

GOLDSRING INC
Form SB-2/A
September 21, 2005

As filed with the Securities and Exchange Commission on September 21, 2005

Registration No. 333-124506

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM SB-2/A
Amendment No. 2
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 Number)
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P.O. Box 1118
Virginia City, NV 89440
(775) 847-5272
(Address, Including Zip Code, and Telephone
Number, Including Area Code,
of Registrant's Principal Executive Offices)

ROBERT T. FABER
PRESIDENT AND CHIEF EXECUTIVE OFFICER
P.O. Box 1118
Virginia City, NV 89440
(775) 847-5272
(Name, Address Including Zip Code, and Telephone
Number,
Including Area Code, of Agent for Service)

Copies to:
ROBERT S. KANT, ESQ.
SCOTT K. WEISS, ESQ.
GREENBERG TRAURIG, LLP
2375 East Camelback Road
Phoenix, Arizona 85016
(602) 445-8000

Approximate Date of Commencement of Proposed Sale to the Public:

As soon as practicable after the effective date of this Registration Statement.

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, \$.001 par value per share	287,925,342	\$0.06	\$17,275,521	\$2,053

(1) Pursuant to Rule 416 under the Securities Act of 1933, we are registering shares of Common Stock currently outstanding as well as shares issuable upon the conversion of convertible notes and exercise of stock warrants.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933.

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 Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We 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.

SUBJECT TO COMPLETION
DATED AUGUST 1, 2005

PROSPECTUS

287,925,342 Shares

GOLDSRING, INC.

Common Stock

The shareholders of our company listed in this prospectus are offering for sale up to 287,925,342 shares of common stock, currently outstanding or that may be issued upon conversion of notes and exercise of warrants.

We expect that sales made pursuant to this prospectus will be made

- in broker's transactions,
- in block trades,
- in transactions directly with market makers, or
- in privately negotiated sales or otherwise.

We will not receive any of the proceeds of sales by the selling shareholders. We will pay the expenses incurred to register the shares for resale, but the selling shareholders will pay any underwriting discounts, concessions, or brokerage commissions associated with the sale of their shares of common stock.

The selling shareholders will determine when they will sell their shares, and in all cases, they will sell their shares at the current market price or at negotiated prices at the time of the sale. Securities laws and SEC regulations may require the selling shareholders to deliver this prospectus to purchasers when they resell their shares of common stock.

Our common stock is traded on the Over-the-Counter Bulletin Board under the symbol "GSPG.0B." The last reported sale price of our common stock on the OTCBB on April 26, 2005 was \$.057 per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 4 to read about certain risks that you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to

the contrary is a criminal offense.

The date of this prospectus is _____, 2005

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in our common stock. You should read this entire prospectus carefully, including “Risk Factors” and our financial statements and related notes.

Our Company

We are a North American natural resource company, focused on gold and other precious metals. We are in the exploration stage, and our exploration program includes conducting test mining at our Billie the Kid / Lucerne property in northern Nevada. Our objective is to achieve growth and profitability through exploration at our current properties and acquisitions of projects that we believe we can bring into production within a short period of time.

The following table sets forth certain information regarding our current exploration projects.

Name	Location	Type
Billie the Kid/Lucerne	Storey and Lyon County, Nevada	Gold and silver - open pit test mining
Como	Lyon County, Nevada	Gold and silver claims
Gold Canyon	Lyon County, Nevada	Placer gold claims
Spring Valley	Lyon County, Nevada	Placer gold claims
Big Mike	Pershing County, Nevada	Lode and Placer copper claims
Alberta	Alberta, Canada	Non-energy mineral rights, including iron

Our Billy the Kid/Lucerne claims, which we call our Plum exploration project, are located between Carson City and Virginia City, Nevada, about 30 miles southeast of Reno in an area known as American Flat. Our Gold Canyon and Spring Valley projects are located in Lyon County, Nevada, and our Big Mike Copper project is located about two hours east of Reno in Winnemucca, Nevada.

Our Plum exploration activities include open pit gold and silver test mining. We have not yet established any proven or probable reserves meeting the requirements of SEC Industry Guide 7. Therefore, all of our activities are considered test mining and exploratory in nature. Test mining commenced in the third quarter of 2004. We have not as yet explored or developed our Como claims. We also have not completed any exploratory activities on our Gold Canyon, Spring Valley, or Big Mike properties. We have not established reserves on any of these properties. Therefore, there can be no assurance that we will be able to produce sufficient gold to recover our investment and operating costs.

