

Drill Results - San Jose Project in Uruguay

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

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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 release the first drill results from its San Jose Project in Uruguay.

Highlights:

- Seven holes drilled, comprising five reverse circulation (RC) and two diamond drill (DD), in an 882 metre drill programme, completed in December 2018
- All of the seven holes cut gold mineralisation
- Best intercept was 4.55 m @ 4.7 g/t Au (including 0.7 m @ 27.6 g/t Au) in hole DWDD-010
- Mineralised structure open for expansion along strike along the north-south direction and depth

The Dream Walker prospect (previously named Carreta Quemada) is located within the east-west trending San Jose Greenstone Belt of early Proterozoic-age (+/- 2.1 billion years) in Uruguay, comprising greenschist to lower amphibolite facies metasediments and metavolcanics, with frequent, large granitic-granodioritic intrusives. The geological setting appears typical of the terranes that host some of the world's most prolific Orogenic Gold Belts, such as those of the same age in the West Africa Craton, which host many multi-million ounce deposits.

The project is located on a strong NW-striking regional-scale shear zone (the "Carreta Quemada Shear Zone"). Field observations and aeromagnetic data indicate a several kilometre wide, diffuse zone of NW-SE oriented lineaments and structures.

First pass drilling results from the 2018 exploration campaign, carried out at the Dream Walker Project confirmed the existence of a north-south trending, mineralised structure which can be traced for over at least 300 m and remains open for expansion on strike and at depth (Figure 1).

Figure 1. Drill locations

http://www.rns-pdf.londonstockexchange.com/rns/8223P_1-2019-2-12.pdf

This initial drill program was based upon anomalous geochemical rock chip sampling from an earlier trenching sampling program, which resulted in 2m @ 16.2 g/t Au (sample 200282, DWTR-002) and 1m @ 1.25 g/t Au (sample 1960, DWTR-001) as disclosed in 2016.

The significant intercepts from the present drilling results are: 4.55 m @ 4.7 g/t Au (incl. 0.7 m @ 27.6 g/t Au) and 7.1m @ 1 g/t Au (incl. 1.55m @ 3.73 g/t Au) from drill hole DWDD-010; 3.9m @ 1.63 g/t Au, and 1.4 m @ 1.67 g/t Au, from drill hole DWDD-009; and 1m @ 3.9 g/t Au and 1.3m @ 1.62 g/t Au, from drill hole DWDD-001. These intercepts are at an average depth of 40 m below surface (Table 1).

Table 1: Analytical results and drill intercepts, Dream Walker Project, Uruguay

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
DWDD-001	74.85	75.85	1.00	3.90
DWDD-009	48.70	52.60	3.90	1.63
and	61.70	66.55	4.85	0.92

<i>incl</i>	63.30	64.70	1.40	1.67
DWDD-010	13.75	18.30	4.55	4.70
<i>incl</i>	15.60	16.30	0.70	27.60
and	20.00	27.10	7.10	1.00
and	40.95	45.85	4.90	2.18
<i>incl</i>	43.50	45.05	1.55	3.73

DWRC-005	82.00	85.00	3.00	2.49
DWRC-008	19.00	20.00	1.00	1.54
and	45.00	48.00	3.00	0.89
<i>incl</i>	45.00	46.00	1.00	1.96
and	77.00	79.00	2.00	1.87

Trench ID	From (m)	To (m)	Length (m)	Au (g/t)
CWTR-001	58.70	59.70	1.00	1.25
CWTR-002	202.00	204.00	2.00	16.20

These mineralised structures are open both along strike and at depth. To the south, the results of a RC fence drilling demonstrated the possible continuation of this mineralised trend, and which resulted in 2m @ 1.87 g/t Au, from drill hole DWRC-008; and 3m @ 2.49 g/t Au, from drill hole DWRC-005. Given that this fence was drilled at 90 degrees (approximately) to the strike of the main mineralised structure, these additional intersections confirm that the project contains multiple mineralised zones. The RC holes were drilled orientated west to east dipping at 50 degrees, on 50 metre centres. These RC holes are located around 1 km to the south of the DD holes. The area between these two drill zones is still untested and represents a significant exploration potential. Intercepts reported herein are drilled widths; true widths are not yet known.

Qualified Person's Statement

The scientific and technical information herein was reviewed by Dr Walter Soechting, PGeo (2009) and Fellow of the Society of Economic Geologists. Dr Soechting is a geologist with over twenty-five years of experience in exploration for precious metal mineral deposits. Dr Soechting has experience in the type of deposit under consideration, and enough experience in the type of activity that he is a 'Qualified Person' within the meaning of NI 43-101. Dr Soechting consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

The analyses of the drilling samples reported herein were performed by Alex Stewart Laboratories, which is ISO 9001/IEC17025 and ISO14001 certified. Patagonia Gold's quality assurance-quality control program (QAQC) includes systematic insertion of blanks, standard reference material and duplicates to ensure laboratory accuracy.

Christopher van Tienhoven, CEO of Patagonia Gold commented on the drill results:

"The results obtained from this maiden but limited drill campaign are encouraging and we are currently reviewing our next steps to evaluate the gold potential of this exciting, new occurrence."

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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").

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 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 220 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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