

Argentine Export Tax

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

Argentine Export Tax

Patagonia Gold Plc, the mining company with gold and silver projects in the Patagonia region of Argentina, Chile and Uruguay, would like to update the market on the implementation of a new export tax in Argentina.

On 3 September 2018, the government of Argentina announced a series of measures to mitigate the economic problems the country is currently facing. Among the measures announced is the implementation of an export tax to be applied on all exports, including goods and services, until 31 December 2020. The applicable tax depends on the type of product. In the case of doré produced by Patagonia Gold, the tax to be applied is \$4 (four Argentine Pesos) for each dollar exported which, at the current exchange rate, represents approximately 10% on the sales value.

We are in the process of analysing the impact of the recent devaluation and the export tax and will continue working with the Mining Chamber to mitigate the financial impact of the export tax on the industry and Patagonia Gold.

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 Patagonia region of Argentina. The Company is primarily focused on its flagship Cap Oeste project in Santa Cruz and the recently acquired Calcatreu project in Rio Negro. In addition, it is carrying out exploration in Manchuria and Sarita in Argentina and San Jose in Uruguay. Patagonia Gold, indirectly through its subsidiaries or under option agreements, has mineral rights to over 250 properties in several provinces of Argentina, Chile and Uruguay and is one of the largest landholders in the province of Santa Cruz, Argentina.

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

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