



ASX:SWN
1 December 2011

Stakewell Drilling – Drilling Update

Silver Swan Group Limited (“Silver Swan” or “the Company”) is pleased to report further results from its recent drilling activity at its Stakewell Gold Project, where the Company has been targeting stacked high-grade gold lodes at the historic Kohinoor open pit and underground mine, and also targeting several shallow oxide gold targets located to the east of the Kohinoor mine.

The Stakewell Gold Project is located 50km south of Meekatharra along the Great Northern Highway. Gold mineralisation at the Kohinoor mine is controlled by the intersection of banded iron formation (BIF) with high-angle cross-cutting faults and a wide zone of shearing in basaltic rocks. This has resulted in the formation of steeply plunging high-grade gold shoots.

To date, Silver Swan’s drilling programme at the Stakewell Gold Project has drilled a total of 29 holes, comprising 5 diamond holes (836m) and 24 reverse circulation holes (RC: 1,859m) for a total of 2,695m.

Recent RC drill results received include:

- **4m @ 6.3g/t Au** from 28m (11SWRC022)
- **8m @ 1.0g/t Au** from 38m (11SWRC019)
- **17m @ 1.0g/t Au** from 24m (11SWRC023)
- **2m @ 2.0g/t Au** from 54m (11SWRC025)

The RC drilling was following up on high-grade gold results from the diamond drilling at the historic Kohinoor mine, conceptual targets north of Kohinoor, and near surface (top 50m) oxide mineralisation southeast of Kohinoor. The high grade diamond drill results previously reported by Silver Swan include:

- **7m @ 5.8g/t Au** from 34m, including **4m @ 9.9g/t Au** (11SWD003)
- **8m @ 5.7g/t Au** from 22m, including **5m @ 8.6g/t Au** (11SWD005)
- **9m @ 3.5g/t Au** from 256m including **2m @ 8.3g/t Au** (11SWD002)

A table setting out the complete set of results from the drilling at Stakewell is appended to the back of this announcement.

Stacked High-Grade Gold Lode Targets

11SWD005 was drilled by Silver Swan to target the potential for stacked gold lodes north of the main (part mined) Kohinoor lode.

Initial results returned **2.0m @ 4.1g/t** from 10m and separately **8.0m @ 5.7g/t** including **5.0m @ 8.6g/t** from 22m. Silver Swan has now received assays from drill-holes 11SWRC022 & 11SWRC023 that were drilled for grade extension and continuity to mineralisation intersected in 11SWD005, and supports the potential for multiple stacked high-grade lodes.

Best results from these drill-holes are listed below.

Drill-hole 11SWRC022

- **4m @ 6.3g/t Au** from 28m, including 2m @ 9.7g/t Au
- 6m @ 1.0g/t Au from 46m including 2m @ 2.2g/t Au

Drill-hole 11SWRC023

- **17m @ 1.0g/t Au** from 24m, including:
 - 1m @ 2.0g/t Au
 - 1m @ 2.2g/t Au
 - 1m @ 3.2g/t Au
 - 2m @ 2.0g/t Au

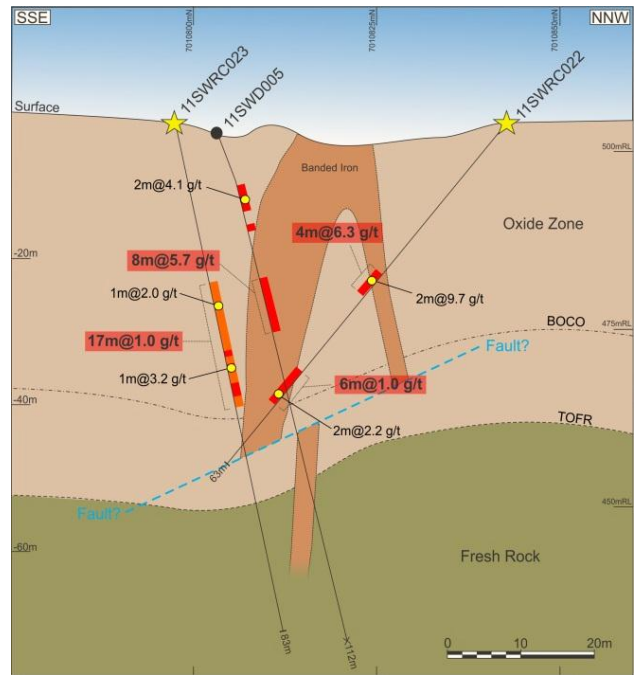
A cross-section is illustrated above. Gold mineralisation is located both in the banded iron formation and the mafic volcanic sequence.

