



Receipt of Balance Payment of COSE

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Patagonia Gold PLC
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1 June 2018

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

Receipt of Balance Payment of COSE

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 announcement of 1 June 2017, on 30 May 2018 the Company has received the second and final payment of US\$7.5 million from Pan American Silver Corp. corresponding to the sale of COSE ("Cap-Oeste Sur Este") project.

Patagonia Gold will use the final consideration of US\$7.5 million for general working capital purposes and to reduce its net debt position.

The Company will continue to operate the main Cap Oeste project where leaching continues and the agglomeration circuit is fully operational. Engineering design and the acquisition of a second crushing and mixing circuit have been completed with all major components in transit. As previously announced, this crushing circuit is expected to be installed by the end of June with commissioning in early July to reprocess approximately 800,000T of ore previously stacked before the agglomeration circuit was installed and operational.

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 its flagship Cap Oeste project in Santa Cruz and the recently acquired Calcatreu project in Rio Negro. In addition, it is carrying out exploration in Manchuria and Sarita in Argentina and San Jose in Uruguay. 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 and is one of the largest landholders in the province of Santa Cruz, Argentina.

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

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