ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

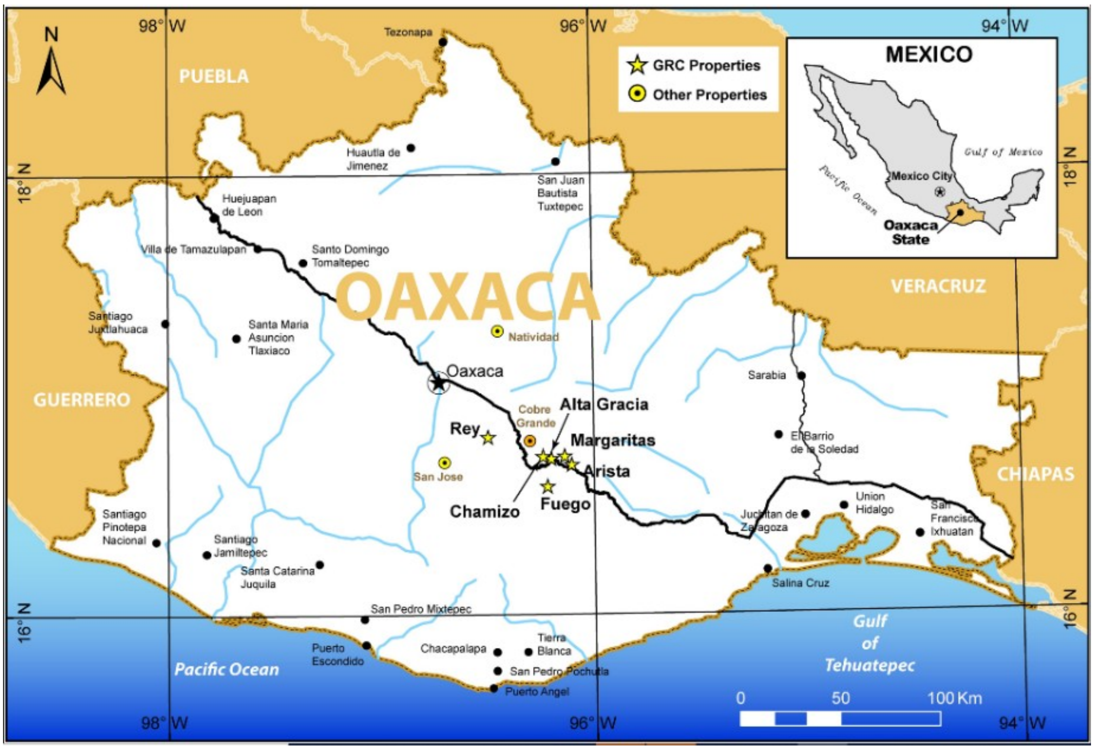
The following discussion summarizes the results of operations of Gold Resource Corporation and its subsidiaries ("we", "our", or "us") for the three and nine months ended September 30, 2022 and compares those results with the three and nine months ended September 30, 2021. It also analyzes the Company's financial condition as of September 30, 2022 and compares it to the financial condition as of December 31, 2021. This discussion should be read in conjunction with management's discussion and analysis and the audited consolidated financial statements and footnotes for the year ended December 31, 2021 contained in our annual report on Form 10-K.

The discussion also presents certain non-GAAP financial measures that are important to management in its evaluation of our operating results, and which are used by management to compare our performance with what we perceive to be peer group mining companies and are relied on as part of management's decision-making process. Management believes these measures may also be important to investors in evaluating our performance. For a detailed description of each of the non-GAAP financial measures and a reconciliation to GAAP financial measures, please see the discussion under "*Non-GAAP Measures*".

See *Forward-Looking Statements* at the end of this Item 2 for important information regarding statements contained herein.

Overview

Gold Resource Corporation is a mining company that pursues gold and silver projects that are expected to achieve both low operating costs and high returns on capital. The Don David Gold Mine currently has six projects with the primary mineral production coming from the Arista underground mine. This mine supplies ore to our processing facilities to produce gold and silver doré and copper, lead, and zinc concentrates which also contain gold and silver.



The Back Forty Project, when developed, is expected to produce gold and silver doré and copper and zinc concentrates bearing gold and silver. The feasibility study work progressed during the third quarter of 2022. Work related to metallurgy and the economic model is expected to continue into 2023. Permit applications will not be submitted with state agencies in Michigan until the completion of the feasibility study. The Company has formed an integrated project team to optimize the feasibility study, related mine plan, and to ensure a positive long-term impact on the environment and host communities.


Field safety inspection underground

Focusing on a zero-harm workplace for our employees, the environment, and our local communities has resulted in a deliberate but temporary slowdown of the Company's underground development, exploration drilling, and production rate of tonnes processed by the mill.

Safety audits and minor ground failures identified additional training, and a renewed focus on safety was required related to ground support and ventilation. Additionally, the safety audits identified that the ground water conditions were starting to corrode some of the ground support, so an effort was initiated to replace the bolts to further improve the safety of the mine.

This deliberate and disciplined approach to safety has also helped to identify opportunities to deploy new ground support and mining methods. The slowdown of mine development and exploration is expected to initially impact the timing of the Mineral Resources and Mineral Reserves update which is now expected in the first half of 2023.

The team at Gold Resource Corporation holds itself accountable to the highest environmental, social, and governance standards. Our commitment to acting responsibly and delivering excellence in sustainability allows us to deliver benefits to all our stakeholders, including our employees and local communities.

COVID-19 Pandemic

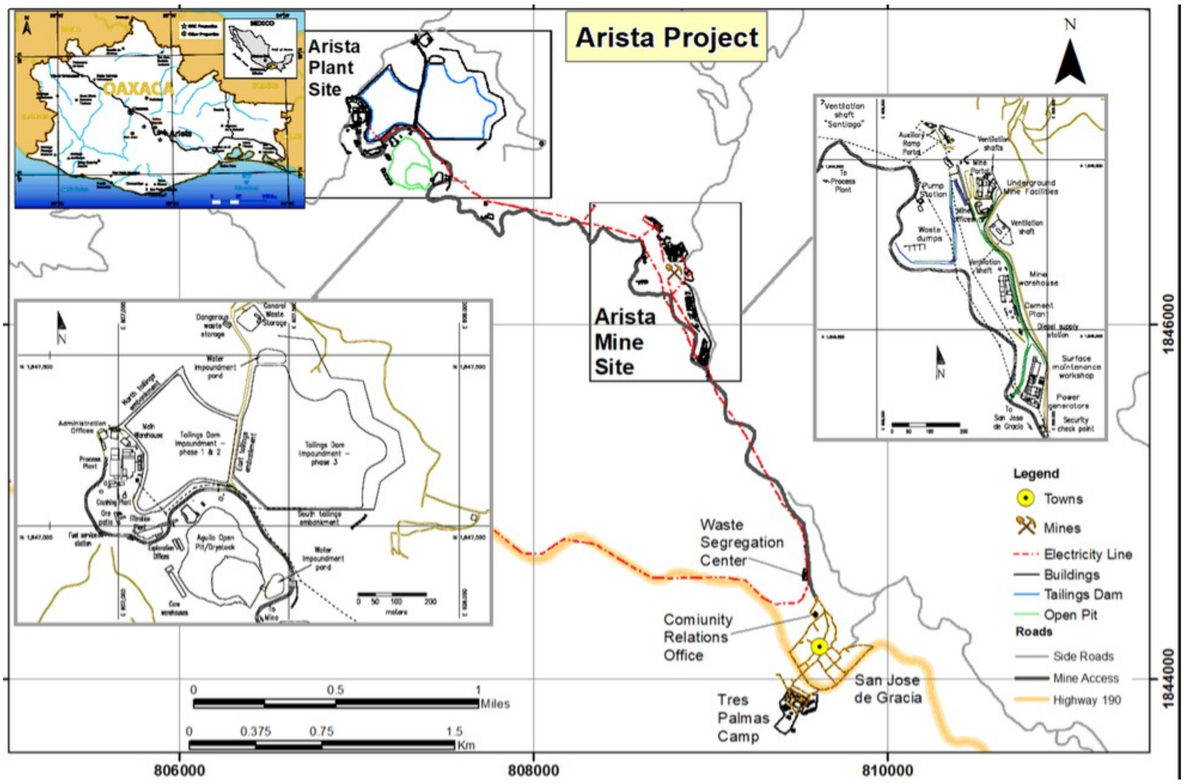
The Company continues to protect the health and safety of our employees, contractors, and communities by taking precautionary measures, including specialized training, social distancing, and close monitoring of national and regional COVID-19 impacts and governmental guidelines. Since our non-mining workforce is able to work remotely with the benefit of technology, we are able to maintain our operations and internal controls over financial reporting and disclosures.

