



GOLDEN MINERALS REPORTS THIRD QUARTER 2017 RESULTS

GOLDEN, CO, November 7, 2017 (GLOBE NEWSWIRE) -- Golden Minerals Company ("Golden Minerals", "Golden" or "the Company") (NYSE American and TSX: AUMN) today provided a business summary and financial results for the third quarter ended September 30, 2017.

Third Quarter Financial Results

- Cash and cash equivalents balance of \$5.0 million as of September 30, 2017 compared to \$2.6 million as of December 31, 2016
- Revenue of \$1.8 million and positive net operating margin (oxide plant lease revenue less lease costs) of \$1.2 million related to the lease of the Company's oxide plant in the third quarter 2017, compared to revenue of \$1.7 million and positive net operating margin of \$1.2 million related to the oxide plant lease in the third quarter 2016
- Net loss of \$0.3 million in the third quarter 2017 compared to a net loss of \$0.8 million in the third quarter 2016
- Loss from operations of \$0.3 million in the third quarter 2017 compared to a loss from operations of \$0.2 million in the third quarter 2016
- Debt balance of zero as of September 30, 2017

Financial Results

The Company reported revenue of approximately \$1.8 million in the third quarter 2017 related to the oxide plant lease and costs of approximately \$0.6 million related to the services Golden provides under the lease, for a net margin of \$1.2 million. Exploration expense was \$1.0 million during the third quarter, incurred primarily on drilling activity and property acquisition payments related to the Santa Maria and Mogotes properties. Golden also incurred \$0.2 million of project expenses related primarily to holding costs at its El Quevar project, as well as \$0.4 million related to care and maintenance at the Velardeña Properties. Administrative expenses totaled \$0.7 million during the third quarter compared to \$0.9 million in the third quarter 2016. Golden reported a net loss of \$0.3 million in the third quarter 2017 compared to a net loss of \$0.8 million in the year ago period. The prior year figure included non-cash losses of \$0.5 million related to certain of the Company's warrants which, subsequent to a change in accounting principle related to a recent pronouncement issued by the U.S. Financial Accounting Standards Board, have been reclassified from liabilities to equity retroactively to January 1, 2017.



Cash and Financial Outlook

The Company ended the third quarter with \$5.0 million in cash and equivalents, or \$2.4 million greater than the \$2.6 million in similar assets held at December 31, 2016. The increase is due in part to the following expenditures and cash inflows during the first three quarters of 2017:

Expenditures totaled \$6.2 million:

- \$2.0 million in exploration expenditures, including work at Santa Maria, Mogotes and Rodeo
- \$1.1 million in care and maintenance at the Velardeña Properties
- \$0.5 million in evaluation activities and related holding costs at El Quevar
- \$2.6 million in general and administrative expenses

Cash inflows totaled \$8.6 million:

- \$3.4 million of net operating margin related to the lease of the Company's oxide plant to Hecla
- \$1.9 million from Hecla for an option to extend its oxide plant lease, which was comprised of \$1.0 million cash and \$1.0 million for the purchase of Company common stock, less \$0.1 million in legal and stock exchange issuance costs
- \$1.1 million in refunds of previous Value Added Tax payments made in Argentina in 2012 and 2013
- \$0.8 million from final payments related to the sale of excess mining equipment to Minera Indé
- \$0.7 million of net proceeds received from the issuance of Company common stock under its ATM Program
- \$0.2 million of net proceeds from the sale of other nonstrategic exploration properties and mining equipment
- \$0.2 million from a decrease in working capital

In addition to the \$5.0 million balance as of September 30, 2017, during the next 12 months the Company expects to receive approximately \$4.6 million in net operating margin from the lease of the oxide plant and an additional \$0.8 million from Santacruz related to the exploration property farm out noted above. 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 \$3.5 million and end September 30, 2018 with a cash balance of approximately \$2.5 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 evaluation costs related to the Santa Maria, Rodeo, Mogotes and other properties;
- \$1.5 million at the Velardeña Properties for care and maintenance;



- \$1.0 million at the El Quevar project to fund ongoing exploration and evaluation activities, care and maintenance and property holding costs; and
- \$3.4 million on general and administrative costs.

