



Patagonia Gold PLC : Placing

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17 January 2006

Patagonia Gold Plc

Placing to raise £2.5 million

Patagonia Gold Plc ('Patagonia Gold' or the 'Company'), the South American mining explorer, today announces that it has placed 15,625,000 new ordinary shares of 1p each in the Company ('Placing Shares') at a placing price of 16p per share (the 'Placing') to finance working capital and exploration expenditure.

Placing Shares to the value of £1,125,000, representing 45% of the ordinary shares the subject of the Placing, have been subscribed for by the Miguens / Bemberg family led by Carlos Miguens and Gonzalo Tanoira, who continue to provide invaluable expertise and advice in relation to the Company's activities in Argentina.

The following Directors have subscribed for Placing Shares:

Director	Placing Shares Subscribed	Shareholding immediately following Admission	Percentage of enlarged issued share capital
Sir John Craven	1,562,500	2,562,500	0.96%
Carlos Miguens	2,668,568	39,608,950	14.78%
Bill Humphries	390,625	6,890,625	2.57%
Richard Prickett	390,625	6,374,888	2.38%

The Placing is conditional on admission of the Placing Shares to AIM. Application has been made for admission of the Placing Shares to trading on AIM, and is expected to take place on 24 January 2006.

In total the Directors and the Miguens/Bemberg family have subscribed for 60% of the Placing Shares, the balance being placed with institutional investors.

Enquiries:

Patagonia Gold
Richard Prickett/
William Humphries
Tel: +44(0)20 7409 7444

Anthony Cardew/Tim Robertson
Tel: 020 7930 0777

www.patagoniagold.com

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