

Golden Minerals Co  
Form S-1  
October 14, 2009

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As filed with the Securities and Exchange Commission on October 14, 2009

Registration Statement No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM S-1**

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**GOLDEN MINERALS COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**1040**  
(Primary Standard Industrial  
Classification Code Number)  
**350 Indiana Street, Suite 800**  
**Golden, Colorado 80401**  
**(303) 839-5060**

**26-4413382**  
(I.R.S. Employer  
Identification No.)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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**Robert P. Vogels**  
**Senior Vice President, Chief Financial Officer**  
**350 Indiana Street, Suite 800**  
**Golden, Colorado 80401**  
**(303) 839-5060**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

---

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Denver, Colorado 80202  
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**As soon as practicable after the effective date of this Registration Statement**

(Approximate date of commencement of proposed sale to the public)

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

<b>Title of Class of Securities to be Registered</b>	<b>Proposed Maximum Offering Aggregate Price<sup>(1)(2)</sup></b>	<b>Amount of Registration Fee</b>
Common Stock (par value \$0.01 per share)	\$115,000,000	\$6,417

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes shares of common stock that may be purchased by the underwriters to cover over-allotments. See "Underwriting."

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information contained in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Preliminary Prospectus**

**Subject to Completion, October 14, 2009**

\$

**GOLDEN MINERALS COMPANY**

Shares  
Common Stock

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We are offering \_\_\_\_\_ shares of common stock and the selling stockholders named in this prospectus are offering \_\_\_\_\_ shares. We will not receive any proceeds from the sale of shares by the selling stockholders.

This is an initial public offering of our common stock. The initial public offering price of our common stock is expected to be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share. Our common stock currently trades in interdealer and over-the-counter transactions, and price quotations have been available in the "pink sheets" under the symbol "GDMN". On October 9, 2009, the best bid price and last sale price of our shares as reported by The Pink Sheets LLC at *www.pinksheets.com* was \$5.80 per share and \$6.50 per share. Our common stock is also listed on the Toronto Stock Exchange under the symbol "AUM". The closing price for our common stock on October 9, 2009 as quoted on the Toronto Stock Exchange was Cdn\$7.11.

Prior to this offering, our common stock is not listed on any U.S. national securities exchange. We have applied to list our common stock on the NYSE Amex LLC ("Amex") under the symbol "\_\_\_\_\_". Listing our common stock on the Amex will be subject to meeting the minimum listing requirements of the Amex.

**Investing in our common stock involves risks. See "Risk Factors" beginning on page 5 of this prospectus.**

	<b>Per Share</b>	<b>Total Proceeds</b>
Public offering price	\$ _____	\$ _____
Underwriting discount	\$ _____	\$ _____
Proceeds, before expenses, to us	\$ _____	\$ _____
Proceeds, before expenses, to the selling stockholders	\$ _____	\$ _____

We have granted the underwriters an option to purchase from us, at a price equal to the public offering price, less the underwriting discount, up to an additional \_\_\_\_\_ shares of common stock, to cover over-allotments, if any, for up to 30 days following the date of this prospectus. See "Underwriting" in this prospectus.

**Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The underwriters expect the shares will be available for delivery in book-entry form through the facilities of The Depository Trust Company at closing, which is anticipated to be on or about \_\_\_\_\_, 2009.

**Dahlman Rose & Company**

The date of this prospectus is \_\_\_\_\_, 2009

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You should rely only on the information contained in this prospectus. Neither the underwriter nor we have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the underwriter nor we are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

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**PROSPECTUS SUMMARY**

*This summary highlights key aspects of the information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock and is qualified in its entirety by the information contained elsewhere in this prospectus. You should read the entire prospectus carefully, especially the matters discussed under "Risk Factors," and the financial statements and related notes included in this prospectus, before deciding to invest in our common stock.*

*All references to "Golden Minerals," "our," "we," or "us" are to Golden Minerals Company, including its subsidiaries and predecessors, except where it is clear that the term refers only to Golden Minerals Company. Many of the terms used in our industry are technical in nature. We have included a glossary of some of these terms beginning at page A-1. References in this prospectus to "\$" are to U.S. dollars. References to "Cdn\$" are to Canadian dollars.*

**Our Business**

**Overview**

We are a mineral exploration and mining services company with a diversified portfolio of precious metals and other mineral exploration properties located in or near certain traditional silver producing regions of Mexico and South America. Our management team is comprised of experienced mining professionals with extensive expertise in mineral exploration, mine construction and development, and mine operations. We are based in Golden, Colorado and maintain exploration offices in Argentina, Mexico and Peru.

We are currently focused on the advancement of our El Quevar silver project in northwestern Argentina. We have spent approximately \$12 million on exploration costs at El Quevar since 2004. Based on an independent technical report completed in October 2009, there are an estimated 310,000 tonnes of mineralized material at an average silver grade of 430.02 grams per tonne at El Quevar. See "*Business and Properties El Quevar Geology and Mineralization.*" We are engaged in additional drilling, metallurgical analysis, permitting, and other advanced exploration work at El Quevar as well as the preparation of a feasibility study. Our interest in the El Quevar project can increase from 65% to 80% if we complete a feasibility study by November 2010 and begin production within two years following completion of the feasibility study.

In addition to El Quevar, we own and control a portfolio of approximately 35 exploration properties located in Mexico and South America. Our 100% controlled Zacatecas silver and base metals project in Mexico is at an intermediate stage of exploration, with four separate target areas on which we are currently conducting exploration activities, including drilling. We are also conducting drilling programs to explore several of our other projects, including Antofalla in Argentina, Palca in Peru, and Elisa de Bordos in Chile.

Our team of mining professionals also provides mine management services. We currently manage the San Cristóbal silver, zinc and lead mine in Bolivia for Sumitomo Corporation ("Sumitomo").

*Company History*

We were incorporated in March 2009 and are the successor to Apex Silver Mines Limited ("Apex Silver") for purposes of reporting under the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"). In January 2009, Apex Silver and its wholly-owned subsidiary, Apex Silver Mines Corporation, filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. In connection with its Joint Plan of Reorganization (the "Plan"), Apex Silver sold its interest in the San Cristóbal mine to Sumitomo. Substantially all of Apex Silver's remaining assets, including its various subsidiaries that hold the interests in our portfolio of exploration properties, were assigned to us.

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*Our Competitive Strengths and Business Strategy*

Our business strategy is to develop and operate our own mines and our current primary focus is on the El Quevar project. We also plan to continue to provide mine development and operations services to mines owned by others. We believe we are well positioned to implement this strategy for the reasons described below.

Experienced Management Team. We are led by a team of mining professionals with over 160 years of combined experience in exploration, project development, construction and operations all over the world. Our executive officers have held senior positions at various large mining companies including Cyprus Amax Minerals Company, Phelps Dodge Corporation, Inco Limited, Homestake Mining Company and Kinross Gold Corporation. Our executive team has a proven ability to manage large projects in challenging environments, as evidenced by our successful development, construction and continued operation of the San Cristóbal mine in Bolivia. The San Cristóbal mine, which cost approximately \$1 billion to develop and construct, is one of the largest silver, zinc and lead mines in the world.

We seek to leverage the experience and skill of our management team by providing mine management services. We manage the San Cristóbal mine on behalf of Sumitomo. In addition, we intend to identify and capitalize on other opportunities to provide management services on a fee basis with an opportunity to earn an equity interest in other third-party development projects or operations.

El Quevar Advanced Exploration Project. Our most advanced exploration project, the El Quevar project, is in the Salta Province in Argentina, a jurisdiction that has established protocols for, and has historically been receptive to, mining investment. The project is situated in an advantageous location, with nearby infrastructure, including natural gas and power, and no community in the immediate vicinity. Based on our exploration work to date, the Yaxtché zone of the project appears to be a relatively high grade silver deposit. We also have significant opportunity for expansion as we solely control 12 concessions totaling approximately 56,000 hectares in addition to the concessions on which the Yaxtché deposit is located. We have identified 13 targets within the concession area including the Yaxtché deposit.

Broad Exploration Portfolio. In addition to El Quevar, we control a portfolio of approximately 35 exploration properties primarily in certain traditional precious metals producing regions of Argentina, Mexico and Peru. We are focusing on those properties that we believe have high potential for precious metals. We have been successful at generating value from the sale or farm-out for cash, stock and/or royalties of those properties that do not meet our minimum economic requirements for potential advancement.

Simple Capital Structure. We do not have any debt, and as of June 30, 2009 we had \$15.6 million in cash. Upon the completion of the offering, we expect to have approximately \$ million in cash, assuming the underwriters' over-allotment option is not exercised. In addition, we anticipate that we will receive approximately \$6 million in net cash flow from our existing management services agreement during 2010. We do not have any options, warrants or other convertible securities outstanding.

*Corporate Information*

Our principal executive offices are located at 350 Indiana Street, Suite 800, Golden, Colorado 80401, and our telephone number is (303) 839-5060. Our website is [www.goldenminerals.com](http://www.goldenminerals.com). Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.



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**The Offering**

*The following is a brief summary of certain terms of this offering and is not intended to be complete. It does not contain all of the information that will be important to investors in our common stock. For a more complete description of our common stock, see the section entitled "Description of Capital Stock" in this prospectus.*

<b>Issuer:</b>	Golden Minerals Company
<b>Common stock offered by Golden Minerals:</b>	shares
<b>Common stock offered by selling stockholders:</b>	shares
<b>Offering:</b>	This offering is being made concurrently in the U.S. and in Canada, in the province of Ontario.
<b>Over-allotment option:</b>	We have granted to the underwriters an over-allotment option to purchase up to additional shares of our common stock at the public offering price, less the underwriting discount. The option may be exercised in whole or in part at any time within 30 days following the date of this prospectus.
<b>Common stock outstanding:</b>	Prior to the offering, we had 3,232,735 shares of common stock outstanding <sup>(1)</sup>  Following the offering, we will have shares of common stock outstanding <sup>(1)(2)</sup>
<b>Use of proceeds:</b>	We estimate that our net proceeds from this offering, based on an assumed initial public offering price of \$ per share, which is the midpoint of the range set forth on the cover page of this prospectus, after deducting the underwriting discount and estimated offering expenses, will be approximately \$ million (\$ million if the over-allotment option is exercised in full).  We expect to use approximately \$44 million of the net proceeds for the advancement of the El Quevar project, including the construction of an underground development and exploration drift, preparation of a feasibility study, and commencement of development and construction if the results of the feasibility study are favorable, and approximately \$33 million to advance our portfolio of exploration properties through 2010, and the remaining net proceeds for general working capital. See "Use of Proceeds" in this prospectus.  We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.
<b>Market for our common stock:</b>	Our common stock currently trades in interdealer and over-the-counter transactions, and price quotations have been available in the "pink sheets" under the symbol "GDMN". Our common stock is also listed on the Toronto Stock Exchange under the symbol "AUM". We have applied to list our common stock on the Amex under the symbol " ".

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#### **Risk factors:**

You should carefully consider the information under the heading "Risk Factors" beginning on page 5 and all other information included in this prospectus before deciding to invest in our common stock.

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- (1) Includes 245,000 shares of restricted common stock issued under our 2009 Equity Incentive Plan. Does not include (i) 25,000 shares of common stock reserved for issuance under the 2009 Equity Incentive Plan in exchange for restricted stock units issued to our non-employee directors under the terms of our Non-Employee Directors Deferred Compensation and Equity Award Plan, or (ii) 12,265 shares reserved for issuance to former unsecured creditors of Apex Silver pursuant to the Plan.
- (2) If the over-allotment option is exercised in full, \_\_\_\_\_ shares of common stock will be outstanding after this offering.

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**RISK FACTORS**

*A purchase of our shares of common stock is speculative and involves a high degree of risk. You should carefully consider the risks described below, as well as the other information contained in this prospectus before making a decision to invest in our common stock.*

**Risks related to our business**

***We expect to incur operating losses at least through 2010 and our profitability in the foreseeable future depends entirely on the success of the El Quevar project, which has not been shown to contain proven or probable reserves.***

We have a history of losses and we expect that we will continue to incur operating losses unless and until such time as our El Quevar project in Argentina or another of our exploration properties enters into commercial production and generates sufficient revenue to fund continuing operations. We are focused primarily on the advancement of El Quevar.

Neither the El Quevar project, nor any of our other properties, has been shown to contain proven or probable reserves and expenditures made in the exploration of our properties may not result in discoveries of commercially recoverable quantities of ore. Most exploration projects do not result in the discovery of commercially mineable deposits of ore and we cannot assure you that any mineral deposit we identify will qualify as an ore body that can be legally and economically exploited or that any particular level of recovery of silver from discovered mineralization will in fact be realized.

We have completed a technical report on the El Quevar property, which indicates the presence of "mineralized material." See "Business and Properties El Quevar Geology and Mineralization." Mineralization figures based on estimates made by geologists, are inherently imprecise and depend on geological interpretation and statistical inferences drawn from drilling and sampling that may prove to be unreliable. We cannot assure you that these estimates will be accurate or that proven and probable reserves will be identified at El Quevar or any of our other properties. Even if we establish the presence of reserves at a project, the economic viability of the project may not justify further exploitation.

Estimates of reserves, mineral deposits and production costs can also be affected by such factors as governmental regulations and requirements, fluctuations in metals prices or costs of essential materials or supplies, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results, sampling, feasibility studies or technical reports. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Silver or other minerals recovered in small scale laboratory tests may not be duplicated in large scale tests under on-site production conditions.

***We will need substantial additional financing to advance the El Quevar project and we may not be able to obtain such financing.***

If the El Quevar project proceeds to development and construction, we anticipate that we will need to raise additional capital during 2010. We currently estimate that an additional \$50 to \$70 million will be required following completion of the feasibility study anticipated in the fourth quarter 2010. We do not have a credit agreement in place and believe that securing credit will be difficult given our limited history and continuing constraints on global credit markets. We cannot assure you that we will be able to obtain the necessary financing for the project on favorable terms or at all. If we are unable to obtain the additional financing necessary to bring El Quevar to production within two years after completion of a feasibility study, we will not be able to increase our interest in the project to 80% and our interest may

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decrease to 35%. Failure to obtain sufficient financing may also result in the delay or indefinite postponement of exploration activities at our other properties.

***We depend on the services of key executives.***

Our business strategy is based on leveraging the experience and skill of our management team. We are dependent on the services of key executives including Jeffrey Clevenger, Terry Owen, Robert Blakestad, Robert Vogels and Jerry Danni. Due to our relatively small size, the loss of any of these persons or our inability to attract and retain additional highly skilled employees may have a material adverse effect on our business, our ability to maintain and grow our mine services business, as well as our ability to manage and succeed in our exploration activities.

***The exploration of mineral properties is highly speculative in nature, involves substantial expenditures and is frequently non-productive.***

Our future growth and profitability will depend, in large part, on our ability to identify and acquire additional mineral rights, and on the costs and results of our continued exploration programs. Competition for attractive mineral exploration properties is intense. Our strategy is to identify reserves through a broad program of exploration. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

establish ore reserves through drilling and metallurgical and other testing techniques;

determine metal content and metallurgical recovery processes to extract metal from the ore;

determine the feasibility of mine development and production; and

construct, renovate or expand mining and processing facilities.

If we discover ore, it usually takes several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of a project may change because of increased costs, lower metal prices or other factors. As a result of these uncertainties, we may not successfully acquire additional mineral rights, or our exploration programs may not result in proven and probable reserves at all or in sufficient quantities to justify developing any of our exploration properties.

The decisions about future development of projects will be based primarily on feasibility studies, which derive estimates of reserves, operating costs and project economic returns. Estimates of economic returns are based, in part, on assumptions about future metal prices and estimates of average cash operating costs based upon, among other things:

anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed;

anticipated recovery rates of silver and other metals from the ore;

cash operating costs of comparable facilities and equipment; and

anticipated climatic conditions.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by our studies and estimates.

***Our long-term cash flow and profitability will be affected by changes in the prices of silver and other metals.***

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Our ability to establish reserves and develop any of our exploration properties and our profitability and long-term viability depend, in large part, on the market price of silver, zinc, lead, gold, copper and

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other metals. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- supply of, and demand for, silver, zinc, lead and other metals;
- speculative activities and producer hedging activities;
- expectations for inflation; and
- political and economic conditions.

The extreme volatility and disruption that have affected the financial markets have also extended to the commodity markets, including metals markets, which experienced significant volatility in 2009. Any extended weakness in the global economy could further increase volatility in metals prices or depress prices, which could in turn make it uneconomical for us to continue our exploration activities. Volatility or sustained price declines may also affect the number, quality and profitability of available mine service opportunities and adversely affect our ability to build our business.

***Our revenues depend primarily on our agreement to manage the San Cristóbal mine.***

Our revenues consist primarily of the management fees payable to us under the Management Services Agreement, dated March 24, 2009 (the "San Cristóbal Management Services Agreement"), under which we manage the San Cristóbal mine for Sumitomo. After June 30, 2010, Sumitomo will be able to terminate the San Cristóbal Management Services Agreement upon 180 days' written notice (or three months notice if Sumitomo has sold, directly or indirectly, more than 20% of the subsidiary that owns the mine) provided that it pays us a \$1 million fee. Sumitomo may not wish to continue the San Cristóbal Management Services Agreement beyond June 2010 and, as a result, our primary source of funding may not continue beyond the initial term. Moreover, the San Cristóbal Management Services Agreement, and payments to us thereunder, may be reduced or suspended in certain circumstances in the event of a prolonged interruption in mining activities, including labor disturbances, shutdowns or events of force majeure, such as expropriation by the Bolivian government.

***We have limited experience managing mining properties for third parties and our mine management business may not be successful.***

We currently have only one management agreement, the San Cristóbal Management Services Agreement. We have a limited history of providing management services to third parties and we cannot assure you that we will be able to retain our current services contract or attract additional mine or mine project management business. Demand for our services may also be negatively affected if certain commodity prices and global economic conditions remain weak.

***If we are unable to obtain all of our required governmental permits or property rights, our operations could be negatively impacted.***

Our future operations, including exploration and any potential development activities, will require additional permits from various governmental authorities. Our operations are and will continue to be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, mining royalties and other matters. We may also be required to obtain certain property rights to access or use our properties. Obtaining or renewing licenses and permits, and acquiring property rights, can be complex and time-consuming processes. We cannot assure you that we will be able to acquire all required licenses, permits or property rights on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such

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licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain any licenses, permits or property rights or any required extensions, challenges to the issuance of our licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of our licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that we have obtained, could have a material adverse effect on our business by delaying or preventing or making continued operations economically unfeasible.

***Lack of infrastructure could forestall or prevent further exploration and development.***

Exploration activities, as well as any development activities, depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important factors that affect capital and operating costs and the feasibility of a project, or unanticipated or higher than expected costs and unusual or infrequent weather phenomena, government or other interference in the maintenance or provision of such infrastructure, or unanticipated or higher than expected costs, could adversely affect our operations, financial condition and results of operations.

***Our exploration and mine management activities are in countries with developing economies and are subject to the risks of political and economic instability associated with these countries.***

We currently conduct exploration and mine management activities almost exclusively in Latin American countries with developing economies, including Argentina, Bolivia, Mexico and Peru. These countries and other emerging markets in which we may conduct operations have from time to time experienced economic or political instability. We may be materially adversely affected by risks associated with conducting exploration and mine management activities in countries with developing economies, including:

political instability and violence;

war and civil disturbance;

acts of terrorism or other criminal activity;

expropriation or nationalization;

changing fiscal, royalty and tax regimes;

fluctuations in currency exchange rates;

high rates of inflation;

uncertain or changing legal requirements respecting the ownership and maintenance of mineral properties, mines and mining operations, and inconsistent or arbitrary application of such legal requirements;

underdeveloped industrial and economic infrastructure;

corruption; and

unenforceability of contractual rights.

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Changes in mining or investment policies or shifts in the prevailing political climate in any of the countries in which we conduct exploration and mine management activities could adversely affect our business.

***Title to our mineral properties may be challenged.***

Our policy is to seek to confirm the validity of our rights to, title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. Title insurance generally is not available for mineral properties, and our



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ability to ensure that we have obtained secure rights to individual mineral properties or mining concessions may be severely constrained. We have not conducted surveys of all of the exploration properties in which we hold direct or indirect interests and, therefore, the precise area and location of these exploration properties may be in doubt. Accordingly, our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties, and the title to our mineral properties may also be impacted by state action.

In some of the countries in which we operate, failure to comply with applicable laws and regulations relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners. Any such loss, reduction or imposition of partners could have a material adverse affect in our financial condition, results of operations and prospects.

***We may lose rights to properties if we fail to meet payment requirements or development or production schedules.***

We derive the rights to some of our mineral properties from leaseholds or purchase option agreements or that require the payment of option payments, rent or other installment fees or specified expenditures. For example, we acquired certain of our rights on the El Quevar property through option agreements, which require aggregate payments of approximately \$3.4 million and an exploration investment of \$850,000 over the next three years. The El Quevar property is our most advanced exploration property, and the only property on which we have estimated mineralized material. If we fail to make these payments when they are due, our rights to the property may terminate. Moreover, we are required in certain instances to make certain payments to governments in order to maintain our rights to our mineral properties. Because our ability to make some of these payments is likely to depend on our ability to obtain external financing, we may not have the funds to make these payments by the required dates.

Some contracts with respect to our mineral properties require development or production schedules. For example, the shareholders agreement by which we plan to acquire an 80% interest in the El Quevar project requires that we complete a feasibility study by November 2010 and begin production within two years following completion of the feasibility study. If we are unable to meet any or all of the development or production schedules, we could lose all or a portion of our interests in El Quevar or other properties.

***The management services we provide at the San Cristóbal mine could be negatively affected by future actions of the Bolivian government.***

In December 2005, Evo Morales, the leader of the Movement to Socialism party, was elected president. At various times since his election, President Morales and others in his administration have made public statements regarding their desire to exert greater state control over natural resource production in Bolivia, including mining.

In 2007, the Bolivian government enacted various changes to applicable mining taxes. The current or future government may make additional changes that could increase the total tax burden on the San Cristóbal mine, and any such changes could adversely affect the earnings and cash flow generated by the San Cristóbal mine.

In February 2009, Bolivia approved a new constitution in a national referendum that significantly affects the legal framework governing mining in Bolivia. The new constitution requires that existing mining concessions be replaced by mining agreements negotiated with the Bolivian government. The deadline for implementation of the new mining agreements is December 2010. The new constitution does not specify the effect on existing concessions or provide either general or specific terms for the mining agreements. There can be no certainty as to the form and content of these contracts that must be negotiated with the

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Bolivian government, or that we will be allowed to continue to operate the San Cristóbal mine as contemplated by the San Cristóbal Management Services Agreement.

***Even if we are successful in bringing the El Quevar project into production, mining operations are hazardous, raise environmental concerns and raise insurance risks.***

Mining operations are by their nature subject to a variety of risks, such as cave-ins, pit-wall failures, flooding, rock bursts, fire, industrial accidents, failure of processing and mining equipment, environmental hazards, discharge of pollutants or hazardous chemicals, supply problems and delays, changes in the regulatory environment, encountering unusual or unexpected geological formations or other geological or grade problems, encountering unanticipated ground or water conditions, periodic interruptions due to inclement or hazardous weather conditions, and other acts of God or unfavorable operating conditions. These risks could result in delays to development or production, damage to or destruction of mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, monetary losses and possible legal liability. Satisfying these liabilities may be very costly and could have a material adverse effect on our future cash flow, results of operations and financial condition. We may not be able to insure fully or at all against these risks, or we may decide not to take out insurance against such risks as a result of high premiums or for other reasons.

***Our activities are subject to foreign environmental laws and regulations that may materially adversely affect our future operations.***

We conduct mineral exploration and mine management activities primarily in Argentina, Bolivia, Mexico and Peru. These countries have laws and regulations that control the exploration and mining of mineral properties and their effects on the environment, including air and water quality, mine reclamation, waste handling and disposal, the protection of different species of flora and fauna and the preservation of lands. These laws and regulations will require us to acquire permits and other authorizations for certain activities. In many countries, there is relatively new comprehensive environmental legislation, and the permitting and authorization process may not be established or predictable. We may not be able to acquire necessary permits or authorizations on a timely basis, if at all. Delays in acquiring any permit or authorization could increase the cost of our projects and could delay the commencement of production.

Environmental legislation in many countries is evolving in a manner that will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. We cannot predict what environmental legislation or regulations will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies or regulatory agencies or stricter interpretation of existing laws, may (i) necessitate significant capital outlays, (ii) cause us to delay, terminate or otherwise change our intended activities with respect to one or more projects, (iii) materially adversely affect our future exploration activities and (iv) negatively affect the profitability of the San Cristóbal mine or other projects we may manage in the future.

Many of our exploration properties are located in historic mining districts where prior owners may have caused environmental damage that may not be known to us or to the regulators. In most cases, we have not sought complete environmental analyses of our mineral properties and have not conducted comprehensive reviews of the environmental laws and regulations in every jurisdiction in which we own or control mineral properties. To the extent we are subject to environmental requirements or liabilities, the cost of compliance with these requirements and satisfaction of these liabilities could have a material adverse effect on our financial condition and results of operations. If we are unable to fully fund the cost of remediation of any environmental condition, we may be required to suspend activities or enter into interim compliance measures pending completion of the required remediation.

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***We compete against larger and more experienced companies.***

The mining industry is intensely competitive. Many large mining companies are primarily producers of precious or base metals and may become interested in the types of deposits on which we are focused, which include silver and other precious metals deposits or polymetallic deposits containing significant quantities of base metals, including zinc, lead, copper and gold. Many of these companies have greater financial resources, operational experience and technical capabilities than we do. We may encounter increasing competition from other mining companies in our efforts to acquire mineral properties and hire experienced mining professionals. Increased competition in our business could adversely affect our ability to attract necessary capital funding, acquire suitable producing properties or prospects for mineral exploration in the future or maintain and develop our mine services business.

***We may be required to indemnify Sumitomo in certain circumstances under the terms of the San Cristóbal Purchase and Sale Agreement, and such payments could have a material adverse effect on our financial condition.***

Under the terms of the Plan, Apex Silver sold its interests in the San Cristóbal mine to Sumitomo. In connection with the Plan, Apex Silver assigned substantially all of its remaining assets to us, and we agreed to assume Apex Silver's obligations under the purchase and sale agreement by which Apex Silver sold the San Cristóbal mine. Under the terms of the agreement, we are required to indemnify Sumitomo in certain circumstances, including for losses, if any, arising as a result of a breach of certain customary representations and warranties, primarily regarding title to the interests which were sold. Our maximum exposure for such losses could be as much as the full amount of the \$27.5 million cash purchase price, although for fraud or intentional misrepresentation, our liability exposure is not limited. Any obligation to make indemnification payments could have a material adverse effect on our financial condition.

**Risks related to our common stock**

***The market price for our common stock may be particularly volatile given our small and thinly traded public float, limited operating history and status as a successor to a company recently emerged from bankruptcy.***

Our common stock is not currently listed on a U.S. national securities exchange. Our common stock currently trades in interdealer and over-the-counter transactions, and price quotations have been available in the "pink sheets" under the symbol "GDMN". Our stock is also listed on the Toronto Stock Exchange. The market for our common stock has been relatively illiquid and characterized by significant price volatility when compared to more seasoned issuers. We expect that our share price could continue to be more volatile than a seasoned issuer for the indefinite future. The potential volatility in our share price may be attributable to a number of factors. For example, as noted above, our common stock is sporadically and thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our stockholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of shares of our common stock is sold in the market without commensurate demand, as compared to a seasoned issuer which could better absorb those sales without adverse impact on its share price. In addition, we are a speculative or "risky" investment due to our limited operating history as Golden Minerals Company and our status as a successor to a corporation recently emerged from bankruptcy. As a consequence of this enhanced risk, more risk averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares in the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors will be beyond our control and may decrease the market price of our common stock, regardless of our operating performance. Moreover, if you purchase shares in the offering, you will pay a price that may not be based on the trading price in the existing limited public trading market for our common stock. Instead, the initial public offering price will be determined by us and the underwriters

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following a bookbuilding process. Among the factors to be considered in determining the offer price, in addition to prevailing market conditions, will be estimates of our business potential, an assessment of our management and properties, and consideration of the above factors in relation to market valuation of companies in related businesses.

We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including as to whether our common stock will sustain market prices at or near the offering price, or as to what effect the sale of shares or the availability of common stock for sale at any time will have on the prevailing market price.

In addition, the market price of our common stock could be subject to wide fluctuations in response to:

quarterly variations in our revenues, if any, and operating expenses;

volatility in metal prices;

announcements of news by us;

the operating and stock price performance of other companies that investors may deem comparable to us;

political developments in the foreign countries in which our properties, or properties for which we perform services, are located; and

news reports relating to trends in our markets or general economic conditions.

Stock markets have experienced volatility that often has been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance.

***If we or our existing stockholders sell additional shares of our common stock after this offering, the market price of our common stock could decline significantly.***

The market price of our common stock could decline as a result of sales of a large number of shares of common stock in the market after this offering, or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate or necessary. After the completion of this offering, we will have \_\_\_\_\_ shares of common stock outstanding. This number includes \_\_\_\_\_ shares being sold in this offering, which may be resold immediately in the public market.

We and our officers and directors, as well as stockholders holding a substantial amount of our outstanding common stock, have agreed that, subject to certain exceptions, for a period of 180 days (for us and our directors and officers) or 90 days (for other stockholders) from the date of the underwriting agreement, we and they will not, without the prior written consent of Dahlman Rose & Company, directly or indirectly, offer, sell, agree to offer or sell, solicit offers to purchase, grant any call option or purchase any put option with respect to, pledge, borrow or otherwise dispose of any shares of common stock or any securities convertible into or exchangeable for shares of common stock, and will not establish or increase any "put equivalent position" or liquidate or decrease any "call equivalent position" with respect to any shares of common stock or any securities convertible into or exchangeable for shares of common stock (in each case within the meaning of Section 16 of the U.S. Exchange Act and the rules and regulations promulgated thereunder), or otherwise enter into any swap, derivative or other transaction or arrangement that transfers to another, in whole or in part, any economic consequence of ownership of any of shares of common stock or any securities convertible into or exchangeable for shares of common stock. A total of \_\_\_\_\_ shares, or \_\_\_\_\_ % of our outstanding shares following completion of the offering, are subject

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to the foregoing restrictions. If a substantial number of these stockholders sell their shares, the market price of our common stock may decline.

In addition, following the expiration of 180 days following the date of this prospectus, we may sell shares of our common stock. We anticipate that we will need to obtain additional financing during 2010 in order to fund the advancement of the El Quevar project and may elect to sell additional shares. Sales of a substantial number of additional shares, or the perception that such sales may occur, could cause the market price of our common shares to decline significantly.

***We do not anticipate paying a dividend in the foreseeable future.***

We anticipate that we will not pay cash dividends on our common stock in the foreseeable future. Moreover, our Amended and Restated Certificate of Incorporation and Bylaws prohibit the payment of dividends for a one-year period beginning March 24, 2009, and prohibit payment of dividends (in a single distribution or series of distributions) in excess of \$1.5 million during the one-year period beginning March 24, 2010.

***We have a large number of authorized but unissued shares of our common stock which may lead to the dilution of our common stock.***

We have a large number of authorized but unissued shares of common stock, which our management may issue without further stockholder approval, thereby causing dilution of your holdings of our common stock. Our management will continue to have broad discretion to issue shares of our common stock in a range of transactions, including capital-raising transactions, mergers, acquisitions and in other transactions, without obtaining stockholder approval, unless required by applicable law or stock exchange rules. If our management determines to issue shares of our common stock from the large pool of authorized but unissued shares for any purpose in the future, your ownership position may be diluted without your further ability to vote on that transaction.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements include statements relating to our plans and expectations concerning the El Quevar project, the timing and budget for exploration of our portfolio of exploration properties, our expected cash needs and anticipated use of proceeds from this offering, and statements concerning our financial condition, operating strategies and operating and legal risks.

We use the words "anticipate," "continue," "likely," "estimate," "expect," "may," "could," "will," "project," "should," "believe" and similar expressions to identify forward-looking statements. Statements that contain these words discuss our future expectations, contain projections or state other forward-looking information. Although we believe the expectations reflected in those forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. Our actual results could differ materially from those expressed or implied in these forward-looking statements as a result of the factors described under "Risk Factors" in this prospectus and other factors set forth in this prospectus, including:

The economic viability of the El Quevar project;

Our ability to raise necessary capital to finance advancement of the El Quevar project;

Our ability to retain key management and mining personnel necessary to successfully operate and grow our business;

Our ability to successfully manage our existing management agreement and successfully expand our mine services business, particularly if metals prices experience significant declines;

Worldwide economic and political events affecting the market prices for silver, gold and other minerals which may be found on our exploration properties; and

Political and economic instability in Argentina, Bolivia, Mexico, Peru, and other countries in which we conduct our business, and future actions of the government with respect to nationalization of natural resources or other changes in mining or taxation policies that may affect the management of the San Cristóbal mine.

Many of those factors are beyond our ability to control or predict. You should not unduly rely on any of our forward-looking statements. These statements speak only as of the date of this prospectus. Except as required by law, we are not obligated to publicly release any revisions to these forward-looking statements to reflect future events or developments. All subsequent written and oral forward-looking statements attributable to us and persons acting on our behalf are qualified in their entirety by the cautionary statements contained in this section and elsewhere in this prospectus.

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**USE OF PROCEEDS**

We estimate, based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover page of this prospectus, that the net proceeds we will receive from this offering will be approximately \$ \_\_\_\_\_, after deducting the underwriting discount and our estimated offering expenses of \$ \_\_\_\_\_. If the over-allotment option is exercised in full, we expect the net proceeds to increase by approximately \$ \_\_\_\_\_. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders.

