

Golden Minerals Co
Form S-1/A
March 12, 2010

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As filed with the Securities and Exchange Commission on March 12, 2010

Registration Statement No. 333-162486

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Amendment No. 5

to

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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)

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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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

Title of Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed Maximum Offering Price per Share ⁽²⁾	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee ⁽³⁾
Common Stock (par value \$0.01 per share)	5,175,000	\$10.50	\$54,337,500	\$3,032.03

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

(2) 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, based on a bona fide estimate of the maximum offering price.

(3) Previously paid.

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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EXPLANATORY NOTE

This Registration Statement contains a prospectus relating to an offering of shares of our common stock in the United States, together with separate prospectus pages relating to an offering of shares of our common stock in Canada. The U.S. prospectus and the Canadian prospectus will be substantially identical. The complete U.S. prospectus is included herein and is followed by those pages to be used solely in the Canadian prospectus. Each of the alternate pages for the Canadian prospectus included in this registration statement has been labeled "[Alternate Page for Canadian Prospectus.]"

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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, March 12, 2010

\$

GOLDEN MINERALS COMPANY

4,500,000 Shares
Common Stock

We are offering 4,108,763 shares of common stock and the selling stockholder named in this prospectus is offering 391,237 shares (the "Offering"). We will not receive any proceeds from the sale of shares by the selling stockholder.

This is an initial public offering of our 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 last sale price for our common stock on March 11, 2010, as reported by The Pink Sheets LLC at *www.pinksheets.com*, was \$9.39 per share. Our common stock is also listed on the Toronto Stock Exchange (the "TSX") under the symbol "AUM". The closing price for our common stock on March 11, 2010, as quoted on the TSX was Cdn\$9.40. It is currently estimated that the public offering price per share will be between US\$8.50 and US\$10.50; however, in accordance with TSX policy, the public offering price per share may generally not be more than 10% below the volume weighted average price of our common stock on the TSX for the five trading days prior to and including the pricing date. For illustrative purposes only, the volume weighted average price of our common stock on the TSX for the five trading days prior to and including March 11, 2010 was \$9.37, converted to U.S. dollars based on the noon exchange rate of Cdn\$1.00=US\$0.9742, as reported by the Bank of Canada on that date, with the price 10% below \$9.37 being \$8.43.

Sentient Global Resources Fund III, LP and SGRF III Parallel I, LP (collectively, "Sentient") together hold 19.9% of our outstanding common stock (excluding outstanding restricted stock held by our employees). Sentient has the right to purchase from us a number of shares of our common stock concurrent with the public offering such that Sentient will continue to hold the same percentage of our outstanding common stock after closing of the Offering, including the over-allotment option, as it held before such closing. Sentient has indicated to us that it intends to exercise its right in full. However, we do not currently have a binding commitment from Sentient to purchase any shares. Any shares purchased by Sentient will be sold outside the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended.

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 "AUMN". 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 8 of this prospectus.

	Per Share	Total Proceeds
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

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Proceeds, before expenses, to the selling stockholder \$ \$

We have granted the underwriters (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 675,000 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 , 2010.

Dahlman Rose & Company

Canaccord Adams Inc.

Rodman & Renshaw, LLC

The date of this prospectus is , 2010

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You should rely only on the information contained in this prospectus. Neither the Underwriters 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 Underwriters 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

The following is a summary of the principle features of this distribution and should be read together with the more detailed information and financial data and statements 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 the prospectus to "\$" are to U.S. dollars. References to "Cdn\$" are to Canadian dollars. Unless we specifically state otherwise, all information in this prospectus assumes no exercise by the Underwriters of their over-allotment option.

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 precious metals 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 100% controlled El Quevar silver project in northwestern Argentina. From the inception of our exploration activities in 2004 through December 31, 2009, we have spent approximately \$12.8 million on exploration and related activities at El Quevar. Based on an independent technical report completed in January 2010, there are an estimated 866,000 tonnes of mineralized material at an average silver grade of approximately 412 grams per tonne at El Quevar. See "*Business and Properties El Quevar Geology and Mineralization.*" The mineralized material estimate in the January 2010 technical report reflects an increase of approximately 180% compared to a similar technical report issued in October 2009. 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.

In addition to El Quevar, we own or 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 at the Pánuco target. We are also conducting drilling programs to explore several of our other projects, including 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 Delaware 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

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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.

Our Competitive Strengths and Business Strategy

Our business strategy is to discover, build and operate our own mines and our current primary focus is on advancing the El Quevar project and our five target projects in Latin America. 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. Members of our management team 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 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 we currently manage on behalf of Sumitomo, cost approximately \$1.0 billion to develop and construct, and 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.

El Quevar Advanced Exploration Project. Our most advanced exploration project, the El Quevar project, is located 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, one of 13 currently identified target areas, appears to be a relatively high grade silver deposit. We also have significant opportunity for expansion as we solely control 19 concessions totaling approximately 64,000 hectares in addition to the concession on which the Yaxtché deposit is located.

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, Chile, Mexico and Peru, including several focus properties in the Zacatecas state of Mexico. We have been successful at generating value from the sale or farm-out for cash, stock and/or royalties of certain properties that do not meet our minimum economic requirements for potential advancement.

Simple Capital Structure. We do not have any debt, and as of December 31, 2009 we had \$8.6 million in cash. Upon the completion of the Offering at an assumed public offering price of \$9.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus, we estimate that our net cash proceeds will be approximately \$44.7 million, assuming Sentient exercises its pre-emptive right in full but that the Underwriters' over-allotment option is not exercised. While Sentient has indicated to us that it intends to exercise its right in full, we do not currently have a binding commitment from Sentient to purchase any shares. See "Use of Proceeds." In addition, we anticipate that we will receive approximately \$6.0 million in net cash flow from our existing management services agreement during 2010. Other than warrants held by Hochschild Mining plc ("Hochschild") for the purchase of 300,000 shares at an exercise price of \$15.00, 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.

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Recent Developments

Hochschild Transaction

On January 7, 2010, we completed a transaction with MH Argentina S.A., a wholly owned subsidiary of Hochschild, pursuant to which we acquired Hochschild's 35% interest in Minera El Quevar S.A. ("Minera El Quevar"), an Argentine company in which we held the other 65% interest. Minera El Quevar controls approximately 10,000 hectares of the 64,000 hectare El Quevar project, including the Yaxtché target area. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Hochschild Transaction*".

Sentient Investment

On January 7, 2010, we completed a private placement with Sentient, an independent private equity firm in the global resources industry with approximately \$1.3 billion under management. In the private placement, we sold to Sentient a total of 844,694 shares of our common stock at a price of Cdn\$7.06 per share. Sentient became our largest stockholder, holding 19.9% of our outstanding common stock (excluding outstanding restricted stock held by our employees). The offer and sale of our common stock to Sentient were exempt from registration under the U.S. Securities Act of 1933, as amended, pursuant to Regulation S thereunder. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Sentient Investment*".

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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.

Issuer:	Golden Minerals Company
Common stock offered by Golden Minerals:	4,108,763 shares
Common stock offered by selling stockholder:	391,237 shares
Offering:	This Offering is being made concurrently in the U.S. and in Canada in the provinces of Ontario, Alberta, and British Columbia. We may also make offers on a private placement basis in Canada and may do so in other jurisdictions where permitted under applicable law.
Over-allotment option:	We have granted to the Underwriters an over-allotment option to purchase up to 675,000 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.
Concurrent offering to Sentient:	Under the terms of the purchase agreement with Sentient, Sentient has the right to purchase a number of shares of common stock concurrent with the public offering such that Sentient will continue to hold the same percentage of outstanding common stock of Golden Minerals (excluding outstanding restricted stock held by our employees) after closing of the Offering, including the over-allotment option, as it held before such closing. Sentient may purchase from us up to 1,018,198 shares of common stock (1,185,470 shares if the over-allotment option is exercised in full) at the public offering price. This concurrent offering to Sentient is being made pursuant to a long form prospectus in Canada in the provinces of Ontario, Alberta, and British Columbia, and outside the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended. Sentient has indicated to us that it intends to exercise in full its pre-emptive right concurrent with the Offering to maintain its percentage of the outstanding common stock of Golden Minerals. However, we do not currently have a binding commitment from Sentient to purchase any shares.
Common stock outstanding:	Prior to the Offering, we had 4,483,309 shares of common stock outstanding. ⁽¹⁾ Following the offering, we will have 9,610,270 shares of common stock outstanding if Sentient elects to purchase all of the shares which it is entitled to purchase, and 8,592,072 shares of common stock outstanding if Sentient does not elect to purchase such shares. ⁽¹⁾⁽²⁾

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Use of proceeds:

We estimate that our net proceeds from this Offering, based on an assumed public offering price of \$9.50 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 \$44.7 million if Sentient elects to purchase all of the shares which it is entitled to purchase, and approximately \$35.4 million if Sentient does not elect to purchase such shares.⁽³⁾ We expect to use approximately \$30.0 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, approximately \$5.0 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 stockholder.

Market for our 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". 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 "AUMN".

