



ASX Announcement
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Positive Results from Downhole Electromagnetic Surveys at Austin Prospect

Data supports preliminary structural interpretation

New downhole electromagnetic (EM) surveys, acquired after the completion of initial diamond drilling at Silver Swan Group's Austin project, have returned highly encouraging results.

Three diamond holes, drilled recently by Silver Swan into the Austin prospect in the Murchison district of Western Australia, about 55 km south of Meekatharra intersected volcanogenic massive sulphide mineralisation returning significant Cu-Zn results.

New downhole electromagnetic data, acquired after the completion of the diamond drillholes at the Austin prospect, supports the mineralisation encountered by drilling. The results indicate that the mineralisation extends outwards from the drill holes and fits well with Silver Swan's structural geology and analysis. An additional electromagnetic conductor is located about 25 metres south east of drill holes 2 and 3 that may represent a potential new zone of mineralisation.

Silver Swan Group managing director, Dr Susan Vearncombe said: "The down-hole electromagnetic surveys (DHEM) from the three diamond holes at Austin show excellent in-hole and off-hole conductors from known Cu-Zn mineralisation reported in the recent drilling."

"The DHEM, models distinct conductive responses west of Silver Swan's current drilling and known Cu-Zn mineralisation. The DHEM results also indicate broader conductors away from existing drilling. Hole 08ATD001 has a complex in-hole response between depths of 110m and 180m and holes 08ATD002 and 08ATD003 display responses associated with off hole conductors. The response in hole 08RBD003 is broad in width indicating that the (sulphide) target is further from the hole. A third in-hole anomaly is apparent in hole 08RBD003 at a depth of 237.5m that is located about 25m SE of drill holes 2 and 3."

"Preliminary structural analysis of the drill-core by Silver Swan's structural geology consultant indicates the DHEM complexity associated with 08ATD001 is probably related to sulphide thickening in a steep plunging fold nose. The stratigraphy recognised in the three holes is about 120° (NW-SE) striking, dipping steeply north and the sulphide thickened fold nose plunges at about 60°. We plan to accelerate our exploration efforts in this area to build on these very significant early results with initial drilling directed to the west of current drillhole positions".

Acknowledgements:

Structural geology was carried out by Dr Julian Vearncombe of Vearncombe & Associates Pty Ltd.

Downhole geophysics was acquired by Vortex Geophysics and interpreted by Auscon Geophysics under the direction of Amanda Buckingham.

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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.

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