MCDONALDS CORP
Form 8-K
June 17, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 17, 2002

McDONALD'S CORPORATION
(Exact name of Registrant as specified in its Charter)

Delaware	1-5231	36-2361282
(State of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

One McDonald's Plaza
Oak Brook, Illinois 60523
(630) 623-3000
(Address and Phone Number of Principal Executive Offices)

Item 5. Other Events

On June 17, 2002, McDonald's Corporation (the "Company") issued a press release announcing the Company's second quarter 2002 update. The press release is filed as Exhibit 99 hereto and incorporated herein by reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits:

99 Press Release dated June 17, 2002-- McDonald's Second Quarter 2002 Update

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

McDONALD'S CORPORATION

(Registrant)

Date: June 17, 2002

By: /s/ Gloria Santona

Gloria Santona
Senior Vice President,
General Counsel and Secretary

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Exhibit Index

Exhibit No.	
99	News Release of McDonald's Corporation issued June 17, 2002: McDonald's Second Quarter 2002 Update

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NET LOSS	$	(6,064,669)	$	(16,487,683)
Net loss per common share - basic	$	(0.01)		

$

(0.01

)

Basic weighted average common shares outstanding

3,549,673,689

3,142,593,304

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

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GOLDSPRING, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIENCY
For the Years Ended December 31, 2009 and 2008

(Common Stock Par value, $.000666 per share; 3,950,000,000 shares authorized
Preferred Stock Par Value, per share; 50,000,000 shares authorized)

	Common Shares Issued	Par value $.000666 per share	Additional Paid-in Capital	Accumulated Deficit	Total
December 31, 2007 (Restated)	2,743,508,248	$ 1,827,177	$ 12,969,210	$ (32,376,040)	$ (17,579,653)
Common stock issued for:					
Debenture principal	196,155,028	130,639	1,949,634	—	2,080,273
Debenture interest	151,961,857	101,207	1,456,497	—	1,557,704
Mineral rights	3,866,667	2,575	76,983	—	79,558
Consulting services	7,166,704	4,773	106,323	—	111,096
Mining software	2,434,892	1,622	8,118	—	9,740
Directors	20,000,000	13,320	221,080	—	234,400
Employees	10,665,714	7,103	132,787	—	139,890
Private placement	137,000,000	91,242	1,428,758	—	1,520,000
	529,250,862	352,481	5,380,180	—	5,732,661
Warrant cost and stock based option compensation			3,434,323	—	3,434,323
Liquidated damages	108,189,261	72,054	937,791	—	1,009,845
Net loss	—	—	—	(16,487,683)	(16,487,683)
December 31, 2008	3,380,948,371	$ 2,251,712	$ 22,721,504	$ (48,863,723)	$ (23,890,507)
Common stock issued for:					
Debenture principal	26,652,890	17,751	174,517	—	192,268
Debenture interest	150,366,583	100,144	1,377,453	—	1,477,597
Employees	5,500,000	3,663	63,587	—	67,250
Private placement	98,600,000	65,667	836,833	—	902,500
	281,119,473	187,255	2,452,390	—	2,639,284
Stock based option compensation			142,277	—	142,277
Net loss	—	—	—	(6,064,669)	(6,895,001)
December 31, 2009	3,662,067,844	$ 2,438,937	$ 25,316,171	$ (54,928,392)	$ (27,173,284)

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

GOLDSPRING, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2009	2008
OPERATING ACTIVITIES:		
Net loss	$ (6,064,669)	$ (16,487,683)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	154,683	148,466
Stock warrants and stock based compensation and note accretion	209,527	3,681,113
Interest and liquidated damages paid through the issuance of stock	1,477,597	2,567,549
Interest from derivatives	1,535,686	6,512,462
Other	5,000	120,836
Extinguishment of debt		(1,348,199)
Net change in derivative fair value	(2,829,446)	31,965
Net loss adjusted for non-cash operating activities	(5,511,622)	(4,773,491)
Changes in operating assets and liabilities:		
Prepaid and other current assets		185,417
Other current assets		
Accounts payable	385,560	917,296
Accrued expenses	1,561,283	(711,186)
Other operating assets and liabilities		
Other		(130,052)
NET CASH USED IN OPERATING ACTIVITIES	(3,564,779)	(4,512,016)
INVESTING ACTIVITIES:		
Reclamation bond deposit		(389,599)
Mineral claims	260,000	(161,152)
Purchase of land, plant and equipment	(378,880)	(158,630)
NET CASH USED IN INVESTING ACTIVITIES	(118,880)	(709,381)
FINANCING ACTIVITIES:		
Principal payments on Note Payable	(40,565)	(55,105)
Net proceeds from the issuance of company stock	902,500	1,501,500
Proceeds from the issuance of note payable to related party	2,745,000	3,922,944
NET CASH PROVIDED BY FINANCING ACIVITIES	3,606,935	5,369,339
INCREASE IN CASH AND CASH EQUIVALANTS	(76,724)	147,942
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	322,938	174,996
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 246,214	$ 322,938
SUPPLEMENTAL CASH FLOW INFORMATION:		
INCOME TAXES	$	$
INTEREST PAID	$	$

GOLDSPRING, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

Supplemental disclosure of non-cash investing and financing activities:		
Issuance of company stock for interest	$ 1,477,597	$ 1,557,704
Issuance of company stock for liquidated damages	$	$ 1,009,845
Conversion of debt principal into company’s common shares	$ 192,268	$ 2,080,273
Issuance of company stock to employees	$ 67,250	$ 139,890
Issuance of company stock for directors’ fees	$	$ 234,400
Issuance of company stock for software	$	$ 9,740
Issuance of company stock for consulting services	$	$ 111,096
Issuance of company shares for acquisition of mineral claims	$	$ 79,558
Seller notes for acquisition of land	$ 1,520,000	$
Issuance of company stock for financing fees	$ 36,000	$

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

GOLDSPRING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2009 and 2008

Note 1 — Nature of Business

We are a North American precious metals mining company with an operating gold and silver test mine in northern Nevada. Our Company refocused as a mining company, when we acquired the Plum property in November 2003. In our relatively short history, we secured permits, built an infrastructure and brought the Plum exploration project into test mining production. Beginning in 2005, we started acquiring additional properties around the Plum project in Northern Nevada, expanding our footprint and creating opportunities for exploration. We are an emerging company operating test mine, looking to build on our success through the acquisition of other mineral properties in North America with reserves and exploration potential that can be efficiently put into near-term production. Our objectives are to increase production; increase reserves through exploration and acquisitions; expand our footprint at the Plum Mine; and maximize value for our shareholders.

Note 2 — Going Concern

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplate continuation of the Company as a going concern. However, the Company has net losses from operations and had no revenues from operations in either 2009 or 2008. For the year ended December 31, 2009 the Company incurred a net loss of $6,064,699 and used cash in operations of approximately $3,565,000. Further, the Company has inadequate working capital to maintain or develop its operations, and is dependent upon funds from private investors and the support of certain stockholders.

These factors raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of these uncertainties. In this regard, Management is proposing to raise any necessary additional funds through loans and additional sales of its common stock. There is no assurance that the Company will be successful in raising additional capital.

Note 3 — Summary of Significant Accounting Policies

Terms and Definitions

Company	GoldSpring, Inc. and Subsidiaries
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
EITF	Emerging Issues Task Force
FASB	Financial Accounting Standards Board
FSP	FASB Staff Position
Plum LLC	Plum Mining Company, LLC
SAB	SEC Staff Accounting Bulletin
SEC	Securities Exchange Commission
SFAS or FAS	Statement of Financial Accounting Standards
SOP	Statement of Position

Summarized below are the significant accounting policies of GoldSpring, Inc.

Principles of Consolidation

The consolidated financial statements include the accounts of our company and its wholly owned subsidiaries: GoldSpring, LLC, Ecovat Copper Nevada, LLC, The Plum Mining Company, LLC, and the Plum Mine Special Purpose Company LLC. All material inter-company transactions and balances have been eliminated in consolidation. Certain reclassifications have been made in the 2008 results to conform to the presentation used in 2009.

Cash and Cash Equivalents

We consider all highly liquid debt securities purchased with original or remaining maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts payable, and accrued expenses approximate fair market value because of the short maturity of those instruments. Furthermore, convertible debenture and other notes payable amounts approximate fair value at December 31, 2009 and 2008.

Credit Risk

It is our practice to place our cash equivalents in high-quality money market securities with a major banking institution. Certain amounts of such funds are not insured by the Federal Deposit Insurance Corporation. However, we consider our credit risk associated with cash and cash equivalents to be minimal.

Impairment of Long Lived Assets and Long Lived Assets to be Disposed Of

The Company accounts for impairment and disposal of long-lived assets in accordance with ASC 360 Property, Plant, and Equipment. This ASC establishes the accounting model for long-lived assets to be disposed of by sale and applies to all long-lived assets, including discontinued operations. This statement requires those long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations.

We implemented ASC 360 in our evaluation of the fair value of certain assets described in Notes 4 and 5.

Revenue Recognition

The Company recognizes revenue in accordance with the provisions of ASC 600 Revenue, which states that revenue is realized or realizable and earned when all of the following four criteria are met:

1) Persuasive evidence of an arrangement exists,
2) Delivery has occurred or services have been rendered,
3) The seller’s price to the buyer is fixed or determinable, and
4) Collectability is reasonably assured.

Specifically, when we are in operational status, sales of gold and silver dore are recorded when we issue a sales order to our refiner, Johnson Matthey, to sell a specified quantity of metals. Sales orders are typically executed within 48 hours of receipt. Upon receipt of the sale order, Johnson-Matthey confirms quantities available and executes the sale at the current market price of the metals on the day and time of the sales order. We record revenues on the day the sales order is issued based on the confirmed quantity of metal at the confirmed market price. Proceeds from the sale of metals are typically wired to our bank within twenty-four hours.

Stock Issued For Services

We base the value of stock issued for services on the market value of our common stock at the date of issue or our estimate of the fair value of the services received, whichever is more reliably measurable.

Plant and Equipment

We state plant and equipment at cost. We provide depreciation and amortization in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives or productive value.

We capitalize expenditures for renewals and improvements that significantly extend the useful life of an asset. We charge expenditures for maintenance and repairs to operations when incurred. When assets are sold or retired, the cost of the asset and the related accumulated depreciation are removed from the accounts and any gain or loss is recognized at such time. We use the straight-line method of depreciation for financial reporting purposes, depreciating assets over useful lives ranging from 3 to 10 years.

We review the carrying value of our plant and equipment assets on a quarterly basis. Where information and conditions suggest impairment, we write-down these assets to net recoverable amount, based on estimated future cash flows that may be attained from them.

Mineral Rights

We defer acquisition costs until we determine the viability of the property. Since we do not have proven and probable reserves as defined by SEC Industry Guide 7, exploration expenditures are expensed as incurred.

We expense holding costs to maintain a property on a care and maintenance basis as incurred. Also, we were not in mining in 2009 and thus we did not amortize any of our mineral rights.

We review the carrying value of our interest in each mineral claim on a quarterly basis to determine whether impairment has incurred in accordance with ASC 360 (formerly SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.”)

Where information and conditions suggest impairment, we write-down these properties to net recoverable amount, based on estimated discounted future cash flows. Our estimate of gold price, mineralized materials, operating capital, and reclamation costs are subject to risks and uncertainties affecting the recoverability of our investment in property, plant, and equipment. Although we have made our best estimate of these factors based on current conditions, it is possible that changes could occur in the near term that could adversely affect our estimate of net cash flows expected to be generated from our operating properties and the need for possible asset impairment write-downs.

