



\$7 Million Capital Raising Completed

Strong support for rapidly emerging base metal explorer, Silver Swan Group Ltd (ASX: SWN) has allowed the company to raise more than \$7 million to fund its intensive Western Australian exploration programme via a placement of shares to sophisticated investors and to institutional investors arranged by the StoneBridge Group.

The Company also expects to raise a further \$1 million, through the exercise of options with an exercise price of \$0.20, expiring on 30 June 2009.

The capital raising will be completed in two tranches:

1. The placement of 6,250,000 shares immediately to a single cornerstone investor, each at an issue price of \$0.33, under the company's 15% capacity pursuant to ASX Listing Rule 7.1 to raise \$2,062,500; and
2. Subject to shareholder approval, the placement of a further 15,151,515 shares each at an issue price of \$0.33 to raise \$5,000,000. The Company anticipates that a General Meeting of shareholders to approve the additional placement will be held in early August.

The capital raising provides Silver Swan with the financial resources to continue to fund its successful exploration programme on its Meekatharra tenements. The Company plans to immediately follow up a significant discovery at its Austin project, where the latest diamond drilling has produced substantial new copper and zinc intersections, with further drilling.

This latest drilling at Austin has further enlarged the previously outlined volcanogenic massive sulphide (VMS) copper, gold, silver and zinc bearing deposit. Assays from the first hole in the Company's latest diamond drilling programme intersected 61m @ 1.9% copper from a depth of 58m down-hole, including high grade intervals to 9%Cu and 61m @ 5.4g/t silver. In addition to copper and silver, the mineralisation continues to record significant zinc and gold assays.

The diamond drilling programme at Austin is continuing. Further drilling will focus on Austin, Copper Hills. Some testing of other base metal anomalies in the Quinns area is being planned.

Silver Swan's exploration work during the last quarter focused on consolidating and integrating all of its geochemical, geophysical and geological information. This work has generated new VMS targets through the Quinns area and demonstrated that the Austin Cu-Zn-Ag-Au setting has all of the lithological,

textural, geodynamic, alteration, metal ratios and potential metal budget akin to productive Archaean VMS deposits worldwide.

The Managing Director, Dr Susan Vearncombe said: "I am delighted with the support the company has received during the capital raising process which is a strong endorsement of the company's exploration methodology and success to date. The funds raised will allow the company to significantly progress its exploration objectives."

The Company requests that its voluntary suspension be lifted based on this announcement.

Silver Swan Group background

Silver Swan Group Limited, based in Perth, has its 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.

SWN holds tenements in the Murchison district of the Yilgarn craton, WA and the Wilgena and Christie domains of the Gawler Craton in South Australia. The Murchison district has produced in the order of 18 million ounces of gold from principally Archaean age rocks. The major current and past gold mines in the area include Mt Magnet, Cue, Big Bell, Reedy, Paddys Flat, Yaloginda, Gabanintha and Mt Gibson. The region hosts operating mines at Golden Grove (base metals), Yaloginda, Hill 50 and Kirkalocka (gold) and Jack Hills (iron ore).

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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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.