



## Cap Oeste Production Update

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

### **Cap Oeste Production Update**

Patagonia Gold Plc, the mining company with gold and silver projects in the southern Patagonia region of Argentina, Chile and Uruguay, is pleased to provide an update on production at Cap Oeste for Q2 2018.

Production at Cap Oeste for Q2 2018 totalled 12,407 oz AuEq at an average cash cost of US\$551/oz and US\$597/oz including depreciation and amortisation. The production during the quarter was hampered due to labour disruptions, including a national strike in Argentina, and severe weather conditions, with below freezing temperatures being recorded during May and June. Accumulated production for the six months to 30 June 2018 was 23,069 oz AuEq, at an average cost of US\$614/oz and US\$668/oz including depreciation and amortisation.

The significant devaluation of the Argentine Peso during May and June had a positive impact on cash costs which resulted in cash costs for June 2018 of US\$513/oz and US\$555/oz including depreciation and amortisation.

Installation of the new crushing circuit is nearing completion and commissioning is due to start on schedule on 15 July 2018. Following the start-up of the new crushing circuit, reprocessing of the approximately 800,000 tonnes of the material stacked on the leach pad will commence. The mining operations at the Cap Oeste open pit are due to cease by 15 July and the mine will be put on care and maintenance. Accordingly, from the end of July 2018 going forward, production will be derived exclusively from the reprocessed material. The revised production guidance for the year is expected to be approximately 45,000 oz AuEq.

The Company continues to review options to extract value from the COSE-style hypogene mineralization, which lies below the completed open pit and which holds approximately 300,000 oz AuEq at 20 g/t AuEq. This high grade resource is a significant component of the Company's portfolio of assets and the Company is focussed on extracting value from this resource in the short to medium term.

### **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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