As of the date of the issuance of these unaudited Condensed Consolidated Interim Financial Statements, there have been no other significant impacts, including impairments, to the Company's operations and financial statements. However, the long-term impact of the COVID-19 outbreak on the Company's results of operations, financial position, and cash flows will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's results of operations, financial position, and cash flows may be materially adversely affected. The Company is not able to estimate the duration of the pandemic and potential impact on its business if disruptions or delays in business developments and shipments of product occur. In addition, a severe prolonged economic downturn could result in a variety of risks to the business, including a decreased ability to raise additional capital when and if needed on acceptable terms, if at all. As the situation continues to evolve, the Company will continue to monitor market conditions closely and respond accordingly. The Company has completed various scenario planning analyses to consider potential impacts of COVID-19 on its business, including volatility in commodity prices, temporary disruptions and/or curtailments of operating activities (voluntary or involuntary). The Company believes that current working capital balances will be sufficient for the foreseeable future, although there is no assurance that will be the case.

Results of Operations

Don David Gold Mine

Mine activities during the first three quarters of 2022 included development and ore extraction from the Arista mine. The below map is the site layout of the Arista mine and plant site.



The following table summarizes certain production statistics about our Don David Gold Mine for the periods indicated:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Arista Mine				
Milled				
Tonnes Milled	110,682	97,806	375,367	351,572
Grade				
Average Gold Grade (g/t)	1.98	2.68	2.57	2.04
Average Silver Grade (g/t)	80	91	75	82
Average Copper Grade (%)	0.37	0.37	0.37	0.39
Average Lead Grade (%)	1.59	2.29	1.86	1.84
Average Zinc Grade (%)	4.21	4.79	4.38	4.20
Recoveries				
Average Gold Recovery (%)	82.9	82.0	84.3	81.2
Average Silver Recovery (%)	91.3	93.0	92.7	92.4
Average Copper Recovery (%)	72.8	68.4	75.0	74.7
Average Lead Recovery (%)	71.0	71.4	76.3	75.4
Average Zinc Recovery (%)	83.7	73.9	83.5	76.1
Combined				
Tonnes Milled (1)	110,682	98,010	376,625	366,580
Tonnes Milled per Day (2)	1,361	1,353	1,492	1,495
Metal production (3)				
Gold (ozs.)	5,851	6,933	26,355	19,585
Silver (ozs.)	261,256	265,829	842,636	869,418
Copper (tonnes)	296	284	1,030	1,093
Lead (tonnes)	1,249	1,808	5,342	5,199
Zinc (tonnes)	3,901	3,920	13,745	11,980
Metal produced and sold (3)				
Gold (ozs.)	5,478	5,809	22,605	16,525
Silver (ozs.)	225,012	255,394	722,041	778,776
Copper (tonnes)	282	268	976	1,015
Lead (tonnes)	1,056	1,550	4,450	3,940
Zinc (tonnes)	2,943	3,059	10,892	9,386
Percentage payable metal (3)				
Gold (%)	94	84	86	84
Silver (%)	86	96	86	90
Copper (%)	95	94	95	93
Lead (%)	85	86	83	76
Zinc (%)	75	78	79	78

(1) Combined tonnes milled in the first, second, and third quarter of 2021 included 11,577 tonnes, 3,227 tonnes, and 204 tonnes from the Open Pit Mine, respectively. The Open Pit Mine is no longer in production. Additionally, Q1 and Q2 2022 combined tonnes milled includes 1,043 and 215 purchased tonnes, respectively, related to an environmental initiative with a local community. There were no purchased tonnes processed in the third quarter of 2022.

(2) Based on actual days the mill operated during the period.

(3) The difference between what we report as "Metal production" and "Metal produced and sold" is attributable to the difference between the quantities of metals contained in the concentrates we produce versus the portion of those metals for which we are paid, net of metal deductions, according to the terms of our sales contracts. The terms of our smelting and trading sales contracts reflect customary commercial terms in the mining industry, with withheld metals ranging from less than 1% up to 30% depending on the product sold (doré, copper concentrate, lead concentrate, or zinc concentrate) and the volume of metals contained within that product. The "Percentage payable metals" is the ratio of Metals production divided by metal produced and sold. Differences can also arise from inventory changes related to shipping schedules, or variances in ore grades and recoveries, which impact the amount of metals contained in concentrates produced and sold.

Third quarter 2022 compared to third quarter 2021

For the three months ended September 30, 2022, the Don David Gold Mine production totaled 5,851 gold ounces and 261,256 silver ounces, representing a 16% decrease in gold production and a 2% decrease in silver production, from the same period in 2021. The change is a direct result of the lower gold and silver grades processed.

Production Volumes

During the three months ended September 30, 2022, total tonnes milled of 110,682 were 13% higher than in the three months ended September 30, 2021. Metal production for gold, silver, lead, and zinc decreased during the three months ended September 30, 2022 as compared to the same period last year. While metal production generally increased year over year, production in the three months ended September 30, 2022, was lower than metal production in the same period in 2021 due to the Company's deliberate but temporary slowdown of production to improve safety specific to ground support and ventilation, as well as a more prolonged rainy season in 2022 compared to the same period in 2021.

The paste fill plant continues to provide substantial efficiencies since it commenced operations in 2019 by returning processing waste to underground workings. The paste fill is an effective method of reducing surface tailings and provides structural ground support that allows for more complete mining of mineral reserves. Additionally, the tailings filtration plant and dry stack facility completed in 2021 conserve and recirculate water, eliminate risks related to traditional tailings facilities, accelerate reclamation of certain areas of the open pit mine, and extend the life of the operations. Currently 60% of the tails are sent to the dry stack facility, and the remaining 40% are sent to the underground operations in the form of paste fill for ground support. While the original tailings storage facility is available should the need arises, at this time, there is no plan to deposit tailings in this facility.

Grades & Recoveries

During the three months ended September 30, 2022, the majority of ore processed came from the Arista underground mine with an average gold grade of 1.98 g/t and silver grade of 80 g/t, compared to 2.68 g/t and 91 g/t, respectively, for the same period in 2021. The average gold grade was 26% lower and silver grade 12% lower.

Our base metals average grades during the three months ended September 30, 2022 were 0.37% copper, 1.59% lead, and 4.21% zinc. Copper grades were similar as in the same period in 2021. Lead and zinc grades were 31% and 12% lower, respectively, than in the same period in 2021.

Gold and silver recoveries for the three months ended September 30, 2022 were 82.9% and 91.3%, respectively, reflecting a 1.1% increase for gold and a 1.8% decrease for silver over the same period in 2021. Copper and zinc recoveries for the three months ended September 30, 2022 increased 6.4% and 13.2%, respectively, compared to the same period in 2021. Lead recoveries for the three months ended September 30, 2022 were 71.0%, reflecting a 0.6% decrease over the same period in 2021. Gold recoveries year-to-date have reached design objectives after the installation of the regrind circuit; however, during the third quarter, recoveries for all metals, with the exception of zinc, decreased as a result of a change in the mineralization of the ore processed. The mineralization is being evaluated to identify improvement opportunities that will benefit future recovery rates.

Year-to-date 2022 compared to year-to-date 2021

For the nine months ended September 30, 2022, the Don David Gold Mine production totaled 26,355 gold ounces and 842,636 silver ounces, representing a 35% increase in gold production and a 3% decrease silver production, from the same period in 2021. The change directly results from higher gold grades and lower silver grades.

