



Offer for Patagonia Gold plc by Hunt Mining Corp.

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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.

For immediate release

31 May 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**

Summary

- The boards of directors of Hunt Mining Corp. ("**Hunt**") and Patagonia Gold Plc ("**Patagonia Gold**" or the "**Company**") are pleased to announce that they have 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 (the "**Offer**"). It is intended that the Offer will 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 "**Scheme**").
- Hunt is a Canadian company listed on the TSX Venture Exchange (the "**TSX-V**") (ticker code: HMX), active in precious metals exploration and development, which is currently producing silver and gold in the Santa Cruz Province, Argentina, where it holds mineral rights to 39 properties covering approximately 125,572 hectares.
- **The Offer is a share for share exchange offer at a ratio of approximately 10.76 New Hunt Shares in exchange for each Scheme Share (the "Exchange Ratio"). The Exchange Ratio attributes an implied value for the entire issued share capital of Patagonia Gold of approximately £17.18 million (based on the closing price of C\$0.115 per Hunt Share on 30 May 2019, being the last Business Day in Canada prior to the date of this Announcement and using an exchange rate of C\$0.5874/£1).**
- The proposed combination of Patagonia Gold and Hunt will result in Scheme Shareholders holding 80.0 per cent. of the Combined Group and Hunt Shareholders holding 20.0 per cent. of the Combined Group.
- At the value implied by the Exchange Ratio, the Offer represents a premium of approximately:
 - 35.9 per cent. to the middle market closing price of £0.535 per Patagonia Gold Share on 30 May 2019 (being the last Business Day in London prior to the date of this Announcement); and
 - 76.7 per cent. to the volume weighted average price per Patagonia Gold Share of £0.41135 over the three month period ended on and including 30 May 2019 (being the last Business Day in London prior to the date of this Announcement).
- Implementation of the Scheme will be subject to, amongst other things, the approval of the Scheme by the Scheme Shareholders at the Court Meeting and the passing of the special resolution by Patagonia Gold Shareholders necessary to implement the Scheme at the General Meeting, and the sanction of the Scheme by the Court. The Scheme Document, setting

out full details of the Scheme and the procedures to be followed by Patagonia Gold Shareholders to approve the Scheme, together with the Forms of Proxy, are expected to be despatched to Patagonia Gold Shareholders shortly. It is expected that the Scheme will become Effective during July 2019, subject to the Conditions and certain further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document being satisfied or waived.

- It is expected that the Scheme Document will be published as soon as practicable, but in any event no later than 28 days from the date of this Announcement. The Scheme Document will contain an expected timetable for the Offer process.
- The transaction constitutes a reverse takeover for Hunt pursuant to the rules of the TSX-V. Accordingly, Hunt Shares will be halted from trading on the TSX-V with effect from market open on 31 May 2019 pending completion of the Offer, when the Combined Group will resume trading under its proposed new issuer name of Patagonia Gold Corp. In addition, Hunt published a Filing Statement on 30 May 2019 in respect of the reverse takeover, which is now available on SEDAR (www.sedar.com), under Hunt's existing issuer profile. Hunt's largest shareholder, Tim Hunt, has granted shareholder approval for the acquisition by way of irrevocable written consent in respect of the, in aggregate, 53,306,925 Hunt Shares owned or controlled by him, representing approximately 83.83 per cent. of Hunt's existing issued share capital.
- The Offer will lapse if the Scheme does not become Effective by the Longstop Date or such later date (if any) as Hunt and Patagonia Gold may agree and, if required, the Court and the Panel may approve.
- **The Patagonia Gold Directors, who have been so advised by Strand Hanson Limited ("Strand Hanson"), the Company's financial adviser, as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing its advice to the Patagonia Gold Directors, Strand Hanson has taken into account the commercial assessments of the Patagonia Gold Directors. Strand Hanson is providing independent financial advice to the Patagonia Gold Directors for the purposes of Rule 3 of the Code.**
- **Accordingly, the Patagonia Gold Directors intend unanimously to recommend that the Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that the Patagonia Gold Shareholders vote in favour of the special resolution necessary to implement the Scheme at the General Meeting.**
- **The Patagonia Gold Directors have irrevocably undertaken to vote in favour of such resolutions in respect of their own direct and indirect holdings of, in aggregate, 12,978,887 Patagonia Gold Shares representing approximately 54.91 per cent. of Patagonia Gold's existing issued share capital.**
- Hunt has, as a result, received, in total, irrevocable undertakings to vote (or to procure or direct that the registered holders of Patagonia Gold Shares of which they are the beneficial holders or in which they are otherwise interested, vote) in favour of the Scheme at the Court Meeting and the special resolution necessary to implement the Scheme to be proposed at the General Meeting in respect of 12,978,887 Patagonia Gold Shares, representing, in aggregate, approximately 54.91 per cent. of Patagonia Gold's existing issued share capital.
- Further details of the abovementioned irrevocable undertakings are set out in section 6 of, and Appendix III to, this Announcement.
- Patagonia Gold's Non-Executive Chairman and majority shareholder, Carlos Miguens and Cantomi (a company owned and controlled by Mr Miguens), together with Hunt's largest shareholder, Tim Hunt, will be deemed to be Principals of the Combined Group (together, the "**Locked-in Parties**"). On the Scheme becoming Effective, each Locked-in Party will enter into a Resulting Issuer Escrow Agreement with Hunt and Computershare Canada, as escrow agent, in respect of, for Carlos Miguens and Cantomi, the New Hunt Shares to be issued to them pursuant to the Offer and, in respect of Tim Hunt, his existing Hunt Shares. Pursuant to the terms of the Resulting Issuer Escrow Agreement and in accordance with the requirements of the TSX-V, such parties will agree, *inter alia*, to place their entire shareholdings of Hunt Shares into escrow, with the following release provisions:
 - In respect of Carlos Miguens and Cantomi: 10 per cent. of such holdings being released on the listing date of the New Hunt Shares on the TSX-V with the remaining 90 per cent. of such Hunt Shares remaining held in escrow, until being released in equal 15 per cent. tranches at the end of every six month period thereafter, with the final tranche being released 36 months following the listing date of the New Hunt Shares on the TSX-V.
 - In respect of Tim Hunt: 25 per cent. of such holdings being released on the listing date of the New Hunt Shares on the TSX-V with the remaining 75 per cent. of such Hunt Shares remaining held in escrow, until being released in equal 25 per cent. tranches at the end of every six month period thereafter, with the final tranche being released 18 months following the listing date of the New Hunt Shares on the TSX-V.

Subject to the Scheme becoming Effective, it is expected that the Locked-in Parties will hold, in aggregate, 190,426,782 Hunt Shares, representing, in aggregate, approximately 59.89 per cent. of the issued common shares of the Combined Group on completion of the Offer.

Commenting on the Offer on behalf of Hunt, Tim Hunt, Chairman and Chief Executive Officer of Hunt, said:

"Hunt is pleased to align with Patagonia Gold in advancing our combined projects which we ultimately believe will generate growth in shareholder value. I believe that the synergies obtainable from combining the two companies serve that primary objective, as we share a long-term vision for our projects."

Commenting on the Offer on behalf of Patagonia Gold, Carlos Miguens, Non-Executive Chairman of Patagonia Gold, said:

"The combination with Hunt represents a highly complementary strategic fit that we believe will enable Patagonia Gold Shareholders to benefit as substantial stakeholders in the enlarged entity with a strong platform for future growth and value creation."

This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including 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 will 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 will be 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 this Announcement and 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.

Cautionary note regarding forward-looking statements

This Announcement contains certain statements that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations and business of Hunt and/or Patagonia Gold and/or the Combined Group and certain plans and objectives of Hunt with respect thereto. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements also often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by Hunt and/or Patagonia Gold (as applicable) in light of their experience and perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct and you are therefore cautioned not to place undue reliance

on these forward-looking statements which speak only as at the date of this Announcement. Hunt does not assume any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by the Panel, the Code or by applicable law.

Forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. Neither Hunt nor Patagonia Gold undertakes any obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except to the extent legally required.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business and competitive environments, market and regulatory forces, future exchange and interest rates, changes in tax rates, and future business combinations or dispositions.

For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Hunt Group or the Patagonia Gold Group, refer to the Filing Statement and the annual report and accounts of the Patagonia Gold Group for its financial year ended 31 December 2018, respectively.

No member of the Hunt Group or the Patagonia Gold Group nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.

Except as expressly provided in this Announcement, no forward-looking or other statements have been reviewed by the auditors of the Hunt Group or the Patagonia Gold Group. All subsequent oral or written forward-looking statements attributable to any member of the Hunt Group or the Patagonia Gold Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

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.

A hard copy of this Announcement will be sent to Patagonia Gold Shareholders (other than Patagonia Gold Shareholders who have elected to receive electronic communications) in the near future. 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. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this Announcement will not be provided unless such a request is made.

Rule 2.9 information

Pursuant to Rule 2.9 of the Code, Hunt confirms that it has 63,588,798 common shares of no par value each in issue with International Securities Identification Number CA4456455001. Pursuant to Rule 2.9 of the Code, Patagonia Gold confirms that it has 23,634,749 ordinary shares of 1p each in issue with International Securities Identification Number GB00BF5B8R55.

Electronic Communications

Please be aware that addresses, electronic addresses and certain other information provided by Patagonia Gold Shareholders, persons with information rights and other relevant persons for the receipt of communications from Patagonia Gold may be provided to Hunt during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Time

All times shown in this Announcement are London times, unless otherwise stated.

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**TO BE IMPLEMENTED BY MEANS OF A SCHEME OF ARRANGEMENT
UNDER PART 26 OF THE COMPANIES ACT 2006**

1. Introduction

The boards of directors of Hunt and Patagonia Gold are pleased to announce that they have reached agreement on the terms of a recommended share for share exchange offer for the entire issued and to be issued share capital of Patagonia Gold by Hunt (the "**Offer**"). It is intended that the Offer will be implemented by way of a Court-sanctioned scheme of arrangement between Patagonia Gold and its shareholders under Part 26 of the Companies Act (the "**Scheme**").

Hunt, a Canadian company listed on the TSX Venture Exchange (ticker code: HMX), is a precious metals exploration and development company, with core projects located in the Santa Cruz Province of Argentina, where it holds mineral rights to 39 properties covering approximately 125,572 hectares. Since 2006, Hunt has drilled more than 62,000 metres of diamond core, conducted 416 line kilometres of Induced Polarisation/Resistivity geophysical surveys and collected more than 20,000 surface soil, sediment, channel, chip and trench samples. Such drilling activity has led to the identification of six mineralised zones between Hunt's flagship projects, La Josefina and La Valenciana, and the El Gateado Project. In March 2006, Hunt's wholly owned subsidiary, CCSA, acquired the right to conduct exploration on the El Gateado property for a period of at least 1,000 days, commencing after the Government issues a formal claim notice, and to retain 100 per cent. ownership of any mineral deposit found within. Hunt has not yet received a formal claim notice pertaining to the El Gateado property.

Hunt continues to drill on established mineralised zones, all of which remain open to expansion. In May 2016, Hunt acquired the Martha mine from Coeur Mining Inc. and, in January 2017, it commenced generating silver concentrate from this mine.

If the Offer is successful, the combination of Patagonia Gold and Hunt will result in Scheme Shareholders holding 80.0 per cent. of the Combined Group and Hunt Shareholders holding 20.0 per cent. of the Combined Group.

