



Golden Minerals Reports Second Quarter 2019 Results

GOLDEN, Colo., Aug. 07, 2019 -- Golden Minerals Company ("Golden Minerals", "Golden" or the "Company") (NYSE American and TSX: AUMN) has released financial results and a business summary for the quarter ending June 30, 2019.

Sale of Velardeña Properties and Other Assets

On June 27, 2019 the Company announced it had entered into an agreement (the "Agreement") to sell certain of its assets to Compañía Minera Autlán S.A.B. de C.V. ("Autlán") for US\$22.0 million. Upon execution of the Agreement, Autlán paid the Company a deposit of US\$1.5 million, which will be applied against the purchase price upon closing. The Agreement provides for a period of up to 75 days for Autlán to conduct due diligence related to the assets, which include the Velardeña properties as well as the Santa Maria and Rodeo mining concessions. As a result of this Agreement, the results of operations for these assets, including the Velardeña properties and its related subsidiaries, are presented in the Company's second quarter financial statements as *discontinued operations*, *assets held for sale* and *liabilities related to assets held for sale*. Consequently, revenue and costs related to the lease of the Company's oxide mill at Velardeña are no longer itemized on the Company's income statement but are instead rolled up with other items into *income from discontinued operations*. Historical periods are presented in the same manner. Please see the June 27, 2019 news release and the Form 10-Q for the quarterly period ended June 30, 2019 (both available at www.goldenminerals.com) for complete information about the Autlán transaction which is expected to close near the end of the third quarter 2019, as well as related accounting changes.

Second Quarter Summary Financial Results

- Income from operations held for sale of \$0.4 million in the second quarter 2019, compared to \$0.3 million in the second quarter 2018. These figures include revenue of \$2.0 million and \$1.7 million, respectively, related to the lease of the Company's oxide plant. They also include net operating margins calculated as oxide plant lease revenue less lease costs of \$1.4 million and \$1.2 million for the quarters ended June 30, 2019 and June 30, 2018, respectively.
- Exploration expenses of \$1.1 million in the second quarter 2019 compared to \$0.9 million in the year ago period.
- El Quevar project expenses of \$0.7 million in the current quarter compared to \$0.3 million in the year ago period.
- Net loss of \$2.5 million or \$0.03 per share in the second quarter 2019, compared to a net loss of \$1.7 million or \$0.02 per share in the second quarter 2018.
- Cash and cash equivalents balance of \$1.8 million as of June 30, 2019 compared to \$2.9 million at year-end 2018.
- Subsequent event in July 2019 which added \$2.0 million in cash through a registered direct offering of the Company's common stock.
- Debt balance of zero as of June 30, 2019.

Second Quarter Business Summary

- The Company continued an (approximately) 3,000-meter/\$0.6 million drilling program at the El Quevar silver project in Salta province, Argentina during the second quarter 2019. This program was undertaken to help identify target areas for future drilling, with the ultimate goal of expanding the currently-defined resource at El Quevar. Drilling has now concluded and program results should be published within the current quarter once all assay data is available.
- In May 2019, Golden Minerals signed an earn-in agreement for the gold-silver Sand Canyon project in northwestern Nevada. Deal terms permit Golden to earn 60% interest in the project by spending \$2.5 million in exploration expenses over four years. The project is located in a highly prospective area 18 miles northwest of the historic Sleeper Gold Mine that was operated by Amax Gold between 1986-1996. Golden has completed surface exploration activities on the project including mapping and geochemical sampling to identify drill targets.

Financial Results

The Company reported (all figures approximate) \$0.4 million in income from discontinued operations during the second quarter 2019. This amount includes revenue of \$2.0 million related to the oxide plant lease and costs of approximately \$0.6 million related to the services Golden provides under the terms of the lease. It also includes \$0.5 million in care and maintenance costs at the Velardeña properties, \$0.2 million in exploration expenditures related to properties held for sale and \$0.2 million in depreciation and amortization on properties held for sale. Other exploration expenses were \$1.1 million in the second quarter, reflecting work at Sand Canyon, Santa Maria, Yoquivo and additional properties primarily in Mexico, as well as property holding costs and allocated administrative expenses. El Quevar project expenses were \$0.7 million in the quarter and include costs associated with the drilling program begun in March 2019 as well as project evaluation and property holding costs. Administrative expenses of \$1.0 million in the second quarter 2019 include costs associated with being a public company and are incurred primarily by the Company's corporate activities in support of the Company's portfolio of properties. Golden reported a net loss of \$2.5 million or \$0.03 per share in the second quarter 2019 compared to a net loss of \$1.7 million or \$0.02 per share in the year ago period. Golden also received \$0.2 million in proceeds from the sale of common stock under the existing Lincoln Park Capital Commitment Purchase Agreement ("LPC Program") during the quarter.

Twelve Month Financial Outlook

The Company ended the second quarter 2019 with a cash balance of \$1.8 million and received approximately \$2.0 million, net of costs, related to the sale of approximately 8.6 million shares of Company common stock in July 2019. The Company also expects to receive approximately \$1.3 million in net operating margin from the lease of Velardeña's oxide plant prior to closing the Autlán transaction near the end of the third quarter 2019. Additionally, the Company expects to receive the remaining \$20.5 million purchase price from closing the proposed Autlán transaction near the end of the third quarter 2019. The Company's currently budgeted expenditures during the next 12 months ending June 30, 2020 are as follows:

- Approximately \$3.0 million on exploration activities and property holding costs related to the Company's portfolio of exploration properties located in Mexico, Nevada and Argentina, including project assessment and evaluation costs related to Yoquivo, Sand Canyon and other properties;
- Approximately \$0.5 million at the Velardeña properties for care and maintenance prior to closing of the Autlán transaction;
- Approximately \$1.0 million at the El Quevar project to fund ongoing exploration and evaluation activities, care and maintenance and property holding costs; and
- Approximately \$3.0 million on general and administrative costs.

