

TARA GOLD RESOURCES CORP.
Form 10-12G
August 04, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10
GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

TARA GOLD RESOURCES CORP.

(Exact name of registrant as specified in its charter)

 Nevada

 90-0316566

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

2162 Acorn Court

Wheaton, IL

60189

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (630) 462-2079

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

Title of each class

Name of each exchange on which

to be so registered

each class is to be registered

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

Common Stock

Title of Class

Title of Class

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. Business.

Tara Gold (the Company or Tara Gold), was incorporated in 1999 in Nevada as Westnet Communications Group, Inc. On April 1, 2001 the Company acquired MerchantPark Communications, Inc. for shares of its common stock. After this acquisition the Company's operations involved the development of software which could be used by small businesses for web-site development and hosting.

In March 2002 the Company's discontinued its software development operations and was inactive until early 2004. In November 2003 the Company changed its name to American Stellar Energy, Inc., and in early 2004 began acquiring oil and gas properties. In 2005 the Company sold its oil and gas properties after it determined that these properties were not economical.

In February 2006, the Company changed its name to Tara Gold Resources.

In May 2005 Tara Gold, through its subsidiary Corporacion Amermin S.A. de C.V. (Amermin), began acquiring mining properties in Mexico. In May 2006, the Company formed Tara Minerals Corp. (Tara Minerals), which owns 99.9% of the common stock of American Metal Mining S.A. de C.V., a Mexican corporation. Tara Minerals also owns 87% of the common stock of Adit Resources Corp., which in turns owns 99.9% of American Copper Mining, S.A. de C.V. Tara Gold's operations in Mexico are conducted through Amermin, American Metal Mining and American Copper Mining since Mexican law provides that only Mexican corporations are allowed to own mining properties. Tara Gold, through Amermin, and Adit, through American Copper Mining focus on gold mining concessions. American Metal Mining's primary focus is on industrial minerals, e.g. copper, zinc. All of Tara Gold's operations in Mexico are conducted through its Mexican subsidiaries. As of July 31, 2011, Tara Gold owned approximately 56% of the outstanding common stock of Tara Minerals.

Tara Gold has begun the distribution of its shares in Tara Minerals to its shareholders. On May 25, 2011 Tara Gold distributed one share of Tara Minerals for every 20 outstanding shares of Tara Gold. Additional distributions will be announced over the next 24 months until all Tara Minerals shares held by Tara Gold are distributed to Tara Gold's shareholders.

Tara Gold's plan is to acquire low-cost properties that have the potential to yield high returns. After acquiring a property and selecting a possible exploration area through its own efforts or with others, Tara Gold will typically compile reports, past production records and geologic surveys concerning the area. Tara Gold will then undertake a field exploration program to determine whether the area merits work. Initial field exploration on a property normally consists of geologic mapping and geochemical and/or geophysical surveys, together with selected sampling to identify

host environments that may contain specific mineral occurrences. If an area shows promise, geologic drilling programs may be undertaken to further define the existence of any economic mineralization. If such mineralization is delineated, further work may be undertaken to estimate ore reserves, evaluate the feasibility for the development of the mining project, obtain permits for commercial development, and, if the project appears to be economically viable, proceed to place the deposit into commercial production.

The capital required for exploration and development of mining properties is substantial. Tara Gold plans to finance its future operations through joint venture arrangements with third parties (generally providing that the third party will obtain a specified percentage of Tara Gold's interest in a certain property in exchange for the expenditure of a specified amount), the sale by Tara Gold of interests in properties, Tara Gold's operations and by the sale of Tara Gold and its subsidiaries, common stock.

The exploration and development of properties that are joint ventured with third parties are managed by one of the joint venture participants which is designated as the operator. The operator of a mining property generally provides all labor, equipment, supplies and management on a cost plus fee basis and generally must perform specific tasks over a specified time period. Separate fees may be charged to the joint venture by the operator and, once certain conditions are met, the joint venture is typically required to pay the costs in proportion to its interests in the property.

Tara Gold's properties may consist of a variety of interests including, properties located in foreign countries and unpatented and patented claims held under lease or owned by Tara Gold or a subsidiary. Typically, the rights to properties which Tara Gold may acquire will be sub-surface rights which will allow Tara Gold to explore for, and if warranted, develop the property. See Mexican Mining Laws and Regulations below for information concerning use of surface rights in Mexico for mining operations.

In connection with the acquisition of a property, Tara Gold may conduct limited reviews of title and related matters and obtains representations regarding ownership. Although Tara Gold plans to conduct reasonable investigations (in accordance with standard mining practice) of the validity of ownership, it may be unable to acquire good and marketable title to its properties.

Mines have limited lives, which is an inherent risk in the mining business. Although Tara Gold plans to acquire other mining properties, there is a limited supply of desirable mineral lands available in Mexico where Tara Gold would consider conducting exploration and/or production activities. In addition, Tara Gold faces strong competition for new properties from other mining companies, many of which have substantial financial resources, and Tara Gold may be unable to acquire attractive new mining properties on terms that are considered acceptable.

As of July 31, 2011 Tara Gold had interests in the mining properties listed below. Although Tara Gold believes that each of these properties has deposits of gold, copper, lead or zinc, the properties are in the exploratory state, and with the exception of Don Roman, which is in the operating stage, do not have any known reserves, and may never produce any of these metals in commercial quantities.

The La Currita property resides within the Sierra Madre Occidental gold belt in the state of Chihuahua, Mexico and is surrounded by Paramount Gold's San Miguel Property and Coeur D'Alene's properties.

Las Minitas, Auriferos, Mariana and Mezquite properties are located in the southern part of the state of Sonora, Mexico in the Alamos district, which also resides on the western edge of Sierra Madre Occidental Gold belt. The properties in this group have returned results positive for gold and silver, although reserves have not been calculated.

The properties owned by American Metal Mining, primarily the Don Roman Groupings, are located in the northern part of the La Reforma Mining District of north eastern Sinaloa State, Mexico. The predominant rocks in the area are Upper Jurassic-Lower Cretaceous carbonate (limestone) rocks and Tertiary granitic intrusives. The La Reforma Mining District has been mined for more than 300 years, with substantial amounts of precious and base metals produced from numerous mines. In the opinion of Tara Gold, the district has never been properly explored using present day, industry standard, exploration methods, including geochemistry, geophysics, and geology. Tara Gold feels that this area may potentially host base metals that were never discovered or exploited due in part to market conditions, lack of technology, and lack of funding.

The properties owned by American Copper Mining, primarily known as the Picacho Groupings, are located approximately 100 kilometers south of the US-Mexico border and 65 kilometers northeast of Yamana's Mercedes project within the Northern Sierra Madre gold belt in close proximity to Bacoachi, Sonora, Mexico. The area is underlain by Tertiary and Cretaceous andesitic, rhyolitic flows and tuffs with ignimbritic and less abundant intrusive porphyritic rocks. Past activity on the Picacho Groupings by various parties has resulted in the construction of at least nine adits, several shafts and raises, numerous workings and diamond drills, remnants of tailings from operations in the 1930's have been found but most of this material was removed and further benefited by prior owners.

In Mexico, land size is denominated in hectares and weight is denominated in tonnes. One hectare is equal to approximately 2.47 acres and one tonne is equal to 2,200 pounds.

The proposed exploration program for Tara Gold's properties, with the exception of the Don Roman properties, will typically consist of rock-chip sampling, soil geochemistry, geological mapping, a geophysical survey, trenching, drilling, and resource calculation. The exploration program will take place in phases, with some phases occurring simultaneously. Rock chip and soil geochemistry may be initiated first to test and define the mineralization. This may be followed up with a CSAMT (Controlled-Source Audio-Frequency Magneto Telluric) to test the extent and depth of sulphide mineralization which could host copper, lead or zinc. The CSAMT is an industry standard geophysical technique that has been used successfully to identify carbonate deposits in Mexico and other locations. Upon completion of the exploration program, and if results are positive, a drilling program may begin. Drilling results will then be evaluated and a mineral resource calculation will be made. Notwithstanding the above, the exploration program for each property will depend on a number of factors, including the property's particular geological conditions and the extent of any prior exploration work.

With the exception of the Don Roman Groupings, as of July 31, 2011 no plants or other facilities were located on any of the properties. Water and power will be required to further explore and, if warranted, develop Tara Gold's mining prospects.

Tara Gold will contract with qualified personnel to conduct and supervise all aspects of its exploration program.

The exploration programs on the properties will be funded either through Tara Gold's operations, proceeds from the sale of Tara Gold's and its subsidiaries' common stock, or funds obtained from joint venture partners.

La Currita Prospect

Tara Gold acquired the La Currita property in May 2005 from Minera Tres de Mayo, S.A. In consideration for the assignment of its interest in this prospect, Tara Gold paid Minera Tres de Mayo \$1,200,000, plus \$180,000 of value-added tax.

