



GOLDEN MINERALS REPORTS THIRD QUARTER 2015 RESULTS

GOLDEN, CO - /PRNEWSWIRE/ - November 16, 2015 – Golden Minerals Company (“Golden Minerals” or the “Company”) (NYSE MKT: AUMN) (TSX: AUM) today announced results for the third quarter ended September 30, 2015.

Third Quarter Summary

- Revenue of (US)\$1.8 million in the third quarter 2015 compared to \$2.0 million in the second quarter 2015 and no revenue in the third quarter 2014
- Net loss of \$16.8 million in the third quarter 2015, of which \$13.2 million reflects an impairment charge taken at the Velardeña Properties relating to the November 2015 shutdown
- Generated approximately 128,000 and sold approximately 124,000 payable silver equivalent ounces (AgEq oz)¹ in the third quarter 2015, compared to 125,000 and 133,000 AgEq oz in the second quarter 2015
- Leased currently-idled oxide plant to a third party, which is expected to provide between \$4.0 and \$5.0 million in net cash flow to the Company in 2016

Financial Results

The Company reported a net loss of \$16.8 million in the third quarter 2015 compared to a net loss of \$3.6 million in the third quarter 2014. The difference is primarily attributable to a \$13.2 million long-term asset impairment charge taken in the current quarter related to the November 2015 shutdown of mining activities at the Velardeña Properties. Additional differences are due to a negative gross margin (defined as revenues less cost of sales at the Velardeña Properties) of \$0.8M in the third quarter 2015 compared to none in the 2014 period when Velardeña had no mining activity; no other operating income in the third quarter 2015 compared to \$0.7 million in the 2014 quarter; \$0.4 million Velardeña shutdown-related expenses compared to none in the 2014 period; and a \$0.4 million increase in depreciation and amortization-related expenses and \$0.3 million increase in general and administrative expenses over the 2014 quarter. Partly offsetting these items were \$2.0 million lower Velardeña project expenses, \$0.4 million lower exploration expenses and \$0.3 million lower El Quevar project expenses.

The Company's September 30, 2015 \$0.9 million cash and cash equivalents balance is \$7.7 million lower than the yearend 2014 \$8.6 million amount. The primary uses of cash during 2015 are as follows:

¹ Silver equivalent ounces include silver and gold but exclude lead and zinc and are calculated at a ratio of 70 silver ounces to 1 gold ounce.



- \$2.3 million negative operating margin (defined as revenues less costs of sales) at the Velardeña Properties
- \$2.8 million in exploration expenditures
- \$1.0 million in maintenance and property holding costs at the El Quevar project
- \$3.4 million in general and administrative expenses, offset in part by \$0.4 million of proceeds from sales of non strategic property and equipment, a \$1.4 million reduction in working capital and other items primarily due to collections of value added tax receivables, decreases in product inventories and an increase in accounts payable associated with mining and processing activities at the Velardeña Properties

Velardeña Properties Third Quarter Results

For the three months ending September 30, 2015, the Velardeña Properties generated approximately 128,000 ounces of payable AgEq, comprised of 89,000 ounces of silver and 555 ounces of gold, at cash costs² of \$23.30, an improvement over the second quarter 2015 but below previous guidance of approximately 400,000 payable silver equivalent ounces for the second half of 2015 at cash costs between \$15 and \$17. Mill throughput improved in the third quarter to an average 275 tonnes per day (tpd). Both payable metals and cash costs were negatively impacted by lower average plant feed grades of 145 gpt silver and 2.4 gpt gold and higher dilution due to less mined material delivered from stopes as compared to access drives than expected.

The Company suspended mining and processing activities at Velardeña in mid-November 2015, due primarily to low silver and gold prices and lower average mill feed grades and gold recoveries than planned. This should enable the Company to conserve the Velardeña assets until such time as mining plans and then-current precious metals prices indicate a sustainable positive operating margin, or until the Company is able to locate and acquire alternative sources of material that may be transported to Velardeña and economically processed through the Company's sulfide mill. As a result, the Company expects fourth quarter output of between 60,000 and 70,000 payable AgEq oz., with cash costs between \$20 and \$25, and full year output of between 440,000 and 450,000 payable AgEq oz. with cash costs of between \$20 and \$25.

Financial Outlook

With the \$0.9 million cash balance at September 30, 2015 and \$5.0 million borrowed under the October 2015 one year secured loan from The Sentient Group, the Company plans to spend approximately \$3.9 million during the fourth quarter 2015:

² "Cash costs" means cash costs per payable silver ounce, net of by-product credits, as defined in "Non-GAAP Financial Measures" below.



- Approximately \$2.0 million at the Velardeña Properties for costs associated with the suspension of mining and processing activities, including severance, net working capital obligations, and other costs to place the property on care and maintenance;
- Approximately \$0.6 million on other exploration activities and property holding costs primarily in Mexico;
- Approximately \$0.3 million on El Quevar project maintenance and holding costs; and
- Approximately \$1.0 million on general and administrative costs.

Additional information regarding third quarter 2015 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.

About Golden Minerals

Golden Minerals is a Delaware corporation based in Golden, Colorado. The Company is primarily focused on acquiring and advancing mining properties near its Velardeña processing plants and the exploration of properties in Mexico and Argentina.

