

## NOTICE OF GENERAL MEETING

# Patagonia Gold Plc

*(incorporated in England and Wales with registered number 3994744)*

Notice is hereby given that a General Meeting of the Company will be held at 11.00 a.m., on 8 December 2014 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH to consider and, if thought fit, pass the following resolutions which in the case of resolutions 1 and 2 will be proposed as ordinary resolutions and the case of resolution 3 will be proposed as a special resolution. Resolution 1 will be taken on a poll in accordance with the requirements of the Panel. Only the Independent Shareholders, as described in the Circular, are entitled to vote on Resolution 1.

### ORDINARY RESOLUTIONS

1. THAT the grant of the waiver by the Panel on Takeovers and Mergers described in the Circular of any requirement under Rule 9 of the City Code on Takeovers and Mergers on the members of the Concert Party (defined and described in the circular to shareholders issued by the Company dated 18 November 2014, containing this Notice of General Meeting (the "Circular")) to make a general offer to the shareholders of the Company as a result of:

- (a) the participation of any member of the Concert Party in the Subscription and the Open Offer (as defined in the Circular);
- (b) the exercise of the Options (as defined in the Circular), and
- (c) the exercise of the Warrants (as defined in the Circular)

be and is hereby approved.

2. THAT, in substitution for any existing authority, 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 powers of the Company to allot shares in the Company and grant rights to subscribe for or to convert any equity securities (within the meaning of Section 560 of the Act) into shares in the Company subject to the following conditions:

- (a) the maximum aggregate nominal amount of shares to be allotted in connection with the Subscription and the Open Offer (as defined in the Circular) shall be £1,939,639.30; and
- (b) otherwise than pursuant to paragraph (a) above, the maximum aggregate nominal amount of shares to be allotted shall be £3,526,259.42,

PROVIDED that this authority shall expire on the earlier of 8 March 2016 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 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.

### SPECIAL RESOLUTION

3. THAT, subject to and conditional upon the passing of Resolution 2 above and in substitution for any existing authority, the Directors be and 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 2 above as if Section 561(1) of the Act did not apply to any such allotment, provided that such power shall be limited to the allotment of equity securities in respect of:
- (a) the allotment of equity securities for cash in connection with an offer of, or invitation to apply for, equity securities (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and (ii) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary; and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;
  - (b) the allotment of equity securities in connection with the Subscription pursuant to the authority conferred by Resolution 2 above; and
  - (c) the allotment (otherwise than pursuant to paragraphs (a) and (b)) of equity securities up to an aggregate nominal amount of £1,057,877.83,

PROVIDED that this authority shall expire on the earlier of 8 March 2016 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.

Dated: 18 November 2014

*Registered Office:*  
15 Upper Grosvenor Street  
London W1K 7PJ

*By Order of the Board*  
**Nigel Everest**  
*Secretary*

**Notes:**

- 1 In order to comply with the City Code on Takeovers and Mergers, Resolution 1 will be taken on a poll and the Concert Party (as defined in the Circular) will not participate.
- 2 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.
- 3 Shareholders may appoint more than one 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. Shareholders should contact the Company's Registrars, Computershare Investor Services PLC, if they wish to appoint more than one proxy or they should photocopy the Form of Proxy.
- 4 A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on the 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" such resolution.
- 5 A Form of Proxy is enclosed with this document, and members who wish to use it should see that it is deposited, duly completed, with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 48 hours before the time fixed for the meeting (or any adjournment thereof) weekends and bank holidays excluded. Completing and posting of the Form of Proxy will not preclude the appointing shareholder from attending and voting in person at the General Meeting should they wish to do so.
- 6 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 p.m. on 5 December 2014 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 on the register of members after 6.00 p.m. on 5 December 2014 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 7 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.

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 48 hours before the time fixed for the meeting (or any adjournment thereof) weekends and bank holidays excluded. 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.

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.

The Company may treat a CREST Proxy Instruction as invalid as set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 8 As at 6.00 p.m. on the date immediately prior to this notice, the Company's issued share capital comprised 863,913,896 ordinary shares. Each ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at 6.00 p.m. on the date immediately prior to this notice is 863,913,896.