

GOLDSRING
Form S-1/A
June 24, 2004

As filed with the Securities and Exchange Commission on June 24, 2004

Registration No. 333-114697

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

GOLDSRING, INC.

(Exact name of registrant as specified in its charter)

FLORIDA
(State or other jurisdiction of
incorporation or organization)

7389
(Primary Standard Industrial
Classification Code Number)

65-0955118
(I.R.S. Employer
Identification No.)

8585 E. Hartford Drive, Suite 400

Scottsdale, Arizona 85255

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(480) 505-4040

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Robert Faber

Chief Financial Officer and Secretary

GoldSpring, Inc.

8585 E. Hartford Drive, Suite 400

Scottsdale, Arizona 85255

(480) 505-4040

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

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, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$.000666 per share (1)	21,739,129	\$.66	\$14,347,825	\$1,817.87
Common Stock, par value \$.000666 per share (2)	10,869,575	\$.86	\$9,347,835	\$1,184.37
Common Stock, par value \$.000666 per share (3)	10,869,575	\$.46	\$5,000,005	\$633.50
Common Stock, par value \$.000666 per share (4)	211,666	\$1.00	\$211,666	\$26.82
Total	43,689,945		\$28,907,331	\$3,662.56

- (1) Represents Selling Security Holders shares being sold to the public. The price of \$.66 per share is being estimated solely for the purpose of computing the registration fee pursuant to Rule 457(c) of the Securities Act and based on the last trade price reported on the OTC Bulletin Board on April 19, 2004.
- (2) Represents shares of common stock issuable in connection with the conversion of our A warrants for certain selling security holders. The price of \$.86 is being estimated solely for the purpose of computing the registration fee pursuant to Rule 457(g) of the Securities Act and based on the exercise price of the warrants.
- (3) Represents shares of common stock issuable in connection with the conversion of our Green Shoe warrants for certain selling security holders. The price of \$.46 is being estimated solely for the purpose of computing the registration fee pursuant to Rule 457(g) of the Securities Act and based on the exercise price of the warrants.
- (4) Represents shares of common stock issuable in connection with the conversion of our warrants to the selling security holders in our February 2004 private offering memorandum. The price of \$1.00 is being estimated solely for the purpose of computing the registration fee pursuant to Rule 457(g) of the Securities Act and based on the exercise price of the warrants.

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. THE SELLING STOCKHOLDERS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION DATED 2004

GOLDSRING, INC.

21,739,129 SELLING SECURITY HOLDER SHARES OF COMMON STOCK

10,869,575 SHARES OF COMMON STOCK ISSUABLE IN CONNECTION WITH
CONVERSION OF A WARRANTS

10,869,575 SHARES OF COMMON STOCK ISSUABLE IN CONNECTION WITH
CONVERSION OF GREEN SHOE WARRANTS

211,666 SHARES OF COMMON STOCK ISSUABLE IN CONNECTION WITH
CONVERSION OF WARRANTS

Our selling security holders are offering to sell 21,739,129 shares of our common stock; 10,869,575 shares of our common stock issuable in connection with the conversion of our A warrants; 10,869,575 shares of our common stock issuable in connection with the conversion of our Green Shoe warrants; and 211,666 shares of our common stock issuable in connection with the conversion of our warrants issued in our recent private placement offering which closed on February 23, 2004.

The date of this prospectus is June 23, 2004

Our common stock is listed on the OTC Bulletin Board under the symbol GSPG. The last reported sale price of our common stock on April 19, 2004 was \$0.66. We have recently submitted an application for a listing on the American Stock Exchange and we are waiting for notification of approval.

This prospectus relates to the resale by the selling stockholders of up to 21,739,129 shares of our common stock; 10,869,575 shares of our common stock issuable in connection with the conversion of our A warrants; 10,869,575 shares of our common stock issuable in connection with the conversion of our Green Shoe Warrants; and 211,666 shares of our common stock issuable in connection with the conversion of our warrants issued in our recent private placement offering which closed on February 23, 2004. The selling stockholders may sell the stock from time to time at the prevailing market price or in negotiable transactions.

