

Golden Minerals Reports Full Year 2021 Results

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[Golden Minerals Company](#) ("Golden Minerals," "Golden" or the "Company") (NYSE-A: AUMN and TSX: AUMN) is pleased to report financial results and a business summary for the full fiscal year ending December 31, 2021. All figures are in approximate U.S. dollars.

Financial Highlights

- Revenue of \$25.6 million (related to the sale of metals from the Rodeo mine) in 2021, vs. \$5.6 million in 2020 (related to a lease of the Company's oxide plant to [Hecla Mining Company](#) through that lease's termination on November 30, 2020).
- Net operating margin (defined as revenue from the sale of metals less cost of metals sold) of \$12.3 million related to Rodeo mine operations in 2021, vs \$3.6M related to the oxide plant lease in 2020.
- During the fourth quarter 2021, the Company recorded revenue of \$9.5 million, a net operating margin of \$5.3 million and net income of \$1.5 million.
- \$12.2 million cash and equivalents balance as of December 31, 2021, compared to \$9.7 million on December 31, 2020.
- Zero debt as of December 31, 2021, unchanged from December 31, 2020.
- Exploration expenses of \$5.3 million in 2021 vs. \$5.0 million in 2020.
- Net loss of \$2.1 million or \$0.01 per share in 2021 compared to a net loss of \$9.1 million or \$0.07 per share in 2020.

Business Highlights

- Began processing of gold-silver mineralized material from the Rodeo mine in January 2021 (see "Rodeo Mine" section below) producing 14,400 ounces of gold and 59,900 ounces of silver during 2021.
- In October 2021, completed a 5,648-meter, 82-hole drill program at Rodeo that extended the life of the Rodeo mine by 6 months through the third quarter 2023.
- Continued limited-scale mining activities at the Velardeña Properties in advance of making a mining re-start decision; results of bulk sample and mining method studies are expected in 2022 (see "Velardeña" section below).
- Reported strong drill results at the district-scale Yoquivo project in January 2021, including discovery of a new vein and expanding the known mineralized footprint of multiple other veins with potentially economic gold-silver mineralization. In early 2022, reported results from a second drill program that continue to demonstrate high grades from two vein systems.
- Discovery of a new gold system at the Sarita Este property in Salta, Argentina from an initial drill program.

Business Summary and Selected Project Updates

Rodeo Mine

The Company began mining activities in December 2020, transported the first loads of gold-silver material to its nearby Velardeña Properties' oxide plant for processing in the first half January 2021, and announced the first doré bar pour at the end of January 2021. Throughput at the processing plant averaged 409 tonnes per day ("tpd") during 2021. Tonnes processed in the oxide plant during 2021 were approximately 149,000, with grades for gold and silver averaging 4.1 and 12.2 grams per tonne ("g/t"), respectively. Payable extraction (previously termed 'payable production') during 2021 was approximately 14,400 ounces ("oz") gold and 59,900 oz silver, which exceeded the Company's guidance of 12,000 to 14,000 oz gold and 25,000 to 30,000 oz silver. Plant recovery averaged approximately 75% for gold and 90% for silver during 2021.

Cash costs, net of silver by-product credits, were approximately \$937 per payable gold oz¹ in 2021. Average realized prices for 2021 were \$1,793 and \$24.83 for gold and silver, respectively. Operating margin in 2021 from the Rodeo mine (defined as revenue from the sale of metals less the cost of metals sold) was

approximately \$12.3 million.

The Company completed a drill program at Rodeo in October 2021, as noted above. The program has modestly extended the life of the Rodeo mine into the third quarter 2023 based on processing material at a cutoff grade of 1.6 g/t gold. In January 2022, Golden began a small additional reverse circulation drill program (approximately 2,500 meters) to finish delineating the mineralized area on the south side of the current pit.

