

SILVER SWAN GROUP LIMITED
ABN 41 120 069 089

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Company's office, 15 Ogilvie Road Mt Pleasant, Western Australia on Wednesday, 17 November 2010 at 3.00PM (WST).

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

SILVER SWAN GROUP LIMITED
ABN 41 120 069 089

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Silver Swan Group Limited ("Company") will be held at the Company's office, 15 Ogilvie Road Mt Pleasant, Western Australia on Wednesday, 17 November 2010 at 3.00PM (WST) ("Meeting").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 15 November 2010 at 5.00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1 Schedule 1.

AGENDA

1. Financial, Directors' and Auditor's Report

To receive the Financial Report, Directors' Report and Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2010.

2. Resolution 1 – Remuneration Report

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

3. Resolution 2 – Re-election of Mr Michael Elias as a Director

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That Mr Michael Elias, who retires in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Resolution 3 – Approve Placement Facility

To consider, and if thought fit, pass with or without amendment as an ordinary resolution the following:

"That, in accordance with ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the Directors to issue up to 15 Million Shares at an issue price not less than 80% of the average market price for Shares on the five trading days prior to

the date of the issue of the Shares or, if there is a prospectus relating to the issue of the Shares, over the last five trading days prior to the date of the prospectus ("Placement Facility") to institutional and professional and sophisticated investors on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue and might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if the Resolution is passed, or any associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 4 – Approve Grant of Options to Mr James Harris

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 450,000 Options to Mr James Harris or his nominee on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 4 by Mr James Harris or his nominee and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Resolution 5 – Approve Grant of Options to Dr Susan Vearncombe

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 500,000 Options to Dr Susan Vearncombe or her nominee on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 5 by Dr Susan Vearncombe or her nominee and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Resolution 6 – Approve Grant of Options to Mr Paul Trettel

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 450,000 Options to Mr Paul Trettel or his nominee on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 6 by Mr Paul Trettel or his nominee and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. Resolution 7 – Approve Grant of Options to Mr Michael Elias

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 450,000 Options to Mr Michael Elias or his nominee on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 7 by Mr Michael Elias or his nominee and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

9. Resolution 8 – Approve Grant of Options to Mr Simon Robertson

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That in accordance with ASX Listing Rule 7.1 and all other purposes, Shareholders approve the grant of 450,000 Options to Mr Simon Robertson or his nominees on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution 8 by Mr Simon Robertson or his nominee and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

10. Resolution 9 – Section 195 Approval

To consider, and if thought fit, to pass as an ordinary resolution with or without amendment the following:

"That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice."

Dated 12 October 2010

By Order of the Board



Company Secretary

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Company's office, 15 Ogilvie Road Mt Pleasant, Western Australia on Wednesday, 17 November 2010 at 3.00PM (WST).

Financial, Directors' and Auditors Report

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report at the Meeting. Copies of these reports can be found on the Silver Swan Group Limited website www.silverswangroup.com.au or by contacting the Company on (08) 9485 1630.

1. Resolution 1 – Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2010 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

The provisions of the Corporations Act provide that Resolution 1 need only be an advisory vote of Shareholders.

Accordingly, Resolution 1 is advisory only and does not bind the Directors. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report however the Board will take the outcome of the vote into consideration when considering the remuneration policy.

The Chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

2. Resolution 2 – Re-election of Director, Mr Michael Elias

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) provides that a Director who retires under Article 6.3(c) is eligible for re-election.

Pursuant to these Articles, Mr Michael Elias will retire by rotation and seek re-election.

Mr Elias has more than 30 years experience in the mining industry including working as Chief Geologist – Resource Development, Nickel Division at Western Mining Corporation Ltd and at GSWA.

The Board believes that Mr Michael Elias has performed the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mr Michael Elias.

3. Resolutions 3 – Approve Placement Facility

3.1 General

Resolution 3 seeks Shareholders' approval pursuant to ASX Listing Rule 7.1 for the Directors to allot and issue the Shares under the Placement Facility.

