



ASX / MEDIA RELEASE

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COMPANY UPDATE

Swan Gold Mining Limited (ASX: SWA) is pleased to advise that it has successfully negotiated with global commodity company DCM DECOMetal GmbH (DCM) for its nominee to acquire Swan Gold's subsidiaries that own the Carnegie and Mt Ida gold projects.

The offer has been accepted by the board of Swan Gold and the Trustee of the two relevant trusts and is subject to conditions including shareholder and regulatory approval.

The offer proposes to acquire the debt and associated rights of the Mt Ida Trust for \$1 million payable upon a definitive agreement being signed.

The offer also proposes that a total amount of \$10 million will be paid to the Group Trust with \$1 million payable upon a definitive agreement being signed and \$9 million payable within six months from the date the definitive agreement is signed.

Under separate arrangements the debt and associated rights of the Territory Trust will be acquired and the debt due by Swan Gold to Stirling Resources Limited (ASX: SRE) will be repaid by DCM or the nominee.

All debts due to the Mt Ida Trust, Group Trust, Territory Trust and Stirling Resources will be extinguished when all respective amounts are paid in full or at settlement.

Amounts to be paid to the Mt Ida Trust and the Group Trust total \$11 million and Swan Gold will receive an amount of \$5 million at settlement. \$2 million will be paid to Mt Ida and Group Trusts upon a definitive agreement being signed and the remainder paid within 6 months. DCM has guaranteed the remaining payments to Group Trust and Swan Gold.

DCM and the nominee have also agreed to provide funding for the ongoing operations of Swan Gold until the transaction is completed.

A definitive sales agreement will be prepared within the next five weeks and shareholders will be kept informed as the transaction progresses.

For more information:

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