2. The Offer

Under the terms of the Offer, which will be subject to the Conditions and further terms summarised below and in Appendix I to this Announcement and to the full terms and conditions to be set out in the Scheme Document, Scheme Shareholders who are on the register of members of Patagonia Gold at the Scheme Record Time will be entitled to receive:

for each Scheme Share approximately 10.76 New Hunt Shares

This Exchange Ratio attributes an implied value for the entire existing issued share capital of Patagonia Gold of approximately £17.18 million (based on the closing price of C\$0.115 per Hunt Share on 30 May 2019, being the last Business Day in Canada prior to the date of this Announcement and using an exchange rate of C\$0.5874/£1).

Following successful completion of the Offer, Scheme Shareholders will hold 80.0 per cent. of the Combined Group and Hunt Shareholders will hold 20.0 per cent. of the Combined Group.

At the value implied by the Exchange Ratio, the Offer represents a premium of approximately:

- 35.9 per cent. to the middle market closing price of £0.535 per Patagonia Gold Share on 30 May 2019 (being the last Business Day in London prior to the date of this Announcement); and
- 76.7 per cent. to the volume weighted average price per Patagonia Gold Share of £0.41135 over the three month period ended on and including 30 May 2019 (being the last Business Day in London prior to the date of this Announcement).

The transaction constitutes a reverse takeover for Hunt pursuant to the rules of the TSX-V. Accordingly, Hunt Shares will be halted from trading on the TSX-V with effect from market open on 31 May 2019 pending completion of the Offer, when the Combined Group will resume trading under its proposed new issuer name of Patagonia Gold Corp. Hunt published a Filing Statement on 30 May 2019 in respect of the reverse takeover, which is now available on SEDAR (www.sedar.com), under Hunt's existing issuer profile. Hunt's largest shareholder, Tim Hunt, has granted shareholder approval for the acquisition by way of irrevocable written consent in respect of the, in aggregate, 53,306,925 Hunt Shares owned or controlled by him, representing approximately 83.83 per cent. of Hunt's existing issued share capital.

The New Hunt Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Hunt Shares in issue at the time the New Hunt Shares are issued, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the date on which the Scheme becomes Effective.

Fractional entitlements to New Hunt Shares for each Scheme Shareholder will be rounded down to an integral number and will not be allotted or issued to holders of Scheme Shares pursuant to the Scheme. These fractional entitlements will be aggregated and shall, on a reasonable basis, be sold for the benefit of the Scheme Shareholders. The equivalent of the net proceeds of such sale of New Hunt Shares (after deduction of brokerage charges and associated expenses) will be paid to the Scheme Shareholders pro-rated to their holdings of Patagonia Gold Shares at the Scheme Record Time as soon as practicable after receipt, except that if the aggregate amount due to any Scheme Shareholder in respect of the amounts due to him/it in respect of fractional entitlements to New Hunt Shares is less than £5.00 such sum will not be distributed but will instead be aggregated and accrued to the benefit of Hunt. Neither Hunt nor any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the sales or the sales or any failure to sell fractional entitlements to New Hunt Shares.

It is expected that the Scheme Document will be published as soon as reasonably practicable. It is therefore expected that the Scheme will become Effective during July 2019, subject to the Conditions and certain further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document being satisfied or waived. The Scheme Document will contain an expected timetable for the Offer process.

3. Background to and reasons for the Offer

Patagonia Gold, indirectly via its subsidiaries or under option agreements, holds mineral rights to approximately 300 properties in several provinces of Argentina, Chile and Uruguay. In particular, it is one of the largest landholders in the province of Santa Cruz, Argentina, where its 90 per cent. owned subsidiary, Patagonia Gold S.A., holds mineral rights to 71 properties covering, in aggregate, an area of approximately 194,000 hectares and its wholly owned subsidiary, Minera Minamalu S.A., holds 90 properties covering, in aggregate, an area of approximately 209,000 hectares.

In light of Hunt's own significant landholding in the province of Santa Cruz, where it holds mineral rights to 39 properties covering, in aggregate, an area of approximately 125,572 hectares, hosting its producing Martha silver and gold mine and associated processing facilities, the Hunt Board believes that the proposed combination of Hunt and Patagonia Gold will be highly complementary, forming a leading, enlarged junior precious metals explorer and producer in the region with an attractive, high quality project portfolio. Ongoing production at the Martha mine is being undertaken without established mineral resources or reserves and Hunt has not established the economic viability of the operations at the Martha mine. As a result, there is increased uncertainty and economic risk of failure associated with these production activities.

As part of the Combined Group, Patagonia Gold's Cap-Oeste mine, which produced 42,906 ounces AuEq in the year ended 31 December 2018, prior to being placed on care and maintenance on 28 February 2019 as a result of lower than expected monthly production volumes, will have access to Hunt's enhanced facilities at its nearby Martha mine going forward, for the processing of material from any future development of the Cap-Oeste Underground Mine.

Accordingly, following completion of the Offer, the Hunt Board believes that shareholders in the Combined Group will benefit from its expanded, more efficient and higher-grade production capabilities, via utilisation of Hunt's local processing facilities, with access to significant mineral resources.

Furthermore, the Combined Group will benefit from anticipated increased production, utilising the spare capacity at the Martha Processing Plant, with greater recoveries being achievable than is currently the case. The Hunt Board believes that this should lead to more stable future cash flow generation, which, in turn, should serve to reduce the overall risk profile of the Combined Group and better position it for future growth and value creation for the benefit of shareholders in the Combined Group. In addition, Hunt's underground mining experience can be utilised in any future development of the Cap-Oeste Underground Mine.

Patagonia Gold has an experienced and proven exploration and mine-development team, which successfully developed Lomada de Leiva and the previous open-pit mining operations at Cap-Oeste. It is envisaged that the Patagonia Gold Group's existing exploration equipment and operational and technical expertise can be utilised to continue to advance Calcatreu and further advance the Combined Group's other exploration projects.

The Hunt Board believes that, as a relatively small gold and silver exploration, development and production company quoted on AIM (with the restraints, regulatory burden and costs associated with maintaining such a quotation), it is difficult for Patagonia Gold to attract and retain interest and research coverage in its activities; such that it suffers from a general lack of liquidity and low trading volumes in its shares. Hunt has experienced similar challenges and believes that the Combined Group, with a larger and more diverse shareholder base on the TSX-V, will be better placed to achieve greater liquidity, which, alongside the Combined Group's increased market capitalisation and consolidated asset base, should serve to attract additional research coverage and shareholder interest.

Patagonia Gold's senior management has significant experience and expertise of operating in Argentina, as well as maintaining strong relationships with a number of funders, including Argentine banks, and is therefore confident in its ability to access and secure both short and longer-term borrowings for the Combined Group as and when required. The Hunt Board believes that the operational synergies highlighted above, together with potential efficiencies and cost savings in central overheads and operating expenses, including those arising from the intended cancellation of Patagonia Gold's admission to trading on AIM and the potential utilisation of the spare capacity at the Martha Processing Plant, will enable positive net cash flow generation in the near-term and thereby facilitate funding of the Combined Group's future exploration and development activities, most notably at Calcatreu, which has an existing NI 43-101 compliant mineral resource estimate of 1.14 Moz AuEq.

4. Recommendation of the Patagonia Gold Directors

The Patagonia Gold Directors, who have been so advised by Strand Hanson, the Company's financial adviser, as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable.

In providing its advice to the Patagonia Gold Directors, Strand Hanson has taken into account the commercial assessments of the Patagonia Gold Directors. Strand Hanson is providing independent financial advice to the Patagonia Gold Directors for the purposes of Rule 3 of the Code.

In addition, the Patagonia Gold Directors consider the terms of the Offer to be in the best interests of Patagonia Gold Shareholders as a whole.

Accordingly, the Patagonia Gold Directors intend unanimously to recommend that Scheme Shareholders vote or procure votes in favour of the Scheme at the Court Meeting and Patagonia Gold Shareholders in favour of the special resolution to be proposed at the General Meeting, which will be convened in connection with the Offer.

5. Background to and reasons for the Patagonia Gold Directors' recommendation

The Patagonia Gold Board believes that the combination of Hunt and Patagonia Gold represents a strong strategic fit which will be highly complementary, forming a leading, enlarged, junior precious metals explorer and producer focussed on the Santa Cruz region of Argentina. On completion of the Offer, Scheme Shareholders will hold 80 per cent. of the Combined Group, which is expected to benefit significantly from expanded and more efficient production capabilities. In particular, Patagonia Gold's Cap-Oeste underground resource will gain access to Hunt's Martha Processing Plant, which is able to treat such mineralisation, which is expected to lead to more stable cash flow generation from any planned future development of the Cap-Oeste Underground Mine, which could be utilised to reduce the Combined Group's debt obligations and invest in its exploration and development stage projects, thereby ultimately lowering the risk profile of the Combined Group.

Hunt's Martha Processing Plant, which is located approximately 125km from the Cap-Oeste site, consists of an industry-standard crushing, grinding and flotation plant, with a maximum throughput of 480tpd. The Martha Processing Plant is currently operating under-capacity, processing approximately 240tpd and operating on a two-weeks-on / two-weeks-off basis. In 2018, Hunt produced 70,800 ounces Ag (2017: 529,300 ounces Ag) and 190 ounces Au (2017: 590 ounces Au) from its Martha mine, with processing recovery rates of 87 per cent. and 84 per cent. (2017: 92 per cent. and 87 per cent.) respectively. Ongoing production at the Martha mine is being undertaken without established mineral resources or reserves and Hunt has not established the economic viability of the operations at the Martha mine. As a result, there is increased uncertainty and economic risks of failure associated with these production activities.

During the year ended 31 December 2018, Patagonia Gold produced 42,906 ounces AuEq from the re-handling of material previously placed on the leach pad at Cap-Oeste, which did not achieve the recovery rates initially planned due to high clay content. In February 2019, the Cap-Oeste mine was put on care and maintenance as a result of continued low production volumes. The Patagonia Gold Board believes that the Cap-Oeste Underground Mine can be developed successfully, which has an existing independent Indicated Resource estimate of 298,000 ounces AuEq grading at 19.42g/t AuEq at a cut-off grade of 0.5g/t AuEq, such that this will be a principal focus of the Combined Group going forward. In addition, the Combined Group will focus on continued exploration and development activities at Calcatreu, which has an existing NI 43-101 compliant mineral resource estimate of 1.14 Moz AuEq.

Utilising the funding available for draw-down under the existing Cantomi Loan Facility, the Combined Group ultimately intends to commission a feasibility study for Calcatreu and update the mineral resource estimate for the project. The Patagonia Gold Board believes that the Calcatreu project is sufficiently large to justify a standalone operation and its continued exploration and development will be a priority for the Combined Group.

In addition, following completion of the Offer, Patagonia Gold's development team will be able to access Hunt's underground mining experience which is expected to facilitate and may accelerate the future development of operations at the Cap-Oeste Underground Mine, with the objective of transporting any extracted ores to the Martha Processing Plant once production is on-line.

Whilst the near-term focus will be on the development of the Cap-Oeste Underground Mine, the Combined Group will also hold mineral rights to 200 properties in Argentina, covering a total area of 528,572 hectares, representing significant exploration and development upside potential. Promising assets within the Combined Group's portfolio will include Patagonia Gold's Calcatreu project (as well as its other exploration projects) and Hunt's highly prospective La Josefina project, which has an existing NI 43-101 compliant mineral resource estimate of approximately 6.5 million tonnes of measured and Indicated Resource grading at 0.74 g/t Au and 13.13 g/t Ag, for approximately 156,000 and 2,757,000 contained Au and Ag ounces, respectively.

As an AIM quoted junior mining company engaged in the exploration and development of gold and silver projects in Argentina, Chile and Uruguay, the Patagonia Gold Board has found it extremely difficult to raise meaningful funds from the UK capital markets in recent years. Furthermore, the Patagonia Gold Board believes that any significant short to medium-term equity raises that could potentially be secured by Patagonia Gold would potentially only be available at a lower price when compared to the effective value placed on existing Patagonia Gold Shares pursuant to the Offer, thereby potentially resulting in a significantly higher level of dilution for Patagonia Gold Shareholders.

