

Golden Minerals Reports First Quarter 2023 Results

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[Golden Minerals Company](#) ("Golden Minerals," "Golden" or the "Company") (NYSE-A: AUMN and TSX: AUMN) has today released financial results and a business summary for the quarter ending March 31, 2023. (All figures are in approximate U.S. dollars.)

Business Summary

- First quarter 2023 payable production from the Rodeo mine was 2,081 ounces ("oz.") gold and 11,535 oz. silver in doré, with average realized sales prices of \$1,891/oz. gold and \$22.60/oz. silver. Metallurgical recovery for gold averaged 72.6% for the quarter.
- In early April 2023, the Company reported that notably improved market terms offered for the gold-rich pyrite concentrate coming from its Velardeña Properties have enabled the Company to evaluate re-opening Velardeña at potentially a very minimal capital cost, without needing to construct the bio-oxidation facility previously contemplated.
- In March 2023, the Company reported a maiden mineral resource estimate for its Yoquivo gold-silver project (Chihuahua State, Mexico). It estimates an inferred resource of 937,000 tonnes at 570 g/t Ag eq (equivalent ounces calculated using prices of \$1,840/oz Au and \$24.00/oz Ag) on five veins that had enough drill density to support mineral resources.
- In February 2023, the Company reported the Santa Maria gold-silver properties have been returned to the Company after [Fabled Silver Gold Corp.](#) failed to make a payment due per the terms of a 2020 option agreement that would have sold Golden's interest in Santa Maria to Fabled.

Financial Summary

- Revenue of \$4.2 million related to the sale of metals from the Company's Rodeo mine in the first quarter 2023, vs. \$7.5 million in the first quarter 2022.
- Net operating margin (defined as revenue from the sale of metals less cost of metals sold) of \$0.2 million related to Rodeo mine operations in the first quarter 2023 vs. \$3.2M in the first quarter 2022.
- \$2.0 million cash and equivalents balance as of March 31, 2023, compared to \$4.0 million on December 31, 2022.
- Zero debt as of March 31, 2023, unchanged from December 31, 2022.
- Net loss of \$3.3 million or \$0.02 per share in the first quarter 2023 compared to a net loss of \$0.3 million or \$0.00 per share in the first quarter 2022.

Cash Inflows and Expenditures

Cash expenditures during the first quarter 2023 totaled \$3.0 million and included:

- \$1.3 million in exploration expenditures (includes \$0.6 million for tailings facility expansion at plant 2);
- \$0.2 million in care and maintenance costs at the Velardeña Properties;
- \$0.2 million in exploration and evaluation activities, care and maintenance and property holding costs at the El Quevar project, net of reimbursements from Barrick; and
- \$1.3 million in general and administrative expenses.

The above expenditures were offset by cash inflows of \$1.0 million from the following:

- \$0.2 million of net operating margin from the Rodeo operation (defined as revenue from the sale of metals less the cost of metals sold);
- \$0.7 million, net of fees from the ATM Program; and
- \$0.1 million related to other items.

Capital Resources and 12-Month Financial Outlook

The Company's forecasted expenditures during the twelve months ending March 31, 2024, excluding Rodeo and Velardeña cost of metals sold which is included in the forecast of net operating margin discussed below, total approximately \$7.6 million. These forecasted expenditures include: (i) exploration expenses of \$2.1 million, (ii) Velardeña care and maintenance costs of \$0.3 million, (iii) El Quevar spending (net of Barrick reimbursements) of \$0.3 million and (iv) general and administrative expenses, including G&A in Mexico of \$4.9 million. The actual amount of cash expenditures incurred during the twelve-month period ending March 31, 2024 may vary significantly from the amounts specified above and will depend on a number of factors, including variations in the anticipated administrative costs, care and maintenance costs at the Velardeña Properties or at El Quevar, and costs for continued exploration, project assessment, and advancement of our other exploration properties.

The Company does not currently have sufficient resources to meet its expected cash needs during the twelve months ended March 31, 2024. At March 31, 2023, cash resources were approximately \$2.0 million. The forecasted net operating margin from the Rodeo Property during the twelve-month period is expected to be between \$0.0 million and \$0.5 million. The forecasted net operating margin from the Velardeña Properties during the twelve-month period is expected to be between \$5.0 million and \$5.5 million. Net operating margin is defined as revenue from the sale of metals less the cost of metals sold. The estimate for Rodeo assumes gold prices per ounce during the period of between \$1,950 and \$1,990 and silver prices per ounce of \$25.00. The margin estimate for Velardeña assumes gold prices average \$1,900 per ounce and silver prices average \$22.50 per ounce. The actual amount received in net operating margin from both Rodeo and Velardeña during the period may vary significantly from the amounts specified above due to, among other things: (i) unanticipated variations in grade, (ii) unexpected challenges associated with our proposed mining plans, (iii) decreases in commodity prices below those used in calculating the estimates shown above, (iv) variations in expected recoveries, (v) increases in operating costs above those used in calculating the estimates shown above, or (vi) interruptions in mining. Moreover, because the restart of production at Velardeña is still being evaluated, there is a risk that the Company's board of directors may decide not to restart production at this time. In that event, the Company will require further additional capital than the estimates described below.

There is no assurance that the Company will be successful in collecting the anticipated cash receipts described above. Specifically, the anticipated net operating margin from the Velardeña Properties is not based on the results of a full feasibility study. While the Company believes its internal estimates are realistic, the lack of a full feasibility study may increase the uncertainty associated with the estimates. In addition, the Company expects to collect approximately \$1.5 million in VAT accounts receivable from the Mexican government; however, it is possible that those amounts may be delayed. At April 30, 2023, aggregate cash and cash equivalents totaled approximately \$2.0 million. In order to cover forecasted expenditures, the Company needs to raise additional cash in the near term, whether through the sale of non-core assets or equity financing, including the use of its ATM program. In the absence of sufficient asset sales, equity financing or other external funding the Company's cash balance is expected to be depleted near the end of the second quarter of 2023.

Quarterly Report on Form 10-Q

The Company's consolidated financial statements and management's discussion and analysis, as well as other important disclosures, may be found in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. This Form 10-Q is available on the Company's website at [Golden Minerals Company - SEC Filings](#). It has also been filed with the U.S. Securities and Exchange Commission on EDGAR at www.sec.gov/edgar and with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

About Golden Minerals

Golden Minerals is a gold and silver producer based in Golden, Colorado. The Company is primarily focused on producing gold and silver from its Rodeo Mine, advancing its Velardeña and Yoquivo 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 Company's liquidity forecast for 2023; potential restart of production activities at the Velardeña Properties and the requirement for additional capital should the Company's board of directors decide not to restart production at the Velardeña Properties; the Company's expectations to collect VAT accounts receivable from the Mexican government; forecasted expenditures and net operating margin; plans to sell non-core assets and seek equity financing in the near term and the amount of proceeds needed to cover forecasted expenditures; and the Company's expectations regarding the depletion of its cash balance in the second quarter of 2023. 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, including the effects of recent reforms to Mexican mining laws, 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, 2022.

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

[Golden Minerals Company](#)

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