We will receive no proceeds from the sale of the shares by the selling stockholders. However, we will receive proceeds from the sale of the exercise of our warrants.

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GLOSSARY

The following is a glossary of terms that will be used throughout this document. The glossary is being provided to help any person reading this document to understand certain terms.

ASSAY means to test ores or minerals by chemical or other methods for the purpose of determining the amount of valuable metals contained.

BRECCIA means rock consisting of fragments, more or less angular, in a matrix of finer-grained material or of cementing material.

BONANZA means a compact mass of very high-grade ore. Average Bonanza grades are 2.3 ounces of gold per ton and 43 ounces of silver per ton.

CLAIM means a mining title giving its holder the right to prospect, explore for and exploit minerals within a defined area.

COMMON SHARES means common shares without par value of GoldSpring, Inc.

COMPANY means the consolidated group consisting of GoldSpring, Inc. and its subsidiaries The Plum Mining Company, LLC, GoldSpring, LLC and Ecovat Copper Nevada, LLC.

CORPORATE STOCK TRANSFER means GoldSpring's registrar and transfer agent, Corporate Stock Transfer of Denver, Colorado.

CORPORATION means the consolidated group consisting of GoldSpring, Inc. and its subsidiaries The Plum Mining Company, LLC, GoldSpring, LLC and Ecovat Copper Nevada, LLC.

CUT-OFF GRADE means the grade below which mineralized material or ore will be considered waste.

DEPOSIT means an informal term for an accumulation of mineral ores.

DIAMOND DRILL means a rotary type of rock drill that cuts a core of rock and is recovered in long cylindrical sections, two centimeters or more in diameter.

DORE means unrefined gold and silver bullion consisting of approximately 90% precious metals, which will be further refined to almost pure metal.

DUMPS means depositories of unprocessed material rejected from prior mining operations.

ECOVAT COPPER NEVADA means Ecovat Copper Nevada, LLC, a wholly-owned subsidiary of GoldSpring, Inc.

FAULT means a fracture in rock along which there has been displacement of the two sides parallel to the fracture.

GOLDSRING means GoldSpring, Inc.

HEAP LEACH means a gold extraction method that percolates a cyanide solution through ore heaped on an impervious pad or base.

MINERALIZATION means the concentration of metals within a body of rock.

MINERALIZED MATERIAL is a mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling to support a sufficient tonnage and average grade of metal(s). Such a deposit does not qualify as a reserve, until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility.

NET SMELTER RETURNS means the actual financial proceeds received from any mint, smelter, refinery, or other purchaser, from the sale of bullion, dore, concentrates or finished products, less the cost of shipping, and all minting, smelter or refinery costs.

ORE means material containing minerals that can be economically extracted.

OXIDE means mineralized rock in which some of the original minerals have been oxidized (I.E., combined with oxygen). Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that minute particles of gold in the interior of the minerals will be more readily dissolved.

PATENT means Fee simple title (private land) obtained from a State or Federal government to land containing a valid mineral discovery.

PLACER MINE means the Gold Canyon and Spring Valley properties contained within the legal entity of GoldSpring LLC.

PLUM MINING means The Plum Mining Company, LLC, a wholly-owned subsidiary of GoldSpring, Inc.

PROBABLE RESERVES means reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

PROVEN RESERVES means reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth, and mineral content of reserves are well-established.

RECOVERY means that portion of the metal contained in the ore that is successfully extracted by processing, expressed as a percentage.

RESERVES or **ORE RESERVES** mean that part of a mineral deposit, which could be economically and legally extracted or produced at the time of the reserve determination.

SAMPLING means selecting a fractional, but representative, part of a mineral deposit for analysis.

SEDIMENT means solid material settled from suspension in a liquid.

STOCKWORK means a rock mass interpenetrated by small veins of mineralization.

STRIKE , when used as a noun, means the direction, course or bearing of a vein or rock formation measured on a level surface and, when used as a verb, means to take such direction, course or bearing.

STRIKE LENGTH means the longest horizontal dimension of an ore body or zone of mineralization.

STRIPPING RATIO means the ratio of waste to ore in an open pit mine.

