



ASX:SWN  
22 July 2011

## **Silver Swan Raises \$5 Million to Accelerate Exploration at its Quinns VMS Project and Stakewell Gold Project**

- **\$5 million capital raising to accelerate drilling campaigns at the Quinns VMS Project and the Stakewell Gold Project**
- **Silver Swan to drill multiple EM, and off-hole conductor targets at the Quinns Project, that is highly prospective for VMS mineralisation**
- **Strike and depth extensions to be drill tested at the high-grade Stakewell Gold Project**
- **Drilling to commence at Stakewell Gold Project in August, followed by Quinns VMS Project**

Silver Swan Group Limited (“Silver Swan” or “the Company”) (ASX Code: SWN) is pleased to advise that it has received commitments for \$5 million through a placement of 50 million shares at an issue price of \$0.10 cents per share to sophisticated and professional investors (“Placement”). Hartleys Limited is Broker to the Offer.

In addition to the Placement, existing shareholders registered at the Record Date of 21 July 2011 will be offered the opportunity to participate in the capital raising through a share purchase plan (“SPP”) at the same price as the Placement. Shareholders registered at the close of business on 20 July 2011 will be eligible to participate in the SPP for an amount of up to \$15,000 per shareholder.

The funds raised pursuant to the Placement and SPP will be used to accelerate diamond and RC drilling activity at Silver Swan’s Quinns VMS Project and Stakewell Gold Project, which are both located within the Murchison Province in Western Australia, and for general working capital purposes.

At the Quinns VMS Project, Silver Swan discovered the Austin volcanogenic massive sulphide (“VMS”) copper-zinc-silver-gold deposit in late 2008, has subsequently delineated a Mineral Resource at Austin, and more recently identified several high-priority VMS targets, which the Company believes have strong potential to evolve into a world-class VMS camp, like the Golden Grove VMS camp, also in the Murchison Province.

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Silver Swan has designed an aggressive reverse circulation and diamond drill programme for the Quinns VMS Project, scheduled to commence in September, which will initially focus on the Flinders, Murchison Wonder and Tasman prospects in the northern part of the Project.

Silver Swan will also undertake a second round of drilling at the Stakewell Gold Project to follow up high grade gold intersections received by Silver Swan in early June 2011 including:

- 2m @ 4.1 g/t Au from 10m (11SWD005)
- 8m @ 5.7 g/t Au, including 5m @ 8.6g/t Au from 22m (11SWD005)
- 7m @ 5.8 g/t Au, including 4m @ 9.9g/t Au from 34m (11SWD003)
- 10m @ 3.2g/t Au, including 5m @5.3g/t Au from 259 (11SWD002)

Commenting on the success of the capital raising, Susan Vearncombe, Managing Director of Silver Swan stated:

*“We are very appreciative of the strong support for the Placement and look forward to stepping up our exploration at the Quinns Project, which continues to display the hallmark signatures of a world-class VMS mineralised system.*

*The recent identification of very strong off-hole conductors at our Quinns VMS Project and high grade gold results at the Stakewell Project are exciting developments for Silver Swan. We are very keen to recommence drilling at both of these highly promising projects in the next few weeks”.*

The Placement will be completed in two tranches with the first tranche of 10.5 million shares to be issued pursuant to the Company’s 15% capacity under ASX Listing Rule 7.1, and the second tranche of 39.5 million shares to be issued subject to shareholder approval at the Company’s General Meeting scheduled for Monday 29 August 2011. A notice of meeting and SPP documentation will be distributed to shareholders in the coming days.

*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.*

For further information please contact:

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## **ABOUT SILVER SWAN**

Silver Swan Group Limited is a polymetallic explorer with tenements in the Murchison Province of the Yilgarn Craton, Western Australia. The Company's current focus is on lode-gold, syn-tectonic copper-gold and volcanogenic massive sulphide (Cu-Zn-Ag-Au) mineralisation in Archaean terranes.

The Company's recent emphasis with geophysics and diamond drilling has been on volcanogenic massive copper-zinc-silver-gold mineralisation at the Quinns VMS Project and lode-gold at Stakewell Gold Project, both of which are 100% owned by the company.

In the Meekatharra area, much of the early historic production of the late 1800's came from Silver Swan's tenement area at Stakewell (the Kohinoor open pit), Abbotts (Mt Vranizan and New Murchison King) and Quinns (Kaladbro, 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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