

PATAGONIA GOLD PLC

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DRILLING UPDATE CAP-OESTE GOLD-SILVER PROJECT SANTA CRUZ PROVINCE, ARGENTINA

Highlights:

- Drilling on the Main shoot of the Bonanza fault deposit continues to intersect high grade gold and silver, including 11.80 metres @ 15.21 grams per tonne (g/t) gold and 203 g/t silver in drill-hole CO-139.
- The Main shoot remains robust at depth with the latest drilling intersecting wide zones of gold and silver mineralization over 400 metres down plunge. Results are pending for the lower drill holes.

Results not previously reported include:

Hole No.	From	Interval	Grade	Grade
	metres	metres	Au g/t	Ag g/t
CO-139-D	244.70	11.80	15.21	203
including	249.00	5.10	33.34	372
CO-144-D	316.00	33.00	5.77	182
including	326.50	5.00	10.07	150
and	346.05	1.65	43.64	2,137
CO-145-D	271.00	29.90	7.81	315
including	289.95	7.05	21.89	1,003

El Tranquilo Property:

The El Tranquilo property block, 100% owned by PGD, covering over 40 square kilometres, contains the **Cap-Oeste Gold and Silver Project** as well as the Breccia Valentina and Vetas Norte Prospects.

Cap-Oeste Gold and Silver Project:

The initial drill programme on Cap-Oeste, completed in May 2008, established a Canadian National Instrument 43-101 compliant resource of 304,099 ounces of gold and 6,929,825 ounces of silver with just 11,328 metres of drilling.

PGD commenced a second drilling campaign in October 2008 on the Bonanza fault with the aim of substantially increasing the resource, concentrating on the high grade Main shoot (averaging

13.17g/t gold and 228g/t silver). To date 60 holes for over 12,000 metres have been completed in the second programme. Results are pending for 8 drill holes.

The intersections in holes CO-144 and CO-145 are 25m apart indicating the shoot is at least this wide at a vertical depth of ~230m below surface and over 350m down-the-plunge of the shoot.

The high grade gold and silver values support the previous interpretation that the Main shoot will persist at depth with robust gold and silver tenor. Drilling continues to explore the deeper levels with drill holes ~50 and ~100 vertical metres below the above intersections having intersected the Bonanza fault.

Marc Sale, (BSC. Geology, Fellow AusIMM, member AIG) a Director and consultant to Patagonia Gold Plc and a qualified person as defined in National Instrument 43-101, has reviewed and verified all scientific or technical mining disclosure contained in this press release.

ENDS

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