The La Currita property covers 65 hectares and is located in Chihuahua approximately 400 kilometers southwest of the city of Chihuahua, northern Mexico. The property is situated on the western edge of the Sierra Madre Occidental in the Temoris mining district. The La Currita property includes four mines.

The La Currita mines were in production between 1983 and 1998. Mining operations resumed in early January 2007 and had terminated by October 2008.

As of July 31, 2011, Tara Gold is looking for a joint venture partner which would be willing to fund the development of this prospect. In the alternative, Tara Gold, depending on its ability to raise additional capital, will continue the development of this prospect with its own funds.

Las Minitas Prospect

Tara Gold acquired the Las Minitas property in March 2006 from Isidro Hernandez Pompa in consideration \$2,150,000, plus \$322,500 in value-added tax.

In 2007 Tara Gold signed an agreement with Pershimco Resources Ltd. providing Pershimco the option to acquire a 75% interest in the Las Minitas prospect. In March 2008 Tara Gold and Pershimco agreed to terminate their joint venture with respect to the Las Minitas prospect. The termination agreement between Tara Gold and Pershimco did not require Tara Gold to refund \$570,000 previously paid by Pershimco to Tara Gold. The agreement with Pershimco contained a clause that any prospects purchased by Pershimco adjacent to Las Minitas would revert to Tara Gold. This resulted in Tara Gold obtaining the Auriferos V Fraccion 1 and 2 concessions, which are considered to be a part of the Las Minitas prospect.

The Las Minitas prospect is 1,226.9746 hectares in size and is located in Sonora, Mexico, approximately 40 kilometers northwest of the town of Alamos. The property lies at the western edge of the Sierra Madre Occidental gold-silver belt.

As of July 31, 2011 Tara Gold was negotiating with Mr. Pompa relating to the Las Minitas Prospect which may include the termination of this agreement and the return of the property.

Mariana and Mezquite Prospect

In March 2008, Pershimco Resources transferred the mineral claims and obligations linked to the Mariana and Mezquite prospect to Tara Gold. The obligations linked to Mariana and Mezquite are the remaining debt payments of \$190,000, which includes value added taxes of \$24,783 owed to a third party.

The Mariana and Mezquite prospect is 276 hectares in size and is located in Sonora, Mexico, near the town of Alamos and Quiriego.

As of July 31, 2011 Tara Gold was in negotiations to amend to its agreements with all vendors relating to Mariana and Mesquite Prospect which may include the termination of this agreement and the return of the property.

La Estrella Prospect

In January 2006 Tara Gold entered into an agreement to purchase the La Estrella mining property for \$400,000. Tara Gold has paid \$24,000 toward the purchase price but the seller of the property has not complied with his obligations under the purchase agreement. A Mexican court has ruled that Tara Gold is entitled to purchase this property in accordance with the terms originally agreed upon.

La Virginia Prospect

In February 2007 Tara Gold entered into an agreement to purchase the La Virginia mining property for \$600,000. Tara Gold has paid \$5,500 toward the purchase price but the seller of the property has not complied with his obligations under the purchase agreement. As of July 31, 2011, after review with its legal advisors, Tara Gold decided not to proceed with the acquisition of this property.

Properties owned by Tara Minerals Corp.

Don Roman Groupings

The Don Roman Groupings, comprised of 9,136 hectares, were acquired in October 2006, November 2008 and March 2011 from unrelated third parties for approximately \$2,076,440, plus value added taxes of approximately \$313,367. The Don Roman Groupings consist of the Pilar, Don Roman, Las Nuvias and Centanario.

The Don Roman plant is 18 kilometers due north from Choix Sinaloa. The plant is accessed by 10 kilometers of paved road, and 8 kilometers of dirt road which the state/federal authorities are paving to the plant site. From plant site, the closest concessions are the Don Roman Groupings from which mine site can be accessed through a company maintained road with a regular pick up truck. The Don Roman Groupings are in the heart of La Reforma Mining District as well as the stated gold belt that stems from the state of Chihuahua.

Preliminary and continuing evaluation of the Don Roman Groupings has identified numerous mineralized systems at various locations on the property, some of which include a series of parallel NE trending lead, zinc, silver structures

that can be traced for more than 300 meters; an abandoned lead, zinc, silver mine; and historic vein-type gold mineralization. A number of these mineralized structures lie within a complex suite of volcanic-granitic and sedimentary (carbonate) rocks. Preliminary evaluation of the property has indicated the potential for five separate mineral systems each having varying mineral characteristics. Initial sampling has indicated the potential for two lead, zinc, silver systems; two gold copper systems; and one iron ore, gold, copper system.

Permits needed to move towards continued active mining have been completed. Tara Gold is assessing options and costs associated with the design of various mining and recovery systems. Mining and processing equipment have been purchased and the plant, which will be capable of processing a minimum of 400 tonnes per day, has begun testing ore runs on one of

three circuits. Water rights for the property have been acquired and a 3" water pump and 4.5 km water line are in place to draw water from a nearby reservoir. High voltage electrical service has been supplied to an electrical substation which will supply power to operate the plant.

Two circuits capable of producing a minimum of 200 tonnes per day have been completed, with a third circuit that is near completion, and an additional regrind circuit that can be implemented at the appropriate time.

As of July 31, 2011 approximately \$3,200,000 has been spent on the processing plant facilities, processing equipment, and related mining equipment.

In 2010 Tara Minerals began production start up at the Don Roman plant. In the third quarter of 2010, Tara Minerals continued extracting lead, zinc, and silver ore from its mine and stockpiling it for future processing at its processing plant. In the fourth quarter of 2010, the plant activity ceased.

In 2011 Tara Minerals sought to expand this property by acquiring additional prospective mineral claims and by opening up the project to third parties that have expressed an interest in becoming an operating partner. In April 2011, Tara Minerals signed a Letter of Intent with an unrelated party which provides that the third party will provide the capital and expertise to restart operations. As of July 31, 2011 a definitive agreement was in the process of being negotiated.

Pirita

In June 2009, Tara Minerals acquired three mining concessions known as Pirita from Conrado Acuna Peralta for \$280,000, plus value-added tax of \$30,000. Tara Minerals paid \$50,000 of the purchase price and value-added tax in July 2009, financing the remainder.

The Pirita properties consist of approximately 6,700 hectares and are located in Bacoachi Sonora, Urique Chihuahua and Morelos, Chihuahua.

As of July 31, 2011 Tara Gold was in negotiations to amend to its agreements with all vendors relating to Pirita Prospect which may include the termination of this agreement and the return of the property.

La Verde Groupings

In March 2011 and April 2011, Tara Minerals acquired eight mining concessions known as La Verde Groupings, a gold, silver, zinc and lead project, from Corporacion Kedah for \$140,000, plus value-added tax of \$22,400. As of the date of this filing the purchase price plus value-added tax was paid in full. The eight concessions acquired were La Palma, Choix, El Pino, La Verde 3, La Verde 4, La Verde 5, La Verde 6 and Mina El Rosario.

The 2,555 hectares property consists of eight concessions, mentioned above, 13-18 km from the Don Roman mine and mill. The concessions were being mined as late as 2010, with the extracted material grading 0.5-1.5 g/t gold, 300-600 g/t silver, 14-15% zinc, 6-8% lead, and 2.1-2.6% copper. Recent channel samples across the workings assayed similar grades. A road from the Groupings, to the Don Roman mill, has also been completed. Tara Minerals now controls over 10,000 hectares in close proximity to the mill.

Tara Minerals is acquiring the Groupings for \$1.8 million plus applicable taxes. \$1.66 million of the acquisition cost will be paid by the issuance of Tara Minerals restricted shares valued at \$2 per share, with the remainder being paid in cash. Tara minerals also purchased technical data pertaining to the six concessions mentioned before and issued 460,000 shares as payment in April 2011.

Godinez Joint Venture

In July 2010, Tara Minerals entered into a joint venture agreement whereby third parties will contribute 100% of the mining rights to the concession Mina Godinez and Tara Minerals will have the exclusive rights to manage, operate, explore and exploit the concession. Tara Minerals will pay for the construction of buildings, access roads, and any necessary improvements. Tara Minerals will also pay for the machinery and equipment required for the operation of the mine. Any machinery or equipment used for the development of the mine will remain the exclusive property of Tara Minerals. Once production starts, Tara Minerals will receive 60% of the profits from the mine until it is fully reimbursed for its costs. Tara Minerals will receive 40% of the profits thereafter. Tara Minerals, also has a first right of refusal to purchase the property. The joint venture agreement will expire in July 2020, at which time the joint venture will be liquidated and dissolved. As of July 31, 2011, no costs have been incurred on this project.

This property is located within La Reforma Mining District, and is located south of El Fuerte, state of Sinaloa. The mine can be reached by paved road 25 Km due south from El Fuerte then approximately 3Km dirt road to the mine opening. Godinez contains gold bearing vein structures that after initial testing look very promising.

