



GOLDEN MINERALS REPORTS FIRST QUARTER 2017 RESULTS

GOLDEN, CO - /PRNEWSWIRE/ - May 9, 2017 – Golden Minerals Company (“Golden Minerals”, “Golden” or “the Company”) (NYSE MKT and TSX: AUMN) today provided a business update and financial results for the first quarter ended March 31, 2017.

First Quarter Business Update

- The lease of the Company’s Velardeña oxide mill to Hecla Mining Company (“Hecla”), which began in July 2015, was further lengthened in March 2017 when Hecla exercised its right to extend the lease by an additional 18 months, until December 31, 2018. Hecla began work to expand the tailings impoundment at Velardeña in early 2017, as part of an earlier agreement related to its continued use of the facility. That expansion work has been substantially completed with sufficient capacity expected to accommodate Hecla’s planned production through 2018 plus additional capacity reserved for Golden’s future use.
- Cash was \$2.1 million at March 31, 2017. Subsequent to March 31, 2017, the Company received the final payment of \$750,000 for the sale of excess mining equipment and \$300,000 for the farm out of a non-strategic exploration property that occurred in 2016, increasing cash on hand by almost \$1.1 million. The Company is currently forecasting a cash balance of \$1.5 million at the end of 2017.
- In February 2017, a Preliminary Economic Assessment (“PEA”) was completed on the Company’s behalf for the Santa Maria mine in Chihuahua, Mexico. Also during the first quarter an environmental impact assessment was approved by SEMARNAT for the potential mining operation as considered in the PEA. During the remainder of 2017, the Company intends to continue work related to optimizing mining plans for the project. The Company is also developing exploration plans to potentially expand the deposit. No development decision has yet been made with respect to the project.
- Subsequent to the 2,000-meter core drilling program completed on the Rodeo property in 2016, an estimate of mineralized material for Rodeo, prepared pursuant to Canadian National Instrument 43-101 (“43-101”), was completed on the Company’s behalf in January 2017. During the remainder of 2017, Golden plans to continue work related to economic evaluation of mining the mill-grade material with processing at its Velardeña mill, metallurgical studies and potential expansion of the deposit.
- At Golden’s Celaya property, which is subject to an earn-in agreement with a subsidiary of Electrum Global Holdings, L.P., Electrum has conducted extensive geologic mapping and sampling on the property and has been drilling since late December 2016 to test newly identified targets.



First Quarter Summary Results

- Revenue of \$1.6 million and positive 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 first quarter 2017, compared to revenue of \$1.5 million and positive net operating margin of \$1.0 million related to the oxide plant lease in the first quarter 2016
- Loss from operations of \$1.1 million in the first quarter 2017 compared to a loss from operations of \$2.3 million in the first quarter 2016
- Net loss of \$1.1 million in the first quarter 2017, including non-cash derivative losses of \$0.1 million related to the Company's warrants, compared to a net loss of \$6.3 million in the first quarter 2016, which included non-cash derivative losses of \$1.8 million related to the Company's warrants and convertible note
- Cash and cash equivalents balance of \$2.1 million as of March 31, 2017
- Debt balance of zero as of March 31, 2017

Financial Results

The Company reported revenue of approximately \$1.6 million in the first 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 margin of \$1.1 million. Exploration expense of \$0.5 million during the first quarter was related primarily to work at the Santa Maria and Rodeo properties as well as holding costs and allocated administrative expenses. Golden reported a net loss of \$1.1 million in the first quarter 2017 compared to a net loss of \$6.3 million in the year ago period. The year ago figure included, as noted above, non-cash losses of \$1.8 million related to the Company's warrants and convertible note, plus a non-cash loss on debt extinguishment of \$1.7 million relating to a \$5.0 million convertible loan.

Financial Outlook

In addition to the \$2.1 million cash balance at March 31, 2017, in April 2017 the Company received approximately \$0.8 million representing final payment for the August 2016 sale of excess mining equipment, and in May 2017 received \$0.3 million related to the farm out of a non-strategic exploration property as provided for in the 2016 purchase agreement with Santacruz Silver Mining Ltd. The Company also expects to receive \$4.8 million in net operating margin from the lease of the oxide plant and an additional \$0.3 million from the aforementioned exploration property farm out during the during the next 12 month period ending March 31, 2018. 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 \$1.5 million and end March 31, 2018 with a cash balance of \$1.1 million, based on the following forecasted expenditures during the next 12 months:

- \$1.5 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;
- \$3.5 million on general and administrative costs, and
- \$0.2 million on other working capital.

