

Golden Minerals Announces 2013 Operating Plan

GOLDEN, Colo., Feb. 12, 2013 /PRNewswire/ -- Golden Minerals Company (NYSE MKT: AUMN; TSX: AUM) ("Golden Minerals" or "the Company") today provided a summary of its 2013 operating plan, projecting increased production in 2013 and positive gross margin at the Velardena Operations commencing in the third quarter, and of its program to define longer term operating and expansion plans for Velardena. The Company also announced its intent to solicit a partner to advance its El Quevar property in Salta, Argentina and to reduce El Quevar holding costs.

(Logo: <http://photos.prnewswire.com/prnh/20120803/LA52082LOGO>)

PRODUCTION

Velardena 2012 payable production totaled approximately 780,000 payable silver equivalent (AgEq) ounces, or an average 195,000 AgEq ounces per quarter. Payable silver equivalent ounces include only payable gold (at a 50:1 ratio to silver) plus payable silver and exclude lead and zinc. Velardena's average quarterly production in 2012 is about 60 percent greater than the 122,000 AgEq ounces of sold production reported for the second quarter 2011, the final reporting period prior to Golden's acquisition of the property in September 2011.

The Company anticipates 2013 payable production of about one million AgEq ounces, almost 30 percent greater than 2012 payable production. The Company also expects to produce approximately 4 million pounds of combined payable lead and zinc in 2013. The Company expects a substantial 80 percent increase in payable silver in 2013, combined with an approximate 30 percent decrease in gold production. Forecasted improvement in silver output is a result of increased grade due primarily to improved longitudinal vein dilution control and to improved recoveries resulting from the late 2012 addition of a flotation circuit ahead of the leach circuit in the oxide plant. The flotation circuit is currently operating and producing a lead concentrate averaging between 15 to 20 kilograms (480 to 640 ounces) of silver per tonne. The forecasted decrease in gold production is primarily the result of reduced gold recoveries in the current plant configuration from material mined from new areas which appears to have a different gold metallurgy than material previously mined. The Company has initiated a testing program to address gold recovery, discussed further under Mine Development and Operations below.

The Company anticipates a steady ramp-up in silver equivalent production during 2013, and preliminary results from January 2013 operations are consistent with these expectations.

MINE DEVELOPMENT AND OPERATIONS

The Company will continue to advance the San Mateo ramp during 2013, with completion of the ramp now expected during the third quarter 2013, moved forward from the previously communicated fourth quarter 2013 estimate. Approximately 1.5 kilometers of the ramp have been completed, with less than 0.5 kilometers remaining to reach the productive Santa Juana mining unit. Completion of the ramp will permit ore removal by 30-ton trucks, rather than by the existing interior hoisting system that is capped at 300 tonnes per day, and should permit the Company to increase output as the mine develops. The ramp has already provided access to the Terneras and San Mateo veins and when completed will provide more efficient and less costly ore haulage from the Santa Juana veins.

A significant portion of the gold in Velardena ores occurs encapsulated in pyrite mineralization which requires oxidation of the pyrites to permit increased gold recovery. Testing continues on an Albion oxidation process and on an autoclave process to improve gold recoveries. Initial test work for the Albion process is encouraging, and the Company believes that installation of an Albion oxidation circuit for recovery of the gold bearing pyrites would require significantly less capital than would an autoclave. Additional testing is required to confirm the potential of the Albion process, and the Company has sent more sample material to Australia to confirm initial test results and to permit the development of engineering parameters and a preliminary construction budget.

The Company has also shipped a 300 kilogram sample of tails from the oxide plant to a U.S. testing facility to evaluate whether the addition of a Knelson gravity gold/pyrite recovery circuit could improve gold recoveries at the oxide plant. This type of circuit may also enhance gold recovery at the sulfide plant. If the tests are successful, Knelson concentrators could be installed later in 2013.

The Company anticipates approximately \$7.0 million in capital expenditures at Velardena in 2013, with approximately half of that amount spent on mine development including the San Mateo ramp. With the current and advancing development of the San Mateo ramp, the Company is now able to position diamond drills to penetrate the Santa Juana area beneath current mining. Drilling is also ongoing in the Chicago mining unit in an attempt to define oxide tonnes for the oxide plant leaching circuit. In addition, the Company continues work to optimize mine plans and plant performance.

The Company believes that the process test work and underground drill program described above should provide the basis for better planning and evaluation of expansion options later in the year.

