

First Diamond Drilling Results from La Codosera Gold Project - Spain
Soil-Auger Results - Spain

Highlights

High-grade and near-surface gold results have been returned from the first four diamond holes at Silver Swan's Monteveijo prospect within its La Codosera project area, Spain.

12MVD001 2m @ 11.3g/t Au and 3m @ 2.2g/t Au
12MVD002 5m @ 6.6 g/t Au, incl. 3m @ 10.2g/t Au
12MVD003 3m @ 3.7g/t Au
12MVD004 6m @ 2.2g/t Au, incl. 2m @ 4.2g/t Au

Auger-soil results have returned 18 assays over 0.5g/t gold and extending up to 21.1g/t gold. Anomalies are up to 500m in width, 1200m in strike and remain open.

12LCAS0649P	21.6g/t Au	12LCAS0641P	4.0g/t Au
12LCAS0958P	2.1g/t Au	12LCAS1051P	1.7g/t Au
12LCAS0066P	1.4g/t Au	12LCAS0862P	1.1g/t Au

Silver Swan Group Limited ("Silver Swan" or "the Company") is pleased to announce results from the first four diamond drill-holes from the company's Monteveijo prospect, as well as initial results from the auger-soil programme, both conducted within La Codosera gold project in Spain.

Silver Swan's Managing Director, Dr Susan Vearncombe has commented, "Our interest at La Codosera was to outline a high-grade gold system; initial drilling results are delivering good grades and we look forward to receiving further results shortly that could set the overall tenor for significant high-grade gold mineralisation in the project area".

"The results from the auger-soil programme are well above our expectations in terms of grade, magnitude and intensity of the anomalies. Results to date clearly highlight Los Bastos as a high priority drilling target along with Monteveijo, while Sierra La Breña and Casa La Niña will also require investigative drilling".

"Whilst it's still very much early days, the results so far justify the company's strategic decision to

▲ **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

refocus its attention on high quality exploration acreage within the Iberian Peninsula”.

- » **Diamond core drilling** is focused at the Monteviejo and Los Bastos prospects at La Codosera, Western Spain. A 14-hole diamond drilling programme, for a total of approximately 1,500m is nearing completion. So far nine holes have been completed and the results from four of these holes (12MVD001-12MVD004) have been received and are reported here. The results are highly encouraging with two lodes evident, an upper high-grade lode and a narrow lower lode, both with excellent continuity.

High-grade gold has been intersected in all four holes on the first ‘fence’ of drilling at Monteviejo. The mineralised intersections, with grades up to a maximum of 18g/t Au, display excellent continuity and project to surface on the north side of an anticline where trench results of 9m @ 2.0g/t Au and 11m @ 2.6g/t Au, Fig. 1a) are recorded.

Gold is associated with sheared and veined quartzites and tectonic graphite within a fold and thrust sequence of quartzites, shales, and graphitic shales. Current drilling indicates a stacked, en échelon lode gold system (Fig. 1b). The current drilling programme is designed to test the system to 100m depth, over a strike length of approximately 2km.

- » **High-grade auger-soil** assay results to a maximum of 21.1g/t gold have also been returned in several areas across La Codosera. An area of highly anomalous gold-in-soils at Monteviejo expands to the west across Los Bastos, thickening to over 500m in width and 1,200m of strike (Fig. 2). Results are awaited for the areas between Los Bastos and NW Los Bastos. Importantly, these areas may well connect, giving a potential strike length of in excess of 2,000m.

A second zone of anomalous soils extends across the prospect areas of Barranchones and Casa la Niña for approximately 700m of strike length and separately at Sierra La Breña which has returned the highest gold grades. The auger-soil sampling has been conducted on a 200m by 50m pattern and selectively, 100m by 25m sampling density.

