

GOLD RESOURCE CORP  
Form DEF 14A  
April 30, 2013

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Gold Resource Corporation**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- 5) Total fee paid:

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- 4) Date Filed:



2886 Carriage Manor Point | Colorado Springs, CO 80906

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**JUNE 20, 2013**

To the Shareholders of Gold Resource Corporation:

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of Gold Resource Corporation (the Company) will be held at the Ritz-Carlton Hotel, 1881 Curtis Street, Denver, Colorado 80202, on Thursday, June 20, 2013 at 9:00 a.m. Mountain time, to:

- (1) Elect the six (6) directors named in the attached proxy statement to serve until the next annual meeting of shareholders and until their successors are elected and qualified;
- (2) Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2013; and

(3) Transact such other business as may properly come before the meeting or any adjournment or postponement thereof. Only holders of record of the Company's common stock as of the close of business on April 25, 2013, the record date for the Annual Meeting, are entitled to notice of and to vote at the meeting, or at any adjournments or postponements thereof. A proxy statement containing important information about the meeting and the matters being voted upon accompanies this notice. Please read it carefully.

**YOUR VOTE IS IMPORTANT.** You are urged to submit your proxy so that your shares can be voted at the meeting in accordance with your instructions. You can submit your proxy electronically through the Internet or by telephone, or if you request or otherwise receive a paper proxy card, by completing and signing the enclosed proxy card and mailing it in the postage-paid envelope. You are cordially invited to attend the meeting in person and may vote your shares in person at the meeting, in which case your proxy will be automatically revoked.

By Order of the Board of Directors,

Colorado Springs, Colorado  
April 30, 2013

/s/ William W. Reid  
Chairman and Chief Executive Officer

**Important Notice Regarding the Availability of Proxy Materials for the 2013 Annual Meeting of Shareholders to be held on Thursday, June 20, 2013:**

The Proxy Statement and Annual Report to Shareholders for the year ended December 31, 2012 of Gold Resource Corporation are available on the internet at <http://www.proxyvote.com>

**GOLD RESOURCE CORPORATION**

**2886 Carriage Manor Point | Colorado Springs, CO 80906**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**JUNE 20, 2013**

To the Shareholders of Gold Resource Corporation:

This proxy statement and the accompanying proxy are furnished in connection with the solicitation of proxies by the Board of Directors of Gold Resource Corporation ( we , our , us or the Company ), to be voted at the Annual Meeting of Shareholders, which will be held at 9:00 a.m. Mountain time on Thursday, June 20, 2013, at the Ritz-Carlton Hotel, 1881 Curtis Street, Denver, Colorado 80202, or at any adjournment or postponement of the meeting. This Proxy Statement, the enclosed proxy card, and our Annual Report to Shareholders for the fiscal year ended December 31, 2012, were first provided to our shareholders on or about May 8, 2013. All shareholders are invited to attend the meeting in person.

If a proxy is properly completed and submitted in time to be voted at the meeting, the shares represented will be voted in accordance with the instructions contained therein. Shareholders may vote electronically through the Internet by logging on to the website [www.proxyvote.com](http://www.proxyvote.com) and following the instructions provided or by telephone toll-free at 1-800-690-6903 using a touch-tone telephone and following the menu instructions. Shareholders who request and/or otherwise receive a paper proxy card may also vote their shares by completing and signing the enclosed proxy card and mailing it in the postage-paid envelope. Signing and returning the proxy card or submitting the proxy via the Internet or telephone does not affect a shareholder's right to vote in person at the meeting. **Executed proxies that contain no instructions will be voted FOR each of the individuals nominated for director and FOR the ratification of KPMG LLP as our independent registered public accounting firm and in accordance with the judgment of the person named as proxy on any other matters brought before the meeting.** Other than the matters identified in the Notice of Annual Meeting, we know of no additional matters to be brought before the meeting.

Shareholders who execute proxies for the annual meeting may revoke their proxies at any time prior to their exercise by delivering written notice of revocation to us, by delivering a duly executed proxy bearing a later date, or by attending the meeting and voting in person. Presence at the meeting by a shareholder who has submitted a proxy does not in itself revoke the proxy. **With respect to voting in person at the meeting, please note that shares may only be voted by the record owner of the shares, so any shareholders whose shares are held in the name of a bank, broker or other so-called nominee holder and who wish to vote those shares in person at the meeting must obtain a valid proxy from the nominee holder (e.g. the bank or broker) in order to vote the shares in person at the meeting.**

***Record date***

The Board of Directors has fixed the close of business on April 25, 2013 as the record date for the determination of shareholders entitled to notice of, and to vote the meeting. Only shareholders of record of our common stock at the close of business on that date are entitled to notice of, and to vote at the annual meeting.

***Proposals to be submitted at the Annual Meeting***

At the meeting, shareholders will be acting upon the following proposals:

- (1) To elect six (6) directors of the Company to serve until the next annual meeting of shareholders or until their successors are elected and qualified;
- (2) To ratify the appointment of KPMG LLP to serve as the independent registered public accounting firm for our Company for the year ending December 31, 2013; and
- (3) To transact such other business as may properly come before the meeting.

***Information Concerning Voting and Solicitation***

As of the record date, there were 53,279,369 shares of common stock outstanding. Each share of common stock is entitled to one vote.

***Quorum.*** The presence in person or by proxy of not less than one-third of the outstanding common stock of the Company as of the record date will constitute a quorum for the transaction of business at the annual meeting. For purposes of determining the presence or absence of a quorum, shares present at the annual meeting that are not voted, such as abstentions and broker non-votes, will be treated as shares that are present at the meeting. If a quorum is not present in person and by proxy at the meeting, or if fewer shares are present in person or by proxy than the minimum required to take action with respect to any proposal presented at the meeting, the chairman of the meeting or the shareholders entitled to vote at such meeting, present in person or by proxy, have the power to adjourn the meeting to a date not more than 120 days after the original record date without notice other than announcement at the meeting.

***Broker Non-Votes.*** Broker non-votes occur when a broker has not received directions from its customer and does not have the discretionary authority to vote the customer's shares. The proposal to ratify the appointment of the independent registered public accounting firm (Proposal 2) is considered a routine matter and shares may be voted by brokers without instructions from its customers. The election of directors (Proposal 1) is a non-routine proposal and shares may not be voted by brokers in the absence of specific instructions from the customer.

***Votes Required To Approve the Proposals.*** The nominees for director receiving the greatest number of votes cast at the Annual Meeting in person or by proxy will be elected. Accordingly, withhold votes and broker non-votes will have no impact on Proposal 1 Election of Directors, except to the extent that the failure to vote for an individual may result in other nominees receiving a larger percentage of votes. Proposal 2 to ratify KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013 requires the approval of a majority of the votes cast at the meeting. Abstentions and broker non-votes are not considered as voting on this proposal. There is no cumulative voting on any matter, including the election of directors.

***Solicitation.*** We may use the services of our directors, officers, employees and contractors to solicit proxies, personally or by telephone, but at no additional salary or compensation. We will also request banks, brokers and others who hold our common stock in nominee names to distribute proxy soliciting materials to beneficial owners and will reimburse such banks and brokers for reasonable out-of-pocket expenses which they may incur in so doing.

***Expenses***

The cost of the meeting, including the cost of preparing and mailing this proxy statement and proxy, will be borne by us.

