

**Swift Resources Inc** **CDN\$0.09**  
Focus on Amazing Grace

2 June 2010

**Share Price: 9.0c**



**12m High:** CDN\$0.35  
**12m Low:** CDN\$0.09  
**Market Cap:** CDN\$1.8m  
**Shares in Issue:** 17,460,541  
 20,744,159 fully diluted  
 4,284,000 in escrow

**Debt:** Nil – CDN\$97k cash in hand (including receivables at 31 March 2010).

**TSX-V Code:** SWR  
**Sector:** Mining  
**Market:** TSX-V  
**Website:** www.swiftres.com  
**Broker:**  
**Company Contact:** +1 604 685 6989:

**Description:** Canadian green-fields mineral explorer with early-stage exploration properties in BC and extensive properties in a new coal province in Saskatchewan

**Analyst:** Ian Falconer  
**Tel:** 020 79293399  
**Email:** ian@hardmanandco.com

**Swift Resources Inc** (SWR, TSX-V) is a Canadian mineral exploration specialist with early-stage and green-fields gold, silver and copper prospects, and minority (40%) holding in the Durango Trend coal JV with **Saturn Minerals Inc** (SMI, TSX-V).

We would direct readers to our note on Saturn Minerals regarding developments on the Durango Trend coal JV.

Swift Resources is now gearing up to explore the Amazing Grace property near Castlegar, BC. Having inspected the geological reports, geophysical and geochemical surveys and interpretations we are encouraged by the property's potential. It is primarily a narrow vein gold-silver-copper prospect, though there is the possibility of other mineral occurrences. Mining has taken place on the property on a very small scale in the past and around 2,000 ounces gold has been produced historically.

As we noted in our initiation of coverage the property has been largely ignored by prospectors during the 20<sup>th</sup> century, possibly because of comparative lack of exposure in days when geochemistry and geophysics were nascent disciplines. Inspection of geophysical surveys of the area shows that cross-cutting structural trends, known to host gold at other sites in the region, are present and previous surface sampling shows that they host elevated gold assays (up to 86g/t).

We understand that the company was disappointed with the results of the Iron Range drilling and sampling program and have now withdrawn from that option agreement with Eagle Plains. The company retains its option over the Pyro property.

Inspection of the latest interims show that Swift will need to raise further funds in order to advance their exploration program and retain its interest in the Hudson Bay JV. We believe that Amazing Grace is worthy of further exploration and look forward to hearing of further progress.

Y/E	Group Sales	Declared Profit	Adjusted Profit	Adjusted EPS	P/E ratio	Divi	Yield
	\$m	\$m	\$m	\$		c.	%
2007A	0	(700,749)		(0.03)	N/A	N/A	N/A
2008A	0	(2,604,200)		(0.08)	N/A	N/A	N/A
2009E			No	Estimates			
2010E			No	Estimates			

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**Amazing Grace**

Amazing Grace is just 15km to the south east of Castlegar, BC and has excellent access. Much of the property has been clear-cut logged in recent years so the relatively sparse outcrop (~3%) is as good as it has been in living memory.

There is a major power line cutting across the property, which brings some complications for certain geochemical and geophysical survey techniques, but also provides additional access to the ground. In simple terms the galvanised steel pylons do cast off some zinc into the shallow soil profile and nearby drainage courses and the electromagnetic interference caused by high voltage electricity transmission can obscure data from the area beneath the cables.

There are some exploration pits and waste dumps dating to the 1930s and before. These are focussed around the Maud S showing and the Meister prospect. These have been re-vegetated but will need to be mapped to ensure that no false positives are encountered.

**History and Past Workings**

After gold was first discovered in the 1800s there has been activity around the property, mainly in the form of shallow pits. Some 2,000oz of gold are recorded to have been produced with an average grade of around one ounce per (short) ton.

There are some underground workings at the Maud S showing with 3 adit levels and about 100m of total crosscut and drift length. It is likely that the majority of gold came from this site, apparently the largest workings on the property. Swift's geologist has entered these workings and taken wall rock and vein material samples.

