

GOLD RESOURCE CORP

Form 424B5

April 03, 2018

Table of Contents

Filed Pursuant to Rule 424(b)(5)

File No. 333 214960

PROSPECTUS SUPPLEMENT

(to Prospectus dated January 26, 2017)

Up to \$75,000,000

GOLD RESOURCE CORPORATION

Shares of Common Stock

We have entered into an At The Market Offering Agreement, or the offering agreement, with H.C. Wainwright & Co., LLC, or Wainwright, as agent. In accordance with the terms of the offering agreement, this prospectus supplement, and the accompanying prospectus, we may from time to time offer and sell shares of our common stock having an aggregate offering price of up to \$75,000,000 through the agent.

Our shares of common stock trade on the NYSE American under the symbol "GORO." On April 2, 2018, the last sale price of the shares as reported on the NYSE American was \$4.53 per share. We have applied to the NYSE American for the listing of the shares of our common stock being offered by this prospectus supplement and the accompanying prospectus. Listing will be subject to us fulfilling all the listing requirements of the NYSE American and is a condition of sales under the offering agreement.

Sales of common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended or the Securities Act. Wainwright will make all sales using commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between Wainwright and us. Sales of the shares of our common stock, if any, through Wainwright or directly to Wainwright acting as principal will be made by means of ordinary brokers' transactions on the NYSE American or any other existing trading market in the United States for our common stock, sales made to or through a market maker other than on an exchange or otherwise, in privately-negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices agreed by Wainwright and us or any other method permitted by law.

If we and Wainwright agree on any method of distribution other than sales of shares of our common stock into the NYSE American or another existing trading market in the United States at market prices, we will file a further prospectus supplement providing all information about such offering as required by Rule 424(b) under the Securities Act. There is no arrangement for funds to be received in any escrow, trust or similar arrangement.

Wainwright will receive from us a commission of up to 3% of the gross sales price of all shares sold through it under the offering agreement. In connection with the sale of the common stock on our behalf, Wainwright will be deemed to be an "underwriter" within the meaning of the Securities Act and the compensation of Wainwright will be deemed to be underwriting commissions or discounts.

Investing in our common stock involves risks including those described in the "Risk Factors" section beginning on page S 4 of this prospectus supplement and page 4 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus to which it relates are truthful or complete. Any representation to the contrary is a criminal offense.

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H.C. Wainwright & Co.

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The date of this prospectus supplement is April 3, 2018.

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Table of Contents

We are responsible for the information contained and incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus we prepare or authorize. Neither we nor the underwriter has authorized anyone to provide you with different information, and neither we nor the underwriter take any responsibility for any other information that others may give you. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. The information in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference and any written communication from us specifying the final terms of the offering is only accurate as of the date of the respective documents in which the information appears. Our business, financial condition, results of operations and prospects may have changed since those dates. Information in this prospectus supplement updates and modifies the information in the accompanying prospectus.

## Table of Contents

## Prospectus Supplement

<u>About This Prospectus Supplement and the Accompanying Prospectus</u>	s-ii
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	s-ii
<u>Prospectus Supplement Summary</u>	S 1
<u>The Offering</u>	S 2
<u>Summary Financial Information</u>	S 3
<u>Risk Factors</u>	S 4
<u>Use of Proceeds</u>	S 6
<u>Dividend Policy</u>	S 6
<u>Plan of Distribution</u>	S 7
<u>Legal Matters</u>	S 8
<u>Experts</u>	S 8
<u>Information Incorporated By Reference</u>	S 9
<u>Where You Can Find More Information</u>	S 9

## Prospectus

<u>About This Prospectus</u>	i
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	1
<u>The Company</u>	2
<u>Risk Factors</u>	4
<u>Ratio of Earnings to Fixed Charges</u>	4
<u>Use of Proceeds</u>	4
<u>Description of Capital Stock</u>	4
<u>Description of Debt Securities</u>	6
<u>Description of Warrants</u>	7
<u>Description of Units</u>	9
<u>Description of Rights</u>	9
<u>Plan of Distribution</u>	9
<u>Where You Can Find More Information</u>	12
<u>Information Incorporated By Reference</u>	13
<u>Legal Matters</u>	13
<u>Experts</u>	13

s-i

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Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of our common stock and updates certain other matters relating to our business. The second part is the accompanying prospectus, which gives more general information, some of which applies to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference, you should rely on the information in this prospectus supplement. You should read this prospectus supplement and the accompanying prospectus as well as the additional information described under “Information Incorporated by Reference” on page S 9 of this prospectus supplement before investing in our common stock. Also see “Cautionary Statement Regarding Forward-Looking Information” on page ii of this prospectus supplement.