If the Autlán transaction closes as anticipated near the end of the third quarter 2019, the Company's cash resources will greatly exceed its currently budgeted expenditures during the next 12 months ended June 30, 2020. Should the closing of the transaction not occur, the Company may be required to repay the US\$1.5 million deposit and may need to take appropriate actions, which could include sales to parties other than Autlán of certain of the Company's exploration assets, reductions to the Company's currently budgeted level of spending, and/or raising additional equity capital through sales under its ongoing ATM or LPC programs.

Additional information regarding second quarter 2019 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 advancing its El Quevar silver property in Argentina and on acquiring and advancing mining properties in Mexico and Nevada.

Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS (US Dollars, unaudited)

	June 30, 2019	December 31, 2018
	(in thousands, except share data)	
Assets		
Current assets		
Cash and cash equivalents	\$ 1,839	\$ 2,934
Short-term investments	172	330
Prepaid expenses and other assets	300	354
Assets held for sale	4,601	5,068
Total current assets	6,912	8,686
Property, plant and equipment, net	3,246	3,389
Other long term assets	976	569
Total assets	<u>\$ 11,134</u>	<u>\$ 12,644</u>
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 779	\$ 943
Other current liabilities	1,687	12
Liabilities related to assets held for sale	3,870	4,019
Total current liabilities	6,336	4,974
Other long term liabilities	418	33
Total liabilities	<u>6,754</u>	<u>5,007</u>
Commitments and contingencies		
Equity		
Common stock, \$.01 par value, 200,000,000 shares authorized; 98,080,433 and 95,620,796 shares issued and outstanding respectively	980	955
Additional paid in capital	519,333	517,806
Accumulated deficit	<u>(515,933)</u>	<u>(511,124)</u>

Shareholders' equity	4,380	7,637
Total liabilities and equity	<u>\$ 11,134</u>	<u>\$ 12,644</u>

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(US dollars, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands except per share data)		(in thousands, except per share data)	
Costs and expenses:				
Exploration expense	(1,094)	(883)	(1,787)	(1,639)
El Quevar project expense	(686)	(281)	(1,001)	(553)
Administrative expense	(999)	(852)	(2,103)	(1,943)
Stock based compensation	(51)	(206)	(600)	(209)
Other operating income, net	62	221	103	1,451
Depreciation and amortization	(75)	(94)	(152)	(186)
Total costs and expenses	<u>(2,843)</u>	<u>(2,095)</u>	<u>(5,540)</u>	<u>(3,079)</u>
Income (loss) from operations	(2,843)	(2,095)	(5,540)	(3,079)
Other income and (expense):				
Interest and other income (expense), net	(40)	112	(137)	115
Loss on foreign currency	3	(24)	(33)	(49)
Total other income (loss)	<u>(37)</u>	<u>88</u>	<u>(170)</u>	<u>66</u>
Loss from continuing operations before income taxes	(2,880)	(2,007)	(5,710)	(3,013)
Income taxes	-	-	-	-
Loss from continuing operations	(2,880)	(2,007)	(5,710)	(3,013)
Discontinued operations				
Income from discontinued operations	421	318	901	589
Net loss	<u>\$ (2,459)</u>	<u>\$ (1,689)</u>	<u>\$ (4,809)</u>	<u>\$ (2,424)</u>
Net income (loss) per common share — basic				
Loss from continuing operations	\$ (0.03)	\$ (0.02)	\$ (0.06)	\$ (0.03)
Income from discontinued operations	\$ -	\$ -	\$ 0.01	\$ 0.01
Net income (loss) per common share — diluted				
Loss from continuing operations (1)	\$ (0.03)	\$ (0.02)	\$ (0.06)	\$ (0.03)
Income from discontinued operations	\$ -	\$ -	\$ 0.01	\$ 0.01
Weighted average Common Stock outstanding - basic	<u>97,144,467</u>	<u>93,681,301</u>	<u>96,466,982</u>	<u>92,709,238</u>
Weighted average Common Stock outstanding - diluted	<u>102,370,195</u>	<u>97,197,310</u>	<u>101,310,308</u>	<u>95,895,759</u>

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

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 relating to the closing of the proposed Autlán transaction; plans to continue a drilling program at El Quevar and productivity projections from the El Quevar project; future drilling plans and exploration activities at Sand Canyon, Yoquivo and other properties; financial projections, including budgeted expenditures and the anticipated net operating margin from the Velardeña oxide plant lease prior to the closing of the Autlán transaction; potential sales of certain of the Company's exploration assets if the Autlán transaction does not close; projected cash balances and anticipated spending during the 12 months ended June 30, 2020; and assumptions regarding raising additional equity capital through sales under the Company's ATM or LPC programs or otherwise. These statements are subject to risks and uncertainties, including the results of Autlán's due diligence investigation; the timing or outcome of third party or governmental consents related to the Autlán transaction; changes in interpretations of geological, geostatistical, metallurgical, mining or processing information and interpretations of the information resulting from future exploration, analysis or mining or processing experience, new information from exploration or analysis; unexpected variations in mineral grades, types and metallurgy, fluctuations in silver and gold metal prices; failure of mined material or veins mined to meet expectations; lower than anticipated revenue from the oxide plant lease (prior to the closing of the Autlán transaction) as a result of delays or problems at the third party's mine or

the oxide plant or earlier than expected termination of the oxide plant lease; increases in costs and declines in general economic conditions; and changes in political conditions, in tax, royalty, environmental and other laws in Mexico and Argentina, 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 and Exchange Commission by Golden Minerals, including the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

SOURCE: Golden Minerals Company

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

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