Golden Minerals Announces Improved Concentrate Terms for Velardeña Properties Gold-Pyrite Concentrate

GOLDEN, Colo.--(BUSINESS WIRE)--April 4, 2023--Golden Minerals Company ("Golden Minerals," "Golden" or the "Company") (NYSE American: AUMN and TSX: AUMN) announced today that it is selling gold-rich pyrite concentrates from its Velardeña Properties on improved terms to a buyer in Manzanillo, Mexico.

Warren M. Rehn, Golden's President and Chief Executive Officer, commented, "Recently improved and updated terms for the purchase of our gold-rich pyrite concentrates allow us to consider moving forward with the re-opening of the Velardeña Properties' mines without the need to build the BIOX plant, as we had previously planned. The new terms pay for enough of the gold and silver in the concentrate to enable us to shelve plans for the BIOX plant and sell our flotation concentrates directly to smelters. We made our first shipment of 142 tonnes of previously produced and stockpiled gold-rich pyrite concentrate under the new terms last week and we are currently processing 3,000 tonnes of previously mined and stockpiled mineralized material from the Santa Juana mine for future shipments. The economic benefit of the new payable terms bodes well for a restart of the Velardeña mines."

The new payable terms for gold-bearing pyrite concentrates are a significant improvement over previous terms offered in 2022 and earlier, and now represent in excess of a 100% increase for gold payables in the concentrate. The Company had previously planned to construct a BIOX facility at Velardeña in order to recover the gold in the pyrite concentrate. The capital cost of the BIOX facility was initially estimated at approximately US $6.5 million in 2019 (as reported in the May 2020 PEA); however, upon re-estimation in 2021 (as reported in the March 2022 PEA) the cost estimate had more than doubled to $14.5 million. In 2022, detailed costing and design showed a minimum cost of well over $20 million, which was more than could be readily financed for the project. The increase in the BIOX plant costs created uncertainty about the economic feasibility of re-commencing production. With these new concentrate sales terms, the problem of payable gold recovery appears to be solved without the significant capital costs required to build the previously planned BIOX facility.

The Company is now evaluating the economics of a restart of the Velardeña operation without the need for major capital expenditures for the BIOX facility and ancillary equipment. Pending confirmation and Board approval of the start-up plan, the Company believes that it could commence production as soon as mid-2023. To address the concerns related to mining dilution at Velardeña, the Company anticipates that it would schedule initial production from those veins that showed the best results from test mining in 2022. Ore-sorting, while showing promise to help reduce dilution, would not be required for the currently envisioned plan to resume production given the improved revenue projected from the new concentrate sales terms.

About Golden Minerals

Golden Minerals is a gold and silver producer based in Golden, Colorado. The Company is primarily focused on producing gold and silver from its Rodeo Mine, advancing its Velardeña and Yoquivo properties in Mexico and, through partner-funded exploration, its El Quevar silver property in Argentina, as well as acquiring and advancing selected mining properties in Mexico, Nevada and Argentina.

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 regarding a potential restart of mining operations on the Velardeña properties, including the potential timing and ability to operate profitably without the BIOX facility and potential ore-sorting technology. These statements are subject to risks and uncertainties, including increases in costs and declines in general economic conditions; changes in current payable terms for gold-bearing pyrite concentrates; changes in political conditions, in tax, royalty, environmental and other laws in Mexico and other market conditions; and fluctuations in silver and gold prices. 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, 2022.

Follow us at www.linkedin.com/company/golden-minerals-company/ and https://twitter.com/Golden_Minerals.

For additional information please visit http://www.goldenminerals.com/.

Contacts

Golden Minerals Company
Karen Winkler, Director of Investor Relations
(303) 839-5060