

Publication of Scheme Document

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Patagonia Gold PLC
20 June 2019

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

20 June 2019

RECOMMENDED ALL-SHARE OFFER

for

PATAGONIA GOLD PLC

by

HUNT MINING CORP.

to be implemented by means of a scheme of arrangement
under Part 26 of the Companies Act 2006

Publication of Scheme Document

On 31 May 2019, the boards of directors of Hunt and Patagonia Gold announced that they had reached agreement on the terms of a recommended share for share exchange offer to be made by Hunt for the entire issued and to be issued share capital of Patagonia Gold.

It was also announced that the Offer would be implemented by way of a Court-sanctioned scheme of arrangement between Patagonia Gold and its shareholders under Part 26 of the Companies Act 2006.

The Patagonia Gold Directors are pleased to announce that the Scheme Document in relation to the Offer is being published and posted to Patagonia Gold Shareholders today, together with the Forms of Proxy for the Meetings. The Scheme Document sets out, amongst other things, the full terms and conditions of the Scheme, an explanatory statement, an expected timetable of principal events, notices of the Court Meeting and the Patagonia Gold General Meeting and details of the action to be taken by Patagonia Gold Shareholders.

As further detailed in the Scheme Document, in order to become Effective, the Scheme requires, amongst other things, the approval of a majority in number of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders, together with the sanction of the Court and the passing of the special resolution necessary to implement the Scheme at the Patagonia Gold General Meeting and Hunt having taken all necessary actions so that the New Hunt Shares begin trading, and the existing Hunt Shares resume trading, on the TSX-V by not later than 14 days after the Effective Date.

Notices convening the Court Meeting for 10.00 a.m. on 12 July 2019 and the Patagonia Gold General Meeting for 10.15 a.m. on the same date (or as soon thereafter as the Court Meeting is concluded or adjourned), to be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH, are set out in the Scheme Document. Forms of Proxy, for use at such Meetings, are enclosed with the Scheme Document.

If the Scheme is duly approved by voting Scheme Shareholders, the special resolution is approved by Patagonia Gold Shareholders, all other Conditions to the Offer are satisfied or (if capable of waiver) waived, the Court sanctions the Scheme and the Scheme becomes Effective in accordance with its terms, it is currently expected that admission to trading on the AIM market of the London Stock Exchange for Patagonia Gold Shares will be suspended at 7.30 a.m. on 22 July 2019 and subsequently cancelled from admission to trading at 7.00 a.m. on 23 July 2019.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of voting Scheme Shareholders' opinion. Voting Scheme Shareholders are therefore strongly urged to complete, sign and return the Forms of Proxy (once received) as soon as possible.

Capitalised terms in this announcement, unless otherwise defined herein, have the same meanings as set out in the Scheme Document.

Copies of this announcement and the Scheme Document, together with information incorporated into it by reference to external sources, will be available free of charge (subject to certain restrictions relating to persons in certain overseas jurisdictions) on Patagonia Gold's and Hunt's websites at www.patagoniagold.com and www.huntmining.com respectively from no later than 12 noon (London time) on 21 June 2019 up to and including the Effective Date. The contents of these websites are not incorporated into, and do not form part of, this announcement.

Timetable

The expected timetable of principal events for the implementation of the Scheme is set out below. If any of the key dates set out in the expected timetable change, an announcement will be made through a Regulatory Information Service.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All references in this announcement to times are to London times unless otherwise stated.

