



6 May 2010

Company Announcements Platform
Australian Securities Exchange Limited

SWAN GOLD MINING LIMITED ANNOUNCEMENT

Please find attached Swan Gold Mining Limited's announcement to the ASX. Stirling Resources (ASX: SRE) controls a 29% shareholding in Swan Gold.

Yours faithfully

Ildiko Wowesny
Company Secretary



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ASX / MEDIA RELEASE

6 MAY 2010

SWAN TARGETS JULY GOLD PRODUCTION

DEVELOPMENT UPDATE

Western Australian gold developer Swan Gold Mining is pleased to provide an update on activity at the Carnegie and Mt Ida gold projects north of Kalgoorlie, where work is moving towards planned production in July.

The Company this week commenced a definitional drilling campaign, following which, grade control and blasting activities will get underway ahead of excavation and mining at the Carnegie open pit operations.

Swan Gold was formed following the successful recapitalization of Monarch Gold by Stirling Resources (ASX: SRE), completed in March. The Company is currently finalising accounting requirements as a prelude to listing in the Australian Securities Exchange which is planned this month under the code SWA.

Excavation and mining activities at Carnegie had been deferred for a number of weeks to allow completion of the in-pit drilling program, which will increase resource definition and support optimization of pit design and development.

Swan Gold Managing Director Bruce Maluish said site activity would increase rapidly during the coming weeks.

"We are expecting to commence mining at Sand King and Missouri in early July, with the first gold pour about a month after mining gets underway".

"All key contractors and senior staff are in place, and the majority mobilised to site in preparation for commencement of mining. The pits are pre-stripped, have been re-designed and are ready to go, and plant preparation is well advanced to allow us to get into production quickly, and with minimal upfront costs," he said.

Swan Gold's strategy is to commence operations with a small, low cost open cut mining operation, which will be ramped up over the course of the next 12 months.

Mr Maluish said Swan Gold was also in early planning stages for an exploration drilling program across our extensive tenement package.

"Our immediate focus is to bring the Carnegie project back into production which will provide a speedy path to cashflow. Longer term, we have more than 2,700km² of highly prospective tenements in an extremely prolific gold mining region that we intend to test with focused exploration activities," he said.

Carnegie

Swan Gold will initially commence gold mining operations at the Carnegie project, which is located about 120 kilometers northwest of Kalgoorlie and includes all established mine and processing infrastructure.

Following a review of the mine plan by mining consultants SRK, Swan Gold has this week commenced a further definitional drilling program at Sand King, targeting high grade ore at the base of the current pit. Once this is completed, grade control drilling and blasting activities will commence which is expected mid June. Pits have been remodeled and redesigned in line with the current gold price environment.

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Excavation, trucking and processing is anticipated to commence early July. Swan Gold has previously announced the appointment of Barcon Logistics for contract mining and associated activities, which will consist of conventional excavator and truck mining methods.

Ore will be processed at the 1.2 mtpa Carbon In Pulp gold plant, which has been on care and maintenance until recently, and was upgraded with a new gravity circuit, new process pumps, new carbon regeneration kiln and extensive repairs on concrete and steel structures.

Mt Ida

Swan Gold is also continuing work at the high grade Mt Ida underground mine conducting extensive mine planning reviews including metallurgical testing and geological analysis. The mine remains on care and maintenance with the plan to commence underground mining in August/September this year.

The Company has evaluated several options for processing of the high grade ore which contains copper ranging from 0% to 10% (and averaging 1.25%). It has been concluded the most cost effective method is simply adding a small flotation circuit at the Carnegie gold plant. Capital cost would be less than \$3m and enable the high grade underground ore to be processed commencing 4th quarter this year.

For more information:

Bruce Maluish
Managing Director
Tel: 08 6389 7500

Warrick Hazeldine
Purple Communications
Tel: 08 6314 6300
Mob: 0417 944 616

Competent Person

The information contained in this announcement insofar as it relates to the resources and reserves, has been prepared by Mr Robin Simpson of SRK Consulting, Mr Mark Nelson of Monarch Gold Mining Company and Mr Ian Price of Mining One Consultants. Mr Robin Simpson, Mr Mark Nelson and Mr Ian Price each have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the JORC Code.

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Swan Gold Mining Limited

150 Hay Street Subiaco
Western Australia 6008

Telephone: + 61 8 6389 7500
Facsimile: + 61 8 6389 7510

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 more than 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 is a major shareholder of Swan Gold. The Company's aim is to be a focused gold producer, using the strong gold mining and corporate credentials of its Board and management to generate value for shareholders, particularly in a strong gold price environment.

