Golden Minerals Reports Third Quarter 2024 Financial Results

GOLDEN, Colo.--(BUSINESS WIRE)--November 19, 2024--Golden Minerals Company ("Golden Minerals," "Golden" or the "Company") (NYSE-A: AUMN and TSX: AUMN) has today released financial results for the quarter ending September 30, 2024. (All figures are in approximate U.S. dollars.)

Third Quarter Financial Summary

- The Company recorded no revenue related to gold and silver in doré, but recorded revenue of $0.1 million from the sale of metals at the Velardeña Properties during the third quarter 2024. This revenue relates to concentrate shipments that were completed earlier in 2024 but were finalized during the third quarter 2024. In the third quarter 2023, the Company recorded $2.5 million of revenue which was related to the sale of metals at its Rodeo mine.
- The Company recorded $1.6 million of net other operating income during the third quarter 2024 which was related primarily to the sale of Silex Argentina and Minera Labri. In the third quarter 2023, the Company recorded $0.1 million of net other operating income.
- Cash and cash equivalents balance was $1.8 million as of September 30, 2024, compared to $3.8 million as of December 31, 2023.
- Zero debt as of September 30, 2024, unchanged from December 31, 2023.
- Net gain was $0.2 million or $0.01 per share in the third quarter 2024, compared to a net loss of $3.2 million or $0.38 per share in the third quarter 2023.

Cash Inflows and Expenditures

Cash expenditures during the nine months ended September 30, 2024 totaled $10.1 million and included:

- $5.9 million from the net loss on discontinued operations and assets held for sale, which includes $4.6 million of net operating costs, $0.9 million of severance payments made to employees in Mexico who were terminated during the nine months ended September 30, 2024, and $0.4 million in care and maintenance costs at the El Quevar project net of zero reimbursements from Barrick;
- $3.0 million in general and administrative expenses; and
- $1.2 million in exploration expenditures.

The above expenditures were partially offset by cash inflows of $8.1 million from the following:

- $4.5 million of proceeds received from the sale of the assets held for sale and discontinued operations as follows;
    - $2.5 million of proceeds from the sale of the Velardeña and Chicago mines, sulfide plant, mine equipment and mine concessions
    - $1.0 million of proceeds from the sale of Velardeña Plant 2 and water wells

    - $1.0 million of proceeds from the first two payments on the sale of Silex Argentina
- $2.6 million from the collection of value added tax ("VAT") receivables from the Mexican Government;
- $0.4 million of proceeds received from the sale of Minera Labri; and
- $0.6 million of other working capital changes.

Liquidity and Capital Resources

The Company does not currently have sufficient resources to meet its expected cash needs during the twelve months ending September 30, 2025. At September 30, 2024, the Company had current assets of approximately $2.5 million, including cash and cash equivalents of approximately $1.8 million. On the same date, it had accounts payable and other current liabilities of approximately $4.5 million, which includes $1.0 million in deferred revenue for the sale of the Velardeña oxide plant and water wells. As previously disclosed, the Company ceased mining at the Velardeña mines in Mexico in the first quarter 2024, and subsequently sold the mines and certain related assets. As of November 15, 2024, the Company is still owed $1.7 million, plus VAT, of the purchase price for the remaining Velardeña assets. The Company's only near-term opportunity to generate cash flow to meet its expected cash requirements is from the sale of assets, equity or other external financing. With the receipt of the proceeds from the sale of Silex Argentina, and the cash payments received to date for the Yoquivo Transaction, as of November 15, 2024 the Company has cash and cash equivalents of approximately $3.6 million and accounts payable of approximately $1.2 million. In the absence of additional cash inflows, the Company anticipates that its cash resources will be exhausted in the second quarter of 2025.

Golden Minerals will need to secure additional sources of capital. In order to satisfy the Company's projected general, administrative, exploration and other expenses through September 30, 2025, it will need approximately $1.5 to $3.5 million in capital inflows. These capital inflows may take the form of asset sales, equity or other external financing activities, collection of the outstanding amount due on the Velardeña sale, or from other sources.

The Company is taking actions to address its liquidity and financial stability concerns. As a part of these efforts, the Company is pursuing various objectives, including the receipt of the unpaid proceeds from the Velardeña sale, completion of the sale of the Yoquivo gold-silver project, or obtaining equity or other external financing. The Company also continues to evaluate other strategic transactions. The proceeds from these transactions would be directed toward addressing the Company's ongoing operating expenses and satisfying its liabilities, while seeking to maximize any remaining value for its shareholders. If the Company is unable to obtain additional resources, it may be forced to cease operations and liquidate.

As previously disclosed, the Company has received notices from the NYSE American LLC (the "NYSE American") that it is not compliant with the NYSE American listing standards. The Company has until December 6, 2024 (the "Compliance Deadline") in order to regain compliance. The Company is continuing its efforts to regain compliance; however, if the Company is unable to regain compliance by the deadline, the Company expects the NYSE American to initiate delisting proceedings.

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 September 30, 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.

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) the Company's anticipated near-term capital needs, and potential sources of capital; (ii) the anticipated timing of exhaustion of the Company's cash resources in the absence of additional cash inflows; (iii) the Company being forced to cease operations and liquidate if it is unable to obtain additional cash resources; (iv) the Company's capital inflow needs to satisfy the Company's projected general, administrative, exploration and other expenses through September 30, 2025; (v) the Company's plans for and the timing of the Company's receipt of the outstanding amount owed of the purchase price for remaining Velardeña assets; and (vi) the NYSE American staff initiating delisting proceedings against the Company if it is not in compliance with the NYSE American's continued listing standards by the Compliance Deadline. These statements are subject to risks and uncertainties, including the failure by the buyer of the remaining Velardeña assets to make the required payments due; whether the Company continues to be listed on the NYSE American; 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.

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

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