Risk factors:

An investment in our common stock is subject to a number of risks. Risk factors relating to our company include the success of our El Quevar project in Argentina, our need for substantial additional financing in order to develop the El Quevar project, the services of our key executives, our exploration success, prices of precious metals, our successful management of the San Cristóbal mine, permitting, operations in developing countries, title defects, foreign government action, mining hazards, changing laws and competition. Risk factors relating to our common stock include market price volatility, possible future sales activity, unlikelihood of future dividend payments, and potential dilution. You should carefully consider the information under the heading "Risk Factors" and all other information included in this prospectus before deciding to invest in our common stock.

-
- (1) Includes 230,000 shares of restricted common stock outstanding under our 2009 Equity Incentive Plan. 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.
- (2) If the over-allotment option is exercised in full, 10,452,542 shares of common stock will be outstanding after this offering assuming Sentient elects to purchase all of the shares which it is entitled to purchase, and 9,267,072 shares of common stock will be outstanding assuming Sentient does not elect to purchase such shares.
- (3) If the over-allotment option is exercised in full, we estimate that our net proceeds from this Offering would be approximately \$52.3 million, assuming Sentient elects to purchase all of the shares which it is entitled to purchase, and approximately \$41.4 million if Sentient does not elect to purchase such shares.

Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA**

The selected consolidated financial data for the period ended December 31, 2009 has been derived from our audited financial statements for that period. 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 December 31, 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 year ended December 31, 2005 was derived from our historic financial records. The financial information for all periods presented, except for the period ended December 31, 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 predecessor 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 and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

	The Year Ended December 31, 2009		The Year Ended December 31,			
	For The Period March 25, 2009 Through December 31, 2009 (Successor)	For The Period January 1, 2009 Through March 24, 2009	2008	2007	2006	2005
			(Predecessor)			
	(in thousands, except per share amounts)					
Statement of Operations:						
Revenue	\$ 11,067	\$ 1,350	\$ 5,400	\$ 5,400	\$ 2,640	\$ 143
Operating expenses	(27,090)	(11,080)	(46,124)	(36,163)	(28,386)	(23,173)
Other income (expense), net ⁽¹⁾	(3,285)	253,516	(28,392)	(19,567)	14,602	13,682
Net loss from continuing operations before income taxes	(19,308)	243,786	(69,116)	(50,330)	(11,144)	(9,348)
Income taxes	(968)	(165)	(618)	(879)	(749)	(379)
Net income (loss) from continuing operations	(20,276)	243,621	(69,734)	(51,209)	(11,893)	(9,727)
Loss from discontinued operations ⁽²⁾		(4,153)	(166,625)	(24,634)	(510,465)	(57,327)
Net loss	(20,276)	239,468	(236,359)	(75,843)	(522,358)	(67,054)
Net income (loss) attributable to noncontrolling interest ⁽³⁾		(7,869)	118,122	87,399	8,813	16
Net income (loss) attributable to shareholders	\$ (20,276)	\$ 231,599	\$ (118,237)	\$ 11,556	\$ (513,545)	\$ (67,038)
Net income (loss) per Common Stock / Ordinary Share basic						
Net income (loss) from continuing operations attributable to shareholders	\$ (6.78)	\$ 4.13	\$ (1.18)	\$ (0.87)	\$ (0.21)	\$ (0.20)
Net income (loss) from discontinued operations attributable to shareholders		(0.20)	(0.82)	1.07	(8.88)	(1.18)
Net income (loss) attributable to shareholders	\$ (6.78)	\$ 3.93	\$ (2.01)	\$ 0.20	\$ (9.09)	\$ (1.38)

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	The Year Ended December 31, 2009		The Year Ended December 31,			
	For The Period March 25, 2009 Through December 31, 2009	For The Period January 1, 2009 Through March 24, 2009	2008	2007	2006	2005
Net income (loss) per Common Stock						
Ordinary Share diluted						
Net loss from continuing operations attributable to shareholders	\$ (6.78)	\$ (0.06)	\$ (1.18)	\$ (0.87)	\$ (0.21)	\$ (0.20)
Net income (loss) from discontinued operations attributable to shareholders		(0.17)	(0.82)	1.07	(8.88)	(1.18)
Net income (loss) attributable to shareholders	\$ (6.78)	\$ (0.23)	\$ (2.01)	\$ 0.20	\$ (9.09)	\$ (1.38)
Weighted average Common Stock / Ordinary Shares outstanding basic	2,989,562	59,000,832	58,947,025	58,714,935	56,498,416	48,615,586
Weighted average Common Stock / Ordinary Shares outstanding diluted	2,989,562	69,171,400	58,947,025	58,714,935	56,498,416	48,615,586
Cash Flow Data:						
Net cash used in operating activities	\$ (23,247)	\$ (13,849)	\$ (139,554)	\$ (166,029)	\$ (70,727)	\$ (24,338)
Net cash provided by (used in) investing activities	\$ 6,197	\$ 43,043	\$ (95,842)	\$ 40,254	\$ (223,012)	\$ (1,869)
Net cash provided by (used in) financing activities ⁽⁴⁾	\$	\$ (37,297)	\$ 228,383	\$ 116,671	\$ 338,771	\$ 3,275
	At December 31, 2009	At December 31,				
		2008	2007	2006	2005	
Balance Sheet Data:						
Total assets	\$ 21,700	\$ 606,347	\$ 1,324,911	\$ 1,270,096	\$ 780,511	
Long term liabilities	\$ 651	\$ 73,504	\$ 1,040,098	\$ 1,278,474	\$ 467,743	
Noncontrolling interest	\$ 794	\$ 150,792	\$	\$ 40	\$ 34	
Parent company's shareholder's equity (deficit)	\$ 17,764	\$ (199,080)	\$ (84,101)	\$ (103,290)	\$ 227,229	

(1) 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. 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 \$150.0 million of funding by Sumitomo directly to Apex Silver's San Cristóbal mine. The 2007 amount includes \$45.0 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.

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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.

Chlumsky, Armbrust & Meyer, LLC ("CAM") 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. We currently plan to spend approximately \$30.0 million on the advancement of El Quevar prior to establishing the economic viability of the project in a technical report compliant with National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101"). See "Use of Proceeds". There can be no assurance that such expenditures will demonstrate the economic viability of the project.

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 at least an additional \$65.0 to \$85.0 million would be required following completion of the feasibility study anticipated in the fourth quarter 2010. The actual amount required could vary substantially from this estimate based on the final results of the

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feasibility study. This estimate is part of an internal study prepared under the direction of Robert Blakestad, our Senior Vice President, Exploration and a Qualified Person as defined in NI 43-101, and is not supported by a technical report compliant with NI 43-101. 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. 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, Robert Blakestad, Robert Vogels and Jerry Danni. We are also dependent on the management services provided by Terry Owen. 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.

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

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 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 currently depend primarily on our agreement to manage the San Cristóbal mine.

Our revenues currently 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 at its discretion upon six months' 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 \$1.0 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

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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 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, Chile, 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.

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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 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.

Some contracts with respect to our mineral properties require development or production schedules. 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 such properties. Moreover, we are required in certain instances to make 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.

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

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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 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

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remediation of any environmental condition, we may be required to suspend activities or enter into interim compliance measures pending completion of the required remediation.

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

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stock, regardless of our operating performance. Moreover, if you purchase shares in the Offering, you will pay a price that will be determined by reference to the closing price of our common stock on the TSX on the pricing date after taking into account prevailing market conditions and other factors, including 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 9,610,270 shares of common stock outstanding if Sentient elects to purchase all of the shares which it is entitled to purchase, and 8,592,072 shares of common stock outstanding if Sentient does not elect to purchase such shares. This number includes 4,500,000 shares being sold in this Offering, which may be resold immediately in the public market.

We and our officers and directors, as well as Sentient and Hochschild, have agreed that, subject to certain exceptions, for a period of 180 days 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

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1,445,394 shares, or 17% of our outstanding shares following completion of the Offering (and assuming Sentient does not exercise its pre-emptive right), are subject 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 and "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements include statements relating to our plans, expectations and assumptions 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 and assumptions reflected in those forward-looking statements are reasonable, we cannot assure you that these expectations and assumptions 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:

Results of future exploration at the El Quevar project;

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, Chile, 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.

Such forward-looking statements are also based on a number of assumptions which may prove to be incorrect, including, for example, assumptions that: timelines to be established for development of the El Quevar project will be within general industry experience; the supply and demand for, and the level and volatility of the price of, precious metals will not deviate significantly from recent trends; mineral reserve and resource estimates and the assumptions on which the mineral reserve and resource estimates are based will prove to be reasonably accurate; market competition will continue in a manner consistent with current trends; current relations with employees and local communities will continue to be positive; and general business and economic conditions will be consistent with recent trends.

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 that the net proceeds we will receive from this Offering will be approximately \$35.4 million, based on an assumed public offering price of \$9.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus, after deducting the underwriting discount and our estimated offering expenses of \$1.1 million. If the over-allotment option is exercised in full, we expect the net proceeds to increase by approximately \$6.0 million. These amounts assume that Sentient does not exercise its pre-emptive right and we do not receive any proceeds from Sentient.

