

PATAGONIA GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2025

May 30, 2025

The following management's discussion and analysis ("MD&A") of Patagonia Gold Corp. (hereinafter referred to as the "Company" or "Patagonia"), formerly Hunt Mining Corp. ("Hunt") and its subsidiaries provides an analysis of the operating and financial results for the three months ended March 31, 2025 and a comparison of the material changes in our results of operations between the three months ended March 31, 2024 and financial condition between the year ended December 31, 2024. This MD&A should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements ("interim financial statements") for the three months ended March 31, 2025, annual audited consolidated financial statements for the year ended December 31, 2024 and related MD&A.

These statements have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"). This MD&A includes certain non-IFRS financial performance measures. For a detailed description of these measures, please see "Non-IFRS Financial Performance Measures" section. The amounts presented in this MD&A are in thousands (\$'000) of U.S. dollars, except share, per share, per unit amounts and unless otherwise noted.

The Company's head office and principal business address is Av. Libertador 498 Piso 26, Buenos Aires, Argentina, C1001ABR and the registered office address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company's common shares trade on the TSX Venture Exchange (the "Exchange"), under the symbol PGDC. Additional information relevant to the Company's activities can be found on their website at <http://patagoniagold.com>, on SEDAR at www.sedarplus.ca.

Management's Responsibility for Financial Reporting

The interim financial statements have been prepared by management in accordance with IFRS Accounting Standards and have been approved by the Company's board of directors (the "Board"). The integrity and objectivity of the financial statements are the responsibility of management. In addition, management is responsible for ensuring that the information contained in the MD&A is consistent where appropriate, with the information contained in the interim financial statements.

The interim financial statements may contain certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis to ensure that the interim financial statements are presented fairly in all material respects.

As the Company is a Venture Issuer (as defined under *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and management are not required to include representations relating to the evaluation, design, establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or Internal Controls over Financial Reporting ("ICFR"), as defined in NI 52-109, nor has it completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis DC&P and ICFR for the issuer may result in additional risks of quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Cautionary Note on Forward-Looking Information

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws of Canada (collectively referred to as "forward-looking information") which relate to future events or the Company's future performance and may include, but are not limited to, statements about strategic plans, spending commitments, future operations, results of exploration, anticipated financial results, future work programs, capital expenditures and expected working capital requirements. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Readers are cautioned not to place undue reliance on forward looking information and there can be no assurance that forward looking information will prove to be accurate as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking information if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore,

the Company cannot provide any assurance that forward-looking information will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking information, include, but are not limited to: fluctuations in the currency markets (such as the Canadian Dollar, Chilean Peso, Great Britain Pound and the United States Dollar); changes in national and local government, legislation, taxation, controls, regulations and political or economic developments in Canada and Argentina or other countries in which the Company may carry on business in the future; operating or technical difficulties in connection with exploration and development activities; risks and hazards associated with the business of mineral exploration and development (including environmental hazards or industrial accidents); risks relating to the credit worthiness or financial condition of suppliers and other parties with whom the Company does business; the presence of laws and regulations that may impose restrictions on mining, including those currently enacted in Argentina; employee relations; relationships with and claims by local communities; availability and increasing costs associated with operational inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses, permits and approvals from government authorities; business opportunities that may be presented to, or pursued by, the Company; challenges to, or difficulty in maintaining, the Company's title to properties; risks relating to the Company's ability to raise funds; and the factors identified under "Risk Factors" in this MD&A.

The forward looking information contained in this MD&A are based upon assumptions management believes to be reasonable including, without limitation: financing will be available for future exploration, development and operating activities; the actual results of the Company's development and exploration activities will be favourable or at least consistent with management's expectations; operating, development and exploration costs will not exceed management's expectations; all requisite regulatory and governmental approvals for development projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company such as the continuing support for mining by local governments in Argentina; the price of gold and/or other applicable metals and applicable interest and exchange rates will be favourable to the Company or at least consistent with management's expectations; no title disputes will exist with respect to the Company's properties; debt and equity markets and other applicable economic conditions will be favourable to the Company; the availability of equipment and qualified personnel to advance exploration projects and; the execution of the Company's existing plans and further exploration and development programs for its projects, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs.

All forward-looking-information contained in this MD&A is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

The Company

On July 24, 2019, the Company and Patagonia Gold Limited ("PGL") [formerly Patagonia Gold PLC ("PGP")] completed a reverse acquisition (or reverse takeover, the "RTO") resulting in Hunt acquiring all issued shares of common stock of PGP in exchange for common shares of Hunt on the basis of 10.76 Hunt shares for each PGP share. Hunt issued 254,355,192 common shares to the shareholders of PGP representing an ownership interest of approximately 80%. The operating name of Hunt Mining Corp. was changed to Patagonia Gold Corp.

Patagonia is a mineral exploration and production Company incorporated on January 10, 2006 under the laws of Alberta, Canada and, together with its subsidiaries, is engaged in the exploration of mineral properties and exploitation of mineral resources and mineral reserves in the Santa Cruz, Rio Negro and Chubut Provinces of Argentina.

The interim financial statements are presented on a consolidated basis and include the accounts of the Company, its wholly owned and majority owned subsidiary:

Corporation	Incorporation	Percentage ownership	Functional currency	Business purpose
Patagonia Gold S.A. ("PGSA")	Argentina	95	US\$	Production and Exploration Stage
Minera Minamalu S.A.	Argentina	100	US\$	Exploration Stage
Huemules S.A.	Argentina	100	US\$	Exploration Stage
Leleque Exploración S.A.	Argentina	100	US\$	Exploration Stage
Patagonia Gold Limited (formerly Patagonia Gold PLC)	UK	100	GBP\$	Holding
Minera Calcatreu S.A.U. (formerly Minera Aquiline S.A.U.)	Argentina	100	US\$	Exploration Stage
Patagonia Gold Canada Inc.	Canada	100	CAD\$	Holding
Patagonia Gold Chile S.C.M.	Chile	100	CH\$	Exploration Stage
Ganadera Patagonia S.R.L.	Argentina	100	US\$	Land Holding
1272680 B.C. Ltd (formerly 1494716 Alberta Ltd.)	Canada	100	CAD\$	Nominee Shareholder

The Company's activities include the exploration for and production of minerals from properties in Argentina. On the basis of information to date, properties where it has not yet been determined if economically recoverable reserves exist are classified as exploration-stage. Properties where economically recoverable reserves exist and are being exploited are classified as production-stage. The underlying value of the mineral properties is entirely dependent upon the existence of reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production or a sale of these properties.

On some properties, ongoing production and sales of gold and silver are being undertaken without established mineral resources or reserves and the Company has not established the economic viability of the operations. As a result, there is increased uncertainty and economic risks of failure associated with these production activities. Despite the sale of gold and silver, these projects remain in the exploration stage because management has not established proven or probable reserves required to be classified in either the development or production stage.

Summary of Consolidated Results of Operations

(in \$000's, except ounces and per share amounts)	Three months ended March 31,			
	2025	2024	Change	%Change
Operational results				
Total gold equivalent ounces – produced ⁽¹⁾	613	636	(23)	(4%)
Total gold equivalent ounces – sold ⁽¹⁾	418	850	(432)	(51%)
Financial results				
Revenue	\$ 1,183	\$ 1,806	\$ (623)	(34%)
Cost of sales	\$ 1,115	\$ 1,632	\$ (517)	(32%)
Exploration expenses	\$ 473	\$ 804	\$ (331)	(41%)
Repair and maintenance	\$ 278	\$ 198	\$ 80	40%
Depreciation, depletion and amortization	\$ 91	\$ 109	\$ (18)	(17%)
Administrative expenses	\$ 852	\$ 673	\$ 179	27%
Interest expense	\$ 1,001	\$ 831	\$ 170	20%
Other income	\$ 444	\$ 121	\$ 323	267%
Net loss	\$ (2,592)	\$ (2,276)	\$ (316)	(14%)
Net loss per share – basic and diluted	\$ (0.006)	\$ (0.005)	\$ (0.001)	(20%)

(1) Gold equivalent ounces include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market price for the commodities each period. The ratio for three months ended March 31, 2025 was 90.05:1 (2024 – 88.70:1).

Three months ended March 31, 2025 and 2024

Total production decreased during the three months ended March 31, 2025 as the Company had residual heap leach operations at Cap-Oeste since February 2019, which has been declining due to the depletion in the pads from ongoing leaching. Additional material being placed on the pads has not offset the overall declining production quarter over quarter. Sources for new fresh material to increase the production are being sought.

The Company earned total revenue of \$1,183 during the three months ended March 31, 2025 compared to \$1,806 during the same period in 2024. Revenue decreased due to the lower gold equivalent ounces produced and sold during the period compared to the same period in 2024, partially offset by higher average gold prices during the three months ended March 31, 2025 compared to the same period in 2024.

Cost of sales were \$1,115 during the three months ended March 31, 2025 compared to \$1,632 during the same period in 2024. Cost of sales decreased due to overall decrease in gold equivalent ounces produced and sold.

The Company incurred exploration expenses of \$473 during the three months ended March 31, 2025 compared to \$804 during the same period in 2024. The decrease in exploration expenses is related to overall less exploration activities for period compared to prior period.

The Company incurred repair and maintenance expense of \$278 during the three months ended March 31, 2025 compared to \$198 during the same period in 2024. The repair and maintenance expense during the period related to routine maintenance work at the Mina Martha Plant.

The Company incurred depreciation, depletion and amortization expenses of \$91 during the three months ended March 31, 2025 compared to \$109 during the same period in 2024. The decrease in depreciation, depletion and amortization expenses was due to the decrease in production and lower amortization of property, plant, and equipment as certain assets reached the end of their useful life.

The Company incurred administrative expenses of \$852 during the three months ended March 31, 2025 compared to \$673 during the same period in 2024. The increase in administrative expenses was due to higher salaries, professional fees and taxes expense owing to higher inflation in Argentina which was partially offset by the devaluation of the Argentinian peso.

The Company incurred interest expense of \$1,001 during the three months ended March 31, 2025 compared to \$831 during the same period in 2024. The increase in interest expense was due to the increase in the Cantomi loan capital included in long-term debt.

As part of the Company's treasury management, the Company trades certain securities denominated in US dollar and Argentine Peso. The Company recognized a gain on disposition of these securities of \$444 during the three months ended March 31, 2025 compared to \$121 during the same period in 2024.

Net loss for the three months ended March 31, 2025 was \$2,592 compared to net loss of \$2,276 during the same period in 2024. Net loss increased as a result of the increase in administrative expenses owing to higher inflation in Argentina which was partially offset by the devaluation of the Argentinian peso, increase in interest expense and decrease in gain on foreign exchange compared to the same period in 2024.

