

23 June 2006

Patagonia Gold Plc

Speaking to shareholders at the Annual General Meeting in London, Patagonia Gold's Deputy Chairman Carlos Miguens stressed the company's commitment to the most stringent environmental controls. He was highlighting guarantees given by Patagonia Gold about the Huemules project which the company bought from Meridian six months ago.

"Our first priority is to safeguard the interests of the local environment and the community of people who live in the area," Mr. Miguens stated. "We have evaluated the project and remain convinced of its potential. Like all mining projects, however, local interests are of crucial importance. It is only with the support of the population of Esquel that our Huemules project will succeed.

"Patagonia Gold has guaranteed that should the Huemules project commence production again it will be underground and that there will be no use whatsoever of cyanide. In that way we can establish and share the economic benefits with Esquel and the people who live there without environmental risk."

Mr. Miguens emphasized that Patagonia Gold would comply absolutely with local and national laws and regulations.

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