



Patagonia Gold PLC : Loan Notes Conversion

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Patagonia Gold PLC
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BARRICK CONVERTS LOAN NOTES TO SHARES IN PATAGONIA GOLD

On 21 February 2007, Patagonia Gold Plc ('Patagonia Gold' or the 'Company'), the South American mining company, announced that it acquired Barrick Gold Corporation's ('Barrick') entire exploration property portfolio in the Santa Cruz province of Southern Argentina. Initial consideration for the acquisition comprised a cash payment of US\$800,000 and the issue by the Company of loan notes, convertible into 30,345,160 new ordinary shares of 1p each in the Company ('New Ordinary Shares') representing 10% of the enlarged issued share capital of Patagonia Gold.

Today Patagonia Gold is pleased to announce that on 28 February 2007 it allotted the New Ordinary Shares to Barrick pursuant to the conversion by the noteholders of the £2,162,092.65 of convertible loan notes (the 'Loan Notes'), which were issued by the Company on 20 February 2007. The Loan Notes converted at a price of 7.125p per share.

Commenting on the announcement, Patagonia Gold's Chairman, Sir John Craven said:

'We are very pleased to welcome Barrick as a major shareholder in the Company. We believe that their prompt conversion of the loan notes into shares in Patagonia reflects their belief in our ability to develop the assets acquired by us and we look forward to building a strong working relationship between the two companies.'

As a result of the conversion Barrick now has an interest in 30,345,160 Ordinary Shares, representing 10 per cent of the Company's issued share capital as enlarged by the issue of the New Ordinary Shares ('Enlarged Share Capital').

Application has been made for admission of the New Ordinary Shares to trading on the AIM market of the London Stock Exchange. It is expected that admission will become effective and that dealings will commence in the New Ordinary Shares on 5 March 2007. As of today's date Patagonia Gold has a single class of shares in issue being ordinary shares of 1 pence each ('Ordinary Shares') and there will be 303,451,595 Ordinary Shares in issue, each carrying one vote per Ordinary Share.

The total number of voting rights in the Company's ordinary shares is therefore 303,451,595 which may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Patagonia Gold under the Financial Service Authority's Disclosure and Transparency Rules.

For more information, please contact:

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