

PATAGONIA GOLD PLC

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PATAGONIA GOLD's PROJECTS AND PROSPECTS WITHIN THE “AREA OF SPECIAL INTEREST FOR MINING” IN SANTA CRUZ PROVINCE, ARGENTINA

Patagonia Gold plc (PGD) announces that new legislation has been passed in the Province of Santa Cruz, Argentina, providing for the creation of an “Area of Special Interest for Mining”, east of route 40, in which mining activities are encouraged.

The Lomada de Leiva, Cap Oeste and La Manchuria projects are located within the defined “Area of Special Interest for Mining”, as well as the other prospects of the Company and the mining properties optioned by Fomicruz S.E.

This law has yet to be enacted by the Governor of Santa Cruz and published on the State Official Bulletin to become effective. The new “Area of Special Interest for Mining” permits mining east of route 40, from 4 kilometres of the shores of lakes and the axis of major rivers, and from 10 kilometres of the city limits of towns. In addition, the new legislation also permits the processing of ores from 20 kilometres of these major water features. The law creates an ad-hoc committee to evaluate the Environmental Impact Studies of the projects located outside the “Area of Special Interest for Mining”.

Carlos Miguens, PGD's Deputy Chairman comments: "We consider this new legislation positive in confirming the state pro-mining interest and defining the areas within the province where mining activities will be encouraged. Our partners, Fomicruz S.E., and the government officials have been very supportive of the current responsible development of the Lomada de Leiva, Cap Oeste and La Manchuria projects and other prospects."

ENDS

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