



**FOR IMMEDIATE RELEASE
OCTOBER 17, 2012**

**NEWS
NYSE MKT: GORO**

GOLD RESOURCE CORPORATION REPORTS THIRD QUARTER PRODUCTION; REVISES PRODUCTION OUTLOOK

COLORADO SPRINGS – October 17, 2012 – Gold Resource Corporation (NYSE MKT: GORO) reported its preliminary production results for the third quarter ended September 30, 2012 of approximately 22,300 ounces precious metal gold equivalent (AuEq calculated at a 55:1 price ratio). Gold Resource Corporation is a low-cost gold producer with operations in the southern state of Oaxaca, Mexico. The Company has returned over \$63 million to shareholders in monthly dividends since declaring commercial production July 1, 2010 and is the first Company offering shareholders the option to convert their cash dividends into physical gold or silver.

The Company's third quarter mill production of approximately 22,300 AuEq ounces represents a 64% increase over the previous quarter's less than optimal production of 14,488 AuEq ounces. A dispute arose during the third quarter with the buyer of the Company's metal concentrates that involves the buyer's handling, control and sampling of those concentrates at the buyer's warehouse, and the resulting assays the buyer obtained from those samples. The buyer is claiming net adjustments (reductions) to the Company's provisional invoices of approximately 2,300 AuEq ounces. The Company's third quarter mill production of approximately 22,300 AuEq ounces does not reflect any potential deduction for all or part of the 2,300 disputed AuEq ounces.

Gold Resource Corporation's President, Jason Reid, stated, "We have made considerable progress regarding mine development, including ground water management, as seen by our increase in production over last quarter. Though we continued to mine some lower grade ore zones in the third quarter from splays and vein margins, our stopes between levels 7 through 10 allowed us to mine higher-grade ore zones during the quarter that we believe will further increase our production levels in future quarters. We are currently focused on reducing dilution in our long hole stoping methods, implementing cut and fill mining in certain zones to minimize dilution and working to improve overall operational efficiencies."

In consideration of the near-term challenge of dilution for the remainder of 2012, the Company revises its 2012 annual production Outlook down to a range of 85,000 to 100,000 AuEq ounces.

Full financial results for the third quarter will be available at the time the Company files its quarterly report on Form 10-Q with the Securities and Exchange Commission.

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 52,828,776 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 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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