

## Patagonia Gold PLC : Gold Room commissioned and first gold production

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Patagonia Gold PLC

26 November 2012

# PATAGONIA GOLD PLC

**Trading Symbol PGD.L**

## **GOLD ROOM PRODUCTION FACILITY COMMISSIONED AND PRODUCTION OF DORÉ COMMENCED**

**London, United Kingdom - 26 November 2012 - Patagonia Gold Plc ( AIM: PGD, TSX: PAT) ("Patagonia Gold" or "the Company")** today announced the first doré production from its Lomada de Leiva gold project through commissioning of the Gold Room facility in the Santa Cruz Province, Argentina.

### **Highlights:**

- **Successful commissioning of the gold elution, smelting, electro-winning and carbon regeneration circuits of the Gold Room production facility**
- **First doré ingot poured on the 22nd November for a total of 23.022 kilograms (kg)**
- **Remaining carbon from the Lomada heap leach trial is scheduled to be stripped by the end of December with revenue received in January 2013**

Patagonia Gold is pleased to announce that the Gold Room facility, located at its La Bajada property, has been successfully commissioned and gold production has commenced. A total of 1,040 kg of loaded carbon from the Lomada Heap leach trial with a grade of 16,800 grams/tonne (g/t) gold was successfully eluted, using the recently completed elution plant, before electro-winning and smelting. A doré bar of 23.022 kg has been produced with final gold payable content to be established upon assay and refining by Johnson Matthey, Canada.

Photos of the gold pour will be posted on the Company's website, [www.patagoniagold.com](http://www.patagoniagold.com)

A total of 18 tonnes of loaded carbon is to be stripped through the circuit over the next 4 weeks with a contained gold inventory, estimated from assays in house and external checks, to be 4,200 ounces (130 kg). A full reconciliation will be completed against poured and refined metal once all carbon has been stripped and doré refined. Payment is expected 20 days after shipping.

Irrigation of the existing heap leach trial pad has re-commenced. Mining and loading of an additional 60,000 tonnes of material onto the trial pad is scheduled to commence in December 2012 with irrigation in January 2013 to provide production while construction of the main pad continues.

Commenting on this announcement, CEO of Patagonia Gold, Bill Humphries, said:

*"With our first gold pour, Patagonia Gold has now advanced from explorer to producer and is well positioned to capitalise on the high prevailing gold price. We will continue to develop our exciting portfolio of projects whilst expanding the current resource base through exploration"*

#### **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 three projects: the flagship Cap-Oeste project, the nearby COSE project and the Lomada heap leach 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, and is one of the largest landholders in the province of Santa Cruz.

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.

**Matthew Boyes, (BSC. Geology, Fellow AusIMM) Chief Operating Officer for Patagonia Gold PGSA and a qualified person as defined in Canadian National Instrument 43-101, has reviewed and verified all scientific or technical mining disclosure contained in this press release.**

#### **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 includes, but is not limited to, statements about strategic plans, mineral resources estimates, spending commitments, future operations, results of exploration, commencement and completion of pre-feasibility studies, future work programs, commencement production, capital expenditures and objectives. 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](http://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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