The costs, restraints and regulatory burden associated with maintaining a quotation on AIM also make it difficult for Patagonia Gold to justify maintaining such trading facility, particularly as it is challenging for Patagonia Gold to attract and retain interest and research coverage in its activities, resulting in a general lack of liquidity and low trading volumes in Patagonia Gold Shares. The Patagonia Gold Board believes that the increased scale and more diverse shareholder base of the Combined Group, should ultimately lead to enhanced liquidity and wider research coverage in Canada, where the Patagonia Gold Board believes that the investor audience is more generally knowledgeable of, familiar with and amenable to investing in natural resource projects particularly those located in Latin America.

Views of Patagonia Gold's Directors

The Patagonia Gold Board considers that the intentions of Hunt as set out in section 9 of this Announcement are consistent with its own plans and ambitions for the Patagonia Gold Group, including its plans for retaining Patagonia Gold's head office location in Buenos Aires and its principal mining assets, and, in particular, considers that the effects of the implementation of the Offer will be beneficial to the employees of the Patagonia Gold Group going forward.

Hunt is offering Patagonia Gold Shareholders the opportunity to exchange their Patagonia Gold Shares for New Hunt Shares at an attractive premium to the closing middle market price of a Patagonia Gold Share on 30 May 2019 (being the latest practicable date prior to this Announcement) and at an Exchange Ratio where Scheme Shareholders will hold, in aggregate, 80 per cent. of the Combined Group, following the Scheme becoming Effective.

In addition, Patagonia Gold's major shareholder and Non-Executive Chairman, Carlos Miguens, and the other Patagonia Gold Directors have provided Hunt with irrevocable commitments to vote in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the General Meeting in respect of their entire direct and indirect shareholdings in the Company, being, in aggregate, 12,978,887 Patagonia Gold Shares, representing approximately 54.91 per cent. of Patagonia Gold's issued share capital (further details of the irrevocable undertakings obtained by Hunt are set out in Appendix III to this Announcement).

6. Irrevocable Undertakings and Escrow / Lock-in arrangements

Irrevocable Undertakings

Hunt has received irrevocable undertakings from the Patagonia Gold Directors who beneficially hold Patagonia Gold Shares as at the date of this Announcement, namely, Carlos Miguens, Christopher van Tienhoven, Gonzalo Tanoira and Manuel de Prado, who have irrevocably undertaken to vote (or procure the vote) in favour of the Scheme at the Court Meeting and in favour of the special resolution to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept, or procure the acceptance of such an offer) in respect of their entire direct and indirect holdings of Patagonia Gold Shares, amounting, in aggregate, to 12,978,887 Patagonia Gold Shares, representing approximately 54.91 per cent. of the existing issued share capital of Patagonia Gold.

Further details of these irrevocable undertakings (including the circumstances in which they will fall away) are set out in Appendix III to this Announcement.

Escrow / Lock-in arrangements

Patagonia Gold's Non-Executive Chairman and majority shareholder, Carlos Miguens and Cantomi (a company owned and controlled by Mr Miguens), together with Hunt's largest shareholder, Tim Hunt, will be deemed to be Principals of the Combined Group (together, the "**Locked-in Parties**"). On the Scheme becoming Effective, each Locked-in Party will enter into a Resulting Issuer Escrow Agreement with Hunt and Computershare Canada, as escrow agent, in respect of, for Carlos Miguens and Cantomi, the New Hunt Shares to be issued to them pursuant to the Offer and, in respect of Tim Hunt, his existing Hunt Shares. Pursuant to the terms of the Resulting Issuer Escrow Agreement and in accordance with the requirements of the TSX-V, such parties will agree, *inter alia*, to place their entire shareholdings of Hunt Shares into escrow, with the following release provisions:

- In respect of Carlos Miguens and Cantomi: 10 per cent. of such holdings being released on the listing date of the New Hunt Shares on the TSX-V with the remaining 90 per cent. of such Hunt Shares remaining held in escrow, until being released in equal 15 per cent. tranches at the end of every six month period thereafter, with the final tranche being released 36 months following the listing date of the New Hunt Shares on the TSX-V.
- In respect of Tim Hunt: 25 per cent. of such holdings being released on the listing date of the New Hunt Shares on the TSX-V with the remaining 75 per cent. of such Hunt Shares remaining held in escrow, until being released in equal 25 per cent. tranches at the end of every six month period thereafter, with the final tranche being released 18 months following the listing date of the New Hunt Shares on the TSX-V.

Subject to the Scheme becoming Effective, it is expected that the Locked-in Parties will hold, in aggregate, 190,426,782 Hunt Shares, representing, in aggregate, approximately 59.89 per cent. of the issued common shares of the Combined Group on completion of the Offer.

7. Information relating to the Hunt Group

Hunt is a Canadian company incorporated in January 2006 under the laws of Alberta and the Hunt Shares have been listed for trading on the TSX Venture Exchange, under the ticker code: HMX, since 5 February 2010 (following a reverse takeover of Sinomar Capital Corporation by HuntMountain Resources Ltd). Hunt continued its jurisdiction of incorporation to British Columbia in 2013. Hunt is a precious metals exploration and development company, with its core projects located in the Santa Cruz Province of Argentina, where it holds mineral rights to 39 properties covering approximately 125,572 hectares.

Since 2006, Hunt has drilled more than 62,000 metres of diamond core, conducted 416 line kilometres of Induced Polarisation/Resistivity geophysical surveys and collected more than 20,000 surface soil, sediment, channel, chip and trench

samples. Such drilling activity has led to the identification of six mineralised zones between Hunt's flagship projects, La Josefina and La Valenciana, and the El Gateado Project. In March 2006, Hunt's wholly owned subsidiary, CCSA, acquired the right to conduct exploration on the El Gateado property for a period of at least 1,000 days, commencing after the Government issues a formal claim notice, and to retain 100 per cent. ownership of any mineral deposit found within. Hunt has not yet received a formal claim notice pertaining to the El Gateado property.

On 11 May 2016, Hunt completed the acquisition of the Martha mine, which is located in the province of Santa Cruz, Argentina from New York Stock Exchange listed Coeur Mining Inc. The processing plant at the Martha mine had an estimated useful life of eight years at the time of the acquisition, with the plant expected to be used to process material from both the Martha and La Josefina projects.

The Martha property consists of approximately 7,850 hectares of concessions, various buildings and facilities, surface and underground mining and support equipment, a nameplate 480 tpd crushing, grinding and flotation plant, tailings facility, various stockpiles and waste dumps, employee living and cafeteria quarters and miscellaneous physical materials. Hunt restored and repaired the physical assets acquired during the latter part of 2016 and the first quarter of 2017. In addition, Hunt has access to surface ranch lands surrounding the mine and mill site comprising approximately 35,700 hectares. Royal Gold Inc. holds a 2 per cent. Net Smelter Return (NSR) royalty on all production from the Martha property; the obligation for which transferred from Coeur to Hunt as part of the acquisition of the Martha mine. In addition, the provincial government holds a 3 per cent. pithead royalty from future production.

Hunt's issued share capital comprises 63,588,798 common shares which, at the closing share price on the TSX-V on 30 May 2019 of C\$0.115 equates to a market capitalisation of C\$7.31 million (approximately £4.30 million at an exchange rate of C\$0.5874/£1). In its audited results for the year ended 31 December 2018, Hunt generated approximately US\$0.4 million (£0.3 million) of revenue and an approximate US\$3.6 million (£2.9 million) gross loss.

The Hunt Directors comprise Tim Hunt (Chairman of the Hunt Board and Chief Executive Officer), Darrick Hunt, Alastair Summers and Alan Chan. Hunt has 31 employees, of which one is situated in Canada and 30 are situated in Argentina.

8. Information relating to the Patagonia Gold Group

Patagonia Gold was incorporated in England and Wales in May 2000 and its ordinary shares have been admitted to trading on AIM since March 2003. Patagonia Gold is a precious metals mining company, with a particular focus on exploration and development in the Patagonia region of Argentina. The Company is primarily focused on extracting value from its Cap-Oeste project in Santa Cruz and the more recently acquired Calcatreu project in Rio Negro. In summary, Patagonia Gold, indirectly via its subsidiaries or under option agreements, holds mineral rights to approximately 300 properties in several provinces of Argentina, Chile and Uruguay and is one of the largest landholders in the province of Santa Cruz, Argentina.

Cap-Oeste

Cap-Oeste was in production from the end of 2016 until February 2019 and was Patagonia Gold's sole producing asset, following the cessation of operations at Lomada de Leiva in November 2017. On 15 July 2018, mining from the open pit operations at Cap-Oeste ceased and the mine was put on care and maintenance. From the end of July 2018, until February 2019, production was being sourced from the re-handling of the material previously placed on the leach pad which did not recover as initially planned due to high clay content, which impacted overall recoveries. In February 2019, the Patagonia Gold Board decided to cease all production activity at Cap-Oeste as a result of lower than expected monthly production volumes. In 2018, Patagonia Gold produced 42,906 ounces AuEq (2017: 20,088 ounces AuEq, excluding production from Lomada de Leiva of 5,917 ounces Au), with an average cash cost of US\$507/ounce AuEq (2017: US\$552/ounce AuEq) including depreciation and amortisation.

Below the existing open pit at Cap-Oeste, there is an estimated NI 43-101 compliant Indicated Resource of approximately 298,000 ounces AuEq at an average grade of 19.42g/t AuEq at a cut-off grade of 0.5g/t AuEq. Following completion of the Offer, it is anticipated that Hunt's underground mining experience can be utilised to advance the development of an underground mine at Cap-Oeste in order to access this mineralisation.

Calcatreu

In May 2017, Patagonia Gold announced that it had signed an exclusive six-month option agreement with a wholly owned subsidiary of Pan American Silver Corp. (TSX:PAAS) to acquire its Calcatreu gold-silver project in the Rio Negro province. Such purchase option was exercised in December 2017 at a cost of US\$15 million and Patagonia Gold completed the acquisition in January 2018.

The Calcatreu project has an independent NI 43-101 compliant mineral resource estimate of 746,000 ounces AuEq grading at 2.36 g/t AuEq in the Indicated Resource category and 390,000 ounces AuEq grading at 1.50 g/t AuEq in the Inferred Resource category, and provides the opportunity to potentially develop a large scale and long life asset, in a new pro-mining jurisdiction. In September 2018, the necessary permits to commence drilling were granted and a 7,000 metre drilling programme commenced in October 2018. In February 2019, Patagonia Gold announced the results of the drilling programme, which confirmed the existence of blind/covered, mineralised structures suggested by the geophysics. The Patagonia Gold Board believes that Calcatreu is of sufficient size to justify a standalone operation and its continued exploration and development will be a priority for the Combined Group. Utilising the funding available for draw down under the existing Cantomi Loan Facility, the Combined Group ultimately intends to commission a feasibility study for Calcatreu and update the mineral resource estimate at the project.

Patagonia Gold's issued share capital comprises 23,634,749 ordinary shares which, at the prevailing middle market closing share price on 30 May 2019 of £0.535, equates to a current market capitalisation of £12.65 million. In its audited results for the year ended 31 December 2018, Patagonia Gold generated approximately US\$48.1 million (£38.2 million) of revenue and an approximate US\$22.5 million (£17.8 million) gross loss.

The Patagonia Gold Directors comprise Carlos Miguens (Chairman), Christopher van Tienhoven (Chief Executive Officer), Gonzalo Tanoira (Non-Executive Director) and Manuel De Prado (Non-Executive Director). The Patagonia Gold Group has approximately 90 employees, all of whom are situated in Argentina.

