

## Calcatreu Option

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Patagonia Gold PLC

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

**Option to Acquire Pan American Silver's Calcatreu Deposit**

Patagonia Gold Plc (AIM:PGD) is pleased to announce that following the successful fundraising announced on 7 December 2017, it has formalised its intention to exercise the option to acquire the Calcatreu Deposit from Pan American Silver Corp. ("Acquisition").

In this regard both parties are in the process of finalising the Definitive Agreement, which will set out the detailed terms and conditions in respect of the Acquisition, and accordingly have agreed to further extend the deadline for Patagonia Gold to exercise the option and to enter into a Definitive Agreement to 22 December 2017.

As announced on 24 April 2017, Patagonia Gold entered into an option agreement with Pan American Silver Corp. to acquire the Calcatreu Deposit for a total consideration of US\$15 million. The option agreement was originally set to expire on 24 October 2017 but as further announced on 11 October 2017 the option was extended for 45 days to 8 December 2017.

***Calcatreu Deposit***

The Calcatreu deposit is a high grade (2.325 g/t AuEq) low sulphidation gold system with the mineralisation outcropping at surface. The current resource contains 8 million tonnes at 3.04 g/t AuEq for 780,000 oz in the Indicated category and a further 255,000 oz at 2.32 g/t AuEq in the Inferred category. This resource model was completed in 2008 using a gold price of US\$650/oz and a silver price of US\$12.50/oz. The surrounding land package is large with over 25,000 hectares of sparsely explored terrain. Detailed exploration has not been carried out since the gold price was US\$500/oz and then only on surface outcropping veins: deeper vein extensions and geophysical targets were not tested at all.

The Company proposes to explore the area immediately around the existing resource with the aim of increasing the resource before completing a feasibility study and developing the asset. Patagonia Gold is confident that there remains significant potential to increase the existing resource base and believes that approximately 12 - 18 months will be required to generate and drill off known targets.

The system has a known strike length of over 8 km and the Company believes that this may well increase with an improved knowledge of the system and more detailed geophysical and geochemical surveys which the Company intends to undertake on completion of the acquisition.

***About Patagonia Gold***

Patagonia Gold is a mining and exploration company with the primary objective of increasing shareholder value through the acquisition, exploration and development of gold and silver projects in the Deseado Massif region of Argentina.

The Company holds, directly or indirectly through its subsidiaries or under option agreements, the mineral rights to over 220 property interests in Argentina, Chile and Uruguay. These include the mineral rights to 67 property interests in the province of Santa Cruz covering approximately 190,000 hectares held by the Company's 90%-owned Argentinian subsidiary, Patagonia Gold S.A. and to 51 property interests covering approximately 156,000 hectares held by its wholly owned Argentinian subsidiary Minera Minamalu S.A.

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