Diamond hole 11SWD003 targeted a potential strike extension of the main (part mined) Kohinoor lode and returned:

- **1m @ 6.3g/t Au** from 17m; and
- **7m @ 5.8g/t Au** including 4.0m @ 9.9g/t Au from 34m.

Recent drill-holes 11SWRC024 and 11SWRC025 were drilled to intersect down-plunge mineralisation to 11SWD003, with the best result being 2m @ 2.0g/t Au from 54m (11SWRC025).

11SWD002 targeted the down-plunge continuation of the partly mined Main lode at Kohinoor. Mineralisation was intersected from 256m with an intersection of **9m @ 3.5g/t Au** demonstrating the continuity of high-grade mineralisation down-plunge of historic workings.

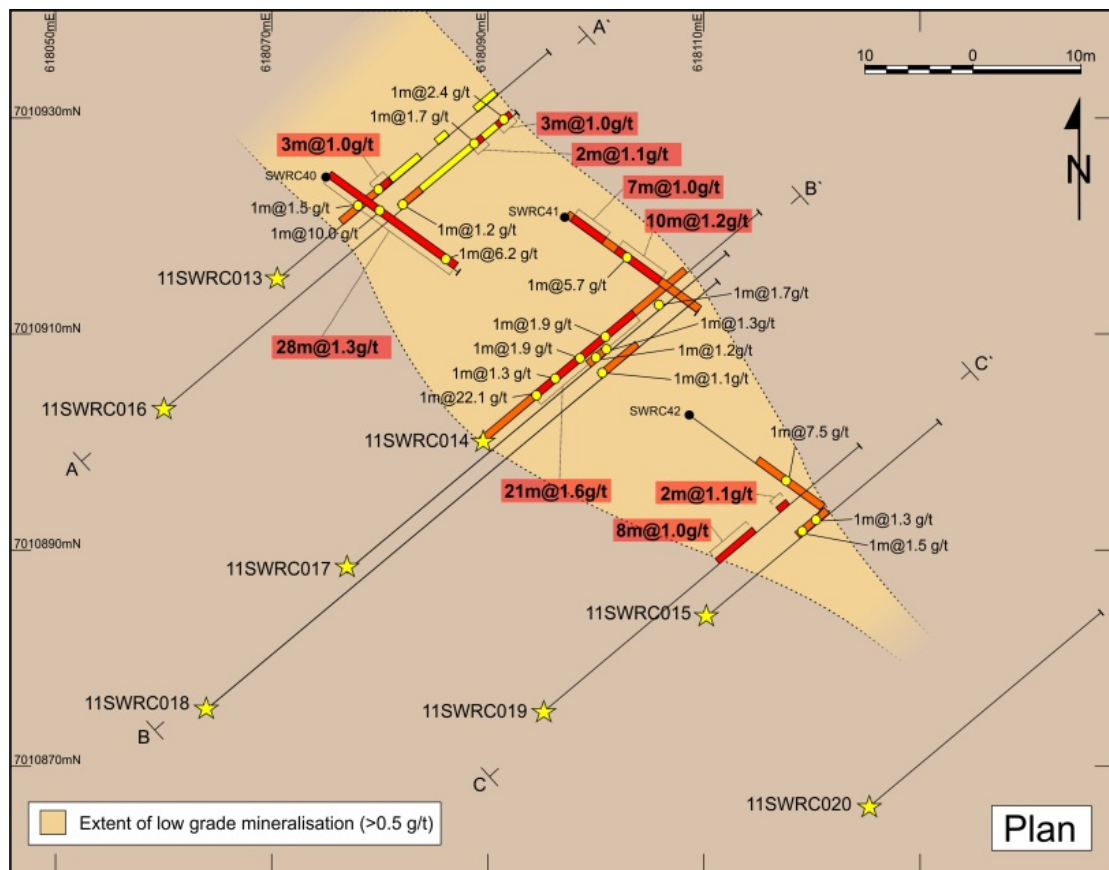


Shallow Oxide Gold Target

Silver Swan has drilled a number of RC holes east of the Kohinoor mine which have consistently demonstrated the potential for shallow oxide gold mineralisation. Given the proximity of the Stakewell Gold Project to nearby processing facilities with spare capacity to treat oxide ores, further drilling is required to properly assess these shallow targets.

