



**FOR IMMEDIATE RELEASE**  
November 9, 2011

**NEWS**  
NYSE Amex: GORO

**GOLD RESOURCE CORPORATION REPORTS RECORD THIRD  
QUARTER RESULTS; INCREASES PRECIOUS METAL GOLD EQUIVALENT  
PRODUCTION BY 88% OVER Q2 2011**

**COLORADO SPRINGS – November 9, 2011** – Gold Resource Corporation (NYSE Amex: GORO) today announced record results for its third quarter ending September 30, 2011, including record profits and an increase of 88% in production of precious metal gold equivalent over the second quarter of 2011. Gold Resource Corporation is a low-cost gold producer with operations in the southern state of Oaxaca, Mexico. The Company has returned over \$30 million to shareholders in monthly dividends since declaring commercial production July 1, 2010.

**2011 Q3 HIGHLIGHTS**

- Record production of 25,289 ounces precious metal gold equivalent (AuEq)
- Record 88% AuEq production increase over Q2, 2011
- Record revenue of \$37.8 million
- Cash cost of \$154 per ounce AuEq
- Record mine gross profit generated \$31.2 million
- Record pretax income of \$24.3 million or \$0.46 per share
- Record net income of \$15.2 million or \$0.29 per share
- Record dividend distributions of \$7.4 million, or \$0.14 per share for quarter
- Physical gold and silver treasury of \$1.7 million
- Stock repurchase of 51,000 shares
- Increased cash in bank to \$45 million

**Overview of Q3 2011 Results from El Aguila Project**

Gold Resource Corporation's El Aguila Project produced 25,289 ounces of precious metal gold equivalent (AuEq) at a cash cost of \$154 per AuEq ounce and realized average prices of \$1,702 per ounce gold and \$38 per ounce silver for its sales during the third quarter. The mine generated gross profit of \$31.2 million. The Company paid \$7.4 million to shareholders in dividends, converted \$2 million of its newly generated cash into physical treasury of gold and silver to potentially mint into coins and repurchased 51,000 shares at an average share price of \$19.01, after which the Company increased its bank account by \$2.9 million over the previous quarter. In addition, the Company had receivables of \$14.7 million.

"Our excellent team at the Aguila Project continues to execute and build the Company. We believe that Gold Resource Corporation's trajectory, with record production, record revenues

and record dividends, is set on aggressive growth,” stated Gold Resource Corporation’s President, Mr. Jason Reid. “Optimization of our operations over last quarter includes a 40% increase in the average tonnes mined per day, increases of metal recoveries across the board, a 65% gold grade increase and 27% silver grade increase. In addition, gold production was up 134% and silver production up 82% compared to the second quarter 2011.

Mr. Reid continued, “We are on track to reach our production goal for 2011, targeting a range of 60,000 to 70,000 precious metal gold equivalent ounces.”

Below is a table of the key production statistics for our El Aguila Project during the three months ended September 30, 2011.

### ***El Aguila Production Statistics***

	<b>Three months ended September 30, 2011</b>
<b>Mine Production:</b>	
Tonnes Milled (dry).....	57,156
Average Tonnes Milled Per Day.....	621
Average Gold Grade (g/t) .....	3.89
Average Silver Grade (g/t).....	491
Average Copper Grade (%).....	0.47
Average Lead Grade (%) .....	1.30
Average Zinc Grade (%).....	2.91
<b>Recoveries:</b>	
Average Gold Recovery (%).....	89
Average Silver Recovery (%) .....	93
Average Copper Recovery (%) .....	78
Average Lead Recovery (%) .....	77
Average Zinc Recovery (%) .....	77
<b>Payable metal produced:</b>	
Gold (oz.) .....	6,371
Silver (oz.) .....	841,820
Copper (tonnes) .....	259
Lead (tonnes) .....	692
Zinc (tonnes) .....	1,394
<b>Payable metal sold:</b>	
Gold (oz.) .....	5,605
Silver (oz.) .....	780,317
Copper (tonnes) .....	189
Lead (tonnes) .....	497
Zinc (tonnes) .....	938
<b>Average metal prices realized:</b>	
Gold (per oz.) .....	\$ 1,702
Silver (per oz.) .....	\$ 38
Copper (per tonne) .....	\$ 8,835
Lead (per tonne) .....	\$ 2,346
Zinc (per tonne) .....	\$ 2,182
<b>Gold equivalent ounces:</b>	
Gold (oz.) .....	6,371
Equivalent Gold (oz.) from Silver (44:1 ratio) .....	18,917