*Availability of Annual Report*

The Annual Report delivered with the Proxy Statement includes important information about our Company, including information from our annual report on Form 10-K for the year ended December 31, 2012 as filed with the Securities and Exchange Commission ( SEC ). **We will furnish to any shareholder without charge upon written request a copy of our annual report on Form 10-K. The annual report on Form 10-K includes a list of all exhibits thereto. We will furnish copies of such exhibits upon written request and payment of our reasonable expenses in furnishing such exhibits.** Each such request must include a good faith representation that, as of the record date, the person making such request was a beneficial owner of shares of our Company s common stock entitled to vote at the annual meeting of shareholders. Such written request should be directed to the attention of Jessica Browne, Corporate Secretary, at Gold Resource Corporation, 2886 Carriage Manor Point, Colorado Springs, CO 80906.

*Principal Office*

The principal executive office of our Company is located at 2886 Carriage Manor Point, Colorado Springs, CO 80906. Our telephone number at this address is (303) 320-7708.

We file reports with the SEC that can be accessed on our Company s website [www.goldresourcecorp.com](http://www.goldresourcecorp.com) or on the SEC s website [www.sec.gov](http://www.sec.gov).

**YOUR VOTE IS IMPORTANT. PLEASE RETURN YOUR PROXY PROMPTLY BY INTERNET, TELEPHONE OR MAIL SO YOUR SHARES CAN BE REPRESENTED, EVEN IF YOU PLAN TO ATTEND THE MEETING IN PERSON.**

## PROPOSAL 1

### ELECTION OF DIRECTORS

The Board of Directors currently consists of six members, five of whom are nominated by the Board of Directors to serve until the next annual meeting of shareholders and until their successors are duly elected and qualified. Isac Burstein has informed the Board that he does not intend to stand for re-election at the meeting due to reasons other than any disagreement with the Company on any matter relating to its operations, policies or practices. Pursuant to a Strategic Alliance Agreement with us, Hochschild Mining plc, an existing shareholder of the Company, has the contractual right to recommend a successor to Mr. Burstein and informed the Board that it recommends Robert Muffly to succeed Mr. Burstein. After reviewing Mr. Muffly's background and qualifications, the independent members of the Board of Directors unanimously recommended, and the Board approved, Mr. Muffly's nomination to serve as a director.

#### *Directors*

The following table reflects our directors and nominees, including two who also serve as executive officers as of the date of this proxy statement:

Name	Age	Positions With the Company	Board Position Held Since
William W. Reid	64	Chief Executive Officer and Chairman of the Board of Directors	1998
Jason D. Reid	40	President and Director	2010
Bill M. Conrad <sup>(1), (2)</sup>	56	Director	2006
Isac Burstein <sup>(1), (2)</sup>	46	Director	2009
Tor Falck <sup>(1), (2)</sup>	74	Director	2010
Gary C. Huber <sup>(1), (2)</sup>	61	Director	2013
Robert C. Muffly	58	Director Nominee	N/A

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Member of the Compensation Committee.

The following information summarizes the business experience for at least the last five years of each of the six individuals who are nominated for election to our Board of Directors, each of whom has indicated his willingness to serve and consented to being named in this proxy statement:

*William W. Reid.* William Reid was co-founder of the Company. He has served as Chairman of the Board and our Chief Executive Officer (CEO) since our inception in 1998, and served as Interim Chief Financial Officer from April 12, 2011 until June 15, 2011. He also served as our President from inception until July 1, 2010. Since August 2005, Mr. Reid has devoted all of his business time to our affairs. In 1977, Mr. Reid co-founded US Gold Corporation, a Colorado corporation engaged in the exploration and production of mineral properties and now known as McEwen Mining Inc. (NYSE: MUX / TSX: MUX), and served as the President, CEO and Chairman of the Board of Directors until August 18, 2005. During his tenure with US Gold, that entity acquired, developed or produced gold from six different mines. Mr. Reid received a Bachelor of Science in physics in 1970 and a Master's Degree in Economic Geology in 1972 from Purdue University. William Reid is the father of Jason Reid, our President and a director. Mr. Reid has not served on the board of directors of any other public companies or registered investment companies in the past five years. He is a fellow of the Society of Economic Geologists (SEG) and a member of the Society for Mining, Metallurgy and Exploration (SME). Our Board believes that Mr. Reid's 38 years in the mining business, including experience as a geologist, mine finder, mine developer, mine financier and mine operator, provide the appropriate experience and qualifications to serve as a member of our Board.



*Jason D. Reid.* Jason Reid was promoted to President of the Company effective July 1, 2010 and was elected as a director in November 2010. He had previously served as our Vice President of Corporate Development since January 2008. In that capacity, he was responsible for formulating corporate growth strategies, capital formation, retail and institutional promotion of our Company and assisting the CEO with oversight of our financing requirements. Mr. Reid joined our Company in May 2006 as the Corporate Development Assistant. From January 1996 until he joined our Company in May 2006, Mr. Reid served as President of Reid Farrier, Inc., formerly known as Reid Fencing, Inc., a business he founded which focused operations in the equine and construction industries. Mr. Reid received a Bachelor of Science degree in Anthropology with an emphasis on Archaeology in 1995 from Fort Lewis College. Jason Reid is the son of William Reid, our CEO and Chairman of the Board. Mr. Reid has not served on the board of directors of any other public companies or registered investment companies in the past five years. Our Board believes that Jason Reid's experience founding and operating his own business, as well as his significant participation in the development of business strategy and decision-making for our Company over the past several years provides him with the appropriate experience and qualifications to serve as a member of our Board.

*Bill M. Conrad.* Mr. Conrad was elected to the Board of Directors on June 1, 2006. Mr. Conrad has also served as the Chairman of our Audit Committee and our Compensation Committee since his initial election. From 1990 to 2012, Mr. Conrad served as Vice President, Chief Financial Officer and a director of MCM Capital Management Inc., a privately-held financial management and consulting company he co-founded. From May 2005 until September 2008, Mr. Conrad served as the Vice President and Secretary of Brishlin Resources, Inc., now known as Synergy Resources Corporation (NYSE MKT: SYRG), a Colorado-based corporation engaged in the oil and gas industry. Mr. Conrad continues to serve as a director of Synergy Resources, a position he has held since the company's inception in 2005, and has served as a member of the Audit Committee and as Chairman of the Compensation Committee of since September 2008. Other than Synergy Resources, he has not served on the board of directors of any other public companies or registered investment companies during the past five years. Our Board believes that the management and corporate finance experience developed by Mr. Conrad over many years serving as an executive officer and Director of numerous publicly traded companies, as well as his familiarity with relevant accounting principles and financial statement presentation, make him well-qualified to be a director of our Company.

*Tor Falck.* Tor Falck was appointed to the Board of Directors on August 17, 2010. He also serves as a member of our Audit Committee and our Compensation Committee. From January 2006 to December 2012, Mr. Falck served as a director for Blackstone Ventures Inc. (TSX-V: BLV), a Canadian mineral exploration company focused on exploring and developing base metals in Scandinavia. From April 2007 to December 2008, Mr. Falck also provided investor relations services to Blackstone Ventures. From August 2006 until December 2012, Mr. Falck served as a director of Blackstone Nickel AB and Blackstone Nickel NUF, Norwegian subsidiaries of Blackstone Ventures. From July 2003 to February 2007, Mr. Falck provided investor relations services to Bema Gold, which was later acquired by Kinross Gold Corporation (NYSE:KGC). Other than Blackstone Ventures and its subsidiaries, he has not served on the board of directors of any other public companies or registered investment companies during the past five years. Mr. Falck obtained a degree from Economic College in Bergen, Norway in 1959, a degree in Mathematics and Statistics in 1966 from the University of Frankfurt am Main, Germany, and a BA in economics in 1980 from Bankakademiet in Oslo, Norway. Our Board believes that Mr. Falck's experience with companies in the mining industry and his relationships in the European investment community provide him with the skills and experience necessary to serve as a member of our Board of Directors.