Tania Iron Project

In May 2011, Tara Minerals acquired the right to mine 3,233 hectares located in Manzanillo, State of Colima, Mexico. Tara Minerals has the right to remove 6 million tonnes of iron ore concentrate from the property, with renewal rights extending through the life of the property. Tara Minerals has agreed to pay the vendor \$6 per tonne for the first 500,000 tonnes removed from the property and \$7 per tonne thereafter. Tara Minerals has paid \$100,000 to the vendor against future royalty payments.

The Tania property is located 33km from the port of Manzanillo. The iron ore is contained within decomposed granite with little overburden. On the surface, the mineralized zone is estimated to be 2km wide and approximately 1 km in length. The zone is continuous and sampled 30-40% iron. The property has not been subjected to modern exploration methods or concentrating processes.

Tara Minerals raised \$750,000 through a royalty rights offering to fund the project.

Picacho Groupings

In July 2009, Tara Minerals acquired eight mining claims known as the Picacho Groupings from Emilio Acuña Peralta for \$4,800,000, plus value-added tax of \$720,000. Tara Minerals paid \$575,000 of the purchase price and value-added tax in June 2009. The \$575,000 paid to Mr. Acuña in June 2009 was borrowed from Tara Gold by Tara Minerals.

In July 2009 Tara Minerals transferred the Picacho prospect to Adit. In connection with the transfer of the prospect, Adit issued Tara Minerals a promissory note in the principal amount of \$650,000 to compensate Tara Minerals for its down payment toward the purchase price of the property and to reimburse Tara Minerals for other amounts advanced on behalf of Adit. The note (as amended) is unsecured, bears interest at prime rate plus 3.25% per year, and is due and payable on December 31, 2011. Adit has since repaid \$600,000 towards this note.

On March 31, 2010 Adit and Mr. Acuna amended their agreement. Under the revised agreement, Adit paid Mr. Acuna \$500,000 in cash (plus \$80,000 in value added taxes) and in consideration for the transfer of all technical data relating to the prospect, issued Mr. Acuna 320,000 shares of Adit's common stock, which was valued at \$2.50 per share, and 437,500 shares of Tara Minerals' common stock, which was valued at \$4.00 per share.

Adit paid for the Tara Minerals shares by means of a note in the principal amount of \$1,750,000. The note bears interest at 6% per year and is due and payable on March 31, 2012. At any time after July 1, 2010 Tara Minerals may convert the outstanding principal, plus accrued interest, into shares of Adit's common stock. Tara Minerals will receive one share of Adit's common stock for each \$0.75 of principal and interest converted.

On January 28, 2011, Adit sold 500,000 units at a price of \$1.00 per unit to Yamana Gold Inc. Each unit consisted of one share of Adit's common stock and one half warrant. Each full warrant entitles Yamana to purchase one share of Adit's common stock at a price of \$1.50 per share at any time on or before January 28, 2014.

In connection with the sale of the units, Adit also signed a letter of intent that grants Yamana an option to acquire up to a 70% interest in Adit's Picacho gold/silver project. A definitive agreement is expected to be completed by August 2011. Upon completion of the definitive agreement, Adit will sell an additional 2,500,000 units to Yamana at a price of \$1.00 per unit. The units will be identical to the units sold on January 28, 2011. From the \$3,000,000 received from Yamana, Adit will be required to spend \$2,000,000 in exploration work on the Picacho project within 12 months of signing the definitive agreement.

Yamana can earn a 51% interest in the project by spending an additional \$5,000,000 on the project within 30 months of the date of the definitive agreement and paying Adit an additional \$1,000,000.

Yamana can increase its interest to 70% by spending an additional \$9,000,000 on the project and paying Adit an additional \$2,000,000.

The Picacho Groupings consists of 7,060 hectares within the Northern Sierra Madre gold belt, 100 kilometers south of the U.S. border, in close proximity to Bacoachi, Sonora, Mexico. From Bacoachi the concessions can be accessed through a company maintained road with a regular pick up truck. The area has a high level of exploration activity and is close to a national paved highway and power grid.

The following shows the timing and estimated cost for the present exploration plan for this property:

9

Projected

Phase

Completion

Estimated Cost

Surface Evaluation and Exploration Drilling

2011

\$2,000,000

Development Drilling, Feasibility, Equipment Ordering

2012

\$2,500,000

Development, Construction, Production

2013

\$3,000,000

United States Mining Laws and Regulations

In the United States, unpatented mining claims on inappropriate federal land may be acquired pursuant to procedures established by the Mining Law of 1872 and other federal and state laws. These acts generally provide that a citizen of the United States (including corporations) may acquire a possessory right to develop and mine valuable mineral deposits discovered upon inappropriate federal lands, provided that such lands have not been withdrawn from mineral location, e.g., national parks, military reservations and lands designated as part of the National Wilderness Preservation System. The validity of all unpatented mining claims is dependent upon inherent uncertainties and conditions. These uncertainties relate to such non-record facts as the sufficiency of the discovery of minerals, proper posting and marking of boundaries, and possible conflicts with other claims not determinable from descriptions of record. Prior to discovery of a locatable mineral thereon, a mining claim may be open to location by others unless the owner is in possession of the claim.

The domestic exploration programs conducted by Tara Gold will be subject to federal, state and local environmental regulations. The United States Forest Service and the Bureau of Land Management extensively regulate mining operations conducted on public lands. Most operations involving the exploration for minerals are subject to existing laws and regulations relating to exploration procedures, safety precautions, employee health and safety, air quality

standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls adopted by federal, state, and local governmental authorities as well as the rights of adjoining property owners. Tara Gold may be required to prepare and present to federal, state, or local authorities data pertaining to the effect or impact that any proposed exploration or production of minerals may have upon the environment. All requirements imposed by any such authorities may be costly and time-consuming, and may delay commencement or continuation of exploration or production operations.

Future legislation and regulations are expected to continue to emphasize the protection of the environment, and, as a consequence, the activities of Tara Gold may be more closely regulated to further the cause of environmental protection. Such legislation and regulations, as well as future interpretation of existing laws, may require substantial increases in capital and operating costs to Tara Gold and may result in delays, interruptions, or a termination of operations, the extent of which cannot be predicted.

Mining operations in the United States are subject to inspection and regulation by the Mine Safety and Health Administration of the Department of Labor (MSHA) under provisions of the Federal Mine Safety and Health Act of 1977.

Tara Gold's operations will also be subject to regulations under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA or Superfund), which regulates and establishes liability for the release of hazardous substances, and the Endangered Species Act (ESA), which identifies endangered species of plants and animals

and regulates activities to protect these species and their habitats. Tara Gold may incur expenditures for land reclamation pursuant to federal and state land restoration laws and regulations. Under certain circumstances, Tara Gold may be required to close an operation until a particular problem is remedied or to undertake other remedial actions.

Mexican Mining Laws and Regulations

In Mexico, Article 27 of the Mexican Constitution grants the ownership of essentially all minerals to the Mexican nation. The right to exploit those minerals is given to private parties through concessions issued by the Mexican government. The current Mining Law of Mexico was enacted in 1992. Concessions are granted on mining lots, the sides of which measure 100 meters, or a multiple of 100, except when adjoining lots (granted when there were no size requirements) require a smaller size.

An exploration concession is granted to the first applicant that meets the requirements of the Mining Law, the most important of which is that the claimed area is deemed to be free land. Under the Mining Law, areas that are already covered by mining concessions or applications for mining concessions are not free, as well as reserved areas such as the coast and the seabed.

Exploration mining concession applications are filed at government offices. Exploration concessions are valid for fifty years and give their holders the right to carry out exploration work and, if warranted, any mine on the concession put into production.

Mining concessions do not grant the holder the right to enter or use the surface land of the mining lots. It is therefore necessary to obtain the permission of the surface owner for that purpose. Typically, a verbal authorization with no consideration is granted for prospecting and sample gathering. A simple letter agreement or contract is normally used for drilling, trenching, or basic road building. For more advanced exploration activities, a small monetary consideration is normally required. In some cases the concessionaire is also required to make minor improvements which benefit the local community such as fixing a road or fence or building an earthen dam. Building and operating a mine requires a more formal agreement. If an agreement cannot be reached with the surface owner, the Mining Law gives the concessionaire the right to request a temporary occupation of the land or an expropriation (or an easement for the construction of roads, power lines, water pipes, etc.). Compensation is set through an appraisal made by the federal government.

A concessionaire's most important obligation is the performance of assessment work on the mining lots. A minimum amount of assessment work measured in monetary terms must be performed each year, depending on the size of the mining lot and, for an exploration mining concession, the number of years elapsed since its issue, pursuant to minimum investment tables established by the Mexican government. Assessment work may be done either through expenditures or the sale of minerals. A report must be filed in May of every year regarding the work for the previous calendar year. Lack of performance of the minimum work will result in the cancellation of the concession; payment

to the government in lieu of required assessment of work is not allowed.