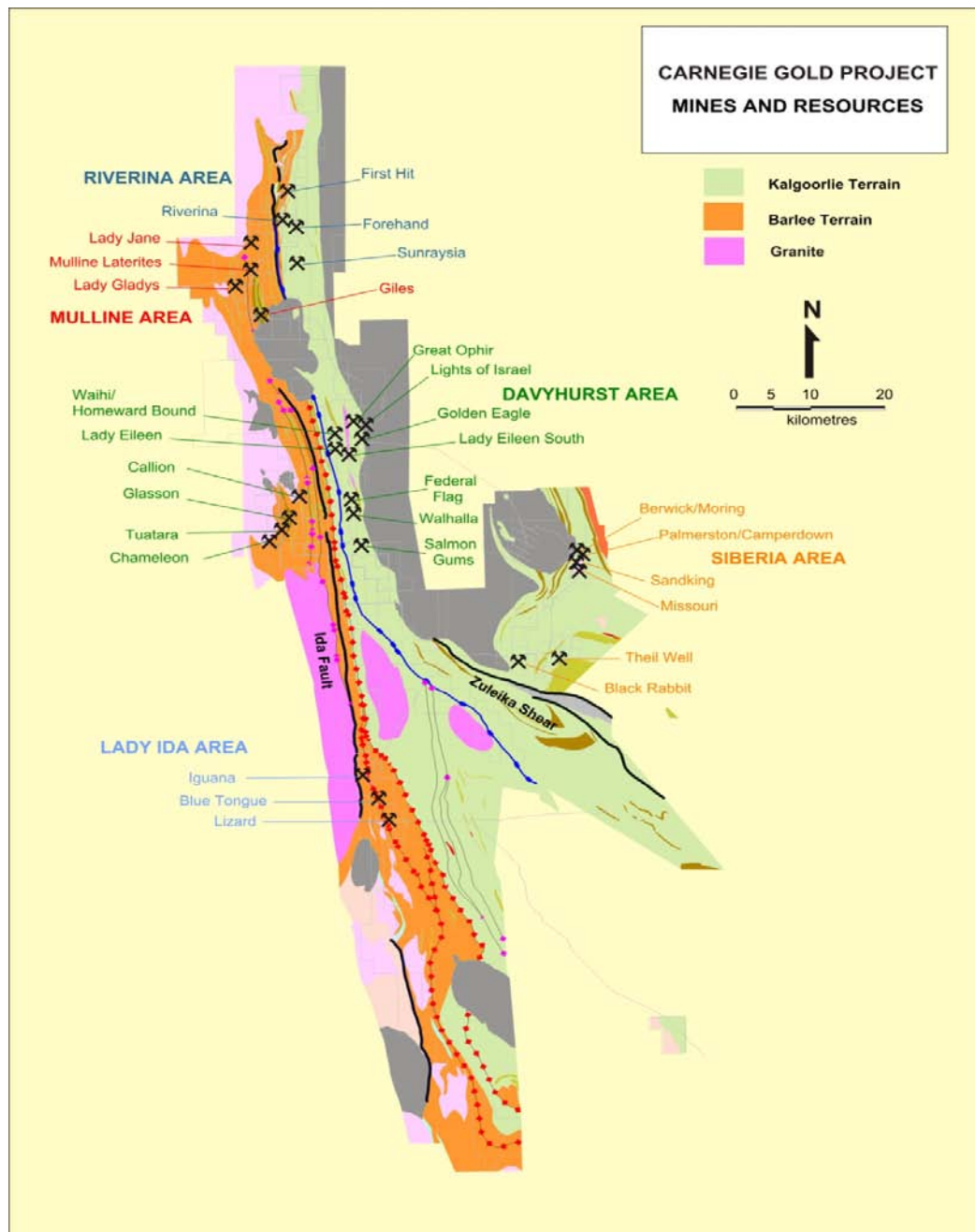


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Carnegie Gold Project (120kms NW of Kalgoorlie)

- 256 tenements 2,180km²
- Large data base
- Resource 20.28mt at 2.3g/t for 1.5m oz (Measured 236,000t at 2.8g/t, Indicated 10,995,500 at 2.2g/t and Inferred 9,049,500 at 2.4g/t)
- Reserve 1.55mt at 2.7g/t for 135,874 oz in the Probable category
- No substantial exploration for 20 years
- 1.2mtp CIP plant, camp, offices and all infrastructure
- Target production 60,000oz per year

