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FOR IMMEDIATE RELEASE

SMW GOLD ANNOUNCES COMPLETION OF SCOPING STUDIES FOR  
EL FAWAKHEIR AND UMM BALAD CONCESSION AREAS

NI 43-101 REPORTS INDICATE HIGH RESOURCE POTENTIAL

CAIRO, EGYPT – DECEMBER 31, 2009 – SMW Gold reported today that independent scoping studies for its El Fawakheir and Umm Balad concession areas in Egypt's Eastern Desert have been received and analyzed by the Company. The studies, which contain detailed assessments of the concession areas, indicate high resource potential for these properties.

Behre Dolbear, an internationally recognized mining industry consulting company, conducted these studies in accordance with all applicable NI 43-101 regulations. The full reports are available at [www.smwgold.com](http://www.smwgold.com).

El Fawakheir and Umm Balad concessions, covering an area of almost 1500 km<sup>2</sup> with good infrastructure in place, include El Sid, South El Sid, Fawakheir, Atalla, Atalla El Mur, El Urf, Umm Balad, Wadi Dib, Wadi Dara, Umm Esh, Umm Monqul and other deposit zones with total forecasted gold resources of over 470 tons.

El Fawakheir Concession includes three historic gold mining areas: Atalla, Fawakheir and El Sid, as well as some other known occurrences of shear hosted quartz-vein type gold mineralization forming a zone about 5 km in length and from 200m to 900m in width. The close relationship between the granite and the gold mineralization is similar to that of the recently commissioned Sukari mine about 100 km to the south.

Atalla gold mine has one main quartz vein that is about 250m long and 0.35m wide, and several smaller parallel quartz veins in a granite host rock. The size of the Atalla deposit suggests that it could have potential for development as a low-grade, open-pit satellite operation to a larger mining operation close by.

Fawakheir mine has two main mineralized zones consisting of individual high-grade quartz veins interspersed within a much wider (30 to 40m) zone of shearing and hydrothermal alteration that carries low-grade (1 g/t Au) gold values. Sampling indicated that one of these mineralized zones is, on average, about 21m wide and contains about 1.53 g/t Au. This substantial body of low-grade gold mineralization indicates high potential of a possible low-grade open-pit gold deposit.

El Sid mine features a broad zone of quartz veining within sheared and hydrothermally altered rocks adjacent to the granite contact. Surface sampling indicated there is low-grade (1 g/t Au) gold mineralization in the altered wall-rock between the individual quartz veins. This low-grade mineralization forms two closely spaced parallel bodies, each estimated to contain about 40 million tons of mineralization at an average grade of about 1.73 g/t Au to a depth of 200m. The surface data indicates the potential for the discovery of a low-grade, open-pit deposit.

Umm Balad concession area had been significant for gold mining in ancient times. Although the remaining individual quartz veins are insufficient to support underground mining, the large areal extent of the gold mineralization suggests existing potential for the discovery of a low-grade open-pit type gold deposit.

The deposits of Umm Balad concession are specified by complex mineralization with entrained molybdenum and formed in several stages. These occurrences are noted for the great area of ore-hydrothermal systems, over 20 km<sup>2</sup> in size, at El Urf deposit – and lie within intensive anomalies of the g-field. The complex mineralization development zone runs for over 30 km along graben trend of a sublatitudinal strike formed by the complex of igneous-sedimentary pre-Cambrian rock. Presently, the area is geologically mapped and the exploration work is ongoing. According to Behre Dolbear experts, the large areal extent of mineralization evidences numerous common features with Olympic Dam – the world's largest gold-copper-uranium deposit.

Available data has shown that the El Urf / Umm Monqul zone contains anomalously high levels of gold, copper and molybdenum over an area of about 10 km<sup>2</sup>.

Geological investigations are continuing and the Company plans to launch an extensive drilling program to test the mineralized zones defined by the mapping and sampling work. The program will be supported by satellite image interpretation, geological mapping and sampling, topographic surveying, mineralogical sampling and test-work in order to provide a basis for mineral resource estimation within each site.

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## About SMW Gold

SMW Gold is a growth-oriented mining and exploration company operating in Egypt and Russia. SMWG's top-priority projects include development of El Fawakheir and Umm Balad concession areas in Egypt. The Company has a highly qualified management and technical team with extensive experience in gold mining. For more information on the Company, please visit the Company's website at [www.smwgold.com](http://www.smwgold.com).

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