Non-GAAP Financial Measures

Cash costs per payable silver ounce, net of by-product credits is a non-GAAP financial measure calculated by the Company as set forth below, and may not be comparable to similar measures reported by other companies. Cash costs per payable silver ounce, net of by-product credits, include all direct and indirect costs associated with the physical activities that would generate concentrate products for sale to customers, including mining to gain access to mineralized materials, mining of mineralized materials and waste, milling, third-party related treatment, refining and transportation costs, on-site administrative costs and royalties. Cash costs do not include depreciation, depletion, amortization, exploration expenditures, reclamation and remediation costs, sustaining capital, financing costs, income taxes, or corporate general and administrative costs not directly or indirectly related to the Velardeña Properties. By-product credits include revenues from gold, lead and zinc contained in the products sold to customers during the period. Cash costs, after by-product credits, are divided by the number of payable silver ounces generated by the plant for the period to arrive at cash costs, after by-product credits, per payable ounce of silver. Cost of sales is the most comparable financial measure, calculated in accordance with GAAP, to cash costs. As compared to cash costs, cost of sales includes adjustments for changes in inventory and excludes net revenue from by-products and third-party related treatment, refining and transportation costs, which are reported as part of revenue in accordance with GAAP.



Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act and applicable Canadian securities legislation, including statements regarding including the Company's planned expenditures during the fourth quarter of 2015 and anticipated cash and cash equivalents balance at year-end 2015; anticipated payable metal outputs and cash costs per payable silver equivalent ounce, net of by-product credits; net cash flow expected to be received in the remainder of 2015 and in 2016 from a third party lease of the Velardeña oxide mill; and anticipated external financing activities. These statements are subject to risks and uncertainties, including: higher than anticipated costs of mining and processing; lower than anticipated grades in mined material; delays or problems in mining including a continuing inability of the mine to provide sufficient material for the plant to run at sufficient capacity to make the anticipated amounts of saleable metals; delays or problems in processings; variations in material grade and metallurgical characteristics of processed material; inability to reduce dilution and otherwise improve grades of mined material and plant feed; suspensions of existing approvals and permits; failure to achieve anticipated metal recoveries; lower than anticipated net cash flow from the oxide plant lease due to problems at the third party's mine or the oxide plant resulting in less than anticipated production or due to processing delays or cancellation of the lease due to inability to obtain required permits or for other reasons; changes in interpretations of geological, geostatistical, metallurgical, mining or processing informations; reliability of metallurgical testing results and changes in interpretation based on processing results; technical, permitting, mining, metallurgical, recovery or processing issues; increases in costs and declines in general economic conditions; unfavorable results of exploration; inability to raise external financing on acceptable terms or at all; and changes in political conditions, in tax, royalty, environmental and other laws in Mexico, 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 Exchange Commission by Golden Minerals, including the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

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SOURCE: Golden Minerals Company



GOLDEN MINERALS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
 (Expressed in United States dollars)
 (Unaudited)

	<u>September 30,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
<u>(in thousands, except share data)</u>		
Assets		
Current assets		
Cash and cash equivalents	\$ 921	\$ 8,579
Short-term investments	75	-
Trade receivables	67	-
Inventories	908	1,497
Value added tax receivable, net	583	1,316
Prepaid expenses and other assets	373	835
Total current assets	2,927	12,227
Property, plant and equipment, net	11,798	29,031
Total assets	\$ 14,725	\$ 41,258
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 1,728	\$ 1,639
Other current liabilities	927	2,551
Total current liabilities	2,655	4,190
Asset retirement obligation	2,524	2,685
Warrant liability	486	1,554
Other long-term liabilities	87	95
Total liabilities	5,752	8,524
Equity		
Common stock, \$.01 par value, 100,000,000 shares authorized; 53,335,333 and 53,162,833 shares issued and outstanding for the respective periods	534	532
Additional paid in capital	484,660	484,197
Accumulated deficit	(476,096)	(451,995)
Accumulated other comprehensive loss	(125)	-
Shareholder's equity	8,973	32,734
Total liabilities and equity	\$ 14,725	\$ 41,258



GOLDEN MINERALS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in United States dollars) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	(in thousands, except share data)			
Revenue:				
Sale of metals	\$ 1,788	\$ -	\$ 6,086	\$ -
Costs and expenses:				
Costs applicable to sale of metals (exclusive of depreciation shown below)	(2,598)	-	(8,385)	-
Exploration expense	(615)	(1,009)	(2,851)	(4,262)
El Quevar project expense	(177)	(489)	(988)	(1,244)
Velardeña project expense	-	(2,034)	(119)	(2,034)
Velardeña shutdown and care & maintenance costs	(393)	-	(393)	(2,457)
Administrative expense	(1,047)	(782)	(3,375)	(3,587)
Stock based compensation	(99)	(181)	(372)	(768)
Reclamation and accretion expense	(48)	(50)	(206)	(148)
Impairment of long lived assets	(13,181)	-	(13,181)	-
Other operating income, net	7	687	477	691
Depreciation, depletion and amortization	(1,209)	(751)	(3,743)	(2,375)
Total costs and expenses	(19,360)	(4,609)	(33,136)	(16,184)
Loss from operations	(17,572)	(4,609)	(27,050)	(16,184)
Other income and (expense):				
Interest and other income, net	623	882	2,006	1,763
Warrant derivative gain	200	-	1,068	-
(Loss) gain on foreign currency	(71)	115	(125)	108
Total other income	752	997	2,949	1,871
Loss from operations before income taxes	(16,820)	(3,612)	(24,101)	(14,313)
Income tax benefit	-	-	-	-
Net loss	\$ (16,820)	\$ (3,612)	\$ (24,101)	\$ (14,313)
Comprehensive loss, net of tax:				
Unrealized loss on securities	(88)	-	(125)	-
Comprehensive loss	\$ (16,908)	\$ (3,612)	\$ (24,226)	\$ (14,313)
Net loss per common share – basic				
Loss	\$ (0.32)	\$ (0.08)	\$ (0.46)	\$ (0.33)
Weighted average common stock outstanding - basic (1)	52,960,212	45,029,388	52,921,542	43,621,634

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