*Gary C. Huber.* Dr. Huber was appointed to serve on our Board of Directors on January 30, 2013. He is a mining executive with over 35 years of natural resource experience. He is the founder and managing member of Rangeland E&P, LLC, a private company established for oil and gas exploration in 2006. From 2010 to 2011, Dr. Huber served as an independent director of Capital Gold Corp., a gold mining company with operations in Mexico which eventually merged into AuRico Gold Inc. (NYSE: AUQ), including serving on the Audit and Corporate Governance Committees. From 2007 to 2012, Dr. Huber was the president and chief executive officer

of Neutron Energy, Inc., a private uranium development company operating in the western United States. Dr. Huber was one of the founders of Canyon Resources Corporation in 1979, which subsequently merged into Atna Resources Ltd. (TSX: ATN), and served in various capacities there until 2006, including as director, chief financial officer, vice president of finance, treasurer and secretary. He also served as the president and chief executive officer of CR Minerals Corporation, a subsidiary of Canyon Resources, from 1987 to 1998. Dr. Huber holds a Ph.D in geology from Colorado School of Mines and received Bachelor of Science in Geology from Fort Lewis College. He is a fellow of the Society of Economic Geologists (SEG), a member of the Society for Mining, Metallurgy and Exploration (SME) and a Utah registered Professional Geologist. Dr. Huber also was formerly a director of the Denver Gold Group, a not-for-profit industry association for publicly-traded precious metal companies. Our Board believes that Dr. Huber is well-qualified to serve as a director of the Company as a result of his extensive mining industry experience including in areas of executive management and finance developed by serving as an executive officer and director of publicly traded natural resource companies.

*Robert C. Muffly.* Rob Muffly is nominated for election to the Board of Directors to succeed Isac Burstein who is not standing for re-election. He is an attorney in private practice with 30 years experience. In his practice, he handles corporate, finance and commercial matters, as well as tax planning, and has particular expertise in representing international clients. He has worked on numerous mining joint ventures and investments, including one of the largest foreign investments in the American coal industry. For at least the past five years, Mr. Muffly has been a partner with Becker, Glynn, Muffly, Chassin and Hosinski LLP, formerly known as Becker, Glynn, Melamed & Muffly LLP. From 2002 to 2006, Mr. Muffly served as a director of the Lampedusa Foundation, a non-profit foundation which gave grants to charitable projects and promoted philanthropy in Argentina, Brazil and Chile. He has not served on the board of directors of any other public companies or registered investment companies during the past five years. Mr. Muffly received his Juris Doctor cum laude from Harvard Law School and his Bachelor of Arts in History magna cum laude from Yale University. Our Board believes that Mr. Muffly's experience representing international corporations in mergers, acquisitions, and tax planning, as well as his extensive background in corporate governance issues, provides him with the necessary skill and qualification to serve on the Board of Directors.

The following information summarizes the business experience for at least the last five years of the director who is not standing for re-election:

*Isac Burstein.* Isac Burstein was appointed to the Board of Directors on April 1, 2009. He has served as a member of our Audit Committee and our Compensation Committee since his initial appointment to our Board of Directors. Mr. Burstein is the Vice President of Business Development for Hochschild Mining Plc. (LSE: HOC), a leading underground precious metals producer operating in the Americas and a significant shareholder of our Company. Prior to his current position, Mr. Burstein served Hochschild in various capacities, including as Manager for Project Evaluation, Exploration Manager for Mexico from July 2000 to May 2009 and Exploration Geologist from January 1996 to July 2000. He holds a BS in Geological Engineering from the Universidad Nacional de Ingenieria in Lima, Peru, an MS in Geology from the University of Missouri and an MBA from Krannert School of Management, Purdue University. Mr. Burstein was nominated as a Director by Hochschild and appointed to the Board pursuant to the terms of our strategic alliance agreement with Hochschild. Mr. Burstein has not served on the Board of Directors of any other public companies or registered investment companies during the past five years.

#### ***2012 Director Compensation***

We pay our independent directors a monthly cash retainer fee. During 2012, Mr. Conrad received \$12,000 per month. Messrs. Burstein and Falck each received \$6,000 per month in 2012. There were no stock option grants awarded to any of our directors during 2012. Mr. Conrad receives a higher monthly retainer fee to compensate for his increased duties arising from his service as chairman of the Audit Committee and Compensation Committee.

The table below summarizes the compensation of our independent directors and whose compensation is not disclosed in the Summary Compensation Table on page 15 for the fiscal year ended December 31, 2012:

Name	Fees Earned or paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Bill M. Conrad	\$ 144,000	-	-	-	\$ 1,734 <sup>(1)</sup>	\$ 145,734
Isac Burnstein	72,000	-	-	-	1,734 <sup>(1)</sup>	73,734
Tor Falck	72,000	-	-	-	1,734 <sup>(1)</sup>	73,734

(1) The director received one one-ounce gold round and one one-ounce silver round valued together at \$1,734 on the date of gift. All directors are reimbursed for reasonable and necessary expenses incurred in their capacities as such.

### *Communications to the Board of Directors*

Our Board of Directors maintains a policy of reviewing and considering communications from our shareholders. Any shareholder who desires to contact the Board of Directors may do so by fax, telephone, or regular mail to the Board of Directors, c/o Jessica Browne, Corporate Secretary. Shareholders can also send electronic communications to the Board via e-mail to [jessicabrowne@goldresourcecorp.com](mailto:jessicabrowne@goldresourcecorp.com). Such communications may also be forwarded to the Board by mail in a sealed envelope addressed to an individual director, the non-management directors or the Board by mailing to our corporate headquarters in Colorado Springs. We will deliver the envelope unopened (1) if addressed to a director, to such director, (2) if addressed to the Board, to the Chairman of the Board who will report on the contents to the Board, or (3) if addressed to the non-management directors, to the Chair of the Audit Committee who will report on the contents to the non-management directors.

Our directors periodically review communications from shareholders and determine, at their discretion, whether the communication addresses a matter that is appropriate for consideration by the Board. Directors may also attend the annual meeting of shareholders and receive communications directly from shareholders at that time.

### *Board Leadership Structure and Risk Oversight*

The Board does not have a policy regarding the separation of the roles of CEO and Chairman of the Board, as the Board believes it is in the best interest of our Company to make that determination periodically based on the position and direction of our Company and the membership of the Board. The Board has determined that at present, having our CEO serve as Chairman is in the best interest of our shareholders at this time. This structure makes the best use of William Reid's extensive knowledge of our Company and the mining industry, as well as fostering greater communication between management and the Board. The Board does not have a policy that designates a lead independent director at this time; however, Mr. Conrad as Chairman of the Audit Committee, leads meetings of the independent directors.

Companies such as ours face a variety of risks, including financial reporting, legal, credit, liquidity, and operational risk. The Board believes an effective risk management system will (1) timely identify the material risks that we face, (2) communicate necessary information with respect to material risks to senior executives and, as appropriate, to the Board or relevant Board Committee, (3) implement or oversee implementation of appropriate and responsive risk management strategies consistent with our risk profile, and (4) integrate risk management into our decision-making.