We originally became a mineral company through an acquisition in June 2003. That acquisition, which had an effectuation date of March 2003, provided us with a number of Nevada-based placer claims, including the Gold Canyon and Spring Valley claims, and 17 unpatented lode claims called the Big Mike Copper property. In November 2003, we acquired the Plum Mine facility as well as water rights that are usable at Plum Mine and the Gold Canyon and Spring Valley placer claims. In a separate transaction, we obtained mineral permits in Alberta, Canada in May 2004.

Our History

We were incorporated in the state of Florida effective October 19, 1999 under the name Click and Call, Inc. We changed our name to STARTCALL.COM, Inc. on June 7, 2000 and to GoldSpring, Inc. on March 10, 2003.

Our Offices

We maintain our principal executive offices at 1200 American Flat Road, P.O. Box 1118 Virginia City, Nevada 89440. Our telephone number is (775) 847-5272.

Our website is located at www.goldspring.us. The information contained on our website does not constitute part of this prospectus. Through our website, we make available free of charge our annual reports on Form 10-KSB, our proxy statements, our quarterly reports on Form 10-QSB, our current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act. These reports are available as soon as reasonably practicable after we electronically file those materials with the Securities and Exchange Commission. The documents are also available in print by contacting our corporate secretary at our executive offices.

The Offering

Common stock offered by the selling stockholders	287,925,342 shares
Common stock currently outstanding	250,201,992 shares
Use of proceeds	We will not receive any of the proceeds of this offering.
OCTBB Symbol	GSPG.OB

The number of shares of common stock to be outstanding after this offering is based upon our outstanding shares as of June 30, 2005. These shares exclude the following:

- 64,479,010 shares issuable upon the conversion of our November 30, 2004, 8% convertible notes payable, convertible at a conversion rate of \$0.1131 per share.
- 2,579,160 shares issuable upon conversion of accrued interest as of June 30, 2005 on our November 30, 2004, 8% convertible notes payable, convertible at a conversion rate of \$0.1131 per share.
 - 27,751,639 \$0.20 warrants issued in connection with our November 30, 2004, 8% convertible notes payable.
- 60,876,957 shares issuable upon the conversion of our March 31, 2005, 12% secured convertible debentures payable, convertible at a conversion rate of \$0.1131 per share.
- 730,525 shares issuable upon conversion of accrued interest as of June 30, 2005 on our March 31, 2005, 12% secured convertible debentures payable, convertible at a conversion rate of \$0.1131 per share.
- 3,564,765 shares issuable upon the conversion of our March 18, 2005, 8% convertible notes payable, convertible at a conversion rate of \$0.1131 per share.
- 35,645 shares issuable upon conversion of accrued interest as of June 30, 2005 on our 8% March 18, 2005, convertible notes payable, convertible at a conversion rate of \$0.1131 per share.

RISK FACTORS

Before you invest in our common stock, you should be aware that there are risks, including those set forth below. You should carefully consider these risk factors, together with all the other information included in this prospectus, before you decide to purchase shares of our common stock.

Risks Related to Our Business

We have limited resources and our inability to obtain additional financing could negatively affect our growth and success.

We have incurred substantial losses since our inception, and we are currently experiencing a cash flow deficiency from operations. Our current cash flow and capital resources are limited, and we may require additional funds to pursue our business. We may not be able to secure further financing in the future. If we are not able to obtain additional financing on reasonable terms, we may not be able to execute our business strategy, conduct our operations at the level desired, or even to continue business.

We have received a qualified report from our independent auditors.

The report by the independent auditors on our financial statements indicates that our financial statements have been prepared assuming that we will continue as a going concern. The report indicates that our recurring losses from operations and working capital deficit raise substantial doubt about our ability to continue as a going concern.

We have invested capital in high-risk mineral projects where we have not conducted significant exploration and engineering studies.

We have invested capital in various mineral properties and projects in North America where we may not have conducted sufficient exploration and engineering studies to minimize the risk of project failure to the extent that is typical in the mining industry. Our mineral projects involve high risks because we have not invested substantial sums in the characterization of mineralized material, geologic analysis, metallurgical testing, mine planning, and economic analysis to the same extent that other mining companies might deem reasonable. Standard industry practice calls for a mining company to prepare a formal mine plan and mining schedule and have these documents reviewed by a third party specialist. We do not have a formal mine plan that has been reviewed by a third party specialist. Because we have not established proven or probable reserves, there can be no assurance that we will be able to produce sufficient gold to recover our investment and operating costs.

