



FOR IMMEDIATE RELEASE
May 10, 2011

NEWS
NYSE Amex: GORO

GOLD RESOURCE CORPORATION REPORTS Q1 RESULTS; COMPANY RECORDS FIRST PROFIT

COLORADO SPRINGS – May 10, 2011 – Gold Resource Corporation (GORO) (NYSE Amex: GORO) today announced its first Company profit while reporting financial results for the first quarter ended March 31, 2011. Gold Resource Corporation is a low-cost gold producer with operations in the southern state of Oaxaca, Mexico.

2011 Q1 HIGHLIGHTS

- Record revenue of \$11.3 million
- Company's first profit of \$2 million, or \$0.04 per share
- Produced 7,479 ounces precious metal gold equivalent
- Cash cost of \$87 per gold equivalent ounce
- Generated \$8.8 million mine gross profit
- Dividend distributions of \$4.8 million, or \$0.09 per share for quarter
- Transitioned to processing Arista underground ore in March, 2011
- Continued Arista underground mine development

Overview of Q1 2011 Results from El Aguila Project

Gold Resource Corporation's El Aguila Project produced 7,479 ounces of precious metal gold equivalent at a cash cost of \$87 per gold equivalent ounce and sold its gold at an average price of \$1,373/ounce and silver at \$34/ounce. The mine generated a gross profit of \$8.8 million.

For the three months ended March 31, 2011, the Company reported its first net income of \$2 million, or \$0.04 per share, compared to a net loss of \$7.3 million or (\$0.15) per share for the three months ended March 31, 2010. Net income per share in the three months ended March 31, 2011 increased as a result of generating record revenues from sales of metals concentrate.

The Company's Q1, 2011 mill production throughput rate from the open pit mineralization averaged 829 tonnes/day and mill head grade averaged 3.35 grams per tonne gold and 39 grams per tonne silver with recoveries averaging 81% gold and 75% silver. Mill throughput rate from the La Arista underground polymetallic mineralization averaged 501 tonnes/day and mill head grade averaged 1.94 grams per tonne gold, 405 grams per tonne silver, 0.92% lead and 1.92% zinc with recoveries averaging 86% gold, 89% silver, 90% lead and 74% zinc. The Company focused on lead and zinc separation during initial optimization and did not focus on copper separation, but expects to in Q2 2011. The underground ore processed came from

development work, which dilutes grade more than what is expected from actual mining of the vein, which will start in Q2 2011.

The Arista mine was impacted from an anomalous storm on April 20th that flooded the lower levels and caused damaged to the mine and some equipment. All work stopped and the mine has been undergoing cleanup and repairs. This has delayed continued development work and mining by at least one month, which may temporarily impact production at some point in the future.

Gold Resource Corporation's President, Mr. Jason Reid, stated, "Our first-ever profitable quarter of \$0.04 per share marks another milestone in the Company's progress and underscores our potential at this early stage. We are still targeting 90,000 ounces precious metal gold equivalent production this year."

Mr. Jason Reid continued, "We remain consistent in our long-term objective to return cash back to the owners of the Company: its shareholders. Using cash flow generated from mine operations, the Company declared and paid its shareholders a \$0.03 per share dividend each month during the quarter and increased the dividend declared in April 2011 to \$0.04 per share."

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 five potential high-grade gold and silver properties in Mexico's southern state of Oaxaca. The Company has 52,998,303 shares outstanding, no warrants and no debt. For more information, please visit GRC's website, located at www.Goldresourcecorp.com and read the Company's 10-K for an understanding of the risk factors involved.

Cautionary Statements

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 production will continue at any specific rate. 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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See Accompanying Tables

The following information summarizes the results of operation for Gold Resource Corporation for the three months ended March 31, 2011 and 2010, its financial condition at March 31, 2011 and December 31, 2010 and its cash flows for the three months ended March 31, 2011 and 2010. The summary data for the three months ended March 31, 2011 and 2010 is unaudited; the summary data for the year ended December 31, 2010 is taken from our audited financial statements contained in our annual report on Form 10-K for the year ended December 31, 2010, but do not include the footnotes and other information that is included in the complete financial statements. Readers are urged to review the Company's Form 10-K in its entirety, which can be found on the SEC's website at www.sec.gov.

