



Patagonia Gold PLC : Drilling Update

Released : 28.01.2008

Patagonia Gold PLC
28 January 2008

PATAGONIA GOLD PLC
Trading Symbol PGD.L

DRILLING UPDATE
CAP-OESTE GOLD PROJECT

Highlights:

- Drilling on the Cap-Oeste mineralized structure, located on the El Tranquilo property, continues to intersect high grade gold with bonanza silver, including 1.2 metres at 94.28g/t gold and 3,410g/t silver from drill-hole CO-016-D.
- Drilling along the mineralized structure has now extended Cap-Oeste over 1,200 metres in length and up to 100 metres in depth. The zone remains open at depth and along strike in both directions

Drilling results from the first 36 holes on Cap-Oeste not previously reported include:

Drill Hole No.	From Metres	Interval metres	Gold g/t	Silver g/t
CO-015-D	75.85	14.35	2.38	18.71
including	75.85	5.25	5.55	28.63
CO-016-D	91.95	13.45	11.93	388.76
including	91.95	5.05	30.47	1011.56
including	93.15	1.20	94.28	3410.00
CO-028-R	11.00	20.00	1.40	18.46
including	24.00	6.00	3.29	16.41
CO-031-R	11.00	11.00	2.30	2.23
including	17.00	5.00	4.54	1.66
CO-034-D	87.00	5.00	3.28	*
CO-036-D	47.10	12.30	14.03	*
including	52.60	5.30	31.05	*

*results pending

El Tranquilo Property.

The El Tranquilo property block, covering over 40 square kilometres, 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

Cap-Oeste Gold Project.

To date 50 drill holes have been completed for a total of 4,083 metres. 20 of

the 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). (Full details of these drill-holes are provided in Appendix A and will be posted on Patagonia's website, www.patagoniagold.com).

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 13 sections to date.

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. Drilling is continuing along strike to the South East and North West in order to further extend the structure, together with 'step back' drilling to test for depth extension.

Recently completed hi-resolution Landsat-style imagery has shown the mineralized structure currently being drilled at Cap Oeste to be extremely robust forming part of a structural zone, which not only continues outside the drill area but also extends south towards the parallel Breccia Valentina structure. There are several structures with signatures similar to the main Cap-Oeste structure in the immediate vicinity that have not yet been subject to detailed exploration but have previously reported anomalous gold values.

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:

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 March 2008.

Exploration:

10 kilometres to the north of Lomada de Leiva is Patagonia Gold's Cerro Vasco property which has previously reported rock chip samples of 2.85m @ 44.2g/t gold. Exploration to the immediate south of Cerro Vasco has identified copper-lead sulphides together with gold and silver mineralization. The structures containing this mineralization trend south towards the La Paloma block. Patagonia Gold has applied for Cateo La Emilia covering 8,589 hectares, which effectively joins the Cerro Vasco property to the La Paloma Project block. Reconnaissance on La Emilia has identified very prospective geology with highly anomalous rock chip sample results and significant mineralization. Results to date from separate samples of vuggy silica, hydrothermal breccias and quartz veinlets include 8.11g/t Au, 136g/t Ag, 0.96% Cu as well as highly anomalous lead and barite.

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.

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APPENDIX A SUMMARY of drill hole coordinates at Cap Oeste

Hole	Section	Easting	Northing	Elevation	Depth	Azimuth	Dip
CO-001-R	N10100	2390625.2	4688009.9	439.0	80.00	50	-55
CO-002-R	N10050	2390666.6	4687979.7	442.6	74.00	50	-55
CO-003-R	N10000	2390688.0	4687931.7	448.8	80.00	50	-55
CO-004-R	N10150	2390597.3	4688050.9	431.9	56.00	50	-55

