



GOLDEN MINERALS REPORTS YEAR-END 2015 RESULTS

GOLDEN, CO - /PRNEWSWIRE/ - February 25, 2016 – Golden Minerals Company (“Golden Minerals” or the “Company”) (NYSE MKT: AUMN) (TSX: AUM) has today announced financial results for the full year ending December 31, 2015.

2015 Summary

- Revenue of (US)\$8.1 million in 2015 compared to \$0.2 million in 2014
- Net loss of \$25.4 million in 2015, related primarily to an impairment charge of \$13.2 million to the Velardeña Properties, compared to a net loss of \$18.8 million in 2014
- Generated approximately 465,000 payable silver equivalent ounces (AgEq oz)¹ in 2015, including 327,000 oz silver and 1,976 oz gold, compared to approximately 42,300 payable AgEq oz generated in 2014, including approximately 28,700 oz silver and 194 oz gold
- Sold approximately 494,000 AgEq oz in 2015, including 346,000 oz silver and 2,114 oz gold, compared to approximately 14,700 AgEq oz sold in 2014, including 9,500 oz silver and 75 oz gold
- Cash and cash equivalents on hand of \$4.1 million as of December 31, 2015, compared to \$8.6 million as of December 31, 2014

Financial Results

The Company reported a net loss of \$25.4 million for the full year 2015, related primarily to an impairment charge of \$13.2 million to the net book value of the Velardeña Properties mineral resource, compared to a net loss of \$18.8 million in 2014. The Company wrote down the mineral resource value pursuant to a valuation assessment related to the shutdown of mining and milling activities that occurred in November 2015. The remaining difference in net loss between 2015 and 2014 is primarily attributable to the following:

- Revenue from sale of metals of \$7.4 million in 2015 compared to \$0.2 million in 2014. Revenue in both years is related to the Company’s Velardeña Properties in Mexico, which processed mined material from November 2014 to November 2015. Mining at Velardeña was suspended in November 2015 due to low metals prices and continued loss from operations.
- Costs of sales at Velardeña of \$9.9 million in 2015 compared to \$1.7 million in 2014
- Oxide plant lease revenue, net of reimbursable costs, of \$0.5 million in 2015, compared to no lease revenue in 2014

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.



- Exploration expenses of \$3.6 million in 2015 compared to \$5.5 million in 2014
- Velardeña and El Quevar project expenses of \$1.2 million in 2015 compared to \$4.7 million in 2014
- Velardeña shutdown and care and maintenance costs of \$1.2 million in 2015 compared to \$2.5 million in 2014
- Depreciation-related expenses of \$4.5 million in 2015 compared to \$3.1 million in 2014
- Interest and other income of \$3.1 million in 2015 related primarily to a reduction in a loss contingency and a tax refund compared to \$1.7 million in 2014 primarily related to a loss contingency
- Derivative income related to the Company's warrants and to a one year \$5.0 million convertible loan signed with The Sentient Group in October 2015 of \$1.9 million in 2015 compared to \$1.7 million in 2014

The Company's December 31, 2015 \$4.1 million cash and cash equivalents balance is \$4.5 million lower than the year-end 2014 \$8.6 million amount. The primary uses of cash during 2015 were as follows:

- \$2.5 million negative operating margin (revenues less costs of sales) at Velardeña
- \$1.2 million in shutdown and care and maintenance expenses at Velardeña
- \$3.6 million in exploration expenditures
- \$1.1 million in care and maintenance and property holding costs at the El Quevar project
- \$4.2 million in general and administrative expenses

These items were offset in part by:

- \$5.0 million in proceeds received from the Sentient loan
- \$0.5 million of net revenue related to the lease of the Velardeña oxide plant
- \$0.5 million in proceeds from sales of non-strategic property and equipment
- \$0.8 million received as a tax refund
- \$1.3 million reduction in working capital and other items

Financial Outlook

With the \$4.1 million cash balance at December 31, 2015 and assuming we receive \$4.8 million of net cash flow from the oxide plant lease in 2016 and the remaining principal and interest under the Sentient loan are converted into the Company's common stock prior to the loan's October 27, 2016 maturity date, the Company plans to spend approximately \$8.4 million during 2016, resulting in a balance of cash and cash equivalents of approximately \$0.5 million at December 31, 2016:



- Approximately \$1.2 million at the Velardeña Properties for care and maintenance
- Approximately \$1.4 million on exploration, assessment and development costs related to the San Luis del Cordero property and other properties
- Approximately \$0.8 million on other exploration activities and property holding costs related to the Company's portfolio of exploration properties located primarily in Mexico
- Approximately \$0.5 million on El Quevar project maintenance, property holding and project evaluation costs
- Approximately \$3.4 million on general and administrative costs
- Approximately \$1.1 million in increased working capital

Additional information regarding full year 2015 financial results may be found in the Company's Annual Report on Form 10-K 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.

