



Thursday, 1 October 2009

Silver Swan Group Limited

Hillgrove Resources Limited advises that Mercator Gold plc has announced the sale of 4,000,000 shares in Silver Swan Group Limited to Hillgrove Resources Limited at 33 cents per share for a total of \$1,320,000. A copy of Mercator's announcement is attached.

About Hillgrove

Hillgrove is an Australian mining company listed on the Australian Securities Exchange (ASX: HGO) focused on developing its Indonesian, South Australian and Queensland base and precious metals projects. The Company is targeting the discovery of world class epithermal gold and porphyry copper/gold deposits in Eastern Indonesia.

Hillgrove's flagship development is the Kanmantoo Copper Gold Project, located less than 60km from Adelaide in South Australia. Kanmantoo currently hosts a Mineral Resource of 32.2Mt (2.3MT Measured, 22.5MT Indicated and 7.4MT Inferred) grading 0.9% copper and 0.20g/t gold, containing 292,200 tonnes of copper, 191,100 ounces of gold and 3,313,600 ounces of silver. With production targeted for the first quarter of 2011, Kanmantoo will be a 2Mt p.a. open-cut mine producing approximately 17,000 tonnes of copper in concentrate and 8,000 ounces of gold per annum.

The information in this announcement that relates to Exploration Results is based on information compiled by Mr. Dale Ferguson, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Ferguson is the General Manager-Exploration and Operations of Hillgrove Resources and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Ferguson consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. The Mineral Resource estimate is based on information compiled by Mr Paul Payne, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne is Manager – WA Mining Consulting Runge Limited and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Payne consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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MERCATOR GOLD PLC

MERCATOR GOLD plc
(“Mercator Gold”, “Mercator” or “the Company”)

Sale of Interest in Silver Swan Group Limited

London 30 September 2009 – Silver Swan Group Ltd (“Silver Swan”) announced on 28 September 2009 that eight million shares held by Mercator will be released from escrow and placed equally with Citywest Corp Ltd and Hillgrove Resources Ltd, both of which are already shareholders in Silver Swan.

In accordance with the Australian Listing Rule 3.10A, these shares will be released from escrow within ten business days of the announcement.

Mercator announces that the sale of these eight million shares to existing shareholders in Silver Swan was negotiated through the offices of Credit Suisse in Melbourne. This sale will realise AU\$2.64m.

Earlier, Silver Swan had released from escrow two million shares of which Mercator has sold one million at an average price of AU\$ 0.349 raising approximately AU\$315k. The total achieved to date from these sales therefore amounts to AU\$2.99m or approximately £1.50m.

Mercator still holds one million shares in Silver Swan and additionally it holds four million performance shares in Silver Swan, the issue of which are subject to the identification of an independently calculated Indicated Mineral Resource of 350,000 of gold or other metal equivalent by Silver Swan from the tenements acquired from Mercator in April 2008.

Mercator intends to use the proceeds of the sales to fund on-going Mercator corporate undertakings particularly the work at the Copper Flat Project in New Mexico and potential future investments.

Managing Director, Patrick Harford said:

“Mercator’s task of adding value to our investments has been demonstrated by the disposal of a proportion of our holding in Silver Swan Group Limited. The sale of nine million shares substantially strengthens the Company’s balance sheet and puts the Company in a position to take several projects forward over the next six months.”

For further information please contact

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