The Board as a whole oversees risk management after receiving briefings from management and advisors as well as based on its own analysis and conclusions regarding the adequacy of our risk management processes.

***Director Independence***

As of the date of this proxy statement, we have six directors, including four independent directors, as follows:

William W. Reid;  
Jason D. Reid;  
Bill M. Conrad (independent);  
Isac Burstein (independent);  
Tor Falck (independent); and  
Gary C. Huber (independent).

Mr. Muffly, the individual nominated to succeed Mr. Burstein, would also be considered an independent director upon his election to the Board of Directors. An independent director is a director whom the Board of Directors has determined satisfies the requirements for independence under the Sarbanes Oxley Act of 2002, section 10A(m)(3) of the Exchange Act and under section 803A of the NYSE MKT LLC Company Guide ( NYSE MKT Rules ).

***Board Committees and Meetings***

The Board of Directors presently maintains an Audit Committee and a Compensation Committee. During the year ended December 31, 2012, the Board of Directors met five times, including one non-executive session, and took action by consent in lieu of a meeting on nine other occasions. No director attended less than 75% of the Board meetings held during 2012. All directors attended the 2012 Annual Shareholders Meeting.

*Audit Committee.* The Audit Committee has been established to oversee the accounting and financial reporting of the Company and is currently comprised of Bill Conrad as Chairman, Isac Burstein, Tor Falck and Gary Huber. Each of the Audit Committee members is independent under the NYSE MKT Rules. Among other duties, the Audit Committee is responsible for engaging the independent registered public accounting firm to conduct the financial audit for the Company and to confirm, prior to such engagement, that such independent registered public accounting firm is independent of the Company.

It is the policy of the Audit Committee to review and approve the engagement of the independent auditors, including the scope, extent and procedures of audit and non-audit services to be performed for the Company, the content and results of the audit performed by the auditors and any recommendations made by the auditors and to oversee any other aspects of the engagement of the independent auditors, including but not limited to resolution of disagreements between management and the auditor regarding financial reporting and other audit, review or attest services, and the compensation to be paid therefore, and all other matters the Audit Committee deems appropriate. The Audit Committee also oversees our financial reporting process, and is responsible for drafting an Audit Committee Report to be included with our proxy statement.

Our Board of Directors has determined that Bill Conrad, the Chairman of the Audit Committee, qualifies as an audit committee financial expert, as defined by the applicable regulations of the SEC, in that he has (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more persons engaged in such activities; (iv) an understanding of internal controls over financial reporting; and (v) an

understanding of the audit committee functions. Mr. Conrad acquired these attributes through experience in analyzing financial statements of companies and through his experience as an executive officer and director of other publicly traded companies.

The Audit Committee held six meetings during the last fiscal year and no Audit Committee member attended less than 75% of the meetings. The full responsibilities of the Audit Committee are set forth in its formal written charter, which is available on our web site at [www.goldresourcecorp.com](http://www.goldresourcecorp.com).

*Audit Committee Report.* The Audit Committee of the Board of Directors is pleased to present this Audit Committee Report:

*We have reviewed and discussed the Company's audited consolidated financial statements for the year ended December 31, 2012 with management and have reviewed related written disclosures of StarkSchenkein, LLP, our independent registered public accounting firm for 2012, of the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU Section 380), as amended, with respect to those statements. We have reviewed the written disclosures and the letter from StarkSchenkein, LLP required by Independence Standards Board No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees) and have discussed with StarkSchenkein, LLP its independence in connection with its audit of our most recent financial statements. Based on this review and these discussions, we recommended to the Board of Directors that the financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2012.*

*Bill M. Conrad (Chairman and member)*

*Isac Burstein (member)*

*Tor Falck (member)*

*Gary C. Huber (member)*

*Compensation Committee.* The Compensation Committee, currently comprised of Bill Conrad (Chairman), Isac Burstein, Tor Falck and Gary Huber, is responsible for reviewing and recommending the compensation of our executive officers and directors and making recommendations to the Board regarding our general compensation, benefits, perquisites, policies and practices, including, without limitation, our incentive compensation plans and equity-based compensation plans, and is responsible for drafting a Compensation Committee Report to be included with our proxy statement. Each of the Compensation Committee members meets the definition of independent as defined in the NYSE MKT Rules. The Compensation Committee has adopted a formal charter, a copy of which is available on our website at [www.goldresourcecorp.com](http://www.goldresourcecorp.com).

In performing its functions, the Compensation Committee considers, among other things, the types and amounts of compensation that have been paid to our executives and directors in the recent past, as well as recent individual and overall Company performance. The Compensation Committee held three meetings during the last fiscal year and no Compensation Committee member attended less than 75% of the meetings.

*Compensation Committee Interlocks and Insider Participation.* No member of the Compensation Committee was ever an officer of the Company or served as an employee or participated in a related party transaction during the last fiscal year. No member of the Compensation Committee or executive officer of our Company has a relationship that would constitute an interlocking relationship with executive officers or directors of another entity.

*Board Nominations.* The Board does not maintain an official Nominating Committee as it believes that the nominating function can be overseen by all of our independent directors in light of the Board's relatively small size. There is no formal written charter related to the nominating process. The independent members of the Board are responsible for periodically reviewing the size of the Board, developing criteria for the selection of individuals to be considered as candidates for the Board, identifying individuals that they believe are qualified to

become members of the Board, retaining whenever necessary any third party advisors or search firms to assist in identification of potential candidates, and recommending to the full Board any Director nominees for the next annual meeting of shareholders.

The Board will consider director candidates nominated by shareholders and will apply the same criteria to all nominees, including shareholder recommendations. A shareholder who wishes to recommend a prospective director nominee should send a letter directed to the attention of Jessica Browne, Corporate Secretary, 2886 Carriage Manor Point, Colorado Springs, CO 80906. Such letter must be signed and dated and submitted to us by the date mentioned in this proxy statement under the heading Proposals of Shareholders for Presentation at the Next Annual Meeting of Shareholders. The information required by Regulation 14A of the Securities Exchange Act must be included in or attached to the letter, including but not limited to:

- name and address of the shareholder making the recommendation;
- proof that the shareholder was the shareholder of record, and/or beneficial owner of common stock as of the date of the letter;
- the name, address and resume of the recommended nominee; and
- the written consent of the recommended nominee to serve as a director if so nominated and elected.

Specific minimum qualifications for directors and director nominees which the Board believes must be met in order to be so considered include strategic managerial and financial skills and experience, knowledge in areas that are important to us, exemplary personal integrity and reputation, sound judgment, and sufficient time to devote to the discharge of his or her duties.

If vacancies are anticipated or otherwise arise, the independent members of the Board consider director candidates suggested by members of the Board, management, shareholders and other parties. The Board evaluates new nominees based on criteria including, but not limited to, independence, diversity, age, skills, experience, potential conflicts of interest and time availability. If warranted, the Board may interview the nominee in person or via the telephone. There are presently no differences in the manner in which the independent members of the Board evaluate nominees for Director whether the nominee is recommended by a shareholder or any other party.

#### ***Board Diversity***

We do not have a formal policy with regard to the consideration of diversity in identifying director nominees. However, our independent directors annually review the individual skills and characteristics of our directors, as well as the composition of the Board as a whole, and strive to nominate individuals with a variety of complementary skills so that, as a group, the Board possesses the appropriate talent, skills, and expertise to oversee our businesses. This assessment includes consideration of independence, diversity, age, skills, expertise, time availability, and industry backgrounds in the context of the needs of the Board and our Company. A broad range of perspectives are considered, including both the personal characteristics (gender, ethnicity, age) and experience (industry, professional, public service) of directors and prospective nominees to the Board.