Sentient has indicated to us that it intends to exercise in full its pre-emptive right concurrent with the Offering to maintain its percentage of the outstanding common stock of Golden Minerals (excluding outstanding restricted stock held by our employees). However, we do not currently have a binding commitment from Sentient to purchase any shares. If Sentient does exercise its pre-emptive right, we estimate that the net proceeds we will receive from Sentient will be approximately \$9.3 million, based on an assumed offering price of \$9.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus, after deducting the placement agent's commission. If the over-allotment option is exercised in full, Sentient will have the right to purchase additional shares, and if it fully exercises that right, we expect the net proceeds received from Sentient to increase by approximately \$1.5 million, after deducting the placement agent's commission. Total net proceeds from the Offering and the exercise by Sentient of its pre-emptive rights would be approximately \$44.7 million or approximately \$52.3 million if the over-allotment option and related pre-emptive right are exercised in full.

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

Approximately \$30.0 million to fund the construction of an underground drift and related infrastructure for the Yaxché deposit at our El Quevar project in order to develop additional information regarding the deposit and prepare a feasibility study, including detailed plant engineering, which we anticipate will be completed in the fourth quarter of 2010 as follows:

Approximately \$1.0 million for underground exploration drilling,

Approximately \$11.0 million for construction of the underground drift and related infrastructure from which the underground exploration drilling is conducted,

Approximately \$10.0 million for commencement of construction of the processing plant and other surface facilities, and

Approximately \$8.0 million for other costs including construction of roads, installation of power lines, permitting, plant construction and design, metallurgical and analytical studies and option payments.

See "Business and Properties - El Quevar - Advancement of El Quevar." 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 \$5.0 million to fund exploration of our portfolio of exploration properties during 2010, including:

Approximately \$1.0 million to complete a first phase drilling program on the Pánuco and Muleros targets on our Zacatecas project in Mexico;

Approximately \$1.5 million for exploration activities at Viejo Campo and other targets outside of the Yaxché deposit at El Quevar;

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Approximately \$2.5 million for early stage exploration on our Palca project in Peru and our Matehuapil and La Pinta projects in Mexico, including initial drilling and bulk sampling; and

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Working capital requirements or other general corporate purposes.

If Sentient exercises its pre-emptive right or if the over-allotment option is exercised, we intend to use those proceeds to fund a portion of the continuing work on development and construction of the El Quevar project if results from the feasibility study are favorable, to fund exploration of our portfolio of exploration properties, and for working capital and other general corporate purposes.

The use of proceeds described above assumes the Offering is priced at \$9.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus. If the Offering is priced at \$8.50 per share, the low end of the range set forth on the cover page of this prospectus, our net proceeds are expected to be approximately \$31.6 million, assuming Sentient does not exercise its pre-emptive right. In the event our net proceeds from the Offering, together with any amounts received from Sentient, are not sufficient to fund the use of proceeds described above, we intend to decrease planned spending on our exploration properties and, if necessary, postpone certain expenditures associated with development of the El Quevar project, such as amounts planned during 2010 for commencement of construction of the processing plant.

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. As described above, we currently plan to spend approximately \$30.0 million on the advancement of El Quevar, prior to establishing the economic viability of the project in a NI 43-101 compliant technical report. There can be no assurance that such expenditures will demonstrate the economic viability of the project. 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.

The \$30.0 million identified above for the construction of an underground drift and preparation of a feasibility study includes the recommended work program (\$11.2 million) shown in the January 2010 technical report prepared by CAM. The remaining amounts are based on internal technical analyses and budgets prepared under the direction of Robert Blakestad, our Senior Vice President, Exploration, and a Qualified Person as defined in NI 43-101, and are not formally recommended in a technical report compliant with NI 43-101.

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.

We estimate that the net proceeds to be received by the selling stockholder from this Offering will be approximately \$3.5 million, based on an assumed public offering price of \$9.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus, after deducting the underwriting discount. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholder.

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DIVIDEND POLICY

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 December 31, 2009:

- (1) on an actual basis;
- (2) on an as adjusted basis to give effect to (i) the issuance of 400,000 shares of common stock to Hochschild in January 2010, and (ii) the issuance of 844,694 shares of common stock to Sentient in January 2010 in exchange for gross proceeds of \$5.75 million;
- (3) on an as adjusted basis to give effect to (i) the matters described in paragraph (2) above, and (ii) the sale of 4,108,763 shares of common stock in this Offering by us based on an assumed offering price of \$9.50 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 payable by us; and
- (4) on an as adjusted basis to give effect to (i) the matters described in paragraph (2) and (3) above, and (ii) the sale of 1,018,198 shares of common stock to Sentient concurrent with this Offering based on an assumed price of \$9.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus, after deducting the placement agent's commission. Sentient has indicated to us that it intends to exercise its right to purchase additional shares from us in full. However, we do not currently have a binding commitment from Sentient to purchase any shares.

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

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been no exercise, in whole or in part, of the Underwriters' option to purchase additional shares of our common stock in this Offering.

	December 31, 2009			
	(1)	(2)	(3)	(4)
	Actual	As Adjusted	As Adjusted	As Adjusted
	(in thousands, except Share amounts)			
Cash and cash equivalents	\$ 8,570	\$ 14,320	\$ 49,716	\$ 59,050
Total debt				
Stockholders' equity				
Common stock, \$0.01 par value, 50,000,000 shares authorized; 3,238,615 shares issued and outstanding (actual), 4,483,309 shares issued and outstanding (as adjusted column (2)), 8,592,072 shares issued and outstanding (as adjusted column (3)), 9,610,270 shares issued and outstanding (as adjusted column (4))	\$ 32	\$ 45	\$ 86	\$ 96
Additional paid-in capital	\$ 37,854	\$ 43,972	\$ 79,327	\$ 88,651
Accumulated deficit	\$ (20,276)	\$ (20,276)	\$ (20,276)	\$ (20,276)
Accumulated other comprehensive income (loss)	\$ 154	\$ 154	\$ 154	\$ 154
Total stockholders' equity	\$ 17,764	\$ 23,895	\$ 59,291	\$ 68,625
Total capitalization	\$ 17,764	\$ 23,895	\$ 59,291	\$ 68,625

The table above includes shares of restricted common stock issued under our 2009 Equity Incentive Plan of which 230,000 were outstanding as of December 31, 2009 and as of March 11, 2010. The table 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 December 31, 2009.

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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 and volume traded as reported by The Pink Sheets LLC at www.pinksheets.com. Although the prices and volumes 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.

2009	High	Low	Volume Traded (shares)
April*	\$ 0.15	\$ 0.01	60,571
May	\$ 2.48	\$ 0.90	954,322
June	\$ 2.90	\$ 1.94	1,531,368
July	\$ 3.25	\$ 2.35	140,997
August	\$ 4.15	\$ 3.05	135,574
September	\$ 6.40	\$ 3.60	447,919
October	\$ 8.00	\$ 5.70	133,795
November	\$ 7.59	\$ 5.06	50,560
December	\$ 10.75	\$ 6.15	212,002
2010			
January	\$ 16.00	\$ 10.00	152,646
February	\$ 11.20	\$ 7.70	99,472
March **	\$ 9.60	\$ 8.95	15,902

*

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

**

Through March 11, 2010.

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.

2009	High⁽¹⁾	Low⁽¹⁾	Volume Traded (shares)
July*	\$ 3.02	\$ 3.00	5,000
August	\$ 4.77	\$ 3.46	21,190
September	\$ 6.81	\$ 3.31	145,720
October	\$ 7.78	\$ 5.60	70,687
November	\$ 7.15	\$ 5.41	18,485
December	\$ 10.62	\$ 6.47	86,759
2010			
January	\$ 15.10	\$ 9.99	172,094
February	\$ 11.39	\$ 8.07	52,682
March **	\$ 9.74	\$ 8.68	8,630

*

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

**

Through March 11, 2010.

(1)

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All Canadian share prices were converted to U.S. dollars based on an exchange rate of 0.9742, as reported by the Bank of Canada, as of March 11, 2010. On March 11, 2010, the closing sales price for common stock was Cdn\$9.40 per share on the Toronto Stock Exchange (\$9.16, as converted to U.S. dollars).

As of March 11, 2010, we had 29 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 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 December 31, 2009, on an as adjusted basis to give effect to (i) the issuance of 400,000 shares of common stock to Hochschild in January 2010, and (ii) the issuance of 844,694 shares of common stock to Sentient in January 2010 in exchange for gross proceeds of \$5.75 million; the net tangible book value of our common stock was approximately \$25.0 million, or approximately \$5.57 per share based upon 4,483,309 shares of common stock outstanding.

