

Golden Minerals Co
Form 10-Q
August 09, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2018.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-13627

GOLDEN MINERALS COMPANY

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

26-4413382

(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

(I.R.S. EMPLOYER
IDENTIFICATION NO.)

350 INDIANA STREET, SUITE 800
GOLDEN, COLORADO

80401

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(303) 839-5060

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS: YES NO

INDICATE BY CHECK MARK WHETHER THE REGISTRANT HAS SUBMITTED ELECTRONICALLY AND POSTED ON ITS CORPORATE WEB SITE, IF ANY, EVERY INTERACTIVE DATA FILE REQUIRED TO BE SUBMITTED AND POSTED PURSUANT TO RULE 405 OF REGULATION S-T (§232.405 OF THIS CHAPTER) DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO SUBMIT AND POST SUCH FILES): YES NO

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A LARGE ACCELERATED FILER, AN ACCELERATED FILER, A NON-ACCELERATED FILER, A SMALLER REPORTING COMPANY OR AN EMERGING GROWTH COMPANY. SEE DEFINITION OF "LARGE ACCELERATED FILER", "ACCELERATED FILER", "SMALLER REPORTING COMPANY", AND "EMERGING GROWTH COMPANY" IN RULE 12B-2 OF THE EXCHANGE ACT.:

LARGE ACCELERATED FILER
NON-ACCELERATED FILER

ACCELERATED FILER
SMALLER REPORTING COMPANY

EMERGING GROWTH COMPANY

IF AN EMERGING GROWTH COMPANY, INDICATE BY CHECK MARK IF THE REGISTRANT HAS ELECTED NOT TO USE THE EXTENDED TRANSITION PERIOD FOR COMPLYING WITH ANY NEW OR REVISED FINANCIAL ACCOUNTING STANDARDS PROVIDED PURSUANT TO SECTION 13(A) OF THE EXCHANGE ACT.

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A SHELL COMPANY (AS DEFINED IN RULE 12B-2 OF THE EXCHANGE ACT): YES NO

INDICATE BY CHECK MARK WHETHER THE REGISTRANT HAS FILED ALL DOCUMENTS AND REPORTS REQUIRED TO BE FILED BY SECTIONS 12, 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 SUBSEQUENT TO THE DISTRIBUTION OF SECURITIES UNDER A PLAN CONFIRMED BY A COURT: YES NO

AT AUGUST 9, 2018, 95,620,796 SHARES OF COMMON STOCK, \$0.01 PAR VALUE PER SHARE, WERE ISSUED AND OUTSTANDING

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GOLDEN MINERALS COMPANY

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QUARTER ENDED JUNE 30, 2018

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GOLDEN MINERALS COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Expressed in United States dollars)

(Unaudited)

	June 30, 2018	December 31, 2017
	(in thousands, except share data)	
Assets		
Current assets		
Cash and cash equivalents (Note 4)	\$ 2,510	\$ 3,250
Short-term investments (Note 4)	343	238
Lease receivables	435	314
Inventories, net (Note 6)	239	242
Value added tax receivable, net (Note 7)	13	148
Prepaid expenses and other assets (Note 5)	1,019	745
Total current assets	4,559	4,937
Property, plant and equipment, net (Note 8)	7,632	8,140
Total assets	\$ 12,191	\$ 13,077
Liabilities and Equity		
Current liabilities		
Accounts payable and other accrued liabilities (Note 9)	\$ 1,652	\$ 1,556
Deferred revenue, current (Note 15)	293	293
Other current liabilities (Note 10)	197	9
Total current liabilities	2,142	1,858
Asset retirement and reclamation liabilities (Note 11)	2,582	2,495
Deferred revenue, non-current (Note 15)	454	600
Other long term liabilities	27	43
Total liabilities	5,205	4,996
Commitments and contingencies (Note 18)		
Equity (Note 14)	955	919

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Common stock, \$.01 par value, 200,000,000 shares authorized; 95,520,796 and 91,929,709 shares issued and outstanding respectively

Additional paid in capital	517,635	516,284
Accumulated deficit	(511,604)	(509,082)
Accumulated other comprehensive loss	—	(40)
Shareholders' equity	6,986	8,081
Total liabilities and equity	\$ 12,191	\$ 13,077

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

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GOLDEN MINERALS COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in United States dollars)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	(in thousands except per share data)		(in thousands, except per share data)	
Revenue:				
Oxide plant lease (Note 15)	\$ 1,730	\$ 1,692	\$ 3,367	\$ 3,336
Total revenue	1,730	1,692	3,367	3,336
Costs and expenses:				
Oxide plant lease costs (Note 15)	(525)	(548)	(1,028)	(1,085)
Exploration expense	(1,041)	(457)	(1,940)	(991)
El Quevar project expense	(281)	(192)	(553)	(341)
Velardeña shutdown and care and maintenance costs	(492)	(369)	(981)	(719)
Administrative expense	(822)	(872)	(1,883)	(1,898)
Stock based compensation	(235)	(242)	(250)	(307)
Reclamation expense	(52)	(48)	(103)	(97)
Other operating income, net (Notes 7 and 8)	224	705	1,450	862
Depreciation and amortization	(264)	(130)	(560)	(318)
Total costs and expenses	(3,488)	(2,153)	(5,848)	(4,894)
Loss from operations	(1,758)	(461)	(2,481)	(1,558)
Other income and (expense):				
Interest and other income, net (Note 16)	110	4	113	22
(Loss) gain on foreign currency	(41)	(3)	(56)	3
Total other income	69	1	57	25
Loss from operations before income taxes	(1,689)	(460)	(2,424)	(1,533)
Income tax	—	—	—	—
Net loss	\$ (1,689)	\$ (460)	\$ (2,424)	\$ (1,533)
Comprehensive loss, net of tax:				
Unrealized loss on securities (Note 3)	—	(51)	—	(103)
Comprehensive loss	\$ (1,689)	\$ (511)	\$ (2,424)	\$ (1,636)
Net loss per common share — basic				
Loss	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.02)
Weighted average Common Stock outstanding - basic (1)	93,681,301	89,618,677	92,709,238	89,485,223

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

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

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GOLDEN MINERALS COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in United States dollars)

(Unaudited)

	Six Months Ended June 30,	
	2018	2017
	(in thousands)	
Cash flows from operating activities:		
Net cash used in operating activities (Note 17)	\$ (2,949)	\$ (1,269)
Cash flows from investing activities:		
Proceeds from sale of assets	1,474	733
Acquisitions of property, plant and equipment	(58)	—
Net cash from investing activities	\$ 1,416	\$ 733
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of issuance costs	793	674
Net cash from financing activities	\$ 793	\$ 674
Net (decrease) increase in cash and cash equivalents	(740)	138
Cash and cash equivalents, beginning of period	3,250	2,588
Cash and cash equivalents, end of period	\$ 2,510	\$ 2,726

See Note 17 for supplemental cash flow information.

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

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GOLDEN MINERALS COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in United States dollars)

(Unaudited)