

Patagonia Gold PLC

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New discoveries at Patagonia Gold's El Tranquilo gold project

It has long been the conviction of Patagonia Gold that the El Tranquilo property block in Argentina's Santa Cruz Province, which houses their Cape Oeste discovery, has the makings of a new gold province.

Drilling results today confirm that view. Previous surface work had identified a number of new targets along two trends running roughly parallel with Cap Oeste, Breccia Valentina and Vetas Norte, and several of these targets have now been drilled as part of the latest exploration campaign.

A Reverse Circulation (RC) drilling campaign of 2,252 metres has been completed on the Don Pancho, Vetas Norte, Puma and Felix prospects, all located within 5 kilometres of Cap-Oeste. A further 921 metres of RC and diamond drilling was completed on the Pampa and Cap-Oeste South East (COSE) prospects located on the north-west and south-east extensions of the Cap-Oeste trend (Bonanza fault).

Don Pancho lies in a flex on the Breccia Valentina trend, and earlier work showed strong similarity to Cap Oest, which is 1.1 km to the south west. Mineralisation starts at just 23 metres depth, with an intersection of 5 metres @ 8.13 grams per tonne (g/t) gold and 250 g/t silver.

The prospect is open to depth and the SE and also along strike to the NW, where it will intersect the Bonanza fault at the Pampa prospect, some 2.5 km north west of Cap Oeste. Drilling at Pampa returned high grade values in veinlets from 90 metres depth, and management consider the the intersection of Cap Oeste and Don Pancho at Pampa to have strong potential to host a repetition of the Cap Oeste Main shoot.

Drilling at Vetas Norte, Felix and the south east extension of Cap Oeste also returned encouraging results strengthening the geological model. Felix in particular returned 63.7 g/t over a metre at a depth of 19 metres. All prospects will be drilled further in a new campaign commencing in October.

1 Year Share Price Graph



October 2008 March 2009 July 2009

Share Information

Code: PGD
Listing: AIM
Sector: Gold & silver
Website: www.patagoniagold.com

Company Synopsis:

Patagonia Gold PLC is a mining company that seeks to grow shareholder value through exploration, development and production of gold and silver projects in the southern Patagonia region of Argentina. The Company is headquartered in London, England with subsidiary offices in Buenos Aires. Patagonia Gold is traded in the ISDX Exchange [HERE](#).

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