



## **GOLDEN MINERALS REPORTS FIRST QUARTER 2018 RESULTS**

GOLDEN, CO - /GLOBE NEWSWIRE/ - May 2, 2018 – Golden Minerals Company (“Golden Minerals”, “Golden” or “the Company”) (NYSE American and TSX: AUMN) today provided a business summary and financial results for the first quarter ended March 31, 2018.

### **First Quarter Business Summary**

- Announced and filed on SEDAR a new Technical Report with an updated resource estimate for the El Quevar silver project (Argentina), highlighting 2.6 million tonnes of indicated sulfide material at an average silver grade of 487 grams per tonne (“gpt”)<sup>1</sup> (41.1 million Ag oz.) and 0.3 million tonnes of inferred sulfide material at an average silver grade of 417 gpt Ag (4.1 million Ag oz.)
- Received \$1.0 million from Electrum Global Holdings, L.P. (“Electrum”) in exchange for an amendment to the Electrum farm-out agreement providing Electrum an additional 20 percent interest in the Celaya project (Mexico)
- Completed a 22 hole, 4800 meter drill program at the Santa Maria silver/gold mine (Mexico)

### **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 2018, in line with first quarter 2017
- Other operating income of \$1.2 million compared to \$0.2 million in the year ago period
- Net loss of \$0.7 million or \$0.01 per share in the first quarter 2018, compared to a net loss of \$1.1 million or \$0.01 per share in the year ago period
- Cash and cash equivalents balance of \$2.7 million as of March 31, 2018
- Debt balance of zero as of March 31, 2018

### **Financial Results**

The Company reported revenue of approximately \$1.6 million in the first quarter 2018 related to the oxide plant lease and costs of approximately \$0.5 million related to the services we provide under the terms of the lease, for a net margin of \$1.1 million. Other operating income of \$1.2 million included \$1.0 million received from Electrum as consideration for permitting Electrum to earn an additional 20% interest in the Celaya project, \$0.1 million related to a Value Added Tax credit utilized in Mexico, and \$0.1 million related to the farm-out agreement with Santacruz Silver Mining regarding the Company’s Zacatecas Properties in Mexico. Exploration expense was \$0.9 million in the first quarter 2018 and included property holding costs and allocated administrative expenses for exploration projects other than El Quevar. It also included expenses related to Santa Maria’s first quarter 2018 exploration activities. El Quevar project expense was \$0.3 million in the first quarter and included project holding and evaluation costs,



including the recently-released Technical Report. Administrative expenses, including all costs associated with being a public company, costs incurred in support of our exploration properties and other administrative expenses, were \$1.1 million in the first quarter. Golden reported a net loss of \$0.7 million or \$0.01 per share in the first quarter 2018 compared to a net loss of \$1.1 million or \$0.01 per share in the year ago period.

### **Twelve Month Financial Outlook**

In addition to the \$2.7 million cash balance at March 31, 2018, the Company expects to receive approximately \$4.5 million in net operating margin from the lease of the oxide plant and an additional \$0.5 million from the farm-out agreement with Santacruz Silver Mining during the next 12-month period ending March 31, 2019. 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 2018 with a cash balance of approximately \$1.5 million and end March 31, 2019 with a cash balance of approximately \$1.0 million, based on the following forecasted expenditures during the next 12 months:

- Approximately \$1.5 million on exploration activities and property holding costs related to exploration properties located primarily in Mexico, including project assessment and evaluation costs related to Santa Maria and other properties;
- Approximately \$1.5 million at the Velardena Properties for care and maintenance;
- Approximately \$1.0 million at the El Quevar project to fund ongoing exploration and evaluation activities, care and maintenance and property holding costs; and
- Approximately \$2.7 million on general and administrative costs.

Additional information regarding first quarter 2018 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](http://www.goldenminerals.com).

<sup>1</sup> Technical Report prepared by Amec Foster Wheeler E&C Services, Inc. dated February 26, 2018. Report is available on [www.sedar.com](http://www.sedar.com) and the Golden Minerals Company website.

### **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, and on advancing its El Quevar project located in Salta, Argentina.

### **Cautionary Note to U.S. Investors Regarding Estimates of Indicated and Inferred Resources**

We use certain terms in this news release, such as "indicated" and "inferred" resources, that are required by Canadian National Instrument 43-101; however, these terms are not recognized under the U.S. SEC Industry Guide 7. U.S. investors are cautioned not to assume that any or all of the indicated or inferred resources are economically or legally mineable or that these resources will ever be converted into reserves. "Inferred mineral resources" have



a high degree of uncertainty as to their existence and it cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or pre-feasibility study, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant “reserves” as in-place tonnage and grade without reference to unit amounts.

