

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

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7 July 2006

**Patagonia Gold Plc announces disposal of stake in Glass Earth Limited**

Patagonia Gold Plc is pleased to announce that it has agreed to sell its entire investment, including warrants in Glass Earth Limited, for C\$ 1,899,750 to St. Andrew Goldfields Limited.

The agreement provides for the 12,665,000 common shares and 6,332,500 warrants to be purchased by St. Andrew Goldfields Limited for 15c per share, a total sum of C\$ 1,899,750. (approximately GBP £ 925,000) which is payable in cash upon completion. Completion of this transaction is scheduled to take place on 31<sup>st</sup> July 2006. The profit on this disposal will amount to approximately GBP £ 425,000.

The proceeds will be directed towards funding Patagonia Gold’s new exploration programmes recently announced.

**ENDS**

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