The effect of passing Resolution 3 will be to allow the Directors to issue the Shares during the three month period after the Meeting (or a longer period, if allowed by ASX), without using up the Company's 15% placement capacity under ASX Listing Rule 7.1. The Company has not yet made any agreement or arrangement to issue the Shares or the number of Shares to be issued (other than the limit of 15,000,000 Shares), and there is no certainty that it will proceed with the issue.

3.2 Specific Information Required by ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3 information regarding the Placement Facility is provided as follows:

- (a) The maximum number of securities the Company can issue under the Placement Facility is 15,000,000 Shares.
- (b) The Shares under the Placement Facility will be issued no later than three months after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of ASX Listing Rule 7.3.2).
- (c) The Shares to be issued under the Placement Facility will be issued by the Company at an issue price per Share calculated in accordance with ASX Listing Rule 7.3.3 of at least 80% of the average market price for Shares on the five trading days prior to the date of the issue of the Shares or, if there is a prospectus relating to the issue of the Shares, over the last five trading days prior to the date of the prospectus.
- (d) As subscriptions to the Placement Facility have not yet been arranged, the allottees will be identified at the Directors' discretion but will not be related parties or associates of related parties of the Company.
- (e) The Shares to be issued will be fully paid ordinary shares in the capital of the Company.
- (f) The funds raised by the Placement will be directed towards increasing exploration activities over several high priority projects for Au, Au-Cu and Cu-Zn-Pb-Ag-Au mineralization in the Meekatharra area, Western Australia and working capital.
- (g) Allotment of the Shares to be issued under the Placement Facility may occur progressively.
- (h) A voting exclusion statement is included in the Notice.

4. Resolutions 4 to 7– Approval of grant of Options to Directors

4.1 General

Resolutions 4 to 7 seek Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of a total of 1,850,000 Options to the Directors (or their nominees) as follows:

Mr James Harris	450,000 Options;
Dr Susan Vearncombe	500,000 Options;
Mr Paul Trettel	450,000 Options; and
Mr Michael Elias	450,000 Options.

The Options are unlisted but are transferable. No application for quotation of the Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise.

The purpose of the grant of the Options is for the Company to retain directors of high calibre. The Company acknowledges that the grant of options to non-executive Directors is contrary to recommendation 8.2 of the Corporate Governance Principles and Recommendations. However, the Board considers the issue of Options in Resolutions 4 to 7 to be reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre, whilst still maintaining a cash reserve.

4.2 Reason approval required

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because the Directors are related parties of the Company.

Furthermore, Shareholder approval of the issue of Options means that the grant will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

4.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant.

1,850,000 Options will be granted to the Directors (or their nominees) as follows:

Name of Director	Number of Options to be issued
James Harris	450,000
Dr Susan Vearncombe	500,000
Paul Trettel	450,000
Michael Elias	450,000

- (a) The Company is a small listed company. The Company has limited funds, most of which are allocated to specific development activities. As a result, the Board has chosen to issue Options to the Directors as a key component of the incentive portion of their remuneration in order to retain the services of the Directors and to provide incentive linked to the performance of the Company. The Board considers that the experience of the Directors will greatly assist the development of the Company. As such, the Board believes that the number of Options to be granted to the Directors are commensurate with their value to the Company.

Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Directors and the performance and value of the Company are closely related. As such, the Options granted will generally only be of benefit if the Directors perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Options.

- (b) Each Option will be granted for nil consideration. Each Option entitles the holder to subscribe for one (1) Share at an exercise price of 1.35 times the average market price for Shares on the five trading days up to and including the Meeting, exercisable on or before 15 December 2013.
- (c) The Options are unlisted and transferable. No application for quotation of the Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Further terms and conditions of the Options are in Schedule 2.
- (d) The Company will grant the Options no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- (e) Each Director has an interest in the Resolutions under which Options will be granted to him or her and therefore believes it inappropriate to make a recommendation. Each Director recommends the grant of Options to each of the other Directors as it allows the Company to retain directors of high calibre and it aligns the interests of the Company and its Directors to maximise Shareholder value.
- (f) The dilution effect if all of the Options granted are exercised is as follows:

Current number of Shares on issue	78,285,072
Number of Options to be granted under Resolutions 4 to 7	1,850,000
Dilution effect if all Options granted are exercised	2.3%

- (g) The current relevant interests in security holdings of the Directors are as follows:

Name of Director	Shares	Options
James Harris	1,066,668	916,667
Dr Susan Vearncombe	105,555	3,500,000
Paul Trettel	2,835,000	1,125,000
Michael Elias	-	1,250,000

- (h) A voting exclusion statement is included in the Notice.
- (i) No funds will be raised by the grant of the Options as they are being issued for nil consideration.
- (j) Shareholders have previously approved an aggregate amount of up to \$300,000 to be paid as directors fees. The Directors have resolved that the Chairman shall receive the amount of \$44,000 per annum as a Director's fee plus statutory superannuation and that each non-executive Director shall receive the amount of \$33,000 per annum as Directors' fees plus statutory superannuation.
- (k) Amounts paid to Directors in the twelve months to 30 June 2010 are as follows:

	Salary and Fees	Super	Share based Payments Options	Total
	\$	\$	\$	\$
J Harris	44,000	3,960	51,696	99,656
S Vearncombe ¹	279,294	25,136	103,394	407,824
P Trettel	33,000	2,970	51,696	87,666
M Elias	33,000	2,970	51,696	87,666

¹ Dr Susan Vearncombe was employed by Silver Swan Group Limited as the Managing Director and earned the above amounts as salary.

Vearncombe & Associates, a company of which Dr Susan Vearncombe is a Director, was paid \$131,077 (2009: \$137,330) for the provision of geological services provided by Dr Julian Vearncombe on normal commercial terms.

Swanline Developments Pty Ltd, a company of which Mr James Harris and Mr Paul Trettel are Directors, was paid \$Nil (2009: \$2,164) for reimbursement of expenses.

Kings Park Capital Pty Ltd, a company of which Mr Paul Trettel is a director, was paid \$34,634 (2009: \$110,865) for the provision of capital raising services during the period.

CSA Global Pty Ltd, a company of which Mr Michael Elias is a director, received \$88,420 (2009: \$20,689) for the provision of geological services during the year. This item has been recognised as an expense in the Income Statement.

- (l) On the he basis of the assumptions below, independent accountants BDO Corporate Finance (WA) Pty Ltd has determined the technical value of one

Option approximates A\$0.16. This valuation imputes a total value of A\$296,000 to the Options.

The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- (i) interest rate set at the Commonwealth Government securities rate of 3.08%;
 - (ii) the date of valuation is for the purposes of settling the current market value of a Share is 23 September 2010;
 - (iii) at this date the Share price was A\$0.0355 which is the price used in the valuation;
 - (iv) the standard deviation of returns of the Options is set at 75% which is based on the Company's historical data; and
 - (v) the Options will be exercisable upon issue.
- (m) The market price of Shares would normally determine whether the Directors will exercise the Options or not. If the Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- (n) Historical share price information for the last twelve months is as follows:
- | | Price | Date |
|----------------|--------------|-------------|
| Highest | \$0.675 | 28/10/2009 |
| Lowest | \$0.16 | 21/5/2010 |
| Last | \$0.375 | 11/10/2010 |
- (o) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 4 to 7.
- (p) As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

5. Resolution 8 – Approval of grant of Options to Mr Simon Robertson

5.1 General

Resolution 8 seeks Shareholder approval in accordance with Listing Rule 7.1 for the grant of 450,000 Options to Mr Simon Robertson, Company Secretary or his nominee.

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

While the 450,000 Options proposed to be granted under this Resolution 8 do not exceed the 15% limit, Shareholder approval is being sought such that the grant of the 450,000 Options does not reduce the Company's 15% capacity.