SULPHIDE (or **SULFIDE**) means a compound of sulfur and some other element.

TRENCHING means prospecting in which subsurface strata are exposed by digging pits across the strike of a lode.

VEIN means a fissure, fault or crack in a rock filled by minerals that have traveled upwards from some deep source.

VOLCANICLASTIC means derived by ejection of volcanic material from a volcanic vent.

WASTE means rock lacking sufficient grade and/or other characteristics of ore.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. The terms we, us, our and GoldSpring refer to GoldSpring, Inc., unless the context otherwise requires.

About Us

We are a precious metals mining company specializing in the production of gold and other precious metals. GoldSpring, as it exists today, was formed in March 2003 when we undertook a reorganization through which we acquired substantially all of the mining assets of Ecovery, Inc., a private corporation with mining properties in Nevada. Ecovery's mining assets include the Gold Canyon and Spring Valley gold placer projects in Lyon County, Nevada plus the "Big Mike" Copper Ore Project, located about 2 hours east of Reno in Winnemucca, Nevada.

Prior to March 2003, we were focused on software and technology applications for global e-commerce. We were originally founded in Florida in October 1999, as Click and Call Company. We changed our name to StartCall.com, Inc. in June 2000. StartCall.com's business plan was to serve as an application service provider (ASP) which offered real-time interaction technology as an out source service. We planned to offer a technology that would enable visitors to a web site to click on a button and request live help at the point of a purchase when needed or desired by the customer. In the fourth quarter of 2002, we decided that we could not compete in the marketplace and began looking for potential acquisitions or mergers with companies in the software telecommunications industry.

On November 1, 2003, we acquired The Plum Mining Company, LLC (Plum). It became our wholly owned subsidiary. The Plum property consists of two projects (The Billie the Kid Project comprised of the Billie the Kid, Lucerne and the Hartford Pits, and The Como Project) containing gold and silver bearing ore. The Billie the Kid and Lucerne open pit mines (private land) contain gold and silver. In addition to the mining claims, the Plum acquisition included 40 acres of private land with a 2,700 square foot office building, two laboratory trailers, an enclosed maintenance facility, earth-moving equipment, dump trucks, and other processing equipment including a Merrill Crowe solution extraction plant and a primary ore crusher. On November 18, 2003, we commenced work on the Plum property.

On December 12, 2003, we initiated the application process to be listed on the American Stock Exchange (AMEX). We are awaiting notification of approval.

How We Are Organized

We were incorporated in Florida on October 19, 1999 under the name Click and Call Corporation. On June 7, 2000, we changed our name to Startcall.com, Inc. At such time, our business plan was to serve as an application service provider. On December 12, 2002, we filed a certificate of amendment to our certificate of incorporation to increase our authorized common shares to 150,000,000. On December 27, 2002, we changed our name to Visator, Inc. On March 12, 2003, we changed our name to GoldSpring, Inc. and increased our authorized shares to 500,000,000. On November 21, 2003, our application to transact business in Arizona was approved. The Plum Mining Company, LLC was incorporated in Nevada on November 1, 1996.

Where You Can Find Us

We are located at 8585 E. Hartford Drive, Suite 400, Scottsdale, Arizona 85255. Our telephone number is (480) 505-4040 and our facsimile number is (480) 505-4044.

Plan Of Distribution

The selling shareholders may be selling up to 21,739,129 shares of our common stock, 10,869,575 shares of common stock issuable in connection with conversion of a warrants, 10,869,575 shares of common stock issuable in connection with conversion of green shoe warrants and 211,666 shares of common stock issuable in connection with the conversion of our warrants issued in our recent private placement offering which closed on February 23, 2004. Such shares of our common stock may be sold from time to time to purchasers directly by the selling shareholders. Alternatively, the selling shareholders may from time to time offer shares through underwriters, dealers or agents, who may receive compensation in the form of underwriting discounts, concessions or commissions from the selling security holders for whom they may act as agent. The selling shareholders and any underwriters, dealers or agents that participate in the distribution of our common stock may be deemed to be underwriters, and any commissions or concessions received by any such underwriters, dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act. Shares may be sold from time to time by the selling shareholders in one or more transactions at a fixed offering price, which may be changed, or at varying prices determined at the time of sale or at negotiated prices. We may indemnify any underwriter against specific civil liabilities, including liabilities under the Securities Act. We will bear all expenses of the offering of shares of our common stock by the selling shareholders other than payment that they may agree to make to underwriters.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The following summary consolidated financial and operating data should be read together with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus. The summary consolidated balance sheet data as of December 31, 2002 and 2003 and the summary consolidated statements of operations data for each of the three years in the three year period ended December 31, 2003 have been derived from our audited consolidated financial statements included elsewhere in this prospectus.