Cash flows for the three months ended March 31, 2025 and 2024

The Company used \$2,756 of cash in operating activities for the three months ended March 31, 2025 compared to \$974 for the same period in 2024. The increase in cash used in operating activities during 2025 was primarily due to a decrease in accounts payable and accrued liabilities and an increase in inventory compared to 2024.

Cash used in investing activities for the three months ended March 31, 2025 was \$3,903 compared to \$Nil for the same period in 2024. The increase in cash used in investing activities was a result of higher purchases of property, plant and equipment for the development of Calcatreu Project.

Cash generated from financing activities for the three months ended March 31, 2025 was \$6,933 compared to \$659 during the same period in 2024. The increase in cash generated from financing activities was primarily due to funds received from existing loan facilities.

Financial Position

Cash

The Company has cash on hand of \$1,392 as of March 31, 2025 compared to \$948 as of December 31, 2024.

Receivables

Current receivables are \$1,288 as of March 31, 2025 compared to \$1,565 as of December 31, 2024. The decrease in current receivables is a result of the decrease in receivable from sales during the three months ended March 31, 2025.

Non-current receivables are \$1,093 as of March 31, 2025 compared to \$593 as of December 31, 2024. The increase in non-current receivables is mainly a result of the increase in VAT recoverable during the three months ended March 31, 2025.

Inventories

The Company has inventories of \$3,405 as of March 31, 2025 compared to \$2,995 as of December 31, 2024. The increase in inventory was mainly due to higher gold held on carbon as a result of an increase in cost of production.

Property, plant and equipment ("PPE")

The Company has PPE of \$13,914 as of March 31, 2025 compared to \$10,774 as of December 31, 2024. The increase in PPE was a result of the capital additions for the development of Calcatreu Project which were partially offset by the depreciation charge.

Bank indebtedness

The Company has bank indebtedness of \$410 as of March 31, 2025 compared to \$2,216 as of December 31, 2024. The decrease in bank indebtedness was a result paying down the existing lines of credit using funds from short-term loans obtained from Argentine banks in order to reduce the interest rates.

Accounts payable and accrued liabilities

The Company has accounts payable and accrued liabilities of \$3,621 as of March 31, 2025 compared to \$4,310 as of December 31, 2024. The decrease in accounts payable and accrued liabilities was a result of paying down accounts payables and normal fluctuations in operations.

Accounts payable with related parties

The Company has accounts payable with related parties of \$243 as of March 31, 2025 compared to \$227 as of December 31, 2024. Accounts payable with related parties remained consistent during the period.

Loan payable and current portion of long-term debt

The Company has loan payable and current portion of long-term debt of \$2,546 as of March 31, 2025 compared to \$788 as of December 31, 2024. The increase in loan payable and current portion of long-term debt is due to increase in the short-term loans obtained from Argentine banks to pay down the existing line of credit.

Long term debt

The Company has non-current portion of total long-term debt of \$52,476 as of March 31, 2025 compared to \$44,748 as of December 31, 2024. The increase in long-term debt is due to increase in the loan facility which was used to fund operations and the development of Calcatreu Project.

Summary of Segmented Results of Operations

Cap-Oeste

Cap-Oeste produced a total of 613 gold equivalent ounces (387 ounces of gold and 21,060 ounces of silver) during the three months ended March 31, 2025 compared to 636 gold equivalent ounces (401 ounces of gold and 20,739 ounces of silver) during the same period in 2024.

The cash costs of production for the three months ended March 31, 2025 was \$2,734 per ounce¹ and \$2,800 per ounce¹ including depreciation and amortization compared to \$1,491 per ounce¹ and \$1,508 per ounce¹ during the same period in 2024. The increase in cash cost of production per ounce was due to increase in operating cost owing to higher inflation in Argentina which was partially offset by the devaluation of the Argentinian peso and the declining of the production quarter over quarter.

¹ See Non-IFRS Financial Performance Measures

A total of 418 gold equivalent ounces (252 ounces of gold and 14,98 ounces of silver) were sold during the three months ended March 31, 2025 at an average gross price of \$2,830 per ounce¹. During the same period in 2024, a total of 850 gold equivalent ounces (524 ounces of gold and 28,923 ounces of silver) were sold at an average gross price of \$2,125 per ounce¹.

Cap-Oeste generated revenues of \$1,183 during the three months ended March 31, 2025 compared to \$1,806 during the same period in 2024. The decrease in revenues was due to the lower gold equivalent ounces produced and sold during the period compared to the same period in 2024, partially offset by higher average gold prices during the three months ended March 31, 2025 compared to the same period in 2024.

Cost of sales were \$1,115 during the three months ended March 31, 2025 compared to \$1,632 during the same period in 2024. Cost of sales decreased due to overall decrease in gold equivalent ounces produced and sold.

Depreciation, depletion and amortization expenses of \$30 were incurred during the three months ended March 31, 2025 compared to \$28 during the same period in 2024.

Lomada de Leiva Project ("Lomada")

There was no production at Lomada during the three months ended March 31, 2025 as during 2024, Lomada commenced closure activities, and no further residual production is expected. The heap leach pad was washed to reduce cyanide levels to the required levels. During the three months ended March 31, 2025 closure activities commenced. As of the end of May 2025, all field work was suspended for the winter season and will be resumed and finalized during the third quarter of 2025.

Martha and La Josefina Projects

There was no production at Martha during the three months ended March 31, 2025 as the Company did not produce concentrate from Martha after April 2020. Operations at Martha remain on care and maintenance while the Company continues to explore the property.

Exploration expenses of \$194 were incurred during the three months ended March 31, 2025 compared to \$122 during the same period in 2024.

The Company incurred repair and maintenance expense of \$278 during the three months ended March 31, 2025 compared to \$198 during the same period in 2024. The repair and maintenance during the period related to maintenance work at the Mina Martha plant.

Calcatreu Project

Exploration expenses of \$173 were incurred during the three months ended March 31, 2025 compared to \$81 during the same period in 2024. The increase in exploration expenses was due to an increase in exploration activities performed during the three months ended March 2025 compared to the same period in 2024.

Administration expenses of \$97 were incurred during the three months ended March 31, 2025 compared to \$134 during the same period in 2024. Administrative expenses remained consistent during the period.

Argentina, Uruguay and Chile

This segment includes the results from the Company's work on the Monte Leon and Tornado and Huracán projects in Argentina, the San José Project in Uruguay and general corporate activities. This segment does not generate revenues and includes costs that are not directly related to other mining properties that are reported as separate segments.

Exploration expenses of \$106 were incurred during the three months ended March 31, 2025 compared to \$601 during the same period in 2024. The decrease in exploration expenses was due to less exploration activities performed during the three months ended March 31, 2025 compared to the same period in 2024.

Administration expenses of \$599 were incurred during the three months ended March 31, 2025 compared to \$385 during the same period in 2024. The increase in administrative expenses was due to higher salaries, professional fees and taxes expense owing to higher inflation in Argentina which was partially offset by the devaluation of the Argentinian peso.

Interest expense of \$251 was incurred during the three months ended March 31, 2025 compared to \$232 during the same period in 2024. Interest expense remained consistent during the period.

United Kingdom

This segment includes the results of Patagonia Gold Limited (“PGL”) (formerly Patagonia Gold PLC) which is a holding company and does not generate any revenues.

Administration expenses of \$2 were incurred during the three months ended March 31, 2025 compared to \$4 during the same period in 2024. The administrative expenses relate to professional fees.

Interest expense of \$146 was incurred during the three months ended March 31, 2025 compared to \$148 during the same period in 2024. Interest expense remained consistent during the period.

North America

This segment includes the results of Patagonia Gold Corp (“PGC”), Patagonia Gold Canada Inc and 1272680 B.C. Ltd (“BC”). These entities are holding companies and do not generate any revenues.

Administration expenses of \$154 was incurred during the three months ended March 31, 2025 compared to \$150 during the same period in 2024. Administration expenses consist of accounting and legal fees.

Interest expense of \$604 was incurred during the three months ended March 31, 2025 compared to \$449 during the same period in 2024. The increase in interest expense was due to an increase in long-term debt balance.

Mineral Properties

The following is a summary of Patagonia Gold Corporation’s (“Patagonia” or the “Company”) operations, together with an update on exploration activities for the period to date.

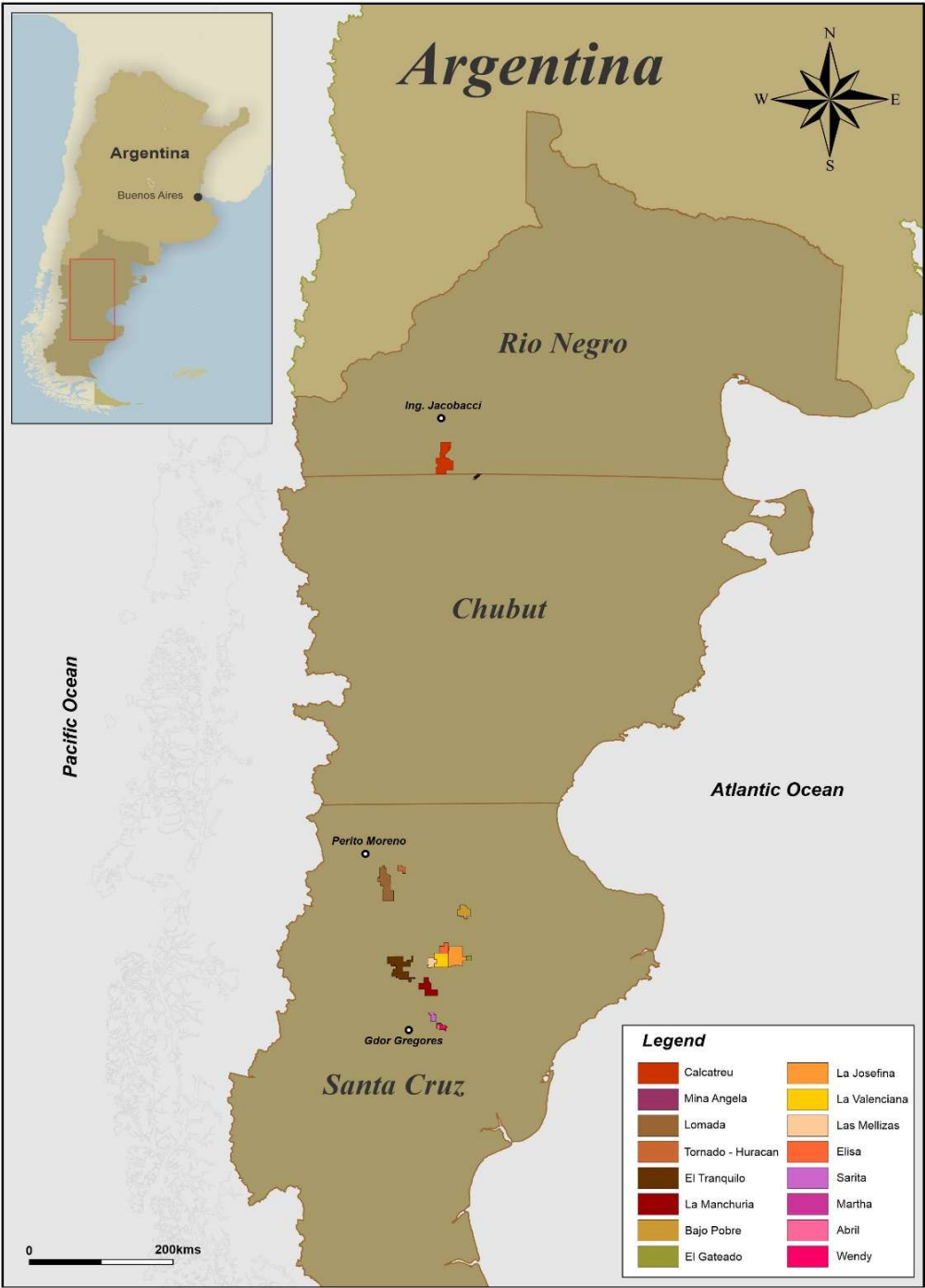


Figure 1. Location of the Company’s property groups.

