

ASX Announcement  
8 December 2010



## **New VMS Mineralisation Discovered NE of Austin**

Silver Swan Group Limited (ASX: SWN) is pleased to advise that massive sulphide mineralisation has been intersected in initial exploratory reverse circulation (RC) drilling at its newly named Tasman prospect in the Quinns Project area, several kilometres northeast of the Company's Austin VMS deposit.

Tasman is one of several targets in the greater Quinns area being explored by the Company for new volcanic massive sulphide (VMS) copper-zinc mineralisation.

Zinc, copper, silver and gold mineralisation at Tasman has been intersected with initial results from hole 10TSRC002 as high as **4.65% Zn within an interval of 6m @ 3% Zn including 4m @ 3.8% Zn, 5m @ 0.4% Cu, 6m @ 0.18g/t Au and 8m @ 6g/t Ag.**

Follow-up RC drilling is planned to commence early next week to test for higher grade and continuity of mineralisation.

The results are significant when compared to the anomalous results from historic diamond holes drilled at Austin prior to Silver Swan's discovery. Furthermore, these results are down-dip of highly anomalous oxide copper and zinc mineralisation intersected in drill hole 10TSD001 and associated with a greater thickness of massive sulphides. What is also significant is that all metals at sub 1% (Cu, Zn, Ag, Au) are elevated across substantial intervals of up to 35m.

Drillhole 10TSRC002 intersected two zones of semi-massive to massive sulphides – a low grade upper zone commencing at 104m depth and a deeper mineralised zone commencing at 122m depth.

104-108m	4m @ 0.7% Cu, 3.6 g/t Ag
126-132m	6m @ 3% Zn incl. 4m @ 3.8% Zn
124-136m	12m @ 5.5g/t Ag incl. 8m @ 6.3g/t Ag & 6m @ 0.18g/t Au
124-129m	5m @ 0.4% Cu incl. 2m @ 0.6% Cu

Drillhole 10TSD001 intersected large widths of low grade oxide copper and zinc mineralisation as follows:

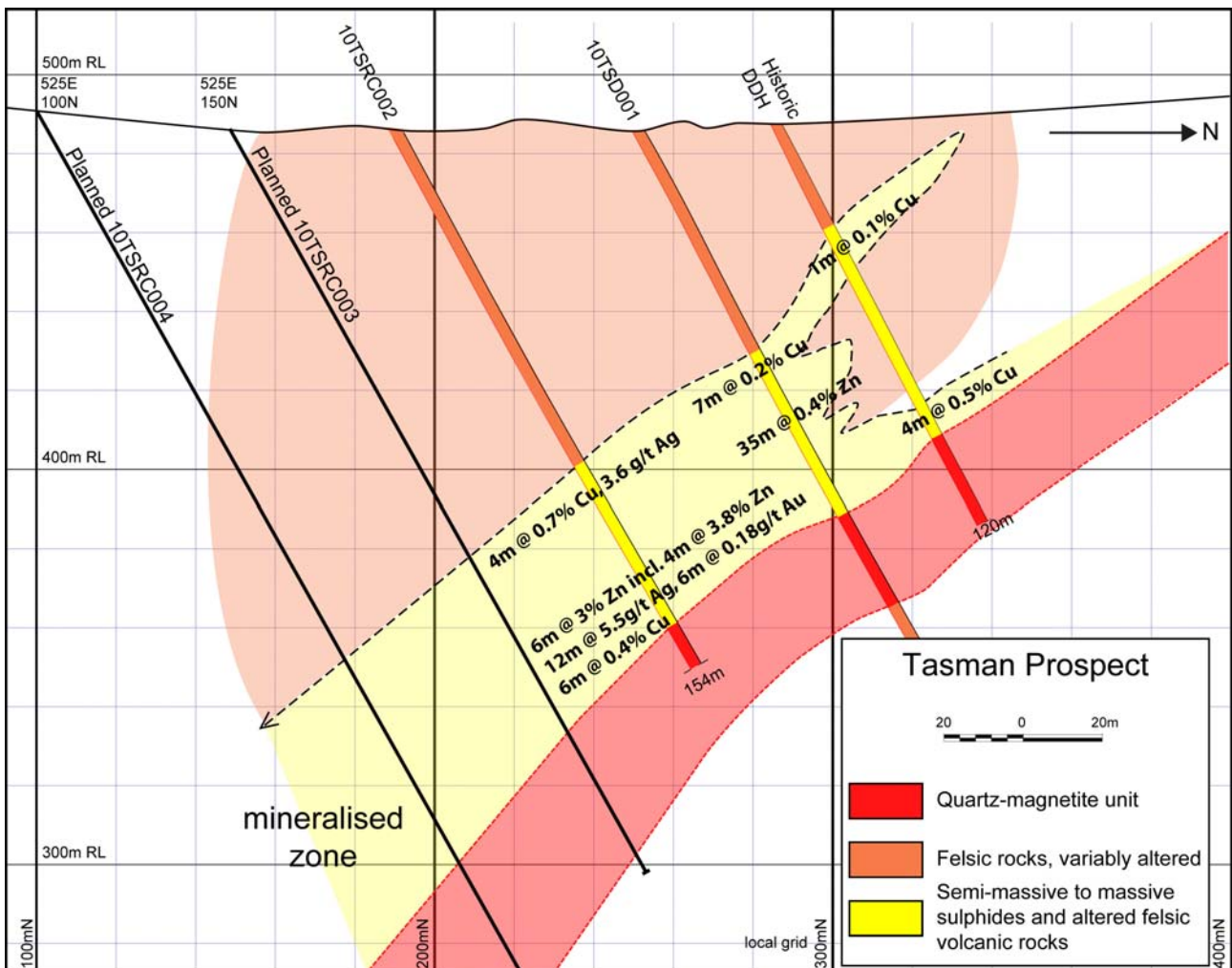
46-52m	7m @ 0.2%Cu
61-96m	35m @ 0.4% Zn incl. 3m @ 0.3% Cu, 3m @ 0.2% Cu and 27m @ 2.2g/t Ag

Downhole electromagnetic surveys will be conducted following completion of additional planned holes due to be drilled in December.

These are encouraging results and are consistent with Silver Swan’s strategy to test for new VMS deposits across Quinns in addition to Austin.

The company has been identifying the preferential stratigraphic position at which these deposits are likely to occur throughout the entire Quinns tenement area. At Tasman, mineralisation is hosted within altered felsic volcanic rocks; a quartz-magnetite unit marks the upper boundary to mineralisation. This is consistent with what we see at Austin, albeit Tasman is a significant distance away from Austin and the detail of the stratigraphy is different to that at Austin.

VMS deposits are known to occur in clusters where multiple deposits exist within a district. Whilst working on the resource at Austin, the company has been working on the regional geology to better target new VMS mineralisation and to correlate across areas under cover. This underpins our exploration strategy for the Quinns area.



10TSD001      663559E 7006251N Dip -60° Azimuth 0° Depth 340m  
 10TSD002      663523E 7006194N Dip -60° Azimuth 0° Depth 154m

*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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