Concessionaires must comply with federal environmental regulations which generally require that mining activities be subject to an environmental impact statement authorization. Normally an environmental impact statement authorization can be obtained in six to twelve

months from the date of its filing. However, mining operations which do not exceed levels established by the Mexican government are not required to file an environmental impact statement.

The Mining Law forbids concessionaires from removing mine timbering and supports and requires compliance with all safety rules promulgated by the Mexican government.

Mexican and foreign individuals, as well as Mexican corporations, are allowed to hold mining concessions. Although foreign corporations may not hold mining concessions, foreign corporations may, however, own Mexican corporations.

General

Tara Gold offices are located at 2162 Acorn Court, Wheaton, IL 60189 and consist of approximately 150 square feet of office space are supplied free of charge by Francis R. Biscan, Jr., the President of Tara Gold.

As of July 31, 2011 the only employees of Tara Gold were its two officers and the U.S. Corporate Controller.

Tara Gold's website is www.taragoldresources.com

Item 1A.

Risk Factors.

There is no assurance that any of Tara Gold's remaining properties will be capable of producing precious or industrial metals in commercial quantities.

Item 2.

Financial Information.

Tara Gold was incorporated in October 1999. During the period from its incorporation through March 31, 2011 Tara Gold generated revenue of approximately \$725,000 and incurred expenses of approximately \$759,000 in cost of sales; \$7,274,000 in exploration expenses and \$35,987,000 in operating and general administration expenses. Included in operating and general and administrative expenses are non-cash charges of approximately \$7,868,000 pertaining to the issuance of stock options of Tara Minerals.

Material changes of certain items in Tara Gold's Statement of Operations for the year ended December 31, 2010, as compared to the same period last year, are discussed below.

Twelve Months Ended (In thousands of U.S. Dollars)	December 31, 2010	December 31, 2009
Revenue	\$ 160	\$ -
Cost of revenue	658	-
Exploration expenses	2,033	280
Operating, general and administrative expenses	17,471	4,156
Net operating loss	\$ (20,002)	\$ (4,436)

In 2010 Tara Minerals the Don Roman plant was in operation for several months. In the fourth quarter of 2010, the plant activity ceased. During 2009 the Don Roman mine was not producing ore. These are the primary reasons to the increase in revenue and cost of revenue for December 31, 2010 when compared to December 31, 2009. Exploration expenses for the Don Roman Groupings increased \$400,000 for mine and smelting operations and other various mine expenses relating to the operation of this mine.

In addition to production at the Don Roman plant, \$1,359,000 of exploration expenses in 2010 were related to Adit, consisting \$1,224,000 for the purchase of technical data for the Picacho Groupings and \$125,000 for geological consulting, assaying, and field supplies for the Picacho Groupings. Exploration expenses for the Picacho Groupings were a negligible \$8,000 as of December 31, 2009.

Material changes of certain items in Tara Gold's operating, general and administrative expenses for the year ended December 31, 2010, as compared to the same period last year, are discussed below.

Year Ended	December 31, 2010	December 31, 2009
(In thousands of U.S. Dollars)		
Advertising	\$	\$
	54	-
Bad debt expense	1,610	17
Depreciation expense	250	40
Insurance	58	30
Investor relations expense	7,810	1,658
Compensation, officer employment contracts and bonuses	4,671	905
Other taxes and penalties	390	2
Professional fees	1,433	703
Repairs and maintenance	59	118
Travel	148	26

Advertising increased during the year ended December 31, 2010 due to mine and gold shows to expose the Company in the market compared to no advertising expenses in 2009. Bad debt expense increased in the year ended December 31, 2010 due to an increase in the allowance for IVA receivables to 90% for all its Mexican subsidiaries for IVA taxes to be received back from the Mexican government. Depreciation expense increased as more plant and equipment was in service in the year ended December 31, 2010 than 2009. Insurance expense increased due to life insurance being paid for key executives and employees in the Mexican subsidiaries during the year ended December 31, 2010, the life insurance was cancelled at the end of the same year. Investor relations expense increased due to common stock, options and warrants valued at \$7,648,704, for financial reporting purposes, being issued or granted for services provided to Tara Minerals. The expense associated with the issuance of the stock, options and warrants did not require the use of cash. Compensation, officer employment contracts and bonuses increased due to options and common stock granted or issued to officers of the company. Other taxes increased due to accrued payroll taxes and accrued taxes related to IRS Audit. Professional fees increased as Tara Gold resumed filing its 10-K and 10-Q reports. Travel expenses increased due to projects at the Don Roman mine site and visits to other prospects.

Material changes of certain items in Tara Gold's Statement of Operations for the three-month period ended March 31, 2011, as compared to the same period last year, are discussed below.

Three Months Ended	March 31, 2011	March 31, 2010
(In thousands of U.S. Dollars)		
Revenue	\$ -	\$ -
Cost of revenue	-	-
Exploration expenses	923	1,603
Operating, general and administrative expenses	1,717	7,287
Net operating loss	\$ (2,640)	\$ (8,890)

During the three months ended March 31, 2011, exploration expenses declined due to activity ceasing at the Don Roman mine in the fourth quarter of 2010. For the three months ended March 31, 2011, exploration expenses consisted of \$845,000 for the purchase of technical data for the Centenario (part of the Don Roman Groupings) and La Verde Groupings, \$15,000 for geological consulting, assaying, and field supplies for the Picacho Groupings, and \$63,000 for mine and smelting operations and other various mine expenses for the Don Roman Groupings. As of March 31, 2010, exploration expenses consisted of \$1,224,000 for the purchase of technical data for the Picacho Groupings, \$23,000 for geological consulting, assaying, and field supplies for the Picacho Groupings, \$320,000 for mine and smelting operations and other various mine expenses for the Don Roman Groupings.

Material changes of certain items in Tara Gold's operating, general and administrative expenses for the three months ended March 31, 2011, as compared to the same period last year, are discussed below.

Three Months Ended	March 31, 2011	March 31, 2010
(In thousands of U.S. Dollars)		
Bad debt expense	\$ 643	\$ 20
Depreciation expense	75	50
Investor relations expense	63	3,022
Compensation, officer employment contracts and bonuses	419	3,689
Other taxes	81	-

Bad debt expense increased in the quarter ended March 31, 2011 due to an increase in the allowance for IVA receivables to 90% for all its Mexican subsidiaries for IVA taxes to be received back from the Mexican government.

Depreciation expense increased as more plant and equipment was in service in the quarter ended March 31, 2011 than 2010. Investor relations expense decreased due to no common stock, options or warrants being issued or granted for services as of March 31, 2011 versus 1,372,944 common shares issued for \$2,915,060 for investor relations at the Tara Minerals level as of March 31, 2010. Compensation, officer employment contracts and bonuses decreased due to no common stock, options or warrants being issued or granted for services as of March 31, 2011 versus 100,000 common shares issued for \$157,000 and 2,450,000 options granted (1,625,000 vested) for \$3,406,000 at the Tara Minerals level as of March 31, 2010. Other taxes increased due to accrued payroll taxes. Other income decreased in 2011 as the 2010 amount represents a federal income tax refund of \$263,000.

The following is an explanation of Tara Gold's material sources and (uses) of cash (in thousands of U.S. dollars) during the years ended December 31, 2010 and 2009 and the three months ended March 31, 2011 and 2010:

	December 31,		March 31,	
	2010	2009	2011	2010
Net cash (used) provided in operating activities	\$(3,109)	\$(3,438)	\$(763)	\$(743)
Acquisition of property, plant and equipment	(268)	(109)	-	(129)
Construction of the Don Roman Mine	-	(1,498)	-	-
Sale of marketable securities	-	4,547	-	-
Purchase of mining properties	(25)	(643)	-	(25)
Sale of assets	-	-	29	-
Loans from third and related parties	630	-	-	-
Repayment of loans	(780)	(956)	(14)	(770)
Sale of common stock of subsidiaries	2,372	2,668	763	1,100
Other	-	(2)	(6)	-
Cash on hand at beginning of period	1,451	264	193	1,451

Tara Gold does not know of any trends, events or uncertainties that have had, or are reasonably expected to have, a material impact on its sales, revenues or income from continuing operations, or liquidity and capital resources.

Tara Gold anticipates that its capital requirements during the twelve months ending July 31, 2012 will be:

Tara Minerals

Exploration and Development - Don Roman Groupings	\$	1,000,000
Exploration and Development - Picacho Groupings		2,500,000
Exploration and Development - La Verde Groupings		500,000
Exploration and Development - Tania Iron Project		750,000
Property taxes		95,000
General and administrative expenses		400,000

Tara Gold

Property taxes		34,000
General and administrative expenses		100,000
Total	\$	5,379,000

The capital requirements shown above include capital required by Tara Gold and its subsidiaries.

Tara Gold will need to obtain additional capital if it is unable to generate sufficient cash from its operations or find joint venture partners to fund all or part of its exploration and development costs.