CO-005-R	N10200	2390555.0	4688081.8	428.5	55.00	50	-55
CO-006-R	N10250	2390518.3	4688116.5	427.1	60.00	50	-55
CO-007-R	N9950	2390732.7	4687907.5	454.9	70.00	50	-55
CO-008-R	N9000	2390763.7	4687867.9	457.9	70.00	50	-55
CO-009-R	N10100	2390601.0	4687986.3	442.7	120.00	50	-55
CO-010-R	N10050	2390634.5	4687951.7	447.5	111.00	50	-55
CO-011-DR	N10000	2390654.8	4687901.8	454.5	123.25	50	-55
CO-012-DR	N10150	2390562.1	4688020.5	437.3	114.00	50	-55
CO-013-D	N10200	2390523.7	4688055.0	434.7	123.00	50	-55
CO-014-D	N10250	2390482.7	4688085.9	432.1	111.25	50	-55
CO-015-D	N9900	2390733.1	4687843.5	460.1	117.00	50	-55
CO-016-D	N9950	2390696.4	4687877.2	458.8	125.00	50	-55
CO-017-R	N9950	2390848.4	4688005.7	426.2	44.00	50	-50
CO-018-R	N9850	2390935.1	4687952.9	427.3	40.00	50	-55
CO-019-R	N9950	2390786.5	4687953.7	436.9	80.00	50	-50
CO-020-R	N9950	2390823.0	4687985.2	429.4	50.00	50	-50
CO-021-D	N10400	2390429.7	4688235.4	417.7	46.20	50	-50
CO-022-D	N10350	2390461.5	4688177.2	421.7	62.95	50	-50
CO-023-D	N10500	2390348.4	4688328.5	415.2	68.85	50	-50
CO-024-D	N10600	2390286.9	4688401.1	414.8	78.05	50	-55
CO-025-D	N10700	2390246.4	4688445.6	413.9	87.00	50	-55
CO-026-D	N10750	2390199.3	4688512.7	414.1	69.25	50	-55
CO-027-D	N10800	2390153.3	4688562.7	416.3	78.05	50	-55
CO-028-R	N9900	2390791.4	4687889.8	449.9	56.00	50	-55
CO-029-R	N10000	2390719.0	4687956.4	443.6	56.00	50	-55
CO-030-R	N9950	2390755.5	4687928.2	447.7	60.00	50	-55
CO-031-R	N9850	2390800.1	4687832.9	455.9	68.00	50	-55
CO-032-R	N9800	2390831.2	4687796.2	458.4	62.00	50	-55
CO-033-R	N9750	2390862.8	4687757.4	460.9	62.00	50	-55
CO-034-D	N10100	2390601.5	4687986.8	447.5	149.95	50	-55
CO-035-D	N10050	2390635.0	4687952.3	446.7	146.90	50	-55
CO-036-D	N10100	2390625.8	4688010.5	434.7	108.10	50	-55
CO-037-D	N10300	2390484.0	4688151.0	446.0	126.15	50	-55
CO-038-DR	N10400	2390386.0	4688196.0	452.0	118.60	50	-55
CO-039-DR	N10350	2390424.0	4688142.0	457.0	151.00	50	-55
CO-040-DR	N10300	2390454.0	4688112.0	447.0	116.00	50	-55
CO-041-R	N9700	2390900.0	4687719.0	426.0	56.00	50	-55
CO-042-R	N9650	2390930.0	4687679.0	426.0	54.00	50	-55
CO-043-DR	N9850	2390771.0	4687805.0	430.0	110.00	50	-55

CO-044-DR	N9800	2390807.0	4687772.0	429.0	89.00	50	-55	
CO-045-D	N10550	2390314.0	4688361.0	450.0	74.00	50	-55	
CO-046-D	N10450	2390392.0	4688267.0	451.0	65.00	50	-55	
CO-047-D	N10700	2390217.0	4688480.0	438.0	80.00	50	-55	
CO-048-D	N10900	2390121.0	4688602.0	428.0	81.00	50	-55	
CO-049-D	N10950	2390092.0	4688642.0	428.0	72.00	50	-55	
CO-050-D	N10500	2390316.0	4688303.0	417.0	111.00	50	-55	

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