We intend to use the net proceeds from this offering as follows:

Approximately \$44 million to fund the advancement of the Yaxtché deposit at our El Quevar project, including:

Approximately \$30 million to fund the construction of an underground drift and related infrastructure in order to develop additional information regarding the deposit and prepare a feasibility study, including detailed plant engineering; and

Approximately \$14 million to fund concession option payments and a portion of the development and construction of the El Quevar project if results from the feasibility study are favorable. We currently anticipate that a total of approximately \$50 to \$70 million will be needed following the completion of the feasibility study in order to develop and construct an underground mine at El Quevar. If the project advances to development and construction, we intend to use a portion of the proceeds of this offering to fund such activities, but we will need to obtain additional financing. If the El Quevar project does not proceed to further development, we intend to use the proceeds of this offering that were intended to fund El Quevar development to instead fund the evaluation and advancement of other exploration projects in our portfolio.

Approximately \$33 million to fund exploration of our portfolio of exploration properties during 2010, including:

Approximately \$1 million to complete a first phase drilling program on the four targets on our Zacatecas project in Mexico, with up to an additional \$12 million for additional drilling and analytical work on the targets if initial results are favorable;

Approximately \$4.5 million for exploration activities at Viejo Campo and other targets outside of the Yaxtché deposit at El Quevar; and

Approximately \$7.5 million for early stage exploration on our Antofalla project in Argentina, our Palca project in Peru, and our Elisa de Bordos project in Chile, including initial drilling and bulk sampling.

Working capital requirements or other general corporate purposes.

The actual amount that we spend in connection with the intended use of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the results of our continued exploration activities in defining the El Quevar deposit and those described in the "Risk Factors" section of this prospectus. Depending on the opportunities, economic conditions and the results of the activities described above at El Quevar and our other exploration properties, we may use a portion of the proceeds to invest in acquisitions of other properties which are consistent with our business strategy.

Until such time as the net proceeds of the offering are used as described above, we intend to invest the net proceeds primarily in short-term, investment-grade, interest-bearing securities.





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We have never declared or paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all future earnings, if any, to fund the development and growth of our business. In addition, our Amended and Restated Certificate of Incorporation and Bylaws prohibit the payment of dividends (in a single distribution or series of distributions) until after March 24, 2010 and prohibit payment of dividends (in a single distribution or series of distributions) in excess of \$1.5 million until after March 24, 2011. Our board's ability to declare a dividend is also subject to limits imposed by Delaware corporate law.

**CAPITALIZATION**

The following table summarizes our cash and cash equivalents and our consolidated capitalization as of June 30, 2009:

on an actual basis;

on an as adjusted basis to give effect to the sale of \_\_\_\_\_ shares of common stock in this offering by us based on an initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover page of the prospectus, after deducting the underwriting discount and estimated offering expenses payable by us.

You should read this table together with the sections of the prospectus entitled "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as our financial statements and related notes included in this prospectus. The table below assumes that there has been no exercise, in whole or in part, of the underwriters' option to purchase additional shares of our common stock in this offering.

	<b>June 30, 2009</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(in thousands, except Share amounts)</b>	
Cash and cash equivalents	\$ 15,658	
Total debt, including current portion		
Stockholders' equity		
Common stock, \$0.01 par value, 50,000,000 shares authorized; 3,257,735 shares issued and outstanding (actual),		
shares issued and outstanding (as adjusted)	\$ 33	
Additional paid-in capital	\$ 36,837	
Accumulated deficit	\$ (7,174)	
Accumulated other comprehensive income (loss)	\$ 826	
Total stockholders' equity	\$ 30,522	
<b>Total capitalization</b>	<b>\$ 30,522</b>	

The table above includes 270,000 shares of restricted common stock issued under our 2009 Equity Incentive Plan as of June 30, 2009 but does not include 25,000 shares of common stock reserved for issuance under the 2009 Equity Incentive Plan in exchange for restricted stock units issued to our non-employee directors under the terms of our Non-Employee Directors Deferred Compensation and Equity Award Plan as of June 30, 2009, or the 12,265 shares reserved for issuance to former unsecured creditors of Apex Silver pursuant to the Plan.



Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA**

The selected consolidated financial data for the period ended June 30, 2009 has been derived from our Form 10-Q for the period ended June 30, 2009. We emerged from Apex Silver's Chapter 11 proceedings on March 24, 2009. Accordingly, the data provided below for the period March 25, 2009 through June 30, 2009 represents the consolidated financial data for Golden Minerals and the data prior to March 25, 2009 represents the consolidated financial data for our predecessor, Apex Silver. The selected consolidated financial data of Apex Silver for the years ended December 31, 2008, 2007, and 2006 are derived from Apex Silver's audited consolidated financial statements. The selected consolidated financial data of Apex Silver for the years ended December 31, 2005 and 2004 are derived from our historic financial records. The financial information for all periods presented, except for the period ended June 30, 2009, has been revised for the retrospective adoption of FASB Statement No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51" ("FAS No. 160") and to reflect the San Cristóbal mine activity as discontinued operations. In addition, the amounts included as revenue have been reclassified from a net reduction of operating expenses for all periods presented. No amounts in the cash flow data have been reclassified. Amounts on the balance sheet formerly labeled minority interest are now referred to as noncontrolling interest and are included as a component of equity (deficit). Our financial statements are reported in U.S. dollars and have been prepared in accordance with generally accepted accounting principles in the United States. The following selected consolidated financial data should be read in conjunction with the consolidated financial statements and the related notes thereto beginning on page F-1 of this prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	<b>Six Months Ended June 30, 2009</b>		<b>The Year Ended December 31,</b>				
	<b>For The Period March 25, 2009 Through June 30, 2009 (Successor)</b>	<b>For The Period January 1, 2009 Through March 24, 2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>(in thousands, except per share amounts)</b>							
<b>Statement of Operations:</b>							
Revenue	\$ 3,358	\$ 1,350	\$ 5,400	\$ 5,400	\$ 2,640	\$ 143	\$
Operating expenses	(8,650)	(11,080)	(46,124)	(36,163)	(28,386)	(23,173)	(21,366)
Other income (expense), net <sup>(1)</sup>	(1,669)	253,516	(28,392)	(19,567)	14,602	13,682	2,521
(Loss) income from continuing operations before income taxes	(6,961)	243,786	(69,116)	(50,330)	(11,144)	(9,348)	(18,845)
Income tax expense	(213)	(165)	(618)	(879)	(749)	(379)	
(Loss) income from continuing operations	(7,174)	243,621	(69,734)	(51,209)	(11,893)	(9,727)	(18,845)
Loss from discontinued operations <sup>(2)</sup>		(4,153)	(166,625)	(24,634)	(510,465)	(57,327)	
Net (loss) income	(7,174)	239,468	(236,359)	(75,843)	(522,358)	(67,054)	(18,845)
Net (income) loss attributable to noncontrolling interest <sup>(3)</sup>		(7,869)	118,122	87,399	8,813	16	
Net (loss) income attributable to stockholders	\$ (7,174)	\$ 231,599	\$ (118,237)	\$ 11,556	\$ (513,545)	\$ (67,038)	\$ (18,845)
<b>Net (loss) income per Common Stock</b>							
<b>Ordinary Share basic</b>							
Net loss from continuing operations attributable to stockholders	\$ (2.40)	\$ 4.13	\$ (1.18)	\$ (0.87)	\$ (0.21)	\$ (0.20)	\$ (0.41)
Net loss from discontinued operations attributable to stockholders		(0.20)	(0.82)	1.07	(8.88)	(1.18)	
Net (loss) income attributable to stockholders	\$ (2.40)	\$ (3.93)	\$ (2.01)	\$ 0.20	\$ (9.09)	\$ (1.38)	\$ (0.41)



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	Six Months Ended June 30, 2009		The Year Ended December 31,				
	For The Period March 25, 2009 Through June 30, 2009 (Successor)	For The Period January 1, 2009 Through March 24, 2009	2008	2007	2006	2005	2004
(in thousands, except per share amounts)							
<b>Net income (loss) per Common Stock</b>							
<b>Ordinary Share diluted</b>							
Net loss from continuing operations attributable to stockholders	\$ (2.40)	\$ (0.06)	\$ (1.18)	\$ (0.87)	\$ (0.21)	\$ (0.20)	\$ (0.41)
Net loss from discontinued operations attributable to stockholders		(0.17)	(0.82)	1.07	(8.88)	(1.18)	
Net income (loss) attributable to stockholders	\$ (2.40)	\$ (0.23)	\$ (2.01)	\$ 0.20	\$ (9.09)	\$ (1.38)	\$ (0.41)
Weighted average Common Stock / Ordinary Shares outstanding basic	2,988	59,001	58,947	58,715	56,498	48,616	46,528
Weighted average Common Stock / Ordinary Shares outstanding diluted	2,988	69,171	58,947	58,715	56,498	48,616	46,528
<b>Cash Flow Data:</b>							
Net cash used in operating activities	\$ (10,138)	\$ (13,849)	\$ (139,554)	\$ (166,029)	\$ (70,727)	\$ (24,338)	\$ (9,218)
Net cash provided by (used in) investing activities	\$ 176	\$ 43,043	\$ (95,842)	\$ 40,254	\$ (223,012)	\$ (1,869)	\$ (518,926)
Net cash provided by (used in) financing activities <sup>(4)</sup>	\$	\$ (37,297)	\$ 228,383	\$ 116,671	\$ 338,771	\$ 3,275	\$ 538,370
<b>At December 31,</b>							
	<b>At June 30, 2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	
<b>Balance Sheet Data:</b>							
Total assets	\$ 34,773	\$ 606,347	\$ 1,324,911	\$ 1,270,096	\$ 780,511	\$ 693,818	
Long term liabilities	\$ 596	\$ 73,504	\$ 1,040,098	\$ 1,278,474	\$ 467,743	\$ 339,987	
Noncontrolling interest	\$	\$ 150,792	\$	\$ 40	\$ 34	\$	
Stockholders' equity (deficit)	\$ 30,522	\$ (199,080)	\$ (84,101)	\$ (103,290)	\$ 227,229	\$ 346,116	

(1) The June 30, 2009 amount for the predecessor period ended March 24, 2009 includes a \$248.2 million gain from extinguishment of debt and a \$9.1 million fresh start accounting gain both related to the reorganization and emergence from Chapter 11 bankruptcy.

(2) Amounts shown for the years ended December 31, 2008, 2007, 2006 and 2005 include gains and losses related to Apex Silver's open metals derivative positions, including realized cash losses related to the settlement of the positions during 2008 and 2007 and unrealized mark-to-market gains and losses during 2008, 2007, 2006 and 2005. See Note 14, "Derivative Positions," in our Consolidated Financial Statements. The 2008 amount also includes a \$63.1 million gain related to the sale of our retained interest in Sumitomo's share of future silver and zinc production from the San Cristóbal mine. The 2006 amount also includes a \$199.6 million gain related to the sale to Sumitomo of a 35% interest in the subsidiaries that own and operate the San Cristóbal mine.

(3) In accordance with generally accepted accounting principles in the United States at the time, we did not allocate losses to the noncontrolling interest in excess of the minority owner's recorded interest in the subsidiary and at December 31, 2007 and 2006, we had absorbed approximately \$23.6 million and \$98.8 million of losses, respectively, that normally would have been allocated to the noncontrolling interest. During 2008 and 2007, \$23.6 million and \$75.2 million of the losses previously absorbed were recouped and included in noncontrolling interest in losses of consolidated subsidiaries for the respective periods. See Note 18, "Noncontrolling Interests," in our Consolidated Financial Statements.

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(4)

The 2008 amount includes \$150 million of funding by Sumitomo directly to Apex Silver's San Cristóbal mine. The 2007 amount includes \$45 million of borrowings under Apex Silver's project finance facility. The 2006 amount includes \$180.0 million of borrowings under the project finance facility and \$156.8 million of net proceeds from the sale of ordinary shares of Apex Silver. The 2004 amount includes \$328.1 million of net proceeds from the issuance of Apex Silver's 4.0% and 2.875% Convertible Senior Subordinated Notes due 2024 and \$208.6 million of net proceeds from sale of ordinary shares of Apex Silver.

Table of Contents**PRICE RANGE OF SHARES OF COMMON STOCK**

Our common stock currently trades in interdealer and over-the-counter transactions, and price quotations have been available in the "pink sheets" under the symbol "GDMN". The following table sets forth the high and low sales prices per share as reported by The Pink Sheets LLC at *www.pinksheets.com*. Although the prices have been obtained from a source believed to be reliable, no assurances can be given with respect to the accuracy of such prices. In addition, such prices reflect interdealer prices, which may not include retail mark-up, mark down or commission, and may not necessarily represent actual transactions.

<b>2009</b>	<b>High</b>	<b>Low</b>
April*	\$ 0.15	\$ 0.01
May	\$ 2.48	\$ 0.90
June	\$ 2.90	\$ 1.94
July	\$ 3.25	\$ 2.35
August	\$ 4.15	\$ 3.05
September	\$ 6.40	\$ 3.60
October**	\$ 6.73	\$ 5.95

\*

Since April 20, 2009, the date of the first reported transaction in our common stock on the Pink Sheets.

\*\*

Through October 9, 2009.

Our common stock is also listed on the Toronto Stock Exchange and trades under the symbol "AUM". The following table sets forth the high and low sales price per share for each month since of common stock began trading on the Toronto Stock Exchange.

<b>2009</b>	<b>High<sup>(1)</sup></b>	<b>Low<sup>(1)</sup></b>
July*	\$ 2.97	\$ 2.95
August	\$ 4.71	\$ 3.41
September	\$ 6.71	\$ 3.26
October**	\$ 7.66	\$ 5.52

\*

Since July 16, 2009, the date our common stock commenced trading on the Toronto Stock Exchange.

\*\*

Through October 9, 2009.

(1)

All Canadian share prices were converted to U.S. dollars based on an exchange rate of 0.9593, as reported by the Bank of Canada, as of October 9, 2009. On October 9, 2009, the closing sales price for common stock was Cdn\$7.11 per share on the Toronto Stock Exchange (\$6.82, as converted to U.S. dollars).

As of October 9, 2009, we had 27 stockholders of our common stock of record based upon the stockholders list provided by our transfer agent, Olympia Trust Company.

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**DILUTION**

Dilution represents the difference between the public offering price per share of our common stock and the net tangible book value per share of our common stock immediately after completion of this offering. Net tangible book value is the amount that results from subtracting total liabilities and intangible assets from total assets.

As of \_\_\_\_\_, 2009, the net tangible book value of our common stock was approximately \$ \_\_\_\_\_, or approximately \$ \_\_\_\_\_ per share based upon \_\_\_\_\_ shares of common stock outstanding.

Upon completion of this offering at an assumed public offering price of \$ \_\_\_\_\_ per share, but without taking into account any change in the net tangible book value after completion of this offering other than that resulting from the sale of the shares and receipt of the total proceeds of \$ \_\_\_\_\_ (net of underwriting commissions), the net tangible book value of the \_\_\_\_\_ shares to be outstanding will be \$ \_\_\_\_\_, or approximately \$ \_\_\_\_\_ per share of our common stock. Accordingly, the net tangible book value of our common stock held by our existing stockholders ( \_\_\_\_\_ shares) will be increased by \$ \_\_\_\_\_ per share without any additional investment on their part. The purchasers of our common stock in this offering will incur immediate dilution (a reduction in the net tangible book value per share from the offering price of \$ \_\_\_\_\_ per share) of \$ \_\_\_\_\_ per share. As a result, after completion of the offering, the net tangible book value of our common stock held by purchasers in this offering would be \$ \_\_\_\_\_ per share, reflecting an immediate reduction in the \$ \_\_\_\_\_ price per share they paid for their shares.

The following table illustrates the per share dilution to the new investors without giving any effect to the results of any operations subsequent to \_\_\_\_\_:

Public offering price per share	\$ _____
Net tangible book value per share prior to this offering	\$ _____
Net tangible book value per share after this offering	\$ _____
Increase in net tangible book value per share attributable to cash payments from purchasers of the shares	\$ _____
Immediate dilution to new investors in this offering	\$ _____



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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "Risk Factors" in this prospectus.*

**Our Company**

We are a mineral exploration and mining services company with a diversified portfolio of precious metals and other mineral exploration properties located in or near the traditional silver producing regions of Mexico and South America. We are currently focused on the advancement of our El Quevar silver project in northwestern Argentina.

Our team of mining professionals also provides mine management services. We currently manage the San Cristóbal silver, zinc and lead mine in Bolivia for Sumitomo.

We were incorporated in March 2009 and are the successor to Apex Silver for purposes of reporting under the U.S. Exchange Act. In January 2009, Apex Silver and its wholly-owned subsidiary, Apex Silver Mines Corporation, filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. In connection with the Plan, Apex Silver sold its interest in the San Cristóbal mine to Sumitomo. Substantially all of Apex Silver's remaining assets, including its various subsidiaries that hold the interests in our portfolio of exploration properties, were assigned to us.

Currently, our only sources of revenue are associated with our management services agreement, royalty and interest income, and sales of non-core properties for cash. We expect to incur an operating loss for 2009 and future periods unless and until El Quevar or one of our other exploration properties is developed and goes into production. We cannot predict when or if that will occur.

**Recent Developments**

Our operations have changed substantially as a result of the sale of the San Cristóbal mine to Sumitomo in connection with emergence from Apex Silver's Chapter 11 proceedings. We no longer own an operating mine. Instead, we have focused our efforts primarily on advancing our El Quevar project and managing the San Cristóbal mine for Sumitomo under the terms of the San Cristóbal Management Services Agreement. We have also continued to make progress in advancing the exploration of our portfolio of exploration properties. Events which have occurred during the period from our inception through the date of this prospectus are described below:

We completed significant additional drilling at El Quevar. Our field work at El Quevar has now identified 13 target areas believed to have potential for the discovery of additional silver mineralization. Through September 30, 2009, we have drilled a total of 162 holes totaling approximately 29,000 meters at El Quevar. In October 2009, we received an updated independent technical report which estimates 310,000 tonnes of mineralized material in the Yaxtché deposit at an average silver grade of 430.02 grams per tonne. See "Business and Properties El Quevar Geology and Mineralization."

The San Cristóbal mine has operated successfully under our management, generating positive operating cash flow for the quarter ended June 30, 2009. During that period, the mine achieved average concentrator throughput of 42,920 tonnes per day, exceeding the 40,000 tonnes per day designed capacity. Zinc concentrate production during that period was approximately 125,900 tonnes and lead concentrate production during the period was approximately 26,000 tonnes.

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Payable metal production from the San Cristóbal mine during that period totaled approximately 4.3 million ounces of silver, 62,300 tonnes of zinc and 17,100 tonnes of lead.

We have continued to advance our field evaluations of our more promising prospects and have initiated or continued drilling at several of our properties. Among these prospects are the high-grade vein targets in the Zacatecas district of central Mexico, where we have identified four areas that contain significant silver and base metal values in quartz veins and as disseminations in sedimentary rocks. In Peru, we have developed another potential high-grade vein target at our Palca project, where at least four veins exhibit silver values greater than 100 grams per tonne with associated lead, zinc and gold values. We have also developed potentially high grade silver targets at our Elisa de Bordos project in Chile and at Antofalla in Argentina. We are currently conducting initial drill tests of the Pánuco project in the Zacatecas district and at Antofalla and Elisa de Bordos.

Our common stock commenced trading on the Toronto Stock Exchange on July 16, 2009 under the ticker symbol "AUM".

On July 23, 2009, we completed the disposition of certain of our auction rate securities ("ARS") through two brokerage firms. We received approximately \$2.5 million in exchange for the securities, which had a carrying value of approximately \$3.8 million at March 31, 2009. The investments were illiquid securities that were assigned to us from Apex Silver in connection with the emergence from Chapter 11 proceedings. On October 1, 2009, we completed the disposition of our remaining ARS through a brokerage firm. We received approximately \$550,000 in exchange for the securities, which had a carrying value of approximately \$2.2 million.

In August 2009, we sold three concessions located adjacent to our Zacatecas properties to a wholly-owned subsidiary of Capstone Mining Corp. We received (i) a cash payment of \$1.0 million, (ii) a 1.5% net smelter return on the first one million tonnes of production on the concessions, and (iii) a 3% net smelter return on production in excess of one million tonnes on the concessions. The concessions are located outside of our targeted exploration program for the area and there is currently no production on the concessions.

**Results of Operations**

In this prospectus we present historical financial statements of Apex Silver. These financial statements have been updated to reclassify the activity of the San Cristóbal mine and related subsidiaries to discontinued operations as the result of the sale of the San Cristóbal mine effective March 24, 2009. Because of the significant differences between the business operations of the two companies, the historical performance of Apex Silver may not be indicative of our future performance.

*Comparison of the Six Month Periods ended June 30, 2009 and June 30, 2008*

For the results of continuing operations discussed below, we compare the results of continuing operations of Apex Silver for the 83-day period ended March 24, 2009 and the results of our continuing operations for the 98-day period ended June 30, 2009 to the results of continuing operations of Apex Silver for the six month period ended June 30, 2008. The results of operations of the San Cristóbal mine and related subsidiaries that were sold during the first quarter 2009 are aggregated and presented as discontinued operations of Apex Silver for the six month period ended June 30, 2008 and the 83-day period ended March 24, 2009. Golden Minerals does not report discontinued operations.

*Continuing Operations*

*Management service fees.* We recorded \$4.7 million of management service fee income (\$3.4 million and \$1.3 million for us and Apex Silver, respectively) for the six months ended June 30, 2009. Our

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\$3.4 million of revenue is related to the San Cristóbal Management Services Agreement and is comprised of \$3.0 million of fees (which included reimbursement for direct administrative expenses of \$1.4 million) and \$0.4 million for reimbursed withholding taxes. Apex Silver's \$1.3 million of management service fees is all related to fees received by Apex Silver from a subsidiary included in discontinued operations. Management service fees for the six months ended June 30, 2008 were \$2.7 million and were all related to fees received by Apex Silver from a subsidiary included in discontinued operations.

*Cost of services.* We recorded \$1.1 million of costs of services (all related to us) for the six months ended June 30, 2009. The cost of services is comprised of reimbursed out-of-pocket costs incurred by us related to the San Cristóbal Management Services Agreement. Apex Silver recorded no cost of services for the six month period ended June 30, 2008.

*Exploration.* Our exploration expenses, including property holding costs and allocated administrative expenses, totaled \$7.0 million (\$3.5 million and \$3.5 million for us and Apex Silver, respectively) for the six month period ended June 30, 2009, as compared to \$15.3 million for the six months ended June 30, 2008. Exploration expenses were incurred primarily at El Quevar in Argentina and in Mexico and Peru and include property holding costs and costs incurred by the local exploration offices. None of the exploration expenses reported relate to San Cristóbal.

*Administrative and reorganization.* Administrative expenses totaled \$8.1 million (\$3.3 million and \$4.8 million for us and Apex Silver, respectively) for the six month period ended June 30, 2009, as compared to \$8.6 million for the six months ended June 30, 2008. Administrative expenses, including costs associated with being a public company, are incurred primarily by our corporate activities in support of our exploration program and our management services for the San Cristóbal mine. Reorganization expenses were \$0.7 million and \$3.7 million for our results and Apex Silver's results for the six month period ended June 30, 2009, respectively. The reorganization expenses relate to expenses for professional services incurred as a result of Apex Silver's bankruptcy filing and the sale of its interest in the San Cristóbal mine to Sumitomo. We incurred no reorganization expense during the six months ended June 30, 2008.

*Loss on Auction Rate Securities.* Loss on ARS investments totaled \$2.1 million (\$1.3 million and \$0.8 million for us and Apex Silver, respectively) for the six month period ended June 30, 2009, as compared to \$3.1 million for the six months ended June 30, 2008. The auctions for certain of our ARS began to fail during the third quarter of 2007 and continued to fail through June 30, 2009. The markets for the ARS have continued to deteriorate resulting in the recording of additional impairment charges. At June 30, 2009, the carrying value of our ARS was \$4.6 million. We have since liquidated our remaining ARS positions receiving approximately \$3.1 million.

*Interest and Other Income.* We recorded interest and other income of \$1.3 million (\$0.3 million and \$1.0 million for us and Apex Silver, respectively) for the six month period ended June 30, 2009, as compared to \$3.6 million for the six months ended June 30, 2008. We held lower average cash and investment balances during 2009 as compared to the same period in 2008, which resulted in lower interest being earned. In addition, interest rates were lower during 2009 as compared to the preceding years.

*Royalty Income.* We recorded royalty income from the Platosa property in Mexico on which we retained a net smelter return royalty of \$0.2 million (\$0.1 million and \$0.1 million for us and Apex Silver, respectively) for the six month period ended June 30, 2009, as compared to \$0.2 million for the six months ended June 30, 2008. The property is being test mined by a joint venture partner, and we receive a royalty for product sold from the test mining operation. We believe that the two 2009 quarterly payments have been withheld by Excellon pending completion of discussions regarding funding of certain expenses pursuant to a joint venture on a separate contiguous property.

*Interest and Other Expense.* We recorded interest and other expense of \$0.3 million (\$0.0 million and \$0.3 million for us and Apex Silver, respectively) for the six month period ended June 30, 2009, as

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compared to \$5.3 million for the six months ended June 30, 2008. The expense for both periods was primarily the result of interest incurred on Apex Silver's Convertible Senior Subordinated Notes due 2024. Apex Silver ceased accruing interest on the convertible notes following the filing for protection under Chapter 11 on January 12, 2009 and the notes were cancelled on March 24, 2009 in connection with our emergence from bankruptcy. The convertible notes were outstanding during the full six month period ended June 30, 2008.

*Income Taxes.* We are subject to U.S. income taxes on income derived from services provided to the San Cristóbal mine. Otherwise, we do not currently conduct business in the U.S. that would generate significant U.S. taxable income. Our income tax provisions of \$0.4 million (\$0.2 million and \$0.2 million for us and Apex Silver, respectively) for the six month period ended June 30, 2009, and \$0.3 million for the six months ended June 30, 2008 consist of withholding taxes either accrued or paid to Bolivia in connection with management services provided to the San Cristóbal mine.

*Discontinued Operations San Cristóbal.*

The loss from discontinued operations for the six months ended June 30, 2009 of \$4.2 million was incurred during the 83-day period ended March 24, 2009 as discontinued operations related to the San Cristóbal asset group were sold at that date. We recognized an \$8.4 million loss on the sale of the San Cristóbal asset group which is included in discontinued operations for the period.

The gain from discontinued operations related to the San Cristóbal mine for the six month period ended June 30, 2008 totaled \$266.4 million. The gain was primarily the result of a \$195.6 million mark-to-market gain related to Apex Silver's open metal derivative positions, a \$63.1 million gain on certain deferred payments sold to Sumitomo, partially offset by a \$16.9 million net loss from operations and \$24.6 million of net interest and financing expense.

*Comparison of the Years Ended December 31, 2008, 2007 and 2006*

Set forth below is a summary of significant components of Apex Silver's revenues and expenses for the years ended December 31, 2008, 2007 and 2006. Certain components of revenues and expenses have been updated to reflect the activity of the San Cristóbal mine and related subsidiaries in discontinued operations for the years ended December 31, 2008, 2007 and 2006 as the result of the sale of the San Cristóbal mine effective March 24, 2009.

*Management Service Fees.* Apex Silver recorded management service fees of \$5.4 million, \$5.4 million and \$2.7 million for the years ended December 31, 2008, 2007 and 2006, respectively. Beginning in mid-2006 Apex Silver entered into an agreement with Minera San Cristóbal SA, the Bolivian subsidiary which owned and operated the San Cristóbal mine, whereby it charged Minera San Cristóbal \$450,000 per month as a management service fee. This arrangement terminated on March 24, 2009. None of the amounts reflected in prior periods pertain to our current San Cristóbal Management Services Agreement.

*Exploration.* Apex Silver's exploration expenses, including property holding costs and allocated administrative expenses, were \$25.4 million for the year ended December 31, 2008, as compared to \$15.4 million and \$8.3 million for the years ending December 31, 2007 and 2006, respectively. Exploration expense was incurred primarily in Argentina, Mexico and Peru. During 2008, Apex Silver increased drilling programs and other geologic testing to increase the rate of evaluation of many of its properties. None of the exploration expenses reported relate to the San Cristóbal mine. All of Apex Silver's exploration properties were assigned to us in March 2009 in connection with the emergence from Chapter 11 proceedings.

*Administrative.* Administrative expense was \$20.2 million, \$20.3 million and \$19.7 million for the years ended December 31, 2008, 2007 and 2006, respectively. Administrative expenses were incurred

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primarily by Apex Silver's corporate activities and consisted primarily of compensation costs, professional fees paid for accounting and legal services, office and equipment lease costs and other general costs.

*Interest and Other Income.* Apex Silver recorded interest and other income of \$5.6 million, \$19.4 million and \$10.1 million for the years ended December 31, 2008, 2007 and 2006, respectively. It held lower average cash and investment balances during 2008 as compared to the preceding years which resulted in lower interest being earned. In addition, interest rates were also lower during 2008 as compared to the preceding years.

*Royalty Income.* During 2008, 2007 and 2006, Apex Silver earned \$0.4 million, \$1.3 million and \$1.6 million, respectively, of royalty income from a property in Mexico on which it retained a net smelter return royalty. The property is being test mined by a joint venture partner, and Apex Silver received a royalty for product sold from the test mining operation. This property was assigned to us in March 2009 in connection with the emergence from Chapter 11 proceedings.

*Interest Expense and Other Borrowing Costs.* For the years ended December 31, 2008 and 2007 Apex Silver recorded interest expense and other borrowing costs in the amounts of \$15.8 million and \$5.7 million, respectively. Interest incurred during the construction of the San Cristóbal mine was capitalized. Consequently the 2007 interest expense and other borrowing costs amount is net of \$4.9 million of interest capitalized and 100% of the \$12.2 million of interest costs incurred during 2006 was capitalized. Interest expense and other borrowing costs as well as amounts capitalized for all periods was all related to interest incurred on Apex Silver's Convertible Senior Subordinated Notes due 2024, which were cancelled on March 24, 2009 in connection with the emergence from Chapter 11 proceedings. We have no indebtedness.

*Loss on Auction Rate Securities.* For the years ended December 31, 2008 and 2007, Apex Silver recognized impairment charges related to its ARS investments of \$16.3 million and \$34.5 million, respectively. The impairment charges are the result of deteriorating markets for certain of the ARS it held for which the auctions continued to fail. The auctions for certain of the ARS began to fail during the third quarter of 2007 and continued to fail through December 31, 2008. At December 31, 2008 the carrying value of Apex Silver's ARS is \$5.1 million.

*Discontinued Operations San Cristóbal.* The aggregated results of operations for the discontinued San Cristóbal mine totaled losses of \$166.6 million, \$24.6 million and \$510.5 million for the years ended December 31, 2008, 2007 and 2006, respectively. See Note 1, "Operations," in Apex Silver's Consolidated Financial Statements for detailed components of the losses from discontinued operations for each of the periods presented.

*Net Loss attributable to Noncontrolling Interests (formerly Minority Interest).* For the years ended December 31, 2008, 2007 and 2006, Apex Silver allocated losses to the noncontrolling interest of \$118.1 million, \$87.4 million and \$8.8 million, respectively. The 2008 amount is primarily related to Sumitomo's interest in certain losses related to San Cristóbal property, plant and equipment impairment charges and inventory write downs partially offset by gains related to marking Apex Silver's metal derivative positions to market. For the years ended December 31, 2007 and 2006 Apex Silver did not allocate certain losses to the noncontrolling interests because generally accepted accounting principles in the United States at that time did not allow for the allocation of losses to the noncontrolling interest if the noncontrolling interest's equity balance is in a deficit position. Consequently, for the years ended December 31, 2007 and 2006, Apex Silver had absorbed approximately \$23.6 million and \$98.8 million of losses, respectively, that normally would have been allocated to the noncontrolling interest. When the noncontrolling interest's equity balance returns to positive, as the result of capital contributions and income distributions, Apex Silver is able to allocate the previously absorbed losses to the noncontrolling interest. Accordingly, of the \$98.8 million loss Apex Silver absorbed during the year ended December 31, 2006, \$75.2 million was allocated to the noncontrolling interest during the year ended December 31, 2007 and the remaining \$23.6 million was allocated to the noncontrolling interest during the year ended

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December 31, 2008. Also, during 2008, Sumitomo advanced an additional \$86.9 million to fund its share of operating costs related to the San Cristóbal mine, Apex Silver recorded \$14.1 million of interest due Sumitomo on its cumulative share of advances to fund the San Cristóbal mine, and Sumitomo loaned Minera San Cristóbal \$150.0 million under a working capital facility. All of these transactions were recorded to noncontrolling interest.

**Liquidity and Capital Resources**

For the year ending December 31, 2010, we expect to spend approximately \$10 million on general and administrative costs, approximately \$30 million at the El Quevar project for the construction of an underground drift and related workings and the preparation of a feasibility study, approximately \$14 million to fund concession option payments and a portion of the development and construction of El Quevar, assuming the results from the feasibility study are favorable, and approximately \$33 million to advance our portfolio of other exploration properties.

As of June 30, 2009, we had approximately \$16 million in cash and cash equivalents. We plan to fund the expenditures described above from our existing cash and investment balances, from the approximately \$6 million of annual net cash flow from our management services agreement with San Cristóbal (comprised of the annual fee, net of reimbursed administrative expenses), from an anticipated \$1 million of interest and other cash receipts during the period, and from the proceeds of this offering. See "Use of Proceeds."

Based on our work to date, we currently estimate that approximately \$50 to \$70 million will be required in addition to amounts needed to complete the underground drift and feasibility study in order to construct a mine at El Quevar. This is a preliminary estimate and the actual cost may vary significantly. We expect to reserve a portion of the proceeds of this offering to fund a portion of the development and construction costs for El Quevar, but will likely need to obtain additional financing during the second half of 2010 if the El Quevar project proceeds to development and construction. There can be no assurance that we will be successful in raising additional capital in the future on terms acceptable to us or at all. If we are unable to obtain additional capital during 2010, the potential development of the El Quevar project may be delayed and we may not be able to increase our interest in the project to 80% and our interest could decrease to 35%.