#### **Vote Necessary to Approve Proposal 1; Board Recommendation**

If a quorum is present at the meeting, directors are elected by a plurality of votes (*i.e.*, the six candidates receiving the highest number of votes will be elected to the Board of Directors). You may vote for all of the nominees as directors, or withhold your vote from any or all of the nominees as directors. Each share of common stock is entitled to one vote on this proposal. There is no cumulative voting for directors. **The Board of Directors unanimously recommends a vote FOR all the nominees listed above, and proxies solicited by the Board of Directors will be so voted in the absence of instructions to the contrary.**

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**PROPOSAL 2**
**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC****ACCOUNTING FIRM**

The second proposal is to ratify the selection of KPMG LLP ( KPMG ) to serve as the Company's independent registered public accounting firm for the year ending December 31, 2013. On March 18, 2013, the Audit Committee appointed KPMG LLP to replace StarkSchenkein, LLP ( StarkSchenkein ), the firm that served as our independent registered public accounting firm since 2005. Neither KPMG nor StarkSchenkein, any of its respective members nor any of their associates, has or has had during its tenure with us, any financial interest in the business or affairs, direct or indirect, or any relationship with us other than in connection with its duties as our independent auditors. Representatives of KPMG LLP are expected to be present at the annual meeting to respond to shareholders' questions and to make any statements they consider appropriate. It is not anticipated that representatives of StarkSchenkein will be present at the annual meeting.

Ratification by our shareholders of the selection of KPMG as our independent registered public accounting firm is not required by applicable law, our articles of incorporation, our bylaws or otherwise. However, our Board of Directors is submitting the selection of KPMG to our shareholders for ratification as a matter of good corporate practice. If our shareholders fail to ratify this selection, our Audit Committee will reconsider whether to retain that firm. Even if the selection is ratified, our Audit Committee in its discretion may direct the selection of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its shareholders.

***Fees Paid to Independent Auditors***

The following table sets forth the fees that we paid or accrued to StarkSchenkein during 2012 and 2011 for services rendered in connection with our annual audits and quarterly reviews, as well as for any other non-audit services provided by the firm:

	<b>2012</b>	<b>2011</b>
Audit Fees	\$ 244,223	\$ 90,900
Audit Related Fees	102,610	89,956
Tax Fees	31,825	26,830
All Other Fees	-	-
<b>Total Fees</b>	<b>\$ 378,658</b>	<b>\$ 207,686</b>

**Audit Fees.** This category includes the audit of our annual financial statements; review of financial statements included in our quarterly reports on Form 10-Q, the audit of management's assessment of the effectiveness as well as the audit of the effectiveness of our internal control over financial reporting included in our Form 10-K for fiscal 2012 as required by Section 404 of the Sarbanes-Oxley Act of 2002; and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for those fiscal years.

**Audit-Related Fees.** This category consists of assurance and related services provided by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under Audit Fees.

**Tax Fees.** This category consists of professional services rendered by the independent registered public accounting firm primarily in connection with our tax compliance activities, including the preparation of tax returns and technical tax advice related to the preparation of tax returns.

**All Other Fees.** This category consists of fees for other corporate services that are not included in the other categories of fees.

***Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm***

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. The independent registered public accounting firm is required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with such pre-approval.

During fiscal 2012 and 2011, the Audit Committee approved in advance all audit and non-audit services to be provided by StarkSchenkein. The Audit Committee has determined that the non-audit services rendered by StarkSchenkein during fiscal 2012 and fiscal 2011 were compatible with maintaining the independence of the respective independent registered public accounting firms.

***Change in Accountants***

As previously disclosed in a Current Report on Form 8-K filed with the SEC on March 19, 2013, on March 18, 2013, our Audit Committee dismissed StarkSchenkein after reviewing alternative engagements of independent registered public accounting firms, including the continued engagement of StarkSchenkein. The audit reports of StarkSchenkein on the consolidated financial statements of the Company and its subsidiaries as of and for the years December 31, 2012 and 2011, did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. The decision to change accountants was approved by our Audit Committee. During the two fiscal years ended December 31, 2012 and 2011, and the subsequent interim period through March 18, 2013, there were no (1) disagreements between us and StarkSchenkein on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference thereto in their reports on the consolidated financial statements for such years, or (2) reportable events as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

On March 18, 2013, our Audit Committee engaged KPMG to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2013, effective immediately. During the two most recent years ended December 31, 2012 and 2011, and the subsequent interim period through March 18, 2013, the Company has not consulted with KPMG regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and no written report or oral advice was provided to the Company by KPMG that was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was the subject of a disagreement (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and related instructions) or a reportable event (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

***Vote Necessary to Approve Proposal 2: Board Recommendation***

If a quorum is present at the meeting, the affirmative vote of a majority of the votes cast in person or by proxy at the annual meeting is required for the ratification of the appointment of the independent registered public accounting firm. Each share of common stock is entitled to one vote on this proposal. **The Board of Directors recommends a vote FOR the ratification of appointment of KPMG LLP as the independent registered public accounting firm, and proxies solicited by the Board of Directors will be so voted in the absence of instructions to the contrary.**



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**EXECUTIVE COMPENSATION*****Our Executive Officers***

In addition to William Reid (CEO) and Jason Reid (President), who also serve as members of our Board of Directors and whose biographical information is disclosed under the heading **Directors**, our named executive officers as of the date of this proxy statement and former named executive officers who are listed in the Summary Compensation Table below include the following individuals:

***Bradley J. Blacketor.*** Brad Blacketor, age 54, has served as our full-time Chief Financial Officer since May 8, 2012 and was appointed Treasurer in January 2013. Mr. Blacketor served as the Chief Financial Officer of Bear Creek Mining Corporation (TSX-V: BCM) from February 2011 until May 2012. Prior to that, he served in various capacities with Metallica Resources Inc. (TSX: MR / NYSE MKT: MRB) from April 1997 to May 2009, including as its Vice President, Secretary and Chief Financial Officer prior to the company's merger with New Gold Inc. (TSX: NGD / NYSE MKT: NGD). He provided financial consulting services from May 2009 until February 2011 and was part-time CFO of Mundoro Capital Inc. (TSX-V: MUN) from March 2010 until March 2011. Mr. Blacketor has served as a director of Kaminak Gold Corporation (TSX-V: KAM) since February 2013. Mr. Blacketor is a CPA who began his career in public accounting principally with Touche Ross & Co. in Denver, Colorado. He received his MBA from Colorado State University and Bachelor of Science degree in Business Administration with distinction from Indiana University.

***Richard M. Irvine.*** In March 2012, the Company entered into a contract services agreement with Rick Irvine, age 49, to supervise the mining operations in Mexico, evaluate other property opportunities in Mexico and globally. Although Mr. Irvine was not initially considered an executive officer, in January 2013, the Board determined Mr. Irvine is performing duties consistent with that of an executive officer, including acting in a policy-making function. Prior to joining the Company, Mr. Irvine was the General Manager for Goldgroup Mining Inc. (TSX: GGC) at the Caballo Blanco project in Veracruz, Mexico since April 2011. From November 2009 to March 2011, he was based in Lima, Peru where he served as Country Manager for Minera Huallanca S.A., a mining company operating two underground mines in Peru and he oversaw the sale of these operations to Nyrstar SA (EUR: NYR.BR). From August 2008 to November 2009, he served as General Manager of Farallon Mining Ltd. (TSX: FAN) in Guerrero, Mexico. From October 2007 to September 2008, he served as Vice President and General Manager with Coeur d'Alene Mines Corporation (NYSE: CDE) where he supervised the San Bartolome project in La Paz, Bolivia. From December 2006 to October 2007, he was Manager of Operations for Pan American Silver Corporation (NASDAQ: PAAS / TSX: PAAS) and oversaw the design and development of the Manantial Espejo project in Argentina. Mr. Irvine has over 20 years of experience in the mining industry, including experience as a mine engineer and mine supervisor. Mr. Irvine received a Bachelor's degree in Geology in 1987 from the University of New Brunswick Fredericton and a Bachelor's degree in Mining Engineering in 1990 from Queen's University Kingston, Ontario.

