

ASX Announcement
June 17, 2009



Another 60m+ copper intersection at Austin

Silver Swan Group Limited's Austin base metal discovery in Western Australia continues to grow.

Substantial new copper and zinc zones have been intersected in recent diamond core drilling at Austin further enlarging the volcanogenic massive sulphide (VMS) Cu-Zn-Ag-Au –bearing deposit.

Assay results from the first hole in the company's latest diamond drilling programme have been received. Drill hole 09ATD013 intersected 61m @ 1.9% copper from a depth of 58m down-hole including high grade intervals to 9%Cu and 61m @ 5.4g/t silver. In addition to copper and silver, the mineralisation continues to record significant zinc and gold assays.

Drilling, targeting structural extensions, down-plunge continuations and lode repetitions of the discovery is ongoing.

Visual observations from diamond hole 09ATD015 show multiple semi-massive to massive sulphide zones from 234.8m to 273.4m, containing both copper and zinc sulphide minerals, further extending mineralisation down-plunge. Additionally, mineralised intersections at shallower depths in this hole may indicate the position of new zones of mineralisation.

Silver Swan managing director, Dr Susan Vearncombe, said,

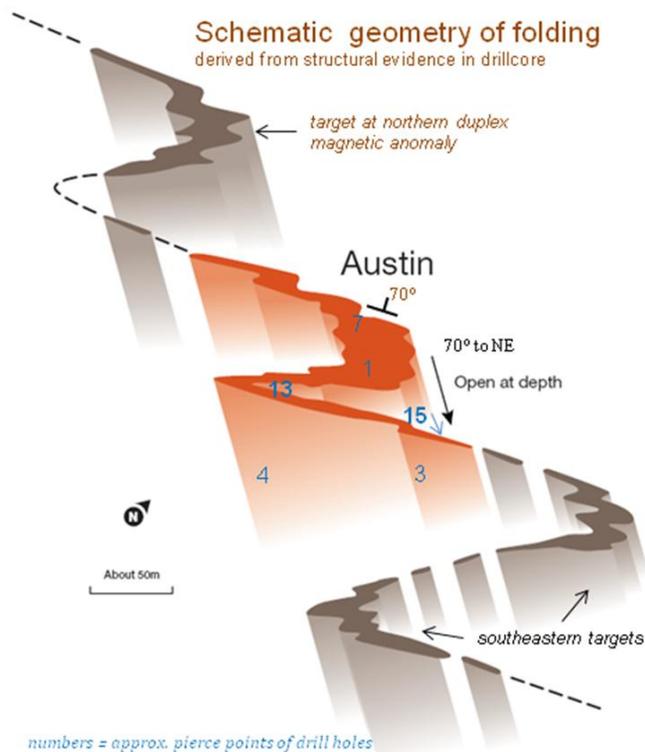
“These excellent results continue to reinforce our discovery of significant and exciting volcanogenic copper-zinc mineralisation. This style of mineralisation usually occurs with multiple deposits within a (mining) camp or area.”

“The company's next task is to confirm the resource potential of the known metal system at Austin and to test the other look-alike targets identified with geophysical and geological methods in the Quinns area. The company has identified other targets at Quinns where copper and zinc gossans have been located.”

Large, high-grade intersections of volcanogenic copper and zinc mineralisation continue to be intersected in diamond drilling at Austin. Austin is part of the Quinns project 100% owned by Silver Swan Group Ltd (ASX:SWN), in the Murchison belt of Western Australia. Austin is about 55 km south of the town of Meekatharra.

Copper, zinc, silver and gold mineralisation has been intersected in diamond drill hole 08ATD013. The copper intersection in diamond drill hole 09ATD013 is 61m @ 1.9% Cu including 4m @ 4.2%, 5m @ 4.3%, 8m @ 2.4% with one individual metre assay at 9.2% Cu. Silver over the same position is 61m @ 5.4g/t Ag and gold 49m @ 0.37g/t Au. The zinc interval is 3m @ 3%. These are approximately true widths.

Silver Swan Group has further visual indications of copper and zinc in 09ATD015, a diamond hole drilled to intersect extensions of the projected plunge position of existing massive sulphide mineralisation. Hole 09ATD015 has intersected semi-massive sulphides containing copper and zinc variously between 234.8m and 273.4m in the expected down-plunge position. In addition, semi-massive sulphides with copper and zinc sulphides have also been intersected from ~165-166m and again from 176-180m; these intersections represent a new zone of mineralisation that sits apart from the main mineralised body identified to date. For 09ATD015 it is inappropriate to estimate or speculate on metal contents, the company awaits analytical results. Drill hole 09ATD014 was terminated early for technical reasons.



Copper mineralisation (yellow) at 235m downhole depth in diamond drill hole 09ATD015

Mineralisation at Austin occurs beneath only 50m from the surface and comprises all primary sulphides. A massive and continuous high-grade zone of more than 80m in length and up to 50m in true width now extends to a vertical depth of over 200m as indicated by hole 09ATD015. The mineralisation remains open at depth and along the mineralised limbs extending south-southeast and northwest. Mineralisation is steeply north dipping, associated with Z-shaped fold structures plunging -70° to the ENE, as indicated from structural studies and illustrated in the attached figure left.

Silver Swan Group background

Silver Swan Group Limited, based in Perth, has its key projects in the Meekatharra area of the Murchison province, in WA. The company is seeking polymetallic targets with a focus on lode gold, copper-gold and volcanogenic massive sulphides in Archaean and Proterozoic terrains.

SWN holds tenements in the Murchison district of the Yilgarn craton, WA and the Wilgena and Christie domains of the Gawler Craton in South Australia. The Murchison district has produced in the order of 18 million ounces of gold from principally Archaean age rocks. The major current and past gold mines in the area include Mt Magnet, Cue, Big Bell, Reedy, Paddys Flat, Yaloginda, Gabanintha and Mt Gibson.

The region hosts operating mines at Golden Grove (base metals), Yaloginda, Hill 50 and Kirkalocka (gold) and Jack Hills (iron ore).

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

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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.

Hole ID	End of hole depth (m)	East MGA94	North MGA94	Declination (°)	Azimuth (°)	From (m)	To (m)	Interval	Copper (%)	Zinc (%)	Silver (g/t)	Gold (g/t)
09ATD013 including	164.8	649981	6997219	-60 to -59	190	58	119	61	1.9	See below	5.4	See below
						58	62	4	4.2			
						78	82	4			10.1	
						70	119	49				0.37
						76	79	3		3.0		
						78	82	4		4.3		
						105	113	8	2.4		9.5	
09ATD014	Hole terminated early: deviated off target	650082	6997255									
09ATD015	369.4	650085	6997272	-60 to -55	190	234.8	273.4	38.6	Assays pending	Assays pending	Assays pending	Assays pending

Samples were prepared and analysed at Genalysis Laboratory Services, Perth. Gold assays are obtained using a 50g lead collection fire assay digest and analysed by flame atomic absorption spectrometry. Multi-element analyses (copper, , zinc, silver, arsenic, bismuth, sulphur, iron) are obtained using multi-acid digest including hydrofluoric, nitric, perchloric and hydrochloric acids, and analysed by inductively coupled plasma mass spectrometry (MS) and inductively coupled plasma optical (atomic) absorption spectrometry (OES). AX digest (AX/AAS) has been applied to samples where Cu & Zn is >5%. Full analytical quality assurance - quality control (QAQC) is achieved using a suite of certified standards, laboratory standards, laboratory duplicates, repeats, blanks and grind size analysis.