	Year Ended December 31,		
	2001	2002	2003
Consolidated Statements of Operations:			
Revenues:	\$		
	3,471	\$ 1,157	\$ 0
Total revenues	3,471	1,157	0
Cost of revenues:	0	0	0
Gross profit	3,471	1,157	0
Operating expenses:			
Selling, general and administrative expenses	74,947	66,822	4,258,235
Depreciation and amortization expense	13,264	13,265	1,118
Total operating expenses	88,212	80,086	4,646,910
Income (loss) from operations	(84,741)	(78,929)	(4,646,910)
Other income (expenses):			
Interest income	0	0	1,891
Total other expenses	0	0	1,891
Income (loss) before income taxes	(84,741)	(78,929)	(4,645,019)
Income tax provision (benefit)	0	0	(940,000)
Net (loss)	\$ (84,741)	\$ (78,929)	\$ (3,705,019)

	Year Ended December 31,		
	2001	2002	2003
Net income (loss) per common share:			
Basic and diluted	(0.000)	(0.003)	(0.027)
Weighted average shares outstanding(6):			
Basic and diluted	971,278	4,228,181	135,131,484

As of December 31, 2003

Consolidated Balance Sheet

Data:

Cash and cash equivalents	\$	364,138
Total assets		8,751,438
Total long-term debt, including current portion		1,000,000
Total stockholders' equity (deficit)		7,593,166

RISK FACTORS

An investment in our common stock is highly speculative and involves a high degree of risk. Therefore, you should consider all of the risk factors discussed below, as well as the other information contained in this document. You should not invest in our common stock unless you can afford to lose your entire investment and you are not dependent on the funds you are investing.

Please note that throughout this prospectus, the words *we*, *our* or *us* refer to GoldSpring, Inc. and not to the selling shareholders.

RISKS RELATED TO OUR BUSINESS

WE WILL NOT BE SUCCESSFUL UNLESS WE RECOVER PRECIOUS METALS AND SELL THEM ON WORLD MARKETS

Our success and possible growth will depend on our ability to recover precious metals, process them, and successfully sell them on world markets. The success of this process is dependent on the world spot market prices paid in relation to our costs of production. We may not always be able to produce at a profit because we can only maintain a level of control over our costs and have no ability to control the world spot market prices. We have adopted a small spot deferred sales program in the gold market in order to bring a level of stability to a portion of our future gold production.

THE COST OF OUR ACQUISITION, EXPLORATION AND DEVELOPMENT ACTIVITIES ARE SUBSTANTIAL AND THERE IS NO ASSURANCE THAT THE QUANTITIES WE DISCOVER OR ACQUIRE WILL JUSTIFY COMMERCIAL OPERATIONS

We cannot be certain that our acquisition, exploration and development activities will be commercially successful. Substantial expenditures are required to acquire existing gold properties, to establish ore reserves through drilling and analysis, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that any gold reserves or mineralized material acquired or discovered will be in sufficient quantities or adequate grade to justify commercial operations or that the funds required for development can be obtained on a timely basis.

THE PRICE OF GOLD IS KNOWN TO FLUCTUATE ON A REGULAR BASIS AND THE DOWNTURN IN PRICE COULD NEGATIVELY IMPACT OUR OPERATIONS AND CASH FLOW

The price of gold is subject to fluctuations, which could adversely affect the realizable value of our assets and potential future results of operations and cash flow.