Calcatreu Property

The Company's Calcatreu property is located in the south-central part of the Rio Negro province approximately 80 kilometers ("km") southwest of the town of Ingeniero ("Ing") Jacobacci (Figure 1). Calcatreu is located in the Jurassic-aged, Somuncura Massif along the NW- to SE-oriented, regional-scale Gastre Fault System; a highly prospective belt of Mesozoic-aged rocks, structures and base and precious metal mineral deposits occurring in both the provinces of Chubut and Rio Negro. The massif is similar in geologic character to the larger Deseado Massif in the province of Santa Cruz to the south. Patagonia has also recently acquired new concessions, bringing its holdings to more than 100,000 hectares ("ha") along this belt in Rio Negro Province, bordering Chubut on the north. Calcatreu is a gold and silver property acquired in January 2018 through the acquisition of Minera Aquiline Argentina SA, a subsidiary of Pan American Silver and the Company's immediate aim is to increase the existing mineral resources and advance Calcatreu to a feasibility study stage. Precious metal mineralization in the Somuncura Massif, like that on the Company's Calcatreu property, is largely epithermal in character within quartz-rich veins, vein clusters, stockworks and as disseminations. Sulfide minerals are ubiquitous in the mineral deposits as well as a suite of temporally- and spatially-related gangue minerals typical of epithermal deposits in the massif and elsewhere.

The Calcatreu deposit is a low sulfidation, epithermal gold and silver system with outcropping mineralization. An independent mineral resource estimate ("MRE") was completed by Micon International Limited of Toronto in 2004 for the Calcatreu Deposit and disclosed in an NI 43-101 technical report for Aquiline Resources Inc. Mineral resources were estimated for two vein systems on the property: Veta 49 and Nelson. In 2018, Cube Consulting Ltd. ("CUBE") of Australia prepared an updated MRE mineral resource estimate for Calcatreu, effective December 31, 2018, which consists of an indicated resource of 9.8 M tonnes grading 2.11 g/t Au and 19.83 g/t Ag (2.36 g/t gold equivalent – "AuEq") and 8.1 M tonnes of inferred grading 1.34 g/t Au and 13.09 g/t Ag (1.5 g/t AuEq); all contained within Veta 49, Nelson, Belen and Castro Sur veins. Gold equivalent values were calculated by CUBE using a metal price at a ratio of 81:25:1 Ag/Au. The changes from the previous estimate were due to a revised interpretation of prior and new data collected by the Company. The 2018 exploration work at Calcatreu consisted of property-scale geological mapping along with a pole-dipole, induced polarization and resistivity (IP/Res) geophysical survey, followed by a diamond drill program of 6,495 meters (please see the table of the Company's mineral resources herein and the respective, supporting NI 43-101 technical reports on file at www.sedarplus.ca). The updated mineral resource estimate, completed by CUBE, is tabulated herein.

In 2019, an exploration program was conducted consisting of surface work, a total of 41.28 line-kilometers of pole-dipole induced polarization and resistivity ("IP/Res") geophysical survey conducted over the main Nelson targets and Castro Norte, Fiero, Sabrina and Viuda de Castro areas, and 121.5 line-kilometers of gradient array IP/Res geophysics over Nelson, Sabrina and Mariano. Subsequently, 1,687.2 line-kilometers of ground magnetics surveying, covering 55.44 square kilometers, was completed covering several targets including the main V49 and Nelson. The objective of the surveys was to identify hidden, non-outcropping mineralization in dilatational jogs, blind structures and other geologic settings. Geologic mapping and sampling were completed over several targets of interest, notably Viuda de Castro, Trinidad, La Cruz, sporadic exposures of the Nelson extension, Piche, La Olvidada and Epu Peñi. The sampling yielded 254 rock chips and 81 new, sawed channels. Overall, approximately 50% of the core from the property was relogged, though totalling up to 80% in some areas such as Veta 49 and Belen.

A rotary air blast ("RAB") drilling campaign and channel (sawed) sampling commenced in early 2020 before all the activities were paused due to the COVID-19 pandemic. The activities restarted in September 2020. A total of 36 RAB holes were drilled over the main V49 vein and 6 over Piche totaling 740 and 116 meters of drilling respectively and a total of 856 samples. Trenches and saw channel: a total of 1,308.7 m and 447 samples were taken over the Epu Peñi, Fiero, La Olvidada, Nelson Sur, Piche and Viuda de Castro targets. Geophysics: A total of 1,111.57 line-kilometers of ground magnetic geophysical surveying was completed over the extension of the main targets and the new Amancay area, and 18.4 line-kilometers of pole-dipole IP/Res over Trinidad and Nelson Targets. In December 2020, a baseline environmental study (the "Baseline Study") began by choosing the contractors and reviewing the information generated in the past. The Baseline Study aims to contextualize the environmental state before the construction and production of the project begins.

In 2021, work on the Baseline Study continued with field work, along with drilling, surface exploration and geophysics. RAB drilling was also conducted to obtain information from near surface on the up-dip extension of mineralization in the main structures (Veta 49 and Nelson). A total of 156 holes were drilled for a total of 1,708 meters ("m") and 1,708 samples (one per meter) collected which included 15 holes in the Belen prospect (156 m), 51 holes at Nelson (528 m), 21 holes in Nelson Oeste (241 m) and 69 holes in the Vein 49 target (783 m). 146.75 m and 196 sawed channel samples have been cut in Nelson Central, Nelson W and Puesto targets. In addition, a total of 3,730.35 m of trenches and 2,223 samples have been excavated and sampled with 50% of them in Nelson and its branches aimed to understand the behavior of the veins in the southern extreme. A total of 901.5 line-kilometers of ground magnetics has been surveyed over the main prospects and their southern extensions. Additionally, 31.8 line-kilometers of Pole-Dipole IP/Res have been completed in several short section over the main veins and their extensions.

During 2022, a total of 1,759.4 line-kilometers of ground magnetics were surveyed and 66.25 line-kilometers of pole-dipole IP/Res over the main prospects and their extensions, eleven trenches were cut for a total of 292.5 meters and 226 samples were taken. In November

2022, several meetings were held with different stakeholders of the Ingeniero Jacobacci community which were open to the general public, including the Peñi Mapu local indigenous community. In that same month, a presentation to the Mining Chamber of Rio Negro province was made in the city of General Roca.

During 2023, geophysical surveying continued while the Company awaited the final permits from the provincial authorities. A total of 856.7 line-kilometers of ground magnetics was surveyed trying to identify new exploration targets, and 11 line-kilometers of pole-dipole IP/Res over the Mojon Grande, Mojon and Guzman targets was also completed.

During the third quarter 2024, two lines of seismic tomography and three lines of electrical tomography were surveyed in the planned heap leach pad. Thirty six (36) soil pits and six (6) diamond holes, 50 meters depth each, were drilled as part of geotechnical studies. Two (2) 50-meter deep diamond holes for water monitoring purposes are planned to be drilled. Exploration work continued during Q4 2024. A total of 6 geotechnical holes for a total of 300 meters were drilled for purposes of the heap leach pad design as well as 2 monitoring wells for a total of 100 meters were completed. In addition, 4 exploration holes for a total of 181 meters were drilled at Piche Sur. Additionally, a total of 180 line-kilometers of geophysical surveying was carried out and the results are being interpreted.

On November 6, 2024, the Company was formally notified by the Rio Negro provincial authorities that the final resolution to proceed with the construction, development and production of the Calcatreu project had been issued. The Company plans a heap leach operation to produce gold and silver doré, drawing on its extensive experience with similar operations.

Development of Calcatreu continues while the financing for the entire project is advancing following TSX approval and Shareholder approval on 20 May 2025. The financing is expected to be completed before the end of May 2025. The access road, camp, explosives magazine, fuel storage tanks and power generation plant are well underway. Work on the heap leach pad has commenced with earth works movement. Engineering and sourcing of the main plant is underway and delivery is expected at the end of Q3 2025.

In terms of exploration, during the first quarter of 2025, the exploration activities were concentrated on Calcatreu Property. During this period, a total of 380 meters were drilled in 8 diamond drill holes, specifically in the targets Piche Sur, Nelson Sur and Belen W, all of them with near mine exploration purpose. Additionally, a total of 366.1 line-kilometers of geophysics was carried out on the target Masqui, located in the southern part of the main concession block.

Cap-Oeste Property

The Company's Cap-Oeste ("Capo") property is located in the El Tranquilo concession block (Figure 2), in the province of Santa Cruz, within a six kilometer long, northwest-trending, structural corridor extending from the La Pampa prospect in the northwest to the Tango prospect in the southeast. Within this trend, the Capo deposit has an identified and delineated strike extent of 1.2 kilometers. Capo has been on care and maintenance since February 2019 though residual leaching and exploration activities continue.