**Critical Accounting Policies and Estimates**

The selection and application of accounting policies is an important process that has developed as our business activities have evolved and as the accounting rules have changed. Accounting rules generally do not involve a selection among alternatives, but involve an implementation and interpretation of existing rules, and the use of judgment, to the specific set of circumstances existing in our business. Discussed below are the accounting policies that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported.

*Adoption of Accounting Standards Requiring Retrospective Application and Other Reclassifications*

During December 2007 the FASB issued FASB Statement No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51" ("FAS No. 160"). A noncontrolling interest, formerly called a minority interest, is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The objective of this Standard is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards related to noncontrolling interests. We adopted FAS No. 160 effective January 1, 2009 and will no longer report minority interest in the "mezzanine," but we will reflect such noncontrolling interests as part of equity. The provisions of FAS

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No. 160 have been retrospectively applied to all periods present in the accompanying Consolidated Financial Statements. See Note 18 to the Consolidated Financial Statements for a discussion of noncontrolling interests.

As a result of the sale of our San Cristóbal mine (see Note 2 to the Consolidated Financial Statements), and per the guidance of Emerging Issues Task Force 03-13, "Applying the Conditions in Paragraph 42 of FASB Statement No. 144 in Determining Whether to Report Discontinued Operations" ("EITF 03-13"), we have retrospectively reclassified historical amounts on the Consolidated Statements of Operations and Comprehensive Income (Loss) for the San Cristóbal mine activity to discontinued operations for all periods presented.

*Mineral Reserves*

Mineral reserve estimates involve subjective judgment and are based on numerous assumptions that may later prove to be inaccurate. These estimates include engineering evaluations of assay values derived from samplings of drill holes and other openings. Additionally, changes in the market prices of metals may render certain mineral reserves containing relatively lower grades of mineralization uneconomic to mine. Further, availability of permits, changes in operating and capital costs, and other factors could materially and adversely affect mineral reserves. We have not established proven or probable reserves at any of our exploration properties.

*Mineral Properties*

When and if we determine that a mineral property has proven and probable reserves, subsequent development costs are capitalized to mineral properties. When mineral properties are developed and operations commence, capitalized costs are charged to operations using the units-of-production method over proven and probable reserves.

*Asset Retirement Obligations*

We record asset retirement obligations in accordance with Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("FAS No. 143"), which establishes a uniform methodology for accounting for estimated reclamation and abandonment costs. According to FAS No. 143, the fair value of a liability for an asset retirement obligation ("ARO") is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. An offsetting asset retirement cost ("ARC") is capitalized as part of the carrying value of the assets with which it is associated, and depreciated over the useful life of the asset.

The discussion above highlights critical accounting policies for Golden Minerals. Certain other policies were relevant to Apex Silver in its capacity as the owner of San Cristóbal. See Note 4 of the accompanying Notes to our Consolidated Financial Statements included in this prospectus beginning on page F-1 in this prospectus for a discussion of those policies.

Table of Contents**Table of Contractual Obligations**

The following table summarizes our contractual obligations at June 30, 2009:

Contractual Obligations	Total	Less Than	1 - 3	3 - 5	More
		1 Year	Years	Years	Than 5
(in thousands of \$)					
Operating leases <sup>(1)</sup>	1,933	194	757	810	172
El Quevar concession payments <sup>(2)</sup>	110	22	44	44	<sup>(4)</sup>
Purchase option agreement payments <sup>(3)</sup>	2,850	700	2,150	0	

- (1) The operating lease obligations are related to our corporate headquarters office. The current lease expires November 14, 2014.
- (2) We make annual maintenance payments of approximately \$22,000 to the Argentine federal government to maintain the El Quevar project concessions held by Minera El Quevar S.A. These payments include payments for both owned concessions and concessions under purchase option agreements.
- (3) In addition to the annual maintenance payments to the Argentine federal government, we make payments to the current concession owners for the properties under option agreements in order to retain title to the properties. Amounts shown only include the concessions held by Minera El Quevar S.A., which include the Yaxché zone. Payments associated with other concessions at the El Quevar project are not included because exploration success is historically low and we have the right to terminate the payments and release the concessions at any time.
- (4) We cannot currently estimate the life of the El Quevar project. This table assumes that no annual maintenance payments will be made more than five years after June 30, 2009. If we develop a mine at the El Quevar project, we expect that we would make annual maintenance payments of approximately \$22,000 per year for the life of the mine.

From time to time we enter into lease option agreements related to exploration properties that are of interest to us. These agreements typically contain escalating lease payments required to maintain our exploration rights to the property. Such agreements are not included in the above table because exploration success is historically low and we have the right to terminate the agreements at any time.

We have not included a table of contractual obligations for Apex Silver as of December 31, 2008 as all those contractual obligations were related to the San Cristóbal mine, which has been sold, or have otherwise terminated.

**Off-Balance Sheet Arrangements**

We do not have any off balance sheet arrangements.

**Quantitative and Qualitative Disclosures about Market Risk***Interest Rate Risk*

We invest substantially all of our excess cash in U.S. government and debt securities rated "investment grade" or better. The rates received on such investments may fluctuate with changes in economic conditions. Based on the average cash, restricted cash, investments and restricted investment balances outstanding during the three months ended June 30, 2009, a 1% decrease in interest rates would have resulted in a reduction in interest income for the period of approximately \$0.1 million.



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*Foreign Currency Exchange Risk*

Although most of our expenditures are in U.S. dollars, certain purchases of labor, operating supplies and capital assets are denominated in other currencies. As a result, currency exchange fluctuations may impact the costs of our operations. To reduce this risk, we maintain minimum cash balances in foreign currencies and complete most of our purchases in U.S. dollars.

*Commodity Price Risk*

One of our primary business activities is the exploration of properties containing silver, zinc, lead, copper, gold and other minerals. As a result, decreases in the price of any of these metals have the potential to negatively impact our ability to establish reserves and develop our exploration properties. None of our properties is in production and we do not currently hold any commodity derivative positions.

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**BUSINESS AND PROPERTIES**

**Overview**

We are a mineral exploration and mining services company with a diversified portfolio of precious metals and other mineral exploration properties located in or near the traditional silver producing regions of Mexico and South America. Our management team is comprised of experienced mining professionals with over 160 years of combined experience in mineral exploration, mine construction and development, and mine operations. We are based in Golden, Colorado and maintain exploration offices in Argentina, Mexico and Peru.

We are currently focused on advancement of our El Quevar silver project in northwestern Argentina. We have spent approximately \$12 million on exploration costs at El Quevar since 2004. Based on an independent technical report completed in October 2009, there are an estimated 310,000 tonnes of mineralized material at an average silver grade of 430.02 grams per tonne. See " *El Quevar Geology and Mineralization*." We are engaged in additional drilling, metallurgical analysis and other advanced exploration work at El Quevar, as well as preparation of a feasibility study. Our interest in the El Quevar project can increase from 65% to 80% if we complete a feasibility study by November 2010 and begin production within two years following completion of the feasibility study.

In addition to El Quevar, we own and control a portfolio of approximately 35 exploration properties located primarily in Mexico and South America. Our 100% controlled Zacatecas silver and base metals project in Mexico is at an intermediate stage of exploration, with four separate target areas on which we are currently conducting exploration activities, including drilling. We are also conducting drilling programs to explore several of our other projects, including Antofalla in Argentina, Palca in Peru, and Elisa de Bordos in Chile.

Our team of mining professionals also provides mine management services. We currently manage the San Cristóbal silver, zinc and lead mine in Bolivia for Sumitomo.

**Company History**

We were incorporated in March 2009, and are the successor to Apex Silver for purposes of reporting under the U.S. Exchange Act. In January 2009, Apex Silver and its wholly-owned subsidiary, Apex Silver Mines Corporation, filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. In connection with the Plan, Apex Silver sold its interest in the San Cristóbal mine to Sumitomo. Substantially all of Apex Silver's remaining assets, including its various subsidiaries that hold a broad portfolio of exploration properties, were assigned to us.

Under the Plan, the holders of subordinated notes of Apex Silver received a pro rata distribution of Golden Minerals common stock and cash. An additional 12,265 shares of common stock of Golden Minerals have been reserved for issuance to former unsecured creditors of Apex Silver, if any. To date, none of these shares have been issued and under the terms of the Plan, the shares will be distributed pro rata to the former holders of Apex Silver's subordinated notes in November 2009. Apex Silver's equity holders received no recovery under the Plan, and the ordinary shares of Apex Silver are being cancelled in connection with a Cayman Islands liquidation proceeding that is expected to be completed prior to the end of 2009. Apex Silver and Apex Silver Mines Corporation were also discharged from any and all claims arising prior to the effective date of the Plan, except as provided by the Plan, and all persons holding such claims are enjoined from asserting such claims against Apex Silver, Apex Silver Mines Corporation (now owned by Golden Minerals and renamed Golden Minerals Services Corporation), Golden Minerals and certain third parties, including present and former directors and officers.

Golden Minerals Services Corporation, our wholly-owned subsidiary headquartered in Golden, Colorado, is the operating entity through which we conduct our business. We also wholly-own a number of subsidiaries organized in countries throughout the world, including Canada, Mexico, Central America,

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South America, the Caribbean, Europe, and Australia. We generally hold our exploration rights and properties through subsidiaries organized in the countries in which our rights and properties are located.

**Our Competitive Strengths and Business Strategy**

Our business strategy is to develop and operate our own mines and to continue to provide mine development and operations services to mines owned by others. We believe we are well positioned to implement this strategy for the reasons described below.

Experienced Management Team. We are led by a team of mining professionals with over 160 years of combined experience in exploration, project development, construction and operations all over the world. Our executive officers have held senior positions at various large mining companies including Cyprus Amax Minerals Company, Phelps Dodge Corporation, Inco Limited, Homestake Mining Company and Kinross Gold Corporation. See "Our Management Team." Our executive team has a proven ability to manage large projects in challenging environments, as evidenced by our successful development, construction and continued operation of the San Cristóbal mine in Bolivia. The San Cristóbal mine, which cost approximately \$1 billion to develop and construct, is one of the largest silver, zinc and lead mines in the world.

We seek to leverage the experience and skill of our management team by providing mine management services. We manage the San Cristóbal mine on behalf of Sumitomo. In addition to this agreement, we intend to identify and capitalize on other opportunities to provide management services on a fee basis with an opportunity to earn an equity interest in other third-party development projects or operations.

El Quevar Advanced Exploration Project. Our most advanced exploration project, the El Quevar project, is in the Salta Province in Argentina, a jurisdiction that has established protocols for, and has historically been receptive to, mining investment. The project is situated in an advantageous location, with nearby infrastructure, including natural gas and power, and no community in the immediate vicinity. Based on our exploration work to date on the Yaxtché zone of the project, the deposit appears to be a relatively high grade silver deposit. We also have significant opportunity for expansion as we solely control 12 concessions totaling approximately 56,000 hectares in addition to the concessions on which the Yaxtché deposit is located. We have identified 13 targets within the concession area including the Yaxtché deposit.

Broad Exploration Portfolio. In addition to El Quevar, we control a portfolio of approximately 35 exploration properties primarily in the traditional precious metals producing regions of Argentina, Mexico and Peru. We are focusing on those properties that we believe have high potential for silver and other precious metals. For those properties that do not meet our minimum economic requirements for potential development, we have been successful at generating value from the sale or farm-out of the properties for cash, stock and/or royalties.

Simple Capital Structure. We do not have any debt, and as of June 30, 2009 we had \$15.6 million in cash. Upon the completion of the offering, we expect to have approximately \$\_\_\_\_\_ in cash, assuming the underwriters over-allotment option is not exercised. In addition, we anticipate that we will receive approximately \$6 million in net cash flow from our existing management services agreement during 2010. We do not have any options, warrants or other convertible securities outstanding.

**Our Management Team**

We are led by a team of mining professionals with extensive experience in exploration, project development, construction and operations in North and South America, Indonesia, Australia and Russia. Our management team has over 160 years of combined experience in exploration, development and operation of mines. Our executive officers have held senior positions at various large diversified mining

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companies including Cyprus Amax Minerals Company, Phelps Dodge Corporation, Inco Limited, Homestake Mining Company and Kinross Gold Corporation. The management team most recently completed the construction, start-up and ramp-up of the San Cristóbal silver, zinc and lead mine in Bolivia, which it continues to manage for Sumitomo. The construction of the approximately \$1 billion project completed 12.7 million manhours of work without a lost time accident and the complex two product plant has operated at approximately 7% over its 40,000 tonnes per day design capacity during the second quarter of 2009, producing 125,900 tonnes of zinc concentrates and 26,000 tonnes of lead concentrates.

**Jeffrey G. Clevenger**, *Chairman of the Board of Directors; President and Chief Executive Officer*

Mr. Clevenger has more than 35 years of mining industry experience, primarily at executive officer and senior management levels with Apex Silver, Cyprus Amax Minerals Company and Phelps Dodge Corporation. In addition to leading the team that developed the San Cristóbal mine, he served as Chief Operating Officer and President of Cyprus Amax's integrated copper and molybdenum subsidiary, which produced annually approximately one billion pounds of copper and approximately 60 million pounds of molybdenum. Mr. Clevenger led the effort that resulted in Cyprus Amax being awarded the first tenders in the privatization processes of Peru and Chile, acquiring the Cerro Verde copper mine in Peru and the El Abra copper reserve in Chile. He led the modernization and expansion of Cerro Verde and the \$1 billion construction of the El Abra mine and solvent extraction/electrowinning circuit. Prior to joining Cyprus Amax in 1992, Mr. Clevenger held various technical, management and executive positions at Phelps Dodge Corporation, including President and General Manager of Phelps Dodge Morenci.

**Terry L. Owen**, *Senior Vice President; President of Golden Minerals Services Corporation*

Mr. Owen has more than 30 years of experience in mine development, construction and operations, primarily at executive and senior management levels with Apex Silver, Cyprus Amax Minerals Company and Freeport McMoran. In addition to the development, construction and operation of the San Cristóbal mine, Mr. Owen has had a leadership role in the development of more than 20 mining projects in 10 different countries. These projects include the construction of the \$1 billion El Abra copper mine and solvent extraction/electrowinning circuit in Chile, the modernization and expansion of the Cerro Verde copper mine in Peru, the construction of the Fort Knox gold mine in Alaska, the construction of the Kubaka gold mine in Far East Russia, the expansion of the Henderson underground block cave molybdenum mine in Colorado and the modernization of the related ore transport system, the completion of the Grasberg expansion and several other major capital projects and expansions at Freeport McMoran Inc.'s gold and copper mines in Indonesia and service as Vice President and Assistant General Manager of those operations.

**Robert B. Blakestad**, *Senior Vice President, Exploration and Chief Geologist*

Mr. Blakestad has more than 35 years of international mineral exploration experience, primarily at executive and senior management levels at Apex Silver, Cyprus Amax Minerals Company and Homestake Mining Company and with experience in North and South America, Australia and New Zealand. Mr. Blakestad directed the exploration programs at Cyprus Amax that discovered the Brocks Creek gold mine and four new orebodies at the Selwyn (Starra) copper-gold mine, both in Australia. At Homestake, he directed exploration efforts resulting in discovery and resource definition of several new deposits, including the Hycroft gold and silver mine in Nevada and the Macreas gold mine in New Zealand. As President and Chief Executive Officer of International Taurus Resources Inc., he built a portfolio of exploration and development properties to include more than 2.5 million ounces in gold resources.

**Jerry W. Danni**, *Senior Vice President, Corporate Affairs*

Mr. Danni has more than 30 years of domestic and international managerial and operations experience in the mining industry. At Kinross Gold Corporation, he was responsible for corporate

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direction and oversight of all corporate governance, governmental affairs and environmental, health and safety management systems and processes for all operations worldwide, including Porcupine/Hoyle Pond in Ontario, Fort Knox in Alaska, Round Mountain in Nevada, Refugio in Chile, Kubaka in Russia, Paracatu and Crixas in Brazil and Blanket in Zimbabwe. At Kinross he also directed the Reclamation and Operations Business Unit with 10 projects in active reclamation and closure. He directed all aspects of a comprehensive environmental management system at the copper and molybdenum subsidiary of Cyprus Amax Minerals Company, including directing environmental studies and permitting of the El Abra Mine in Chile and the Cerro Verde Mine in Peru. He also directed governmental relations and environmental study programs for two exploration and development projects, Kansanshi in Zambia and Frieda River in Papua New Guinea. At Lac Minerals and Homestake Mining Company, he was responsible for governmental affairs and direction of environmental management systems and processes for their respective global mining activities.

**Robert P. Vogels**, *Senior Vice President and Chief Financial Officer*

Mr. Vogels has more than 25 years of finance and accounting experience in the mining industry. As corporate controller of Apex Silver, he oversaw implementation of finance and accounting systems for the development, construction and operation of San Cristóbal. He served as project controller for one and a half years for the Goro nickel project in New Caledonia, overseeing the expenditure of over \$1 billion in connection with the development and construction of the project. Mr. Vogels acted as lead financial analyst and later as site controller for five years for Cyprus Amax's El Abra copper mine in Chile.

For a more detailed description of the backgrounds of our executives, see "Management Executive Officers" in this prospectus.

**El Quevar**

*Location and Access*

Our El Quevar silver project is located in the San Antonio de los Cobres municipality, Salta province, in the Altiplano region of northwestern Argentina, approximately 300 kilometers by road northwest of the city of Salta, the capital city of the province. The project is also accessible by a 300 kilometer dirt and gravel road from the city of Calama in northern Chile. The village of Pocitos, located about 20 kilometers to the west of El Quevar, is the nearest settlement with approximately 150 inhabitants. A high tension power line is located approximately 40 kilometers from the site, and a high pressure gas line devoted to the mining industry and subsidized by the Salta government is located within 20 kilometers of El Quevar. We have established a camp approximately 10 kilometers west of the project, which currently houses approximately 45 workers.

The El Quevar project is located near Nevado Peak with altitudes on the concessions ranging from 3,800 to 6,130 meters above sea level. The climate of the area is high mountain desert, with some precipitation in summer (as snow) and little snow in winter. The map below shows the location of the El Quevar project.

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*Property History*

Mining activity in and around the El Quevar project dates back at least 80 years. Between 1930 and 1950, there was lead and silver production from small workings in the area. We do not have production records from that period. The first organized exploration activities on the property occurred during the 1970s, although no data from that period remains. Over the last 30 years, several companies have carried out exploration activity in the area, including BHP Billiton, Industrias Peñoles, Mansfield Minerals and Hochschild Mining Group, consisting primarily of local sampling with some limited drilling programs in the area.

*Title and Ownership Rights*

The El Quevar project is comprised of 20 concessions, including eight exploitation concessions and 12 exploration concessions. In total, the El Quevar project encompasses approximately 64,000 hectares.

The area of most of our exploration activities at El Quevar is within the concessions that are owned or controlled by Minera El Quevar S.A., an Argentine company jointly owned by us and an Argentine subsidiary of Hochschild Mining Group ("Hochschild"), a publicly traded Peru-based mining company. Under the terms of a shareholders agreement with Hochschild, we earned a 65% interest in Minera El Quevar S.A. by funding \$1 million of exploration expenses. We can increase our interest to 80% if we complete a feasibility study by November 2010 and begin production within two years following completion of the feasibility study. If we fail to complete a feasibility study or fail to initiate production within two years thereafter, our interest in Minera El Quevar S.A. may decrease to 35%. We are required to fund all exploration, development and construction costs but can recover amounts paid on behalf of Hochschild from 50% of its share of future cash flow which, if our ownership interest increases to 80%, would provide us with 90% of cash flow until all costs are recovered.

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Three of the concessions contributed by us to Minera El Quevar S.A. are not owned by Minera El Quevar S.A. but are subject to options to purchase from the existing third-party concession owners. These optioned concessions contain the Yaxtché target, on which we have identified an estimate of mineralized material (see " *Geology and Mineralization*"). One option agreement covers the El Quevar II concession and one-half of the Castor concession, and another option agreement covers the Nevado I concession. Our remaining payments on those option agreements are set forth below:

El Quevar II/Castor		Nevado I	
Amount	Date	Amount	Date
\$ 500,000	March 16, 2010	\$ 200,000	June 22, 2010
\$ 1,100,000	March 16, 2011	\$ 300,000	June 22, 2011
		\$ 750,000	June 22, 2012

We intend to make the remaining option payments assuming funding is available and the results of our additional drilling and planned feasibility work are promising. Upon making the final option payment, Minera El Quevar S.A. will acquire all of the optioning party's rights in the concessions. If we continue to make the payments in a timely fashion, our ability to purchase the concession rights may not be revoked by the existing concession owners.

In addition, under the terms of the option agreements, we are required to pay a 1% net smelter return royalty on the value of all metals extracted from the El Quevar II or Nevado I concessions and one-half of the minerals extracted from the Castor concession. The joint venture is also required to pay a 3% net smelter return royalty to the Salta province. To maintain the concessions, we make yearly aggregate rental payments to the Argentine government of approximately \$28,200.

#### *Preliminary Exploration Activities*

We initiated exploration at El Quevar during 2004, and to date we have spent approximately \$12 million on exploration and related activities. We have collected more than 3,000 surface samples and completed 162 diamond drill holes totaling approximately 29,000 meters. Approximately 118 of the holes intersected significant silver mineralization (see " *Geology and Mineralization*").

In 2008, we built a camp approximately 10 kilometers west of the project site to accommodate a work force of approximately 75 people, which currently relies on power generated from two diesel-powered generators. Water for camp use is pumped from a 100-meter deep well in the alluvial fan at the camp, and additional water can be supplied by drilling more wells. Our camp has sufficient infrastructure for expansion to project development and production stage capacity.

#### *Geology and Mineralization*

The geology of the El Quevar project is characterized by silver-rich veins and disseminations in Tertiary volcanic rocks that are part of an eroded stratovolcano. Silver mineralization at El Quevar is hosted within a broad, generally east-west-trending structural zone and occurs as a series of north-dipping parallel sheeted vein zones, breccias and mineralized faults situated within an envelope of pervasively silicified brecciated volcanic rocks and intrusive breccias. There are at least three sub-parallel structures that extend for an aggregate length of approximately 12 kilometers. Several volcanic domes (small intrusive bodies) have been identified and mineralization is also found in breccias associated with these domes, especially where they are intersected by the structures. The silver mineralization at the Yaxtché zone is of epithermal origin. The cross-cutting nature of the mineralization, the assemblage of sulfide and alteration minerals, and the presence of open spaces with euhedral minerals, all point to an origin at shallow to moderate depths (a few hundred meters below surface) from hydrothermal solutions.

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Our work to date has identified at least 13 potential zones of mineralization at the El Quevar project. As of September 30, 2009, we completed approximately 29,000 meters of diamond drilling in 162 drill holes. Of these holes, 110 were drilled to test the main Yaxtché zone for potential mineralization, with 92 of the Yaxtché holes intersecting significant silver mineralization. Our work indicates that the Yaxtché central zone is at least 650 meters in strike length, with other drilling results to the east and west indicating a total length of more than 1,900 meters, and between 40 to 150 meters in width. Our drilling further indicates that the silver mineralization is continuous laterally and to depths of 250 to 300 meters below surface in the main area. The zone appears to be faulted on the east and west ends, but geological mapping and a geophysical survey suggest that the zone has been faulted down and preserved, and is continuous in both directions.

We commenced a drilling program in the first quarter 2009 to establish that the Yaxtché zone continues east and west and we have intersected the zone at depth in 4 holes drilled on the eastern extension and in 18 holes drilled on the western extension. We believe the Yaxtché zone is the most promising mineralized zone at the El Quevar project.

**CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES:** The terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource" that are used below are defined in and required to be disclosed by Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"); however, these terms are not recognized under SEC Industry Guide 7. U.S. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all, or any part, of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. Accordingly, information contained in this prospectus and any free writing prospectus contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under United States federal securities laws and the rules and regulations promulgated thereunder.

Set forth below are the results of two independent technical reports on the Yaxtché deposit. Because this prospectus is being used in connection with this offering in the United States and also forms the basis for the prospectus to be used in connection with the offering of the shares in Canada, we present the results of the technical reports in compliance with both U.S. and Canadian regulatory requirements, which differ significantly.

February 2009 Technical Report

Technical reports for the El Quevar project were prepared, dated February 27, 2009, by SRK Consulting in accordance with the requirements of the SEC's Guide 7 and Canadian NI 43-101. Data from the 78 diamond drill holes then drilled was used as the data base for the report. The SRK estimate was based on the assumption that sulfide and mixed sulfide/oxide material would be mined by underground methods and oxide material would be mined from an open pit. Due to the higher mining costs associated with underground mining, the cut-off grade for mixed and sulfide material was significantly higher than the cut-off grade for oxide. The estimate assumed 65% recovery for oxide material, 90% recovery for mixed oxide and sulfide material, and 95% for sulfide material.



Table of Contents**Information Regarding Mineralized Material for U.S. Investors**

According to the February 2009 SRK technical report, estimated mineralized material in the Yaxtché zone, assuming a price of \$12.00 per ounce of silver, was as follows:

Material	Cut-off grade (g/tonne)	Tonnes (000s)	Average silver grade (g/tonne)
Oxide	85	304	168
Mixed	120	156	237
Sulfide	120	939	197
<b>Total</b>		<b>1,399</b>	<b>195</b>

"Mineralized material" as used in this prospectus, although permissible under SEC Industry Guide 7, does not indicate "reserves" by SEC standards. We cannot be certain that any part of the Yaxtché deposit will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves." You are cautioned not to assume that all or any part of the mineralized material will ever be confirmed or converted into reserves or that mineralized material can be economically or legally extracted

**Information Regarding Mineral Resources for Canadian Investors**

According to the February 2009 SRK technical report, estimated mineral resources in the Yaxtché zone, assuming a price of \$12.00 per ounce of silver, were as follows:

Material	Tonnes (000s)	Indicated	Contained	Tonnes (000s)	Inferred	Contained
		Average Ag Grade (g/tonne)	Ounces (000s)		Average Ag Grade (g/tonne)	Ounces (000s)
Oxide	304	168	1,644	94	259	784
Mixed	156	237	1,192	5	322	50
Sulfide	939	197	5,954	7	202	46
<b>Total</b>	<b>1,399</b>	<b>195</b>	<b>8,790</b>	<b>106</b>	<b>258</b>	<b>881</b>

See " **Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources.**"

October 2009 Technical Report

During 2009, we continued to conduct exploratory drilling on the El Quevar concessions and the Yaxtché zone in particular. Using this additional drilling data, Chlumsky, Armbrust & Meyer, LLC ("CAM") prepared updated technical reports for the El Quevar project. The reports, completed in October 2009, were prepared in accordance with the requirements of the SEC's Guide 7 and Canadian NI 43-101. We engaged CAM to prepare the updated technical reports, rather than SRK, because of CAM's experience in assessing narrow vein deposits, which we expect to be the type of deposit at El Quevar based on preliminary drilling results. A 141 diamond drill hole database was used in the CAM resource estimates, which include 63 additional drill holes that were not present in the database used by SRK Consulting in its February 2009 report. The additional drill holes include infill drilling in the Yaxtché central zone and holes in the east and west extensions of the Yaxtché central zone.

The CAM resource estimate assumes selective underground mining with continuity along strike and down dip supported by geologic interpretation of all holes logged to date in the mineralized zone, as compared to the February 2009 SRK estimate which assumed open pit mining of surface oxide materials. The CAM estimate was prepared on the assumption that all mineralized material would be mined by underground methods.

Table of Contents**Information Regarding Mineralized Material for U.S. Investors**

According to the October 2009 CAM technical report, estimated mineralized material in the Yaxtché zone, at a cut-off grade of 100 grams/tonne silver, was as follows:

<b>Tonnes (000s)</b>	<b>Average silver grade (g/tonne)</b>
310	430

"Mineralized material" as used in this prospectus, although permissible under SEC Industry Guide 7, does not indicate "reserves" by SEC standards. We cannot be certain that any part of the Yaxtché deposit will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves." You are cautioned not to assume that all or any part of the mineralized material will ever be confirmed or converted into reserves or that mineralized material can be economically or legally extracted

**Information Regarding Mineral Resources for Canadian Investors**

According to the October 2009 CAM technical report, estimated mineral resources in the Yaxtché zone, at a cut-off grade of 100 grams/tonne silver, were as follows:

<b>Tonnes (000s)</b>	<b>Indicated</b>	<b>Contained Ounces (000s)</b>	<b>Tonnes (000s)</b>	<b>Inferred</b>	<b>Contained Ounces (000s)</b>
	<b>Average Ag Grade (g/tonne)</b>			<b>Average Ag Grade (g/tonne)</b>	
310	430	4,288	1,640	415	21,887

See " **Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources.**"

*Metallurgical Analysis*

We have completed preliminary metallurgical analyses of core samples from the El Quevar project. This preliminary work was focused on determining the response to various types of processing and recovery methods, including whole ore cyanidation, sulfide flotation, and a combination of cyanidation of flotation concentrates and tailings leach. As drilling activities at El Quevar have continued, our understanding of the orebody has increased. We are in the process of conducting an additional and more comprehensive metallurgical study using composite samples derived from drill cores collected at various locations along the Yaxtché central and western zones. We believe this study will give us a more reliable and conservative estimate of ore grade values than does metallurgical sampling of individual cores with high ore grade values. We also expect that the metallurgical study will detect the presence of any elements that could make ore extraction and processing more difficult or costly. We expect to complete this metallurgical study in the first quarter of 2010.

*Underground Exploration and Feasibility Study*

We are currently conducting additional drilling to better define the resource in the western extension of the Yaxtché zone and to obtain further information on the continuity of mineralization. We expect additional drilling will also be conducted on selected targets in the project area, including the Viejo Campo target (see " *Viejo Campo*"). All of the drilling is designed to support feasibility work for the El Quevar project. Two drills are currently operating at the El Quevar project with two more expected to be operating during the fourth quarter of 2009.

In July 2009, we engaged independent consultants to assist with pre-feasibility work, including metallurgical analysis and engineering studies, and preparation of a feasibility study for the development of the Yaxtché zone. After consultation, we determined to proceed with a feasibility study that includes the

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construction of underground workings to develop additional information regarding the continuity of the ore grade material inside the mineralized corridor and to better define the stoping characteristics and operating costs for the length of the Yaxtché zone. Work to date indicates that underground mining of the Yaxtché zone should be more economically feasible than open pit mining methods. We believe that underground investigation will provide us with more accurate and conservative data than relying solely on drilling results. Moreover, costs spent on underground workings will not be duplicated in the event the project goes into further development and production, as we intend to construct the necessary infrastructure to be sufficient in both size and quality so as to permit its use in the event the project goes into further development and production.

Underground exploration workings will include a ramp system that will intersect the ore zone at two locations 350 meters apart, along strike, and at a depth of approximately 200 meters. We expect the underground workings to consist of approximately 1,000 meters of four meter by five meter decline with all supporting excavations, ventilation, accesses, sumps, muck bays, and load center excavations. The surface work will consist of excavating approximately 112,000 cubic meters of material, developing an access road, and construction of the required mine site buildings (additions to these facilities would be required if the El Quevar project were to proceed to production). The camp will also be expanded to accommodate an additional 25 workers. Construction of the underground drift is expected to commence at the end of 2009 or in the first quarter of 2010.

The underground drift is expected to encounter two veins of mineralized material in the Yaxtché zone. We anticipate that data achieved shortly after the first vein access, which we expect to encounter near the end of the third quarter 2010, will provide sufficient data for us to complete a feasibility study for the Yaxtché zone in the fourth quarter of 2010.

*Viejo Campo*

In addition to the Yaxtché zone, we are continuing to explore other potential zones of mineralization at the El Quevar project, including the Viejo Campo target. In October 2008, we entered into an option agreement to acquire the Viejo Campo concession with Salta Exploraciones S.A. ("SESA"), from whom we optioned the Castor and El Quevar I concessions. The Viejo Campo concession is not included in the Hochschild joint venture which owns the concessions covering the Yaxtché zone. Under the terms of the Viejo Campo option agreement, we can earn a 60% interest in the Viejo Campo concession after making \$600,000 in payments to SESA and a \$1,000,000 investment on the concession in the amounts and by the dates set forth below:

Viejo Campo Payment		Viejo Campo Investment	
Amount	Date	Amount	Date
\$ 50,000	October 27, 2009	\$ 150,000	October 27, 2009
\$ 100,000	October 27, 2010	\$ 250,000	October 27, 2010
\$ 200,000	October 27, 2011	\$ 250,000	October 27, 2011
\$ 200,000	October 27, 2012	\$ 350,000	October 27, 2012

In addition to the required payments shown above, we paid \$50,000 upon execution of the agreement. We have also completed the first investment of \$150,000 which was due in October 2009. Subject to the availability of funding and the results of our additional drilling, we intend to make all remaining payments and investments. Upon completing our payment and investment obligations, we will acquire a 60% interest in the Viejo Campo concession and have an option to increase our interest to an 80% interest by paying an additional \$250,000 and completing a feasibility study at Viejo Campo within three years from the exercise of the option. If we do not exercise our option to increase our interest in Viejo Campo to 80%, SESA has the ability to convert its 40% interest into a 3% net smelter return royalty on precious metal produced from Viejo Campo and a 1% net smelter return royalty on the remaining metals produced from Viejo

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Campo, although we have a right to buy back half of those royalty interests at amounts set forth in the option agreement.

An initial drilling program has recently been completed at the Viejo Campo concession where two hydrothermal breccia structures, the Jenna and the Pamela structures, have been identified. The Viejo Campo concession is approximately six kilometers northwest of the main Yaxché zone. Out of 45 surface samples taken at the Jenna structure, 26 returned an average of 164 grams per tonne of silver with one seven meter interval reporting 846 grams per tonne. The Jenna structure is approximately 600 meters in strike length. At the Pamela structure, which has an exposed strike length of approximately 150 meters, surface samples assayed up to 406 grams per tonne of silver and 1.27% lead. Preliminary results from 4 diamond drill holes completed as part of a first stage drill program at the Viejo Campo concession have returned up to 7.8 meters averaging 200 grams per tonne silver and two meters averaging 366 grams per tonne silver. We expect the remaining assays to be reported in the fourth quarter of 2009.

