



**FOR IMMEDIATE RELEASE**  
November 15, 2012

**NEWS**  
**NYSE MKT: GORO**

## **GOLD RESOURCE CORPORATION REPORTS THIRD QUARTER 2012 RESULTS; INCREASES PRODUCTION BY 54% OVER PRIOR QUARTER**

**COLORADO SPRINGS – November 15, 2012** – Gold Resource Corporation (NYSE MKT: GORO) (the Company) today announced results for its third quarter ending September 30, 2012. Gold Resource Corporation is a low-cost gold producer with operations in the southern state of Oaxaca, Mexico.

### **2012 Q3 HIGHLIGHTS**

- 22,336 ounces precious metal gold equivalent (AuEq) produced
- 18,059 ounces (AuEq) sold
- 54% AuEq production increase over prior quarter
- \$23.8 million mine gross profit generated
- \$13.1 million pretax income, or \$0.26 per share
- \$7.3 million net income, or \$0.14 per share
- \$9.5 million dividend distribution, or \$0.18 per share
- \$6.6 million physical gold and silver in treasury
- Continued physical gold and silver dividend program

### **Overview of Third Quarter 2012 Results from El Aguila Project**

Gold Resource Corporation's El Aguila Project produced 22,336 ounces (AuEq) before payable metal deductions. The Company sold 18,059 ounces precious metal gold equivalent (AuEq) at a total cash cost of \$459 per ounce AuEq in the third quarter. Average prices realized on sales during the quarter were \$1,769 per ounce gold and \$32 per ounce silver. Mine gross profit generated was \$23.8 million. The Company paid \$9.5 million to shareholders in dividends. The Company continued its physical dividend program where shareholders have the option to convert their cash dividends to physical gold and/or silver.

"Our 54% increase in third quarter production was the result of overcoming many challenges including increasing water, increasing CO2 gas and mine development hurdles," stated Gold Resource Corporation's President, Mr. Jason Reid. "We continued to upgrade our management team which I believe was in large part the reason behind the increase in production. The positive takeaway from the quarter should include increased production, continued profitability, lowered total cash costs, and returning \$9.5 million in dividends to the owners of the Company," stated Mr. Reid.

The Company will host a conference call at 11:00 a.m. EDT on Thursday, November 15. Conference call details can be found on the Company website at [www.goldresourcecorp.com](http://www.goldresourcecorp.com).

Below is a table of the key production statistics for our El Aguila Project during the three and nine months ended September 30, 2012:

