

PATAGONIA GOLD PLC

Trading Symbol PGD.L

• PRESS RELEASE • PRESS RELEASE • PRESS RELEASE • PRESS RELEASE • PRESS RELEASE

9th January 2008

Patagonia Gold Plc (“Patagonia Gold” or the “Company”) Placing to raise £2.25 million

Patagonia Gold, the South American mining explorer, today announces that it has agreed to place 45,000,000 new ordinary shares of 1p each in the Company (“Placing Shares”) at a placing price of 5p per share (the “Placing”) to raise £2.25 million before expenses. The proceeds from the Placing will be used to finance working capital and exploration expenditure.

The Placing Shares will be subscribed for by the Argentinean Directors and their family associates. Directors’ discloseable interests are as set out below. The Placing is conditional on receipt of funds and admission of the Placing Shares to trading on AIM.

The Argentinean Directors will subscribe for Placing Shares as follows:

<i>Director</i>	<i>Placing Shares Subscribed</i>	<i>Shareholding immediately following Admission</i>	<i>Percentage of enlarged issued share capital</i>
Carlos Miguens	16,822,960	73,817,825	18.32
Gonzalo Tanoira	1,380,700	6,059,100	1.50

The Placing Shares will represent 11.17% of the then enlarged issued share capital of the Company. The number of Ordinary shares in issue following the Placing, and the total number of voting rights, will be 402,922,913. The Placing Shares will rank *pari passu* with existing ordinary shares of 1p each in the Company.

The participation of the Argentinean Directors in the Placing is deemed to be a related party transaction under the AIM Rules. The independent Directors consider, having consulted with Strand Partners Limited, the Company’s nominated adviser, that their participation in the Placing is fair and reasonable insofar as the Company’s shareholders are concerned.

As a result of this Placing, the aggregate holding of the Argentinean Directors and their family associates in the Company has been increased to 49%.

Enquiries:
Patagonia Gold Plc
Richard Prickett/
William Humphries
Tel: +44(0)20 7409 7444

Conduit PR Ltd
Leesa Peters / Arabella Hobbs
Tel: 020 7429 6666

Strand Partners Ltd
Simon Raggett / Angela Peace
Tel: 020 7409 3494