Production Volumes

During the nine months ended September 30, 2022, total tonnes milled of 376,625 were in line with the same period in 2021. Metal production for gold, lead, and zinc increased during the nine months ended September 30, 2022 as compared to the same period last year, primarily due to increases in grades and recoveries.

Grades & Recoveries

During the nine months ended September 30, 2022, the majority of ore processed came from the Arista underground mine with an average gold grade of 2.57 g/t and silver grade of 75 g/t, compared to 2.04 g/t and 82 g/t, respectively, for the same period in 2021. The average gold grade was 26% higher and silver grade was 8% lower than in the same period in 2021, consistent with the current year mine plan.

Our base metals average grades during the nine months ended September 30, 2022 were 0.37% copper, 1.86% lead, and 4.38% zinc. Lead and zinc grades were 1% and 4% higher, while copper was 6% lower than the same period in 2021, consistent with the current year mine plan. Metal grades are contingent on the location of the ore mined within the deposit and will trend to the average grades reported in the Mineral Reserves and Mineral Resource tables contained in our annual report on Form 10-K for the year ended December 31, 2021.

Gold and silver recoveries for the nine months ended September 30, 2022 were 84.3% and 92.7%, respectively, reflecting a 3.8% and 0.3% increase over the same period in 2021. Gold recoveries have reached design objectives after the installation of the regrind circuit. Copper, lead, and zinc recoveries for the nine months ended September 30, 2022 increased by 0.3%, 1.3%, and 9.8%, respectively, compared to the same period in 2021.

Sales Statistics

The following table summarizes certain sales statistics about the Don David Gold Mine operations for the periods indicated:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Net sales				
Gold	$ 9,109	$ 10,343	$ 41,228	$ 29,720
Silver	4,312	6,217	15,620	20,086
Copper	2,164	2,447	8,969	9,547
Lead	2,075	3,641	9,670	8,641
Zinc	10,003	9,187	40,672	27,193
Less: Treatment and refining charges	(2,860)	(2,328)	(8,745)	(8,210)
Realized and unrealized (loss) gain - embedded derivative, net	(934)	(478)	(1,064)	156
Total sales, net	$ 23,869	$ 29,029	$ 106,350	$ 87,133
Metal sold				
Gold (ozs.)	5,478	5,809	22,605	16,525
Silver (ozs.)	225,012	255,394	722,041	778,776
Copper (tonnes)	282	268	976	1,015
Lead (tonnes)	1,056	1,550	4,450	3,940
Zinc (tonnes)	2,943	3,059	10,892	9,386
Average metal prices realized (1)				
Gold ($ per oz.)	$ 1,627	$ 1,762	$ 1,823	$ 1,790
Silver ($ per oz.)	$ 18.54	$ 23.19	$ 21.65	$ 25.63
Copper ($ per tonne)	$ 7,115	$ 9,092	$ 9,015	$ 9,466
Lead ($ per tonne)	$ 1,882	$ 2,397	$ 2,166	$ 2,231
Zinc ($ per tonne)	$ 3,186	$ 3,032	$ 3,828	$ 2,924
Precious metal gold equivalent ounces sold				
Gold Ounces	5,478	5,809	22,605	16,525
Gold Equivalent Ounces from Silver	2,564	3,361	8,575	11,151
Total AuEq oz	8,042	9,170	31,180	27,676

(1) Average metal prices realized vary from the market metal prices due to final settlement adjustments from our provisional invoices when they are settled. Our average metal prices realized will therefore differ from the average market metal prices in most cases.

Third quarter 2022 compared to third quarter 2021

Metal Sold

During the three months ended September 30, 2022, gold sales of 5,478 ounces, silver sales of 225,012 ounces, lead sales of 1,056 tonnes, and zinc sales of 2,943 tonnes decreased by 6%, 12%, 32%, and 4%, respectively, as compared to the same period in 2021. Copper sales increased by 5% during the three months ended September 30, 2022 compared to the same period in 2021.

Average metal prices realized

During the three months ended September 30, 2022, the average metal prices were $1,627 per ounce for gold, $18.54 per ounce for silver, $7,115 per tonne for copper, $1,882 per tonne for lead, and $3,186 per tonne for zinc. Compared to the same period in 2021, the average metal price for zinc increased by 5%, while the average metal price for gold, silver, copper, and lead decreased by 8%, 20%, 22%, and 22%, respectively.

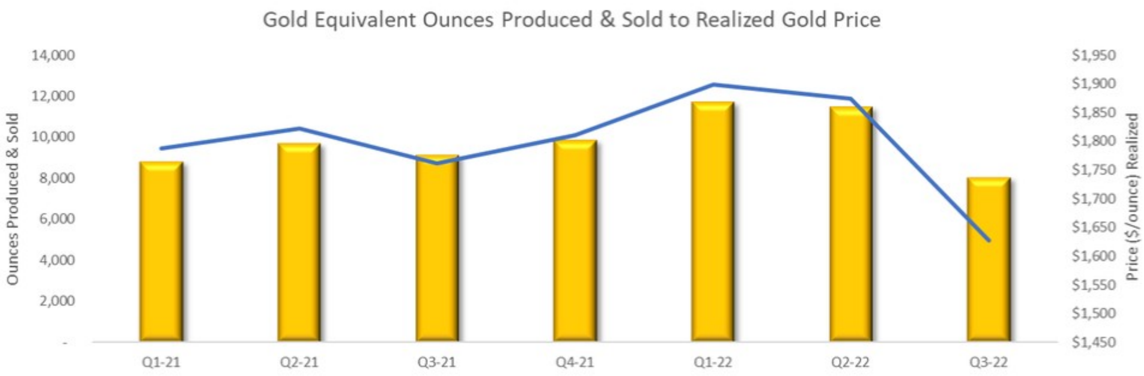
Year-to-date 2022 compared to year-to-date 2021

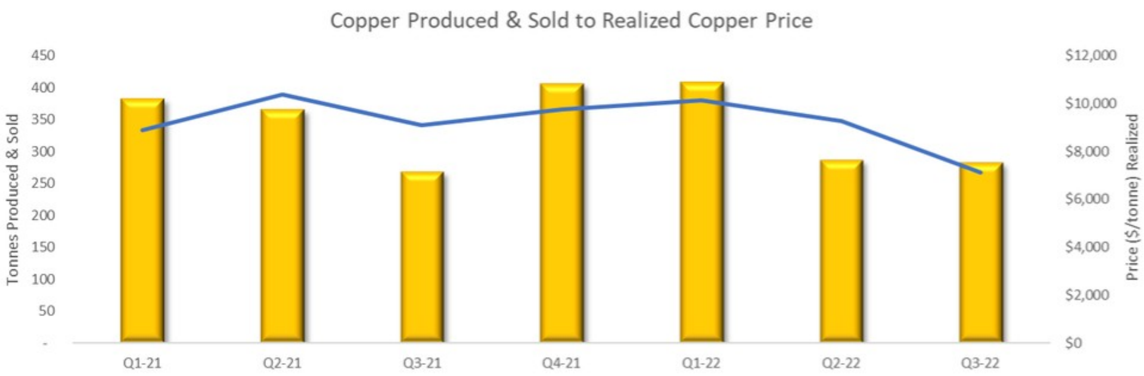
Metal Sold

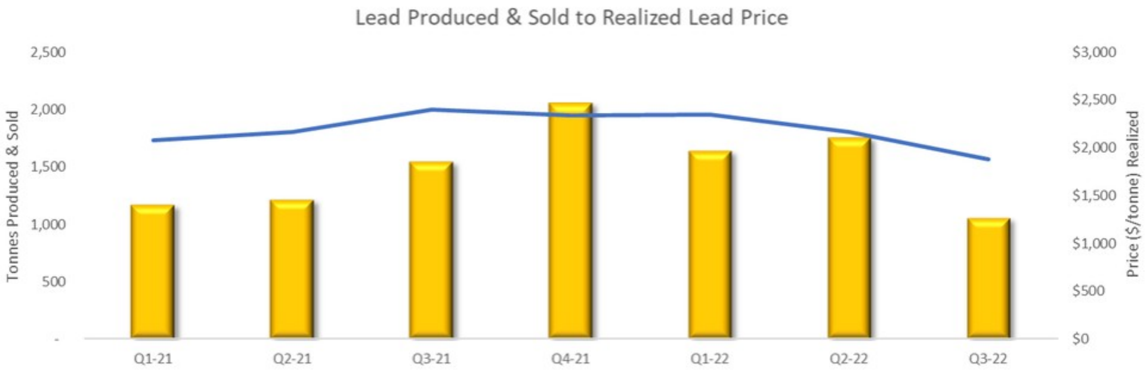
During the nine months ended September 30, 2022, gold sales of 22,605 ounces, lead sales of 4,450 tonnes, and zinc sales of 10,892 tonnes increased by 37%, 13%, and 16%, respectively, as compared to the same period in 2021. Silver and copper sales decreased by 7% and 4%, respectively, during the nine months ended September 30, 2022 compared to the same period in 2021.

