



# MERCATOR GOLD PLC

**(“Mercator Gold”, “Mercator” or “the Company”)**

(AIM: MCR)

London: 2 May 2008

## **Quarterly Update to 31 March 2008**

- Gold produced 10,852 ounces, up 37.5% on previous quarter.
- Revenue A\$9,506,858, up 48% on previous quarter.
- Average gold price realised A\$975 (approximately US\$888) per ounce.
- Higher grade material from Surprise pit now being processed.
- Pre-stripping of Bluebird pit and de-watering of Consols pit underway.

Mercator Gold plc, the growing gold producer with operations in the historic Meekatharra Goldfield in Western Australia, is pleased to provide an update on its activities during the quarter ended 31 March 2008.

### **Production**

The Company produced 10,852 ounces during the last quarter, an increase of 37.5% on the previous quarter's gold production which was 7,889 ounces. This figure includes metal in circuit that had been produced but was not sold in the quarter. Gold sold was 9,746 ounces, up 39% on the previous quarter.

Revenue for the quarter was A\$9,506,858 (approximately US\$8,656,748), reflecting an average price realised of A\$975 (approximately US\$888) per ounce, up 48% from previous quarter.

A total of 315,619 tonnes of ore was processed, with a better than expected recovery rate of 95% gold recovered versus a target of 93%. The average head grade processed was 1.11g/t, 5% above the target of 1.06g/t.

### **Development**

The pre-strip of the Bluebird pit commenced in March. This will allow Bluebird to supply some initial feed to the processing plant during the second quarter.

De-watering of the Consols pit also commenced in March, in preparation for the construction of the proposed Prohibition-Vivian-Consols (PVC) decline.

The Company is in the process of finalising the Project Management Plan (PMP) for the decline at PVC, which is planned to facilitate underground mining and exploration during 2009. Once the PMP is finalised, it will be submitted for approval to the relevant authorities.

Patrick Harford, Managing Director of Mercator Gold plc, comments:

“Gold production from the Surprise pit is increasing in line with expectations as higher grade material is mined from the pit’s deeper levels.

Costs of production during the first quarter were within the targeted range and the Company made good progress with regard to its development activities.”

For further information please contact:

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