



MERCATOR GOLD PLC

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(“Mercator Gold” or the “Company”)

FIRST GOLD PRODUCTION AT MEEKATHARRA

**RAB, DIAMOND AND RC DRILLING PROGRAMMES TO
COMMENCE AT THE PROMISING NEW EURO PROJECT**

HIGHLIGHTS

- **First gold poured at Meekatharra Gold Operations**
- **RAB drilling to commence next week on additional newly defined gravity and high definition air magnetic survey targets at the Euro Project**
- **Diamond Drill secured to confirm the strike and dip of the gold-bearing lodes at the Euro Project**

LONDON: 1 October 2007 – Mercator Gold plc (AIM: MCR) is pleased to announce that first commercial gold production has commenced at Meekatharra. Over 300 ounces (10kg) has been poured and production is on-going: more gold is expected to be poured shortly to finalise September production with the Company poised to increase production in October.

The Company also advises that a Rotary Air Blast (RAB) drilling program is scheduled to commence at the beginning of October at the newly defined Euro Project location, to further test newly defined targets defined from recent geological field work, coupled with High Definition Magnetic and Gravity surveys. At a time when exploration drill rigs are extremely difficult to secure as a result of the booming conditions within Australia, Mercator Gold Australia Pty Ltd has also secured a diamond drill rig to confirm the geological interpretation of Euro's east-west structures and the associated strike and dip of the gold-bearing lodes. The rig is due to commence drilling in the last week of October following the completion of the RAB program.

The Company has had further success in locating a reverse circulation (RC) drill rig to follow on from the diamond drilling program at Euro, with this rig scheduled to commence drilling in early November as the Company aims to establish an initial JORC compliant resource for the project. The forthcoming drilling programs will build on the excellent results reported from the Euro Project on 19 September, which included 1m @ 94.3 g/t from 79m, 3m @ 23.8 g/t from 102m and 10m @ 5.0 g/t from 116m.

Mercator's Managing Director, Mr Patrick Harford, said:

“After several years rebuilding the asset base at Meekatharra, Mercator is ready to put the district ‘back to work’. We wish to thank our shareholders for their support and assure them that we will do our best to ensure that Mercator's operations form a

profitable and sustainable base on which the Company can continue to grow. Our exploration potential is high both at the new greenfields Euro Project and in all directions around the Prohibition-Vivian-Consols ore bodies at Paddy's Flat and we look to the future with confidence and excitement."

Competent Persons Report – Consent for release

The information in this report 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.

For further information please contact:

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