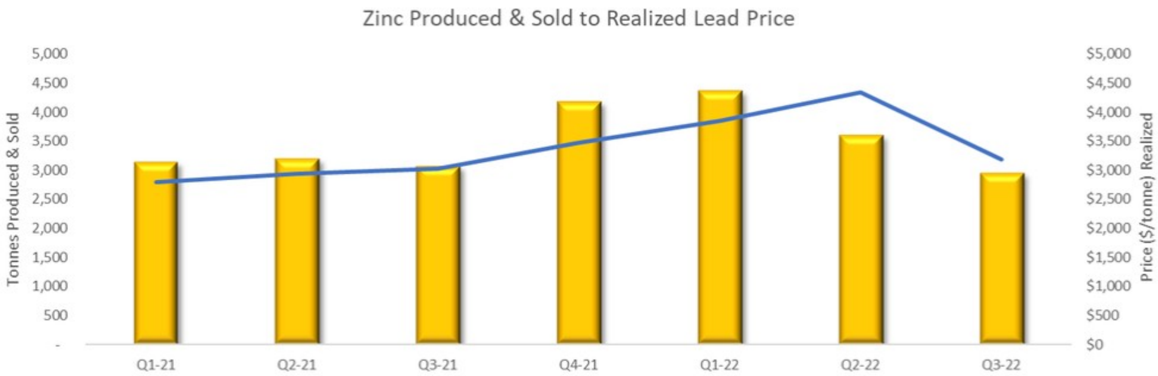
Average metal prices realized

During the nine months ended September 30, 2022, the average metal prices were $1,823 per ounce for gold, $21.65 per ounce for silver, $9,015 per tonne for copper, $2,166 per tonne for lead, and $3,828 per tonne for zinc. Compared to the same period in 2021, the average metal price for gold and zinc increased by 2% and 31%, respectively, while the average metal price for silver, copper, and lead decreased by 16%, 5%, and 3%, respectively.









Financial Measures

The following table summarizes certain financial data of the Company for the periods indicated:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
	(in thousands)		*(in thousands)*	
Doré and concentrate sales	$ 27,663	$ 31,835	$ 116,159	$ 95,187
Less: Treatment and refining charges	(2,860)	(2,328)	(8,745)	(8,210)
Realized/unrealized derivatives, net	(934)	(478)	(1,064)	156
Sales, net	23,869	29,029	106,350	87,133
Total cost of sales	26,047	20,784	81,186	63,433
Mine gross (loss) profit	(2,178)	8,245	25,164	23,700
Other costs and expenses, including tax:	7,552	6,716	28,202	18,361
Net (loss) income	$ (9,730)	$ 1,529	$ (3,038)	$ 5,339
Other Non-GAAP Financial Measures:				
Total cash cost after co-product credits per AuEq oz sold (1)	$ 1,103	$ 448	$ 314	$ 519
Total consolidated all-in sustaining cost after co-product credits per AuEq oz sold (1)	$ 1,831	$ 1,753	$ 938	$ 1,318
Total all-in cost after co-product credits per AuEq oz sold (1)	$ 2,449	$ 2,286	$ 1,323	$ 1,691

(1) For a detailed description of each of the non-GAAP financial measures and a reconciliation to GAAP financial measures, please see the discussion below under "*Non-GAAP Measures*".

Third quarter 2022 compared to third quarter 2021

Sales, net

DDGM net sales of $23.9 million for the three months ended September 30, 2022 decreased by $5.2 million, or 18%, when compared to 2021. The decrease in 2022 sales is the result of decreased sales volumes and lower realized metal prices outlined in the sales statistics table above. Additionally, treatment and refining charges during the three months ended September 30, 2022 increased by 23% as a result of an increase in the zinc treatment charge benchmark and spot price.

Total cost of sales

Total cost of sales increased to $26.0 million for the three months ended September 30, 2022 from $20.8 million for the same period in 2021. The $5.2 million increase was primarily related to a $3.1 million increase in depreciation expense and a $2.1 million increase in production costs. Depreciation expense was higher as a result of the addition of $16.9 million capital related to the dry stack and filtration plant and the gold regrind project that were placed in service in 2022, and the Mineral Reserve base being lower in the units of production calculation, resulting in higher depreciation cost per tonne of ore processed. Production costs of $19.4 million for the three months ended September 30, 2022 are 13% higher than the production costs of $17.2 million for the same period in 2021. The increase is directly related to a 13% increase in ore tonnes processed.

Mine gross (loss) profit

For the three months ended September 30, 2022, mine gross profit decreased by 126%, or $10.4 million, compared to the same period in 2021. The decrease was primarily due to a 18%, or $5.2 million decrease in net sales and a 25%, or $5.2 million increase in cost of sales as described above.

The relationship between sales and the cost of sales, and therefore mine gross profit, is not perfectly correlated to the tonnes of ore processed. While both sales and the cost of sales are impacted by the tonnes of ore processed, other factors – the grade of ore processed, metal commodity prices, and operating cost unit prices—tend to have a greater impact on the relationship to mine gross profit. For example, in the third quarter of 2022, the volume of ore processed increased 13% compared to the third quarter of 2021; however, sales decreased by 18% and total cost of sales increased by 25%. The decrease in sales is explained by the decrease in grade and metal prices during the third quarter of 2022, and the increase in operating costs is explained by the increase in depreciation in addition to the impact from higher variable costs due to the higher ore tonnes processed.

We expect grades to vary from period to period based on the annual mine plan. The gold and silver grades are expected to trend downwards over time toward the average grade of 1.51 g/t and 77 g/t, respectively (and exclusive of copper, lead, and zinc contained grades), reflected in our Mineral Reserve estimate. However, as capital intensive mine development progresses and infill drilling occurs, opportunities to refine mining methods and eliminate dilution may have a favorable impact on future mined grades.

Net (loss) income

For the three months ended September 30, 2022, we recorded net loss of $9.7 million, as compared to net income of $1.5 million during the same period in 2021. The 747% decrease in net income is attributable to the lower mine gross profit discussed above and higher other costs and expenses discussed below, including $3.8 million expenses related to the Back Forty Project.

Year-to-date 2022 compared to year-to-date 2021

Sales, net

DDGM net sales of $106.4 million for the nine months ended September 30, 2022 increased by $19.2 million, or 22%, when compared to the same period in 2021. The increase in 2022 sales is the result of increased sales volumes in gold, lead, and zinc, and higher realized metal prices for gold and zinc outlined in the Sales Statistics table above. Gold ounces sold for the nine months ended September 30, 2022 increased by 6,080 ounces, or 37% over the same period in 2021. Additionally, treatment and refining charges during the nine months ended September 30, 2022 increased by 7% as a result of an increase in the zinc treatment charge benchmark and spot price.

