

SWN:ASX
28 March 2012



Silver Swan has right to acquire 80% Interest in La Codosera Gold Project, Spain

- ✦ Joint Venture Heads of Agreement signed to expand Silver Swan's resources portfolio into a prime gold district in Spain.
- ✦ Silver Swan leveraging off its strong geological skill-set into prospective new terrains.
- ✦ La Codosera gold project contains extensive historic gold workings and highly encouraging historical exploration results:
 - Extensive gold-bearing vein systems in evidence variously over a strike length of 2.8km
 - Drilling in the early 1990s returned high-grade gold intersections that include 10m @ 3.6 g/t Au, 12m @ 2.4 g/t Au, and 8m @ 3.0g/t Au
 - Best trenching results include 6.0m at 11.5g/t Au, 12m and separately 16m at 2.7g/t Au.
- ✦ Large undrilled areas to be tested.
- ✦ La Codosera is related to the Variscan age deformation event that is associated with major multi-million ounce gold deposits.
- ✦ Mapping and modelling will commence in April to define priority drilling targets.

Silver Swan Group Limited ('Silver Swan' or 'the Company') is pleased to advise that it has signed a legally binding Joint Venture Heads of Agreement with Toronto-listed Astur Gold Corporation (TSX:AST) to earn up to 80% interest by expending AUD\$3M on Astur's La Codosera gold project in the Extremadura Province of Spain.

Location of La Codosera Gold Project, Extremadura Region, Spain.



Head Office

PO Box 869, Canning Bridge WA 6153
Unit 1, 15 Ogilvie Road, Mt Pleasant WA 6153

www.silverswangroup.com.au

ABN 41 120 069 089

T +61 8 9316 0766
F +61 8 9316 0799

info@silverswangroup.com.au

London Office

18 Pall Mall
London SW1Y 5LU UK

T +44 207 389 5015
F +44 207 389 5011

La Codosera comprises five mineral permits (Afra, Buenavista, Breña, Monteviejo and Sierra Lugar) covering an area of 1,851 hectares (18.5km²), located 40km from the provincial capital Badajoz of the Extremadura region of western Spain. The Extremadura region is known as a leader in mining industry support and one of the most famous historic gold districts in Spain. The area was mined by the Romans about 2,000 years ago and the Roman workings are considered contemporaneous with other Roman mining operations including the Salave project (1.68Moz Measured and Indicated Resource) being developed by Astur Gold in the Asturias region to the north. The rocks of La Codosera can be correlated with similar sequences elsewhere in Central Spain hosting gold and antimony.

Key terms of the Joint Venture

Under the terms of the Joint Venture Silver Swan will expend on exploration a total of AUD\$3.0M for an 80% interest in the project, staged as;

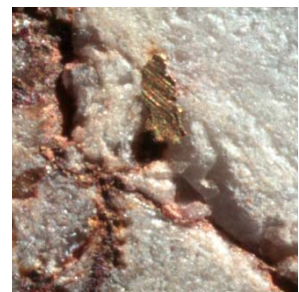
- \$1.5M expenditure to earn 51% within a period of 3.5 years (including \$500,000 minimum expenditure commitment to be expended within a period of 14 months)
- \$1.5M expenditure to earn 80% within a period of 5 years

In addition, SWN will issue to Astur up to \$1,000,000 of value in SWN shares, in \$500,000 tranches, conditional upon SWN achieving Indicated JORC Resources of 500,000oz gold and 1,000,000oz gold respectively. The value of shares will be calculated on a 10 day VWAP.

At La Codosera, there are at least eight (8) gold occurrences (detailed below) as well as Roman hard rock and alluvial workings and importantly, large undrilled areas. Gold mineralisation comprises quartz vein systems within Devonian-Carboniferous age quartzites, slates and greywackes, proximal to Permian granites.

