

# **Patagonia Gold Plc**

*(Registered in England and Wales with Company number 3994744)*

## **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Patagonia Gold Plc (the “Company”) will be held on 25 June 2014 at 11.00 am at The Millennium Hotel London Mayfair, Grosvenor Square, London W1K 2HP to consider and, if thought fit, to pass the following resolutions which in the case of resolutions 1 to 4 (inclusive) will be proposed as Ordinary Resolutions and in the case of resolution 5 will be proposed as a Special Resolution:

### **ORDINARY RESOLUTIONS**

1. To receive and, if approved, adopt the financial statements of the Company for the year ended 31 December 2013 and the reports of the Directors and auditors thereon.
2. To re-elect Marc J Sale, Technical Director, who retires by rotation, as a Director of the Company.
3. To re-appoint Grant Thornton UK LLP as auditors to the Company to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Directors to determine the auditor’s remuneration.
4. THAT the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or to convert any securities into shares in the Company subject to the following conditions:
  - (a) that the maximum aggregate nominal amount of shares to be allotted in pursuance of such authority shall be £2,879,712.97; and
  - (b) that this authority shall expire on the earlier of 30 June 2015 or the conclusion of the Company’s next Annual General Meeting unless revoked, varied or renewed before that date save that the Company may, before such expiry, make an offer or agreement which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the Directors may allot shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares and grant rights to subscribe for or convert any securities into shares in the Company but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

5. THAT (conditional upon the passing of the Ordinary Resolution numbered 4 above) the Directors be and they are hereby generally and unconditionally empowered pursuant to Section 570 of the Act to exercise all powers of the Company to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the general authority conferred by resolution 4 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with an offer of such securities by way of a rights issue, open offer or any other pre-emptive offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
- (b) otherwise than pursuant to sub-paragraph (a) above, the allotment of equity securities for cash up to an aggregate nominal amount of £863,913.90.

Provided that this authority shall expire on the earlier of 30 June 2015 or the conclusion of the Company's next Annual General Meeting unless revoked, varied or renewed before such date, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred hereby has expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares and grant rights to subscribe for or convert any securities into shares in the Company but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

By Order of the Board

**Nigel Everest**

*Company Secretary*

**Registered office:**

15 Upper Grosvenor Street  
London W1K 7PJ

16 May 2014

## **Notes to the Notice of Annual General Meeting**

### **Appointment of Proxy**

1. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote in their place. A proxy need not be a shareholder of the Company.
2. Shareholders may appoint one or more proxy provided each proxy is appointed to exercise rights attached to different shares. Shareholders may not appoint more than one proxy to exercise rights attached to any one share. Please contact the Company's Registrars, Computershare Investor Services PLC, on their helpline on 0870 702 0000 or copy the Form of Proxy, if you wish to appoint more than one proxy.
3. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the votes "For" and "Against" a resolution.
4. A Form of Proxy is enclosed with this document, and members who wish to use it should see that it is deposited, and any power of attorney or other authority (if any) under which it is executed (or a notarially certificated copy of such authority) must be duly completed, executed and deposited, with the Company's Registrars, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 11.00 am on 23 June 2014 which is the time not less than 48 hours before the time fixed for the meeting (or adjournment thereof) weekends and bank holidays excluded. Completing and posting of the Form of Proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting should they wish to do so.

### **Entitlement to attend and vote**

5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the Register of Members of the Company as at 6.00 pm on 23 June 2014, or in the event that the meeting is adjourned, as at 6.00 pm on the day two days before the date of the adjourned meeting, shall be entitled to attend or vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes to entries in the Register of Members after 6.00 pm on 23 June 2014 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

### **CREST**

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST personal members, sponsored CREST members and CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action for them.
7. To complete a valid proxy appointment or instruction using the CREST service, the CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted and received by Computershare Investor Services PLC (Participant ID 3RA50) by no later than 11.00 am on 23 June 2014 which is the time not less than 48 hours before the time fixed for the meeting (or adjournment thereof). The time of receipt of the instruction will be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to ensure that his CREST sponsor or voting service provider(s) take(s)) the necessary action to ensure that a message is transmitted by means of the CREST system by a particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat a CREST Proxy Instruction as invalid as set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Corporate representatives**

10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same shares.

### **Copies of Service Contracts and Letters of Appointment**

11. Copies of the Executive Directors' service contracts and non-executive Directors' letters of appointment are available for inspection at the registered office of the Company during usual business hours and will be available on the day of the Annual General Meeting from 10.45 am until the conclusion of the Annual General Meeting.

### **Explanatory Notes to Resolutions 4 and 5**

12. The purpose and effect of the Resolutions to be proposed as Resolutions 4 and 5 (inclusive) are explained in the Appendix to this Notice.

## **Appendix to Notice of Annual General Meeting**

### **Explanatory Notes to Resolutions 4 and 5**

#### **Resolution 4 – Authority to Allot Securities**

Resolution 4 will be proposed as an Ordinary Resolution to provide the Directors with authority to issue new ordinary shares up to an aggregate nominal value of £2,879,712.97, representing approximately 33.33 per cent. of the Company's issued share capital as at the date of the Notice of Annual General Meeting and to expire on the earlier of 30 June 2015 or the conclusion of the Company's next Annual General Meeting. Other than any issues of securities that may be required to be made pursuant to the share incentive plans, the Directors have no present intention of issuing any new ordinary shares, but believe it to be in the best interests of the Company for the Board to be granted this authority to take advantage of appropriate opportunities.

#### **Resolution 5 – Authority to Disapply Statutory Pre-Emption Rights**

Resolution 5 will be proposed as a Special Resolution to approve a disapplication of pre-emption rights on allotments for cash up to an aggregate nominal amount of £863,913.90 representing approximately 10 per cent. of the present issued share capital as at the date of the Notice of Annual General Meeting. This Resolution, if approved, will enable the Board, for the period expiring on the earlier of 30 June 2015 or the conclusion of the Company's next Annual General Meeting, to allot a limited number of equity securities for cash without regard to statutory pre-emption rights. Other than any issues of securities which may be required to be made pursuant to the share incentive plans, the Directors have no present intention of exercising this authority, but believe it to be in the best interests of the Company for the Board to be granted this power to take advantage of appropriate opportunities.