as of November 10, 2008.

GOLD RESOURCE CORPORATION

Index

	Page
<u>Part I - FINANCIAL INFORMATION</u>	
<u>Item 1.</u> <u>Financial Statements</u>	
<u>Consolidated Balance Sheets at September 30, 2008 (unaudited) and December 31, 2007</u>	<u>1</u>
<u>Consolidated Statements of Operations for the three months ended September 30, 2008 and 2007 (unaudited)</u>	<u>2</u>
<u>Consolidated Statements of Operations for the nine months ended September 30, 2008 and 2007, and for the period from inception to September 30, 2008 (unaudited)</u>	<u>3</u>
<u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2008 and 2007, and for the period from inception to September 30, 2008 (unaudited)</u>	<u>4</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>5</u>
<u>Item 2.</u> <u>Management's Discussion and Analysis of Financial Condition and Results of Operation</u>	<u>11</u>
<u>Item 4T.</u> <u>Controls and Procedures</u>	<u>14</u>
<u>Part II - OTHER INFORMATION</u>	
<u>Item 5.</u> <u>Other Information</u>	<u>15</u>
<u>Item 6.</u> <u>Exhibits</u>	<u>15</u>
<u>SIGNATURES</u>	<u>16</u>

References in this report to agreements to which Gold Resource Corporation is a party and the definition of certain terms from those agreements are not necessarily complete and are qualified by reference to the agreements. Readers should refer to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and the exhibits listed therein.

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

GOLD RESOURCE CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS

	<i>September 30, 2008 (Unaudited)</i>	<i>December 31, 2007</i>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 5,815,499	\$ 22,007,216
Other current assets	51,284	43,940
Total current assets	5,866,783	22,051,156
Investment in mineral properties	—	—
Property and equipment - net	4,907,957	504,951
Other assets	1,469	1,469
Total assets	\$ 10,776,209	\$ 22,557,576
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,181,467	\$ 768,452
Total current liabilities	1,181,467	768,452
Shareholders' equity:		
Preferred stock - \$0.001 par value, 5,000,000 shares authorized: no shares issued and outstanding	—	—
Common stock - \$0.001 par value, 60,000,000 shares authorized: 34,324,619 and 34,146,952 shares issued and outstanding at September 30, 2008 and December 31, 2007, respectively	34,325	34,147
Additional paid-in capital	38,537,866	36,498,444
(Deficit) accumulated during the exploration stage	(28,793,897)	(14,673,211)
Other comprehensive income:		
Currency translation adjustment	(183,552)	(70,256)
Total shareholders' equity	9,594,742	21,789,124
Total liabilities and shareholders' equity	\$ 10,776,209	\$ 22,557,576

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

GOLD RESOURCE CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
for the three months ended September 30, 2008 and 2007
(Unaudited)

	2008	2007
Revenues:		
Gold sales	\$ —	\$ —
Costs and Expenses:		
Property acquisition	—	22,495
Property exploration and evaluation	2,376,136	2,135,248
Engineering and construction	2,429,956	—
General and administrative	370,887	549,688
Depreciation	40,446	12,461
Total costs and expenses	5,217,425	2,719,892
Operating (loss)	(5,217,425)	(2,719,892)
Other income:		
Interest income	54,483	39,710
(Loss) before income taxes	(5,162,942)	(2,680,182)
Provision for income taxes	—	—
Net (loss)	(5,162,942)	(2,680,182)
Other comprehensive income:		
Currency translation gain (loss)	(55,288)	(30,804)
Net comprehensive (loss)	\$ (5,218,230)	\$ (2,710,986)
Net (loss) per common share:		
Basic and Diluted	\$ (0.15)	\$ (0.09)
Weighted average shares outstanding:		
Basic and Diluted	34,294,242	28,249,552

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

GOLD RESOURCE CORPORATION AND SUBSIDIARIES
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
for the nine months ended September 30, 2008 and 2007,
and for the period from Inception (August 24, 1998) to September 30, 2008
(Unaudited)

			<i>Inception (August 24, 1998) to September 30, 2008</i>
	<i>2008</i>	<i>2007</i>	