	<b>Production and Sales Statistics</b>			
	<b>La Arista Underground Mine</b>		<b>La Arista Underground Mine</b>	
	<b>Three Months</b>	<b>Three Months</b>	<b>Nine Months</b>	<b>Nine Months</b>
	<b>Ended September</b>	<b>Ended September</b>	<b>Ended September</b>	<b>Ended September</b>
	<b>30,</b>	<b>30,</b>	<b>30,</b>	<b>30,</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Production Summary</b>				
<b>Milled:</b>				
Tonnes Milled	76,786	57,156	211,792	112,372
Tonnes Milled per Day	835	621	773	621
<b>Grade:</b>				
Average Gold Grade (g/t)	4.17	3.89	4.08	3.02
Average Silver Grade (g/t)	320	491	365	438
Average Copper Grade (%)	0.43	0.47	0.44	0.44
Average Lead Grade (%)	2.14	1.30	1.88	1.18
Average Zinc Grade (%)	4.43	2.91	4.01	2.58
<b>Recoveries:</b>				
Average Gold Recovery (%)	88	89	89	90
Average Silver Recovery (%)	94	93	93	93
Average Copper Recovery (%)	75	78	74	75
Average Lead Recovery (%)	64	77	69	78
Average Zinc Recovery (%)	80	77	77	73
<b>Mill production (before payable metal deductions)<sup>(2)</sup></b>				
Gold (ozs.)	9,047	6,371	24,611	9,855
Silver (ozs.)	739,576	841,820	2,317,110	1,472,486
Copper (tonnes)	245	211	687	369
Lead (tonnes)	1,051	569	2,734	1,027
Zinc (tonnes)	2,705	1,281	6,567	2,117
<b>Payable metal sold<sup>(2)</sup></b>				
Gold (ozs.)	7,287	5,605	20,317	13,219
Silver (ozs.)	599,501	780,317	1,982,868	1,356,806
Copper (tonnes)	214	189	596	270
Lead (tonnes)	869	497	2,231	888
Zinc (tonnes)	1,993	938	5,003	1,422
<b>Average metal prices realized</b>				
Gold (oz.)	\$ 1,769	\$ 1,702	\$ 1,690	\$ 1,553
Silver (oz.)	\$ 32	\$ 38	\$ 31	\$ 37
Copper ( tonne)	\$ 8,161	\$ 8,835	\$ 8,162	\$ 8,869
Lead (tonne)	\$ 2,107	\$ 2,346	\$ 2,080	\$ 2,402
Zinc ( tonne)	\$ 1,999	\$ 2,182	\$ 1,997	\$ 2,185
<b>Gold equivalent ounces produced (mill production)<sup>(2)</sup></b>				
Gold Ounces	9,047	6,371	24,611	9,397
Gold Equivalent Ounces from Silver	13,289	18,918	42,038	31,270
Total Gold Equivalent Ounces	<u>22,336</u>	<u>25,289</u>	<u>66,649</u>	<u>40,667</u>
<b>Gold equivalent ounces sold<sup>(2)</sup></b>				
Gold Ounces	7,287	5,605	20,317	13,219
Gold Equivalent Ounces from Silver	10,772	17,535	35,974	32,651
Total Gold Equivalent Ounces	<u>18,059</u>	<u>23,140</u>	<u>56,291</u>	<u>45,870</u>
Total Cash Cost per Gold Equivalent Ounce <sup>(1)</sup>	\$ 459	\$ 260	\$ 396	-

- (1) A reconciliation of this non-GAAP measure to mine cost of sales, the most comparable GAAP measure, can be found below in *Non-GAAP Measures*. Total cash cost per gold equivalent ounce sold for the combined *La Arista* underground mine and the *El Aguila* open pit mine for the for the nine months ended September 30, 2011, can be found in the *Non-GAAP Measures* in the Form 10-Q for the period ended September 30, 2012.
- (2) Mill production represents metal contained in concentrates produced at the mill, which is before payable metal deductions are levied by the buyer of the Company's concentrates. In addition, mill production quantities for the nine months ended September 30, 2012 do not reflect any deduction for 757 gold ounces and 43,435 silver ounces (approximately 1,800 gold equivalent ounces) resulting from the settlement agreement with the buyer of the Company's concentrates as discussed in Note 13 of the Consolidated Financial Statements in the Form 10-Q for the period ended September 30, 2012. Gold equivalent ounces sold for the nine months ended September 30, 2012 have been reduced by approximately 1,800 gold equivalent ounces as a result of the settlement.

<b>Production and Sales Statistics</b>		<b>El Aguila Open Pit Mine Nine Months Ended September 30, 2011 <sup>(1)</sup></b>
<b>Production Summary</b>		
<b>Milled:</b>		
Tonnes Milled		46,409
Tonnes Milled per Day		829
<b>Grade:</b>		
Average Gold Grade (g/t)		4.18
Average Silver Grade (g/t)		53
<b>Recoveries:</b>		
Average Gold Recovery (%)		89
Average Silver Recovery (%)		75
<b>Mill production (before payable metal deductions)</b>		
Gold (ozs.)		5,559
Silver (ozs.)		58,309
Payable metal sold		
Gold (ozs.)		3,917
Silver (ozs.)		43,605
<b>Average metal prices realized</b>		
Gold (oz.)	\$	1,383
Silver (oz.)	\$	34
<b>Gold equivalent ounces produced (mill production)</b>		
Gold Ounces		5,559
Gold Equivalent Ounces from Silver <sup>(2)</sup>		-
Total Gold Equivalent Ounces		<u>5,559</u>
<b>Gold equivalent ounces sold</b>		
Gold Ounces		3,917
Gold Equivalent Ounces from Silver <sup>(2)</sup>		-
Total Gold Equivalent Ounces		<u>3,917</u>

- (1) No activity for the three months ended September 30, 2011.
- (2) Silver ounces were considered a by-product in arriving at the total cash cost per ounce equivalent.
- (3) Total cash cost per gold equivalent ounce sold for the combined *La Arista* underground mine and the *El Aguila* open pit mine for the for the nine months ended September 30, 2011 can be found in the *Non-GAAP Measures* in the Form 10-Q for the period ended September 30, 2012.