Where estimates of future net operating cash flows are not available and where other conditions suggest impairment, we assess if carrying value can be recovered from net cash flows generated by the sale of the asset or other means.

Reclamation Liabilities and Asset Retirement Obligations

Minimum standards for site reclamation and closure have been established by various government agencies that affect certain of our operations. We calculate our estimates of reclamation liability based on current laws and regulations and the expected undiscounted future cash flows to be incurred in reclaiming, restoring, and closing our operating mine sites. When we incur reclamation liabilities that are not related to asset retirements we recognize the obligations in accordance with ASC 410.30 (formerly SOP No. 96-1).

The Company accounts for its reclamation liabilities and asset retirement obligations in accordance with ASC 410 Asset Retirement and Environmental Obligations (ASC 410). The ASC requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred. ASC 410 requires us to record a liability for the present value of our estimated environmental remediation costs and the related asset created with it when a recoverable asset (long-lived asset) can be realized.

Share Based Compensation

The Company accounts for share based compensation in accordance with ASC 718 Compensation – Stock Compensation. Accordingly, the Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award and recognizes cost over the requisite service period.

Earnings Per Common Share

In calculating earnings per common share, we compute basic earnings per share by dividing net loss by the weighted average number of common shares outstanding, excluding the dilutive effects of common stock equivalents. For the years ended December 31, 2009 and 2008, we had net losses for which the affect of common stock equivalents would be anti-dilutive. Accordingly only basic and dilutive loss per share is presented.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenditures during the reported periods. Actual results could differ materially from those estimates. Estimates may include those pertaining to the estimated useful lives and valuation of property and equipment, software and mineral rights determining the estimated net realizable value of receivables, and the realization of deferred tax assets.

Risks and Uncertainties

We regularly evaluate risks and uncertainties and, when probable that a loss or expense will be incurred, record a charge to current period operations.

Income Taxes

We recognize deferred tax assets and liabilities based on differences between the consolidated financial statement carrying amounts and tax bases of assets and liabilities (using the applicable enacted tax rates and laws). We provide a valuation allowance for deferred tax assets for which we do not consider realization of such deferred tax assets to be likely.

Recent Authoritative Pronouncements

Recent accounting pronouncements that the Company has adopted or will be required to adopt in the future are summarized below.

Recent Authoritative Pronouncements

In June 2009, FASB issued its final SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a Replacement of FASB Statement No. 162", codified as ASC 105. ASC 105 made the FASB Accounting Standards Codification (the Codification) the single source of U.S. GAAP used by nongovernmental entities in the preparation of financial statements, except for rules and interpretive releases of the SEC under authority of federal securities laws, which are sources of authoritative accounting guidance for SEC registrants. The Codification is meant to simplify user access to all authoritative accounting guidance by reorganizing U.S. GAAP pronouncements into roughly 90 accounting topics within a consistent structure; its purpose is not to create new accounting and reporting guidance. The Codification supersedes all existing non-SEC accounting and reporting standards and was effective for the Company beginning July 1, 2009. Following ASC 105, the FASB will not issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead, it will issue ASU. The FASB will not consider ASUs as authoritative in their own right; these updates will serve only to update the Codification, provide background information about the guidance, and provide the bases for conclusions on the change(s) in the Codification.

In August 2009, the FASB issued ASU 2009-05 which includes amendments to Subtopic 820-10, "Fair Value Measurements and Disclosures—Overall". The update provides clarification that in circumstances, in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the techniques provided for in this update. The amendments in this ASU clarify that a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability and also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The guidance provided in this ASU is effective for the first reporting period, including interim periods, beginning after issuance. The adoption of this standard did not have a material impact on the Company's (consolidated) financial position and results of operations.

Other ASUs, not effective until after December 31, 2009, are not expected to have a significant effect on the Company's consolidated financial position or results of operations.

Note 4 — Mineral Rights

Mineral rights at December 31, 2009 and 2008 consisted of the following:

	2009	2008
Comstock Placer Claims	$ 100,000	$ 100,000
Big Mike Copper Claims	69,138	69,138
Comstock Lode Claims	1,011,409	1,271,409
Water rights	90,000	90,000
	$ 1,270,547	$ 1,530,547

In November 2009, we sold a 0.29% net smelter royalty on our Obester Property for $260,000 to Precious Royalties, LLC. These funds were used to offset the purchase of the Obester Property in December 2009.

Note 5 — Property and Equipment, net

Plant and equipment at December 31, 2009 and 2008, consisted of the following:

	2009	2008
Land and Building	$ 2,327,443	$ 547,166
Vehicle and Equipment	302,094	302,094
Processing and Lab	704,528	585,924
Furniture and Fixtures	49,390	49,390
	3,383,455	1,484,574
Less accumulated depreciation	(1,081,989)	(995,338)
	$ 2,301,466	$ 489,236

During 2009, we purchased the Obester Property for $1,650,000 and the Petrini Property for $130,000. These have been included under land and buildings.

Depreciation expense for the years ended December 31, 2009 and 2008 was $86,651 and $80,434, respectively.

We use the straight-line method of depreciation for financial reporting purposes, depreciating buildings over 15 years and other assets over useful lives ranging from 3 to 10 years.

Note 6 – Reclamation Bond Deposit

We are generally required to mitigate long-term environmental impacts by stabilizing, contouring, resloping, and revegetating various portions of a site after mining and mineral processing operations are completed. These reclamation efforts are conducted in accordance with detailed plans, which must be reviewed and approved by the appropriate regulatory agencies.

The Nevada Revised Statutes and regulations promulgated thereunder by the Nevada State Environmental Commission and the Nevada Division of Environmental Protection, Bureau of Mining and Reclamation require a bond to be posted for mining projects to assure we will leave the site safe, stable and capable of providing for a productive post-mining land use. Pursuant to the approved Reclamation Plans we secured a $1,106,882 mine reclamation financial assurance instrument through the Nevada Division of Minerals' Bond Pool Program. As required by the bond pool program, a cash deposit of $766,768 was made.

Note 7 — Long-term Reclamation Liability and Deferred Reclamation Expense

We have an accrued a long-term liability of $1,186,966 and $1,105,342 as of December 31, 2009 and 2008 respectively, with regard to our obligations to reclaim our Comstock Mine facility based on our reclamation plan submitted and approved by the Nevada State Environmental Commission and Division of Environmental Protection. In conjunction with recording the reclamation liability we recorded a deferred reclamation expense of which the value is being amortized over the period of the anticipated land disturbance. Costs of future expenditures for environmental remediation are discounted to their present value. Such costs are based on management's current estimate of amounts expected to be incurred when the remediation work is performed within current laws and regulations. It is reasonably possible that, due to uncertainties associated with the application of laws and regulations by regulatory authorities and changes in reclamation or remediation technology, the ultimate cost of reclamation and remediation could change in the future. We periodically review accrued liabilities for such reclamation and remediation costs as evidence becomes available indicating that our liabilities have potentially changed. The reclamation liability accretion expense for 2009 was $81,624 and the amortization of long-lived deferred reclamation expense was $68,031 for 2009.

Following is a reconciliation of the aggregate retirement liability associated with our reclamation plan for our Comstock Project:

		2009		2008
Long-term reclamation obligation 1/1/	$	1,105,342	$	553,190
Additional obligations incurred				476,222
Liabilities settled during the period				
Increase in present value of the reclamation obligation (accretion expense)		81,624		75,930
Long-term asset retirement obligation 12/31/	$	1,186,966	$	1,105,342

Following is a reconciliation of the aggregate long-lived deferred reclamation expense associated with on our reclamation plan for our Comstock Project:

		2009		2008
Net long-lived deferred reclamation expense 1/1/	$	408,190	$	—
Additional obligations incurred				476,222
Amortization of deferred reclamation expense		(68,031)		(68,032)
Long-term asset retirement obligation 12/31/	$	340,159	$	408,190

Note 8 - Convertible Debentures

The following is a summary of the Convertible debentures as of December 31, 2009 and 2008. :

		2009		2008
Convertible Debentures Payable – Investors	$	1,105,908	$	1,105,908
Convertible Debentures Payable - Mandatory Redemption payment		4,412,058		4,412,058
Convertible Notes Payable - 2006 & 2007		2,170,000		2,170,000
Convertible Notes Payable: June – November 2008		2,500,000		2,500,000
Convertible Notes Payable – July 2008 Longview Amended and Restated Note)		2,782,563		2,782,563
Convertible Notes Payable – December 2008		500,000		500,000
Convertible Notes Payable – May – August 2009		1,807,732		
Convertible Notes Payable – December 2009, net		242,762		

Subtotal	15,521,023	13,470,529
Less current portion of convertible debentures	(12,495,698)	(10,187,966)
Long term portion of convertible debentures	$ 3,025,325	$ 3,282,563

The terms of the convertible debentures included above are as follows:

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Convertible Debentures Payable – Investors

During March 2004, we completed a private placement of securities transaction (the "March Offering"), which generated $10 million in gross proceeds from a group of accredited institutional and individual investors. On November 30, 2004, we restructured the March Offering and entered into a new agreement (the "Subscription Agreement") whereby we exchanged 21,739,129 shares of common stock and 21,739,129 warrants issued for 8% convertible notes, with the following terms;

Convertible Loan Amount:	$11.1 million, which includes the initial $10 million investment and approximately $1.1 million in accrued penalties resulting from the delay in the registration of common stock held by investors. Since initial funding, approximately $10 million has been paid or refinanced leaving a balance of approximately $1.1 million.
Interest Rate:	15%, payable in arrears in cash or stock at the lender's option
Conversion:	The conversion price shall is equal to the lesser of: (i) eighty-five percent (85%) of the average of the five (5) lowest closing bid prices of the common stock as reported by Bloomberg L.P. for the twenty (20) trading days preceding the date the Company was obligated to pay the debenture; or (ii) eighty-five percent (85%) of the average of the five (5) lowest closing bid prices of the common stock as reported by Bloomberg L.P. for the twenty (20) trading days preceding the date of any such conversion. In no event shall the conversion price be higher than $.01, as noted below.
Term:	Note is currently due and in default

As a result of the Company completing other financing arrangements at a lower conversion price, the reset provision clause was triggered and established a new fixed maximum conversion rate of $0.01 in February 2008.

Convertible Debentures Payable – Mandatory Redemption Payment

John V. Winfield, a major shareholder and note holder, and his affiliates elected to convert approximately $3.3 million of their convertible debentures under the November 30, 2004 Subscription Agreement into common stock . In March 2005, because we did not deliver the share certificates within the period required in the November 30, 2004 subscription agreement, John V. Winfield and his affiliates, a major shareholder and note holder elected to demand payment of approximately $6.9 million pursuant to the mandatory redemption payment provisions of the November 30, 2004 subscription agreement and consequently forfeited his right to receive shares in lieu of payment.

The Company did not have sufficient funds to meet this obligation. On March 31, 2005, Mr. Winfield and his affiliates entered into a Settlement Agreement with the Company whereby he agreed to convert the $6.9million obligation into Convertible Debentures ("the Debentures").

The terms of the Debentures are noted below:

Convertible Loan Amount:	$6.9 million, of which approximately $2.5 million has been paid or refinanced since initial funding leaving a remaining balance of approximately $4.4 million.
Interest Rate:	18%, payable in arrears in cash or stock at the lender's option
Payments:	Monthly installments of principal and interest over a 24 month period with the remaining entire balance of unpaid principal and interest due on March 31, 2007
Conversion:	The Debentures are convertible, in all or in part, into shares of our common stock ("Conversion Shares") at any time. The conversion price shall is equal to the lesser of: (i) eighty-five percent (85%) of the average of the five (5) lowest closing bid prices of the common stock as reported by Bloomberg L.P. for the twenty (20) trading days preceding the date the Company was obligated to pay the mandatory redemption Payment; or (ii) eighty-five percent (85%) of the average of the five (5) lowest closing bid prices of the common stock as reported by Bloomberg L.P. for the twenty (20) trading days preceding the date of any such conversion. In no event shall the conversion price be higher than $.01
Term:	Note is currently due and in default
Security interest:	Pursuant to the terms of the Settlement Agreement, the Debentures are granted a priority collateralized position, second only to our note payable to the Brockbank Trust (See Note 7) in substantially all of our assets.