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

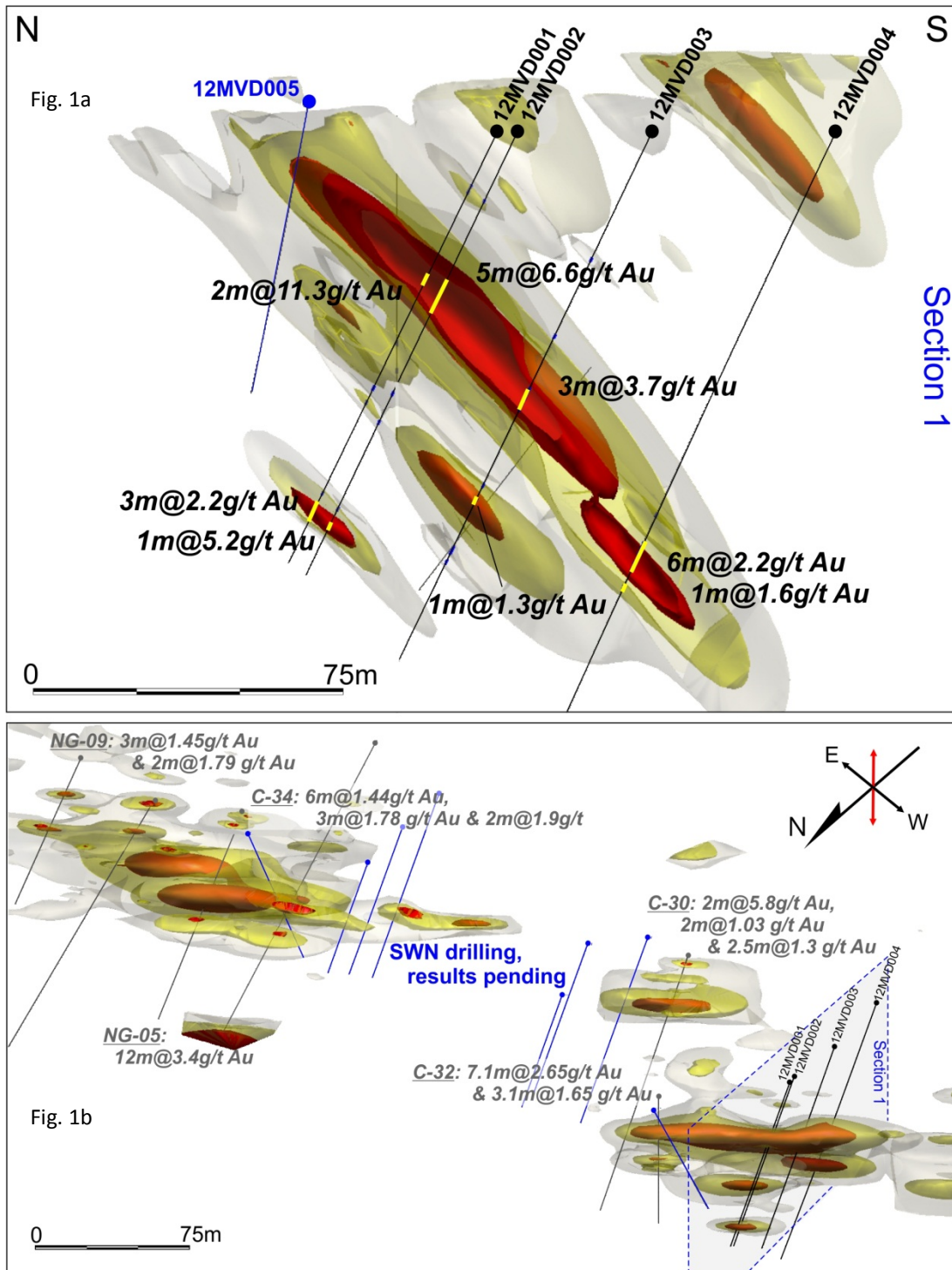


Figure 1a Cross Section of Fence 1 drill holes 12MVD001 to 12MVD005. Results are pending for drillhole 12MVD005 that is directed into and across the anticlinal hinge.

Figure 1b. Inclined view looking down-dip to the SE, illustrating multiple zones of gold mineralisation and potential for significant along-strike continuity. The blue lines represent two more fences of SWN completed drillholes, for which results are pending, that fill a large gap in mineralisation. Results in 'grey' relate to historic drilling.

