

ASX Announcement
21 June, 2010

Spectacular grades of up to 17% Copper and 46% Zinc at Austin Significant depth expansion: mineralisation intersected at 450m

- ♣ Austin diamond drilling intersects zones of exceptional grades up to 17% copper and 46% zinc
- ♣ Zinc mineralisation intersected at 450m depth, ~150m below current JORC resource
- ♣ Underground potential confirmed – future drilling to expand mineralisation at depth
- ♣ High grade copper and zinc mineralisation in hole 10ATD001:
 - 58m @ 2% Cu from 148m including: 5m @ 10% Cu
2m @ 17% Cu
 - 38m @ 14% Zn from 105m including: 2m @ 46% Zn
6m @ 33% Zn
2m @ 25% Zn
2m @ 24% Zn
 - 24m @ 5% Zn from 427m including: 3m @ 10% Zn
3m @ 8% Zn
2m @ 7% Zn
- ♣ High-grade gold and silver mineralisation in hole 10ATD001:
 - 58m @ 8.6g/t Ag & 0.4g/t Au from 148m including: 5m @ 36g/t Ag & 2g/t Au
2m @ 62g/t Ag & 3g/t Au
- ♣ High-grade copper and zinc mineralisation in hole ATD002:
 - 10m @ 11% Zn from 296m including: 4m @ 22%, 2m @ 30% Zn
2m @ 3% Cu, 11g/t Ag, 0.6g/t Au
2m @ 1.25% Cu, 6g/t Ag, 0.4g/t Au
- ♣ \$8M cash position to fund further drill testing

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Silver Swan Group Limited (Silver Swan or the “Company”) is pleased to announce exciting results from its recent diamond drilling programme at the Austin volcanogenic massive sulphide (Cu-Zn-Ag-Au) deposit in the Quinns project area, Meekatharra, WA.

Silver Swan has completed two key diamond drill holes at Austin, targeting the underground potential for economic massive sulphides and increasing the dimensions of the established area of mineralisation.

Silver Swan Managing Director, Dr. Susan Vearncombe said: “The latest results from our diamond drilling program at Austin continue to reveal exceptional high grades of 17% Copper and 46% Zinc including Gold and Silver mineralisation. We look forward to our next drilling phase at Austin to continue to confirm economic underground mineralisation and increase the area of established mineralisation at Austin.

Drill hole 10ATD001 has demonstrated that we can anticipate higher metals grades as drilling continues, and has confirmed the potential to connect known mineralized zones and increase the drill spacing between holes.

With \$8M cash the company remains well funded to continue accelerating its exploration activities and build on the 1.48 Mt JORC compliant resource base, 82% of which is in measured and indicated categories, as reported in an earlier announcement to the ASX.

Exploration overview:

Figure 1 shows locations of drillholes and summary intersections of Cu, Zn, Ag, Au

Results from Hole 10ATD001 show:

- a. Very high-grade zinc mineralisation to 46% Zn in a previously un-mineralised zinc position from 105m to 143m.
- b. High-grade zinc mineralisation with grades of 16% intersected at a downhole depth from 427m to 451m, which is **~150m below** previously known mineralisation (Figure 1).
- c. Very high-grade copper mineralisation to 17% Cu encountered in areas of known copper mineralisation but grades significantly higher than previous results.

The company drilled Hole 10ATD001 in the plunge direction of mineralisation to a depth of 618m.

This hole was designed to:

- a. Test grade patterns of economic sulphides in the upper section of the hole.
- b. Intersect gaps between currently known mineralisation in the upper part of the hole to ~200m
- c. Drill in the footwall (i.e., **below**) to the projected position of mineralisation to at least twice the depth of currently known mineralisation; use the geophysical technique of down-hole electromagnetics (DHEM) to locate conductors indicating potential economic mineralisation at depth away from known mineralisation and away from geophysical interference caused by known mineralisation at shallower depths.

The results were highly successful. DHEM results are pending.

Drillcore in the footwall to mineralisation shows the rocks to be highly altered at depth with chlorite-talc altered felsic volcanics containing magnetite clots indicative of nearby massive sulphide mineralisation. The high-grade zinc mineralisation intersected over 24m at 427m - 451m depth sits below the projected position of massive sulphides. Copper mineralisation intersected to date sits in a hangingwall position to the zinc

mineralization (eg. directly above). This is highly encouraging as it may indicate both significant continuity and thicknesses of both zinc and copper mineralisation at depth.