Drill-holes 11SWRC013 to 11SWRC020 and 11SWRC026 to 11SWRC028 were drilled to test potential for oxide mineralisation in the top 50m. Most results reported lie within the top 40m.

Results from drill-holes from the most recent drilling (RC holes 11SWRC017, 11SWRC018, 11SWRC019, and 11SWRC020) have been described in detail below. The plan map below illustrates the locations of the reverse circulation drilling programme.



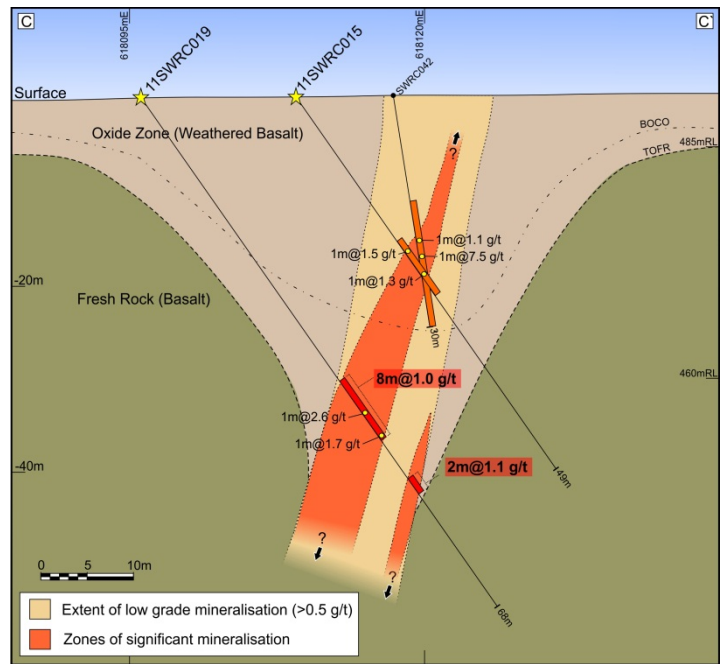
Silver Swan has previously intersected 1m @ 1.5g/t Au from 21m and 1m @ 1.3g/t Au from 23m depth in hole 11SWRC015.

Recent drill-hole 11SWRC019 was drilled beneath 11SWRC015 and shows a widening of the mineralised zone with depth and the beginning of a second mineralised zone.

Results from 11SWRC019 include:

- 8m @ 1.0g/t Au from 38m, including:
1m @ 2.6g/t Au, and 1m @ 1.7g/t Au
- 2m @ 1.1g/t Au from 51m

A cross-section of the results is illustrated opposite.



Silver Swan has previously intersected 8m @ 3.0g/t Au from 5m depth, 1m @ 1.9g/t Au and 1m @ 1.9g/t Au from 25m depth (or 21m @ 1.6g/t Au) in hole 11SWRC014.

Two recent RC holes, 11SWRC017 and 11SWRC018 were drilled beneath 11SWRC014.