EL QUEVAR

Recent drilling at El Quevar (see the Company's January 25, 2013 press release) supports the Company's view that El Quevar may be an evolving new silver district. Drilling identified silver mineralization approximately one kilometer east and on strike with the Yaxtche resource, and identified a possible extension of the Norte zone, 500 meters east of previous drilling. The Norte zone is parallel to strike to Yaxtche and is five kilometers to the north. In order to advance El Quevar, the Company will solicit a partner to move the project forward with additional drilling in these areas, drilling in other potential areas and evaluations.

LIQUIDITY

The Company will focus on attaining positive cash flow from the Velardena Operations, and expects the Velardena Operations to become gross margin positive in the third quarter 2013, assuming current gold and silver prices.

The Company's cash position is currently sufficient for the Company to carry out its 2013 operating plan, with a projected cash balance at the end of 2013 of approximately \$24 million.

About Golden Minerals

Golden Minerals Company is a Delaware corporation based in Golden, Colorado, primarily engaged in silver and gold mining at its Velardena Operations in Mexico and advancement of the evaluation stage El Quevar project in 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 Velardena Operations Canadian securities legislation, including statements regarding anticipated production from the Velardena Operations in 2013 including the steady ramp-up in such production and expected increases in silver production and decreases in gold production and the reasons therefore; achieving positive gross margin at the Velardena Operations in the third quarter 2013; anticipated timing of completion of the San Mateo ramp and anticipated benefits of completing the ramp including increased, more efficient and lower cost ore haulage; evaluation of the Santa Juana mine as productive; estimates of 2013 capital and mine development costs; planned testing and other efforts to increase gold production; efforts to optimize the mine plan and processing plants; the planned definition of a long-term operating and expansion plan including planned testing and evaluation of the Knelson concentrator, Albion oxidation process and autoclave and results of initial testing; expected lower costs for an Albion process than an autoclave; planned drilling at Santa Juana and Chicago; expectation that process test work and underground drill program should provide the basis for better planning and evaluation of expansion options later in the year; the belief that the El Quevar project area may be a new silver district; belief that drilling may have identified extensions of the Yaxtche deposit and the Norte zone; the planned solicitation of a partner to advance the El Quevar project; focus on achieving cash positive operations at the Velardena Operations; belief that the Company has sufficient cash to carry out its 2013 operating plan; and anticipated cash balance at year-end 2013;

These statements are subject to risks and uncertainties, including unexpected events at the Velardena Operations, including further delays or problems in mine development, completion of the San Mateo ramp and mine plan and plant optimization; operational changes or problems; variations in ore grade and relative amounts, grades and metallurgical characteristics of oxide and sulfide ores; availability of sufficient quantities of oxide ores; delays or failure in receiving required government approvals or permits; technical, permitting, mining, metallurgical or processing issues; changes in interpretation of geological or metallurgical information at the Velardena Operations and the El Quevar project; failure to achieve anticipated production and head grades, recoveries and concentrate production and quality at the Velardena Operations; delays in or failure to realize anticipated benefits of mine plan and plant optimization efforts; failure to realize anticipated 2013 production and silver production increases; failure to realize anticipated production or increases in production from the anticipated increase in mine development and the completion of the San Mateo ramp; higher than anticipated operating and capital costs at the Velardena Operations, and delay in or failure to achieve positive gross operating margin when anticipated or to have sufficient cash to carry out 2013 operating plans; future test results that do not support the use of the Knelson concentrator, Albion oxidation process or autoclave, and that do not provide a basis for future operating and expansion plans; disappointing future results of drilling at the Santa Juana and Chicago mining units; loss of and inability to adequately replace skilled mining and management personnel; possible disputes with customers or joint venture partners; failure of undeveloped ore or veins to meet expectations; interpretations and changes in interpretations of geologic information; strikes or other labor problems; increased costs or decreased metals prices; volatility or other changes in the U.S. and Canadian securities markets; availability and cost of materials, supplies and electrical power required for mining operations and exploration; fluctuations in silver, gold, zinc and lead prices, costs and general economic conditions; changes in political conditions, tax, environmental and other laws; and diminution of physical safety of employees in Mexico, and other conditions in the countries in which the Company operates. Additional risks relating to Golden Minerals Company may be found in the periodic and current reports filed with the Securities Exchange Commission by Golden Minerals Company, including the Annual Report on Form 10-K for the year ended December 31, 2011.

Golden Minerals Company assumes no obligation to update this information. Additional risks relating to Golden Minerals Company may be found in the periodic and current reports filed with the Securities Exchange Commission by Golden Minerals Company, including the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

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

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SOURCE Golden Minerals Company