

## Operations Update

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

### Operations Update

Patagonia Gold Plc, the AIM-listed mining company with gold and silver projects in the Patagonia region of Argentina, in Chile and in Uruguay, announces that, effective 28 February 2019, Lomada de Leiva will be closed and that Cap Oeste will be placed on care and maintenance, due to lower than expected production volumes from both operations.

#### **Lomada de Leiva**

Lomada de Leiva was reopened at the end of November 2018, with a view to re-treating the ore previously placed on the heap leach pad. This ore had not been crushed at the time and the objective was to crush the ore to recover additional contained ounces. The Company was estimating recovery of approximately 10,000 oz Au over a 12-month period.

Current production is below management expectations and is not sufficient to cover operating costs. Given the nature of the project there are no options for scaling production and therefore the Company has decided to cease production.

#### **Cap Oeste**

At Cap Oeste, the mine was closed in July 2018 and for the remainder of 2018 operations consisted solely of re-processing of the ore previously placed on the heap leach. The re-processing of ore was expected to cease in May 2019 following production of an estimated 6,300 oz AuEq. However, given that current monthly production is approximately 1,000 oz, which is not expected to increase over coming months, the Company has decided to put the operation on care and maintenance basis.

The Company is still evaluating the development of the high-grade underground resource which contains approximately 300,000 oz AuEq at 20 g/t Au.

The Company is currently discussing future financing alternatives with its major shareholders and will keep the market updated in this regard.

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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").

#### **About Patagonia Gold**

Patagonia Gold Plc is an AIM-listed 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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