As a result of the Company completing other financing arrangements at a lower conversion price, the reset provision clause was triggered and established a new fixed conversion rate of $0.01 in February 2008.

Convertible Notes Payable – 2006 & 2007

The convertible notes payable as of December 31, 2009 and 2008 are as follows:

	Face amount
Winfield Group Debentures Payable	$1,620,000
Longview Debentures Payable	550,000
	$2,170,000

The terms of the agreement are as follows:

Convertible Loan Amount:	$2,170,000
Interest Rate:	18%, payable in arrears in cash or stock at the lender's option

Conversion:	The principal amount of the Note and interest is convertible into GoldSpring Common Stock at the lesser of (A) $.01 per share, or (B) .85 multiplied by the “Volume Weighted Average Price” for the Borrower’s Common Stock for the five trading days immediately prior to the Conversion Date.
Term:	Note is currently due and in default
Warrants:	20,000,000
Security:	Secured by a lien on the assets of GoldSpring, Inc. and a pledge of all of the interests in Plum Mine Special Purpose, LLC, which owns the Plum Mine operation

In February 2008, as a result of the Company completing other financing arrangements at a lower conversion price, the reset provision clause was triggered and established a new fixed conversion rate of $0.01.

Convertible Notes Payable: June – November 2008

In June 2008, the Company entered into a Loan Agreement with John Winfield and affiliates (“Winfield”) pursuant to which Winfield has agreed to loan the Company $2,500,000 no later than December 31, 2008 through issuance of a series of secured notes (“Notes”). In each month, during the five months ended December 2008, Winfield lent the Company $500,000 pursuant to the Loan Agreement. These notes have been in default since late 2008 because we had failed to make any monthly payment on the notes. Pursuant to the terms and conditions of the loan agreement, the notes become immediately payable upon default and thus the note balance has been recorded as a current liability.

The terms of the agreement are as follows:

Convertible Loan Amount:	$2,500,000
Interest Rate:	9%, payable in arrears in cash or stock at the lender’s option
Conversion:	The principal amount of the Note and interest is convertible into GoldSpring Common Stock at the lesser of (A) $.01 per share, or (B) .85 multiplied by the “Volume Weighted Average Price” for the Borrower’s Common Stock for the five trading days immediately prior to the Conversion Date.
Term:	Three Years
Warrants:	50% Stock warrant coverage (Maximum warrants: 80,000,000) with an exercise price of $0.02 and a term of four (4) years
Security:	Security interest in all of the Company’s assets, pari passu with the existing security interests

On December 22, 2008, as a result of the Company completing other financing arrangements at a lower conversion price, the reset provision clause was triggered and established a new fixed conversion rate of $0.01.

Convertible Notes Payable – July 2008 (Longview Amended and Restated Note)

On July 10, 2008, the Company amended $2,175,000 principal amount of unsecured promissory notes issued to Longview Fund, L.P. through the issuance of an Amended and Restated Promissory Note issued by the Company in favor of Longview Fund, L.P. The amended terms are as follows:

Convertible Loan Amount:	$2,782,563 (Includes an initial principal amount of $2,175,000 and accrued interest of $607,563)
Expiration Date:	July 10, 2011
Interest Rate:	11%, payable per annum

Conversion:	The principal amount of the Note and interest is convertible into GoldSpring Common Stock at the lesser of (A) $.01 per share, or (B) .85 multiplied by the "Volume Weighted Average Price" for the Borrower's Common Stock for the five trading days immediately prior to the Conversion Date.
Term:	Three Years

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The Amended and Restated Promissory Note, in the aggregate, totals $2,782,563, $2,175,000 was outstanding principal and $607,563 was related outstanding interest.

On December 22, 2008, as a result of the Company completing other financing arrangements at a lower conversion price, the reset provision clause was triggered and established a new fixed conversion rate of $0.01.

Convertible Notes Payable –December 2008
On December 8, 2008, we completed a financing transaction with Mr. Winfield and his affiliates which provided us with $500,000 in funding. Pursuant to the terms and conditions of the note agreement, the notes become immediately payable upon default and thus the note balance has been recorded as a current liability as of December 31, 2009

The terms of the agreement are as follows:

Convertible Loan Amount:	$500,000
Interest Rate:	11%, payable quarterly in cash or stock at the Company's option
Conversion:	The principal amount of the Note and interest is convertible into GoldSpring Common Stock at the lesser of (A) $.01 per share, or (B) .85 multiplied by the "Volume Weighted Average Price" for the Borrower's Common Stock for the five trading days immediately prior to the Conversion Date.
Term:	Note is currently in default
Warrants:	12,500,000
Security:	Security interest in all of the Company's assets, pari passu with the existing security interests

Convertible Notes Payable – May 2009- August 2009

On May 1, 2009 the Company secured a $2,000,000 commitment for additional convertible debt financing. The agreement upon 30 days prior written notice, permitted the Company to request financing in tranches between $250,000 and $500,000 per request. Funding requests were permitted at any time between May 1, 2009 and August 28, 2009. The Company requested and received $2,000,000 from this financing. The notes are in default because we do not have sufficient authorized shares. Pursuant to the terms and conditions of the loan agreement, the notes become immediately payable upon default and thus the note balance has been recorded as a current liability.

The terms of the agreement are as follows:

Convertible Loan Amount:	$2,000,000
Interest Rate:	9%, payable in arrears in cash or stock at the lender's option
Conversion:	The principal amount of the Note and interest is convertible into GoldSpring Common Stock at the lesser of (A) $.0125 per share, or (B) .85 multiplied by the "Volume Weighted Average Price" for the Borrower's Common Stock for the five trading days immediately prior to the Conversion Date.
Term:	Note is currently in default
Warrants:	50% Stock warrant coverage (Maximum warrants: 80,000,000) with an exercise price of $0.02 and a term of four (4) years
Security:	Security interest in all of the Company's assets, pari passu with the existing security interests

	Note Balance
Balances @ January 1, 2009	$ —
Convertible Note	2,000,000
Principal Payments	(192,268)
Balances @ December 31, 2009	1,807,732

The Convertible Loan Agreement Payable –May through August 23 2009 contained both an embedded beneficial conversion feature and detachable warrants at the commitment dates. Accordingly, we applied the accounting guidance of ASC 470-20 which covers convertible instruments with beneficial conversion features to determine the fair value of these items. Specifically, it states that when an instrument contains both a detachable instrument (warrants) and an embedded beneficial conversion feature, the proceeds of issuance should be allocated among the detachable instrument and the convertible instrument based on their relative fair values. Accordingly, we applied 470-20-35 to determine the amount allocated to the convertible instrument.

Regarding the freestanding warrants, applied the guidance of ASC 815-40. These warrants are cashless and only require settlement in shares, not cash or transfer of assets, and there is no obligation for the Company to repurchase the shares. The warrants are indexed solely to our own stock. We determined that the warrants were not within the scope of ASC 480-10-25-15. The value of the warrants was determined to be $545,404. In general, the fair value of the warrants is recorded as a debt discount and amortized over the term of the note, but since we were in default, the entire amount has been recognized as interest expense in 2009. The fair value of the convertible feature, based on the intrinsic value methodology, was $897,867 and has been recognized as interest expense in 2009.

Because we do not have sufficient authorized shares to physically settle all outstanding potential conversions, should they occur, we may not be able to deliver the required shares. The guidance offered in ASC 815-40, indicates that "if share settlement is not within the control of the Company an asset or liability classification is required." Consequently, we finally classified its warrants as liabilities and began to measure them at fair value in each subsequent reporting period.

The following summarizes the activity for Convertible Notes Payable – May 2009 – August 2009

Note Principal	Debt Discount (*)	Conversion Price per Share	Number of Shares Underlying Convertible Note	Effective Interest Rate	Earnings per Share Impact
$ 2,000,000	1,443,271	$ 0.0125	160,000,000	33.1%	0.01

(*) - The debt was in default and immediately due payable, therefore the entire unamortized debt discount was recognized as interest expense in 2009. The unamortized debt discount that was included in interest expense consists of the fair value of the warrants of $545,404 and the convertible feature of $897,867, for a total of $1,443,271.

Convertible Notes Payable– December 2009

On December 10, 2009, we secured $4,500,000 commitment for additional convertible debt financing. The agreement provided initial funding of $750,000 and on each 30th day thereafter another tranche of $750,000 through May 2010. As of December 31, 2009, we have received $750,000 from this financing.

The terms of the agreement are as follows:

Convertible Loan Amount:	$4,500,000 total commitment, of which $750,000 was funded through December 31, 2009
Interest Rate:	8%, payable in arrears in cash or stock at the lender's option
Conversion:	The principal amount of the Note and interest is convertible into GoldSpring Common Stock at the lesser of (A) $.01 per share, or (B) .85 multiplied by the "Volume Weighted Average Price" for the Borrower's Common Stock for the five trading days immediately prior to the Conversion Date.
Term:	Three Years
Warrants:	50% Stock warrant coverage (Maximum warrants: 257,142,857) with an exercise price of $0.0175 and a term of three (3) years
Security:	Security interest in all of the Company's assets, subject to(a) Seller Note – plum Mine; (b) certain lenders (the "Additional Lenders") as of March 31, 2005, July 15, 2005, September 26, 2005, December 12, 2007, June 27, 2008, December 8, 2008, May 1, 2009 and May 13, 2009.

The Convertible Loan Agreement Payable –December 2009 contained both an embedded beneficial conversion feature and detachable warrants at the commitment dates. Accordingly, we applied the accounting guidance of ASC 470-20 which covers convertible instruments with beneficial conversion features to determine the fair value of these items. Specifically, it states that when an instrument contains both a detachable instrument (warrants) and an embedded beneficial conversion feature, the proceeds of issuance should be allocated among the detachable instrument and the convertible instrument based on their relative fair values. Accordingly, we applied 470-20-35 to determine the amount allocated to the convertible instrument.

Regarding the freestanding warrants, applied the guidance of ASC 815-40. These warrants are cashless and only require settlement in shares, not cash or transfer of assets, and there is no obligation for the Company to repurchase the shares. The warrants are indexed solely to our own stock. We determined that the warrants were not within the scope of ASC 480-10-25-15. The value of the warrants was determined to be $201,428. The fair value of the warrants is recorded as a debt discount and amortized over the term of the note. In December 2009, $4,196 of the fair value of the warrants was recognized as interest expense. The fair value of the convertible feature, based on the intrinsic value methodology, was $316,602. The value of the conversion option is recorded as a debt discount and amortized over the term of the note. In December 2009, $6,596 of the fair value of the convertible feature was recognized as interest expense

Because we do not have sufficient authorized shares to physically settle all outstanding potential conversions, should they occur, we may not be able to deliver the required shares. The guidance offered in ASC 815-40, indicates that "if share settlement is not within the control of the Company an asset or liability classification is required." Consequently, we finally classified its warrants as liabilities and began to measure them at fair value in each subsequent reporting period.