***Barry D. Devlin.*** Barry Devlin, age 55, joined the Company in January 2013 as Vice President of Exploration. From May 2007 through December 2012, he was Vice President, Exploration with Endeavor Silver Corp. (NYSE: EXK, TSX: EDR), a silver mining company with operations in Mexico. Mr. Devlin has more than 30 years of professional experience in managerial phases of exploration and mine geology. He has participated in the discovery, acquisition and development of numerous mineral deposits in North and South America. Prior to his tenure at Endeavor Silver Corp., he served in various capacities with Hecla Mining Company (NYSE: HL) from May 1990 to April 2007, including as its Generative Exploration Manager, Exploration Manager Guyana Shield, and Senior Geologist. Prior to joining Hecla Mining Company, Mr. Devlin worked as a project geologist for various U.S. and Canadian entities. Mr. Devlin is a member of the Association of Professional Engineers and Geoscientists of British Columbia, Fellow of the Geological Association of Canada, and member of the Society of Economic Geologists. He received his Bachelor of Science Degree in Geology (with honors) in 1981 and Masters of Science Degree in Geology in 1987, both from the University of British Columbia, Vancouver, British Columbia.

*Jessica M. Browne.* Jessica Browne, age 36, joined the Company in June 2011 as its in-house counsel and was appointed Corporate Secretary in January 2013. From 2002 until June 2011, Ms. Browne was in private practice at two Denver area law firms, focusing her practice on mergers and acquisitions, general corporate and securities law. Ms. Browne received a Masters of Science Degree in Taxation Law from the University of Denver in 2005, a Juris Doctor from the University of Colorado School of Law in 2001 and a Bachelor in Science in Business Administration summa cum laude in 1997 from the University of Texas Dallas.

*David C. Reid.* David Reid, age 63, is a co-founder of the Company and served as our Vice President of Exploration, Secretary and Treasurer until his retirement in January 2013. From 1977 to August 18, 2005, he was a co-founder, vice president and director of US Gold Corporation, now known as McEwen Mining Inc. Mr. Reid has 40 years of experience in the mining industry, including experience as a geologist, mine finder, mine developer, mine financier and mine operator. Mr. Reid received a Bachelor of Science degree in geology from Ball State University in 1972.

*Paul E. Oberman.* Paul Oberman, age 67, served as our Chief Financial Officer on a contract basis from June 15, 2011 until Mr. Blacketer transitioned to the Company full-time in May 2012. Mr. Oberman founded C Squared Solutions, LLC in December 2011. He was previously a partner in Catapult CFO Partners, LLC from May 2009. He served as a partner of Tatum, LLC, a predecessor to Catapult CFO Partners, from May 2002 to April 2009. Each of these firms provide executive level financial services to private and publicly-held companies and in this capacity, Mr. Oberman served as interim CFO for several organizations, including an international franchising operation and oil and gas exploration, development and production company. Prior to joining Tatum, LLC, Mr. Oberman served as CFO for Great American, LLC, the DeRose Companies and ERIC Group, Inc., Vice President of Accounting at M.D.C. Holdings, Inc. (NYSE: MDC), Vice President of Finance at Desks Incorporated and Striker Petroleum Corporation, and Controller of Houston International Minerals Corporation. He began his career at the international accounting firms of KPMG and Deloitte & Touche and received both Master's and Bachelor's degrees in Business Administration from the University of Michigan.

Our officers serve at the pleasure of the Board of Directors.

### ***Compensation Discussion and Analysis***

The individuals who served as our principal executive officer and principal financial officer during the year ended December 31, 2012, as well as the other individuals included in the Summary Compensation Table below, are referred to as named executive officers throughout this Compensation Discussion and Analysis.

*Overview of Compensation Philosophy, Objectives and Policies.* We attempted to meet two main objectives when we designed our executive and employee compensation. First, the program is intended to be fully competitive so that we may attract, motivate and retain talented executives and key employees. Second, the program is intended to create an alignment of interests between our executives and key employees, on the one hand, and our shareholders, on the other, such that a portion of each executive's or key employee's compensation consists of equity awards. In this manner, if the price of our stock increases over time, our executive officers, key employees and our shareholders will benefit. The compensation program is designed to reward performance that supports our principles of building shareholder value, and may also recognize individual performance from time to time. The Compensation Committee is vested with the authority to review and recommend the compensation program structure and level of compensation for the executive officers, directors and key employees of our Company.

Our present compensation structure for the named executive officers generally consists of salary and incentive compensation. The incentive component consists of a short-term cash portion and a long-term equity portion. We believe the present structure achieves our compensation objectives; however, the Compensation Committee continues to consider additional ways to ensure consistency and enhance our Company's compensation program and may add additional components or policies in order to assist our Company in achieving its compensation goals more effectively or efficiently. We believe that the present compensation structure appropriately aligns the interests of the executives and key employees with our shareholders by

encouraging equity ownership through awards of stock options and stock grants to executive officers and key employees and to motivate our named executive officers and other key employees to contribute to an increase in shareholder value. While equity ownership is highly encouraged, we do not presently have a policy that requires our named executive officers or directors to own shares of our stock.

Annually the Compensation Committee reviews and recommends to the Board the level of compensation for the named executive officers and key employees. Our CEO reports to the Committee regarding the individual performance of the other named executive officers. Additionally, the Committee considers recommendations from the named executive officers regarding incentive compensation for key employees who report to that executive officer.

*Elements and Mix of Compensation.* The Compensation Committee does not utilize an exact calculation in determining the breakdown of executive compensation among base pay, bonus pay and other forms of compensation; rather, the Compensation Committee takes into consideration all forms of compensation together. When making decisions about individual compensation packages, our consideration of base salary ranges for the named executive officers is primarily based upon negotiations with that officer, taking into consideration work experience, individual and overall Company performance, level of responsibility, impact on the business, tenure, potential for advancement within the organization and the potential liability of being an officer of a public corporation. Annual salaries for newly-hired executives are determined at the time of hire taking into account the above factors other than tenure. Changes in an executive's base salary may also take into consideration recent compensation, including bonuses and equity-based compensation.

Cash bonuses are a form of short-term incentive compensation which may be recommended by the Compensation Committee at its discretion, based on individual and overall Company performance. There is no specific bonus plan or policy in place setting forth timing of awards or establishing specific performance objectives. The Compensation Committee, at its discretion, determines and recommends the amounts and timing of any bonus awards. If applicable, and at the sole discretion of the Compensation Committee, a merit-based bonus may be recommended based on criteria such as exceptional individual and overall Company performance, assuming additional responsibility without an increase in base compensation, or such other criteria which the Compensation Committee may determine from time to time.