We have filed with the Securities and Exchange Commission (“SEC”) a registration statement on Form S 3 with respect to the shares offered hereby (File No. 333 214960). This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement, parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the shares offered hereby, please refer to the registration statement and the exhibits that are a part of the registration statement.

Copies of documents incorporated by reference in this prospectus supplement or the accompanying prospectus are available without charge, upon written or oral request by a person to whom this prospectus supplement has been delivered. Requests should be made to: Gold Resource Corporation, 2886 Carriage Manor Point, Colorado Springs, Colorado 80916; telephone number: (303) 320 7708; Attention: Jessica Browne, Vice President Legal, General Counsel and Secretary; email: jessicabrowne@goldresourcecorp.com.

As used in this prospectus supplement, unless the context requires otherwise, the terms “Gold Resource Corporation,” the “Company,” “we,” “our,” and “us” refer to Gold Resource Corporation and, where the context requires, our subsidiaries. Unless otherwise stated, currency amounts in this prospectus are stated in U.S. dollars, or “\$.”

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (“Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”). Such statements are based on assumptions and expectations which may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial and otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- commodity price fluctuations;
- mine protests and work stoppages;
- rock formations, faults and fractures, water flow and possible CO<sub>2</sub> gas exhalation or other unanticipated geological situations;
- decisions of foreign countries and banks within those countries;
- unexpected changes in business and economic conditions, including the rate of inflation;
- changes in interest rates and currency exchange rates;



Table of Contents

- timing and amount of production;
  - technological changes in the mining industry;
  - our costs;
  - changes in exploration and overhead costs;
  - access to and availability of materials, equipment, supplies, labor and supervision, power and water;
  - results of current and future feasibility studies;
  - the level of demand for our products;
  - changes in our business strategy, plans and goals;
  - interpretation of drill hole results and the geology, grade and continuity of mineralization;
  - acts of God such as floods, earthquakes and any other natural disasters;
  - the uncertainty of mineralized material estimates and timing of mine construction expenditures; and
  - other risks identified in the section entitled “Risk Factors” in this prospectus supplement, the accompanying prospectus, in our Annual Report on Form 10 K for the fiscal year ended December 31, 2017, or 2017 10 K, and, from time to time, in other reports we file with the SEC or in other documents that we publicly disseminate.
- This list, together with the factors identified under the section entitled “Risk Factors,” is not an exhaustive list of the factors that may affect any of our forward-looking statements. You should read this prospectus supplement, the accompanying prospectus, and any documents incorporated by reference in any of those documents 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 on which they were made.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. We do not undertake to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, other than to reflect a material change in the information previously disclosed, as required by applicable law. You should review our subsequent reports filed from time to time with the SEC on Forms 10 K, 10 Q and 8 K and any amendments thereto. 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.

## Table of Contents

### Prospectus Supplement Summary

This summary highlights information incorporated by reference into or contained elsewhere in this prospectus supplement and the accompanying prospectus. This summary may not contain all of the information that may be important to you. You should read carefully all of the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the information set forth under the caption “Risk Factors” beginning on page S 4 of this prospectus supplement and in our 2017 Form 10 K, and our consolidated financial statements and the related notes thereto incorporated by reference herein before making a decision to invest in our shares.

### Overview of Our Business

Gold Resource Corporation is a producer of metal concentrates that contain gold, silver, copper, lead and zinc, and doré containing gold and silver from the Aguila and Alta Gracia Projects in the southern state of Oaxaca, Mexico, which we refer to as the Oaxaca Mining Unit. The Aguila Project includes the Arista underground mine and processing facility, which are currently in operation. The Alta Gracia Project includes the Mirador underground mine which began operations in 2017. We also perform exploration and evaluation work on our portfolio of precious and base metal exploration properties in the State of Nevada, which we refer to as the Nevada Mining Unit, and continue to evaluate other properties for possible acquisition.

The majority of our assets are located at our Oaxaca Mining Unit, including our Aguila processing facility and Arista and Mirador underground mines. The Aguila processing facility produces metal concentrates and doré from ore mined from both the Arista and Mirador Mines. All of our production and revenue currently comes from our Oaxaca Mining Unit.

The Aguila and Alta Gracia Projects, which comprise our only operating properties, include a total of approximately 35,390 hectares of mining concessions, access roads from a major highway, haul roads, a processing facility, and adjoining buildings, an assay lab, an open pit and underground mines, tailings facilities and other infrastructure.

