

Golden Minerals Co  
Form S-1/A  
January 25, 2010

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As filed with the Securities and Exchange Commission on January 25, 2010

Registration Statement No. 333-162486

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Amendment No. 2**

to

**FORM S-1**

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**GOLDEN MINERALS COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**1040**

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

**26-4413382**

(I.R.S. Employer  
Identification No.)

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

---

**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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*Copies to:*

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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	Proposed Maximum Offering Aggregate Price <sup>(1)(2)</sup>	Amount of Registration Fee <sup>(3)</sup>
Common Stock (par value \$0.01 per share)	\$115,000,000	\$6,417

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

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

(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 identical in all material respects. 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, January 25, 2010**

**\$85,000,000**

**GOLDEN MINERALS COMPANY**

**Shares  
Common Stock**

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We are offering \_\_\_\_\_ 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 January 21, 2010, as reported by The Pink Sheets LLC at [www.pinksheets.com](http://www.pinksheets.com), was \$11.20 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 January 21, 2010, as quoted on the TSX was Cdn\$12.84.

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. 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.**

	<b>Per Share</b>	<b>Total Proceeds</b>
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$
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 \_\_\_\_\_ 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.

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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 Financial Ltd.**

**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.*

**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. We have spent approximately \$12.8 million on exploration costs at El Quevar since 2004. 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 over 200% 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 San Cristóbal mine to Sumitomo. Substantially all of Apex Silver's remaining assets, including its various subsidiaries that hold the interests in our portfolio of exploration properties, were assigned to us.



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*Our Competitive Strengths and Business Strategy*

Our business strategy is to 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 September 30, 2009 we had \$13.5 million in cash. Upon the completion of the Offering, we expect to have approximately \$106 million in cash, assuming Sentient exercises its pre-emptive right in full but that the Underwriters' over-allotment option is not exercised. In addition, we anticipate that we will receive approximately \$6 million in net cash flow from our existing management services agreement during 2010. 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.

**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

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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.*

<b>Issuer:</b>	Golden Minerals Company
<b>Common stock offered by Golden Minerals:</b>	shares
<b>Common stock offered by selling stockholder:</b>	391,237 shares
<b>Offering:</b>	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.
<b>Over-allotment option:</b>	We have granted to the Underwriters an over-allotment option to purchase up to additional shares of our common stock at the public offering price, less the underwriting discount. The option may be exercised in whole or in part at any time within 30 days following the date of this prospectus.
<b>Concurrent offering to Sentient:</b>	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 shares of common stock ( 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.
<b>Common stock outstanding:</b>	Prior to the Offering, we had 4,483,309 shares of common stock outstanding <sup>(1)</sup> Following the offering, we will have shares of common stock outstanding if Sentient elects to purchase all of the shares which it is entitled to purchase, and shares of common stock outstanding if Sentient does not elect to purchase such shares. <sup>(1)(2)</sup>

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**Use of proceeds:**

We estimate that our net proceeds from this Offering, after deducting the underwriting discount and estimated offering expenses, will be approximately \$92.8 million if Sentient elects to purchase all of the shares which it is entitled to purchase, and approximately \$73.7 million if Sentient does not elect to purchase such shares.<sup>(3)</sup>

We expect to use approximately \$44.0 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 \$33.0 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.

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(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, \_\_\_\_\_ 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 \_\_\_\_\_ 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 \$107.8 million, assuming Sentient elects to purchase all of the shares which it is entitled to purchase, and approximately \$85.6 million if Sentient does not elect to purchase such shares.

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

	<b>Nine Months Ended September 30, 2009</b>		<b>The Year Ended December 31,</b>				
	<b>For The Period March 25, 2009 Through September 30, 2009 (Successor)</b>	<b>For The Period January 1, 2009 Through March 24, 2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>(in thousands, except per share amounts)</b>						
<b>Statement of Operations:</b>							
Revenue	\$ 6,010	\$ 1,350	\$ 5,400	\$ 5,400	\$ 2,640	\$ 143	\$
Operating expenses	(16,789)	(11,080)	(46,124)	(36,163)	(28,386)	(23,173)	(21,366)
Other income (expense), net <sup>(1)</sup>	(2,038)	253,516	(28,392)	(19,567)	14,602	13,682	2,521
(Loss) income from continuing operations before income taxes	(12,817)	243,786	(69,116)	(50,330)	(11,144)	(9,348)	(18,845)
Income tax expense	(497)	(165)	(618)	(879)	(749)	(379)	
(Loss) income from continuing operations	(13,314)	243,621	(69,734)	(51,209)	(11,893)	(9,727)	(18,845)
Loss from discontinued operations <sup>(2)</sup>		(4,153)	(166,625)	(24,634)	(510,465)	(57,327)	
Net (loss) income	(13,314)	239,468	(236,359)	(75,843)	(522,358)	(67,054)	(18,845)
Net (income) loss attributable to noncontrolling interest <sup>(3)</sup>		(7,869)	118,122	87,399	8,813	16	
Net (loss) income attributable to stockholders	\$ (13,314)	\$ 231,599	\$ (118,237)	\$ 11,556	\$ (513,545)	\$ (67,038)	\$ (18,845)
<b>Net (loss) income per Common Stock</b>							
<b>Ordinary Share basic</b>							
Net loss from continuing operations attributable to stockholders	\$ (4.46)	\$ 4.13	\$ (1.18)	\$ (0.87)	\$ (0.21)	\$ (0.20)	\$ (0.41)
Net loss from discontinued operations attributable to stockholders		(0.20)	(0.82)	1.07	(8.88)	(1.18)	
Net (loss) income attributable to stockholders	\$ (4.46)	\$ (3.93)	\$ (2.01)	\$ 0.20	\$ (9.09)	\$ (1.38)	\$ (0.41)



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	<b>Nine Months Ended September 30, 2009</b> <b>For The Period</b> <b>March 25, 2009</b> <b>Through</b> <b>September 30, 2009</b> <b>(Successor)</b>		<b>For The Period</b> <b>January 1, 2009</b> <b>Through</b> <b>March 24, 2009</b>		<b>The Year Ended December 31,</b> <b>2008</b> <b>2007</b> <b>2006</b> <b>2005</b> <b>2004</b> <b>(Predecessor)</b>									
	(in thousands, except per share amounts)													
<b>Net income (loss) per Common Stock</b>														
<b>Ordinary Share    diluted</b>														
Net loss from continuing operations attributable to stockholders	\$	(4.46)	\$	(0.06)	\$	(1.18)	\$	(0.87)	\$	(0.21)	\$	(0.20)	\$	(0.41)
Net loss from discontinued operations attributable to stockholders				(0.17)		(0.82)		1.07		(8.88)		(1.18)		
Net income (loss) attributable to stockholders	\$	(4.46)	\$	(0.23)	\$	(2.01)	\$	0.20	\$	(9.09)	\$	(1.38)	\$	(0.41)
Weighted average Common Stock / Ordinary Shares outstanding    basic		2,988		59,001		58,947		58,715		56,498		48,616		46,528
Weighted average Common Stock / Ordinary Shares outstanding    diluted		2,988		69,171		58,947		58,715		56,498		48,616		46,528
<b>Cash Flow Data:</b>														
Net cash used in operating activities	\$	(15,760)	\$	(13,849)	\$	(139,554)	\$	(166,029)	\$	(70,727)	\$	(24,338)	\$	(9,218)
Net cash provided by (used in) investing activities	\$	3,689	\$	43,043	\$	(95,842)	\$	40,254	\$	(223,012)	\$	(1,869)	\$	(518,926)
Net cash provided by (used in) financing activities <sup>(4)</sup>	\$		\$	(37,297)	\$	228,383	\$	116,671	\$	338,771	\$	3,275	\$	538,370

	<b>At</b> <b>September 30,</b> <b>2009</b>		<b>At December 31,</b> <b>2008</b> <b>2007</b> <b>2006</b> <b>2005</b> <b>2004</b>									
<b>Balance Sheet Data:</b>												
Total assets	\$	28,496	\$	606,347	\$	1,324,911	\$	1,270,096	\$	780,511	\$	693,818
Long term liabilities	\$	634	\$	73,504	\$	1,040,098	\$	1,278,474	\$	467,743	\$	339,987
Noncontrolling interest	\$	794	\$	150,792	\$		\$	40	\$	34	\$	
Stockholders' equity (deficit)	\$	24,325	\$	(199,080)	\$	(84,101)	\$	(103,290)	\$	227,229	\$	346,116

- (1) The September 30, 2009 amount for the predecessor period ended March 24, 2009 includes a \$248.2 million gain from extinguishment of debt and a \$9.1 million fresh start accounting gain both related to the reorganization and emergence from Chapter 11 bankruptcy.
- (2) Amounts shown for the years ended December 31, 2008, 2007, 2006 and 2005 include gains and losses related to Apex Silver's open metals derivative positions, including realized cash losses related to the settlement of the positions during 2008 and 2007 and unrealized mark-to-market gains and losses during 2008, 2007, 2006 and 2005. See Note 14, "Derivative Positions," in our Consolidated Financial Statements. The 2008 amount also includes a \$63.1 million gain related to the sale of our retained interest in Sumitomo's share of future silver and zinc production from the San Cristóbal mine. The 2006 amount also includes a \$199.6 million gain related to the sale to Sumitomo of a 35% interest in the subsidiaries that own and operate the San Cristóbal mine.
- (3) In accordance with generally accepted accounting principles in the United States at the time, we did not allocate losses to the noncontrolling interest in excess of the minority owner's recorded interest in the subsidiary and at December 31, 2007 and 2006, we had absorbed approximately \$23.6 million and \$98.8 million of losses, respectively, that normally would have been allocated to the noncontrolling interest. During 2008 and 2007, \$23.6 million and \$75.2 million of the losses previously absorbed were recouped and included in noncontrolling interest in losses of consolidated subsidiaries for the respective periods. See Note 18, "Noncontrolling Interests," in our Consolidated Financial Statements.