The long-term equity compensation component of our compensation program is comprised of equity awards and makes up a significant part of our named executive officers' compensation package. Under our Non-Qualified Stock Option and Stock Grant Plan ( Plan ), we are authorized to issue non-qualified stock options, to make grants of stock and award grants of restricted stock to the officers, directors and key employees of our Company, including the named executive officers. There is no specific policy or procedure in place setting forth the timing or amount of awards, although the outstanding awards and future compensation are reviewed at least annually. The Compensation Committee, at its discretion, determines and recommends the amounts and timing of any equity awards. The stock options are priced based on the closing market price of our common stock on the grant date, which is the date the Board approves the award. The Board may, in its discretion, modify existing stock option awards without shareholder consent under the terms of the Plan.

Additional benefits provided to executive officers and key employees as part of their compensation packages include health insurance and health expense reimbursement. A 401(k) retirement plan was established in 2012. To the extent the named executive officers participate in these programs, they do so generally on the same basis as our other employees. We believe these benefits are generally consistent with those offered by other companies with which we compete for executive talent. Our named executive officers do not receive perquisites and we do not maintain any non-equity incentive plans, other than our cash bonus incentives described previously, nor do we maintain any deferred compensation plans.

The compensation for our directors is structured similar to that of our named executive officers. Specifically, our directors receive a combination of cash and equity incentives in the form of stock grants or options to purchase our common stock. The Compensation Committee reviews the form and amount of such compensation periodically to ensure that it is competitive and meeting our objectives discussed above.

*Consideration of 2011 Say-on-Pay Vote.* At our 2011 Annual Meeting of Shareholders held on June 21, 2011, over 98% of votes cast were in favor of the proposal to approve an advisory resolution regarding the 2010 compensation program for our named executive officers (say-on-pay vote). The Compensation Committee believes this result is an indication that a vast majority of our shareholders are satisfied with our executive compensation policies and decisions, and that our executive compensation program effectively aligns the interests of our named executive officers with the interests of our shareholders. The Compensation Committee considered the results of the 2011 say-on-pay vote, and no changes were deemed necessary regarding the determination of executive compensation for 2013. We will continue to consider the outcome of our say-on-pay vote results when determining future compensation policies and pay levels for our named executive officers.

An advisory vote also was held on the frequency of the say-on-pay proposal. As recommended by the Board, stockholders expressed their preference for an advisory vote on executive compensation every three years, and we have implemented that recommendation.

*Specific Compensation Decisions.* Each of our named executive officers receives an annual salary under the terms of his respective employment agreement or contractual agreement. In addition, each of our named executive officers has received stock options as part of his current compensation package, with the exception of Mr. Oberman, our former CFO.

The Company experienced several operational challenges during 2012 and which resulted in lower mineral production and sales than originally projected. As a result of these challenges, the Compensation Committee generally felt that discretionary cash bonuses for the named executive officers and directors consistent with prior years awards were not appropriate during 2012 in light of these events. However, the Compensation Committee recognized the significant individual contributions of Mr. Irvine and Mr. Blacketor since joining the Company during 2012 and recommended a discretionary cash bonus for each. The Compensation Committee believed that the level of bonuses was appropriate based on past awards to executive-level employees. The Board approved the bonuses and each was paid in two installments, with one-half paid on or before December 31, 2012 and the remainder paid on March 31, 2013.

In August 2012, we completed a stock option repricing program under which employees holding options with exercise prices in excess of the then-current market price were eligible to participate (the Repricing Transaction). The program included Messrs. Blacketor and Irvine who joined the Company during 2012 and whose option awards were priced in excess of the new option price. In connection with the Repricing Transaction, participating employees agreed to cancel their outstanding unexercised stock options in exchange for a new award consisting of an equal number of replacement options at a lower exercise price of \$17.64 per share and subject to a new three-year vesting period. We initiated the Repricing Transaction because substantial declines in the market price of our common stock had reduced the performance and retention incentives provided by the equity award element of our compensation philosophy and objectives. All but one of our employees holding stock options with exercise prices greater than \$17.64 per share participated in the Repricing Transaction, including Messrs. Blacketor and Irvine. The effect of the Repricing Transaction on the compensation for these named executive officers is illustrated in the Grants of Plan-Based Awards table below and discussed in the narrative following the table.

In connection with David Reid's retirement effective February 1, 2013, we entered into a 12 month consulting agreement with him to continue a smooth transition in the exploration department. Mr. Reid receives \$5,000 per month under this agreement. In addition, the Compensation Committee approved a retirement package for Mr. Reid consisting of a one-time payment of \$500,000. The Compensation Committee believed this was appropriate in view of the fact that Mr. Reid is a co-founder of the Company and without his hard work over many years, including his discovery of the largest vein system to date at the El Aguila property, the Company would not have achieved the same level of success.

**Compensation Committee Report**

The Compensation Committee is pleased to present the following Compensation Committee report:

*We have reviewed and discussed with management the Compensation Discussion and Analysis set forth in this proxy statement. Based upon review of the discussions herein, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.*

*Respectfully submitted,*

*Bill M. Conrad (Chairman and member)*

*Isac Burstein (member)*

*Tor Falck. (member)*

*Gary C. Huber (member)*

**Executive Compensation**

The following table summarizes the total compensation of our named executive officers, including the individuals serving as our principal executive officer and principal financial officer and our other executive officers serving in such capacity during 2012:

**2012 Summary Compensation Table**

Name and Principal Position (a)	Year (b)	Salary (c)	Bonus (d)	Option Awards <sup>(6)</sup> (f)	Non-Equity Incentive Plan Compensation (g)	All Other Compensation (i)	Total (j)
William W. Reid, Chairman and Chief Executive Officer <sup>(1)</sup>	2012	\$ 600,000	\$ -	\$ -	\$ -	\$ 25,213 <sup>(7)</sup>	\$ 625,213
	2011	600,000	600,000	-	-	-	1,200,000
	2010	450,000	600,000	-	-	-	1,050,000
Bradley J. Blacketor, Chief Financial Officer and Treasurer <sup>(2)</sup>	2012	166,667	171,962	3,388,030	-	25,213 <sup>(7)</sup>	3,751,872
Paul E. Oberman, Chief Financial Officer <sup>(3)</sup>	2012	-	-	-	-	25,200 <sup>(8)</sup>	25,200
	2011	-	12,700	-	-	81,825 <sup>(8)</sup>	94,525
Jason D. Reid, President and Director <sup>(1)</sup>	2012	425,000	-	-	-	19,713 <sup>(9)</sup>	444,713
	2011	362,501	425,000	-	-	-	787,501
	2010	225,000	300,000	-	-	-	525,000
Richard M. Irvine, Chief Operating Officer <sup>(4)</sup>	2012	275,000	239,516	4,122,103	-	1,734 <sup>(10)</sup>	4,638,353
David C. Reid, Vice President, Secretary and Treasurer <sup>(5)</sup>	2012	424,000	-	-	-	25,213 <sup>(7)</sup>	449,213
	2011	424,000	424,000	-	-	-	848,000
	2010	318,000	424,000	-	-	-	742,000

(1) The executive officer did not receive additional compensation for his service as a director of the Company.

(2) Mr. Blacketor joined the Company full-time in May 2012.

(3) Mr. Oberman served as an independently contracted CFO on a part-time basis from June 2011 until May 2012 and received fees based on an hourly rate structure.

(4) Mr. Irvine joined the Company in March 2012.

(5) David Reid retired from the Company effective February 1, 2013.

