



GOLDEN MINERALS REPORTS THIRD QUARTER 2018 RESULTS

GOLDEN, CO - /GLOBE NEWSWIRE/ - November 6, 2018 – Golden Minerals Company (“Golden Minerals”, “Golden” or the “Company”) (NYSE American and TSX: AUMN) today announced financial results and a business summary for the third quarter ended September 30, 2018.

Third quarter Summary Financial Results

- Net income of \$1.6 million or \$0.02 per share in the third quarter 2018, compared to a net loss of \$0.3 million or \$0.00 per share in the third quarter 2017.
- Revenue of \$1.9 million and a 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 2018, compared to a \$1.2 million net operating margin realized in the third quarter 2017.
- Other operating income of \$3.2 million included \$3.0 million related to the Celaya sale and \$0.2 million related to the farm out of Golden’s Zacatecas property. This compares to \$1.0 million in the year ago period related primarily to a refund of Mexican value added tax payments and an equipment sale.
- Exploration expenses of \$1.1 million compared to \$1.0 million in the year ago period, with the 2018 figure reflecting increased exploration activities at projects in Mexico including Santa Maria.
- Cash and cash equivalents balance of \$5.0 million as of September 30, 2018 compared to \$3.3 million at year-end 2017.
- Debt balance of zero as of September 30, 2018.

Third Quarter Business Summary

- Golden sold its remaining 20% interest in the Celaya property to The Electrum Group LLC for (US) \$3.0 million in August 2018. Earlier in 2018, Golden also sold 20% of its interest in the property (taking the Company’s percentage interest from 40% to 20%) to The Electrum Group LLC for \$1.0 million.
- Golden completed the first and positive Preliminary Economic Assessment (“PEA”) for the El Quevar silver project in Argentina, outlining a potential 6-year mining operation providing approximately \$80 million in life of mine (“LOM”) free cash flow with LOM payable production of 29 million oz silver and a \$45 million after-tax net present value (“NPV”) at a 5% discount rate.
- The Company reported improved economics in a second PEA completed for its Santa Maria silver and gold project in Mexico, outlining a potential 4.2-year mining operation with \$12.4 million in LOM free cash flow, LOM payable production of 3.1 million oz silver equivalent and a \$10.6 million NPV at a 5% discount rate.
- Subsequent to September 30, at the beginning of October 2018 Hecla Mining Company exercised its option to extend the lease of Golden’s Velardeña oxide mill in Mexico for an additional two years, thus extending the lease period through the end of 2020.



Financial Results

The Company reported revenue of approximately \$1.9 million in the third quarter 2018 related to the oxide plant lease and costs of approximately \$0.7 million related to the services Golden provides under the terms of the lease, for a net margin of \$1.2 million. Other operating income of \$3.2 million included \$3.0 million from the sale of Golden's remaining interest in the Celaya project to The Electrum Group LLC, as well as pro-rated income from the farm-out of the Company's Zacatecas properties to Santacruz Silver. El Quevar project expense was \$0.4 million in the third quarter 2018 and includes costs associated with the recently-announced PEA as well as project evaluation and property holding costs. Exploration expenses were \$1.1 million in the third quarter, reflecting increased exploration and project evaluation activities at the Santa Maria as well as other projects in Mexico. Exploration expenses also include property holding costs and allocated administrative expenses for all Company exploration projects other than El Quevar. Administrative expenses (including all costs associated with being a public company, costs incurred in support of our exploration properties and other administrative expenses and professional fees) were \$0.7 million in the third quarter. Golden reported net income of \$1.6 million or \$0.02 per share in the third quarter 2018 compared to a net loss of \$0.3 million or \$0.00 per share in the year ago period.

Twelve Month Financial Outlook

The Company ended the third quarter 2018 with a cash balance of \$5.0 million and expects to receive approximately \$4.6 million in net operating margin from the lease of the oxide plant during the 12 months ending September 30, 2019. Assuming no sales of common stock under the Company's At The Market Offering Agreement or Lincoln Park Capital programs occur, the Company projects it would end 2018 with a cash balance of \$3.5 million and end September 30, 2019 with a cash balance of \$1.0 million, based on the following forecasted expenditures during the next 12 months:

- Approximately \$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 Santa Maria and other properties;
- Approximately \$1.5 million at the Velardeña Properties for care and maintenance;
- Approximately \$1.3 million at the El Quevar project to fund ongoing exploration and evaluation activities, care and maintenance and property holding costs; and
- Approximately \$3.2 million on general and administrative costs and \$0.4 million on an increase in working capital.