Upon completion of this Offering at an assumed public offering price of \$9.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus, 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 \$35,396,087 (net of underwriting commissions and offering expenses), the net tangible book value of the 8,592,072 shares to be outstanding will be \$60,355,790, or approximately \$7.03 per share of our common stock. Accordingly, the net tangible book value of our common stock held by our existing stockholders (4,483,309 shares) will be increased by \$1.46 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 assumed offering price of \$9.50 per share) of \$2.48 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 \$7.03 per share, reflecting an immediate reduction in the \$9.50 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 December 31, 2009:

Assumed public offering price per share	\$ 9.50
Net tangible book value per share prior to this Offering	\$ 5.57
Net tangible book value per share after this Offering ⁽¹⁾	\$ 7.03
Increase in net tangible book value per share attributable to cash payments from purchasers of the shares ⁽¹⁾	\$ 1.46
Immediate dilution to new investors in this Offering	\$ 2.48

(1) Assumes that Sentient does not exercise its pre-emptive right concurrent with the Offering.

The following table illustrates the per share dilution to the new investors, calculated in the same manner described above, but assuming that Sentient exercises its pre-emptive right in full concurrent with the Offering, and purchases 1,018,198 shares at the public offering price:

Public offering price per share	\$ 9.50
Net tangible book value per share prior to this Offering	\$ 5.57
Net tangible book value per share after this Offering	\$ 7.25
Increase in net tangible book value per share attributable to cash payments from purchasers of the shares	\$ 1.68
Immediate dilution to new investors in this Offering	\$ 2.25

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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 precious metals 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 Delaware under the Delaware General Corporation Law 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 incurred a net operating loss for 2009 and expect to incur a net operating loss for 2010 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. Significant events which have occurred subsequent to our inception 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 December 31, 2009, we have drilled a total of 195 holes totaling approximately 38,500 meters at El Quevar. In January 2010, we received an updated independent technical report which estimates 866,000 tonnes of mineralized material in the Yaxtché deposit, our main target at El Quevar, at an average silver grade of approximately 412 grams per tonne.

The San Cristóbal mine has operated successfully under our management, generating positive operating cash flow for the year ended December 31, 2009. During the year, the mine achieved average concentrator throughput of approximately 44,600 tonnes per day, exceeding the 40,000 tonnes per day designed capacity. Zinc concentrate production during the year was approximately 499,400 tonnes and lead concentrate production during the year was approximately 107,700 tonnes.

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Payable metal production from the San Cristóbal mine during the year totaled approximately 16.1 million ounces of silver, 246,300 tonnes of zinc and 69,600 tonnes of lead.

We have continued to advance our field evaluations of our prospects that we believe to be most promising and have initiated or continued drilling at several of our properties. Among these prospects are the vein targets in the mineral rich Zacatecas district of central Mexico, where we have identified four areas that contain silver and base metal values in quartz veins and as disseminations in sedimentary rocks. In Peru, we have developed another potential vein target at our Palca project, where at least four veins exhibit silver values with associated lead, zinc and gold values. We are currently conducting initial drill tests of the Pánuco project in the Zacatecas district and are awaiting results from our recently completed drill program at Elisa de Bordos in Chile.

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

During 2009 we sold all of our auction rate securities ("ARS") in a secondary market through two brokerage firms. The ARS were illiquid securities, with a carrying value of \$5.2 million, which were assigned to us by Apex Silver in connection with the emergence from Chapter 11 proceedings. We received \$3.0 million for the securities and recorded a \$2.2 million loss on the transactions. At December 31, 2009 we have no remaining ARS investments.

In November 2009, we sold our 49% joint venture interest in the Platosa project in Mexico to our joint venture partner, Excellon Resources Inc. ("Excellon"). We received a cash payment of \$2.0 million and retained a 1% net smelter return royalty over the joint venture properties. The prior agreements between us and Excellon were terminated in connection with the sale.

In August 2009, we sold three concessions located adjacent to our Zacatecas properties to a wholly-owned subsidiary of Capstone Mining Corp. We received a cash payment of \$1.0 million and retained certain sliding scale net smelter royalties on the property, which are based on production quantities and metals prices. The concessions are located outside of our targeted exploration program for the area, and there is currently no production on the concessions.

We have reached a non-binding agreement in principle to sell to Apogee Minerals Ltd. our subsidiary that owns the Paca Pulacayo exploration property in Bolivia for 5 million common shares of Apogee at closing and an additional 3 million common shares of Apogee and \$500,000 to be paid 18 months following closing. The property is currently subject to a joint venture arrangement pursuant to which Apogee has the right to earn up to a 60% interest in the property. Completion of the transaction is subject to negotiation and execution of definitive agreements, approval of our board of directors, consents and approvals of third parties including governmental entities and the Toronto Stock Exchange, and other customary closing conditions. During the fourth quarter 2009 we recorded a \$1.7 million impairment charge related to our Paca Pulacayo property to write down the property to its current fair value of \$0.8 million.

In January 2010, we completed a transaction with MH Argentina S.A., a wholly owned subsidiary of Hochschild, pursuant to which we acquired Hochschild's 35% interest in Minera El Quevar, an Argentine company in which we held the other 65% interest. Minera El Quevar controls approximately 10,000 hectares of the 64,000 hectare El Quevar project, including the Yaxché target area. We issued 400,000 shares of common stock and warrants to acquire an additional 300,000 shares exercisable for three years at an exercise price of \$15.00 per share.

In January 2010, we completed a private placement with Sentient, an independent private equity firm in the global resources industry with approximately \$1.3 billion under management. In the private placement, we sold to Sentient a total of 844,694 shares of our common stock at a price of Cdn \$7.06 per share, resulting in gross proceeds to us of approximately \$5.75 million. Sentient

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became our largest stockholder, holding 19.9% of our outstanding common stock, not including restricted stock held by our employees.

Hochschild Transaction

On January 7, 2010, we completed a transaction with Hochschild, pursuant to which we acquired Hochschild's 35% interest in Minera El Quevar, an Argentine company in which we held the other 65% interest. Minera El Quevar controls approximately 10,000 hectares of the 64,000 hectare El Quevar project, including the Yaxtché target area.

We issued 400,000 shares of common stock to Hochschild and warrants to acquire an additional 300,000 shares of common stock exercisable for three years at an exercise price of \$15.00 per share. Hochschild has agreed that it will not, for a two year period, acquire additional shares of our common stock if such acquisition would cause its ownership to exceed 19.9% of our then outstanding common stock.

Pursuant to the purchase agreement, Hochschild has the right, until January 7, 2012, to participate on a pro rata basis in public offerings or private placements for cash by us in order to permit Hochschild to maintain up to an 11% equity interest, on the same terms and conditions offered to others in such equity offerings or sales. Hochschild has indicated to us that it does not anticipate exercising its pre-emptive right concurrent with the Offering.

We have agreed to register with the SEC the resale of the common stock issued to Hochschild as well as the shares which may be issued upon exercise of the warrant. We are required to file one registration statement upon demand by Hochschild at any time after May 31, 2010. Our obligation will cease on January 7, 2013.

Sentient Investment

On January 7, 2010, we completed a private placement with Sentient, an independent private equity firm in the global resources industry with approximately \$1.3 billion under management. In the private placement, we sold to Sentient a total of 844,694 shares of our common stock at a price of Cdn\$7.06 per share, resulting in gross proceeds to us of approximately \$5.75 million. Sentient became our largest stockholder, holding 19.9% of our outstanding common stock, not including restricted stock held by our employees. Sentient has agreed that it will not, for a two year period, acquire additional shares of our common stock if such acquisition would cause its ownership to exceed 22.5% of our outstanding common stock. Dahlman Rose & Company served as the sole placement agent for the transaction and received a fee from us equal to 3.5% of the gross proceeds received from Sentient, or \$208,375.

Under the terms of the purchase agreement, Sentient has the right to purchase, concurrent with the Offering, that number of shares of common stock such that Sentient will continue to hold the same percentage of our outstanding common stock after closing of the Offering, including the over-allotment option, as it held before such closing. Sentient has indicated to us that it intends to exercise its pre-emptive right in full. However, we do not currently have a binding commitment from Sentient to purchase any shares. Other than its right to purchase concurrent with the Offering, Sentient does not have pre-emptive rights.

In connection with the private placement, we have agreed to nominate one individual designated by Sentient for election to our board of directors, beginning with our annual meeting of stockholders in 2011. Sentient's right to designate one nominee will terminate if it ceases to own at least 17% of our outstanding common stock or if the individual designated by Sentient is not elected by our stockholders.

We have agreed to register with the SEC the resale of the common stock purchased by Sentient. We are required to file a registration statement with the SEC no later than May 31, 2010 and to cause such registration statement to be declared effective no later than September 30, 2010. If we are unable to meet

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these deadlines, we may be subject to liquidated damages equal to 1.0% of the aggregate purchase price of the shares purchased by Sentient for every thirty days following the applicable deadline, up to a maximum amount of 3.0% of the aggregate purchase price.

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.

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 continuing operations of Golden Minerals for the period March 25, 2009 through December 31, 2009 to the results of continuing operations of Apex Silver for the years ended December 31, 2008 and 2007.

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 83-day period ended March 24, 2009 and the years ended December 31, 2008 and 2007. Golden Minerals does not report any discontinued operations.