*Advancement of El Quevar*

We anticipate spending approximately \$44 million during 2010 in connection with the advancement of the Yaxché deposit at El Quevar. This amount includes approximately \$30 million for engineering, construction and related costs associated with the underground drift and preparation of the feasibility study, and approximately \$14 million to fund concession option payments and a portion of the development and construction of the El Quevar project during 2010 if results from the feasibility study are favorable. We also expect to spend approximately \$4.5 million for drilling and other exploration activities outside of the Yaxché zone, notably in the Viejo Campo target.

While we currently expect to proceed with the construction of the underground drift and preparation of the feasibility study as projected, the plan contains a number of "stop/continue" points, such as the completion of a hydrology study, close-spaced confirmation drilling results and first vein access. If it is determined at any one of those points that the project is not economically viable, our costs will be limited to costs incurred up to that point, with the exception of any prepaid expenses or supply purchase commitments.

*Permitting*

We have obtained all necessary permits for our current exploration activities at the El Quevar project. In order to construct the underground drift and related workings as described above, we will be required to obtain a permit from the Mining Secretary of the Salta Province, Argentina. We have had an initial meeting with the Mining Secretary regarding the permit and we do not expect the issuance of the permit to delay the construction of the underground drift.

If the El Quevar project proceeds to development and construction, we will be required to obtain numerous additional permits from national, provincial and municipal authorities in Argentina. We have selected a contractor and have initiated the environmental baseline studies and environmental impact assessment process required to support the permits necessary for construction and operations. While we are not aware of any significant obstacle to obtaining the required permits, we have not yet formally begun to seek the necessary approvals.

*Republic of Argentina*

The Republic of Argentina is a federal republic located in South America and bordered by Chile, Bolivia, Paraguay, Brazil and Uruguay. The federal government coexists with the governments of 23 provinces and one autonomous city, Buenos Aires. Each province regulates its own administrative, legislative and judicial structure, complying with the republican system of government and the division of powers.

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Certain Laws Affecting Mining in Argentina

According to Argentine law, mineral resources are subject to regulation in the provinces where the resources are located. Each province has the authority to grant exploration permits and exploitation concession rights to applicants. The Federal Congress has enacted the National Mining Code and other substantive mining legislation, which is applicable throughout Argentina, however, each province has the authority to regulate the procedural aspects of the National Mining Code and to organize the enforcement authority within its own territory.

In the province of Salta, where the El Quevar project is located, all concessions are granted by a judge in the Salta Mining Court. The types of mineral concessions relevant to the El Quevar project are exploration concessions and exploitation concessions. Exploration concessions are granted for up to 1,100 days depending on the size of the claim. The size of an exploration claim must be reduced periodically unless the owner applies to the Mining Court to convert it, or at least part of it, to an exploitation concession. Exploration concessions are subject to a yearly payment (*canon*), which is fixed each year by the federal government. For 2009, we have paid a total of \$28,200 to maintain our El Quevar exploration concessions. An exploration plan must be filed for each exploration concession along with an environmental report that must be approved by the provincial mining authority. Additional environmental reports are required on a bi-annual basis while the exploration concession is valid. Upon expiration of the exploration concession, all data and documentation from the activities carried out on the concession must be filed with the provincial mining authority.

Exploitation concessions may be granted if any mineral discovery is made either by the concessionaire or authorized third parties. Exploitation concessions are also subject to a yearly payment fixed by the National Ministry of Economy. We have paid a total of \$3,674 to maintain our El Quevar exploitation concession through 2009. An exploitation concession may be maintained indefinitely by timely payment of annual fees, capital investment, and continuity of work program (exploration, infrastructure, or mining). In addition to the annual payment of maintenance fees, metals mines in the Salta Province are subject to a net smelter return royalty of 3% of metals produced.

Taxes in Argentina

Argentina has a federal income tax rate of 35%. In addition, a Value Added Tax ("VAT") is charged at a general rate of 21% for all goods and services provided in Argentina, unless specifically exempted, as well as for imports into Argentina. An import duty exists for certain goods and services entering the country, and a provincial gross receipts tax may be applied to sales transactions in addition to VAT. Also, net operating losses in Argentina can be carried forward up to five years.

The tax laws applicable to exploration, prospecting, development, and mining extraction, as set forth in the National Mining Code, provide for additional benefits to the general tax system, subject to certain conditions. These benefits include: i) fiscal stability; ii) double deductions for certain mining costs; iii) accelerated depreciation for certain project costs; and iv) VAT and import duty refunds or exemptions. Further, a fiscal stability agreement with the federal government can be obtained with a term of 30 years from the date a project feasibility study is submitted along with the corresponding application. During the 30 year term, in general, a party to such an agreement with the federal government will neither be subject to new taxes or increases in tax rates, nor suffer the elimination of tax exemptions or deductions. However, a fiscal stability agreement does not limit changes in VAT, contributions to the social security system, or indirect taxes, and it does not impede the government from extending rules passed for a specified term or exempt the government from eliminating tax exemptions that have a scheduled date of expiration. Also, VAT paid on the import and purchase of goods and services used to carry out exploration activities which remains as a credit for greater than 12 months, may be refunded. Argentina also allows for the exemption from import duties when importing capital goods and special equipments or components, spare parts of said goods, or leased goods used to carry out mining and exploration activity defined by the Mining Department.

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In accordance with Argentina federal tax laws, Minera El Quevar S.A. capitalizes all project related costs. Argentina also gives mining companies a double deduction on certain mining related costs. If we begin production at El Quevar, activities such as prospecting, exploration, special studies of mineralogy, metallurgy, feasibility and pilot plant studies may be offset 100% against taxable profits, and such costs may also be depreciated for tax purposes. In addition, Minera El Quevar S.A. may benefit from tax depreciation on an accelerated basis on investments in infrastructure, machinery, equipment and vehicles used in developing production capacity or carrying out new mining projects.

**Other Exploration Properties**

In addition to El Quevar, we own and control a portfolio of approximately 35 exploration properties located primarily in South America and Mexico. In evaluating whether an exploration project warrants potential future development, we establish minimum requirements for reserves and annual saleable metal production rates and estimated mine development, capital and operating cost requirements. We seek to generate value from exploration properties that do not satisfy our minimum economic requirements through sale or farm-out of the property to a third party, and/or through retaining a royalty interest.

The map below shows the location of our exploration activities and some of our projects:

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We expect to spend approximately \$33 million to advance our portfolio of exploration projects during 2010. The table set forth below describes the amount and purpose of our contemplated expenditures.

<b>Property</b>	<b>Anticipated Spending During 2010 (millions)</b>	<b>Anticipated Exploration Activities</b>
<b>Mexico</b>		
Zacatecas Muleros Target	\$3.5	Drill program consisting of 10 to 15 drill holes and related analytical work; Additional drilling of up to 10,000 meters and analytical work if results of drilling program are favorable
Zacatecas Pánuco Target	\$3.0	First phase drill program consisting of 10 diamond core holes totaling approximately 2,000 meters and related analytical work; Additional drilling of up to 10,000 meters and analytical work if results of initial drilling are favorable
Zacatecas El Cristo Target	\$3.5	Initial drill program consisting of 10 to 15 diamond core holes totaling approximately 3,000 meters; Additional drilling of up to 10,000 meters and analytical work if results of drilling program are favorable
Zacatecas San Manuel-San Gil Target	\$3.0	Initial drill program consisting of 5 to 10 drill holes totaling 2,000 meters and related analytical work; Additional drilling of up to 10,000 meters and analytical work if results of drilling program are favorable
<b>Argentina</b>		
Antofalla	\$1.5	Currently conducting initial drill test of six holes totaling approximately 1,500 meters; If results of this drilling program are favorable we plan to drill an additional 5,000 meters
El Quevar (other than Yaxtché target)	\$4.5	Drill program at the Viejo Campo concession and other targets totaling approximately 10,000 meters and related analytical work
<b>Peru</b>		
Palca	\$3.0	Initial drill test of 10 holes totaling 3,000 meters and related analytical work; If results of this initial drilling program are favorable, we plan to drill an additional 10,000 meters
<b>Chile</b>		
Elisa de Bordos	\$3.0	We are currently conducting a 10 hole, 1,700 meter drilling program; If results from this program are favorable, we plan to drill an additional 10,000 meters and conduct a bulk sampling program
<b>Other Properties</b>	\$5.2	Includes preliminary mapping, surface sampling and related early stage activities at several of our early stage exploration properties not listed above
<b>General Exploration Expenses</b>	\$2.8	Includes office costs and personnel associated with our exploration offices in Mexico, Peru and Argentina.
<b>Total</b>	<b>\$33.0</b>	

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**Zacatecas (Mexico)**

Our 100% controlled Zacatecas silver and base metals project in Mexico is in an intermediate stage of exploration. Although we believe that the Zacatecas project may contain significant silver and/or other mineralization, we have not completed a feasibility study on the property, and the property may not advance further.

*Location and Access*

The Zacatecas project surrounds the municipalities of Zacatecas, Veta Grande, Guadalupe, Pánuco, and Morelos in the state of Zacatecas, Mexico. All of our Zacatecas properties can be easily reached within 10 kilometers from the city of Zacatecas by paved and dirt roads. A location map is shown below.

*Title and Ownership Rights*

We own or control approximately 180 concessions totaling approximately 14,850 hectares in the Zacatecas project. Of these concessions, all but six are currently owned exclusively by us, and the remaining six concessions are under our exclusive control under purchase options with private third-party owners. The purchase options require option payments of \$45,000 due in 2009, \$57,500 in 2010, \$354,000 in 2011 and \$59,000 in 2012. To maintain all of the concessions, we also pay approximately \$62,500 per year to the Mexican government. We are party to a finder's fee agreement with an individual, which requires that we pay a 1% net smelter return royalty on any mineral production from certain of



our Zacatecas claims.

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*Property History*

The Zacatecas Mining District is located in the central part of Mexico, in the Faja de Plata mineral belt. A map of the mineral belt is shown below. Production from the Zacatecas district is estimated by the Mexican Federal Mining Agency to exceed 750 million ounces of silver. Investors are cautioned that the existence of mining operations or mineral deposits on adjacent properties is not indicative of whether mineral deposits occur on our properties.

*Exploration Activities*

From 1994 to 2005, we performed sporadic reconnaissance work on some of the Zacatecas concessions, including taking approximately 2000 surface samples. In 2006, we began systematic reconnaissance work on all concessions that we controlled. On the basis of this and the previous work, we identified the Muleros, El Cristo and San Manuel-San Gil areas of interest. In these areas, we performed more detailed mapping work, as well as trenching and detailed sampling, and in the Muleros area, we completed a two-stage diamond drilling program of 37 holes totaling 6,816 meters. We have also recently identified a fourth target area, the Pánuco target, which is located in the northeastern part of the Zacatecas district about 10 kilometers east of the Muleros area. We believe that each of the target areas has potential for the discovery of high-grade silver with associated base metals and gold. We have spent approximately \$8.5 million through June 30, 2009 on exploration and property acquisition in the Zacatecas district.



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*Geology and Mineralization*

At a regional level, the Zacatecas Mining District is located within the physiographical provinces of the Western Sierra Madre and the Central Plateau. The basement rock units in the area include the metamorphic rocks of the Zacatecas Formation of Upper Triassic age. Overlying these rocks are the volcano-sedimentary units of the Chilitos Formation of Upper Jurassic-Lower Cretaceous age. During the Tertiary period, a polymictic conglomerate known as the "Red Zacatecas Conglomerate" was discordantly deposited, and overlying this, andesitic to rhyolitic flows and tuffs were deposited. All units are intruded by small stocks and plugs of rhyolitic to andesitic composition.

The Zacatecas Formation is composed of a sequence of sericitized phyllites and metamorphosed shales, sandstones, conglomerates and limestones. These rocks are host to some veins such as those of the El Bote vein system and the deeper portions of the Mala Noche vein system.

The Chilitos Formation of Upper Jurassic-Lower Cretaceous age is a volcano-sedimentary sequence made up of massive and pillowed lavas of basaltic-andesitic composition with intercalations of sedimentary, volcanoclastic and calcareous rocks, metamorphosed to greenschist facies. This sequence is locally thrust over the Zacatecas Formation and is the main host rock for mineral systems in several mining districts in the region, including Zacatecas and Fresnillo.

During the Oligocene-Miocene period, extensive deformation occurred that produced normal faulting, forming grabens and horsts bearing generally north-northeast/south-southwest. It was during this phase of deformation that most of the epigenetic mineral deposits were formed.

In the four target areas identified by us, rocks of the Chilitos Formation are host to the veins. The four main target areas Muleros, Pánuco, El Cristo and San Manuel-San Gil are described in more detail below.

*Muleros Area*

Located in the northern part of the Zacatecas Mining District, the Muleros area covers an area of roughly 1,800 meters by 2,400 meters, where four sub-parallel epithermal vein-faults outcrop. The veins are composed of quartz and calcite, and contain silver mineralization associated with minor antimony and lead and zinc. The main vein system bears N40° to 70°W and dips 60° to 85° mainly to the southwest, with thicknesses that vary from 0.1 meters to 6.2 meters, and lengths from 1,000 to 2,500 meters, with shorter offshoots. The total length of all the outcropping veins is about 6,500 meters, and of the inferred veins (i.e., those that do not continuously outcrop) is 2,100 meters, with an average width of 1.33 meters.

From 2006 to the present, we have taken approximately 1,100 surface samples from outcrops and trenches. The grades in the veins range from 0.06 to 1.64 grams per tonne of gold, and from 29 grams per tonne to 987 grams per tonne of silver, with anomalous values in base metals over widths ranging from 0.3 to 1.3 meters.

At Muleros, we have drilled 37 diamond drill holes totaling approximately 6,800 meters. There were two stages of drilling. The first program was carried out with a total of 3840 meters distributed over 31 short bore holes. The purpose of this program was to determine the structural behavior of the veins, the vein textures and the geochemistry at a vertical depth of about 100 meters from the surface. Shallow drill holes at Muleros returned up to 400 grams per tonne silver over one meter. The second program was carried out with a total of 2976 meters distributed over six boreholes. These holes were deeper tests (over 300 meters in depth), meant to intersect the veins in a postulated zone of high grade mineralization. The results indicate that the dip of the veins changed, becoming less steep than indicated at the surface and the intersections were less deep than planned (meaning they may have intercepted the upper part of a possible high grade zone). Results from this drilling returned narrow intercepts of silver mineralization of up to 450 grams per tonne over one meter. Our results to date indicate that the more promising part of the Muleros target may be in the southeastern part of the area.

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We anticipate conducting an additional drill program during the second quarter of 2010 consisting of 10 to 15 holes at a cost of approximately \$500,000 to further test this area. If the results of this program warrant further exploration, we will conduct a more extensive drilling program consisting of 10,000 meters estimated to cost approximately \$3,000,000.

*Pánuco Area*

The Pánuco target area is located in the northeastern part of the Zacatecas district about 10 kilometers east of the Muleros area and is comprised of two main veins hosted in sedimentary rocks that outcrop for an aggregate of about 5 kilometers in a northwesterly direction. Vein widths range from one to three meters. Several small pits indicate mining of high-grade silver from oxidized surface rocks during Colonial times. There has been no modern exploration at Pánuco. We have mapped the area in detail and collected approximately 400 samples from the veins and wall rocks. Our sample results indicate silver values in the range of 30 to 500 grams per tonne with gold values in the trace to 2.5 grams per tonne range.

We are currently conducting a first phase drill program consisting of 10 diamond core holes totaling about 2000 meters at an estimated cost of approximately \$350,000. If the results from this work appear promising, we intend to conduct additional drilling and analytical work to advance the project in 2010, consisting of 10,000 meters of drilling and other work at an estimated cost of approximately \$3,000,000.

*El Cristo Area*

Located in the central portion of the Zacatecas Mining District, the El Cristo area covers a surface area of 800 meters by 2000 meters, where five sub-parallel epithermal quartz-calcite veins outcrop. These veins correspond to the northwestern extension of the Vetagrande vein system. From 2006 to October 2008, we took approximately 1,017 surface samples from outcrops and trenches, of which 516 are from the veins. These samples have returned from 0.01 to 1.1 grams per tonne gold and 9 to 580 grams per tonne silver, with anomalous values in copper, lead and zinc. The average vein width is 1.5 meters. The main vein system bears N50 to 60° W and dips 60 to 80° SW, with thicknesses varying from 0.15 meters to 5.0 meters, and lengths from 500 to 2400 meters, with shorter offshoots. The total length of the outcropping veins and their respective offshoots is approximately 8,000 meters.

The area has been mapped at a 1:2,500 scale and we completed an environmental impact report in June 2007. We have planned an exploration program during 2010 including 3,000 meters of diamond drilling at an estimated cost of approximately \$500,000. If our results from this work are favorable, we plan to drill an additional 10,000 meters at an estimated cost of approximately \$3,000,000.

*San Manuel-San Gil Area*

Located in the central portion of the Zacatecas Mining District, the San Manuel-San Gil area covers an area of 8 square kilometers, where sub-parallel epithermal veins and alteration zones outcrop. The main vein system bears N60W to East-West and dips to the north and south, with thicknesses varying from 0.10 meters to 7 meters, and lengths from 400 to 1400 meters with shorter offshoots. The total length of all the outcropping veins and their respective offshoots is about 7000 meters, with an average width of 1.2 meters. We have taken 167 chip-channel samples that have returned trace to 1.36 grams/tonne gold, 1 to 536 grams/tonne silver, and highly anomalous values in copper, lead (up to 3.62%) and zinc (up to 9.8%).

We carried out a geochemical soil sampling program in an area measuring 4.2 kilometers by 2 kilometers with east-west lines every 100 meters and samples every 50 meters. A total of 785 samples were taken. The strongest anomaly in silver, gold and copper is located in the southeastern portion of the area.

We have planned an exploration program including approximately 2,000 meters of drilling at an estimated cost of \$350,000 to test this target. If results from this first-phase program appear promising, we plan to drill an additional 10,000 meters at an estimated cost of approximately \$3,000,000.

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**Early Stage Exploration Properties**

We believe that the properties described below, while not as advanced as El Quevar and Zacatecas, appear promising based on our activities to date. We intend to conduct further mapping, sampling and drilling on these properties during the remainder of 2009 and beyond. Although we believe that these properties merit further exploration activities, our activities are at a preliminary stage and we do not yet consider any one of these properties to be individually material.

*Antofalla (Argentina)*

The Antofalla project is located in Catamarca province, in the Altiplano region of northwestern Argentina, approximately 650 kilometers northwest of the city of Salta. The project is accessible by dirt and gravel roads from Salta. The village of Antofalla is about 30 kilometers to the southeast. This town has approximately 70 inhabitants. The project consists of six concessions totaling approximately 8,750 hectares. We have an option to purchase the property for a total of \$2.3 million, payable over five years from December 2007. The owner reserves a 1% net smelter return royalty from production. We have conducted a significant program of surface sampling and mapping on the project. We have identified several mineralized breccia zones and veins hosted in calcareous sediments and dacitic volcanic rocks containing potentially significant values in silver, lead, zinc and gold. Selected sample values have returned as much as 17 grams per tonne gold, 480 grams per tonne silver and several percent combined lead and zinc. The three principal veins outcrop over an aggregate length of about four kilometers, with vein widths of one to three meters at surface. Surface exposures and small underground mine workings indicate that mineralization extends into the surrounding wall rocks for as much as 15 meters.

We are currently conducting an initial drill test including six holes totaling about 1500 meters at an estimated cost of \$250,000. If results from this first program appear promising, we intend to drill an additional 5,000 meters at a cost of approximately \$1.5 million.

*Palca (Peru)*

The Palca project is located in the Puno province in southern Peru and is distinguished by an extensive series of veins aggregating more than 10 kilometers in length containing silver, gold and base metals in locally significant amounts. We have a 100% interest in the project, which is made up of nine concessions totaling approximately 4,800 hectares. The veins at Palca are hosted by Tertiary volcanic rocks and associated intrusive bodies and range in width from two to fifteen meters. Sampling has returned silver values up to 400 grams per tonne, gold values to 4.5 g/t, lead values up to 20% and zinc up to 21% in selected samples. There has been some limited production from one of the veins, but little modern exploration has been conducted.

We are planning an initial drill test of 10 holes totaling 3000 meters at a cost of \$500,000 to begin in the first quarter 2010. If the program results are encouraging, we plan to drill an additional 10,000 meters at a cost of approximately \$2,500,000.

*Elisa de Bordos (Chile)*

The Elisa de Bordos project is located about 40 kilometers southeast of the city of Copiapó in north-central Chile. We have an option agreement to acquire a 75% interest by conducting \$1.5 million in work prior to 2012 and establishing a mineral resource estimate that meets industry standards. We may increase our interest under certain conditions. There has been historical production of an unknown amount of high grade silver ores from replacement-style mineralization hosted in sedimentary and volcanic rocks from this project. The grade of this historical production is reported to have been in excess of 1,000 grams of silver per tonne. There are about 4500 meters of underground workings that we have mapped and sampled in some detail.

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Our sampling has returned silver values ranging from 50 to 700 grams per tonne from exposures in the workings and we have established that silver is present in similar host rocks for at least one kilometer from the old mine site. There has been no modern exploration on the project. Our work has shown that silver is present over a sufficient area and the indicated grade of the potentially mineralized zone is such that a significant high-grade silver resource may be present at Elisa de Bordos.

We are currently conducting a 10 hole, 1700 meter drilling program to test this area at an estimated cost of \$300,000. If the results from this program are promising, we plan to drill an additional 10,000 meters and conduct a bulk sampling program, mainly from the underground workings, at an estimated cost of \$3,000,000.

**Farm-outs, Royalties and Other Dispositions**

Exploration properties that we decide not to advance are evaluated for joint venture, sale of all or a partial interest, and royalty potential. In evaluating whether an exploration project warrants future expenditure, we establish minimum requirements for reserves and annual saleable metal production rates and estimate mine development, capital and operating cost requirements to determine if developing the project is economically viable. Exploration properties that do not satisfy the minimum economic requirements may generate value through sale or farm-out to third parties, or through retaining royalty interests. We have minority ownership interests and/or royalties in the following properties that were once part of our exploration portfolio:

*Platosa Royalty (Mexico)*

During 2004, we sold to Excellon Resources Inc. the mineral rights to a portion of our Platosa silver-lead-zinc property in Mexico. We retained a net smelter return royalty interest, which is currently 3%, and will decrease to 2% after we have received \$4 million in royalty payments. At that time, Excellon will have the right to reduce our royalty interest to 1% upon payment of a \$1 million fee. Through June 30, 2009, we have received royalty payments from Excellon of approximately \$3.2 million.

*Otuzco (Peru)*

We owned eight concessions totaling approximately 3,400 hectares on our Otuzco silver-lead-zinc project in Peru. After conducting a detailed geological evaluation of the concessions, we determined that the mineral potential at the Otuzco project did not meet our requirements. We entered into an agreement with Apoquindo Minerals Inc., a Canadian junior exploration company, to sell the concessions for a total of \$3.0 million, payable in installments over four years. We received the initial payment of \$150,000 in 2008, and \$35,000 in 2009; the remaining installment payments are due as follows: \$350,000 in 2010, \$500,000 in 2011, \$900,000 in 2012 and \$1,100,000 in 2013. If these payments are not completed, the property will be returned to us and we will retain all amounts previously paid.

*Zacatecas Royalty (Mexico)*

In August 2009, we sold to Capstone Gold SA de CV, a wholly owned subsidiary of Capstone Mining Corp., the mineral rights to a portion of our Zacatecas project in Mexico; namely, the Esperanza, San Francisco, and Santa Rita concessions immediately adjacent to Capstone's Cozamin Mine. The purchase price we received for the three concessions included (a) an initial payment of \$1.0 million, (b) future cash payments of a net smelter return of 1.5% on the first one million tonnes of production from the acquired claims, and (c) cash payments equivalent to a 3.0% net smelter return on production in excess of one million tonnes from the acquired claims. Additionally, the net smelter return on production in excess of one million tonnes escalates by 0.5% for each \$0.50 increment in copper price above \$3.00 per pound of copper. There is currently no production on these concessions.

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**Mine Services**

We provide mine services, including project development strategies and direction; engineering, construction and procurement management; environmental permitting and corporate social responsibility; technical team support; and contract operations management. We currently have an agreement in place with Sumitomo Corporation, the San Cristóbal Management Services Agreement, for the management of the San Cristóbal mine in Bolivia. In addition to this agreement, we intend to identify and capitalize on other opportunities to provide management services on a fee basis with an opportunity to earn an equity interest in other third-party development projects or operations.

*San Cristóbal Management Services Agreement*

Under the terms of the San Cristóbal Management Services Agreement with Sumitomo we provide management services at the San Cristóbal mine including, for example, management of technical and operating activities, administrative support, information technology and local community relations. Certain services, such as lobbying, governmental relations and tax planning, are not included in the services that we provide under the San Cristóbal Management Services Agreement. We are paid an annual fee of approximately \$9.5 million. We expect that approximately \$3.5 million of the fee paid will constitute reimbursement for direct administrative expenses that we incur on behalf of the San Cristóbal mine. We are also eligible to receive an annual incentive fee of up to \$1.25 million for 2009, and up to \$1.5 million for each year thereafter, based on achievement of certain negotiated performance targets and payable within 75 days of the first day of the year following the year in which the performance targets were achieved. After June 30, 2010, the San Cristóbal Management Services Agreement may be terminated by us with 12 months' prior notice or by Sumitomo with six months' prior notice (or three months notice if Sumitomo has sold, directly or indirectly, more than 20% of the subsidiary that owns the mine). After June 30, 2010, in the event Sumitomo sells or otherwise transfers 20% or more of the capital stock of Minera San Cristóbal to a non-affiliate, then both we and Sumitomo will have the right to terminate the agreement by given three months' prior notice within six months of the sale or transfer. If the agreement is terminated by Sumitomo, we will be entitled to a \$1.0 million termination fee. We will not be required to pay a termination fee if we opt to terminate the agreement.

The San Cristóbal mine is located in Bolivia approximately 500 kilometers south of the city of La Paz. The San Cristóbal mine consists of an open pit mine and concentrator with a designed capacity of 40,000 tonnes per day. During the second quarter of 2009, the mine produced approximately 125,900 tonnes of zinc concentrates and 26,000 tonnes of lead concentrates containing approximately 4.3 million ounces of silver, 62,300 tonnes of zinc and 17,100 tonnes of lead.

**Metals Market Overview**

We have targeted exploration properties that potentially contain silver or other precious metals, including gold. Descriptions of the markets for these metals are provided below.

**Silver Market**

Silver has traditionally served as a medium of exchange, much like gold. Silver's strength, malleability, ductility, thermal and electrical conductivity, sensitivity to light and ability to endure extreme changes in temperature combine to make it a widely used industrial metal. While silver continues to be used as a form of investment and a financial asset, the principal uses of silver are industrial, primarily in electrical and electronic components, photography, jewelry, silverware, batteries, computer chips, electrical contacts, and high technology printing. Silver's anti-bacterial properties also make it valuable for use in medicine and in water purification. Additionally, new uses of silver are being developed in connection with the use of superconductive wire.



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Most silver production is obtained from mining operations in which silver is not the principal or primary product. The CPM Group, a precious metal and commodities consultant, estimates in its Yearbook 2009 that approximately 76% of mined silver is produced as a by-product of mining lead, zinc, gold or copper deposits.

The following table sets forth for the periods indicated on the New York Commodities Exchange ("COMEX"), nearby active silver futures contract's high and low price of silver in U.S. dollars per troy ounce. On October 9, 2009, the closing price of silver was \$17.63 per troy ounce.

Year	Silver	
	High	Low
2005	\$ 9.01	\$ 6.41
2006	\$ 14.83	\$ 8.74
2007	\$ 15.54	\$ 11.49
2008	\$ 20.92	\$ 8.88
2009*	\$ 17.80	\$ 10.51

\*

Through October 9, 2009

**Gold Market**

For centuries, gold has been desirable for its rarity, beauty, and unique properties. Because gold is highly valued and in very limited supply, it has long been used as a medium of exchange or money.

The production of ornamental objects was probably the first use of gold over 6,000 years ago. The CPM Group estimates in its Yearbook 2009 that about 79% of the gold consumed each year is used in the manufacture of jewelry, with approximately 13% of demand for gold from industry. Gold is an excellent conductor of electricity, is extremely resistant to corrosion, and is one of the most chemically stable of the elements, making it critically important in electronics and other high-tech applications.

The most important industrial use of gold is in the manufacture of electronics. A small amount of gold is used in almost every sophisticated electronic device. Gold's unique properties make it also useful in medical applications.

The following table sets forth for the periods indicated the London Bullion Marketing Association's high and low gold fixes in U.S. dollars per troy ounce. On October 9, 2009, the closing price of gold was \$1,046.75 per troy ounce.

Year	Gold	
	High	Low
2005	\$ 537.50	\$ 411.50
2006	\$ 725.75	\$ 520.75
2007	\$ 841.75	\$ 608.30
2008	\$ 1,023.50	\$ 692.50
2009*	\$ 1,054.75	\$ 810.00

\*

Through October 9, 2009

**Employees**

We currently have approximately 155 employees, including 20 working out of our office in Golden, Colorado, approximately 115 working out of our various foreign exploration offices, and approximately 20 working at the San Cristóbal mine in connection with the San Cristóbal Management Services Agreement.

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**Competition**

As an exploration stage company, we compete with other mineral resource exploration and development companies for financing and for the acquisition of new mineral properties. In addition, as a mine services provider, we compete with other mining companies to attract and retain key executives, skilled labor, contractors and other employees. The metals markets are cyclical and our ability to maintain our competitive position over the long term will be based on our ability to acquire and develop quality deposits, hire and retain a skilled workforce and to manage our costs.

Many of the mineral resource exploration and development companies with which we compete have greater financial and technical resources than we do. Accordingly, these competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford greater geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development. This competition could adversely impact our ability to finance further exploration and to achieve the financing necessary for us to develop our mineral properties.

**Legal Proceedings**

Apex Silver concluded, based on the results of an internal investigation conducted under the direction of its Audit Committee in late 2005 and early 2006, that certain former senior employees were involved in making impermissible payments of approximately \$125,000 to government officials in 2003 and 2004. Apex Silver contacted the Department of Justice and the SEC during 2006 and reported the results of the internal investigation and was informed that the SEC and Department of Justice would commence investigations with respect to these matters, including possible violations of the Foreign Corrupt Practices Act. Subsequently, Apex Silver entered into discussions with the SEC staff concerning a settlement of the conduct subject to the SEC's investigation. As a result, we have reached an agreement in principle with the SEC staff which, if approved by the SEC, would resolve this matter with the SEC. Under the terms of the proposed settlement, we, on neither an admit nor deny basis, would agree to the entry of an administrative cease and desist order prohibiting us from future violations of Sections 13(b)(2)(A), 13(b)(2)(B) and 30A of the Exchange Act. Moreover, under the terms of the proposed settlement, the SEC staff would not recommend that the SEC require the payment of disgorgement, civil money penalties, prejudgment interest or the appointment of a corporate monitor. The proposed settlement is subject to SEC approval, negotiation of the terms of the settlement papers and approval by our board of directors.

We cannot guarantee you that the SEC will ultimately accept the terms of the proposed settlement. In August 2009, the Department of Justice informed us that it has closed its investigation based on, among other things, our pending settlement with the SEC.

**Disagreements with Accountants**

There are not and have not been any disagreements between us and our accountants on any matter of accounting principles, practices, or financial statement disclosure during our two most recent fiscal years and subsequent interim period.

Table of Contents**MANAGEMENT****Board of Directors of Golden Minerals**

Our board of directors is currently set at six directors. The board is not classified, and the term of each of the six directors expires at the 2010 annual meeting of stockholders. Information regarding our directors is set forth below.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Jeffrey G. Clevenger <sup>(1)</sup>	60	Director, Chairman of the Board of Directors
W. Durand Eppler <sup>(2)(3)(4)</sup>	56	Director, Chairman of the Compensation Committee
Ian Masterton-Hume <sup>(4)</sup>	58	Director, Chairman of the Corporate Governance and Nominating Committee
Kevin R. Morano <sup>(3)(4)</sup>	56	Director
Terry M. Palmer <sup>(2)(4)</sup>	64	Director, Chairman of the Audit Committee
David Watkins <sup>(2)(3)(4)</sup>	65	Director

- 
- (1) Mr. Clevenger also serves as our President and Chief Executive Officer
- (2) Member of the Audit Committee
- (3) Member of the Compensation Committee
- (4) Member of the Corporate Governance and Nominating Committee

*Jeffrey G. Clevenger.* Mr. Clevenger has served as our Chairman of the Board and as our President and Chief Executive Officer since March 2009. He served as a director and President and Chief Executive Officer of Apex Silver from October 2004 through March 2009. Mr. Clevenger worked as an independent consultant from 1999 when Cyprus Amax Minerals Company, his previous employer, was sold until he joined us in 2004. Mr. Clevenger served as Senior Vice President and Executive Vice President of Cyprus Amax Minerals Company from 1993 to 1998 and 1998 to 1999, respectively, and as President of Cyprus Climax Metals Company and its predecessor, Cyprus Copper Company, a large integrated producer of copper and molybdenum with operations in North and South America, from 1993 to 1999. He was Senior Vice President of Cyprus Copper Company from August 1992 to January 1993. From 1973 to 1992, Mr. Clevenger held various technical, management and executive positions at Phelps Dodge Corporation, including President and General Manager of Phelps Dodge Morenci, Inc. He is a Member of the American Institute of Mining, Metallurgical and Petroleum Engineers and the Metallurgical Society of America. Mr. Clevenger holds a B.S. in Mining Engineering with Honors from the New Mexico Institute of Mining and Technology and is a graduate of the Advanced International Senior Management Program of Harvard University.