Additional information regarding third 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.

Financial Statements



CONDENSED CONSOLIDATED BALANCE SHEETS
(US Dollars, unaudited)

	September 30, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 4,996	\$ 3,250
Short-term investments	289	238
Lease receivables	481	314
Inventories, net	251	242
Value added tax receivable, net	12	148
Prepaid expenses and other assets	905	745
Total current assets	6,934	4,937
Property, plant and equipment, net	7,295	8,140
Total assets	\$ 14,229	\$ 13,077
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 2,017	\$ 1,556
Deferred revenue, current	293	293
Other current liabilities	234	9
Total current liabilities	2,544	1,858
Asset retirement and reclamation liabilities	2,627	2,495
Deferred revenue, non-current	381	600
Other long term liabilities	18	43
Total liabilities	5,570	4,996
Commitments and contingencies		
Equity		
Common stock, \$.01 par value, 200,000,000 shares authorized; 95,620,796 and 91,929,709 shares issued and outstanding respectively	955	919
Additional paid in capital	517,723	516,284
Accumulated deficit	(510,019)	(509,082)
Accumulated other comprehensive loss	—	(40)
Shareholders' equity	8,659	8,081
Total liabilities and equity	\$ 14,229	\$ 13,077



CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(US dollars, unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
	(in thousands except per share data)		(in thousands, except per share data)	
Revenue:				
Oxide plant lease	\$ 1,900	\$ 1,771	\$ 5,267	\$ 5,107
Total revenue	<u>1,900</u>	<u>1,771</u>	<u>5,267</u>	<u>5,107</u>
Costs and expenses:				
Oxide plant lease costs	(657)	(619)	(1,685)	(1,704)
Exploration expense	(1,077)	(977)	(3,017)	(1,968)
El Quevar project expense	(364)	(183)	(917)	(524)
Velardeña shutdown and care and maintenance costs	(428)	(379)	(1,409)	(1,098)
Administrative expense	(673)	(694)	(2,556)	(2,592)
Stock based compensation	139	7	(111)	(300)
Reclamation expense	(53)	(49)	(156)	(146)
Other operating income, net	3,188	951	4,638	1,813
Depreciation and amortization	(337)	(138)	(897)	(456)
Total costs and expenses	<u>(262)</u>	<u>(2,081)</u>	<u>(6,110)</u>	<u>(6,975)</u>
Income (loss) from operations	1,638	(310)	(843)	(1,868)
Other income and (expense):				
Interest and other (expense) income, net	(59)	15	54	37
Gain (loss) on foreign currency	6	(23)	(50)	(20)
Total other income	<u>(53)</u>	<u>(8)</u>	<u>4</u>	<u>17</u>
Income (loss) from operations before income taxes	1,585	(318)	(839)	(1,851)
Income tax	—	—	—	—
Net income (loss)	<u>\$ 1,585</u>	<u>\$ (318)</u>	<u>\$ (839)</u>	<u>\$ (1,851)</u>
Comprehensive income (loss), net of tax:				
Unrealized gain (loss) on securities	—	11	—	(92)
Comprehensive income (loss), net of tax:	<u>\$ 1,585</u>	<u>\$ (307)</u>	<u>\$ (839)</u>	<u>\$ (1,943)</u>
Net income (loss) per common share — basic				
Loss	<u>\$ 0.02</u>	<u>\$ -</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted average Common Stock outstanding - basic (1)	<u>95,271,194</u>	<u>91,097,279</u>	<u>93,572,608</u>	<u>90,028,480</u>

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



About Golden Minerals

Golden Minerals is a Delaware corporation based in Golden, Colorado. The Company is primarily focused on advancing its El Quevar property in Argentina and in 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 the anticipated net operating margin from the Velardeña oxide plant lease; assumptions regarding future activity under the Company's ATM and Lincoln Park Capital programs; potential future operations at Santa Maria and El Quevar; and the anticipated cash balance based on forecasted expenditures on care and maintenance at the Velardeña Properties and El Quevar project, exploration and evaluation expenditures at the El Quevar Project, property holding costs at the El Quevar project, general and administrative costs, working capital expenditures, and expenditures on exploration activities and holding costs related to properties in Mexico, including evaluations and assessment costs at Santa Maria and other properties. 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 results of the El Quevar PEA and the Santa Maria PEA; 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 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 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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