Total Gold and Gold Equivalent (oz.) .....	25,289
<b>Unit costs:</b>	
Costs per tonne – ore mined .....	\$ 29
Costs per tonne – ore milled .....	\$ 49
Total cost per tonne.....	\$ 78
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Cash cost per ounce Gold Equivalent <sup>(1)</sup> .....	\$ 154
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(1) A reconciliation of this non-GAAP measure to cost of sales and other direct production costs and depreciation, depletion and amortization, the most comparable GAAP measure, can be found in the Company's quarterly report on Form 10-Q for the period ended September 30, 2011 filed with the SEC and available at [www.sec.gov](http://www.sec.gov).

### **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 six potential high-grade gold and silver properties in Mexico's southern state of Oaxaca. The Company has 52,947,303 shares outstanding, no warrants and no debt.

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.

### **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 operations for Gold Resource Corporation for the three and nine months ended September 30, 2011 and 2010, its financial condition at September 30, 2011 and December 31, 2010 and its cash flows for the three and nine months ended September 30, 2011 and 2010. The summary data for the three and nine months ended September 30, 2011 and 2010 is unaudited; the summary data for the year ended December 31, 2010 is derived 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](http://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**  
**(An Exploration Stage Company)**  
**Consolidated Statements of Operations**  
**For the three months ended September 30, 2011 and 2010**  
**(U.S. dollars in thousands, except shares and per share amounts)**

	<u>2011</u>	<u>2010</u>
Sales of metals concentrate, net .....	\$ 37,781	\$ 9,968
Mine cost of sales:		
Production costs applicable to sales .....	6,404	2,837
Depreciation, depletion, amortization .....	184	36
Accretion .....	20	17
Total mine cost of sales .....	<u>6,608</u>	<u>2,890</u>
Mine gross profit .....	<u>31,173</u>	<u>7,078</u>
Costs and expenses:		
General and administrative (includes \$1,771 in 2011 and \$1,521 in 2010 of non-cash stock-based compensation) .....	3,098	2,827
Exploration expenses .....	1,735	1,653
Construction and development .....	4,467	3,741
Total costs and expenses .....	<u>9,300</u>	<u>8,221</u>
Operating income (loss) .....	<u>21,873</u>	<u>(1,143)</u>
Other income (expense):		
Currency exchange gain (loss) .....	2,748	(89)
Unrealized (loss) from gold/silver bullion held .....	(287)	—
Other income .....	15	50
Total other income (expense) .....	<u>2,476</u>	<u>(39)</u>
Income (loss) before income taxes .....	24,349	(1,182)
Income tax expense .....	(9,131)	—
Net income (loss) .....	15,218	(1,182)
Other comprehensive income:		
Currency translation adjustment .....	(4,227)	646
Net comprehensive income (loss) .....	<u>\$ 10,991</u>	<u>\$ (536)</u>
Net income (loss) per common share:		
Basic:		
Net income (loss) .....	<u>\$ 0.29</u>	<u>\$ (0.02)</u>
Diluted:		
Net income (loss) .....	<u>\$ 0.27</u>	<u>\$ (0.02)</u>
Weighted average shares outstanding:		
Basic .....	<u>52,997,194</u>	<u>49,851,542</u>
Diluted .....	<u>56,357,096</u>	<u>49,851,542</u>