The project area is characterised by:

- old Roman diggings and alluvial workings
- extensive vein systems and excavations of gold
- fault-parallel veins, steep oblique quartz and breccia zones, veins in the core of antiforms, all of which variously host gold mineralisation
- drilling with grades from ~1g/t - 4-5g/t Au
- large undrilled areas



Native gold filling fractures and vugs at Cerro de Los Algarbes (Photo: P. Gumiel).

Previous work at La Codosera

Gold placer mineralisation has been worked by the Romans at Barranchones in the southern ridge of the La Codosera syncline. This is gold paleo-placer mineralisation of probable Pliocene age. The deposit consists of quartzite and slate pebbles in a reddish iron rich clay matrix. The gold content is variable ranging between 0.2 and 2.1 g/t Au.

The most recent exploration activity at La Codosera was carried out by the Spanish Geological Survey about 20 years ago. Geological mapping, trenching and diamond drilling returned high-grade gold results that are tabled below.



Gold placer in quartzite & slate in a red-clay matrix from Barranchones (Photo: Pablo Gumiel)

Historic drilling completed on the property comprises 8,445 metres of diamond core drilling in 54 diamond holes. Highlights are table below using a 0.50 g/t Au cut-off grade.

Trenching in the area also returned high-grade gold values from approximately 6,000 metres of trenching. Channel sampling of continuous 2m samples returned values of up to 33.16 g/t. In total, 18 samples returned gold values >5 g/t Au and 121 samples returned gold values between 1 and 5 g/t Au. Highlights of the historic trenching results are tabled below (0.50 g/t Au cut-off grade).

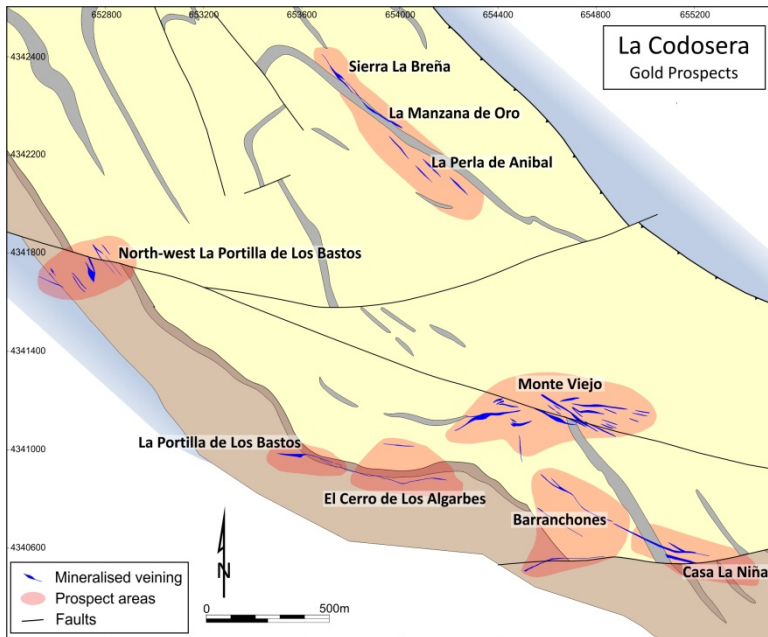
Diamond Drillhole Results				Trenching Results			
DDH (g/t)	From (m)	Thickness (m)	Au (g/t)	Trench	From (m)	Thickness (m)	Au (g/t)
C-27B	44.1	10.0	3.64	K-53B	0	4.0	7.20
C-27B	71.7	4.6	2.34	K-78	18	6.0	11.46
NG-11	33.2	2.0	2.49	K-27	22	10.0	3.37
C-30	25.4	2.3	6.44	K-27	50	8.0	3.44
C-36	17.0	16.0	1.46	K-76	8	2.0	8.36
C-27	40.0	8.0	2.97	K-108	66	12.0	4.21
NG-01	31.5	2.0	3.44	K-28	0	16.0	2.68
NG-08	19.6	4.0	5.93	K-101	26	6.0	2.70
C-24	52.5	3.65	3.54	K-101	62	10.0	2.66
NG-05	27.3	12.0	2.38	K-53	6	22.0	1.76
C-32	20.4	7.1	2.74	K-74	2	8.0	2.14
C-30	2.0	2.5	1.27	K-24B	12	12.0	1.79
NG-15	11.35	16.0	1.09				

