

PATAGONIA GOLD PLC

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DRILLING UPDATE CAP-OESTE AND LA MANCHURIA-GOLD-SILVER PROJECTS SANTA CRUZ PROVINCE, ARGENTINA

Drilling has recommenced on Patagonia Gold's Cap-Oeste gold and silver project, on which a Resource estimate has been recently announced, and on the nearby La Manchuria gold and silver project.

Highlights:

- At Cap-Oeste, drilling on the main shoot of the Bonanza fault deposit continues to intersect high grade gold and silver, including 8.25 metres @ 9.73 grammes per tonne (g/t) gold and 2,716 g/t silver in drill-hole CO-104-D. The Bonanza fault deposit remains open at depth and along strike in both directions.
- At La Manchuria, results from drilling on the 'Main Zone' gold-silver project continue to report high grade gold and bonanza silver, including 2.00 metres at 51.37g/t gold and 5,770g/t silver in drill-hole LM-030-D. The zone remains open at depth and along strike to the south.

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.

The property is located approximately 120km to the south east of the La Paloma property block containing the Lomada de Leiva Project on which a Resource estimate and a positive Scoping Study have already been announced this year by PGD.

Cap-Oeste Gold and Silver Project:

Patagonia Gold recommenced drilling in October with the initial aim of infilling and expanding the high grade main shoot of the Bonanza fault deposit. The recent Resource estimate delineated in the high grade main shoot, at 5g/t cut-off, was 135,408 ounces of gold @ 13.17 g/t and 2,297,652 ounces of silver at 227.56 g/t.

The latest drill-hole geology confirms the down dip continuation of the mineralization to 250 metres, whilst the gold and silver assay results from the initial 10 drill-holes indicate that the robust nature of the shoot continues down dip. Significantly the intersection in drill-hole CO-105 (to ~205 metres down dip) is over 25 metres vertically below CO-080 which reported 15.2 metres @ 12.94 g/t gold (Au) and 188 g/t silver (Ag).

To date, 15 drill-holes for a total of 2,536 metres have been drilled on the high grade main shoot with assays received for the first 10 holes.

Results not previously reported include:

Hole No.	From	Interval	Grade	Grade
	metres	metres	Au g/t	Ag g/t
CO-097-DR	132.92	6.80	10.92	1,711
<i>including</i>	132.92	2.62	24.27	3,963
CO-098-DR	153.80	16.90	3.18	157
<i>including</i>	163.70	4.00	11.19	557
CO-099-D	80.10	10.40	12.02	178
<i>including</i>	80.10	1.18	100.80	953
CO-104-DR	171.00	15.25	6.10	1,777
<i>including</i>	178.00	8.25	9.73	2,716
CO-105-DR	186.95	6.15	5.86	200
<i>including</i>	186.95	2.05	9.71	241
<i>and</i>	195.00	8.75	5.95	154
<i>including</i>	201.45	1.75	13.06	172

The Bonanza Fault mineralization remains open at depth and along strike in both directions, drilling has confirmed the structure over 1.2 kilometres of strike and the mineralized trend has now been identified by mapping and trenching for over 6 kilometres. A geophysics survey defined the Cap Oeste structure as a strong linear resistive contrast that continues as a robust anomaly outside the area of current drilling.

Drilling is currently maintaining the objective of increasing the confidence level of the Resource as well as expanding the mineralised zone down dip. Further exploration drilling along the Cap Oeste structure is also planned.

Exploration.

Mapping and sampling is being conducted on the Cap Oeste structure with trenching in areas of anomalous geochemistry or prospective geology.

Similar geophysical signatures to Cap Oeste have been identified in the sub parallel trends of the Breccia Valentina structure, 2.5km to the NE and the Vetás Norte structure a further 1.5km to the NE. Both of these structures contain gold and silver in rock chip samples and the southern identified extent of the Breccia Valentina trend was also drilled with positive results.

La Manchuria property:

The La Manchuria property, 100% owned by PGD, 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:

Based on the extremely encouraging results from the initial 20 hole 3,997 metres drilling campaign completed last season on the Manchuria 'Main zone', a follow up programme of 3,500 metres has commenced, aimed at expanding and infilling the known mineralization. Drilling has been successful to date at proving the continuity of the zone for over 200 metres to the south of the high

grade gold and silver mineralization reported in drill-hole LM-020-D which contained 2.85m @ 22.35g/t Au and 400g/t Ag.

To date, 18 drill-holes for a total of 3,561 metres have been drilled on the 'Main Zone' extension with assays received for the first 12 holes.

Results not previously reported include:

Hole No.	From	Interval	Grade	Grade
	metres	metres	Au g/t	Ag g/t
LM-22-DR	154.35	0.50	16.50	315
<i>and</i>	184.65	2.35	28.82	344
<i>Including</i>	184.65	0.70	52.60	581
<i>and</i>	196.00	0.60	13.65	86
LM-023-DR	121.00	4.00	13.31	145
<i>Including</i>	122.80	2.20	23.78	264
<i>and</i>	132.50	2.85	8.33	89
<i>Including</i>	133.55	0.80	23.70	190
LM-030-DR	127.30	0.55	24.70	3,660
<i>and</i>	142.50	3.00	34.77	3,916
<i>Including</i>	143.50	2.00	51.37	5,770
<i>and</i>	149.50	1.50	8.59	922
LM-032-DR	115.00	1.15	5.65	765

Results received to date indicate that the mineralized 'package', consisting of several narrow but high grade epithermal veins as well as more disseminated mineralization, is confined within a structural corridor. This package has been intersected in drilling over 50 metres north and 200 metres to the south of drill-hole LM-020 and contains similar high grade gold and silver grades.

The corridor has had only limited drilling further to the north and still remains open to the south as well as down dip.

Interpretation of geophysics over the 'Main Zone' and available geochemistry to the south indicates the potential for the structure to extend south for over 2,000 metres.

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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