



**FOR IMMEDIATE RELEASE**  
**September 14, 2009**

**NEWS**  
**OTCBB: GORO**  
**FRANKFURT: GIH**

## **UPDATE LETTER TO SHAREHOLDERS**

**DENVER – September 14, 2009** – Gold Resource Corporation (GRC) (OTCBB: GORO, FRANKFURT: GIH) updates shareholders on its 3<sup>rd</sup> anniversary as a public company. GRC targets production at its El Aguila Project, in the southern state of Oaxaca, Mexico, in 2009.

September 14<sup>th</sup> marks the 3<sup>rd</sup> anniversary of Gold Resource Corporation as a public company and a look back at its accomplishments is in order. Our IPO was completed at \$1.00 per share so we are pleased to see the stock trading currently around \$7.00 per share. We believe this creation of shareholder value is just the beginning and reflects our specific approach to the mining business and Gold Resource Corporation's focus on executing its business plan.

We have not wavered from our core values underlying our strategy to maximize shareholder value:

- Decisions based on financial performance
- Projects must have a capital payback of 1 year or less
- Production at the earliest possible date
- Build the company with cash flow
- Limit shareholder dilution
- Distribute a meaningful dividend if possible

We are pleased with the team of professionals we have and are assembling. Their competence, excitement and commitment to the project are reflected in the Company's performance and in its accomplishments.

We are in the final stages of completing the mill and are stockpiling ore from the open pit mine almost daily. The capital costs for the El Aguila Project and the time frame to production are certainly at the low end of the spectrum for the mining business yet we believe that the Company's return on that investment will be at the upper most realms for mining companies. In addition, our growth curve from a targeted 70,000 ounces of gold in the first 12 months building to around 200,000 ounces of precious metal gold equivalent in the third year is significant especially when coupled with the very low costs anticipated for this production.

Our El Aguila Project mill has been designed to be very flexible and have the ability to handle differing types of mineralization. Essentially two mills in one, it can handle oxide ore and produce dore bars for sale and/or handle sulfide ore with the ability to produce three different concentrates for sale. With a capital cost of approximately \$30 million for this 400,000 tonne per year mill including main infrastructure such as

roads, water and Phase 1 tailings dam, we anticipate capital payback in the first year of operation.

We have compiled a land position in the southern state of Oaxaca, Mexico of over 117 square miles centered on 5 high-grade properties, one of which is our El Aguila Project where we are building the mill. An important part of our approach to this mining business is the ability to have high-grade ore from any one of these properties trucked to the El Aguila mill. This has the potential of increasing the longevity of our Oaxaca operations with minimal additional capital.

The geologic model developing around the deposits discovered at our El Aguila Project is truly exciting. First, we have consistent high-grade ore that is of world class tenor. Secondly, the geologic setting and geologic history that is unfolding of nested calderas, serial doming and vent breccias certainly has the possibility of a world class geologic system. Coupling this with the fact that this system is young for Mexico's deposits, 10-15 million years old as opposed to 20-30 million years, the erosion of our ore forming system has been limited. Because of that lack of erosion we believe the bulk of our mineralizing system's treasures are still hidden. Our high-grade Arista vein system is called a "blind discovery" as it did not start until about 100 meters below the surface. Consequently, we are fortunate that it appears we have the complete mineralized system encompassing the tops of these intermediate epithermal deposits. Equally as important, we have yet to find the bottoms of these deposits. Potential exists from epithermal models that these deposits could have a mineralized horizon over 1000 meters. At Arista, the epithermal veins have a current mineralized horizon of approximately 500 meters so it is possible they could in fact double with additional depth of drilling. Lateral extensions of the vein mineralization continue as well. These are a very significant set of circumstances that bodes well for our exploration and ultimate operation.

Because one of our key precepts is to achieve cash flow at the earliest possible point, we see that cash flow can more quickly be achieved by utilizing our flotation circuit on the Aguila open pit gold ore first followed by transition to using the agitated leach circuit upon that circuit's completion. It is a testament to the excellent metallurgical quality of our open pit gold ore that we can achieve +90% recovery through either flotation producing a concentrate or through agitated leach producing a dore bar. The flotation section will be operable before the agitated leach section due to its simpler flowsheet and construction. Therefore we will begin making concentrates and selling them to a smelter until the agitated leach section is ready for the switch. Targeted costs to produce an ounce of gold using agitated leach are approximately \$100 per ounce (with silver revenues used as byproduct credits). While initially producing and selling concentrates we have the added smelter costs which will add to that cost target until we switch over to the agitated leach. Even though it will cost a little more starting with flotation, we believe achieving cash flow at the earliest possible point makes good economic and business sense.

Management is committed to building Gold Resource Corporation into a mid-tier gold producer that has above average financial performance and with a bias to distribute a portion of cash flow back to the owners, possibly as much as 1/3 cash flow. We believe the management that created this company is also the management that can bring maximum value to shareholders. Only managements that can't bring a superior value to their shareholders are at risk of being taken over and probably for good reason. We are in this for the long haul with the view that generating cash flow from one mine is the catalyst to build the next.

We are pleased to be joined in our endeavors in a strategic alliance by Hochschild Mining, a leading precious metals company listed on the London Stock Exchange with a primary focus on the exploration, mining, processing and sale of silver and gold. Our strategic partner has over forty years experience in the mining of precious metal epithermal vein deposits and currently operate five underground mines in the Americas. Hochschild have been instrumental in our equity funding as a shareholder. We have appreciated their help and advice and look forward to a continuing good relationship.

We believe we have an exceptional property position that can provide years of production and growth; we believe we have an exceptional high-grade geologic system that is only beginning to share with us what treasures it holds; and we believe we have a strategy well suited to maximize shareholder value.

At a time when world financial systems are uncertain, gold and gold mining stocks provide a prudent alternative to this financial uncertainty. At a time when the gold cycle may be on one of its historical upward trends, Gold Resource Corporation has a small group of very competent, very motivated people whose vision is to create a new mid-tier gold producer focused on cash flow and dividends. This is the time, we believe, to be a shareholder of Gold Resource Corporation.

We appreciate your confidence and support. Thank you.

William W. Reid  
President

**About GRC:**

Gold Resource Corporation is a mining company focused on production and pursuing development of gold and silver projects that feature low operating costs and produce high returns on capital. The Company has 100% interest in four potential high-grade gold and silver properties in Mexico's southern state of Oaxaca. The company has 46,095,489 shares outstanding and no warrants. For more information, please visit GRC's website, located at [www.Goldresourcecorp.com](http://www.Goldresourcecorp.com) and read the Company's 10-K for an understanding of the risk factors involved.

This press release contains forward-looking statements that involve risks and uncertainties. The statements contained in this press release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. When used in this press release, the words "plan", "target", "anticipate," "believe," "estimate," "intend" and "expect" and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements include, without limitation, the statements regarding Gold Resource Corporation's strategy, future plans for production, future expenses and costs, future liquidity and capital resources, and estimates of mineralized material. All forward-looking statements in this press release are based upon information available to Gold Resource Corporation on the date of this press release, and the company assumes no obligation to update any such forward-looking statements. Forward looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. The Company's actual results could differ materially from those discussed in this press release. In particular, there can be no assurance that commercial production at the El Aguila Project will be achieved in the time frames estimated, at the rates and costs estimated, or even at all. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the company's 10-K filed with the Securities and Exchange Commission

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