

ASX Announcement
14th October, 2009



Results of Airborne & Ground Electromagnetic Surveys

- **Six VTEM conductors located in the Quinns area**
- **Five VTEM conductors located at Yagahong**
- **FLTEM conductors at Quinns**

Silver Swan Group Limited (ASX: SWN) today is pleased to announce the results of its airborne (VTEM) and fixed loop electromagnetic (FLTEM) surveys at Quinns and Yagahong. These project areas lie within 55km of Meekatharra in Western Australia.

FLTEM

A SQUID FLTEM survey covered a total of 18.45 line kms across a number of specific aeromagnetic anomalies in the western part of the Quinns area. The survey was designed to locate bedrock conductors associated with volcanogenic massive sulphide mineralisation.

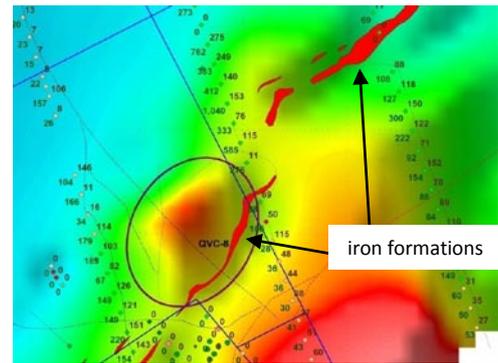
Bedrock anomalies of significance were identified to the north-east of the Austin VMS discovery. Five conductors of varying strength are recognized, two of which lie within felsic volcanic rocks in a footwall position to banded iron formation and subjacent to two discrete bulls-eye aeromagnetic anomalies. A FLTEM survey to the south of Austin has been postponed until the current drilling at Austin is completed.

VTEM

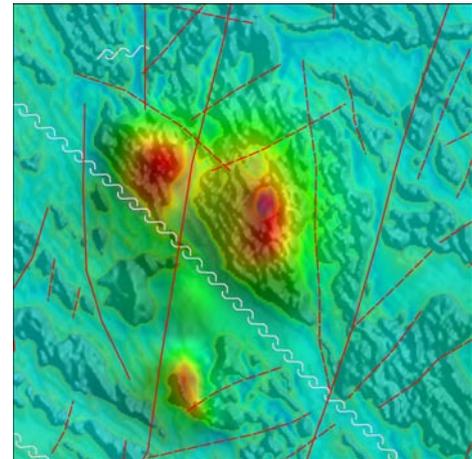
A VTEM (airborne versatile time domain) survey has been completed over much of the Quinns area (344 line kms), over Copper Hills (126 line kms) at Yagahong and Yagahong North (49 line kms) totaling 519 line kms. The survey was designed to locate conductors associated with volcanogenic massive sulphide mineralisation (at Quinns) and syn-tectonic copper-gold mineralisation and nickel mineralisation (at Yagahong). B-field data was collected for greater depth penetration and to reduce effects from possible conductive transported cover.

Six VTEM conductors have been identified at Quinns and five conductors in the Copper Hills area. No obvious conductors were recorded from the Yagahong North survey.

At **Quinns**, **six VTEM bedrock conductors** are recognized from initial data interpretation. These are spaced across the Quinns area and at key positions stratigraphically, that bode well for volcanogenic massive sulphide mineralisation. Some of these anomalies are bulls-eye features within ‘geophysically quiet’ felsic volcanic rocks and other conductors occur within interpreted felsic volcanic rocks, subjacent to iron-rich formations. Conductor designated QVC3 locates over elevated Zn and Cu results from legacy soil sampling and trends ENE with stratigraphy; QV4 & 5 are discrete bulls-eye anomalies, under cover; QVC6 is located a short distance west of elevated Zn results in legacy soil sampling; QVC 8 & 9 are also associated with elevated surface Zn. Drilling is planned to test a number of these targets.



At **Copper Hills**, which lies in the southern area of the Yagahong project area, **3 robust VTEM conductors** correlate on ground with old copper workings (pre-WWII) and align quite precisely with distinct zones of highly sheared gabbro accompanied by surface copper mineralisation. The conductors also coincide with excellent structural positions for Cu-Au mineralisation. Drillholes have been designed to test these conductors. A **fourth excellent conductor** of particular interest has good strike extent, lies to the west of the current area of drilling, associated with a second zone of sheared gabbros within the layered intrusive complex. The zone upon which the conductor lies has received no previous drilling.



Drilling Update

Drilling at the Quinns project area continues and drilling results from the Austin VMS prospect are expected to be announced to the market later this month. A second drill rig is scheduled to commence on site later this month.

Silver Swan will progressively update shareholders on the results of the drilling and geophysics activity.

Acknowledgements: Southern Geoscience Australia (survey planning and geophysical interpretations), Outer Rim Exploration Services (FLTEM) and Geotech (VTEM).

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.

Silver Swan Group background

Silver Swan Group Limited, based in Perth, has 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. In the Meekatharra area, much of the production of the late 1800’s came from Silver Swan’s tenement area at Stakewell (Kohinoor), Abbots (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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