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	2011	2010
Sales of metals concentrate, net .....	\$ 69,725	\$ 9,968
Mine cost of sales:		
Production costs applicable to sales .....	12,143	2,837
Depreciation, depletion, amortization .....	327	63
Accretion .....	63	51
Total mine cost of sales .....	12,533	2,951
Mine gross profit .....	57,192	7,017
Costs and expenses:		
General and administrative (includes \$4,670 in 2011 and \$1,718 in 2010 of non-cash stock-based compensation) .....	9,614	4,678
Exploration expenses .....	3,271	3,966
Construction and development .....	13,557	12,111
Production start-up expense, net .....	—	209
Total costs and expenses .....	26,442	20,964
Operating income (loss) .....	30,750	(13,947)
Other income (expense):		
Currency exchange gain (loss) .....	2,564	(89)
Unrealized (loss) from gold/silver bullion held .....	(287)	—
Other income .....	56	83
Total other income (expense) .....	2,333	(6)
Income (loss) before income taxes .....	33,083	(13,953)
Income tax expense .....	(10,937)	—
Net income (loss) before extraordinary item .....	22,146	(13,953)
Extraordinary item:		
Flood loss, net of income tax benefit of \$750 .....	(1,756)	—
Net income (loss) .....	20,390	(13,953)
Other comprehensive income:		
Currency translation adjustment .....	(3,844)	683
Net comprehensive income (loss) .....	\$ 16,546	\$ (13,270)
Net income (loss) per common share:		
Basic:		
Net income (loss) before extraordinary item .....	\$ 0.41	\$ (0.28)
Extraordinary item .....	(0.03)	--
Net income (loss) .....	\$ 0.38	\$ (0.28)
Diluted:		
Net income (loss) before extraordinary item .....	\$ 0.39	\$ (0.28)
Extraordinary item .....	(0.03)	--
Net income (loss) .....	\$ 0.36	\$ (0.28)
Weighted average shares outstanding:		
Basic .....	52,997,929	49,060,466
Diluted .....	56,475,441	49,060,466

**GOLD RESOURCE CORPORATION**  
**(An Exploration Stage Company)**  
**CONSOLIDATED BALANCE SHEETS**  
**(U.S. dollars in thousands, except shares)**

	As of	
	September 30, 2011	December 31, 2010
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents .....	\$ 45,014	\$ 47,582
Gold and silver bullion .....	1,725	—
Accounts receivable .....	14,734	1,185
Inventories.....	4,540	3,063
Refundable IVA taxes .....	2,450	5,678
Prepaid expenses .....	1,375	170
Other current assets .....	12	9
Total current assets .....	69,850	57,687
Land and mineral rights .....	227	227
Property and equipment, net .....	9,382	4,849
Other assets .....	6	34
Total assets .....	\$ 79,465	\$ 62,797
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable .....	\$ 3,998	\$ 2,449
Accrued expenses.....	893	777
IVA taxes payable .....	3,863	1,640
Income tax payable .....	10,187	—
Dividends payable.....	2,650	1,590
Total current liabilities .....	21,591	6,456
Asset retirement obligation .....	2,334	2,495
Shareholders' equity:		
Preferred stock - \$0.001 par value, 5,000,000 shares authorized: no shares issued and outstanding .....	—	—
Common stock - \$0.001 par value, 100,000,000 shares authorized: 52,998,303 less 51,000 in treasury and 52,998,303 shares issued and outstanding, respectively.....	53	53
Additional paid-in capital .....	138,564	152,444
(Deficit) accumulated during the exploration stage .....	(77,502)	(97,891)
Treasury stock at cost.....	(972)	—
Other comprehensive income:		
Currency translation adjustment.....	(4,603)	(760)
Total shareholders' equity.....	55,540	53,846
Total liabilities and shareholders' equity .....	\$ 79,465	\$ 62,797

**GOLD RESOURCE CORPORATION**  
**(An Exploration Stage Company)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**for the three months ended September 30, 2011 and 2010**  
**(U.S. dollars in thousands, except shares)**

