



GOLDEN MINERALS REPORTS SECOND QUARTER 2018 RESULTS

GOLDEN, CO - /GLOBE NEWSWIRE/ - August 9, 2018 – Golden Minerals Company (“Golden Minerals”, “Golden” or “the Company”) (NYSE American and TSX: AUMN) today announced financial results for the second quarter ended June 30, 2018 and provided a business summary and update.

Second Quarter Business Summary

- Reported final drill results from the Santa Maria 2017-2018 drill program and announced plans to prepare an updated Technical Report and Preliminary Economic Assessment (“PEA”)
- Filed a new Technical Report containing a high-grade silver resource and announced plans to prepare a PEA for the Company’s El Quevar project in Argentina
- Sold approximately 3.15 million shares of common stock to Lincoln Park Capital Fund, LLC (“LPC”) at \$0.41 per share, under the terms of a May 2018 registered direct purchase agreement
- Gained further flexibility in financing the advancement and/or development of Company projects with the May 2018 signing of a commitment purchase agreement with LPC giving Golden the right, but not the obligation, to sell up to \$10.0 million of common stock to LPC over the next 36 months subject to certain limitations and conditions; the parties closed on the commitment purchase agreement in July 2018

Subsequent Event – Intended Sale of Celaya Project

In August 2018, the Company entered into a non-binding letter of intent with The Electrum Group LLC (“Electrum”), outlining Electrum’s intention to purchase Golden’s remaining interest in the Celaya project in exchange for a payment of \$3.0 million. The Company has previously expensed all its costs associated with the Celaya project and therefore expects to realize a gain of \$3.0 million in the third quarter 2018. The proposed transaction is intended to close no later than September 30, 2018.

Golden’s President and Chief Executive Officer, Warren M. Rehn, notes, “The \$3 million of income we expect to receive from the sale of our remaining interest in the Celaya project will be an important addition to our cash balance that will allow us flexibility in continuing our exploration progress in Mexico and Argentina without shareholder dilution, particularly at this time when the Company’s share price is so low relative to the value of our assets.”

Second quarter Summary Results

- Revenue of \$1.7 million and positive net operating margin (oxide plant lease revenue less lease costs) of \$1.2 million related to the lease of the Company’s oxide plant in the second quarter 2018, slightly better than the \$1.1 million net operating margin in the second quarter 2017
- Other operating income of \$0.2 million related to the farm-out of the Zacatecas project, compared to \$0.7 million in the year ago period related primarily to an equipment sale



- Exploration expenses of \$1.0 million compared to \$0.5 million in the year ago period, with the 2018 figure reflecting increased exploration activities at the Santa Maria and other projects in Mexico
- Net loss of \$1.7 million or \$0.02 per share in the second quarter 2018, compared to a net loss of \$0.5 million or \$0.01 per share in the year ago period
- Cash and cash equivalents balance of \$2.5 million as of June 30, 2018
- Debt balance of zero as of June 30, 2018

Financial Results

The Company reported revenue of approximately \$1.7 million in the second quarter 2018 related to the oxide plant lease and costs of approximately \$0.5 million related to the services Golden provides under the terms of the lease, for a net margin of \$1.2 million. Other operating income of \$0.2 million includes pro-rated income from the farm-out of the Company's Zacatecas properties. Exploration expense was \$1.0 million in the second quarter and reflects increased exploration and project evaluation activities at the Santa Maria and other projects in Mexico. It also includes property holding costs and allocated administrative expenses for all Company exploration projects other than El Quevar. El Quevar project expense was \$0.3 million in the second quarter 2018 and includes costs associated with the recently-released Technical Report, as well as project evaluation and property holding costs. Administrative expenses (including all costs associated with being a public company, costs incurred in support of our exploration properties and other administrative expenses and professional fees) were \$1.1 million in the second quarter. Golden reported a net loss of \$1.7 million or \$0.02 per share in the second quarter 2018 compared to a net loss of \$0.5 million or \$0.01 per share in the year ago period.

Twelve Month Financial Outlook

The Company ended the second quarter 2018 with a cash balance of \$2.5 million and expects to receive \$3.0 million from the sale of its remaining interest in the Celaya property to Electrum in the third quarter 2018. The Company expects to receive approximately \$4.6 million in net operating margin from the lease of the oxide plant plus an additional \$0.2 million from the farm-out of its Zacatecas project during the next 12-month period ending June 30, 2019. With the transactions referred to above and if no additional sales of common stock under the Company's ATM or LPC programs occur, Golden projects it would end 2018 with a cash balance of \$4.0 million and end June 30, 2019 with a cash balance of \$2.5 million, based on the following forecasted expenditures during the next 12 months:

- Approximately \$2.0 million on exploration activities and property holding costs related to exploration properties located primarily in Mexico, including project assessment and evaluation costs related to Santa Maria and other properties;
- Approximately \$1.6 million at the Velardeña Properties for care and maintenance;
- 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 \$3.2 million on general and administrative costs.