Hole 10ATD001 was terminated at 618m due to the declination of the hole having deviated from its desired declination of -62° . Results of the down-hole geophysics are yet to be received but are expected shortly and will be reported.

The company drilled Hole 10ATD002 across mineralisation, targeting potential extensions below the deepest point of previously known mineralisation.

This goal was achieved with massive sulphide mineralisation intersected over 6m from 271-277m and again over 34m from 283-317m depth. Three separate intersections of zinc and two zones of copper mineralisation were intersected. The high-grade zinc mineralisation (10m @ 10.9% Zn including 4m @ 22% Zn and 2m @ 29% Zn is of the same style and grade as the down-plunge projection to the high-grade zinc mineralisation intersected at 450m in 10ATD001 (Figure 1).

Silver Swan will focus its Austin drilling activities on establishing additional resources to at least a 450m depth. This drilling moves us closer to a very significant, high grade and large base metal system.

10ATD001 has advanced our knowledge base as to higher metal grades that can be anticipated, **underground potential**, linking mineralized zones and increasing the drill spacing between holes.

Hole 10ATD001 – 649940E 6997130N Depth 618m Declination -63° Azimuth 065°

Significant Results

Copper-Silver-Gold

- 2m @ 1.3% Cu from 65m
- 6m @ 1.2g/t Au including 2m @ 2.8g/t Au from 79m
- 2m @ 1.9% Cu from 83m
- 2m @ 1.6% Cu, 0.2g/t Au and 3.6g/t Ag from 96m
- 3m @ 1.8% Cu, 0.7g/t Au and 8.0g/t Ag from 133m
- **58m @ 2.0% Cu, 0.42g/t Au and 8.6g/t Ag from 148m (to 206m) including**
5m @ 10.2% Cu, 2.0/t Au and 36.4g/t Ag from 164m, including
2m @ 16.9% Cu, 3.1g/t Au and 61.8g/t Ag from 165m
- **8m @ 2.1% Cu, 0.5g/t Au and 7.2g/t Ag from 217m**

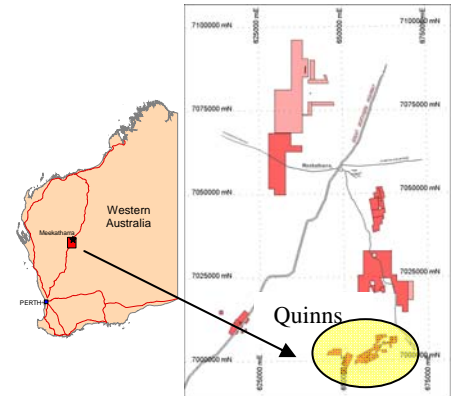
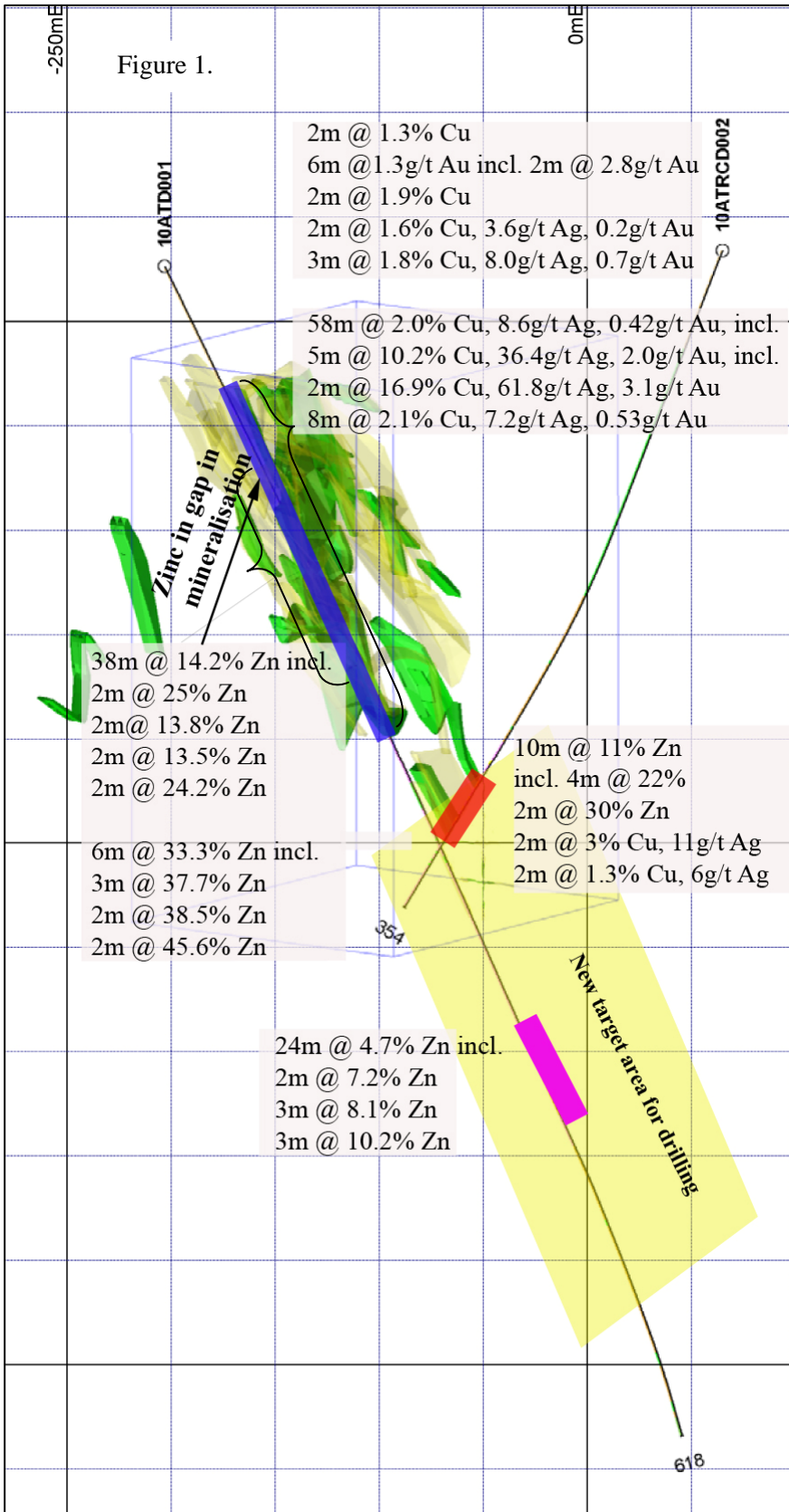
Zinc

