

Patagonia Gold PLC : Drilling Report

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Patagonia Gold PLC

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DRILLING UPDATE LA MANCHURIAGOLD-SILVER PROJECT SANTA CRUZ PROVINCE, ARGENTINA

Highlights:

- Micon of Toronto, Canada, has been retained to independently prepare a resource estimate which complies with Canadian National Instrument 43-101 (NI 43-101) on the La Manchuria high grade gold and silver project on which an infill drilling campaign has recently been completed.
- Drilling results continue to report high gold and silver grades, including 1.0 metre at 94.2 grams per tonne (g/t) gold and 5,920g/t silver in drill-hole LM-60-D and 1m @ 212 g/t Au and 228g/t Ag in drill-hole LM-57. The Main Zone remains open both to the North and South and at depth.

Results from the infill campaign not previously reported include:

Hole No.	From	Interval	Grade	Grade
	metres	metres	Au g/t	Ag g/t
LM-056A-D	125.00	0.50	180.00	2050
LM-057-D	131.50	2.10	102.97	135
<i>including</i>	131.50	1.00	212.00	228
LM-060-D	96.00	2.00	52.55	3274
<i>including</i>	96.00	1.00	94.20	5920
LM-064A-D	154.80	0.50	46.00	603
LM-066-D	85.60	0.90	41.90	88
<i>and</i>	112.70	1.50	42.67	589
LM-068-D	72.00	4.50	20.53	198
<i>including</i>	76.00	0.50	178.00	923
<i>and</i>	89.40	1.00	18.80	475
LM-069-D	133.00	1.60	22.60	61
<i>including</i>	133.00	0.50	54.50	123
LM-070-D	82.55	0.50	20.80	511
LM-073A-D	118.00	1.10	60.20	180
LM-074-D	145.00	1.75	19.95	379
<i>and</i>	156.20	1.25	49.44	253
LM-075-D	183.00	1.40	16.20	614

La Manchuria property:

The La Manchuria property, consisting of 5 expedientes (mining concessions) covering 5,575 hectares, is located approximately 50 kilometres to the south east of PGD's flagship Cap-Oeste Project and contains the Manchuria Main Zone gold-silver project.

Manchuria Main Zone project:

The recently completed HQ core diamond drill programme, consisting of 55 drill-holes from LM-041-D to LM-095-D for 9,754 metres, was designed to infill the pre-existing 50 metre line spaced drilling on a 25 metre x 25 metre grid along 400 metres of strike length to allow a resource estimate to be completed for the Main Zone. Results from drill-holes LM-076 to LM-095 will be reported when available

Geological appraisal of drill-core supports the interpretation of a robust continuous zone of high grade gold and silver mineralisation. The mineralised 'package', consists of a series of multi-ounce Au-Ag discrete but locally continuous epithermal veins contained within more extensive disseminated mineralization.

The drilling whilst aimed at infilling and increasing confidence in the resource has also indicated a high potential for the drill extension of the mineralised zone which remains open in all directions.

Micon of Toronto, Canada, has been retained to independently prepare a resource estimate for the Main Zone compliant with Canadian National Instrument 43-101 (NI 43-101).

Cap-Oeste South East Prospect (COSE)

Drilling continues on the COSE prospect, located approximately two kilometres along strike and to the south east of the Cap-Oeste deposit. Drilling is targeting the down plunge and along strike continuation of the extremely high grade CSE 13-D (reported 4.1m @ 540g/t gold and 28,089g/t silver).

To date 26 holes from CSE-003-D to CSE-028-D for 6,161 metres have been completed. Geologically the drilling has intersected the sulphitic breccia-gouge that was observed in CSE 13-D. Results are pending and will be reported when available.

Lomada de Leiva Project.

The Environmental Impact Study for the trial Heap leach in Lomada de Leiva was completed and presented to the Mining Authorities in the Santa Cruz province. We are awaiting approval from the local authorities and have already identified and selected suppliers to commence work as soon as the permit is formally approved.

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.

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