

Acquisition of Calcatreu Deposit

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Patagonia Gold PLC

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

Acquisition of Calcatreu Deposit

Patagonia Gold Plc (AIM:PGD), the mining company with gold and silver projects in the southern Patagonia region of Argentina, Chile and Uruguay, is pleased to announce that on 31 January 2018 it completed the acquisition of the Calcatreu Deposit from Pan American Silver Corp.

On 28 December 2017, the Company announced that it had entered into a Definitive Agreement with Pan American Silver Corp to acquire the Calcatreu Deposit for a total consideration of US\$15 million. Patagonia Gold has made the initial payment of US\$5 million with the balance of US\$10 million due on 18 May 2018. As a result of the transaction, Patagonia Gold, through a wholly owned subsidiary, has acquired Minera Aquiline Argentina SA which owns 100% of the Calcatreu Deposit.

Commenting on the transaction, Christopher van Tienhoven noted:

"We are pleased to have completed the purchase of the Calcatreu project which adds a near one million ounce resource project to our portfolio. We hope to receive the appropriate permits to commence exploration work during the first quarter 2018. The Initial work programme will be focussed on the area immediately surrounding the existing orebody with the aim to increase the existing resource size and advancing the project to feasibility study stage later in 2018."

About the Calcatreu Deposit

The Calcatreu Deposit is a high grade (2.325 g/t AuEq) low sulphidation gold system with the mineralisation outcropping at surface. An independent mineral resource estimate was completed by Micon International Limited of Toronto in 2008 for the Calcatreu Deposit, prepared in accordance with the Canadian National Instrument 43-101 requirements and set out the current resource, which 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 has over 25,000 hectares of sparsely explored terrain.

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.

For more information, please contact:

Christopher van Tienhoven, Chief Executive Officer
Patagonia Gold Plc
Tel: +54 11 5278 6950

Angela Hallett
Strand Hanson Limited
Tel: +44 (0)20 7409 3494

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