



## HUNT MINING CORP. ANNOUNCES PROPOSED REVERSE-TAKEOVER TRANSACTION WITH PATAGONIA GOLD PLC

**May 30, 2019** – Hunt Mining Corp. ("**Hunt**") (TSX VENTURE: "**HMX**" OTCQB: "**HGLD**") is pleased to announce that it has reached agreement with Patagonia Gold Plc ("**Patagonia**") on the terms of an arm's length share exchange offer (the "**Offer**") by Hunt for the entire issued and to be issued ordinary share capital of Patagonia (the "**Proposed Transaction**"). Upon the closing of the Proposed Transaction, it is proposed that Hunt will become a Tier 2 Mining Issuer listed on the TSX Venture Exchange (the "**Exchange**") and will be renamed "Patagonia Gold Corp." (the "**Resulting Issuer**"). The Resulting Issuer will carry on the business of Hunt and Patagonia and continue trading on the Exchange under the trading symbol "PGDC".

### Terms of the Transaction

It is anticipated that the Offer is to be implemented by means of a court-sanctioned scheme of arrangement (the "**Scheme**") under Part 26 of the UK Companies Act 2006 (England and Wales), as amended, whereby the shareholders of Patagonia (the "**Patagonia Shareholders**") would, on completion of the Proposed Transaction, own 80% of the issued and outstanding capital of the Resulting Issuer. The Scheme will constitute a "Reverse Take-Over" of Hunt under the policies of the Exchange. The Proposed Transaction is an arm's length transaction.

The Patagonia Shareholders will receive approximately 10.76 common shares in the capital of the Resulting Issuer in exchange for each ordinary share of Patagonia (the "**Patagonia Shares**") held by them (collectively, the "**Exchange Ratio**"). There are currently 63,588,798 common shares of Hunt ("**Hunt Shares**") issued and outstanding and 23,634,749 Patagonia Shares issued and outstanding. It is expected that on completion of the Scheme, the Resulting Issuer will have approximately 317,943,990 common shares issued and outstanding, of which 254,355,192 or 80% will be held by the Patagonia Shareholders. In connection with the Proposed Transaction, all outstanding options of Hunt have been cancelled and all outstanding warrants of Hunt will be cancelled immediately following the date on which the Scheme becomes effective (the "**Effective Date**"). All outstanding options of Patagonia (which are all currently out-of-the money) will lapse to the extent they are not exercised 40 days after the Effective Date. There are no other securities outstanding that are convertible into Hunt Shares or Patagonia Shares.

Given that certain of the shareholders of Hunt ("**Hunt Shareholders**") hold more than 50% of the Hunt Shares, Hunt expects to obtain the consent of such Hunt Shareholders by written consent resolution in accordance with the policies of the Exchange (collectively, the "**Written Consent Resolution**"). A copy of a filing statement prepared in accordance with applicable securities laws (the "**Filing Statement**") will be provided to the Hunt Shareholders prior to obtaining their consent and the Filing Statement will be filed under Hunt's profile on [www.sedar.com](http://www.sedar.com) and with the Exchange.

### Hunt Mining Corp.

Hunt is a mining company existing under the laws of the *Business Corporations Act* (British Columbia) that, together with its subsidiaries, is engaged in the exploration and development of mineral properties in the Santa Cruz Province of Argentina. Hunt's activities include the exploration and processing of minerals from certain properties in Argentina. The common shares of Hunt are currently listed for trading on the Exchange under the trading symbol "HMX".

Details of Hunt and its assets are set out in the Filing Statement being filed under Hunt's profile on [www.sedar.com](http://www.sedar.com) and with the Exchange.

