

GOLD RESOURCE CORP  
Form 10KSB/A  
May 07, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-KSB/A**

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2006**

o **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission file number 333-129321  
GOLD RESOURCE CORPORATION**  
(Name of small business issuer 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, CO**  
(Address of principal executive offices)

**80206**  
(Zip Code)

**(303) 320-7708**  
(Issuer's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

**None**  
Title of each class

**N/A**  
Name of each exchange on which  
registered

Securities registered pursuant to Section 12(g) of the Act:

**Common Stock, \$0.001 par value**  
(Title of class)

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes o No ý.

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Indicate by check mark whether the issuer (1) filed all reports required to be filed by Sections 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  No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
 Yes  No

State issuer's revenues for its most recent fiscal year: Nil.

The aggregate market value (at the last trade price of \$3.04 per share) of the Common Stock of Gold Resource Corporation held by non-affiliates as of March 30, 2007 was approximately \$63,053,269. As of March 30, 2007, there were 28,169,552 shares of Common Stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE:** None.

Transitional Small Business Disclosure Format (check one):  Yes  No

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**EXPLANATORY NOTE**

This amendment to Form 10-KSB for the year ended December 31, 2006 is being filed to revise the information contained in the Summary Compensation Table in Item 10 of the original report.

**ITEM 10. EXECUTIVE AND DIRECTOR COMPENSATION**

The following table summarizes the total compensation for the last two years of all persons who served as our chief executive officer during 2006 and the other executive officer who was serving at fiscal year end December 31, 2006 (“Named Executive Officers”) for the periods indicated. Our company did not award cash bonuses, stock options or non-equity incentive plan compensation to any Named Executive Officer during the past two fiscal years, thus these items are omitted from the table below:

**Summary Compensation Table**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary</b>	<b>Stock Awards</b>	<b>All Other Compensation</b>	<b>Total</b>
William W. Reid Chairman, C.E.O. and President <sup>(1)</sup>	2006	\$ 240,000	\$ —	\$ —	\$ 240,000
	2005	\$ 60,000	250,000 <sup>(2)</sup>	\$ 9,600 <sup>(3)</sup>	\$ 319,600
David C. Reid, Vice President and Director <sup>(1)</sup>	2006	\$ 170,000	\$ —	\$ —	\$ 170,000
	2005	\$ 42,500	125,000 <sup>(4)</sup>	\$ 9,600 <sup>(3)</sup>	\$ 177,100

(1) The executive officer was not paid any additional compensation for his service as a director of our company.

(2) Includes 1,000,000 shares of common stock valued at \$0.25 per share.

(3) The executive officer was paid this amount as a consultant during the year.

(4) Includes 500,000 shares of common stock valued at \$0.25 per share.

Effective January 1, 2006, we entered into employment agreements with our executive officers which extend for a three-year term. Pursuant to the terms of those agreements, William Reid receives \$240,000 and David Reid receives \$170,000 annually as salary. Each individual also participates in health and other insurance programs that we maintain. The employment agreements are automatically renewable for one-year terms on each anniversary of the effective date unless either party gives notice to the other that they do not wish to renew the agreement, not less than 120 days prior to expiration.

Pursuant to the terms of the employment agreements, the employee would be entitled to certain payments in the event their employment is terminated under certain circumstances. If we terminate the agreement without cause, or either executive officer terminates the agreement “with good reason,” we would be obligated to pay two years of compensation in accordance with our regular pay periods. Termination by an executive officer with good reason includes termination after a “change in control.”

In addition to our executive officers, we engage two consultants on a regular basis. Jose Perez Reynoso is the manager of our operations in Mexico and is paid at the rate of \$9,000 per month. Frank Jennings, our financial consultant, is paid on an hourly basis, which we expect will not exceed \$3,000 per month in the aggregate. We do not have a written agreement with either consultant.