In 2011 Tara Minerals sought to expand the Don Roman Groupings by acquiring additional prospective mineral claims and by opening up the project to third parties that have expressed an interest in becoming an operating partner. In April 2011, Tara Minerals signed a Letter of Intent with an unrelated party which provides that the third party will provide the

capital and expertise to restart operations. As of July 31, 2011 a definitive agreed was being negotiated.

As of July 31, 2011 Tara Gold was reviewing the Las Minitas and Mariana and Mezquite, and Pirita properties for continued inclusion as part of its mining property portfolio. No payments toward these properties have been made in 2011 and Tara Gold may decide to terminate the purchase agreement and return the properties to their former owners as Tara Gold is currently focusing it efforts on the Don Roman Groupings, Picacho Groupings and Tania Iron Project.

Tara Gold's future plans will be dependent upon the amount of capital available to Tara Gold, the amount of cash provided by its operations, and the extent to which Tara Gold is able to have joint venture partners pay the costs of exploring and developing its mining properties.

Tara Gold does not have any commitments or arrangements from any person to provide Tara Gold with any additional capital. If additional financing is not available when needed, Tara Gold may continue to operate in its present mode or Tara Gold may need to cease operations. Tara Gold does not have any plans, arrangements or agreements to sell its assets or to merge with another entity

See Note 1 to the financial statements included as part of this registration statement for a description of Tara Gold's accounting policies and recent accounting pronouncements. Of these, the following are policies we consider critical: Allowance for Doubtful Accounts; Property and Equipment and Mining Concessions; Revenue Recognition; Exploration Expenses; Purchase of Technical Data; Income Taxes; and Stock Based Compensation.

Item 3. Properties.

See Item 1.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The following table lists, as of July 31, 2011, those persons owning beneficially 5% or more of Tara Gold's common stock, the number and percentage of outstanding shares owned by each director and officer of Tara Minerals and by all officers and directors as a group. Unless otherwise indicated, each owner has sole voting and investment powers over his shares of common stock.

Name and Address of	Shares	Percent of
----------------------------	---------------	-------------------

Beneficial Owner	Beneficially Owned	Class
Francis R. Biscan, Jr. 2162 Acorn Court Wheaton, IL 60189	12,494,729	12.15%
Lynda R. Keeton-Cardno 185 Bethany St. Henderson, NV 89074	10,000	-
Clifford A. Brown 313 Arbor Avenue West Chicago, IL 60185	3,098,371	3.01%
All Officers and Directors as a group (3 persons)	15,603,000	15.16%

Item 5. Directors and Executive Officers.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Francis R. Biscan, Jr.	50	President, Chief Executive Officer and Director
Lynda R. Keeton-Cardno	39	Chief Financial Officer and Treasurer
Clifford A. Brown	59	Director, U.S. Corporate Controller

The directors of Tara Gold serve in such capacity until the first annual meeting of Tara Gold's shareholders and until their successors have been duly elected and qualified. The officers of Tara Gold serve at the discretion of Tara Gold's directors.

The principal occupations of Tara Gold's officers and directors are as follows:

Francis R. Biscan, Jr. has been an officer and director of Tara Gold since May 2003. Between 1997 and August 2003 Mr. Biscan was an independent financial consultant, providing advice to public and private companies in the areas of capital formation and mergers and acquisitions. Mr. Biscan has also been an officer and director of Tara Mineral's since May 2006.

Lynda Keeton-Cardno, CPA Treasurer, Chief Financial Officer. Ms. Keeton-Cardno has been an officer of Tara Gold since January 2011. Since 2004, Ms. Keeton-Cardno has been the CEO/Managing Member of Lynda R. Keeton CPA, LLC, a PCAOB registered firm which provides audit and consulting services to public and private companies. Ms. Keeton-Cardno worked for Arthur Andersen LLP in Phoenix, AZ and Las Vegas, NV in both the Audit and Advisory group and Technology Risk Consulting group. Ms. Keeton-Cardno is a licensed Certified Public Accountant in Nevada, a member of the American Institute of Certified Public Accountants, a graduate of Arizona State University's School of Business and Honors College, and has held the Certified Information Systems Auditor designation.

Clifford A. Brown, CPA has been an officer and director of Tara Gold since November 2004. Since 1989 Mr. Brown has been the President of Clifford A. Brown and Co., a firm which provides accounting and consulting services and sells accounting software. Since 1993 Mr. Brown has served as the treasurer and Board member of Restoration Ministries, Inc., a non-profit corporation with 33 different ministries in Chicago. Mr. Brown has also been an officer and director of Tara Mineral's since May 2006. Mr. Brown has been a Certified Public Accountant since 1981.

Tara Gold does not have a compensation committee. Tara Gold's Board of Directors serves as its Audit Committee. Lynda R. Keeton-Cardno is Tara Gold's financial expert. Since Ms. Keeton-Cardno is an officer of Tara Gold, Ms. Keeton-Cardno is not independent as that term is defined in section 803 of the listing standards of the NYSE Amex.

None of Tara Gold's directors are independent as that term is defined in section 803 of listing standards of the NYSE Amex.

Tara Gold believes all of its directors are qualified to act as such due to their longstanding relationship with Tara Gold.

Tara Gold has adopted a Code of Ethics applicable to its principal executive, financial, and accounting officers and persons performing similar functions.

Item 6.**Executive Compensation.**

The following table shows the compensation paid or accrued during the three years ended December 31, 2010 to the executive officers of Tara Gold.

Name and Principal Position	Fiscal Year	Salary (1)	Bonus (2)	Stock Awards (3)	Option Awards (4)	All Other Annual Compensation (5)	Total
Francis R. Biscan President and Chief Executive Officer	2010	\$276,000	-	\$78,500	\$2,314,275	-	\$2,452,775
	2009	\$256,000	-	\$15,000	-	-	\$ 271,000
	2008	\$276,000	-	-	-	-	\$ 276,000
Lynda R. Keeton Cardno, Chief Financial Officer and Treasurer (6)	2010	-	-	-	-	-	-
	2009	-	-	-	-	-	-
	2008	-	-	-	-	-	-
David Bizzaro, Chief Financial Officer and Treasurer (6)	2010	\$100,000	-	-	-	-	\$100,000
	2009	-	-	-	-	-	-
	2008	-	-	-	-	-	-
Clifford A. Brown Controller, Director	2010	\$20,000	-	\$7,500	-	-	\$27,500
	2009	-	-	-	-	-	-
	2008	-	-	-	-	-	-

(1)

The dollar value of base salary (cash and non-cash) earned.

(2)

The dollar value of bonus (cash and non-cash) earned.

(3)

During the periods covered by the table, the value of Tara Mineral s shares issued as compensation for services to the persons listed in the table.

(4)

The value of all stock options granted during the periods covered by the table. See Note 9 to the financial statements included as part of this report for details concerning the assumptions used in determining the value of these options. See the Stock Option and Bonus Plans - Summary section below for other information concerning these stock options.

(5)

All other compensation received that Tara Gold could not properly report in any other column of the table.

(6)

Ms. Keeton-Cardno was appointed Chief Financial Officer and Treasurer in 2011. Mr. Bizzaro served as Chief Financial Officer and Treasurer between May 2010 and January 2011.

In January 2011 Tara Gold entered into an employment agreement with Mr. Biscan for three years. The employment agreement provided that Tara Gold will pay Mr. Biscan a base salary of \$336,000 during the term of the agreement and requires Tara Gold to pay for Mr. Biscan's medical, dental, optical, life and disability insurance. In the event there is a material reduction in Mr. Biscan's authority, duties or activities, in the event Mr. Biscan's offices are

moved to a location which is not conducive to operating in North America, or in the event there is a change in the control of Tara Gold, then Mr. Biscan may resign from his position at Tara Gold and receive the remainder of his \$336,000 salary. For purposes of the employment agreement, a change in control includes the acquisition of more than 50% of the outstanding shares of Tara Gold's common stock by a third party or a change in a majority of Tara Gold's directors.

Mr. Biscan's employment agreement will also terminate upon the death or physical or mental disability of Mr. Biscan, in which case Mr. Biscan, or his legal representative, as the case may be, will be paid the salary provided by the employment agreement for a period of one year following Mr. Biscan's death or disability.

In January 2011, Tara Gold entered into an employment agreement with Ms. Lynda R. Keeton-Cardno for one year. The employment agreement provides that Tara Gold will pay Ms. Keeton-Cardno a base salary of \$48,000.

In January 2011 Tara Gold entered into an employment agreement with Clifford A. Brown for one year. The employment agreement provides that Tara Gold will pay Mr. Brown a base salary of \$96,000 during the term of the agreement and requires Tara Gold to pay for Mr. Brown's medical insurance.

The following shows the amounts that Tara Gold expects to pay to its officers during the twelve month period ending December 31, 2011, and the time these persons plan to devote to Tara Gold's business.

Name	Proposed Compensation	Time to be Devoted to Tara Gold and Subsidiaries Business
Francis Richard Biscan, Jr.	\$ 276,000	40 hours / week
Lynda R. Keeton-Cardno	\$ 48,000	20 hours / week

Long-Term Incentive Plans. Tara Gold does not provide its officers or employees with pension, stock appreciation rights, long-term incentive or other plans and has no intention of implementing any of these plans for the foreseeable future.