*W. Durand Eppler.* Mr. Eppler has served as a director of our company since March 2009. Mr. Eppler has over 30 years' experience in the natural resources industry and serves as a Partner of Sierra Partners, LLC, a private investment and advisory firm he founded in 2004. The firm has an exclusive focus on mining, oil and gas and energy resource industries and international experience. From June 2005 until August 2008, Mr. Eppler was President and CEO of Coal International plc, an international coal mining and development company. From 1995 to 2004, Mr. Eppler held various positions with Newmont Mining Corporation, the world's second largest gold producer, and its subsidiaries, including Vice President of Newmont Capital, Ltd. (2002 to August 2004), Vice President, Corporate Development of Newmont Mining Corporation (2001 to 2002), President of Newmont Indonesia (1998 to 2001), and Vice President, Corporate Planning of Newmont Mining Corporation (1995 to 1998). Prior to joining Newmont,

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Mr. Eppler served as the Managing Director, Metals & Mining for Chemical Securities, Inc., a subsidiary of Chemical Bank (now JPMorgan Chase), where he was responsible for relationship management, technical support, corporate finance services, credit marketing and transaction execution for clients in the global precious, industrial and energy resources businesses. He currently serves on the boards of directors of Vista Gold Company and Augusta Resource Corp. Mr. Eppler holds a B.A. in Geography & Religion from Middlebury College and an M.S. in Mineral Economics from the Colorado School of Mines. Mr. Eppler is a member of the Society of Mining Engineers of A.I.M.E. and a member of the Global Leadership Council, College of Business, Colorado State University.

*Ian Masterton-Hume.* Mr. Hume has served as a director of our company since March 2009. Prior to that, he served as a director of Apex Silver since April 2007. He has over 30 years' experience in the natural resources industry. Since January 2000, he has been a partner of The Sentient Group, a manager of closed-end private equity funds specializing in global investment in the natural resources sector headquartered in Sydney, Australia, which he also co-founded. From 1994 to 2000, Mr. Hume served as a consultant to AMP Society's Private Capital Division, focused on international mining and telecommunications investments primarily in North and South America, Russia and the Pacific Rim. His experience prior to 1994 includes serving as a consultant to Equatorial Mining in Santiago, Chile, regarding development of its copper assets, and approximately 23 years of investment management and investment banking experience for companies in Australia and the United Kingdom, including Impala Pacific Corporation in Hong Kong, Bain & Company in Sydney, Australia and the Jessel Group of companies in London and South Africa. He is a director of Andean Resources Ltd. and Norsemont Mining Inc. Mr. Hume attended both Harrow School (England) and Nice University (France).

*Kevin R. Morano.* Mr. Morano has served as a director of our company since March 2009. Prior to that, he served as a director of Apex Silver since 2000. He has been Managing Principal of KEM Capital LLC, a private equity investment company and provider of management advisory services, since March 2007. From March 2002 to March 2007, Mr. Morano was employed by Lumenis Ltd., a laser and light-based technology company specializing in medical devices for aesthetic, surgical and ophthalmic applications. His positions with Lumenis included Chief Financial Officer from March 2002 to August 2004 and Senior Vice President for Marketing and Business Development from May 2004 to March 2007. Prior to joining Lumenis, Mr. Morano held a number of senior executive positions with major American public companies including a 21 year career at ASARCO Incorporated, a global copper mining company and specialty chemicals and aggregates producer, which was acquired by Grupo Mexico in December 1999. At ASARCO, Mr. Morano served in various senior executive capacities including President and Chief Operating Officer, Executive Vice President and Chief Financial Officer. He serves as a director of Bear Creek Mining Company. Mr. Morano holds a B.Sc. in Finance from Drexel University and an M.B.A. from Rider University.

In April 2006, the SEC filed a complaint in U.S. District Court against Lumenis Ltd., one of its former officers and Mr. Morano, the former Chief Financial Officer of Lumenis, alleging violations of the anti-fraud and other provisions of federal securities law. With respect to Mr. Morano, the complaint alleged, among other things, that Mr. Morano knowingly or recklessly permitted the improper accounting of certain sales transactions, which resulted in the publication by Lumenis Ltd. of materially false financial statements in 2002 and 2003. Without admitting or denying the allegations in the complaint, Mr. Morano consented to the entry, in September 2008, of a final consent judgment that, among other things, enjoins Mr. Morano from violating various provisions of the federal securities laws, including Section 17(a) of the Securities Act of 1933, as amended, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and ordered Mr. Morano to pay a \$55,000 civil penalty, and an SEC administrative order suspending Mr. Morano from appearing or practicing before the SEC as an accountant.

*Terry M. Palmer.* Mr. Palmer has served as a director of our company since March 2009. Prior to that, he served as a director of Apex Silver since September 2004. He has 40 years of financial, management and

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accounting experience with a particular focus on the mining industry. Since January 2003, Mr. Palmer has worked on a part-time basis for and is a principal of the CPA firm of Marrs, Sevier & Company LLC. He spent 36 years at Ernst & Young LLP where he rose from a staff position to partner responsible for audit and advisory services to major international mining companies and serving as the technical consulting partner in the SEC-related business. Mr. Palmer is a director of Allied Nevada Gold Corp. Mr. Palmer holds a B.Sc. in Business Administration from Drake University and an M.B.A. from the University of Denver. He is a certified public accountant and a Member of the American Institute and Colorado Society of Certified Public Accountants.

*David Watkins.* Mr. Watkins has served as a director of our company since March 2009. He has over 40 years' experience in the mining industry, working as a senior executive with major mining companies and junior exploration and development companies. Mr. Watkins served as President and Chief Executive Officer of Atna Resources, Ltd., a company engaged in the exploration, development and production of gold properties, from 2000 until his recent appointment to Executive Chairman in January 2009. From 1993 to 1999, Mr. Watkins served as Senior Vice President, Exploration of Cyprus Amax Minerals Company, a producer of commodities such as copper, gold, molybdenum, lithium and coal. Prior to his employment with Cyprus Amax, Mr. Watkins served as President of Minova Inc., a producer of precious metals and base metals from mining operations in Canada. Mr. Watkins currently serves on the boards of directors of a number of companies, including Euro Resources S.A., Canplats Resources Corp, Commander Resources Ltd, Golden Goose Exploration Inc. and Maudore Minerals Ltd. Mr. Watkins holds a B.A. in Geology from Queen's University at Kingston, an M.S. in Geology from Carleton University, Ottawa and is a graduate of the Executive Business Program from the University of Western Ontario. Mr. Watkins is a member of the Canadian Institute of Mining and Metallurgy, Geological Association of Canada, Geological Society of Nevada and Prospectors and Developers Association of Canada.

**Independence**

Our board of directors has determined that all of our directors, other than Mr. Clevenger, are independent as defined by Amex listing standards.

**Audit Committee; Audit Committee Financial Expert**

We have a standing Audit Committee established in accordance with Section 3(a)(58)(A) of the U.S. Exchange Act. Our Audit Committee is currently comprised of Messrs. Eppler, Palmer and Watkins. Each of the members of the Audit Committee is independent and financially sophisticated, as defined by the Amex listing standards. Our board has determined that Mr. Palmer qualifies as an "Audit Committee Financial Expert" as that term is defined by the SEC.

**Compensation Committee Interlocks and Insider Participation**

Our Compensation Committee is currently comprised of Messrs. Eppler, Morano, and Watkins. Each member of the Compensation Committee is independent as defined by Amex listing standards. No member of the Compensation Committee has ever been an officer or employee of us, our predecessor Apex Silver, or any of our subsidiaries, nor did any of these individuals have any reportable transactions with Apex Silver or any of its subsidiaries in 2008. During 2008, none of Apex Silver's or our current executive officers served as a director or member of the Compensation Committee (or equivalent thereof) of another entity, any of whose executive officers served as Apex Silver's director.

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**Executive Officers of Golden Minerals**

We have six executive officers: our President and Chief Executive Officer and five Senior Vice Presidents (including our Chief Financial Officer). Set forth below is information regarding our executive officers.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Jeffrey G. Clevenger	60	Chairman, President and Chief Executive Officer
Robert B. Blakestad		Senior Vice President, Exploration and Chief Geologist
	62	
Jerry W. Danni		Senior Vice President, Corporate Affairs
	57	
Deborah J. Friedman <sup>(1)</sup>		Senior Vice President, General Counsel and Corporate Secretary
	56	
Terry L. Owen		Senior Vice President; President of Golden Minerals Services Corporation
	60	
Robert P. Vogels		Senior Vice President and Chief Financial Officer
	52	

(1) Ms. Friedman is a partner at Davis Graham & Stubbs LLP and devotes approximately half her time to service as Senior Vice President, General Counsel and Corporate Secretary.

*Jeffrey G. Clevenger.* See "Board of Directors of Golden Minerals" above.

*Robert B. Blakestad.* Mr. Blakestad was appointed Senior Vice President, Exploration and Chief Geologist of our company on March 24, 2009. In November 2004, he was appointed as Vice President, Exploration of Apex Silver Mines Limited. Prior to joining Apex Silver Mines Limited, Mr. Blakestad served as Chief Executive Officer of International Taurus Resources from May 1998 until November 2004. He was Vice President Exploration for Amax Gold from 1996 to 1998 and Exploration Manager for Cyprus Amax Minerals Company from 1990 until 1996. He held various positions at Homestake Mining Company from 1979 until 1990, beginning as a Senior Geologist and rising to the position of Manager, U.S. Reconnaissance. Mr. Blakestad holds a B.S. in Mining Engineering from the New Mexico Institute of Mining and Technology and an M.S. in Geology from the University of Colorado. He is a member of the American Institute of Mining, Metallurgical and Petroleum Engineers and of the Society of Economic Geologists. He holds professional certifications from the State of Washington and the Province of Nova Scotia.

*Jerry W. Danni.* Mr. Danni was appointed Senior Vice President, Corporate Affairs of our company on March 24, 2009. Mr. Danni joined Apex Silver Mines Limited in February 2005 as the Senior Vice President, Environment, Health and Safety and in March 2005 was appointed Senior Vice President, Corporate Affairs. Prior to joining Apex Silver Mines Limited, Mr. Danni served as Senior Vice President, Environment Health and Safety of Kinross Gold Corporation from January 2000 until February 2005 and as Vice President, Environmental Affairs from July 2000 until January 2003. While at Kinross he was instrumental in the design and implementation of integrated environmental, and health and safety systems and processes for Kinross operations worldwide, and was also responsible for management of the Reclamation Operations Business Unit. From 1994 to July 2000, Mr. Danni was the Vice President of Environmental Affairs for Cyprus Climax Metals Company. Prior to working for Cyprus, Mr. Danni held senior environmental, and health and safety management positions with Lac Minerals Ltd. and Homestake Mining Company. Mr. Danni holds a B.S. in Chemistry from Western State College, and is a member of the Society of Mining Engineers and a past director of the National Mining Association.

*Deborah J. Friedman.* Ms. Friedman was appointed Senior Vice President, General Counsel and Corporate Secretary of our company on March 24, 2009. She was previously appointed Senior Vice President, General Counsel and Corporate Secretary of Apex Silver Mines Limited in July 2007.

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Ms. Friedman is also currently a partner at Davis Graham & Stubbs LLP, where her practice focuses primarily on securities, finance and transactional matters for publicly-traded mining companies. She transitioned to Partner on leave status at Davis Graham & Stubbs LLP from December 2007 to June 2009 during her full-time employment with Apex Silver Mines Limited. Ms. Friedman was a full time partner at Davis Graham & Stubbs LLP from August 2000 through December 2007, and she was of counsel to the firm from May 1999 through August 2000. From 1982 through 1994, Ms. Friedman held various positions in the law department of Cyprus Amax Minerals Company, including General Counsel and Associate General Counsel, and served from 1994 to 1998 as the General Counsel of AMAX Gold Inc. Prior to working for Cyprus, Ms. Friedman was an associate in several Denver law firms from 1977 to 1982. Ms. Friedman holds a B.A. in History from the University of Illinois and a J.D. from The University of Michigan Law School.

*Terry L. Owen.* Mr. Owen serves as a Senior Vice President of our company and is the President of our wholly-owned subsidiary, Golden Minerals Services Corporation. Prior to being named President of Golden Minerals Services Corporation in October 2009, Mr. Owen held the title of Chief Operating Officer of Golden Minerals from inception in March 2009. Mr. Owen served as Senior Vice President, Project Development of Apex Silver since June 2005 and was named Senior Vice President, Operations and Project Development in November 2007. Prior to joining Apex Silver, Mr. Owen was an independent consultant from December 2003 through May 2005. From February 2001 through September 2003, he served as Vice President Capital Projects for INCO Limited. Prior to that, he was employed by Cyprus Amax Minerals Company from 1995 to 2000, in various positions, including Vice President Project Development. He also held various positions with Freeport McMoran Inc. from 1980 to 1995, beginning as Assistant General Superintendent of one of Freeport's mines and rising to the position of Vice President and Assistant General Manager. Mr. Owen holds a B.Sc. in Mining Engineering from the University of Idaho and is a graduate of the Advanced Senior Management Program of Harvard University.

*Robert P. Vogels.* Mr. Vogels was named Senior Vice President and Chief Financial Officer of our company on March 24, 2009. Mr. Vogels served as Controller of Apex Silver since January 2005 and was named Vice President in January 2006. Prior to joining Apex Silver, Mr. Vogels served as corporate controller for Meridian Gold Company from January 2004 until December 2004. He served as the controller of INCO Limited's Goro project in New Caledonia from October 2002 to January 2004. Prior to joining INCO, Mr. Vogels worked from 1985 through October 2002 for Cyprus Amax Minerals Company, which was acquired in 1999 by Phelps Dodge Corp. During that time, he served in several capacities, including as the controller for its El Abra copper mine in Chile from 1997 until March 2002. Mr. Vogels began his career in public accounting where he earned his CPA certification. He holds a B.Sc. in accounting and an MBA degree from Colorado State University.

**Family Relationships**

There are no family relationships among our directors and executive officers.

**Corporate Governance**

We have adopted a code of ethics that applies to all of our employees, including principal executive officer, principal financial officer, principal accounting officer, and those of our officers performing similar functions. In the event our board approves an amendment to or waiver from any provision of our code of ethics, we will disclose the required information pertaining to such amendment or waiver on our website.

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**EXECUTIVE COMPENSATION**

Although all of our executives were previously executives of Apex Silver, our current compensation structure is significantly different. All Apex Silver equity awards were cancelled upon our emergence from the Chapter 11 proceedings, and our executives received no recovery with respect to the cancelled awards. We have provided historical information for prior years where relevant to understanding our company. Where such information is not relevant to us, we have provided information regarding our compensation arrangements since our emergence from Chapter 11 proceedings on March 24, 2009.

**Compensation Discussion and Analysis**

Set forth below is a discussion of our current compensation program for our named executive officers. Our named executive officers include our principal executive officer, our principal financial officer, and the three other officers that we expect to be our most highly compensated executive officers during 2009.

*Objectives of Our Compensation Program*

Our compensation program is designed to attract and retain top quality executive talent who can contribute to our long-term success and thereby build value for our stockholders, to tie annual and long-term cash and equity incentive compensation to the achievement of measurable company and individual performance objectives, and to align compensation incentives available to our executives with the goal of creating stockholder value.

Our Compensation Committee has responsibility for approving the compensation arrangements for our executives and acts pursuant to a charter that has been approved by our board. We employ a three-part approach to executive compensation: base salary, annual performance-based cash bonuses, and long-term equity awards of restricted stock. In addition, we provide our executives a variety of other benefits that we also make available generally to all salaried employees. Our executive compensation program is organized around the following fundamental principles:

A Substantial Portion of Executive Compensation Should Be in the Form of Equity Awards. Our Compensation Committee believes that a substantial portion of total compensation should be delivered in the form of equity. Equity compensation is important in order to align the interests of our executives with the interests of our stockholders.

A Substantial Portion of Executive Compensation Should Be Performance-Based. Our compensation program is designed to reward superior performance and deliver correspondingly lower compensation for weak performance, and we believe it accomplishes this in a number of ways. In terms of cash compensation, target award opportunities provided to each executive under our Bonus Incentive Plan range from 45% to 75% of the executive's base salary. Awards for superior performance may result in a bonus of up to twice the targeted amount for all executives (other than Mr. Clevenger, who may earn up to three times the targeted amount). Whether and to what extent bonuses under the plan are paid depends on the extent to which the company-wide and individual goals set by the Compensation Committee are attained and on the Committee's subjective evaluations of individual executive performance.

Our Compensation Program Should Enable Us to Compete for First-Rate Executive Talent. We believe our stockholders are best served when we can attract and retain talented executives. Beginning in 2005 and extending into 2009, increases in metals prices resulted in numerous new mining projects worldwide, which has created intense competition for the services of talented mining executives. To ensure that we are able to attract and retain talented executives, our Compensation Committee seeks to create a compensation package for executives that delivers total compensation that is competitive with exploration and mining companies with which we compete for executive talent.



Table of Contents*Components of our Compensation Program*

**Base Salary.** We establish base salaries for our executive officers based on the scope of their respective responsibilities. In general, 2009 salaries for our executives are significantly lower than the salaries they were receiving as executives of Apex Silver. Notably, Mr. Clevenger's annual salary decreased from \$610,000 for 2008 to \$400,000 for 2009. The Compensation Committee determined that the salary decreases were appropriate in order to reflect the significant differences between Apex Silver and Golden Minerals, in that Apex Silver was an operating company with anticipated operating revenue of between \$500 million and \$1 billion annually, while we are an exploration stage company with limited operating revenue. We do, however, continue to operate the San Cristóbal mine and therefore must maintain a management team with sufficient skills and experience to provide those and other mine management services. We review base salaries annually and adjust them from time to time after taking into account individual responsibilities, performance and experience. Our Compensation Committee determines the salary for our Chief Executive Officer, and, after consideration of the Chief Executive Officer's recommendations, for each officer below the Chief Executive Officer level.

**Annual Cash Bonus.** Our executives participate in our Incentive Bonus Plan, which provides annual cash awards based on the performance of the executive officers and the company as compared to performance standards established by our Compensation Committee. The target awards for our named executive officers' performance during 2009 are set forth in the table below:

	2009 Salary	Bonus Target (%)	Bonus Target	Bonus Minimum	Bonus Maximum
Jeffrey G. Clevenger	\$ 400,000	75%	\$ 300,000		\$ 900,000
Terry L. Owen <sup>(1)</sup>	\$ 300,000	50%	\$ 150,000		\$ 300,000
Jerry W. Danni	\$ 265,000	45%	\$ 119,250		\$ 238,500
Robert P. Vogels	\$ 240,000	50%	\$ 120,000		\$ 240,000
Robert B. Blakestad	\$ 225,000	45%	\$ 90,000		\$ 180,000

(1)

In October 2009, Mr. Owen was promoted to President of our wholly-owned subsidiary, Golden Minerals Services Corporation. At that time, his base salary increased from \$270,000 to \$300,000.

**Equity Incentive Awards.** A key component of our compensation program is the award of restricted shares under our 2009 Equity Incentive Plan. We believe that share ownership encourages long-term performance by our executive officers and aligns the interests of our officers with the interests of our stockholders. Equity awards under our Equity Incentive Plan are discretionary, and the shares available for issuance pursuant to awards under the plan are equal to 10% of our outstanding common stock, calculated on a fully diluted basis.

At the beginning of April 2009, shortly after our emergence from Chapter 11 proceedings, our Compensation Committee granted shares of restricted stock to each of our executive officers to align their interests with the interests of our stockholders. Our 2009 Equity Incentive Plan was approved in connection with Apex Silver's Joint Plan of Reorganization. The pool of shares available under our 2009 Equity Incentive Plan is equal to 10% of our outstanding shares of common stock. Upon completion of this offering, we will have \_\_\_\_\_ shares of common stock outstanding (assuming the over-allotment option is not exercised), and the number of shares available under our 2009 Equity Incentive Plan will increase to \_\_\_\_\_. Our Compensation Committee determines the equity awards for our Chief Executive Officer, and, after consideration of our Chief Executive Officer's recommendations, for each officer below the Chief Executive Officer level.

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Perquisites and Other Benefits. Because we believe that the compensation packages described above are adequate, we do not award significant perquisites to our executive officers. In 2009, each executive officer will receive a standard company match on his or her contributions to our 401(k) plan. These amounts are expected to be less than \$10,000 per executive officer.

Other Compensation. Our executives also have a variety of other benefits that are also made available generally to all salaried employees.

*Severance Arrangements*

Each of our full-time salaried employees, including each of our named executive officers, are covered by our Severance Compensation Plan. The plan provides that an executive whose employment is terminated without "cause" (as defined in the plan) would be entitled to receive a lump sum payment equal to one year's salary. Our Incentive Bonus Plan provides that an executive terminated without cause will receive an amount equal to the executive's target bonus percentage, multiplied by the amount of annual salary paid to the executive through the date of termination. Our 2009 Equity Incentive Plan provides that all restrictions on unvested restricted shares will lapse upon the termination of an executive's employment without cause.

These arrangements reflect our board's view that our employees, including our executive officers, should be provided with reasonable severance benefits to assist with their transition to comparable employment positions and to provide a competitive benefit to industry standards. The details and amount of these benefits are described in " Post-Employment Payments Termination Not in Connection with a Change of Control."

*Change of Control Arrangements*

We have entered into a Change of Control Agreement with each of our named executive officers. Our Compensation Committee believes that these agreements provide an important protection to our executive officers in the event of a change of control transaction and that the interests of our stockholders will be best served if the interests of our executive officers are aligned with theirs. Providing change of control benefits reduces the reluctance of executive officers to pursue potential change of control transactions that could result in the loss of their employment but may be in the best interests of stockholders.

Cash payments under the Change of Control Agreements are in lieu of cash payments pursuant to the severance arrangements described above. The Change of Control Agreements are "double trigger" agreements which provide that payments will be made only if employment is terminated by us without cause or by the executive with good reason within two years following a change of control. In addition, upon the occurrence of a change of control, all restrictions on restricted stock will lapse and all unvested stock options, if any, will vest. The details and amount of these benefits are described in " Post-Employment Payments Termination in Connection with a Change of Control."

Payments under the Change of Control Agreements are based on a multiple of the executive's salary and target bonus. Our Chief Executive Officer is entitled to receive three times his salary and target bonus and each of the remaining named executive officers are entitled to receive two times his or her salary and target bonus. Our Compensation Committee believes these multiples are consistent with our industry peers.

In order to ensure that our executives actually receive the benefits described above, the Change of Control Agreements provide that we will reimburse our executive officers for the amount of the excise tax, if any, imposed on the change of control benefits under Internal Revenue Code Section 4999. This payment will be equal to an amount such that after the named executive officer timely pays the excise tax, his or her liability for all taxes would be the same as if this tax had not applied. This gross-up payment would not be deductible by us.

Table of Contents**Summary Compensation Table for Apex Silver Executives**

Compensation information is set forth below for Apex Silver's named executive officers for 2008, 2007 and 2006. Amounts shown in the table were paid by Apex Silver and may not be indicative of compensation arrangements by us. For a description of our compensation arrangements with our current named executive officers, see " Compensation Discussion and Analysis Components of our Compensation Program" and " Compensation Discussion and Analysis Grants of Plan-Based Awards Table." All equity awards held by Apex Silver's executives at the time of its bankruptcy filing were cancelled in connection with the bankruptcy proceedings, and Apex Silver executives received no recovery with respect to the cancelled shares. All executives serve on an at-will basis.

Name and Principal Position <sup>(1)</sup>	Year	Salary	Bonus <sup>(2)</sup>	Stock Awards <sup>(3)</sup>	Option Awards <sup>(3)</sup>	Non-Equity Incentive		Total
						Plan Compensation <sup>(4)</sup>	All Other Compensation	
<b>Jeffrey G. Clevenger</b>	2008	\$ 610,000	\$ 80,000	\$ 349,396	\$ 418,848		\$ 9,038 <sup>(5)</sup>	\$ 1,467,282
President and Chief Executive Officer	2007	\$ 490,000		\$ 426,266	\$ 483,773	\$ 305,000	\$ 8,782 <sup>(5)</sup>	\$ 1,713,821
	2006	\$ 436,000		\$ 563,423	\$ 445,542	\$ 400,000	\$ 8,532 <sup>(5)</sup>	\$ 1,853,497
<b>Gerald J. Malys<sup>(6)</sup></b>	2008	\$ 350,000	\$ 40,000	\$ 238,490	\$ 138,113		\$ 9,459 <sup>(7)</sup>	\$ 776,062
Senior Vice President and Chief Financial Officer	2007	\$ 320,833		\$ 196,384	\$ 181,324	\$ 150,000	\$ 7,397 <sup>(7)</sup>	\$ 855,938
	2006	\$ 168,247		\$ 133,755	\$ 95,401	\$ 135,000	\$ 5,424 <sup>(7)</sup>	\$ 537,827
<b>Deborah J. Friedman<sup>(8)</sup></b>	2008	\$ 320,000	\$ 35,000	\$ 188,441	\$ 143,741		\$ 4,132 <sup>(9)</sup>	\$ 691,314
Senior Vice President, General Counsel and Corporate Secretary	2007	\$ 132,949		\$ 89,631	\$ 62,615	\$ 70,000	\$ 516 <sup>(9)</sup>	\$ 355,711
<b>Terry L. Owen<sup>(10)</sup></b>	2008	\$ 300,000	\$ 33,000	\$ 105,212	\$ 112,069		\$ 11,186 <sup>(11)</sup>	\$ 561,467
Senior Vice President, Project Development								
<b>Jerry W. Danni<sup>(10)</sup></b>	2008	\$ 295,000	\$ 32,000	\$ 119,421	\$ 115,090		\$ 10,435 <sup>(12)</sup>	\$ 571,946
Senior Vice President, Corporate Affairs								

(1) Robert B. Blakestad and Robert P. Vogels served as officers of Apex Silver during prior periods but were not executive officers until 2009.

(2) Amounts shown as "Bonus" reflect the cash retention bonuses received by the named executive officers in December 2008. In December 2008, the named executive officers were also awarded a performance bonus, which was paid in March 2009, based on our achievement of certain performance objectives associated with the sale of the San Cristóbal mine and the restructuring of our business operations. The March 2009 bonus amounts were as follows: \$120,000 for Mr. Clevenger, \$60,000 for Mr. Malys, \$52,500 for Ms. Friedman, \$49,500 for Mr. Owen, and \$48,000 for Mr. Danni.

(3) The assumptions used by Apex Silver in valuing the stock and option awards shown in the table are described in Note 2(l) to Apex Silver's consolidated financial statements for the fiscal year ended December 31, 2008. Amounts shown reflect the amount recognized for 2008, 2007 and 2006 in the consolidated financial statements of Apex Silver in accordance with Statement of Financial Accounting Standards No. 123R, Share-Based Payment ("FAS 123R"). The amounts include compensation cost recognized with respect to awards

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granted in 2008, 2007 and 2006 and previous years. In connection with Apex Silver's bankruptcy proceedings, all outstanding common stock and equity awards of Apex Silver (including restricted stock and options held by executives) were cancelled and executives received no recovery for their shares or other equity interests.

(4)

All named executive officers participated in the Apex Silver Incentive Bonus Plan. Amounts shown in the table as "Non-Equity Incentive Plan Compensation" reflect cash bonuses paid in February 2008 for 2007 performance and December 2006 for 2006 performance. The relevant performance measure and the target value of each award for 2007 and 2006 were determined by Apex Silver's compensation committee during 2007 and 2006,

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respectively. Although targets were set for 2008 performance, there were no cash bonuses paid for 2008 performance other than the cash retention bonuses described in footnote 2.

- (5) Amounts shown as "All Other Compensation" for Mr. Clevenger reflect contributions to the Apex Silver 401(k) Plan on Mr. Clevenger's behalf and life insurance premiums paid by Apex Silver on Mr. Clevenger's behalf as follows: (i) \$8,006, \$7,750 and \$7,500 were contributed to the 401(k) Plan during 2008, 2007 and 2006, respectively and (ii) life insurance premiums of \$1,032, \$1,032 and \$1,032 were paid during 2008, 2007 and 2006, respectively.
- (6) Mr. Malys joined Apex Silver as Senior Vice President and Chief Financial Officer on June 12, 2006. The salary amount shown for 2006 reflects amounts paid from June 12, 2006 through December 31, 2006. His annualized salary for 2006 was \$300,000. Mr. Malys retired at the completion of the Chapter 11 reorganization in March 2009.
- (7) Amounts shown as "All Other Compensation" for Mr. Malys reflect contributions to the Apex Silver 401(k) Plan on Mr. Malys' behalf and life insurance premiums paid by Apex Silver on Mr. Malys' behalf as follows: (i) \$7,875, \$5,813 and \$4,500 were contributed to the 401(k) Plan during 2008, 2007 and 2006, respectively and (ii) life insurance premiums of \$1,584, \$1,584 and \$924 were paid during 2008, 2007 and 2006, respectively.
- (8) Ms. Friedman joined Apex Silver as Senior Vice President, General Counsel and Corporate Secretary on July 10, 2007. The salary amount shown reflects amounts paid from July 10, 2007 through December 31, 2007. Her annualized salary for 2007 was \$302,500. Ms. Friedman was one of Apex Silver's three most highly compensated executive officers other than the principal executive officer and principal financial officer.
- (9) The amount shown in "All Other Compensation" for Ms. Friedman reflects contributions to the Apex Silver 401(k) Plan on Ms. Friedman's behalf and life insurance premiums paid by Apex Silver on Ms. Friedman's behalf as follows: (i) \$3,100 was contributed to the 401(k) Plan during 2008 and (ii) life insurance premiums of \$1,032 and \$516 were paid during 2008 and 2007, respectively.
- (10) Mr. Danni and Mr. Owen served as officers of Apex Silver during prior periods but were not executive officers until 2008.
- (11) The amount shown in "All Other Compensation" for Mr. Owen reflects contributions of \$7,875 to the Apex Silver 401(k) Plan on Mr. Owen's behalf and \$3,311 of life insurance premiums paid by Apex Silver on Mr. Owen's behalf for 2008.
- (12) The amount shown in "All Other Compensation" for Mr. Danni reflects contributions of \$8,113 to the Apex Silver 401(k) Plan on Mr. Danni's behalf and \$2,322 of life insurance premiums paid by Apex Silver on Mr. Danni's behalf for 2008.

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The following tables provide 2009 information for our named executive officers that we expect to include in the tables to be presented in our annual report for the fiscal year ending December 31, 2009.

**Grants of Plan-Based Awards Table**

In connection with Apex Silver's bankruptcy proceedings, all outstanding common stock and equity awards (including restricted stock and options held by executives) issued by Apex Silver were cancelled, and no stockholder received any amount on account of his or her shares or other equity interests.

The following table shows all of our grants of plan-based awards made by us to our named executive officers during 2009:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>(1)</sup>	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)		
Jeffrey G. Clevenger	4/3/2009				95,000	1,016,927
Terry L. Owen	4/3/2009				25,000	267,612
Robert B. Blakestad	4/3/2009				20,000	214,090
Jerry Danni	4/3/2009				20,000	214,090
Robert P. Vogels	4/3/2009				20,000	214,090

(1)

All restricted stock awards were granted pursuant to our 2009 Equity Incentive Plan. All awards shown above were awarded by the Compensation Committee in April 2009 and will vest in two equal tranches over two years beginning on April 3, 2010.

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**Outstanding Equity Awards at Fiscal Year-End Table**

In connection with Apex Silver's bankruptcy proceedings, all outstanding ordinary shares and equity awards (including restricted stock and options held by executives) issued by Apex Silver were cancelled, and no stockholder received any amount on account of his or her shares or other equity interests.

The following table shows all of our equity awards granted to our named executive officers to date:

Name	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup>	Stock Awards	
			Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Jeffrey G. Clevenger <sup>(2)</sup>	95,000	647,900		
Terry L. Owen <sup>(3)</sup>	25,000	170,500		
Robert B. Blakestad <sup>(4)</sup>	20,000	136,400		
Jerry W. Danni <sup>(5)</sup>	20,000	136,400		
Robert P. Vogels <sup>(6)</sup>	20,000	136,400		

(1) The market value of stock awards is calculated based on an October 9, 2009 price of \$6.82 per share, as converted at an exchange rate of 0.9593, as reported by the Bank of Canada, from the October 9, 2009 closing sales price for our shares of common stock on the Toronto Stock Exchange of Cdn\$7.11 per share.

(2) Mr. Clevenger's restricted shares are scheduled to vest as set forth in the table below:

Restricted Common Stock	
Vesting Date	No. of Shares
04/17/2010	47,500
04/17/2011	47,500

(3) Mr. Owen's restricted shares are scheduled to vest as set forth in the table below:

Restricted Common Stock	
Vesting Date	No. of Shares
04/17/2010	12,500
04/17/2011	12,500

(4) Mr. Blakestad's restricted shares are scheduled to vest as set forth in the table below:

Restricted Common Stock	
Vesting Date	No. of Shares
04/17/2010	10,000
04/17/2011	10,000





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(5)

Mr. Danni's restricted shares are scheduled to vest as set forth in the table below:

Restricted Common Stock	
Vesting Date	No. of Shares
04/17/2010	10,000
04/17/2011	10,000

(6)

Mr. Vogels' restricted shares are scheduled to vest as set forth in the table below:

Restricted Common Stock	
Vesting Date	No. of Shares
04/17/2010	10,000
04/17/2011	10,000

**Option Exercises and Stock Vested Table**

In connection with Apex Silver's bankruptcy proceedings, all outstanding common stock and equity awards (including restricted stock and options held by executives) issued by Apex Silver were cancelled, and no stockholder received any amount on account of his or her shares or other equity interests. No restricted shares issued by us have vested.