### Patagonia Gold Plc

Patagonia is a mining company existing under the laws of England and Wales focused on the exploration and development of gold and silver projects in the Patagonia region of Argentina. Patagonia is primarily focused on its Cap-Oeste Project in Santa Cruz and the more recently acquired Calcatreu Project in Rio Negro. Patagonia, indirectly through its subsidiaries or under option agreements, has mineral rights to over 250 properties in several provinces of Argentina, Chile and Uruguay and is one of the largest landholders in the province of Santa Cruz, Argentina. Until February 2019, Patagonia operated the Cap-Oeste and Lomada mines. In February 2019, Patagonia determined to close Lomada and put Cap-Oeste on care and maintenance pending a review of the viability of mining the high-grade underground mineral resource at Cap-Oeste. The Patagonia Shares are admitted for trading on the AIM Market of London Stock Exchange plc ("AIM") under the trading symbol "PGD". It is anticipated that concurrently with the closing of the Proposed Transaction, the Patagonia Shares will be delisted from AIM.

A summary of financial information respecting Patagonia and its assets is below:

|                                 | Year ended<br>December 31, 2018<br>(audited)<br>(USD\$) | Year ended<br>December 31, 2017<br>(audited)<br>(USD\$) |
|---------------------------------|---|---|
| <b>Total Revenues</b>           | 48,089,000  | 31,899,000  |
| <b>Exploration Expenses</b>     | (2,744,000)   | (2,643,000)   |
| <b>Total Operating Expenses</b> | (29,515,000)  | (16,711,000)  |
| <b>Current Assets</b>           | 11,482,000  | 38,065,000  |
| <b>Total Assets</b>             | 55,910,000  | 73,514,000  |
| <b>Current Liabilities</b>      | 29,425,000  | 35,851,000  |
| <b>Long Term Liabilities</b>    | 3,103,000   | 3,880,000   |
| <b>Total Liabilities</b>        | 32,528,000  | 39,731,000  |

Additional details of Patagonia, including its financial information and assets, are set out in the Filing Statement being filed under Hunt's profile on [www.sedar.com](http://www.sedar.com) and with the Exchange.

### Closing Conditions

The Offer is conditional upon certain customary closing conditions including that the Scheme becomes unconditional. The Scheme is subject to the following conditions:

- The Scheme must be approved by the Patagonia Shareholders;
- The Scheme must be sanctioned by the UK Court; and
- Hunt having taken all necessary actions so that the shares of the Resulting Issuer trade on the Exchange by not later than 14 days following the Effective Date.

### Board of Directors and Management

On the Effective Date, it is anticipated that the board of directors of Hunt will be reconstituted to consist of Carlos J. Miguens, Cristian Lopez Saubidet, Alexander (Sandy) Harper, Tim Hunt, and David Jarvis. It is also anticipated that the management team of the Resulting Issuer will be comprised of Christopher van Teinoven as Chief Executive Officer and Corporate Secretary, Cristian Lopez Saubidet as Chief

Financial Officer and Leon Hardy as Chief Operating Officer.

Carlos J. Miguens

Carlos J. Miguens has extensive business experience in Latin America. He was President of Cerveceria & Malteria Quilmes, one of Argentina's largest brewing companies for 11 years, until its sale to Ambev. He is the President of MB Holding S.A. and a Director of a number of other companies. Mr. Miguens is a co-founder and Vice-President of A.E.A. (Asociación Empresaria Argentina). He has been the President of Patagonia Gold S.A., a subsidiary of Patagonia, since its inception.

Christopher van Tienhoven

Christopher van Tienhoven was appointed to the board of directors of Patagonia on June 10, 2015. During his 25 years' experience in the mining industry, Mr. van Tienhoven worked for the majority of his career with the Anglo American group in various countries, culminating as Country Manager and President of Anglo Gold Ashanti's Cerro Vanguardia mine. In 2008 he joined Andean Resources Limited as Country Manager and Vice President for Argentina until 2010, when its main project Cerro Negro was sold to Goldcorp Inc. Before joining Patagonia, Mr. van Tienhoven had been dedicated to merger and acquisition opportunities in the junior mining sector in Latin America including Argentina, Colombia, Peru and Guatemala. Mr. van Tienhoven has a degree in Economics from the Wharton School, University of Pennsylvania.