Total cost of sales

Total cost of sales increased to $81.2 million for the nine months ended September 30, 2022 from $63.4 million for the same period in 2021. The $17.8 million increase was primarily related to a $8.5 million increase in depreciation expense and a $9.2 million increase in production costs. Depreciation expense was higher as a result of the addition of $16.9 million capital related to the dry stack and filtration plant and the gold regrind project that were placed in service in 2022, and the Mineral Reserve base being lower in the units of production calculation, resulting in higher depreciation cost per tonne of ore processed. Production costs of $61.2 million for the nine months ended September 30, 2022 are 18% higher than the production costs of $52.0 million for the same period in 2021. The increase is primarily related to a $2.4 million increase in consumable goods driven by price increases, a $1.8 million increase in spare parts utilized for equipment maintenance, a $2.1 million impact related to an increase in headcount and employee wages, and a $1.6 million increase in transportation costs due to a 9% price increase in negotiated transportation cost.

Mine gross (loss) profit

For the nine months ended September 30, 2022, mine gross profit increased by 6%, or $1.5 million, compared to the same period in 2021. The increase was primarily due to a 22%, or $19.2 million increase in net sales offset by a 28%, or $17.8 million increase in cost of sales as described above.

The relationship between sales and the cost of sales, and therefore mine gross profit, is not perfectly correlated to the tonnes of ore processed. While both sales and the cost of sales are impacted by the tonnes of ore processed, other factors – the grade of ore processed, metal commodity prices and operating cost unit prices—tend to have a greater impact on the relationship to mine gross profit. For example, in 2022, the volume of ore processed increased 3% compared to 2021; however, sales increased by 22% and total cost of sales increased by 28%. The increase in sales is explained by the increase in gold and zinc grade and metal prices during 2022, and the increase in operating costs is explained by the increase in depreciation in addition to the impact from higher costs related to price increases and increased wages as discussed above.

We expect grades to vary from period to period based on the annual mine plan. The gold and silver grades are expected to trend downwards over time toward the average grade of 1.51 g/t and 77 g/t, respectively (and exclusive of copper, lead and zinc contained grades), reflected in our Mineral Reserve estimate. However, as capital intensive mine development progresses and infill drilling occurs, opportunities to refine mining methods and eliminate dilution may have a favorable impact on future mined grades.

Net (loss) income

For the nine months ended September 30, 2022, we recorded net loss of $3.0 million, as compared to net income of $5.3 million during the same period in 2021. The 157% decrease in net income is attributable to the higher mine gross profit discussed above, offset by higher other costs and expenses discussed below, including $6.5 million or 177% higher exploration costs.

Other Costs and Expenses, Including Taxes

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Other costs and expenses:				
General and administrative expenses	$ 1,799	$ 2,355	$ 5,618	$ 6,070
DDGM exploration expenses	1,143	1,805	3,190	3,660
Back Forty Project expenses	3,830	-	6,925	-
Restructuring expenses	-	-	-	496
Stock-based compensation	450	30	1,617	711
Realized and unrealized (gain) loss on zinc zero cost collar	(218)	184	120	184
Other expense, net	765	(10)	1,817	543
Total other costs and expenses	7,769	4,364	19,287	11,664
Provision for income taxes	(217)	2,352	8,915	6,697
Total other costs, including taxes	$ 7,552	$ 6,716	$ 28,202	$ 18,361

General and administrative expenses – For the three and nine months ended September 30, 2022, general and administrative expenses were $1.8 million and $5.6 million, respectively, representing a 24% and 7% decrease from the same period of 2021 primarily due to costs in 2021 related to employee and management changes.

DDGM Exploration expenses – For the three and nine months ended September 30, 2022, exploration expenses in DDGM totaled $1.1 million and $3.2 million, respectively, compared to $1.8 million and $3.7 million for the same period in 2021. Exploration activities in Oaxaca, Mexico decreased compared to the same period in 2021 due to the work being conducted to enhance community relationships.

Back Forty Project expenses – For the three and nine months ended September 30, 2022, feasibility study and permitting costs, totaled $3.8 million and $6.9 million, respectively. There were no expenses for the Back Forty Project for the same period in 2021 as the project was not acquired until December 2021. Until a Mineral Reserve and Mineral Resource is defined by Gold Resource Corporation, Back Forty expenditures will continue to be reported as advanced exploration expense.

Stock-based compensation – Stock-based compensation increased by $0.4 million and $0.9 million, respectively, for the three and nine months ended September 30, 2022 compared to the same period in 2021. This increase is mainly due to the equity awarded in March 2022 to Senior Management related to 2021 performance, equity awarded in June 2022 related to Senior Management's 2022 compensation structure, and DSUs granted in March 2022 to the Board of Directors related to their 2022 compensation structure. Equity awards were not issued to Senior Management during 2021. Management continues to work with an independent compensation consultant to evaluate the stock-based compensation program.

Realized and unrealized loss on zinc zero cost collar – For the three and nine months ended September 30, 2022, respectively, a $0.2 million gain and a $0.1 million loss was recorded related to the zinc zero cost collar. The zinc forward price decreased from $3,666 per tonne as of December 31, 2021 to $2,978 per tonne as of September 30, 2022. This decrease resulted in the $1.8 million liability as of December 31, 2021 turning into a $0.4 million asset as of September 30, 2022. The year-to-date loss of $0.1 million is the result of the year-to-date realized loss of $2.4 million offset by the $2.3 million unrealized gain related to the zero cost collars that will mature October through December 2022.

Other expense, net – For the three and nine months ended September 30, 2022, respectively, $0.8 million and $1.8 million of other expense was recorded compared to $0.0 million income and $0.5 million other expense during the same period of 2021. The $1.2 million increase in the year-to-date expense is primarily due to a $1.1 million increase in realized and unrealized foreign exchange loss and $0.6 million in interest expense related to the gold and silver stream liabilities assumed with the Aquila acquisition, offset by lower employee benefit obligations as the initial balance as a result of the Mexico Labor Reform was recorded as other expense in 2021 and going forward, they will be included in production costs. See *Note 18 - Other expense, net* for a detailed breakdown.

Provision for income taxes – For the three and nine months ended September 30, 2022, respectively, income tax benefit was $0.2 million and income tax expense was $8.9 million, a 109% decrease and a 33% increase from $2.4 million and $6.7 million expense for the same period in 2021. The decrease in income tax expense for the three months ended September 30, 2022 is driven by the 356% decrease in the three-month net income before income taxes. The increase in the income tax expense for the nine months ended September 30, 2022 is primarily due to a higher effective tax rate driven by the 2022 Tax Reform that decreased allowable deductions and a $0.8 million deferred tax liability recorded related to the 5% withholding tax on funds available for transfer to the U.S. as dividends in the future.

Other Non-GAAP Financial Measures

Total cash cost after co-product credits per AuEq oz sold – For the three months ended September 30, 2022, the total cash cost after co-product credits per AuEq oz sold is $1,103 compared to $448 for the three months ended September 30, 2021. During the third quarter of 2022, total cash cost per ounce is higher due to the lower amount of co-product credits we received related to the lower base metal prices realized, the 12% decrease in total number of gold equivalent ounces sold in the quarter, and higher production costs discussed above.

For the nine months ended September 30, 2022, the total cash cost after co-product credits per AuEq oz sold is $314 compared to $519 for the same period in 2021. Year-to-date 2022, total cash cost per ounce is lower due to the higher amount of co-product credits we received during the first half of the year and the 13% increase in total number of gold equivalent ounces sold. These favorable impacts to total cash cost after co-product credits were offset by higher production costs discussed above.

Total consolidated all-in sustaining cost after co-product credits per AuEq oz sold – For the three months ended September 30, 2022, the total consolidated all-in sustaining cost after co-product credits per AuEq oz sold was $1,831 compared to $1,753 for the same period in 2021. The increase is directly related to the higher cash costs per ounce discussed above offset by lower sustaining capital expenditures.

For the nine months ended September 30, 2022, the total consolidated all-in sustaining cost after co-product credits per AuEq oz sold was $938 compared to $1,318 for the same period in 2021. The decrease is directly related to the lower cash costs per ounce discussed above offset by higher sustaining capital expenditures and stock-based compensation.