**Post-Employment Payments***Termination Not in Connection with a Change of Control*

All of our full-time salaried employees, including each of our executives other than Ms. Friedman, are covered by our Severance Compensation Plan. If an executive's employment is terminated by us other than for cause (as defined in the plan) and such termination is not in connection with or following a change of control, death, disability or retirement, the executive is entitled to receive a lump sum payment equal to an executive's then current annual salary. We will also pay to the executive an amount equal to the difference between the monthly medical and/or dental premiums the executive was paying immediately prior to termination of employment and the total COBRA premium due in order to continue such insurance coverage. Our Incentive Bonus Plan provides that in such circumstances, the executive will be entitled to receive an amount equal to the executive's target bonus percentage, multiplied by the amount of annual salary paid to the executive through the date of termination. No executive who is terminated for cause, terminates or otherwise voluntarily leaves his or her employment, or whose employment is terminated as a result of death, disability or retirement, will receive any benefits under the Severance Compensation Plan.

If the termination of employment of one of our named executive officers had occurred as of September 30, 2009 in a manner that would have entitled him or her to payment pursuant to the Severance Compensation Plan, we estimate the following amounts would have been due:

	Severance Payment (Salary) <sup>(1)</sup>	Severance Payment (Bonus) <sup>(2)</sup>	Health Insurance Premiums <sup>(3)</sup>	Total
Jeffrey G. Clevenger	\$ 400,000	\$ 225,000	\$ 16,900	\$ 716,900
Terry L. Owen	\$ 300,000	\$ 101,250	\$ 16,900	\$ 421,900
Jerry W. Danni	\$ 265,000	\$ 89,438	\$ 21,700	\$ 405,950
Robert P. Vogels	\$ 240,000	\$ 90,000	\$ 21,700	\$ 381,700
Robert B. Blakestad	\$ 225,000	\$ 67,500	\$ 13,300	\$ 328,300

(1)

Reflects executive's annual salary for the year ending December 31, 2009.

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- (2) Each executive is entitled to receive a pro rata share of his or her target bonus under the Incentive Bonus Plan, based on the portion of the year the executive performed his or her services.
- (3) We currently pay 100% of group health insurance premiums for medical and dental coverage. Amounts shown reflect 12 months of such premiums at rates in effect at September 30, 2009.

In addition, restrictions on unvested restricted shares will lapse upon termination by Golden Minerals of employment without cause, or as a result of the executive's death, disability or retirement. If the executive's employment terminates for any other reason, including for cause, prior to the scheduled vesting date of the restricted shares, the shares will be forfeited upon termination. The number of restricted shares held by each executive as of September 30, 2009 is shown above in the *Outstanding Equity Awards at Fiscal Year-End Table*.

For the purpose of our restricted share awards, "retirement" means an executive's retirement from Golden Minerals or its affiliates, (i) on or after attaining age 55 and completing at least ten years of service, or (ii) on or after attaining age 62.

*Termination in Connection with a Change of Control*

We have entered into a Change of Control Agreement with each of our named executive officers. The form of Change of Control Agreement was filed as an exhibit to our Current Report on Form 8-K filed on March 30, 2009. Payments under the Change of Control Agreement are in lieu of payments pursuant to our Severance Compensation Plan and are triggered only if one of the following events occurs within two years after a change of control: (1) termination of employment by us other than for cause, disability or death, or (2) termination of employment by the executive for good reason. Upon the occurrence of a change of control, all restricted stock will no longer be subject to restrictions.

The amounts shown in the table below assume the occurrence of a change of control and one of the triggering termination events on September 30, 2009. These amounts are estimates of the amounts that would be paid to the named executive officers upon such events. The actual amounts can only be determined at the time of the named executive officer's termination of employment. If payments made to the executive would subject the executive to the excise tax imposed by Section 4999 of the Internal Revenue Code, the executive would be entitled to receive an additional gross-up payment to cover the excise tax. Receipt of benefits upon termination is subject to the execution of a general release of claims by the named executive officer or his or her beneficiary.

	Cash Severance Payment (Salary) <sup>(1)</sup>	Cash Severance Payment (Bonus) <sup>(2)</sup>	Health Insurance Premiums <sup>(3)</sup>	Other Insurance Benefits <sup>(4)</sup>	Total
Jeffrey G. Clevenger	\$ 1,200,000	\$ 900,000	\$ 50,700	\$ 5,000	\$ 2,155,700
Terry L. Owen	\$ 600,000	\$ 300,000	\$ 33,800	\$ 5,000	\$ 938,800
Jerry W. Danni	\$ 530,000	\$ 238,500	\$ 43,400	\$ 5,000	\$ 816,900
Robert P. Vogels	\$ 480,000	\$ 240,000	\$ 43,400	\$ 5,000	\$ 768,400
Robert B. Blakestad	\$ 450,000	\$ 180,000	\$ 26,600	\$ 5,000	\$ 661,600

- (1) Mr. Clevenger is entitled to receive three times his annual base salary in effect at the date of the change of control. Each remaining named executive is entitled to receive two times his or her annual base salary in effect at the date of the change of control. At September 30, 2009, the annual base salary for Mr. Clevenger was \$400,000; for Mr. Owen, \$300,000; for Mr. Danni, \$265,000, for

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Mr. Vogels, \$240,000, and for Mr. Blakestad, \$225,000. This amount must be paid in a lump sum within 10 business days after the date of termination of employment.

- (2) Mr. Clevenger is entitled to receive three times his target bonus amount pursuant to our Annual Incentive Plan and the remaining named executives are each entitled to receive two times their respective target bonus amounts pursuant to our Annual Incentive Plan. The target bonus for 2009 for each of the named executive officers is discussed above in "*Compensation Discussion and Analysis Components of our Compensation Program - Annual Cash Bonus*." This amount must be paid in a lump sum within 10 business days after the date of termination of employment.
- (3) We will pay, on each executive's behalf, the portion of premiums of the company's group health insurance, including coverage for his or her eligible dependents, that Golden Minerals paid immediately prior to the date of termination ("COBRA Payments") for the period that such executive is entitled to coverage under COBRA, but not to exceed 36 months for Mr. Clevenger and 24 months for the remaining named executives. We will pay such COBRA Payments for the executive's eligible dependents only for coverage for those dependents that were enrolled immediately prior to the date of termination. Our executive will continue to be required to pay that portion of the premium of his or her health coverage, including coverage for eligible dependents that he or she was required to pay as an active employee immediately prior to the date of termination. If the executive is for any reason not eligible for coverage under COBRA for the full 24 or 36 month period, as applicable, we will pay to the executive a lump sum in an amount equal to the product of (i) the amount of the COBRA payment paid on his or her behalf for the final month of the COBRA Period and (ii) the number of months by which the executive's period of COBRA coverage was less than 24 or 36 months, as applicable. Amounts shown in the table above are not discounted to present value.
- (4) For the 24-month period immediately following the date of termination, we have agreed to provide to the executive, at a cost not to exceed an aggregate of \$5,000, life, disability, and accident insurance benefits substantially similar to those that the executive was receiving immediately prior to the termination of employment. For the purpose of the above table, we have assumed that a benefit in the aggregate amount of \$5,000 will be provided for the named executives.

**Director Compensation**

Our directors who are also employees of ours receive no fees for board service. Currently, Mr. Clevenger is the only director who is also an employee. The compensation for the non-executive directors of Golden Minerals includes the following: (i) a \$20,000 annual cash retainer, (ii) a \$1,000 cash fee for each board or committee meeting that the director attends in person or by telephone, and (iii) a \$5,000 annual cash retainer for the Chairman of the Audit Committee. The first annual cash retainer was paid shortly after our emergence from the Chapter 11 proceedings, and subsequent payments will be made on the date of the annual stockholders' meeting. We also reimburse our directors for all reasonable out-of-pocket costs incurred by them in connection with their services.

Non-employee directors may also receive equity awards under our Non-Employee Directors Deferred Compensation and Equity Award Plan (the "*Deferred Compensation Plan*"). Pursuant to the Deferred Compensation Plan, the directors may receive discretionary grants of Restricted Stock Units. Restricted Stock Units entitle the director to receive one unrestricted share of common stock for each vested Restricted Stock Unit upon the termination of the director's service on our board of directors.

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The table below sets forth all compensation awarded to our non-employee directors during 2009.

Name	Fees Earned or Paid in Cash (\$) <sup>(2)</sup>	Stock Awards (\$) <sup>(3)</sup>	Total (\$)
W. Durand Eppler <sup>(1)</sup>	27,000	54,069	81,069
Ian Masterton-Hume <sup>(1)</sup>	27,000	54,069	81,069
Kevin R. Morano <sup>(1)</sup>	27,000	54,069	81,069
Terry M. Palmer <sup>(1)</sup>	34,000	54,069	88,069
David Watkins <sup>(1)</sup>	26,000	54,069	80,069

- (1) The restricted stock units held by our non-employee directors as of September 30, 2009 are shown in the table below. The restricted stock units vest one year after grant date.

Name	Unvested Restricted Stock Units
W. Durand Eppler	5,000
Ian Masterton-Hume	5,000
Kevin R. Morano	5,000
Terry M. Palmer	5,000
David Watkins	5,000

- (2) Each director receives an annual cash retainer and fees for attendance at board meetings and committee meetings. The Audit Committee Chairman also receives an annual retainer.
- (3) Grant date fair value.

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The following table shows the amount of our common stock beneficially owned as of October 9, 2009, and as adjusted to reflect the shares of our common stock offered hereby, by those who were known by us to beneficially own more than 5% of our common stock, by each selling stockholder, by our directors and executive officers individually, and by our directors and all of our executive officers as a group. A person is a "beneficial owner" of a security if that person has or shares voting or investment power over the security or if he has the right to acquire beneficial ownership within 60 days. Unless otherwise noted, these persons, to our knowledge, have sole voting and investment power over the shares of common stock listed. Percentage computations are based on 3,232,735 shares of our common stock outstanding as of October 9, 2009. As of October 9, 2009, there were 27 holders of record of our common stock.

Directors, Executive Officers and 5% Stockholders of Golden Minerals <sup>(1)</sup>	Beneficial Ownership as of October 9, 2009		Shares of Common Stock Being Offered	Beneficial Ownership Immediately after the Consummation of this Offering	
	Number	Percentage		Number	Percent
Trishield Partners LLC <sup>(2)</sup>	604,565	18.70%			
Highbridge International LLC <sup>(3)</sup>	391,237	12.10%			
Polygon Investments LTD <sup>(4)</sup>	207,009	6.40%			
Equinox Illiquid Fund LP <sup>(5)</sup>	196,000	6.06%			
Scarsdale Equities LLC <sup>(6)</sup>	185,383	5.73%			
Jeffrey G. Clevenger <sup>(7)(8)</sup>	113,200	3.50%			
W. Durand Eppler					
Ian Masterton-Hume					
Kevin R. Morano					
Terry M. Palmer					
David Watkins	2,000	*			
Robert B. Blakestad <sup>(7)</sup>	27,000	*			
Jerry W. Danni <sup>(7)</sup>	23,500	*			
Deborah J. Friedman <sup>(7)</sup>	15,000	*			
Terry L. Owen <sup>(7)</sup>	25,000	*			
Robert P. Vogels <sup>(7)</sup>	20,000	*			
Directors and Executive Officers as a group (11 persons)	225,700	6.98%			

\*

The percentage of shares of common stock beneficially owned is less than 1%.

(1)

The address of these persons, unless otherwise noted, is c/o Golden Minerals Company, 350 Indiana Street, Suite 800, Golden, CO 80401.

(2)

This information is based on Schedule 13D filed on June 22, 2009 by Mr. Alan Jeffrey Buick Jr., Trishield Partners LLC ("Trishield Partners"), Trishield Capital Management LLC ("Trishield Capital") and Trishield Securities Fund LLC ("Trishield Fund"). The address of the principal office of each of Mr. Buick, Trishield Partners, Trishield Capital and Trishield Fund is 30 West 15th Street, No. 7S, New York, New York 10011. Mr. Buick is a citizen of the United States and the managing member of each of Trishield Partners and Trishield Capital. Trishield Partners is the managing member of Trishield Fund. Trishield Capital is the investment manager of Trishield Fund. Trishield Fund purchases, holds and sells securities and other investment products. Trishield Partners, Trishield Capital and Trishield Fund are each organized under the laws of Delaware. Mr. Buick, Trishield Partners, Trishield Capital and Trishield Fund entered into a Joint Filing Agreement, dated as of June 22, 2009 and have a shared voting and dispositive power over the 604,565 shares.

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- (3) This information is based on the Schedule 13G/A filed on August 13, 2009 by Highbridge International LLC, Highbridge Capital Management, LLC and Mr. Glenn Dubin. The address of Highbridge International LLC is c/o Harmonic Fund Services, The Cayman Corporate Centre, 4th Floor, 27 Hospital Road, Grand Cayman, Cayman Islands, British West Indies. The address of Highbridge Capital Management, LLC and Mr. Glenn Dubin is c/o Highbridge Capital Management, LLC 9 West 57th Street, 27th Floor, New York, NY 10019. Highbridge International LLC, Highbridge Capital Management, LLC and Mr. Glenn Dubin have shared voting power for the 391,237 shares of common stock. Highbridge Capital Management LLC, a Delaware limited liability company, serves as the trading manager of Highbridge International LLC, a Cayman Islands limited liability company. Mr. Glen Dubin is the Chief Operating Officer of Highbridge Capital Management, LLC. Each of Highbridge Capital Management, LLC and Mr. Glen Dubin may be deemed the beneficial owner of the 391,237 shares of Common Stock beneficially owned by Highbridge International LLC. Highbridge Capital Management, LLC is the trading manager of Highbridge International LLC. Glenn Dubin is the Chief Executive Officer of Highbridge Capital Management, LLC.
- (4) This information is based on the Schedule 13G/A filed on May 22, 2009 by Polygon Global Opportunities Master Fund (the "Master Fund"), Polygon Investments Ltd. (the "Investment Manager"), Polygon Investment Management Limited ("PIML"), Polygon Investment Partners LLP (the "UK Investment Manager"), Polygon Investment Partners LP (the "US Investment Manager"), Polygon Investment Partners HK Limited (the "HK Investment Manager"), Polygon Investment Partners GP, LLC (the "General Partner"), Mr. Reade E. Griffith ("Mr. Griffith") and Mr. Patrick G. G. Dear ("Mr. Dear"). The address of the Master Fund, the Investment Manager, PIML, the UK Investment Manager, Mr. Griffith and Mr. Dear address is c/o Polygon Investment Partners LPP 4 Sloane Terrace, London SW1X9DQ, United Kingdom. The address of the US Investment Manager and the General Partner is c/o Polygon Investment Partners LP 399 Park Avenue, 22nd Floor, New York, NY 10022, US. The address of the HK Investment Manager is Unit 1501-1502, 15/F Cheung Kong Center 2 Queen's Road Central, Hong Kong. The reporting persons may be deemed to be beneficial owner of the 207,000 shares. All of the shares are directly held by the Master Fund. The Investment Manager, PIML, the UK Investment Manager, the US Investment Manager, the HK Investment Manager and the General Partner have voting and dispositive control over securities owned by the Master Fund. Mr. Griffith and Mr. Dear control the Investment Manager, PIML, the UK Investment Manager, the US Investment Manager and the General Partner.
- (5) The information is based on the Schedule 13G filed on June 22, 2009 by Equinox Illiquid Fund, LP (the "Illiquid Fund"), Mason Hill Advisors, LLC ("Advisors"), Equinox Illiquid General Partner, LP (the "General Partner"), Mr. Sean Fieler ("Mr. Fieler") and Mr. William Strong ("Mr. Strong"). The business address of each of the Illiquid Fund, Advisors, the General Partner, Mr. Fieler and Mr. Strong is 623 Fifth Avenue Fl 27, New York, New York 10022. The Illiquid Fund and the General Partner are Delaware limited partnerships, Advisors is a Delaware limited partnership, and Mr. Fieler and Mr. Strong are citizens of the United States. Advisors, as the investment manager of the Illiquid Fund, beneficially owns the shares of common stock held by the Illiquid Fund. The General Partner, as the general partner of the Illiquid Fund, beneficially owns the shares of common stock held by the Illiquid Fund. Mr. Fieler and Mr. Strong are the controlling persons of the General Partner and Advisors, and they both are deemed to beneficially own 196,000 shares of common stock. Collectively, the reporting persons beneficially own 196,000 shares of common stock and have share voting and dispositive power over the 196,000 shares.
- (6) The information is based on the Schedule 13G filed by Scarsdale Equities LLC on August 10, 2009. The address for Scarsdale Equities LLC is 30 Rockefeller Plaza, Suite 4250, New York, NY 10112. Scarsdale Equities LLC has sole voting and dispositive power over the 185,383 shares. Mr. Wade Black serves as a Chief Operating Officer of Scarsdale Equities LLC. As a broker-dealer, Scarsdale

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Equities LLC holds a portion of the securities on behalf of its clients; none of those individual interests exceed five percent.

- (7) Amounts shown include restricted shares of common stock issued pursuant to our 2009 Equity Incentive Plan. Fifty percent (50%) of the restricted shares vest on the first anniversary of the date of grant, and the remaining fifty percent (50%) vest on the second anniversary of the date of grant. At October 9, 2009, the following individuals held restricted shares of common stock that will not vest within 60 days after October 9, 2009: 95,000 for Mr. Clevenger, 20,000 shares for Mr. Blakestad, 20,000 shares for Mr. Danni, 15,000 for Ms. Friedman, 25,000 for Mr. Owen and 20,000 for Mr. Vogels.
- (8) Amount shown includes 3,200 shares of common stock owned by Mr. Clevenger's spouse for which he disclaims beneficial ownership.
- (9) Includes 195,000 restricted shares of common stock that will not vest within 60 days after October 9, 2009.
- (10) Assumes (i) shares of common stock outstanding after the offering (assuming the underwriters' over-allotment option is not exercised) and (ii) and non-participation in the offering by all directors, executive officers and 5% stockholders.

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**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

**Review of Related Person Transactions**

We do not have a formal written policy for the review and approval of transactions with related parties. However, the Audit Committee Charter, our Code of Ethics for Directors, Senior Executive and Financial Officers and Other Executives, and our Code of Ethics and Business Conduct each provide guidelines for reviewing any "related party transaction." In particular, the Audit Committee Charter requires that the Audit Committee review any transaction involving Golden Minerals and a related party at least once a year or upon any significant change in the transaction or relationship. Additionally, our Codes of Ethics prohibit conflicts of interest and provides non-exclusive examples of conduct that would violate the prohibition. If any of our employees are unsure as to whether a conflict of interest exists, the employee is instructed that he or she should consult with a specified compliance officer.

We annually require each of our directors and executive officers to complete a directors' and officers' questionnaire that elicits information about related party transactions. Our board and outside legal counsel annually review all transactions and relationships disclosed in the directors' and officers' questionnaires, and the board makes a formal determination regarding each director's independence. If a director is determined to no longer be independent, such director, if he or she serves on any of the Audit Committee, the Corporate Governance and Nominating Committee, or the Compensation Committee, will be removed from such committee prior to (or otherwise will not participate in) any future meetings of the committee. If the transaction presents a conflict of interest, the board will determine the appropriate response.

**Arrangement with Ms. Friedman**

Since May 2009, Deborah Friedman has devoted approximately half her time to service as our Senior Vice President, General Counsel and Corporate Secretary and approximately half her time to her legal practice at Davis Graham & Stubbs LLP. The firm represents us with respect to various matters and will render an opinion regarding the validity of the issuance of the shares of common stock offered pursuant to this prospectus. We pay a monthly flat fee of \$12,000 to the firm for approximately one-half of Ms. Friedman's time which is devoted to us and pay her customary hourly rate to the firm for any time spent by Ms. Friedman in excess of that threshold. From May 1, 2009 (when Ms. Friedman rejoined the firm as an active partner) through September 30, 2009, we have paid approximately \$200,000 to Davis Graham & Stubbs LLP for legal services rendered by various attorneys in the firm, including Ms. Friedman. We have been advised that this amount represented a de minimis amount of the firm's total revenue for that period. In addition, we have awarded to Ms. Friedman 15,000 shares of restricted common stock under our 2009 Equity Incentive Plan.

**Indemnification Agreements with Officers and Directors**

We have entered into an indemnification agreement with each of our directors and officers. The indemnification agreements require us to indemnify our directors and officers to the fullest extent permitted under Delaware law.



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**DESCRIPTION OF CAPITAL STOCK**

*The following information describes our capital stock and provisions of our Amended and Restated Certificate of Incorporation and Bylaws. This description is only a summary. You should also refer to our Amended and Restated Certificate of Incorporation and Bylaws that have been filed with the SEC.*

**Authorized Capital**

Our authorized capital stock consists of:

50,000,000 shares of common stock, par value \$0.01 per share; and

10,000,000 shares of preferred stock, par value \$0.01 per share.

**Common Stock**

Upon the completion of the offering, we expect there will be \_\_\_\_\_ shares of common stock issued and outstanding (\_\_\_\_\_ shares if the underwriter's over-allotment option is exercised in full), including 245,000 shares of restricted stock issued under our 2009 Equity Incentive Plan.

**Voting Rights**

Each holder of our common stock is entitled to one vote per share. Subject to the rights of the holders of any preferred stock that we may issue, all voting rights are vested in the holders of shares of our common stock. Holders of shares of common stock will have noncumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of directors will be able to elect 100% of the directors, and the holders of the remaining shares voting for the election of directors will not be able to elect any directors.

**Dividends**

Holders of our common stock will be entitled to receive dividends when, as and if declared by our board, out of funds legally available for their payment, subject to the rights of holders of any preferred stock that we may issue. Under the terms of our Amended and Restated Certificate of Incorporation and Bylaws, for a one-year period beginning March 24, 2009, we are not permitted to declare or pay any dividend in respect of our common stock. Additionally, during the one-year period beginning on March 24, 2010, we are not permitted to declare or pay any dividend in respect of our common stock if, after giving effect to such dividend, the aggregate amount of dividends so declared and paid would exceed \$1.5 million.

**Rights upon Liquidation**

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of our common stock will be entitled to share equally in any of our assets available for distribution after the payment in full of all debts and distributions and after the holders of outstanding preferred stock, if any, have received their liquidation preferences in full.

**No Preemptive or Similar Rights**

Under Delaware law, a stockholder is not entitled to preemptive rights to subscribe for additional issuances of common stock or any other class or series of common stock or any security convertible into such stock in proportion to the shares that are owned unless there is a provision to the contrary in the certificate of incorporation. Our Amended and Restated Certificate of Incorporation does not provide its stockholders with any preemptive or similar rights.



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**Preferred Stock**

Subject to certain restrictions contained in our Amended and Restate Certificate of Incorporation, our board of directors is authorized, from time to time, to issue shares of preferred stock in series and may, at the time of issue, determine the voting powers, full or limited, or without voting powers, and such designations, powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof. Holders of preferred stock may be entitled to receive a preference payment in the event of our liquidation, dissolution or winding up before any payment is made to holders of common stock. Under certain circumstances, the issuance of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management.

The affirmative vote of the holders of a majority in voting power of the outstanding shares of common stock present in person or represented by proxy at a special or annual meeting duly called for purposes of such business will be required for the issuance of any shares of preferred stock prior to the later of (i) May 24, 2010, and (ii) the date on which we hold our first meeting of stockholders at which directors are elected.

There are currently no shares of preferred stock outstanding.

**Restrictions on Certain Transactions**

Our Amended and Restated Certificate of Incorporation includes provisions which require supermajority stockholder approval for certain transactions. Until March 24, 2011, we will not be able to enter into any Specified Transaction (defined below) without (i) the unanimous approval of our board of directors and (ii) the affirmative vote of the holders representing at least 75% of the outstanding shares of capital stock entitled to vote generally (considered for this purpose as one class). A "Specified Transaction" means (a) the sale, lease or exchange of all or any substantial part of our property or assets (including, for this purpose, the property or assets of our subsidiaries) in a single transaction or a series of related transactions, or (b) a merger or consolidation to which we are a party, except any merger or consolidation involving us in which our capital stock outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (A) the surviving or resulting corporation or (B) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation.

**Certain Provisions Governing our Board of Directors until March 24, 2011**

Our Amended and Restated Certificate of Incorporation provides that until March 24, 2011, our board of directors must be comprised of six members (unless otherwise required by the rules of any stock exchange on which our shares are listed), including the Chief Executive Officer and five independent directors. Our stockholders may vote to remove any director for cause by the affirmative vote of a majority of the voting power of outstanding common stock. Additionally, stockholders may vote to remove a maximum of two directors without cause by the affirmative vote of the holders of 66<sup>2</sup>/<sub>3</sub>% in voting power of outstanding common stock at any time prior March 24, 2011.

**Anti-Takeover Effects of Certain Provisions of Delaware Law,  
the Amended and Restated Certificate of Incorporation and the Bylaws**

Some provisions of Delaware law and our Amended and Restated Certificate of Incorporation and Bylaws could make it more difficult for us to be acquired by means of a tender offer, a proxy contest or otherwise or the removal of our incumbent directors and officers.

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These provisions, summarized below, are expected to discourage and prevent coercive takeover practices and inadequate takeover bids. These provisions are designed to encourage persons seeking to acquire control of our company to first negotiate with our board of directors. They are also intended to provide our management with the flexibility to enhance the likelihood of continuity and stability if our board of directors determines that a takeover is not in the best interests of our stockholders. These provisions, however, could have the effect of discouraging attempts to acquire us, which could deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

**Delaware Anti-Takeover Statute**

We are subject to Section 203 of the Delaware General Corporation Law ("DGCL"). Section 203 is an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date that the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a business combination includes a merger, asset or stock sale, or another transaction resulting in a financial benefit to the interested stockholder. Generally, an interested stockholder is a person who, together with affiliates and associates, owns 15% or more of the corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions that are not approved in advance by our board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

**Supermajority Vote for Certain Transactions**

As noted above, our Amended and Restated Certificate of Incorporation requires the affirmative vote of holders of at least 75% of our outstanding shares of common stock in order to approve the sale of all or substantially all of our assets or a merger which results in a change of control. This provision will expire after March 24, 2011.

**Special Stockholder Meetings**

Under our Amended and Restated Certificate of Incorporation and Bylaws, special meetings of stockholders may be called only by our board of directors, other than special meetings called solely for the purpose of removing directors, which may be called by requests of the holders of a majority of the outstanding shares of our common stock.

**Election and Removal of Directors**

Our Amended and Restated Certificate of Incorporation and Bylaws contain provisions that establish specific procedures for appointing and removing members of the board of directors. In addition, our Amended and Restated Certificate of Incorporation and Bylaws provide that vacancies and newly created directorships on the board of directors may be filled only by a majority of the directors then serving on the board (except as otherwise required by law or by resolution of the board). With the exception of certain provisions which govern the operation of our board of directors through March 24, 2011 (see "*Certain Provisions Governing our Board of Directors until March 24, 2011*"), our Amended and Restated Certificate of Incorporation and Bylaws provide that directors may be removed only for cause.

**Undesignated Preferred Stock**

The authorization of undesignated, or "blank check," preferred stock will make it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our company. As noted above, the affirmative vote of the

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holders of a majority of the outstanding shares of common stock will be required for the issuance of any shares of preferred stock prior to the later of (i) May 24, 2010, and (ii) the date on which we hold our first meeting of stockholders at which directors are elected.

**Requirements for Advance Notification of Stockholder Nominations and Proposals**

Our Bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors. See " *Advance Notice Requirements for Stockholder Proposals and Director Nominations.*"

**No Stockholder Action by Written Consent.**

Our Amended and Restated Certificate of Incorporation and Bylaws will not permit stockholders to act by written consent.

**No Cumulative Voting.**

Under Delaware law, cumulative voting for the election of directors is not permitted unless a corporation's certificate of incorporation authorizes cumulative voting. Our Amended and Restated Certificate of Incorporation and Bylaws do not provide for cumulative voting in the election of directors. Cumulative voting allows a minority stockholder to vote a portion or all of its shares for one or more candidates for seats on the board of directors. Without cumulative voting, a minority stockholder will not be able to gain as many seats on our board of directors based on the number of shares of our stock the stockholder holds as the stockholder would be able to gain if cumulative voting were permitted. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on our board of directors to influence our board's decision regarding a takeover.

**Advance Notice Requirements for Stockholder Proposals and Director Nominations**

Our Bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder's notice must be delivered to the company secretary between the 120<sup>th</sup> day and the 90<sup>th</sup> day before the anniversary of the preceding year's annual meeting. If, however, the date of the meeting is advanced more than 30 days before, or delayed more than 60 days after, the anniversary of the annual meeting, notice must be delivered between the 120<sup>th</sup> day before the meeting and the later of the 90<sup>th</sup> day before the meeting or the 10<sup>th</sup> day after we publicly announce the date of the meeting. Our Bylaws also specify certain requirements as to the form and content of a stockholder's notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

**Amendments to Amended and Restated Certificate of Incorporation or Bylaws**

The affirmative vote of the holders of at least a majority of our issued and outstanding common stock, voting as a single class, is generally required to amend or repeal our Amended and Restated Certificate of Incorporation. The affirmative vote of at least 75% of our outstanding common stock is required to approve amendments to the provisions in our Certificate of Incorporation that establishes the 75% voting threshold for certain transactions. In addition, under the DGCL, an amendment to our Amended and Restated Certificate of Incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class.

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Subject to our Bylaws, our board of directors may from time to time make, amend, supplement or repeal our Bylaws by vote of a majority of our board of directors.

**Registration Rights**

We are not currently subject to any contractual agreement or other obligation to register the resale of shares of our capital stock with SEC or any other regulatory authority.

**Transfer Agent and Registrar**

The transfer agent and registrar for the common stock is Olympia Trust Company, Toronto, Ontario.

**Listing**

Our common stock currently trades in interdealer and over-the-counter transactions, and price quotations have been available in the "pink sheets" under the symbol "GDMN". Our common stock is also listed on the Toronto Stock Exchange under the symbol "AUM". We have applied to list our common stock on the Amex under the symbol " ". Listing our common stock on the Amex will be subject to meeting its minimum listing requirements.

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**SHARES ELIGIBLE FOR FUTURE SALE**

Upon completion of this offering we will have \_\_\_\_\_ shares of our common stock outstanding, based upon the number of shares of common stock outstanding as of \_\_\_\_\_, 2009 and assuming no exercise of the underwriters' over-allotment option. All of our shares will be freely transferable without restriction or further registration or qualification, except that shares held by our "affiliates," as that term is defined in Rule 144 under the Securities Act, may generally only be sold in compliance with the limitations of Rule 144 described below.

Future sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could adversely affect the prevailing market price of our common stock or make it difficult for us to raise additional equity capital in the future.

**Lock-up Agreements**

Of the shares of our common stock outstanding following completion of the offering, \_\_\_\_\_, or \_\_\_\_\_%, will be subject to lock-up agreements. We have agreed not to, without the prior consent of Dahlman Rose & Company, LLC, directly or indirectly, offer, sell or otherwise dispose of any common stock or any securities that may be converted into or exchanged for our common stock for a period of 180 days from the date of this prospectus. In addition, all of our executive officers and directors as well as stockholders holding a substantial amount of our outstanding common stock, have agreed not to, without the prior consent of Dahlman Rose & Company, LLC, directly or indirectly, offer, sell or otherwise dispose of any shares of our common stock or any securities that may be converted into or exchanged for our common stock for a period of 180 days (for our directors and officers) or 90 days (for other stockholders) from the date of this prospectus. See "Underwriting." Dahlman Rose & Company, LLC may give this consent at any time without public notice. With the exception of the underwriters' over-allotment option, there are no present agreements between the underwriters and us or any of our executive officers or directors releasing them or us from these lock-up agreements prior to the expiration of the applicable period.

**Rule 144**

Rule 144 provides a safe harbor from the registration requirements of the Securities Act. In general, under Rule 144, a person (or persons whose shares are aggregated) who owns shares that were acquired from us or one of our affiliates at least six months prior to the proposed sale, and who has not been an affiliate of ours for 90 days preceding the sale will be entitled to sell those shares. Affiliates of ours are only allowed to sell their shares after the same six-month holding period, subject to the availability of current public information about us as well as compliance with manner of sale restrictions, a volume limitation and the filing of a Form 144 with the SEC if the sale exceeds 5,000 shares or \$50,000 in value. The volume limitation restricts sales within any three-month period to a number of shares that does not exceed the greater of:

1% of the number of shares of our common stock then outstanding, which will equal \_\_\_\_\_ shares immediately after this offering, assuming no exercise by the underwriters of their over-allotment option; or

The average weekly trading volume of our common stock during the four calendar weeks preceding the filing of the Form 144 with respect to such sale.

An "affiliate" is a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with us.

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**UNDERWRITING**

We and the selling stockholders have entered into an underwriting agreement, dated \_\_\_\_\_, 2009, with the underwriters named below with respect to the shares of common stock being offered. Dahlman Rose & Company, LLC is acting as sole book-running manager and representative of the underwriters, whom we refer to collectively as the underwriters. Subject to the terms and conditions of the underwriting agreement, each underwriter has severally agreed to purchase from us and the selling stockholders the following number of shares of common stock at the public offering price, less the underwriting discount on the cover page of this prospectus.

Underwriters	Number of Shares
Dahlman Rose & Company, LLC	

Total

This offering is being made concurrently in the U.S. and in Canada, in the province of Ontario (the "Canadian Jurisdiction"). The common stock will be offered in the United States and the Canadian Jurisdiction through the underwriters, either directly or through their respective U.S. or Canadian registered broker-dealer affiliates. Subject to applicable law, the underwriters may offer the common stock outside the United States and Canada.

The public offering price on the cover page of this prospectus was determined based upon arm's length negotiations between the Company, the underwriters, and the selling stockholders.

The underwriters have agreed to purchase all of the shares of common stock sold under the underwriting agreement if any of the shares of common stock are purchased, other than shares of common stock covered by the over-allotment option described below. The underwriting agreement provides that the underwriters' obligation to purchase shares of common stock depends on the satisfaction of the conditions contained in the underwriting agreement, including:

the representations and warranties made by us and the selling stockholders to the underwriters are true;

there is no adverse material change in our business; and

we and the selling stockholders deliver customary closing documents to the underwriters.

