



Patagonia Gold PLC : Further re Chubut Action

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Patagonia Gold PLC
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Patagonia Gold Plc ('Patagonia Gold' or the 'Company')

Trading Symbol PGD.L

Patagonia Gold Plc (PG or the company) refers to the introduction in the Province of Chubut of a provincial law banning for up to three years mining and minerals exploration activities (except for alluvial gold exploration) in a specified area on the west side of the Province.

PG has been advised by its Argentinean lawyers that this provincial law violates the company's constitutional right to perform mining and mineral exploration within a legal and regulated industry.

In order to protect the company's investments and to preserve its legal right to keep performing mining and mineral exploration on its properties, Patagonia Gold SA and Huemules SA, both fully owned subsidiaries of PG, have today filed a legal action against this provincial law through the submission of an injunction in the Civil, Commercial and Mining Court of the City of Rawson (Juzgado de Primera Instancia en lo Civil, Comercial y Minas de la Ciudad de Rawson).

PG has always adhered to the highest environmental standards in its exploration activities and is totally supportive of ensuring that all exploration and mining activities conducted in Chubut are in accordance with the highest international standards endorsed by the mining industry and as set out in the Sustainable Development Framework, to which the company adheres.

The plans for the development of the Huemules Mine for which PG has filed an application for an Environmental Impact Study for the drilling phase, do not involve any open cast mining or the use of cyanide.

Sir John Craven, Chairman, says that:

'While challenging the law in the courts, PG welcomes any opportunity for conducting an open and objective study of the environmental implications of mining and exploration in the Province and the publication in due course of the conclusions of that study. This should remove the uncertainties that have inhibited the development of a viable and environmentally sound mining industry in Chubut, with all the benefits to the community in terms of employment and tax revenues that could flow from this and create a climate in which the mining industry and the communities can work together in harmony with shared objectives.

To this end PG would be delighted to work with the Government and its experts to assist in the development of Code of Conduct for the mining and exploration of minerals in Chubut'.

PG is also actively engaged in exploration on a number of highly prospective properties outside of this restricted area and has recently taken steps to expand these activities into other provinces where mining activities are long established including Santa Cruz and San Juan provinces.

ENDS

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