Continuing Operations

Management Service Fees. We recorded \$12.5 million of management service fee income (\$11.1 million and \$1.4 million for Golden Minerals and Apex Silver, respectively) for the year ended December 31, 2009. Our \$11.1 million of revenue is primarily related to the San Cristóbal Management Services Agreement and is comprised of \$8.7 million of fees, including \$1.1 million for a bonus earned for 2009 under the terms of the agreement, and \$1.3 million for reimbursed withholding taxes. Apex Silver recorded management service fees of \$5.4 million and \$5.4 million for the years ended December 31, 2008 and 2007, respectively. Beginning in mid-2006 Apex Silver entered into an agreement with Minera San Cristóbal S.A. ("MSC"), the Bolivian subsidiary which owned and operated the San Cristóbal mine, whereby it charged MSC \$450,000 per month as a management service fee. This arrangement terminated on March 24, 2009, concurrent with Apex Silver's disposition of the San Cristóbal mine. None of the amounts reflected in prior periods pertain to our current San Cristóbal Management Services Agreement.

Cost of services. We recorded \$3.8 million of costs of services (all related to Golden Minerals) for the year ended December 31, 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 years ended December 31, 2008 and 2007.

Exploration. Our exploration expenses, including property holding costs and allocated administrative expenses, totaled \$16.1 million (\$12.6 million and \$3.5 million for Golden Minerals and Apex Silver, respectively) for the year ended December 31, 2009, as compared to \$25.4 million and \$15.4 million for the years ended December 31, 2008 and 2007, 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 and reorganization. Administrative expenses totaled \$13.2 million (\$8.4 million and \$4.8 million for Golden Minerals and Apex Silver, respectively) for the year ended December 31, 2009, as compared to \$17.3 million and \$17.7 million for the years ended December 31, 2008 and 2007, respectively. Administrative expenses, including costs associated with being a public company, are incurred primarily by

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our corporate activities in support of our exploration program and our management services for the San Cristóbal mine. The \$8.4 million of administrative expenses we incurred after emergence from bankruptcy is comprised of \$2.8 million of professional fees, \$3.5 million of employee compensation, \$0.5 million of travel expenses and \$1.6 million of rents, utilities and other office costs. We anticipate that administrative expenses will remain at similar levels in 2010, with the exception of professional fees, which are expected to decrease as a result of completion of the transactions relating to our emergence from bankruptcy. Reorganization expenses were \$4.7 million (\$1.0 million and \$3.7 million for Golden Minerals and Apex Silver, respectively) for the year ended December 31, 2009. 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 \$2.2 million of reorganization expenses during the year ended December 31, 2008 and no reorganization expense during the year ended December 31, 2007.

Loss on Auction Rate Securities. Loss on ARS investments totaled \$3.0 million (\$2.2 million and \$0.8 million for Golden Minerals and Apex Silver, respectively) for the year ended December 31, 2009, as compared to losses of \$16.3 million and \$34.5 million for the years ended December 31, 2008 and 2007, respectively. The auctions for certain of Apex Silver's ARS began to fail during the third quarter of 2007 and continued to fail through 2009. As a result of the auction failures, the markets for the ARS continued to deteriorate resulting in Apex Silver recognizing impairment charges related to the ARS of \$16.3 million and \$34.5 million for the years ended December 31, 2008 and 2007, respectively. In connection with the emergence from Chapter 11 proceedings the illiquid ARS securities, with a carrying value of \$5.2 million, were assigned to us by Apex Silver. During the second and third quarters of 2009 we were able to sell all of the ARS securities in a secondary market through two brokerage firms, resulting in total proceeds of \$3.0 million and the recognition of a \$2.2 million loss on the sale. At December 31, 2009 we have no remaining ARS investments.

Interest and Other Income. We recorded interest and other income of \$2.1 million (\$1.1 million and \$1.0 million for Golden Minerals and Apex Silver, respectively) for the year ended December 31, 2009, as compared to \$5.6 million and \$19.4 million for the years ended December 31, 2008 and 2007, respectively. The \$1.1 million Golden Minerals interest and other income for the year ended December 31, 2009 includes a \$0.5 million gain on the sale of shares of stock we held in a junior mining company. We and Apex Silver held progressively lower average cash and investment balances each preceding year which resulted in lower interest being earned. In addition, interest rates were also lower as compared to each preceding year.

Royalty Income. We recorded royalty income from the Platosa property in Mexico on which we retained a net smelter return royalty of \$0.5 million (\$0.4 million and \$0.1 million for us and Apex Silver, respectively) for the year ended December 31, 2009, as compared to \$0.4 million and \$1.3 million for the years ended December 31, 2008 and 2007. This property was assigned to us in March 2009 in connection with the emergence from Chapter 11 proceedings. The property was being test mined by a joint venture partner, and we and Apex Silver received a royalty for product sold from the test mining operation. During the fourth quarter 2009 we sold our interest in the Platosa property to the joint venture partner, and we received a cash payment of \$2.0 million and retained a 1% net smelter return royalty. We recognized a \$0.6 million gain on the transaction which is reflected in gain on disposal of assets, net on our consolidated statements of operations. The prior agreements between us and our joint venture partner were terminated in connection with the sale.

Interest and Other Expense. We recorded interest and other expense of \$0.3 million (all related to Apex Silver) for the year ended December 31, 2009, as compared to \$15.8 million and \$5.7 million for the years ended December 31, 2008 and 2007, 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. Interest expense and other borrowing costs, as well as

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amounts capitalized, 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. At December 31, 2009 we have no indebtedness.

Income Taxes. We are subject to U.S. income taxes on income derived from services provided to the San Cristóbal mine but to date we have not conducted business in the U.S. that generated significant U.S. taxable income. Our income tax provisions of \$1.2 million (\$1.0 million and \$0.2 million for Golden Minerals and Apex Silver, respectively) for the year ended December 31, 2009, and \$0.6 million and \$0.9 million for the years ended December 31, 2008 and 2007, respectively, consist primarily of withholding taxes either accrued or paid to Bolivia in connection with management services provided to the San Cristóbal mine.

Net Loss attributable to Noncontrolling Interests (formerly Minority Interest). We allocated gains to the noncontrolling interest of \$7.9 million (all related to Apex Silver) for the year ended December 31, 2009. The 2009 amount is primarily related to Sumitomo's interest in income generated by the San Cristóbal Mine during the period. For the years ended December 31, 2008 and 2007 Apex Silver allocated losses to the noncontrolling interest of \$118.1 million and \$87.4 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 year ended December 31, 2007 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 year ended December 31, 2007 Apex Silver had absorbed approximately \$23.6 million of losses that normally would have been allocated to the noncontrolling interest. When the noncontrolling interest's equity balance returned to positive, as the result of capital contributions and income distributions, Apex Silver was able to allocate the previously absorbed losses to the noncontrolling interest. Accordingly, the \$23.6 million loss Apex Silver absorbed during the year ended December 31, 2007 was allocated to the noncontrolling interest during the year ended 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 MSC \$150.0 million under a working capital facility. All of these transactions were recorded to noncontrolling interest. At December 31, 2009 we did not have any noncontrolling interests that participated in any of our gains or losses.

Discontinued Operations San Cristóbal.

The loss from discontinued operations for the year ended December 31, 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 aggregated results of operations for the discontinued San Cristóbal mine totaled losses of \$166.6 million and \$24.6 million for the years ended December 31, 2008 and 2007, respectively. See Note 4, "Discontinued Operations," in our Consolidated Financial Statements for detailed components of the losses from discontinued operations for each of the periods presented.

Liquidity and Capital Resources

At December 31, 2009 our aggregate cash and short-term investments totaled \$9.0 million, which included \$8.6 million of cash and cash equivalents and \$0.4 million of short term investments. Our cash and short- and long-term investment balance is significantly lower than the \$76.1 million in similar assets held by Apex Silver at December 31, 2008. The decrease is primarily attributable to the transactions related to Apex Silver's Chapter 11 proceedings and our emergence from such proceedings in March 2009,

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as more fully described in footnote 3 to our consolidated financial statements. For Golden Minerals, during the year 2009, our cash and investment balance decreased by \$22.0 million from the \$30.8 million as of March 24, 2009, which included illiquid ARS investments recorded at fair value of \$5.2 million and cash and cash equivalents of \$25.6 million. The decrease was as a result of a net cash outflow of \$24.1 million related to our exploration, management services, and general and administrative activities, including the final payment of liabilities and reorganization costs associated with Apex Silver's Chapter 11 proceedings, and a \$1.5 million net decrease in the fair value of our investments, partially offset by \$3.0 million received in connection with the sale of certain mining concessions in Mexico and \$0.6 million received for the sale of an office building in Bolivia. At December 31, 2009 we have no remaining ARS investments.

If we are able to raise sufficient capital through the Offering, we plan to spend the following amounts during 2010 pursuant to our long term business strategy:

Approximately \$30.0 million to fund the advancement of the Yaxtché deposit at our El Quevar project, including 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;

Approximately \$6.5 million to fund targeted exploration on several of our exploration properties during 2010, including approximately \$1.0 million to complete a first phase drilling program on the Panuco and Muleros targets on our Zacatecas project in Mexico; approximately \$2.0 million for exploration activities at the Viejo Campo target and other targets outside of the Yaxtché deposit at El Quevar; and approximately \$2.5 million for early stage exploration on our Palca project in Peru and our Matehuapil and La Pinta projects in Mexico including initial drilling and bulk sampling;

Approximately \$6.0 million on other generative exploration activities and property holding costs related to our remaining portfolio of exploration properties conducted through our principal exploration offices located in South America;

Approximately \$8.5 million on general and administrative costs.