Additionally, the obligations of the underwriters under the underwriting agreement may be terminated at the discretion of Dahlman Rose & Company, LLC, acting on behalf of the underwriters, upon the occurrence of certain stated events. We and the selling stockholders have agreed to indemnify each underwriter, its affiliates, and its members, partners, directors, officers, employees, agents and representatives against certain liabilities and expenses, related to the offering, including liabilities under the U.S. Securities Act and Canadian securities laws. We and the selling stockholders have also agreed to contribute to payments each underwriter may be required to make in respect of such liabilities.

We and the selling stockholders have granted the underwriters an over-allotment option exercisable for 30 days from the date of this prospectus to purchase a total of up to \_\_\_\_\_ shares of common stock being offered hereby, at the public offering price less the underwriting discount on the cover of this prospectus. The underwriters may exercise this over-allotment option solely to cover any over-allotments, if any, made in connection with this offering. To the extent the underwriters exercise this over-allotment option in whole or in part, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares of common stock approximately proportionate to that underwriter's initial commitment amount reflected in the above table. If the over-allotment option is exercised in full, the total public offering price, underwriting discount and proceeds, before expenses, to us



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(as set out on the cover page of this prospectus) will be (i) to us, \$ , \$ and \$ , respectively, and (ii) to the selling stockholders, \$ , \$ and \$ , respectively.

The underwriters have advised us and the selling stockholders that they propose initially to offer the shares of common stock to the public at the public offering price on the cover page of this prospectus and to dealers at that price less a concession not in excess of \$ per share. The underwriters may allow, and the dealers may re-allow, a discount not in excess of \$ per share to other dealers. If all of the shares of common stock cannot be sold at the public offering price, the offering price and other selling terms may be changed. In the event that the shares of common stock are sold at a price that is below the public offering price set out on the cover page of this prospectus, the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the shares of common stock is less than the gross proceeds paid by the underwriters to us.

The following table shows the per share and total underwriting discount to be paid to the underwriters by us and the selling stockholders. The information assumes either no exercise or full exercise by the underwriters of the over-allotment option to purchase additional shares.

	Without Option	With Option
Per Share	\$	\$
Total	\$	\$

We and our officers and directors, as well as stockholders holding a substantial amount of our outstanding common stock, have agreed that, subject to certain exceptions, for a period of 180 days (for us and our directors and officers) or 90 days (for other stockholders) from the date of the underwriting agreement, we and they will not, without the prior written consent of Dahlman Rose & Company, directly or indirectly, offer, sell, agree to offer or sell, solicit offers to purchase, grant any call option or purchase any put option with respect to, pledge, borrow or otherwise dispose of any shares of common stock or any securities convertible into or exchangeable for shares of common stock, and will not establish or increase any "put equivalent position" or liquidate or decrease any "call equivalent position" with respect to any shares of common stock or any securities convertible into or exchangeable for shares of common stock (in each case within the meaning of Section 16 of the U.S. Exchange Act and the rules and regulations promulgated thereunder), or otherwise enter into any swap, derivative or other transaction or arrangement that transfers to another, in whole or in part, any economic consequence of ownership of any of shares of common stock or any securities convertible into or exchangeable for shares of common stock.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by an underwriter of a greater number of shares than it is required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the over-allotment option to purchase additional shares of common stock from us in the offering. The underwriters may close out any covered short position by either exercising the over-allotment option to purchase additional shares of common stock or purchasing shares of common stock in the open market. In determining the source of shares of common stock to close out the covered short position, the underwriter will consider, among other things, the price of shares of common stock available for purchase in the open market as compared to the price at which it may purchase additional shares of common stock pursuant to the over-allotment option granted to it. "Naked" short sales are any sales in excess of such over-allotment option. The underwriter must close out any naked short position by purchasing shares of common stock in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of shares of common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriter in the open market prior to the completion of the offering.

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Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or delaying a decline in the market price of our shares of common stock, and may stabilize, maintain or otherwise affect the market price of our shares of common stock. As a result, the price of our shares of common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the Amex, the TSX or in the over-the-counter market or otherwise.

This prospectus may be made available on Internet sites or through other online services maintained by one or more of the underwriters of this offering, or by their affiliates. Other than any prospectus made available in electronic format in this manner, the information on any website containing this prospectus is not part of this prospectus or the registration statement of which this prospectus forms a part, and such information has not been approved or endorsed by us or any underwriter in such capacity and should not be relied on by prospective investors.

We estimate that our share of the total expenses of the offering, excluding the underwriting discount and the discretionary incentive fee (if any), and assuming no exercise of the over-allotment option, will be approximately \$ \_\_\_\_\_, which includes approximately \$ \_\_\_\_\_ in reimbursable expenses paid to the underwriters.

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**UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS**

The following is a summary of the material United States federal income tax consequences to non-U.S. holders (defined below) of the ownership and disposition of the shares of common stock purchased in the offering.

As used herein, "non-U.S. holders" are beneficial owners of the shares of our common stock purchased in the offering, other than entities or arrangements treated as partnerships for U.S. federal income tax purposes ("Partnerships"), that are not U.S. holders. "U.S. holders" are beneficial owners of the shares of our common stock that are, for United States federal income tax purposes, (1) citizens or individual residents of the United States, (2) corporations created or organized in, or under the laws of, the United States, any state thereof or the District of Columbia, (3) estates, the income of which is subject to United States federal income taxation regardless of its source, or (4) trusts if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (B) an election is in effect under applicable United States Treasury regulations to be treated as a U.S. person.

If a Partnership is a beneficial owner of the shares of our common stock purchased in the offering, the treatment of a partner in the Partnership will generally depend upon the status of the partner and upon the activities of the Partnership. Partnerships and partners in such Partnerships should consult their own tax advisors about the United States federal income tax consequences of owning and disposing of shares of our common stock.

This summary does not describe all of the tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances. For example, it does not deal with special classes of non-U.S. holders, such as banks, thrifts, real estate investment trusts, regulated investment companies, passive foreign investment companies, insurance companies, dealers in securities or currencies, or tax-exempt investors. This summary is limited to holders that hold our shares of common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code") (generally, property held for investment purposes). It does not discuss the tax consequences of the ownership and disposition of shares of our common stock purchased in the offering and held as part of a hedge, straddle, conversion, "synthetic security" or other integrated transaction. This summary also does not address the tax consequences to (i) persons that have a functional currency other than the U.S. dollar, (ii) certain U.S. expatriates or (iii) stockholders or beneficiaries of a holder of such shares of common stock. Further, it does not include any description of any alternative minimum tax consequences, estate tax consequences, or the tax laws of any state or local government or of any foreign government that may be applicable to such shares of common stock. This summary is based on the Code and the United States Treasury regulations promulgated thereunder, and administrative and judicial decisions, all as in effect on the date hereof, all of which are subject to change or differing interpretations, possibly on a retroactive basis. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the Internal Revenue Service with respect to the United States federal income tax consequences of the ownership and disposition of such shares of common stock.

**YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME, FRANCHISE, PERSONAL PROPERTY, ESTATE, GIFT, TRANSFER AND ANY OTHER TAX CONSEQUENCES (INCLUDING ANY ASSOCIATED REPORTING REQUIREMENTS) OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF SHARES OF OUR COMMON STOCK, INCLUDING THE EFFECT OF ANY TREATIES ON THE FOREGOING OR OTHERWISE.**

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**Our Common Stock**

The rules governing United States federal income taxation of the ownership and disposition by a non-U.S. holder of shares of our common stock are complex and no attempt is made herein to provide more than a summary of such rules.

***Distributions***

If distributions are paid on shares of our common stock, the distributions will constitute dividends for United States federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent a distribution with respect to your shares of our common stock exceeds our current and accumulated earnings and profits, it will constitute a return of capital that is applied against and reduces, but not below zero, the adjusted tax basis of your shares of our common stock. Any remainder will constitute gain from the sale or exchange of the shares of our common stock, the treatment of which is described below under the section entitled " Sale or Exchange of Shares of Common Stock." Dividends paid to a non-U.S. holder generally will be subject to withholding of United States federal income tax at the rate of 30%, or such lower rate as may be specified by an applicable income tax treaty. If the dividend is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States (and, if an applicable tax treaty requires, is also attributable to a United States permanent establishment maintained by such non-U.S. holder), the dividend will not be subject to any withholding tax, provided certain certification requirements are satisfied (as described below). Instead, such dividends will be subject to United States federal income tax imposed on net income on the same basis that applies to U.S. persons generally. A corporate non-U.S. holder under certain circumstances also may be subject to an additional branch profits tax equal to 30%, or such lower rate as may be specified by an applicable income tax treaty, on a portion of its effectively connected earnings and profits for the taxable year.

Non-U.S. holders should consult their own tax advisors regarding the potential applicability of any income tax treaty in their particular circumstances.

To claim the benefit of a tax treaty or to claim exemption from withholding on the ground that income is effectively connected with the conduct of a trade or business in the United States, a non-U.S. holder must provide a properly executed form, generally on Internal Revenue Service Form W-8BEN for treaty benefits or Form W-8ECI for effectively connected income, or such successor forms as the Internal Revenue Service designates, prior to the payment of dividends. These forms must be periodically updated. Non-U.S. holders generally may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the Internal Revenue Service.

***Sale or Exchange of Shares of Common Stock***

A non-U.S. holder generally will not be subject to United States federal income tax and, in certain cases, withholding tax on the sale, exchange or other disposition of shares of our common stock purchased in the offering unless (1) the gain is effectively connected with a United States trade or business of the non-U.S. holder (and, if an applicable tax treaty requires, is also attributable to a United States permanent establishment maintained by such non-U.S. holder), (2) in the case of a non-U.S. holder who is an individual, such holder is present in the United States for a period or periods aggregating 183 or more days (as calculated for United States federal income tax purposes) during the taxable year of the disposition, and certain other conditions are satisfied, or (3) we are or have been a "U.S. real property holding corporation," or "USRPHC," as defined for United States federal income tax purposes. Generally, a U.S. corporation is a USRPHC if at least 50% of the value of the real property and certain other assets consists of "U.S. real property interests." We believe that we currently are not a USRPHC, although there can be no assurance that we will not become a USRPHC in future years. Even if we are or become a USRPHC, so long as our common stock is regularly traded on an established securities market, under applicable United

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States Treasury regulations, a non-U.S. holder generally will not be subject to United States federal income tax on any gain realized on the sale, exchange or other disposition of shares of our common stock unless the non-U.S. Holder has owned, directly or by attribution, more than 5% of our common stock during the shorter of the five-year period preceding the disposition or the non-U.S. Holder's holding period for the shares of our common stock (a "greater than 5% stockholder").

If a non-U.S. holder is described in clause (1) or is a greater than 5% stockholder and we are a USRPHC, as described in clause (3) above, such holder generally will be taxed on the net gain derived from a sale in the same manner as U.S. persons generally, and, in the case of a non-U.S. holder described in clause (3) above, in certain cases may be subject to a 10% withholding tax applied to the gross proceeds received. Any amount withheld as discussed above may be applied as a credit against the non-U.S. holder's United States federal income tax liability. If an individual non-U.S. holder is described in clause (2) above, such individual generally will be subject to a flat 30% tax on the gain derived from a sale, which may be offset by certain United States capital losses (even though such individual is not considered a resident of the United States). In addition, if a corporate non-U.S. holder falls under clause (1) above, it may be subject to an additional branch profits tax on such effectively connected income at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty).

Non-U.S. holders should consult their own tax advisors regarding the potential applicability of any income tax treaty in their particular circumstances.

***Information Reporting and Backup Withholding Tax***

Information reporting and backup withholding (currently at a 28% rate) may apply to dividends paid with respect to our common stock and to proceeds from the sale, exchange or other disposition of our common stock. In certain circumstances, non-U.S. holders may avoid information reporting and backup withholding if they certify under penalties of perjury as to their status as non-U.S. holders or otherwise establish an exemption and certain other requirements are met. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules from a payment to a non-U.S. holder generally may be refunded or credited against the non-U.S. holder's United States federal income tax liability, if any, provided that an appropriate claim is timely filed with the Internal Revenue Service.

THE UNITED STATES FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A NON-U.S. HOLDER'S PARTICULAR SITUATION. NON-U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO ALL TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS, AND THE POSSIBLE EFFECTS OF ANY CHANGES THEREIN.

**LEGAL MATTERS**

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Davis Graham & Stubbs LLP, Denver, Colorado. The underwriters have been represented by Skadden, Arps, Slate, Meagher & Flom LLP, Toronto, Ontario, Canada in connection with this offering.

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**INTEREST OF NAMED EXPERTS AND COUNSEL**

Deborah Friedman devotes approximately half her time to service as our Senior Vice President, General Counsel and Corporate Secretary and approximately half her time to her legal practice at Davis Graham & Stubbs LLP, the firm which has rendered an opinion regarding the legality of the issuance of the shares of common stock offered in this prospectus. We pay a monthly flat fee of \$12,000 to the firm for approximately one-half of her time which is devoted to us and pay her customary hourly rate to the firm for any time spent by Ms. Friedman in excess of that threshold. From May 1, 2009 (when Ms. Friedman rejoined the firm as an active partner) through September 30, 2009, we have paid approximately \$200,000 to Davis Graham & Stubbs for legal services rendered by various attorneys in the firm, including Ms. Friedman. We have been advised that this amount represented a de minimis amount of the firm's total revenue for that period. In addition, we have awarded to Ms. Friedman 15,000 shares of restricted common stock under our 2009 Equity Incentive Plan.

**EXPERTS**

The financial statements of Apex Silver as of December 31, 2008 and 2007 and for each of the three years ended December 31, 2008 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Information relating to the El Quevar mineral properties in this prospectus has been derived from reports, statements or opinions prepared or certified by SRK Consulting (US), Inc. and Chlumsky, Armbrust and Meyer, LLC, and this information has been included in reliance on such companies' expertise.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. We have filed this registration statement on Form S-1 with the SEC, to register our shares of common stock being offered by this prospectus. Our SEC filings are available to the public at the SEC's website at <http://www.sec.gov>. You may also read and copy our Form S-1 registration statement and any reports, statements or other information that we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Our SEC filings are also available to the public from commercial document retrieval services. Information contained on our website should not be considered part of this prospectus.

We also file reports, statements or other information with the Alberta, British Columbia, and Ontario Securities Commissions. Copies of these documents that are filed through the System for Electronic Document Analysis and Retrieval, or "SEDAR," of the Canadian Securities Administrators are available at its web site <http://www.sedar.com>.

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**GLOSSARY OF TECHNICAL TERMS**

"**Assay**" means to test ores or minerals by chemical or other methods for the purpose of determining the amount of valuable metals contained.

"**Base Metal**" means a classification of metals usually considered to be of low value and higher chemical activity when compared with the precious metals (gold, silver, platinum, etc.). This nonspecific term generally refers to the high-volume, low-value metals copper, lead, tin, and zinc.

"**Breccia**" means rock consisting of fragments, more or less angular, in a matrix of finer-grained material or of cementing material.

"**Claim**" means a mining interest giving its holder the right to prospect, explore for and exploit minerals within a defined area.

"**Concentrates**" means the clean product of ore or metal separated from its containing rock or earth by froth flotation or other methods of mineral separation.

"**Concentrator**" means a plant where ore is separated into values (concentrates) and rejects (tails).

"**Concession**" means a grant or lease of a tract of land made by a government or other controlling authority in return for stipulated services or a promise that the land will be used for a specific purpose.

"**Diamond Core**" means a rotary type of rock drill that cuts a core of rock and is recovered in long cylindrical sections, two centimeters or more in diameter.

"**Deposit**" means an informal term for an accumulation of mineral ores.

"**Exploration Stage**" means a prospect that is not yet in either the development or production stage.

"**Feasibility Study**" means an engineering study designed to define the technical, economic, and legal viability of a mining project with a high degree of reliability.

"**Formation**" means a distinct layer of sedimentary rock of similar composition.

"**Grade**" means the metal content of ore, usually expressed in troy ounces per ton (2,000 pounds) or in grams per ton or metric tons which contain 2,204.6 pounds or 1,000 kilograms. This report refers to ounces per ton.

"**Mineralization**" means the concentration of metals within a body of rock.

"**Mining**" means the process of extraction and beneficiation of mineral reserves to produce a marketable metal or mineral product. Exploration continues during the mining process and, in many cases, mineral reserves are expanded during the life of the mine operations as the exploration potential of the deposit is realized.

"**Net Smelter Return Royalty**" means a defined percentage of the gross revenue from a resource extraction operation, less a proportionate share of transportation, insurance, and processing costs.

"**Open Pit**" means a mine working or excavation open to the surface.

"**Ore**" means material containing minerals that can be economically extracted.

"**Outcrop**" means that part of a geologic formation or structure that appears at the surface of the earth.

"**Oxide**" means mineralized rock in which some of the original minerals have been oxidized (*i.e.*, combined with oxygen). Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that minute particles of gold in the interior of the minerals will be more readily dissolved.





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"**Precious Metal**" means any of several relatively scarce and valuable metals, such as gold, silver, and the platinum-group metals.

"**Probable Reserves**" means reserves for which quantity and grade and/or quality are computed from information similar to that used for Proven Reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for Proven Reserves, is high enough to assume continuity between points of observation.

"**Proven Reserves**" means reserves for which quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

"**Production Stage**" means a project that is actively engaged in the process of extraction and beneficiation of mineral reserves to produce a marketable metal or mineral product.

"**Reclamation**" means the process of returning land to another use after mining is completed.

"**Recovery**" means that portion of the metal contained in the ore that is successfully extracted by processing, expressed as a percentage.

"**Reserves**" means that part of a mineral deposit that could be economically and legally extracted or produced at the time of reserve determination.

"**Sampling**" means selecting a fractional, but representative, part of a mineral deposit for analysis.

"**Sediment**" means solid fragmental material that originates from weathering of rocks and is transported or deposited by air, water, or ice, or that accumulates by other natural agents, such as chemical precipitation from solution or secretion by organisms, and that forms in layers on the Earth's surface at ordinary temperatures in a loose, unconsolidated form.

"**Sedimentary**" means formed by the deposition of sediment.

"**Sulfide**" means a compound of sulfur and some other element.

"**Tertiary**" means the first period of the Cenozoic Era (after the Cretaceous of the Mesozoic Era and before the Quaternary), thought to have covered the span of time between 65 million years and 3 to 2 million years ago.

"**Vein**" means a fissure, fault or crack in a rock filled by minerals that have traveled upwards from some deep source.

"**Waste**" means rock lacking sufficient grade and/or other characteristics of ore.

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**GOLDEN MINERALS COMPANY AND SUBSIDIARIES**

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**Golden Minerals Company**  
**Unaudited Interim Consolidated Financial Statements**  
**for the Six Month Period Ended June 30, 2009**

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**GOLDEN MINERALS COMPANY**  
**CONSOLIDATED BALANCE SHEETS**

(Expressed in United States dollars)

(Unaudited)

	June 30 2009 (Successor) (in thousands, except share data)	December 31, 2008 (Predecessor)	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 15,658	\$ 33,723	
Restricted cash		20,575	
Investments	4,832	16,351	
Trade receivables	283	7,315	
Inventories		75,008	
Prepaid expenses and other assets	1,312	15,550	
<b>Total current assets</b>	<b>22,085</b>	<b>168,522</b>	
Property, plant and equipment, net	9,024	202,534	
Assets held for sale	3,106		
Ore stockpile inventories		72,628	
Value added tax recoverable		157,146	
Investments		5,487	
Prepaid expenses and other assets	558	30	
<b>Total assets</b>	<b>\$ 34,773</b>	<b>\$ 606,347</b>	
<b>LIABILITIES AND EQUITY (DEFICIT)</b>			
<b>Current liabilities</b>			
Accounts payable and other accrued liabilities	\$ 3,592	\$ 48,861	
Accrued interest payable		8,660	
Other current liabilities	63		
Current portion of long term debt		523,610	
<b>Total current liabilities</b>	<b>3,655</b>	<b>581,131</b>	
Long term debt		59,951	
Asset retirement obligation		9,155	
Other long term liabilities	596	4,398	
<b>Total liabilities</b>	<b>4,251</b>	<b>654,635</b>	
<b>Commitments and contingencies</b>			
<b>(Note 18)</b>			
<b>Equity (deficit)</b>			

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Common stock, (Successor) \$.01 par value, 50,000,000 shares authorized; 3,257,735 shares issued and outstanding		
Ordinary Shares, (Predecessor) \$.01 par value, 175,000,000 shares authorized; 59,000,832 shares issued and outstanding		590
Additional paid in capital	36,837	680,901
Accumulated deficit	(7,174)	(880,020)
Accumulated other comprehensive income (loss)	826	(551)
Parent Company's shareholder's equity (deficit)	30,522	(199,080)
Noncontrolling interest in subsidiaries		150,792
<b>Total equity (deficit)</b>	<b>30,522</b>	<b>(48,288)</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIT)</b>	<b>\$ 34,773</b>	<b>\$ 606,347</b>

The accompanying notes form an integral part of these consolidated financial statements.

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## GOLDEN MINERALS COMPANY

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(Expressed in United States dollars)

(Unaudited)

	Three Months Ended June 30		For The Period March 25, 2009 Through June 30, 2009	For The Period January 1, 2009 Through March 24, 2009	Six Months Ended June 30, 2008
	2009	2008	(Successor)	(Predecessor)	(Predecessor)
	(Successor)	(Predecessor)	(Successor)	(Predecessor)	(Predecessor)
(in thousands, except share data)					
<b>Revenue:</b>					
Management service fees (Note 17)	\$ 3,147	\$ 1,350	\$ 3,358	\$ 1,350	\$ 2,700
<b>Costs and expenses:</b>					
Costs of services (Note 17)	(1,004)		(1,084)		
Exploration expense	(3,021)	(9,137)	(3,469)	(3,482)	(15,329)
Administrative expense	(2,980)	(3,342)	(3,336)	(4,779)	(8,637)
Stock based compensation	(609)	(756)	(609)	(2,717)	(1,599)
Depreciation, depletion and amortization	(143)	(163)	(152)	(102)	(324)
Total costs and expenses	(7,757)	(13,398)	(8,650)	(11,080)	(25,889)
Loss from operations	(4,610)	(12,048)	(5,292)	(9,730)	(23,189)
<b>Other income and expenses:</b>					
Interest and other income	166	1,738	290	1,010	3,582
Royalty income	127	198	127	88	198
Interest and other expense		(2,641)		(345)	(5,279)
Loss on sale of asset	(180)		(180)		
Gain (loss) on foreign currency	90	206	94	(13)	95
Gain on extinguishment of debt				248,165	
Loss on auction rate securities	(1,332)	(3,100)	(1,332)	(828)	(3,100)
Reorganization costs, net	(565)		(668)	(3,683)	
Fresh start accounting adjustments				9,122	
Total other income and expenses	(1,694)	(3,599)	(1,669)	253,516	(4,504)
Income (loss) from continuing operations before income (taxes) benefit	(6,304)	(15,647)	(6,961)	243,786	(27,693)
Income taxes	(187)	(145)	(213)	(165)	(287)
Net income (loss) from continuing operations	(6,491)	(15,792)	(7,174)	243,621	(27,980)
<b>Income (loss) from discontinued operations</b>		256,157		(4,153)	266,371
Net income (loss)	\$ (6,491)	\$ 240,365	\$ (7,174)	\$ 239,468	\$ 238,391
Net (income) loss attributable to noncontrolling interest		\$ (62,824)	\$	\$ (7,869)	\$ (35,130)
Net income (loss) attributable to the Successor/Predecessor shareholder's	\$ (6,491)	\$ 177,541	\$ (7,174)	\$ 231,599	\$ 203,261
<b>Other comprehensive loss:</b>					
Unrealized gain (loss) on securities	826	\$ 2,232	\$ 826	\$ 940	\$ 1,664
	\$ (5,665)	\$ 179,773	\$ (6,348)	\$ 232,539	\$ 204,925

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Comprehensive (loss) income attributable to  
Successor/Predecessor shareholder's

**Net income (loss) per Common/Ordinary Share**

**basic**

Income (loss) from continuing operations attributable to the Successor/Predecessor shareholders	\$	(2.17)	\$	(0.27)	\$	(2.40)	\$	4.13	\$	(0.47)
Discontinued operations attributable to the Successor/Predecessor shareholders				3.28				(0.20)		3.92
Income (loss) attributable to the Successor/Predecessor shareholders	\$	(2.17)	\$	3.01	\$	(2.40)	\$	3.93	\$	3.45

**Net income (loss) per Common/Ordinary Share**

**diluted**

Income (loss) from continuing operations attributable to the Successor/Predecessor shareholders	\$	(2.17)	\$	(0.27)	\$	(2.40)	\$	(0.06)	\$	(0.47)
Discontinued operations attributable to the Successor/Predecessor shareholders				3.28				(0.17)		3.92
Income (loss) attributable to the Successor/Predecessor shareholders	\$	(2.17)	\$	3.01	\$	(2.40)	\$	(0.23)	\$	3.45

**Weighted average Common Stock/Ordinary Shares**

**outstanding basic** 2,987,735 58,935,475 2,987,735 59,000,832 58,924,741

**Weighted average Common Stock/Ordinary Shares**

**outstanding diluted** 2,987,735 58,935,475 2,987,735 69,171,400 58,924,741

The accompanying notes form an integral part of these consolidated financial statements.

Table of Contents**GOLDEN MINERALS COMPANY****CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in United States dollars)

(Unaudited)

	For The Period March 25, 2009 Through June 30, 2009 (Successor)	For The Period January 1, 2009 Through March 24, 2009 (Predecessor)	Six Months Ended June 30, 2008
(amounts in thousands)			
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities (Note 19)	\$ (10,138)	\$ (13,849)	\$ 12,129
<b>Cash flows from investing activities:</b>			
Purchase of available for sale investments		(4,447)	(18,932)
Sale of available for sale investments		21,113	62,043
Maturities of held-to-maturity investments			2,000
Settlement of metal derivative instruments			(111,973)
Released from (transfer to) restricted cash to collateralize credit facility, letters of credit and interest payments , net		5,732	889
Proceeds from sale of interest in subsidiary, net		25,225	70,000
Proceeds from sale of assets	600		
Receipt of deferred payments from minority interest			7,396
Capitalized costs and acquisitions of property, plant and equipment	(424)	(4,580)	(16,367)
Net cash provided by (used in) investing activities	\$ 176	\$ 43,043	\$ (4,944)
<b>Cash flows from financing activities:</b>			
Payments of notes payable and long term debt		(47,297)	(4,233)
Amounts drawn on DIP facility		6,500	
Non-controlling interest contributions		3,500	38,500
Net cash provided by (used in) financing activities	\$	\$ (37,297)	\$ 34,267
Net increase (decrease) in cash and cash equivalents	(9,962)	(8,103)	41,452
Cash and cash equivalents beginning of period	25,620	33,723	40,736
Cash and cash equivalents end of period	\$ 15,658	\$ 25,620	\$ 82,188

See Note 19 for supplemental cash flow information.

The accompanying notes form an integral part of these consolidated financial statements.



**GOLDEN MINERALS COMPANY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)**

(Expressed in United States dollars)

(Unaudited)

	Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive income (loss)	Non-controlling Interest	Total Equity (Deficit)
	Shares	Amount					
(in thousands except share data)							
<b>Balance, December 31, 2008</b>	<b>59,000,832</b>	<b>\$ 590.0</b>	<b>\$ 680,901</b>	<b>\$ (880,020)</b>	<b>\$ (551)</b>	<b>\$ 150,792</b>	<b>\$ (48,288)</b>
<b>(Predecessor)</b>							
Stock compensation accrued			2,920				2,920
Ordinary Shares of Apex Silver Mines Limited to be canceled	(59,000,832)	(590.0)	(683,821)				(684,411)
Unrealized loss on marketable equity securities					940		940
Net income (loss)				231,599		7,869	239,468
Capital contributions						3,500	3,500
Interest payable to non controlling interest						7,899	7,899
Elimination of Predecessor accumulated deficit				648,421			648,421
Elimination of predecessor accumulated OCI					(389)	(170,060)	(170,449)
<b>Balance, March 24, 2009</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(Successor)</b>							
Issuance of new equity in connection with emergence from Chapter 11	2,987,735	\$ 30.0	\$ 36,231	\$	\$	\$	\$ 36,261
Stock compensation accrued	270,000	2.7	606				609
Unrealized gain on marketable equity securities					826		826
Net loss				(7,174)			(7,174)
<b>Balance, June 30, 2009</b>	<b>3,257,735</b>	<b>\$ 32.7</b>	<b>\$ 36,837</b>	<b>\$ (7,174)</b>	<b>\$ 826</b>	<b>\$</b>	<b>\$ 30,522</b>

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The accompanying notes form an integral part of these consolidated financial statements.

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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(Expressed in United States dollars)**

**1. Basis of Preparation of Financial Statements and Nature of Operations**

Upon emergence from Chapter 11 bankruptcy on March 24, 2009 as discussed in Note 2, Golden Minerals Company (the "Company") a Delaware corporation, became the successor to Apex Silver Mines Limited ("ASML") for purposes of reporting under the U.S. federal securities laws. References in this Form 10-Q to "Successor" refer to the accounts of the Company and its subsidiaries on or after March 25, 2009, the day following emergence from Chapter 11. References to "Predecessor" refer to the accounts of ASML and its subsidiaries prior to March 25, 2009.

These unaudited interim consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). Such rules and regulations allow the omission of certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), so long as such omissions do not render the financial statements misleading.

In the opinion of management, these financial statements reflect all adjustments that are necessary for fair statement of the results for the periods presented. With the exception of the adjustments made in connection with fresh start accounting, as described in Note 2 below, all adjustments were of a normal recurring nature. Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation. These interim financial statements should be read in conjunction with the annual financial statements of ASML included in its 2008 Annual Report on Form 10-K.

Prior to the emergence from Chapter 11 and the sale of the San Cristóbal mine, ASML was the 65% owner and operator of the San Cristóbal silver and zinc mine in Bolivia. Following emergence from Chapter 11 and the sale of the San Cristóbal mine to Sumitomo, the Company is primarily engaged in the exploration and advancement of its portfolio of exploration properties primarily in South America and Mexico and in providing operations management services to Sumitomo for the San Cristóbal mine. The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the normal course of business. However the continuing operations of the Company are dependent upon its ability to raise sufficient capital and to generate future profitable operations. The underlying value and recoverability of the amounts shown as mineral properties in the consolidated balance sheet are dependent on the ability of the Company to continue to finance exploration and development activities that would lead to profitable production or proceeds from the disposition of the mineral properties. There can be no assurance that the Company will be successful in raising additional financing in the future on terms acceptable to the Company or at all.

**2. Chapter 11 Proceedings, Financial Restructuring and Sale of the San Cristóbal Mine**

*Chapter 11 Reorganization*

On January 12, 2009, ASML and its wholly owned subsidiary, Apex Silver Mines Corporation ("ASMC"), filed voluntary petitions for reorganization relief under Chapter 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code"). ASML also commenced a provisional liquidation proceeding in the Cayman Islands. ASML's subsidiaries outside of the United States, including Minera San Cristóbal S.A. ("MSC"), the Bolivian subsidiary that owns and operates the San Cristóbal mine, were not included in the Chapter 11 filing or in any other bankruptcy or reorganization proceeding.

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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**2. Chapter 11 Proceedings, Financial Restructuring and Sale of the San Cristóbal Mine (Continued)**

Under Chapter 11, ASML operated its businesses between January 12, 2009 and March 24, 2009 as a debtor-in-possession under court protection from creditors and claimants under the jurisdiction of the Bankruptcy Court and under the supervision of the joint provisional liquidators in the Cayman Islands. On January 20, 2009, ASML entered into a \$35 million debtor-in-possession term credit facility (the "DIP Financing Facility") with Sumitomo as lender. The purpose of the DIP Financing Facility was to provide ASML with the cash and liquidity necessary to fund its 65% share of working capital required by the San Cristóbal mine. As of March 24, 2009, ASML had borrowed \$6.5 million under the DIP Financing Facility. Upon emergence from Chapter 11 and the sale of the San Cristóbal mine to Sumitomo, as discussed below, Sumitomo waived and released the Company from any liability associated with amounts outstanding, including interest, under the DIP Financing Facility, and the Company recorded a gain of \$6.6 million which is included as an offset to the loss on the sale of interest in a subsidiary which is a component of discontinued operations.

A Joint Plan of Reorganization (the "Plan") was approved by the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on March 4, 2009, and the Company emerged from Chapter 11 protection on March 24, 2009 (the "Effective Date"). At that time, and subsequent to the closing of the sale of the San Cristóbal mine to Sumitomo as described below, all of the remaining assets of ASML, other than a small cash reserve for the payment of ASML's liquidation expenses, were transferred to the Company. A compulsory liquidation proceeding was initiated for ASML in the Cayman Islands and all of the ordinary shares of ASML will be formally canceled in that proceeding.

Under the Plan, holders of ASML's 2.875% and 4.0% Convertible Senior Subordinated Notes due 2024 (collectively, the "Notes") received in exchange for the cancellation of the Notes a pro rata distribution of (i) 2,987,735 shares of common stock of the Company, and (ii) approximately \$45.0 million of cash plus any other cash or cash equivalents held by the Company in excess of the sum of \$15.0 million plus an amount equal to accrued liabilities at March 31, 2009 and certain projected reorganization expenses. To record the effect of the reorganization, ASML wrote off the \$290.0 million liability related to the Notes plus \$3.2 million interest accrued through January 12, 2009, the Chapter 11 filing date, and recorded a \$248.2 million gain at March 24, 2009. Had ASML not been in Chapter 11 bankruptcy between January 12, 2009 and the Effective Date, the Notes would have accrued an additional \$1.9 million of interest.

Other holders of unsecured claims against ASML and ASMC, except ASML's equity holders, received or will receive cash payment for their claims up to a maximum recovery of \$10,000 per claim, or a pro rata distribution of common stock of the Company. Through June 30, 2009 the Company has made cash payments of \$49,000 in resolution of such claims and has issued no shares of common stock. ASML's equity holders received no recovery under the Plan, and their shares will be canceled in connection with ASML's Cayman Islands liquidation proceeding.

On the Effective Date, Sumitomo and the other senior lenders waived and released ASML and the Company from any liability associated with amounts outstanding under the project finance facility relating to the San Cristóbal mine.

