

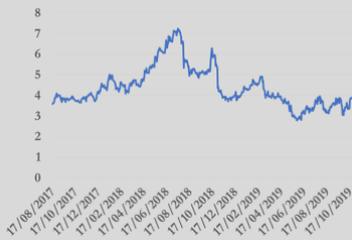
Gold Resource Corp

Precious Metals & Mining

----- NEWS UPDATE -----

Gold Resource Corp

Ticker: GORO US
 Share Price: US\$3.90
 Market cap: US\$256m
 Cash: US\$7.9m, (Jun. 30, 2019)
 Gold & silver bullion: US\$3.9m.
 Debt: US\$0m, (Jun. 30, 2019)
 Enterprise Value: US\$244.2m
 Shares Outstanding: 65.6m
 Options: 4.7m
 Fully Diluted: 70.5m
 CEO: Jason Reid
 Fair Value: US\$8.47



Prices as of the close of business
 23rd October 2019

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Yesterday, after the US market close, **Gold Resource Corp announced a 100% increase to their annual dividend.**

This follows the declaration of **commercial production** at their new Nevada gold mine earlier this month.

Gold Resource Corp are able to achieve this since they have **zero debt**. As a reminder, they financed the building of the mine with cash-flow from their Mexican mining operation and from the issue of approximately 8 million shares, representing only 13.8% equity dilution (since June 30, 2018).

The Company have a long history of paying dividends and have a stated philosophy that aims to **'return as much in dividends to the shareholders when possible, while balancing the growth needs of the Company.'**

Interestingly, towards the end of the latest news release, CEO Jason Reid comments **'I am excited for potential additional dividend increases in the future as well as allocating capital from our expanding operations for the growth of the Company** by exploring and developing the large property positions the Company has amassed at both its Mining units.'

At Arlington Group, we view this 100% dividend increase as showing confidence in the new Nevada gold operation and we take the CEO's comments seriously when he signals the potential for additional dividend increases in the future.

We reiterate our positive outlook for Gold Resource Corp with a fair value estimate of US\$8.47.

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