

Patagonia Gold PLC : Placing and Subscription to raise ?19m

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Patagonia Gold PLC

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**Patagonia Gold plc
("Patagonia" or the "Company")**

Placing and Subscription to raise £19m

Patagonia Gold plc, the South American mining exploration company focussed on the Santa Cruz province of Argentina, is pleased to announce the completion of a placing ("the Placing") of 31,438,190 new ordinary shares of 1 pence each in the Company ("Placing Shares") and a subscription ("the Subscription") of 13,799,905 new ordinary shares of 1 pence each in the Company (together the "New Ordinary Shares") each at a price of 42 pence per ordinary share to raise £19 million (approximately US\$30 million) before expenses. The Placing Shares were placed by the Company's broker, Matrix Corporate Capital LLP ("Matrix"), with new and existing shareholders of the Company.

The net proceeds of the Placing and Subscription will be used to finance an accelerated drill programme on the Company's flagship Cap-Oeste gold and silver project and also in parallel to commence the development and construction works for the high grade COSE gold and silver project.

New Ordinary Shares were subscribed for by Sir John Craven, William Humphries, Carlos Miguens and Gonzalo Tanoira, each a Director of the Company, and their disclosable interests are as set out below.

<i>Director</i>	<i>New Ordinary Shares subscribed</i>	<i>Shareholding immediately following admission</i>	<i>Percentage of enlarged issued share capital</i>
Sir John Craven	476,190	5,955,190	0.82
William Humphries	476,190	14,893,857	2.06
Carlos Miguens	3,497,115	100,153,116	13.88
Gonzalo Tanoira	145,713	6,900,673	0.96

The New Ordinary Shares will represent 6.27 per cent. of the enlarged issued share capital of the Company and the Placing and Subscription are conditional on admission of the New Ordinary Shares to trading on AIM ("Admission").

The New Ordinary Shares will rank *pari passu* in all respects with the existing ordinary shares of the Company. Application will be made for Admission and it is expected that Admission will become effective and dealings in the New Ordinary Shares will commence at 8:00 a.m on 27 April 2011. Following the Placing and Subscription, the Company will have 721,615,878 ordinary shares in issue. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Disclosure and Transparency Rules.

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