Our corporate officers lack technical training and mining experience.

Our corporate officers lack technical training and experience in operating a mine. With no direct training or experience in these areas, our corporate officers may not be fully aware of many of the specific requirements related to working within the mining industry. The decisions of our corporate officers may not take into account standard engineering or managerial approaches that operating mining companies commonly use. Consequently, our operations, earnings, and ultimate financial success could suffer irreparable harm due to corporate officers' lack of experience in the mining industry.

We will not be successful unless we recover precious metals and sell them for a profit.

Our success depends on our ability to recover precious metals, process them, and successfully sell them for more than the cost of production. The success of this process depends on the market prices of metals in relation to our costs of production. We may not always be able to generate a profit on the sale of gold or other minerals because we can only maintain a level of control over our costs and have no ability to control market prices. The total cash costs of

production at any location are frequently subject to great variation from year to year as a result of a number of factors, such as the changing composition of ore grade or mineralized material production and metallurgy and exploration activities in response to the physical shape and location of the ore body or deposit. In addition, costs are affected by the price of commodities, such as fuel and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in production costs or a decrease in the price of gold or other minerals could adversely affect our ability to earn a profit on the sale of gold or other minerals.

We do not have proven or probable reserves, and there is no assurance that the quantities of precious metals we produce will be sufficient to recover our investment and operating costs.

Our success depends on our ability to produce sufficient quantities of precious metals to recover our investment and operating costs. We do not have proven or probable reserves. There can be no assurance that our exploration activities will result in the discovery of sufficient quantities of mineralized material to lead to a commercially successful operation.

The cost of our exploration and acquisition activities are substantial, and there is no assurance that the quantities of minerals we discover or acquire will justify commercial operations or replace reserves established in the future.

Mineral exploration, particularly for gold and other precious metals, is highly speculative in nature, involves many risks, and frequently is nonproductive. There can be no assurance that our exploration and acquisition activities will be commercially successful. Once gold mineralization is discovered, it may take a number of years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. 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 processing facilities and infrastructure at any site chosen for mineral exploration. There can be no assurance that any gold reserves or mineralized material that may be discovered or acquired in the future will be in sufficient quantities or of adequate grade to justify commercial operations or that the funds required for mineral production operation can be obtained on a timely or reasonable basis. Mineral exploration companies must continually replace mineralized material or reserves depleted by production. As a result, there can be no assurance that we will be successful in replacing any reserves or mineralized material acquired or established in the future.

The price of gold fluctuates on a regular basis, and a downturn in price could negatively impact our operations and cash flow.

Our operations are significantly affected by changes in the market price of gold. Gold prices can fluctuate widely and may be affected by numerous factors, such as expectations for inflation, levels of interest rates, currency exchange rates, central bank sales, forward selling or other hedging activities, demand for precious metals, global or regional political and economic crises, and production costs in major gold-producing regions, such as South Africa and the former Soviet Union. The aggregate effect of these factors, all of which are beyond our control, is impossible for us to predict. The demand for and supply of gold affect gold prices, but not necessarily in the same manner as supply and demand affect the prices of other commodities. The supply of gold consists of a combination of new mineral production and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations, and private individuals. As the amount produced in any single year constitutes a small portion of the total potential supply of gold, normal variations in current production do not have a significant impact on the supply of gold or on its price. If gold prices decline substantially, it could adversely affect the realizable value of our assets and potential future results of operations and cash flow.

The use of hedging instruments may not prevent losses being realized on subsequent price decreases or may prevent gains being realized from subsequent price increases.

We may from time to time sell some future production of gold pursuant to hedge positions. If the gold price rises above the price at which future production has been committed under these hedge instruments, we will have an opportunity loss. However, if the gold price falls below that committed price, our revenues will be protected to the extent of such committed production. In addition, we may experience losses if a hedge counterparty defaults under a contract when the contract price exceeds the gold price. As of the date of filing of this report, we have no open hedge positions.

Since our business consists of exploring for or acquiring gold prospects, the drop in the price of gold will negatively affect our asset values, cash flows, potential revenues and profits.