

PATAGONIA GOLD PLC

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EXCEPTIONAL DRILLING RESULTS CAP-OESTE SOUTH EAST (COSE) GOLD-SILVER PROSPECT SANTA CRUZ PROVINCE, ARGENTINA

Highlights:

Exceptionally high grade gold and silver has been encountered on the COSE prospect located 2 kilometres along strike from the Cap-Oeste gold and silver resource, with drill hole CSE-13 intersecting:

4.10 metres @ 561.6g/t gold and 28,523.0g/t silver including:

0.85 metres @ 2,104.6g/t gold and 107,648.0g/t silver.

El Tranquilo Property Block:

The El Tranquilo property block, covering over 60 square kilometres, contains the Cap-Oeste gold and silver deposit as well as the Vetas Norte and Breccia Valentina structural trends.

The recently updated resource estimate, carried out by Micon of Toronto, Canada, for the Cap-Oeste gold and silver deposit, located within the Bonanza fault structure, delineated a combined total of 655,932 ounces of gold equivalent. The structure remains open at depth and along strike in both directions.

COSE Prospect:

In early 2009, a geophysical survey, completed over 6 kilometres of the interpreted Bonanza fault structure, identified two large chargeability anomalies centred approximately two kilometres along strike to the north-west (La Pampa) and south-east (COSE) of the Cap-Oeste deposit.

A follow up reconnaissance exploration programme on COSE, including detailed mapping, trenching, sampling and two exploratory drill holes, identified an auriferous breccia beneath the anomaly with drill hole CSE-02 reporting 12m @ 2.53g/t Au including 3m @ 5.19g/t Au.

A further drill programme commenced on COSE in September 2009. Interpretation of the first 10 holes (CSE-03 – CSE-12), supported the model that the mineralised zone improved to the north-west and with depth. Accordingly drill hole CSE-13 was drilled 100 m to the north-west of CSE-02 successfully intersecting the mineralised breccia. The matrix of the breccia was in places 'healed' with ruby silver minerals. Fine grained electrum was also visible. From 208.3 metres 'down hole' a 4.10 metre section of the breccia intersected exceptionally high grade gold and silver values, averaging 561.6 g/t Au and 28,523g/t Ag. Several metres of the hanging wall and the footwall also contain significant gold values.

Drill hole CSE-15, drilled a further 50m to the north- west of CSE-13 also intersected the brecciated fault zone, results are pending.

Drilling has recommenced at COSE with a short programme designed to validate and infill the exceptionally high grade 'bonanza' intersection in drill hole CSE-13. Drilling will also target the zone further to the north-west along strike towards the Cap-Oeste Resource area

All drill-core was photographed prior to being cut for assaying. Samples were analysed by Alex Stewart (Assayers) Argentina SA. Check assays, standards and laboratory duplicates were performed on a systematic basis at Alex Stewart (Assayers) Argentina SA. Due to the exceptionally high grades, the results for drill hole CSE-13 have been analysed by both fire assay and gravimetric gold analysis. Gravimetric analysis is more accurate for extremely high grade gold and silver values and there has been a very good correlation of the gold fire assays values and gravimetric results with overall variation less than a 5%. Two additional 50g samples of each of the four high grade samples were resubmitted for gravimetric analysis with the results showing further good correlation. The results quoted above are an average of the three gravimetric gold analyses performed on each sample of core.

Commenting on the COSE discovery, Managing Director Bill Humphries, said:

Once again, the sound methods and systematic approach to exploration by our highly skilled geological team has led to the discovery of another exciting high grade shoot on the Cap-Oeste Bonanza Fault structure.

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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