



HPD Exploration PLC : Trading Commences on AIM

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HPD EXPLORATION PLC COMMENCED TRADING ON AIM TODAY AFTER £1.688 MILLION
FUNDRAISING

2,000 sq km of tenements in the Rio Negro, Chubut and Santa Cruz provinces of
Argentinean Patagonia

Drilling programme underway

HPD Exploration PLC ('HPD' or 'the Company'), which has exploration properties in Southern Argentina through a 50% joint venture with Patagonia Gold S.A., has commenced trading on AIM today after raising £1.688 million in a placing and open offer. The Placing and Open Offer shares were taken up by existing shareholders and institutional and other investors introduced by brokers Seymour Pierce Ltd.

The Company, which has a market capitalisation of £18.8 million at the issue price of 14p, will use the funds to complete a first and second pass drilling programme at their Patagonian projects and to fund the working capital requirements of the company.

Richard Prickett, Chairman, said today that 'a drilling programme in Patagonia is currently underway at the Cuya prospect in Rio Negro province in northern Patagonia and we expect that the results of this programme will be available in May 2003.'

'We believe our properties have excellent potential for epithermal gold and silver mineralisation similar to that found at the Esquel, Cerro Vanguardia and Heuvos Verdes gold deposits in Patagonia. It is also a geographic area in which the management team has considerable experience' he added.

HPD was incorporated in 2000 to act as a holding company for the non-core exploration projects of Brancote Holdings plc ('Brancote') and was de-merged from Brancote in November 2000. Brancote proceeded to focus its activities on its core asset, the epithermal gold project at Esquel in Southern Argentina, which was subsequently acquired by Meridian Gold Inc. in July 2002 for US\$368 million. HPD's Board of Directors consists of three former directors of Brancote being Richard Prickett, William Humphries and David Dare together with Marc Sale and Neil Herbert. Both Marc Sale and Neil Herbert previously worked with Brancote on the successful development of the Esquel gold project.

The joint venture company through which the Southern Argentinean assets are held, Patagonia Gold S.A, is a 50/50 joint venture between HPD and local partners the Miguens-Bemberg family who have important industrial interests in Argentina and who were previously partners of Brancote in the Esquel gold project.

HPD also has a 33.5% interest in Landore Resources Inc, a Canadian company listed on the Toronto Stock Exchange that is engaged in precious and base metal exploration and development in North America. It is currently focusing exploration activity on its prospective precious metal properties at Junior Lake, Miminiska Lake, Frond Lake and Talbot Lake in Ontario, Canada, on which a

drilling programme recently commenced.

HPD has assembled a highly experienced exploration team led by Glen Van Kerkvoort, a senior geologist with seven years experience in exploration for epithermal gold mineralisation in Argentina. He was responsible for the discovery of the 750,000 ounces gold 'La Cabeza' deposit near Mendoza and the geological mapping of the giant 'Pasqua Lama' deposit in southern Argentina.

Patagonia Gold has entered into an agreement with Arminex S.A., a subsidiary of APAC Minerals INC. of Canada for an exclusive option in respect of the Cuya and El Puesto epithermal gold prospects in the Los Menucos district in the Rio Negro province of Southern Argentina. Patagonia Gold has the option to earn a 50% interest in the two prospects by investing a total of US \$1.5 million in exploration over two years, of which US \$750,000 is to be spent on drilling the Cuya prospect within the first 6 months of 2003.

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