



MERCATOR GOLD PLC

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

LONDON, UK - 9 August 2007 – Mercator Gold PLC is pleased to announce that mining and treatment of gold bearing ores has recommenced at its wholly owned Meekatharra gold complex.

Commissioning of the 1.25 million to 3 million tonne per annum Bluebird Mill commenced during the second week of July and is expected to be completed by the end of September 2007.

Gold production should commence during the month of August 2007.

In its first full year of operation, commencing 1 October 2007, the Company expects to produce 120,000 ounces of gold. Some minor delays have been experienced during the initial phase of commissioning as is normal during the course of bringing a mine of this scale back into production however the progress to date has been relatively smooth.

Cost pressures experienced globally and throughout the industry preclude the Company from advising on likely costs of production until the end of the commissioning phase.

Initial production will come from the Surprise Open Pit which has an announced reserve of:

Surprise	827,000 tonnes	@ 2.35g/t	63,000 ounces
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Production will follow from the Bluebird Pit where the announced reserve is:

Bluebird	1,461,000 tonnes	@ 2.53g/t	119,000 ounces
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Further production from Prohibition-Vivian-Consols (PVC) and other deposits will then provide plant feed for the balance of the first four years of operations. The announced reserves at PVC are:

Prohibition	1,372,000 tonnes	@ 4.06g/t	179,000 ounces
Vivian – Consols	233,000 tonnes	@ 9.54g/t	71,000 ounces

During the commissioning phase two geotechnical holes drilled from surface at Surprise returned the following intersections from below the current planned pit level.

Hole Number	From (metres)	To (metres)	Au Grade (gms/tonne)
07sud001	170	171	16.27
	171	172	0.03
	172	173	14.07
	173	174	0.57
	174	175	5.20
	175	176	161.94
07sud002	175	176	33.93
	176	177	0.35
	177	178	0.96
	178	179	8.71

Note: Holes were drilled at 58 degrees.

These results highlight the presence of very high grade, but nonetheless nuggety, gold at Surprise and add considerably to the Company's confidence in the orebody. An extension of the Surprise Pit is under consideration.

Managing Director, Patrick Harford said: "Our people in Meekatharra and Perth are very excited about the reopening of the Bluebird Mill and the commencement of mining operations at Surprise.

The Company's whole team is focused on controlling costs and maximising recovery so that we extract the maximum benefits for our shareholders from this golden opportunity."

Chief Operating Officer, Denis Geldard added: "We will have two open pits within 1,000 meters of the run of mine stockpile, which will provide feedstock for the next two years of operation, followed by extensive underground reserves which are still being updated as design work proceeds. We have a state of art refurbished processing plant and an experienced team of people in place which, together with a portfolio of brown fields' and green fields' exploration targets, places Mercator Gold in a very commanding position going forward."

Competent Persons Report – Consent for release

The information in this report, which relates to the Surprise, Bluebird, Prohibition, and Vivian-Consols Ore Reserves, is based on information compiled by Alan Coles and Denis Geldard.

Alan Coles and Denis Geldard are full time employees of Mercator Gold Australia Pty Ltd and are Members of the Australasian Institute of Mining and Metallurgy.

Alan Coles and Denis Geldard have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Alan Coles and Denis Geldard consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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