SINCE OUR ASSETS ARE GOLD, SILVER AND COPPER RESERVES, THE DROP IN THE PRICE OF ANY OF THESE METALS WILL NEGATIVELY EFFECT OUR ASSET VALUES, CASH FLOWS, POTENTIAL REVENUES AND PROFITS

Our principal assets are gold, silver and copper reserves, real estate, mining permits, heavy equipment used in mining and mining infrastructure for mineral processing. We intend to acquire additional properties containing reserves and mineralized material with exploration potential. The price that we pay to acquire these properties will be, in large part, influenced by the price of gold at the time of the acquisition. Our potential future revenues are expected to be, in large part, derived from the mining and sale of gold from these properties or from the outright sale of some of these properties. The value of these gold reserves and mineralized material, and the value of any potential mineral production there from, will vary in direct proportion to variations in those mineral prices. The price of gold has fluctuated widely, and is affected by numerous factors beyond our control, including, but not limited to, international, economic and political trends, expectations of inflation, currency exchange fluctuations, central bank activities, interest rates, global or regional consumption patterns and speculative activities. The effect of these factors on the price of gold, and therefore the economic viability of any of our projects, cannot accurately be predicted. Any drop in the price of gold would negatively effect our asset values, cash flows, potential revenues and profits.

OUR ACTIVITIES ARE INHERENTLY HAZARDOUS AND ANY EXPOSURE MAY EXCEED OUR INSURANCE LIMITS OR MAY NOT BE INSURABLE

Mining exploration, development and operating activities are inherently hazardous. Mineral exploration involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which we have direct or indirect interests will be subject to all the hazards and risks normally incidental to exploration, development and production of gold and other metals, any of which could result in work stoppages, damage to property and possible environmental damage. The nature of these risks is such that liabilities might exceed any liability insurance policy limits. It is also possible that the liabilities and hazards might not be insurable, or, we could elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event, we could incur significant costs that could have a material adverse effect on our financial condition.

SINCE RESERVE CALCULATIONS ARE ONLY ESTIMATES, ANY MATERIAL CHANGE MAY NEGATIVELY EFFECT THE ECONOMIC VIABILITY OF OUR PROPERTIES

Reserve calculations are estimates only, subject to uncertainty due to factors including metal prices and recoverability of metal in the mining and mineral recovery process. There is a degree of uncertainty attributable to the calculation of reserves and corresponding grades dedicated to future production. Until reserves are actually mined and processed, the quantity of ore and grades must be considered as an estimate only. In addition, the quantity of reserves and ore may vary depending on metal prices. Any material change in the quantity of reserves, mineralization, grade or stripping ratio may negatively affect the economic viability of our properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

OUR OPERATIONS ARE SUBJECT TO STRICT ENVIRONMENTAL REGULATIONS WHICH RESULT IN ADDED COSTS OF OPERATIONS AND OPERATIONAL DELAYS

Our exploration and development operations are subject to environmental regulations, which could result in additional costs and operational delays. All phases of our operations are subject to environmental regulation. Environmental legislation is evolving in some countries or jurisdictions in a manner which may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not negatively affect our projects. We are currently subject to environmental regulations with respect to our properties in Nevada.

WE ARE SUBJECT TO FEDERAL LAWS WHICH REQUIRE ENVIRONMENTAL ASSESSMENTS AND BOND/SURETY POSTINGS WHICH ADD SIGNIFICANT COSTS TO OUR OPERATIONS AND DELAYS IN OUR PROJECTS

The Bureau of Land Management requires that mining operations on lands subject to its regulation obtain an approved plan of operations subject to environmental impact evaluation under the National Environmental Policy Act. Any significant modifications to the plan of operations may require the completion of an environmental assessment or Environmental Impact Statement prior to approval. Mining companies must post a bond or other surety to guarantee the cost of post-mining reclamation. These requirements could add significant additional cost and delays to any mining project undertaken by us.