Additional information regarding first 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 future processing capabilities, expectations related to our Santa Maria property, including planned work to optimize mining plans and planned exploration work and costs, expectations related to our Rodeo property, including planned exploration and other evaluation work and costs, and statements regarding our financial outlook, including anticipated income and expenditures for the remainder of 2017 and through the end of the first quarter 2018. 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, the reasonability of the economic assumptions at the basis of the Santa Maria PEA and Rodeo 43-101, changes in interpretations of geological, geostatistical, metallurgical, mining or processing information and interpretations of the information resulting from future exploration, analysis or mining and processing experience, new information from drilling programs or other exploration or analysis, unexpected variations in mineral grades, types and metallurgy, 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)

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	<u>(in thousands, except share data)</u>	
Assets		
Current assets		
Cash and cash equivalents	\$ 2,065	\$ 2,588
Short-term investments	281	334
Trade receivables	445	380
Inventories	269	245
Value added tax receivable, net	5	5
Related party receivable	746	643
Prepaid expenses and other assets	551	578
Total current assets	<u>4,362</u>	<u>4,773</u>
Property, plant and equipment, net	8,892	9,235
Total assets	<u>\$ 13,254</u>	<u>\$ 14,008</u>
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 1,190	\$ 1,224
Other current liabilities	24	24
Total current liabilities	<u>1,214</u>	<u>1,248</u>
Asset retirement and reclamation liabilities	2,358	2,434
Warrant liability - related party	1,025	976
Warrant liability	935	922
Other long term liabilities	61	66
Total liabilities	<u>5,593</u>	<u>5,646</u>
Commitments and contingencies		
Equity		
Common stock, \$.01 par value, 200,000,000 and 100,000,000 shares authorized; 89,658,910 and 89,020,041 shares issued and outstanding, respectively	896	889
Additional paid in capital	495,934	495,455
Accumulated deficit	(489,172)	(488,037)
Accumulated other comprehensive income (loss)	3	55
Shareholders' equity	<u>7,661</u>	<u>8,362</u>
Total liabilities and equity	<u>\$ 13,254</u>	<u>\$ 14,008</u>



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

	Three Months Ended	
	March 31,	
	2017	2016
	(in thousands, except per share data)	
Revenue:		
Oxide plant lease	\$ 1,644	\$ 1,463
Total revenue	<u>1,644</u>	<u>1,463</u>
Costs and expenses:		
Oxide plant lease costs	(537)	(474)
Exploration expense	(534)	(776)
El Quevar project expense	(149)	(163)
Velardeña shutdown and care and maintenance costs	(350)	(587)
Administrative expense	(1,026)	(1,218)
Stock based compensation	(65)	(32)
Reclamation expense	(49)	(51)
Other operating income, net	157	39
Depreciation, depletion and amortization	(188)	(550)
Total costs and expenses	<u>(2,741)</u>	<u>(3,812)</u>
Loss from operations	(1,097)	(2,349)
Other income and (expense):		
Interest expense	—	(443)
Interest and other income	18	3
Warrant derivative (loss) gain	(62)	(1,180)
Derivative (loss) gain	—	(648)
Loss on debt extinguishment	—	(1,666)
Gain (loss) on foreign currency	6	(4)
Total other (expense) income	<u>(38)</u>	<u>(3,938)</u>
Loss from operations before income taxes	(1,135)	(6,287)
Income tax benefit	—	—
Net loss	\$ (1,135)	\$ (6,287)
Comprehensive loss, net of tax:		
Unrealized gain (loss) on securities	(52)	82
Comprehensive loss	<u>\$ (1,187)</u>	<u>\$ (6,205)</u>
Net loss per common share — basic		
Loss	<u>\$ (0.01)</u>	<u>\$ (0.10)</u>
Weighted average Common Stock outstanding - basic (1)	<u>89,350,286</u>	<u>65,868,598</u>

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