(6) Valued using the Black-Scholes-Merton option pricing model. Please refer to Note 13 to the consolidated financial statements dated December 31, 2012, 2011 and 2010 included in our Annual Report for certain assumptions made in connection with these estimates.

(7)

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Represents \$22,500 in Company contributions to the named executive officer's account in the Company's 401(k) plan, one one-ounce gold round and one one-ounce silver round valued together at \$1,734 on the date of gift and a \$979 gross-up payment to reimburse the individual for income tax liability attributable to the gift.

- (8) Reflects the aggregate hourly fees received pursuant to the individual's contract for services.
- (9) Represents \$17,000 in Company contributions to the named executive officer's account in the Company's 401(k) plan, one one-ounce gold round and one one-ounce silver round valued together at \$1,734 on the date of gift and a \$979 gross-up payment to reimburse the individual for income tax liability attributable to the gift.
- (10) Represents one one-ounce gold round and one one-ounce silver round valued together at \$1,734 on the date of gift.

**Employment Agreements.** We maintain written employment agreements with each of our named executive officers except our former CFO. The employment agreements have a three year term from their effective date and are automatically renewable for subsequent one-year terms on each successive anniversary of the commencement of employment unless either party gives notice to the other that they do not wish to renew the agreement, provided such notice is given not less than 120 days prior to expiration. In accordance with the terms of the employment agreements, each named executive officer receives his respective base salary and is eligible for a cash bonus in the discretion of the Compensation Committee. In 2012, the base salary amounts pursuant to these agreements were \$600,000 for William Reid, \$425,000 for Jason Reid, \$424,000 for David Reid, \$300,000 for Rick Irvine and \$250,000 for Brad Blacketor. Base salaries may be increased from time to time in the discretion of the Compensation Committee.

**Change in Control.** Pursuant to the terms of the aforementioned employment agreements, our named executive officers would be entitled to certain payments in the event their employment is terminated under certain circumstances. If we terminate the agreement without cause, or if the executive officer terminates the agreement with good reason, we would be obligated to pay thirty-five months of compensation in accordance with our regular pay schedule. Termination by an executive officer with good reason includes a change in control.

### 2012 Grants of Plan-Based Awards

The named executive officers who joined the Company during 2012 each received an award of stock options under the Company's Amended and Restated Non-Qualified Stock Option and Stock Grant Plan. None of these awards are subject to performance targets and each grant is subject to a three year vesting schedule. The Company does not maintain any non-equity incentive compensation plans. The table below shows certain information regarding grants of plan-based awards to those named executive officers during fiscal 2012:

Name (a)	Grant Date (b)	All other option awards:		Grant date fair value of stock and option awards (\$) <sup>(1)</sup> (l)
		Number of securities underlying options (#) (j)	Exercise or base price of option awards (\$/Sh) (k)	
Bradley J. Blacketor	3/16/2012	240,000	\$ 23.75	\$ 3,127,777
	8/14/2012	240,000	17.64	3,388,030
Richard M. Irvine	3/12/2012	300,000	23.30	3,817,019
	8/14/2012	300,000	17.64	4,122,103

(1) The amounts shown represent the aggregate fair value of the award calculated as of the grant date in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 13 to the consolidated financial statements dated December 31, 2012, 2011 and 2010 included in our Annual Report to Shareholders included with this proxy statement. As discussed in Compensation Discussion and Analysis above, the original option award was cancelled and a replacement option award was reissued on August 14, 2012. The grant date fair value of the stock option award on August 14, 2012 represents the fair value of the original award, plus the incremental fair value attributable to the replacement award.

In connection with joining the Company in 2012, each of Messrs. Blacketor and Irvine received a stock option award. Mr. Blacketor received 240,000 options to purchase our common stock for \$23.75 per share, vesting in equal installments over three years from the grant date. Mr. Irvine received 300,000 stock options to purchase our common stock for \$23.30 per share, with 50,000 options vesting six months from the grant date, 50,000 options vesting on the first anniversary of the grant date, and the remaining amount vesting in equal installments on each subsequent anniversary of the grant date.

As discussed in the Compensation Discussion and Analysis above, the Company commenced a Repricing Transaction in August 2012 whereby employees holding stock options with exercise prices in excess of \$17.64 per share were eligible to cancel his or her outstanding unexercised stock options and receive the same number of

stock options at the lower exercise price, subject to a new three-year vesting period. Brad Blacketor and Rick Irvine were two of our named executive officers who were eligible to participate in the Repricing Transaction and did so on the same basis as all employees.

### *Outstanding Equity Awards at 2012 Fiscal Year-End*

The following table summarizes the outstanding equity awards of our named executive officers at the fiscal year ended December 31, 2012:

Name	Option Awards					Stock Awards				Equity Incentive Plan Awards: Market or Payout Value of Units or Other Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options Exercisable <sup>(1)</sup> (#)	Number of Securities Underlying Unexercised Options <sup>(2)</sup> (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares Or Units That Have Not Vested (#)	Other Rights That Have Not Vested (#)		
William W. Reid	400,000	0	0	0.25	10/9/2013	-	-	-	-	
William W. Reid	400,000	0	0	0.25	4/22/2014	-	-	-	-	
William W. Reid	250,000	0	0	3.40	2/22/2018	-	-	-	-	
William W. Reid	300,000	0	0	3.95	4/23/2019	-	-	-	-	
David C. Reid	400,000	0	0	0.25	10/9/2013	-	-	-	-	
David C. Reid	200,000	0	0	0.25	4/22/2014	-	-	-	-	
David C. Reid	250,000	0	0	3.40	2/22/2018	-	-	-	-	
David C. Reid	250,000	0	0	3.95	4/23/2019	-	-	-	-	
Jason D. Reid	400,000	0	0	3.40	2/22/2018	-	-	-	-	
Jason D. Reid	200,000	0	0	3.95	4/23/2019	-	-	-	-	
Bradley J. Blacketor	0	240,000	0	17.64	8/14/2022	-	-	-	-	
Richard M. Irvine	0	300,000	0	17.64	8/14/2022	-	-	-	-	

(1) Each stock option award vested immediately on the grant date.

(2) The awards vest as follows: one-third on August 14, 2013, one-third on August 14, 2014 and one-third on August 14, 2015.

### *2012 Option Exercises and Stock Vested*

There were no options exercised by or stock awards vested for any named executive officer during the year ended December 31, 2012, thus the Option Exercises and Stock Vested table is omitted from this Proxy Statement.

### *Code of Ethics*

We maintain a written Code of Ethics, a copy of which is available on our website at [www.goldresourcecorp.com](http://www.goldresourcecorp.com).

### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and persons who beneficially own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Executive officers, directors and beneficial owners of greater than ten percent of our common stock are required by regulations of the SEC to furnish us with copies of all Section 16(a) reports they file. To our knowledge, based solely upon a review of the copies of such reports furnished to us, no such person failed to file on a timely basis any report required by such section during fiscal 2012.





**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

**AND MANAGEMENT**

As of April 29, 2013, there are a total of 53,279,369 shares of our common stock outstanding, our only class of voting securities currently outstanding. The following table describes the beneficial ownership of our voting securities as of April 29, 2013 by: (i) each of our directors, director nominees and named executive officers; (ii) all of our directors, director nominees, and officers (whether or not named executive officers) as a group; and (iii) each shareholder known to us to own beneficially more than 5% of our common stock. Unless otherwise stated, the address of each of the individuals is our address, 2886 Carriage Manor Point, Colorado Springs, CO 80906. All ownership is direct, unless otherwise stated.