

ASX Announcement  
28 March 2011



## Large Surface Geophysics Programme Commences at Quinns

Silver Swan Group Limited (ASX: SWN) is pleased to advise commencement of a substantial surface geophysical programme in the Quinns and Yagahong project areas.

Surface fixed loop and moving loop electromagnetic surveys will cover five target zones related to coincident airborne electromagnetic conductors, geological and base metal geochemical anomalies. The aim of the survey is to identify the position, depth and orientation of conductive plates that may relate to subsurface massive sulphide (Cu-Zn) mineralization. Identification of conductive plates will be followed up directly with diamond and/or reverse circulation drilling.

The Austin Cu-Zn deposit was located using fixed loop electromagnetics. VMS deposits are known to occur in clusters where multiple deposits exist within a district. The company has been identifying the preferential stratigraphic positions at which these deposits are likely to occur throughout the entire Quinns tenement area and to correlate across areas under cover. This underpins our exploration strategy for the Quinns area.

The geophysical surveys comprise approximately 50 line km at Quinns and 6.5 line km at Yagahong and are due to commence next week. The surveys are illustrated in Figures 1 & 2.

### Target areas

*Nowthanna* presents a composite anomaly comprising:

- Anomalous Cu, Ag and Zn (RAB results of 12m @ 0.45% Zn are located on the margin of the VTEM geophysical anomaly and regolith results to 3000 ppm Cu and 2700 ppm Zn)
- A vegetation anomaly
- Two VTEM conductors

*Dicksons North* contains a multi-element anomaly:

- Two VTEM anomalies, one located under transported cover and within a discrete fault-controlled drainage system, the second located close to outcropping volcanics and BIF
- Coincident, highly anomalous copper-zinc-lead (from a soils bio-leaching programme). Anomalies to 3035ppb Zn, 1150ppb Cu, 2100ppb Pb, 13ppb Ag and 4ppb Au were recorded. In comparison, peak values over the Austin Cu-Zn deposit are 5300 ppb Zn, 1295ppb Cu, 4ppb Ag and 6ppb Au where an initial pilot study using this bio-leaching soil technique was conducted.

*Quinns Southeast* comprises:

- Two VTEM conductor positions in an area completely untested by exploration. They lie in ideal stratigraphic positions for VMS mineralization.

**Tasman East** contains:

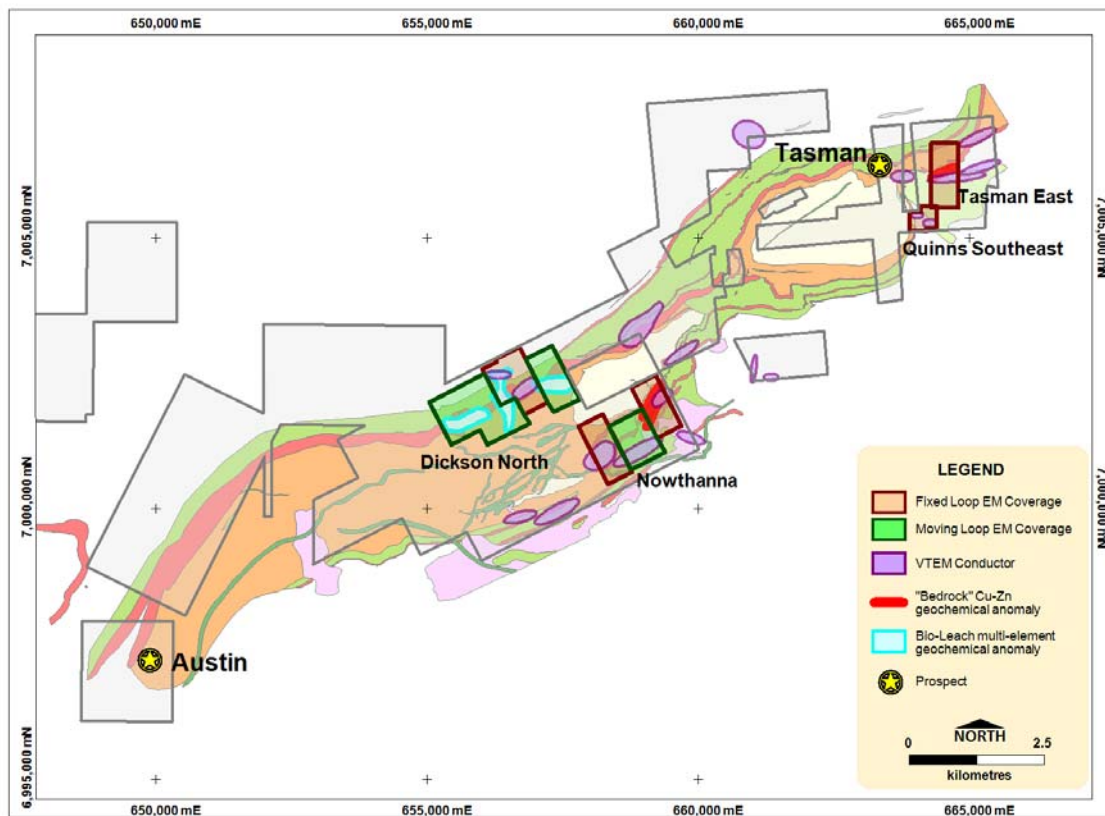
- Two VTEM anomalies, one located under transported cover east of Nowthanna Hill, the other in the vicinity of Tasman where anomalous copper, zinc, silver and gold was intersected in 3 reverse circulation holes, including a best drill result of 6m @ 3.5% Zn, 4m @ 0.7% Cu and 12m @ 5.5g/t Au, and a large low grade intersection of 35m @ 0.4% Zn.

