

Patagonia Gold PLC : PROGRESS REPORT

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**PROGRESS REPORT
LOMADA GOLD PROJECT
SANTA CRUZ PROVINCE, ARGENTINA**

Highlights:

- **Final preparations for the commissioning of the Lomada Trial Heap leach project are nearing completion. Irrigation for conditioning of the ore pad is scheduled to commence on the 10th April with handover of the commissioned process facility by the construction company, INFA, scheduled for the 25th April.**
- **Initial results from the recently completed extension and infill drilling campaign on the Lomada deposit are highly encouraging, including drill hole LLD10-17 intersecting 18 metres at 10.95 grams per tonne gold . A Resource and Scoping study upgrade is in progress with completion anticipated in Q2.**

Lomada de Leiva project:

The Lomada de Leiva gold-heap leach project (Lomada project) is located on the La Paloma property block approximately 40km to the south of the town of Perito Moreno and currently contains a Canadian National Instrument 43-101 (NI 43-101) compliant resource of 161,346 ounces of gold in the measured and indicated categories with a further inferred 73,725 ounces of gold.

The first stage of the Lomada project consists of a 50,000 tonne trial heap leach pad and processing facility, which based on 70% recovery, is estimated to yield approximately 2,500 ounces of gold for the first 6 metre loading.

Work on the Lomada project commenced in late September 2010. All sections of works are now complete with the exception of the processing facility, the commissioning of which will commence next week, with handover by the construction company, INFA, scheduled for the 25th April.

All staff and operators have been hired and are currently undergoing training in the safe use and operation of the facilities and equipment on site. Power generators, fuel and water storage together with other ancillary items have been installed and are in operation. Sufficient reagents and consumables have been purchased for the anticipated life of the Lomada project.

Full operation of the Lomada project will commence soon after the commissioning of the processing plant with the first production of gold expected in early May.

Updated images of the Lomada project can be viewed on the website, www.patagoniagold.com

Subject to successful leaching and additional permitting, further loading and production from the first stage heap leach will continue until the main 5 million tonne heap leach project is fully operational.

Lomada Resource Upgrade:

Patagonia Gold SA (PGSA) has recently completed an extension and infill drilling campaign, comprising 35 diamond drill holes HQ core for 4,441 metres, aimed at enlarging the resource and advancing the inferred part of the resource into an indicated category. Results received to date are highly encouraging and include:

Hole No.	From	To	Interval	Grade
	metres	metres	metres	Au g/t
LLD-10-01	93.00	99.00	6.00	11.22
including	95.00	97.00	2.00	20.30
LLD-10-03	71.00	85.00	14.00	5.67
LLD-10-14	54.00	74.00	20.00	6.86
including	60.00	67.00	7.00	14.52
LLD-10-15	97.00	112.00	15.00	3.91
including	100.00	105.00	5.00	7.62
LLD-10-17	61.00	79.00	18.00	10.95
including	73.00	78.00	5.00	27.14
LLD-10-24	98.00	107.00	9.00	4.37

Table 1: Lomada Project table of significant Intercepts 2010/11 DDH extension and infill.

PGSA has retained Mining Engineers, Chlumsky, Armbrust and Meyer, LLC (CAM) of Lakewood, Colorado, to prepare a NI 43-101 report for the upgrade of the resource at Lomada, scheduled for completion in Q2, 2011.

The upgraded resource, together with the results from the trial Lomada project, will be used to revise the 2009 Scoping study of the Lomada project prior to the commencement of the main heap leach project.

Matthew Boyes, (BSC. Geology, member AusIMM) Development Manager for Patagonia Gold PGSA and a qualified person as defined in Canadian National Instrument 43-101, has reviewed and verified all scientific or technical mining disclosure contained in this press release.

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