

Patagonia Gold PLC : Drilling Report

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Patagonia Gold PLC

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PATAGONIA GOLD PLC

DRILLING RESULTS CAP-OESTE SOUTH EAST (COSE) GOLD-SILVER PROSPECT SANTA CRUZ PROVINCE, ARGENTINA

Highlights:

Drilling continues to intercept exceptionally high grade gold and silver on the COSE prospect located 2 kilometres south east along strike from the Cap-Oeste gold and silver resource, with drill hole CSE-27 intersecting:

13.93metres @ 159.23g/t gold and 627g/t silver

Including

1.60 metres @ 1,284.15g/t gold and 3,977g/t silver.

Patagonia Gold PLC (PGD) commenced a drilling campaign on COSE in October 2009. To date 33 drill holes have been completed, for a total of 7,534 metres. Drilling is continuing.

Results not previously reported include:

Hole No.	From	Interval	Grade	Grade
	metres	metres	Au g/t	Ag g/t
CSE-016-D	151.30	7.70	4.56	163
<i>And</i>	163.80	1.00	18.70	346
CSE-17-D	244.00	13.83	13.07	908
<i>including</i>	244.78	2.32	42.98	4,931
CSE-19-D	179.00	1.00	11.10	1,612
CSE-22-D	269.90	3.60	31.36	864
<i>including</i>	269.90	1.25	80.10	2,351
CSE-24-D	240.00	3.30	23.94	373
CSE-27-D	214.17	13.93	159.23	627
<i>including</i>	219.20	1.60	1,284.15	3,977
CSE-28-D	188.60	0.90	9.10	2,872

Results are pending for 5 holes.

El Tranquilo Property Block:

The El Tranquilo property block, covering over 60 square kilometres, contains the Cap-Oeste gold and silver deposit, the **COSE prospect**, the Pampa prospect and the Vetas Norte and Breccia Valentina structural trends.

COSE Prospect:

In early 2009, a geophysical survey, completed over 6 kilometres of the interpreted Cap-Oeste Bonanza fault structure, identified two large chargeability anomalies centred approximately two kilometres along strike to the north-west (La Pampa) and south-east (COSE) of the Cap-Oeste deposit.

A follow up reconnaissance exploration programme on COSE, including detailed mapping, trenching, sampling and two exploratory drill holes, identified an auriferous breccia beneath the anomaly with drill hole CSE-02 intersecting 12m @ 2.53g/t Au including 3m @ 5.19g/t Au..

Drilling on COSE has continued during the current field season and has returned spectacular results, including the previously reported CSE-13-D intersecting exceptionally high grade gold and silver values over **4.10 metres @ 561.6 g/t Au and 28,523g/t Ag**.

Drilling both up dip and down the inferred plunge of the high grade central zone continues to intersect mineralised breccia. The high grade mineralised breccia containing the extremely high grade shoot has now been confirmed down a +80 metre plunge extension. Further drill holes have intersected mineralised breccia down plunge, for which results are pending.

Step out drilling on 100 metre centres has also been conducted over 1 kilometre of strike to the north-west along the chargeability anomaly towards the Cap Oeste resource area. Several of these exploration holes have intersected zones of brecciation up to 4 metres in width for which results are pending.

All drill-core was photographed prior to being cut for assaying. Samples were analysed by Alex Stewart (Assayers) Argentina SA. Check assays, standards and laboratory duplicates were performed on a systematic basis at Alex Stewart (Assayers) Argentina SA. Due to the exceptionally high grades, the results for drill hole CSE-27 have been analysed by both fire assay and gravimetric gold analysis. Gravimetric analysis is more accurate for extremely high grade gold and silver values and there has been a very good correlation of the gold fire assays values and gravimetric results with overall variation less than a 5%.

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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