Event	Time and/or date
Publication of the Scheme Document	20 June 2019
Latest time for lodging the Pink Form of Proxy for the Court Meeting	10.00 a.m. on 10 July 2019 ⁽¹⁾
Latest time for lodging the Blue Form of Proxy for the Patagonia Gold General Meeting	10.15 a.m. on 10 July 2019 ⁽²⁾
Scheme Voting Record Time for the Court Meeting and the Patagonia Gold General Meeting	6.00 p.m. on 10 July 2019 ⁽³⁾
Court Meeting	10.00 a.m. on 12 July 2019
Patagonia Gold General Meeting	10.15 a.m. on 12 July 2019 ⁽⁴⁾

The following dates are indicative only and are subject to change: ⁽⁵⁾

Last day of dealings in, and for registration of transfers and disablement in CREST of, Patagonia Gold Shares	19 July 2019
Court Hearing	10.30 a.m. on 19 July 2019
Scheme Record Time	6.00 p.m. on 19 July 2019
Suspension of trading on AIM of, and dealings, settlements and transfers in, Patagonia Gold Shares	7.30 a.m. on 22 July 2019
Effective Date of the Scheme	22 July 2019
Cancellation of admission to trading on AIM of, and cessation of dealings in, Patagonia Gold Shares	7.00 a.m. on 23 July 2019
Latest date for settlement and listing on the TSX-V of the New Hunt Shares due under the Scheme	6 August 2019
Longstop Date ⁽⁶⁾	30 November 2019

Notes:

- (1) It is requested that Pink Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting (noting that in taking account of this 48 hour period, no account shall be taken of any part of a day that is not a working day). Pink Forms of Proxy not so lodged may be handed to the Registrar or the Chairman of the Court Meeting before the start of the Court Meeting.
- (2) Blue Forms of Proxy for the Patagonia Gold General Meeting must be lodged not later than 48 hours prior to the time appointed for the Patagonia Gold General Meeting (noting that in taking account of this 48 hour period, no account shall be taken of any part of a day that is not a working day). Blue Forms of Proxy not returned so as to be received by the time mentioned above and in accordance with the instructions on the Blue Form of Proxy will be invalid unless the Patagonia Gold Directors direct otherwise.
- (3) If either the Court Meeting or the Patagonia Gold General Meeting is adjourned, the Scheme Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day which is two working days prior to the date fixed for the adjourned Meeting.
- (4) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) These dates and times are indicative only and will depend, among other things, on the dates upon which: (i) the Conditions are satisfied or waived (to the extent they are capable of being waived); (ii) the Court sanctions the Scheme; and (iii) the copy of the Court Order is delivered to the Registrar of Companies for registration. If any of the expected dates change, the revised times and/or dates will be announced by Patagonia Gold via a Regulatory Information Service.
- (6) This is the latest date by which the Scheme may become Effective unless Patagonia Gold and Hunt agree (and, if required, the Panel and the Court permit) a later date.

Enquiries:

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Further information

Strand Hanson Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as financial adviser to Patagonia Gold in connection with the Offer and other matters set out in this announcement and for no-one else and will not be responsible to anyone other than Patagonia Gold for providing the protections afforded to its clients or for providing advice in relation to the Offer and other matters set out in this announcement. Neither Strand Hanson Limited nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Strand Hanson Limited in connection with this announcement, any statement contained herein or otherwise.

Patagonia Gold Shareholders may request a hard copy of this announcement by contacting Computershare on +44 (0) 370 873 5856 between 8.30 a.m. to 5.30 p.m., Monday to Friday (except public holidays in England and Wales) or by submitting a request in writing to Computershare at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. Patagonia Gold Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO, AND DOES NOT, CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION, OR THE SOLICITATION OF AN OFFER, TO PURCHASE, OTHERWISE ACQUIRE, SUBSCRIBE FOR, SELL OR OTHERWISE DISPOSE OF, ANY SECURITIES OR THE SOLICITATION OF ANY VOTE OR APPROVAL IN ANY JURISDICTION PURSUANT TO THE OFFER OR OTHERWISE NOR WILL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF SECURITIES IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

The Offer is being made solely pursuant to the disclosures and information contained in the Scheme Document which, together with the Forms of Proxy, contains the full terms and conditions of the Offer, including details of how Patagonia Gold Shareholders may vote at the Meetings in respect of the Offer.

Patagonia Gold urges Patagonia Gold Shareholders to read the Scheme Document because it contains important information in relation to the Offer, the New Hunt Shares and the Combined Group. Any vote in respect of the Scheme or other response in relation to the Offer should be made only on the basis of the information contained in the Scheme Document.

