



GOLDEN MINERALS REPORTS SECOND QUARTER 2017 RESULTS

GOLDEN, CO, August 8, 2017 (GLOBE NEWSWIRE) -- Golden Minerals Company ("Golden Minerals", "Golden" or "the Company") (NYSE American and TSX: AUMN) today announced financial results for the second quarter ended June 30, 2017 and provided a 12-month financial outlook.

Highlights

- Cash and cash equivalents balance of (US) \$2.7 million as of June 30, 2017, compared to \$2.1 million as of March 31, 2017 and \$2.6 million as of December 31, 2016
- Additional \$2.0 million cash to be received in August 2017 from Hecla Mining Company ("Hecla") as consideration for granting Hecla a lease extension option, including \$1.0 million already received for granting the option and an additional \$1.0 million to be received before the end of August in exchange for the issuance of approximately 1.8 million shares of Company common stock
- Cash balance forecasts of approximately \$4.0 million at December 31, 2017 and \$3.0 million at June 30, 2018
- \$0.2 million in net proceeds received during the second quarter 2017 from the issuance of common stock under the Company's At the Market ("ATM") program
- Revenue of \$1.7 million and net operating margin (oxide plant lease revenue less lease costs) of \$1.1 million related to the lease of the Company's oxide plant in the second quarter 2017, compared to revenue of \$1.6 million and net operating margin of \$1.1 million related to the oxide plant lease in the second quarter 2016
- Loss from operations of \$0.5 million in the second quarter 2017 compared to a loss from operations of \$2.6 million in the second quarter 2016
- Insignificant net loss of \$0.04 million in the second quarter 2017, including a non-cash derivative gain of \$0.4 million related to the Company's warrants, compared to a net loss of \$3.9 million in the second quarter 2016 that included non-cash derivative losses of \$1.2 million related to the Company's warrants and convertible note
- Zero debt

Second Quarter Financial Results

The Company reported revenue of approximately \$1.7 million in the second quarter 2017 related to the oxide plant lease and costs of approximately \$0.5 million related to the services we provide under the lease, for a net operating margin of \$1.1 million. The Company also recorded other operating income of



\$0.7 million during the second quarter, related primarily to approximately \$0.2 million for a refund of Argentina value added tax paid in prior years and \$0.5 million from the sale of certain non-strategic assets and exploration properties. Golden Minerals also issued approximately 370,000 shares of common stock through its ATM program at an average price of \$0.64 per share during the second quarter 2017, resulting in net proceeds to the Company of approximately \$0.2 million. For the six-month period ended June 30, 2017, the Company has sold approximately 1.0 million shares of common stock and received approximately \$0.7 million in net proceeds from the ATM program.

Exploration expense of \$0.5 million during the second quarter 2017 was related primarily to work at the Santa Maria, Rodeo, and other properties as well as holding costs and allocated administrative expenses, compared to \$1.2 million for the three months ended June 30, 2016. Exploration expense for both years was incurred primarily in Mexico, and the higher 2016 expense was due primarily to test mining activity at Santa Maria as well as drilling at the San Luis del Cordero property. Velardeña shutdown and care and maintenance costs were \$0.4 million in the second quarter 2017 compared to \$0.5 million in the year ago period. These costs relate to care and maintenance at the Company's Velardeña Properties as a result of the suspension of mining activity that occurred in November 2015. Administrative expenses were \$0.9 million in the second quarter 2017 compared to \$1.0 million in the second quarter 2016. Administrative expenses include costs associated with being a publicly-traded company, and are incurred primarily through corporate activities in support of the Velardeña Properties, El Quevar and the Company's exploration portfolio.

Golden reported a net loss of \$0.04 million in the second quarter 2017 compared to a net loss of \$3.9 million in the year ago period. The 2017 figure includes a \$0.4 million non-cash gain related to a decrease in the fair value of the liability recorded for warrants to acquire the Company's common stock. The 2016 figure includes non-cash losses of \$1.1 million related to the Company's warrants and \$0.1 million related to an increase in the fair value of the derivative liability associated with a convertible note that has since been retired.

12-Month Financial Outlook

In addition to the \$2.7 million cash balance at June 30, 2017, in July 2017 the Company received approximately \$0.2 million from the refund of prior years' value added taxes related to activities at the El Quevar project in Argentina. In August 2017, Golden expects to receive \$2.0 million from Hecla as consideration for granting Hecla an option to extend the lease of the Company's oxide plant for an additional two years, through December 31, 2020, including \$1.0 million already received for granting the option and an additional \$1.0 million to be received before the end of August in exchange for the issuance of approximately 1.8 million shares of Company common stock. Looking forward, during the next 12



months, Golden also expects to receive approximately \$4.8 million in net operating margin from the lease of the oxide plant plus \$0.8 million from the farm out of certain non-strategic mineral claims in Zacatecas, Mexico to Santacruz Silver Mining Ltd. With the transactions referred to above and if no additional sales of common stock under the Company's ATM program occur, Golden projects it would end 2017 with a cash balance of approximately \$4.0 million and end June 30, 2018 with a cash balance of approximately \$3.0 million, based on the following forecasted expenditures during the next 12 months:

- \$2.0 million on exploration activities and property holding costs related to exploration properties located primarily in Mexico, including project assessment and development costs related to the Santa Maria, Rodeo and other properties;
- \$1.5 million at the Velardeña Properties for care and maintenance;
- \$0.5 million on El Quevar maintenance activities and property holding costs; and
- \$3.5 million on general and administrative costs

Additional information regarding second quarter 2017 financial results may be found in the Company's 10-Q Quarterly Report which is available on the Golden Minerals website at www.goldenminerals.com.