Current trading and prospects

On 19 February 2019, Patagonia Gold announced that, effective from 28 February 2019, Lomada de Leiva was to be closed and all activity at the Cap-Oeste project placed on care and maintenance, due to lower than expected production volumes from both operations. On 1 March 2019, Patagonia Gold announced that it had entered into an agreement with Cantomi for the Cantomi Loan Facility of up to US\$15 million. On 11 April 2019, Patagonia Gold released its final results for the year ended 31 December 2018. Further financial and other information on Patagonia Gold will be set out in the Scheme Document.

9. Patagonia Gold's Directors, management, employees and locations

For the reasons set out in section 3 above entitled "Background to and reasons for the Offer", Hunt sees clear, long-term strategic benefit to all stakeholders by the combination of these two complementary businesses.

Hunt recognises the significant skills, technical ability and Argentinian operating experience of the Patagonia Gold Board, its management and employees. Accordingly, Hunt expects that certain members of the Patagonia Gold Board and the majority of Patagonia Gold's management and employees will play an important role in the future development of the Combined Group.

Hunt's Board does not plan to make any changes to the research and development functions of Patagonia Gold, nor does it, save for the mutually agreed resignations of Patagonia Gold's two non-executive directors and changes pursuant to the employee assessment (each as set out below), have any plans to make any other material changes, either to the continued existence or terms and conditions of employment or in the balance of skills and functions of the management and employees of the Patagonia Gold Group or the Hunt Group. Accordingly, Hunt expects that, following successful completion of the Offer, Patagonia Gold will operate principally as it does today, but within the Hunt organisation.

Shortly following the Effective Date, the Directors of the Combined Group will conduct a thorough assessment of the available skillsets of the employees of both Patagonia Gold and Hunt, which is expected to last three months, and, as far as possible, Patagonia Gold's employees will be integrated into the combined team. The assessment may result in redundancies where the businesses have overlapping functions or where operational efficiencies are identified, however Hunt anticipates that the majority of its employees will be retained. Hunt will so far as is possible, following conclusion of the assessment, endeavour to reallocate any personnel identified as at risk within the Combined Group to avoid redundancies.

As set out in section 14, Hunt intends to seek the cancellation of the admission of the Patagonia Gold Shares to trading on AIM from or shortly after the Effective Date, resulting in Patagonia Gold's general and administrative team being entirely focussed on supporting business growth, rather than AIM investor and UK publicly quoted company related matters.

As set out in section 6 above, on the Scheme becoming Effective, each of Carlos Miguens, Cantomi and Tim Hunt will enter into a Resulting Issuer Escrow Agreement with Hunt and Computershare Canada, as escrow agent, in respect of, for Carlos Miguens and Cantomi, the New Hunt Shares to be issued to them pursuant to the Offer and, in respect of Tim Hunt, his existing Hunt Shares. Pursuant to the terms of the Resulting Issuer Escrow Agreement and in accordance with the requirements of the TSX-V, such parties will agree, *inter alia*, to place their entire shareholdings of Hunt Shares into escrow, with such shares to be released in tranches, as detailed in section 6 above.

The Hunt Board has given assurances to the Patagonia Gold Directors that, following the successful completion of the Offer, the existing contractual and statutory employment rights, and terms and conditions of employment, of all Patagonia Gold Group employees will be fully safeguarded. Patagonia Gold does not have any pension obligations.

The Hunt Board has also indicated that, following the successful completion of the Offer, the head office of the Combined Group will be Patagonia Gold's existing head office in Buenos Aires and that Hunt's registered office will remain in Vancouver, although the location in Vancouver may change. Patagonia Gold's UK registered office is an administrative address only and there are no Patagonia Gold employees in the United Kingdom. Accordingly, Hunt may change the registered office of Patagonia Gold following completion of the Offer but it will remain in the UK and will have no effect on Patagonia Gold employees.

It is intended that Christopher van Tienhoven will join the senior management of the Combined Group as Chief Executive Officer, with Carlos Miguens and Cristian Lopez Saubidet (currently interim Chief Financial Officer of Patagonia Gold) joining the board of directors of the Combined Group as Non-Executive Chairman and Chief Financial Officer respectively. It has also been mutually agreed that, subject to the Scheme becoming Effective, the appointments of Gonzalo Tanoira and Manuel De Prado as Non-Executive Directors of Patagonia Gold will terminate with effect from the Effective Date and that they will each receive remuneration in line with the termination provisions of their respective letters of appointment by way of compensation.

Save for the above, there are no agreements or arrangements between Hunt and the management or employees of Patagonia Gold in relation to their ongoing involvement in the business and the Offer will not be conditional on reaching agreement with such persons. Hunt has not entered into, and is not in discussions on any proposals to enter into, any form of incentivisation arrangement with members of Patagonia Gold's management who are interested in Patagonia Gold Shares and has no plans so to do. Following completion of the Offer, Hunt may put in place incentive arrangements for certain members of Patagonia Gold's management team. No proposals have been made on the terms of any such incentive arrangements for relevant management.

Hunt's intentions in relation to the deployment of Patagonia Gold's fixed assets are aligned with Patagonia Gold's intentions to utilise Hunt's underground mining experience in order to develop the Cap-Oeste Underground Mine and it is expected that the Combined Group will utilise Patagonia Gold's existing equipment to progress development of its exploration assets. Patagonia Gold's fixed assets are predominantly based in Argentina and no redeployment of such assets outside of Argentina is intended to occur after the Effective Date.

Hunt believes that the integration of the two businesses can be achieved without significant disruption to either business. Save as described above, the Offer is not expected to have any impact on Hunt and its existing business.

In accordance with Rule 2.11 of the Code, Patagonia Gold will make available to its employees a copy of this Announcement and will inform its employees of the rights of any employee representatives under Rule 25.9 of the Code to require that a separate opinion of any employee representatives on the effects of the Scheme on employment be appended to the Scheme Document. If

and to the extent that Patagonia Gold is provided with an opinion from the employee representatives after the date of publication of the Scheme Document, Patagonia Gold will publish that opinion in accordance with Rule 25.9 of the Code.

10. Structure of the Offer

It is intended that the Offer will be effected by means of a Court-sanctioned scheme of arrangement between Patagonia Gold and Scheme Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Hunt to become the owner of the entire issued and to be issued ordinary share capital of Patagonia Gold. This is to be achieved by the transfer by Scheme Shareholders of all of the Scheme Shares to Hunt, in consideration for which, Scheme Shareholders will receive the New Hunt Shares on the basis of the Exchange Ratio. The transfer to Hunt of the Scheme Shares will result in Patagonia Gold becoming a wholly-owned subsidiary of Hunt.

To become Effective, the Scheme requires, among 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 by the Patagonia Gold Shareholders of the special resolution necessary to implement the Scheme at the General Meeting.

The Scheme can only become Effective in accordance with its terms if all the Conditions have been satisfied or, where relevant, waived. Subject to satisfaction (or, where applicable, waiver) of the Conditions, the Scheme is expected to become Effective in accordance with its terms by the Longstop Date or such later date (if any) as Hunt or Patagonia Gold may, with the consent of the Panel, agree and (if required) the Court may allow.

Under the terms of the Scheme, the Scheme Shares being acquired will be fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever (except for any arising by operation of law) and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date.

Further details of the Scheme, including an indicative timetable for its implementation and notices of the Court Meeting and General Meeting, will be set out in the Scheme Document, which will also specify the action to be taken by Patagonia Gold Shareholders.

It is expected that the Scheme Document and the Forms of Proxy will be published as soon as practicable, but in any event by no later than 28 days from the date of this Announcement. The Scheme Document together with the Forms of Proxy will be posted to Scheme Shareholders and, for information only, to persons with information rights and holders of options, as soon as practicable. Subject, among other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective during July 2019.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court. The Scheme will also be subject to the applicable requirements of the Code, the Disclosure Guidance and Transparency Rules of the FCA, the Panel and the rules of the London Stock Exchange (including the AIM Rules) and also with the applicable requirements of Canadian laws and the policies of the TSX-V as a result of Hunt being a Canadian company, listed on the TSX-V.

11. Patagonia Gold Share Plans

All options to acquire Patagonia Gold Shares that have been granted and are outstanding under the Patagonia Gold Share Plans have an exercise price that is greater than the value of a Patagonia Gold Share implied by the Exchange Ratio. Holders of such options will be contacted regarding the effect of the Scheme on their rights under the Patagonia Gold Share Plans. Options that are not exercised will lapse to the extent unexercised, in due course, in accordance with their terms, following the Effective Date.

12. Conditions to the Offer

The Offer will be subject to the Conditions and further terms summarised below and in Appendix I to this Announcement and to be set out in full in the Scheme Document.

Subject to satisfaction (or, where applicable, waiver) of the Conditions, the Scheme is expected to become effective in accordance with its terms during July 2019.

The Offer is conditional on, among other things:

- the approval of the Scheme by the Scheme Shareholders at the Court Meeting;
- the passing of the special resolution by the Patagonia Gold Shareholders necessary to implement the Scheme at the Patagonia Gold General Meeting;
- the Scheme becoming unconditional and Effective and being sanctioned by the Court; 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.

Hunt has obtained shareholder approval for the acquisition of the entire issued and to be issued share capital of Patagonia Gold, as required by the policies of the TSX-V, by way of written consent from Hunt's largest shareholder, Tim Hunt, in respect of, in aggregate, 53,306,925 Hunt Shares owned or controlled by him, representing approximately 83.83 per cent. of Hunt's existing issued share capital.

The New Hunt Shares will not be, directly or indirectly, offered or sold in Canada. Hunt is not required to publish a prospectus or offering circular in connection with the issuance of the New Hunt Shares. The transaction constitutes a reverse takeover for Hunt pursuant to the rules of the TSX-V. Hunt's Shares will be halted from trading on the TSX-V with effect from market open on 31 May 2019 pending completion of the Offer, when the Combined Group will resume trading under the proposed new issuer name of Patagonia Gold Corp. In addition, Hunt published a Filing Statement on 30 May 2019 in respect of the reverse takeover, which is

now available on SEDAR (www.sedar.com), under Hunt's existing issuer profile.

13. Scheme Document

It is expected that the Scheme Document and the Forms of Proxy will be published as soon as practicable. The Scheme Document will be made available to all Patagonia Gold Shareholders (other than Restricted Overseas Persons) at no charge to them.

Patagonia Gold Shareholders are urged to read the Scheme Document in full because it will contain important information. Any Patagonia Gold Shareholder who is in any doubt about the content of this Announcement should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

14. Cancellation of admission to trading on AIM and re-registration

On completion of the Offer, Patagonia Gold will become a wholly owned subsidiary of Hunt. Prior to the Scheme becoming Effective, it is intended that an application will be made to the London Stock Exchange for admission of the Ordinary Shares to trading on AIM to be cancelled from or shortly after the Effective Date. The last day of dealings in, and registration of transfers of, the Ordinary Shares (other than the registration of the transfer of the Scheme Shares to Hunt pursuant to the Scheme) on AIM is expected to be the Business Day in London immediately prior to the Effective Date and no transfers shall be registered after 6.00 p.m. on that date.

On the Effective Date, share certificates in respect of Ordinary Shares will cease to be valid and entitlements to Ordinary Shares held within the CREST system will be cancelled or transferred. It is also intended that shortly after the Effective Date, Patagonia Gold will be re-registered as a private limited company under the relevant provisions of the Companies Act and, in due course, Hunt plans to transfer Patagonia Gold's operating subsidiaries to a Hunt subsidiary and dissolve or liquidate Patagonia Gold.

Hunt will remain listed on the TSX-V following completion of the Offer and trading in Hunt Shares is expected to resume following completion under the proposed new issuer name for the Combined Group of Patagonia Gold Corp. with symbol PGDC.