- **38m @ 14.22% Zn from 105m including**
2m @ 25% Zn from 109m
2m @ 13.8% Zn from 112m
2m @ 13.5% Zn from 115m
2m @ 24.2% Zn from 122m
6m @ 33.3% Zn from 126m including 3m @ 37.7% Zn from 126m & 2m @ 38.5% Zn from 130m
2m @ 45.6% Zn from 140m
- 4m @ 3.6% Zn from 221m
- 24m @ 4.7% Zn from 427m including
2m @ 7.2% Zn from 433m
3m @ 8.1% Zn from 442m

3m @ 10.2% Zn from 448m

Hole 10ATRC002 - 649940E 6997130N Depth 354m Declination -60° Azimuth 190°

- 2m @ 3.9% Zn from 283m
- 2m @ 2.8% Cu, 1.1% Zn, 0.6g/t Au and 11.1g/t Ag from 292m
- 10m @ 10.9% Zn from 296m including
 - 4m @ 22.4% Zn from 302m
 - 2m @ 29.7% Zn, 1.2% Zn, 0.37g/t Au and 6.4g/t Ag from 304m



Information in this report that relates to Exploration Results is based on information compiled by S. Vearncombe, RPGeo, who is a Member of the Australian Institute of Geoscientists. S. Vearncombe is a full-time employee of Silver Swan Group and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking 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'. S. Vearncombe consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Silver Swan Group background

Silver Swan Group Limited, based in Perth, has key projects in the Meekatharra area of the Murchison province, in WA. The company is seeking polymetallic targets with a focus on lode gold, copper-gold and volcanogenic massive sulphides in Archaean and Proterozoic terrains. In the Meekatharra area, much of the production of the late 1800's came from Silver Swan's tenement area at Stakewell (Kohinoor), Abbots (Mt Vranizan and New Murchison King) and Quinns (Koladbro, Cornstalk, Parramatta, Nowthanna, Murchison Wonder, Wallaby, Nuggety and Olympic). These areas have received only limited modern exploration despite the proximity to producing gold mines at Bluebird-Yaloginda and Gabanintha.

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