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(4)

The 2008 amount includes \$150.0 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. The 2004 amount includes \$328.1 million of net proceeds from the issuance of Apex Silver's 4.0% and 2.875% Convertible Senior Subordinated Notes due 2024 and \$208.6 million of net proceeds from 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.

We have completed a technical report on the El Quevar property, which indicates the presence of "mineralized material." See "Business and Properties El Quevar Geology and Mineralization." Mineralization figures based on estimates made by geologists are inherently imprecise and depend on geological interpretation and statistical inferences drawn from drilling and sampling that may prove to be unreliable. We cannot assure you that these estimates will be accurate or that proven and probable reserves will be identified at El Quevar or any of our other properties. Even if we establish the presence of reserves at a project, the economic viability of the project may not justify further exploitation. 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 an additional \$50 to \$70 million will be required following completion of the feasibility study anticipated in the fourth quarter 2010, although the actual amount required may significantly vary. 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

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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 upon 180 days' written notice (or three months notice if Sumitomo has sold, directly or indirectly, more than 20% of the subsidiary that owns the mine) provided that it pays us a \$1.0 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 may not be based on the trading price in the existing limited public trading market for our common stock. Instead, the offering price will be determined by us and the Underwriters following a bookbuilding process. Among the factors to be considered in determining the offer price, in addition to prevailing market conditions, will be estimates of our business potential, an assessment of our management and properties, and consideration of the above factors in relation to market valuation of companies in related businesses.

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

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

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

volatility in metal prices;

announcements of news by us;

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

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

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

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

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

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

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

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ownership of any of shares of common stock or any securities convertible into or exchangeable for shares of common stock. A total of \_\_\_\_\_ shares, or \_\_\_\_\_ % of our outstanding shares following completion of the Offering, are subject 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.

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 \$73.7 million, 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 \$11.9 million.

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). If Sentient does exercise its pre-emptive right, we estimate that the net proceeds we will receive from Sentient will be approximately \$19.1 million, 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 \$3.0 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 \$92.8 million or approximately \$107.8 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 \$44.0 million to fund the advancement of the Yaxtché deposit at our El Quevar project over the next 12 months, including:

Approximately \$30.0 million to fund the construction of an underground drift and related infrastructure in order to develop additional information regarding the deposit and prepare a feasibility study, including detailed plant engineering, 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.

Approximately \$14.0 million to fund concession option payments and a portion of the continuing work on development and construction of the El Quevar project if results from the feasibility study are favorable as follows:

Approximately \$0.5 million for underground exploration drilling,

Approximately \$1.0 million for continued construction of underground workings and related infrastructure from which underground exploration drilling is conducted,

Approximately \$9.0 million for construction of the processing plant and other surface facilities, and

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Approximately \$3.5 million for other costs including option payments, permitting and technical work.

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

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this Offering that were intended to fund El Quevar development to instead fund the evaluation and advancement of other exploration projects in our portfolio.

Approximately \$33.0 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 four targets on our Zacatecas project in Mexico, with up to an additional \$12.0 million for additional drilling and analytical work on the targets if initial results are favorable;

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

Approximately \$10.0 million for early stage exploration on our Palca project in Peru, our Matehuapil and La Pinta projects in Mexico, and our Elisa de Bordos project in Chile, including initial drilling and bulk sampling.

Working capital requirements or other general corporate purposes.

The actual amount that we spend in connection with the intended use of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the results of our continued exploration activities in defining the El Quevar deposit and those described in the "Risk Factors" section of this prospectus. 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 Chlumsky Armbrust & Meyer. 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 \$4.7 million, 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 September 30, 2009:

- (1) on an actual basis;
- (2) on an as adjusted basis to give effect to (i) the adjustment in the number of restricted shares outstanding under our 2009 Equity Incentive Plan as a result of forfeitures of existing awards and grants of additional awards, (ii) the issuance of 12,265 shares of common stock in November 2009 to former noteholders of Apex Silver pursuant to the Plan, (iii) the issuance of 400,000 shares of common stock to Hochschild in January 2010, and (iv) 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 \_\_\_\_\_ shares of common stock in this Offering by us based on an offering price of \$ \_\_\_\_\_ per share, 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 \_\_\_\_\_ shares of common stock to Sentient concurrent with this Offering based on an offering price of \$ \_\_\_\_\_ per share, after deducting the placement agent's commission.

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.

	<b>September 30, 2009</b>			
	(1) Actual	(2) As Adjusted	(3) As Adjusted	(4) As Adjusted
(in thousands, except Share amounts)				
Cash and cash equivalents	\$ 13,549	19,299	92,999	112,130
Total debt				
Stockholders' equity				
Common stock, \$0.01 par value, 50,000,000 shares authorized; 3,232,735 shares issued and outstanding (actual), 4,483,309 shares issued and outstanding (as adjusted column (2)), shares issued and outstanding (as adjusted column (3)), shares issued and outstanding (as adjusted column (4))	\$ 32	\$ 45		
Additional paid-in capital	\$ 37,447	\$ 43,972		
Accumulated deficit	\$ (13,314)	\$ (13,314)	\$ (13,314)	\$ (13,314)
Accumulated other comprehensive income (loss)	\$ 160	\$ 160	\$ 160	\$ 160
Total stockholders' equity	\$ 25,119	\$ 30,863	104,563	123,694
Total capitalization	\$ 25,119	\$ 30,863	104,563	123,694

The table above includes shares of restricted common stock issued under our 2009 Equity Incentive Plan of which 245,000 were outstanding as of September 30, 2009, and of which 230,000 were outstanding as of January 21, 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 September 30, 2009.

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

Our common stock currently trades in interdealer and over-the-counter transactions, and price quotations have been available in the "pink sheets" under the symbol "GDMN". The following table sets forth the high and low sales prices per share and volume traded as reported by The Pink Sheets LLC at [www.pinksheets.com](http://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.

<b>2009</b>	<b>High</b>	<b>Low</b>	<b>Volume Traded (shares)</b>
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
<b>2010</b>			
January **	\$ 16.00	\$ 10.00	101,381

\*

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

\*\*

Through January 21, 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.

<b>2009</b>	<b>High<sup>(1)</sup></b>	<b>Low<sup>(1)</sup></b>	<b>Volume Traded (shares)</b>
July*	\$ 2.96	\$ 2.94	5,000
August	\$ 4.67	\$ 3.39	21,190
September	\$ 6.67	\$ 3.24	145,720
October	\$ 7.62	\$ 5.48	70,687
November	\$ 7.00	\$ 5.29	18,485
December	\$ 10.39	\$ 6.33	86,759
<b>2010</b>			
January **	\$ 14.78	\$ 9.77	119,408

\*

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

\*\*

Through January 21, 2010.

(1)

All Canadian share prices were converted to U.S. dollars based on an exchange rate of 0.9536, as reported by the Bank of Canada, as of January 21, 2010. On January 21, 2010, the closing sales price for common stock was Cdn\$12.84 per share on the Toronto Stock Exchange (\$12.24, as converted to U.S. dollars).

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As of January 21, 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**

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 September 30, 2009, on an as adjusted basis to give effect to (i) the adjustment in the number of restricted shares outstanding under our 2009 Equity Incentive Plan as a result of forfeitures of existing awards and grants of additional awards, (ii) the issuance of 12,265 shares of common stock in November 2009 to former noteholders of Apex Silver pursuant to the Plan, (iii) the issuance of 400,000 shares of common stock to Hochschild in January 2010, and (iv) 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 \$30.9 million, or approximately \$6.89 per share based upon 4,483,309 shares of common stock outstanding.

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

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

Public offering price per share	\$ _____
Net tangible book value per share prior to this Offering	\$ 6.89
Net tangible book value per share after this Offering <sup>(1)</sup>	\$ _____
Increase in net tangible book value per share attributable to cash payments from purchasers of the shares <sup>(1)</sup>	\$ _____
Immediate dilution to new investors in this Offering	\$ _____

(1) Assumes that Sentient exercises its pre-emptive right in full concurrent with the Offering and purchases \_\_\_\_\_ shares at the public offering price.

