



GOLD RESOURCE CORPORATION

NYSE MKT: GORO

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NEWS
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GOLD RESOURCE CORPORATION PURCHASES NEAR TERM NEVADA PRODUCTION ACQUIRING ISABELLA PEARL HIGH-GRADE GOLD PROJECT

Colorado Springs – August 15, 2016 – Gold Resource Corporation (NYSE MKT: GORO) (the “Company”) today announced the purchase of 100% interest in the Isabella Pearl high-grade gold potential open pit heap leach project located in Nevada, U.S.A. from a private party (the “Vendor”). The project contains third party Proven and Probable Reserves of 191,400 gold ounces at an average grade of 2.18 grams gold per tonne (g/t) and is in advanced stages of engineering and production permitting. Gold Resource Corporation is a gold and silver producer with operations in Oaxaca, Mexico and exploration and now development properties in Nevada, USA. The Company has returned \$108 million to shareholders in monthly dividends since commercial production commenced July 1, 2010, and offers shareholders the option to convert their cash dividends into physical gold and silver and take delivery.

Isabella Pearl acquisition highlights include:

- **Undeveloped high-grade deposit averaging 2.18 grams gold per tonne**
- **Proven and Probable Reserves of 191,400 gold ounces**
- **Near term open pit heap leach gold production potential**
- **Excellent metallurgical recoveries**
- **Low project capital expenditure estimates**
- **Potential to more than double Company’s annual gold production profile**
- **Advanced stage mine engineering and project design**
- **Advanced stage mine production permitting**
- **Mining friendly jurisdiction, Nevada, U.S.A.**
- **100% interest**
- **No bank or broker transaction fees**

Gold Resource Corporation purchased 100% interest in the Isabella Pearl Project from the Vendor in exchange for 2,000,000 shares of Gold Resource Corporation’s restricted common stock and US\$100,000 cash. The land position totals 341 unpatented mining claims covering approximately 6,800 acres, of which 58 claims encompass the Isabella Pearl deposit and planned mine area. The 58 Isabella Pearl claims along with 25 additional claims have a 3% net smelter return royalty (NSR), with the balance of the claims having a 1% NSR.

The Isabella Pearl gold project is located in Mineral County, Nevada, 15 miles northwest of the Company’s Gold Mesa property, and will be added to the Company’s existing Nevada Mining Unit. Gold Resource Corporation’s Nevada Mining Unit now controls approximately 12,205 acres of development and exploration land in south central Nevada’s Walker Lane Mineral Belt.

The Isabella Pearl project contains third party Proven and Probable reserves estimated at 2,733,500 tonnes grading 2.18 grams per tonne, which equates to 191,400 gold ounces (report

completed by Mine Development Associates, Reno, Nevada; see table below). Future production development anticipates two adjacent open pits with the Isabella pit averaging approximately 1 gram per tonne gold with mineral outcropping at the surface, and the Pearl pit averaging approximately 3.7 grams per tonne gold with a higher grade core averaging nearly 5 grams per tonne gold. The project estimates an average 5:1 strip ratio with metallurgical tests estimating gold recoveries for crushed oxide rock between 80 and 85 percent using conventional heap leaching. Small amounts of silver are expected in recoveries, which would be treated as by-product credits against gold production costs.

Proven & Probable Reserve Summary; Isabella Pearl Deposit, Nevada U.S.A.										
Type	Cutoff g Au/t	Proven			Probable			Total Proven & Probable		
		Tonnes 000's	g Au/t	Ounces 000's	Tonnes 000's	g Au/t	Ounces 000's	Tonnes 000's	g Au/t	Ounces 000's
Run of Mine	0.21	45.3	0.42	0.6	1,276.1	0.41	16.8	1,322.0	0.42	17.7
Heap Leach Oxide	0.72	235.4	5.73	43.4	1,064.2	2.98	102.0	1,299.6	3.48	145.4
Sulfide	3.70	51.1	8.71	14.3	60.8	7.15	14.0	111.9	7.86	28.3
Total Reserves		331.8	5.47	58.3	2,401.0	1.72	132.7	2,733.5	2.18	191.4
Notes to the above Proven and Probable ("P & P") reserves:										
1. P&P Reserve estimates completed by Mine Development Associates; Updated Nov 11, 2013.										
2. Reserves based on a US\$1,100/ounce gold price.										
3. The term "cutoff" means the lowest gold grade in grams per tonne (g/t) considered economic to process.										
4. Metallurgical recovery assumptions for gold used were 60% for run-of-mine (ROM) and 81% for crushed material.										
5. Figures in tables are rounded to reflect estimate precision and small differences generated by rounding are not material to estimates.										