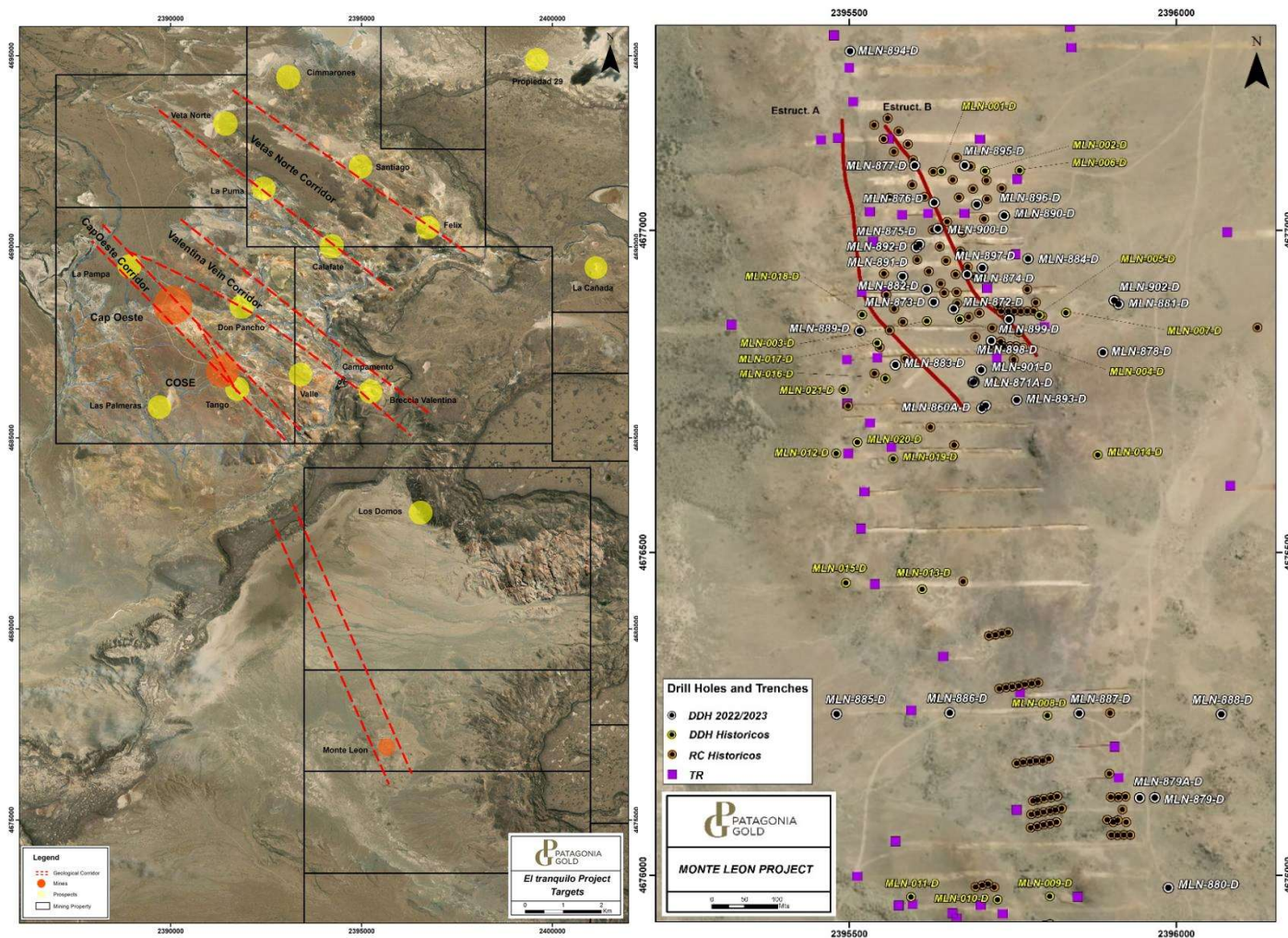


Figure 2. El Tranquilo Concession Block (left) and MLN detail (right)

The Company has initiated studies to assess the potential technical and economic extraction of a higher-grade portion of the current mineral resources as defined in the December 2019 CUBE NI 43-101 technical report on file on www.sedarplus.ca. The Company is now focused on evaluating the development of this portion, termed “COSE-Style” mineralization, of the total mineral resources by underground mining. The Company is evaluating potential construction of an underground mine in Cap-Oeste. Material processing options are being considered and may include utilizing the Company’s flotation facilities at its Martha property, located about 100 kilometers to the southeast of Cap-Oeste.

On November 23, 2020, the Company announced that it had received a provisional permit to proceed with development of the Cap-Oeste gold/silver mineralization. Development will focus on a higher-grade portion of the current mineral resources, which lies under and peripheral to the depleted surface mine. The intention is to mine the Cap-Oeste underground resource and transport the mineralized material approximately 100 kilometers to the Martha plant to be processed to produce a concentrate.

On March 9, 2021, the Company announced that it had received a definitive, environmental permit for underground development of Cap-Oeste. Work on the project was put on hold pending evaluation of results from the planned exploration program at Monte Leon; favorable results from which the Company believes may be synergistic with the main Cap-Oeste processing infrastructure.

During 2021, the Company focused mainly on exploring the near surface, oxide, mineral potential at Monte Leon located approximately 12 kilometers to the south of the Cap-Oeste mine. A total of 675 RAB holes were drilled for a total of 15,286.5 m and 15,245 samples. These holes were distributed across 4 targets: Calafate (10 holes), Don Pancho (29 holes), Felix (25 holes) and Monte Leon (611 holes). In addition, a total of 263 line-kilometers of ground magnetics have been surveyed at La Marciana, Monte Leon prospects and the Homenaje area, the later under option from Mirasol Resources, and 27 line-kilometers of pole-dipole IP/Res, in lines of approximately 2 kilometers length, at Monte Leon. The purpose of this work was to further define the size potential and, thus, new drilling targets, of

the epithermal mineralization identified with prior company work. Geological mapping and sampling over other targets was conducted in the year.

During 2022, activities were focused in mostly in the Monte Leon target, located about 12 km to the SE of Capo, with a total of 79 RAB holes (1,888 meters drilled and 1,883 samples taken), and a total of 2,033 meters of reverse circulation (“RC”) drilling in 84 holes were drilled to delineate near surface, oxidized precious metal mineralization. In addition, a total of 728.2 meters of diamond drilling were completed in the Cap-Oeste target for mineral resource model confirmation and metallurgical purposes. The Company entered into a farm-in agreement (the “Agreement”) with a private, arm’s length company operating in the Argentina mining sector (the “Partner”) for a drilling program of up to 20,000 meters on the Monte Leon target (“Monte Leon”) in the Company’s El Tranquilo block of concessions to earn up to a 50% interest in Monte Leon. The Partner will fund a core drilling program, to be conducted by the Company, divided into two phases, to define the lateral and depth extent of epithermal-style mineralization at Monte Leon. Phase 1 will consist of 8,500 meters for the Partner to earn a 20% stake in Monte Leon and will have the option to advance to Phase 2 to drill a further 11,500 meters for a total of 20,000 meters to earn an additional 30% interest in Monte Leon, for a maximum participation of 50%.

During 2023, a total of 34 diamond holes were drilled in Monte Leon for a total of 5,500.67 meters and 5,310 samples were taken as part of the agreement in 2022 aimed to define new sulfide mineral resource, plus a total of 497.63 line-kilometers of ground magnetic were surveyed in Monte Leon Oeste. Results from this drilling were disclosed in a Company press release on July 13, 2023.

During the year ended December 31, 2024, a total of 9 RC holes, totaling 223 meters, were drilled in Don Pancho Prospect at El Tranquilo. The drilling was completed to gain a better understanding of the oxidized mineralization in the first 20 meters from the surface. Gold values varied from 0.005 to 4.49 g/t and Silver from 1 to 262 g/t.

The results from the drilling at Don Pancho confirmed that the prospect has insufficient resources to justify a mining operation.

No exploration activities were undertaken at Cap-Oeste during the three-month period ending March 31, 2025.

The Company has reclamation and remediation obligations for the Cap-Oeste Property of \$0.67 million as of March 31, 2025.

Lomada de Leiva Property (“Lomada”)

The Lomada mine, located in the western part of the province of Santa Cruz, was closed in May 2016 while production from the ongoing leaching continues, though at a reduced output. Given that the mineralized material from the Lomada open pit mine was originally placed on the heap leach pad without crushing, the Company decided to return to Lomada to reprocess this mineralized material. However, in mid-February 2019 the Company took the decision to cease operations and proceed with the closure of Lomada. During the year ended December 31, 2020, the Company was working on re-handling material of leach pad to enhance leach solution percolation.

The Company has prepared an update to the closure plan presented to and approved by the provincial authorities in 2017. The Company received the final approval in November 2019 and started with the work of remediation at the end of 2019. The work on the remediation had been halted due to the COVID-19 pandemic. On October 8, 2020, the Company announced that it had received a preliminary Environmental Permit (“Permit”) for a restart of mining and new leaching operations at Lomada. Patagonia applied for the Permit in August 2020.

During 2024, Lomada commenced closure activities, and no further residual production is expected. The heap leach pad was washed to reduce cyanide levels to the required levels. During the first quarter 2025, closure activities commenced. As of the end of May 2025, all field work was suspended for the winter season and will be resumed and finalized during Q3 2025.

The Company has reclamation and remediation obligations for Lomada of \$0.70 million as of March 31, 2025.

Mineral Resources

Cap-Oeste (Santa Cruz, AR) – Cube Consulting Dec 2018; Notes 1 and 2							
Classification	Tonnes (K)	Average Grades (g/t)			Contained Ounces (K)		
		Gold	Silver	Gold Equivalent	Gold	Silver	Gold Equivalent
Measured	3.4	2.92	46.7	3.59	0.3	5.3	0.4
Indicated	10,554.0	2.07	63.2	2.99	704.0	21,448.0	1,013.0
Meas+Ind	10,557.4	2.07	63.2	2.99	704.3	21,453.3	1,013.4
Inferred	4,895.0	1.37	34.7	1.87	215.0	5,467.0	294.0

Calcatreu (Rio Negro, AR) – Cube Consulting Dec 2018; Notes 3 and 4							
Classification	Tonnes (K)	Average Grades (g/t)			Contained Ounces (K)		
		Gold	Silver	Gold Equivalent	Gold	Silver	Gold Equivalent
Measured							
Indicated	9,841.0	2.11	19.8	2.36	669.0	6,275.0	746.0
Meas+Ind	9,841.0	2.11	19.8	2.36	669.0	6,275.0	746.0
Inferred	8,078.0	1.34	13.1	1.50	348.0	3,399.0	390.0

La Manchuria (Santa Cruz, AR) – Micon 2019; Notes 5 and 6							
Classification	Tonnes (K)	Average Grades (g/t)			Contained Ounces (K)		
		Gold	Silver	Gold Equivalent	Gold	Silver	Gold Equivalent
Measured							
Indicated	474.0	2.59	129.0	3.53	39.5	1,969.0	53.9
Meas+Ind	474.0	2.59	129.0	3.53	39.5	1,969.0	53.9
Inferred	1,836.0	1.30	40.0	1.56	76.5	2,375.0	92.4

Notes

“K” = Thousands, “g/t” = grams per tonne

Rounding may affect sums and weighted averages

Mineral resources that are not mineral reserves have not demonstrated economic viability

100% basis; Fomicruz has a 5% interest in all Santa Cruz mineral interests.

