

Patagonia Gold PLC : Further Subscription

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Patagonia Gold PLC

20 May 2016

Patagonia Gold Plc

("Patagonia Gold" or the "Company")

Further Subscription

Patagonia Gold Plc, the mining company with gold and silver projects in the southern Patagonia region of Argentina, Chile and Uruguay, is pleased to announce that further to the recent fundraising completed by the Company and due to additional demand from investors, it has conditionally raised a further £510,000 before expenses by way of a direct subscription with the Company for 34,000,000 new ordinary shares of 1p each ("Ordinary Shares") (the "Further Subscription Shares") at an issue price of 1.5p per share (the "Further Subscription"). It is intended that the proceeds of the Further Subscription will be used to provide general working capital.

The Further Subscription Shares will represent approximately 2.2 per cent. of the enlarged issued share capital of the Company and the Further Subscription is conditional, *inter alia*, upon admission of the Further Subscription Shares to trading on AIM. Application will be made to the London Stock Exchange for the Further Subscription Shares to be admitted to trading on AIM, which is expected to become effective and that dealings in such Further Subscription Shares will commence at 8.00 a.m. on 25 May 2016 ("Admission").

Following Admission of the Further Subscription Shares the Company's issued share capital will consist of 1,556,918,389 Ordinary Shares with voting rights. The Company does not hold any Ordinary Shares in treasury.

The aforementioned figure of 1,556,918,389 Ordinary Shares may be used by shareholders in the Company 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, Patagonia Gold under the Financial Conduct Authority's Disclosure and Transparency Rules. The Further Subscription 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.

The table below sets out the aggregate interest of Carlos J. Miguens following Admission of the Further Subscription Shares:

	<i>Interest in Ordinary Shares as a percentage of the issued share capital on Admission</i>	<i>Interest in the issued share capital on Admission</i>	<i>Options held by Cantomi Uruguay SA</i>	<i>No. of Ordinary Shares interested in assuming exercise of the options and warrants held by Concert Party members in full⁽²⁾</i>	<i>No. of Ordinary Shares interested in assuming exercise of the options and warrants in full as a percentage of the further enlarged share capital⁽²⁾</i>
Carlos J. Miguens	3,964,616	0.25%	-	3,964,616	0.25%
Cantomi Uruguay SA ⁽¹⁾	578,578,651	37.16%	24,500,000	603,078,651	38.14%
Total for Mr Miguens	582,543,267	37.42%	24,500,000	607,043,267	38.39%

Notes:

(1) Mr Miguens is deemed to be beneficially interested in the Ordinary Shares and options held by Cantomi Uruguay SA

(2) Assuming no other options or convertibles are awarded or exercised and no other shares are issued

The table below sets out the aggregate interest held by the concert party, of which Mr Miguens is a member (the "Concert Party"), following Admission of the Further Subscription Shares:

	<i>Interest in Ordinary Shares as a percentage of the issued share capital on Admission</i>	<i>Options and warrants held by Concert Party members</i>	<i>No. of Ordinary Shares interested in assuming exercise of the options and warrants held by Concert Party members in full⁽¹⁾</i>	<i>No. of Ordinary Shares interested in assuming exercise of the options and warrants in full as a percentage of the further enlarged share capital⁽¹⁾</i>
Concert Party	711,073,671 45.67%	35,446,237	746,519,908	46.88%

Notes:

(1) Assuming no other options or convertibles are awarded or exercised and no other shares are issued

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