Gold Resource Corporation's management plans to aggressively move the Isabella Pearl deposit production permitting forward as rapidly as possible. After integrating and refining the Company's own parameters to the project, management targets near term production with estimated production ranges the first two years at 20,000 and 30,000 gold ounces year one ramping up to 30,000 to 40,000 gold ounces year two. Total initial mine life based solely on current reserves is three to four years, depending on production ramp up. Upside potential exists through additional adjacent exploration claims along a prospective mineralized trend secured in the transaction. The Company eyes first gold production at the earliest point in time.

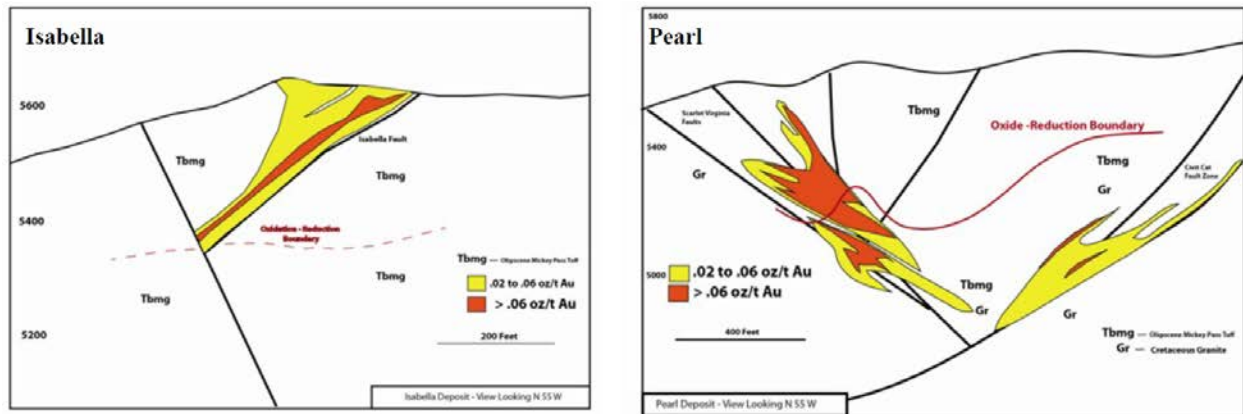
Significant mine permitting has been completed by the Vendor, which includes an Environmental Assessment draft, a Pre-Feasibility study, a Plan of Operations and a Water Pollution Control Permit. Water rights have been secured with points of diversion located adjacent to historic producing water wells.

The Company's preliminary capital expenditures (CAPEX) to bring Isabella Pearl into production, based on modifications to existing mine plans and engineering, are estimated between US\$25-30 million. Once the Company refines these initial estimates, it plans to use cash flow, equity and/or debt, or a combination of these to fund the relatively low CAPEX estimated to reach production at Isabella Pearl. The Company has no debt and has historically been averse to debt though in this case where cash flow can service the debt the Company can consider it for this project build. These are initial goals and targets based on what management believes, at this time, can be modified from existing third party engineering and design work at Isabella Pearl.

"I believe the Isabella Pearl acquisition cost of just 3.7% dilution to be exceptional for a high-grade gold open pit heap leach project with proven and probable reserves and in the advanced permitting stage located in a mining friendly jurisdiction," stated Gold Resource Corporation's CEO and President, Mr. Jason Reid. "It is our short to medium term goal and company vision to produce 30,000 to 40,000 gold ounces per year from our current Nevada Mining Unit, which could potentially more than double our Company's annual gold production profile. I see this project launching the Company's Nevada Mining Unit gold production from zero to sixty miles per hour with Isabella Pearl representing near term gold production and our Mina Gold and Gold

Mesa properties high-grade gold open pit potential to follow for added longevity to our Nevada Mining Unit's project pipeline."

Management is working to schedule the Isabella Pearl mine to potentially utilize early cash flow generated from the project to help fund ongoing development while keeping initial project CAPEX expenditures to a minimum. The Company is also attempting to modify and refine the Isabella Pearl project to reach a target of paying back the initial capital needed to establish production within the first year from mine cash flow. This is a similar approach to the Company's successful 2008 mine development of its currently producing Aguila project in Mexico. Actual Company CAPEX and payback ranges may differ materially after further engineering and design work is completed.



Mr. Reid continued, "Once we have completed our engineering and have better defined CAPEX estimates, we hope to make an official Board of Director approved production decision to target Nevada gold production at the earliest possible point in time."