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In June 2006, we retained Bill Conrad to serve on our Board of Directors. Mr. Conrad is independent under the definition set forth in Rule 4200(a)(15) of the Marketplace Rules. In return for his service on our Board and its committees, Mr. Conrad receives cash compensation in the amount of \$3,000 per month and also received a stock grant of 100,000 shares of our common stock, valued at \$1.00 per share and options to acquire up to 500,000 shares of stock on or before March 9, 2009 for \$1.00 per share. The table below summarizes the compensation of our only director who is not also one of our executive officers and whose compensation is not disclosed in the Summary Compensation Table, for the fiscal year ended December 31, 2006:

#### Director Compensation Table

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	All Other Compensation	Total
Bill M. Conrad	\$ 21,000	\$ 100,000	\$ 64,250 <sup>(1)</sup>	\$ —	\$ 185,250

(1) Calculated in accordance with SFAS 123(R).

All officers and directors are reimbursed for reasonable and necessary expenses incurred in their capacities as such. Our company presently does not maintain a non-equity incentive compensation plan, thus such item has been omitted from the table above.

#### Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the amount of our Named Executive Officers' equity-based compensation outstanding at the year ended December 31, 2006:

Name	Number of Securities Underlying Unexercised Options (Exercisable) (#)	Number of Securities Underlying Unexercised Options (Unexercisable) (#)	Option Awards	Option Exercise Price (\$)	Option Expiration Date
			Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)		
William W. Reid	400,000	0	0	\$0.25	10/9/2013
William W. Reid	400,000	0	0	\$0.25	4/22/2014
David C. Reid	400,000	0	0	\$0.25	10/9/2013
	200,000	0	0	\$0.25	4/22/2014

David C.  
Reid

We did not grant any options to our executive officers during 2006 or 2005. During the year ended December 31, 2004, we granted options to acquire a total of 700,000 shares of our common stock to our officers and a consultant, which represented 100% of the options we granted to our employees in that year. Our executive officers did not exercise any stock options awarded in prior years during 2006.

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**ITEM 13. EXHIBITS**

The following exhibits are filed with or incorporated by referenced in this report:

- 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 Bylaws of the Company dated August 28, 1998 (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, 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).
- 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 Lease Agreement dated September 2005 (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 10.4, File No. 333-129321).
- 10.5 Agreement dated July 28, 2003 between the Company and Canyon Resources Corporation (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 10.5, File No. 333-129321).
- 10.6 Agreement dated August 2, 2005 between the Company and Heemskirk Consolidated Limited (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 10.6, File No. 333-129321).
- 10.7

Agreement dated August 15, 2005 by and between the Company and Heemskirk Consolidated Limited (incorporated by reference from our registration statement on Form SB-2 filed on October 28, 2005, Exhibit 10.7, File No. 333-129321).

- 10.8 Employment Agreement between the Company and William W. Reid (incorporated by reference from our amended registration statement on Form SB-2/A filed on March 27, 2006, Exhibit 10.8, File No. 333-129321).
- 10.9 Employment Agreement between the Company and David C. Reid (incorporated by reference from our amended registration statement on Form SB-2/A filed on March 27, 2006, Exhibit 10.9, File No. 333-129321).
- 10.10 Promissory Note in favor of David C. Reid (incorporated by reference from our amended registration statement on Form SB-2/A filed on May 1, 2006, Exhibit 10.10, File No. 333-129321).



- 10.11 Promissory Note in favor of William W. Reid (incorporated by reference from our amended registration statement on Form SB-2/A filed on May 1, 2006, Exhibit 10.11, File No. 333-129321).
- 10.12 Form of Subscription Agreement between the Company and investors in the November 2006 private placement (incorporated by reference from our report on Form 8-K dated December 7, 2006, Exhibit 10.1, File No. 333-129321).
- 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).
- 31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for William W. Reid.
- 31.2 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Frank L. Jennings.
- 32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for William W. Reid and Frank L. Jennings.

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**GOLD RESOURCE CORPORATION**

Dated: May 4, 2007  
/s/ William W. Reid  
By: William W. Reid, Chairman of the Board,  
President and Chief Executive Officer

Dated: May 3, 2007  
/s/ Frank L. Jennings  
By: Frank L. Jennings, Chief Financial Officer,  
Principal Accounting Officer

In accordance with the Exchange Act, this Report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

/s/ William W. Reid William W. Reid	Chairman of the Board, President and Chief Executive Officer	May 4, 2007
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/s/ Frank L. Jennings Frank L. Jennings	Chief Financial Officer and Principal Accounting Officer	May 3, 2007
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/s/ Bill M. Conrad Bill M. Conrad	Director	May 5, 2007
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