



SILVER SWAN GROUP

SILVER SWAN GROUP LIMITED
ACN 120 069 089

NOTICE OF GENERAL MEETING

General Meeting of the Company will be held at the Celtic Club, 48 Ord Street West Perth, on 1 March 2012 at 11 AM (WST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on 08 9316 0766 .

SILVER SWAN GROUP LIMITED
ACN 120 069 089

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Silver Swan Group Limited (**Company**) will be held at the Celtic Club, 48 Ord Street West Perth, on 1 March 2012 at 11 AM (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 1 March 2012 at 11AM (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 5.

AGENDA

1. Resolution 1 – Re-election of Mr David Archer as a Director

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

"That Mr David Archer, who, having been appointed by the Board as a director since the last annual general meeting, retires in accordance with Article 6.3(i) of the Constitution and, being eligible, offers himself for election, be re-elected as a Director."

2. Resolution 2 – Approval of the Grant of Incentive Options to a Director – Mr David Archer

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

"That, pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise the Directors to grant up to 4,000,000 Incentive Options exercisable at \$0.10 each on or before 28 February 2015 to Mr David Archer on the terms and conditions in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr David Archer and any of his associates.

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.

Dated 20 January 2012

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "S. Robertson." The signature is written in a cursive style with a trailing flourish.

Simon Robertson
Company Secretary

EXPLANATORY MEMORANDUM

1. 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 Celtic Club, 48 Ord Street West Perth, on 1 March 2012 at 11 AM (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolution.

2.1 Proxies

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 thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 2 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 2.

However, the prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 2 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Resolution 1 – Re-election of Mr David Archer as a Director

In accordance with Clause 6.3(i) of the Company's Constitution Mr David Archer, who was appointed to the Board on 9 December 2011 as an additional director, retires and offers himself for re-election as Director.

Mr Archer has an extensive and successful business career spanning more than 30 years in mining and mineral exploration, telecommunications, IT, technology development, biotechnology and the law. Mr Archer has held executive and non-executive roles with a number of Australian and international companies.

The Board unanimously supports the re-election of Mr David Archer.

4. Resolution 2 – Approval of the Grant of Incentive Options to a Director – Mr David Archer

4.1 Background

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 10.11 for the grant of up to 4,000,000 Incentive Options to Mr David Archer as the incentive component of his remuneration.

The Company announced the grant of the Incentive Options to Mr David Archer on 9 December 2011. The closing price of Shares on the ASX on the last trading day prior to the date of this announcement was \$0.059. The Incentive Options therefore have an exercise price 69.49% in excess of the closing price.

The Company is a small listed company, which is focused on the identification, acquisition, exploration and development of resource projects. The Company has limited funds, most of which are allocated to specific exploration and development activities. The Board has chosen to grant Incentive Options to Mr Archer as a key component of his remuneration in order to retain his services and to provide incentive linked to the performance of the Company.

Mr Archer has an extensive and successful business career spanning more than 30 years in mining and mineral exploration, telecommunications, IT, technology development, biotechnology and the law. Mr Archer has held executive and non-executive roles with a number of Australian and international companies. For further information about Mr Archer refer to the Company's ASX announcement on 9 December 2011.

Given the speculative nature of the Company's activities and the small management team responsible for its running, there are limited performance criteria applied to the Incentive Options. It is considered the performance of Mr Archer and the performance and value of the Company are closely related. As such, the Incentive Options granted will generally only be of benefit if Mr Archer performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options.

Listing Rule 10.11 requires Shareholder approval for the proposed grant of the Incentive Options to Mr Archer. Listing Rule 10.11 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company to a related party. As Mr Archer is a related party of the Company and none of the exceptions contained in Listing Rule 10.12 apply, Shareholder approval is required in accordance with Listing Rule 10.11.

Shareholder approval is sought under Listing Rule 10.11 and as such approval under Listing Rule 7.1 is not required.

Resolution 2 is an ordinary resolution.