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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 to incur an operating loss for 2009 and future periods unless and until El Quevar or one of our other exploration properties is developed and goes into production. We cannot predict when or if that will occur.

**Recent Developments**

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

We completed significant additional drilling at El Quevar. Our field work at El Quevar has now identified 13 target areas believed to have potential for the discovery of additional silver mineralization. Through 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 at an average silver grade of approximately 412 grams per tonne. See "Business and Properties El Quevar Geology and Mineralization."

The San Cristóbal mine has operated successfully under our management, generating positive operating cash flow for the quarter ended September 30, 2009. During that period, the mine achieved average concentrator throughput of approximately 47,300 tonnes per day, exceeding the 40,000 tonnes per day designed capacity. Zinc concentrate production during that period was

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approximately 133,500 tonnes and lead concentrate production during the period was approximately 28,200 tonnes. Payable metal production from the San Cristóbal mine during that period totaled approximately 4.6 million ounces of silver, 66,400 tonnes of zinc and 18,200 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 high-grade 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 high-grade vein target at our Palca project, where at least four veins exhibit silver values greater than 100 grams per tonne with associated lead, zinc and gold values. We 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 the third quarter of 2009 we sold our remaining auction rate securities ("ARS") in a secondary market through two brokerage firms. The investments were illiquid securities that were assigned to us by Apex Silver in connection with the emergence from Chapter 11 proceedings. On July 23, 2009, we completed the disposition of certain of our ARS, receiving approximately \$2.5 million in exchange for the securities, which had a carrying value of approximately \$3.8 million at March 31, 2009. On October 1, 2009, we completed the disposition of our remaining ARS through a brokerage firm. We received approximately \$550,000 in exchange for the securities, which had a carrying value of approximately \$2.2 million.

In 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 60%. 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. The book value of the assets to be sold is approximately \$2.5 million, or 9% of our total assets at September 30, 2009, based on the fresh start accounting valuation effective March 25, 2009, and in connection with this transaction we expect to write down the value of the assets to be sold in our 2009 year-end financial statements by an amount from \$1.5 million to \$1.9 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 Yaxtché target area.

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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 Cdn\$5.96 million. Sentient 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. See "*Business and Properties - El Quevar.*"

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 Cdn\$5.96 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 Cdn\$208,724.

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. Other than its right to purchase concurrent with this 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.

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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 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.

*Comparison of the Nine Month Periods ended September 30, 2009 and September 30, 2008*

For the results of continuing operations discussed below, we compare the results of continuing operations of Apex Silver for the 83-day period ended March 24, 2009 and the results of our continuing operations for the 190-day period ended September 30, 2009 to the results of continuing operations of Apex Silver for the nine month period ended September 30, 2008. The results of operations of the San Cristóbal mine and related subsidiaries that were sold during the first quarter 2009 are aggregated and presented as discontinued operations of Apex Silver for the nine month period ended September 30, 2008 and the 83-day period ended March 24, 2009. Golden Minerals does not report discontinued operations.

*Continuing Operations*

*Management service fees.* We recorded \$7.4 million of management service fee income (\$6.0 million and \$1.4 million for us and Apex Silver, respectively) for the nine months ended September 30, 2009. Our \$6.0 million of revenue is primarily related to the San Cristóbal Management Services Agreement and is comprised of \$5.2 million of fees and \$0.7 million for reimbursed withholding taxes. Apex Silver's \$1.4 million of management service fees is all related to fees received by Apex Silver from a subsidiary included in discontinued operations. Management service fees for the nine months ended September 30, 2008 were \$4.1 million and were all related to fees received by Apex Silver from a subsidiary included in discontinued operations.

*Cost of services.* We recorded \$2.3 million of costs of services (all related to us) for the nine months ended September 30, 2009. The cost of services is comprised of reimbursed out-of-pocket costs incurred by us related to the San Cristóbal Management Services Agreement. Apex Silver recorded no cost of services for the nine month period ended September 30, 2008.

*Exploration.* Our exploration expenses, including property holding costs and allocated administrative expenses, totaled \$10.6 million (\$7.1 million and \$3.5 million for us and Apex Silver, respectively) for the nine month period ended September 30, 2009, as compared to \$21.4 million for the nine months ended September 30, 2008. Exploration expenses were incurred primarily at El Quevar in Argentina and in Mexico and Peru and include property holding costs and costs incurred by the local exploration offices. None of the exploration expenses reported relate to San Cristóbal.

*Administrative and reorganization.* Administrative expenses totaled \$10.7 million (\$5.9 million and \$4.8 million for us and Apex Silver, respectively) for the nine month period ended September 30, 2009, as compared to \$15.4 million for the nine months ended September 30, 2008. Administrative expenses,



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including costs associated with being a public company, are incurred primarily by our corporate activities in support of our exploration program and our management services for the San Cristóbal mine. The \$5.9 million of administrative expenses we incurred after emergence from bankruptcy is comprised of \$2.4 million of professional fees, \$2.2 million of employee compensation, \$0.6 million of travel expenses and \$0.7 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 \$0.9 million and \$3.7 million for our results and Apex Silver's results for the nine month period ended September 30, 2009, respectively. The reorganization expenses relate to expenses for professional services incurred as a result of Apex Silver's bankruptcy filing and the sale of its interest in the San Cristóbal mine to Sumitomo. We incurred no reorganization expense during the nine months ended September 30, 2008.

*Loss on Auction Rate Securities.* Loss on ARS investments totaled \$3.0 million (\$2.2 million and \$0.8 million for us and Apex Silver, respectively) for the nine month period ended September 30, 2009, as compared to \$8.0 million for the nine months ended September 30, 2008. The auctions for certain of our ARS began to fail during the third quarter of 2007 and continued to fail through September 30, 2009. The markets for the ARS have continued to deteriorate resulting in the recording of additional impairment charges. During the third quarter 2009, we sold our remaining ARS investments in a secondary market for \$3.0 million and recognized a loss of \$2.2 million. At September 30, 2009, we had no remaining ARS investments.

*Interest and Other Income.* We recorded interest and other income of \$1.7 million (\$0.7 million and \$1.0 million for us and Apex Silver, respectively) for the nine month period ended September 30, 2009, as compared to \$4.3 million for the nine months ended September 30, 2008. We held lower average cash and investment balances during 2009 as compared to the same period in 2008, which resulted in lower interest being earned. In addition, interest rates were lower during 2009 as compared to the preceding period.

*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 nine month period ended September 30, 2009, as compared to \$0.5 million for the nine months ended September 30, 2008. The property is being test mined by a joint venture partner, Excellon, and we receive a royalty for product sold from the test mining operation. The three 2009 quarterly payments were withheld by Excellon pending negotiations regarding a contiguous property. Upon closing a November 2009 transaction in which we sold our 49% joint venture interest to Excellon, our prior agreements with Excellon, including the royalty to which three outstanding quarterly payments were withheld, were terminated. As a result of the sale transaction, we retained a 1% net smelter return royalty over the joint venture properties that had been subject to the prior agreements.

*Interest and Other Expense.* We recorded interest and other expense of \$0.3 million (all related to Apex Silver) for the nine month period ended September 30, 2009, as compared to \$7.6 million for the nine months ended September 30, 2008. The expense for both periods was primarily the result of interest incurred on Apex Silver's Convertible Senior Subordinated Notes due 2024. Apex Silver ceased accruing interest on the convertible notes following the filing for protection under Chapter 11 on January 12, 2009 and the notes were cancelled on March 24, 2009 in connection with our emergence from bankruptcy. The convertible notes were outstanding during the full nine month period ended September 30, 2008.

*Income Taxes.* We are subject to U.S. income taxes on income derived from services provided to the San Cristóbal mine. Otherwise, we do not currently conduct business in the U.S. that would generate significant U.S. taxable income. Our income tax provisions of \$0.7 million (\$0.5 million and \$0.2 million for us and Apex Silver, respectively) for the nine month period ended September 30, 2009, and \$0.5 million for the nine months ended September 30, 2008 consist of withholding taxes either accrued or paid to Bolivia in connection with management services provided to the San Cristóbal mine.

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*Discontinued Operations San Cristóbal.*

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

The loss from discontinued operations related to the San Cristóbal mine for the nine month period ended September 30, 2008 totaled \$214.9 million. The loss was primarily the result of a \$615.0 million impairment of certain San Cristóbal assets recorded during the period, and a \$34.4 million loss related to the write down of inventories at San Cristóbal, partly offset by a \$358.9 million mark-to-market gain related to Apex Silver's open metal derivative positions.

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

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

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

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

*Administrative.* Administrative expense was \$20.2 million, \$20.3 million and \$19.7 million for the years ended December 31, 2008, 2007 and 2006, respectively. Administrative expenses were incurred primarily by Apex Silver's corporate activities and consisted primarily of compensation costs, professional fees paid for accounting and legal services, office and equipment lease costs and other general costs.

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

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

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

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

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

*Net Loss attributable to Noncontrolling Interests (formerly Minority Interest).* For the years ended December 31, 2008, 2007 and 2006, Apex Silver allocated losses to the noncontrolling interest of \$118.1 million, \$87.4 million and \$8.8 million, respectively. The 2008 amount is primarily related to Sumitomo's interest in certain losses related to San Cristóbal property, plant and equipment impairment charges and inventory write downs partially offset by gains related to marking Apex Silver's metal derivative positions to market. For the years ended December 31, 2007 and 2006 Apex Silver did not allocate certain losses to the noncontrolling interests because generally accepted accounting principles in the United States at that time did not allow for the allocation of losses to the noncontrolling interest if the noncontrolling interest's equity balance is in a deficit position. Consequently, for the years ended December 31, 2007 and 2006, Apex Silver had absorbed approximately \$23.6 million and \$98.8 million of losses, respectively, that normally would have been allocated to the noncontrolling interest. When the noncontrolling interest's equity balance returns to positive, as the result of capital contributions and income distributions, Apex Silver is able to allocate the previously absorbed losses to the noncontrolling interest. Accordingly, of the \$98.8 million loss Apex Silver absorbed during the year ended December 31, 2006, \$75.2 million was allocated to the noncontrolling interest during the year ended December 31, 2007 and the remaining \$23.6 million was allocated to the noncontrolling interest during the year ended December 31, 2008. Also, during 2008, Sumitomo advanced an additional \$86.9 million to fund its share of operating costs related to the San Cristóbal mine, Apex Silver recorded \$14.1 million of interest due Sumitomo on its cumulative share of advances to fund the San Cristóbal mine, and Sumitomo loaned Minera San Cristóbal \$150.0 million under a working capital facility. All of these transactions were recorded to noncontrolling interest.

**Liquidity and Capital Resources**

For the year ending December 31, 2010, we expect to spend approximately \$10.0 million on general and administrative costs, approximately \$30.0 million at the El Quevar project for the construction of an underground drift and related workings and the preparation of a feasibility study, approximately \$14.0 million to fund concession option payments and a portion of the development and construction of El Quevar, assuming the results from the feasibility study are favorable, and approximately \$33.0 million to advance our portfolio of other exploration properties.

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As of September 30, 2009, we had approximately \$13.5 million in cash and cash equivalents. We plan to fund the expenditures described above from our existing cash and investment balances, from the approximately \$6.0 million of annual net cash flow from our management services agreement with San Cristóbal (comprised of the annual fee, net of reimbursed administrative expenses), from the approximately \$5.5 million we received in the Sentient private placement in January 2010, from an anticipated \$1.0 million of interest and other cash receipts during the period, from the \$2.0 million cash payment we received in November 2009 for the sale of our 49% joint venture interest in the Platosa project in Mexico, and from the proceeds of this Offering. See "Use of Proceeds."

Based on our work to date, we currently estimate that approximately \$50.0 to \$70.0 million will be required in addition to amounts needed to complete the underground drift and feasibility study in order to construct a mine at El Quevar. This is a preliminary estimate and the actual cost may vary significantly. We expect to reserve a portion of the proceeds of this Offering to fund a portion of the development and construction costs for El Quevar, but will likely need to obtain additional financing during the second half of 2010 if the El Quevar project proceeds to development and construction. There can be no assurance that we will be successful in raising additional capital in the future on terms acceptable to us or at all. If we are unable to obtain additional capital during 2010, the potential development of the El Quevar project may be delayed.

**Critical Accounting Policies and Estimates**

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

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

During December 2007 the FASB issued FASB Statement No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51" ("FAS No. 160"). A noncontrolling interest, formerly called a minority interest, is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The objective of this Standard is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards related to noncontrolling interests. We adopted FAS No. 160 effective January 1, 2009 and will no longer report minority interest in the "mezzanine," but we will reflect such noncontrolling interests as part of equity. The provisions of FAS No. 160 have been retrospectively applied to all periods present in the accompanying Consolidated Financial Statements. See Note 18 to the Consolidated Financial Statements for a discussion of noncontrolling interests.

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

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*Mineral Reserves*

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

*Mineral Properties*

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

*Asset Retirement Obligations*

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

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

*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 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,

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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 September 30, 2009:

Contractual Obligations	Total	Less Than	1 - 3	3 - 5	More
		1 Year	Years	Years	Than 5
(in thousands of \$)					
Operating leases <sup>(1)</sup>	1,933	277	773	814	69
El Quevar concession payments <sup>(2)</sup>	143	29	57	57	<sup>(4)</sup>
Purchase option agreement payments <sup>(3)</sup>	2,850	700	2,150	0	

(1) The operating lease obligations are related to our corporate headquarters office. The current lease expires October 31, 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. 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 September 30, 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.

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

**Off-Balance Sheet Arrangements**

We do not have any off balance sheet arrangements.

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

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



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*Foreign Currency Exchange Risk*

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

*Commodity Price Risk*

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



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**BUSINESS AND PROPERTIES**

**Overview**

We are a mineral exploration and mining services company with a diversified portfolio of precious metals and other mineral exploration properties located in or near the traditional 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 in countries throughout the world, including 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 September 30, 2009 we had \$13.5 million in cash. Upon the completion of the Offering, we expect to have approximately \$106 million in cash, assuming Sentient exercises its pre-emptive right in full but that the Underwriters' over-allotment option is not exercised. In addition, we anticipate that we will receive approximately \$6.0 million in net cash flow from our existing management services agreement

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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 18% over its 40,000 tonnes per day design capacity during the third quarter of 2009, producing 133,500 tonnes of zinc concentrates and 28,200 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/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

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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 have established a camp approximately 10 kilometers west of the project, which currently houses approximately 45 workers.

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

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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.

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

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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.

**CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND**

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

Set forth below are the results of three independent technical reports on the Yaxtché deposit. Because this prospectus is being used in connection with the Offering in the United States and Canada, we present the results of the technical reports in compliance with both U.S. and Canadian regulatory requirements, which differ significantly.

February 2009 Technical Report

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

**Information Regarding Mineralized Material for U.S. Investors**

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

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

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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.

### **Information Regarding Mineral Resources for Canadian Investors**

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

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

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

### October 2009 Technical Report

During 2009, we continued to conduct exploratory drilling on the El Quevar concessions and the Yaxtché zone in particular. Using this additional drilling data, 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.

### **Information Regarding Mineralized Material for U.S. Investors**

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

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.



Table of Contents**Information Regarding Mineral Resources for Canadian Investors**

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

<b>Tonnes (000s)</b>	<b>Indicated Average Ag Grade (g/tonne)</b>	<b>Contained Ounces (000s)</b>	<b>Tonnes (000s)</b>	<b>Inferred Average Ag Grade (g/tonne)</b>	<b>Contained Ounces (000s)</b>
310	430	4,288	1,640	415	21,876

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

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 selective underground mining with continuity along strike and down dip supported by geologic interpretation of all holes logged to date in the mineralized zone.

**Information Regarding Mineralized Material for U.S. Investors**

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

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

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

**Information Regarding Mineral Resources for Canadian Investors**

According to the January 2010 CAM technical report, estimated mineral resources in the Yaxtché zone, at a cut-off grade of 100 grams/tonne silver, were as follows:

<b>Tonnes (000s)</b>	<b>Indicated Average Ag Grade (g/tonne)</b>	<b>Contained Ounces (000s)</b>	<b>Tonnes (000s)</b>	<b>Inferred Average Ag Grade (g/tonne)</b>	<b>Contained Ounces (000s)</b>
866	412	11,478	2,216	447	31,877

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

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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. Construction of the underground drift is expected to commence 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. Out of 45 surface samples taken at the Jenna structure, 22 returned an average of 249 grams per tonne of silver with one seven meter interval reporting 849 grams per tonne. The Jenna structure is approximately 600 meters in strike length. At the Pamela structure, which has an exposed strike length of approximately 150 meters, surface samples assayed up to 406 grams per tonne of silver and 1.27% lead. Preliminary results from 4 diamond drill holes completed as part of a first stage drill program at the Viejo Campo concession have returned up to 7.8 meters averaging 200 grams per tonne silver and two meters averaging 366 grams per tonne silver. We expect the remaining assays to be reported in the fourth quarter of 2009.

*Advancement of El Quevar*

We anticipate spending approximately \$44.0 million during 2010 in connection with the advancement of the Yaxtché deposit at El Quevar. This amount includes approximately \$30.0 million for engineering, construction and related costs associated with the underground drift and preparation of the feasibility

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study, and approximately \$14.0 million to fund concession option payments and a portion of the development and construction of the El Quevar project during 2010 if results from the feasibility study are favorable. We also expect to spend approximately \$4.5 million for drilling and other exploration activities outside of the 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 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 anticipate that a total of approximately \$50.0 to \$70.0 million will be needed following the completion of the feasibility study in order to develop and construct an underground mine at El Quevar. If the project advances to development and construction, we 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 \$33.0 million to advance our portfolio of exploration projects during 2010. The table set forth below describes the amount and purpose of our contemplated expenditures.

<b>Property</b>	<b>Anticipated Spending During 2010 (millions)</b>	<b>Anticipated Exploration Activities</b>
<b>Mexico</b>		
Zacatecas Muleros Target	\$3.5	Drill program consisting of 10 to 15 drill holes and related analytical work; Additional drilling of up to 10,000 meters and analytical work if results of drilling program are favorable
Zacatecas Pánuco Target	\$3.0	Initial drill program consisting of 10 diamond core holes totaling approximately 2,000 meters and related analytical work; Additional drilling of up to 10,000 meters and analytical work if results of initial drilling are favorable
Zacatecas El Cristo Target	\$3.5	Initial drill program consisting of 10 to 15 diamond core holes totaling approximately 3,000 meters; Additional drilling of up to 10,000 meters and analytical work if results of drilling program are favorable
Zacatecas San Manuel-San Gil Target	\$3.0	Initial drill program consisting of 5 to 10 drill holes totaling 2,000 meters and related analytical work; Additional drilling of up to 10,000 meters and analytical work if results of drilling program are favorable
Matehuapil Rabioso Target	\$2.0	Initial drill program consisting of 10 to 15 drill holes totaling 3,000 meters and related analytical work; Additional drilling of up to 5,000 meters and analytical work if results of drilling program are favorable
La Pinta	\$2.0	Initial drill program consisting of 10 to 15 drill holes totaling 3,000 meters and related analytical work; Additional drilling of up to 5,000 meters and analytical work if results of drilling program are favorable
<b>Argentina</b>		
El Quevar (other than Yaxtché target)	\$4.5	Drill program at the Viejo Campo concession and other targets totaling approximately 10,000 meters and related analytical work
<b>Peru</b>		
Palca	\$3.0	Initial drill test of 10 holes totaling 3,000 meters and related analytical work; If results of this initial drilling program are favorable, we plan to drill an additional 10,000 meters
<b>Chile</b>		
Elisa de Bordos	\$3.0	We are currently conducting a 10 hole, 1,700 meter drilling program; If results from this program are favorable, we plan to drill an additional 10,000 meters and conduct a bulk sampling program
<b>Other Properties</b>	\$2.7	Includes preliminary mapping, surface sampling and related early stage activities at several of our early stage exploration properties not listed above
<b>General Exploration Expenses</b>	\$2.8	Includes office costs and personnel associated with our exploration offices in Mexico, Peru and Argentina.
<b>Total</b>	<b>\$33.0</b>	



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**Zacatecas (Mexico)**

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

*Location and Access*

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

*Title and Ownership Rights*

We own or control approximately 180 concessions totaling approximately 14,850 hectares in the Zacatecas project. Of these concessions, all but 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 \$55,000 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 2000 surface samples. In 2006, we began systematic reconnaissance work on all concessions that we controlled. On the basis of this and the previous work, we identified the Muleros, El Cristo and San Manuel-San Gil areas of interest. In these areas, we performed more detailed mapping work, as well as trenching and detailed sampling, and in the Muleros area, we completed a two-stage diamond drilling program of 37 holes totaling 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 high-grade silver with associated base metals and gold. We have spent approximately \$8.5 million through June 30, 2009 on exploration and property acquisition in the Zacatecas district.



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#### *Geology and Mineralization*

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

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

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

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

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

#### *Muleros Area*

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

From 2006 to the present, we have taken approximately 1,100 surface samples from outcrops and trenches. The grades in the veins range from 0.1 to 2.87 grams per tonne of gold, and from 5 grams per tonne to 793 grams per tonne of silver, with anomalous values in base metals over widths ranging from 0.3 to 1.3 meters.

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

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

*Pánuco Area*

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

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

*El Cristo Area*

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

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

*San Manuel-San Gil Area*

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

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

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

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**Early Stage Exploration Properties**

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

*Palca (Peru)*

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

We are planning an initial drill test of 10 holes totaling 3,000 meters at a cost of \$500,000 to begin in the first quarter 2010. If the program results are encouraging, we plan to drill an additional 10,000 meters at a cost of approximately \$2,500,000.

*Elisa de Bordos (Chile)*

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

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

We are currently conducting a 10 hole, 1,700 meter drilling program to test this area at an estimated cost of \$300,000. If the results from this program are promising, we plan to drill an additional 10,000 meters and conduct a bulk sampling program, mainly from the underground workings, at an estimated cost of \$3,000,000.

*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.

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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 in the range of 0.1 g/t to 19.9 g/t 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. 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 drill an additional 5,000 meters at a cost of approximately \$1.5 million.

*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 highly anomalous levels of arsenic and up to 3.3 g/t gold. Elsewhere on the property, scattered outcrops of the Caracol Formation indicates areas of brecciation and pyritic mineralization that has anomalous levels of arsenic and zinc with as much as 72 g/t silver. 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 an additional 5,000 meters of drilling and related work at an estimated cost of \$1.5 million.

**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



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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.

*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 are also eligible to receive an

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annual incentive fee of up to \$1.125 million for 2009, and up to \$1.5 million for each year thereafter, based on achievement of certain negotiated performance targets and payable within 75 days of the first day of the year following the year in which the performance targets were achieved. After June 30, 2010, the San Cristóbal Management Services Agreement may be terminated by us with 12 months' prior notice or by Sumitomo with six months' prior notice (or three months notice if Sumitomo has sold, directly or indirectly, more than 20% of the subsidiary that owns the mine). 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 third quarter of 2009, the mine produced approximately 133,500 tonnes of zinc concentrates and 28,200 tonnes of lead concentrates containing approximately 4.6 million ounces of silver, 66,400 tonnes of zinc and 18,200 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 January 21, 2010, the closing price of silver was \$17.68 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	\$ 17.17

\* Through January 21, 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.

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

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

The following table sets forth for the periods indicated on the London Fix AM high and low gold fixes in U.S. dollars per troy ounce. On January 21, 2010, the closing price of gold was \$1,104.00 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	\$ 1,104.00

\*

Through January 21, 2010

### **Employees**

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

### **Competition**

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

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

### **Legal Proceedings**

Apex Silver concluded, based on the results of an internal investigation conducted under the direction of its Audit Committee in late 2005 and early 2006, that certain former senior employees were involved in making impermissible payments of approximately \$125,000 to government officials in 2003 and 2004. Apex Silver contacted the Department of Justice and the SEC during 2006 and reported the results of the

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internal investigation and was informed that the SEC and Department of Justice would commence investigations with respect to these matters, including possible violations of the Foreign Corrupt Practices Act. Subsequently, Apex Silver entered into discussions with the SEC staff concerning a settlement of the conduct subject to the SEC's investigation. As a result, we have reached an agreement in principle with the SEC staff which, if approved by the SEC, would resolve this matter with the SEC. Under the terms of the proposed settlement, we, on neither an admit nor deny basis, would agree to the entry of an administrative cease and desist order prohibiting us from future violations of Sections 13(b)(2)(A), 13(b)(2)(B) and 30A of the Exchange Act. Moreover, under the terms of the proposed settlement, the SEC staff would not recommend that the SEC require the payment of disgorgement, civil money penalties, prejudgment interest or the appointment of a corporate monitor. The proposed settlement is subject to SEC approval, negotiation of the terms of the settlement papers and approval by our board of directors.

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

**Disagreements with Accountants**

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

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Our board of directors is currently set at six directors. The board is not classified, and the term of each of the six directors expires at the 2010 annual meeting of stockholders. All of our directors, other than Mr. Eppler and Mr. Watkins, were directors of Apex Silver at the time of its filing and emergence from Chapter 11 bankruptcy protection. Information regarding our directors is set forth below.

<b>Name and Residence</b>	<b>Age</b>	<b>Position</b>
<b>Jeffrey G. Clevenger</b> <sup>(1)</sup> Colorado, USA	60	Director, Chairman of the Board of Directors
<b>W. Durand Eppler</b> <sup>(2)(3)(4)</sup> Colorado, USA	56	Director, Chairman of the Compensation Committee
<b>Ian Masterton-Hume</b> <sup>(4)</sup> Vaucluse, Australia	59	Director, Chairman of the Corporate Governance and Nominating Committee
<b>Kevin R. Morano</b> <sup>(3)(4)</sup> Florida, USA	56	Director
<b>Terry M. Palmer</b> <sup>(2)(4)</sup> Colorado, USA	65	Director, Chairman of the Audit Committee
<b>David Watkins</b> <sup>(2)(3)(4)</sup> British Columbia, Canada	65	Director

(1) Mr. Clevenger also serves as our President and Chief Executive Officer

(2) Member of the Audit Committee

(3) Member of the Compensation Committee

(4) Member of the Corporate Governance and Nominating Committee

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

*W. Durand Eppler.* Mr. Eppler has served as a director of our company since March 2009. Mr. Eppler has over 30 years' experience in the natural resources industry and serves as a Partner of Sierra Partners, LLC, a private investment and advisory firm he founded in 2004. The firm has an exclusive focus on mining, oil and gas and energy resource industries and international experience. From June 2005 until

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August 2008, Mr. Eppler was President and CEO of Coal International plc, an international coal mining and development company. From 1995 to 2004, Mr. Eppler held various positions with Newmont Mining Corporation, the world's second largest gold producer, and its subsidiaries, including Vice President of Newmont Capital, Ltd. (2002 to August 2004), Vice President, Corporate Development of Newmont Mining Corporation (2001 to 2002), President of Newmont Indonesia (1998 to 2001), and Vice President, Corporate Planning of Newmont Mining Corporation (1995 to 1998). Prior to joining Newmont, Mr. Eppler served as the Managing Director, Metals & Mining for Chemical Securities, Inc., a subsidiary of Chemical Bank (now JPMorgan Chase), where he was responsible for relationship management, technical support, corporate finance services, credit marketing and transaction execution for clients in the global precious, industrial and energy resources businesses. He currently serves on the boards of directors of Vista Gold Company and Augusta Resource Corp. Mr. Eppler holds a B.A. in Geography & Religion from Middlebury College and an M.S. in Mineral Economics from the Colorado School of Mines. Mr. Eppler is a member of the Society of Mining Engineers of A.I.M.E. and a member of the Global Leadership Council, College of Business, Colorado State University.

*Ian Masterton-Hume.* Mr. Hume has served as a director of our company since March 2009. Prior to that, he served as a director of Apex Silver since April 2007. He has over 30 years' experience in the natural resources industry. From January 2000 until December 2008, he was a partner of The Sentient Group, a manager of closed-end private equity funds specializing in global investment in the natural resources sector headquartered in Sydney, Australia, which he also co-founded. From 1994 to 2000, Mr. Hume served as a consultant to AMP Society's Private Capital Division, focused on international mining and telecommunications investments primarily in North and South America, Russia and the Pacific Rim. His experience prior to 1994 includes serving as a consultant to Equatorial Mining in Santiago, Chile, regarding development of its copper assets, and approximately 23 years of investment management and investment banking experience for companies in Australia and the United Kingdom, including Impala Pacific Corporation in Hong Kong, Bain & Company in Sydney, Australia and the Jessel Group of companies in London and South Africa. He is a director of Andean Resources Ltd., Norsemont Mining Inc. and Iron Road Limited. Mr. Hume attended both Harrow School (England) and Nice University (France).

*Kevin R. Morano.* Mr. Morano has served as a director of our company since March 2009. Prior to that, he served as a director of Apex Silver since 2000. He has been Managing Principal of KEM Capital LLC, a private equity investment company and provider of management advisory services, since March 2007. From March 2002 to March 2007, Mr. Morano was employed by Lumenis Ltd., a laser and light-based technology company specializing in medical devices for aesthetic, surgical and ophthalmic applications. His positions with Lumenis included Chief Financial Officer from March 2002 to August 2004 and Senior Vice President for Marketing and Business Development from May 2004 to March 2007. Prior to joining Lumenis, Mr. Morano held a number of senior executive positions with major American public companies including a 21 year career at ASARCO Incorporated, a global copper mining company and specialty chemicals and aggregates producer, which was acquired by Grupo Mexico in December 1999. At ASARCO, Mr. Morano served in various senior executive capacities including President and Chief Operating Officer, Executive Vice President and Chief Financial Officer. He serves as a director of Bear Creek Mining Company. From May 2000 through October 2001, Mr. Morano served as the Chief Financial Officer of Exide Technologies, which subsequently filed for Chapter 11 bankruptcy protection in April 2002. Mr. Morano holds a B.Sc. in Finance from Drexel University and an M.B.A. from Rider University.

In April 2006, the SEC filed a complaint in U.S. District Court against Lumenis Ltd., one of its former officers and Mr. Morano, the former Chief Financial Officer of Lumenis, alleging violations of the anti-fraud and other provisions of federal securities law. With respect to Mr. Morano, the complaint alleged, among other things, that Mr. Morano knowingly or recklessly permitted the improper accounting of certain sales transactions, which resulted in the publication by Lumenis Ltd. of materially false financial statements in 2002 and 2003. Without admitting or denying the allegations in the complaint, Mr. Morano consented to the entry, in September 2008, of a final consent judgment that, among other things, enjoins

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Mr. Morano from violating various provisions of the federal securities laws, including Section 17(a) of the Securities Act of 1933, as amended, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and ordered Mr. Morano to pay a \$55,000 civil penalty, and an SEC administrative order suspending Mr. Morano from appearing or practicing before the SEC as an accountant.

*Terry M. Palmer.* Mr. Palmer has served as a director of our company since March 2009. Prior to that, he served as a director of Apex Silver since September 2004. He has 40 years of financial, management and accounting experience with a particular focus on the mining industry. Since January 2003, Mr. Palmer has worked on a part-time basis for and is a principal of the CPA firm of Marrs, Sevier & Company LLC. He spent 36 years at Ernst & Young LLP where he rose from a staff position to partner responsible for audit and advisory services to major international mining companies and serving as the technical consulting partner in the SEC-related business. Mr. Palmer is a director of Allied Nevada Gold Corp. Mr. Palmer holds a B.Sc. in Business Administration from Drake University and an M.B.A. from the University of Denver. He is a certified public accountant and a Member of the American Institute and Colorado Society of Certified Public Accountants.

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

**Independence**

Our board of directors has determined that all of our directors, other than Mr. Clevenger, our Chief Executive Officer, are independent as defined by Amex listing standards. Consequently, a majority of our board of directors is independent. Although the Chairman of our board of directors is not independent, the independent members of the board meet from time to time as they deem necessary.

**Attendance**

During 2009, our board of directors held nine meetings. All directors were present during each meeting held to date in 2009, except that Messrs. Masterton-Hume and Watkins were absent from the meeting held on June 19, 2009.

**Audit Committee; Audit Committee Financial Expert**

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

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*Relevant Education and Experience*

The following sets out the education and experience of the members of the audit committee relevant to the performance of their responsibilities as an audit committee member:

Mr. Eppler's 30 years' experience in the natural resources industry and current service as a Partner of Sierra Partners, LLC, a private investment and advisory firm, provided him with the business background necessary to be knowledgeable in, familiar with, and have a good understanding of the principles used in the preparation of our financial statements.

Mr. Palmer has 40 years of financial, management and accounting experience including 36 years at Ernst & Young LLP. He is also a certified public accountant and a Member of the American Institute and Colorado Society of Certified Public Accountants. As a result, he is knowledgeable in, familiar with, and has a good understanding of the principles used in the preparation of our financial statements.

Mr. Watkins' over 40 years' experience in the mining industry, working as a senior executive with major mining companies and junior exploration and development companies, provided him with the business background necessary to be knowledgeable in, familiar with, and have a good understanding of the principles used in the preparation of our financial statements.

*External Auditor Service Fees*

The following table sets out the aggregate fees billed by the Company's external auditors for the fiscal years ended December 31, 2007 and 2008 for the category of fees described. All amounts shown relate to services provided to our predecessor, Apex Silver Mines Limited.

	Financial Year Ended	
	December 31,	
	2008	2007
Audit Fees <sup>(1)</sup>	\$ 2,861,676	\$ 2,194,619
Audit Related Fees	2,610	6,694
Tax Fees <sup>(2)</sup>	336,797	257,078
All Other Fees <sup>(3)</sup>	7,706	1,616
<b>Total Fees</b>	<b>\$ 3,208,789</b>	<b>\$ 2,460,007</b>

(1) Audit fees include fees for services rendered for the audit of our annual financial statements and reviews of our quarterly financial statements, services rendered in connection with the audit of our internal controls and procedures as required by Section 404 of the Sarbanes-Oxley Act of 2002.

(2) Tax fees include fees for services rendered in connection with the preparation of our tax returns in the United States and other foreign jurisdictions as well as international tax planning services.

(3) All other fees include fees for access to a PricewaterhouseCoopers LLP accounting database and other research materials.

**Compensation Committee Interlocks and Insider Participation**

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





Table of Contents**Executive Officers of Golden Minerals**

We have five executive officers: our President and Chief Executive Officer and four Senior Vice Presidents (including our Chief Financial Officer). All of our executive officers were also officers of Apex Silver at the time of its filing and emergence from Chapter 11 bankruptcy protection, although Mr. Vogels did not assume the role of Chief Financial Officer until after emergence. Set forth below is information regarding our executive officers.

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

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

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

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

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

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Mining Company. Mr. Danni holds a B.S. in Chemistry from Western State College, and is a member of the Society of Mining Engineers and a past director of the National Mining Association.

*Deborah J. Friedman.* Ms. Friedman was appointed Senior Vice President, General Counsel and Corporate Secretary of our company on March 24, 2009. She was previously appointed Senior Vice President, General Counsel and Corporate Secretary of Apex Silver Mines Limited in July 2007. Ms. Friedman is also currently a partner at Davis Graham & Stubbs LLP, where her practice focuses primarily on securities, finance and transactional matters for publicly-traded mining companies. She transitioned to Partner on leave status at Davis Graham & Stubbs LLP from December 2007 to June 2009 during her full-time employment with Apex Silver Mines Limited. Ms. Friedman was a full time partner at Davis Graham & Stubbs LLP from August 2000 through December 2007, and she was of counsel to the firm from May 1999 through August 2000. From 1982 through 1994, Ms. Friedman held various positions in the law department of Cyprus Amax Minerals Company, including General Counsel and Associate General Counsel, and served from 1994 to 1998 as the General Counsel of AMAX Gold Inc. Prior to working for Cyprus, Ms. Friedman was an associate in several Denver law firms from 1977 to 1982. Ms. Friedman holds a B.A. in History from the University of Illinois and a J.D. from The University of Michigan Law School.

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

**Family Relationships**

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

**Corporate Governance**

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

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**EXECUTIVE COMPENSATION**

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

**Compensation Discussion and Analysis**

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

*Objectives of Our Compensation Program*

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

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

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

A Substantial Portion of Executive Compensation Should Be Performance-Based. Our compensation program is designed to reward superior performance and deliver correspondingly lower compensation for weak performance, and we believe it accomplishes this in a number of ways. In terms of cash compensation, target award opportunities provided to each executive under our Bonus Incentive Plan range from 35% to 75% of the executive's base salary. Awards for superior performance may result in a bonus of up to twice the targeted amount for all executives (other than Mr. Clevenger, who may earn up to three times the targeted amount). Whether and to what extent bonuses under the plan are paid depends on the extent to which the company-wide and individual goals set by the Compensation Committee are attained and on the Committee's subjective evaluations of individual executive performance.

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

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*Components of our Compensation Program*

**Base Salary.** We establish base salaries for our executive officers based on the scope of their respective responsibilities. In general, 2009 salaries for our executives are significantly lower than the salaries they were receiving as executives of Apex Silver. Notably, Mr. Clevenger's annual salary decreased from \$610,000 for 2008 to \$400,000 for 2009. The Compensation Committee determined that the salary decreases were appropriate in order to reflect the significant differences between Apex Silver and Golden Minerals, in that Apex Silver was an operating company with anticipated operating revenue of between \$500 million and \$1.0 billion annually, while we are an exploration stage company with limited operating revenue. We do, however, continue to operate the San Cristóbal mine and therefore must maintain a management team with sufficient skills and experience to provide those and other mine management services. We review base salaries annually and adjust them from time to time after taking into account individual responsibilities, performance and experience. Our Compensation Committee determines the salary for our Chief Executive Officer, and, after consideration of the Chief Executive Officer's recommendations, for each officer below the Chief Executive Officer level.

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

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

(1) In October 2009, Mr. Owen was promoted to President of our wholly-owned subsidiary, Golden Minerals Services Corporation. At that time, his base salary increased from \$270,000 to \$300,000. Effective January 1, 2010, Mr. Owen resigned from his positions at Golden Minerals and Golden Minerals Services Corporation but continues to provide similar services as a consultant.

In December 2009, we paid cash bonuses to our executive officers in the amounts set forth below:

Name	Bonus
Jeffrey G. Clevenger	\$ 400,000
Terry L. Owen	\$ 168,000
Jerry W. Danni	\$ 135,000
Robert P. Vogels	\$ 135,000
Robert B. Blakestad	\$ 135,000

Among other things, the objectives considered and assessed by our Compensation Committee in awarding the cash bonuses included: (i) progress toward raising capital, (ii) commencement of a feasibility study for the El Quevar project, (iii) demonstrated progress and achievement toward corporate growth objectives, and (iv) maintenance of general and administrative expenses at budgeted levels.

**Equity Incentive Awards.** A key component of our compensation program is the award of restricted shares under our 2009 Equity Incentive Plan. We believe that share ownership encourages long-term

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performance by our executive officers and aligns the interests of our officers with the interests of our stockholders. Equity awards under our Equity Incentive Plan are discretionary, and the shares available for issuance pursuant to awards under the plan are equal to 10% of our outstanding common stock, calculated on a fully diluted basis.

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

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

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

*Severance Arrangements*

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

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

*Change of Control Arrangements*

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

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

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

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

### Summary Compensation Table for Apex Silver Executives

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

Name and Principal Position <sup>(1)</sup>	Year	Salary	Bonus <sup>(2)</sup>	Stock Awards <sup>(3)</sup>	Option Awards <sup>(3)</sup>	Non-Equity Incentive Plan Compensation <sup>(4)</sup>		All Other Compensation	Total
<b>Jeffrey G. Clevenger</b>	2008	\$ 610,000	\$ 80,000	\$ 349,396	\$ 418,848		\$ 9,038 <sup>(5)</sup>	\$ 1,467,282	
President and Chief Executive Officer	2007	\$ 490,000		\$ 426,266	\$ 483,773	\$ 305,000	\$ 8,782 <sup>(5)</sup>	\$ 1,713,821	
	2006	\$ 436,000		\$ 563,423	\$ 445,542	\$ 400,000	\$ 8,532 <sup>(5)</sup>	\$ 1,853,497	
<b>Gerald J. Malys<sup>(6)</sup></b>	2008	\$ 350,000	\$ 40,000	\$ 136,050	\$ 138,113		\$ 9,459 <sup>(7)</sup>	\$ 673,622	
Senior Vice President and Chief Financial Officer	2007	\$ 320,833		\$ 196,384	\$ 181,324	\$ 150,000	\$ 7,397 <sup>(7)</sup>	\$ 855,938	
	2006	\$ 168,247		\$ 133,755	\$ 95,401	\$ 135,000	\$ 5,424 <sup>(7)</sup>	\$ 537,827	
<b>Deborah J. Friedman<sup>(8)</sup></b>	2008	\$ 320,000	\$ 35,000	\$ 188,441	\$ 143,741		\$ 4,132 <sup>(9)</sup>	\$ 691,314	
Senior Vice President, General Counsel and Corporate Secretary	2007	\$ 132,949		\$ 89,631	\$ 62,615	\$ 70,000	\$ 516 <sup>(9)</sup>	\$ 355,711	
<b>Terry L. Owen<sup>(10)</sup></b>	2008	\$ 300,000	\$ 33,000	\$ 105,212	\$ 112,069		\$ 11,186 <sup>(11)</sup>	\$ 561,467	
Senior Vice President, Project Development									
<b>Jerry W. Danni<sup>(10)</sup></b>	2008	\$ 295,000	\$ 32,000	\$ 119,421	\$ 115,090		\$ 10,435 <sup>(12)</sup>	\$ 571,946	
Senior Vice President, Corporate Affairs									

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

(2) Amounts shown as "Bonus" reflect the cash retention bonuses received by the named executive officers in December 2008. In December 2008, the named executive officers were also awarded a performance bonus, which was paid in March 2009, based on our

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achievement of certain performance objectives associated with the sale of the San Cristóbal mine and the restructuring of our business operations. The March 2009 bonus amounts were as follows: \$120,000 for Mr. Clevenger, \$60,000 for Mr. Malys, \$52,500 for Ms. Friedman, \$49,500 for Mr. Owen, and \$48,000 for Mr. Danni.