The following summarizes the activity for Convertible Notes Payable – May 2009 – August 2009

	Note Balance
Balances @ January 1, 2009	$ —
Convertible Note	750,000
Debt Discount	(507,238)
Balances @ December 31, 2009	242,762

Note Principal	Debt Discount	Conversion Price per Share	Number of Shares Underlying Convertible Note	Effective Interest Rate	Earnings per Share Impact
$ 750,000	$ 518,030	$ 0.01	75,000,000	31.0%	0.01

The debt discount consists of the fair value of the warrants of $201,428 and the convertible feature of $316,602, for a total of $507,238.

Debt Discount at December 31, 2009:

	2009
Debt discount beginning balance – Jan. 1, 2009	$ —
Debt discount – embedded conversion feature	(316,602)
Debt discount – detachable warrants	(201,428)
Less amortization of debt discount	10,792
Unamortized debt discount	$ (507,238)

Note 9 —Debt Obligation

Our debt obligations as of December 31, 2009 and 2008 include the following:

	2009	2008
Promissory Notes Payable - 2005 through 2008	$ 2,400,000	$ 2,400,000
Debt –Note (Plum Mine)	250,000	250,000
Debt –Note (Obester Property)	1,400,000	—
Debt - Note (Petrini)	90,000	—
Equipment Financing	—	10,565
Subtotal	4,140,000	2,660,565
Less current portion	(3,650,000)	(2,660,565)
Long term portion of debt obligations	$ 490,000	$ —

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The terms of the debt obligations listed above are as follows;

Promissory Notes Payable –2005 through 2008

The Company has the following promissory notes payable as of December 31, 2009 and 2008:

	2009	2008
Promissory Notes Payable-July 2005 Financing	$ 1,200,000	$ 1,200,000
Promissory Notes Payable-December 2007 Financing	600,000	600,000
Promissory Notes Payable-January 2008 Financing	600,000	600,000
	$ 2,400,000	$ 2,400,000

Promissory Notes Payable - July 2005 Financing

In July of 2005, we borrowed $1.2 million from companies controlled by John V. Winfield, a major investor. Proceeds from the notes were reduced by a 33.3% original issue discount and other origination fees. Net proceeds received by the Company from the borrowing were $740,000. The notes currently accrue interest at 17% per annum and are payable in monthly installments of principal and interest over a 24 month period with the remaining entire balance of unpaid principal and interest due on July 15, 2007. The notes are collateralized by substantially all of the Company's assets subject to the security interest of the Brockbank Trust (See Note 7). We had failed to make any payments on the notes; hence, they are in default and the original issue discount is fully amortized as of December 31, 2009.

Promissory Notes Payable – December 2007 Financing

In December 2007, we completed a financing transaction with Mr. Winfield and his affiliates which provided us with $500,000 in funding. In consideration for the financing, we issued promissory notes with a face value of $600,000, reflecting an original discount of sixteen and seventeen hundreds (16.17%) percent. The notes evidencing the loan bear interest at the rate of 18% per annum, payable on or prior to the one year anniversary of the respective loan date. We had failed to make any payments on the notes; hence, they are in default and the original issue discount is fully amortized as of December 31, 2009.

Promissory Notes Payable – January 2008 Financing

On January 31, 2008, we completed a financing transaction with Mr. Winfield and his affiliates which provided us with $500,000 in funding. In consideration for the financing, we issued promissory notes with a face value of $600,000, reflecting an original discount of sixteen and seventeen hundreds (16.17%) percent. The notes evidencing the loan bear interest at the rate of 18% per annum, payable on or prior to the one year anniversary of the respective loan date. We had failed to make any payments on the notes; hence, they are in default and the original issue discount is fully amortized as of December 31, 2009.

Debt – Note (Plum Mine)

We have a 5% bearing note payable note related to our purchase of the Plum Mining property. The note was payable on June 2006 and we are in default on this note. As of December 31, 2009 and 2008, we still had a $250,000 note balance due. There is a first security interest on the assets of Plum Mining Property for this note.

Debt - Note (Obester Property)

In December 2009, we purchased mineral properties, which we had been leasing, from Claire Obester, Jim Obester, Alan Obester, and Julian Smith ("sellers") for $1,650,000 plus a 1% royalty. Pursuant to the purchase agreement, we made initial payments of $250,000 and we issued a note to the "sellers" for $1,400,000. The note bears interest of six percent (6%) per annum. Interest and principal payments shall be made in quarterly installments of $250,000 with the first payment due on April 1, 2010 and continuing on the same day of each consecutive quarter, until July 1, 2011, when the then unpaid principal and accrued interest is due and payable.

Debt - Note (Petrini Property)

On February 17, 2009 we purchased 4.79 acres in the Comstock District for $130,000. We paid $40,000 in cash and financed the balance of $90,000 through a first deed of trust. The note is interest only for two years and bears interest at 16% per annum. The note is due and payable on February 17, 2011.

Equipment Financing

During 2004, we purchased certain equipment and financed our purchases through GMAC and Ford Motor Company credit agencies. Aggregated principal and interest due pursuant to the financings is due monthly in equal installments of $1,054, at an average interest rate of 7.2%. In 2009, final principal of $10,565 plus unpaid interest payments were made on these notes.

Note 10 - Debt Concentration

Mr. Winfield and his affiliates are the largest lenders to the Company. At December 31, 2009, we had approximately $19,661,000 of outstanding note principal of which $13,619,987 or 69%, was held by Mr. Winfield and his affiliates. In addition, of the $13,619,987 total debt principal held by Mr. Winfield and his associates, $13,441,000 represented convertible note principal and related interest due. Had Mr. Winfield converted all of his convertible holdings into our common stock at December 31, 2009, we would have been obligated to issue Mr. Winfield 2,134,000,000 shares representing 37% of our outstanding common shares. The amounts listed below have been reflected in the schedules presented in Note 8 and Note 9.

Debt Position with Mr. Winfield and his Affilates

	At Deecember 31, 2009		
Note Descriptions (Mr. Winfield and affiliates)	Principal	Unpaid Interest	Total
Convertible Notes Payable - Investors	$ 687,929	$ 58,410	$ 746,339
Convertible Debentures Payable - Mandatory Redemption Payment	4,412,058	980,338	5,392,396
Convertible Notes Payable - 2006 - 2007	1,620,000	932,658	2,552,658
Convertible Notes Payable - June - November 2008	2,500,000	390,897	2,890,897
Convertible Notes Payable - December 2008	500,000	61,609	561,609
Convertible Notes Payable - May - August 2009	1,000,000	46,948	1,046,948
Convertible Notes Payable - December 2009	250,000	556	250,556
Promissory Note Payable - July 2005	1,200,000	1,345,878	2,545,878
Promissory Note Payable - December 2007 Financing	600,000	155,579	755,579
Promissory Note Payable - January 2008 Financing	600,000	142,189	742,189
Debt Seller Note (Plum Mine)	250,000	56,250	306,250
Total at December 31, 2009	$ 13,619,987	$ 4,171,312	$ 17,791,299

Note 11 – Financial Instruments

The Company issues various note instruments with various terms but they are typically convertible into the Company's common stock and issued with detachable warrants. The following sections discuss in general those conversion features and warrants.

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Conversion Features

The terms of the conversion feature of our debt instruments will differ between specific notes but their typical terms contain the following characteristics. Specific terms for each note are discussed in Notes 8 – 11 as appropriate.

- The conversion feature is an embedded beneficial conversion feature, where by debt is convertible into Goldspring's common stock at approximately 85% of market price (based on a "lookback" formula),
- The embedded beneficial conversion feature is immediately exercisable,
- Exercising the embedded beneficial conversion feature is not contingent on a future event,
- Exercising the embedded beneficial conversion feature may be converted into cash or stock at the discretion of the issuer (Goldspring),
- The conversion price is a fixed discount, there is no stated price floor or shares issued cap to the potential number of shares that can be converted to satisfy the conversion feature

Although such conversion features are typically considered equity instruments, because the conversion feature is a fixed discount from our traded stock price without a limit to the number of shares that may be issued, the Company cannot be assured that it has sufficient authorized shares to execute the conversion if presented. Accordingly, the Company is not "in control" of the conversion and recognition of the value of the conversion feature is deemed a liability for financial reporting purposes under the guidance offered in FAS 150. As liabilities related to financial instruments, we therefore apply fair value measurement to each conversion feature liability at each reporting period. See Note 13 for a discussion of fair value measurement.

Warrants

The terms of the warrants attached to our debt instruments will differ between specific notes but their typical terms contain the following characteristics. Specific terms for each note are discussed in Notes 8 – 11 as appropriate.

- Detachable warrants are included with the debt offering, as debt "sweetener", that generally provide for conversion at a fixed price,
- There is no active trading market for our warrants
- Goldspring lacks sufficient authorized shares to satisfy all conversion options if presented.

Although such warrants are typically considered equity instruments, because the Company cannot be assured that it has sufficient authorized shares to execute the conversion if presented. Accordingly, the Company is not "in control" of the conversion and recognition of the value of the conversion feature is deemed a liability for financial reporting purposes under the guidance offered in FAS 150. In addition, the guidance offered in ASC 815, indicates that "if share settlement is not within the control of the Company an asset or liability classification is required." Consequently, we classified our warrants as liabilities and began to measure them at fair value in each subsequent reporting period. See Note 13 for a discussion of fair value measurement.

Note 12 – Fair Value Measurements

As discussed in Note 3, ACS 820 provides a framework for measuring fair value under GAAP

ASC 820 defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk, including the Company's own credit risk.

In addition to defining fair value, ASC 820 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of three levels, which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discontinued cash flow models, and similar techniques.

The following describes the valuation methodologies the Company uses to measure financial assets and liabilities at fair value.

Liabilities Measured at Fair Value on a Recurring Basis

The following table presents our liabilities at December 31, 2009 and December 31, 2008, which are measured at fair value on a recurring basis:

		Fair Value Measurements at December 31, 2009		
	Total	Level 1	Level 2	Level 3
Liabilities:				
Convertible features and warrants	$ 4,500,189	$ —	$ —	$ 4,500,189
Total Liabilities	$ 4,500,189	$ —	$ —	$ 4,500,189

		Fair Value Measurements at December 31, 2008		
	Total	Level 1	Level 2	Level 3
Liabilities:				
Convertible features and warrants	$ 5,368,333	$ —	$ —	$ 5,368,333
Total Liabilities	$ 5,368,333	$ —	$ —	$ 5,368,333

As discussed in Note 12, conversion feature liability represents the discount on convertible notes proceeds associated with the fair value of the embedded conversion features of our notes. Warrant liabilities represent detachable warrants issued in association with various notes payable.

The fair values for the conversion feature and warrant liabilities included in Level 3 are estimated using industry standard valuation models, such as the Black-Scholes-Merton model. Level 3 derivative liabilities primarily include certain over-the-counter options.

