

Acquisition of Exploration Properties

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

Acquisition of Exploration Properties in Santa Cruz Province, Argentina

Patagonia Gold Plc, the mining company with gold and silver projects in the Patagonia region of Argentina, Chile and Uruguay, is pleased to announce that it has agreed to acquire four additional exploration property blocks located in the Province of Santa Cruz, Argentina, from Goldcorp Inc. (TSX:G) ("Goldcorp").

Highlights:

- Acquisition of four property blocks (namely, Las Mellizas, San Agustin, La Esperanza and Mancha Blanca) from Goldcorp, in exchange for a 1 per cent. net smelter royalty of any future production
- The properties are highly prospective with limited historical exploration activity
- Previous drilling completed at the Las Mellizas property provided results with intersections of 7m @ 64.6 g/t Au and 5 m @ 22.2 g/t Au

Patagonia Gold has entered into an agreement to purchase the four property blocks, located in the Province of Santa Cruz, Argentina, from Oroplata SA, a 100 per cent. subsidiary of Goldcorp, one of the largest gold producers in the region.

Pursuant to the terms of the agreement, Oroplata SA will transfer ownership of the four property blocks comprising 20 mineral tenements to Minera Minamalu SA ("Minera Minamalu"), a 100 per cent. subsidiary of Patagonia Gold. In exchange, Minera Minamalu has committed to provide Oroplata SA with a 1 per cent. net smelter royalty of future production, if and when the properties are put into production. In the event Minera Minamalu decides, at its own discretion, to relinquish the properties, it must give forty-five days' notice to Oroplata SA, such that it may take the properties back. The acquisition will be formalised upon execution of a public deed and registered with the Secretary of Mines in Province of Santa Cruz.

Christopher van Tienhoven, CEO, commented:

"With this acquisition, Patagonia Gold will consolidate the properties adjacent or near to its El Tranquilo block, thereby expanding the Company's potential mineral resources in the highly prospective El Deseado Massif region. Future detailed exploration activities will be carried out in the acquired areas in order to seek to increase our inventory of resources."

About the Properties

The areas of Las Mellizas, San Agustin and La Esperanza are located in the eastern part of the El Deseado Massif, whereas the Mancha Blanca property lies in the vicinity of Puerto Deseado, at the eastern edge of the massif. The four separate properties have similar geological characteristics to other highly prospective low sulphidation epithermal projects which the Company currently owns in the region, targeting Au-Ag mineralisation. There are no profits or losses associated with the properties.

- The Las Mellizas property is located in a regional cluster approximately 100 km to the southeast from Cerro Negro and comprises 124 km² of highly prospective Jurassic bimodal volcanoclastic sequence hosting NNW to NNE trending gold-silver bearing low sulphidation epithermal veins, stockworks and breccias with potential for bonanza type grades. Geochemical anomalies from rock chips are up to 32.0 g/t Au and 933 g/t Ag. More than half of the property remains virtually unexplored and several structures are still untested by drilling. Two reverse circulation (RC) holes from a limited, partial historical third-party drilling program resulted in 7 m @ 64.6 g/t Au (MZRC009) and 5 m @ 22.2 g/t Au (MZRC010), representing high grade ore shoots hosted in oxidized faulted veins and silicified breccias within a north-south trending, strike slip fault (T12 Structure).

- The San Agustin property is located approximately 85 km south of Cerro Negro, covers an area of 40 km² and is characterised by gold-bearing low sulphidation epithermal systems hosted in a bimodal Jurassic volcanic sequence. Several NW trending quartz veins and structurally controlled silicified breccias and stockworks contain gold and silver anomalies, some of them up to 4 g/t Au and up to 256 g/t Ag. Limited historical diamond drilling (1,205 m) by a previous optionee of the San Agustin property, which showed moderate results, only covered a minor portion of the outcropping veins. The Company believes that, through further geological mapping supported by proper geophysical surveys, the area remains highly prospective for additional discoveries.
- The La Esperanza property covers 120 km² in the same mining district as San Agustin and is located approximately 65 km northeast of Patagonia Gold's 100 per cent. owned El Tranquilo block. The area is characterised by veins and structures developed in an apparent left lateral structural environment, as splays that roots in a NNE trending transfer fault, having features of low- as well as high-sulphidation epithermal systems. The main targets known to date are located along NNW trending structures, such as the Breccia Karina-Cerro Tornillo, the high-grade breccia and veins of Cerro Guanaco, the silicified fault breccia and veins of Veta Sur, as well as those of the Munoz veins. Partial drilling by previous owners of some of these structures (namely Guanaco and Veta Sur) seemingly failed on the high sulphidation, bulk tonnage conceptual target, but insufficient exploration work, in addition to the amount of highly anomalous precious metal values throughout the area, provide a strong exploration potential to this property.
- The Mancha Blanca property is an early exploration stage property located 350 km to the east-southeast from Cerro Negro. It comprises a NNW to NE trending, quartz-adularia type epithermal vein system, up to 1,300 m in length hosted by a felsic pyroclastic sequence of the Chon Aike Formation. Discrete gold anomalies from limited rock chip samples are up to 1.36 g/t.

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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 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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