### **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 52,679,369 shares outstanding, no warrants and no debt. Gold Resource Corporation is the only Company to offer its shareholders a dividend option to obtain physical gold or silver in addition to cash. 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 SEC.

### **Contacts:**

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### **See Accompanying Tables**

*The following information summarizes the results of operations for Gold Resource Corporation for the three months and nine months ended September 30, 2012 and 2011, its financial condition at September 30, 2012 and December 31, 2011 and its cash flows for the three months and nine months ended September 30, 2012 and 2011. The summary data for the three and nine months ended September 30, 2012 and 2011 is unaudited; the summary data for the year ended December 31, 2011 is derived from our audited financial statements contained in our annual report on Form 10-K for the year ended December 31, 2011, 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 and nine months ended September 30, 2012 and 2011

(U.S. dollars in thousands, except shares and per share amounts)

(Unaudited)

	<i>Three months ended September 30,</i>		<i>Nine months ended September 30,</i>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Sales of metals concentrate, net	\$ 36,490	\$ 37,781	\$ 103,399	\$ 69,725
Mine cost of sales:				
Production costs	12,141	7,690	31,838	16,967
Depreciation and amortization	556	184	940	327
Accretion	20	20	60	63
Total mine cost of sales	<u>12,717</u>	<u>7,894</u>	<u>32,838</u>	<u>17,357</u>
Mine gross profit	23,773	29,887	70,561	52,368
Costs and expenses:				
General and administrative expenses	2,933	1,812	8,922	4,790
Exploration expenses	1,882	1,735	5,466	3,271
Construction and development	5,394	4,467	13,492	13,557
Total costs and expenses	<u>10,209</u>	<u>8,014</u>	<u>27,880</u>	<u>21,618</u>
Operating income	13,564	21,873	42,681	30,750
Other income (expense)	(485)	2,476	(1,782)	2,333
Income before income taxes	13,079	24,349	40,899	33,083
Provision for income taxes	5,782	9,131	16,398	10,937
Net income before extraordinary item	7,297	15,218	24,501	22,146
Extraordinary items:				
Flood loss, net of income tax benefit of \$750	-	-	-	(1,756)
Net income	<u>\$ 7,297</u>	<u>\$ 15,218</u>	<u>\$ 24,501</u>	<u>\$ 20,390</u>
Other comprehensive (loss) income:				
Currency translation gain (loss)	2,168	(4,227)	1,943	(3,844)
Net comprehensive income	<u>\$ 9,465</u>	<u>\$ 10,991</u>	<u>\$ 26,444</u>	<u>\$ 16,546</u>
Net income per common share:				
Basic:				
Before extraordinary item	\$ 0.14	\$ 0.29	\$ 0.46	\$ 0.41
Extraordinary item	\$ -	\$ -	\$ -	\$ (0.03)
Net income	<u>\$ 0.14</u>	<u>\$ 0.29</u>	<u>\$ 0.46</u>	<u>\$ 0.38</u>
Diluted:				
Before extraordinary item	\$ 0.13	\$ 0.27	\$ 0.43	\$ 0.39
Extraordinary item	\$ -	\$ -	\$ -	\$ (0.03)
Net income	<u>\$ 0.13</u>	<u>\$ 0.27</u>	<u>\$ 0.43</u>	<u>\$ 0.36</u>
Weighted average shares outstanding:				
Basic	52,848,586	52,997,194	52,885,640	52,997,929
Diluted	<u>56,254,632</u>	<u>56,357,096</u>	<u>56,365,316</u>	<u>56,475,441</u>