Gains (losses) from changes in fair values of the conversion feature and warrant liabilities that are not designated as hedges are recognized in other income (expense). The amounts recognized during the year ended December 31, 2009 and December 31, 2008 are as follows:

	Liabilities					
	As of December 31, 2009			As of December 31, 2008		
	Balance Sheet Location	Fair Value		Balance Sheet Location	Fair Value	
Derivative not designated as hedging Instruments under ASC 815						
Convertible features and warrants	Long-term Debt	$	4,500,189	Long-term Debt	$	5,368,333
Total Instruments not designated as hedging instruments under ASC 815		$	4,500,189		$	5,368,333

		Amount of Loss Recognized in Income on Derivative			
Derivatives Not Designated as Hedging Instruments under ASC 815	Location of Loss Recognized in income on Derivative	For the year ended December 31, 2009		For the year ended December 31, 2009	
Convertible features and warrants	Interest Expense	$	1,454,063	$	4,594,948
Total:		$	1,454,063	$	4,594,948

The following table indicates the changes in fair value of the instruments:

		Convertible Features and Warrants
Balances @ January 1, 2008	$	776,835
Additions		4,591,498
Reductions		
Balances @ December 31, 2008		5,368,333
Additions		1,961,302
Reductions		(2,829,446)
Balances @ December 31, 2009	$	4,500,189

Note 13 — Stockholders' Equity

Common stock was issued during the year ended December 31, 2009 and December 31, 2008 for the following purposes:

	2009 Share Issuances	Share Value	2008 Share Issuances	Share Value
Debenture principal	26,652,890	$ 192,268	196,155,028	$ 2,080,273
Debenture Interest	150,366,583	1,477,597	151,961,857	1,557,704
Liquidated damages	—	—	108,189,261	1,009,845
Private placements	98,600,000	986,000	137,000,000	1,520,000
Mineral claims	—	—	3,866,667	79,558
Mining software	—	—	2,434,892	9,740
Consulting	—	—	7,166,704	111,096
Employees and directors	5,500,000	67,250	30,665,714	374,290
Total	281,119,473	$ 2,723,115	637,440,123	$ 6,742,506

The following schedules provide additional detail on the summary listed above.

Debenture Principal, Debenture Interest and Liquidated Damages for 2009

The following represents principal and interest payments on debt, made in 2009 with the issuance of our common stock. The shares were valued in accordance with each respective convertible note's term as disclosed in Note 8.

Note Description	Principal Payment Number of Shares	Value of Shares	Interest Payment Number of shares	Value of Shares
Convertible Debentures Payable-Investors	—	$ —	29,373,214	$ 257,618
Convertible Debentures Payable- Mandatory Redemption payment	—	—	99,000,000	990,000
	—	—	21,993,369	229,979

Long-Term Convertible Notes – July 2008 (Longview Amended and Restated Note)						
Convertible Notes: May 2009 – Aug. 2009	26,652,890		192,268	—		—
	26,652,890	$	192,268	150,366,583	$	1,477,597

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Debenture Principal, Debenture Interest and Liquidated Damages

The following represents principal and interest payments on debt, made in 2008 with the issuance of our common stock.

Note Description	Principal Payment Number of Shares	Value of Shares	Interest Payment Number of shares	Value of Shares
Convertible Debentures Payable-Investors	47,587,404	$ 464,329	20,880,311	$ 193,339
Convertible Debentures Payable- Mandatory Redemption payment	134,001,185	1,325,000	116,849,523	1,113,785
Convertible Debentures Payable- Failure to Deliver Shares	9,258,584	90,944	6,815,961	66,942
Long-Term Convertible Notes – July 2008 (Longview Amended and Restated Note)	—	—	4,329,541	67,338
Promissory Notes Payable-December 2005 Financing	5,307,855	200,000	3,086,521	116,300
	196,155,028	$ 2,080,273	151,961,857	$ 1,557,704

Liquidated Damages

The following represents liquidated damage payments on debt, made during 2008 with the issuance of our common stock. There were no liquidated damages incurred or paid out during 2009.

Note Description	Liquidated Damage Payment Number of Shares	Value of Shares	Total Shares Issued	Total Value of Shares
Convertible Debentures Payable-Investors	18,799,801	$ 166,509	87,267,516	$ 824,177
Convertible Debentures Payable- Mandatory Redemption payment	87,686,922	826,618	338,537,630	3,265,403
Convertible Debentures Payable- Failure to Deliver Shares	1,702,538	16,718	17,777,083	174,604
Longview Amended and Restated Note - 2008	—	—	4,329,541	67,338
Promissory Notes Payable-December 2005	—	—	8,394,376	316,300

Financing						
Total	108,189,261	$	1,009,845	456,306,146	$	4,647,822

Private Placements

The following 2009 private placement transactions raised a gross total of $986,000 in exchange for 98,600,000 shares of our unregistered Common stock, placed with accredited investors. In general, the proceeds were used to fund exploratory drilling and for general working capital.

- During the first quarter 2009, $986,000 for 98,600,000 shares at $0.01 per share and 95,000.000 warrants. The warrants have an exercise price of $.015 and a term of six years. .

The following 2008 private placement transactions raised a total of $1,520,000 in exchange for 137,000,000 shares of our unregistered Common stock, were place with accredited investors. In general, the proceeds were used to fund exploratory drilling and for general working capital.

- In the first quarter 2008, $500,000 for 40,000,000 shares at $0.015 per share.

- During the second quarter 2008, $500,000 for 40,000,000 shares at $0.0125 per share and 40,000.000 warrants. The warrants have an exercise price of $.02 and a term of six years. .

- On July 18, 2008, $150,000 for 10,000,000 shares at $0.015 per share.

- In December 2008, $370,000 for 37,000,000 shares at $0.01 per share and 32,000.000 warrants. The warrants have an exercise price of $.015 and a term of six years.

Mineral Claims

In 2008, 3,866,667 unregistered common shares, valued at $79,558 or an average of $0.021 per share, were issued for the acquisition of mining claims in the Comstock Lode District.

Computer Software

Pursuant to an agreement in late 2007, a vendor in March 2008 was issued 2,434,892 shares valued at $9,740 or $0.004 per share, for computer modeling software.

Consultants

During 2008, the following shares were issued to consultants for services performed:

- In May 2008, a consultant was issued 5.53 million shares valued at $88,480 or $0.016 per share, for services.

- In August 2008, a consultant was issued 136,704 shares valued at $2,616 or $0.019 per share, for services

- In October 2008, a consultant was issued 500,000 shares valued at $10,000 or $0.02 per share, for services.

Employees and directors

During 2009, the following share grants were issued to employees:

- Mr. Larry Martin, our Chief Geologist, pursuant to his employee contract, received three million (3,000,000) of our unregistered common shares. The value of the common shares at the time of issuance was $37,250, averaging $0.0124 per share. Shares are valued at the closing market price on date of issue.

- In April 2009, Dennis Anderson, the Company's senior engineer, pursuant to his employment arrangement, was issued a total of two million five hundred thousand (2,500,000) of our unregistered common shares. The value of the common shares at the time of issuance was $30,000, averaging $0.012 per share. Shares are valued at the closing market price on date of issue.

During 2008, the following share grants were issued to employees and Company directors:

- In January 2008, our two outside directors were issued, in aggregate, twenty million shares of our unregistered common stock as director compensation. The value of the common shares at the time of issuance was $234,400, averaging $0.012 per share.

- In March 2008, Dennis Anderson, our senior engineer, was issued a total of one million of our unregistered shares, valued at $18,690 or $0.01869 per share, for services performed. In August 2008, Mr. Anderson, pursuant his employee agreement, was awarded 1.5 million unregistered shares valued at $24,900 or $0.0167 per share for achieving various milestones.

- In August 2008, Mr. James Golden, the Chief Operating Officer, exercised 10,000,000 stock options at a price of $0.0525. Mr. Golden elected the cashless exercise method and thus received a total of 8,165,714 unregistered shares of our common stock. As of the date of this report, Mr. Golden has not sold any of these shares.

Note 14 - Earnings Per Share

Basic earnings per share is computed by dividing net loss, after deducting preferred stock dividends accumulated during the period, by the weighted average number of shares of common stock outstanding. Diluted earnings per share is computed by dividing net income, after deducting preferred stock dividends accumulated during the period, by the weighted average number of shares of common stock and dilutive common stock equivalent shares outstanding. For the years ended December 31, 2009 and December 31, 2008, there were approximately 3,777 million and 1,770 million, respectively, of common stock equivalent shares excluded from the dilutive earnings per share calculation because they were anti-dilutive. The following is a reconciliation of the number of shares used in the basic and diluted computation of net income per share (in millions):

	For the Year Ended December 31	
	2009	2008
Weighted average number of common shares outstanding – basic	3,550	3,143
Dilution from convertible debt, stock options and warrants	3,777	1,770
Weighted average number of common shares outstanding – diluted	7,327	4,913

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Note 15- Share Based Compensation

Effective 2006, the Company adopted a stock option and incentive plan ("2006 Plan"), which provided for a maximum of 800,000,000 shares of common stock to be issued. Under the plan, stock options generally vest over three and expire in ten years from the date of the grant. Options are granted to employees and non-employee directors at exercise prices equal to the fair market value at the date of the grant.

As of December 31, 2009 and 2008, the Company had 182,000,000 outstanding Standard Employee and Director Options to acquire company shares, of which 176,000,000 of these derivatives were vested and exercisable. During the period ended December 31, 2009, there were no additional options issued and none had been exercised.

The Company recognizes stock based compensation expense over the requisite service period of the individual grant, which generally equals the vesting period. The plan entitles the holder to shares of common stock when the award vests. Awards generally vest ratably over three years. The fair value of the award is based upon the market price of the underlying common stock as of the date of the grant and is amortized over the applicable vesting period using the straight-line method. The Company uses newly issued shares of common stock to satisfy option exercises and stock awards

The fair value of each grant was estimated at the date of the grant using the Black-Scholes-Merton option pricing model. Black-Scholes-Merton utilizes assumptions related to volatility, the risk free interest rate, the dividend yield (which is assumed to be zero, as the Company has not paid, nor anticipates paying any, cash dividends and employee exercise behavior. Expected volatilities utilized in the model are based mainly on the historical volatility of the Company's stock price and other factors.

The following is a summary of the assumptions used and the weighted average grant-date fair value of the stock options granted during the fiscal years ended December 31, 2009 and 2008.

	2009	2008
Expected volatility (No options were issued in 2009)	—%	199%
Expected term (years)	—	5.14
Risk free rate	—%	3.09%
Dividend Yield	0.0%	0.0%
Weighted average grant date fair value	$ 0.0	$ 0.01

Compensation expense for stock options is recognized using the fair value when the stock options are granted and is amortized over the options' vesting period. During the 12 month ended December 31, 2009, $142,277 was recognized as compensation expense in the consolidated statements of operations. . As of December 31, 2009, the remaining unrecognized compensation costs related to unvested options was $106,708.

A summary of the option activity under the Company's share based compensation plan for the fiscal years ended December 31, 2009 and 2008 is as follows:

	2009 Options	2009 Weighted Average Exercise Price	2008 Options	2008 Weighted Average Exercise Price
Balance, Beginning of year	182,000,000	$0.011	10,000,000	$0.00963
Granted	—	—	182,000,000	0.00963

Exercised	—	—	10,000,000	0.00963
Forfeited	—	—	0	—
Balance, end of year	182,000,000	0.011	182,000,000	0.011
Exercisable at December 31,	176,000,000	$0.0107	170,000,000	$ 0.0104

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The following table sets forth stock options outstanding at December 31, 2009.

Total Outstanding Options:	182,000,000	Total "in-the-money" Outstanding Options:		0
Average Price of Outstanding Options:	$ 0.0110	Average Price of "in-the-money" Outstanding Options:	$	—
Total Vested Options:	176,000,000	Total "in-the-money" Vested Options:		0
Average Price of Vested Options:	$ 0.0107	Average Price of "in-the-money" Vested Options:	$	—
Total Unvested Options:	6,000,000	Total "in-the-money" UN-Vested Options:		0

Options Breakdown by Range as at 12/31/2009

	Outstanding			Vested		
Range	Outstanding Options	Remaining Contractual Life	WA Outstanding Strike Price	Vested Options	Remaining Vested Contractual Life	WA Vested Strike Price
$0.000 to $0.040	182,000,000	8.3819	$ 0.0110	176,000,000	8.3692	$ 0.0107
$0.050 to $0.090	0	0.0000	$ 0.0000	0	0.0000	$ 0.0000
$0.100 to $0.140	0	0.0000	$ 0.0000	0	0.0000	$ 0.0000
$0.150 to $0.190	0	0.0000	$ 0.0000	0	0.0000	$ 0.0000
$0.200 to $0.250	0	0.0000	$ 0.0000	0	0.0000	$ 0.0000
$0.000 to $0.250	182,000,000	8.3819	$ 0.0110	176,000,000	8.3692	$ 0.0107

The total options outstanding at December 31, 2009 had a weighted average remaining life of 8.3 years and an average intrinsic value of $0 based upon the closing price of the Company's common stock of March 21, 2009. The total options exercisable at December 31, 2008 had a weighted average remaining life of 9.3 years and an average intrinsic value of $0 based upon the closing price of the Company's common stock of March 20, 2009. The options exercised in 2008 were "cashless options". Because the Company maintained a full valuation allowance on our deferred tax assets, it did not recognize any tax benefit related to stock based compensation expense for the year ended December 31, 2009.