**Yagahong** hosts:

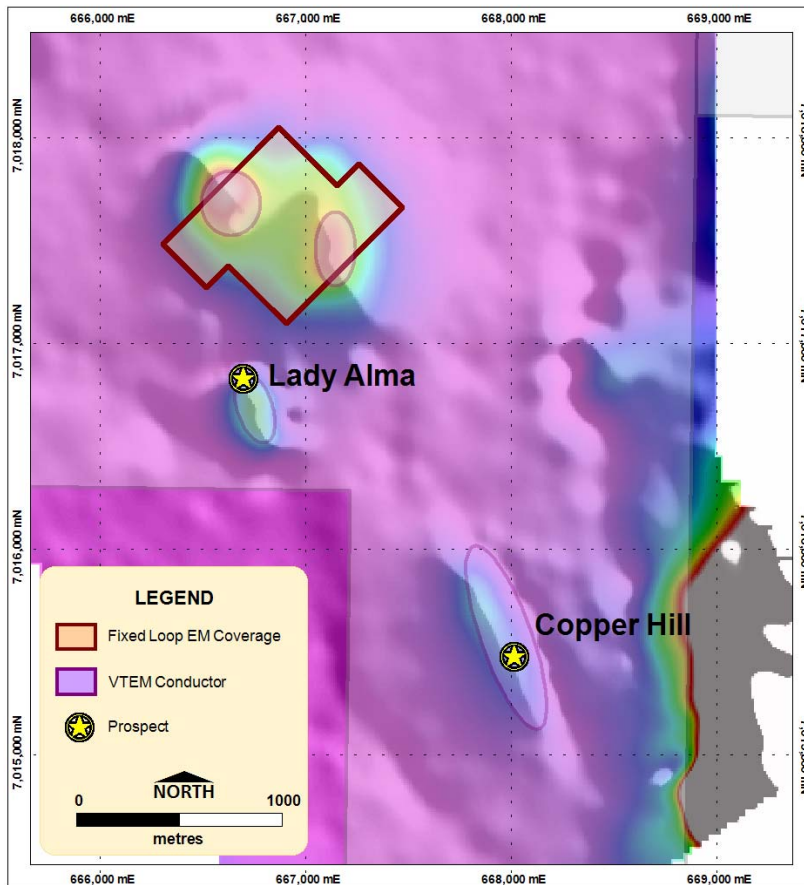
- Two close spaced VTEM anomalies in the Lady Alma area, located adjacent to a series of historical copper-gold workings. The sources are interpreted to be relatively flat lying at shallow depths (approximately 100 metres). Neither of these targets has been tested by any form of geochemical sampling.

Drilling

Rain has hindered the commencement of field programmes and some areas require more fine weather prior to drill-rig access.



Quinns Project area showing the location of surface geophysical programmes, geochemical anomalies and VTEM anomalies.



Lady Alma prospect in the Yagahong project area showing the position of the fixed loop electromagnetic survey.

*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), 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.

For further information please contact:

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