Velardeña Properties

In June 2021 the Company began limited scale mining activities at the Velardeña underground mine to obtain further bulk samples for use in final optimization of the bio-oxidation plant design and for use in additional flotation separation studies that will indicate how it can best separate the gold-bearing minerals into the pyrite-arsenopyrite concentrate that is proposed for processing in the bio-oxidation circuit. The Company is also testing mining methods to ensure that it can effectively control mining dilution to obtain the head grades estimated in a 2020 Preliminary Economic Assessment study.¹ Golden expects to have the results of these studies in early 2022. No decision has yet been made regarding a potential restart of the Velardeña mines.

Yoquivo

The Company conducted a phase two drill program (3,949 meters, 21 holes) during the fourth quarter 2021 at the Yoquivo gold-silver project that explored the Pertenencia, Esperanza and Dolar vein systems. The Company announced strong assay results from the program during the first quarter 2022 [link]. Two drill programs have continued to demonstrate the potential for Yoquivo to host high-grade mineralization, with the discovery of new veins and of drills hitting multiple high-grade veins, suggesting there may be additional blind veins to be found on the property. The Company anticipates beginning a phase three drill program during 2022.

Sarita Este

In the fourth quarter 2021 Golden completed the first drill program ever conducted at the Sarita Este project (Salta, Argentina), which involved drilling 10 diamond drill holes totaling 2,518 meters to explore untested epithermal gold-silver and copper porphyry targets. In January 2022 the Company announced assay results from the drill program, including the potential for a significant gold system [link]. Golden has submitted permits for trenching and additional drilling that it plans to complete during a 2022 field campaign.

2021 Financial Results

The Company reported revenue of \$25.6 million and a net operating margin of \$12.3 million in 2021, compared to \$5.6 million and \$3.6 million in 2020, respectively. 2021 revenue is attributable entirely to the sale of gold and silver-bearing doré bars from the Rodeo operations in Mexico, whereas 2020 revenue is attributable entirely to the lease of the Company's oxide plant as mentioned above.

Cost of metals sold was \$13.3 million in 2021 vs. zero in 2020, as metal sales related to Rodeo commenced in early 2021. Oxide plant lease costs were zero in 2021 vs. \$2.0 million in 2020 prior to the oxide plant lease's termination in November 2020. Exploration expenses totaled \$5.3 million in 2021 vs. \$5.0 million in 2020, with 2021 reflecting drill programs conducted at Rodeo, Yoquivo and Sarita Este, in addition to increased exploration activities at Velardeña plus property holding costs for all the Company's exploration projects. Velardeña care and maintenance expenses were \$1.4 million in 2021 compared to \$1.2 million in 2020, with the 2021 figure reflecting higher employee benefit costs related to recent changes in Mexican labor law. El Quevar project expense, net of costs reimbursed by Barrick, was \$0.3 million in 2021 vs. \$0.6 million in 2020. Administrative expenses, which were \$4.8 million in 2021 and \$3.7 million in 2020, include costs associated with being a public company, costs incurred by corporate activities in support of our portfolio of gold-silver properties, employee compensation and directors' fees, professional fees, and other items such as insurance, rents, utilities, and travel expenses. Other operating income (net) was \$0.5 million in 2021 which relates primarily to the sale of the Santa Maria property and specifically to the amortization of deferred income related to its option agreement. Golden recorded a de minimis amount of other operating

income in 2020.

Interest and other expense, net, was \$0.4 million and is related primarily to the write-off of deferred costs associated with a now-expired Commitment Purchase Agreement with Lincoln Park Capital. In 2020 interest and other expense was \$0.1 million and was related primarily to interest incurred on the repayment of an advance payment and financing of certain insurance premiums. The Company recorded an income tax expense of \$0.5 million in 2021 vs. a de minimis amount in 2020, with the 2021 increase attributable to the startup of profitable operations at Rodeo in 2021. The Company reported a net loss of \$2.1 million or (\$.01) per share in 2021 compared to a net loss of \$9.1 million or (\$.07) per share in 2020.