CHANGES IN STATE LAWS, WHICH ARE ALREADY STRICT AND COSTLY, CAN NEGATIVELY EFFECT OUR OPERATIONS BY BECOMING STRICTER AND COSTLIER

At the state level, mining operations in Nevada are also regulated by the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection. Nevada state law requires the Plum Mining Company and the GoldSpring Placer Projects to hold Nevada Water Pollution Control Permits, which dictate operating controls and closure and post-closure requirements directed at protecting surface and ground water. In addition, we are required to hold Nevada Reclamation Permits required under NRS 519A.010 through 519A.170. These permits mandate concurrent and post-mining reclamation of mines and require the posting of reclamation bonds sufficient to guarantee the cost of mine reclamation. Other Nevada regulations govern operating and design standards for the construction and operation of any source of air contamination, and landfill operations. Any changes to these laws and regulations could have a negative impact on our financial performance and results of operations by, for example, required changes to operating constraints, technical criteria, fees or surety requirements.

TITLE CLAIMS AGAINST OUR MINING PROPERTIES COULD REQUIRE US TO COMPENSATE PARTIES, IF SUCCESSFUL, AND DIVERT MANAGEMENT'S TIME FROM OPERATIONS

There may be challenges to our title in the mineral properties in which we hold a material interest. If there are title defects with respect to any of our properties, we might be required to compensate other persons or perhaps reduce our interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs.

GENERAL RISKS AND OFFERING RISKS

WE HAVE LIMITED REVENUE TO DATE AND ARE SUBJECT TO ALL RISKS IN ANY DEVELOPING BUSINESS

As of March 1, 2004 we had no revenues although we have recently begun to generate revenues which we expect to continue and expand in the first half of 2004. We are subject to all of the risks inherent in a developing business enterprise which will have an affect on our development, growth and success.

IF OUR SHARE PRICE IS VOLATILE, WE MAY BE THE TARGET OF SECURITIES LITIGATION, WHICH CAN BE COSTLY AND TIME-CONSUMING TO DEFEND

In the past, following periods of market volatility in the price of a company's securities, security holders have often instituted class action litigation. If the market value of our common stock experiences adverse fluctuations and we become involved in this type of litigation, regardless of the outcome, we could incur substantial legal costs and our management's attention could be diverted from the operation of our business, causing our business to suffer.

FUTURE SALES OF OUR COMMON STOCK IN THE PUBLIC MARKET COULD LOWER OUR STOCK PRICE, AND CONVERSION OF OUR WARRANTS AND ANY ADDITIONAL CAPITAL RAISED BY US MAY DILUTE YOUR OWNERSHIP IN US.

We may sell additional shares of common stock in subsequent public offerings. In addition, the warrant holders in our recent financing and private placement memorandum will, most likely, convert their warrants to our shares of common stock after this registration statement is declared effective. We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with the conversion of the warrants stated above, or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

THE REQUIREMENTS OF BEING A PUBLIC COMPANY MAY STRAIN OUR RESOURCES AND DISTRACT MANAGEMENT

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, or Exchange Act, and the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls for financial reporting. We currently do not have an internal audit group. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. This may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge, and we cannot assure you that we will be able to do so in a timely or cost effective fashion.

WE DO NOT INTEND TO PAY A CASH DIVIDENDS ON OUR COMMON STOCK IN THE NEAR TERM AND, CONSEQUENTLY, YOUR ONLY OPPORTUNITY TO ACHIEVE A RETURN ON YOUR INVESTMENT IS IF THE PRICE OF OUR STOCK APPRECIATES

We do not plan to declare cash dividends on shares of our common stock in the foreseeable future. Consequently, your only opportunity to achieve a return on your investment in us will be if the market price of our common stock appreciates and you sell your shares at a profit. There is no guarantee that the price of our common stock that will prevail in the market after this offering will ever exceed the price that you pay.

OUR BUSINESS DEPENDS ON A LIMITED NUMBER OF KEY PERSONNEL, THE LOSS OF WHOM COULD NEGATIVELY AFFECT US

Stephen Parent, Robert Faber and John Cook, our senior executives are important to our success. If they become unable or unwilling to continue in their present positions, our business and financial results could be materially negatively affected.

