



# Patagonia Gold PLC : Progress Report

Released : 25.07.2007

Patagonia Gold PLC  
25 July 2007

PATAGONIA GOLD PLC

Trading Symbol PGD.L

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## PROGRESS REPORT

### EXPLORATION AT BRECCIA VALENTINA

Trenching at the Breccia Valentina Prospect confirms significant mineralization above an inferred fissure vein system, including 34m @ 0.89 g/t gold, 5 kilometres along strike from the previously reported, highly prospective, Cap Oeste Prospect.

In February of this year, Patagonia Gold (PGD) acquired Barrick Group's entire exploration property portfolio in the Santa Cruz Province of Argentina. The portfolio contains 70 expedients (mineral titles) in six groups covering approximately 200,000 hectares in the highly prospective Deseado massive region of Santa Cruz.

PGD has concentrated its exploration efforts on three of these property groups;

- The La Paloma property group, which contains the Lomada de Leiva Project on which PGD has completed a 9,000 metre infill drill programme to advance the existing resource to Canadian National Instrument 43-101 compliance. (Progress Report 21 06 07)
- La Manchuria, located approximately 150km to the south east of the La Paloma property, on which PGD has completed exploration and validation works. (Progress Report 21 06 07).
- The El Tranquilo property group, located approximately 120km to the south east of La Paloma containing the Cap Oeste Prospect, on which PGD has completed exploration and validation works (Progress Report 21 06 07), and the Breccia Valentina Prospect.

#### Breccia Valentina Prospect.

PGD has undertaken an exploration programme in order to plan a drill campaign in October. Validation of historical data included detailed mapping, taking rock chip samples and trenching for sawn channel sampling. Results from the trenching include:

Trench No.	Interval in metres	Gold g/t	Distance from TR-20
TR 20	4.0	0.37	00m

TR 19	14.1	0.13	50m SE
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TR 04	34.0	0.89	100m SE
-----	-----	-----	-----
including	20.0	1.19	
-----	-----	-----	-----
TR 18	54.9	0.47	150m SE
-----	-----	-----	-----
including	4.0	2.96	
-----	-----	-----	-----
TR 17	60.0	0.20	200m SE
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A further trench, number 21, was excavated 150m to the north east and contained 83.4m @ 0.13 g/t gold including 2m @ 0.39 g/t gold. This trench is interpreted to be on a second, parallel structure, or an off set of the main zone.

The Breccia Valentina Prospect is located less than 5 kilometres along strike from the previously reported, highly prospective, Cap Oeste Prospect which included results from trenching of 37.5 metres at 1.89g/t. Additionally it is only 50 kilometres from the La Manchuria property which has reported drill samples of 0.6 metres of 158 g/t gold and 0.9 metres of 5,669 g/t silver in separate samples.

These three prospects are all located within easy trucking distance of each other. Furthermore Manchuria is located only 60 kilometres from an existing mine.

Breccia Valentina is interpreted as a structurally controlled phreatic breccia pipe characterised at surface by high level silica hosting highly anomalous gold in veins and breccias formed in association with an adjacent dome. This compelling conceptual target, the model for which potentially hosts economic gold grades at depth, is typical of other Pacific Rim phreatic breccias hosting economic gold resources.

The El Tranquilo property block also contains other highly prospective areas which require further exploration in order to define the potential for drill targets.

#### Lomada de Leiva Project

All results from the recently completed drilling programme on PGD's principal project, the 100% owned Lomada de Leiva have now been received.

Drilling results not previously reported include:

Drill	From	Interval	Gold
Hole No.	Metres	metres	g/t
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LPD-27	49.0	17.0	3.15
including	57.0	5.0	5.8
-----	-----	-----	-----
LPD-30	40.0	5.0	2.26
-----	-----	-----	-----
LPD-32	6.0	10.0	2.54
-----	-----	-----	-----
and	42.0	11.0	3.00
-----	-----	-----	-----
LPD-34	30.0	36.0	3.52
-----	-----	-----	-----
including	59.0	7.0	8.86
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Geological, geochemical and physical data is currently being collated for dispatch to Chlumsky, Armbrust and Meyer LLC, an international mineral resources consulting and engineering group from Lakewood, Colorado, U.S.A. who will undertake the NI43-101 compliant resource estimate on Lomada de Leiva, scheduled

for completion in September.

Planning.

Preparations are well advanced for a proposed 10,000 metre drill programme on the above properties, scheduled to commence in October 2007, of which: 3000 metres is allocated for La Paloma to target potential resources adjacent to Lomada del Leiva; 3,500 metres is allocated for La Manchuria to infill the Main Zone for production of a NI43-101 compliant resource and 3,500 metres for Breccia Valentina and Cap Oeste on targets defined by this seasons exploration.

Environmental Impact Assessments (EIA) for Manchuria, Cap Oeste and Breccia Valentina have already been approved, whilst EIA preparation for continued drilling at La Paloma supervised by an Independent consultant company is nearing completion.

Marc Sale, (BSC. Geology, Fellow AusIMM, member AIG) a Director and consultant to Patagonia Gold Plc and a qualified person as defined in National Instrument 43-101, has reviewed and verified all scientific or technical mining disclosure contained in this press release.

ENDS

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