We plan to fund the long term business strategy expenditures described above from the proceeds of the Offering, from our existing cash and investment balances, from the approximately \$7.0 million of annual net cash flow from our management services agreement with San Cristóbal (comprised of the annual fee and bonus, net of reimbursed administrative expenses), from the approximately \$5.5 million in net proceeds we received in the Sentient private placement in January 2010, and from an anticipated \$2.0 million of interest and other cash receipts during the period.

A significant portion of the Company's expected 2010 cash inflows are payments to be received pursuant to the San Cristóbal Management Services Agreement. The initial term of the San Cristóbal Management Services Agreement has been extended until June 30, 2010 and thereafter may be terminated at the terminating party's discretion by Golden Minerals Services Corporation with twelve months' prior notice or by Sumitomo with six months' prior notice (or by Sumitomo with three months notice if Sumitomo has sold, directly or indirectly, more than 20% of the subsidiary that owns the mine). If terminated by Sumitomo, Golden Minerals Services Corporation would be entitled to a \$1.0 million termination fee. Golden Minerals Services Corporation would not be required to pay a termination fee. Should Sumitomo terminate the San Cristóbal Management Services Agreement on July 1, 2010, the Company will not receive cashflows from the San Cristóbal Management Services Agreement subsequent to December 31, 2010, and the Company will be unable to rely on the San Cristóbal Management Services Agreement as a source of funding for its business plans subsequent to that date.

If the El Quevar feasibility study is positive, we currently anticipate that at least an additional \$65.0 to \$85.0 million would be needed beyond 2010 to complete development and construction of an underground mine and processing facility at El Quevar. This is a preliminary estimate and the actual cost may vary

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significantly. If the project advances to development and construction, we will need to obtain additional financing in addition to the Offering to continue with the execution of our long term business strategy beyond 2010. There can be no assurance that we will be successful 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.

If we do not raise sufficient capital, through the Offering or an alternative source of funding, our Board of Directors has approved a short term business plan to be executed in 2010 whereby until such time as additional funding is obtained we plan to make the following expenditures. Pursuant to the approved short term business plan, during the 12 month period ending December 31, 2010, we would expect to spend approximately \$5.2 million to fund the advancement of our El Quevar project, which would entail spending approximately \$2.6 million on activities during the first quarter of 2010 which were previously committed, \$0.8 million in concession option payments to maintain the El Quevar project concessions, \$0.5 million for the completion of certain equipment orders and approximately \$1.3 million for the last three quarters of 2010 to maintain key project personnel and advance the pre-feasibility engineering and other technical studies. We would expect to spend \$7.1 million on our 2010 exploration program including \$3.1 million during the first quarter while we complete drilling programs currently underway. Following completion of the first quarter program, all drilling programs would be suspended and, during the remainder of 2010, we would expect to spend approximately \$3.3 million to continue generative exploration activities at our principal exploration offices and \$0.7 million on property holding costs. During 2010 we would plan to spend approximately \$7.5 million on general and administrative costs.

We believe that we would be able to fund these short term business plan expenditures from our existing cash and investment balances of \$9.0 million at December 31, 2009, the net proceeds of \$5.5 million received from the Sentient investment completed during January 2010, the approximately \$7.0 million of annual net cash flow from the Management Agreement for the services we provide to the San Cristobal mine (comprised of the annual fee and bonus net of direct administrative expenses) and from an anticipated \$2.0 million of interest and other cash receipts during the period. This short term business plan would leave us with a projected cash balance of approximately \$4.0 million at December 31, 2010.

As such, our 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 budgeted amounts described above are not sufficient to fund the completion of the feasibility study for the El Quevar project or to develop and construct a mine if results from the feasibility study are favorable. In addition, to continue as a going concern beyond 2010 and in order to continue significant advancement of the El Quevar project pursuant to our long term business strategy, we will need to complete the Offering or obtain an alternative source of financing. Absent additional financing, we would not have the resources to execute our long term business strategy which may require us to sell assets including the El Quevar project and other exploration properties and substantially reduce or terminate operations.

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.

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The discussion below highlights critical accounting policies for the Company. Certain other policies were relevant to Apex Silver in its capacity as the owner of San Cristóbal. See Note 5, "Summary of Significant Accounting Policies," in our Consolidated Financial Statements for a discussion of those policies.

Adoption of Accounting Standards Requiring Retrospective Application and Other Reclassifications

On January 1, 2009 we adopted certain provisions of ASC 810 "Consolidation" ("ASC 810") related to noncontrolling interests. 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. The provisions of ASC 810 have been applied prospectively, except for the provisions related to the presentation of noncontrolling interests, which have been applied retrospectively for all periods presented. We no longer report minority interest in the "mezzanine," but reflect such noncontrolling interests as a component of total equity in the consolidated balance sheets. See Note 18 to the Consolidated Financial Statements for a discussion of noncontrolling interests.

As a result of the sale of the San Cristóbal mine (see Note 3 to the Consolidated Financial Statements), and per the guidance of ASC 805 "Business Combinations", ("ASC 805") 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 ASC 410, "Asset Retirement and Environmental Obligations" ("ASC 410"), which establishes a uniform methodology for accounting for estimated reclamation and abandonment costs. According to ASC 410, 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 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.

Fresh Start Accounting/Reorganization Value

Due to our emergence from bankruptcy we applied fresh start accounting effective March 25, 2009 in accordance with ASC 805 "Business Combinations" ("ASC 805") and ASC 852 "Reorganizations" ("ASC 852"). ASC 852 requires, among other things, the determination of the reorganization value of the

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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 our assets was determined with the assistance of a third party valuation expert and a minerals engineering firm, which used available comparable market data and quotations, discounted cash flow analysis, and other methods in determining the appropriate asset fair values.

Our total equity as of March 25, 2009 reflects our estimated enterprise value following the principles of ASC 852 and ASC 805. As part of our 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 our mineral properties at the time of the bankruptcy filing. Additional valuation assessments of the fair value of our assets were performed with the assistance of a third party valuation expert and a minerals engineering firm to arrive at our reported equity value at the effective date of \$36.5 million. The asset valuations were derived using a combination of income, market and cost approach models depending on the asset. In applying the appropriate valuation model or models, we utilized a variety of economic factors and market data, including discount rates, income tax rates, projections of future metals prices and third party market surveys.

Table of Contractual Obligations

The following table summarizes our contractual obligations at December 31, 2009:

Contractual Obligations	Total	Less Than	1 - 3	3 - 5	More
		1 Year	Years	Years	Than 5 Years
		(in thousands of \$)			
Operating leases ⁽¹⁾	1,906	338	785	783	
El Quevar concession payments ⁽²⁾	143	29	57	57	⁽⁴⁾
Purchase option agreement payments ⁽³⁾	2,850	700	2,150		

(1) The operating lease obligations are related to our corporate headquarters office. The current lease expires November 2014.

(2) We make annual maintenance payments of approximately \$28,500 to the Argentine federal government to maintain the El Quevar project concessions. 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, which include the Yaxtché zone, our primary area of interest. 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 December 31, 2009. If we develop a mine at the El Quevar project, we expect that we would make annual maintenance payments of approximately \$28,500 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.

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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 year ended December 31, 2009, a 1% decrease in interest rates would have resulted in a reduction in interest income for the period of approximately \$0.1 million.

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 precious metals 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. Our principal offices are located in Golden, Colorado at 350 Indiana Street, Suite 800, Golden, CO 80401 and our registered office is the Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801. We also maintain exploration offices in Argentina, Mexico and Peru.

We are currently focused on advancement of our 100% controlled El Quevar silver project in northwestern Argentina. From the inception of our exploration activities in 2004 through December 31, 2009, we have spent approximately \$12.8 million on exploration and related activities at El Quevar. Based on an independent technical report completed in January 2010, there are an estimated 866,000 tonnes of mineralized material at an average silver grade of approximately 412 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.

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 at the Pánuco target. We are also conducting drilling programs to explore several of our other projects, including 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 Delaware under the Delaware General Corporation Law 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. Apex Silver's equity holders received no recovery under the Plan, and the ordinary shares of Apex Silver were cancelled in connection with a Cayman Islands liquidation proceeding that was completed in December 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. On December 17, 2009, the Bankruptcy Court for the Southern District of New York entered an Order of Final Decree closing the Chapter 11 case of Apex Silver. A Final Decree closing the Chapter 11 case of Apex Silver Mines Corporation (now named Golden Minerals Services Corporation) was entered on October 16, 2009.

