Patagonia Gold PLC : Cap-Oeste infill drilling update

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Patagonia Gold Plc

Patagonia Gold reports update on infill drilling Cap-Oeste

London, United Kingdom 12th May 2015 - Patagonia Gold Plc (AIM: PGD)("Patagonia Gold" or the "Company") is pleased today to provide an update on infill drill results for the Cap-Oeste project

Cap-Oeste project:

- **A five drill-hole infill diamond campaign was completed into the central high grade portion of the Cap-Oeste orebody with four of the drill-holes intersecting COSE style mineralization within a sub-vertical shoot. Significant results included:**

  CO-404-D intersects 7.72m @ 145.61 g/t Au and 1,307 g/t Ag
  CO-406-D intersects 7.95m @ 97.67 g/t Au and 4,135 g/t Ag

- **A high definition closely spaced Pole-Dipole geophysical study is currently being planned over the most productive section of the Cap-Oeste-COSE structure with the scope of identifying similar discrete high grade shoots of mineralization.**

El Tranquilo property block:

The El Tranquilo property block, covering approximately 80,000 hectares, contains Patagonia Gold's flagship project, the Cap-Oeste deposit, together with the COSE bonanza gold and silver deposit and numerous other prospects including Monte Leon.

Cap-Oeste infill drill results:

As part of a follow up study which identified COSE style mineralisation within discreet shoots in the Cap-Oeste structure, a five drill-hole infill diamond campaign was completed into the central high grade portion of the Cap-Oeste orebody in late February 2015.

Table 1: Significant intersections from four holes:

Hole ID	From	To	(m)	Au (g/t)	Ag (g/t)	Au_Eqv (g/t)
CO-402-D	81.30	86.66	5.36	8.36	288	12.25
CO-403-D	101.32	113.60	12.28	25.43	363	30.33
CO-404-D	136.80	144.52	7.72	145.61	1,307	163.26
CO-406-D	203.42	211.37	7.95	97.67	4,135	153.54

 # Hole CO-402-D suffered significant core loss in the highest grade interval hence results are considered conservative
No upper cuts were applied to intervals during reporting
Gold Equivalent (Au Eqv) was calculated at a Ag;Au ratio of 74:1

True widths of the intersected mineralisation are estimated at approximately 90% of the reported length in the Table 1. QAQC checks have been completed for all batches and results are considered satisfactory. Screen Fire Assay (SFA) samples have been selected from crushed sample rejects to check if any coarse gold or silver is present and potential upside exists to the currently received results.

The database will be sent to an independent third party for an update of the existing resource calculation to ascertain whether any significant upside potential for the current resource model is possible.

Previously drilled holes which have intersected COSE style mineralisation in the same shoot have not returned values of the magnitude seen in holes CO-404 -D and CO-406-D especially with respect to the silver assays and there is the possibility that some earlier holes suffered from potential "wash out" of the high grade clays or core loss during drilling of this style of mineralisation. A full review is currently underway of historic drilling and if doubts persist and potential for a material increase of the contained Au and Ag exists within the shoot then a follow up programme of larger diameter core will be drilled as soon as practicable.

A high definition closely spaced Pole-Dipole geophysical study is currently being planned over the most productive section of the Cap-Oeste-COSE structure with the scope of identifying these discrete high grade shoots of mineralisation the study is scheduled to commence by min June 2015 with results expected 4-5 weeks after commencement.