1. Cap-Oeste 0.5 g/t AuEq cutoff
2. Cap-Oeste $AuEq = Au + (Ag \times 69.4)$
3. Calcatreu 0.5 g/t AuEq cutoff
4. Calcatreu $AuEq = Au + (Ag \times 81.25)$
5. La Manchuria 0.55 AuEq cutoff
6. La Manchuria $AuEq = (Au + Ag) / (Au \text{ price} \times 0.32151)$

Mineral resources that are not mineral reserves have not demonstrated economic and technical viability.

Please consult the individual NI43-101 technical reports on file at www.sedarplus.ca.

Exploration Update

During the first quarter of 2025, the exploration activities were concentrated on the Calcatreu property. During this period, a total of 380 meters were drilled in 8 diamond drill holes, specifically in the Piche Sur, Nelson Sur and Belen W targets - all of which are deemed to have mineral resource expansion potential. Additionally, a total of 366.1 line-kilometers of geophysics was carried out on the target Masqui in the south of the main block.

In terms of Santa Cruz, the Company continues to explore the Valenciana property. A total of 66 line-kilometers of ground magnetics surveying was completed during Q1 2025. A total of 63 rock chip samples were collected from the Veta Principal. The results are currently being interpreted. Additionally, a total of 401.9 line-kilometers of ground magnetics surveying was completed at La Josefina project.

Mina Angela

On August 13, 2019, the Company announced an offer letter agreement with Latin Metals Inc. to acquire its Mina Angela property. Mina Angela is situated in the Somuncura Massif of southern Argentina and is comprised of 44 individual claims located approximately 50 kilometers east-southeast of Patagonia's 100% owned Calcatreu gold project. Pan American Silver's Navidad silver and base metal deposit is located 45 kilometers to the south-southeast of Mina Angela. In March 2020, Patagonia extended the period by which it must enter into the definitive agreement with a \$100 payment to Latin Metals; \$50 of which was applied to extend the period to enter into the definitive agreement and \$50 of which was a partial prepayment of the first earn-in payment to be made under the definitive agreement.

On September 15, 2020, the Company entered into a definitive option agreement with Latin Metals Inc., which granted the Company an irrevocable option to acquire a 100% interest in the Mina Angela property. Upon signing of the definitive agreement, the Company paid \$250 representing the balance of the first earn-in payment. It is expected that the Company will pay the second earn-in payment of \$250 within the next six months if it exercises the option to acquire the Mina Angela property. A further and final payment of \$500 is expected to be paid within 30 days of verification that the legal restrictions preventing development of mining activity in the Chubut Province and at the Mina Angela property have been lifted in such a manner that the Company thereafter has the ability to perform exploration and exploitation activities on the Mina Angela property. In addition, Latin Metals will be entitled to receive a 1.25% Net Smelter Return royalty from future productions, half of which can be repurchased by the Company for \$1 million.

On March 12, 2021, the Company exercised the option to acquire 100% interest in the Mina Angela property and paid the second earn-in payment of \$250.

On December 15, 2021, the legislature of the Province of Chubut passed a bill to amend the provincial mining law to enable open pit mining within a given area that comprises the Gastre and Telsen Departments. This new law regarding mining zoning was subsequently promulgated on December 16, 2021 by the Chubut Governor. This newly approved law regarding mining zoning would have enabled the Company to advance the development of 101,151 ha of its mining concessions, including Mina Angela. However, on December 20, 2021, the Chubut Governor, sent a bill to the legislature of the Province of Chubut to retract the recent amendments as a result of the violent demonstrations that occurred soon after such law was enacted. This bill, which revoked the amendments regarding mining zoning, was passed by the legislature of the Province of Chubut on December 21, 2021.

On October 9, 2024 (the "Completion Date"), the Company, through one of its Argentinean subsidiaries, Huemules S.A., entered into a definitive agreement (the "Agreement") with Compañía Inversora de Minas SAU ("Ciminas") to acquire four mineral properties, termed the "Gastrenor Block", in the Chubut Province, surrounding its Mina Angela property. Under the terms of the Agreement, the Company paid Ciminas \$100 on the Completion Date. A final payment of \$300 is expected to be paid on the earlier of: (A) 18 calendar months from the date on which Chubut authorizes metal mining activity in the region, subject to that law not being repealed within said period; (B) 30 calendar days after the environmental permits to carry out exploitation mining activity on the Gastrenor Block are granted to the Company; or (C) the assignment of the Gastrenor Block by the Company to a third party, unless the assignee jointly and irrevocably assumes the payment obligation as set out in the Agreement, in which case the Company will not be required to make the final payment. Ciminas will be entitled to receive a 1% net smelter return royalty ("NSR royalty"), and a third party will be entitled to a 0.25% NSR royalty on future the entire property, including the Mina Angela project and the Gastrenor Block. With the acquisition of these four new mineral concessions totaling 15,494 hectares surrounding its Mina Angela project the Company now controls over 52,000 hectares of mineral properties in the area.

The Company is currently working on an Environmental Impact Assessment ("EIA") to carry out basic exploration work on the Mina Angela Property. A two-year exploration work program was prepared including mapping, geophysics, geochemistry and initial drilling. No exploration work will be carried out until the EIA is submitted and approved by the corresponding authorities.

No exploration activities were undertaken at Mina Angela during the three-month period ended March 31, 2025.

La Manchuria

In addition to its current mineral resources, stated herein, the Company's La Manchuria property is believed to be prospective for the discovery of new gold and silver mineralization. Exploration work continued with mapping and rock chip sampling over an area of approximately 2,000 hectares ("ha"). Veinlets and narrow breccia zones, indicative of hydrothermal activity, were found at the Magali zone in February 2018. Anomalous gold values were reported from the Cecilia zone. An updated NI 43-101 report for this project was completed on September 27, 2019 by Micon International and is on file at www.sedarplus.ca.

On July 8, 2024, Patagonia Gold Corp entered into a binding agreement (the "Option Agreement") with Astra Exploration Inc. ("Astra"), granting Astra the option to acquire up to a 90% undivided interest in the Company's La Manchuria property (the "Property") in Argentina. To earn this interest, Astra must spend at least \$3 million on exploration and development of the Property over four years to initially acquire an 80% interest and can acquire an additional 10% interest in the Property by making a \$5 million cash payment within two years of acquiring the initial 80% interest. If either party's interest falls below 10%, it will be converted to a 1% NSR royalty. The agreement will allow the Company to realize value from further exploration and development of the Property and permit the Company to focus on its material projects, mainly Cap Oeste and Calcatreu (see July 9, 2024 new release on www.patagoniagold.com).

Astra has announced plans for its maiden drill program at La Manchuria. The Company has retained its interest over 28,200 ha of Manchuria Sur properties that are held under contract with Fomicruz.

Sarita

The Sarita Project, located in the SW part of the Deseado Massif approximately 10 kilometers northwest of the Company's Martha mine and mill, hosts a widespread system of banded, low sulfidation, gold- and silver-bearing veins, within a rhyolitic dome complex. Geologically, the area displays very similar structural and stratigraphic characteristics to Martha with Ag-rich, polymetallic, vein-hosted, intermediate sulfidation mineralization. The banded, silver- and gold-bearing quartz veins and quartz vein breccias occur within a set of NNW-SSE striking normal faults and constitute an extensive mineralized vein system, with more than 12 kilometers in total length. Precious and base metal mineralization has been recognized in quartz veins and vein breccias up to 3 meters wide at surface, composed of quartz and sulphides. Rock chips from discrete vein structures or aligned float contained anomalous gold values ranging from 0.1 to 83.4 g/t Au and from 100 to 15,444 g/t Ag, in separate samples. To date, 16 diamond drill holes have been drilled for a total of 1,754 meters targeting the vein mineralization. Geochemical results from drilling show gold and silver anomalies. Due to poor ground conditions encountered during drilling, core recovery in some of the veins was poor and Au and Ag mineralization may have not been recovered. Other exploration activities at Sarita included 7.1 line-kilometers of IP/Res geophysical surveys and ground magnetics (220 hectares of grids) over different target areas.

During May 2019, a total of 82 RAB holes completing 1,818.4 meters, were drilled in the area yielding a total of 1,257 samples for geochemical analysis. In September and October 2019, a second phase of drilling was undertaken, for a total of 2,409 meters in 116 holes and 1,361 samples assayed. The RAB drilling defined several shallow, NW-oriented zones of vein-hosted mineralization; notably Veta Maria and Virginia. The Company has plans to follow-up the RAB results with core drilling.

No exploration activities were undertaken at Sarita during the three-month period ending March 31, 2025.

Martha

The Martha Project ("Martha" or "Mina Martha") is located in the Province of Santa Cruz, Argentina. The closest community is the town of Gobernador Gregores, situated approximately 50 road kilometers to the west-southwest. The property is the site of past exploration for, and surface and underground mining and recovery of, silver and gold from epithermal veins and vein breccias, previously operated by Coeur Mining Inc. (formerly, Coeur d'Alene Mine Corp.) and Yamana Inc.

The Company acquired Martha as part of its reverse takeover ("RTO") of Hunt Mining Corporation ("Hunt") in 2019. The land package at Martha consists of approximately 7,850 ha of concessions, various buildings and facilities, surface and underground mining and support equipment, a 480 tonne per day (maximum) crushing, grinding and flotation plant, tailings facility, various stockpiles and waste dumps, employee living and cafeteria quarters, and miscellaneous physical materials. In addition, the Company has access to surface ranch ("estancia") lands surrounding the mine and mill site that are approximately 35,700 ha in size.

The property was purchased in 2016 by Cerro Cazador SA (CCSA), an Argentine subsidiary of Hunt, from an Argentine subsidiary of Coeur Mining Inc. The intent to purchase was announced February 10, 2016 and closed May 11, 2016 as disclosed by the Company on its website (www.patagoniagold.com). The processing plant at the Martha Project is anticipated to be used to process material from the future Cap-Oeste underground project, from new mining at the greater Martha Project and from the La Josefina Project. Royal Gold Inc. holds a 2% Net Smelter Return (NSR) royalty on all minerals mined from the Martha property; the obligation for which transferred from

Coeur to the Company (www.royalgold.com). In addition, the provincial government holds a 3% pit-head royalty from future production.