Corporate Structure

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

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subsidiaries organized throughout the world, including in Canada, Mexico, Central America, 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 activities in Argentina are conducted through our indirect, wholly-owned subsidiaries Silex Argentina S.A., an Argentinean *sociedad anónima*, and Silex Spain, S.L., a Spanish *sociedad limitada*, which together own 100% of the capital stock of Minera El Quevar. Minera El Quevar owns or has options to purchase certain concessions comprising the El Quevar project. Silex Argentina S.A. is wholly-owned by Silex Spain, S.L., and Silex Spain, S.L. is wholly-owned by ASM Services S.a r.l., a Luxembourg *société à responsabilité limitée*, which in turn is wholly-owned by us. Our mining concessions in Mexico are held by our indirect, wholly-owned subsidiaries Minera Largo S. de R.L. de C.V. and Minera de Cordilleras S. de R.L. de C.V., each a Mexican *sociedad de responsabilidad limitada de capital variable*, which are in turn held and operated by Compañía Minerales de Zacatecas, a Mexican *sociedad de responsabilidad limitada de capital variable*. Compañía Minerales de Zacatecas is wholly-owned by Apex Mexico Holdings, S.L., a Spanish *sociedad limitada*, which is wholly-owned by ASM Services S.a r.l.

Our Competitive Strengths and Business Strategy

Our business strategy is to discover, build 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 we currently manage on behalf of Sumitomo, cost approximately \$1.0 billion to develop and construct, and 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.

El Quevar Advanced Exploration Project. Our most advanced exploration project, the El Quevar project, is located 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, one of 13 currently identified target areas, appears to be a relatively high grade silver deposit. We also have significant opportunity for expansion as we solely control 19 concessions totaling approximately 64,000 hectares in addition to the concession on which the Yaxtché deposit is located.

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, Chile, Mexico and Peru, including several focus properties in the Zacatecas state of Mexico. We have been successful at generating value from the sale or farm-out for cash, stock and/or royalties of certain properties that do not meet our minimum economic requirements for potential advancement.

Simple Capital Structure. We do not have any debt, and as of December 31, 2009 we had \$8.6 million in cash. Upon the completion of the Offering, we estimate that our net cash proceeds will be approximately \$44.7 million, assuming Sentient exercises its pre-emptive right in full but that the Underwriters' over-allotment option is not exercised. While Sentient has indicated to us that it intends to exercise its right in full, we do not currently have a binding commitment from Sentient to

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purchase any shares. See "Use of Proceeds". In addition, we anticipate that we will receive approximately \$6.0 million in net cash flow from our existing management services agreement during 2010. Other than warrants held by Hochschild for the purchase of 300,000 Shares at an exercise price of \$15.00, 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. Members of our management team have held senior positions at various large diversified mining 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 \$1.0 billion project completed 12.7 million manhours of work without a lost time accident and the complex two product plant has operated at approximately 15% over its 40,000 tonnes per day design capacity during the fourth quarter of 2009, producing 121,400 tonnes of zinc concentrates and 23,500 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 \$1.0 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.

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 direction and oversight of all corporate governance, governmental affairs and environmental, health and safety management systems and processes for all operations worldwide, including Porcupine/

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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 \$1.0 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 of Golden Minerals" in this prospectus.

In addition to the executives described above, we rely on the consulting services of Terry L. Owen, our former Senior Vice President. See "Certain Relationships and Related Party Transactions Arrangement with Mr. Owen". 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 \$1.0 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.

Mr. Owen resigned from his positions as Senior Vice President of Golden Minerals and President of Golden Minerals Services Corporation effective January 1, 2010.

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

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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.

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 14 exploitation concessions and six 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, our indirect wholly-owned subsidiary. Prior to January 2010, Minera El Quevar was jointly owned by us and an Argentine subsidiary of Hochschild, a publicly traded Peru-based mining company. In January 2010, we purchased Hochschild's 35% interest and became the sole owner of

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Minera El Quevar. See "Management's Discussion and Analysis and Result of Operations Hochschild Transaction."

Three of the concessions near the primary Yaxtché target are subject to options to purchase from the existing third-party concession owners. 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 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. We are 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 \$28,500.

The surface rights at El Quevar are controlled by the Salta Province. There are no private properties within the concession area. To date, no issues involving surface rights have impacted the project.

Preliminary Exploration Activities

We initiated exploration at El Quevar during 2004, and through December 31, 2009 we have spent approximately \$12.8 million on exploration and related activities. Through December 31, 2009, we completed 195 diamond drill holes totaling approximately 38,500 meters. Approximately 141 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 December 31, 2009, we completed approximately 38,500 meters of diamond drilling in 195 drill holes. Of these holes, 168 were drilled to test the main Yaxtché zone for potential mineralization, with 141 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.

Set forth below are the results of three independent technical reports on the Yaxtché deposit.

February 2009 Technical Report

Technical reports for the El Quevar project were prepared, dated February 27, 2009, by SRK Consulting (US), Inc. ("SRK") 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.

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
Total		1,399	195

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"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.

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, 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.

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

Tonnes (000s)	Average silver grade (g/tonne)
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

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January 2010 Technical Report

We continued to conduct exploratory drilling at the Yaxtché zone throughout 2009. 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. Utilizing this additional infill and step-out drilling, CAM prepared updated technical reports for the El Quevar project. The reports, completed in January 2010, were prepared in accordance with the requirements of the SEC's Guide 7 and Canadian NI 43-101.

Data from 156 drill holes was used in the January 2010 estimate. Consistent with CAM's October 2009 estimate, the January 2010 resource estimate assumes highly selective underground mining with continuity along strike and down dip supported by geologic interpretation of almost all holes logged to date in the mineralized zone. We have assumed concentration by flotation.

According to the January 2010 CAM technical report, estimated mineralized material in the Yaxtché zone at a cut-off grade of 100 grams of silver per tonne was as follows:

Tonnes (000s)	Average silver grade (g/tonne)
866	412

The cut-off grade of 100 grams of silver per tonne is consistent with a silver price of \$14.35 per ounce, the three-year historic average price.

"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.

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Sampling

Through December 31, 2009, we completed 195 diamond drill holes totaling approximately 38,500 meters. Drill cores are maintained in a locked facility at the El Quevar campsite before and after splitting. Golden Minerals personnel were responsible for logging, sampling, splitting, and shipping core to the laboratory facilities. The insertion of standards and blanks is carried out at the project site, while the duplicate coarse rejects and pulps are selected by each commercial laboratory. El Quevar samples have been analyzed at two independent laboratories. The quality assurance/quality control program used at El Quevar includes regular insertion and analysis of blanks and standards to monitor laboratory performance. Blanks are used to check for contamination and standards are used to check for grade-dependent biases. Duplicate samples are used to monitor sample batches for potential sample mix-ups and to monitor the data variability as a function of laboratory error and sample homogeneity.

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.

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 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

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additional 25 workers. Preliminary construction activities in connection with the construction of the underground drift commenced 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. 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 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 Yaxtché zone. The Jenna structure is approximately 600 meters in strike length. The Pamela structure has an exposed strike length of approximately 150 meters. Preliminary results from diamond drill holes completed as part of a first stage drill program at the Viejo Campo concession have returned silver values. We expect additional assays to be reported in early 2010.

Advancement of El Quevar

We anticipate spending approximately \$30.0 million during 2010 in connection with the advancement of the Yaxtché deposit at El Quevar for engineering, construction and related costs associated with the underground drift and preparation of the feasibility study. We also expect to spend approximately \$2.0 million for drilling and other exploration activities outside of the Yaxtché 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

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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.

We currently estimate that at least an additional \$65.0 to \$85.0 million would be required following completion of the feasibility study anticipated in the fourth quarter 2010. The actual amount required could vary substantially from this estimate based on the final results of the feasibility study. If the project advances to development and construction, we will need to obtain additional external financing. This estimate is part of an internal study prepared under the direction of Robert Blakestad, our Senior Vice President, Exploration and a Qualified Person as defined in NI 43-101, and is not supported by a technical report compliant with NI 43-101. We currently plan to spend approximately \$30.0 million on the advancement of El Quevar, prior to establishing the economic viability of the project in a NI 43-101 compliant technical report. There can be no assurance that such expenditures will demonstrate the economic viability of the project.

Environmental Liability and Permitting

The El Quevar project is inside the Reserva Natural Los Andes, which was established principally to provide habitat for local wildlife. However, the reserve is designated for multiple uses, including mineral exploration and mining. The holder of any mineral concession in Salta province must submit an Environmental Information Report prior to exploration or mining activity. This report must be re-submitted every two years. There are three levels of permitting: prospecting, drilling and exploration, and mineral production.

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 approximately \$28,500 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 de minimis payment fixed by the National Ministry of Economy. 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%, and the income tax law allows for a five year carryforward of net operating losses. Argentina has several taxes in addition to income tax. The more significant taxes include i) a Value Added Tax ("VAT") charged at a general rate of 21% for all goods and services provided in Argentina, as well as for imports into Argentina, unless specifically exempted; ii) an import duty for certain goods and services entering the country; iii) a provincial gross receipts tax applied to non-exported sales transactions in addition to VAT; iv) a minimum presumed tax equivalent to 1% of the total asset value of an entity; and v) a wealth tax of 0.5% of the equity value of an entity. For the metals extraction business, there is a 5% royalty on the value of the mineral extracted. Also, for exported minerals, Argentina imposes an export tax of 5% for silver dore and 10% for silver concentrates.