4.2 Specific information required by ASX Listing Rule 10.13

For the purposes of Shareholder approval of the grant of Incentive Options to Mr Archer and the requirements of Listing Rule 10.13, information is provided as follows:

- (a) the Incentive Options will be granted to Mr David Archer;
- (b) the maximum number of Incentive Options the Company can grant under Resolution 2 is 4,000,000 Incentive Options exercisable at \$0.10 each on or before the date that is three years from the date of grant;
- (c) the Company will grant the Incentive 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);
- (d) the Incentive Options will be granted in four classes:

Incentive Option Class	Number	Vesting Date
Class A	1,000,000	Upon grant
Class B	1,000,000	Upon the Company receiving firm commitments prior to 29 February 2012 for a placement raising no less than \$2,000,000
Class C	1,000,000	Upon 12 months continuous employment (5 December 2012)
Class D	1,000,000	Upon 24 months continuous employment (5 December 2013)

Refer to Schedule 1 for further terms and conditions of the Incentive Options;

- (e) upon exercise of the Incentive Options, the Shares will be issued on a one for one basis on the same terms as the Company's existing Shares;

- (f) a voting exclusion statement is included in the Notice; and
- (g) no funds will be raised from the grant of the Incentive Options as they are being issued for nil consideration.

5. Definitions

\$ means Australian Dollars.

Article means an article of the Constitution.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairman means the chairman of this Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company means Silver Swan Group Limited ACN 120 069 089.

Constitution means the current constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Incentive Option means an Option exercisable at \$0.10 on or before 28 February 2015 and otherwise on the terms and conditions in Schedule 1.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

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

Notice means this notice of meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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.

Schedule 1 - Terms and Conditions of the Incentive Options

1. Entitlement

Each Incentive Option entitles the holder to subscribe for one Share upon exercise of each Incentive Option.

2. Exercise Price and Expiry Date

The Exercise Price, Vesting Date and Specified Expiry Date of each Incentive Option is referred to in the below table.

Incentive Option Class	Exercise Price	Vesting Date	Specified Expiry Date
Class A	\$0.10	Upon grant	28 February 2015
Class B	\$0.10	Upon the Company receiving firm commitments prior to 29 February 2012 for a placement raising no less than \$2,000,000	28 February 2015
Class C	\$0.10	Upon 12 months continuous employment (5 December 2012)	28 February 2015
Class D	\$0.10	Upon 24 months continuous employment (5 December 2013)	28 February 2015

The Incentive Options will expire on that date (**Expiry Date**) which is the earlier of:

- (a) the Specified Expiry Date referred to in the above table; or
- (b) the making by the Board of a determination that the Employee has acted fraudulently, dishonestly or in breach of the Employee's obligations to the Company or any of its subsidiaries; or
- (c) as determined in accordance with item 3 below; or
- (d) as determined in accordance with item 4 below,

and thereafter no party has any claim against any other party arising under or in respect of the Incentive Options.

3. Ceasing to be an Employee

If at any time prior to the Expiry Date of any Incentive Options, an Employee ceases to be an Employee as a Good Leaver, the Employee, will be entitled to keep any Incentive Options for which the relevant Vesting Date has passed (**Vested Options**) and the Board, in its absolute discretion, shall determine the amount of any Incentive Options for which the relevant Vesting Date has not passed (**Unvested Options**) to vest.

If at any time prior to the Expiry Date of any Incentive Options, an Employee ceases to be an Employee as a Bad Leaver:

- (a) in respect of any Vested Options held, such Employee will have until the earlier of:
 - (i) three months from the date of ceasing to be an Employee; or
 - (ii) the Expiry Date of the Incentive Options,to exercise the Incentive Options, otherwise the Incentive Options will automatically lapse; and
- (b) any other Incentive Options will automatically lapse.

For the purposes of this item 2:

"**Employee**" means the employee or officer or Director of the Company who was issued the Incentive Options by the Company.

"**Good Leaver**" means an Employee who ceases to be an Employee by reason of retirement, permanent disability, redundancy or death or anyone determined by the Board as a good leaver on a case by case basis and at its absolute discretion.

"**Bad Leaver**" means an Employee who ceases to be an Employee by any reason other than as a Good Leaver.

4. Change in Control

Upon the occurrence of a Change in Control Event the Board may determine (in its discretion):

- (a) that the Options may vest and be exercised at any time from the date of such determination, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Change in Control Event provided that the Board will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or
- (b) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change in Control Event in which case the Board shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately vest and become exercisable and if not exercised within 10 days, shall lapse.