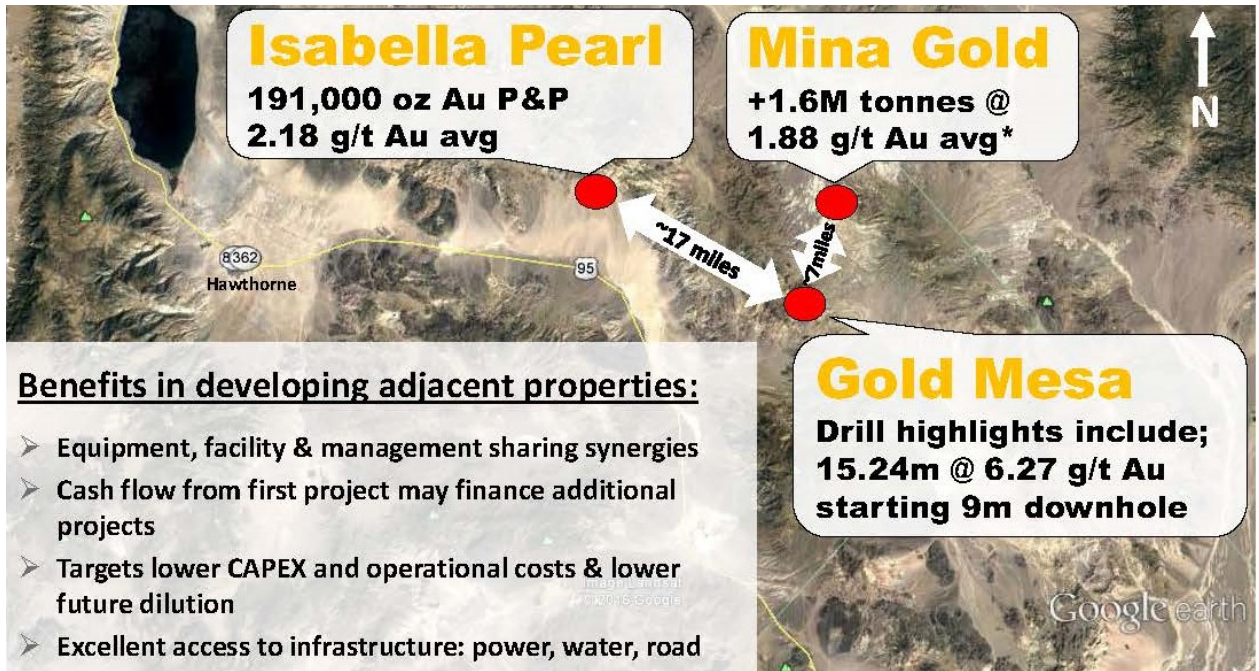
Company management believes the synergies between the Isabella Pearl, Mina Gold and Gold Mesa properties, which are all located approximately 20 miles apart or less by road, should allow sequentially for shared portable crushing equipment, portable plants, portable assay labs, rolling stock and manpower. This approach targets lower project capital expenditures and organically funded growth from cash flow for potential development of future projects.

"These are exciting times for Gold Resource Corporation shareholders with our new Nevada Mining Unit advancing towards production, our existing Oaxaca Mining Unit currently in production with its second mine at Alta Gracia potentially coming on line soon and with precious metal market prices in 2016 trending upwards. We not only survived the last four years of the precious metal bear market, but were profitable in each of those years. During that time, we positioned the Company to take advantage of opportunities the bear market provided by acquiring properties at very attractive acquisition costs and building a critical mass of accretive deals. Gold Resource Corporation's Nevada acquisitions are poised to launch the Company along a path of additional mine development, increased gold production and Company growth during what looks to be another bull market in precious metals," stated Mr. Reid.



Isabella Pearl acquisition highlights include:

- High-grade reserve @ + 2 g/t gold
- Near term Nevada gold production potential
- Low cost open pit heap leach potential
- Advanced permitting stage



Benefits in developing adjacent properties:

- Equipment, facility & management sharing synergies
- Cash flow from first project may finance additional projects
- Targets lower CAPEX and operational costs & lower future dilution
- Excellent access to infrastructure: power, water, road

P&P = Proven and Probable Reserves
*Third party mineralized material estimate
g/t = grams per tonne, Au = gold, m = meters
CAPEX = capital expenditure

● GRC Property locations

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 at its producing Oaxaca, Mexico Mining Unit and exploration and development properties at its Nevada, USA, Mining Unit. The Company has 56,396,875 shares outstanding, no warrants, no long term debt and has returned \$108 million back to shareholders since commercial production commenced July 1, 2010. 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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