



SILVER SWAN  
GROUP

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## Stakewell, WA: High Grade Gold Target

Silver Swan Group Limited (ASX:SWN) is pleased to announce plans to drill 850m in five diamond drill holes at its Stakewell Project in Western Australia, located 50km south of Meekatharra along the Great Northern Highway.

The target is a series of parallel high grade lodes close to the old Kohinoor pit and the planned program will follow up high grade intersections encountered in historical reverse circulation drilling:

<b>MKR120</b>	<b>7.0m @ 23.7 g/t from 86m</b>	<b>MKR003</b>	<b>2.0m @ 7.8 g/t from 29m</b>
<b>MKR108</b>	<b>8.5m @ 9.0 g/t from 207m</b>	<b>KRC0016</b>	<b>3.0m @ 3.9 g/t from 51m</b>
<b>MKR116</b>	<b>6.5m @ 11.7 g/t from 310m</b>	<b>KRC0013</b>	<b>3.0m @ 3.6 g/t from 44m</b>
<b>KRC0021</b>	<b>4.0m @ 18.4 g/t from 22m</b>	<b>MKR116</b>	<b>3.1m @ 3.3 g/t from 303m</b>
<b>MKR037</b>	<b>7.0m @ 10.3 g/t from 30m</b>	<b>KRC0001</b>	<b>2.0m @ 3.6 g/t from 49m</b>
<b>KRC0022</b>	<b>4.0m @ 12.4 g/t from 23m</b>	<b>KRC0002</b>	<b>2.0m @ 3.1 g/t from 25m</b>

Records from the abandoned Kohinoor mine show high grade historical production:

1897 - 1911	21,383t of ore at 15g/t Au.
1985	45,144t of ore at 2.43g/t Au to vertical depth of 65m
1993	*17,384t or ore at 9.14g/t Au at the North Lode and
* <i>estimate</i>	*86,364t of ore at 7.40g/t Au at the Central Lode (underground to ~150m)

The five diamond holes will all be drilled within 200m of the abandoned open pit. Four of the holes are designed to test parallel and un-mined lodes adjacent to the established Kohinoor lode. The fifth hole is designed to test deep extensions of the Kohinoor lode beneath the open pit and areas in which underground mining activity was planned.

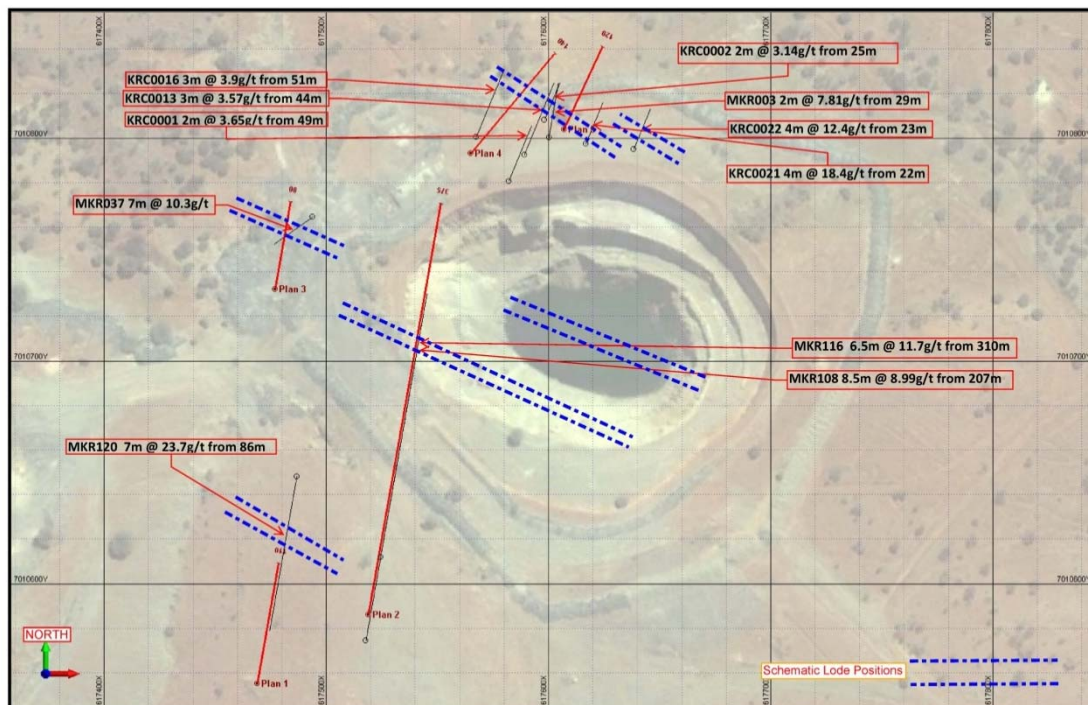
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Gold mineralisation at Kohinoor is located on the contact between banded iron formation (BIF) and meta-basalts, controlled by shear zones oriented NW-SE and associated with biotite alteration, pyrite and pyrrhotite. The presence of pyrrhotite suggests EM geophysics as a potential future exploration tool for defining ore zone continuity. The company has identified a series of high-grade lodes from a detailed investigation, compilation and validation of historic data at Kohinoor. These lodes appear to parallel the main lode mined to approximately 150m depth; this includes some underground development where records are sketchy.



Drill Plan 1 targets a zone of BIF and sheared meta-basalt in the footwall of the BIF identified in drillhole MKR120 which intersected 7m @ 23.7g/t Au from 86-93m downhole.

Drill Plan 2 targets deep high grade mineralisation beneath the Kohinoor pit (drillhole MKR116 intersected 6.5m @ 11.7g/t Au from 310m) and will test whether MKR116 is also part of a steep high-grade lode that correlates with mineralisation in drillhole MKR108 (8.5m @ 8.99g/t Au from 207m).

Drill Plan 3 targets a potential BIF-related lode already intersected in drillhole MKR037 (7m @ 10.3g/t Au from 30m). This hole terminated in mineralisation. Plan 3 will drill to the north to test the validity of this intersection and provide structural data about its orientation.

Drill Plans 4 and 5 located slightly to the north of the pit are designed to test a series of four stacked lodes related to shear zones close to the BIF. These may be part of a splay structure extending from the shear zones within the Kohinoor pit. Historic drilling data suggest problems with the AAS procedure at the assay laboratory at the time. Subsequently re-assaying by fire assay gave results that confirmed or improved on those recorded by AAS.

The historic gold results from drillholes adjacent to planned holes 4 and 5 include:

RC0021	4 m @ 18.4 g/t from 22m	KRC0013	3 m @ 3.6 g/t from 44m
KRC0022	4 m @ 12.4 g/t from 23m	KRC0001	2 m @ 3.6 g/t from 49m
MKR003	2 m @ 7.8 g/t from 29m	KRC0002	2 m @ 3.1 g/t from 25m
KRC0016	3 m @ 3.9 g/t from 51m		

Approximately 3-4 weeks is required to complete the drilling of this project.

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*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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