The eight known mineralised prospects within the La Codosera are:

1. Monte Viejo (Old hill) - consists of Roman era workings exposing gold bearing veins within the hinge zone of folded stratigraphy. Gold mineralization is associated with silicic alteration of the host rocks and has returned gold values ranging from 1.5 to 6.5 g/t Au.
2. Casa La Niña is the eastern extension of the Monte Viejo zone with values ranging from 1.2g/t to 4.2g/t Au.
3. Los Bastos is the western extension of the Monte Viejo zone with values ranging from 1g/t to 3.5g/t Au.
4. Barranchones (Big Ravines, Gully) situated south of Monte Viejo, contain the biggest Roman open pits in the area, of >200 meters length and between 50-100 meters wide. The Romans were mining consolidated colluvium eroded from the main Monte Viejo prospect. Trench results range from 0.5g/t to 8g/t Au.
5. La Breña gold occurrences are associated with (saddle reefs) folded stratigraphy and SE faults situated, and about 1 km north of Monte Viejo. Trench results range from 0.6g/t to 11.4g/t Au.
6. La Perla de Anibal (Hannibal's Pearl) prospect comprises narrow quartz veins exposed over 100 meters in outcrop. Samples of the vein system returned up to 7.2 g/t Au. Higher grade gold is recorded from the intersection of the main vein system and cross cutting vein bearing structures.
7. El Cerro de los Algarbes (The Algarbes Hill). Gold discovered in the veins reaches 3.4 g/t Au.

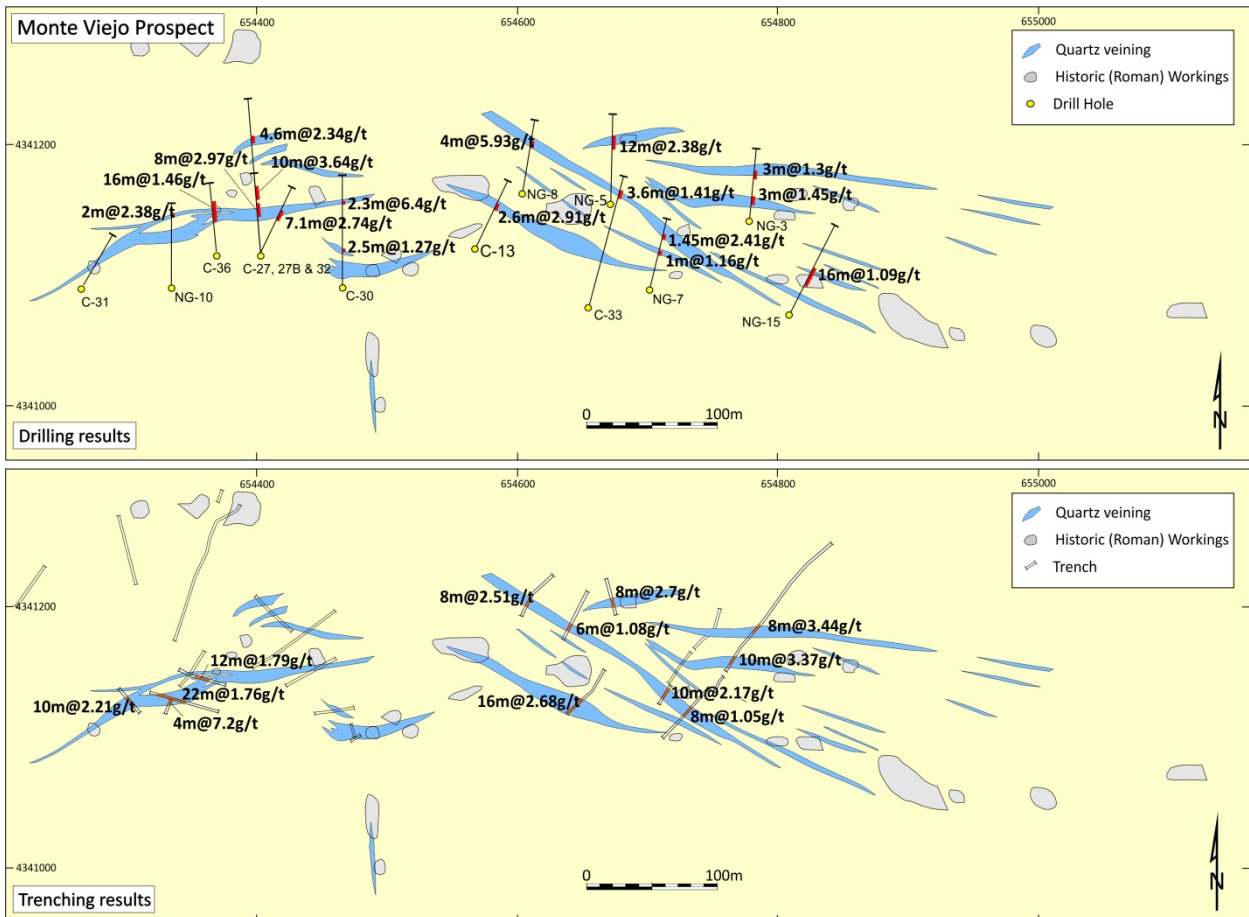
8. La Manzana de Oro (The Golden Apple) prospect comprises Roman era workings along a NE oriented vein system with gold recorded from the vein up to 9.2 g/t Au.

