



GOLD RESOURCE CORPORATION

NYSE MKT: GORO

FOR IMMEDIATE RELEASE
August 8, 2013

NEWS
NYSE MKT: GORO

GOLD RESOURCE CORPORATION REPORTS SECOND QUARTER RESULTS; MAINTAINS 2013 PRODUCTION OUTLOOK

COLORADO SPRINGS – August 8, 2013 – Gold Resource Corporation (NYSE MKT: GORO) (the “Company”) reported its production results for the second quarter ended June 30, 2013 of 20,574 ounces precious metal gold equivalent (“AuEq”, calculated at actual sales price ratio of 60:1). Gold Resource Corporation is a low-cost gold producer with operations in the southern state of Oaxaca, Mexico. The Company has returned over \$86 million to shareholders in monthly dividends since production July 1, 2010, and offers shareholders the option to convert their cash dividends into physical gold and silver and take delivery.

2013 Q2 HIGHLIGHTS

- 20,574 ounces mill production, precious metal gold equivalent (AuEq)
- 19,992 precious metal AuEq ounces sold
- \$12.5 million Cash Flow from Mine Site Operations
- Total cash cost of \$645 per ounce AuEq (including 5% royalty)
- Dividend distributions of \$6.4 million, or \$0.12 per share for quarter
- Mill expansion scheduled for year-end delivery

Overview of Q2 2013 Results from El Aguila Project

Gold Resource Corporation’s El Aguila Project produced 20,574 ounces of precious metal gold equivalent (AuEq) at a total cash cost of \$645 per AuEq ounce and realized average prices of \$1,386 per ounce gold and \$23 per ounce silver for its sales during the second quarter. Gold and silver prices decreased 13.5% and 14.8%, respectively, from the second quarter of 2012. Cash Flow from Mine Site Operations was \$12.5 million. The Company paid \$6.4 million to shareholders in dividends.

“Half-way through the 2013 production year, the Company remains on track with its annual production goal, targeting a range of 80,000 to 100,000 precious metal gold equivalent ounces,” stated Gold Resource Corporation’s President, Mr. Jason Reid. “With the decrease in precious metal market prices, and the gold-to-silver ratio working against us this quarter, our team was still able to deliver respectable production results. We look forward to the completion of our mill construction so we can focus our efforts on the Arista mine and increasing production tonnages to match the enhanced Aguila mill capacity. We expect a decrease in per ounce and per tonne production costs with higher mill throughput.”

Mr. Reid continued, “In response to the metal price fall during the quarter, we cut our dividend by half but are pleased to have distributed to our shareholders a meaningful monthly dividend.”

Below is a table of the key production statistics for our El Aguila Project during the three and six months ended June 30, 2013 and 2012.

Production and Sales Statistics - La Arista Underground Mine				
	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Production Summary				
Milled:				
Tonnes Milled	72,740	59,928	148,924	135,006
Tonnes Milled per Day	808	659	823	742
Grade:				
Average Gold Grade (g/t)	3.83	3.73	3.75	4.03
Average Silver Grade (g/t)	349	274	347	390
Average Copper Grade (%)	0.38	0.38	0.39	0.44
Average Lead Grade (%)	1.12	1.75	1.11	1.74
Average Zinc Grade (%)	2.61	4.01	2.70	3.78
Recoveries:				
Average Gold Recovery (%)	90	88	89	89
Average Silver Recovery (%)	92	92	92	93
Average Copper Recovery (%)	72	70	78	74
Average Lead Recovery (%)	70	69	70	72
Average Zinc Recovery (%)	74	78	77	76
Mill production (before payable metal deductions)⁽¹⁾				
Gold (ozs.)	8,015	6,342	15,913	15,564
Silver (ozs.)	747,646	487,053	1,525,317	1,577,534
Copper (tonnes)	202	161	450	442
Lead (tonnes)	573	720	1,159	1,683
Zinc (tonnes)	1,405	1,876	3,081	3,862
Payable metal sold				
Gold (ozs.)	7,297	7,292	16,250	13,029
Silver (ozs.)	755,746	606,429	1,618,898	1,383,367
Copper (tonnes)	194	192	499	388
Lead (tonnes)	496	674	1,139	1,385
Zinc (tonnes)	1,180	1,999	2,915	3,075
Average metal prices realized				
Gold (oz.)	\$ 1,386	\$ 1,603	\$ 1,530	\$ 1,672
Silver (oz.)	\$ 23	\$ 27	\$ 27	\$ 30
Copper (tonne)	\$ 7,114	\$ 7,688	\$ 7,652	\$ 8,155
Lead (tonne)	\$ 2,127	\$ 1,973	\$ 2,308	\$ 2,060
Zinc (tonne)	\$ 1,848	\$ 1,912	\$ 2,030	\$ 1,992
Precious metal gold equivalent ounces produced (mill production)⁽¹⁾⁽³⁾⁽⁴⁾				
Gold Ounces	8,015	6,342	15,913	15,564
Gold Equivalent Ounces from Silver	12,559	8,146	27,086	28,903
Total Precious Metal Gold Equivalent Ounces	<u>20,574</u>	<u>14,488</u>	<u>42,999</u>	<u>44,467</u>
Precious metal gold equivalent ounces sold⁽²⁾⁽³⁾⁽⁴⁾				
Gold Ounces	7,297	7,292	16,250	13,029
Gold Equivalent Ounces from Silver	12,695	10,142	28,748	25,342
Total Precious Metal Gold Equivalent Ounces	<u>19,992</u>	<u>17,434</u>	<u>44,998</u>	<u>38,370</u>
Total Cash Cost per Precious Metal Gold Equivalent Ounce Sold ⁽²⁾	\$ 645	\$ 497	\$ 547	\$ 352