Results returned the following:

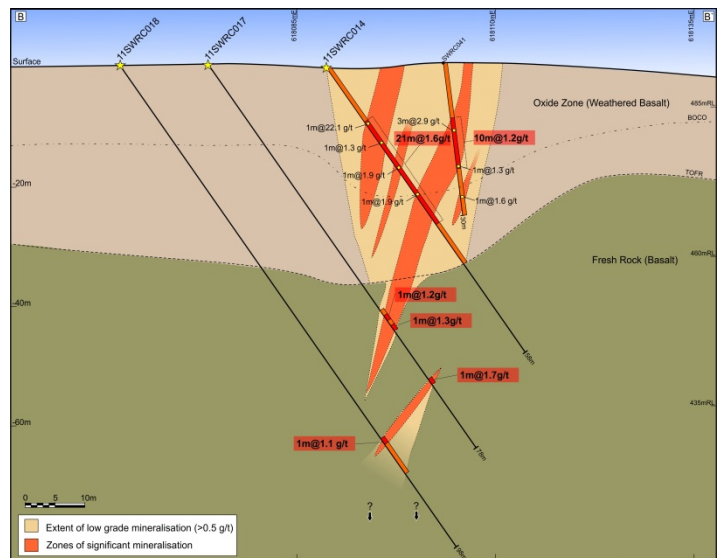
Drill-hole 11SWRC017:

- 1m @ 1.2g/t Au from 51m
- 1m @ 1.3g/t Au from 53m
- 1m @ 1.7g/t Au from 64m

Drill-hole 11SWRC018:

- 1m @ 1.1g/t Au from 76m

A cross-section of the results is illustrated opposite.



All results are currently being compiled in 3D to assess tonnage potential prior to drilling of an additional two new oxide target areas located nearby.

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.

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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 (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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A compilation of results for the 29 holes drilled at Stakewell is shown in the following Table.

Hole ID	Easting	Northing	Dip (°)	Azimuth (°)	From (m)	Interval (m)	Au (g/t)
11SWD001	617469	7010555	60	010			NSR
11SWD002	617519	7010587	60	010	256	9	3.5
				Incl.	259	2	8.3
11SWD003	617477	7010733	60	010	17	1	6.4
					34	7	5.8
				Incl.	34	4	9.8
11SWD004	617565	7010793	60	040	47	1	1.1
11SWD005	617606	7010803	60	025	8	7	1.6
				Incl.	10	2	4.1
					22	8	5.7
				Incl.	22	2	19.4
11SWRC006	617474	7010719	65	015	70	1	1.2
11SWRC007	617461	7010700	60	015			NSR
11SWRC008	617570	7010835	60	160	25	2	1.5
11SWRC009	617559	7010846	60	160	71	3	1.8
11SWRC010	617530	7010865	60	050			NSR
11SWRC011	617559	7011083	60	140			NSR
11SWRC012	617520	7011027	60	140			NSR
11SWRC013	618070	7010915	55	050	17	7	0.8
				Incl.	17	1	1.5
				Incl.	21	1	1.2
11SWRC014	618089	7010900	55	050	11	21	1.6
				Incl.	11	1	22.1
11SWRC015	618110	7010884	55	050	19	2	1.2
					23	1	1.3
11SWRC016	618060	7010903	55	050	50	1	1.2
					65	1	1.7
					70	2	1.4
11SWRC017	618077	7010888	55	050	51	1	1.2
					53	1	1.2
					64	1	1.7
11SWRC018	618060	7010875	55	050	76	1	1.1
11SWRC019	618095	7010875	55	050	38	8	1.0
				Incl.	42	1	2.6
					51	2	1.1
11SWRC020	618124	7010865	55	050			NSR
11SWRC021	617617	7010912	60	110			NSR
11SWRC022	617589	7010841	50	155	28	4	6.3
				Incl.	29	2	9.7
					46	6	1.0
				Incl.	49	2	2.2
11SWRC023	617598	7010795	70	040	24	17	1.0
				Incl.	27	1	2.0
				Incl.	34	1	2.2
				Incl.	36	1	3.2
				Incl.	39	2	2.0
11SWRC024	617458	7010707	55	015			NSR
11SWRC025	617451	7010698	60	015	54	2	2.1
11SWRC026	618049	7010865	55	050			NSR
11SWRC027	618184	7010821	55	050			NSR
11SWRC028	618166	7010806	55	050			NSR
11SWRC029	617628	7010895	60	110	5	1	1.2

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