

## Definitive Agreement - Calcatreu Deposit

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Patagonia Gold PLC

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

**Execution of Definitive Agreement for the Calcatreu Deposit**

Patagonia Gold Plc (AIM:PGD), the mining company with gold and silver projects in the southern Patagonia region of Argentina, Chile and Uruguay, is pleased to announce that, further to its announcement of 11 December 2017, on 22 December 2017 the Company signed the Definitive Agreement to acquire the Calcatreu Deposit from Pan American Silver Corp. ("Pan American"), by way of acquiring all shares of a wholly-owned subsidiary of Pan American, for a total consideration of US\$15 million.

Patagonia Gold was granted an exclusive option to purchase the Calcatreu deposit as initially announced on 24 April 2017.

Pursuant to the Definitive Agreement, Patagonia Gold will make an initial payment of US\$5 million upon closing of the acquisition, which is expected to take place on or before 31 January 2018 subject to certain customary closing conditions. The US\$5 million will be paid from the recently completed fundraising announced on 8 December 2017. The remaining US\$10 million is due on 18 May 2018 and will be settled using a combination of funds from the recent fundraising and the Company's existing cash resources.

Patagonia Gold intends to advance the Calcatreu project during 2018 by exploring the area immediately around the existing resource with the aim of increasing the resource. The Company is confident that there remains significant potential to increase the existing resource base and believes that approximately 12 - 18 months will be required to generate and drill off known targets. The system has a known strike length of over 8 km and the Company believes that this may well increase with an improved knowledge of the system and more detailed geophysical and geochemical surveys which the Company intends to undertake on completion of the acquisition. The Company has the financial resources necessary to progress the project following the recent fundraising. Further announcements will be made as appropriate as the drilling programme progresses.

***About the Calcatreu Deposit***

The Calcatreu Deposit is a high grade (2.325 g/t AuEq) low sulphidation gold system with the mineralisation outcropping at surface. An independent mineral resource estimate was completed by Micon International Limited of Toronto in 2008 for the Calcatreu Deposit, prepared in accordance with the Canadian National Instrument 43-101 requirements and set out the current resource, which contains 8 million tonnes at 3.04 g/t AuEq for 780,000 oz in the Indicated category and a further 255,000 oz at 2.32 g/t AuEq in the Inferred category. This resource model was completed in 2008 using a gold price of US\$650/oz and a silver price of US\$12.50/oz. The surrounding land package is large with over 25,000 hectares of sparsely explored terrain.

***About Patagonia Gold***

Patagonia Gold is a mining and exploration company with the primary objective of increasing shareholder value through the acquisition, exploration and development of gold and silver projects in the Deseado Massif region of Argentina.

The Company holds, directly or indirectly through its subsidiaries or under option agreements, the mineral rights to over 220 property interests in Argentina, Chile and Uruguay. These include the mineral rights to 67 property interests in the province of Santa Cruz covering approximately 190,000 hectares held by the Company's 90%-owned Argentinian subsidiary, Patagonia Gold S.A. and to 51 property interests covering approximately 156,000 hectares held by its wholly owned Argentinian subsidiary Minera Minamalu S.A.

**For more information, please contact:**

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