- (1) Mill production represents metal contained in concentrates produced at the mill, which is before payable metal deductions are levied by the buyer of our concentrates. Payable metal deduction quantities are defined in our contracts with the buyer of our concentrates and represent an estimate of metal contained in the concentrates produced at our mill, for which the buyer cannot recover through the smelting process. There are inherent limitations and differences in the sampling method and assaying of estimated metal contained in

concentrates that are shipped, and those contained metal estimates derived from sampling methods and assaying throughout the mill production process. The Company monitors these differences to insure that precious metal mill production quantities are materially correct. In addition, mill production quantities for the three months and six months ended March 31, 2012 do not reflect any deduction for 583 gold ounces and 45,432 silver ounces, respectively, (approximately 1,400 gold equivalent ounces) resulting from a settlement agreement with the buyer of our concentrates.

- (2) A reconciliation of this Non-GAAP measure to mine cost of sales, the most comparable U.S. GAAP measure, can be found below in “**Non-GAAP Measures**”.
 - (3) Precious metal gold equivalent mill production for the second quarter of 2013 of 20,574 ounces differs from gold equivalent ounces sold for 2013 of 19,992 due principally to buyer (smelter) concentrate processing deductions of approximately 1,775 gold equivalent ounces and an increase in gold equivalent ounces contained in ending inventory of approximately 1,193 ounces.
 - (4) Precious metal gold equivalent mill production for the six months ended June 30, 2013 of 42,999 ounces differs from gold equivalent ounces sold for 2013 of 44,998 principally due to buyer (smelter) concentrate processing deductions of approximately 4,033 gold equivalent ounces and an increase in gold equivalent ounces contained in ending inventory of approximately 6,032 ounces.
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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 53,279,369 shares outstanding, no warrants and no debt. Gold Resource Corporation offers shareholders the option to convert their cash dividends into physical gold and silver and take delivery. 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 SEC.

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See Accompanying Tables

The following information summarizes the results of operations for Gold Resource Corporation for the three and six months ended June 30, 2013 and 2012, its financial condition at June 30, 2013 and December 31, 2012 and its cash flows for the three and six months ended June 30, 2013 and 2012. The summary data for the three and six months ended June 30, 2013 and 2012 is unaudited; the summary data for the year ended December 31, 2012 is derived from our audited financial statements contained in our annual report on Form 10-K for the year ended December 31, 2012, 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
(An Exploration Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
for the three and six months ended June 30, 2013 and 2012
(U.S. dollars in thousands, except shares and per share amounts)
(Unaudited)

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Sales of metals concentrate, net	\$ 26,660	\$ 30,700	\$ 68,971	\$ 67,364
Mine cost of sales:				
Production costs	14,931	12,603	30,642	19,545
Depreciation and amortization	557	152	1,093	384
Accretion	28	19	57	40
Total mine cost of sales	<u>15,516</u>	<u>12,774</u>	<u>31,792</u>	<u>19,969</u>
Mine gross profit	11,144	17,926	37,179	47,395
Costs and expenses:				
General and administrative expenses	3,457	3,400	7,842	5,989
Exploration expenses	2,806	2,231	6,105	3,584
Construction and development	5,649	4,117	11,654	8,098
Total costs and expenses	<u>11,912</u>	<u>9,748</u>	<u>25,601</u>	<u>17,671</u>
Operating (loss) income	(768)	8,178	11,578	29,724
Other (expense) income	<u>(1,862)</u>	<u>692</u>	<u>(1,898)</u>	<u>(1,297)</u>
(Loss) income before income taxes	(2,630)	8,870	9,680	28,427
Provision for income taxes (benefit)	<u>(1,257)</u>	<u>4,742</u>	<u>3,667</u>	<u>10,798</u>
Net (loss) income	<u>\$ (1,373)</u>	<u>\$ 4,128</u>	<u>\$ 6,013</u>	<u>\$ 17,629</u>
Other comprehensive income:				
Currency translation (loss)	<u>(45)</u>	<u>(1,689)</u>	<u>(11)</u>	<u>(225)</u>
Comprehensive (loss) income	<u>\$ (1,418)</u>	<u>\$ 2,439</u>	<u>\$ 6,002</u>	<u>\$ 17,404</u>
Net (loss) income per common share:				
Basic:	<u>\$ (0.03)</u>	<u>\$ 0.08</u>	<u>\$ 0.11</u>	<u>\$ 0.33</u>
Diluted:	<u>\$ (0.03)</u>	<u>\$ 0.07</u>	<u>\$ 0.11</u>	<u>\$ 0.31</u>
Weighted average shares outstanding:				
Basic	<u>53,272,776</u>	<u>52,909,756</u>	<u>52,977,712</u>	<u>52,904,370</u>
Diluted	<u>53,272,776</u>	<u>56,443,419</u>	<u>55,434,474</u>	<u>56,400,692</u>