We commenced mining and milling operations from the Aguila Project in July 2010, initially from the Aguila open pit mine, followed by development and mining the Arista underground mine. The Arista Mine is an underground mine from which we started producing in 2011 and which was expanded in 2016 with the development of the Switchback vein system. The Arista underground mine is located approximately two kilometers from the processing facility. Most of the production from our Oaxaca Mining Unit from 2011 to present has been from the Arista Mine.

Our operations in Oaxaca are conducted through our Mexican subsidiary, Don David Gold Mexico S.A. de C.V. (“DDGM”). Our Nevada exploration and evaluation work is performed through two wholly-owned subsidiaries, GRC Nevada Inc. and Walker Lane Minerals Corp. (“Walker Lane”).

### About Our Company

We were organized under the laws of the State of Colorado on August 24, 1998. Our principal executive offices are located 2886 Carriage Manor Point, Colorado Springs, Colorado 80906, and our telephone number is (303) 320 7708. We maintain a website at [www.goldresourcecorp.com](http://www.goldresourcecorp.com) and through a link on our website you can view the periodic filings that we make with the SEC, as well as certain of our corporate governance documents such as our code of ethics, but the information on our website is not part of this prospectus supplement or the accompanying prospectus.





Table of Contents

THE OFFERING

Issuer	Gold Resource Corporation
Size of offering	Up to \$75,000,000 of shares of our common stock
Common stock to be outstanding after this offering	Up to 73,664,176 shares, assuming a sales price of \$4.53 per share, which was the closing price of our common stock on the NYSE American on April 2, 2018. The actual number of shares issued will vary depending on the sales price under this offering.
Plan of Distribution	“At the market” offering that may be made from time to time through our agent. See “Plan of Distribution” on page S 7 of this prospectus supplement.
Use of proceeds	We intend to use the net proceeds from this offering for working capital, including the anticipated construction and development of a mine and related processing facilities at our Isabella Pearl project in Nevada, and other general corporate purposes. See “Use of Proceeds.”
NYSE American symbol	“GORO”
Dividend policy	We have paid a dividend each month since commencement of commercial production at our Aguila Project in Mexico in 2010. The monthly dividend in 2017 was one-sixth cent per share.  See “Dividend Policy” for additional information.
Risk factors	An investment in our common stock involves certain risks. We urge you to carefully consider all of the information described in the section entitled “Risk Factors” beginning on page S 4 of this prospectus supplement and the risk factors incorporated by reference from our filings with the SEC.

The information above regarding the number of shares of our common stock outstanding is based on 57,107,884 shares of common stock outstanding as of April 2, 2018. The number of shares of our common stock outstanding as of that date does not include 9,501,637 shares reserved for issuance under our equity compensation plans, 5,245,001 of which are issuable upon the exercise of outstanding options to purchase common stock and 194,319 shares which are issuable upon exercise of restricted stock units. Our outstanding options have a weighted average exercise price of \$7.96 per share as of April 2, 2018.

Table of Contents

## SUMMARY FINANCIAL INFORMATION

The following table sets forth our summary financial data. The summary financial data for the years ended December 31, 2017, 2016, and 2015 has been derived from, and should be read together with, our audited consolidated financial statements and the related notes contained in the 2017 10 K. The results presented below are not necessarily indicative of the results to be expected for any future period. You should read the following table together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the 2017 10 K and our historical consolidated financial statements and the related notes, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Year ended / as of December 31,		
	2017	2016	2015
	(in thousands, except per share data as noted)		
Statement of Operations:			
Sales, net	\$ 110,156	\$ 83,227	\$ 92,701
Total mine cost of sales	\$ 68,041	\$ 60,794	\$ 62,378
Mine gross profit	\$ 42,115	\$ 22,433	\$ 30,323
Net income	\$ 4,150	\$ 4,387	\$ 3,062
Net income per common share (basic and diluted)	\$ 0.07	\$ 0.08	\$ 0.06
Statement of Cash Flows:			
Net cash provided by operating activities	\$ 35,633	\$ 17,899	\$ 20,170
Capital expenditures	\$ (25,432)	\$ (15,140)	\$ (26,685)
Dividends paid	\$ (1,137)	\$ (1,670)	\$ (6,502)
Balance Sheet:			
Total assets	\$ 132,923	\$ 118,443	\$ 106,499
Working capital	\$ 27,481	\$ 20,320	\$ 17,716
Total liabilities			