

PATAGONIA GOLD PLC

Trading Symbol PGD.L

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Patagonia Gold Plc ("Patagonia Gold" or the "Company")

Placing to raise £1.67 million

Patagonia Gold, the South American mining explorer, today announces that it has agreed to place 29,021,400 new ordinary shares of 1p each in the Company ("Placing Shares") at a placing price of 5.75p per share (the "Placing") to raise £1.67 million. The proceeds from the Placing will be used to finance working capital and exploration expenditure.

Placing Shares to the value of approximately £1.19 million will be subscribed for by Directors and their family associates. Directors' discloseable interests are as set out below. The Placing is conditional on admission of the Placing Shares to AIM.

The Directors will subscribe for Placing Shares as follows:

Director	Placing Shares Subscribed	Shareholding immediately following Admission	Percentage of enlarged issued share capital
Sir John Craven	435,000	2,997,500	0.90
Carlos Miguens	11,102,006	51,698,956	15.55
Bill Humphries	1,050,000	7,940,625	2.39
Richard Prickett	870,000	7,244,888	2.18
Marc Sale	226,000	1,676,687	0.50

The Placing Shares represent 8.73% of the enlarged issued share capital of the Company. The number of Ordinary shares in issue following the Placing will be 332,472,995. The Placing Shares will rank pari passu with existing ordinary shares of 1p each. Application has been made for admission of the Placing Shares to trading on AIM, and is expected to take place on 2 April 2007.

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