Prospects of La Codosera



Comparative mineralised systems of the same style, age and setting as La Codosera include Muruntau, Uzbekistan - reserves to 600Mt with annual production of 245,000oz; Juneau, Alaska - 6.6Moz, Carolina Slate belt, USA, Haile - 4.2Moz, Ridgeway - 1,5Moz, Barite Hill - 1.88Moz as well as deposits across Europe, China and Burma. These deposits are related to a Variscan age deformation; this includes La Codosera and is a major gold producing event.

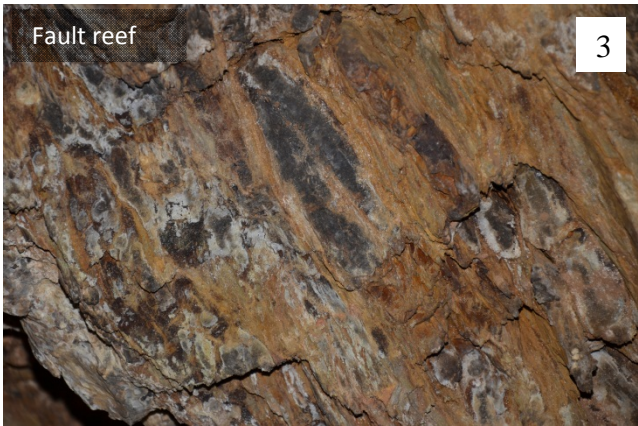
The vein system at Monte Viejo, one of 8 prospects in La Codosera project area.





