

Patagonia Gold PLC : Economic & fiscal policy changes in Argentina

Released : 21.12.2015

RNS Number : 6561J

Patagonia Gold PLC

21 December 2015

Patagonia Gold Plc

Patagonia Gold comments on recent changes to certain economic and fiscal policies in Argentina

London, United Kingdom - 21 December 2015 - Patagonia Gold Plc (AIM: PGD) ("Patagonia Gold" or the "Company") today provides an update on positive changes to certain economic and fiscal policies in Argentina following the elections held on 22 November.

The restrictive and complicated procedure for importation of goods and services referred to as DJAI (Declaración Jurada Anticipada de Importación) introduced on 10 January 2012 by the prior government is scheduled to be abolished effective 31 December 2015. The elimination of this procedure will expedite the process of importing necessary machinery and spare parts as well as services for the Company, which is expected to improve efficiencies and have a positive impact on production.

Furthermore, on 16 December 2015, the new government lifted exchange controls and the Argentine Peso will now float freely in terms of other currencies. In addition on 17 December 2015, the Central Bank of Argentina devalued the local currency by approximately 50% resulting in the exchange rate moving from \$9.80 to the US Dollar to an opening exchange rate of \$14 to the US Dollar. The impact of these measures on the Company will be a nominal improvement in margins.

The Directors are confident that these new measures will have a positive impact on Patagonia Gold's business in Argentina and will open new opportunities for expanding our operations in the country.

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About Patagonia Gold

Patagonia Gold Plc is a mining company that seeks to grow shareholder value through exploration, development and production of gold and silver projects in the southern Patagonia region of Argentina. The Company is primarily focused on three projects: the flagship Cap-Oeste/COSE project, the La Manchuria project and the Lomada heap leach project, which is generating free cash flow. Patagonia Gold, indirectly through its subsidiaries or under option agreements, has mineral rights to over 220 properties in several provinces of Argentina and Chile, and is one of the largest landholders in the province of Santa Cruz.

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