



# GOLD RESOURCE CORPORATION

NYSE American: GORO

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NEWS  
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## GOLD RESOURCE CORPORATION RECEIVES FINAL PERMIT AND BOARD APPROVAL FOR ISABELLA PEARL GOLD PROJECT, MINERAL COUNTY, NEVADA

COLORADO SPRINGS – May 15, 2018 – Gold Resource Corporation (NYSE American: GORO) (the “Company”) today announced it has been granted a positive Record of Decision (ROD) on the Environmental Assessment (EA) for the Isabella Pearl open pit heap leach gold project (Project) located in Mineral County, Nevada. This final permit, along with approval from the Company’s Board of Directors to move the Project into production, mark a major milestone for the Company’s Nevada Mining Unit. Gold Resource Corporation is a gold and silver producer, developer and explorer with operations in Oaxaca, Mexico and Nevada, USA. The Company has returned \$110 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.

In addition to the ROD and EA permit, the Plan of Operation (POO) for the Project has been approved by both the Bureau of Land Management (BLM) and Nevada Department of Environmental Protection (NDEP). With these final permits, along with permits for mercury, water, air and other ancillary permits already in place, the Company has all the regulatory approvals necessary to construct, operate and pour dore at the Project.

The Company recently announced the Project’s Proven and Probable Reserve totaling 192,600 gold ounces and targets to produce approximately 153,000 gold ounces over an initial four-year mine life. The Project estimates annual recovered gold ounces (oz’s) of: 29,000 oz’s year one, 41,000 oz’s year two, 41,000 oz’s year three and 42,000 oz’s year four. An average cash cost of \$650 per ounce (plus or minus 10%) is estimated over the initial four-year mine life with annual costs projected to decline year-over-year as higher grades are mined and strip ratios decrease. The Company anticipates adding to the Project’s reserves with future exploration drilling and has identified two new exploration targets within the existing permitted mine plan, Scarlet and Civit Cat North, along with numerous exploration targets along the Company’s Isabella Pearl claims covering six miles of structural trend.

Initial capital expenditure (CAPEX) for the Project is estimated at \$30 million. The Company has already spent approximately \$10 million towards the Project with cash and equipment financing, having secured a new Telsmith crusher, Superior conveyors and stacker and a Scotia International of Nevada ADR dore process plant, which are all 100% complete, mobile and ready to be moved to the Project and set up once the site and foundations have been prepared.

The Company’s Board of Directors has approved moving the Project forward immediately by initially drawing on the Corporate treasury (\$28.6 million at March 31, 2018). The future CAPEX

is targeted to fund from cash and operational monthly cashflow. The Company anticipates alternative funding would be available, if required, through equity and/or potential debt facilities. Total construction time to build the Isabella Pearl Project is estimated at less than 12 months from the point of breaking ground. The Company's management is moving towards that first ground breaking as soon as possible after the required Project bond is in place and providing the BLM the required two-week notice to commence construction.

The Company has chosen its third-party mining contractor for both the heap leach pad construction and contract mining of the Project. The heap pad contract is in final review and is expected to be signed shortly followed by the mining contract.

"This is an exciting milestone and time for Gold Resource Corporation shareholders and our Nevada Mining Unit," stated Jason Reid, CEO and President of Gold Resource Corporation. "We are pleased to have successfully navigated the permitting process and now shift our efforts to construction of our first Nevada gold project, the Isabella Pearl. We are currently in a strong cash position and focused on completing this project with cash and cashflow if possible. This goal will require metal prices and operations to continue as they have thus far this year. While we have other funding alternatives available if needed to help us overcome unforeseen challenges or metal price volatility, the Board of Directors and management of Gold Resource Corporation remain committed to shareholders and are moving forward with a goal to avoid or limit shareholder dilution to the extent possible as we move forward with the Project. Juggling and allocating the cash demands of both existing operations and project construction is the more difficult path, but we welcome the challenge. The Project targets more than doubling the Company's annual gold production profile with material, substantial and accretive gold ounces. With the Isabella Pearl Project at full production, the consolidated precious metal gold equivalent ounce production could potentially push over 90,000 ounces per year at a 74.1:1 silver to gold ratio, based on 2017 production totals. It will take a bit of time to fully mobilize equipment to the Project, but once construction activities commence, the Company targets first gold production at Isabella Pearl in less than twelve months."

Mr. Reid continued, "We want to thank all those involved in this process including our staff and consultants, the Bureau of Land Management, the Nevada Division of Environmental Protection, and the Mineral County Board of Commissioners and local communities. Long term, we view Isabella Pearl as the first of several potential operating projects from our Nevada Mining Unit's profile of potential high-grade gold properties. We believe both the State of Nevada and the local communities in which we operate will benefit from the positive economic impact from our operations."

#### **About GRC:**

Gold Resource Corporation is a gold and silver producer, developer and explorer with operations in Oaxaca, Mexico and Nevada, USA. The Company targets low capital expenditure projects with potential for generating high returns on capital. The Company has returned \$110 million back to shareholders 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. 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.

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