For the purposes of this Item 4 "Change in Control Event" means:

- (c) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or

- (d) the announcement by the Company that:
 - (i) Shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement; or
- (e) the occurrence of the sale of all or a majority of the Company's main undertaking; or
- (f) at the absolute discretion of the Board, the occurrence of a sale of at least 50% of the Company's main undertaking.

5. Exercise Period

The Incentive Options are exercisable at any time after the Vesting Date in item 2 above and on or prior to the Expiry Date.

6. Notice of Exercise

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

7. Shares issued on exercise

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

8. Quotation of Shares on exercise

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

9. Timing of issue of Shares

After a Incentive Option is validly exercised, the Company must, as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Incentive Option:

- (a) issue and allot the Share; and
- (b) do all such acts matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Share.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least nine business days

after the issue is announced. This will give the holders of Incentive Options the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

11. Adjustment for bonus issues of Shares

If the Company makes an issue of Shares to the holders of Shares in the Company by way of capitalisation of profits or reserves (**Bonus Issue**), each holder of Incentive Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Incentive Options the number of Shares which would have been issued under the Bonus Issue (**Bonus Shares**) to a person registered as holding the same number of Shares as that number of Shares to which the holder of Incentive Options may subscribe for, pursuant to the exercise of those Incentive Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise). The Bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank equally in all respects with the other Shares issued upon exercise of the Incentive Options.

12. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Incentive Option.

13. Adjustments for reorganisation

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Incentive Options, the number of Incentive Options to which each holder of Incentive Options is entitled or the Exercise Price of his or her Incentive Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules which apply to the reconstruction at the time of the reconstruction.

14. Quotation of Incentive Options

No application for quotation of the Incentive Options will be made by the Company.

15. Incentive Options transferable

Vested Options are transferable provided that the transfer of the Incentive Options complies with section 707(3) of the Corporations Act.

16. 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 Incentive Options with the appropriate remittance should be lodged at the Company's Registry.

SILVER SWAN GROUP LIMITED

ACN 120 069 089

PROXY FORM

The Company Secretary
Silver Swan Group Limited

By post:
PO Box 869, Canning Bridge, WA 6153

By facsimile:
08 9316 0799

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We ¹ _____

of _____

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

The Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally on my/our behalf at the Meeting to be held at the Celtic Club, 48 Ord Street West Perth, on 1 March 2012 at 11 AM (WST) and to vote in accordance with the following directions.

Important for Resolution 2 - If the Chairman of the Meeting is appointed as your proxy, or may be appointed as your proxy by default, and you have not directed him how to vote on Resolution 2 below, please mark the box below. If you do not mark this box and you have not directed your proxy how to vote on Resolution 2 in Step 2 below, the Chairman will not cast your votes on Resolution 2 and your votes will not be counted in computing the required majority if a poll is called on this Resolution.

If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote on Resolution 2 by either marking the relevant boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking the box below in this Step 1 (in which case the Chairman will vote in favour of Resolution 2).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2:

I/We (except where I/we have indicated a different voting intention below):

- (a) direct the Chairman of the Meeting to vote in accordance with the voting intentions of the Chairman on Resolution 2 to vote in favour of this Resolution; and
- (b) authorise, in respect of Resolution 2, the Chairman of the Meeting to vote as described even though Resolution 2 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company and even if the Chairman of the Meeting has an interest in the outcome of Resolution 2; and
- (c) acknowledge that votes cast by the Chairman of the Meeting for Resolution 2 other than as proxy holder will be disregarded because of that interest.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an 'x'.

Step 2 – Instructions as to Voting on Resolution

INSTRUCTIONS AS TO VOTING ON RESOLUTION

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

		For	Against	Abstain
Resolution 1	RE-election of Mr David Archer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of the Grant of Incentive Options to a Director – Mr David Archer	<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.

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name	Contact Daytime Telephone	Date
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¹Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the 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 General Meeting, the representative of the body corporate to attend the 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 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.

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 address below no later than 48 hours prior to the time of commencement of the General Meeting (WST).

Postal address: PO Box 869, Canning Bridge, WA 6153

Facsimile: 08 9316 0799 from within Australia or +618 9316 0799 if faxed from outside Australia.