This announcement does not constitute a prospectus or prospectus equivalent document.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Overseas jurisdictions

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to participate in the Offer may be affected by the laws of the relevant jurisdictions in which they are located. This announcement has been prepared for the purposes of complying with English law and with the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of jurisdictions outside the United Kingdom.

The Offer is being implemented in accordance with applicable English law and is subject to the applicable requirements of the Code, the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the Panel and the rules of the London Stock Exchange (including the AIM Rules) and also, as a result of Hunt being a Canadian company listed on the TSX-V, with the applicable requirements of Canadian laws and the policies of the TSX-V.

Unless otherwise determined by Hunt or required by the Code, and permitted by applicable law and regulation, the Offer may not be made directly or indirectly, in or into, or by the use of (electronic) mail or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or facilities. Accordingly, copies of this announcement, the Scheme Document, the notices of Court Meeting and General Meeting, the Forms of Proxy and all other documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this announcement in, into or from any Restricted Jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

The receipt of securities pursuant to the Offer by Overseas Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other tax laws. Each Overseas Shareholder is urged to consult their independent professional adviser regarding the tax consequences of the Offer.

Further details in relation to Overseas Shareholders are contained in the Scheme Document.

Additional information for US investors

These materials are not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States.

The New Hunt Shares have not been and will not be registered under the US Securities Act of 1933 (the "**US Securities Act**") or under the securities laws of any State or other jurisdiction of the United States. Accordingly, the New Hunt Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New Hunt Shares to be issued pursuant to the Offer are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. There will be no public offer of New Hunt Shares in the United States.

Patagonia Gold is incorporated under the laws of England and Wales and Hunt is incorporated under the laws of British Columbia. All of the officers and directors of Patagonia Gold are residents of countries other than the United States. Whilst a majority of the officers and directors of Hunt are residents of the United States, it may not be possible to sue Patagonia Gold and Hunt in a non-US court for violations of US securities laws. It may also be difficult to compel Patagonia Gold, Hunt and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

The Offer, to be implemented by way of the Scheme, is being made to acquire the entire issued and to be issued share capital of a company incorporated in England and Wales by way of a scheme of arrangement provided for under Part 26 of the Companies Act. A transaction effected by way of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934 (the "**US Exchange Act**"). Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement and takeover offers, which differ from the disclosure requirements, style and format of US tender offer and proxy solicitation rules. If Hunt determines to extend the offer into the US, the Offer will be made in compliance with applicable US laws and regulations. Financial information included in the Scheme Document has been or will have been prepared in accordance with non-US accounting standards that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if Hunt were to elect to implement the Offer by means of a contractual offer, rather than the Scheme, such offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such offer would be made in the US by Hunt and no one else.

Neither the US Securities and Exchange Commission nor any securities commission of any state of the United States has approved

or disapproved the Offer, nor have such authorities passed upon or determined the fairness of the Offer or the adequacy or accuracy of the information contained in this announcement. Any representation to the contrary is a criminal offence in the United States.

If the Offer is required to be made in the US, it will be done in compliance with the applicable tender offer rules under the US Exchange Act.

No profit forecasts, quantified financial benefit statements or estimates

No statement in this announcement is intended, or is to be construed, as a profit forecast, profit estimate or quantified financial benefit statement for any period. No statement in this announcement should be interpreted to mean that earnings per Patagonia Gold Share or earnings per Hunt Share for the current or future financial years would necessarily match or exceed the historical published earnings per Patagonia Gold Share or earnings per Hunt Share.

Dealing and Opening Position Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day in London following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day in London following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day in London following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of the offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on websites and availability of hard copies

This announcement and the documents required to be published pursuant to Rule 26.1 of the Code will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Hunt's website at www.huntmining.com and on Patagonia Gold's website at www.patagoniagold.com by no later than 12.00 p.m. (London time) on the Business Day in London following this announcement.

Neither the content of any website referred to in this announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this announcement.

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