



Patagonia Enters into Definitive Option Agreement to Acquire the Mina Angela Property

September 15, 2020 Vancouver, B.C. Patagonia Gold Corp. ("Patagonia" or the "Company") (TSXV: PGDC) announces the Company has signed a definitive option agreement (the "Definitive Agreement") with Latin Metals Inc. ("Latin Metals"), which grants Patagonia an irrevocable option to acquire a 100% interest in the Mina Angela property. The Mina Angela property is situated in the Somuncura Massif of southern Argentina and is comprised of 44 individual mining claims. It covers 200 km² and is located approximately 50 km east-southeast of Patagonia's 100% owned Calcatreu gold project.

In March 2020, Patagonia extended the period by which it must enter into the Definitive Agreement with a US\$100,000 payment to Latin Metals; US\$50,000 of which was applied to extend the period to enter into the Definitive Agreement and US\$50,000 of which was a partial prepayment of the first earn-in payment to be made under the Definitive Agreement.

Upon signing the Definitive Agreement, Patagonia paid US\$200,000 to Latin Metals representing the balance of the first earn-in payment. It is expected that Patagonia will pay the second earn-in payment of US\$250,000 within the next six months if it exercises the option to acquire the Mina Angela property. A further, and final payment of US\$500,000 is expected to be paid within 30 days of verification that the legal restrictions preventing development of mining activity in the Chubut Province and at the Mina Angela property have been lifted in such a manner that Patagonia thereafter has the ability to perform exploration and exploitation mining activities on Mina Angela property. In addition, Latin Metals will be entitled to receive a 1.25% NSR from future production, half of which can be repurchased by Patagonia for US\$1 million.

About Patagonia Gold

Patagonia Gold Corp. is a mining and development company listed on the TSX Venture Exchange. The Company seeks to grow shareholder value through exploration and development of gold and silver projects in the Patagonia region of Argentina. The Company is primarily focused on the Calcatreu project in Rio Negro and the development of the Cap-Oeste underground project. Patagonia, indirectly through its subsidiaries or under option agreements, has mineral rights to over 360 properties in several provinces of Argentina and Chile and is one of the largest landholders in the Province of Santa Cruz, Argentina.

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FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking statements, including, but not limited to, expectations as to the acquisition of a 100% interest in the Mina Angela property, expectations as to future payments under the Definitive Agreement and the Company's future plans and intentions. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this news release are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