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

	<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
	<i>(unaudited)</i>	
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 30,414	\$ 35,780
Gold and silver bullion	3,825	5,809
Accounts receivable	2,714	6,349
Inventories	7,116	7,533
Income tax receivable	6,922	419
Deferred tax assets	2,121	2,121
Prepaid expenses and other assets	3,751	973
Total current assets	56,863	58,984
Land and mineral rights	227	227
Property and equipment - net	17,973	14,050
Inventories	797	809
Deferred tax assets	31,559	31,559
Total assets	\$ 107,419	\$ 105,629
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 5,070	\$ 3,013
Accrued expenses	5,802	4,178
Capital lease obligations	1,376	-
IVA taxes payable	2,244	2,673
Dividends payable	1,598	3,161
Total current liabilities	16,090	13,025
Capital lease obligations	3,125	-
Asset retirement obligation	2,861	2,790
Total liabilities	22,076	15,815
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: 53,615,767 and 53,015,767 shares issued and outstanding, respectively	54	53
Additional paid-in capital	92,362	102,674
(Deficit) accumulated during the exploration stage	-	(5,851)
Treasury stock at cost, 336,398 shares	(5,884)	(5,884)
Accumulated other comprehensive (loss) - currency translation adjustment	(1,189)	(1,178)
Total shareholders' equity	85,343	89,814
Total liabilities and shareholders' equity	\$ 107,419	\$ 105,629

GOLD RESOURCE CORPORATION
(An Exploration Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three and six months ended June 30, 2013 and 2012
(U.S. dollars in thousands)
(Unaudited)

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:				
Net income	\$ (1,374)	\$ 4,128	\$ 6,013	\$ 17,629
Adjustments to reconcile net income to net cash from (used in) operating activities:				
Depreciation and amortization	535	222	1,188	518
Accretion	28	20	57	40
Stock-based compensation	2,178	2,603	3,690	4,659
Unrealized foreign currency exchange loss (gain)	336	(1,278)	217	705
Impairment loss on gold and silver bullion	1,565	527	1,743	329
Other	2	-	2	-
Changes in operating assets and liabilities:				
Accounts receivable	7,973	8,831	3,086	9,673
Inventories	(579)	1,857	363	(912)
Prepaid expenses and other assets	(575)	(190)	(2,483)	(58)
Accounts payable	(268)	(495)	1,642	(3,655)
Accrued expenses	213	(161)	1,682	2,973
IVA taxes payable/receivable	846	(1,095)	(370)	89
Income taxes payable/receivable	(6,344)	(3,472)	(6,081)	(16,128)
Net cash provided by (used in) operating activities	<u>4,536</u>	<u>11,497</u>	<u>10,749</u>	<u>15,862</u>
Cash flows from (used in) investing activities:				
Capital expenditures	(1,431)	(1,254)	(5,113)	(2,863)
Purchases of gold and silver bullion	(321)	(1,304)	(806)	(4,183)
Proceeds from conversion of gold and silver bullion	384	885	1,048	885
Net cash used in investing activities	<u>(1,368)</u>	<u>(1,673)</u>	<u>(4,871)</u>	<u>(6,161)</u>
Cash flows from (used in) financing activities:				
Proceeds from exercise of stock options	150	-	150	-
Dividends paid	(6,394)	(8,994)	(15,876)	(16,929)
Proceeds from capital leases	4,501	-	4,501	-
Net cash (used in) provided by financing activities	<u>(1,743)</u>	<u>(8,994)</u>	<u>(11,225)</u>	<u>(16,929)</u>
Effect of exchange rates on cash and equivalents	<u>(37)</u>	<u>(56)</u>	<u>(19)</u>	<u>46</u>
Net (decrease) increase in cash and cash equivalents	1,388	774	(5,366)	(7,182)
Cash and equivalents at beginning of period	29,026	51,960	35,780	51,960
Cash and equivalents at end of period	<u>\$ 30,414</u>	<u>\$ 52,734</u>	<u>\$ 30,414</u>	<u>\$ 44,778</u>
Supplemental Cash Flow Information				
Income taxes paid	<u>\$ 6,327</u>	<u>\$ 11,087</u>	<u>\$ 9,823</u>	<u>\$ 28,392</u>