



Patagonia Gold PLC : Placing

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19 July 2007

Patagonia Gold Plc ('Patagonia Gold' or the 'Company')

Placing to raise £2 million

Patagonia Gold, the South American mining explorer, today announces that it has agreed to place 23,529,412 new ordinary shares of 1p each in the Company ('Placing Shares') at a placing price of 8.5p per share (the 'Placing') to raise £2 million. The proceeds from the Placing will be used to finance working capital and exploration expenditure.

Placing Shares to the value of £1,062,250 will be subscribed for by Directors and their family associates. Directors' discloseable interests are as set out below. The Placing is conditional on admission of the Placing Shares to AIM.

The Directors will subscribe for Placing Shares as follows:

| Director | Placing Shares Subscribed | Shareholding immediately following Admission | Percentage of enlarged issued share capital |
|-------------------|------------------------------|--|---|
| Carlos Miguens | 4,517,598 | 56,216,554 | 15.71 |
| William Humphries | 732,353 | 9,232,353 | 2.58 |
| Gonzalo Tanoira | 370,769 | 4,730,506 | 1.32 |

The Placing Shares represent 6.57% of the enlarged issued share capital of the Company. The number of Ordinary shares in issue following the Placing, and the total number of voting rights, will be 357,922,913. The Placing Shares will rank pari passu with existing ordinary shares of 1p each. Application will be made for admission of the Placing Shares to trading on AIM, and is expected to take place on 30 July 2007.

The participation of certain directors in the Placing is deemed to be a related party transaction under the AIM Rules. The independent directors consider, having consulted with Strand Partners Limited, the Company's nominated adviser, that their participation in the Placing is fair and reasonable insofar as its shareholders are concerned.

Enquiries:

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