2021 Cash and Financial Summary

The Company reported a cash and equivalents balance of \$12.2 million at year end 2021, compared to \$9.7 million held at year end 2020. Cash inflows during 2021 totaled \$16.6 million and included:

- \$12.3 million of net operating margin from the Rodeo operation;
- \$1.8 million, net of fees, from the Company's existing ATM program;
- \$1.5 million from the second installment related to the sale of the Santa Maria property to [Fabled Silver Gold Corp.](#) (further information about the sale agreement may be found [\[here\]](#)); and
- \$1.0 million from the exercise of warrants issued in prior equity offerings.

Expenditures during 2021 totaled \$14.1 million and included the following:

- \$5.3 million in exploration expenditures, including \$1.4 million of exploration and mining activities at the Rodeo project plus other work at the Yoquivo, Sarita Este and other properties;
- \$1.6 million in capital expenditures, including \$1.4 million related to construction of the new regrind mill circuit and other work related to the Rodeo project;
- \$1.4 million in care and maintenance costs at the Velardeña Properties;
- \$0.3 million in exploration and evaluation activities, care and maintenance and property holding costs at the El Quevar project, net of reimbursements from Barrick;
- \$4.8 million in general and administrative expenses; and
- \$0.7 million related to a net working capital increase due primarily to an increase in inventories and value added tax receivables associated with the Rodeo operation, partially offset by an increase in accounts payable and other accrued liabilities, also related to the Rodeo operation.

2022 Cash and Financial Outlook

In addition to the \$12.2 million cash balance as of December 31, 2021, Golden expects to receive the following approximate amounts during the 12 months ending December 31, 2022:

- \$7.0 million to \$9.0 million in net operating margin from the Rodeo operation, assuming average realized gold and silver prices during 2022 of \$1,800/oz and \$25.00/oz respectively; and
- \$2.0 million from [Fabled Silver Gold Corp.](#) reflecting the third and final installment related to the sale of the Santa Maria property.

Forecasted approximate expenditures during 2022, apart from (1) Rodeo cost of metals sold which is already included in the above forecast of net operating margin, and (2) a positive decision to move forward with the start-up of the Velardeña Operation, total approximately \$10.2 million and are as follows:

- \$4.1 million on exploration activities and property holding costs related to the Company's portfolio of exploration properties located in Mexico, Argentina and Nevada, including project assessment and evaluation costs relating to additional exploration at Rodeo, Yoquivo, and other properties;
- \$1.2 million at the Velardeña Properties for care and maintenance;
- \$0.4 million at the El Quevar project to fund care and maintenance and property holding costs, net of reimbursement from Barrick;
- \$3.7 million on general and administrative costs; and
- \$0.8 million of working capital related primarily to a reduction of accounts payable and other accrued liabilities related to bonuses and other expense items accrued at December 31, 2021.

2022 Forecast - Rodeo Production

Assuming realized metals prices of \$1,800/oz gold and \$25.00/oz silver, the Company currently estimates the following for full year 2022:

Tonnes Processed	175,000 - 185,000
Average plant throughput	500 tpd
Mill recoveries	Approx. 80% for both Au and Ag
Payable extraction	12,000 -14,000 oz Au and 42,000 - 47,000 oz Ag
Net Operating Margin	\$7.0 - \$9.0 million
Average grades (g/t)	2.9 g/t Au; 9.4 g/t Ag
Cash costs per payable Au oz, net	\$1,100 - \$1,200/oz

Please see the "Risk Factors - Risk Factors related to our Mining and Processing Activities" section of the Company's accompanying Annual Report on Form 10-K for the year ended December 31, 2021 for additional risk disclosures related to 2022 financial estimates and mining activities. Additional information regarding full year 2021 financial results may be found in the 2021 Form 10-K which is also available on the Company's website at [Golden Minerals Company](#) - SEC Filings.

Footnotes

¹ Cash cost per payable gold ounce is a non-GAAP financial measure. "Total cash costs, net of by-product credits, per payable gold ounce," includes all direct and indirect operating cash costs associated with the physical activities that would generate doré products for sale to customers, including mining to gain access to mineral resources, mining of mineral resources and waste, milling, third-party related treatment, refining and transportation costs, on-site administrative costs and royalties. Total 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 Rodeo project. By-product credits include revenues from silver contained in the products sold to customers during the period. "Total cash costs, net of by-product credits" are divided by the number of payable gold ounces produced by the plant for the period to arrive at "Total cash costs, net of by-product credits, per payable gold ounce."