Table 2; Complete table of drill results for holes CO-402-D to CO-406-D

Hole	From	To	Length (m)	Au (g/t)	A (g/t)	Au Eqv (g/t)
CO-402-D	81.3	81.84	0.54	22.01	714	31.66
CO-402-D	81.84	82.21	0.37	47.14	2,641	82.83
CO-402-D	82.21	82.92	0.71	4.23	30	4.64
CO-402-D	82.92	83.37	0.45	1.44	91	2.67
CO-402-D	83.37	83.77	0.4	1.69	838	13.01
CO-402-D	83.77	84.3	0.53	0.73	126	2.43
CO-402-D	84.3	84.9	0.6	3.13	193	5.74
CO-402-D	84.9	86	1.1	4.97	285	8.82
CO-402-D	86	86.66	0.66	5.16	226	8.21
CO-403-D	101.32	102.18	0.86	0.81	55	1.55
CO-403-D	102.18	103.19	1.01	0.43	5	0.50
CO-403-D	103.19	103.98	0.79	0.38	4	0.43
CO-403-D	103.98	104.52	0.54	0.51	7	0.60
CO-403-D	104.52	105.02	0.5	188.94	2,154	218.05
CO-403-D	105.02	105.53	0.51	70.7	181	73.15
CO-403-D	105.53	106.18	0.65	261.06	4,844	326.52
CO-403-D	106.18	107.05	0.87	2.61	13	2.79
CO-403-D	107.05	107.75	0.7	0.39	7	0.48
CO-403-D	107.75	108.43	0.68	1.14	5	1.21
CO-403-D	108.43	109	0.57	1.76	3	1.80
CO-403-D	109	110.16	1.16	1.34	21	1.62
CO-403-D	110.16	111.23	1.07	0.42	6	0.50
CO-403-D	111.23	112.36	1.13	1.16	8	1.27
CO-403-D	112.36	113.6	1.24	2.16	11	2.31
CO-404-D	136.8	137.62	0.82	0.16	8	0.27
CO-404-D	137.62	138.2	0.58	26.3	714	35.95
CO-404-D	138.2	138.5	0.3	1.81	35	2.28
CO-404-D	138.5	139.23	0.73	669.41	2,850	707.92
CO-404-D	139.23	140.11	0.88	666.23	6,547	754.70
CO-404-D	140.11	140.87	0.76	30.75	2,244	61.07
CO-404-D	140.87	141.7	0.83	9.36	114	10.90

CO-404-D	141.7	142.2	0.5	0.82	8	0.93
CO-404-D	142.2	143.53	1.33	0.49	5	0.56
CO-404-D	143.53	144.52	0.99	1.01	3	1.05
CO-405-D	157.35	158.09	0.74	0.74	14	0.93
CO-405-D	158.09	158.92	0.83	0.57	14	0.76
CO-405-D	158.92	160.05	1.13	5.45	193	8.06
CO-405-D	160.05	160.4	0.35	6.99	432	12.83
CO-405-D	160.4	161.15	0.75	3.25	135	5.07
CO-405-D	161.15	162.26	1.11	0.43	7	0.52
CO-405-D	162.26	163.17	0.91	0.59	6	0.67
CO-405-D	163.17	163.78	0.61	0.52	22	0.82
CO-405-D	163.78	164.7	0.92	0.74	5	0.81
CO-406-D	203.42	204.3	0.88	2.2	415	7.81
CO-406-D	204.3	204.97	0.67	272.81	7160	369.57
CO-406-D	204.97	205.48	0.51	127.67	24,073	452.98
CO-406-D	205.48	206.03	0.55	77.99	540	85.29
CO-406-D	206.03	206.66	0.63	285.52	973	298.67
CO-406-D	206.66	207.4	0.74	74.7	326	79.11
CO-406-D	207.4	207.93	0.53	62.55	118	64.14
CO-406-D	207.93	208.43	0.5	351.37	5661	427.87
CO-406-D	208.43	209.15	0.72	10.49	507	17.34
CO-406-D	209.15	209.66	0.51	60	21,480	350.27
CO-406-D	209.66	210.33	0.67	1.53	88	2.72
CO-406-D	210.33	210.84	0.51	0.77	9	0.89
CO-406-D	210.84	211.37	0.53	0.35	6	0.43

 # Au Eqv ppm calculated at current Ag;Au ratio of 74;1 no potential metallurgical recovery data has been utilised in the calculation of Au Eqv for this report

Screen fire assay (SFA) checks have been carried out on 5 samples form the batch with the results shown below, in 2 cases with sample numbers 228129 and 228288 coarse gold was detected in the > 140 micron (0.14mm) portion of the sample which was expected due to the nature and grade of the mineralisation intersected, overall 4 out the 5 samples reported a reduction in grade with the SFA results with respect to the initial fire assay carried out and considered to be within acceptable tolerances.

