



## HPD Exploration PLC : Acquisition

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HPD Exploration PLC  
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HPD Exploration Plc announces the acquisition of the remaining 50% of Patagonia Gold S.A. by acquiring the entire issued share capital of JV Partner  
Proposed change of name to Patagonia Gold Plc and changes to the Board

HPD Exploration plc ('HPD' or 'the Company'), a minerals exploration group, today announced that it has conditionally agreed to acquire Minera Puerto Madryn S.A. ('Minera') whose principal asset is the remaining 50 per cent. of Patagonia Gold S.A. Following the proposed acquisition Patagonia Gold S.A. will become a wholly owned subsidiary of HPD. The consideration for the Acquisition is to be satisfied by the issue of 89,692,574 HPD Ordinary Shares representing 40 per cent. of the enlarged issued share capital of HPD.

As a result of the aggregate interests of the vendors of Minera in HPD following completion, the prior approval of independent shareholders is required in order for the Takeover Panel to agree to waive the obligation under the City Code for the vendors of Minera to make a general offer to shareholders of HPD, which would otherwise arise as a result of the acquisition and accordingly, a circular has been sent to shareholders today containing notices of two EGMs seeking such approval as well as, inter alia, the approval of the proposed change of name of the Company and the granting to the directors of authority to issue the consideration shares.

With the recent sale of the Company's holding in Canadian explorer Landore, HPD will be focusing almost entirely on its South American assets where to date it has built up a substantial portfolio of 51 exploration properties in Argentinean and Chilean Patagonia covering 3,548km<sup>2</sup> with a further 415km<sup>2</sup> of properties under option. As a result of this focus, the Company is proposing to change its name to Patagonia Gold Plc.

Speaking today Chairman Richard Prickett said 'We are delighted that our JV partners have agreed to sell their 50% holding in Patagonia Gold. The end result of the proposed consolidation will be a quality exploration company listed on AIM with 100% owned projects in South America and managed by a highly regarded team with a proven track record.'

On Completion, it is proposed that two of the existing Directors of Minera, Mr. Carlos Miguens and Mr. Gonzalo Tanoira, join the HPD Board as Non-executive Deputy Chairman and Finance Director respectively. Both Mr. Miguens and Mr. Tanoira were previously involved in Brancote Holding Plc's Esquel Gold Project in Argentina. No service contracts have been agreed between the Company and the proposed Directors. The Board of HPD will consider the terms of service in due course and any such terms will be announced once agreed. The Board thanks Mr. Neil Herbert (Finance Director) and Mr. David Dare (Non-executive Director), who will be retiring from the Board, for their valued contributions to the successful development of HPD over the last three years.

The Extraordinary General Meetings for shareholder approval of the resolutions to acquire Minera and to change the Company's name will be held on 18 December 2003 and 13 January 2004 respectively.

[www.hpdexoration.com](http://www.hpdexoration.com)

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