Total all-in cost after co-product credits per AuEq oz sold – For the three months ended September 30, 2022, the total all-in cost after co-product credits per AuEq oz sold was $2,449 compared to $2,286 for the same period in 2021. The increase is due to the higher all-in sustaining costs discussed above and higher exploration expense related to advancing the Back Forty feasibility study work and permitting activities.

For the nine months ended September 30, 2022, the total all-in cost after co-product credits per AuEq oz sold was $1,323 compared to $1,691 for the same period in 2021. The decrease is due to the lower all-in sustaining costs discussed above offset by higher exploration expense related to advancing the Back Forty feasibility study work and permitting activities.

For a detailed description of each of the non-GAAP financial measures and a reconciliation to GAAP financial measures, please see the discussion below under *"Non-GAAP Measures."*

2022 Capital and Exploration Investment Summary

		For the nine months ended September 30, 2022	2022 full year projection
		(in thousands)	
Sustaining Investments:			
Underground Development	Capital	$ 5,251	$ 7.0 - 8.0 million
Infill Drilling and Exploration Development	Capital	5,056	7.0 - 7.5 million
Other Sustaining Capital	Capital	1,922	2.0 - 2.5 million
Subtotal of Sustaining Investments:		12,229	
Growth Investments:			
DDGM growth:			
Gold Regrind	Capital	745	-
Dry Stack Completion	Capital	1,149	-
Surface Exploration / Other	Exploration	1,641	2.0 - 2.5 million
Underground Exploration Drilling	Exploration	1,549	2.0 - 2.5 million
Back Forty growth:			
Back Forty Feasibility Study & Permits	Exploration	6,925	9.0-9.5 million
Subtotal of Growth Investments:		12,009	
Total Capital and Exploration:		$ 24,238	$ 29.0 - 32.5 million

The Company's investment in Mexico continued in the third quarter of 2022 totaling $17.3 million year-to-date. Our investment in Mexico is focused on favorably impacting our environment, social and governance programs while creating operational efficiencies and longevity. At the Back Forty Project, $6.9 million has been invested in feasibility and permitting initiatives year-to-date.

Underground and Exploration Development:

Mine development during the quarter included ramps and access to different areas of the deposit, ventilation shafts, and exploration development drifts. A total of 3,210 meters of development, at a cost of $7.5 million (864 meters at a cost of $2.2 million in the third quarter), was completed during the year through September 30, 2022. Through September 30, 2022, underground mine development was $5.3 million and exploration development was $2.2 million (included in Infill Drilling and Exploration Development in the table above). As part of ongoing safety initiatives, the Company also invested in additional ground support and improved ventilation for the mine, which deliberately but temporarily slowed underground and exploration development. We plan to invest a total of $7.0 million to $8.0 million in underground development and an additional $3.5 million to $4.0 million in exploration development in 2022.

Underground safety inspection and ventilation survey

Back Forty Feasibility and Permitting:

Work on the optimized feasibility study progressed during the third quarter of 2022. Mine planning, process plant design and site layout and infrastructure were significantly completed during the quarter. Current initiatives are focused on finalizing the financial models with operating and capital costs, which may be subject to some volatility due to the inflationary market conditions. Environmental and cultural resource considerations have been a key factor in the overall project design. On August 5, 2022, the Company was invited by Michigan's Department of Environment, Great Lakes and Energy to participate in a Scoping Environmental Impact Assessment Meeting to present the initial site plan and other key improvements being incorporated into the Back Forty Project's optimized feasibility study. This was an opportunity to meet with tribal representatives to promote the Back Forty Project, which is focused on favorably impacting our environment, social and governance programs, while identifying economic and operational efficiencies. The feasibility study work for the Back Forty Project progressed during the third quarter of 2022. Work related to metallurgy and the economic model is expected to continue into 2023. Permit applications will not be submitted with state agencies in Michigan until the completion of the feasibility study.

2022 DDGM Exploration Updates

Our portfolio of properties that make up our Don David Gold Mine are located along a 55 kilometer trend of the San Jose structural corridor in the Sierra Madre Sur mountain range. This structural corridor trends north 70 degrees west and spans three historic mining districts within Oaxaca. Surface exploration activity continues on several properties with a goal to define priority drill targets, demonstrating our commitment to a long-term investment in Oaxaca, Mexico.

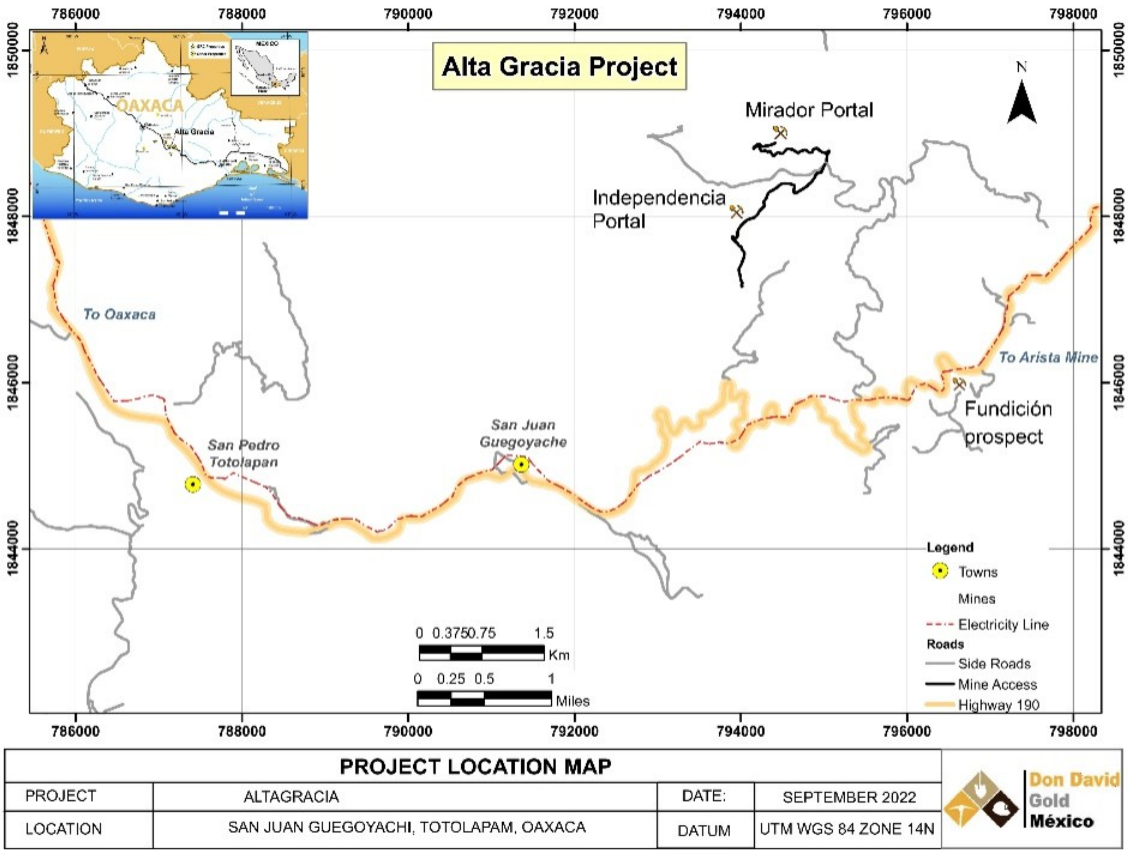
Underground exploration drilling is ongoing, when access is available, from various locations within the Arista mine: 1) to continue testing of the Three Sisters Zone, as well as other new vein targets and 2) to further define and expand the Mineral Reserves and Mineral Resource of the current vein systems in production. The previously discussed temporary slowdown of mine development and exploration during the third quarter impacted the timing of the definition and expansion of Mineral Resources and Mineral Reserves. Work on exploration development headings will resume in the fourth quarter, which will enable further expansion and infill drilling to advance in 2023 on both the Arista and Switchback vein systems.

During the quarter, we completed 4 exploration drill holes (2,409 meters) and 48 infill drill holes (8,590 meters). Year-to-date, we have completed 16 exploration drill holes (8,003 meters) and 127 infill drill holes (18,641 meters).

