

**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

April 13, 2025

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 April 14, 2025 through GlobeNewswire and was subsequently filed on SEDAR+.

Item 4 Summary of Material Change

On April 13, 2025, the Company entered into an investment agreement (the “**Investment Agreement**”) with Black River Mine Inc. (the “**Investor**”) through its wholly-owned subsidiary, Patagonia Gold Canada Inc. (“**PG Canada**”), pursuant to which the Investor agreed to invest up to US\$40 million (the “**Financing**”) to support the development of Patagonia’s flagship Calcatreu Project (the “**Project**”) in Rio Negro, Argentina.

Item 5 Full Description of Material Change

On April 13, 2025, the Company entered into the Investment Agreement with the Investor through its wholly-owned subsidiary, PG Canada, pursuant to which the Investor agreed to invest up to US\$40 million to support the development of the Project.

Under the terms of the Investment Agreement, the Investor will acquire up to 40 million preferred shares (“**Preferred Shares**”) of PG Canada, which holds the Project through Minera Calcatreu SAU (the “**Operator**”). The Preferred Shares will be issued at a price of US\$1.00 per share, resulting in total gross proceeds of up to US\$40 million.

Investment Structure and Governance

The Investor is a newly formed corporation comprised of a consortium of investors and controlled by Carlos J. Miguens (the “**Lead Investor**”). A copy of the Investment Agreement, including the form of shareholders’ agreement that will be entered into on closing of the Financing and govern the affairs of PG Canada (the “**Shareholders’ Agreement**” and together with the Investment Agreement, the “**Agreements**”), has been filed by the Company under its profile on SEDAR+ at www.sedarplus.ca.

The Agreements provide the Investor with certain rights, so long as it retains ownership of all of the Preferred Shares. These rights include:

- Board Representation: The ability to nominate one of the three directors of PG Canada.

- Future Investment Rights: The right to participate in new issuances of preferred shares or other equity securities by PG Canada, subject to the Agreements' terms.
- Preferred Share Ownership: The Investor will receive Preferred Shares representing 40% of the PG Canada share structure. As a result, Patagonia will continue to control the Project through its resulting 60% interest in PG Canada.

In addition, the Investor will be entitled to receive distributions on the Preferred Shares in the following order of priority (the "**Distribution Policy**"), which Distribution Policy will be set out in the Shareholders' Agreement:

- Preferred Distributions: The Investor will receive 80% of the "Available Cash" (as defined below) until it has received an amount equal to US\$40 million (the "**Preferred Distribution Amount**"), with the Company receiving the remaining 20%.
- Catch-Up Distributions: After the Investor has received the Preferred Distribution Amount, the Company will receive 100% of the Available Cash until it has received an amount equal to US\$60 million (the "**Catch-Up Distribution Amount**"), with the Investor not receiving any of the Available Cash.
- Pro Rata Distributions. After the Company has received the Catch-Up Distribution Amount, the Company will receive 60% of the Available Cash and the Investor will receive the remaining 40% of the Available Cash.

Accordingly, the resulting interest held by each of the Company and the Investor in the Project's revenues, respectively, will follow the Pro Rata Distribution percentages above.

For purposes of the Distribution Policy, "**Available Cash**" is the Distributable Cash (as defined below) that is available for distribution to the shareholders of PG Canada in accordance with the Distribution Policy, after payment of all expenses of PG Canada. The Operator will distribute to PG Canada all of the Operator's cash that is available for distribution after payment of all expenses of the Operator, including the servicing and repayment of the loan that the Operator expects to receive in order to fund the development of the Project (with the proceeds of the Financing being used as security for such loan), less limited reserves for sustaining capital (the "**Distributable Cash**").

Proceeds from the Financing will be used solely for funding the development of the Project and to pay fees and expenses incurred by the Company in connection with the Financing. Given current market conditions and taking into consideration the current price of the Company's common shares, the Company reviewed several options to finance the capital cost of advancing development of the Project towards production. The purpose of completing the Financing at the asset level was to advance the Project without being excessively dilutive to the shareholders of the Company.

Completion of the Financing remains subject to customary conditions including but not limited to: (i) shareholder approval pursuant to MI 61-101 (as defined below); and (ii) final approval of the TSX Venture Exchange (the "**TSXV**").

Multilateral Instrument 61-101

The Lead Investor is a related party of the Company (as he has ownership and control over 200,717,161 common shares, representing 43.2% of the 465,051,490 common shares of the Company currently outstanding) and he is expected to be the controlling shareholder of the Investor following the completion

of the Financing. Accordingly, the Financing will be a “related party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Since the Lead Investor’s participation in the Financing will exceed 25% of the Company’s market capitalization (calculated in accordance with MI 61-101), the Company is seeking shareholder approval in accordance with MI 61-101 at a special meeting of shareholders (the “**Meeting**”) to be held on May 20, 2025. The Company will be exempt from the requirement to obtain a formal valuation in connection with the Lead Investor’s participation in the Financing in reliance of Section 5.5(b) of MI 61-101.

To the knowledge of the Company and any of the directors and officers of the Company, after reasonable inquiry, there have been no “prior valuations” (as defined in MI 61-101) in respect of the Company (or which are otherwise relevant to the Financing) prepared within the 24 months before the date hereof.

Further details regarding the Financing will be provided in the management information circular (the “**Circular**”) being prepared in connection with the Meeting. The Circular, once mailed to the Company’s shareholders, will be filed under the Company’s profile on SEDAR+ at www.sedarplus.ca.

Details of the Project

The Project is the Company’s flagship project located near the southern border of Rio Negro, approximately 85 kilometres south of the town of Ing Jacobacci.

The Company acquired the Project from Pan American Silver in 2018 and since then has been dedicated to obtaining the permits to advance the Project to production. In November 2024, the Company was notified by the local Provincial authorities that the final permit to proceed with construction and development of the Project had been granted (please see November 7, 2024 news release on <https://patagoniagold.com/investors/news-releases/>).

The Project has approximately 746,000 contained AuEq (gold equivalent) ounces of measured and indicated mineral resource category and 390,000 contained AuEq ounces of Inferred Mineral Resources as disclosed in the Technical Report (as defined below).

Qualified Person’s Statement

Donald J. Birak, an independent consulting geologist, Registered Member of SME, Fellow of AusIMM, and qualified person as defined by National Instrument 43-101, has reviewed and approved the scientific and technical information in this material change report.

Additional information about the Project and the mineral resources referred to in this material change report are available in the technical report prepared in accordance with National Instrument 43-101, entitled “NI 43-101 Technical Report, Mineral Resource Estimate, Calcatreu Gold-Silver Project, Rio Negro Province, Argentina,” dated effective December 31, 2018 (the “**Technical Report**”), which is available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

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

April 23, 2025

FORWARD-LOOKING STATEMENTS

This material change report contains certain forward-looking statements, including, but not limited to, statements with respect to, the proposed advancement of the Project; the completion of the Financing; entering into the Shareholders' Agreement; the participation of the Lead Investor in the Financing; the receipt of shareholder and TSXV approval; the availability of the Circular and the date of the Meeting; the availability of Distributable Cash; the intended use of proceeds from the Financing; the advancement and development of gold and silver projects in the Patagonia region of Argentina, and the anticipated growth in shareholder value. 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. In particular, the Company advises that it does not have defined mineral reserves and it has not based its decision to advance development of the Project on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. 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. These forward-looking statements are made as of the date of this material change report, except as required by law.