

Sale of COSE Royalty

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

Sale of COSE Royalty

Patagonia Gold Plc, the mining company with gold and silver projects in the Patagonia region of Argentina, Chile and Uruguay, is pleased to announce the sale, by its wholly-owned subsidiary, Patagonia Gold S.A. ("PGSA"), of the Cap-Oeste Sur Este ("COSE") 1.5 per cent. net smelter returns royalty (the "COSE Royalty") to Metalla Royalty & Streaming Ltd ("Metalla").

PGSA and Metalla have entered into an agreement for the sale of the COSE Royalty to Metalla for a total consideration of US\$1.5 million in cash. The agreement is subject to normal closing conditions and expected to close on or before 21 December 2018.

On 25 April 2017, Patagonia Gold announced the sale by PGSA of the COSE project to Pan American Silver Corp. for a total consideration of US\$15 million plus a 1.5 per cent. net smelter returns royalty. The Group received the US\$15 million in two tranches, US\$7.5 million upon completion on 31 May 2017 and the other US\$7.5 million on 30 May 2018.

The net proceeds from the disposal of the COSE Royalty will be used for the Company's general working capital purposes and reduction of net debt.

A further announcement will be made as and when appropriate.

For more information, please contact:

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

James Spinney / James Dance / Frederick Twist
Strand Hanson Limited (Nominated Adviser and Broker)
Tel: +44 (0)20 7409 3494

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

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 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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