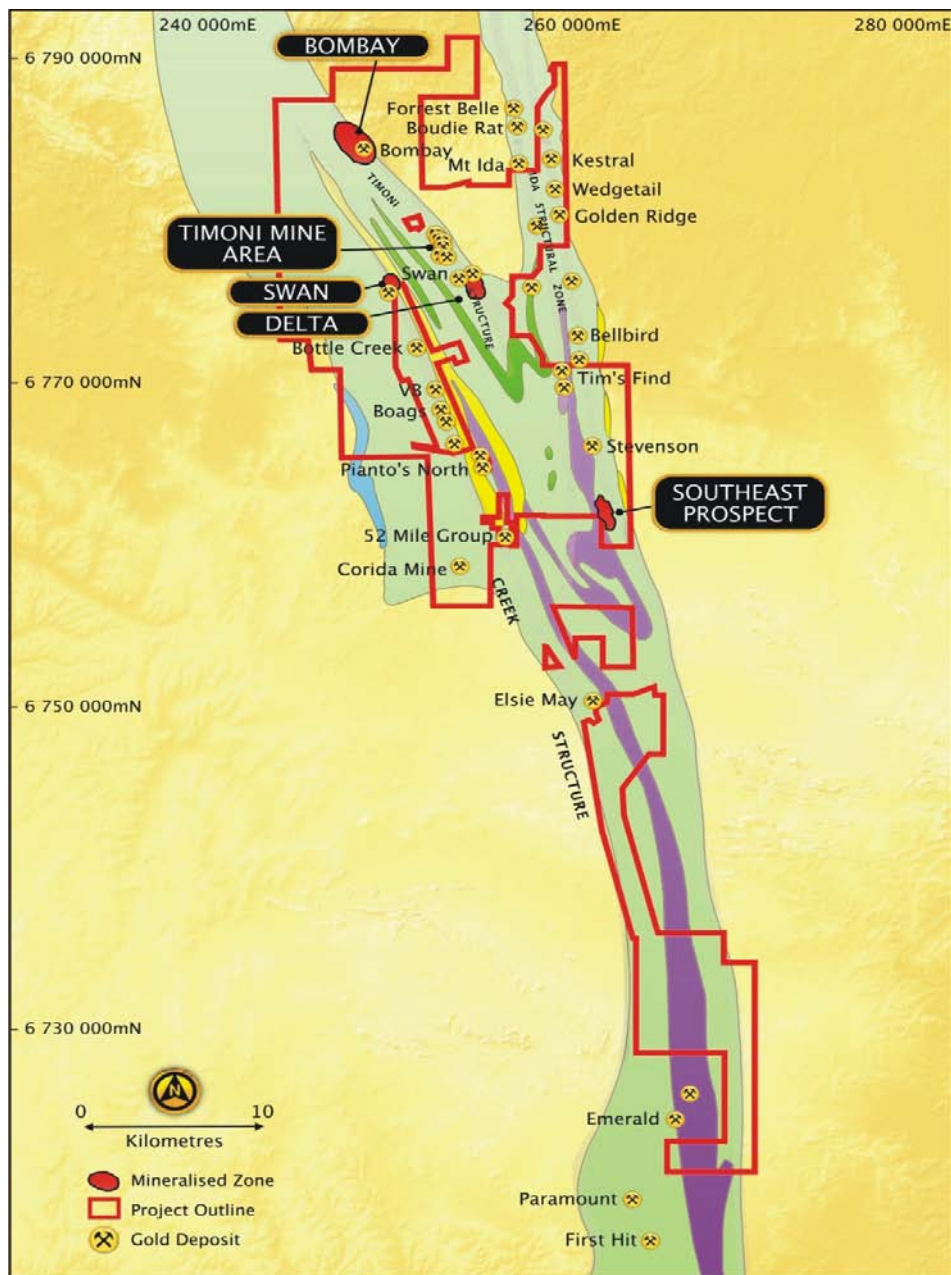


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Mt Ida Gold Project (70kms NW of Menzies)

- 73 tenements 535km²
- Resource 317,200t at 13.8g/t for 139,000oz (Indicated 135,500t at 18.6g/t, Inferred 142,700t at 9.3g/t and Inferred 39,000t at 13.3g/t)
- Reserve 115,800t at 17.4g/t for 64,000oz in the Probable category
- Substantially under explored
- Refurbished shaft, hoisting system, underground mining equipment, two production drives, camp, offices and infrastructure
- Target production 40,000oz per year



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