² Tetra Tech, Preliminary Economic Assessment & NI 43-101 Technical Report, May 8, 2020. [link]

About Golden Minerals

Golden Minerals is a growing gold and silver producer based in Golden, Colorado. The Company is primarily focused on producing gold and silver from its Rodeo Mine and advancing its Velardeña Properties in Mexico and, through partner funded exploration, its El Quevar silver property in Argentina, as well as acquiring and advancing selected mining properties in Mexico, Nevada and 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 regarding the anticipated production, net operating margin and after-tax cash flow at Rodeo during 2022; anticipated timing of future test-mining, processing and potential commercial production at the Velardeña Properties; plans to continue a drilling program at the Yoquivo property; expectations regarding the anticipated payments from Fabled in connection with the sale of the Santa Maria property; and projected cash and financial outlook for the full fiscal year 2022. These statements are subject to risks and uncertainties, including the timing, duration and overall impact of the COVID-19 pandemic, including the potential future re-suspension of non-essential

activities in Mexico, including mining; 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 SEC by Golden Minerals, including the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

GOLDEN MINERALS COMPANY

CONSOLIDATED BALANCE SHEETS

(Expressed in United States dollars)

	December 31, 2021 (in thousands, e
Assets	
Current assets	
Cash and cash equivalents	\$ 12,229
Short-term investments	67
Lease receivables	-
Inventories, net	1,573
Value added tax receivable, net	1,290
Prepaid expenses and other assets	1,145
Total current assets	16,304
Property, plant and equipment, net	6,627
Other long term assets	747
Total assets	\$ 23,678
Liabilities and Equity	
Current liabilities	
Accounts payable and other accrued liabilities	\$ 3,381
Deferred revenue	1,469
Other current liabilities	721
Total current liabilities	5,571
Asset retirement and reclamation liabilities	3,569
Other long term liabilities	353
Total liabilities	9,493
Commitments and contingencies	
Equity	
Common stock, \$.01 par value, 350,000,000 shares authorized; 162,804,612 and 157,512,652 shares issued and outstanding respectively	1,628

Additional paid in capital	540,518
Accumulated deficit	(527,961)
Shareholders' equity	14,185
Total liabilities and equity	\$ 23,678

GOLDEN MINERALS COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in United States dollars)

	Year Ended December 31,	
	2021	2020
	(in thousands, except per share data)	
Revenue:		
Sale of metals	\$ 25,596	\$ -
Oxide plant lease	-	5,637
Total revenue	25,596	5,637
Costs and expenses:		
Cost of metals sold (exclusive of depreciation shown below)	(13,311)) -
Oxide plant lease costs	-	(1,988)
Exploration expense	(5,260)	) (4,954)
El Quevar project expense	(342)	) (618)
Velardeña care and maintenance costs	(1,409)	) (1,163)
Administrative expense	(4,821)	) (3,651)
Stock based compensation	(1,593)	) (859)
Reclamation expense	(262)	) (249)
Other operating income (expense), net	547	7
Depreciation and amortization	(611)	) (962)
Total costs and expenses	(27,062)	) (14,437)
Loss from operations	(1,466)	) (8,800)
Other income (expense):		
Interest and other expense, net	(373)	) (132)
Gain (loss) on foreign currency transactions	206	(106)
Total other income (loss)	(167)	) (238)
Loss from operations before income taxes	(1,633)	) (9,038)

Income taxes	(462	)	(48)
Net Loss	\$ (2,095	)	\$ (9,086)
Net income (loss) per common share - basic				
Loss	\$ (0.01	)	\$ (0.07)
Weighted average Common Stock outstanding - basic (1)	161,942,970		131,774,120	

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

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

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Contact

[Golden Minerals Company](#)

Karen Winkler, Director of Investor Relations
(303) 839-5060

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