*Sale of the San Cristóbal Mine*

On the Effective Date, in conjunction with, and as a condition to the emergence from bankruptcy, ASML sold to Sumitomo its remaining direct and indirect interests in the San Cristóbal mine, including its

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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**2. Chapter 11 Proceedings, Financial Restructuring and Sale of the San Cristóbal Mine (Continued)**

65% interest in MSC, for a cash purchase price of \$27.5 million, plus \$2.5 million in expense reimbursements and the assumption of certain liabilities. The transaction was completed pursuant to the Purchase and Sale Agreement dated January 12, 2009 (the "Purchase Agreement") among ASML, certain other wholly-owned subsidiaries of ASML, Sumitomo and one of Sumitomo's wholly-owned subsidiaries. Under the Purchase Agreement and the Plan, ASML and the Company were released from all liabilities associated with the San Cristóbal mine, including ASML's guarantee of San Cristóbal's indebtedness.

On the Effective Date, ASMC, which has been renamed Golden Minerals Services Corporation ("Golden Services"), entered into a Management Services Agreement with Sumitomo (the "Management Agreement") under which it is providing certain operations management services with respect to the San Cristóbal mine. The Management Agreement has an initial term of twelve months and thereafter may be terminated by Golden Services with twelve months' prior notice or by Sumitomo with six months' prior notice. If terminated by Sumitomo, Golden Services would be entitled to a \$1.0 million termination fee. Golden Services would not be required to pay a termination fee.

*Fresh Start Accounting*

As required by GAAP, the Company used fresh start accounting effective March 25, 2009 following the guidance of American Institute of Certified Public Accountants' ("AICPA") Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" ("SOP 90-7"). The Company adopted fresh start accounting because holders of existing voting shares immediately before the Effective Date received less than 50% of the voting shares of the Successor and the reorganized value of the Successor is less than its post-petition liabilities and allowed claims. The Company's financial statements reflect a new capital structure and a new basis in the identifiable assets and liabilities assumed. Accordingly, the consolidated financial statements on or after March 25, 2009 are not comparable to the consolidated financial statements prior to that date.

SOP 90-7 requires, among other things, the determination of the reorganization value of the Successor upon emergence from bankruptcy. Reorganization value approximates the fair value of the entity, before considering liabilities, and approximates the amount a willing buyer would pay for the assets of the entity immediately after the restructuring. The fair value of the Company's assets was determined with the assistance of a third party valuation expert and a minerals engineering firm who used available comparable market data and quotations, discounted cash flow analysis, and other methods in determining the appropriate asset fair values. Based on these valuations and applying the principles of Financial Accounting Standard "Business Combinations (Revised)" ("FAS 141R"), the Company has adjusted upward the reported amounts of certain of its individual assets, net of liabilities, by a combined total of \$9.1 million and has reflected that adjustment in the Predecessor's statement of operations in accordance with SOP 90-7. The upward adjustment relates primarily to recording at fair value certain exploration properties and a royalty interest that were previously reflected on the Predecessor's balance sheet at a zero carrying value, because all exploration costs at such properties were expensed as incurred. Future costs of exploration will continue to be expensed as incurred.

The total equity of the Successor at the Effective Date, totaling \$36.5 million, has been adjusted to reflect no beginning retained earnings or deficit, after taking into account the cancelation of the Notes, the issuance of new shares in the Company, and the fresh start accounting adjustments. The total equity of the Successor company at the Effective Date reflects the estimated enterprise value of the Company following

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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**2. Chapter 11 Proceedings, Financial Restructuring and Sale of the San Cristóbal Mine (Continued)**

the principles of SOP 90-7 and FAS 141R. As part of the Company's bankruptcy proceedings, an enterprise value ranging from \$15 million to \$30 million was initially projected based on a blend of valuations using market value multiples for peer companies and an assessment of the underlying values of the Company's mineral properties at the time of the bankruptcy filing. As discussed above, and in conjunction with finalizing the fresh start accounting adjustments, additional valuation assessments of the fair value of the Successor company's assets was performed with the assistance of a third party valuation expert and a minerals engineering firm to arrive at the Company's reported equity value at the Effective Date of \$36.5 million.

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Table of Contents**GOLDEN MINERALS COMPANY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Expressed in United States dollars)

**2. Chapter 11 Proceedings, Financial Restructuring and Sale of the San Cristóbal Mine (Continued)**

The balance sheet adjustments presented below summarize the impact of the reorganization, the sale of the San Cristóbal mine and the application of fresh start accounting as of the Effective Date.

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

	March 24, 2009				
	Predecessor Balances	Sale of San Cristóbal Mine (Note I)	Reorganization Adjustments (Note II)	Fresh Start Adjustments (Note III)	Successor Balances
	(amounts in thousands)				
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 43,120	\$ 27,500	\$ (45,000)		\$ 25,620
Restricted cash	14,853	(14,853)			
Investments	88				88
Trade receivables	19,208	(19,023)			185
Inventories	89,633	(89,633)			
Prepaid expenses and other assets	8,543	(7,025)			1,518
<b>Total current assets</b>	<b>175,445</b>	<b>(103,034)</b>	<b>(45,000)</b>		<b>27,411</b>
Property, plant and equipment, net	190,439	(187,387)		9,605	12,657
Ore stockpile inventories	74,756	(74,756)			
Value added tax recoverable	168,842	(168,842)			
Investments	5,249				5,249
Other	48	(44)			4
<b>Total assets</b>	<b>\$ 614,779</b>	<b>\$ (534,063)</b>	<b>\$ (45,000)</b>	<b>\$ 9,605</b>	<b>\$ 45,321</b>
<b>Liabilities and Equity Deficit</b>					
Current liabilities					
Accounts payable and other accrued liabilities	\$ 44,889	\$ (36,312)		\$ 8,577	
Accrued interest payable	8,987	(5,809)	(3,178)		
Current portion of long term debt	553,516	(263,529)	(289,987)		
<b>Total current liabilities</b>	<b>607,392</b>	<b>(305,650)</b>	<b>(293,165)</b>		<b>8,577</b>
Long term debt	37,517	(37,517)			
Asset retirement obligation	9,675	(9,675)			
Other long term liabilities	2,752	(2,752)		483	483
<b>Total liabilities</b>	<b>657,336</b>	<b>(355,594)</b>	<b>(293,165)</b>	<b>483</b>	<b>9,060</b>
Equity (deficit)					
Ordinary Shares (Common Stock)	560		(530)		30
Additional paid in capital	684,122		(647,891)		36,231
Accumulated deficit	(897,299)	(8,409)	896,586	9,122	

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Parent company's shareholder's equity (deficit)	(212,617)	(8,409)	248,165	9,122	36,261
Noncontrolling interest in subsidiaries	170,060	(170,060)			
Total equity (deficit)	(42,557)	(178,469)	248,165	9,122	36,261
Total liabilities and equity deficit	\$ 614,779	\$ (534,063)	\$ (45,000)	\$ 9,605	\$ 45,321

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Note I. The adjustments relate to the sale of the San Cristóbal mine to Sumitomo include \$27.5 million of cash received from the sale, the write-off of \$561.5 million of assets sold to Sumitomo, net of \$355.6 million of liabilities assumed by Sumitomo, the release of \$170.1 million of non-controlling interest primarily related to Sumitomo and a loss on the sale of \$8.4 million.



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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**2. Chapter 11 Proceedings, Financial Restructuring and Sale of the San Cristóbal Mine (Continued)**

Note II. The reorganization adjustments include a \$45.0 million reduction of cash for amounts paid to the holders to settle the Notes, a write-off of the \$290.0 million liability related to the Notes, plus \$3.2 million of accrued interest, and a \$248.2 million gain on extinguishment of debt. The reorganization adjustments also include the write-off of \$896.3 million of accumulated deficit, \$647.6 million of additional paid in capital and \$0.5 million of ordinary shares to reflect the elimination of the Predecessor's shareholder's equity.

Note III. The fresh start adjustments reflect a write-up of property, plant and equipment to estimated fair value including \$7.3 million related to the Company's exploration properties, \$2.0 million related to a mineral property royalty held by the Company and \$0.3 million related to an aircraft owned by the Company. The fresh start adjustment also includes \$0.5 million deferred tax liability adjustment to reflect the tax effect of the adjustments to property, plant and equipment. As the result of the above adjustments the Company recorded a positive \$9.1 million fresh start adjustment in the statement of operations for the period ended March 24, 2009.

**3. Discontinued Operations**

As a result of the sale, results of operations of the San Cristóbal mine and related subsidiaries sold are presented as discontinued operations for the periods on the Consolidated Statements of Operations and Comprehensive Income (Loss) through March 24, 2009, the date of the sale, including all direct financing related to the San Cristóbal mine (see Note 2). Additionally, costs incurred for management service fees that were previously eliminated upon consolidation have not been eliminated and are reflected as a cost of service between the discontinued operations and the Company.

The Company determined that reporting discontinued operations is appropriate in accordance with Emerging Issues Task Force 03-13, "Applying the Conditions in Paragraph 42 of FASB Statement No. 144 in Determining Whether to Report Discontinued Operations" ("EITF 03-13"). Based upon the guidance in EITF 03-13, the Company has determined that the continuing cash flows generated by the Management Agreement for the San Cristóbal mine are not so significant as to constitute continuing involvement with the mine. In addition, management has evaluated the Company's other ongoing involvement with the San Cristóbal mine as a result of the Management Agreement, and concluded that it does not represent significant continuing involvement as defined in EITF 03-13.

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## GOLDEN MINERALS COMPANY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in United States dollars)

**3. Discontinued Operations (Continued)**

The results of discontinued operations for the period January 1, 2009 through March 24, 2009 and for the three and six month periods ended June 30, 2008 are as follows (amounts in thousands):

	For The Period January 1, 2009 Through March 24, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008
<b>Revenue:</b>			
Sale of concentrates, net	\$ 99,049	\$ 59,678	\$ 196,531
<b>Costs and expenses:</b>			
Costs applicable to sales	(59,955)	(63,955)	(131,761)
Management fee	(1,350)	(1,641)	(2,991)
Asset retirement accretion expense	(232)	(197)	(366)
Gain on commodity derivatives		223,464	195,639
Foreign currency gain	1,960	5,764	10,739
Depreciation, depletion and amortization	(10,527)	(7,169)	(18,411)
Total costs and expenses	(70,104)	156,266	52,849
Income from operations	28,945	215,944	249,380
<b>Other income and expenses:</b>			
Interest and other income	67	149	352
Interest expense and other borrowing costs	(22,233)	(11,910)	(24,917)
Total other income and expenses	(22,166)	(11,761)	(24,565)
Income before income taxes	6,779	204,183	224,815
Income taxes	(2,523)	(11,097)	(21,515)
Income before sale of interest in subsidiaries	4,256	193,086	203,300
Gain (loss) on sale of interest in subsidiaries	(8,409)	63,071	63,071
<b>Income (loss) from discontinued operations</b>	<b>\$ (4,153)</b>	<b>\$ 256,157</b>	<b>\$ 266,371</b>

Table of Contents**GOLDEN MINERALS COMPANY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Expressed in United States dollars)****3. Discontinued Operations (Continued)**

The assets and liabilities of discontinued operations reported in the consolidated balance sheets at December 31, 2008 consisted of the following (amounts in thousands):

	<b>December 31, 2008</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 992
Restricted cash	20,070
Accounts receivable	7,314
Inventories	75,008
Prepaid expenses and other assets	14,251
<b>Current assets</b>	<b>117,635</b>
Property, plant and equipment, net	199,040
Ore inventories	72,628
Value added tax recoverable	157,146
Other assets	17
	<b>\$ 546,466</b>
<b>Liabilities and Equity</b>	
Accounts payable and accrued liabilities	\$ 44,878
Accrued interest payable	5,797
Current portion of long term debt	233,623
<b>Current liabilities</b>	<b>284,298</b>
Long term debt	59,951
Reclamation & remediation liabilities	9,155
Other long term liabilities (income taxes)	4,398
Non-controlling interest	150,792
Accumulated earnings	37,872
	<b>\$ 546,466</b>

There are no remaining assets or liabilities from discontinued operations at June 30, 2009.

**4. Significant Accounting Policies**Recently Adopted Standards

During May 2008 the Financial Accounting Standards Board ("FASB") issued FASB Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)" ("FSP No. APB 14-1"). FSP No. APB 14-1 applies to convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative under Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS No. 133"). FSP No. APB 14-1 will require the liability and equity components of convertible debt instruments to be separately accounted for in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in



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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**4. Significant Accounting Policies (Continued)**

subsequent periods. As the Company did not have the ability or requirement to cash settle the Notes upon conversion, it does not have any instruments that fall within the scope of FSP No. APB 14-1 and accordingly there was no impact on the Company's consolidated financial position, results of operations or cash flows.

During February 2008 the FASB issued Staff Position No 157-2, "Effective Date of FASB Statement No. 157" ("FSP FAS 157-2"). FSP FAS 157-2 delayed the effective date of Financial Accounting Standard No. 157 "Fair Value Measurements" (FAS No. 157") by one year (until fiscal years beginning after November 15, 2008, or fiscal year 2009 for the Company) for non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The Company adopted the provisions of FSP FAS 157-2 for the Company's nonfinancial assets and liabilities measured at fair value on a nonrecurring basis on January 1, 2009. The adoption did not have a material impact on the Company's financial position or results of operations.

During March 2008 the FASB issued Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities - an Amendment of FASB Statement No. 133" Accounting for Derivative Instruments and Hedging Activities" ("FAS No. 161"). FAS No. 161 enhances the disclosure requirements under Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS No. 133") pertaining to how and why an entity uses derivative instruments, how derivative instruments and related hedge items are accounted for under FAS No. 133, and how derivative instruments and related hedge items affect an entity's financial position, financial performance, and cash flows. The Company adopted the provisions of FAS No. 161 on January 1, 2009, which did not impact the Company's disclosure requirements under FAS No. 133.

During December 2007 the FASB issued FAS No. 141R, which provides revised guidance on how an acquirer in a business combination recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, non-controlling interests acquired, and goodwill acquired. Under fresh-start accounting, the Company re-measured the assets and liabilities assumed from ASML at fair value and recorded a \$9.1 million gain on reorganization per the guidance of FAS No. 141R and SOP 90-7.

During December 2007 the FASB issued Financial Accounting Standards No. 160, "Non-controlling Interests in Consolidated Financial Statements - an Amendment of Accounting Research Bulletin No. 51, "Consolidated Financial Statements"" ("FAS No. 160"). A non-controlling interest, formerly called a minority interest, is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The objective of this Standard is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards related to non-controlling interests. The provisions of FAS No. 160 became effective for the Predecessor on January 1, 2009 and have been applied prospectively, except for the provisions related to the presentation of non-controlling interests, which have been applied retrospectively for all periods presented. Upon adoption of FAS No. 160, non-controlling interests of approximately \$150.8 million as of December 31, 2008 were recast to a component of total equity in the consolidated balance sheet. In addition, prior to the adoption of FAS No. 160, GAAP did not permit the allocation of losses to the non-controlling interest in excess of the non-controlling interest's recorded interest in the subsidiary. At December 31, 2008, a non-controlling interest of the Predecessor had accumulated approximately \$2.4 million of such unallocated losses. At June 30, 2009 the Company had no activities which would require the reporting of a non-controlling interest.

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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**4. Significant Accounting Policies (Continued)**

In April 2009, the FASB issued Staff Position No. FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP FAS 157-4"), which provides additional guidance on determining fair value when the volume and level of activity for an asset or liability have significantly decreased and includes guidance on identifying circumstances that indicate when a transaction is not orderly. In April 2009, the FASB issued Staff Position No. FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" ("FSP FAS 115-2 and FAS 124-2"), which: i) clarifies the interaction of the factors that should be considered when determining whether a debt security is other than temporarily impaired, ii) provides guidance on the amount of an other-than-temporary impairment recognized in earnings and other comprehensive income and iii) expands the disclosures required for other-than-temporary impairments for debt and equity securities. Also in April 2009, the FASB issued Staff Position No. 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" ("FSP FAS 107-1 and APB 28-1"), which requires disclosures about the fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. The Company adopted the provisions of FSP FAS 157-4, FSP FAS 115-2 and FAS 124-2, and FSP FAS 107-1 and APB 28-1 for the interim period ended June 30, 2009 (see Note 13).

Recently Issued Pronouncements

In May 2009, the FASB issued FASB Statement No. 165 "Subsequent Events" ("FAS No. 165") which establishes accounting and reporting standards for events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The statement sets forth (i) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet in its financial statements, and (iii) the disclosures that an entity should make about events or transactions occurring after the balance sheet date in its financial statements. The Company adopted the provisions of FAS No. 165 for the interim period ended June 30, 2009. The adoption of FAS No. 165 had no impact on the Company's consolidated financial position, results of operations or cash flows.

During June 2009, the FASB issued FASB Statement No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162" ("FAS No. 168" or "the Codification"). FAS No. 168 will become the source of authoritative U.S. GAAP to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification will supersede all non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become nonauthoritative. FAS 168 is effective for the Company's interim quarterly period beginning July 1, 2009. The Company does not expect the adoption of FAS 168 to have a material impact its consolidated financial position, results of operations or cash flows.

**5. Investments**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Short-term investments include investments with maturities greater than

Table of Contents**GOLDEN MINERALS COMPANY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Expressed in United States dollars)****5. Investments (Continued)**

three months, but not exceeding 12 months. Long-term investments include investments with maturities greater than 12 months.

The Company determines the appropriate classification of its investments in debt and equity securities at the time of purchase and re-evaluates those classifications at each balance sheet date. Debt securities are classified as held to maturity when the Company has the intent and ability to hold the securities to maturity. Held to maturity debt securities are stated at amortized cost. Available for sale investments are marked to market at each reporting period with changes in value recorded as a component of other comprehensive income (loss). If declines in value are deemed other than temporary, a charge is made to net income (loss) for the period.

The following tables summarize the Company's investments at June 30, 2009 and December 31, 2008:

<b>June 30, 2009</b>	<b>Cost</b>	<b>Estimated Fair Value</b>	<b>Carrying Value</b>
<b>Successor</b>			
<b>Investments:</b>			
<b>Short-term:</b>			
<b>Available for sale</b>			
Auction rate securities	\$ 5,249	\$ 4,606	\$ 4,606
Common stock	88	226	226
<b>Total available for sale</b>	<b>5,337</b>	<b>4,832</b>	<b>4,832</b>
<b>Total short term</b>	<b>\$ 5,337</b>	<b>\$ 4,832</b>	<b>\$ 4,832</b>

<b>December 31, 2008</b>	<b>Cost</b>	<b>Estimated Fair Value</b>	<b>Carrying Value</b>
<b>Predecessor</b>			
<b>Investments:</b>			
<b>Short-term:</b>			
<b>Available for sale</b>			
Common stock	\$ 761	\$ 124	\$ 124
Corporate notes	223	224	224
Government bonds	15,924	16,003	16,003
<b>Total available for sale</b>	<b>16,908</b>	<b>16,351</b>	<b>16,351</b>
<b>Total short term</b>	<b>\$ 16,908</b>	<b>\$ 16,351</b>	<b>\$ 16,351</b>
<b>Long-term:</b>			
<b>Available for sale</b>			
Corporate notes	\$ 405	\$ 386	\$ 386

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Auction rate securities	5,101	5,101	5,101
<b>Total available for sale</b>	<b>5,506</b>	<b>5,487</b>	<b>5,487</b>
Total long term	\$ 5,506	\$ 5,487	\$ 5,487

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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**5. Investments (Continued)**

Quoted market prices at June 30, 2009 and December 31, 2008 were used to determine the estimated fair values of the above investments, except with respect to the ARS. See Note 13 for further discussion on the fair value measurement techniques used by the Company to value the above investments.

*Auction Rate Security Investments (ARS)*

During July 2009 the Company sold certain of its ARS investments in a secondary market for \$2.5 million (see Note 20). At June 30, 2009 these ARS investments held by the Company were recorded at an estimated fair value of \$2.5 million equal to the July 2009 sales proceeds of these ARS investments. For the remaining ARS investments not sold, the estimated fair value was determined by the Company with the assistance of a third party valuation firm. The ultimate disposition of these remaining ARS may result in recoverable values that are significantly different from the estimates made by management and the Company may be required to recognize impairments. During the second quarter 2009, the Company recognized a net loss of \$1.3 million related to the fair value adjustment for the ARS investments sold during July 2009 and recognized a \$0.7 million unrealized gain, in other comprehensive income, related to the ARS investments not disposed of.

*Credit Risk*

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. For cash and cash equivalents and investments, the Company's maximum exposure to credit risk represents the carrying amount on the balance sheet. The Company attempts to mitigate credit risk for cash and cash equivalents and investments by placing its funds and investments with high credit-quality financial institutions, limiting the amount of exposure to each financial institution, monitoring the financial condition of the financial institutions and investing only in government and corporate securities rated "investment grade" or better. The Company invests with financial institutions that maintain a net worth of not less than \$1 billion and are members in good standing of the Securities Investor Protection Corporation.

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## GOLDEN MINERALS COMPANY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in United States dollars)

**6. Prepaid expenses and other assets**

Prepaid expenses and other assets consist of the following:

	<b>June 30 2009</b>	<b>December 2008</b>
	<b>Successor</b>	<b>Predecessor</b>
	<b>(in thousands)</b>	
Current portion of note receivable	\$	\$ 2,079
Royalty receivable	128	
Joint venture receivable	67	
Deferred leasehold costs	345	
Prepaid insurance	303	3,356
Prepaid legal costs	171	
Accrued interest on investments	26	236
Prepaid contractor fees and vendor advances	76	7,266
Insurance premium refund receivable		778
Recoupable deposits and other	196	1,835
	\$ 1,312	\$ 15,550

June 30, 2009

The joint venture receivable is related to amounts due from a joint venture project the Company owns in Peru. Deferred leasehold costs are related to the Company's headquarters office lease in Golden, Colorado. Prepaid legal costs are related to retention amounts paid for legal services and are expected to settle during the third quarter 2009. Prepaid contractor fees and vendor advances consist primarily of advance payments made to contractors and suppliers for exploration related services.

In addition included in non-current assets is approximately \$557,000 of prepaid insurance on which amortization will be recognized through 2015.

December 31, 2008

The current portion of notes receivable was related to funds previously advanced by the Company to the contractor that constructed the load out facilities at the Port of Mejillones (see Note 11). Prepaid contractor fees and vendor advances consisted primarily of advance payments made to contractors and suppliers for mining and processing supplies and services at the San Cristóbal mine. Each of these amounts was eliminated in the sale of the San Cristóbal mine to Sumitomo.

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## GOLDEN MINERALS COMPANY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in United States dollars)

**7. Inventories**

Inventories at the San Cristóbal mine at December 31, 2008 consisted of the following:

	December 31, 2008 (in thousands)
<i>Current Inventories</i>	
Concentrate	\$ 18,638
Material and supplies	56,370
	\$ 75,008
<i>Long Term Stockpile Inventories</i>	
Oxide ore stockpiles	\$ 72,628
	\$ 72,628

The Company had no inventories at June 30, 2009, as all inventories were associated with the San Cristóbal assets sold (see Notes 2 and 3).

Concentrate inventories at December 31, 2008 consisted of approximately 46,467 tonnes of concentrates and were carried at the lower of cost or market. The long term stockpile inventories consisted of stockpiled ore that will be processed later in the mine life and were carried at the lower of cost or market. Material and supplies inventory consisted primarily of fuel, reagents and operating supplies at the San Cristóbal mine and were carried at the lower of cost or market.

**8. Value Added Tax Recoverable**

The Company has recorded value added tax ("VAT") paid in Bolivia and related to the San Cristóbal mine as a recoverable asset. At June 30, 2009, the Company had no recoverable VAT as all recoverable VAT was associated with the San Cristóbal assets sold (see Notes 2 and 3). At December 31, 2008 the VAT recoverable amount was \$157.1 million and included \$19.5 million of recoverable Bolivian import duties.

The Company has also paid VAT in Bolivia as well as other countries, primarily related to exploration activities, which is charged to expense as incurred because of the uncertainty of recoverability.

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## GOLDEN MINERALS COMPANY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in United States dollars)

**9. Property, Plant and Equipment and assets held for sale***Property, plant and equipment*

The components of property, plant and equipment are as follows:

	June 30, 2009	December 31, 2008
	Successor	Predecessor
	(in thousands)	
Mining properties	\$ 6,232	\$ 49,596
Exploration properties	6,232	14,782
Construction in progress	382	3,709
Buildings & leasehold improvements	1,912	123,139
Mining equipment and machinery	661	5,128
Other furniture and equipment	9,187	196,354
Less: Accumulated depreciation	(163)	(56,446)
	9,024	139,908
Equipment under capital lease		72,425
Less: Accumulated depreciation		(21,337)
		51,088
Port facilities under lease.		12,283
Less: Accumulated depreciation		(745)
		11,538
	\$ 9,024	\$ 202,534

The increase in exploration properties is the result of recording certain of the Company's exploration properties at fair market value per the requirements of fresh start accounting as discussed in Note 2.

Property, plant and equipment with a net book value of \$187.4 million were included in the net assets and liabilities sold with the San Cristóbal mine on March 24, 2009.

During the second quarter 2009, the Company sold an office building it owned in La Paz, Bolivia for \$650,000 and recorded a loss on the sale of \$180,000 plus tax expense related to the transaction of \$33,000. The Company received an upfront cash payment of \$600,000 and will receive the remaining \$50,000 upon final closing during the third quarter 2009.

*Assets held for sale*

At June 30, 2009 the company had obtained approval from the Company's board of directors to sell an exploration property it holds in Bolivia with a carrying value of \$2.5 million and a property it holds in Mexico with a carrying value of \$0.6 million. The property in Bolivia is subject to a joint venture arrangement with a third party that is currently earning a majority operating interest by funding certain exploration and

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operations feasibility work. The property in Mexico consists of a few mining concessions located on the southern edge of the Zacatecas district, outside of the Company's targeted exploration

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## GOLDEN MINERALS COMPANY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in United States dollars)

**9. Property, Plant and Equipment and assets held for sale (Continued)**

program in the area. The Company is currently negotiating with potential buyers for both properties. At June 30, 2009 the \$3.1 million carrying value of the two properties was recorded as assets held for sale.

**10. Accounts Payable and Other Accrued Liabilities**

The Company's accounts payable and other accrued liabilities consist of the following:

	June 30, 2009	December 31, 2008
	Successor	Predecessor
	(in thousands)	
Accounts payable and accruals	\$ 2,400	\$ 27,502
Deferred revenue		3,227
Amounts due smelters		7,974
Income taxes payable		1,764
Accrued employee compensation and benefits	1,192	8,394
	\$ 3,592	\$ 48,861

Accrued employee compensation and benefits at June 30, 2009 consist of \$0.4 million of accrued performance bonuses payable, \$0.2 million of accrued vacation payable and \$0.6 million related to withholding taxes and benefits payable.

**11. Debt**

The Company's debt at December 31, 2008 consisted of the following:

	Current	Long-term
	(in thousands)	
2.875% Convertible Senior Subordinated Notes due 2024	\$ 180,000	\$
4.0% Convertible Senior Subordinated Notes due 2024	109,987	
Project finance facility	225,000	
Note assigned to Sumitomo		9,060
Capital leases	8,307	39,549
Port lease liability	316	11,342
	\$ 523,610	\$ 59,951

Subsequent to December 31, 2008 all of the Company's debt was sold or extinguished as a result of the sale of the net assets and liabilities of the San Cristóbal mine and Chapter 11 reorganization (see Note 2).

*2.875% Notes and 4.0% Notes*

Under the Plan, holders of the Notes received a pro rata distribution of (i) 2,987,735 shares of the Company's common stock and (ii) approximately \$45.0 million of cash in exchange for the cancellation of the Notes. An additional 12,265 shares were reserved for issuance to holders of unsecured claims of ASML, and any such shares that are not issued to the holders of such claims will be issued to the Note holders on a pro rata basis. To record the effect of the reorganization, ASML wrote off the \$290.0 million



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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**11. Debt (Continued)**

liability related to the Notes plus \$3.2 million of accumulated interest and recorded a \$248.2 million gain at March 24, 2009. At June 30, 2009, the Company had no further obligations related to the Notes, other than the possible issuance of the additional shares noted above. Had ASML not been in Chapter 11 bankruptcy between January 12, 2009 and the Effective Date, the Notes would have accrued an additional \$1.9 million of interest.

*San Cristóbal Project Finance Facility*

On December 17, 2008, Sumitomo purchased 90% of the loans under the San Cristóbal Project Finance Facility (the "Facility") from the senior lenders. ASML's guarantee and other obligations to Sumitomo with respect to the 90% of the facility owned by Sumitomo were terminated as part of the Plan and the sale of the San Cristóbal mine. The remaining 10% of the Facility held by the senior lenders was canceled in connection with the Company's emergence from bankruptcy under the Plan. The Predecessor (ASML) recognized a \$22.5 million gain on the termination of its obligations related to the Facility and recorded the gain as a reduction of the loss on the sale of interest in subsidiaries as the Facility was the primary obligation of MSC. At June 30, 2009, the Company had no further obligations related to the Facility.

The Company segregates cash that is restricted by contractual agreement, and reports these amounts separately in the financial statements. At December 31, 2008 the Company reported as current restricted cash \$20.6 million that was restricted to provide operating capital for the San Cristóbal mine and the payment of the Facility principal and interest.

*Sumitomo Note Assignment*

During 2006 and 2007 ASML loaned funds to San Cristóbal Transportada de Eletricidad S.A. ("SC TESA"), the contractor that constructed the power line for the San Cristóbal mine, and received a promissory note from SC TESA in the amount of \$21.2 million. In connection with the September 2006 sale of 35% of the San Cristóbal mine to Sumitomo, ASML sold 35% of this note to Sumitomo. At December 31, 2008 the Company had recorded a note payable to Sumitomo in the amount of \$9.1 million, which includes accrued interest, as a result of the assignment of the 35% interest in the SC TESA promissory note. In connection with the sale of the San Cristóbal mine to Sumitomo, the remaining amount of the SC TESA note receivable was sold to Sumitomo and the note payable to Sumitomo was terminated. At June 30, 2009, the Company had no further obligations related to the note assignment.

*Capital Leases*

Certain mining equipment used by the contractor that provides mining services for the San Cristóbal mine has been recorded as capital leases because the equipment is used exclusively at the San Cristóbal mine. At December 31, 2008 ASML had recorded on its balance sheet \$51.1 million of equipment, net of accumulated depreciation, and a capital lease obligation of \$47.9 million related to the leased equipment. Following the sale of the San Cristóbal mine to Sumitomo, the Company retained no interest in the mining contract or equipment. At June 30, 2009 the Company had no capital lease obligations.



Table of Contents**GOLDEN MINERALS COMPANY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Expressed in United States dollars)****11. Debt (Continued)***Port Lease Liability*

Certain assets were constructed at the Port of Mejillones for the exclusive use of the San Cristóbal mine, including concentrate reception, unloading and storage facilities. ASML determined that a leasing arrangement exists with respect to those assets. As of December 31, 2008 ASML had recorded on its balance sheet \$11.5 million of plant and equipment, net of accumulated depreciation, and a financing obligation of \$11.7 million related to the port facility. Following the sale of the San Cristóbal mine to Sumitomo, the Company retained no interest in the contracts or other rights or obligations related to the port.

*Sumitomo Working Capital Line of Credit*

During 2008, Sumitomo provided \$150.0 million in funding to the San Cristóbal mine under a working capital credit line to augment cash flow from concentrate sales in order to fund San Cristóbal's operating costs, income and other taxes, capital costs and financing costs. All obligations of the Company with respect to the Sumitomo working capital line of credit were terminated with the sale of the San Cristóbal mine to Sumitomo and at June 30, 2009 the Company had no obligations related to the working capital line of credit.

**12. Asset Retirement Obligations**

ASML had developed an asset retirement plan for the San Cristóbal mine which included estimated reclamation, remediation and closure requirements based on Bolivian government requirements, World Bank financing requirements and the Company's policies.

The following table reconciles the beginning and ending balance for ASML's asset retirement obligations:

	<b>The Period Ended March 24, 2009</b>	<b>Year Ended December 31, 2008</b>
	(in thousands)	
Beginning balance	\$ 9,155	\$ 6,981
ARO arising in the period	288	1,380
Changes in estimates, and other		
Liabilities settled		
Accretion expense	232	794
Obligation assumed in sale of MSC	(9,675)	
Ending balance	\$	\$ 9,155

All asset retirement obligations of the Company were terminated in connection with the sale of the San Cristóbal mine. At June 30, 2009 the Company had no asset retirement obligations related to the San Cristóbal mine or any of its exploration properties.

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**GOLDEN MINERALS COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Expressed in United States dollars)**

**13. Fair Value Measurements**

Effective January 1, 2008 the Company adopted Financial Accounting Standards No. 157 "Fair Value Measurements", ("FAS No. 157") for the financial assets and liabilities and nonfinancial assets and liabilities which are measured at fair value on a recurring (annual) basis. FAS No. 157 establishes a framework for measuring fair value in the form of a fair value hierarchy which prioritizes the inputs into valuation techniques used to measure fair value into three broad levels. This hierarchy gives the highest priority to quoted prices (unadjusted) in active markets and the lowest priority to unobservable inputs. Further, financial assets and liabilities should be classified by level in their entirety based upon the lowest level of input that was significant to the fair value measurement. The three levels of the fair value hierarchy per FAS No. 157 are as follows:

**Level 1:** Unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

**Level 2:** Quoted prices in inactive markets for identical assets or liabilities, quoted prices for similar assets or liabilities in active markets, or other observable inputs either directly related to the asset or liability or derived principally from corroborated observable market data.

**Level 3:** Unobservable inputs due to the fact that there is little or no market activity. This entails using assumptions in models which estimate what market participants would use in pricing the asset or liability.

The following table summarizes the Company's financial assets at fair value at June 30, 2009, by respective level of the fair value hierarchy: