

# PATAGONIA GOLD CORP.

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

For the three months ended March 31, 2020

July 14, 2020

The following management's discussion and analysis ("MD&A") of the operating results, corporate activities and financial condition of Patagonia Gold Corp. (hereinafter referred to as the "Company") and its subsidiaries provides an analysis of the operating and financial results for the three months ended March 31, 2020 and a comparison of the material changes in our results of operations and financial condition between the year ended December 31, 2019 and the three months ended March 31, 2020. This discussion should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2019.

This MD&A 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, but not limited to, those set forth under the heading "Risk Factors and Uncertainties" in our Annual Report on Form 10-K for the period ended December 31, 2019, and elsewhere in this Quarterly Report on Form 10-Q.

The interim statements have been prepared in accordance with US Generally Accepted Accounting Principles ("US GAAP") as required under U.S. federal securities laws applicable to the Company, and as permitted under applicable Canadian securities laws. The Company is a reporting company under applicable securities laws in Canada and the United States. The reporting currency used in our financial statements is the United States Dollar.

This MD&A includes certain non-GAAP financial performance measures. For a detailed description of these measures, please see "Non-GAAP Financial Performance Measures" at the end of this item. The amounts presented in this MD&A are in thousands (\$'000) of U.S. dollars unless otherwise noted.

Additional information relevant to the Company's activities can be found on their website at <http://patagoniagold.com>, on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov).

### *Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates*

The Company uses Canadian Institute of Mining, Metallurgy and Petroleum definitions for the terms "proven reserves", "probable reserves", "measured resources", "indicated resources" and "inferred resources". U.S. investors are cautioned that while these terms are recognized and required by Canadian regulations, including National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), the U.S. Securities and Exchange Commission ("SEC") does not recognize them.

Canadian mining disclosure standards differ from the requirements of the SEC under SEC Industry Guide 7, and reserve and resource information referenced in this Form 10-K may not be comparable to similar information disclosed by companies reporting under U.S. standards. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made.

The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources" or "indicated mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. Disclosure of "contained ounces" in a resource estimate 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 tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves in compliance with NI 43-101 may not qualify as "reserves" under SEC standards.

SEC has replaced Industry Guide 7 with subpart 1300 of Regulation S-K which will come into effect on January 1, 2021. The requirements under this new regulation converge with the requirements under NI 43-101 with the exception of a few items. Early adoption of the regulation is permitted but at this time, the Company has not elected for the early adoption of subpart 1300 of Regulation S-K.

### ***Special Note on Forward-Looking Statements***

Certain statements contained in this MD&A (including information incorporated by reference) are “forward-looking statements.” The Company’s forward-looking statements include current expectations and projections about future production, results, performance, prospects and opportunities, including reserves and other mineralization. The Company has tried to identify these forward-looking statements by using words such as “may,” “might,” “will,” “expect,” “anticipate,” “believe,” “could,” “intend,” “plan,” “estimate” and similar expressions. These forward-looking statements are based on information currently available and are expressed in good faith and believed to have a reasonable basis. However, the forward-looking statements are subject to risks, uncertainties and other factors that could cause actual production, results, performance, prospects or opportunities, including reserves and mineralization, to differ materially from those expressed in, or implied by, these forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements. Projections and other forward-looking statements included in this report have been prepared based on assumptions, which the Company believes to be reasonable, and in accordance with United States generally accepted accounting principles (“GAAP”) or any guidelines of the Securities and Exchange Commission (“SEC”). Actual results may vary, perhaps materially. Readers are strongly cautioned not to place undue reliance on such projections and other forward-looking statements. All subsequent written and oral forward-looking statements attributable to Patagonia Gold Corp. or to persons acting on the Company’s behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **The Company**

On July 24, 2019, Patagonia Gold Corp. (PGDC.TSXV – “the Company” or “Patagonia) [formerly Hunt Mining Corp. (“Hunt” or “Hunt Mining”) and Patagonia Gold PLC (“PGP”) completed a reverse acquisition (or reverse takeover, the “RTO”) resulting in Hunt acquiring all issued shares of common stock of PGP in exchange for common shares of Hunt on the basis of 10.76 Hunt shares for each PGP share. Hunt issued 254,355,192 common shares to the shareholders of PGP representing an ownership interest of approximately 80%. The operating name of Hunt Mining Corp. was changed to Patagonia Gold Corp (Note 24).

Patagonia is a mineral exploration and production company incorporated on January 10, 2006 under the laws of Alberta, Canada and, together with its subsidiaries, is engaged in the exploration of mineral properties and exploitation of mineral resources and mineral reserves in the Santa Cruz, Rio Negro and Chubut Provinces of Argentina.

Effective November 6, 2013, the Company relocated from the Province of Alberta to the Province of British Columbia. The Company’s registered office is located at Suite 2200, 885 West Georgia Street, Street, Vancouver, B.C. V6C 3E8. The Company’s head office is located at Av. Del Libertador 498, Piso 26, C1001ABR, Buenos Aires, Argentina.

The Company’s activities include the exploration for and production of minerals from properties in Argentina (Note 7). On the basis of information to date, properties where it has not yet been determined if economically recoverable ore reserves exist are classified as exploration-stage. Properties where economically recoverable ore reserves exist and are being exploited are classified as production-stage. The underlying value of the mineral properties is entirely dependent upon the existence of reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production or a sale of these properties.

On some properties, ongoing production and sales of gold and silver are being undertaken without established mineral resources or reserves and the Company has not established the economic viability of the operations. As a result, there is increased uncertainty and economic risks of failure associated with these production activities. Despite the sale of gold and silver, these projects remain in the exploration stage because management has not established proven or probable ore reserves required to be classified in either the development or production stage.

## Results of Operations

### For the three months ended March 31, 2020 and 2019

	March 31, 2020	March 31, 2019	Change
	\$'000	\$'000	Favorable (Unfavorable) \$'000
Revenue	\$ 5,215	\$ 4,871	\$ 344
Net income (loss) for the period	\$ 357	\$ (3,997)	\$ 4,354
Net income (loss) per share – basic and diluted	\$ 0.001	\$ (0.02)	\$ 0.021

For the three months ended March 31, 2020, the Company earned total revenue of \$5,215 compared to \$4,871 during the same period in 2019. Gold and silver sold by the Company is attributed to Cap-Oeste, Lomada de Leiva and Mina Martha Projects. Cap-Oeste has produced a total of 1,492 oz AuEq (1,049 oz Au and 41,377 oz Ag) (2019 – 2,955 oz AuEq). The cash costs for the three months ended March 31, 2020 were \$743/oz<sup>1</sup> and \$820/oz<sup>1</sup> including depreciation and amortization. Lomada has produced a total of 888 ounces of gold (2019 – 825 oz Au). The cash costs were \$548/oz<sup>1</sup> and \$656/oz<sup>1</sup> including depreciation and amortization. Mina Martha has produced a total of 356 oz AuEq (49 oz Au and 29,838 oz Ag). The cash costs were \$1,421/oz<sup>1</sup> and \$1,601/oz<sup>1</sup> including depreciation and amortization.

Cost of sales for the three months ended March 31, 2020 were \$2,448 compared to \$6,823 for three months ended March 31, 2019. The decrease in cost of sales is due to the write down of inventories (\$2.4 million) and other reduction in costs recognized owing to the close of Lomada and put Cap-Oeste on care and maintenance in 2019.

The Company recorded net income of \$357 during the three months ended March 31, 2020 compared to a net loss of \$3,997 during the same period in 2019. The increase in net income is due to the reduction of cost and the write down of inventories (\$2.4 million) recognized owing to the close of Lomada and put Cap-Oeste on care and maintenance.

### Cash flow discussion for the three month period ended March 31, 2020 and 2019

Cash generated from operating activities for the three months ended March 31, 2020 was \$1,328, an increase of \$3,599 compared with cash used of \$2,271 during the same period in 2019. This is mainly due to net income for the three months ended March 31, 2020 in the amount of \$357 compared to net loss of \$3,997 during the same period in 2019.

Cash used in investing activities for the three months ended March 31, 2020 was \$257 compared to \$313 during the same period in 2019.

Cash used in financing activities for the three months ended March 31, 2020 was \$566 compared to cash generated of \$2,279 during the same period in 2019. The variance of \$2,845 is primarily due to the Company's repayment of bank indebtedness of \$3,411 during the three months ended March 31, 2020 offset by increase in loans with related parties.

### Financial Position

#### Cash

The Company has cash on hand of \$699 as of March 31, 2020 which is consistent with \$685 of cash on hand as at December 31, 2019.

#### Receivables

The Company's current accounts receivable increased to \$1,913 as at March 31, 2020 compared to \$1,516 as at December 31, 2019. The increase of \$397 or 26% is attributed to the increase of Value added tax ("VAT") recoverable.

#### Inventory

The Company's inventory increased to \$4,127 as at March 31, 2020 compared to \$3,347 as at December 31, 2019. The increase of \$780 or 23% is attributed to timing as part of the inventory was sold at the beginning of April 2020.

<sup>1</sup> See Non-GAAP Financial Performance Measures

### *Property, plant and equipment*

Property, plant and equipment decreased from \$10,508 as at December 31, 2019 to \$10,338 as at March 31, 2020.

### *Mineral Properties*

Mineral properties stayed consistent from December 31, 2019 to March 31, 2020 at \$8,610.

### *Bank indebtedness*

The Company's bank indebtedness decreased to \$11,578 as at March 31, 2020 compared to \$14,989 as at December 31, 2019. This decrease was a result of paying down the balance owing for the lines of credit.

### *Accounts payable and accrued liabilities*

The Company's accounts payable and accrued liabilities decreased slightly to \$5,956 as at March 31, 2020 compared to December 31, 2019 balance of \$5,992.

### *Accounts payable and accrued liabilities with related parties*

The Company's accounts payable and accrued liabilities with related parties increased slightly to \$6,842 as at March 31, 2020 compared to December 31, 2019 balance of \$6,717.

### *Long term debt with related parties*

The Company's current portion of long-term debt with related parties is \$13,120 as of March 31, 2020 and the non-current portion is \$1,470. Comparatively as of December 31, 2019, current portion of long-term debt with related parties was \$Nil and the non-current portion was 11,708.

The increase in the current portion of long-term debt with related parties is due to a timing difference on the maturities of the loans and the increase in loan payable balances as a result of interest accretion. Also, the increase is attributable to the funds drawn under the existing loan facility with Cantomi.

In February 2019, the Company announced that its largest shareholder, Cantomi, a company owned and controlled by the Company's Non-Executive Chairman, Carlos J. Miguens, had provided a two year US\$15 million loan facility that will be utilized to fund the Company's activities going forward, while the review of the Cap-Oeste underground option is ongoing together with the Feasibility Study of its flagship Calcatreu project. As of March 31, 2020, the balance of this loan was \$10,458 (December 31, 2019 - \$7,908) which is included in the current portion of the debt with related parties.

## **Mineral Properties**

The following is a summary of the Company's operations, together with an update on exploration activities for the year to date. Except as otherwise noted, Donald J. Birak, independent geologist and Registered Member of the Society for Mining, Metallurgy and Exploration ("SME") and Fellow of the Australasian Institute for Mining and Metallurgy ("AusIMM"), is the Qualified Person whom has reviewed and approved the scientific and technical information contained herein.

## **Calcatreu Project**

The Company's principal project is Calcatreu located in south central Rio Negro province approximately 80 km south west of the town of Jacobacci. Calcatreu is located in the Jurassic-aged Somuncura Massif along the NW to SE-oriented, regional-scale Gastre Fault System; a highly prospective belt of Mesozoic-aged rocks and structures and base and precious metal mineral deposits occurring in both the provinces of Chubut and Rio Negro. The massif is similar in geologic character to the larger Deseado Massif in the province of Santa Cruz to the south. Patagonia Gold has also recently acquired new concessions, totaling more than 100,000 ha along this belt in Rio Negro province. Calcatreu is a gold and silver project acquired in January 2018 through the acquisition of Minera Aquiline Argentina SA, a subsidiary of Pan American Silver and the Company's immediate aim is to commence a drilling program to increase the existing resources and advance the project to feasibility study stage during 2020. Precious metal mineralization in the Somuncura Massif, like that on the Company's Calcatreu property, is largely epithermal in character within quartz-rich veins, vein clusters, stockworks and as disseminations. Sulfide minerals are ubiquitous in the mineral deposits as well as a suite of temporally- and spatially- related gangue

minerals typical of epithermal deposits in the massif and elsewhere. More specifically, the gold and silver deposits on the Company's properties are classified as low- and intermediate-sulfidation styles of epithermal deposits.

The Calcatreu Deposit is a low sulphidation, epithermal gold and silver system with mineralisation outcropping at surface. An independent mineral resource estimate ("MRE") was completed by Micon International Limited of Toronto in 2004 for the Calcatreu Deposit and disclosed in an NI 43-101 technical report for Aquiline Resources Inc. Mineral resources were estimated for two vein systems on the property: Veta 49 and Nelson and consisted of 6.2 M tonnes of indicated resources grading 3.04 g/t Au and 28.1 g/t Ag and 1.9 M tonnes of inferred resources grading 2.1 g/t Au and 19.4 g/t Ag. In 2018, Cube Consulting Ltd. ("CUBE") of Australia prepared an updated mineral resource estimate for the Calcatreu project, effective 31 December 2018, which consists of an indicated resource of 9.8 M tonnes grading 2.11 g/t Au and 19.83 g/t Ag (2.36 g/t AuEq) and 8.1 M tonnes of inferred grading 1.34 g/t Au and 13.09 g/t Ag (1.5 g/t AuEq); all contained within Veta 49, Nelson, Belen and Castro Sur veins. Gold equivalent ("AuEq") values were calculated at a ratio of 81:25:1 Ag/Au. The changes from the previous estimate were due to a revised interpretation of prior and new data collected by the company. The 2018 exploration work at Calcatreu consisted of project-scale geological mapping along with a pole-dipole, induced polarization and resistivity (IP/Res) geophysical survey, followed by a diamond drill program of 6,495 meters.

A geophysical survey, consisting of 11.2 km of Pole-Dipole, Induced Polarization and Resistivity ("IP/Res"), was commissioned by the Company and covered in the Trinidad area. In addition, a total of 41.4 km of ground magnetics surveying was completed at Viuda de Castro. The objective of the two surveys was to detect the presence of hidden, NNE-trending dilational fault and vein sections, similar to those at Veta 49, or any other structure with exploration potential for the development of additional mineral resources in the immediate vicinity of the Veta 49 / Nelson deposits. These two mineralized veins host the majority of the indicated and inferred mineral resources at Calcatreu. The surveys resulted in new target definition and ranking. To help with target evaluation, 1,266.7 meters in 33 trenches were dug, and 465 samples were taken in the trenches and 6 rotary air blast ("RAB") drill holes were drilled in the Piche target and 96 samples were collected from a total of 116 meters drilled. Subsequently, a drill program was designed. The first, and main, part of the drill program consisted of testing covered conceptual geophysical targets, whereas the last few drill holes were focused on expanding the known mineral resources at Veta 49, Belen and Castro Sur, by extrapolating the trend and plunge of known mineralisation.

Using the available drill results and geologic interpretation, CUBE completed an updated, independent NI 43-101 compliant mineral resource estimate (please see the table of the Company's mineral resources herein and the respective, supporting NI 43-101 technical reports on file at [www.sedar.com](http://www.sedar.com)). The updated mineral resource estimate, completed by CUBE, is tabulated below <sup>notes 1 and 2</sup> :

Zone	CALCATREU INDICATED RESOURCES						
	K Tonnes	Grade (g/t)			Contained Metal (kOz)		
		Au	Ag	Au_equ	Au	Ag	Au_equ <sup>1</sup>
<b>Vein 49</b>	6,447	2.45	21.01	2.71	512	4,568	568
<b>Nelson</b>	1,383	1.51	16.94	1.72	67	753	76
<b>Belen</b>	-	-	-	-	-	-	-
<b>Castro Sur</b>	2,010	1.40	14.77	1.58	90	954	102
<b>TOTAL-Indicated</b>	9,841	2.11	19.83	2.36	669	6,275	746
Zone	CALCATREU INFERRED RESOURCES						
	K Tonnes	Grade (g/t)			Contained Metal (kOz)		
		Au	Ag	Au_equ	Au	Ag	Au_equ <sup>1</sup>
<b>Vein 49</b>	2,863	1.48	13.38	1.64	136	1,231	151
<b>Nelson</b>	1,448	1.42	14.66	1.60	66	682	74
<b>Belen</b>	681	1.61	23.32	1.90	35	511	42
<b>Castro Sur</b>	3,086	1.12	9.81	1.24	111	974	123
<b>TOTAL-Inferred</b>	8,078	1.34	13.09	1.50	348	3,399	390

<sup>1</sup>AuEq calculations used an 81.25:1 Ag:Au ratio

<sup>2</sup> NI 43-101 compliant technical report, effective December 31, 2018 and dated May 30, 2019 prepared by Cube Consulting Pty Ltd and on file on [www.sedar.com](http://www.sedar.com)

In 2019, an exploration program was conducted consisting of surface work, a total of 41.28 linear kilometers of Pole-Dipole IP-Res conducted over the main Nelson targets and Castro Norte, Fiero, Sabrina and Viuda de Castro areas, and 121.5 linear kilometers of Gradient Array IP/Res over Nelson, Sabrina and Mariano. Subsequently, 1,687.2 km of ground magnetics surveying, covering 55.44 sq km, were undertaken in the project covering several targets including the main V49 and Nelson. The objective was to identify hidden, non-outcropping mineralization in dilatational jogs, blind structures and others.

Geologic mapping and sampling was completed over several targets of interest, notably Viuda de Castro, Trinidad, La Cruz, suboutcrops of the Nelson extension, Piche, La Olvidada and Epu-Peni. The sampling yielded 254 rock chips and 81 new, sawn channels. Overall, approximately 50% of the core of the project was relogged, though up to 80% in some areas such as Veta 49 and Belen.

A RAB drilling campaign and channel (sawn) sampling was on progress during 2020 where all the activities were paused due to the COVID-19 pandemic.

Accordingly, a drill program comprising several geophysical-based targets was designed. The first and main part of the program consisted of drilling for covered, or blind, conceptual geophysical targets, whereas the last few drill holes were focused on expanding the known mineral resource from Vein 49, Belen and Castro Sur by following ore shoots that remain open in down plunge directions.

### **Cap-Oeste Project**

Cap-Oeste is located within a structural corridor extending six kilometres from the La Pampa prospect in the northwest to the Tango prospect in the southeast. The Cap-Oeste deposit has an identified and delineated strike extent of 1.2 kilometres. Cap-Oeste has been on care and maintenance since February 2019.

Production from the existing heap leach pad continued during the first three months of the year and yielded a total of 1,492 gold equivalent ounces (“AuEq ozs”) comprised of 1,049 ounces of gold and 41,377 ounces of silver. The cash costs for the three months were \$743/oz<sup>2</sup> and \$820/oz<sup>2</sup> including depreciation and amortization. A total of 2,141 AuEq ounces (1,559 Au and 51,542 Ag) were sold at an average gross price of \$1,610 per ounce<sup>2</sup> AuEq during the three months ended March 31, 2020.

The Company has initiated a pre-feasibility study to assess the potential technical and economic extraction of a portion of the current mineral resources as defined in the December 2019 CUBE NI 43-101 technical report and on file on [www.sedar.com](http://www.sedar.com). The Company is now focused on evaluating the development of this high-grade part of the total mineral resources by underground mining. The Company is expecting quotations with respect to potential construction of an underground mine in Cap-Oeste. Material processing options are being considered and may include utilizing the Company’s flotation facilities at Martha, about 100 kms to the southeast of Cap-Oeste. The Company has successfully carried out bulk metallurgical tests in the Martha process plant, obtaining favorable precious metals recoveries.

The Company has an asset retirement obligation for reclamation costs for Cap-Oeste Project of \$0.1 million as of March 31, 2020.

### **Lomada de Leiva Project (“Lomada”)**

The Lomada mine was closed in May 2016 while production from the ongoing leaching continued through 2019, though at a reduced output. Given that the ore from the Lomada open pit mine was originally placed on the heap leach pad without crushing, the Company decided to return to Lomada to reprocess this ore. However, in mid-February 2019 the Company took the decision to cease operations and proceed with the closure of Lomada. During the three months ended March 31, 2020, the Company was working on re-handling material of leach pad to regenerate the solution percolation and generate new channels of circulation of solution.

During the first three months of the year Lomada produced 888 ounces of gold. The cash costs for the three months were \$548/oz<sup>2</sup> and \$656/oz<sup>2</sup> including depreciation and amortization. A total of 857 ounces of Au were sold at an average gross price of \$1,560 per ounce<sup>2</sup> Au during the three months ended March 31, 2020.

The Company has prepared an update to the closure plan presented and approved by the provincial authorities in 2017. The Company received the final approval in November 2019 and started with the works of remediation at the end of 2019. Currently, the work on the remediation has been halted due to the COVID-19 pandemic.

The Company has an asset retirement obligation for reclamation costs for the Lomada de Leiva Project of \$1.8 million as of March 31, 2020.

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<sup>2</sup> See Non-GAAP Financial Performance Measures

## Mineral Resources

Cap-Oeste (Santa Cruz, AR) – Cube Consulting Dec 2018; Notes 1 and 2							
Classification	Tonnes (K)	Average Grades (g/t)			Contained Ounces (K)		
		Gold	Silver	Gold Equivalent	Gold	Silver	Gold Equivalent
Measured	3.4	2.92	46.7	3.59	0.3	5.3	0.4
Indicated	10,554.0	2.07	63.2	2.99	704.0	21,448.0	1,013.0
Meas+Ind	10,557.4	2.07	63.2	2.99	704.3	21,453.3	1,013.4
Inferred	4,895.0	1.37	34.7	1.87	215.0	5,467.0	294.0

Calcatreu (Rio Negro, AR) – Cube Consulting Dec 2018; Notes 3 and 4							
Classification	Tonnes (K)	Average Grades (g/t)			Contained Ounces (K)		
		Gold	Silver	Gold Equivalent	Gold	Silver	Gold Equivalent
Measured							
Indicated	9,841.0	2.11	19.8	2.36	669.0	6,275.0	746.0
Meas+Ind	9,841.0	2.11	19.8	2.36	669.0	6,275.0	746.0
Inferred	8,078.0	1.34	13.1	1.50	348.0	3,399.0	390.0

La Manchuria (Santa Cruz, AR) – Micon 2019; Notes 5 and 6							
Classification	Tonnes (K)	Average Grades (g/t)			Contained Ounces (K)		
		Gold	Silver	Gold Equivalent	Gold	Silver	Gold Equivalent
Measured							
Indicated	474.0	2.59	129.0	3.53	39.5	1,969.0	53.9
Meas+Ind	474.0	2.59	129.0	3.53	39.5	1,969.0	53.9
Inferred	1,836.0	1.30	40.0	1.56	76.5	2,375.0	92.4

La Josefina (Santa Cruz, AR) – UAKO 2010; Notes 7 and 8							
Classification	Tonnes (K)	Average Grades (g/t)			Contained Ounces (K)		
		Gold	Silver	Gold Equivalent	Gold	Silver	Gold Equivalent
Measured	4,998.7	0.72	16.6	0.97	115.5	2,668.4	155.6
Indicated	1,525.9	0.83	1.8	0.85	40.5	88.7	41.8
Meas+Ind	6,524.6	0.74	13.1	0.94	156.0	2,757.1	197.4
Inferred	452.1	0.45	1.2	0.46	6.5	17.6	6.7

### Notes

“K” = Thousands, “g/t” = grams per tonne

Rounding may affect sums and weighted averages

Mineral resources that are not mineral reserves have not demonstrated economic viability

100% basis; Fomicruz has a 5% interest in all Santa Cruz mineral interests.

1. Cap-Oeste 0.5 g/t AuEq cutoff
2. Cap-Oeste AuEq = Au + (Ag\*69.4)
3. Calcatreu 0.5 g/t AuEq cutoff
4. Calcatreu AuEq = Au + (Ag\*81.25)
5. La Manchuria 0.55 AuEq cutoff
6. La Manchuria AuEq = (Au + Ag)/(Au price\*0.32151)
7. La Josefina 0.2 g/t AuEq cutoff
8. La Josefina AuEq = Au + (Ag\*66.67)

## **Exploration Update**

Exploration during 2020 year-to-date consisted mainly of regional reconnaissance, geological mapping, sampling, geophysics and drilling carried out at Rio Negro and Santa Cruz. The geophysical surveys were Ground Magnetics and Pole-Dipole Induced Polarization and Resistivity (“IP/Res”). During 2020, exploration drilling in Argentina has been concentrated at Calcatreu, and the properties in Santa Cruz province.

### **Calcatreu Project**

The Calcatreu project is located in south central Rio Negro province approximately 80 km south west of the town of Jacobacci. It lies on the NW-SE-oriented, regional-scale Gastre Fault System, a highly prospective belt, known to host several epithermal Au-Ag deposits. Patagonia Gold has also recently acquired new concessions, totaling more than 100,000 hectares (ha) along this belt in Rio Negro. The 2018 exploration work at Calcatreu mainly consisted of project-scale geological mapping along with detailed pole-dipole, Induced Polarization and Resistivity (IP/RES) geophysical survey, followed by a diamond drill program. The recent exploration work at Calcatreu is described more fully in the previous section of this MD&A.

### **Mina Angela**

On August 13, 2019, the Company announced an offer letter agreement with Latin Metals Inc. to acquire the Mina Angela project. The Mina Angela property is situated in the Somuncura Massif of southern Argentina and is comprised of 44 individual claims located approximately 50 km east-southeast of Patagonia’s 100% owned Calcatreu gold project. Pan American Silver’s Navidad silver and base metal deposit is located 45 km further to the south-southeast of Mina Angela. The Company is currently working on the due diligence phase and expects to complete this work within the 6-month period from the execution of the option agreement.

### **La Manchuria Project**

In addition to its current mineral resources, the La Manchuria Project is believed to be prospective for the discovery of new gold and silver mineralization. Exploration work continued with mapping and rock chip sampling over an area of approximately 2,000 hectares (“ha”). Veinlets and narrow breccia zones, indicative of hydrothermal activity, were found at the Magali zone. Anomalous gold values were reported from the Cecilia zone. As a result of these favorable results, a new drill program for La Manchuria, of 2,000m in 14 holes is planned to test geophysical anomalies and to test gold anomalies generated from surface rock chip sampling. An updated NI 43-101 report for this project was completed on 27 September 2019 by Micon International and is on file at [www.sedar.com](http://www.sedar.com).

### **Sarita Project**

The Sarita Project, located in the SW part of the Deseado Massif approximately 10 km NW of the Company’s Martha mine and mill, hosts a widespread system of banded, low sulphidation Au-Ag veins, encompassing a small rhyolitic dome complex. Geologically, the area displays very similar structural and stratigraphic characteristics to Martha with Ag-rich, polymetallic, vein-hosted, intermediate sulphidation mineralization. The banded, silver- and gold-bearing quartz veins and quartz vein breccias occur within a set of NNW-SSE striking normal faults and constitute an extensive mineralized vein system, with more than 12 km in total outcropping length. Precious and base metal mineralization has been recognized in quartz veins and vein breccias up to 3 meters wide at surface, composed of quartz and sulphides. Rock chips from discrete vein structures or aligned float have returned anomalous gold samples with up to 83.4 g/t Au and up to 15,444 g/t Ag, in separate samples. To date 16 diamond drill holes have been drilled for 1,754 m targeting the vein mineralization. Geochemical results from drilling show gold and silver anomalies. Due to poor ground conditions encountered during drilling, core recovery in some of the veins was poor and Au and Ag mineralization may have not been recovered. Other exploration activities at Sarita included geophysical surveys and drilling. Geophysical anomalies were identified by IP/Res lines [7.1 km] and by detailed ground magnetics [220 hectares] over different targets areas.

A proposal for testing those targets by drilling was defined and shallow geochemical testing, by RAB drilling, comprised 198 drill holes in eight targets (Phase I: May 2019, 81 holes; Phase II: September 2019, 117 holes).

### **Martha Project**

The Martha Project (“Martha” or “Mina Martha”) is located in the Province of Santa Cruz, Argentina. The closest community is the town of Gobernador Gregores, situated approximately 50 road kilometers (km) to the west-southwest of Martha. The property is the site of past exploration for, and surface and underground mining and recovery of, silver and gold from epithermal veins and vein breccias, previously operated by Coeur Mining Inc. (formerly, Coeur d’Alene Mine Corp.) and Yamana Inc.

The Company acquired Martha as part of its RTO of Hunt Mining Corp. (“Hunt”) in 2019. The land package at Martha consists of approximately 7,850 ha of concessions, various buildings and facilities, surface and underground mining and support equipment, a 480 tonne per day (maximum) crushing, grinding and flotation plant, tailings facility, various stockpiles and waste dumps, employee living and cafeteria quarters, and miscellaneous physical materials. In addition, the Company has access to surface ranch (“estancia”) lands surrounding the mine and mill site that are approximately 35,700 ha in size.

The property was purchased in 2016 by Cerro Cazador SA (CCSA), an Argentine subsidiary of Hunt, from an Argentine subsidiary of Coeur Mining Inc. (Coeur). The intent to purchase was announced February 10, 2016 and closed May 11, 2016 as disclosed by the Company on its website ([www.patagoniagold.com](http://www.patagoniagold.com)). See Note 8 of the 2017 financial statements for details on the purchase of the Mina Martha property. The processing plant at the Martha Project has an estimated useful life of 8 years as it is anticipated that this plant will be used to process mineral from Cap-Oeste underground, Martha Project and from La Josefina Project. Royal Gold Inc. holds a 2% Net Smelter Return (NSR) royalty on all production from the Martha property; the obligation for which transferred from Coeur to the Company ([www.royalgold.com](http://www.royalgold.com)). In addition, the provincial government holds a 3% pit-head royalty from future production.

In late 2019, a plan for reviewing near-mine targets (<5 km away from the mill) was defined. Those remaining targets consist of outcropping veins-veinlets. They included Veta del Medio System, Noroeste, Ivana, Martha Oeste, Martha Norte, Futuro and Sugar Hill among the mains. After encouraging results from sawn-channels (up to 1,000 g/t Ag) at Veta del Medio System, a RAB drill program was carried out to test mineralization at shallow depths. A total of 65 drill holes (1,397.4 m; up to 25 m depth) tested several targets. Highly anomalous drill intercepts, up to 1 m wide and grading 7,700 g/t Ag, were returned from the Veta del Medio Norte which is being considered for follow-up core drilling. Exploration continues to focus on remaining targets by combining systematic sawn-channelling, ground magnetics surveying and new drilling. During 2020, a total of 103.2 kilometers of new ground magnetics surveying was completed at Martha.

The Company has an asset retirement obligation for reclamation costs for the Mina Martha Project of \$0.9 million as of March 31, 2020.

Ongoing production at the Martha Project is being undertaken without established mineral resources or reserves and the Company has not established the economic viability of the operations on the Martha Project. As a result, there is increased uncertainty and economic risk of failure associated with these production activities.

### **La Josefina Project**

La Josefina is situated about 450 km northwest of the city of Rio Gallegos, in the Santa Cruz province of Argentina within a scarcely populated steppe-like region known as Patagonia. The La Josefina property occupies 52,800 hectares and makes up approximately 90% of all meters drilled by the Company. The La Josefina Project consists of mineral rights composed by an area of 528 square kilometers established in 1994 as a Mineral Reserve held by Fomicruz. The La Josefina Project comprises 16 Manifestations of Discovery totaling 52,767 hectares which are partially covered by 399 tenements.

In March 2007, the Company (via a subsidiary of Hunt) acquired the exploration and development rights to the La Josefina project from Fomento Minero de Santa Cruz Sociedad del Estado (“Fomicruz”). In July 2007, the Company entered into an agreement (subsequently amended) with Fomicruz which provides that, in the event that a positive feasibility study is completed on the La Josefina property, a Joint Venture Corporation (“JV Corporation”) would be formed by the Company and Fomicruz. The Company would own 81% of the joint venture company and Fomicruz would own the remaining 19%. Fomicruz has the option to earn up to a 49% participating interest in the JV Corporation by reimbursing the Company an equivalent amount, up to 49%, of the exploration investment made by the Company. The Company has the right to buy back any increase in Fomicruz’s ownership interest in the JV Corporation at a purchase price of USD\$200,000 per each percentage interest owned by Fomicruz down to its initial ownership interest of 19%; the Company can also purchase 10% of the Fomicruz’s initial 19% JV Corporation ownership interest by negotiating a purchase price with Fomicruz. Under the agreement, the Company had until the end of 2019 to complete cumulative exploration expenditures of \$18 million and determine if it will enter into production on the property. At December 31, 2019, the Company had incurred approximately \$20 million and is in current discussions with Fomicruz to develop a plan for production. In October 2019, the agreement was extended until April 30, 2021 which period may be extended for an additional one-year term.

An NI 43-101 compliant technical report on La Josefina, dated September 29, 2010 and prepared by UAKO Geological Consulting, is on file on [www.sedar.com](http://www.sedar.com).

During 2020, a total of 521 km of ground magnetics surveying was completed in the main part of the project. The survey was designed to assist with future exploration target generation comprehend the magnetic signature of the project and be able to extend that concept to other areas.

## **La Valenciana Project**

La Valenciana is located in the central-north portion of the Santa Cruz Province, Argentina. The project encompasses an area of approximately 29,600 ha and is contiguous to the Company's La Josefina property to the east. The La Valenciana project is comprised of 11 Manifestations of Discovery (MDs) covering segments of Estancia Cañadón Grande, Estancia Flecha Negra, Estancia Las Vallas, Estancia La Florentina, Estancia La Valenciana and Estancia La Modesta (inactive ranches). In La Valenciana, exploration has been limited, with more than half of the surface without systematic exploration. Fomicruz carried out preliminary works defining a main vein system of low sulphidation epithermal style; with gold and silver values with base metals. Exploration and subsequent reconnaissance sampling by CCSA added other secondary targets and structures combining a total of 5.70 km mapped veins and stockworks. The limited exploration to date, alteration features and associated structures, and partial coverage by probable post-mineral units; suggest that there is still a high degree of discovery potential in the mining block. A new exploration program to define mineralization includes geophysical surveys and shallow drilling in new and known target areas and an intensive prospecting and reconnaissance sampling over the Company's entire land position, is being considered. Mineral resources have not yet been defined on the La Valenciana property.

## **Bajo Pobre Property**

The Bajo Pobre property covers 3,190 hectares and is mainly on the Estancia Bajo Pobre. The property is located 90 kilometers south of the town of Las Heras. No exploration activity has taken place on the Bajo Pobre Property and no exploration activity is planned for the immediate future. Mineral resources have not yet been defined on the Bajo Pobre property.

## **El Gateado Property**

In March 2006, CCSA acquired the right to conduct exploration on the El Gateado property through a claim staking process for a period of at least 1,000 days, commencing after the Government issues a formal claim notice, and retain 100% ownership of any mineral deposit found within. El Gateado is a 10,000-hectare exploration concession filed with the Santa Cruz Provincial mining authority. The El Gateado property is located in the north-central part of Santa Cruz province, contiguous to La Josefina on the east.

The Company has not yet received a formal claim notice pertaining to the El Gateado property. Should a mineral deposit be discovered, the company has the exclusive option to file for mining rights on the property. The surface rights of the El Gateado claim are held by the following Ranches, Estancia Los Ventisqueros, Estancia La Primavera, Estancia La Virginia and Estancia Piedra Labrada. The El Gateado claims are filed with the government under file #406.776/DPS/06.

Mineral resources have not yet been defined on the El Gateado property. No recent exploration activity has taken place on El Gateado Property and no exploration activity is planned for the immediate future.

## **Qualified Persons**

The scientific and technical information contained herein has been reviewed and approved by Donald J. Birak, an independent geologist and qualified person as defined under NI 43-101.

## Segment Information

All of the Company's operations are in the mineral properties exploration industry with its principal business activity in mineral exploration. The Company conducts its activities primarily in Argentina. All of the Company's long-lived assets are located in Argentina.

The Company's net income/(loss) and its geographic allocation of total assets and total liabilities may be summarized as follow:

For the three months ended March 31, 2020

	Lomada Project	Cap- Oeste Project	Calcatreu Project	Martha and La Josefina Projects	Argentina Uruguay and Chile	UK	North America	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	\$ 1,337	\$ 3,447	\$ -	\$ 431	\$ -	\$ -	\$ -	\$ 5,215
Cost of sales	(500)	(1,599)	-	(349)	-	-	-	(2,448)
Gross profit (loss)	\$ 837	\$ 1,848	\$ -	\$ 82	\$ -	\$ -	\$ -	\$ 2,767
Operating expense								
Exploration expense	\$ -	\$ (141)	\$ (247)	\$ (40)	\$ (266)	\$ -	\$ -	\$ (694)
Administrative expense	-	-	(51)	-	(672)	(154)	(178)	(1,055)
Depreciation expense	-	-	(4)	-	(31)	(25)	-	(60)
Share-based payments	-	-	-	-	-	-	(85)	(85)
Interest expense	-	-	-	-	(188)	(199)	(330)	(717)
Total operating expense	\$ -	\$ (141)	\$ (302)	\$ (40)	\$ (1,157)	\$ (378)	\$ (593)	\$ (2,611)
Other income/(expense)								
Interest income	\$ -	\$ -	\$ 1	\$ -	\$ 54	\$ -	\$ -	\$ 55
Gain/(loss) on foreign exchange	-	-	237	-	(411)	(660)	829	(5)
Accretion expense	(104)	(8)	-	(50)	-	-	-	(162)
Realized gain (loss) on investment	-	-	-	-	728	-	-	728
Total other income/(expense)	\$ (104)	\$ (8)	\$ 238	\$ (50)	\$ 371	\$ (660)	\$ 829	\$ 616
Income/(loss) – before income tax								
Income/(loss) – before income tax	\$ 733	\$ 1,699	\$ (64)	\$ (8)	\$ (786)	\$ (1,038)	\$ 236	\$ 772
Income tax/(benefit)	-	-	(17)	-	(398)	-	-	(415)
Net income/(loss)	\$ 733	\$ 1,699	\$ (91)	\$ (8)	\$ (1,184)	\$ (1,038)	\$ 236	\$ 357

For the three months ended March 31, 2019

	Lomada Project	Cap- Oeste Project	Calcatreu Project	Martha and La Josefina Projects	Argentina Uruguay and Chile	UK	North America	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	\$ 1,265	\$ 3,606	\$ -	\$ -	\$ -	\$ -	\$ -	4,871
Cost of sales	(1,616)	(5,207)	-	-	-	-	-	(6,823)
Gross profit (loss)	\$ (351)	\$ (1,601)	\$ -	\$ -	\$ -	\$ -	\$ -	(1,952)
Operating expense								
Exploration expense	\$ -	\$ -	\$ (604)	\$ -	\$ (238)	\$ -	\$ -	(842)
Administrative expense	-	-	(31)	-	(2,007)	(209)	(18)	(2,265)
Depreciation expense	-	-	(5)	-	(17)	(25)	-	(47)
Share-based payments	-	-	-	-	-	(21)	-	(21)
Interest expense	-	-	-	-	(283)	(148)	-	(431)
Total operating expense	\$ -	\$ -	\$ (640)	\$ -	\$ (2,545)	\$ (403)	\$ (18)	(3,606)
Other income/(expense)								
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 28	\$ -	\$ -	28
Gain/(loss) on foreign exchange	-	-	26	-	(35)	(350)	319	(40)
Accretion expense	(12)	(9)	-	-	-	-	-	(21)
Total other income/(expense)	\$ (12)	\$ (9)	\$ 26	\$ -	\$ (7)	\$ (350)	\$ 319	(33)
Income/(loss) – before income tax	\$ (363)	\$ (1,610)	\$ (614)	\$ -	\$ (2,552)	\$ (753)	\$ 301	(5,591)
Income tax/(benefit)	-	-	-	-	1,594	-	-	1,594
Net income/(loss)	\$ (363)	\$ (1,610)	\$ (614)	\$ -	\$ (958)	\$ (753)	\$ 301	(3,997)

## Liquidity and Capital Resources

	Total Assets		Total liabilities	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	\$'000	\$'000	\$'000	\$'000
Argentina – Cap-Oeste	\$ 10,814	\$ 9,116	\$ 2,735	\$ 2,629
Argentina - Lomada	1,894	2,996	2,102	1,979
Argentina - Calcatreu	16,473	14,678	1,519	1,591
Argentina - Martha & La Josefina	10,697	12,106	2,145	5,475
Argentina and Chile	7,632	11,263	3,628	3,875
United Kingdom	21	177	17,439	20,240
North America	4,811	4,453	14,771	9,824
<b>Total</b>	<b>\$ 52,342</b>	<b>\$ 54,789</b>	<b>\$ 44,339</b>	<b>\$ 45,613</b>

At March 31, 2020, the Company had a working capital deficiency of \$31,068 as compared to a working capital deficiency of \$22,484 at December 31, 2019. The working capital change is owing to the Company's reclassification of debt with related parties from long-term liability to current liability in the amount of \$13,120.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to fund projects from raising capital from equity placements rather than long-term borrowings;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders in the future when new or existing exploration assets are taken into production.

These objectives will be achieved by maintaining and adding value to existing extraction projects and identifying new exploration projects, adding value to these projects and ultimately taking them through to production and cash flow, either with partners or by the Company's means.

The Company sets the amount of capital in proportion to its overall financing structure (i.e. equity and financial liabilities). The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders in the future, return capital to shareholders or issue new shares.

### Off-balance sheet arrangements

As at March 31, 2020, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to us.

### COVID-19

The recent outbreak of the novel coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

Additionally, while the potential economic impact brought by, and the duration of the COVID-19 pandemic is difficult to assess or predict, the impact of the COVID-19 pandemic on the global financial markets may reduce our ability to access capital, which could

negatively impact our short-term and long-term liquidity. The ultimate impact of the COVID-19 pandemic is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, financing or mining production activities or the ore and mining industry or the global economy as a whole. However, these effects could have a material impact on our liquidity, capital resources, operations and business and those of the third parties on which we rely. The management and board of the Company is constantly monitoring this situation to minimize potential losses.

With the lockdown measures implemented by the government of Argentina, the Company was forced to pause its activities for approximately 30 days. On April 2, 2020, the government declared mining as an essential service and the Company was able to resume operations at most of the sites.

### Proposed Transactions

There are no proposed material transactions. However, as is typical of the mineral exploration and development industry, management continually reviews potential merger, acquisition, investment, and joint venture transactions and opportunities that could enhance shareholder value. There is no guarantee that any contemplated transaction will be concluded.

### Contractual Obligations

	Total \$'000	Payments due by period			
		< 1 year \$'000	1-3 years \$'000	3-5 years \$'000	> 5 years \$'000
Long-term debt	15,090	13,222	1,768	-	-
<b>TOTAL</b>	<b>\$ 15,090</b>	<b>\$ 13,222</b>	<b>\$ 1,768</b>	<b>\$ -</b>	<b>\$ -</b>

### Transactions between related parties

Details of transactions with related parties are disclosed in Note 20 of the financial statements.

### Disclosure of Outstanding Share Data

As of July 14, 2020, the Company had 317,943,990 common shares outstanding.

As of July 14, 2020, the Company had 7,650,000 stock options outstanding with an exercise price of CAD\$0.065 and maturity date of September 25, 2024.

### Critical Accounting Policies and Developments

Our discussion and analysis of results of operations and financial condition are based upon our condensed interim consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these condensed interim consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis, including those related to provisions for uncollectible receivables, mineral reserves, inventories, asset retirement obligations, valuation of intangible assets and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The critical accounting judgements and estimated applied by the Company are set in note 6 of the audited financial statements included in the 2019 10-K.

The accounting policies that we follow are set in note 4 of the audited financial statements included in the 2019 10-K. These accounting policies conform to accounting principles generally accepted in the United States and have been consistently applied in the preparation of the financial statements.

The recent accounting pronouncements are included in note 5 of the financial statements included.

## Non-GAAP Financial Performance Measures

Non-GAAP financial measures are intended to provide additional information only and do not have any standard meaning prescribed by generally accepted accounting principles. Unless otherwise noted, we present the Non-GAAP financial measures of our continuing operations in the tables below.

### Cash Costs

The Company uses cash costs to evaluate the Company's current operating performance. We believe these measures assist in understanding the costs associated with producing gold and silver, assessing our operating performance and ability to generate free cash flow from operations and sustaining production. These measures may not be indicative of operating profit or cash flow from operations as determined under GAAP. The Company believes that allocating cash costs to gold and silver lead based on gold and silver metal sales relative to total metal sales best allows the Company and other stakeholders to evaluate the operating performance of the Company.

#### Three months ended March 31, 2020 (in 000's, except per unit amounts)

	Cap-Oeste		Lomada de Leiva		Mina Martha	
Cost of sales	\$	1,599	\$	500	\$	349
Less: Depreciation		(211)		(107)		(38)
Add/(Less): Other charges and timing differences <sup>(1)</sup>		(279)		94		195
Cash costs	\$	1,109	\$	487	\$	506
Add: Depreciation <sup>(2)</sup>		114		96		64
Cash costs and depreciation	\$	1,223	\$	583	\$	570
Ounces produced		1,492		888		356
Cash costs per ounce	\$	743	\$	548	\$	1,421
Cash costs and depreciation per ounce	\$	820	\$	656	\$	1,601

(1) These costs include expenses such as royalties, export and refinery costs, and other charges that the company does not include in cash costs. In addition, these amounts include timing differences related to accrual basis of accounting that the company excludes from the non-GAAP measure in order to measure the cash costs.

(2) Depreciation is related to the plant, machinery, equipment and vehicles.

### Average gross price per ounce sold

Average gross price per ounce sold is calculated by dividing the revenue for the relevant period by the ounces sold.

#### Three months ended March 31, 2020 (in 000's, except per unit amounts)

	Cap-Oeste		Lomada de Leiva	
Revenue (per Note 23 of the financial statements)	\$	3,447	\$	1,337
Ounces sold		2,141		857
Average gross price per ounce sold	\$	1,610	\$	1,560