During the first quarter of 2020, a plan for reviewing near-mine targets (less than 5 kilometers away from the mill) was defined. Those remaining targets consist of outcropping veins-veinlets and included Veta del Medio System, Noroeste, Ivana, Martha Oeste, Martha Norte, Futuro and Sugar Hill, among others. A total 77 sawed channels were cut, and after encouraging results at Veta del Medio System, a RAB drill program was carried out to test mineralization at shallow depths. A total of 80 RAB drill holes (1,622.4 m of drilling, ranging from 6 to 25 m in depth) tested several targets. Highly anomalous drill intercepts, ranging from 1 m grading 180 g/t Ag up to 3 m grading 2,566 g/t Ag (and 3.5 g/t Au), were returned from the Veta del Medio Norte.

The operations at the Martha plant continue to be on care and maintenance pending the discovery of new material to put through the plant.

No exploration activities were undertaken at Martha during the three-month period ending March 31, 2025.

The Company has reclamation and remediation obligations for the Mina Martha property of \$1.36 million as of March 31, 2025.

La Josefina

La Josefina is situated about 450 kilometers northwest of the city of Rio Gallegos, in the Santa Cruz province of Argentina within a scarcely populated steppe-like region. The La Josefina property is large, covered by 52,800 hectares of concessions. The La Josefina Project consists of mineral rights composed by an area of 528 square kilometers established in 1994 as a Mineral Reserve held by Fomento Minero de Santa Cruz Sociedad del Estado ("Fomicruz"), the Santa Cruz Provincial mining company.

In March 2007, the Company (via a subsidiary of Hunt) acquired the exploration and development rights to the La Josefina project from Fomicruz.

In July 2007, the Company entered into an agreement (subsequently amended) with Fomicruz (the "Initial Agreement") which provides that, in the event that a positive feasibility study is completed on the La Josefina property, a Joint Venture Corporation ("JV Corporation") would be formed by the Company and Fomicruz. The Company would own 81% of the joint venture company and Fomicruz would own the remaining 19%. Fomicruz has the option to earn up to a 49% participating interest in the JV Corporation by reimbursing the Company an equivalent amount, up to 49%, of the exploration investment made by the Company. The Company had the right to buy back any increase in Fomicruz's ownership interest in the JV Corporation at a purchase price of \$200 per each percentage interest owned by Fomicruz down to its initial ownership interest of 19%. The Company could also purchase 10% of the Fomicruz's initial 19% JV Corporation ownership interest by negotiating a purchase price with Fomicruz. Under the agreement, the Company had until the end of 2019 to complete cumulative exploration expenditures of \$18 million and determine if it would enter into production on the property. At December 31, 2018, the Company had incurred approximately \$20 million and engaged discussions with Fomicruz to develop a plan for production. In October 2019, the agreement was extended until April 30, 2021 and could be extended for an additional one-year term.

An NI 43-101 compliant technical report on La Josefina, dated September 29, 2010 and prepared by UAKO Geological Consulting, is on file on www.sedarplus.ca.

The Initial Agreement was terminated by mutual consent of the Company and Fomicruz in July 2020 and the Company has renegotiated with Fomicruz new terms and conditions for the exploration and exploitation of the La Josefina and La Valenciana properties and in December 2021, both parties entered into a new exploration agreement with an exploitation option for the following three projects: the La Josefina project, the La Valenciana project and a new and unexplored property, the Abril Project (the "Projects").

The Company also entered into a net smelter returns royalty agreement, pursuant to which Fomicruz is granted a 2% royalty on the mining properties that it has already contributed to PGSA and on the Abril Project, with the exception of the La Josefina project and the La Valenciana project, where Fomicruz is granted a 5% royalty. Furthermore, the Company committed to a \$5 million investment to developing an exploration program for the Projects during a 2-year period beginning once the environmental permits for the exploration development of the Projects are obtained. As of the date of this MD&A, the environmental permits are pending approval. During the fourth quarter of 2022, a total of 3 shallow RC drill holes were completed in the Sinter prospect, completing a total of 81 meters, designed to extend the known mineralization and help assess the potential of developing the oxide portion. The infill drill program was completed during the first quarter 2023. A total of 453 meters in 19 holes were drilled with gold values from 0.005 g/t to 18.2 g/t.

During Q4 2024, preparatory work for a geophysics campaign was undertaken and commenced during Q1 2025. A total of 401.9 line-kilometers of ground magnetics surveying was completed.

La Valenciana

La Valenciana is located in the central-north portion of the Santa Cruz Province, Argentina. The project encompasses an area of approximately 29,600 ha and is contiguous with the Company's La Josefina property to the east. The La Valenciana project is comprised of 11 Manifestations of Discovery ("MDs") covering segments of Estancia Cañadón Grande, Estancia Flecha Negra, Estancia Las Vallas, Estancia La Florentina, Estancia La Valenciana and Estancia La Modesta (inactive ranches). In La Valenciana, exploration has been limited, with more than half of the surface without systematic exploration. Fomicruz carried out preliminary works defining a main vein system of low sulfidation, epithermal style, with gold and silver values and base metals. Exploration and subsequent reconnaissance sampling by CCSA added other secondary targets and structures combining a total of 5.70 kilometers mapped veins and stockworks. The limited exploration to date, alteration features and associated structures, and partial coverage by probable post-mineral units suggests that there is still a high degree of discovery potential in the mining block. A new exploration program to define mineralization includes geophysical surveys and shallow drilling in new and known target areas and an intensive prospecting and reconnaissance sampling over the Company's entire land position, is being considered. Mineral resources have not yet been defined on the La Valenciana property.

The Initial Agreement was terminated by mutual consent of the Company and Fomicruz in July 2020 and the Company has renegotiated with Fomicruz new terms and conditions for the exploration and exploitation of the La Josefina and La Valenciana properties through a private initiative filed by Patagonia Gold SA, and in December 2021 both parties entered into a new exploration agreement with an exploitation option for the following three projects: La Josefina project, La Valenciana project and a new and unexplored property, Abril (the "Projects").

The Company also entered into a net smelter returns royalty agreement, pursuant to which Fomicruz is granted a 2% royalty on the mining properties that it has already contributed to PGSA and on Abril, with the exception of La Josefina and La Valenciana, where Fomicruz is granted a 5% royalty. Furthermore, the Company committed to a \$5 million investment to developing an exploration program for the Projects during a 2-year period beginning once the environmental permits for the exploration development of the Projects are obtained. As of the date of this MD&A, the environmental permits are approved.

Starting in July of 2023, a review of the geology, geochemistry and landowner agreements commenced for the La Valenciana Project. In the third quarter of 2023, a total of 408.4 line-kilometers of ground magnetics surveying was completed over the Veta Principal and Stockwork La Valencia prospects. A total of 72 rock chip samples were collected from the Veta Principal, Campana, La Valenciana and Stockwork targets and a total of 1,098 line-kilometers of ground magnetics were surveyed over the main zone.

During the first quarter of 2024, mapping and sampling continue on La Valencia Project as well as the geophysical survey of ground magnetics and a total of 384 line-kilometers to the east of the main part of the project and 26 rock chip samples were collected.

A total of 469 line-kilometers of magnetometry covering an area of 3,160 ha was carried out during Q4 2024. The results are currently being interpreted. In addition, potential drill targets on Veta Principal and Sector Estancia were marked.

In the first quarter of 2025, a total of 66 line-kilometers of ground magnetics surveying was completed. A total of 63 rock chip samples were collected from the Veta Principal. The results are currently being interpreted.

Abril

The Abril area covers approximately 2,000 ha bordering the Company's Martha property on the south. Abril is a part of the private initiative proposed by Patagonia Gold to Santa Cruz government and Abril is now included in the new exploration agreement with an exploitation option entered into by Patagonia Gold and Fomicruz, the Santa Cruz provincial mining company, in December 6, 2021. Approximately 386.3 line-kilometers of ground magnetics have been surveyed in the area covering it completely with 50 m-spaced, N-S lines, several kilometers of veins have been mapped with epithermal textures. Sawed channel samples are planned to be cut as soon as the environmental permits are approved.

Approximately 8 line-kilometers of mostly breccias and narrow veins, sheeted veins and silicified structures have been identified, with coarse-crystalline, saccharoidal and drusy quartz cavity fillings. Some of the breccias host clasts (fragments) with fresh sulfides of pyrite, arsenopyrite, stibnite and silver sulfosalt minerals. The new structures trend northwesterly and vary from near vertical to 60-65° north dip. Width of the new structures varies from 20 cm to 6 m.

During 2022, a total of 53 shallow, RC holes were drilled in the Veta Cauquenes (1), Veta Condor (3), Veta del Medio (29), Veta Norte (10), Veta Oriental (7) and Veta Sur (3) targets, for a total of 1,384 meters and 1,368 samples. Silver values obtained ranged from nil to 880 g/t Ag and support follow-up drilling at Abril.

During the last quarter of 2023, a diamond drill program commenced at Abril, aimed to test the continuation of the mineralization intercepted by the RC holes and in sawed channels previously completed. In addition, two core holes, for a total of 165 meters and 148 samples, were completed.

During the first quarter of 2024, diamond drilling continued and a total of 426.8 meters were completed and 363 samples were collected. The assays results varied significantly with Au (gold) values ranging from 0.005 to 4.87 g/t and Silver (Ag) values ranging from 1 to 219 g/t.

During the second quarter of 2024, diamond drilling continued and a total of 284.2 meters were drilled in 4 holes in the Veta del Medio and Veta Nordeste prospects and 289 samples were taken from core. The assays results varied significantly with gold (Au) values ranging from 0.005 to 0.23 grams per ton (g/t) and silver (Ag) values ranging from 1 to 25 g/t. QAQC samples were within expected parameters.

No exploration activities were undertaken at Abril during the three-month period ending March 31, 2025.

Bajo Pobre

The Bajo Pobre property is covered by 3,190 ha of concessions, located mainly on the Estancia (“ranch”) Bajo Pobre. The property is located 90 kilometers south of the town of Las Heras, in the province of Santa Cruz.

Short visits were carried out to the area during 2020 and a total of 16 samples were taken in two rock chip channels with no significant results.

No exploration activity has taken place at Bajo Pobre during the three-month period ending March 31, 2025.

El Gateado

El Gateado is a 4,000 ha-sized exploration concession and is located in the north-central part of Santa Cruz province, contiguous to La Josefina on the east.

The Company has not yet received a formal claim notice pertaining to the El Gateado property. Should a mineral deposit be discovered, the Company has the exclusive option to file for mining rights on the property. The surface rights of the El Gateado claim are held by the following ranches (“estancias”): Estancia Los Ventisqueros, Estancia La Primavera, Estancia La Virginia and Estancia Piedra Labrada. The El Gateado claims are filed with the government under file #406.776/DPS/06.

No exploration activity was conducted at El Gateado during the three-month period ending March 31, 2025.

