MATERIAL CHANGE REPORT
FORM 51-102F3

Item 1 Name and Address of Company

Patagonia Gold Corp. (the "**Company**")
Suite 2200 – 885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Item 2 Date of Material Change

March 10, 2021

Item 3 News Release

A news release with respect to the material change referred to in this material change report was disseminated by the Company on March 10, 2021 through GlobeNewswire and was subsequently filed on SEDAR.

Item 4 Summary of Material Change

On March 10, 2021, the Company closed its previously announced "best efforts" private placement for total gross proceeds of approximately $9.3 million, with a lead order from Palisades Goldcorp Ltd. The Offering (as defined below) was conducted by a syndicate of agents led by Red Cloud Securities Inc. and included Canaccord Genuity Corp. In connection with the Offering, the Company issued an aggregate of 104,086,063 Units (as defined below) at a price of $0.09 per Unit.

Item 5 Full Description of Material Change

On March 10, 2021, the Company closed its previously announced "best efforts" private placement for total gross proceeds of approximately $9.3 million (the "**Offering**"), with a lead order from Palisades Goldcorp Ltd. The Offering was conducted by a syndicate of agents led by Red Cloud Securities Inc. and included Canaccord Genuity Corp. (collectively, the "**Agents**"). In connection with the Offering, the Company issued an aggregate of 104,086,063 units of the Company (the "**Units**") at a price of $0.09 per Unit (the "**Unit Price**").

Each Unit consisted of one common share of the Company (a "**Common Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.13 until March 10, 2024.

The proceeds from the sale of Units will be used by the Company for exploration and development of the Company's projects and general corporate and working capital purposes.

In connection with the Offering, the Company paid the Agents $225,862 in cash commission and advisory fees and issued to the Agents 2,509,586 non-transferable warrants ("**Broker Warrants**") in respect of Units issued under the Offering, other than to certain investors (the "**President's List Purchasers**").

The Common Shares, Warrants and Broker Warrants issued pursuant to the Offering, and any securities issued upon the exercise of the Warrants and Broker Warrants, are subject to a four month hold period pursuant to applicable securities laws. The Offering remains subject to final approval of the TSX Venture Exchange ("**TSXV**"). The TSXV has conditionally approved the listing of all Common Shares issuable under the Offering.

Multilateral Instrument 61-101

The Offering is considered a "related party transaction" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") because Carlos Miguens, the Chairman of the

Company, is one of the President's List Purchasers. The Company was exempt from the requirement to obtain a formal valuation or minority shareholder approval in connection with Mr. Miguens' participation in the Offering in reliance of Sections 5.5(b) and 5.7(1)(a) of MI 61-101.

Prior to completion of the Offering, Mr. Miguens owned 137,724,668 Common Shares and 1,000,000 stock options ("**Options**") entitling him to acquire 1,000,000 Common Shares, which represented 37.93% of the issued and outstanding Common Shares on an undiluted basis and 38.10% on a partially diluted basis. After completion of the Offering, Mr. Miguens owns 195,502,445 Common Shares, 57,777,777 Warrants and 1,000,000 Options, which represents 41.85% of the issued and outstanding Common Shares on an undiluted basis and 48.35% on a partially diluted basis, resulting in a change of 3.92% on an undiluted basis and 10.25% on a partially diluted basis.

The Offering was approved by a consent resolution of the board of directors of the Company on March 8, 2021. This material change report was filed less than 21 days prior to the closing of the Offering, which the Company deems reasonable in the circumstances, so that the Company was able to avail itself of potential financing opportunities and to complete the Offering in an expeditious manner.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This material change report shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information contact Christopher van Tienhoven, Chief Executive Officer, +54 11 5278 6950.

Item 9 Date of Report

March 19, 2021

FORWARD-LOOKING STATEMENTS

This material change report contains certain forward-looking statements, including, but not limited to, statements with respect to the use of proceeds of the Offering, the receipt of final approval from the TSX Venture Exchange 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 material change report 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.