15. Settlement

Subject to implementation of the Scheme (and except as provided in the Scheme Document in relation to Overseas Shareholders), settlement of the consideration to which any holder of Scheme Shares is entitled under the Scheme will be effected in the manner set out below.

15.1 Consideration where Scheme Shares are held in uncertificated form (that is, in CREST)

Unlike Patagonia Gold Shares, New Hunt Shares are not capable of being directly held, transferred or settled through the usual UK settlement systems, such as CREST. For this reason, Scheme Shareholders who hold their Patagonia Gold Shares in uncertificated form through CREST will not be issued with New Hunt Shares directly but will instead be issued with Depositary Interests (as explained in more detail below and subject to the position of Restricted Overseas Persons).

The Depositary Interest arrangements reflect the economic rights attached to the New Hunt Shares. However, while the holders of Depositary Interests will have an entitlement to the underlying New Hunt Shares, they will not be the registered holders of the New Hunt Shares. New Hunt Shares to which Scheme Shareholders (other than Restricted Overseas Persons) will be entitled under the Scheme will be delivered, held and settled in CREST.

Hunt will enter into the Depositary Deed Poll pursuant to which it will have, through Computershare Investor Services PLC (to be appointed as the "**Depositary**"), a facility whereby Depositary Interests, representing Hunt Shares, will be issued by the Depositary to persons entitled in electronic form within the CREST system. Under the Depositary Deed Poll, the Depositary (or its Custodian) will hold Hunt Shares in certificated form on trust for shareholders and it will issue uncertificated Depositary Interests (on a one-for-one basis) representing those underlying Hunt Shares and provide the necessary custodian services. The relevant Scheme Shareholders will retain the beneficial interest in the Hunt Shares held through the Depositary Interest facility and voting rights, dividends or any other rights relating to those Hunt Shares, as well as information to make choices and elections, and to attend and vote at general meetings, shall be passed on by the Depositary (or its nominee) in accordance with the terms of the Depositary Deed Poll. The Depositary Interests can then be held and settled within the CREST system in the same way as any other CREST security.

The custodian of the New Hunt Shares is expected to be Computershare Company Nominees Limited, who will hold those New Hunt Shares on trust (as bare trustee under English law) for the uncertificated Scheme Shareholders to whom it will issue a corresponding number of Depositary Interests.

Each Depositary Interest will be treated as one Common Share for the purposes of determining eligibility for dividends and voting entitlements. In respect of any dividends declared, Hunt will provide the Depositary (or its appointed custodian) with funds for the payment and the Depositary will transfer the money to the DI Holders. In respect of voting, the Depositary will cast votes in respect of the Hunt Shares as directed by the DI Holders which the relevant Hunt Shares represent. Any dividends paid on the New Hunt Shares will be paid to holders of Depositary Interests in the currency in which the relevant holder has elected through CREST to receive such payments.

The Depositary Interests will be created pursuant to, and issued on, the terms of the Depositary Deed Poll. Prospective DI Holders should note that they will have no rights in respect of the underlying Hunt Shares or the Depositary Interests representing them against CREST or its subsidiaries. The Depositary Interests will have the same ISIN as the underlying Hunt Shares.

It should be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Hunt Shares, including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary or its nominated custodian, in accordance with any voting arrangements made available to them, to vote the underlying Hunt Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such Hunt Shares as a proxy of the Depositary or its nominated Custodian.

Notwithstanding the above, Hunt reserves the right to settle all or part of such consideration in the manner set out in section 15.2 if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this section 15.1.

On the Scheme becoming Effective each holding of Scheme Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course.

Pending the crediting of CREST accounts in respect of DIs representing New Hunt Shares and the despatch of DRS Advices for New Hunt Shares, temporary documents of title will not be issued. Euroclear UK & Ireland Ltd, as the operator of the CREST system, will be instructed to cancel the entitlements to Patagonia Gold Shares transferred as part of the Scheme.

If a holder of DIs wishes to cancel its Depositary Interest, it will need to either directly, or through its broker, instruct the applicable CREST participant to initiate a CREST withdrawal (where such withdrawal is sent to the Depositary) for the name that is to appear on the Hunt register of members. The Depositary Interest will then be cancelled by the Depositary and the related Common Share(s) will be transferred to the account on the share register by the Registrar. The Registrar will either send the registered holder a new DRS Advice if held directly, or if held in nominee form, by electronically updating the CDS position associated with the holder's broker.

Computershare will enter into a deed poll, pursuant to which it will hold (either directly or via a custodian) the New Hunt Shares as bare trustee and all rights and other securities, property and cash attributable to the underlying securities pertaining to the Depositary Interests for the benefit of the holders of the relevant Depositary Interests (the "**Deed Poll**"). The Depositary will be required to pass on to the Depositary Interest holders and, so far as they are reasonably able, exercise on behalf of the Depositary Interest holders all rights and entitlements received or to which they are entitled in respect of the New Hunt Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at general meetings and any class meetings will, subject to the Deed Poll, be required to be passed on to the underlying holders of the Depositary Interests, together with any amendments and additional documentation necessary to effect such passing-on. The Deed Poll will contain customary provisions excluding and limiting the Depositary's liability to holders of the Depositary Interests.

In connection with those arrangements, Hunt and Computershare will also enter into a depositary agreement whereby Computershare as Depositary is appointed to act as depositary of Hunt upon the terms of the Deed Poll.

15.2 Consideration where Scheme Shares are held in certificated form

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, any New Hunt Shares to which such Scheme Shareholder is entitled pursuant to the Scheme will be issued shortly after the Effective Date.

Hunt's constitutional documents allow for Hunt to participate in the Canadian Direct Registration System ("**DRS**"). DRS is a system that allows securities to be held in "book-entry" (i.e. registered) form without having a physical security certificate issued as evidence of ownership. Instead, Hunt Shares are held in each shareholder's name and registered electronically on Hunt's records, which are maintained by its transfer agent, Computershare Canada. Holders of securities in DRS (book-entry form) have all the traditional rights and privileges as holders of securities in certificated form.

The use of DRS eliminates the need for physical share certificates to be safely held and stored and also provides an audit trail of all transactions within DRS. Use of DRS also removes the requirement for a shareholder who has lost the share certificate of a Canadian issuer to obtain a surety bond (at 3 per cent. of the market value of the shares represented by the lost certificate) in order to have a replacement certificate issued.

Therefore, Scheme Shareholders who hold Scheme Shares in certificated form will receive, in hard copy, an initial DRS Advice setting out the number of New Hunt Shares held by them. Each time a holder of Hunt Shares held within DRS acquires or disposes of shares, an updated DRS Advice will be sent to such holder. In addition, a holder of Hunt Shares held within DRS can review their account online at any time.

Holders of Hunt Shares held within DRS can transfer their Hunt Shares to a broker and disposals of Hunt Shares held within DRS can also be effected through Computershare Canada as Hunt's transfer agent. Full details of how to undertake such actions in respect of Hunt Shares held within DRS will accompany the initial DRS Advice.

Holders of Hunt Shares held within DRS can also at any time request from Computershare Canada a share certificate for all or a portion of the Hunt Shares held within DRS. In such an event, a share certificate representing the requested number of shares will be sent out by post. A fee may be levied by Computershare Canada for the production of such a certification.

DRS Advices setting out ownership of such New Hunt Shares will be despatched, at the recipients' risk, by first class post to Scheme Shareholders who hold their Scheme Shares in certificated form as soon as practicable after the Effective Date and, in any event, no later than 14 days after the Effective Date, to the address appearing on the register of members of Patagonia Gold at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding).

Temporary documents of title will not be issued. The existing certificate(s) held by every certificated holder of Patagonia Gold Shares will become null and void pursuant to the Scheme becoming Effective.

15.3 General

All documents sent to, by, from or on behalf of Scheme Shareholders in accordance with this section will be sent entirely at the risk of the person entitled thereto.

Settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in

accordance with the terms set out in this section 15 without regard to any lien, right of set off, counterclaim or analogous right to which Hunt may otherwise be, or claim to be, entitled against any Scheme Shareholder.

Fractional entitlements to New Hunt Shares for each Scheme Shareholder will be rounded down to an integral number and will not be allotted or issued to holders of Scheme Shares pursuant to the Scheme. These fractional entitlements will be aggregated and shall, on a reasonable basis, be sold for the benefit of the Scheme Shareholders. The equivalent of the net proceeds of such sale of New Hunt Shares (after deduction of brokerage charges and associated expenses) will be paid to the Scheme Shareholders pro-rated to their holdings of Patagonia Gold Shares at the Scheme Record Time as soon as practicable after receipt, except that if the aggregate amount due to any Scheme Shareholder in respect of the amounts due to him/it in respect of fractional entitlements to New Hunt Shares is less than £5.00 such sum will not be distributed but will instead be aggregated and accrued to the benefit of Hunt. Neither Hunt nor any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the sales or the sales or any failure to sell fractional entitlements to New Hunt Shares.

16. Offer related arrangements

Confidentiality Agreement

Hunt and Patagonia Gold entered into a confidentiality agreement on 20 March 2019 (the "**Confidentiality Agreement**") pursuant to which each of Hunt and Patagonia Gold has undertaken to keep confidential information relating to the other party and not disclose it to third parties (other than to permitted persons) unless required by law or regulation. These confidentiality obligations will remain in force for a period of 12 calendar months from the date of the Confidentiality Agreement.

Resulting Issuer Escrow Agreement

As noted in section 6 above, on the Scheme becoming Effective, Carlos Miguens, Cantomi and Tim Hunt will enter into a Resulting Issuer Escrow Agreement with Hunt and Computershare Canada, as escrow agent, in respect of, for Carlos Miguens and Cantomi, the New Hunt Shares to be issued to them pursuant to the Offer and, in respect of Tim Hunt, his existing Hunt Shares. Pursuant to the terms of the Resulting Issuer Escrow Agreement and in accordance with the requirements of the TSX-V, such parties will agree, *inter alia*, to place their entire shareholdings of Hunt Shares into escrow, with the following release provisions:

- In respect of Carlos Miguens and Cantomi: 10 per cent. of such holdings being released on the listing date of the New Hunt Shares on the TSX-V with the remaining 90 per cent. of such Hunt Shares remaining held in escrow, until being released in equal 15 per cent. tranches at the end of every six month period thereafter, with the final tranche being released 36 months following the listing date of the New Hunt Shares on the TSX-V.
- In respect of Tim Hunt: 25 per cent. of such holdings being released on the listing date of the New Hunt Shares on the TSX-V with the remaining 75 per cent. of such Hunt Shares remaining held in escrow, until being released in equal 25 per cent. tranches at the end of every six month period thereafter, with the final tranche being released 18 months following the listing date of the New Hunt Shares on the TSX-V.

17. Disclosure of interests in Patagonia Gold relevant securities

Save for the irrevocable undertakings referred to in section 6 above, as at the close of business on 30 May 2019 (being the latest practicable date prior to the date of this Announcement), neither Hunt nor any of the directors of Hunt or any member of the Hunt Group, nor, so far as the directors of Hunt are aware, any person acting in concert with Hunt for the purposes of the Offer, had any interest in, right to subscribe for, or had borrowed or lent any Patagonia Gold Shares or securities convertible or exchangeable into Patagonia Gold Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Code, in relation to Patagonia Gold Shares or in relation to any securities convertible or exchangeable into Patagonia Gold Shares.

Furthermore, save for the irrevocable undertakings described in section 6 above, no arrangement exists between Hunt or Patagonia Gold or a person acting in concert with Hunt or Patagonia Gold in relation to Patagonia Gold Shares. For these purposes, an "arrangement" includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to Patagonia Gold Shares which may be an inducement to deal or refrain from dealing in such securities.