Las Mellizas – La Esperanza Block

The Company acquired Newmont’s interest in the Las Mellizas and La Esperanza block in early 2019 in exchange for a 1.5% net smelter return royalty, which grants the Company a 100% undivided right and interest in these properties. This 30,000 ha area is located north and west of La Valenciana in the central part of the Deseado Massif, in Santa Cruz Province, Argentina. These early-stage exploration properties have been granted environmental exploration permits and landowners access agreements have been negotiated, allowing the development of the exploration plan which consist in conducting a new interpretation of the data provided by the former owner of these projects. Trenches and drill holes have been carried out in this epithermal vein field. Results from surface sampling are very encouraging and several structures have never been tested or mapped.

No exploration work was conducted at the Las Mellizas property during the three-month period ending March 31, 2025.

Tornado – Huracán

The Tornado and Huracán (“Tornado”) properties are located approximately 85 kilometers southeast of the town of Perito Moreno. Tornado is located in a prospective area in the northwestern portion of the Deseado Massif. The area lies within cluster of epithermal, low sulfidation, volcanic-hosted gold and silver deposits, including the San Jose (Hochschild-McEwen) and the Cerro Negro (Newmont) mines to the northwest and southeast of Tornado, respectively.

A total of 3,600 m of RC drilling was planned for mid-2021 at Tornado. This RC drill program commenced but was suspended due to adverse winter condition and poor rock conditions encountered during drilling. One hole was completed in the Guanaco target (276 m) in early December 2021, without significant results. Later in 2022, a core drilling program commenced to complete the first phase of drilling. The first core hole, 392 m in length, was completed in the El Camino Target in late December. An oxidized, hydrothermal breccia was intersected in the first core hole. Drilling continued into 2022 and intersected precious metal mineralization up to 8.8 meters drill with grading 0.59 g/t Au (see May 2022 new release on www.patagoniagold.com).

No exploration work was conducted at Tornado-Huracán during the year ended December 31, 2024.

On April 1, 2025, the Company entered into a binding agreement (the "Option Agreement") with Oroplata S.A., an Argentinean subsidiary of Newmont Corporation ("Newmont"). The Option Agreement grants Newmont the option to acquire 100% undivided interest in the Company's Tornado and Huracan gold and silver properties, including a separate exploration concession named "El Diablo" (collectively the "Properties") in Argentina in return for making aggregate cash payments of \$1.5 million ("Option Price") over a six (6) year period ("Option Term").

Newmont can exercise the Option and acquire the Properties at any time during the Option Term by making a \$1 million payment to the Company, paying any outstanding amount of the Option Price and granting a net smelter returns ("NSR") royalty to the Company, derived from all future production from the Properties, based on the following applicable percentage of NSR: (i) 1%, if the gold price is less than \$1,499 per troy ounce; (ii) 1.5%, if the gold price is between \$1,500 and \$2,999; and (iii) 2%, if the gold price is above \$3,000.

Wendy

The Wendy project is a 5,213 ha block of tenements located to the west of the Mina Martha and Abril project areas, this block lies in a regional-scale NW-trending, mineralized corridor, extending from Martha to Manantial Espejo (Pan American Silver). The geology of the area is dominated by porphyritic andesite of the Bajo Pobre formation and minor pyroclastic rock - both hosting NW-trending quartz and calcite veins.

No exploration work was conducted during the three-month period ending March 31, 2025.

Selected Annual Information

The following selected financial data for the Company's most recently completed financial periods are derived from the audited financial statements of the Company.

	As at and for the Year Ended December 31, 2024 (\$'000)	As at and for the Year Ended December 31, 2023 (\$'000)	As at and for the Year Ended December 31, 2022 (\$'000)
Revenue	8,831	8,220	12,340
Net loss for the year	(11,913)	(6,407)	(4,328)
Comprehensive loss for the year	(12,175)	(5,681)	(5,245)
Current Assets	5,508	4,704	6,905
Non-current assets	45,451	44,870	47,389
Current Liabilities	9,890	2,604	15,569
Non-current liabilities	46,001	39,710	25,925
Working Capital (Deficit)	(4,382)	2,100	(8,664)
Share Capital	11,221	11,250	11,244
Shareholders' Equity (Deficit)	(4,932)	7,260	12,800

Selected Quarterly Information

The following table shows selected financial information related to the results of the Company's most recent periods.

Fiscal Year	2025	2024				2023		
For the quarters ended	Mar	Dec	Sep	Jun	Mar	Dec	Sep	Jun
	\$'000							
Revenues	1,183	2,046	2,357	2,622	1,806	1,473	3,321	380
Net Income (loss) for the period	(2,592)	(3,790)	(2,982)	(2,865)	(2,276)	1,476	(2,204)	(3,060)
Comprehensive Income (loss) for the period	(2,386)	(4,378)	(2,512)	(2,867)	(2,418)	1,997	(2,551)	(2,707)
Income (loss) per share, basic and diluted	(0.006)	(0.009)	(0.006)	(0.006)	(0.005)	0.003	(0.005)	(0.006)

The Company's results over the past several quarters have been driven primarily by fluctuations in the gold price, input costs and changes in gold equivalent ounces produced. In addition, the Company is also affected by fluctuations in the price of silver and foreign exchange rates.

Liquidity and Capital Resources

As of March 31, 2025, the Company had a working capital deficit of \$2,797 (December 31, 2024 – working capital deficit of \$4,382). The decrease in the working capital surplus is a result of decrease in accounts payable and accrued liabilities.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to fund projects from raising capital from equity placements rather than long-term borrowings;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders in the future when new or existing exploration assets are taken into production.

These objectives will be achieved by maintaining and adding value to existing extraction projects and identifying new exploration projects, adding value to these projects and ultimately taking them through to production and cash flow, either with partners or by the Company's means.

The Company sets the amount of capital in proportion to its overall financing structure (i.e. equity and financial liabilities). The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company has access to a \$45,000 loan facility with an interest rate of 7.5% that will be utilized to fund the Company's activities going forward, while the review of the Cap-Oeste underground option is ongoing together with the Feasibility Study of its flagship Calcatreu project. The loan matures on December 31, 2026. As of March 31, 2025, there is \$52,335 (December 31, 2024 - \$40,588) of principal and interest owing under the loan facility. Subsequent to the three months ended March 31, 2025, on April 21, 2025, the loan facility was amended to increase the maximum amount of the loan to \$50,000. Other than these changes, all other terms of the loan facility remain unchanged.

Off-balance sheet arrangements

As of March 31, 2025, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to us.

Proposed Transactions

There are no proposed material transactions as of the date of this MD&A. However, as is typical of the mineral exploration and development industry, management continually reviews potential merger, acquisition, investment, and joint venture transactions and opportunities that could enhance shareholder value. There is no guarantee that any contemplated transaction will be concluded.

Transactions Between Related Parties

Key management personnel include the members of the Board of Directors and executive officers of the Company. Related party transactions and balances not disclosed elsewhere in the condensed interim consolidated financial statements are as follows:

Name and Principal Position					Included in Accounts Payable	Included in Loan Payable and Long-term debt
	Remuneration, fees or interest expense	Loans or Advances	Remuneration, fees, or interest payments	Loan payments		
	Three Months ended March 31,				As at March 31, 2025 and December 31, 2024	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A company controlled by a director	2025	16	-	-	237	-
- admin, office, and interest expenses	2024	16	-	-	221	-
Directors	2025	167	-	167	6	-
- salaries and wages	2024	119	-	119	6	-

As at March 31, 2025, the Company has \$243 (December 31, 2024 - \$227) in accounts payable owing to related parties which relate primarily to directors' fees and office rent. The accounts payable owing to related parties are non-interest bearing and due on demand.

Financial Instruments

The Company's financial instruments consist of cash, receivables, other financial assets, bank indebtedness, accounts payable and accrued liabilities, loan payable, interest payable, and long-term debt.

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs, other than quoted prices, that are observable, either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the marketplace.
- Level 3: inputs are less observable, unavoidable or where the observable data does not support the majority of the instruments' fair value.

Fair value

As at March 31, 2025, there were no changes in the levels in comparison to December 31, 2024. The fair values of financial instruments are summarized as follows:

	March 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
<i>Amortized cost</i>				
Cash	1,392	1,392	948	948
Receivables and other receivable ¹	624	624	869	869
<i>Fair value through other comprehensive income</i>				
Other financial assets (Level 1)	2	2	2	2
Financial liabilities				
<i>Amortized cost</i>				
Bank indebtedness	410	410	2,216	2,216
Accounts payable and accrued liabilities	3,864	3,864	4,537	4,537
Loan payable and current portion of long-term debt	2,546	2,546	788	788
Long-term debt	52,476	52,476	44,748	44,748

¹ Amounts exclude value added tax ("VAT") recoverable of \$1,757 and \$1,289 as March 31, 2025 and December 31, 2024.

Other financial assets are measured based on Level 1 inputs of the fair value hierarchy on a recurring basis.

The carrying value of receivables, other receivable, accounts payable and accrued liabilities and bank indebtedness approximate their fair value because of the short-term nature of these instruments. The Company assessed that there were no indicators of impairment for the financial assets.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with high quality financial institutions and limits the amount of credit exposure with any one institution. Receivables consist of trade receivables and VAT recoverable and are not considered subject to significant risk, because the amounts are due from a government and a customer who is considered credit worthy.

Market Risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk with regards to its bank indebtedness which is comprised of lines of credits at variable interest rates. To the extent that changes in the prevailing market interest rates differ from the interest rates on the Company's monetary liabilities, the Company is exposed to interest rate price risk.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Credit Risk

Credit risk arises from the potential that counterparties will fail to satisfy their obligations as they come due. Credit risk is managed by dealing with parties that the Company believes to be creditworthy and by actively monitoring credit exposure and the financial health of the parties.

The Company currently maintains a substantial portion of its day-to-day operating cash balances at financial institutions. As at March 31, 2025, the Company had total cash balances of \$1,392 (December 31, 2024 - \$948) at financial institutions., where \$Nil (December 31, 2024 - \$Nil) is in excess of federally insured limits.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they come due, as well as ensuring adequate funds exist to support business strategies and operations growth. As at March 31, 2025, the Company had current assets of \$6,085 (December 31, 2024 - \$5,508) to settle current liabilities of \$8,882 (December 31, 2024 - \$9,890).

Concentration risk

The Company has concentrations of credit risk with respect to its trade receivables, the majority of which are concentrated internationally amongst a small number of customers. As at March 31, 2025 and December 31, 2024, the Company had two (2) customers that make up the entire balance of the trade receivables. The Company controls credit risk through monitoring procedures, and by performing credit evaluations of its customers, but generally does not require collateral to secure accounts receivable.

Commodity Price Risk

The Company's revenues and net loss are sensitive to metal prices. Changes in the market price of gold and silver may be attributed to factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. The Company does not use derivative financial instruments to hedge the price risk of gold and silver.

