

PATAGONIA GOLD PLC

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DRILLING UPDATE LA MANCHURIA GOLD-SILVER PROJECT SANTA CRUZ PROVINCE, ARGENTINA

Highlights:

Infill drilling has commenced on La Manchuria to advance this high grade gold and silver project towards a resource estimate, Canadian National Instrument 43-101 (NI43-101) compliant, by second quarter 2010. La Manchuria is located just 50 kilometres south east of PGD's 'flagship' Cap-Oeste Project.

Drilling continues to intercept bonanza gold and silver grades, including 1.55 metres at 257.79 grams per tonne (g/t) gold and 4,237g/t silver, in drill-hole LM-42-D

Results to date from the infill drilling include:

Hole No.	From	Interval	Grade	Grade
	metres	metres	Au g/t	Ag g/t
LM-041-D	127.60	0.50	25.20	482
and	182.10	0.50	27.00	324
LM-042-D	105.50	1.55	257.79	4,237
including	105.50	0.75	474.00	6,730
LM-043-D	120.40	0.85	7.92	1,180
LM-044-D	111.10	0.50	22.90	34
and	178.00	0.50	10.95	8
LM-045-D	136.50	0.50	54.50	1,400
LM-046-D	114.60	0.50	16.95	180
and	125.65	0.50	23.30	31
LM-048-D	118.50	1.00	7.54	167
LM-050-D	46.70	0.65	6.63	4,190
LM-051A-D	138.20	1.50	34.00	33

La Manchuria property:

The La Manchuria property, consisting of 5 expedientes (mining concessions) covering 5,575 hectares, is located approximately 50 kilometres to the south east of the Cap-Oeste Project and contains the Manchuria Main Zone gold-silver project.

Manchuria Main Zone project:

Prior to the current infill program, PGD had completed 40 drill-holes for a total of 8,099 metres at La Manchuria of which 27 drill-holes successfully intersected high grade gold and silver mineralization. The average width and grade of the 10 best intersections on the Main Zone was 1.05 metres at 21.87g/t gold and 3,282g/t silver. These results were sufficiently encouraging to advance the project to resource status.

The current drill programme of approximately 7,000 metres, is designed to infill the existing 50 metre line spaced drilling on a 25 metre x 25 metre grid along 350 metres of strike length. All holes are HQ core diamond drill holes from surface.

To date, 15 holes from LM-041-D to LM-055-D have been completed for 3,207 metres. Further results will be reported when available.

Geological and geochemical appraisal of the Main Zone indicates the presence of a mineralised 'package', consisting of several narrow but very high grade discrete epithermal veins contained within more extensive disseminated mineralization. The 'package' is further contained in a dominant structural corridor which to date has only been drill tested for approximately 450 metres strike length.

The corridor remains open to the north and to the south as well as down dip. Mineralisation is hosted in a succession of acid (rhyolite) volcanics above a lower andesite unit. Both the quartz veining and the very high grades continue down into the andesite.

Regionally, La Manchuria is located 65 kilometres to the north-west from the operating Martha silver-gold mine.

PGD is currently exploring the highly prospective 7,891 hectare Sarita property located 15 kilometres to the north-west and along strike on the mineralised corridor hosting the Martha mine.

Cap-Oeste South East Prospect (COSE)

Drilling has also commenced on the COSE prospect, located approximately two kilometres along strike and to the south east of the Cap-Oeste deposit, as a follow up to the successful scout drill programme completed in May 2009.

To date 11 holes from CSE-003-D to CSE-013-D for 2017 metres have been completed. Results are pending and will be reported when available.

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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