Table 3; Screen Fire Assay (SFA) results carried out on 5 high grade samples from hole CO-403-D to CO-406-D

ORIGINAL SAMPLE					SCREEN FIRE ASSAY			
Hole	Sample	From	To	Original Au (g/t)	Weighted -140# (%)	Weighted +140# (%)	Au SFA Final (g/t)	% Diff (%)
CO-403-D	228127	104.52	105.02	188.94	93.95%	6.05%	181.61	-3.88%
CO-403-D	228129	105.53	106.18	261.06	89.83%	10.17%	283.63	8.65%
CO-404-D	228158	138.5	139.23	669.41	97.44%	2.56%	557.68	-16.69%
CO-406-D	228284	204.3	204.97	272.81	97.33%	2.67%	267.65	-1.89%
CO-406-D	228288	206.03	206.66	285.52	76.70%	23.30%	231.75	-18.83%

A ranking study has been completed to compare the historic drill results against the recent holes drilled within the same high grade shoot, 3 of the 5 recently drilled holes report a Grade X Metre ranking of 1,2 and 5 respectively when compared against 24 historic holes which pierce the same structure. Drillholes CO-404-D and CO-406-D reporting AuEqvXM values a factor of 2.6 times higher than the best reported historic interval. PGD is investigating the potential causes including previously stated potential "wash-out" of high grade mineralisation to explain the substantial differences in reported results between historic and recently drilled intervals, laboratory error has been excluded as acceptable QAQC checks have been reported for all assay batches received to date.

Table 4; Significant intervals within COSE-Style High grade shoot at Cap-Oeste Ranked by AuEqv content multiplied by thickness or "Grade Metre"

					Au Eqv	

Ranking	Hole ID	length (m)	Au (g/t)	Ag (g/t)	(g/t)	AuEqvXM
1	**CO-404-D**	**7.72**	**145.61**	**1307**	**163.27**	**1260.5**
2	**CO-406-D**	**7.95**	**97.67**	**4135**	**153.55**	**1220.7**
3	CO-104-DR	21	4.87	1375	23.45	492.5
4	CO-054-DR	6	56.04	897	68.16	409.0
5	**CO-403-D**	**12.28**	**25.43**	**363**	**30.34**	**372.5**
6	CO-105-DR	22	11.93	141	13.84	304.4
7	CO-080-DR	25	8.55	142	10.48	261.9
8	CO-119-DR	18.2	10.66	146	12.63	229.8
9	CO-127-D	18	4.05	628	12.54	225.7
10	CO-016-D	10.2	15.03	510	21.92	223.6
11	CO-108-D	10.5	13.68	545	21.05	221.1
12	CO-139-D	18.5	9.45	137	11.31	209.3
13	CO-107-DR	41.1	3.11	138	4.97	204.2
14	CO-097-DR	4.37	14.54	2379	46.68	204.0
15	CO-099-D	15.75	7.24	119	8.86	139.5
16	CO-110-DR	4.2	10.56	1482	30.59	128.5
17	CO-098-DR	22.05	2.52	131	4.28	94.4
19	CO-096-DR	20	2.23	83	3.35	67.0
18	**CO-402-D**	**5.36**	**8.36**	**288**	12.25	**65.7**
20	CO-055-DR	18.6	1.89	97	3.20	59.6
21	CO-008-R	20	2.01	32	2.44	48.7
22	CO-007-R	15	2.38	58	3.17	47.5
23	CO-060-D	25.3	1.27	29	1.66	42.1
24	CO-015-D	16.55	2.07	17	2.30	38.1
25	CO-109-DR	15.3	1.81	40	2.35	35.9
26	CO-028-R	25	1.18	16	1.39	34.8
27	**CO-405-D**	**11.7**	**1.39**	**52**	2.10	**24.6**
28	CO-112-D	10.7	1.20	36	1.68	18.0
29	CO-100-DR	2.5	3.49	25	3.83	9.6

A long section with the hole positions with respect to historic drill hole pierce points is included in the link below and will be posted on the website under the Cap-Oeste section at www.patagoniagold.com

http://www.rns-pdf.londonstockexchange.com/rns/9456M_-2015-5-12.pdf

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About Patagonia Gold

Patagonia Gold Plc is a mining company that seeks to grow shareholder value through exploration, development and production of gold and silver projects in the southern Patagonia region of Argentina. The Company is primarily focused on three projects: the flagship Cap-Oeste/COSE project, the La Manchuria project and the Lomada heap leach project, which is generating free cash flow. Patagonia Gold, indirectly through its subsidiaries or under option agreements, has mineral rights to over 220 properties in several provinces of Argentina and Chile, and is one of the largest landholders in the province of Santa Cruz.

Matthew Boyes, (BSC. Geology, Fellow AusIMM) Chief Operating Officer 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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