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# Golden Minerals Company.

## Golden Minerals Reports Third Quarter 2019 Results

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GOLDEN, Colo., Nov. 13, 2019 (GLOBE NEWSWIRE) -- Golden Minerals Company ("Golden Minerals", "Golden" or the "Company") (NYSE American and TSX: AUMN) has released financial results for the quarter ending September 30, 2019.

### Third Quarter Summary Financial Results

- Revenue of (US) \$1.9 million and a net operating margin of \$1.3 million related to the lease of the Company's oxide plant in Mexico to Hecla Mining Co.
- Cash and cash equivalents balance of \$2.9 million as of September 30, 2019 compared to \$3.3 million at year-end 2018.
- Exploration expenses of \$0.9 million in the third quarter 2019 compared to \$1.1 million in the year ago period.
- El Quevar project expenses of \$0.6 million in the current quarter compared to \$0.4 million in the year ago period.
- Net loss of \$1.8 million or \$0.02 per share in the third quarter 2019, compared to net income of \$1.6 million or \$0.02 per share in the third quarter 2018.

### Financial Results

In the third quarter 2019, Golden Minerals reported (all figures approximate) revenue of \$1.9 million related to its lease of Velardeña's oxide mill and costs of approximately \$0.6 million related to the services Golden provides under the terms of the lease, for a net operating margin of \$1.3 million. Exploration expenses were \$0.9 million in the third quarter, reflecting work at Sand Canyon (Nevada), Yoquivo, Santa Maria and other properties primarily in Mexico, as well as property holding costs and allocated administrative expenses. El Quevar project expenses were \$0.6 million in the third quarter and include costs associated with the 2019 drilling program as well as project evaluation and property holding costs. Velardeña care and maintenance costs were \$0.4 million during the third quarter. Administrative expenses were \$0.7 million in the third quarter 2019 and include costs associated with being a public company and are incurred primarily by the Company's corporate activities in support of the Company's portfolio of properties. Golden reported a net loss of \$1.8 million or \$0.02 per share in the third quarter 2019 compared to net income of \$1.6 million or \$0.02 per share in the year ago period.

On June 26, 2019, the Company announced its intent to sell certain Mexican assets to Compañía Minera Autlán S.A.B. de C.V ("Autlan"). In connection with the intended transaction, Golden reported the operational results of Velardeña and related subsidiaries in its second quarter 2019 financial statements as discontinued operations and assets held for sale. Due to the ultimate termination of the agreement in September, the Company is no longer reporting the Velardeña Properties and related subsidiaries as discontinued operations and assets held for sale.

### Subsequent Event

On October 16, 2019, the Company entered into an agreement to sell the Company's option to earn a 100% interest in the Santa Maria and Las Marias exploration properties to Magellan Gold Corporation. The agreement provides for a period of up to 150 days for Magellan to complete due diligence and secure financing for the project. If Magellan exercises its option, it will make a cash payment of \$1.0 million to Golden Minerals upon closing. Golden Minerals will retain a 6.5% NSR royalty from all production at Santa Maria until a total of \$3.0 million has been paid to the Company. Thereafter, Golden will retain a 3.0% NSR royalty for the balance of the mine's life. The Company had previously expensed all costs associated with the two properties and will record income from the agreement as cash is received.

### Twelve Month Financial Outlook

Golden Minerals ended the third quarter 2019 with a cash balance of \$2.9 million. In October 2019, the Company entered into an option to purchase agreement for the sale of its interest in the Santa Maria property and expects to receive an initial cash payment from Magellan of \$1.0 million by the end of the first quarter 2020. In addition, the Company expects to receive approximately \$4.8 million in net operating margin from the lease of its oxide plant through the end of the third quarter 2020. The Company's currently budgeted expenditures for the 12-month period ending September 30, 2020 are as follows:

- Approximately \$2.5 million on exploration activities and property holding costs related to the Company's portfolio of exploration properties located in Mexico, Nevada and Argentina, including project assessment and evaluation costs relating to Yoquivo, Sand

Canyon and other properties;

- Approximately \$1.6 million at the Velardeña properties for care and maintenance;
- Approximately \$1.5 million for repayment of the deposit associated with the Autlán transaction;
- Approximately \$0.8 million at the El Quevar project to fund ongoing exploration and evaluation activities, care and maintenance and property holding costs;
- Approximately \$3.1 million on general and administrative costs; and
- Approximately \$0.3 million for income tax payments due in Canada.

The Company's currently budgeted expenditures are slightly greater than its resources noted above. Therefore, during the next 12 months ending September 30, 2020, the Company will take appropriate actions which may include sales of certain of the Company's exploration assets, reductions to the Company's currently budgeted level of spending, and/or raising additional equity capital through sales under the company's ATM Program, the LPC Program or otherwise.