Additional information regarding second quarter 2018 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 in Mexico with emphasis on areas near its Velardeña processing plants, and on advancing its El Quevar project located in Salta, 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, including statements relating to the anticipated revenue from the Velardeña oxide plant lease; future activities at El Quevar, including the anticipated timing and expectations of the PEA and the likelihood of future expansion of the deposit, and the possibility of future development; expectations related to our Santa Maria property, including planned exploration and other evaluation work and the possibility of increasing the size of the existing resource estimate as well as the timing and expectations regarding the updated technical report and PEA; the Celaya property, including the expected sale of our remaining interest in the property in exchange for payment from Electrum as currently provided for in the Celaya non-binding letter of intent; and statements regarding our financial outlook for the remainder of 2018 and the first six months of 2019, including anticipated income and expenditures. These statements are subject to risks and uncertainties, including: lower than anticipated revenue from the oxide plant lease as a result of delays or problems at the third party's mine or the oxide plant; earlier than expected termination of the lease or other causes; the reasonability of the economic assumptions at the basis of the results of the El Quevar PEA and the Santa Maria PEA and technical report; the inability of the parties to consummate the transaction set forth in the Celaya non-binding letter of intent; changes in interpretations of geological, geostatistical, metallurgical, mining or processing information and interpretations of the information resulting from future exploration, analysis or mining and processing experience; new information from drilling programs or other 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; 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 SEC by Golden Minerals, including the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

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

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

	<u>June 30,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
<u>(in thousands, except share data)</u>		
Assets		
Current assets		
Cash and cash equivalents	\$ 2,510	\$ 3,250
Short-term investments	343	238
Lease receivables	435	314
Inventories, net	239	242
Value added tax receivable, net	13	148
Prepaid expenses and other assets	1,019	745
Total current assets	4,559	4,937
Property, plant and equipment, net	7,632	8,140
Total assets	\$ 12,191	\$ 13,077
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 1,652	\$ 1,556
Deferred revenue, current	293	293
Other current liabilities	197	9
Total current liabilities	2,142	1,858
Asset retirement and reclamation liabilities	2,582	2,495
Deferred revenue, non-current	454	600
Other long term liabilities	27	43
Total liabilities	5,205	4,996
Commitments and contingencies		
Equity		
Common stock, \$.01 par value, 200,000,000 shares authorized; 95,520,796 and 91,929,709 shares issued and outstanding respectively	955	919
Additional paid in capital	517,635	516,284
Accumulated deficit	(511,604)	(509,082)
Accumulated other comprehensive loss	—	(40)
Shareholders' equity	6,986	8,081
Total liabilities and equity	\$ 12,191	\$ 13,077



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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	(in thousands except per share data)		(in thousands, except per share data)	
Revenue:				
Oxide plant lease	\$ 1,730	\$ 1,692	\$ 3,367	\$ 3,336
Total revenue	<u>1,730</u>	<u>1,692</u>	<u>3,367</u>	<u>3,336</u>
Costs and expenses:				
Oxide plant lease costs	(525)	(548)	(1,028)	(1,085)
Exploration expense	(1,041)	(457)	(1,940)	(991)
El Quevar project expense	(281)	(192)	(553)	(341)
Velardeña shutdown and care and maintenance costs	(492)	(369)	(981)	(719)
Administrative expense	(822)	(872)	(1,883)	(1,898)
Stock based compensation	(235)	(242)	(250)	(307)
Reclamation expense	(52)	(48)	(103)	(97)
Other operating income, net	224	705	1,450	862
Depreciation and amortization	<u>(264)</u>	<u>(130)</u>	<u>(560)</u>	<u>(318)</u>
Total costs and expenses	<u>(3,488)</u>	<u>(2,153)</u>	<u>(5,848)</u>	<u>(4,894)</u>
Loss from operations	(1,758)	(461)	(2,481)	(1,558)
Other income and (expense):				
Interest and other income, net	110	4	113	22
(Loss) gain on foreign currency	<u>(41)</u>	<u>(3)</u>	<u>(56)</u>	<u>3</u>
Total other income	<u>69</u>	<u>1</u>	<u>57</u>	<u>25</u>
Loss from operations before income taxes	(1,689)	(460)	(2,424)	(1,533)
Income tax	—	—	—	—
Net loss	\$ (1,689)	\$ (460)	\$ (2,424)	\$ (1,533)
Comprehensive loss, net of tax:				
Unrealized loss on securities	—	(51)	—	(103)
Comprehensive loss	<u>\$ (1,689)</u>	<u>\$ (511)</u>	<u>\$ (2,424)</u>	<u>\$ (1,636)</u>
Net loss per common share — basic				
Loss	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>
Weighted average Common Stock outstanding - basic (1)	<u>93,681,301</u>	<u>89,618,677</u>	<u>92,709,238</u>	<u>89,485,223</u>

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