Conversion of Director Fees

VANCOUVER, British Columbia, Jan. 10, 2023 -- Patagonia Gold Corp. (“Patagonia” or the “Company”) (TSXV: PGDC) is pleased to announce that it has agreed to settle a total of US$50,408 of debt owed to certain former directors of the Company for director fees for the period September 2020 to October 2022 (the “Outstanding Fees”). The Company will settle the Outstanding Fees (the “Director Fee Conversion”) by issuing a total of 4,495,049 common shares (“Shares”) of the Company at a deemed price of $0.0150, being the closing price of the Shares on the TSX Venture Exchange (the “TSXV”) on the trading day prior to the date of such agreement (or the lowest price permitted by the TSXV). Completion of the Director Fee Conversion is subject to approval of the TSXV and the Shares issued in connection with the Director Fee Conversion will be subject to a four-month hold period in accordance with applicable securities legislation.

The Director Fee Conversion is a “related party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as the former directors are related parties of the Company. Pursuant to Section 5.5(b) and Section 5.7(a) of MI 61-101, the Company is exempt from obtaining a formal valuation and approval of the Company’s minority shareholders because the Shares trade on the TSXV and the aggregate fair market value of the consideration of the Director Fee Conversion does not exceed 25% of the Company’s market capitalization as determined in accordance with MI 61-101.

<u>About Patagonia Gold</u>

Patagonia Gold Corp. is a South America focused, publicly traded mining company listed on the TSXV. 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 430 properties in several provinces of Argentina and Chile and is one of the largest landholders in the province of Santa Cruz, Argentina.

FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking statements, including, but not limited to, statements with respect to the Director Fee Conversion 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. These forward- looking statements are made as of the date of this news release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

For more information, please contact:

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