



# MERCATOR GOLD PLC

## MERCATOR GOLD PLC ("Mercator Gold", "Mercator" or the "Company")

### Investment Update – Silver Swan Group

- Silver Swan Group (ASX: SWN) reported significant copper-zinc mineralisation at the Austin Prospect (previously Ridgeback) near Meekatharra in Western Australia.
- Large high-grade intersections of volcanogenic copper and zinc mineralisation that bears similarities to the Golden Grove base metal mine owned by OZ Minerals, 240km to the southwest has been discovered.
- Results include:
  - 35.55m @ 1.7% Cu
  - 25.2m @ 13.7% Zn, and
  - 7m @ 1.3g/t Au and 18.6g/t Ag
- Mercator currently holds a 30 per cent stake in Silver Swan.

London 31 July 2008: Mercator Gold plc, the growing gold producer with operations in the historic Meekatharra Goldfield in Western Australia, is pleased to draw attention to an announcement made today by Silver Swan Group ("Silver Swan") regarding results of drilling at its Austin Prospect near Meekatharra.

For more detail please refer to the Silver Swan announcement:

<http://www.asx.com.au/asx/statistics/announcementSearch.do?method=searchByCode&issuerCode=swn&timeFrameSearchType=Y&year=2008>

Notes to Editors:

Mercator holds 10 million shares in Silver Swan, approximately equivalent to a 30 per cent stake, following the sale to Silver Swan of certain of Mercator's non-core exploration leases in the Meekatharra district (see announcement dated 20 February 2008).

Mercator's stake is expected to fall to approximately 26 per cent following the issue of 5 million shares pursuant to a recent placing by Silver Swan.

Mercator also holds 4 million performance shares in Silver Swan which will convert to fully-paid ordinary shares subject to certain terms and conditions, the most notable of

which is the proving up by Silver Swan of 350,000 ounces of gold or gold equivalent in the indicated resource category on the leases sold to it by Mercator.

For further information please contact:

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