Employee Pension, Profit Sharing or other Retirement Plans. Tara Gold does not have a defined benefit, pension plan, profit sharing or other retirement plan, although it may adopt one or more of such plans in the future.

Compensation of Directors. Tara Gold's directors did not receive any compensation for their services as directors during the fiscal year ended December 31, 2010.

Stock Option and Bonus Plans

Tara Gold's subsidiary Tara Minerals, has adopted stock option and stock bonus plans. A summary description of these plans follows. In some cases these Plans are collectively referred to as the Plans .

Incentive Stock Option Plan. Tara Minerals Incentive Stock Option Plan authorizes the issuance of shares of Tara Minerals common stock to persons that exercise options granted pursuant to the Plan. Only Tara Minerals employees may be granted options pursuant to the Incentive Stock Option Plan. The option exercise price is determined by Tara Minerals directors but cannot be less than the market price of Tara Minerals common stock on the date the option is granted.

Non-Qualified Stock Option Plan. Tara Minerals Non-Qualified Stock Option Plan authorizes the issuance of shares of Tara Minerals common stock to persons that exercise options granted pursuant to the Plan. Tara Minerals employees, directors, officers, consultants and advisors are eligible to be granted options pursuant to the Plan, provided however that bona fide services must be rendered by such consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction or promoting the price of Tara Minerals common stock.

Stock Bonus Plan. Tara Minerals Stock Bonus Plan allows for the issuance of shares of common stock to its employees, directors, officers, consultants and advisors. However bona fide services must be rendered by the consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction or promoting the price of Tara Minerals common stock.

Summary. The following lists, as of July 31, 2011, the options granted and the bonus shares issued pursuant to the Plans. Each option represents the right to purchase one share of Tara Minerals common stock.

Name of Plan	Total Shares Reserved Under Plans	Shares Reserved for Outstanding Options	Shares Issued as Stock Bonus	Remaining Options/Shares Under Plans
Incentive Stock Option Plan	1,000,000	750,000	N/A	250,000
Non-Qualified Stock Option Plan	3,000,000	2,500,000	N/A	500,000
Stock Bonus Plan	750,000	N/A	750,000	-

Tara Minerals stock option and bonus plans have not been approved by its shareholders.

The following table shows the weighted average exercise price of the outstanding options granted pursuant to Tara Minerals Stock Option Plans as of December 31, 2010.

Plan category	Number of Securities to be Issued Upon Exercise of Outstanding	Weighted-Average Exercise Price of Outstanding	Number of Securities Remaining Available For Future Issuance Under Equity Compensation

	Options	Options	Plans (Excluding Securities Reflected in the First Column of This Table
Incentive Stock Option Plan	750,000	\$1.57	250,000
Non-Qualified Stock Option Plan	2,500,000	\$0.05	500,000

The following lists the unexercised options which were outstanding as of July 31, 2011 and held by the Tara Minerals officers and directors.

Name	Date of Grant	Shares underlying unexercised options which are		Exercise Price	Expiration Date
		Exercisable	Unexercisable		
Francis R. Biscan, Jr.	1/5/10	125,000	375,000	\$1.57	2015-2020
Francis R. Biscan, Jr.	1/5/10	750,000		\$0.05	1/5/15
Clifford A. Brown	2/1/07	150,000		\$0.05	2/01/12
Clifford A. Brown	1/5/10	125,000	125,000	\$1.57	2015-2018
Clifford A. Brown	1/5/10	250,000		\$0.05	1/5/15
Ramiro Trevizo	1/5/10	250,000		\$0.05	1/5/15

The following lists the shares issued pursuant to Tara Minerals Stock Bonus Plan:

Name	Date	Shares Issued
Francis R. Biscan, Jr.	4/23/09	250,000
Francis R. Biscan, Jr.	1/05/10	50,000
Clifford A. Brown	4/23/09	200,000
Clifford A. Brown	1/05/10	25,000
Ramiro Trevizo	4/23/09	200,000
Ramiro Trevizo	1/05/15	25,000

Item 7.

Certain Relationships and Related Transactions, and Director Independence.

None.

Item 8.

Legal Proceedings.

On September 13, 2010, Tara Gold announced that it had entered into a tentative agreement with Tara Minerals which provided Tara Minerals would acquire all of the outstanding shares of Tara Gold by exchanging one share of Tara Mineral s common stock for two Tara Gold shares.

On September 20, 2010 Chris Columbo filed a lawsuit in the District Court for Carson City Nevada, against Tara Gold, Tara Gold's officers and directors and Tara Minerals. The essence of the lawsuit was to obtain the fairest price for Tara Gold, whether from Tara Minerals or a third party. On October 25, 2010 Mr. Columbo voluntarily dismissed his lawsuit against Tara Gold and other defendants.

On October 22, 2010 Patricia J. Root filed a lawsuit in the Circuit Court for Dupage County, Illinois, against, Tara Gold, Tara Gold's directors and Tara Minerals. The essence of the lawsuit was to prevent Tara Mineral's proposed acquisition of Tara Gold.

Tara Gold believes the lawsuit filed by Ms. Root was premature since, as noted in the September 13, 2010 press release, the transaction is tentative and is subject to the approval of the shareholders of Tara Gold who are not officers or directors of Tara Gold. No binding agreement between Tara Gold and Tara Minerals was ever signed. In April 2011 Ms. Root subsequently dismissed her lawsuit against Tara Gold and other defendants.

On May 6, 2010, the Securities and Exchange Commission temporarily suspended trading in Tara Gold's securities due to the failure of Tara Gold to file its 10-Q and 10-K reports pursuant to Section 13 of the Securities and Exchange Act of 1934.

On the same day the Commission issued an Order Instituting Proceedings whereby the Commission sought to revoke Tara Gold's registration of its common stock pursuant to Section 12(g) of the Exchange Act.

On September 7, 2010 an administrative law judge issued an Initial Decision revoking Tara Gold's registration of its common stock. On September 24, 2010 Tara Gold filed a Petition to Review the decision of the administrative law judge. On September 30, 2010 the Commission granted Tara Gold's Petition for Review. On November 1, 2010 Tara Gold filed a brief in support of its petition with the Commission. On July 18, 2011, the Commission revoked the registration of Tara Gold's securities pursuant to Section 12(j) of the Securities Act of 1934. Tara Gold intends to appeal the decision and seek the reinstatement of the trading of Tara Gold common stock.

Other than the foregoing, Tara Gold is not involved in any legal proceedings and Tara Gold does not know of any legal proceedings which are threatened or contemplated

Item 9.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

Prior to May 2010 the common stock of Tara Gold traded in the over-the-counter market, which is sometimes referred to as the "pink sheets", under the symbol: TRGD. In May 2010 the Securities and Exchange Commission stopped the trading in Tara Gold's common stock due to the fact that Tara Gold was delinquent in filing its 10-K and 10-Q reports. As a result of the SEC's stop trading order, Tara Gold's common stock was removed from the Pink Sheets and until July 18, 2011 traded only on an unsolicited basis.

As a result of the Commission's ruling on July 18, 2011 (see Item 8 above), all trading in Tara Gold's stock ceased.

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Shown below are the ranges of high and low closing prices for Tara Gold common stock for the periods indicated as reported by FINRA and as reported on www.stockwatch.com. The market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions.

<u>Quarter Ended</u>	<u>High</u> <u>Low</u>
March 31, 2009	\$0.10\$0.10
June 30, 2009	\$0.16\$0.16
September 30, 2009	\$0.32\$0.30
December 31, 2009	\$0.39\$0.36
March 31, 2010	\$0.71\$0.41
June 30, 2010	\$0.66\$0.31
September 30, 2010	\$0.53\$0.32
December 31, 2010	\$0.43\$0.30

As of July 31, 2011 Tara Gold had 102,795,119 outstanding shares of common stock and 76 shareholders of record. As of that same date Tara Gold did not have any outstanding options, warrants or securities which were convertible into shares of Tara Gold's common stock.

During the years ended December 31, 2010 and 2009 neither Tara Gold, nor any of Tara Gold's officers or directors, purchased any shares of Tara Gold's common stock in the open market.

Item 10.

Recent Sales of Unregistered Securities and Use of Proceeds

During the year ended December 31, 2008, Tara Gold issued:

.
5,654,167 shares of common stock in payment of liabilities in the amount of \$190,000;

.
175,000 shares for services rendered valued at \$67,004;

.
300,000 shares of common stock for services rendered valued at \$126,000 from 2007; and

850,000 shares of common stock in payment of liabilities in the amount of \$315,000 and in payment of a note in the amount of \$27,200 from 2007.

During the year ended December 31, 2009, Tara Gold issued 800,000 shares for services rendered valued at \$1,041,000

Item 11.