- Infill drilling continued to focus on the Arista vein system up- and down-dip of existing workings. Additional drilling in the Switchback system continued in the third quarter. Infill drilling continues to confirm zones of high-grade mineralization within the resource model as well as additional mineralized structures outside existing models, in the third quarter, for instance, in the Marena zone (Arista), and Sarabi and Susana N veins (Switchback).
- Exploration drilling continued to test expansion of the Switchback system to the southeast at depth and along strike and we have confirmed the continuation of the system. During Q4 we plan to continue exploration in the Three Sisters and northwestern part of the Switchback system. The Switchback system extends for over a kilometer along a NW-SE strike and remains open in both directions as well up- and down-dip.

Susana N vein, from Switchback drilling 2022

Surface exploration programs continued to be performed in the Alta Gracia mining district and focused on soil sampling in the Fundicion zone. Below is a map of the Alta Gracia Project.



Non-GAAP Measures

Throughout this report, we have provided information prepared or calculated according to U.S. GAAP and have referenced certain non-GAAP performance measures which we believe will assist with understanding the performance of our business. These measures are based on precious metal gold equivalent ounces sold and include cash cost before co-product credits per ounce, total cash cost after co-product credits per ounce, and total all-in sustaining cost per ounce (“AISC”). Because the non-GAAP performance measures do not have any standardized meaning prescribed by U.S. GAAP, they may not be comparable to similar measures presented by other companies. Accordingly, these measures should not be considered in isolation, or as a substitute for, measures of performance prepared in accordance with U.S. GAAP. These non-GAAP measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP.

For financial reporting purposes, we report the sale of base metals as part of our revenue. Revenue generated from the sale of base metals in our concentrates is considered a co-product of our gold and silver production for the purpose of calculating our total cash cost after co-product credits for our Don David Gold Mine. We periodically review our revenues to ensure that our reporting of primary products and co-products is appropriate. Because we consider copper, lead, and zinc to be co-products of our precious metal production, the value of these metals continues to be applied as a reduction to total cash costs in our calculation of total cash cost after co-product credits per precious metal gold equivalent ounce sold. Likewise, we believe the identification of copper, lead, and zinc as co-product credits is appropriate due to their lower per unit economic value contribution compared to the precious metals and since gold and silver are the primary products we intend to produce.

Total cash cost, after co-product credits, is a measure developed by the Gold Institute to provide a uniform standard for industry comparison purposes. AISC is calculated based on the current guidance from the World Gold Council.

Total cash cost before co-product credits includes all direct and indirect production costs related to our production of metals (including mining, milling and other plant facility costs, smelter treatment and refining charges, royalties, and site general and administrative costs) less stock-based compensation allocated to production costs plus treatment and refining costs.

Total cash cost after co-product credits includes total cash cost before co-product credits less co-product credits, or revenues earned from base metals.

AISC includes total cash cost after co-product credits plus other costs related to sustaining production, including allocated sustaining general and administrative expenses, and sustaining capital expenditures. We determined sustaining capital expenditures as those capital expenditures that are necessary to maintain current production and execute the current mine plan.

Cash cost before co-product credits per ounce, total cash cost after co-product credits per ounce, and AISC are calculated by dividing the relevant costs, as determined using the cost elements noted above, by precious metal gold equivalent ounces sold for the periods presented.

Reconciliations to U.S. GAAP

The following table summarizes the Company's total all-in cost after co-product credits per precious metal gold equivalent ounce sold:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
	(in thousands, except per oz)			
Precious metal gold equivalent ounces sold (oz)	8,042	9,170	31,180	27,676
Total production (1)	$ 19,380	$ 17,216	$ 61,176	$ 51,982
Treatment and refining charges (2)	2,860	2,328	8,745	8,210
Co-product credits (2)	(13,369)	(15,434)	(60,128)	(45,841)
Total cash cost after co-product credits	8,871	4,110	9,793	14,351
Total cash cost after co-product credits per AuEq oz sold	**$ 1,103**	**$ 448**	**$ 314**	**$ 519**
Sustaining - capitalized expenditure (3)	3,605	4,356	12,229	8,568
Sustaining - Exploration Expenditure (3)	-	5,224	-	6,781
Subtotal of DDGM sustaining costs	3,605	9,580	12,229	15,349
DDGM all-in sustaining cost after co-product credits per AuEq oz sold	**1,551**	**1,493**	**$ 706**	**$ 1,073**
Sustaining - general and administrative, including stock-based compensation expenses	2,249	2,385	7,235	6,781
Consolidated all-in sustaining cost after co-product credits	14,725	16,075	29,257	36,481
Total consolidated all-in sustaining cost after co-product credits per AuEq oz sold	**$ 1,831**	**$ 1,753**	**$ 938**	**$ 1,318**
Non-sustaining cost- capital expenditure (3)	-	3,085	1,894	6,649
Non-sustaining cost- exploration expenditure (1)	4,973	1,805	10,115	3,660
Subtotal of non-sustaining costs	4,973	4,890	12,009	10,309
Total all-in cost after co-product credits	19,698	20,965	41,266	46,790
Total all-in cost after co-product credits per AuEq oz sold	**$ 2,449**	**$ 2,286**	**$ 1,323**	**$ 1,691**

(1) Refer to *Item 1. Financial Statements: Condensed Consolidated Interim Statements of Operations*
(2) Refer to *Item 1. Financial Statements: Note 3 - Revenue.* The prior year (2021) Co-product credits were adjusted to include realized embedded derivatives.
(3) Sum of, refer to *Item 1. Financial Statements: Condensed Consolidated Interim Statements of Cash Flows*

Trending Highlights

	2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Operating Data							
Total tonnes milled	138,980	129,590	98,010	135,398	136,844	129,099	110,682
Average Grade							
Gold (g/t)	1.68	1.93	2.68	1.93	3.00	2.63	1.98
Silver (g/t)	72	77	91	82	81	64	80
Copper (%)	0.43	0.36	0.37	0.38	0.41	0.32	0.37
Lead (%)	1.70	1.63	2.29	2.17	1.97	1.99	1.59
Zinc (%)	4.29	3.64	4.79	4.77	4.89	4.00	4.21
Metal production (before payable metal deductions)							
Gold (ozs.)	6,097	6,555	6,933	6,853	11,187	9,317	5,851
Silver (ozs.)	307,610	295,979	265,829	330,873	332,292	249,088	261,256
Copper (tonnes)	441	368	284	413	431	303	296
Lead (tonnes)	1,737	1,654	1,808	2,345	2,073	2,020	1,249
Zinc (tonnes)	4,377	3,683	3,920	5,349	5,562	4,282	3,901
Metal produced and sold							
Gold (ozs.)	5,019	5,697	5,809	6,119	8,381	8,746	5,478
Silver (ozs.)	253,061	270,321	255,394	287,805	265,407	231,622	225,012
Copper (tonnes)	382	365	268	405	408	286	282
Lead (tonnes)	1,176	1,214	1,550	2,059	1,639	1,755	1,056
Zinc (tonnes)	3,134	3,193	3,059	4,167	4,359	3,590	2,943
Average metal prices realized							
Gold ($ per oz.)	$ 1,787	$ 1,822	$ 1,762	$ 1,811	$ 1,898	$ 1,874	$ 1,627
Silver ($ per oz.)	$ 26.77	$ 26.88	$ 23.19	$ 23.51	$ 23.94	$ 22.05	$ 18.54
Copper ($ per tonne)	$ 8,873	$ 10,375	$ 9,092	$ 9,768	$ 10,144	$ 9,275	$ 7,115
Lead ($ per tonne)	$ 2,082	$ 2,162	$ 2,397	$ 2,339	$ 2,347	$ 2,168	$ 1,882
Zinc ($ per tonne)	$ 2,797	$ 2,945	$ 3,032	$ 3,466	$ 3,842	$ 4,338	$ 3,186
Precious metal gold equivalent ounces sold							
Gold Ounces	5,019	5,697	5,809	6,119	8,381	8,746	5,478
Gold Equivalent Ounces from Silver	3,791	3,999	3,356	3,736	3,348	2,729	2,564
Total AuEq oz	8,810	9,696	9,165	9,855	11,729	11,475	8,042
Financial Data ($'s in thousands except for per ounce)							
Total sales, net	$ 27,268	$ 30,836	$ 29,029	$ 38,063	$ 45,417	$ 37,064	$ 23,869
Earnings from mining operations before depreciation and amortization	11,974	11,259	11,766	17,744	25,281	15,281	4,431
Total cash cost after co-product credits per AuEq oz sold	408	713	466	73	(121)	247	1,103
Total consolidated all-in sustaining cost after co-product credits per AuEq oz sold	937	1,280	1,031	451	499	799	1,831
Production Costs	15,243	19,523	17,216	20,252	20,074	21,722	19,380
Production Costs/Tonnes Milled	110	151	176	150	147	168	175
Earnings before interest, taxes, depreciation and amortization	8,520	7,413	7,402	10,304	15,328	13,716	(3,338)
Operating Cash Flows	6,831	9,298	5,743	12,911	4,230	7,976	(4,292)
Net income	2,527	1,283	1,529	2,689	4,019	2,673	(9,730)
Earnings per share - basic	$ 0.03	$ 0.02	$ 0.02	$ 0.03	$ 0.05	$ 0.03	($ 0.11)