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 activities and expenditures during 2016, anticipated cash and cash equivalents balance at year-end 2016, and net cash flow expected to be received in 2016 under a third party lease of the Velardeña oxide mill. These statements are subject to risks and uncertainties, including: suspensions of existing approvals and permits or delays in obtaining or failure to obtain required approvals and permits; lower than anticipated net cash flow from the oxide plant lease due to problems at the third party's mine or at the oxide plant resulting in less than anticipated production; termination of the oxide plant lease earlier than anticipated; unexpected increases in the costs of holding exploration properties or maintaining the Velardeña and El Quevar properties on care and maintenance; increases in costs and declines in general economic conditions; unfavorable results of exploration on the San Luis del Cordero property or other properties; 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 except as required by law. 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, 2015.



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SOURCE: Golden Minerals Company



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

	December 31, 2015	December 31, 2014
(in thousands, except share data)		
Assets		
Current assets		
Cash and cash equivalents	\$ 4,077	\$ 8,579
Short-term investments	72	-
Trade receivables	546	-
Inventories	330	1,497
Value added tax receivable	400	1,316
Prepaid expenses and other assets	451	835
Total current assets	5,876	12,227
Property, plant and equipment, net	11,125	29,031
Total assets	\$ 17,001	\$ 41,258
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 1,144	\$ 1,639
Convertible note payable	3,702	-
Derivative liability	488	-
Deferred revenue	500	-
Other current liabilities	556	2,551
Total current liabilities	6,390	4,190
Asset retirement and reclamation liabilities	2,546	2,685
Warrant liability	210	1,554
Other long term liabilities	84	95
Total liabilities	9,230	8,524
Equity		
Common stock, \$.01 par value, 100,000,000 shares authorized; 53,335,333 and 53,162,833 shares issued and outstanding, respectively	534	532
Additional paid in capital	484,742	484,197
Accumulated deficit	(477,378)	(451,995)
Accumulated other comprehensive income loss	(127)	-
Shareholders' equity	7,771	32,734
Total liabilities and equity	\$ 17,001	\$ 41,258



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

	<u>The Years Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
	(in thousands except per share data)	
Revenue:		
Sale of metals	\$ 7,418	\$ 235
Oxide plant lease	653	-
Total revenue	<u>8,071</u>	<u>235</u>
Costs and expenses:		
Cost of metals sold (exclusive of depreciation shown below)	(9,866)	(1,655)
Oxide plant lease costs	(199)	-
Exploration expense	(3,634)	(5,528)
El Quevar project expense	(1,042)	(1,597)
Velardeña project expense	(119)	(3,126)
Velardeña shutdown and care & maintenance costs	(1,228)	(2,457)
Administrative expense	(4,242)	(4,642)
Stock based compensation	(453)	(926)
Reclamation expense	(256)	(199)
Impairment of long lived assets	(13,181)	-
Other operating income, net	471	691
Depreciation, depletion and amortization	<u>(4,480)</u>	<u>(3,128)</u>
Total costs and expenses	<u>(38,229)</u>	<u>(22,567)</u>
Loss from operations	(30,158)	(22,332)
Other income and (expenses):		
Interest expense	(126)	-
Interest and other income	3,083	1,708
Warrant derivative income	1,344	1,693
Derivative income	553	-
Gain (loss) on foreign currency	(79)	108
Other total income, net	<u>4,775</u>	<u>3,509</u>
Loss before income taxes	(25,383)	(18,823)
Income taxes	-	-
Net loss	\$ (25,383)	\$ (18,823)
Other comprehensive loss:		
Unrealized loss on securities, net of tax	\$ (127)	\$ -
Comprehensive loss	<u>\$ (25,510)</u>	<u>\$ (18,823)</u>
Net loss per common share – basic (1)		
Loss	<u>\$ (0.48)</u>	<u>\$ (0.41)</u>
Weighted average Common Stock outstanding - basic (1)		
	<u>52,972,352</u>	<u>45,862,419</u>

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