

Golden Minerals Reports First Quarter 2024 Financial Results

GOLDEN, Colo.--(BUSINESS WIRE)--May 14, 2024--Golden Minerals Company (“Golden Minerals,” “Golden” or the “Company”) (NYSE-A: AUMN and TSX: AUMN) has today released financial results and a business summary for the quarter ending March 31, 2024. (All figures are in approximate U.S. dollars.)

First Quarter Business Summary and Subsequent Events

- The Company restarted silver-gold production at the Company’s Velardeña Properties (Durango State, Mexico) in December 2023, but stopped mining at the end of February 2024 and stopped processing mineralized material at the end of March 2024, after determining the initial performance of the mine and processing plant did not achieve the expected mine production ramp-up schedule or initial expected plant concentrate production results. Operational issues at the mine were caused by a combination of insufficient experienced miners, and issues with mine ventilation and mining equipment availability.
- On March 27, 2024, Golden announced that Barrick Gold Corporation had notified the Company that it was withdrawing from the 2020 Earn-In Agreement between the two parties related to the Company’s El Quevar silver project (Salta Province, Argentina). The agreement’s termination was effective on April 20, 2024 and the El Quevar project has now reverted back into the full control of Golden Minerals. Golden now intends to focus on exploration activities at El Quevar as funding allows.
- On April 29, 2024, two of Golden’s Mexico subsidiaries, Minera William S.A. de C.V. (“Minera William”) and Minera Labri S.A. de C.V. (“Minera Labri”) entered into certain asset purchase and sale agreements with a privately held Mexican company whereby Minera William and Minera Labri agreed to sell certain mining concessions, equipment, land parcels and other assets to the buyer in exchange for an aggregate purchase price of \$5.5 million in cash, plus Value-Added Tax (“VAT”). The assets being sold include the Velardeña and Chicago mines, both of the Company’s oxide and sulfide processing plants and related equipment. Under the terms of the purchase and sales agreements:
 - On April 29, 2024, the buyer paid a non-refundable advance payment of \$1.0 million in cash to the Company;
 - On May 20, 2024, the buyer shall pay \$2.0 million in cash, plus VAT (including VAT on the advance payment), to the Company, and
 - On July 1, 2024, the buyer shall pay \$2.5 million in cash, plus VAT, to the Company.

Although the Company believes the transaction will be completed, there can be no assurance that the transaction will be completed on the terms described or at all.

First Quarter Financial Summary

- Revenue from discontinued operations was \$1.2 million in the first quarter 2024 and included sales of concentrate, slag material and doré from the Velardeña discontinued

operations. Revenue was \$4.2 million in the first quarter 2023, which was related to the sale of metals in doré from the Rodeo mine (Durango State, Mexico).

- Net operating margin from discontinued operations (defined as revenue from the sale of metals less cost of metals sold) was negative \$1.7 million in the first quarter 2024, which was related to the Velardeña discontinued operations. Net operating margin was positive \$0.2 million in the first quarter 2023, which was related to the sale of metals in doré from the Rodeo mine.
- Cash and equivalents balance as of March 31, 2024 was \$2.4 million, compared to \$3.8 million on December 31, 2023.
- Zero debt as of March 31, 2024, unchanged from December 31, 2023.
- Net loss was \$4.6 million or \$0.32 per share in the first quarter 2024, compared to a net loss of \$3.3 million or \$0.47 per share in the first quarter 2023.

Cash Inflows and Expenditures

Cash expenditures during the three months ended March 31, 2024 totaled \$3.5 million and included:

- \$1.0 million in general and administrative expenses;
- \$0.5 million in exploration expenditures;
- \$0.1 million in care and maintenance costs at the El Quevar project, net of zero reimbursements from Barrick;
- \$1.7 million of net operating margin from the Velardeña discontinued operations (defined as revenue from the sale of metals less the cost of metals sold); and
- \$0.2 million in changes in working capital (mainly due to an increase in accounts receivable associated with the sales made near the end of the first quarter).

The above expenditures were offset by cash inflows of \$2.1 million from the following:

- \$2.0 million from the collection of VAT receivables from the Mexican Government; and
- \$0.1 million of proceeds received from the sale of non-core assets in working capital.

Capital Resources and 12-Month Financial Outlook

The Company does not currently have sufficient resources to meet its expected cash needs during the twelve months ended March 31, 2025. At March 31, 2024, the Company had current assets of approximately \$5.3 million, including cash and cash equivalents of approximately \$2.4 million. On the same date, it had accounts payable and other current liabilities of approximately \$6.5 million. Because the Company has ceased mining at the Velardeña mine, its only near-term opportunity to generate cash flow is from the sale of assets and equity financings.

Golden Minerals will require further sources of capital. In order to satisfy the Company's projected general, administrative, exploration and other expenses through March 31, 2025, the Company will need approximately \$6.0 to \$8.0 million in total capital inflows. These capital inflows may take the form of asset sales such as from the anticipated closing of the sale of

Velardeña assets for \$5.5 million, collection of the Company's outstanding receivable, equity financing activities, or otherwise.

As of March 31, 2024, Golden Minerals had VAT receivable in Mexico of approximately \$1.1 million. Although the Company believes it is likely it will receive some material portion of this receivable in the second and third quarters of 2024, there is no certainty as to the timing and amount of such payment.

Quarterly Report on Form 10-Q

The Company's consolidated financial statements and management's discussion and analysis, as well as other important disclosures, may be found in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024. This Form 10-Q is available on the Company's website at Golden Minerals Company - SEC Filings. It has also been filed with the U.S. Securities and Exchange Commission on EDGAR at www.sec.gov/edgar and with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

About Golden Minerals

Golden Minerals is a precious metals mining exploration company based in Golden, Colorado. The Company is primarily focused on advancing its Yoquivo property in Mexico and its El Quevar silver property in Argentina. The Company is also focused on 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, such as statements regarding (i) buyer's scheduled payments to the Company pursuant to the purchase and sale agreements, (ii) the Company's anticipated near-term capital needs, and potential sources of capital; (iii) the Company's plans to undertake further exploration activities El Quevar project, as funding allows; (iv) expectations pertaining to the recovery of VAT refunds from the Mexican government; (v) projected revenue and spending for the twelve months ending March 31, 2025; and (vi) statements concerning the Company's financial condition, business strategies, business risks and financial outlook for 2024, including anticipated expenditures and cash inflows during the year. These statements are subject to risks and uncertainties, including the failure by the buyer of our assets in Mexico to make the required payments on the agreed schedule; the inability of the Company to obtain sufficient capital to meet its obligations; increases in costs and declines in general economic conditions; changes in political conditions, in tax, royalty, environmental and other laws in the United States, Mexico or Argentina 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 Securities & Exchange Commission by Golden Minerals, including the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

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

Contacts

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

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