

PATAGONIA GOLD PLC

Trading Symbol PGD.L

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4th March 2009

Patagonia Gold Plc
("Patagonia" or the "Company")

Placing and Subscription to raise £9.3m

Placing oversubscribed

Patagonia Gold plc, the South American mining exploration company, is pleased to announce the completion of a placing ("the Placing") of 116,522,483 new ordinary shares of 1 pence each in the Company ("Placing Shares") and a subscription ("the Subscription") of 3,477,517 new ordinary shares of 1 pence each in the Company (together the "New Ordinary Shares") each at a price of 7.75 pence per ordinary share, to raise £9.3 million before expenses. The Placing Shares were placed by the Company's broker, Matrix Corporate Capital LLP, with new and existing shareholders of the Company and the Placing was oversubscribed.

The net proceeds of the Placing and Subscription will be used to finance working capital and continuing exploration expenditure on the Santa Cruz projects in Argentina. The most recent drilling report was announced on 23 February 2009 on the Cap Oeste Gold and Silver Project, and the most recent progress report was announced on 4 February 2009 to provide an update on Cap Oeste, the Lomada de Leiva Gold Project and the La Manchuria Gold and Silver Project.

New Ordinary Shares were subscribed for by William Humphries, a Director of the Company and his discloseable interests are as set out below.

<i>Director</i>	<i>New Ordinary Shares subscribed</i>	<i>Shareholding immediately following admission</i>	<i>Percentage of enlarged issued share capital</i>
William Humphries	1,287,146	13,167,667	2.21

The New Ordinary Shares will represent 20.21 per cent. of the enlarged issued share capital of the Company and the Placing and Subscription are conditional on admission of the New Ordinary Shares to trading on AIM ("Admission").

The New Ordinary Shares will rank *pari passu* in all respects with the existing ordinary shares of the Company. Application will be made for Admission and it is expected that Admission will become effective and dealings in the New Ordinary Shares will commence at 8:00 a.m. on Tuesday 10 March 2009. Following the Placing and Subscription, there will be 593,552,783 ordinary shares in issue.

For more information, please contact:

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