18. General

The Offer will be made on the terms and subject to the Conditions and certain further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. The sources of information and bases of calculations contained in this Announcement are set out in Appendix II to this Announcement. A summary of the irrevocable undertakings is set out in Appendix III to this Announcement. Certain terms used in this Announcement are defined in Appendix IV to this Announcement.

This Announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 ("**MAR**"). Market soundings, as defined in MAR, were taken in respect of the Offer, with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this Announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to Patagonia Gold and its securities.

19. Consent

Strand Hanson has given and not withdrawn its consent to the publication of this Announcement with the inclusion in it of the references to its name and (where applicable) advice in the form and context in which they appear.

20. Documents available on a website

Copies of the following documents will be made available on Hunt and Patagonia Gold's websites at www.huntmining.com and www.patagoniagold.com, respectively from no later than 12 noon (London time) on 3 June 2019 up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- a copy of this Announcement;
- the irrevocable undertakings referred to in section 6 above and summarised in Appendix III to this Announcement;
- the Confidentiality Agreement;
- the audited final results of Hunt for the 12 months ended 2017 and 2018;
- the Filing Statement;
- Tim Hunt's irrevocable written consent approving Hunt's reverse takeover; and
- the written consent provided by Strand Hanson referred to in section 19 of this Announcement.

Neither the contents of Patagonia Gold's nor Hunt's websites, nor the content of any other website accessible from hyperlinks on such websites, is incorporated into or forms part of this Announcement.

Enquiries:

Hunt Mining Corp.

Tim Hunt, Chairman and Chief Executive Officer Tel: +1 509 290 5659

Patagonia Gold Plc

Carlos Miguens, Non-Executive Chairman Tel: +54 11 5278 6950
Christopher van Tienhoven, Chief Executive Officer

Strand Hanson Limited

(Financial Adviser to Patagonia Gold)

Stuart Faulkner Tel: +44 (0)207 409 3494
Matthew Chandler
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Jack Botros

Important Notice

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.

Further information

This Announcement is made pursuant to Rule 2.7 of the Code and 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 will be made solely pursuant to the disclosures and information contained in the Scheme Document which, together with the Forms of Proxy, will contain 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 will prepare the Scheme Document to be distributed to Patagonia Gold Shareholders (with input from Hunt, including with respect to information about the New Hunt Shares and the Combined Group). Patagonia Gold urges Patagonia Gold Shareholders to read the Scheme Document when it becomes available because it will contain 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 will be implemented in accordance with applicable English law and will be 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.

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 will be 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 this Announcement and 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.

Cautionary note regarding forward-looking statements

This Announcement contains certain statements that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations and business of Hunt and/or Patagonia Gold and/or the Combined Group and certain plans and objectives of Hunt with respect thereto. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements also often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by Hunt and/or Patagonia Gold (as applicable) in light of their experience and perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on

circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. Hunt does not assume any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by the Panel, the Code or by applicable law.

Forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. Neither Hunt nor Patagonia Gold undertakes any obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except to the extent legally required.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business and competitive environments, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Hunt Group or the Patagonia Gold Group, refer to the Filing Statement and the annual report and accounts of the Patagonia Gold Group for its financial year ended 31 December 2018, respectively.

No member of the Hunt Group or the Patagonia Gold Group nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.

Except as expressly provided in this Announcement, no forward-looking or other statements have been reviewed by the auditors of the Hunt Group or the Patagonia Gold Group. All subsequent oral or written forward-looking statements attributable to any member of the Hunt Group or the Patagonia Gold Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

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.

A hard copy of this Announcement will be sent to Patagonia Gold Shareholders (other than Patagonia Gold Shareholders who have elected to receive electronic communications) in the near future. 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. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this Announcement will not be provided unless such a request is made.

Electronic Communications

Please be aware that addresses, electronic addresses and certain other information provided by Patagonia Gold Shareholders, persons with information rights and other relevant persons for the receipt of communications from Patagonia Gold may be provided to Hunt during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Time

All times shown in this Announcement are London times, unless otherwise stated.

APPENDIX I

CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER

Part A: Conditions of the Scheme and the Offer

1. The Offer is conditional upon the Scheme becoming unconditional and becoming Effective by no later than the Longstop Date or such later date (if any) as Hunt and Patagonia Gold may agree and (if required) the Court and the Panel may allow.
2. The Scheme is subject to the following conditions:
 - 2.1 the approval of the Scheme by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders who are on the register of members of Patagonia Gold at the Voting Record Time, (or the relevant class or classes thereof, if applicable) present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or at any adjournment thereof) and such meeting (or at any adjournment thereof) being held on or before the 22nd day after the expected date of the Court Meeting as set out in the Scheme Document (or such later date, if any, as may be agreed by Hunt and Patagonia Gold and which the Court may allow);
 - 2.2 all resolutions necessary to approve and implement the Scheme being duly passed at the Patagonia Gold General Meeting (or any adjournment thereof) and such Patagonia Gold General Meeting being held on or before the 22nd day after the expected date of the Patagonia Gold General Meeting as set out in the Scheme Document (or such later date, if any, as may be agreed by Hunt and Patagonia Gold and which the Court may allow); and
 - 2.3 the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Hunt and Patagonia Gold) and the delivery of a copy of the Court Order to the Registrar of Companies and the Court hearing to sanction the Scheme being held on or before the 22nd day after the expected date of the Court sanction hearing as set out in the Scheme Document (or such later date, if any, as may be agreed by Hunt and Patagonia Gold and the Court may allow).
3. In addition, subject as stated in Part B below and to the requirements of the Panel in accordance with the Code, the Offer is conditional upon the following Conditions and, accordingly, the sanction of the Scheme by the Court will not be sought and the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

Admission of the New Hunt Shares

- 3.1 Hunt having taken all necessary actions (i.e. submission of an application for listing of the New Hunt Shares to the TSX-V by not later than three weeks prior to the Effective Date) 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;

Notifications, waiting periods and Authorisations

- 3.2 other than in relation to the matters referred to in Conditions 1, 2 and 3.1, all material notifications, filings or applications which are necessary under any applicable legislation or regulation of any relevant jurisdiction in connection with the Offer having been made or will be made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate), and all statutory and regulatory obligations in any jurisdiction having been complied

with in each case in respect of the Offer and all Authorisations necessary in any jurisdiction for or in respect of the Offer or the control or management of Patagonia Gold by any member of the Wider Hunt Group, having been obtained from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Patagonia Gold Group or the Wider Hunt Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Patagonia Gold Group in any relevant jurisdiction which is material in the context of the Wider Patagonia Gold Group taken as a whole having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise Effective and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

General antitrust and regulatory

- 3.3 other than in relation to the matters referred to in Conditions 1, 2 and 3.1, no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) which would or might reasonably be expected to:
- 3.3.1 require, prevent or materially delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider Hunt Group or by any member of the Wider Patagonia Gold Group of all or any part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) which, in any such case, is material in the context of the Wider Patagonia Gold Group or the Wider Hunt Group, as the case may be, in either case, taken as a whole;
 - 3.3.2 require any member of the Wider Hunt Group or the Wider Patagonia Gold Group to acquire or offer to acquire a material number of shares, other securities (or the equivalent) or interest in any member of the Wider Patagonia Gold Group or any asset owned by any Third Party (other than in the implementation of the Offer), where such acquisition would be material in the context of the Wider Patagonia Gold Group taken as a whole;
 - 3.3.3 impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Hunt Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Patagonia Gold or on the ability of any member of the Wider Patagonia Gold Group or any member of the Wider Hunt Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Patagonia Gold Group to an extent which is material in the context of the Wider Patagonia Gold Group or the Wider Hunt Group, in either case, taken as a whole;
 - 3.3.4 make the Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Patagonia Gold by any member of the Wider Hunt Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise prevent or prohibit, restrict, restrain, or delay or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge, impede, interfere with the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Patagonia Gold by any member of the Wider Hunt Group; or
 - 3.3.5 impose any material limitation on the ability of any member of the Wider Hunt Group or any member of the Wider Patagonia Gold Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Hunt Group and/or the Wider Patagonia Gold Group in a manner which is materially adverse to the Wider Patagonia Gold Group or the Wider Hunt Group, as the case may be, in either case, taken as a whole,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any Patagonia Gold Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

- 3.4 except as Disclosed, there being no provision of any arrangement, agreement, licence, permit or other instrument to which any member of the Wider Patagonia Gold Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event of circumstance which, in consequence of the Offer or the acquisition or proposed acquisition by any member of the Wider Hunt Group of any shares or other securities (or the equivalent) in Patagonia Gold or otherwise, would or might reasonably be expected to result in (in each case to an extent which is material in the context of the Wider Patagonia Gold Group taken as a whole):
- 3.4.1 any monies borrowed by, or other indebtedness actual or contingent of, any such member of the Wider Patagonia Gold Group being or becoming repayable or being capable of being declared repayable immediately or prior to its or their stated maturity or the ability of any such member to borrow monies or incur any indebtedness being inhibited or becoming capable of being withdrawn;
 - 3.4.2 save in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Patagonia Gold Group or any such security (whenever arising or having arisen) being enforced or becoming enforceable;
 - 3.4.3 any such arrangement, agreement, licence or other instrument being terminated or adversely modified or any action being taken of an adverse nature or any obligation or liability arising thereunder;
 - 3.4.4 the rights, liabilities, obligations or interests of any member of the Wider Patagonia Gold Group in the business of any such member under any such arrangement, agreement, permit or instrument with any other person or body or firm or company (or any arrangement or agreement relating to any such interests or business) being terminated, or adversely modified or affected;

- 3.4.5 any member of the Wider Patagonia Gold Group ceasing to be able to carry on business under any name under which it presently carries on business;
 - 3.4.6 the value of, or the financial or trading position or prospects of, any member of the Wider Patagonia Gold Group being prejudiced or adversely affected; or
 - 3.4.7 the creation or acceleration of any liability (actual or contingent) by any member of the Wider Patagonia Gold Group other than trade creditors or other liabilities incurred in the ordinary course of business,
- and no event having occurred which, under any provision of any arrangement, agreement, licence or other instrument to which any member of the Wider Patagonia Gold Group is a party, or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in Conditions 3.4.1 to 3.4.7 (inclusive) of this condition;

Certain events occurring since 31 December 2018

- 3.5 except as Disclosed, no member of the Wider Patagonia Gold Group having since 31 December 2018:
 - 3.5.1 issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Patagonia Gold Shares out of treasury (except, where relevant, as between Patagonia Gold and the wholly owned subsidiaries of Patagonia Gold or between the wholly owned subsidiaries of Patagonia Gold); -
 - 3.5.2 recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Patagonia Gold to Patagonia Gold or any of its wholly owned subsidiaries;
 - 3.5.3 other than pursuant to the Offer (and except for transactions between Patagonia Gold and its wholly owned subsidiaries or between the wholly owned subsidiaries of Patagonia Gold and transactions in the ordinary course of business), implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital;
 - 3.5.4 (except for transactions between Patagonia Gold and its wholly owned subsidiaries or between the wholly owned subsidiaries of Patagonia Gold) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so, in each case other than in the ordinary course of business and to an extent which is material in the context of the Wider Patagonia Gold Group taken as a whole;
 - 3.5.5 (except for transactions between Patagonia Gold and its wholly owned subsidiaries or between the wholly owned subsidiaries of Patagonia Gold and transactions in the ordinary course of business) issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness;
 - 3.5.6 entered into or varied or authorised, proposed or announced its intention, other than in the ordinary course of business, to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which is or which involves an obligation of a nature or magnitude which is reasonably likely to be restrictive on the business of any member of the Wider Patagonia Gold Group, in either case to an extent which is material in the context of the Wider Patagonia Gold Group taken as a whole;
 - 3.5.7 entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director of any member of the Wider Patagonia Gold Group, other than in the ordinary course of business;
 - 3.5.8 purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in Condition 3.5.1 above, made any other change to any part of its share capital;
 - 3.5.9 waived, compromised or settled any claim, other than in the ordinary course of business, which is material in the context of the Wider Patagonia Gold Group taken as a whole;
 - 3.5.10 terminated or varied the terms of any agreement or arrangement between any member of the Wider Patagonia Gold Group and any other person in a manner which would or could have a material adverse effect on the financial position of the Wider Patagonia Gold Group taken as a whole;
 - 3.5.11 made any alteration to its memorandum or articles of association or other incorporation documents;
 - 3.5.12 been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
 - 3.5.13 (other than in respect of a member of the Wider Patagonia Gold Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

