



## Patagonia Gold PLC : Result of Open Offer and General Meeting

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Patagonia Gold PLC

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

#### Result of Open Offer and General Meeting

On 22 April 2016, Patagonia Gold (AIM: PGD) announced proposals to raise £6.94 million (gross) (approximately US\$10.0 million) by way of an issue of, in aggregate, 462,962,962 New Shares at a price of 1.5 pence per New Share, further details of which were set out in the circular dispatched to Shareholders on that day (the "Circular").

The Fundraising, comprising a Subscription of 232,537,870 Subscription Shares and an Open Offer of 230,425,092 Open Offer Shares, was conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting.

#### *General Meeting*

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 Mr Carlos J. Miguens, directly and through his controlled entity Cantomi, in the Fundraising (the "Whitewash Resolution"), was passed by means of a poll of Independent Shareholders. Accordingly, the Concert Party did not vote on the Whitewash Resolution. Votes cast pursuant to the poll on the Whitewash Resolution were 109,132,285 in favour and 38,773,695 against.

Accordingly, the Company is pleased to announce that, at its General Meeting held today, all of the Resolutions set out in the Notice of General Meeting, were duly passed.

#### *Open Offer*

Under the Open Offer, Qualifying Shareholders were able to subscribe for Open Offer Shares on the basis of 5 Open Offer Share for every 23 Existing Ordinary Shares held on the Record Date (being 20 April 2016). The Open Offer closed for acceptances at 11.00 a.m. on 9 May 2016.

The Open Offer Shares were not placed subject to clawback nor were they underwritten, but Mr Miguens applied for his direct and Cantomi's Open Offer Entitlements being, in aggregate, 46,384,175 Open Offer Shares, as well as, through Cantomi, all of the remaining Open Offer Shares under the Excess Application Facility.

Qualifying Shareholders, other than Mr Miguens, applied for, in aggregate, 46,840,934 Open Offer Shares pursuant to their Open Offer Entitlements and all Qualifying Shareholders who validly applied for Open Offer Shares pursuant to their Open Offer Entitlements will receive the full amount of Open Offer Shares they applied for.

As a result, 137,199,983 Open Offer Shares were available under the Excess Application Facility and valid acceptances were received in respect of 280,935,273 Excess Open Offer Entitlements, representing excess applications of approximately 205 per cent. above those available under the Excess Application Facility. Accordingly, each Qualifying Shareholder applying for Excess Open Offer Entitlements will be scaled back and will receive approximately 48.84 per cent. of their excess application pursuant to the Excess Application Facility.

Accordingly, Patagonia Gold has received valid acceptances in respect of 230,425,092 Open Offer Shares from Qualifying Shareholders, which represents 100 per cent. of the Open Offer Shares offered.

#### *Admission*

Application has been made to the London Stock Exchange for 462,962,962 New Shares to be admitted to trading on AIM pursuant to the Fundraising. It is expected that Admission will occur at 8.00 a.m. on 11 May 2016.

Following Admission, the Company's total issued share capital will comprise 1,522,918,389 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*

Mr Miguens, Chairman of the Company, through Cantomi, subscribed for 232,537,870 Subscription Shares and has been allotted, in aggregate, 136,219,575 Open Offer Shares, directly and through Cantomi. Accordingly, following Admission:

- Mr Miguens will be interested in, in aggregate, 582,543,267 Ordinary Shares, representing approximately 38.25 per cent. of the Company's Enlarged Share Capital and if Mr Miguens exercised the Options held by him, and no other options, warrants or convertibles were exercised, his maximum interest in Ordinary Shares would be, in aggregate, 607,043,267 Ordinary Shares and his aggregate holding would constitute approximately 39.23 per cent. of the then voting rights in the Company.
- the Concert Party will be interested in, in aggregate, 711,073,671 Ordinary Shares, representing approximately 46.69 per cent. of the Company's Enlarged Share Capital. In addition, Mr Miguens and Mr Tanoira, have also previously been granted the Options and Cinco Vientos has been granted the Warrants and on exercise of the Options and Warrants in full, and no other options, warrants or convertibles are exercised, the Concert Party's maximum interest in Ordinary Shares would be, in aggregate, 746,519,908 Ordinary Shares and the Concert Party's aggregate holding would constitute approximately 47.90 per cent. of the then voting rights in the Company.

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

<i>Name of Director</i>	<i>New Ordinary Shares subscribed for, in aggregate, in the Fundraising</i>	<i>Total number of Ordinary Shares held following Admission</i>	<i>Number 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	707,965	3,964,616	0.26%	-
Cantomi <sup>(1)</sup>	368,049,480 <sup>(3)</sup>	578,578,651	37.99%	24,500,000
Total for Carlos J. Miguens	368,757,445	582,543,267	38.25%	24,500,000
Christopher van Tienhoven	-	3,000	0.00%	10,000,000
Gonzalo Tanoira	-	4,832,191	0.32%	-
Capifox SA <sup>(2)</sup>	-	6,711,157	0.44%	3,719,000
Total for Gonzalo Tanoira	-	11,543,348	0.76%	3,719,000
Edward Badida	-	351,352	0.02%	750,000
Glenn Featherby	1,171,985	4,391,048	0.29%	750,000
Manuel de Prado	-	197,635	0.01%	750,000

Notes:

(1) Carlos J. Miguens is deemed to be beneficially interested in the Ordinary Shares held by Cantomi

(2) Gonzalo Tanoira is deemed to be beneficially interested in the Ordinary Shares held by Capifox

(3) Includes 232,537,870 Subscription Shares subscribed for pursuant to the Subscription

The Concert Party's aggregate interest on Admission, following completion of the Fundraising, is as follows:

	<i>Interest in Ordinary Shares of the Enlarged Share Capital</i>	<i>Options and Warrants</i>	<i>Number of Ordinary Shares interested in assuming exercise of the Options and Warrants in full*</i>	<i>Number of Ordinary Shares interested in assuming exercise of the Options and Warrants in full as a percentage of the further enlarged share capital*</i>	
On Admission	711,073,671	46.69%	35,446,237	746,519,908	47.90%

\*assuming no other options or convertibles are awarded or exercised and no other shares are issued.

On Admission, as the Ordinary Shares in which the Concert Party will be interested together carry more than 30 per cent. of the voting rights but less than 50 per cent. of the voting rights in the Company, no member of the Concert Party may acquire an interest in any further shares carrying voting rights in the Company (other than pursuant to the exercise of the Options and Warrants) without being subject to the provisions of Rule 9 of the City Code.

In addition, as the Ordinary Shares in which Mr Miguens (both directly and through Cantomi) will be interested on Admission together carry more than 30 per cent. of the voting rights but less than 50 per cent. of the voting rights in the Company, neither Mr Miguens nor Cantomi may acquire an interest in any further shares carrying voting rights in the Company (other than pursuant to the exercise of the Options) without being subject to the provisions of Rule 9 of the City Code.

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

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