Description of Registrant's Securities to be Registered.

Tara Gold's authorized capital consists of 150,000,000 shares of common stock. As of July 31, 2011, Tara Gold had 102,795,119 outstanding shares of common stock.

Common Stock

All shares of common stock have equal voting rights and, when validly issued and outstanding, are entitled to one vote per share in all matters to be voted upon by shareholders. The shares of common stock have no preemptive, subscription, conversion or redemption rights and may be issued only as fully-paid and non-assessable shares. Cumulative voting in the election of directors is not permitted; which means that the holders of a majority of the issued and outstanding shares of common stock represented at any meeting at which a quorum is present will be able to select the entire Board of Directors if they so choose. In that event, the holders of the remaining shares of common stock will not be able to elect any directors. In the event of Tara Gold's liquidation, each shareholder is entitled to receive a proportionate share of the assets available for distribution to shareholders after the payment of liabilities. All shares of Tara Gold's common stock issued and outstanding are fully-paid and non-assessable.

Holders of shares of common stock are entitled to share pro rata in dividends and distributions with respect to the common stock when as and if declared by the Board of Directors out of funds legally available for dividends. Tara Gold has not paid any dividends on the Company's common stock and intends to retain earnings, if any, to finance the development and expansion of its business. Future dividend policy is subject to the discretion of the Board of Directors and will depend upon a number of factors, including future earnings, capital requirements and its financial condition.

Item 12.

Indemnification of Directors and Officers.

Section 78.751 of the Nevada Revised Statutes and Article XVI of Tara Gold's bylaws provide that Tara Gold may indemnify any and all of its officers, directors, employees or agents, or former officers, directors, employees or agents, against expenses actually and necessarily incurred by them in connection with the defense of any legal proceeding or threatened legal proceeding, except as to matters in which such persons shall be determined to not have acted in good faith and in Tara Gold's best interest.

Item 13.

Financial Statements and Supplementary Data.

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR

THE FISCAL YEARS ENDED DECEMBER 31, 2010 AND DECEMBER 31, 2009

AND

THE PERIOD FROM INCEPTION (OCTOBER 14, 1999) THROUGH DECEMBER 31, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	F-1
FINANCIAL STATEMENTS:	
Consolidated Balance Sheets	F-2
Consolidated Statements of Operations and Comprehensive Loss	F-3
Consolidated Statements of Stockholders' (Deficit) Equity	F-4
Consolidated Statements of Cash Flows	F-12
Notes to the Consolidated Financial Statements	F-15

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Tara Gold Resources Corp., Inc. and Subsidiaries,

We have audited the accompanying consolidated balance sheets of Tara Gold Resources Corp., Inc. (an exploration stage company) (a Nevada corporation) and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations and comprehensive loss, stockholders' equity (deficit), and cash flows for each of the years then ended and the period from inception (October 14, 1999) through December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Tara Gold Resources Corp., Inc. and subsidiaries from inception (October 14, 1999) through December 31, 2004, were audited by other auditors whose report there on dated December 9, 2005, expressed an unqualified opinion on those statements (the December 9, 2005 report was modified related to the uncertainty of the Company's ability as a going concern), have been furnished to us.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tara Gold Resources Corp., Inc. and subsidiaries as of December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the years then ended and for the period from inception (October 14, 1999) through December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

/s/ Mendoza Berger & Company, LLP

Mendoza Berger & Company, LLP

Irvine, CA

April 18, 2011

F-1

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES**(An Exploration Stage Company)****CONSOLIDATED BALANCE SHEETS****(In thousands of U.S. Dollars)**

	December 31, 2010	December 31, 2009
<u>Assets</u>		
Current assets:		
Cash	\$	\$
	193	1,451
Other receivables, net of \$2,010 and \$374 of allowance as of December 31, 2010 and December 31, 2009, respectively	1,212	3,262
Due from related parties, net of due to related parties of \$292 December 31, 2009	-	354
Marketable securities	450	450
Other current assets	1	3
Total current assets	1,856	5,520
Property, plant, equipment, mine development, construction in progress and land, net of accumulated depreciation of \$361 and \$111 as of December 31, 2010 and December 31, 2009, respectively	12,359	15,304
Mining deposits	53	25
Deferred tax, non-current portion	2,931	1,748
Goodwill	12	12
Other assets	160	19
Total assets	\$	\$
	17,371	22,628
<u>Liabilities and Stockholders' equity</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$	\$
	2,675	1,143
Notes payable, current portion	994	1,106
Notes payable related party, current portion	100	-
Due to related parties, net of due from of \$36 December 31, 2010	259	-
Total current liabilities	4,028	2,249
Long-term accrued liabilities	418	989
Notes payable, non-current portion	2,603	6,168
Total liabilities	7,049	9,406

Commitments and contingencies	-	-
Stockholders' equity:		
Common stock; \$0.001 par value 150,000,000 shares authorized 102,795,119 issued and outstanding at December 31, 2010 and December 31, 2009, respectively	103	103
Additional paid-in capital	12,175	12,175
Accumulated deficit during exploration stage	(17,060)	(3,293)
Other comprehensive loss	(514)	(436)
Total Tara Gold stockholders' (deficit) equity	(5,296)	8,549
Non-controlling interest	15,618	4,673
Total equity	10,322	13,222
Total liabilities and equity	\$	\$
	17,371	22,628

See accompanying notes to these consolidated financial statements.

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES**(An Exploration Stage Company)****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS****(In thousands of U.S. Dollars)**

	For the Year Ended		From inception
	December 31,	December 31,	October 14, 1999 to
	2010	2009	December 31,
			2010
Revenues			
Revenue from website development and software	\$	\$	\$
	-	-	168
Mining revenues	160	-	557
Total revenues	160	-	725
Cost of revenue	658	-	759
Gross margin	(498)	-	(34)
Exploration expenses	2,033	280	6,351
Operating, general, and administrative expenses	17,471	4,156	34,271
Net operating loss	(20,002)	(4,436)	(40,656)
Non-operating (income) expense:			
Interest (income)	(26)	(95)	(308)
Interest expense	450	67	1,210
Settlement expense	-	-	(134)
Loss on extinguishment of debt	-	1,097	766
(Gain) on deconsolidation of joint venture	-	-	(8,661)
(Gain) on sale of joint venture interest	-	-	(3,112)
(Gain) on dissolution of joint venture	-	(250)	(9,163)
Loss on disposal of assets	-	-	399
(Gain) on acquisition of mining concession	-	-	(100)
Loss on conversion of note payable	783	-	783
Realized loss on the sale of marketable securities	-	2,266	4,604
(Gain) on sale of net cash flow interest	-	(197)	(197)
Other (income)	(757)	(261)	(1,223)
	450	2,627	(15,136)
Loss before income taxes	(20,452)	(7,063)	(25,520)
Income tax benefit, net of \$169 and \$0 provision as of December 31, 2010 and 2009	(1,015)	(1,822)	(2,317)
Loss from continuing operations	(19,437)	(5,241)	(23,203)
Discontinued operations			
Income from operations of discontinued oil properties (including loss on disposal of \$7)	-	-	17
Loss from operations of La Escudra	-	-	(1,038)
Net loss	(19,437)	(5,241)	(24,224)
Add: Net loss attributable to non-controlling interest	5,670	801	7,164

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Net loss attributable to Tara Gold shareholders	(13,767)	(4,440)	(17,060)
Other comprehensive income (loss):			
Foreign currency translation	(78)	214	(514)
Unrealized gain, net on marketable securities	-	618	-
Comprehensive loss	\$	\$	\$
	(13,845)	(3,608)	(17,574)
	\$	\$	
Net loss per share, basic and diluted	(0.19)	(0.05)	
Weighted average number of shares, basic and diluted	102,795,119	102,137,585	

See accompanying notes to these consolidated financial statements.

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES**(An Exploration Stage Company)****CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY (DEFICIT)****From inception (October 14, 1999) to December 31, 2010****(In thousands of U.S. dollars, except share amounts)**

	Common Stock		Additional Paid In Capital	Accumulated Deficit During Exploration Stage	Share Subscriptions Received	Other Comprehensive (Loss) Income	Total Stockholders (Deficit) Equity
	Shares	Amount	Capital	Stage	Received	(Loss) Income	Equity
		\$		\$	\$	\$	\$
Balance at inception	-	-	-	-	-	-	-
Issuance of common stock to Founders for cash	4,000,000	4	-	-	-	-	4
Net loss	-	-	-	(9)	-	-	(9)
Balance at December 31, 2000	4,000,000	4	-	(9)	-	-	(5)
Issuance of common stock in exchange for 100% of common stock of MerchantPark	1,500,000	2	(2)	-	-	-	-
Issuance of Common stock for cash	2,491,583	2	152	-	-	-	154
Issuance of common stock for services	4,645,261	5	77	-	-	-	82
Issuance of common stock for 100% of shares of Caged Iron Technologies	2,000,000	2	101	-	-	-	103
Issuance of common stock issued for debt	459,000	-	46	-	-	-	46

Issuance of common stock issued for assets	3,064,556	3	301	-	-	-	304
Stock offering costs	-	-	(13)	-	-	-	(13)
Currency translation adjustment	-	-	-	-	-	1	1
Net loss	-	-	-	(418)	-	-	(418)
	18,160,400\$	\$	\$	\$	\$	\$	
Balance at December 31, 2001		18	662	(427)	-	1	254

See accompanying notes to these consolidated financial statements.