No adverse change, litigation, regulatory enquiry or similar

- 3.6 except as Disclosed, since 31 December 2018 there having been:
 - 3.6.1 no adverse change in the business, assets, financial or trading position or profits or prospects of any

- member of the Wider Patagonia Gold Group to an extent which is material in the context of the Wider Patagonia Gold Group taken as a whole;
- 3.6.2 no litigation, arbitration proceedings, prosecution or other legal proceedings having been announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Patagonia Gold Group, in each case to an extent which is material in the context of the Wider Patagonia Gold Group taken as a whole;
- 3.6.3 no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Patagonia Gold Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Patagonia Gold Group, in each case to an extent which is material in the context of the Wider Patagonia Gold Group taken as a whole; and
- 3.6.4 no contingent or other liability having arisen or been incurred which might reasonably be expected to adversely affect any member of the Wider Patagonia Gold Group to an extent which is material in the context of the Wider Patagonia Gold Group taken as a whole; and

Other matters

- 3.7 except as Disclosed, Hunt not having discovered in relation to the Wider Patagonia Gold Group:
- 3.7.1 that any financial or business or other information concerning the Wider Patagonia Gold Group disclosed at any time, whether publicly or otherwise, by or on behalf of any member of the Wider Patagonia Gold Group, to Hunt or its advisers is misleading or contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading which is, or might reasonably be expected to be, material in the context of the Wider Patagonia Gold Group taken as a whole;
- 3.7.2 any member of the Wider Patagonia Gold Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation in any jurisdiction; or
- 3.7.3 any asset of any member of the Wider Patagonia Gold Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Part B: Certain further terms of the Offer

4. Hunt reserves the right, subject to the prior consent of the Panel, to elect to implement the Offer by way of a Takeover Offer. In such event, such offer will be implemented on the same terms and conditions subject to appropriate amendments to reflect the change in method of effecting the Offer, which will include an acceptance condition set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as Hunt may decide) of the voting rights then exercisable at a general meeting of Patagonia Gold, including, for this purpose, any such voting rights attaching to Patagonia Gold Shares that are unconditionally allotted or issued by Patagonia Gold, before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.
5. To the extent permitted by law and subject to the requirements of the Panel, Hunt reserves the right to waive in whole or in part, but subject to the provisions of the Code, all or any of the above Conditions 3.2 to 3.7 (inclusive).
6. The Offer will lapse and the Scheme will not proceed if, insofar as the Offer or any matter arising from or relating to the Offer or Scheme constitutes a concentration with a Community dimension within the scope of the EC Merger Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the EC Merger Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the EC Merger Regulation and there is then a CMA Phase 2 Reference before the date of the Court Meeting.
7. The Offer will lapse if the Scheme does not become Effective by the Longstop Date or such later date (if any) as Hunt and Patagonia Gold may agree and (if required) the Court and the Panel may allow.
8. If Hunt is required by the Panel to make an offer for Patagonia Gold Shares under the provisions of Rule 9 of the Code, Hunt may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.
9. The Scheme and any dispute or claim arising out of, or in connection with it (whether contractual or non-contractual in nature) will be governed by English law and will be subject to the jurisdiction of the Courts of England. The Scheme will be implemented in accordance with applicable English law and will be subject to the applicable requirements of the Code, the Disclosure Guidance and Transparency Rules of the FCA, the Panel and the rules of the London Stock Exchange (including the AIM Rules) and also with the applicable requirements of Canadian laws and the policies of the TSX-V as a result of Hunt being a Canadian company, listed on the TSX-V.
10. The Scheme Shares acquired under the Offer shall be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date.
11. Hunt will be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 3.2 to 3.7 (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
12. The availability of the New Hunt Shares to persons not resident in the UK may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the UK should inform themselves about and observe any applicable requirements. The New Hunt Shares to be issued pursuant to the Offer have not been and will not be registered under the US Securities Act, nor under any of the relevant securities laws of any other Restricted Jurisdiction. Accordingly, the New Hunt Shares may not be offered, sold or delivered, directly or indirectly, in any Restricted Jurisdiction, except pursuant to

exemptions from the applicable requirements of any such jurisdiction.

13. The Offer is to be implemented by means of a Court-sanctioned scheme of arrangement between Patagonia Gold and the Scheme Shareholders under Part 26 of the Companies Act and the Scheme is subject to the jurisdiction of the Court and is subject to the Conditions and additional further terms in this Appendix I.
14. If any dividend or other distribution or return of capital is proposed, declared, made, paid or becomes payable by Patagonia Gold in respect of a Scheme Share on or after the date of this Announcement and prior to the Scheme becoming Effective, Hunt reserves the right to reduce the number of New Hunt Shares to be issued as consideration by up to the amount per Scheme Share of such dividend, distribution or return of capital except where the Scheme Share is or will be acquired pursuant to the Scheme on a basis which entitles Hunt to receive the dividend, distribution or return of capital and to retain it. If Hunt exercises such right to reduce the value of the consideration payable for each Scheme Share by the amount per Scheme Share of any dividend that has not been paid, the Scheme Shareholders shall be entitled to receive and retain such dividend when paid.
15. If any such dividend or distribution is paid or made after the date of the Announcement and Hunt exercises its rights described above, any reference in this Announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Hunt of its rights referred to in this section shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.
16. The New Hunt Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Hunt Shares at the time the New Hunt Shares are issued, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the date on which the Scheme becomes Effective.
17. Fractional entitlements to New Hunt Shares for each Scheme Shareholder will be rounded down to an integral number and will not be allotted or issued to holders of Scheme Shares pursuant to the Scheme. These fractional entitlements will be aggregated and shall, on a reasonable basis, be sold for the benefit of the Scheme Shareholders. The equivalent of the net proceeds of such sale of New Hunt Shares (after deduction of brokerage charges and associated expenses) will be paid to the Scheme Shareholders pro-rated to their holdings of Patagonia Gold Shares at the Scheme Record Time as soon as practicable after receipt, except that if the aggregate amount due to any Scheme Shareholder in respect of the amounts due to him/it in respect of fractional entitlements to New Hunt Shares is less than £5.00 such sum will not be distributed but will instead be aggregated and accrued to the benefit of Hunt. Neither Hunt nor any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the sales or the sales or any failure to sell fractional entitlements to New Hunt Shares.
18. Under Rule 13.5 of the Code, Hunt may not invoke a condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Hunt in the context of the Offer. Conditions 1, 2 and 3.1 are not subject to this provision of the Code.
19. Each of the Conditions will be regarded as a separate condition and will not be limited by reference to any other Condition.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATIONS

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

1. The value attributed to the Offer is based on:
 - (a) The value of C\$0.115 per Hunt Share, being the closing price on the TSX-V on 30 May 2019 (being the last dealing day in Canada prior to the date of this Announcement) and applying an exchange rate of C\$0.5874/£1;
 - (b) multiplying by the number of Patagonia Gold Shares in issue, being 23,634,749; and
 - (c) multiplying by the Exchange Ratio.
2. Unless otherwise stated, all prices for Patagonia Gold Shares are closing middle market quotations derived from the AIM Appendix to the London Stock Exchange's Daily Official List for the particular date(s) concerned.
3. Unless otherwise stated all prices for Hunt Shares are closing prices derived from Bloomberg.
4. Unless otherwise stated all exchange rates are the average of the "best ask" and "best bid" C\$/£ or US\$/£ cross rate sourced from Bloomberg on 30 May 2019 (being the last Business Day in Canada or the United States prior to this Announcement).
5. Volume weighted average prices are derived from Bloomberg for the time periods stipulated.
6. Hunt's market capitalisation is calculated by multiplying the Existing Hunt Share Capital by C\$0.115 per Hunt Share, being the closing price on the TSX-V on 30 May 2019 (being the last Business Day in Canada prior to the date of this Announcement) and applying an exchange rate of C\$0.5874/£1).
7. The 80:20 proportionate ownership of the Combined Group between the Scheme Shareholders and the Hunt Shareholders respectively is based on the existing issued Patagonia Gold Shares, as set out in 1(b) above, and the Existing Hunt Share Capital and assumes that no outstanding Patagonia Gold share options are exercised prior to the Effective Date.
8. Unless otherwise stated, the financial information relating to Patagonia Gold has been extracted or derived (without any

adjustment) from the audited consolidated accounts of the Patagonia Gold Group for the financial year ended 31 December 2018, prepared in accordance with IFRS.

9. Unless otherwise stated, the financial information relating to Hunt has been extracted or derived (without any adjustment) from the audited consolidated financial information of the Hunt Group for the financial year ended 31 December 2018 and the quarterly unaudited consolidated financial information to 31 March 2019 prepared in accordance with generally accepted accounting principles of the United States of America (US GAAP) and available on Hunt's website at www.huntmining.com.
10. All information relating to Patagonia Gold and Hunt has been provided by persons duly authorised by the Patagonia Gold Board and Hunt Board respectively.

APPENDIX III

DETAILS OF IRREVOCABLE UNDERTAKINGS

Patagonia Gold Directors' Irrevocable Undertakings

Each of the following Patagonia Gold Directors have entered into irrevocable undertakings with Hunt to vote in favour of the Scheme at the Court Meeting and the special resolution to be proposed at the General Meeting, as follows:

Name of Patagonia Gold Director	Number of Patagonia Gold Shares in respect of which undertaking is given	Percentage of Patagonia Gold's issued share capital
Carlos Miguens*	12,741,212	53.91%
Christopher van Tienhoven	23,290	0.10%
Gonzalo Tanoira**	174,028	0.74%
Manuel de Prado	40,357	0.17%
Total:	12,978,887	54.91%

* Separate irrevocable undertakings have been provided by Mr Miguens in respect of the 170,775 Patagonia Gold Shares held directly by him and by Cantomi (a company owned and controlled by Mr Miguens) in respect of the 12,570,437 Patagonia Gold Shares registered in its name.

** Separate irrevocable undertakings have been provided by Mr Tanoira in respect of the 106,916 Patagonia Gold Shares held directly by him and by Capifox S.A. (a company owned and controlled by Mr Tanoira) in respect of the 67,112 Patagonia Gold Shares registered in its name.

These irrevocable undertakings cease to be binding and will lapse if:

- the Scheme is withdrawn or lapses in accordance with its terms; or
- the Scheme Document is not despatched to Scheme Shareholders within twenty eight days (or such longer period as the Panel may agree, being not more than six weeks) after the date of this Announcement; or
- if the Scheme has not become Effective by 30 November 2019.