Additional information regarding third quarter 2019 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).

## About Golden Minerals

Golden Minerals is a Delaware corporation based in Golden, Colorado. The Company is primarily focused on advancing its Velardeña Properties in Mexico and its El Quevar silver property in Argentina, as well as acquiring and advancing mining properties in Mexico and Nevada.

## Financial Statements

### CONDENSED CONSOLIDATED BALANCE SHEETS

(US Dollars, unaudited)

	September 30, 2019	December 31, 2018
	(in thousands, except share data)	
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 2,892	\$ 3,293
Short-term investments	—	330
Lease receivables	460	481
Inventories, net	227	229
Value added tax receivable, net	11	14
Prepaid expenses and other assets	374	619
Total current assets	3,964	4,966
Property, plant and equipment, net	6,304	7,109
Other long term assets	965	569
Total assets	\$ 11,233	\$ 12,644
<b>Liabilities and Equity</b>		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 1,665	\$ 1,969
Deferred revenue, current	293	293
Other current liabilities	1,649	12
Total current liabilities	3,607	2,274
Asset retirement and reclamation liabilities	2,782	2,683
Deferred revenue, non-current	88	307
Other long term liabilities	384	10
Total liabilities	6,861	5,274
Commitments and contingencies		

Equity		
Common stock, \$.01 par value, 200,000,000 shares authorized; 106,734,279 and 95,620,796 shares issued and outstanding respectively	1,067	955
Additional paid in capital	521,268	517,806
Accumulated deficit	(517,963)	(511,391)
Shareholders' equity	<u>4,372</u>	<u>7,370</u>
Total liabilities and equity	\$ 11,233	\$ 12,644

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(US dollars, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(in thousands except per share data)		(in thousands, except per share data)	
<b>Revenue:</b>				
Oxide plant lease	\$ 1,944	\$ 1,900	\$ 5,852	\$ 5,267
Total revenue	<u>1,944</u>	<u>1,900</u>	<u>5,852</u>	<u>5,267</u>
<b>Costs and expenses:</b>				
Oxide plant lease costs	(594)	(657)	(1,804)	(1,685)
Exploration expense	(935)	(1,077)	(3,119)	(3,017)
El Quevar project expense	(582)	(364)	(1,584)	(917)
Velardeña shutdown and care and maintenance costs	(422)	(428)	(1,391)	(1,409)
Administrative expense	(742)	(673)	(2,784)	(2,556)
Stock based compensation	(72)	139	(725)	(111)
Reclamation expense	(57)	(53)	(171)	(156)
Other operating income, net	45	3,188	225	4,638
Depreciation and amortization	(270)	(337)	(814)	(897)
Total costs and expenses	<u>(3,629)</u>	<u>(262)</u>	<u>(12,167)</u>	<u>(6,110)</u>
Income (loss) from operations	(1,685)	1,638	(6,315)	(843)
<b>Other income and (expense):</b>				
Interest and other income (expense), net	(42)	(59)	(182)	54
Gain (loss) on foreign currency	(24)	7	(63)	(46)
Total other income (loss)	<u>(66)</u>	<u>(52)</u>	<u>(245)</u>	<u>8</u>
Income (loss) from operations before income taxes	(1,751)	1,586	(6,560)	(835)
Income taxes	(9)	(1)	(9)	(4)
Net income (loss)	<u>\$ (1,760)</u>	<u>\$ 1,585</u>	<u>\$ (6,569)</u>	<u>\$ (839)</u>
<b>Net income (loss) per common share — basic</b>				
Income (loss)	\$ (0.02)	\$ 0.02	\$ (0.07)	\$ (0.01)
<b>Net income (loss) per common share — diluted</b>				
Income (loss)	(0.02)	0.02	(0.07)	(0.01)
<b>Weighted average Common Stock outstanding -</b>	104,764,260	95,271,194	99,263,135	93,572,608

<b>basic</b>				
<b>Weighted average Common Stock outstanding - diluted (1)</b>	104,764,260	99,461,233	99,263,135	93,572,608

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

### 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 future drilling programs at El Quevar and productivity projections from the El Quevar project; future drilling plans and exploration activities at Sand Canyon, Yoquivo and other properties; financial projections, including budgeted expenditures and the anticipated net operating margin from the Velardeña oxide plant lease; the election of Magellan to terminate the Santa Maria agreement without payment of the initial cash payment of \$1.0 million; potential sales of certain of the Company's exploration assets; projected cash balances and anticipated spending during the 12 months ended September 30, 2020; and assumptions regarding raising additional equity capital through sales under the Company's ATM or LPC programs or otherwise. 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 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; 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 or earlier than expected termination of the oxide plant lease; 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 Securities and Exchange Commission by Golden Minerals, including the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019, June 30, 2019 and September 30, 2019.

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

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