



Patagonia Gold PLC : Placing to raise ?5.25 million

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Patagonia Gold PLC

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**Patagonia Gold plc
("Patagonia" or the "Company")**

Placing to raise £5.25 million

Patagonia Gold plc, the South American mining exploration company focussed on the Santa Cruz province of Argentina, is pleased to announce the completion of an additional placing ("the Placing") of 12.5 million new ordinary shares of 1 pence each in the Company ("Placing Shares") at a price of 42 pence per ordinary share to raise £5.25 million (approximately US\$8.5 million) before expenses. The Placing Shares were placed by the Company's broker, Matrix Corporate Capital LLP ("Matrix").

As announced by the company on 19 April 2011, the net proceeds from the original placing of £19 million will be used to finance an accelerated drill programme on the Company's flagship Cap-Oeste gold and silver project and also in parallel to commence the development and construction works for the high grade COSE gold and silver project.

As a result of this additional demand, these further funds will be used to contribute towards the capital expenditure for the COSE gold and silver project. The total sum raised in the two fundraisings is approximately US\$39 million.

The Placing Shares will represent 1.7 per cent. of the further enlarged issued share capital of the Company and the Placing is conditional on admission of the Placing Shares to trading on AIM ("Admission").

The Placing Shares will rank *pari passu* in all respects with the existing ordinary shares of the Company. Application will be made for Admission and it is expected that Admission will become effective and dealings in the Placing Shares will commence at 8:00 a.m on 9 May 2011. Following the Placing, the Company will have 734,515,878 ordinary shares in issue. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Disclosure and Transparency Rules.

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