The tax laws applicable to exploration, prospecting, development, and mining extraction, as set forth in the Argentina Mining Investment Law, provide for significant benefits to the general tax system for those companies inscribed under this law and which meet certain conditions. These benefits include: i) fiscal stability; ii) double deductions for certain mining costs; iii) accelerated amortization for certain project costs; iv) import duty exemptions; v) an exemption from the minimum presumed tax described in the previous paragraph and vi) a decrease from 5% to 3% on the royalty on mineral extracted. A fiscal stability agreement with the federal government can be obtained with a term of 30 years from the date a project's economic feasibility is presented 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 that remains as a

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credit for greater than 12 years, 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.

As mentioned in the preceding paragraph, one of the benefits from the Argentina Mining Investment Law given to mining companies is 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, we 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 following disclosure regarding the Zacatecas project and our other exploration properties is a summary prepared by Robert Blakestad, M.Sc., P. Geo, L.P.G., Senior Vice President, Exploration and Chief Geologist of Golden Minerals. Mr. Blakestad is a Qualified Person in accordance with National Instrument 43-101 and is not independent of Golden Minerals.

The map below shows the location of some of our projects:

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We expect to spend approximately \$5.0 million of the net proceeds from this Offering to advance our portfolio of exploration projects during 2010. The table set forth below describes the amount and purpose of our contemplated expenditures.

Property	Anticipated Spending During 2010 (millions)	Anticipated Exploration Activities
Mexico		
Zacatecas Muleros and Pánuco Targets	\$1.0	Drill programs consisting of 10 to 15 drill holes and related analytical work
Matchuapil Rabioso Target	\$1.0	Initial drill program consisting of 10 to 15 drill holes totaling 3,000 meters and related analytical work
La Pinta	\$1.0	Initial drill program consisting of 10 to 15 drill holes totaling 3,000 meters and related analytical work
Argentina		
El Quevar (other than Yaxtché target)	\$1.5	Drill program at the Viejo Campo concession and other targets totaling approximately 10,000 meters and related analytical work
Peru		
Palca	\$0.5	Initial drill test of 10 holes totaling 3,000 meters and related analytical work
Total	\$5.0	

The exploration expenditures in the table above assume that we receive at least \$35.0 million in net proceeds from this offering, based on an offering price of \$9.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus. If actual proceeds received are lower than anticipated, we intend to decrease our proposed spending on our exploration properties. See "Use of Proceeds."

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.

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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 four are currently owned exclusively by us, and the remaining four concessions are under our exclusive control under purchase options with private third-party owners. The purchase options require option payments of \$53,000 due in 2009, \$72,500 in 2010, \$375,000 in 2011 and \$204,000 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 2,000 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 approximately 6,800 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 silver with associated base metals and gold. We have spent approximately \$9.8 million through December 31, 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.

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. 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 zone). Results from this drilling returned narrow intercepts of silver mineralization. Our results to date indicate that the more promising part of the Muleros target may be in the southeastern part of the area.

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 intend to conduct a more extensive drilling program.

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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 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.

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.

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 silver and gold values, 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.

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 silver and gold values, and highly anomalous values in copper, lead and zinc.

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.

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. 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.

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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, gold, lead and zinc values. 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 3,000 meters at a cost of \$500,000 to begin in the first quarter 2010. If the program results are encouraging, we intend to conduct additional drilling and analytical work to advance the project.

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 resource estimate that meets industry standards. We may increase our interest under certain conditions. There has been historical production of an unknown amount of silver ores from replacement-style mineralization hosted in sedimentary and volcanic rocks from this project. There are about 4500 meters of underground workings that we have mapped and sampled in some detail.

Our sampling has returned silver values 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 silver resource may be present at Elisa de Bordos.

We are currently conducting a 10 hole, 1,700 meter drilling program to test this area at an estimated cost of \$300,000.

Matehuapil (Mexico)

The Matehuapil Project is located in northeastern Zacatecas state in central Mexico. Significant projects in the region surrounding Matehuapil include the Peñasquito Mine, the Concepción del Oro district and the new Camino Rojo discovery. The project currently includes two concessions totaling 12,090 hectares, and we have a joint venture agreement with Almaden Minerals Ltd. under which we may earn a 60% interest in the properties by making certain payments to Almaden and conducting work programs over a six year period. We have applied for additional property in the area that will be owned solely by Golden Minerals.

The geology at Matehuapil is comprised of limestones with some sandstones and shales intruded by mozonitic bodies and cut by faults and veins related to regional structures. The project has potential for the discovery of silver and base metal-rich veins and replacement deposits, including carbonate replacement deposits similar to the famous Santa Eulalia and Naica deposits found further north.

In addition to these types of deposits, we have indentified an area of altered intrusive and sedimentary rocks that contain potentially significant amounts of gold. This area, called Rabioso, is located in the northwest portion of the Matehuapil concession and contains an exposure of oxidized altered intrusive rock cut by numerous fractures and veinlets. Sampling of this area has indicated that gold values are present over an exposed area of the intrusive of approximately 250 meters by 800 meters and is also found in the adjacent altered sedimentary rocks to a lesser degree. Our work has included trenching and the excavation of pits to obtain material for analysis and the compilation of detailed geological information.

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This work has indicated that the possibility of a large disseminated gold deposit exists at the Rabioso target.

We are planning an initial drill test of 10 to 15 holes totaling 3,000 meters at a cost of \$500,000 to begin in the first quarter of 2010. If the results from this program are encouraging, we intend to conduct additional drilling and analytical work to advance the project.

La Pinta (Mexico)

The La Pinta property is located in northeastern Zacatecas state in central Mexico about 25 kilometers southwest of Concepción del Oro and 13 kilometers south of Goldcorp's Peñasquito mine. The project includes 10 concessions totaling 35,300 hectares that are owned outright by Golden Minerals and one 40 hectare concession controlled under an option to purchase a 100% interest that requires that we pay a total of \$35,000 over a two year period ending in September 2011.

The geology at La Pinta is largely obscured by alluvium, but mapping of available outcrops reveals a thrust fault that places the Cretaceous age Indidura Formation over the Cuesta de Cura Formation, also of Cretaceous age. This contact is marked by boulders and fragments of limestone that are in a siliceous matrix and fragments of silicified intrusive that locally contains abundant pyrite. Large fragments of the altered intrusive are found as float over an area of approximately 2,000 meters by 500 meters. Sampling of this material has returned gold values and highly anomalous levels of arsenic. Elsewhere on the property, scattered outcrops of the Caracol Formation indicates areas of brecciation and pyritic mineralization that has returned silver values and anomalous levels of arsenic and zinc. Outcrops of the various sedimentary units of Cretaceous age show additional evidence of potential mineralization, including calcite and quartz veining, pyrite and iron oxides after pyrite.

We have completed a detailed ground magnetic survey over the central area of interest. This survey indicates a low-level anomaly that is in part coincident with the area of intrusive float and we interpret this as indicating that an altered intrusive rock may be present under the alluvium or intruding the sedimentary rocks in this area.

Our plan is to conduct an initial drill test of 10 to 15 holes totaling 3,000 meters at a cost of \$500,000 to begin in the first quarter of 2010. If the results of this program are encouraging, we intend to follow up the initial program with additional drilling and related work.

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 the mineral rights to a portion of our Platosa silver-lead-zinc property in Mexico, and we retained a 3% net smelter return royalty interest. In November 2009, we sold our 49% joint venture interest in the Platosa project to Excellon. We received a cash payment of \$2.0 million and retained a 1% net smelter return royalty over the joint venture properties. The prior agreements between us and Excellon were terminated in connection with the sale.

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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.

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.

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 \$11.4 million, which includes approximately \$5.4 million that constitutes reimbursement for direct administrative expenses that we incur on behalf of the San Cristóbal mine. We received an annual incentive fee of \$1.125 million for 2009, and we are eligible to receive 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 at the terminating party's discretion by us with 12 months' prior notice or by Sumitomo with six months' prior notice (or by Sumitomo with three months notice if Sumitomo has sold, directly or indirectly, more than 20% of the subsidiary that owns the mine). 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 year ended December 31, 2009, the mine produced approximately 499,400

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tonnes of zinc concentrates and 107,700 tonnes of lead concentrates containing approximately 16.1 million ounces of silver, 246,300 tonnes of zinc and 69,600 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.

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 London Fix high and low silver fixes in U.S. dollars per troy ounce. On March 10, 2010, the closing price of silver was \$17.47 per troy ounce.

Year	Silver	
	High	Low
2005	\$ 9.23	\$ 6.39
2006	\$ 14.94	\$ 8.83
2007	\$ 15.82	\$ 11.67
2008	\$ 20.92	\$ 8.88
2009	\$ 19.18	\$ 10.51
2010*	\$ 18.84	\$ 15.14

*
Through March 10, 2010

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.

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The following table sets forth for the periods indicated on the London Fix AM high and low gold fixes in U.S. dollars per troy ounce. On March 10, 2010, the closing price of gold was \$1,124.50 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	\$ 1,218.25	\$ 813.00
2010*	\$ 1,158.00	\$ 1,052.25