



## **GOLDEN MINERALS PROVIDES EXPLORATION PROPERTIES AND VELARDENA UPDATE**

GOLDEN, CO - /PRNEWSWIRE/ - December 16, 2016 – Golden Minerals Company (“Golden Minerals” or the “Company”) (NYSE MKT: AUMN and TSX: AUM) is pleased to provide an update on its recent exploration property activities and the Velardena oxide plant lease.

### **Highlights**

- **Performing additional metallurgical testing at Santa Maria, prior to completing an updated resource estimate and issuing a Preliminary Economic Assessment (“PEA”) in the first quarter 2017**
- **Completed a 2,080-meter drill program at the Rodeo project during the fourth quarter 2016; results to date are encouraging and a resource estimate is in preparation for release in Q1 2017**
- **Lease of Velardena’s oxide mill to Hecla Mining continues to perform as expected, with net cash of \$4.5 million expected for the full year 2016; Hecla has exercised its option to lease the mill through mid-2017 and has the right to extend the lease through 2018**

### **Santa Maria**

At the Santa Maria mine in southern Chihuahua, Mexico, the Company has continued with metallurgical testing of sulfide vein material in the fourth quarter 2016. Metallurgical recoveries at the third party sulfide flotation mill used to process the Company’s 7,500 tons of bulk samples averaged approximately 73 percent for silver and 50 percent for gold from partially oxidized sulfide vein material. The Company expects recoveries to improve in the sulfide vein material it is now testing, which exhibits less oxidation than the previous bulk samples. If Golden Minerals were to begin mining at Santa Maria, it would expect to mine and process sulfide material which is less oxidized and similar to that now being tested. The Company intends to defer updating its resource estimate and completing a PEA until it receives results of these additional tests and incorporates them into the project evaluation.

### **Rodeo**

In the fourth quarter 2016, Golden Minerals completed a 2,080-meter core drilling program at the Rodeo gold project located approximately 80 kilometers west of the Velardena Properties in Durango State, Mexico, at a cost of \$0.4 million. The Company has defined a gold and silver bearing epithermal vein and breccia system with encouraging gold and silver values exposed at the top of a northwesterly-striking ridge and dipping to the northeast. Previous work at Rodeo by other mining companies has shown the mineralized system to be exposed at surface over about one kilometer of strike length. The Company is



preparing a resource estimate for Rodeo, which it expects to release during the first quarter 2017. If the Company discovers a deposit with sufficient tonnage and grade, with metallurgical recoveries, costs and other characteristics to support mining, the location of the deposit could make it amenable to open pit mining, with material trucked to the Velardena oxide plant for processing after the Hecla lease terminates.

### **Velardena Oxide Mill Lease**

The lease of the Company's oxide mill to Hecla Mining continues to perform as expected and Golden Minerals expects to receive approximately \$4.5 million in net cash flow under the terms of the lease in 2016. Hecla has secured the right to use the mill through December 2018, in conjunction with agreements reached in the third quarter 2016 that permit Hecla to expand the tailings impoundment at their cost, while preserving flexibility for future tailings expansions. Hecla exercised its right to extend the initial 18-month term for six additional months, until June 30, 2017, and presently has the right to extend the lease term for an additional 18 months, until December 31, 2018.

### **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 Velardena processing plants.

### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act and applicable Canadian securities legislation, including statements regarding expected Santa Maria metallurgical test results, planned evaluation of those results planned timing for a resource estimate update and completion of a PEA for Santa Maria and expected mining and processing capabilities at Santa Maria; expected Rodeo drill results, whether such results and other factors will make the deposit amendable to open pit mining, and the planned timing for a resource estimate for Rodeo; and expectations regarding the oxide plant lease including anticipated net cash payments. These statements are subject to risks and uncertainties, including: unfavorable or less favorable than anticipated results from exploration at the Santa Maria or Rodeo properties and whether we will be able to advance these exploration properties; potential delays in our exploration activities, including evaluation of drill results, resource update and preparation of a PEA at the Santa Maria project, or other activities to advance properties towards mining resulting from environmental events or permitting delays or problems, accidents, problems with contractors, disputes under agreements related to exploration properties, unanticipated costs and other unexpected events; increases in costs and declines in general economic conditions; inability to raise external financing on acceptable terms or at all;



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 Exchange Commission by Golden Minerals, including the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

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

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