Note 16- Stock Warrants

As of January 1, 2009, GoldSpring Inc. had 104,200,000 outstanding warrants to acquire company shares, all of which were vested and exercisable. During 2009, the Company issued 197,928,571 of warrants associated with convertible debt issuances. During the period ended December 31, 2009, none of these were exercised. Warrants outstanding at December 31, 2009 were 302,128,571. No warrants expired during the fiscal year ended December 31, 2009.

The Company recognizes warrant compensation expense over the requisite service period of the individual grant, which generally equals the vesting period. The plan entitles the holder to shares of common stock when the award vests. Awards generally vest ratably over five years. The fair value of the award is based upon the market price of the underlying common stock as of the date of the grant and is amortized over the applicable vesting period using the straight-line method. The Company uses newly issued shares of common stock to satisfy warrant exercises and stock awards.

The fair value of each grant was estimated at the date of the grant using the Black-Scholes-Merton option pricing model. Black-Scholes-Merton utilizes assumptions related to volatility, the risk free interest rate, the dividend yield (which is assumed to be zero, as the Company has not paid, nor anticipates paying any, cash dividends and employee exercise behavior. Expected volatilities utilized in the model are based mainly on the historical volatility of the

Company's stock price and other factors.

	2009	2008
Weighted Average volatility	148%	149%
Expected term (years)	4.43	4.12
Risk free rate	0.86%	3.09%
Dividend Yield	0.0%	0.0%
Weighted average grant date fair value	$ 0.01	$ 0.01

Stock warrant issuance is recognized using the fair value when granted and are amortized over the warrants' vesting period. During the year ended December 31, 2009, $549,600 was recognized as interest expense in the consolidated statements of operations.

A summary of the warrant activity for the fiscal years ended December 31, 2009 and 2008 is as follows:

	2009 Warrants	2009 Weighted Average Exercise Price	2008 Warrants	2008 Weighted Average Exercise Price
Balance, Beginning of year	104,200,000	$ 0.1440	47,800,000	$ 0.144
Granted	197,928,571	$ 0.0173	84,200,000	$ 0.0173
Exercised	—	—	—	—
Forfeited	—	$ 0.20	(27,800,000)	0.20
Balance, end of year	302,128,571	$ 0.0169	104,200,000	$ 0.169
Exercisable at December 31,	302,128,571	$ 0.0169	104,200,000	$ 0.169

A summary of outstanding warrant issuances at December 31, 2009 is as follows:

Note Description	Issue Date	Number of Warrants	Original Term	Exercise Price
Convertible Notes 2006 & 2007	May 06 – June 07	20,000,000	5 years	Variable Exercise Price
Private Placement Q2 2008	Q2 2008	40,000,000	6 years	$ 0.02
Private Placement Q4 2008	Q4 2008	44,200,000	6 years	0.015
Private Placement Q1 2009	Q1 2009	95,000,000	6 years	0.015
Convertible Notes May 09 – Aug 09	Q2 2009 – Q3 2009	80,000,000	4 years	0.02
Convertible Notes Dec. 2009	Dec. 2009	22,928,571	3 years	0.0175
Total		302,128,571		

Variable Exercise Price – The exercise price is equal to eighty-five percent (85%) of the average of the five (5) lowest closing bid prices of the common stock as reported by Bloomberg L.P. for the twenty (20) trading days upon day the warrants are exercise. These warrants have a "Cashless Exercise".

The following table sets forth warrants outstanding at December 31, 2009.

Total Outstanding Warrants:	302,628,571	Total "in-the-money" Outstanding Warrants:	20,000,000
Average Price of Outstanding Warrants:	$0.0169		$0.0063

		Average Price of "in-the-money" Outstanding Warrants:	
Total Vested Warrants:	302,628,571	Total "in-the-money" Vested Warrants:	20,000,000
Average Price of Vested Warrants:	$0.0169	Average Price of "in-the-money" Vested Options:	$0.00063
Total Unvested Options:	0	Total "in-the-money" Unvested Options:	0

Warrants Breakdown by Range as at 12/31/2008

Range	Outstanding Outstanding Warrants	Remaining Contractual Life	WA Outstanding Strike Price	Vested Vested Warrants	Remaining Vested Contractual Life	WA Vested Strike Price
$0.000 to $0.040	302,628,571	4,3354	$ 0.0169	302,628,571	4.3354	$ 0.0169
$0.050 to $0.090	0	0.0000	$ 0.0000	0	0.0000	$ 0.0000
$0.100 to $0.140	0	0.0000	$ 0.0000	0	0.0000	$ 0.0000
$0.150 to $0.190	0	0.0000	$ 0.0000	0	0.0000	$ 0.0000
$0.200 to $0.250	0	0.0000	$ 0.0000	0	0.0000	$ 0.0000
$0.000 to $0.250	302,628,571	4.3354	$ 0.0169	302,628,571	4.3354	$ 0.0169

Note 17 – Extinguishment of Debt

The following represents the reported gain from debt extinguishment resulting from a change in an embedded conversion option or an amendment and restatement of a note accounted for in accordance with the guidance offered in ASC 470-50.

	For the Year Ended December 31 2009	2008
Convertible Notes Payable - 2006 & 2007	$ —	$ 127,647
Long-Term Convertible Notes – July 2008 (Longview Amended and Restated Note)	—	1,220,552
Gain – Debt Extinguishment	$ —	$ 1,348,199

Extinguishment of Debt - Overview

In 2008, we performed an analysis to determine whether the change in an embedded conversion option and the amendment and restatement of a note would be recorded as an extinguishment of debt or a modification of debt. Based on our analysis, it was determined that the above change in an embedded conversion option and the amendment and restatement of a note qualified as debt extinguishment under ASC 470-50-40, and we recorded a gain of $1,348,199 in the fourth quarter of fiscal 2008.

Convertible Notes Payable - 2006 & 2007

On February 20, 2008, as a result of the Company completing other financing arrangements, a “favored nations” clause was triggered in the 2006 and 2007 convertible notes, which changed the terms of the embedded conversion option and effectively established a fixed conversion rate of $0.01. Our analysis indicated that the change in the embedded conversion option qualified as a substantial modification, and accordingly extinguishment of debt accounting should be applied.

Upon issuance, the embedded conversion option was “in the money”. We recorded the note in accordance with ASC 470-20 regarding accounting for a beneficial conversion feature. Our calculation of the intrinsic value of the new embedded conversion option was $2,380,000. However, ASC 470-20 limits the allocation of proceeds to the conversion feature, to the face value of the note, therefore we recorded the value of the embedded conversion option at the face value of the note, which was $2,170,000.

Since the modified notes provide for immediate conversion, subject to a 4.9% “blocking feature”, the entire debt discount has been charged to interest expense in accordance with the guidance offered in ASC 470-20. Debt discount results from the allocation of note proceeds to the intrinsic value of the embedded conversion option.

A gain on Debt extinguishment of $127,647 was recorded as a result of the reduction in the recorded value of the embedded conversion option prior to the change, compared to the value of the embedded conversion option after the change.

The following summarizes the convertible note;

Note Principal	Unamortized Debt Discount	Conversion Price per Share	Number of Shares Underlying Convertible Note	Interest Expense
$ 2,170,000	—	$ 0.01	217,000,000	$ 2,170,000

Long-Term Convertible Notes – July 2008 (Longview Amended and Restated Note)

Debt Extinguishment July 10, 2008

On July 10, 2008, the Company amended the terms of $2,175,000 of unsecured promissory notes issued to Longview Fund, L.P. to (a) refinance the outstanding accrued interest of $607,563 by adding it to the note balance, (b) extend the terms and (c) to add a conversion feature. The new debt instrument contained a fixed rate conversion feature of $0.0175 per share which did not previously exist in the group of original notes being restated. Our analysis indicated that the change in the terms along with the change in the embedded conversion option qualified as a substantial modification, and accordingly extinguishment of debt accounting should be applied. We recorded the note in accordance with ASC 470-20 pertaining to the beneficial conversion feature. Our calculation of the intrinsic value of the new embedded conversion option was $2,305,552. Since the amended and restated convertible note provide for immediate conversion, subject to a 4.9% “blocking feature”, the entire debt discount has been charged to interest expense in accordance with the guidance offered in ASC 470-20. Debt discount results from the allocation of note proceeds to the intrinsic value of the embedded conversion option.

The following summarizes the convertible note;

Note Principal	Unamortized Debt Discount	Conversion Price per Share	Number of Shares Underlying Convertible Note	Interest Expense
$ 2,782,563	—	$ 0.0175	159,003,600	$ 2,305,552

No gain or loss on extinguishment was recorded.

Debt Extinguishment December 22, 2008

The Longview Amended and Restated Note discussed above included a “full ratchet” provision which resets the stated conversion rate for all subsequent stock issuances that are less then the conversion price that would be in effect at that time. On December 22, 2008, as a result of the Company completing other financing arrangements at a lower conversion price, the reset provision clause was triggered and established a new fixed conversion rate of $0.01. Our analysis indicated that the change in the terms along with the change in the embedded conversion option qualified as a substantial modification, and accordingly extinguishment of debt accounting should be applied. The intrinsic value of the convertible feature was determined to be $1,085,000. In accordance with accounting guidance for extinguishment of debt, we recorded a gain of $1,220,552, representing the difference between the July 10, 2008 valuation of the convertible feature and the December 10, 2008 valuation of the convertible feature.

The following table summarizes the Gain on Extinguishment of debt arising from the Long-Term Convertible Notes – July 2008 (Longview Amended and Restated Note)

Long-Term Convertible Notes – July 2008 (Longview Amended and Restated Note) – Valuation of convertible feature at July 10, 2008	$ 2,305,552
Long-Term Convertible Notes – July 2008 (Longview Amended and Restated Note) – Valuation of convertible feature at December 22, 2008	1,085,000
Gain – Debt Extinguishment	$ 1,220,552

The following summarizes the convertible note after the Change in the conversion amount;

Note Principal	Unamortized Debt Discount	Conversion Price per Share	Number of Shares Underlying Convertible Note
$ 2,782,563	—	$ 0.01	278,256,300

Note 18 — Income Taxes

The provision (benefit) for income taxes from continued operations for the years ended December 31, 2009 and 2008 consist of the following:

	2009	2008
Current:		
Federal	$ —	—
Deferred:	—	—
Federal	(2,384,000)	(5,771,000)
Increase in valuation allowance	2,384,000	5,771,000
Benefit for income taxes, net	$ —	—

	December 31, 2009 and 2008
Statutory federal income tax rate	35.0%
Increase in valuation allowance	(35.0)%
Effective tax rate	—%

Deferred income taxes result from temporary differences in the recognition of income and expenses for the financial reporting purposes and for tax purposes. The tax effect of these temporary differences representing deferred tax asset and liabilities result principally from the following:

Deferred tax assets		
Net operating loss carry-forwards	19,500,000	17,100,000
Stock-based compensation	23,500	170,000
	19,523,500	17,270,000
Valuation allowance	(19,523,500)	(17,270,000)
Total deferred tax assets, net of valuation allowance	—	—

The valuation allowance increased $2,253,500 from December 31, 2008 to December 31, 2009.

