



ASX / MEDIA RELEASE

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SWAN MOVES FORWARD WITH PRODUCTION PLANS AND RE-LISTING

MARKET UPDATE

Western Australian gold developer Swan Gold Mining is pleased to provide a further update on corporate and operational activities as it moves toward production at the Carnegie and Mt Ida gold projects north of Kalgoorlie.

The Company is planning to commence gold mining and processing next month, and is in the final stages of completing corporate requirements for re-entry on the Australian Securities Exchange (ASX).

Auditors are expected to finalise accounting requirements early next week, following which the Company will make an immediate application to re-list under the code SWA.

Swan Gold was formed following the successful recapitalisation of Monarch Gold by Stirling Resources (ASX: SRE), completed in February. Stirling owns and controls 30% of the Company.

Swan Gold Chairman Michael Kiernan said at an operational level, Swan Gold was on track to commence production in early July from the Carnegie open pit project.

"It has been a long and difficult road towards production and re-listing for Swan Gold, and we have faced a number of challenges in the recapitalisation process," Mr Kiernan said.

"However, we have remained focused on delivering a successful outcome for all stakeholders which we are now poised to deliver. At the end of the day, all creditors will ultimately receive 100 cents in the dollar, and shareholders will maintain their full allocation of shares.

"We are now on the cusp of bringing these projects back into production, which will allow us to capitalise on the strong gold price and generate cash flow to drive further development."

"The strength in the gold market continues to reaffirm our strategy with the Carnegie and Mt Ida projects, with the gold price rapidly approaching almost double what it was when the assets were previously in operation," Mr Kiernan said (*see gold price graph overpage*).

The Carnegie pits have been remodeled and redesigned in line with the current gold price environment. Last month, Swan Gold undertook a definition drilling campaign, with grade control and blasting activities set to commence ahead of excavation and mining. The mining fleet has been mobilised to site this week to upgrade the current tailings dam facilities.

The 1.2mpta processing plant at Carnegie is ready to commence ore processing, with inspections and refurbishment to be completed this month. Processing is planned to start toward the end of July, with the first gold pour expected in August.

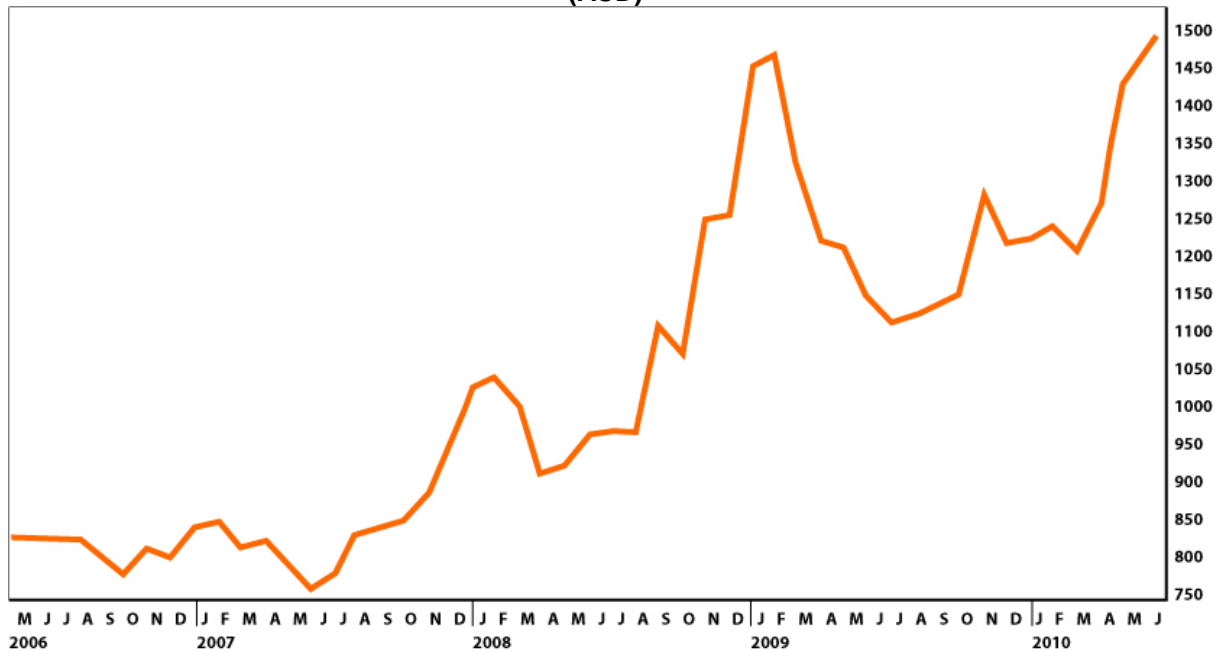
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Gold Price (AUD)



Source: IRESS

About Swan Gold

Swan Gold Mining is a gold developer with advanced assets in the premier goldfields region north of Kalgoorlie, Western Australia. Its primary projects are the high grade Mt Ida underground gold operation, and the Carnegie gold project which includes a 1.2mtpa gold processing facility. It has a large and prospective landholding of 2,700km² in the region.

Swan Gold was established following the recapitalisation of Monarch Gold Mining Company by Stirling Resources (ASX: SRE), which was completed in early 2010. Stirling Resources (ASX: SRE) is a major shareholder of Swan Gold. The Company's aim is to be a focused gold producer, using the strong gold mining experience of its Board and management to generate value for shareholders, particularly in a strong gold price environment.

