

## Result of General Meeting and Open Offer

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Patagonia Gold PLC

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### PATAGONIA GOLD PLC ("Patagonia Gold" or the "Company")

#### Result of General Meeting and Open Offer

On 21 November 2017, Patagonia Gold (AIM: PGD) announced proposals to raise £7.76 million (gross) (approximately US\$10.24 million) by way of an issue of, in aggregate, 775,725,279 New Shares at a price of 1 pence per New Share, further details of which were set out in the circular dispatched to Shareholders on that day (the "Circular").

The Fundraising, comprising a Subscription of 378,787,878 Subscription Shares and an Open Offer of 396,937,401 Open Offer Shares, was conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting.

Commenting on this announcement, Christopher van Tienhoven, CEO of Patagonia Gold said:

"We are pleased to have secured the funding for the exercise of the Calcatreu Option. Capital markets continue to be challenging for junior resource companies and we are delighted to have received the continuing strong support for this Fundraising of US\$10.24 million from existing shareholders and in particular from the Miguens-Bemberg family of Argentina who show unwavering commitment to our company, whilst also enabling all shareholders to participate through the Open Offer.

We remain confident in and committed to the future of Patagonia Gold, with improving operational performance at Cap-Oeste as production ramps up to target levels and a stabilisation in the political and economic environment in Argentina. These funds will enable us now to exercise the Calcatreu Option, adding this highly prospective deposit to our portfolio of assets with a view to delivering an enhancement in value to all Shareholders."

#### General Meeting

In order to comply with the City Code on Takeovers and Mergers, Resolution 1, concerning the waiver of obligations under Rule 9 of the City Code in connection with the participation of Mr Carlos J. Miguens, directly and through his controlled entity Cantomi, in the Fundraising (the "Whitewash Resolution"), was passed by means of a poll of Independent Shareholders. Accordingly, the Concert Party did not vote on the Whitewash Resolution. Votes cast pursuant to the poll on the Whitewash Resolution were 240,884,705 in favour and 38,881,553 against.

Accordingly, the Company is pleased to announce that, at its General Meeting held today, all of the Resolutions set out in the Notice of General Meeting, were duly passed.

#### Open Offer

Under the Open Offer, Qualifying Shareholders were able to subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 4 Existing Ordinary Shares held on the Record Date (being 17 November 2017). The Open Offer closed for acceptances at 11.00 a.m. on 6 December 2017.

The Open Offer Shares were not placed subject to clawback nor were they underwritten, but Mr Miguens applied for his direct and Cantomi's Open Offer Entitlements being, in aggregate, 148,060,168 Open Offer Shares, as well as, through Cantomi, all of the remaining Open Offer Shares under the Excess Application Facility.

Qualifying Shareholders, other than Mr Miguens, applied for, in aggregate, 79,966,171 Open Offer Shares pursuant to their Open Offer Entitlements and all Qualifying Shareholders who validly applied for Open Offer Shares pursuant to their Open Offer Entitlements will receive the full amount of Open Offer Shares they applied for.

As a result, 168,911,062 Open Offer Shares were available under the Excess Application Facility and valid acceptances were received in respect of 240,696,537 Excess Open Offer Entitlements, representing excess applications of approximately 142.5 per cent. above those available under the Excess Application Facility. The Directors have determined that, save for Cantomi, each Qualifying Shareholder applying for Excess Open Offer Entitlements will receive the full amount of their excess application pursuant to the Excess Application Facility and that Cantomi will be scaled back and will receive 155,032,428 Open Offer Shares pursuant to the Excess Application Facility.

Accordingly, Patagonia Gold has received valid acceptances in respect of 775,725,279 Open Offer Shares from Qualifying Shareholders, which represents 100 per cent. of the Open Offer Shares offered.

#### Use of Proceeds

As set out in the circular dated 21 November 2017, the Company intends using the proceeds raised pursuant to the Subscription and Open Offer, together with existing cash resources and loan facilities, to fund the exercise of the Calcatreu Option, which would allow the Company to acquire the Calcatreu gold-silver project located in the Rio Negro province of Argentina. The Directors believe that the Calcatreu gold-silver project represents an excellent opportunity for the Company to acquire a high grade > 1 million ounce deposit with significant exploration upside potential and has the potential to be a 10+ year open pit mining operation with its existing resource base delivering an enhancement in value to Shareholders.

#### Admission

Application has been made to the London Stock Exchange for 775,725,279 New Shares to be admitted to trading on AIM pursuant to the Fundraising. It is expected that Admission will occur at 8.00 a.m. on 11 December 2017.

Following Admission, the Company's total issued share capital will comprise 2,363,474,884 Ordinary Shares with voting rights. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, securities of the Company under the FCA's Disclosure and Transparency Rules. The New Shares will rank *pari passu* in all respects with the existing Ordinary Shares in issue, including the right to receive all dividends and other distributions declared.