At December 31, 2009 and 2008 the Company has a net operating loss carry-forward of approximately $55.8 million and $48.9 million respectively. These operating loss carry-forwards begin to expire in 2024 and can offset future taxable income, subject to certain limitations under section 382 of the Internal Revenue Code of 1986, as amended and other limitations under state tax laws.

Note 19 - Subsequent Events

On January 13, 2010, we amended our Royalty Sale and Option Agreement dated October 15, 2009 with Precious Royalties, LLC. The amended agreement allows Precious Royalties until March 31, 2010 to purchase a 5% net smelter royalty on our Obester Property for $4,500,000 less the $260,000 already paid by Precious Royalties in 2009. Precious Royalties, in the event the entire $4,500,000 is not paid, will receive a net smelter royalty on a pro rata basis. In January 2010, Precious Royalties paid $550,000 increasing their total net smelter royalty purchase amount to $810,000 ($260,000 from 2009 plus $550,000 from 2010). As of the date of this report, Precious Royalties has purchased a 0.95% net smelter royalty on our Obester Property for $810,000.

We filed a definitive Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 on March 24, 2010. This Statement, which is being mailed to shareholders on or about March 29, 2010, is furnished in accordance with the requirements of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended. Notice was given that the holders of a majority of the shares outstanding shares of the Company's Common Stock (as of March 1, 2010) may act by written consent to approve a reverse stock split of the Company's issued and outstanding Common Stock, as determined by the Company's Board of Directors in a ratio of 1:200.
.
In the fourth quarter of 2009, we staked 165 lode mining claims in an area we called the "West Lode". This was contiguous to our earlier claims, and extended the project footprint significantly to the northwest. Our claim filings were initially accepted by the BLM and Washoe County. However, in the first quarter of 2010, we were notified by the BLM that a significant portion of this area had been withdrawn from mineral entry as part of the Washoe County master plan, and thus rendered the corresponding claims invalid. The remaining 43 lode mining claims continue to be recognized as valid claims by the BLM.

Item 9. Changes and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

ITEM 9A (T). CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K, management performed, with the participation of our Principal Executive Officer and Principal Accounting Officer, an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the report we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's forms, and that such information is accumulated and communicated to our management including our Principal Executive Officer and our Principal Accounting Officer, to allow timely decisions regarding required disclosures. Our Principal Executive Officer and our Principal Accounting Officer concluded that, as of December 31, 2009, our disclosure controls and procedures were effective.

Management's Annual Report on Internal Control Over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company in accordance with and as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized transactions.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management has evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2009. Management based its assessment on the framework set forth in COSO’s Internal Control – Integrated Framework (1992) in conjunction with Securities and Exchange Commission Release No. 33-8820 entitled "Commission Guidance Regarding Management’s Report on Internal Control Over Financial Reporting Under Section 13(a) or 15(d) of the Securities and Exchange Commission".

We believe that internal control over financial reporting is effective as of December 31, 2009. This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this annual report.

There have been no changes during the quarter ended December 31, 2009 in our Company's internal control over financial reporting identified in connection with the evaluation required by Exchange Act Rules 13a-15(d) and 15d-15(d) that have material affected, or are reasonably likely to materially affect, our internal controls over our financial reporting.

Item9B. Other Information

Not applicable.

Item 10. Directors, Executive Officers and Corporate Governance

Our board of directors directs the management of the business and affairs of our Company as provided in our certificate of incorporation, our by-laws and the Corporation Law of Nevada. Members of our board of directors keep informed about our business through discussions with senior management, by reviewing analyses and reports sent to them, and by participating in board and committee meetings.

Board Leadership Structure and Risk Oversight; Diversity

Our Company is led by Bill Nance, who has served as our chairman of the board since 2007. The board has three standing committees – audit, compensation and governance. Given our size, we do not have standing committees with meet independence requirements although that is our intention as we continue to grow, and the Board is responsible for overseeing risk management, and our full board receives periodic reports from management.

Our board leadership structure is used by other smaller public companies in the Unites States, and we believe that this leadership structure is effective for the Company. We believe that having a separate Chairman and President is the correct form of leadership for our Company. We have two leaders for our Company and oversight of Company operations by experienced directors. We believe that our directors provide effective oversight of the risk management function, especially through dialogue between the full board and our management.

The Company does not currently consider diversity in identifying nominees for director. Due to the small size of the Company, the priority has been in attracting qualified directors, and issues such as diversity have not yet been considered.

The following table sets forth certain information regarding our directors and officers:

Name	Age	Position
William J. Nance	65	Director
Robert A. Reseigh	64	Director, Interim Chief Executive Officer
Scott H. Jolcover	59	Director
Robert T. Faber	50	Director , President and CFO
James Golden	51	COO

William J. Nance has been a director of our Company since October 2005. Mr. Nance is a Certified Public Accountant and private consultant to the real estate and banking industries. He is also President of Century Plaza Printers, Inc. Mr. Nance is also a Director of Intergroup Corporation, Santa Fe and Portsmouth. Mr. Nance provides financial and business expertise to the enterprise. The Company has determined that Mr. Nance should serve as a director due to his long history with the Company.

Scott H. Jolcover has served as an independent director since January 2008. Mr. Jolcover served as Manager of the Plum Mine prior to and after it was acquired by GoldSpring in November 2003. Since leaving GoldSpring in 2006, Mr. Jolcover has worked as a consultant. Mr. Jolcover's 25 year mining background and his network of contacts in the industry provides knowledge to the board. The Company has determined that Mr. Jolcover should serve as a director due to his extensive mining experience and history with the Company.

Executive Officers

Robert Reseigh, Interim Chief Executive Officer and Director
Mr. Reseigh was appointed as the Interim Chief Executive Officer in October 2009 and had been an independent director of the Company since September 2008. Mr. Reseigh has over 35 years of experience in the mining and underground construction industries. Mr. Reseigh, who holds an Engineer of Mines degree from the Colorado School of Mines, is a mining and civil engineering executive who has overseen over $1 billion in civil and mine construction projects during his career. Mr. Reseigh spent nearly 20 years with the Peter Kiewit organization, which is a recognized world leader in the mining industry. He held several positions there, including Vice President and Area Manager for Precious Metals Mine Projects. Mr. Reseigh also served as Executive Vice President of Atkinson Construction Company, a subsidiary of Clark Construction, where he directed all construction projects performed by the corporation. Mr. Reseigh is a frequent speaker at mining and construction industry conferences and has published several industry-specific papers. Mr. Reseigh has also been appointed as a member of the Moles Association and the Beavers Association, East Coast- and West Coast- based associations of prominent individuals in the heavy construction industry.

The Company has determined that Mr. Reseigh should serve as a director due to his extensive experience in the mining industry.

Robert T. Faber, CPA* President and Chief Financial Officer
Mr. Faber is an executive with 20 years of diverse senior financial and operational management, business and acquisition experience, including 10 years of international business experience. Mr. Faber was named Chief Executive Officer and President of GoldSpring in September 2004. Prior to his appointment, he had served as Chief Financial Officer since June 2003. Prior to joining GoldSpring, Inc., Mr. Faber served as Vice President of United Site Services, Inc., from 2002 until 2003, a privately held service consolidator in the waste service industry. Additionally, Mr. Faber served as an executive with Allied Waste Industries from 2001 until 2002, overseeing a $1.2 billion multi-state area and served as Chief Financial Officer with Frontier Waste Services, LLC from 1999 until 2001. Prior to Frontier Waste, Mr. Faber spent 17 years with Waste Management, Inc., a publicly traded environmental services company, during which time he served in senior positions both internationally and domestically. Mr. Faber's positions included Director of Finance of Waste Management's $1.4 billion multi-country International operations based in London, England and Vice President and Controller for several $100 million plus multi-state market areas.) The Company has determined that Mr. Faber should serve as a director due to his long history with the Company and his finance and accounting expertise.
(*License inactive)

Jim Golden, Chief Operating Officer
Mr. Golden is a mining engineer with over twenty-five years of experience in the mining industry before joining us in 2006. Mr. Golden's mining experience includes ten years with Peter Kiewit's mining division, where he was a district manager. A graduate of Montana Tech, Mr. Golden has owned his own consulting firm since 1990, where he has provided consulting services throughout the world for over 50 mining companies.

Information Relating to Corporate Governance and the Board of Directors

Our Board of Directors has determined, after considering all the relevant facts and circumstances, that Mr. each of Bob Reseigh and Scott Jolcover is an independent director, as "independence" is defined by Nasdaq, because they have no relationship with us that would interfere with their exercise of independent judgment. Mr. Nance is not independent due to his working relationship with John Winfield.

Our Board of Directors had established three standing committees: an Audit Committee, a Compensation Committee, and a Nominations and Corporate Governance Committee. Due to the fact that Mr. Nance, who is not independent, was the sole Director during most of 2007 and 2008, those Committees had been inactive. However, the committees were revived effective January 1, 2009. Mr. Nance qualifies as an audit committee financial expert as defined in Item 407(d)(5) of Regulation S-K, but is not independent as previously stated The following is a summary of the members of each of the committees:

Audit Committee:
William Nance – Chairperson
Robert Reseigh

Compensation Committee:
William Nance – Chairperson
Scott Jolcover

Corporate Governance and Nomination Committee
Robert Faber – Chairperson
Scott Jolcover

The Company has adopted a code of ethics that applies to Company's principal executive officer, principal financial officer and principal accounting officer. The code of ethics may be found on the Company's website at www.GoldSpring.us.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of Forms 3, 4 and 5 and amendments thereto furnished to the Company during 2009, the Company has no knowledge of any person who, at any time during the fiscal year, was a director, officer, beneficial owner of more than ten percent of any class of equity securities of the Company, or any other person subject to section 16 of the Exchange Act with respect to the Company that failed to file on a timely basis, as disclosed in the above Forms, reports required by section 16(a) of the Exchange Act during 2009.

Item 11. Executive Compensation

The following table sets forth, for the periods indicated, the total compensation for services provided to us in all capacities by all executives who received aggregate compensation exceeding $100,000 during 2009.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation Salary ($)	Bonus ($)	Long-Term Compensation Awards Securities Underlying Options (#)	Stock Grant Compensation ($)	TOTAL
Robert A. Reseigh, Interim CEO (8) (9)	2009	$ 42,000	$	—	$ —	$ 42,000
Robert T. Faber(1)(2)	2009	180,000	—	—	—	180,000
Robert T. Faber(1)(2)	2008	180,000	—	80,000,000	—	180,000
Robert T. Faber(1)(2)	2007	180,000	—	—	—	180,000
Jim Golden, COO(3)	2009	150,000	—			150,000
Jim Golden, COO(3)	2008	150,000	69,949	—	—	219,949
Jim Golden, COO(3)	2007	150,000	—	100,000,000	—	150,000
Dennis Anderson, Senior Engineer (4) (5)(7)	2009	92,400	—	—	30,000	122,400
Dennis Anderson, Senior Engineer (4) (5) (7)	2008	76,300	—	—	43,760	120,060
Larry Martin, Chief Geologist (6) (7)	2009	$ 116,308	$ —		$ 40,650	$ 156,958

(1) Mr. Faber serves as the President and Chief Financial Officer. Mr. Faber served as President and Chief Executive Officer from September 2004 through October 6, 2009 and Chief Financial Officer since June 2003.