Cristian Lopez Saubidet

Mr. Christian Lopez Saubidet has 18 years of experience in Finance and Strategy. He has been involved with Patagonia since 2008, as Vice President of Patagonia Gold S.A. and other subsidiaries of Patagonia. He also serves on the Boards of Central Puerto SA and San Miguel S.A., both listed companies on the Buenos Aires Stock Exchange. Between 2005 and 2008 he was VP Strategy and Analytics in HSBC's Consumer Lending Division in the United States of America. Between 1998 and 2005 he worked as a Management Consultant for McKinsey & Co. in Buenos Aires, Pittsburgh and Chicago. He holds an MBA from the Anderson School at University of California, Los Angeles and a degree in Industrial Engineering from the Instituto Tecnológico de Buenos Aires.

Tim Hunt

Tim Hunt is the founder and president of Huntwood Industries, one of the largest building products manufacturers in the Western United States. Mr. Hunt has led the development of Huntwood Industries for the past 29 years, taking the business from a start-up venture to a significant middle-market enterprise; responsible for over 2 billion dollars in sales. He has significant investment experience raising capital and negotiating private equity placements for numerous companies. During a period as a licensed securities broker, Mr. Hunt also cultivated and developed lasting alliances in the mining and investment communities. He has been recognized for his leadership in the financial services sector and served on the board of directors for a regional bank. He has been involved in the mining sector for over 30 years, including the period as an investment broker.

Alexander (Sandy) Harper

Alexander (Sandy) Harper started out at Merrill Lynch in London in the 1970s. He has since successfully been an independent international commodity trader, investor and consultant with long experience of doing business in the UK, Europe, USA, Latin America and West Africa. Mr. Harper is currently based in Argentina. Mr. Harper was educated at Winchester College, Hampshire, UK.

David Jarvis

David Jarvis is a mining operations executive with broad experience in the Americas and East and Central Asia. He has a Bachelor of Science degree in Mining Engineering, and has worked as Superintendent,

Mine Water Management for Newmont Gold, Mine Manager for Kumtor Operating Co., Centerra Gold, Kyrgyzstan, Production Manager, Nome Alaska for NovaGold Resources Inc., and Vice-President and General Manager for Coeur Mexicana, SA de C.V.

### Leon Hardy

Leon Hardy is the former COO and Senior Vice-President for Coeur Mining Inc. (CDE:NYSE), and has over 40 years of technical and operational experience which includes 12 years in Latin America. Mr. Hardy holds a Bachelor of Science in Geological Engineering from the University of Arizona, and is a registered professional engineer. Mr. Hardy resided in Argentina for 5 years, while being the general manager of the Martha Mine and was instrumental from the initial start-up thru the 240 TPD Mill construction and subsequent full scale operations. Mr. Hardy has operational, cost control, due diligence, strategic mine planning, and feasibility studies experience, and maintains strong political relationships with regional emphasis in Argentina.

### **Cautionary Statements and Forward Looking Information**

*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Hunt Mining Corp. should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

***Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

*This news release contains forward-looking statements relating to the Proposed Transaction that are not historical facts. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Assumptions, risks and uncertainties include, among other things, the risk that the Proposed Transaction will not be completed or that the necessary approvals and/or exemptions are not obtained or some other condition to the closing of the Proposed Transaction will not be satisfied, the risk that the UK Court does not sanction the Scheme in a timely manner, if at all, the risk that closing of the Proposed Transaction could be delayed if Hunt and Patagonia are not able to obtain the necessary approvals on the timelines planned, the risk that the timing of obtaining required approvals, closing conditions for the Proposed Transaction, state of the economy in general and capital markets in particular, investor interest in the business and future prospects of Hunt and Patagonia will not occur in a timely manner, if at all, and may cause actual results, performance or achievements to be materially different from those implied by such assumptions, risks and uncertainties.*

*The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, Hunt and Patagonia disclaim any intention and assume no obligation*

*to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Additionally, Hunt and Patagonia undertake no obligation to comment on the expectations of, or statements made, by third parties in respect of the matters discussed above.*

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