IF WE FAIL TO ADEQUATELY MANAGE OUR GROWTH, WE MAY NOT BE SUCCESSFUL IN GROWING OUR BUSINESS AND BECOMING PROFITABLE

We expect our business and number of employees to grow over the next 12 months. In particular, we intend to hire additional administrative personnel and to increase expenditures for investor relations. We expect that our growth will place significant stress on our operation, management, employee base. Any failure to address the needs of our growing business successfully could have a negative impact on our chances of success.

SHARES ELIGIBLE FOR PUBLIC SALE IN THE FUTURE COULD DECREASE THE PRICE OF OUR COMMON SHARES AND REDUCE OUR FUTURE ABILITY TO RAISE CAPITAL

Sales of substantial amounts of our common stock in the public market could decrease the prevailing market price of our common stock and our ability to raise equity capital in the future.

"PENNY STOCK" RULES MAY MAKE BUYING OR SELLING OUR COMMON STOCK DIFFICULT

Trading in our securities is subject to the penny stock rules. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited investors, must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our securities, which could severely limit the market price and liquidity of our securities. Broker-dealers who sell penny stocks to certain types of investors are required to comply with the Commission's regulations concerning the transfer of penny stocks. These regulations require broker-dealers to:

- Make a suitability determination prior to selling a penny stock to the purchaser;
- Receive the purchaser's written consent to the transaction; and
- Provide certain written disclosures to the purchaser.

These requirements may restrict the ability of broker-dealers to sell our common stock and may affect your ability to resell our common stock.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, which include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation and availability of resources. These forward-looking statements include statements regarding: proposed new programs; expectations that regulatory developments or other matters will not have a material adverse effect on our consolidated financial position, results of operations or liquidity; statements concerning projections, predictions, expectations, estimates or forecasts as to our business, financial and operational results and future economic performance; and statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as may, will, should, could, would, potential, continue, expects, anticipates, future, intends, plans, believes, estimates and similar expressions, as well as statements identify forward-looking statements.

You should not read forward-looking statements as a guarantee of future performance or results. They will not necessarily be accurate indications of the times at or by which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events. They are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements.

Forward-looking statements speak only as of the date the statements are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, you should draw no inference that we will make additional updates with respect to those or other forward-looking statements.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The following selected consolidated financial and operating data should be read together with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus. The selected consolidated balance sheet data as of December 31, 2002 and 2003 and the selected consolidated statements of operations data for each of the three years in the period ended December 31, 2003 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The balance sheet data as of December 31, 1999, 2000 and 2001 and the statements of operations data for the years ended December 31, 1999 and 2000 have been derived from our audited financial statements, which are not included in this prospectus. Historical results are not necessarily indicative of the results to be expected in the future.

Years Ended December 31,

	1999	2000	2001	2002	2003
Consolidated Statements of Operations:					
Revenues:					
Consulting and other	\$ --	\$ 7,162	\$ 3,471	\$ 1,157	\$ --
Interest Income	\$ --	\$ --	\$ --	\$ --	\$ 1,891
Operating expenses:					
Costs applicable to sales	--	--	--	--	--
Organization	5,554	--	--	--	--
Consulting	5,554	--	--	--	4,258,235
General and administrative	6,349	267,082	74,947	57,177	387,557
Research and development	9,056	60,263	--	9,645	--
Marketing and promotional	914	38,517	--	--	--
Depreciation and amortization	13,265	13,265	13,265	13,264	1,118
	35,138	379,127	88,212	80,086	4,646,910
Loss before income taxes	(35,138)	(371,965)	(84,741)	(78,929)	(4,645,019)
Income tax provision (benefit)	--	--	--	--	(940,000)
Net loss	\$ (35,138)	\$ (371,965)	\$ (84,741)	\$ (78,929)	\$ (3,705,019)
Net loss per common share - basic and diluted	\$ --	\$ --	\$ --	\$ (0.003)	\$ (0.027)
Weighted average common shares outstanding - basic and diluted	1,500,000	1,704,000	971,278	4,228,181	135,131,484

Years Ended December 31,

	1999	2000	2001	2002	2003
Consolidated Balance Sheet Data:					
Cash and cash equivalents					