Liquidity and Capital Resources

As of September 30, 2022, the working capital of $28.9 million, consists of current assets of $48.3 million and current liabilities of $19.5 million. This represents a 1% or $0.4 million decrease from the working capital balance of $29.3 million as of December 31, 2021. The primary factors influencing the decrease in our working capital was a decrease in the liability related to the zinc zero cost collar, as well as the cash provided by operating activities of $7.9 million, offset by $15.3 million of cash used in investing activities as reported in the *Condensed Consolidated Interim Statements of Cash Flows*. Our working capital balance fluctuates as we use cash to fund our operations, financing and investing activities, including exploration, mine development, income taxes, and shareholder dividends. We believe that as a result of our cash balances, the performance of our current and expected operations, and the current metals prices, we will be able to meet our obligations and other potential cash requirements for at least the next 12 months from the date of this report.

Long-term liabilities assumed with the Aquila acquisition, capital requirements to develop the Back Forty Project, and potential project financing may have an impact on liquidity in the long term. These long-term liabilities are contingent upon the approval of the Back Forty Project by the Company's Board of Directors and securing project financing. Project financing is not expected to be required any earlier than 2024.

Cash and cash equivalents as of September 30, 2022 decreased to $22.5 million from $33.7 million as of December 31, 2021, a net decrease in cash of $11.2 million. The decrease is primarily due to cash spent on capital and exploration expenditures at DDGM and at the Back Forty Project, equity investment in Maritime, and tax payments for the 2021 and 2022 tax years, offset by cash inflow from operations.

Of the $22.5 million cash balance as of September 30, 2022, $20.3 million was held in foreign subsidiaries, primarily held in U.S. dollar denominated accounts with the remainder in foreign currencies readily convertible to U.S. dollars. The Don David Gold Mine's primary source of liquidity is the sale of doré and concentrates. The Don David Gold Mine has been self-sustaining since production commencement in 2010 and has provided excess cash for U.S. operations and projects.

Net cash provided by operating activities for the nine months ended September 30, 2022 was $7.9 million compared to $21.9 million for the same period in 2021. Investing activities are mainly attributable to continued reinvestment in DDGM.

Net cash used in investing activities of $15.3 million for the nine months ended September 30, 2022 was in line with the $15.2 million from the same period in 2021.

Net cash used in financing activities for nine months ended September 30, 2022 was a net outflow of $3.0 million compared to a net outflow of $2.2 million for same period in 2021. The change is primarily related to option exercises settled in cash in 2022.

While current macro risk factors, such as economic uncertainties, supply chain interruptions, and COVID-19 have not had a significant adverse impact on exploration plans, results of operations, financial position, and cash flows during the current fiscal year, future impacts are unknown at this time. However, we believe there is sufficient liquidity and capital resources to fund operations and corporate activities for the foreseeable future.

In May 2020, we filed a universal shelf registration statement with the SEC on Form S-3 for the proposed offering from time to time of up to $200,000,000 of our securities, including common stock, preferred stock, and/or warrants (the "Shelf Registration Statement"). We also entered into an At the Market Offering Agreement with H.C. Wainwright & Co., LLC pursuant to which we may sell shares of our common stock under the Shelf Registration Statement at market prices from time to time. However, pursuant to General Instruction I.A.3 of Form S-3, we are not eligible to use the Shelf Registration Statement until the 2022 Form 10-K is filed in 2023 due to the late filing of a Form 8-K including the historical financial statements related to our acquisition of Aquila Resources. Based on our current cash balances and the anticipated performance of our current and expected operations, we do not currently expect that the unavailability of our Shelf Registration Statement or our inability to utilize the ATM Agreement will have a material impact on our liquidity.

Accounting Developments

For a discussion of Recently Adopted and Recently Issued Accounting Pronouncements, please see *Note - 2 Recently Adopted Accounting Standards* in this *Condensed Consolidated Interim Financial Statements and Notes.*

Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We use the words "anticipate," "continue," "likely," "estimate," "expect," "may," "could," "will," "project," "should," "believe" and similar expressions (including negative and grammatical variations) to identify forward looking statements. Such forward-looking statements include, without limitation, statements regarding:

- Our strategy for significant future investment in Oaxaca, Mexico and in Michigan, USA for development and exploration activities;
- The anticipated beneficial impacts of the recently constructed dry stack tailings facility;
- The expected timing for the Back Forty feasibility study, permitting, detailed engineering, and project financing;
- Our expectations regarding future grades from mining at DDGM;
- Expectations regarding 2022 capital investment, exploration spending, and general and administrative costs;
- Future exploration plans at DDGM;
- Compliance with existing legal and regulatory requirements, including future asset reclamation costs;
- Estimates of Mineral Resources ("Mineral Resources") and Mineral Reserves ("Mineral Reserves");
- Our expectations regarding the future payment of dividends; and
- Our ability to satisfy our obligations and other potential cash requirements over the next twelve months.

Forward-looking statements are neither historical facts nor assurances of future performance. Rather, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict, and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- The extent of the impact of the COVID-19 pandemic, including the duration, spread, severity, and any repeated resurgence of the COVID-19 pandemic, the duration and scope of related government orders and restrictions, the impact on our employees, and the extent of the impact of the COVID-19 pandemic on our mining operations;
- Commodity price fluctuations;
- Mine protests and work stoppages;
- Rock formations, faults and fractures, water flow and possible CO2 gas exhalation, or other unanticipated geological challenges;
- Unexpected changes in business and economic conditions, including supply chain challenges, the rate of inflation, and their impact on operating and capital costs;
- Changes in interest rates and currency exchange rates;
- Adverse technological changes and cybersecurity threats;
- Unanticipated increases in our operating costs and other costs of doing business;
- Access to land and availability of materials, equipment, supplies, labor and supervision, power, and water;
- Results of current and future feasibility studies;

- Interpretation of drill hole results and the geology, grade, and continuity of mineralization;
- Litigation by private parties or regulatory action by governmental entities;
- Acts of God, such as floods, earthquakes, and any other natural disasters;
- The inherent uncertainty of Mineral Resource and Mineral Reserve estimates; and
- Such other factors are discussed below under “Risk Factors”.

Many of these factors are beyond our ability to control or predict. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, such expectations may prove to be materially incorrect due to known and unknown risks and uncertainties. You should not unduly rely on any of our forward-looking statements. These statements speak only as of the date of this quarterly report on Form 10-Q. Except as required by law, we are not obligated to publicly release any revisions to these forward-looking statements to reflect future events or developments. All subsequent written and oral forward-looking statements attributable to us and persons acting on our behalf are qualified in their entirety by the cautionary statements contained in this section and elsewhere in this Form 10-Q.