



Patagonia Gold PLC : Result of Fundraising and General Meeting

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Patagonia Gold PLC

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PATAGONIA GOLD PLC
 ("Patagonia Gold" or the "Company")

Result of Fundraising

and

Result of General Meeting

Highlights

The Company is pleased to confirm that it has raised gross proceeds of approximately £8.22 million (approximately US\$12.91 million) through the Subscription and Open Offer, and to announce that, at its General Meeting held today, all of the Resolutions set out in the Circular, were duly passed.

On 18 November 2014, Patagonia Gold (AIM: PGD) announced proposals to raise up to approximately £8.73 million (gross) (approximately US\$13.7 million) by way of an issue of up to 193,963,930 New Shares at a price of 4.5 pence per New Share, further details of which were set out in the circular dispatched to Shareholders on 18 November 2014 (the "Circular").

The Fundraising, comprising a Subscription of 107,572,541 Subscription Shares and an Open Offer of up to 86,391,389 Open Offer Shares, was conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting.

Commenting on this announcement, Bill Humphries, Managing Director of Patagonia Gold said:

"The Directors of Patagonia Gold are delighted with the overwhelming support received from our existing shareholders and new subscribers for this Fundraising of US\$12.91 million. This result is a significant endorsement in these very challenging capital markets for junior resource companies. These funds will enable us to now focus on developing the first stage of our flagship Cap-Oeste project and allow us to intensify the exploration activities on the surrounding highly prospective areas aimed at building onto our resources."

General Meeting

The total number of valid proxies received by the Company in connection with the General Meeting were as follows:

| Resolution | No. of votes in favour/ discretion | % of votes in favour/ discretion | No. votes against | Total votes validly cast (excluding withheld) | % of ordinary shares in issue represented by votes validly cast | No. of votes withheld |
|------------|---------------------------------------|-------------------------------------|-------------------|--|---|-----------------------|
| 1 | 254,237,368 | 99.96 | 103,500 | 254,338,651 | 29.44 | 275,813,741 |
| 2 | 530,006,080 | 99.99 | 42,312 | 530,048,392 | 61.35 | 4,000 |
| 3 | 529,954,503 | 99.99 | 42,312 | 529,996,815 | 61.35 | 55,577 |

In order to comply with the City Code on Takeovers and Mergers, Resolution 1, concerning the waiver of obligations under Rule 9 of the City Code in connection with the participation of the Concert Party in the Fundraising, and potential future exercise by the Concert Party of the Options and the Warrants (the "Whitewash Resolution"), was passed by means of a poll of Independent Shareholders. Accordingly, the Concert Party did not vote on the Whitewash Resolution.

Open Offer

Under the Open Offer, Qualifying Shareholders were able to subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 10 Existing Ordinary Shares held on the Record Date (being 17 November 2014). The Open Offer closed for acceptances at 11.00 a.m. on 5 December 2014.

Patagonia Gold has received valid acceptances in respect of 75,115,886 Open Offer Shares from Qualifying Shareholders, which represents approximately 86.95 per cent. of the Open Offer Shares offered. Qualifying Shareholders who validly applied for Open Offer Shares will receive the full amount of Open Offer Shares they applied for.

Application has been made to the London Stock Exchange for 182,688,427 New Shares to be admitted to trading on AIM. It is expected that such admission will occur at 8.00 a.m. on 9 December 2014.

Following Admission, the Company's total issued will comprise 1,046,602,323 ordinary shares of 1p each ("Ordinary Shares") with voting rights. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, securities of the Company under the FCA's Disclosure and Transparency Rules. The New Shares will rank *pari passu* in all respects with the existing Ordinary Shares in issue, including the right to receive all dividends and other distributions declared.

Interests in Ordinary Shares

Carlos J. Miguens, Chairman of the Company, through his controlled entity, Cantomi, subscribed for 65,109,695 Subscription Shares and applied for 12,738,853 Open Offer Shares. In addition, Mr Gonzalo Tanoira, the Company's finance director, through his controlled entity, Capifox, applied for 1,415,428 Open Offer Shares, and Maria Luisa Miguens, Mr Miguens' sister, applied for 7,077,140 Open Offer Shares, through her controlled entity, Cinco Vientos.

Accordingly, following Admission the Concert Party will be interested in, in aggregate, 338,326,018 Ordinary Shares, representing approximately 32.33 per cent. of the Company's issued ordinary share capital. In addition, Mr Miguens and Mr Tanoira, have also previously been granted the Options and Cinco Vientos has been granted the Warrants.

The Directors' interests following completion of the Fundraising are as follows:

| <i>Name of Director</i> | <i>New Ordinary Shares subscribed for in the Fundraising</i> | <i>Total number of Ordinary Shares held following Admission</i> | <i>No. of Ordinary Shares interested in upon Admission as a percentage of the Enlarged Share Capital</i> | <i>No. of Options held</i> |
|-------------------------|--|---|--|----------------------------|
| Carlos J. Miguens | 77,848,548 | 211,187,533 | 20.18 | 24,500,000 |
| William H. Humphries | 2,222,222 | 30,892,699 | 2.95 | 13,500,000 |
| Gonzalo Tanoira | 1,415,428 | 10,191,035 | 0.97 | 3,719,000 |

Defined terms used in this announcement not otherwise defined shall have the same meaning as those terms defined and used in the Circular.

Enquiries

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