Third Quarter Business Summary

- In August, the Company granted Hecla Mining Company (“Hecla”) an option to extend its lease of Golden’s oxide mill for an additional two years, or through December 2020. In consideration for such option, Golden received (US) \$1.0 million cash and Hecla purchased \$1.0 million of Company common stock.
- In August, the Company expanded the size of its Santa Maria gold and silver project in Chihuahua, Mexico, when it acquired three additional claims that cover the eastward extension of the Santa Maria vein.
- In August, Golden began a new 1,500-meter drill program at Santa Maria, with the goal of at least doubling the size of the project and identifying it as a prospect for near-term production with low capital requirements.
- In September, the Company received a permit to dewater the underground mine workings at its El Quevar silver project in Salta, Argentina, to evaluate the possibility of underground exploration drilling in conjunction with a current project to re-model the existing resource.
- In September, Golden began a 1,500-meter drill program at the Mogotes project, located adjacent to the Company’s Velardeña Properties in Durango State, Mexico.

Additional information regarding third 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; projected future cash balances; future drilling plans at, anticipated future resource



estimates, and potential capital costs for development of Santa Maria; future drilling activities at the Mogotes project; and future results from the re-modeling project at El Quevar. These statements are subject to risks and uncertainties, including 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 or Argentina, 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>September 30,</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	\$ 4,966	\$ 2,588
Short-term investments	242	334
Trade receivables	391	380
Inventories, net	267	245
Value added tax receivable, net	1	5
Related party receivable	—	643
Prepaid expenses and other assets	466	578
Total current assets	<u>6,333</u>	<u>4,773</u>
Property, plant and equipment, net	<u>8,569</u>	<u>9,235</u>
Total assets	<u>\$ 14,902</u>	<u>\$ 14,008</u>
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 1,348	\$ 1,224
Deferred revenue	293	—
Other current liabilities	9	24
Total current liabilities	<u>1,650</u>	<u>1,248</u>
Asset retirement and reclamation liabilities	2,449	2,434
Deferred revenue	674	—
Warrant liability - related party	—	976
Warrant liability	—	922
Other long term liabilities	51	66
Total liabilities	<u>4,824</u>	<u>5,646</u>
Commitments and contingencies		
Equity		
Common stock, \$.01 par value, 200,000,000 and 100,000,000 shares authorized; 92,005,448 and 89,020,041 shares issued and outstanding, respectively	919	889
Additional paid in capital	516,237	495,455
Accumulated deficit	(507,041)	(488,037)
Accumulated other comprehensive (loss) income	(37)	55
Shareholders' equity	<u>10,078</u>	<u>8,362</u>
Total liabilities and equity	<u>\$ 14,902</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		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	(in thousands except per share data)		(in thousands, except per share data)	
Revenue:				
Oxide plant lease	\$ 1,771	\$ 1,729	\$ 5,107	\$ 4,768
Total revenue	<u>1,771</u>	<u>1,729</u>	<u>5,107</u>	<u>4,768</u>
Costs and expenses:				
Oxide plant lease costs	(619)	(549)	(1,704)	(1,478)
Exploration expense	(977)	(927)	(1,968)	(2,865)
El Quevar project (expense) income	(183)	65	(524)	(308)
Velardeña shutdown and care and maintenance costs	(379)	(456)	(1,098)	(1,589)
Administrative expense	(694)	(897)	(2,592)	(3,141)
Stock based compensation	7	(95)	(300)	(666)
Reclamation expense	(49)	(47)	(146)	(144)
Other operating income, net	951	1,281	1,813	1,558
Depreciation and amortization	(138)	(346)	(456)	(1,317)
Total costs and expenses	<u>(2,081)</u>	<u>(1,971)</u>	<u>(6,975)</u>	<u>(9,950)</u>
Loss from operations	(310)	(242)	(1,868)	(5,182)
Other income and (expense):				
Interest expense	—	—	—	(515)
Interest and other income	15	10	37	12
Warrant derivative loss	—	(545)	—	(2,821)
Derivative loss	—	—	—	(778)
Loss on debt extinguishment	—	—	—	(1,653)
Loss on foreign currency	(23)	(21)	(20)	(63)
Total other income (expense)	<u>(8)</u>	<u>(556)</u>	<u>17</u>	<u>(5,818)</u>
Loss from operations before income	(318)	(798)	(1,851)	(11,000)
Income tax benefit	—	—	—	26
Net loss	\$ (318)	\$ (798)	\$ (1,851)	\$ (10,974)
Comprehensive loss, net of tax:				
Unrealized (loss) gain on securities	11	107	(92)	278
Comprehensive loss	<u>\$ (307)</u>	<u>\$ (691)</u>	<u>\$ (1,943)</u>	<u>\$ (10,696)</u>
Net loss per common share — basic				
Loss	<u>\$ 0.00</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.14)</u>
Weighted average Common Stock outstanding - basic (1)				
	<u>91,097,279</u>	<u>88,878,371</u>	<u>90,028,480</u>	<u>78,080,858</u>

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