Disclosure of Outstanding Share Data

Normal Course Issuer Bid ("NCIB")

On December 7, 2023, the Company announced that it has received approval from the TSXV of its Notice of Intention to Make a NCIB. Under the NCIB, the Company may purchase for cancellation up to 15,000,000 common shares (the "Shares") (representing approximately 3.2% of its 469,069,490 issued and outstanding common shares as of November 27, 2023 over a twelve (12) month period commencing on December 11, 2023.

During the year ended December 31, 2024, the Company repurchased 1,631,000 common shares under the NCIB for \$29 at an average price of CAD 0.024 per share.

As of the date of this MD&A, the Company had 465,051,490 common shares.

Stock options

As of the date of this MD&A, the following stock options were outstanding:

Exercise price (CAD)	Options vested	Options unvested	Total outstanding	Expiry date
\$0.160	4,600,000	-	4,600,000	August 13, 2025
\$0.035	-	14,600,000	14,600,000	December 13, 2029
	4,600,000	14,600,000	19,200,000	

Warrants

On March 10, 2024, 104,086,063 warrants, with an exercise price of CAD 0.13, expired unexercised. As of the date of this MD&A, there are no warrants outstanding.

Agent compensation options

On March 10, 2024, 2,509,586 agent compensation options, with an exercise price of CAD 0.09, expired unexercised. As of the date of this MD&A, there are no agent compensation options outstanding.

Material Accounting Policies, and critical Judgments and Estimates

The accounting policies that we follow are set in note 4 of the annual audited consolidated financial statements for the year ended December 31, 2024. Any changes in or adoption of new accounting policies during the three months ended March 31, 2025 are disclosed in note 4 of the accompanying interim financial statements.

Future accounting standards issued but not yet adopted

IFRS 18 Presentation and disclosure in financial statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements to improve the reporting of financial performance and give investors a better basis for analyzing and comparing companies. Specifically, it introduces:

- three defined categories for income and expenses (operating, investing and financing) and requires companies to provide new defined subtotals, including operating profit;
- enhanced transparency of management-defined performance measures requiring companies to disclose explanations of those company-specific measures related to the statement of income; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statements or is included in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the potential impact of this new standard.

Non-IFRS Financial Performance Measures

Non-IFRS financial measures are intended to provide additional information only and do not have any standard meaning prescribed by generally accepted accounting principles. Unless otherwise noted, we present the Non-IFRS financial measures of our continuing operations in the tables below.

Cash Costs

The Company uses cash costs to evaluate the Company's current operating performance. We believe these measures assist in understanding the costs associated with producing gold and silver, assessing our operating performance and ability to generate free cash flow from operations and sustaining production. These measures may not be indicative of operating profit or cash flow from operations as determined under IFRS Accounting Standards. The Company believes that allocating cash costs to gold and silver based on gold and silver metal sales relative to total metal sales best allows the Company and other stakeholders to evaluate the operating performance of the Company.

Three Months Ended March 31, 2025 and 2024 (in \$'000, except ounces and per unit amounts)

	Cap-Oeste			
	March 31, 2025		March 31, 2024	
Cost of sales	\$	1,115	\$	1,632
Less: Depreciation		(113)		(42)
Add/(Less): Other charges and timing differences ⁽¹⁾		674		(642)
Cash costs	\$	1,676	\$	948
Add: Depreciation ⁽²⁾		41		11
Cash costs and depreciation	\$	1,717	\$	959
Ounces produced		613		636
Cash costs per ounce	\$	2,734	\$	1,491
Cash costs and depreciation per ounce	\$	2,800	\$	1,508

(1) These costs include expenses such as royalties, export and refinery costs, and other charges that the Company does not include in cash costs. In addition, these amounts include timing differences related to accrual basis of accounting that the Company excludes from the non-IFRS measure in order to measure the cash costs.

(2) Depreciation is related to the plant, machinery, equipment and vehicles.

Average gross price per ounce sold

Average gross price per ounce sold is calculated by dividing the revenue for the relevant year by the ounces sold.

Three Months Ended March 31, 2025 and 2024 (in \$'000, except ounces and per unit amounts)

	Cap-Oeste	
	March 31, 2025	March 31, 2024
Revenue	\$ 1,183	\$ 1,806
Ounces sold	418	850
Average gross price per ounce sold	\$ 2,830	\$ 2,125

Subsequent Events

Subsequent to the period ended March 31, 2025, the following events occurred:

- a) On April 13, 2025, the Company entered into an investment agreement (the “Investment Agreement”) with Black River Mine Inc. (the “Investor”) through its wholly-owned subsidiary, Patagonia Gold Canada Inc. (“PG Canada”), pursuant to which the Investor has agreed to invest up to \$40 million (the “Financing”) to support the development of the Company’s flagship Calcatreu Project (the “Project”) in Rio Negro, Argentina.

Under the terms of the Investment Agreement, the Investor will acquire up to 40 million preferred shares (“Preferred Shares”) of PG Canada, which holds the Project through Minera Calcatreu S.A.U. The Investor will receive Preferred Shares representing 40% of the PG Canada share structure. As a result, Patagonia will continue to control the Project through its resulting 60% interest in PG Canada. The Preferred Shares will be issued at a price of \$1.00 per share, resulting in total gross proceeds up to \$40 million. The Investor is also entitled to certain distributions under the terms of the Investment Agreement.

On May 20, 2025, the Company’s shareholders approved the Financing to fund the development of the Project.

Completion of the Financing remains subject to customary closing conditions including final approval of the TSX Venture Exchange.

For additional information, see the press release dated April 14, 2025 and May 20, 2025 and the related documents filed under the Company’s issuer profile on SEDAR+ at www.sedarplus.ca.

- b) Refer to pages 10, 12, 19 and 20 for other subsequent event transactions.

Risk Factors

The Company is engaged in exploring and developing mining projects and as such, it is exposed to a number of risks and uncertainties that affect similar companies that carry out activities in the same industry. Some of these possible risks include:

Exploration risks

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral reserves but from finding mineral reserves which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into production. The majority of exploration companies fail to ever locate an economic deposit. Substantial expenditures are required to establish mineral reserves. No assurance can be given that minerals will be discovered in sufficient grade or quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether an exploration property will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or not obtaining the required capital to develop any project. The Company will evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that significant restrictions will not be placed on the exploration areas and any other properties

the Company may acquire or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

Ability to exploit current and future discoveries

It may not always be possible for the Company to participate in the exploitation of successful discoveries. Such exploitation may involve the need to obtain licences or clearances from the relevant authorities, which may not be available on a timely basis or may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied, and such conditions may prove uneconomic or not practical. Furthermore, the decision to proceed to further exploration may require the participation of other companies whose interests and objectives may not be consistent with those of the Company. Such further exploitation may also require the Company to meet or commit to financial obligations which it may not have anticipated or may not be able to commit to due to a lack of funds or an inability to raise funds.

Political instability, sovereign and regulatory risk

The Company's mineral exploration activities and future project development could be affected in varying degrees by political instability and changes in government regulation relating to foreign investment and the mining business, including expropriation. Operations may also be affected in varying degrees by possible terrorism, military conflict, crime, fluctuations in currency rates and high inflation. In addition, from time to time, governments may nationalize private businesses, including mining companies. There can be no assurance that the governments of countries where the Company or its affiliates operate or the governments with whom the Company works will not nationalize mining companies and their assets in the future or impose burdensome obligations or restrictions. There can also be no assurance that foreign governments will not impose burdensome obligations or restrictions on the Company, the Company's affiliates or their projects, or will not put in place exploitation regulations in a timely manner or on commercial terms sufficiently attractive to the Company to enable development of its projects.

Environmental risk and hazards

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Governmental approvals and permits are currently and may in future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws and regulations.

Commodities Price Risk

The profitability of mining operations is significantly affected by changes in the market price of metals and the cost of power, petroleum fuels and oil. The level of interest rates, the rate of inflation, world supply of metals and stability of exchange rates can all cause significant fluctuations in base metal, precious metal, chemical reagent and oil prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of gold, silver and other minerals, and oil has fluctuated widely in recent years. Depending on the price of gold, silver, and the cost of power, chemical reagents, petroleum fuels and oil, cash flow from mining operations may not be sufficient to cover the Company's operating costs or costs of servicing debt.

Permits and licences

Operations of the Company require or will require licences and permits from various governmental authorities. The Company anticipates that it will be able to obtain in the future all necessary licences and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licences and permits. However, there can be no guarantee that the Company will be able to obtain at all or on reasonable terms, and maintain, at all times, all necessary licences and permits required to undertake its proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In addition, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of any producing operations or preclude the economic development of any property.

Mining Properties

Acquiring the title to the mining property is a very detailed and prolonged process. Title may be challenged or be subject to legal disputes. Although the Company has researched in the most diligent and fullest possible manner the title to its mining properties, there is no certainty that its title will not be disputed or challenged in the future.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Liquidity risk

The Company might incur further debt in order to fund its exploration and operational programs, which would reduce its financial flexibility and could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's ability to meet its debt obligations and reduce its level of indebtedness depends on future performance. General economic conditions, mineral prices and financial, business and other factors affect the Company's operations and future performance. Many of these factors are beyond the Company's control. The Company cannot assure investors that it will be able to generate sufficient cash flow to pay the interest on its debt or that future working capital, borrowings or equity financing will be available to pay or refinance such debt. Factors that will affect its ability to raise cash through an offering of securities or a refinancing of any debt include financial market conditions and the value of its assets and performance at the time the Company needs capital. The Company cannot assure investors that it will have sufficient funds to make such payments. If the Company does not have sufficient funds and is otherwise unable to negotiate renewals of its borrowings or arrange new financing, it might have to sell significant assets. Any such sale could have a material adverse effect on the Company's business, operations and financial results.

Failure to obtain additional financing, if required, on a timely basis, could cause the Company to reduce or delay its proposed operations.

The majority of sources of funds expected to be available to the Company for potential acquisitions and its exploration and development projects are in large portion expected to be derived from the issuance of equity. While the Company have been able in the past to obtain equity financing and has secured shareholder loans to undertake planned exploration and development programs, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Although the Company intends to generate operating income and cash flow from mining operations, there can be no assurances that the Company will have sustainable economic operations or be able to generate positive operating income or cash flow from such operations.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Tax

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes.

Additional risk factors relevant to the Company are included in the Filing Statement dated May 30, 2019 which is available under the Company's profile on www.sedarplus.ca.

Qualified Persons

The scientific and technical information contained in this MD&A has been reviewed and approved by Donald J. Birak, an independent geologist, Registered Member of the Society for Mining, Metallurgy and Exploration ("SME"), Fellow of the Australasian Institute for Mining and Metallurgy and qualified person as defined under NI 43-101.