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES**(An Exploration Stage Company)****CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY (DEFICIT)****From inception (October 14, 1999) to December 31, 2010****(In thousands of U.S. Dollars, except share amounts)****(Continued)**

	Additional		Accumulated	Other		Total	
	Common Stock		Paid In	Deficit During	Share	Comprehensive	Stockholders
	Shares	Amount	Capital	Exploration	Subscriptions	(Loss) Income	(Deficit)
				Stage	Received		Equity
Balance at December 31, 2001	18,160,400	\$	\$	\$	\$	\$	\$
		18	662	(427)	-	1	254
Issuance of common stock for services	2,336,500	2	22	-	-	-	24
Issuance of common stock for debt	5,844,976	6	272	-	-	-	278
Issuance of Common stock for cash	6,000,000	6	23	-	-	-	29
Currency Translation adjustment	-	-	-	-	-	-	-
Net Loss	-	-	-	(677)	-	-	(677)
Balance at December 31, 2002	32,341,876	32	979	(1,104)	-	1	(92)
Issuance of Common stock for cash	3,754,848	4	53	-	-	-	57

Issuance of common stock for debt	9,019,445	9	189	-	-	-	198
Net loss	-	-	-	(156)	-	-	(156)
Balance at December 31, 2003	\$ 45,116,169	\$ 45	\$ 1,221	\$ (1,260)	\$ -	\$ 1	\$ 7

See accompanying notes to these consolidated financial statements.

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES

(An Exploration Stage Company)

CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY (DEFICIT)

From inception (October 14, 1999) to December 31, 2010

(In thousands of U.S. Dollars, except share amounts)

	Common Stock		Additional Paid In Capital	Accumulated Deficit During Exploration Stage	Share Subscriptions Received	Other Comprehensive (Loss) Income	Total Stockholders (Deficit) Equity
	Shares	Amount	Capital	Stage	Received	(Loss) Income	Equity
Balance at December 31, 2003	45,116,169	\$ 45	\$ 1,221	\$ (1,260)	\$ -	\$ 1	\$ 7
Issuance of common stock for cash	2,807,000	3	161	-	-	-	164
Issuance of common stock for services	3,010,000	3	147	-	-	-	150
Stock cancelled	(1,200,000)	(1)	1	-	-	-	-
Share subscriptions received	-	-	-	-	148	-	148
Foreign currency translation income	-	-	-	-	-	-	-
Net loss	-	-	-	(373)	-	-	(373)
Balance at December 31, 2004	49,733,169	\$ 50	\$ 1,530	\$ (1,633)	\$ 148	\$ 1	\$ 96

See accompanying notes to these consolidated financial statements.

F-6

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES**(An Exploration Stage Company)****CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY (DEFICIT)****From inception (October 14, 1999) to December 31, 2010****(In thousands of U.S. Dollars, except share amounts)****(Continued)**

	Common Stock		Additional Paid In Capital	Accumulated Deficit During Exploration Stage	Share Subscriptions Received	Other Comprehensive (Loss) Income	Total Stockholders (Deficit) Equity
	Shares	Amount	Capital	Stage	Received	(Loss) Income	Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2004	49,733,169	50	1,530	(1,633)	148	1	96
Issuance of common stock for services	6,472,984	6	273	-	-	-	279
Issuance of common stock for cash	13,506,001	14	431	-	-	-	445
Share subscriptions delivered	-	-	-	-	(113)	-	(113)
Common stock for mining concession finders fees	200,000	-	8	-	-	-	8
Warrants for mining concession finders fees	-	-	4	-	-	-	4
Beneficial conversion feature	-	-	207	-	-	-	207
Foreign currency translation loss	-	-	-	-	-	(7)	(7)
Net loss	-	-	-	(935)	-	-	(935)

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	\$	\$	\$	\$	\$	\$	
Balance at December 31, 2005	69,912,154	70	2,453	(2,568)	35	(6)	(16)

See accompanying notes to these consolidated financial statements.

F-7

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES**(An Exploration Stage Company)****CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY (DEFICIT)****From inception (October 14, 1999) to December 31, 2010****(In thousands of U.S. Dollars, except share amounts)****(Continued)**

	Common Stock		Additional Paid In Capital	Accumulated Deficit During Exploration Stage	Share Subscriptions Received	Other Comprehensive (Loss) Income	Total Stockholders (Deficit) Equity
	Shares	Amount	Capital	Stage	Received	(Loss) Income	Equity
		\$	\$	\$	\$	\$	\$
Balance at December 31, 2005	69,912,154	70	2,453	(2,568)	35	(6)	(16)
Issuance of common stock for services	2,251,250	2	228	-	-	-	230
Issuance of common stock for cash	7,440,433	7	1,753	-	-	-	1,760
Share subscriptions delivered	634,615	1	41	-	(35)	-	7
Conversion of convertible debt to stock	3,700,000	4	187	-	-	-	191
Beneficial conversion feature	-	-	185	-	-	-	185
Foreign currency translation loss	-	-	-	-	-	(32)	(32)
Unrealized loss on investments	-	-	-	-	-	(449)	(449)
Net loss	-	-	-	361	-	-	361
	83,938,452	\$	\$	\$	\$	\$	\$

Balance as of December 31, 2006	84	4,847	(2,207)	-	(487)	2,237
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See accompanying notes to these consolidated financial statements.

F-8

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES**(An Exploration Stage Company)****CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY (DEFICIT)****From inception (October 14, 1999) to December 31, 2010****(In thousands of U.S. Dollars, except share amounts)****(Continued)**

	Common Stock		Additional Paid In Capital	Accumulated Deficit During Exploration Stage	Share Subscriptions Received	Other Comprehensive (Loss) Income	Total Stockholders (Deficit) Equity
	Shares	Amount	Capital	Stage	Received	(Loss) Income	Equity
		\$	\$	\$	\$	\$	\$
Balance at December 31, 2006	83,938,452	84	4,847	(2,207)	-	(487)	2,237
Issuance of common stock for services	600,000	1	607	-	-	-	608
Issuance of common stock for cash	2,217,500	2	885	-	-	-	887
Issuance of common stock for exercise of warrants and receipt of cash	4,443,333	4	2,249	-	-	-	2,253
Stock based compensation	-	-	1,164	-	-	-	1,164
Conversion of convertible debt to stock	2,316,667	2	67	-	-	-	69
Conversion of convertible debt to stock subscription and related settlement expense	-	-	-	-	342	-	342

Stock bonus payable	-	-	-	-	126	-	126
Stock issued for additional ownership interest in Amermin	1,500,000	2	598	-	-	-	600
Foreign currency translation gain	-	-	-	-	-	25	25
Unrealized loss on investments	-	-	-	-	-	(1,147)	(1,147)
Net loss	-	-	-	(2,441)	-	-	(2,441)
	\$	\$	\$	\$	\$	\$	
Balance as of December 31, 2007	95,015,952	95	10,417	(4,648)	468	(1,609)	4,723

See accompanying notes to these consolidated financial statements.

TARA GOLD RESOURCES CORP. AND SUBSIDIARIES**(An Exploration Stage Company)****CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY (DEFICIT)****From inception (October 14, 1999) to December 31, 2010****(In thousands of U.S. Dollars, except share amounts)****(Continued)**

	Common Stock		Additional Paid In Capital	Accumulated Deficit During Exploration Stage	Share Subscriptions Received	Other Comprehensive (Loss) Income	Total Stockholders (Deficit) Equity
	Shares	Amount	Capital	Stage	Received	(Loss) Income	Equity
Balance at December 31, 2007	95,015,952	\$ 95	\$ 10,417	\$ (4,648)	\$ 468	\$ (1,609)	\$ 4,723
Issuance of common stock for services	175,000	-	67	-	-	-	67
Shares subscriptions delivered	1,150,000	1	467	-	(468)	-	-
Conversion of convertible debt to stock	5,654,167	6	184	-	-	-	190
Foreign currency translation gain	-	-	-	-	-	(637)	(637)
Unrealized loss on investments	-	-	-	-	-	978	978
Net income	-	-	-	5,795	-	-	5,795
Balance as of December 31, 2008	101,995,119	102	11,135	1,147	-	(1,268)	11,116
	800,000	1	1,040	-	-	-	1,041

Issuance of common stock for services							
Foreign currency translation gain	-	-	-	-	-	214	214
Unrealized loss on investments	-	-	-	-	-	618	618
Net loss	-	-	-	(4,440)			