(2) $103,000 of Mr. Faber's 2005 - 2009 salary has not yet been paid. We intend to pay this amount in 2010.

(3) Mr. Golden has served as Chief Operating Officer since October 2006. Prior to October 2006, Mr. Golden served as a consultant to our Company

(4) Mr. Anderson is a part-time employee who dedicates 70% of his time to GoldSpring.

(5) Mr. Anderson, as part of his employment arrangement, was granted a 5,000,000 share grant of which 2,500,000 shares were issued in 2008 and 2,500,000 were issued in 2009.

(6) Mr. Martin, pursuant to his employment agreement, was issued stock grants totaling 3,500,000 shares during 2009.

(7) We base the value of stock grants at the market value of our common stock at the date of issue.

(8) Mr. Reseigh was appointed as Chief Executive Officer on October 6, 2009.

(9) Mr. Reseigh does not draw a salary. Mr. Reseigh invoices us at a rate of $1,000 per day.

Stock Options

During 2009, we did not issue stock options to any employee, officer or director. There were, however, shares of common stock underlying unexercised stock options at December 31, 2009. This information is summarized herein below.

Compensation expense for stock options is recognized using the fair value when the stock options are granted and is amortized over the options' vesting period. During the 12 month ended December 31, 2009, $144,277 was recognized as compensation expense in the consolidated statements of loss with a corresponding increase in contributed deficit. As at December 31, 2009, 176,000,000 stock options were exercisable and the weighted average years to expiration were 8.3 years.

A summary of the option activity under the Company’s share base compensation plan for the fiscal years ended December 31, 2009 and 2008 is as follows:

	2009 Options		2009 Weighted Average Exercise Price	2008 Options		2008 Weighted Average Exercise Price
Balance, Beginning of year	182,000,000	$	0.01	10,000,000	$	0.01
Granted	—		—	182,000,000		0,.01
Exercised	—		—	(10,000,000)		0.01
Forfeited	—		—	0		—
Balance, end of year	182,000,000	$	0.01	182,000,000	$	0.01
Exercisable at December 31, 2009	176,000,000	$	0.01	170,000,000	$	0.01

OUTSTANDING STOCK OPTION AWARDS FISCAL YEAR END FOR 2009

	Option Awards					Stock Awards			
Name and Principal Position	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Number of Unearned Shares or Other Rights That Have Not Vested	Market Value or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Robert T. Faber	80,000,000	—	—	.01119	01/09/18	—	—	—	—
Jim Golden	90,000,000	—	—	.00963	12/13/17	—	—	—	—
William Nance	1,500,000		1,500,000	.02	9/30/18				
Robert Reseigh	1,500,000		1,500,000	.02	9/30/18				

Jonathan Jaffrey	1,500,000	1,500,000	.02	9/30/18
Scott Jolcover	1,500,000	1,500,000	.02	9/30/18

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Name and Principal Position	Option Awards Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price	Option Expiration Date	Fair Value of Options at December 31, 2009
Robert T. Faber	80,000,000	—	—	.01119	01/09/18	$ 560,000
Jim Golden	90,000,000	—	—	.00963	12/13/17	629,000
William Nance	2,000,000	—	1,000,000	.02	9/30/18	14,000
Robert Reseigh	2,000,000	—	1,000,000	.02	9/30/18	14,000
Scott Jolcover	2,000,000	—	1,000,000	.02	9/30/18	14,000
Dennis Anderson	—	—	—	—	—	—
Larry Martin	—	—	—	—	—	—
TOTAL	176,000,000		3,000,000			$ 1,231,000

The fair value of each grant was estimated at December 31, 2009 using the Black-Scholes-Merton option pricing model. Black-Scholes-Merton utilizes assumptions related to volatility, the risk free interest rate, the dividend yield (which is assumed to be zero, as the Company has not paid, nor anticipates paying any, cash dividends and employee exercise behavior. Expected volatilities utilized in the model are based mainly on the historical volatility of the Company’s stock price and other factors.

The following is a summary of the assumptions used and the weighted average grant-date fair value of the stock options.

	2009	2008
Expected volatility	233%	199%
Expected term (years)	5.14	5.14
Risk free rate	2.23%	3.09%
Dividend Yield	0.0%	0.0%
Weighted average grant date fair value	$ 0.01	$ 0.01

OUTSTANDING STOCK GRANT AWARDS AT FISCAL YEAR END FOR 2009

Name and Principal Position	Stock Awards Number of Shares or Units of Stock That	Market Value of Shares or Units of	Number of Unearned Shares or Other Rights That	Market Value or Payout Value of Unearned Shares, Units or

	Have Not Vested	Stock That Have Not Vested	Have Not Vested	Other Rights That Have Not Vested
Dennis Anderson	—	—	—	—
Jim Golden	—	—	—	—
William Nance	—	—	—	—
Robert Reseigh	—	—	—	—
Scott Jolcover	—	—	—	—
Dennis Anderson	—	—	—	—
Larry Martin	1,500,000	$ 11,100	—	$ —

Compensation of Directors

The following table summarizes any compensation given in 2009 and 2008:

DIRECTOR COMPENSATION TABLE

Name	Year	Fees Paid in Cash (1)	Stock Awards	Fair Value of Stock Grant at Issue Date	Option Awards	Fair Value of Options At Grant Date	All Other Compensation	Total
William Nance	2009	$ 18,750	—	$ —	~~$~~	—	$ —	$ 18,750
William Nance	2008	7,500	15,000,000	167,850	3,000,000	71,139	—	246,489
Robert Reseigh	2009	12,088	—	—	—	—	—	12,088
Robert Reseigh	2008	4,834	—	—	3,000,000	71,139	—	75,973
Jonathan Jaffrey (2)	2009	14,667	—	—			—	14,667
Jonathan Jaffrey	2008	5,667	—	—	3,000,000	71,139	—	76,806
Scott Jolcover	2009	12,088					—	12,088
Scott Jolcover	2008	4,834	5,000,000	66,550	3,000,000	71,139	—	142,523
Robert Faber	2009	—	—	—			—	—
Robert Faber	2008	—	—	$ —	~~$~~	$	—	$ —

(1) As of January 31, 2010, unpaid director fees totaled $129,000. We intend to pay this during 2010.

(2) On November 9, 2009, Mr. Jaffrey resigned from the board of directors.

DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
William Nance	$ 7,500	15,000,000	3,000,000	—	—	—	—
Robert Reseigh	4,834	—	3,000,000	—	—	—	—
Jonathan Jaffrey	5,667	—	3,000,000				
Scott Jolcover	4,834	5,000,000	3,000,000				
Robert Faber	$ —	—	—				

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information regarding the beneficial ownership of our common stock as of December 31, 2009 by (1) each person who is known by us to be the beneficial owner of more than five percent of our issued and outstanding shares of common stock, (2) each of our directors and executive officers, and (3) all directors and officers as a group.

Title of Class Owned or into Which Warrants / Options are Convertible	Name and Address of Beneficial Owner (and Title for Employees, Officers and Directors)	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
Officers and Directors			
Common Stock	Robert A. Reseigh – Director & CEO PO BOX 1118 1200 American Flat Road Virginia City, NV 89440	1,875,000	0.1%
Common Stock	Robert T. Faber – Director, President & CFO PO BOX 1118 1200 American Flat Road Virginia City, NV 89440	80,180,000	2.1%
Common Stock	James Golden-COO PO BOX 1118 1200 American Flat Road Virginia City, NV 89440	98,265,714	2.6%
Common Stock	William Nance – Director 2025 Avenue of the Stars Los Angeles, CA 90067	17,000,000	0.5%
Common Stock	Scott Jolcover – Director PO Box 1298 Carson City, NV 89702	23,923,904	0.7%
All Officers and Directors as a Group		221,369,618	6.1%
Other 5% Holders			
Common Stock	None		

(1) Includes, when applicable, shares owned of record by such person's minor children and spouse and by other related individuals and entities over whose shares of common stock such person has custody, voting control, or power of disposition. Also includes shares of common stock that the identified person had the right to acquire within 60 days of December 31, 2008 by the exercise of vested stock options.

(2) The percentages shown include the shares of common stock that the person will have the right to acquire within 60 days of December 31, 2008. In calculating the percentage of ownership, all shares of common stock which the identified person will have the right to acquire within 60 days of December 31, 2008 upon the conversion of convertible notes or the exercise of warrants or stock options are deemed to be outstanding for the purpose of computing the percentage of shares of common stock owned by such person, but are not deemed to be outstanding for the purpose of computing the percentage of shares of common stock owned by any other person.

EQUITY COMPENSATION PLAN INFORMATION

See Part II Item 5

Item 13. Certain Relationships and Related Transactions, and Director Independence

There were no related party transactions as described in Item 404 of Regulation S-K during the fiscal years 2009 and 2008.

Item 14. Principal Accountants Fees and Services

The aggregate fees billed to our company by Jewett Schwartz, for the fiscal years ended December 31, 2009 and December 31, 2008, are as follows:

	2008	2007
Audit fees	$ 40,000	$ 52,500
Audit-related fees	$ 12,000	$ 10,000
Tax fees	$ 10,000	$ 10,000
All other fees	$ 0	$ 0

Audit Committee Pre-Approval Policies

The charter of our Audit Committee provides that the duties and responsibilities of our Audit Committee include the pre-approval of all audits, audit-related, tax, and other services permitted by law or applicable SEC regulations (including fee and cost ranges) to be performed by our independent auditor. Any pre-approved services that will involve fees or costs exceeding pre-approved levels will also require specific pre-approval by the Audit Committee. Unless otherwise specified by the Audit Committee in pre-approving a service, the pre-approval will be effective for the 12-month period following pre-approval. The Audit Committee will not approve any non-audit services prohibited by applicable SEC regulations or any services in connection with a transaction initially recommended by the independent auditor, the purpose of which may be tax avoidance and the tax treatment of which may not be supported by the Internal Revenue Code and related regulations.

To the extent deemed appropriate, the Audit Committee may delegate pre-approval authority to the Chairman of the Audit Committee or any one or more other members of the Audit Committee provided that any member of the Audit Committee who has exercised any such delegation must report any such pre-approval decision to the Audit Committee at its next scheduled meeting. The Audit Committee will not delegate to management the pre-approval of services to be performed by the independent auditor.

Our Audit Committee requires that our independent auditor, in conjunction with our Chief Financial Officer, be responsible for seeking pre-approval for providing services to us and that any request for pre-approval must inform the Audit Committee about each service to be provided and must provide detail as to the particular service to be provided. Our Audit Committee Chair and Audit Committee Financial Expert is William Nance.

Item 15. Exhibits Financial Statement Schedules.

(a) The following documents are filed as part of this Report:

(1) Financial statements filed as part of this Report:

(2) Exhibits filed as part of this Report:

Exhibit Number	Exhibit
23.1	Consent of Jewett, Schwartz Wolfe & Associates
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

SIGNATURES

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

GoldSpring, Inc.

/s/ Robert T. Faber
Robert T. Faber
President, and
Director
(Principal Financial Officer)

Date April 9, 2010

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Signature	Title	Date
/s/ ROBERT T. FABER Robert T. Faber	President, Chief Financial Officer and Director (Principal Financial Officer)	April 9, 2010
/s/ scott h. jolCover Scott H. Jolcover	Director	April 9, 2010
/s/ William Nance William Nance	Chairman of the Board and Director	April 9, 2010

/s/ Robert a. reseigh Robert A. Reseigh	Director, Interim Chief Executive Officer (Principal Executive Officer)	April 9, 2010

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