



ASX / MEDIA RELEASE

13 JANUARY 2011

COMPANY UPDATE

Swan Gold Mining Limited (ASX: SWA) advises that the Board has been very active assessing various options for the company centered on recommencement of operations. The Board has and is continuing to explore all opportunities for funding including recapitalization, Joint Venture, equity option, assets sale in whole or part and any other funding options that have arisen.

At the request of the Trustee for the Creditor Trust, MGMC Pty Ltd, the Company was also directed to undertake a marketing of the secured assets to evaluate the options available for those assets.

The Company has now conferred Preferred Bidder status to an experienced resource investor. The name and details of the bid will remain confidential until the Sale Agreement is executed, anticipated for later this month.

The board believes it has explored all options and should be in a position to advise shareholders and the market of our plans within the next few weeks.

At this point in time we are unable to advise when Swan may recommence trading on ASX.

For more information:

Keith Vuleta
Director
Tel: 08 6389 6800