	2011	2010
Cash flows from operating activities:		
Net income (loss) .....	\$ 15,218	\$ (1,182)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation .....	181	24
Accretion expense.....	21	17
Stock compensation.....	1,771	1,521
Foreign currency translation adjustment .....	(4,227)	646
Unrealized loss from gold/silver bullion held.....	287	—
Changes in operating assets and liabilities:		
Accounts receivable.....	(12,137)	(2,564)
Refundable IVA taxes.....	5,754	159
Prepaid expenses.....	(860)	—
Other current assets.....	(6)	314
Inventories.....	1,033	776
Accounts payable.....	348	1,547
Accrued expenses.....	638	(512)
IVA taxes payable.....	(2,134)	—
Income tax payable.....	9,131	—
Dividends payable.....	530	1,590
Other assets.....	70	(25)
Total adjustments.....	400	3,493
Net cash provided by (used in) operating activities.....	<u>15,618</u>	<u>2,311</u>
Cash flows from investing activities:		
Capital expenditures.....	(1,955)	(2,072)
Purchase of gold/silver bullion.....	(2,012)	—
Restricted cash.....	—	1,746
Net cash (used in) provided by investing activities.....	<u>(3,967)</u>	<u>(326)</u>
Cash flows from financing activities:		
Proceeds from sale of stock.....	—	51,989
Dividends paid .....	(7,419)	(4,560)
Treasury stock purchases .....	(972)	—
Net cash (used in) provided by financing activities.....	<u>(8,391)</u>	<u>47,429</u>
Effect of exchange rates on cash and equivalents.....	<u>(344)</u>	<u>57</u>
Net increase in cash and equivalents.....	2,916	49,471
Cash and equivalents at beginning of period.....	42,098	5,391
Cash and equivalents at end of period.....	<u>\$ 45,014</u>	<u>\$ 54,862</u>



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**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**for the nine months ended September 30, 2011 and 2010**  
**(U.S. dollars in thousands, except shares)**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Net income (loss) .....	\$ 20,390	\$ (13,953)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation .....	511	241
Accretion expense .....	64	51
Stock compensation .....	4,670	1,718
Foreign currency translation adjustment.....	(3,843)	683
Unrealized loss from gold/silver bullion held.....	287	—
Changes in operating assets and liabilities:		
Accounts receivable .....	(13,549)	(2,857)
Refundable IVA taxes.....	3,228	(1,545)
Prepaid expenses.....	(1,205)	—
Other current assets.....	(3)	146
Inventories.....	(1,478)	(1,673)
Accounts payable .....	1,549	2,076
Accrued expenses.....	116	(147)
IVA taxes payable .....	2,223	—
Income tax payable .....	10,187	—
Dividends payable .....	1,060	1,590
Other assets .....	28	(28)
Total adjustments.....	<u>3,845</u>	<u>255</u>
Net cash provided by (used in) operating activities .....	<u>24,235</u>	<u>(13,698)</u>
Cash flows from investing activities: .....		
Capital expenditures.....	(5,044)	(2,542)
Purchase of gold and silver bullion.....	(2,012)	—
Restricted cash.....	—	5,441
Net cash (used in) provided by investing activities .....	<u>(7,056)</u>	<u>2,899</u>
Cash flows from financing activities: .....		
Proceeds from sales of stock .....	—	63,392
Dividends paid .....	(18,550)	(4,560)
Treasury stock purchases.....	(972)	—
Net cash (used in) provided by financing activities .....	<u>(19,522)</u>	<u>58,832</u>
Effect of exchange rates on cash and equivalents.....	<u>(225)</u>	<u>77</u>
Net increase (decrease) in cash and equivalents .....	(2,568)	48,110
Cash and equivalents at beginning of period .....	47,582	6,752
Cash and equivalents at end of period.....	<u>\$ 45,014</u>	<u>\$ 54,862</u>