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- (3) The assumptions used by Apex Silver in valuing the stock and option awards shown in the table are described in Note 2(l) to Apex Silver's consolidated financial statements for the fiscal year ended December 31, 2008. Amounts shown reflect the amount recognized for 2008, 2007 and 2006 in the consolidated financial statements of Apex Silver in accordance with Statement of Financial Accounting Standards No. 123R, Share-Based Payment ("FAS 123R"). The amounts include compensation cost recognized with respect to awards granted in 2008, 2007 and 2006 and previous years. In connection with Apex Silver's bankruptcy proceedings, all outstanding common stock and equity awards of Apex Silver (including restricted stock and options held by executives) were cancelled and executives received no recovery for their shares or other equity interests.
- (4) All named executive officers participated in the Apex Silver Incentive Bonus Plan. Amounts shown in the table as "Non-Equity Incentive Plan Compensation" reflect cash bonuses paid in February 2008 for 2007 performance and December 2006 for 2006 performance. The relevant performance measure and the target value of each award for 2007 and 2006 were determined by Apex Silver's compensation committee during 2007 and 2006, respectively. Although targets were set for 2008 performance, there were no cash bonuses paid for 2008 performance other than the cash retention bonuses described in footnote 2.
- (5) Amounts shown as "All Other Compensation" for Mr. Clevenger reflect contributions to the Apex Silver 401(k) Plan on Mr. Clevenger's behalf and life insurance premiums paid by Apex Silver on Mr. Clevenger's behalf as follows: (i) \$8,006, \$7,750 and \$7,500 were contributed to the 401(k) Plan during 2008, 2007 and 2006, respectively and (ii) life insurance premiums of \$1,032, \$1,032 and \$1,032 were paid during 2008, 2007 and 2006, respectively.
- (6) Mr. Malys joined Apex Silver as Senior Vice President and Chief Financial Officer on June 12, 2006. The salary amount shown for 2006 reflects amounts paid from June 12, 2006 through December 31, 2006. His annualized salary for 2006 was \$300,000. Mr. Malys retired at the completion of the Chapter 11 reorganization in March 2009.
- (7) Amounts shown as "All Other Compensation" for Mr. Malys reflect contributions to the Apex Silver 401(k) Plan on Mr. Malys' behalf and life insurance premiums paid by Apex Silver on Mr. Malys' behalf as follows: (i) \$7,875, \$5,813 and \$4,500 were contributed to the 401(k) Plan during 2008, 2007 and 2006, respectively and (ii) life insurance premiums of \$1,584, \$1,584 and \$924 were paid during 2008, 2007 and 2006, respectively.
- (8) Ms. Friedman joined Apex Silver as Senior Vice President, General Counsel and Corporate Secretary on July 10, 2007. The salary amount shown reflects amounts paid from July 10, 2007 through December 31, 2007. Her annualized salary for 2007 was \$302,500. Ms. Friedman was one of Apex Silver's three most highly compensated executive officers other than the principal executive officer and principal financial officer.
- (9) The amount shown in "All Other Compensation" for Ms. Friedman reflects contributions to the Apex Silver 401(k) Plan on Ms. Friedman's behalf and life insurance premiums paid by Apex Silver on Ms. Friedman's behalf as follows: (i) \$3,100 was contributed to the 401(k) Plan during 2008 and (ii) life insurance premiums of \$1,032 and \$516 were paid during 2008 and 2007, respectively.
- (10) Mr. Danni and Mr. Owen served as officers of Apex Silver during prior periods but were not executive officers until 2008.
- (11) The amount shown in "All Other Compensation" for Mr. Owen reflects contributions of \$7,875 to the Apex Silver 401(k) Plan on Mr. Owen's behalf and \$3,311 of life insurance premiums paid by Apex Silver on Mr. Owen's behalf for 2008.
- (12) The amount shown in "All Other Compensation" for Mr. Danni reflects contributions of \$8,113 to the Apex Silver 401(k) Plan on Mr. Danni's behalf and \$2,322 of life insurance premiums paid by Apex Silver on Mr. Danni's behalf for 2008.

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

**Grants of Plan-Based Awards Table**

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

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

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

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

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

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

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

Name	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup>	Stock Awards	
			Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Jeffrey G. Clevenger <sup>(2)</sup>	95,000	646,000		
Terry L. Owen <sup>(3)</sup>	25,000	170,000		
Robert B. Blakestad <sup>(4)</sup>	20,000	136,000		

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Jerry W. Danni <sup>(5)</sup>	20,000	136,000
Robert P. Vogels <sup>(6)</sup>	20,000	136,000

(1) The market value of stock awards is calculated based on a December 2, 2009 price of \$6.80 per share, as converted at an exchange rate of 0.9553, as reported by the Bank of Canada,

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from the December 2, 2009 closing sales price for our shares of common stock on the Toronto Stock Exchange of Cdn\$7.12 per share.

(2)

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

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

(3)

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

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

(4)

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

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

(5)

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

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

(6)

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

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

### **Option Exercises and Stock Vested Table**

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

### **Post-Employment Payments**

#### *Termination Not in Connection with a Change of Control*

All of our full-time salaried employees, including each of our executives other than Ms. Friedman, are covered by our Severance Compensation Plan. If an executive's employment is terminated by us other than for cause (as defined in the plan) and such termination is not in connection with or following a change of control, death, disability or retirement, the executive is entitled to receive a lump sum payment equal to an executive's then current annual salary. We will also pay to the executive an amount equal to the difference between the monthly medical and/or dental premiums the executive was paying immediately prior to termination of employment and the total COBRA premium due in order to continue such insurance coverage. Our Incentive Bonus Plan provides that in such circumstances, the executive will be entitled to receive an amount equal to the executive's target bonus percentage, multiplied by the amount of annual



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salary paid to the executive through the date of termination. No executive who is terminated for cause, terminates or otherwise voluntarily leaves his or her employment, or whose employment is terminated as a result of death, disability or retirement, will receive any benefits under the Severance Compensation Plan.

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

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

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

(2) Each executive is entitled to receive a pro rata share of his or her target bonus under the Incentive Bonus Plan, based on the portion of the year the executive performed his or her services.

(3) We currently pay 100% of group health insurance premiums for medical and dental coverage. Amounts shown reflect 12 months of such premiums at rates in effect at September 30, 2009.

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

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

#### *Termination in Connection with a Change of Control*

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

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



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excise tax. Receipt of benefits upon termination is subject to the execution of a general release of claims by the named executive officer or his or her beneficiary.

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

- (1) Mr. Clevenger is entitled to receive three times his annual base salary in effect at the date of the change of control. Each remaining named executive is entitled to receive two times his or her annual base salary in effect at the date of the change of control. At September 30, 2009, the annual base salary for Mr. Clevenger was \$400,000; for Mr. Owen, \$300,000; for Mr. Danni, \$265,000, for Mr. Vogels, \$240,000, and for Mr. Blakestad, \$225,000. This amount must be paid in a lump sum within 10 business days after the date of termination of employment.
- (2) Mr. Clevenger is entitled to receive three times his target bonus amount pursuant to our Annual Incentive Plan and the remaining named executives are each entitled to receive two times their respective target bonus amounts pursuant to our Annual Incentive Plan. The target bonus for 2009 for each of the named executive officers is discussed above in "*Compensation Discussion and Analysis Components of our Compensation Program - Annual Cash Bonus.*" This amount must be paid in a lump sum within 10 business days after the date of termination of employment.
- (3) We will pay, on each executive's behalf, the portion of premiums of the company's group health insurance, including coverage for his or her eligible dependents, that Golden Minerals paid immediately prior to the date of termination ("COBRA Payments") for the period that such executive is entitled to coverage under COBRA, but not to exceed 36 months for Mr. Clevenger and 24 months for the remaining named executives. We will pay such COBRA Payments for the executive's eligible dependents only for coverage for those dependents that were enrolled immediately prior to the date of termination. Our executive will continue to be required to pay that portion of the premium of his or her health coverage, including coverage for eligible dependents that he or she was required to pay as an active employee immediately prior to the date of termination. If the executive is for any reason not eligible for coverage under COBRA for the full 24 or 36 month period, as applicable, we will pay to the executive a lump sum in an amount equal to the product of (i) the amount of the COBRA payment paid on his or her behalf for the final month of the COBRA Period and (ii) the number of months by which the executive's period of COBRA coverage was less than 24 or 36 months, as applicable. Amounts shown in the table above are not discounted to present value.
- (4) For the 24-month period immediately following the date of termination, we have agreed to provide to the executive, at a cost not to exceed an aggregate of \$5,000, life, disability, and accident insurance benefits substantially similar to those that the executive was receiving immediately prior to the termination of employment. For the purpose of the above table, we have assumed that a benefit in the aggregate amount of \$5,000 will be provided for the named executives.

### **Director Compensation**

Our directors who are also employees of ours receive no fees for board service. Currently, Mr. Clevenger is the only director who is also an employee. The compensation for the non-executive directors of Golden Minerals includes the following: (i) a \$20,000 annual cash retainer, (ii) a \$1,000 cash





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fee for each board or committee meeting that the director attends in person or by telephone, and (iii) a \$5,000 annual cash retainer for the Chairman of the Audit Committee. The first annual cash retainer was paid shortly after our emergence from the Chapter 11 proceedings, and subsequent payments will be made on the date of the annual stockholders' meeting. We also reimburse our directors for all reasonable out-of-pocket costs incurred by them in connection with their services.

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

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

Name	Fees Earned or Paid in Cash (\$) <sup>(2)</sup>	Stock Awards (\$) <sup>(3)</sup>	Total (\$)
W. Durand Eppler <sup>(1)</sup>	28,000	54,069	82,069
Ian Masterton-Hume <sup>(1)</sup>	28,000	54,069	82,069
Kevin R. Morano <sup>(1)</sup>	28,000	54,069	82,069
Terry M. Palmer <sup>(1)</sup>	35,000	54,069	89,069
David Watkins <sup>(1)</sup>	27,000	54,069	81,069

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

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

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

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**PRINCIPAL AND SELLING STOCKHOLDERS**

The following table shows the amount of