### **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 anticipated receipts from the oxide plant lease and the farm-out agreement with Santacruz Silver Mining, projected cash balances, and anticipated spending during the twelve months ended March 31, 2019. 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, potential non-payment of the required farm-out payments by Santacruz, 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; failure of mined material or veins mined to meet expectations; 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 SEC by Golden Minerals, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

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><br><u>2018</u> | <u>December 31,</u><br><u>2017</u> |
|---|---------------------------------|------------------------------------|
| (in thousands, except share data)   |                                 |                                    |
| <b>Assets</b>   |                                 |                                    |
| Current assets  |                                 |                                    |
| Cash and cash equivalents   | \$ 2,711                        | \$ 3,250                           |
| Short-term investments  | 233                             | 238                                |
| Lease receivables   | 402                             | 314                                |
| Inventories, net  | 259                             | 242                                |
| Value added tax receivable, net   | 13                              | 148                                |
| Prepaid expenses and other assets   | 850                             | 745                                |
| Total current assets  | 4,468                           | 4,937                              |
| Property, plant and equipment, net  | 7,866                           | 8,140                              |
| Total assets  | \$ 12,334                       | \$ 13,077                          |
| <b>Liabilities and Equity</b>   |                                 |                                    |
| Current liabilities   |                                 |                                    |
| Accounts payable and other accrued liabilities  | \$ 1,400                        | \$ 1,556                           |
| Deferred revenue, current   | 293                             | 293                                |
| Other current liabilities   | 193                             | 9                                  |
| Total current liabilities   | 1,886                           | 1,858                              |
| Asset retirement and reclamation liabilities  | 2,544                           | 2,495                              |
| Deferred revenue, non-current   | 528                             | 600                                |
| Other long term liabilities   | 35                              | 43                                 |
| Total liabilities   | 4,993                           | 4,996                              |
| Commitments and contingencies   |                                 |                                    |
| Equity  |                                 |                                    |
| Common stock, \$.01 par value, 200,000,000 shares authorized; 91,929,709 and 89,020,041 shares issued and outstanding, respectively | 919                             | 919                                |
| Additional paid in capital  | 516,329                         | 516,284                            |
| Accumulated deficit   | (509,907)                       | (509,082)                          |
| Accumulated other comprehensive loss  | —                               | (40)                               |
| Shareholders' equity  | 7,341                           | 8,081                              |
| Total liabilities and equity  | \$ 12,334                       | \$ 13,077                          |



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

|  | Three Months Ended                    |            |
|--|---------------------------------------|------------|
|  | March 31,                             |            |
|  | 2018                                  | 2017       |
|  | (in thousands, except per share data) |            |
| <b>Revenue:</b>  |                                       |            |
| Oxide plant lease  | \$ 1,637                              | \$ 1,644   |
| Total revenue  | 1,637                                 | 1,644      |
| <b>Costs and expenses:</b>                                   |                                       |            |
| Oxide plant lease costs                                      | (503)                                 | (537)      |
| Exploration expense  | (899)                                 | (534)      |
| El Quevar project expense                                    | (272)                                 | (149)      |
| Velardeña shutdown and care and maintenance costs            | (489)                                 | (350)      |
| Administrative expense                                       | (1,061)                               | (1,026)    |
| Stock based compensation                                     | (15)                                  | (65)       |
| Reclamation expense  | (51)                                  | (49)       |
| Other operating income, net                                  | 1,226                                 | 157        |
| Depreciation and amortization                                | (296)                                 | (188)      |
| Total costs and expenses                                     | (2,360)                               | (2,741)    |
| Loss from operations   | (723)                                 | (1,097)    |
| <b>Other income and (expense):</b>                           |                                       |            |
| Interest and other income, net                               | 3                                     | 18         |
| (Loss) gain on foreign currency                              | (15)                                  | 6          |
| Loss from operations before income taxes                     | (735)                                 | (1,073)    |
| Income tax   | —                                     | —          |
| Net loss   | \$ (735)                              | \$ (1,073) |
| <b>Comprehensive loss, net of tax:</b>                       |                                       |            |
| Unrealized loss on securities                                | —                                     | (52)       |
| Comprehensive loss   | \$ (735)                              | \$ (1,125) |
| <b>Net loss per common share — basic</b>                     |                                       |            |
| Loss   | \$ (0.01)                             | \$ (0.01)  |
| <b>Weighted average Common Stock outstanding - basic (1)</b> | 91,726,375                            | 89,350,286 |

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