

Patagonia Gold Plc (“Patagonia Gold” or the “Company”)

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31 March 2006

Disposal of HPD New Zealand Limited (“HPDNZ”) to Glass Earth Limited (TSXV-GEL) (“Glass Earth”)

Patagonia Gold is pleased to announce the completion of the disposal of HPDNZ to Glass Earth.

As announced by the Company on 23 December 2005, an agreement was reached on 22 December 2005 for Glass Earth to acquire all the issued and outstanding shares of HPD NZ which were held by the Company's wholly owned subsidiary, HPD Investments Limited. The consideration paid by Glass Earth was 12,665,000 common shares and 6,332,500 share warrants with a strike price of C\$0.25 which are exercisable for a period of 2 years. On 29 March 2006 the closing share price for Glass Earth was C\$0.17.

By mutual agreement Marc Sale, a director of Patagonia Gold, will not be remaining on the board of HPDNZ nor joining the board of Glass Earth.

ENDS

For more information, please contact:

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