The calculation of our cash cost per ounce contained in this press release is a non-GAAP financial measure. Please see "Management's Discussion and Analysis and Results of Operation" contained in the Company's most recent Form 10-Q and Form 10-K.

Gold Resource Corporation and Subsidiaries
(An Exploration Stage Company)
Consolidated Statements of Operations
(amounts in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2011	2010
Sales of metals concentrate	\$ 11,280	\$ -
Production costs applicable to sales	2,352	-
Depreciation, depletion and amortization	64	-
Accretion	21	-
Total mine cost of sales	2,437	-
Mine gross profit	\$ 8,843	\$ -
Costs and expenses		
General and administrative	3,112	899
Exploration expenses	512	1,216
Construction and development	3,066	4,446
Production start-up expense, net	-	729
Total costs and expenses	6,690	7,290
Operating income (loss)	\$ 2,153	\$ (7,290)
Other income (expense)		
Currency exchange (loss)	(152)	-
Other income	6	4
Interest income	26	21
Total other income (expense)	\$ (120)	\$ 25
Income (loss) before income taxes	2,033	(7,265)
Provision for income taxes	-	-
Net income (loss)	\$ 2,033	\$ (7,265)
Other comprehensive income:		
Currency translation adjustment	464	286
Net comprehensive income (loss)	\$ 2,497	\$ (6,979)
Net income (loss) per common share:		
Basic	\$ 0.04	\$ (0.15)
Diluted	\$ 0.04	\$ (0.15)
Weighted average shares outstanding:		
Basic	52,998,303	48,253,617
Diluted	57,840,414	48,253,617

Gold Resource Corporation and Subsidiaries
(An Exploration Stage Company)
Consolidated Balance Sheets
(amounts in thousands, except share amounts)

	As of	
	March 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 37,904	\$ 47,582
Accounts receivable	4,393	1,185
Inventories	7,750	3,063
Prepaid and refundable taxes	6,276	5,848
Other current assets	6	9
Total current assets	56,329	57,687
Land and mineral rights	227	227
Property and equipment, net	6,130	4,849
Other assets	44	34
Total assets	\$ 62,730	\$ 62,797
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 5,587	\$ 4,866
Dividends payable	1,590	1,590
Total current liabilities	7,117	6,456
Asset retirement obligation	2,604	2,495
SHAREHOLDERS' EQUITY		
Preferred stock	-	-
Common stock	53	53
Additional paid-in capital	149,050	152,444
(Deficit) accumulated during exploration stage	(95,858)	(97,891)
Accumulated other comprehensive income		
Currency translation adjustment	(296)	(760)
Total shareholders' equity	52,949	53,846
Total liabilities and shareholders' equity	\$ 62,730	\$ 62,797

Gold Resource Corporation and Subsidiaries
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(amounts in thousands)

	Three Months Ended March 31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ <u>2,033</u>	\$ <u>(7,265)</u>
Adjustments to reconcile net income (loss) to net cash (used in) operating activities:		
Depreciation	144	61
Accretion expense	21	17
Stock compensation	1,377	83
Foreign currency translation adjustment	464	286
Change in operating assets and liabilities:		
Accounts receivable	(3,209)	-
Prepaid and refundable taxes	(428)	(1,186)
Other current assets	4	(267)
Inventories	(4,688)	(1,655)
Accounts payable and accrued liabilities	720	216
Other	(9)	(2)
Total adjustments	<u>(5,604)</u>	<u>(2,448)</u>
Net cash (used in) operating activities	\$ <u>(3,571)</u>	\$ <u>(9,713)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,425)	(330)
Restricted cash	-	1,785
Net cash (used in) provided by investing activities	\$ <u>(1,425)</u>	\$ <u>1,455</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of stock	-	5,172
Dividends paid	(4,770)	-
Net cash (used in) provided by financing activities	\$ <u>(4,770)</u>	\$ <u>5,172</u>
Effect of exchange rate on cash and equivalents	88	24
Net (decrease) in cash and equivalents	(9,678)	(3,062)
Cash and equivalents at beginning of period	<u>47,582</u>	<u>6,752</u>
Cash and equivalents at end of period	\$ <u><u>37,904</u></u>	\$ <u><u>3,690</u></u>