About Golden Minerals

Golden Minerals is a Delaware corporation based in Golden, Colorado. The Company is primarily focused on acquiring and advancing mining properties in Mexico with emphasis on areas near its Velardeña processing plants.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, and applicable Canadian securities legislation, including statements relating to expectations regarding the oxide plant lease including, revenues and receipt of full payment under the recently granted lease extension option, and statements regarding our financial outlook for the remainder of 2017 and through the end of the second quarter 2018, including anticipated income and expenditures for those periods. These statements are subject to risks and uncertainties, including lower than anticipated revenue from the oxide plant lease as a result of delays or problems at the third party's mine or the oxide plant, earlier than expected termination of the lease or other causes, fluctuations in silver and gold metal prices, increases in costs and declines in general economic conditions, and changes in political conditions, in tax, royalty, environmental and other laws in Mexico, and financial market conditions. Golden Minerals assumes no obligation to update this information. Additional risks relating to Golden Minerals may be



found in the periodic and current reports filed with the Securities and Exchange Commission by Golden Minerals, including the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

For additional information please visit <http://www.goldenminerals.com/> or contact:

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SOURCE: Golden Minerals Company



GOLDEN MINERALS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in United States dollars)
(Unaudited)

	June 30,	December 31,
	2017	2016
	(in thousands, except share data)	
Assets		
Current assets		
Cash and cash equivalents	\$ 2,726	\$ 2,588
Short-term investments	231	334
Trade receivables	473	380
Inventories, net	281	245
Value added tax receivable, net	185	5
Related party receivable	—	643
Prepaid expenses and other assets	650	578
Total current assets	4,546	4,773
Property, plant and equipment, net	8,709	9,235
Total assets	\$ 13,255	\$ 14,008
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 1,400	\$ 1,224
Other current liabilities	26	24
Total current liabilities	1,426	1,248
Asset retirement and reclamation liabilities	2,402	2,434
Warrant liability - related party	813	976
Warrant liability	721	922
Other long term liabilities	55	66
Total liabilities	5,417	5,646
Commitments and contingencies		
Equity		
Common stock, \$.01 par value, 200,000,000 and 100,000,000 shares authorized; 90,031,347 and 89,020,041 shares issued and outstanding, respectively	899	889
Additional paid in capital	496,194	495,455
Accumulated deficit	(489,207)	(488,037)
Accumulated other comprehensive (loss) income	(48)	55
Shareholders' equity	7,838	8,362
Total liabilities and equity	\$ 13,255	\$ 14,008



GOLDEN MINERALS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in United States dollars) (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
	(in thousands except per share data)		(in thousands, except per share data)	
Revenue:				
Oxide plant lease	\$ 1,692	\$ 1,576	\$ 3,336	\$ 3,039
Total revenue	<u>1,692</u>	<u>1,576</u>	<u>3,336</u>	<u>3,039</u>
Costs and expenses:				
Oxide plant lease costs	(548)	(455)	(1,085)	(929)
Exploration expense	(457)	(1,162)	(991)	(1,938)
El Quevar project expense	(192)	(210)	(341)	(373)
Velardeña shutdown and care and maintenance costs	(369)	(546)	(719)	(1,133)
Administrative expense	(872)	(1,026)	(1,898)	(2,244)
Stock based compensation	(242)	(539)	(307)	(571)
Reclamation expense	(48)	(46)	(97)	(97)
Other operating income, net	705	205	862	244
Depreciation and amortization	(130)	(421)	(318)	(971)
Total costs and expenses	<u>(2,153)</u>	<u>(4,200)</u>	<u>(4,894)</u>	<u>(8,012)</u>
Loss from operations	(461)	(2,624)	(1,558)	(4,973)
Other income and (expense):				
Interest expense	—	(72)	—	(515)
Interest and other income	4	32	22	35
Warrant derivative gain (loss)	425	(1,096)	363	(2,276)
Derivative loss	—	(130)	—	(778)
Gain (loss) on debt extinguishment	—	13	—	(1,653)
(Loss) gain on foreign currency	(3)	(38)	3	(42)
Total other income (expense)	<u>426</u>	<u>(1,291)</u>	<u>388</u>	<u>(5,229)</u>
Loss from operations before income taxes	(35)	(3,915)	(1,170)	(10,202)
Income tax benefit	—	26	—	26
Net loss	<u>\$ (35)</u>	<u>\$ (3,889)</u>	<u>\$ (1,170)</u>	<u>\$ (10,176)</u>
Comprehensive loss, net of tax:				
Unrealized (loss) gain on securities	(51)	89	(103)	171
Comprehensive loss	<u>\$ (86)</u>	<u>\$ (3,800)</u>	<u>\$ (1,273)</u>	<u>\$ (10,005)</u>
Net loss per common share — basic				
Loss	<u>\$ -</u>	<u>\$ (0.05)</u>	<u>\$ (0.01)</u>	<u>\$ (0.14)</u>
Weighted average Common Stock outstanding - basic (1)	<u>89,618,677</u>	<u>82,817,778</u>	<u>89,485,223</u>	<u>74,343,257</u>

(1) Potentially dilutive shares have not been included because to do so would be anti-dilutive.