#### Interests in Ordinary Shares

Mr Miguens, Chairman of the Company, through Cantomi, subscribed for 378,787,878 Subscription Shares and has been allotted, in aggregate, 303,092,596 Open Offer Shares, directly and through Cantomi. Accordingly, following Admission:

- Mr Miguens will be interested in, in aggregate, 1,274,121,151 Ordinary Shares, representing approximately 53.91 per cent. of the Company's Enlarged Share Capital and if Mr Miguens exercised the Options held by him, and no other options or convertibles were exercised, his maximum interest in Ordinary Shares would be, in aggregate, 1,298,621,151 Ordinary Shares and his aggregate holding would constitute approximately 54.38 per cent. of the then voting rights in the Company.
- the Concert Party will be interested in, in aggregate, 1,430,570,270 Ordinary Shares, representing approximately 60.53 per cent. of the Company's Enlarged Share Capital. In addition, Mr Miguens and Mr Tanoira, have also previously been granted the Options and on exercise of the Options in full, and no other options or convertibles are exercised, the Concert Party's maximum interest in Ordinary Shares would be, in aggregate, 1,458,789,270 Ordinary Shares and the Concert Party's aggregate holding would constitute approximately 60.99 per cent. of the then voting rights in the Company.

The Directors' interests following completion of the Fundraising are as follows:

<i>Name of Director</i>	<i>New Ordinary Shares subscribed for, in aggregate, in the Fundraising</i>	<i>Total number of Ordinary Shares held following Admission</i>	<i>Number of Ordinary Shares interested in upon Admission as a percentage of the Enlarged Share Capital</i>	<i>No. of options held</i>
Carlos J. Miguens	3,415,506	17,077,532	0.72	-
Cantomi <sup>(1)</sup>	299,677,090 <sup>(3)</sup>	1,257,043,619	53.19	24,500,000
<b>Total for Carlos J. Miguens</b>	<b>303,092,596</b>	<b>1,274,121,151</b>	<b>53.91</b>	<b>24,500,000</b>
Christopher van Tienhoven	-	2,329,075	0.10	10,000,000
Gonzalo Tanoira	-	10,691,576	0.45	-
Capifox SA <sup>(2)</sup>	-	6,711,157	0.28	3,719,000
<b>Total for Gonzalo Tanoira</b>	<b>-</b>	<b>17,402,733</b>	<b>0.73</b>	<b>3,719,000</b>
Manuel de Prado	-	4,035,660	0.17	750,000

#### Notes:

(1) Carlos J. Miguens is deemed to be beneficially interested in the Ordinary Shares held by Cantomi

(2) Gonzalo Tanoira is deemed to be beneficially interested in the Ordinary Shares held by Capifox

(3) Includes 378,787,878 Subscription Shares subscribed for pursuant to the Subscription

The Concert Party's aggregate interest on Admission, following completion of the Fundraising, is as follows:

	<i>Interest in Ordinary Shares</i>	<i>Interest in Ordinary Shares as a percentage of the Enlarged Share Capital</i>	<i>Options</i>	<i>Number of Ordinary Shares interested in assuming exercise of the Options in full*</i>	<i>Number of Ordinary Shares interested in assuming exercise of the Options in full as a percentage of the further enlarged share capital*</i>
On Admission	1,430,570,270	60.53	28,219,000	1,458,789,270	60.99

\*assuming no other options or convertibles are awarded or exercised and no other shares are issued.

On Admission, as the Ordinary Shares in which the Concert Party will be interested together carry more than 50 per cent. of the voting rights in the Company, it will therefore be free (subject as set out in Note 4 to Rule 9.1 of the City Code) to increase its aggregate holding of Ordinary Shares without any obligation to make a general offer for the Company under the provisions of Rule 9 of the City Code.

In addition, as the Ordinary Shares in which Mr Miguens (both directly and through Cantomi) will be interested on Admission together carry more than 50 per cent. of the voting rights in the Company, Mr Miguens and Cantomi will therefore be free (subject as set out in Note 4 to Rule 9.1 of the City Code) to increase its aggregate holding of Ordinary Shares without any obligation to make a general offer for the Company under the provisions of Rule 9 of the City Code.

#### Intentions of the Concert Party

As set out in the Circular, the Concert Party has confirmed that it is not proposing, following any increase in its shareholding as a result of the Fundraising and the exercise of any of the Options, to seek any change in the general nature of the Company's business.

The Directors intend to continue to conduct the business of the Company in the same manner as it is currently conducted and there are no plans to introduce any material change to the business of the Company.

The members of the Concert Party have no intention to cause the Company to cease to maintain any of the trading facilities in respect of the Ordinary Shares.

Defined terms used in this announcement not otherwise defined shall have the same meaning as those terms defined and used in the Circular.

**For more information, please contact:**

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**PDMR Notification**

<b>1.</b>	<b>Details of the person discharging managerial responsibilities / person closely associated</b>		
a)	Name	Carlos Miguens	
<b>2.</b>	<b>Reason for the Notification</b>		
a)	Position/status	Director of the Company	
b)	Initial notification/amendment	Initial notification	
<b>3.</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>		
a)	Name	Patagonia Gold Plc	
b)	LEI	213800CUO61FNURZ7N7	
<b>4.</b>	<b>Details of the transaction(s):section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv)each place where transactions have been conducted</b>		
a)	Description of the Financial instrument, type of instrument	Ordinary shares of 1p each in the share capital of the Patagonia Gold Plc	
	Identification code	GB0003049409	
b)	Nature of the Transaction	Participation in Subscription and Open Offer	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		1 pence	303,092,596
d)	Aggregated information Aggregated volume Price	N/A (Single transaction)	
e)	Date of the transaction	8 December 2017	
f)	Place of the transaction	Outside a trading venue	

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