

Patagonia Gold PLC : Exercise of Options

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Patagonia Gold PLC

14 March 2012

Patagonia Gold Plc

("Patagonia Gold" or the "Company")

14 March 2012**Exercise of Options**

The Company announces that, following the exercise of share options by Directors, application has been made for the admission of 10,500,000 ordinary shares of 1p each in the Company ("New Ordinary Shares") to trading on AIM ("Admission"). The New Ordinary Shares will rank *pari passu* with existing ordinary shares and it is expected that admission will occur at 8.00 a.m. on 19 March 2012.

The Directors concerned and their interests are as follows:-

	Current Shareholding	Options Exercised	Shareholding After Exercise
Sir John Craven	5,955,190	3,500,000	9,455,190
Carlos Miguens	100,153,116	3,500,000	103,653,000
William Humphries	15,393,857	3,500,000	18,893,857

Following Admission, the total number of voting rights in the Company's ordinary shares will be 747,515,878. This figure may be used by shareholders as the denominator for calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Patagonia Gold.

About Patagonia Gold

Patagonia Gold Plc is an advanced mining exploration company that seeks to grow shareholder value through the acquisition, exploration and development of gold and silver projects in the southern Patagonia region of Argentina. The Company is primarily focused on the development of two properties: the flagship Cap-Oeste project and the nearby COSE project, which is expected to begin generating free cash flow by 2013. Patagonia Gold, indirectly through its subsidiaries or under option agreements, has mineral rights to over 220 properties in several provinces of Argentina and Chile, covering approximately 800,000 hectares, being one of the largest landholders in the province of Santa Cruz. The Company is headquartered in London, with subsidiary offices in Buenos Aires and Toronto. Patagonia Gold is listed on the Toronto Stock Exchange (TSX) under the symbol PAT and has been listed on the AIM market of the London Stock Exchange under the symbol PGD since 2003.

Forward-Looking Information

This news release may contain certain information that constitutes forward-looking information within the meaning of applicable securities laws. Forward-looking information is frequently characterised by words such as "plan," "expect," "project," "intend," "believe," "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking information is based on the opinions, expectations and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties

involved in interpreting drilling results and other geological data, fluctuating metal prices and other factors described above and in the Company's most recent annual information form under the heading "Risk Factors," which has been filed electronically by means of the Canadian Securities Administrators' website located at www.sedar.com. The Company disclaims any obligation to update or revise any forward-looking information if circumstances or management's estimates, expectations or opinions should change. The reader is cautioned not to place undue reliance on forward-looking information.

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