5.2 Specific Information required by Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3 information regarding the grant of Options is provided as follows:

- (a) The maximum number of Options to be granted pursuant to Resolution 8 is 450,000 Options.
- (b) The Options will be granted no later than three months after the date of the Meeting, or such later date as approved by ASX.
- (q) Each Option will be granted for nil consideration. Each Option entitles the holder to subscribe for one (1) Share at an exercise price of 1.35 times the average market price for Shares on the five trading days up to and including the Meeting, exercisable on or before 15 December 2013.
- (c) It is anticipated that allotment will occur on one date.
- (d) The Options will be allotted to Mr Simon Robertson (or his nominee).
- (e) The terms and conditions of the Options are set out in Schedule 2. The Shares to be issued on exercise of Options will be fully paid ordinary Shares in the capital of the Company.
- (f) No funds will be raised from the grant of Options.
- (g) A voting exclusion statement is included in the Notice.

6. Resolution 9 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolutions 4 to 7. In the absence of this Resolution 9, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 4 to 7.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

7. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Schedule 1 - Definitions

In this Explanatory Memorandum, Notice and Proxy Form:

"Article" means an article of the Constitution.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means ASX Limited and where the context permits the Australian Securities Exchange operated by ASX Limited.

"Auditor's Report" means the auditor's report on the Financial Report.

"Board" means the board of Directors.

"Company" means Silver Swan Group Limited ABN 41 120 069 089.

"Constitution" means the constitution of the Company.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Director" means a director of the Company.

"Directors' Report" means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

"Explanatory Memorandum" means the explanatory memorandum to the Notice.

"Financial Report" means the 2010 annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

"Listing Rules" means the Listing Rules of ASX.

"Meeting" has the meaning given in the introductory paragraph of the Notice.

"Notice" means this notice of meeting.

"Option" means an Option granted on the terms in Schedule 2.

"Proxy Form" means the proxy form attached to the Notice.

"Remuneration Report" means the remuneration report of the Company contained in the Directors' Report.

"Resolution" means a resolution contained in this Notice.

"Schedule" means a schedule to this Notice.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a shareholder of the Company.

"WST" means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and visa versa.

Schedule 2 – Terms and Conditions of Options

(a) Entitlement

The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option.

(b) Exercise Price

The exercise price of each Options will be 1.35 times the average market price for Shares on the five trading days up to and including the Annual General Meeting.

(c) Expiry Date

Each Option expires 15 December 2013.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date.

(e) Notice of Exercise

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(f) Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company.

(g) Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

(i) issue the Share; and

(ii) do all such acts matters and things to obtain

(A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and

(B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(i) Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(j) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one (1) Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(l) Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) Quotation of Options

The Options will be unlisted Options. No application for quotation of the Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Should the Company make an application for quotation of the Options and the ASX accepts the application for quotation of the options then the options will be listed Options from time to time that the ASX accepts such application.

(n) Options transferable

The Options are transferable.

(o) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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SILVER SWAN GROUP LIMITED

ABN 41 120 069 089

PROXY FORM

The Company Secretary
Silver Swan Group Limited

For information on returning this proxy form please see instructions over the page.

I/We ¹ _____
of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint ² _____

or failing such appointment the chairman of the annual general meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Company's office, 15 Ogilvie Road Mt Pleasant, Western Australia on Wednesday, 17 November 2010 at 3.00PM (WST). and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes.

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Michael Elias as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approve Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approve Grant of Options to Mr James Harris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approve Grant of Options to Dr Susan Vearncombe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approve Grant of Options to Mr Paul Trettel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approve Grant of Options to Mr Michael Elias	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approve Grant of Options to Mr Simon Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Authorised signature/s This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone Date

¹Insert name and address of Shareholder applicable

² Insert name and address of proxy *Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the annual general meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that annual general meeting. If the Shareholder is entitled to cast 2 or more votes at the annual general meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that annual general meeting, the representative of the body corporate to attend the annual general meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a director can sign jointly with another director or a company secretary. A sole director who is also a sole company secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the annual general meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Return of Proxy Forms

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Company's office as set out below not less than 48 hours prior to the time of commencement of the annual general meeting (WST).

Facsimile: +61 (0)8 9316 0799

Post: P O Box 869, Canning Bridge WA 6153

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