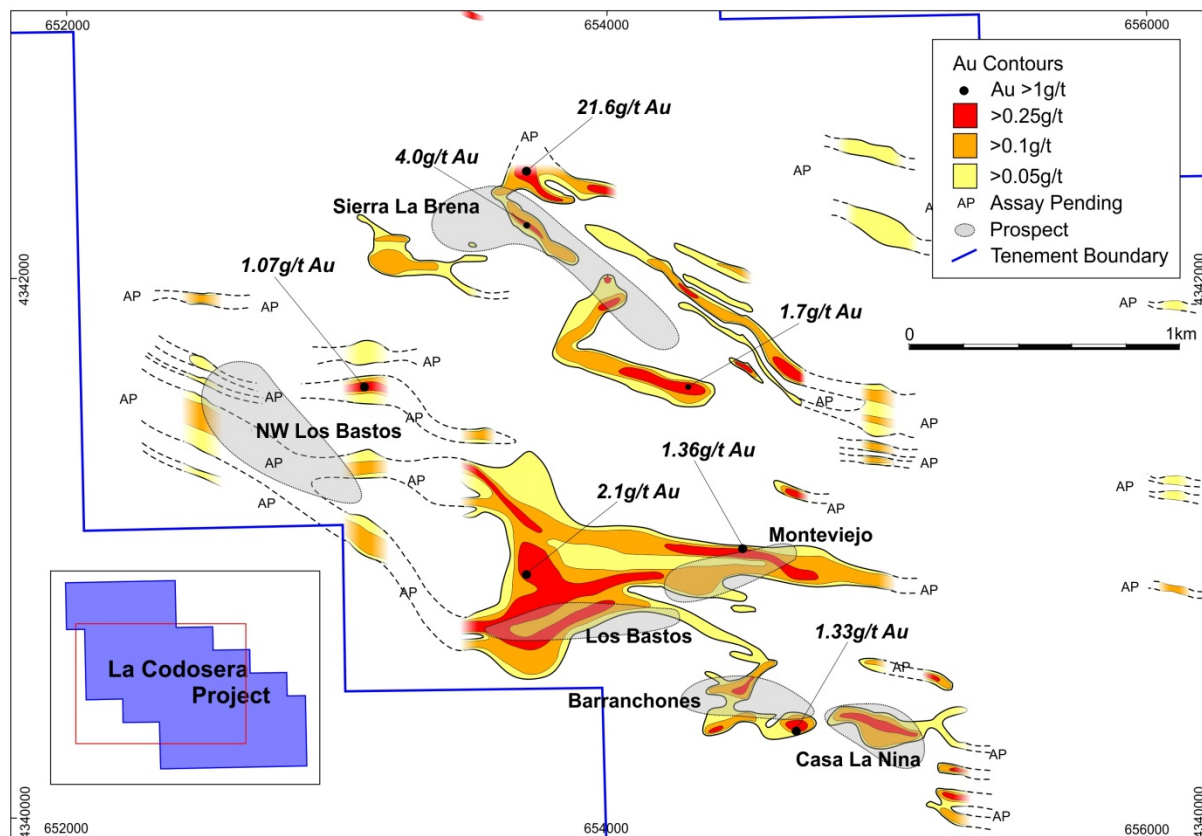


Figure 2. Contoured Auger-Soil Results

Results are pending for an additional 1077 samples; this includes the area between Los Bastos/Monteveijo and NW Los Bastos where there is substantial thickening of anomalous gold.

About La Codosera Project

La Codosera comprises five mineral permits (Afra, Buenavista, Breña, Monteveijo and Sierra Lugar) covering an area of 1,851 hectares in the Extremadura region of western Spain, a region known as one of the most famous historic gold districts in Spain.

Silver Swan is in joint venture with TSX.V listed Astur Gold Corporation (TSX.V:AST) and can earn up to an 80% interest in La Codosera.

At La Codosera there are at least eight known gold occurrences (further details contains in Silver Swan's announcement dated 28 March 2012), as well as Roman hard rock and alluvial workings, and importantly, large undrilled areas.



ABOUT SILVER SWAN

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

Appendix 1

Drilling Results from the Monteviejo Prospect in La Codosera Project

Hole ID.	Easting	Northing	Dip (°)	Azimuth (°)	m_from	Interval (m)	Au (g/t)
12MVD001	654266	4340913	-60	010	11	2	1.0
					30	2	11.3
					56	1	1.3
					78	3	2.2
12MVD002	654266	4340909	-60	010	33	5	6.4
					incl. 33	3	10.2
					81	1	5.2
12MVD003	654260	4340880	-60	010	26	1	1.3
					53	5	2.5
					incl. 54	3	3.7
					76	1	1.4
12MVD004	654258	4340843	-60	010	79	1	1.6
					85	6	2.2
					incl. 89	2	4.2

Auger-Soil

- Total number of samples planned = 1932
- Total number of assays returned to date = 1077
- Number of Au assays >1.0g/t = 7 (0.7%)
- Number of Au assays >0.5g/t = 18 (1.7%)
- Number of Au assays >0.2g/t = 56 (>5%)
- Number of Au assays >0.1g/t (100ppb) = 116 (>10%)

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.