Sericite alteration

2



Fault reef

3



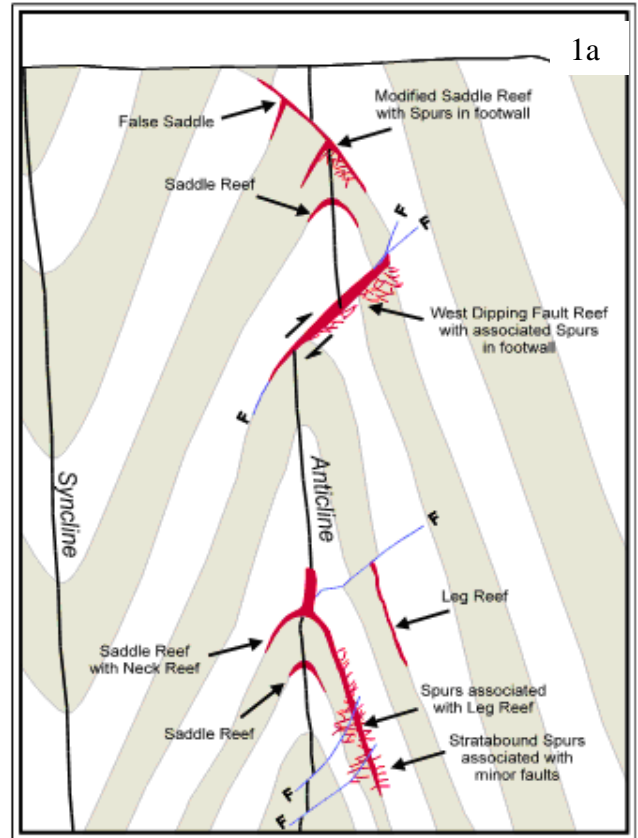
Anticline

4

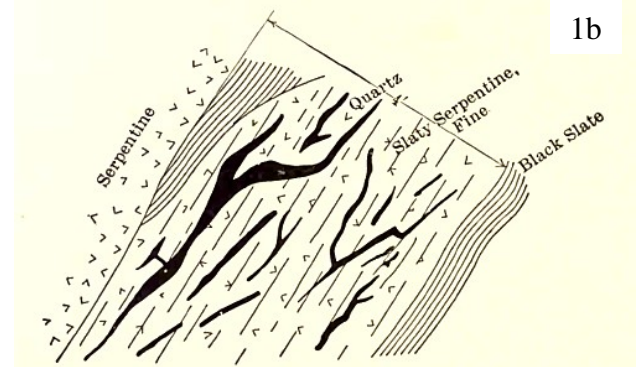


Saddle Reef with oblique brecciated zones

5



1a



1b

Cross-section of vein in St. John mine, fifth level, Nevada City



Saddle reef

6

Mineralisation at La Codosera.

1. Mineralisation style interpreted for La Codosera at this stage of knowledge
2. Large area of sericite alteration
3. Gold-bearing fault reef oblique to and cross-cutting an anticlinal hinge
4. Gold-bearing anticlinal hinge mined from surface to a shallow depth.
5. Saddle reef mined for gold
6. Partially mined down-plunge gold-bearing reef

Silver Swan's Work Programme

Silver Swan Group will commence exploration activities at La Codosera in April. An initial programme of geological and structural mapping will pay particular emphasis on the vein systems, their control on mineralisation and the inter-relationship between each of the prospect areas in an attempt to establish mineralisation continuity over substantial strike extent. A drilling programme will follow.

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.

For further information please contact:

Mr David Archer

Chairman

Tel: +44 774 7777911

Dr Susan Vearncombe

Managing Director

Tel: +61 8 9316 0766

Email: admin@silverswangroup.com.au

Website: www.silverswangroup.com.au

ABOUT SILVER SWAN

Silver Swan Group Limited is a polymetallic explorer with tenements in the Murchison Province of the Yilgarn Craton, Western Australia. The Company's current focus is on lode-gold, syn-tectonic copper-gold and volcanogenic massive sulphide (Cu-Zn-Ag-Au) mineralisation in Archaean terranes.

The Company's recent emphasis with geophysics and diamond drilling has been on volcanogenic massive copper-zinc-silver-gold mineralisation at the Quinns VMS Project and lode-gold at Stakewell Gold Project, both of which are 100% owned by the company.

In the Meekatharra area, much of the early historic production of the late 1800's came from Silver Swan's tenement area at Stakewell (the Kohinoor open pit), 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.

Head Office

PO Box 869, Canning Bridge WA 6153
Unit 1, 15 Ogilvie Road, Mt Pleasant WA 6153

www.silverswangroup.com.au

ABN 41 120 069 089

T +61 8 9316 0766

F +61 8 9316 0799

info@silverswangroup.com.au

London Office

18 Pall Mall
London SW1Y 5LU UK

T +44 207 389 5015

F +44 207 389 5011