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

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

	<i>September 30,</i> <u>2012</u> <i>(unaudited)</i>	<i>December 31,</i> <u>2011</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 36,242	\$ 51,960
Gold and silver bullion	6,560	2,549
Accounts receivable	16,090	14,281
Inventories	5,086	4,243
Deferred tax assets	11,118	11,118
Prepaid expenses and other assets	701	957
Total current assets	<u>75,797</u>	<u>85,108</u>
Land and mineral rights	227	227
Property and equipment - net	12,959	10,318
Inventories	890	-
Deferred tax assets	19,517	19,517
Total assets	<u>\$ 109,390</u>	<u>\$ 115,170</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 2,437	\$ 1,691
Accrued expenses	4,314	4,879
IVA taxes payable	3,191	559
Income taxes payable	1,990	15,987
Dividends payable	3,170	2,645
Total current liabilities	<u>15,102</u>	<u>25,761</u>
Asset retirement obligation	<u>2,539</u>	<u>2,281</u>
Total liabilities	17,641	28,042
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: 53,015,767 and 52,998,303 shares issued and outstanding, respectively	53	53
Additional paid-in capital	112,201	132,529
(Deficit) accumulated during the exploration stage	(15,021)	(39,522)
Treasury stock at cost, 186,991 shares	(3,449)	(1,954)
Other comprehensive (loss) - currency translation adjustment	(2,035)	(3,978)
Total shareholders' equity	<u>91,749</u>	<u>87,128</u>
Total liabilities and shareholders' equity	<u>\$ 109,390</u>	<u>\$ 115,170</u>

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

**GOLD RESOURCE CORPORATION**  
**(An Exploration Stage Company)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*for the three and nine months ended September 30, 2012 and 2011*  
*(U.S. dollars in thousands)*  
*(Unaudited)*

	<i>Three months ended September 30,</i>		<i>Nine months ended September 30,</i>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:				
Net income	\$ 7,297	\$ 15,218	\$ 24,501	\$ 20,390
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	600	181	1,117	511
Accretion	20	21	60	63
Stock-based compensation	1,980	1,771	6,640	4,670
Currency translation gain (loss)	2,168	(4,227)	1,943	(3,843)
Unrealized (gain) loss from gold and silver bullion held	(1,073)	287	(744)	287
Realized loss from gold and silver bullion converted	19	-	109	-
Other	6	-	6	-
Changes in operating assets and liabilities:				
Accounts receivable	(11,504)	(12,137)	(1,809)	(13,549)
Inventories	(689)	1,033	(1,733)	(1,477)
Income tax receivable	712	-	-	-
Prepaid expenses and other assets	168	(797)	256	(1,180)
Accounts payable	1,851	348	746	1,549
Accrued expenses	102	638	(565)	116
IVA taxes payable	(485)	3,621	2,632	5,451
Income taxes payable	1,990	9,131	(13,997)	10,187
Total adjustments	<u>(4,135)</u>	<u>(130)</u>	<u>(5,339)</u>	<u>2,785</u>
Net cash provided by operating activities	<u>3,162</u>	<u>15,088</u>	<u>19,162</u>	<u>23,175</u>
Cash flows from investing activities:				
Capital expenditures	(814)	(1,955)	(3,763)	(5,044)
Purchases of gold and silver bullion	(525)	(2,012)	(4,707)	(2,012)
Proceeds from conversion of gold and silver bullion	536	-	1,331	-
Net cash used in investing activities	<u>(803)</u>	<u>(3,967)</u>	<u>(7,139)</u>	<u>(7,056)</u>
Cash flows from financing activities:				
Dividends paid	(9,514)	(6,890)	(26,444)	(17,490)
Treasury stock purchases	(1,495)	(972)	(1,495)	(972)
Net cash (used in) financing activities	<u>(11,009)</u>	<u>(7,862)</u>	<u>(27,939)</u>	<u>(18,462)</u>
Effect of exchange rates on cash and equivalents	114	(343)	198	(225)
Net increase (decrease) in cash and cash equivalents	(8,536)	2,916	(15,718)	(2,568)
Cash and equivalents at beginning of period	44,778	42,098	51,960	47,582
Cash and equivalents at end of period	<u>\$ 36,242</u>	<u>\$ 45,014</u>	<u>\$ 36,242</u>	<u>\$ 45,014</u>
Supplemental Cash Flow Information				
Income taxes paid	<u>\$ 2,003</u>	<u>\$ -</u>	<u>\$ 30,395</u>	<u>\$ -</u>

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