



PATAGONIA GOLD S.A.

Letter of Recommendation – Corporate Geoscience Group

15 December 2015

To Whom It May Concern,

As the Exploration Manager of Patagonia Gold S.A (“PGSA”), I am delighted to write this letter of recommendation for Dr Oliver Kreuzer, Group Leader Geoscience & Studies at Corporate Geoscience Group (“CGSG”).

My first experience working with Dr Kreuzer was during 2011 when he was engaged as a consultant to undertake a multifaceted, regional structural and targeting assessment of a large Proterozoic terrane in Australia. Synthesising a wide variety of data sets, complemented with geological mapping, Dr Kreuzer was able to produce a high quality re-interpretation of an historic mining district, identifying structural controls and targets for copper-gold mineralisation which were professionally delivered in a timely manner and a format accessible to the exploration team.

After commencing work with PGSA in Argentina I was eager to get an objective evaluation of the company’s tenement portfolio in the Jurassic, Deseado Massif to ensure optimal utilisation of the company’s exploration resources, so on the basis of previous experience engaged CGSG to undertake this work.

CGSG and affiliates provided specialist consulting services to PGSA in the period July to September, 2015. During this time, CGSG carried out (1) a regional geological framework and targeting study covering the Deseado Massif, Santa Cruz Province, Argentina, and (2) a rationalisation study of PGD’s greater 3,500 km² tenement portfolio in in the Deseado Massif. This tenement portfolio contains global JORC- and NI 43-101-compliant Indicated and Inferred Resources in excess of 1.5 Moz Au and 34 Moz Ag contained in four low sulphidation epithermal gold-silver deposits, including PGD’s Lomada de Leiva mine.

Key aspects of the work undertaken by CGSG included:

- High quality GIS and communicative and reporting outputs;
- Development of an integrated geological and structural framework for the Deseado Massif;
- New concepts and tools for improved targeting and assessment of areas prospective for epithermal gold-silver mineral systems;
- Enhancement filtering of gravity and magnetic data and geophysical structure detection;



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- Creation of seamless SRTM, Landsat 8 and Aster GED mosaics covering the Deseado Massif, and SRTM structure detection, and calculation of various Landsat 8 and Aster GED indices;
- A set of priority exploration targets; and
- Detailed recommendations and strategies for tenement rationalisation, and future exploration within brownfields and greenfields exploration frameworks.

During the entire study, Dr Kreuzer conducted himself in a very positive and highly professional manner, and interacted very well with the PGD team.

CGSG has my highest recommendation. I strongly believe in CGSG's outstanding abilities for scientifically-based, discovery-oriented work and am confident that CGSG will deliver similar exceptional results to any mining exploration group seeking high quality geoscience, targeting and strategic expertise.

CGSG's work enabled PGD to develop a comprehensive forward regional exploration and development plan with strong targets, and up-skill of our exploration team. In fact, their study will be a fundamental tool to guide our 2016 exploration programme.

Overall, CGSG delivered very impressive, high impact, high quality work on time and within budget, and a study with outcomes we are extremely pleased with.

Yours sincerely,

Douglas Cook
Exploration Manager
Patagonia Gold S.A.