



Patagonia Gold PLC : Drilling Report

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Patagonia Gold PLC
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PATAGONIA GOLD PLC
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DRILLING UPDATE
CAP-OESTE AND MANCHURIA
GOLD-SILVER PROJECTS

Highlights:

- Drilling on the Cap-Oeste mineralized structure, located on the El Tranquilo property, continues to intersect bonanza grade gold and silver, including 2.80 metres at 115.94 grams per ton (g/t) gold and 1,875g/t silver in drill-hole CO-054-D.
- Drilling has now extended the mineralized structure at Cap-Oeste, 1,200 metres along strike and up to 160 metres down dip. The zone remains open at depth and along strike in both directions.
- Drilling on the La Manchuria 'Main Zone' gold-silver project, located 50 kilometres east of Cap-Oeste has intersected high grade gold with bonanza silver, including 1.51 metres at 6.38g/t gold and 4,521g/t silver in drill-hole LM-002-D and 0.5 metres at 20.10g/t gold and 2,980g/t silver in drill-hole LM-008-D.

Drilling results from Cap-Oeste not previously reported include:

Drill Hole No.	From Metres	Interval metres	Gold g/t	Silver g/t
CO-044-DR	55.00	5.00	5.44	33
CO-045-D	35.00	11.40	2.27	2
CO-051-D	79.00	12.00	3.20	27
including	81.00	5.10	4.79	24
CO-054-D	132.00	7.00	47.16	769
including	133.10	2.80	115.94	1,875
CO-055-D	160.00	11.80	2.79	*
including	168.30	2.70	9.28	*

*results pending

The exceptional high grade intersection in drill-hole CO-054-D is down dip to the previously reported high grade intersection in drill-hole CO-016-D, which reported a high grade central zone of 5.05m @ 30.47g/t gold and 1,011g/t silver.

El Tranquilo Property

The El Tranquilo property block, covering over 40 square kilometres, 100% owned by Patagonia Gold SA (PGSA), is located approximately 120km to the south east of La Paloma in the Santa Cruz province of Argentina and contains the Cap-Oeste Gold project and the Breccia Valentina Prospect as well as other highly

prospective areas, which require further exploration in order to define the potential for drill targets.

Cap-Oeste Gold Project

To date 70 drill holes have been completed for a total of 6,940 metres. The initial 20 shallower holes were drilled using reverse circulation (RC) with the remainder being drilled using either HQ (D) diamond core or a combination of RC with a diamond core tail, (RD).

Drill-holes have been spaced at approximately 50 metre centres along 1,200 metres of the Cap-Oeste structure with 50 metre 'step-back' holes having been completed on 17 sections to date with 9 of these sections containing a second step back. The drilling is presently completing this second row of step back and will then undertake deeper holes on subsequent step backs.

Drilling has confirmed the presence of a wide gold mineralized structure with a core containing high grade gold and silver. The structure remains open at depth and along strike in both directions.

A second rig is due to arrive at Cap-Oeste in late March and will undertake strike extension exploration holes whilst the current rig continues to test the depth extension of the known high grade zone.

La Manchuria property

The La Manchuria property, 100% owned by PGSA, consists of 5 expedientes (mining concessions) covering 5,575 hectares located approximately 50 kilometres to the east of the Cap-Oeste project in the Santa Cruz province of Argentina and contains the Manchuria 'Main zone' gold-silver project.

Manchuria 'Main Zone' project

A 3,500 metre drilling programme is currently being carried out on the 'Main Zone' to confirm and extend the mineralized zone defined by previous drilling and exploration works.

To date 16 drill-holes have been completed for a total of 3,191 metres.

Drilling results received to date include:

Drill Hole No.	From Metres	Interval metres	Gold g/t	Silver g/t
LM-001-D	52.50	0.80	32.42	62
and	62.70	0.95	4.84	44
and	86.25	0.75	13.60	290
and	125.50	0.40	4.19	666
LM-002-D	43.30	0.55	8.08	10
and	52.55	1.51	6.38	4,521
LM-003-D	47.80	1.15	10.10	16
LM-005-D	22.00	0.65	3.17	1,445
LM-007-D	63.50	0.60	7.94	801
and	87.80	0.50	2.76	1,060
LM-008-D	62.30	1.50	10.90	21
and	82.00	0.50	20.10	2,980
and	90.00	0.50	20.20	509
and	105.90	0.70	11.55	963
and	165.25	0.60	11.65	5

Mineralization is associated with a low to intermediate sulphidation epithermal quartz-adularia vein system. Veins are characteristically narrow, on average less than 1 metre, but contain bonanza grades of both gold and silver. Vein

mineralization is strongly structurally controlled with a preferential NW strike to the vein swarms and densely sheeted zones. The host rock is a sequence of rhyolitic tuffs which are underlain by andesite.

In addition the property also contains other geological prospective targets. A rock chip sample (28902), taken 200 metres southeast from Trench 3 and outside of the 'Main zone' reported 16.4 g/t gold and 1,970 g/t silver.

Lomada de Leiva Project

Work is in progress on the National Instrument (NI) 43-101 compliant Scoping Study on the Lomada de Leiva Project, located on the La Paloma Property, and is expected to be completed in the near future.

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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