



Operations Update for Cap-Oeste

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Patagonia Gold PLC

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Patagonia Gold Plc
("Patagonia Gold" or the "Company")

Operations Update for Cap-Oeste

Patagonia Gold Plc (AIM:PGD), the mining and development company with gold and silver projects in Argentina, Chile and Uruguay, is pleased to announce that construction of the agglomeration circuit at its Cap-Oeste project has now been completed and that the circuit is currently undergoing final commissioning and testing.

Commissioning is on schedule, as per the announcement of 5 May 2017, despite delays to the arrival of some key elements including the agglomeration drum, due to adverse weather conditions in June.

WESTPRO Canada have overseen the assembly and testing of the agglomeration drum and the final assembly and testing of the primary screening circuit is being completed this week. The existing pad capacity has been expanded to accommodate the newly agglomerated ore and to make available additional areas to rehandle and agglomerate the 600,000 tonnes of ore already loaded onto the existing pad.

The addition of the main crushing unit and tunnel reclaim conveyor will continue, while screening and agglomeration are carried out on ROM (Run of Mine) ore. The agglomeration circuit has a name plate capacity of 500 tonnes per hour and will be operated on a one shift per day basis. An updated guidance for gold and silver production for 2017 will be provided after the first month of full production from the agglomeration circuit has been achieved.

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 production at Cap-Oeste and exploration at Sarita, La Manchuria and the earn-in agreement in Uruguay. Patagonia Gold, indirectly through its subsidiaries or under option agreements, has mineral rights to over 220 properties in several provinces of Argentina, Chile and Uruguay.

Shareholders are encouraged to register with our mailing list on our webpage: <http://www.patagoniagold.com/investors/subscribe-to-news/> to receive the Company's announcements.

The information contained within this announcement is deemed by Patagonia Gold to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

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