

PATAGONIA GOLD PLC

Trading Symbol PGD.L

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23rd June 2009

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

Highlights:

- This seasons successful drilling campaign on the Cap-Oeste Bonanza fault concluded on a high note with drill-hole CO-155-D intersecting three wide zones of gold (Au) and silver (Ag) mineralization.
- Results from the final drill holes show the Main shoot of the Bonanza fault to remain robust and open at depth-

Results not previously reported include:

Hole No.	From metres	Interval metres	Grade Au g/t	Grade Ag g/t
CO-147A-D	323.00	1.30	13.50	186
CO-148-R	33.00	7.00	6.42	305
including	37.00	2.00	10.38	846
CO-149-R	96.00	19.00	2.14	21
CO-150-D	285.15	4.30	4.18	25
CO-152B-D	300.94	11.06	4.56	17
and	317.30	2.90	10.74	24
CO-154-D	288.40	6.30	5.64	47
CO-155-D	257.90	23.10	5.81	49
including	269.45	9.55	9.38	54
and	300.95	20.50	3.98	189
including	313.00	8.45	6.26	366
and	330.00	12.30	2.63	48
including	340.70	1.60	6.91	230

El Tranquilo Property:

The El Tranquilo property block 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 recently completed a second drilling campaign, comprising 61 drill-holes for a total of 14,677 metres, concentrating on the high grade Main shoot (averaging 13.17g/t gold and 228g/t silver in the initial resource) of the Bonanza fault.

The high grade gold and silver values encountered support the interpretation that the Main shoot will continue deeper and maintain the robust gold and silver tenor.

All results from the drilling campaign have now been received and are currently being processed for inclusion into the planned resource upgrade.

PGD has retained Micon of Toronto, Canada, to independently prepare a resource upgrade at Cap-Oeste, which complies with Canada National Instrument 43-101 (NI 43-101). The report is scheduled for completion in the third quarter of 2009.

A drill programme, scheduled to commence in September after the southern winter, will continue to explore the deeper levels of the Main shoot as well as the highly promising sub-parallel shoots within the Cap-Oeste resource area.

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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