

# PATAGONIA GOLD PLC

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*30th April 2007*

## DRILLING UPDATE

LA PALOMA PROPERTY. SANTA CRUZ, ARGENTINA.

- Resource infill drilling on the Lomada de Leiva Project located on the La Paloma property, has reported very encouraging results in the first drill holes including 18 metres at 6.87g/t gold.
- Exploration drilling on the adjacent Breccia Sofia Prospect has revealed promising mineralized structures.
- Chlumsky, Armbrust and Meyer (CAM), consulting and engineering group from Lakewood, Colorado, U.S.A., have undertaken a site visit and commenced work on a NI43-101 compliant Resource estimate on Lomada de Leiva.

The La Paloma property block covering over 44 square kilometres is located approximately 40km to the south of the town of Perito Moreno in the Santa Cruz province of Argentina.

An infill drilling campaign commenced in February of this year on the 100% owned Lomada de Leiva Project. To date 3,024 metres in 21 HQ diamond drill holes and 945 metres in 8 Reverse Circulation (RC) holes have been completed.

Results from the first 9 holes are now available and significant intersections are listed in the table below.

Drill Hole No.	From Metres	Interval metres	Gold g/t
LPD-01	9.0	18.0	6.87
including	10.0	10.0	10.86
LPD-02	35.0	21.0	4.12
including	46.0	7.0	5.17
LPD-03	90.0	13.0	7.26
including	94.0	6.0	13.45
LPD-04	63.0	8.0	1.19
and	97.0	12.0	1.32
LPD-06	64.0	24.0	3.05
including	82.0	5.0	7.16
LPD-07	38.0	20.0	2.66
including	48.0	4.0	5.89
LPD-09	73.0	12.0	2.01
and	88.0	10.0	2.07

Exploration drilling on the adjacent Breccia Sofia prospect is also ongoing. To date 1,816 metres in 12 RC holes have been completed. Results are pending.

### **Geology and Mineralisation**

Mineralisation at the Lomada de Leiva Project is hosted in Jurassic volcanics and volcanoclastic sediments. A north north-east structural corridor dipping steeply to the east contains brecciated and variably silicified volcanic and tuffaceous rocks which have been cut by a network of fine anastomosing quartz veins and veinlets. The breccia also contains clasts of chalcedonic quartz vein material. Gold is likely to be hosted in the breccia matrix as well as the vein quartz and earlier chalcedonic veins. Petrological work is being conducted on a number of core samples to determine the gold paragenesis in the reporting zones.

The main zone of interest at Lomada de Leiva is mapped over 600 metres on strike and greater than 20 metres in width with significant potential extending towards Breccia Sofia, some 500 metres to the north east. PG's drill hole LLD-06 containing 24m @ 3.1g/t Au is approximately 300m to the north of the previously drilled hole DDHLP-36 which contained 15.5m @ 2.28 g/t Au

The Company's initial interrogation of the previous drilling by Barrick and the current exploration drilling being conducted by the Company indicates prospectivity to the east under gravel cover as well as potential for repetitions or sub parallel structures to the south east.

### **Drill programme**

The current drilling programme at Lomada de Leiva has been designed to validate, infill and extend the previous drilling by Barrick. The total Resource based drill programme contains 40 holes for an estimated 5,800 metres of both diamond drilling and RC drilling. The programme includes a number of 'scissors' and 'twins' of both the Barrick drilling and diamond to RC hole comparison for quality control purposes. A programme of exploration drilling on the periphery of the resource area contains a planned 25 holes for a further 3,500m of both diamond and RC drilling. This programme will be started before the winter.

At Breccia Sofia the exploration programme currently underway contains a planned total of 25 holes for 2,500m of RC drilling.

### **Resource-NI43-101**

Chlumsky, Armbrust and Meyer L.L.C. (CAM), an international mineral resources, consulting and engineering group from Lakewood, Colorado, U.S.A. have been engaged by Patagonia Gold to complete a resource estimate, to Canadian National Instrument 43-101, on the Lomada de Leiva Project area.

CAM will also give recommendations for infill, down-dip and metallurgical drilling at Lomada de Leiva in preparation for environmental and scoping studies.

Sample pulps and coarse residues from the current drill programme have been selected for initial metallurgical test work in order to quantify the recovery from the ore material. Gravity extraction test work is also being undertaken.

Marc Sale, (BSC. Geology, member AusIMM, member AIG) a Director and consultant to Patagonia Gold Plc and a qualified person as defined in National Instrument 43-101, has reviewed and verified all scientific or technical mining disclosure contained in this press release.

ENDS

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