

Patagonia Gold PLC : Placing

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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 29,629,870 new ordinary shares of 1p each in the Company ('Placing Shares') at a placing price of 6.75p per share (the 'Placing') to raise approximately £2 million before expenses. The proceeds from the Placing will be used to finance working capital and continuing exploration expenditure.

The Placing Shares will be subscribed for by certain Directors and Institutions. Directors' discloseable interests are as set out below. The Placing is conditional on admission of the Placing Shares to trading on AIM.

The Directors will subscribe for Placing Shares as follows:

<i>Director</i>	<i>Placing Shares Subscribed</i>	<i>Shareholding immediately following Admission</i>	<i>Percentage of enlarged issued share capital</i>
Sir John Craven	1,481,500	4,479,000	1.04
Carlos Miguens	3,990,270	77,025,576	17.81
William Humphries	1,481,500	10,713,853	2.48
Gonzalo Tanoira	327,539	6,438,447	1.49

The Placing Shares will represent 6.85% of the then 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 432,552,783. The Placing Shares will rank *pari passu* with existing ordinary shares of 1p each in the Company. Application will be made for admission of the Placing Shares to trading on AIM, and is expected to take place on 24 July 2008.

The participation of certain of the 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 such participation in the Placing is fair and reasonable insofar as the Company's shareholders are concerned.

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