

PATAGONIA GOLD PLC

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DRILLING UPDATE CAP-OESTE, MANCHURIA AND LOMADA DE LEIVA GOLD-SILVER PROJECTS

Highlights:

- Drilling on the Cap-Oeste mineralized structure, located on the El Tranquilo property, continues to intersect high grade gold and silver, including 15.20 metres @ 12.94g/t gold and 189g/t silver in drill-hole CO-80-D. The structure remains open at depth and along strike in both directions.
- Results from drilling on the 'Main Zone' gold-silver project, located on the La Manchuria property, continue to report high grade gold and silver, including 2.85 metres at 22.35g/t gold and 401g/t silver in drill-hole LM-020-D. The structure remains open at depth and along strike to the south.

Drilling results from Cap-Oeste not previously reported include:

Drill Hole No.	From Metres	Interval metres	Gold g/t	Silver g/t
CO-058-D	57.42	7.28	2.21	326
including	59.03	0.97	6.13	1,968
CO-060-D	88.00	7.00	3.78	51
CO-065-DR	140.90	30.10	1.59	18
CO-067-DR	3.00	24.00	1.85	76
including	23.00	3.00	5.89	401
CO-078-D	181.65	37.35	1.04	11
CO-080-DR	161.00	27.00	7.88	122
including	170.00	15.20	12.94	189
including	175.90	2.10	33.71	71
including	181.80	0.90	10.69	1,717
CO-081-DR	156.60	17.00	2.24	127
including	168.20	5.40	5.42	238

El Tranquilo Property

The El Tranquilo property block, covering over 40 square kilometres, is located approximately 120km to the south east of La Paloma in the Santa Cruz province of Argentina and contains the **Cap-Oeste Gold Project** and the Breccia Valentina Prospect.

Cap-Oeste Gold Project

To date 95 drill holes have been completed on the main structure, now named the ‘Bonanza vein’, for a total of 11,329 metres. Drill-holes have been spaced at approximately 50 metre centres along 1,200 metres of the Cap-Oeste structure with closer spacing in the zone of the main shoot. Three rows of 50 metre step-back holes have been completed on most sections, these step-backs have been spaced at approximately 50 metre intervals covering no less than 150 metres across strike. Results are pending.

Drilling has confirmed the presence of a wide gold mineralized structure with a core containing bonanza grade gold and silver. The main structure remains open at depth and along strike in both directions. The high grade gold values are associated with bonanza grade silver values.

Ongoing drilling is currently focusing on exploration along mineralized structures outside of the main structure. The Cap-Oeste mineralised trend has now been identified in mapping and trenching for over 6 kilometres and remains open along strike and down dip to the north and south.

Chlumsky, Armbrust and Meyer, LLC. (CAM) of Lakewood, Colorado, has been retained by Patagonia Gold PLC (PGD) to independently define and describe a gold Resource at Cap-Oeste, which complies with Canada National Instrument 43-101 (NI 43-101). CAM have completed the technical due diligence on site.

La Manchuria property

The La Manchuria property, covering 5,575 hectares, is located approximately 50 kilometres to the east of the Cap-Oeste project in the Santa Cruz province of Argentina and contains the Manchuria ‘Main zone’ gold-silver project

Manchuria “Main Zone” project

In February-March 2008 PGD completed a diamond drilling campaign, consisting of 20 holes for a total of 3,980 metres, on the ‘Main Zone’ gold-silver project, designed to infill and twin historic drill holes as well as expand the area of mineralization and in order to plan a resource oriented drill program for the second half of this year.

Drilling results not previously reported include:

Drill Hole No.	From Metres	Interval metres	Gold g/t	Silver g/t
LM-016-D	187.85	0.85	11.80	33
LM-017-D	68.00	1.00	14.50	19
LM-020-D	119.50	2.85	22.35	401
including	121.65	1.55	27.53	612
including	121.65	0.70	31.40	246

Drilling of the “Main Zone” has confirmed and extended the high-grade gold and silver mineralization 300m to the south and the zone remains open but obscured by post-mineral cover.

Interpretation of geophysics over the Main Zone and available geochemistry to the south indicates the potential for the structure to extend south for over 2,000 metres.

Lomada de Leiva Project:

Drilling has recommenced at the Lomada de Leiva Gold deposit, designed to expand the known resource and to follow CAM's recommendations from their Resource and Scoping Studies. To date 3 infill holes for 500m have been completed in the main resource area. Further drilling will test the anomalous structures identified by the recently completed detailed geophysics survey.

Work is in progress on the National Instrument (NI) 43-101 compliant Scoping Study on the Lomada de Leiva Project, located on the La Paloma Property, and is expected to be completed in the near future.

Breccia Sofia Prospect

Five exploration drill holes, for a total of 604.65 metres, have been completed on the mineralised structural corridor along strike to the south of previously identified mineralization in hole BSR-015 containing 5m @ 17.5g/t Au. Drilling has intersected numerous zones of veining. Results are pending.

Marc Sale, (BSC. Geology, Fellow 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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