In the 1930s the property was the site of renewed interest and pre-war workings are apparent along the ridge-lines around Maud S and Meister prospect. We hypothesised in our initiation that, in common with other mines and prospects in the region, Amazing Grace was abandoned as miners joined up to fight in WWII.

In 1995 modern exploration started on the property with various companies (including Phelps Dodge, Eagle Plains Resources, Cassidy Gold and Firestone Resources) carrying out exploration under option until Swift Resources acquired the option in 2009.

**Geology**

The Amazing Grace property is mainly underlain by the Lower to Mid Jurassic Bonnington Pluton. This is a large intrusive body with granodioritic composition, though some literature also refers to it as monzodiorite or quartz monzonite.

Mineralisation is structurally controlled with a dominant trend running at 030 and a less well defined NNW-SSE and E-W cross-cutting trends apparent in aerial photography and geophysics. On the ground the structure is manifest by shear zones sometimes occupied by quartz or quartz/calcite vein and breccias.

The gold is hosted in the veins associated with pyrite, with galena, arsenopyrite, sphalerite and chalcopyrite locally visible. Alteration is apparently limited with wall rock alteration products restricted to primary quartz, chlorite and sericite proximal to the veins. Some pyrite disseminations have been reported in wall rock. Native free gold has been observed on the property.

**Metallogenesis**

Very little is known at this stage, but it would seem logical that fluid circulation induced by remnant heat in the pluton and mineralising fluids concentrated by structural elements either already present or coeval with fluid flow allowed deposition higher in the system. We would therefore expect the relationship between timing of the formation of cross-cutting structures and the mineralising events to be crucial in forming an exploration model for the property.

## Going Forward

Swift has now compiled the available data and undertaken analysis of the airborne geophysics.

Having inspected the same data, Hardman & Co are struck by some very promising co-incident data in the first vertical derivative E-M mapping. The structures that this highlights are very well aligned with some of the outcrops already sampled, though maybe not so well aligned with the regionally dominant NNW-SSE structural trend. To us this suggests that the minor structures may have more of an influence than their physical dominance would suggest and points, again, to the relative timing between elements in the mineralising system as a crucial parameter in developing a predictive model.

## Conclusions

Amazing Grace appears to be a property well worth exploring. In the past it has produced the free milling gold that is typical of the area from shallow workings and is in an excellent position to be developed should economic resources be found. The geology looks promising and even with its relatively poor outcrop was obviously interesting to last century's early prospectors who had no access to modern remote sensing techniques. With today's techniques we can start to see why this area was, and still is prospective. History suggests to us why it was never developed at the same time as prospects on surrounding valley sides.

Swift will need to raise funds in order to advance the prospects and meet its obligations under the Hudson Bay JV. We look forward to hearing good news in the future as Swift advances these projects.

Management	Major Shareholders
<p><b>President &amp; CEO:</b>     <b>Mike Elson</b></p> <p><b>Vice-President :</b>     <b>Stan Szary</b></p> <p><b>CFO:</b>                     <b>Larry Johnson</b></p>	<p>Directors, Management &amp; Associates     8,000,000</p> <p>Kluane Drilling                             2,750,000</p> <p>Institutional                                 3,000,000 (est)</p> <p>Other Associates (cumulative)             4,000,000</p>
Key Dates	Key Milestones
<p>Interim Results     1<sup>st</sup> December , 1<sup>st</sup> September,</p> <p>Annual Report       1<sup>st</sup> May</p> <p>Full Year Results    1<sup>st</sup> May</p>	<p>Mid-August 2009 – Airborne Geophysics Report due</p> <p>September 2009 – Completion of NI 43-101 report due</p> <p>Autumn-Winter 2009 – First Drill Campaign</p>

## Swift Resources Inc

2 June 2010

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**Hardman & Co**

4-5 Castle Court  
London  
EC3V 9DL  
United Kingdom

Tel: +44(0)20 7929 3399  
Fax: +44(0)20 7929 3377

[www.hardmanandco.com](http://www.hardmanandco.com)

