

## Cap-Oeste Project Operations Update

Released : 28.10.2016

RNS Number : 7994N

Patagonia Gold PLC

28 October 2016

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**Patagonia Gold Plc**  
("Patagonia Gold" or the "Company")

### **Cap-Oeste Project Operations Update**

Patagonia Gold Plc, the mining company with gold and silver projects in Argentina, Chile and Uruguay, is pleased to provide an update on its open pit mine and heap leach processing facility at Cap-Oeste (the "Project").

Gold and silver production has commenced at the Project, with the first pour of doré completed on 27 October 2016. Mining of the orebody to date has loaded approximately 100,000 tonnes of ore to the heap leach pad which is now under irrigation and leaching. The mine and plant are fully commissioned and ramp-up to full production capacity is complete. The commissioning was accomplished with only minor delays and full leaching capacity was realised with the first three weeks of operation. Initial metal recoveries are being achieved in line with expectations with cyanide consumption being at approximately 50% less than the original estimate.

The forecast production for the Project during the 24 month expected life of mine is estimated to be approximately 82,000 oz AuEq, with potential to increase the mine life with supply from satellite deposits such as Monte Leon. In addition, optimisation for the Project is ongoing, with options to increase the initial pit size being considered and work is also ongoing in respect of the underground mine at Cap-Oeste and COSE. Further updates in this regard will be made as appropriate.

*Carlos Miguens, Chairman commented: "We are pleased that the construction of the mine and plant at Cap-Oeste was completed within budget and on schedule, resulting in a smooth transition of operations from Lomada to Cap-Oeste. Our focus as we progress will be growth of the resource base and development of our projects."*

**Ends**

### **About Patagonia Gold**

Patagonia Gold Plc is a mining company that seeks to grow shareholder value through exploration, development and production of gold and silver projects in the southern Patagonia region of Argentina. The Company is primarily focused on three projects: the flagship Cap-Oeste/COSE project, the La Manchuria project and the Lomada heap leach project. Patagonia Gold, indirectly through its subsidiaries or under option agreements, has mineral rights to over 220 properties in several provinces of Argentina, Chile and Uruguay.

Matthew Boyes, (BSC. Geology, Fellow AusIMM) Chief Operating Officer for Patagonia Gold PGSA and a qualified person as defined in Canadian National Instrument 43-101, has reviewed and verified all scientific or technical mining disclosure contained in this press release.

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