



US\$15 million Loan Agreement

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

US\$15 million Loan Agreement

Patagonia Gold Plc, the AIM-listed mining company with gold and silver projects in the Patagonia region of Argentina and in Chile and Uruguay, is pleased to announce that it has entered into an agreement with Cantomi Uruguay S.A. ("Cantomi"), a company owned and controlled by the Company's Non-Executive Chairman, Carlos Miguens, for a loan facility of up to US\$15 million (the "Loan Facility").

Key terms of the Loan Facility

Pursuant to the terms of the Loan Facility, Cantomi has made available to the Company an amount of up to US\$15 million, which can be drawn down in tranches at the Company's election, subject to a minimum draw down amount of US\$100,000 per tranche.

The Loan Facility matures on 31 March 2021 and interest is payable on any amounts drawn down, accruing at a rate of 5 per cent. per annum. All drawn down principle and accrued interest are payable at maturity. At any time prior to maturity, the Company can elect to prepay all or any portion drawn down and/or interest accrued without incurring any early repayment penalty. The agreement in respect of the Loan Facility contains customary warranties, undertakings and events of default.

Use of Proceeds

Further to the Company's announcements of 19 February and 27 February 2019, the Company intends to utilise any amounts drawn down under the Loan Facility for general working capital purposes, refinancing of local debt in Argentina, as well as updating the mineral resource estimate for Calcatreu and commencing a Feasibility Study for the project.

Related Party Transaction

Cantomi is an associate of Mr Carlos Miguens and a substantial shareholder of Patagonia Gold, interested in approximately 53.19 per cent. of the existing issued share capital. Accordingly, Cantomi is considered a related party under the AIM Rules. In addition, Mr Miguens is directly interested in 0.72 per cent. of the Company. The provision of the Loan Facility therefore constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the independent Directors of the Company (being all of the Directors other than Mr Miguens), having consulted with the Company's Nominated Adviser, Strand Hanson Limited, consider that the terms of the Loan Facility are fair and reasonable insofar as the Company's shareholders are concerned.

Christopher van Tienhoven, CEO of Patagonia Gold, commented on the Loan Facility:

"The Loan Facility provided by Cantomi is crucial in terms of moving Patagonia Gold forward. Despite the closures of Cap Oeste and Lomada, the Company retains an important asset base, comprising the over one million ounce standalone Calcatreu project in Rio Negro, the Cap Oeste underground resource and prospective exploration ground in Santa Cruz, Rio Negro and Chubut. The Loan Facility will allow the Company to commence work on the Calcatreu Feasibility Study and advance this project to the next level."

About Patagonia Gold

Patagonia Gold Plc is an AIM-listed 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 the 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.

For more information, please contact:

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