APPENDIX IV

DEFINITIONS

The following definitions apply throughout this Announcement unless the context requires otherwise:

"Ag"	silver;
"AIM"	AIM, a market operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time);
"Announcement"	this announcement including its appendices made pursuant to Rule 2.7 of the Code dated 31 May 2019;
"Appendices"	the appendices to this Announcement;
"Au"	gold;
"AuEq"	gold equivalent;
"Authorisations"	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;

"Bloomberg"	Bloomberg L.P., a financial software services, news and data company;
"Board"	the board of directors of Hunt or Patagonia Gold (as applicable) with the terms " Hunt Board " and " Patagonia Gold Board " being construed accordingly;
"Business Day"	a day (other than Saturdays, Sundays and public holidays in London and/or Canada, as applicable) on which banks are open for general commercial business;
"Cantomi"	Cantomi Uruguay S.A., a company owned and controlled by Carlos Miguens;
"Cantomi Loan Facility"	the loan facility between Cantomi and the Company, pursuant to which Patagonia Gold can draw down up to US\$15 million, further details of which are set out in the Company's announcement of 1 March 2019;
"Cap-Oeste Underground Mine"	the development of an underground mining facility beneath the current open pit at Patagonia Gold's Cap-Oeste property;
"CCSA"	Cerro Cazador SA;
"CDS"	The Canadian Depository for Securities Limited;
"certificated" or "in certificated form"	the description of a share or other security which is not in uncertificated form (that is, not in CREST);
"Code"	the City Code on Takeovers and Mergers in the UK;
"Combined Group"	the combined Patagonia Gold Group and Hunt Group following completion of the Offer;
"Companies Act"	the Companies Act 2006, as amended from time to time;
"Computershare"	Computershare Investor Services PLC;
"Computershare Canada"	Computershare Trust Company of Canada;
"Conditions"	the conditions to the implementation of the Offer, as set out in Appendix I to this Announcement and to be set out in the Scheme Document;
"Court"	the High Court of Justice of England and Wales;
"Court Meeting"	the meeting of Scheme Shareholders (or any relevant class or classes thereof) to be convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme (with or without modifications), including any adjournment thereof;
"Court Order(s)"	the order(s) of the Court sanctioning the Scheme;
"CREST"	the computerised settlement system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form;
"Daily Official List"	the Daily Official List published by the London Stock Exchange;
"Dealing Disclosure"	has the same meaning as in Rule 8 of the Code;
"Depository"	the depository to be appointed pursuant to the Depository Agreement, being Computershare;
"Depository Agreement"	the depository agreement relating to the issue of the Depository Interests and to be entered into between Hunt and the Depository;
"Depository Deed Poll"	the deed poll relating to the holding of Hunt Shares and the issue of the Depository Interests made by the Depository in favour of the DI Holders;
"DI" or "Depository Interest"	means a depository interest issued by Computershare whereby Computershare Company Nominees Limited, as the nominated custodian, will hold overseas securities on trust for the CREST member to whom it has issued a depository interest;
"DI Holder(s)"	the holder(s) of a Depository Interest, from time to time, pursuant to the Depository Deed Poll;
"Disclosed"	the information disclosed by, or on behalf of Patagonia Gold, (i) in the audited results of the Patagonia Gold Group for the financial year ended 31 December 2018; (ii) in the annual report and accounts of the Patagonia Gold Group for the financial year ended 31 December 2018; (iii) in this Announcement; (iv) in any other announcement to a Regulatory Information Service by, or on behalf of, Patagonia Gold prior to the publication of this Announcement; or (v) as otherwise fairly disclosed to Hunt (or its respective officers, employees, agents or advisers) prior to the date of this Announcement;

"Disclosure Table"	details of offeree companies and offerors currently in an offer period published by the Panel under Rule 8 of the Code;
"DRS"	the Canadian Direct Registration System, whereby securities are held in "book-entry" (registered) form without having a physical security certificate issued as evidence of ownership;
"DRS Advice"	a direct registration system advice evidencing the electronic registration of ownership of the Hunt Shares;
"Effective"	in the context of the Offer: <ul style="list-style-type: none"> (i) if the Offer is implemented by way of the Scheme, means the Scheme having become Effective pursuant to its terms; or (ii) if the Offer is implemented by way of a Takeover Offer, such offer having become or been declared unconditional in all respects in accordance with its terms;
"Effective Date"	the date on which the Scheme becomes Effective in accordance with its terms or, if Hunt elects and the Panel consents to implement the Offer by way of a Takeover Offer, the date on which the Takeover Offer is declared or becomes unconditional in all respects in accordance with the requirements of the Code;
"Euroclear"	Euroclear UK & Ireland Limited;
"Exchange Ratio"	10.7619163630636 New Hunt Shares for each Scheme Share;
"Excluded Share"	any Patagonia Gold Share which is controlled by or registered in the name of or beneficially owned by any member of the Hunt Group at the Scheme Record Time;
"Existing Hunt Share Capital"	the existing issued share capital in Hunt, excluding those shares held in treasury by Hunt, comprising 63,588,798 common shares as at 30 May 2019 (being the latest practicable date prior to the publication of this Announcement);
"FCA" or "Financial Conduct Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000 (as amended);
"Filing Statement"	means the Filing Statement of Hunt prepared in accordance with Form 3D1 of the TSX-V in respect of the Offer;
"Forms of Proxy"	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which will accompany the Scheme Document;
"General Meeting"	the general meeting of Patagonia Gold Shareholders (including any adjournment thereof) to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document;
"holder"	a registered holder and includes any person entitled by transmission;
"Hunt"	Hunt Mining Corp.;
"Hunt Directors"	the directors of Hunt;
"Hunt Group"	Hunt and its subsidiaries and, where the context permits, each of them;
"Hunt Shareholders"	the holders of Hunt Shares;
"Hunt Shares"	the allotted and issued and fully paid common shares in the capital of Hunt;
"IFRS"	International Financial Reporting Standards as adopted by the European Union;
"Indicated Resource"	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered;
"Inferred Resource"	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to

	imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;
"London Stock Exchange"	London Stock Exchange plc;
"Longstop Date"	means 30 November 2019, or such later date (if any) as Hunt and Patagonia Gold may agree and (if required) the Panel and Court may allow;
"Martha mine"	Martha mine, which is located in the province of Santa Cruz, Argentina and which is owned by Hunt;
"Martha Processing Plant"	the processing facilities located at the Martha mine owned by Hunt;
"Meetings"	together, the Court Meeting and the General Meeting;
"Mineral Resource"	a concentration or occurrence of material of economic interest in or on the earth's crust in such form and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model;
"Moz"	million ounces;
"New Hunt Shares"	the new Hunt Shares proposed to be allotted and issued to Scheme Shareholders in connection with the Offer, being 254,355,192 Hunt Shares;
"Offer"	the recommended share for share exchange offer being made by Hunt to acquire the entire issued and to be issued ordinary share capital of Patagonia Gold to be implemented by means of the Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
"Offer Period"	the offer period (as defined by the Code) relating to Patagonia Gold, which commenced on 31 May 2019 and which will end on the Effective Date;
"Opening Position Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to an offer if the person concerned has such a position;
"Overseas Shareholders"	Patagonia Gold Shareholders (or nominees of, or custodians or trustees for Patagonia Gold Shareholders) not resident in, or nationals or citizens of, the UK;
"Panel"	the Panel on Takeovers and Mergers in the UK;
"Patagonia Gold" or the "Company"	Patagonia Gold Plc;
"Patagonia Gold Directors"	the board of directors of Patagonia Gold, as at the date of this Announcement;
"Patagonia Gold Group"	Patagonia Gold and its subsidiaries and, where the context permits, each of them;
"Patagonia Gold Shareholders" or "Shareholders"	the holders of Patagonia Gold Shares;
"Patagonia Gold Share Plans"	the Share Option Plan and any deed or agreement, pursuant to which a right to acquire ordinary shares in the capital of the Company has been granted by the Company to any individual or entity other than under the terms of the Share Option Plan;
"Patagonia Gold Shares" or "Ordinary Shares"	the existing unconditionally allotted and issued and fully paid ordinary shares of 1 penny each in the capital of Patagonia Gold and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective;
"Principals"	those persons deemed by TSX-V Policy 1.1 to be "Principals" in relation to the Combined Group, being: (i) Tim Hunt; (ii) Carlos Miguens; and (iii) Cantomi;
"Registrar of Companies"	the Registrar of Companies in England and Wales within the meaning of the Companies Act;
"Regulatory Information Service"	a primary information provider which has been approved by the FCA to disseminate regulated information;
"Restricted Jurisdiction"	any jurisdiction where the extension or availability of the Offer to Patagonia Gold Shareholders generally in such jurisdiction would contravene any applicable law, including, without limitation, Australia, Japan, the Republic of South

	Africa and the United States;
"Restricted Overseas Person"	Patagonia Gold Shareholders resident in, or nationals or citizens of, Restricted Jurisdictions or who are nominees or custodians, trustees or guardians for, citizens, residents or nationals of such Restricted Jurisdictions;
"Resulting Issuer Escrow Agreement"	the agreement to be entered into amongst Hunt, Computershare Canada and the Principals pursuant to which New Hunt Shares owned by such shareholders will initially be held in escrow in accordance with the requirements of the TSX-V;
"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act (as amended) between Patagonia Gold and the Scheme Shareholders in connection with the Offer, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Patagonia Gold and Hunt;
"Scheme Document"	the document to be sent to Patagonia Gold Shareholders containing, among other things, the Scheme, an explanatory statement in compliance with Part 26 of the Companies Act and the notices convening the Court Meeting and the General Meeting;
"Scheme Record Time"	the date and time to be specified in the Scheme Document by reference to which the Scheme will be binding on the holders of Patagonia Gold Shares expected to be 6.00 p.m. on the Business Day in London immediately prior to the Effective Date;
"Scheme Shareholders"	the holders of Scheme Shares;
"Scheme Shares"	the Patagonia Gold Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; (ii) if any, issued after the date of the Scheme Document but before the Scheme Voting Record Time and which remain in issue at the Scheme Record Time; and (iii) if any, issued at or after the Scheme Voting Record Time but at or before the Scheme Record Time on terms that the original or any subsequent holders thereof are, or shall have agreed in writing, to be bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time, in each case, other than any Excluded Shares or any Patagonia Gold Share held in treasury;
"Scheme Voting Record Time"	the date and time to be specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 p.m. (London time) on the day which is two days before the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two days before the date of such adjourned Court Meeting;
"SEDAR"	The System for Electronic Document Analysis and Retrieval, an electronic filing system for Canadian listed companies;
"Share Option Plan"	the Patagonia Gold Plc Unapproved Executive Share Option Scheme, adopted by the Board on 1 December 2011;
"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital of such undertaking;
"Strand Hanson"	Strand Hanson Limited;
"Takeover Offer"	as defined in section 974 of the Companies Act;
"Third Party"	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body or any other body or person whatsoever in any jurisdiction;
"tpd"	tonnes per day;
"TSX-V"	the TSX Venture Exchange;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
"US Exchange Act"	the US Securities Exchange Act of 1934, as amended, and

"US Securities Act"	the rules and regulations promulgated thereunder; the US Securities Act of 1933;
"Wider Hunt Group"	the Hunt Group and its associated companies and any other body corporate, partnership, joint venture or person in which any member of the Hunt Group and such associated companies (aggregating their interests) have a Significant Interest; and
"Wider Patagonia Gold Group"	the Patagonia Gold Group and its associated companies and any other body corporate, partnership, joint venture or person in which any member of the Patagonia Gold Group and such associated companies (aggregating their interests) have a Significant Interest.

For the purposes of this Announcement "**subsidiary**" and "**associates**" have the meanings given by the Companies Act.

All references to "**GBP**", "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to "**CAD**", "**Canadian Dollar**" and "**C\$**" are to the lawful currency of Canada.

All references to "**US\$**" and "**\$**" are to the lawful currency of the United States.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Announcement.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa unless the context requires otherwise and words imparting the masculine gender shall include the feminine or neutral gender.

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