

SMW Gold Announces Assay Results for Gold Deposits in Egypt

SMW Gold, a junior exploration and mining company based in Moscow, Russia, announced today results of its latest assay results on samples from its licensed El Fawakhir and Umm Balad territories in Egypt

Dec. 10, 2009 - [PRLog](#) -- CAIRO, EGYPT--(Marketwire) - SMW Gold, a junior exploration and mining company based in Moscow, Russia, announced today results of its latest assay results on samples from its licensed El Fawakhir and Umm Balad territories in Egypt. The samples demonstrate content as high as 251 grams/ton at Fawakhir, taken from the trenches, and 232 grams/ton at Umm Balad, taken from an ancient mine. Of the latest 1400 samples analyzed, over 26% indicate gold grade of above 0.3 grams/ton. SMW Gold has been exploring for gold in Egypt in partnership with the Egyptian Mineral Resources Authority (EMRA) since 2007. The territories licensed to SMW Gold cover 1,500 km² in the districts of Fawakhir, El Sid, Atalla, El Urf and several others in the Eastern Desert. These areas are known to have the highest historical occurrence of gold in the country. The licenses were granted under two production sharing agreements covering exploration and mining for the next 30 years that were ratified by the Egyptian Parliament in late 2007.

The territories contain numerous ancient mines no deeper than 15 meters. Current technology allows drilling at well over 1000 meters.

Mark Lisnyansky, Managing Director of SMW Gold, said, "Our latest assay report indicates compelling prospects for SMW Gold's exploration in El Fawakhir and Umm Balad. Based on these results, our team of prominent geologists anticipates several significant commercial discoveries at our Egyptian properties in 2010."

SMW Gold is actively advancing its exploration in Egypt. The company recently retained Behre Dolbear to perform an independent study, the results of which are expected by mid-December 2009.

About Gold mining in Egypt

Egypt has returned decisively to gold mining after many decades of inactivity. According to official forecasts, output in 2010 is projected to exceed the country's total production of the entire 20th century. The Egyptian government estimates the country's gold output in 2010 at 300,000 ounces, a vast increase to the less than 1,000 ounces mined in 2009.

The Pharaonic mines in the Fawakhir district of Egypt's Eastern Desert appear on a 3,200 year-old papyrus map, the oldest in existence. These rich mineral deposits, largely neglected for two millennia, have the potential to transform the Egyptian economy as they are brought on stream in the coming decade. President Nasser closed down the last mining operation in the region in the 1950s. In the 1970s, exploratory work by Russian geologists and geophysicists confirmed that the Pharaohs had barely scratched the surface of the local gold deposits.

The Egyptian Government and the World Bank's International Finance Corporation (IFC) have signed a Memorandum of Understanding and work is ongoing to redraft the laws aimed at restructuring the gold mining sector to make it more attractive for investment. Today, Egypt derives 1% of its GDP from its mineral resources (phosphate, gypsum, coal, etc.), yet the mining sector has the potential to account for at least 10% to 12% of the country's GDP.

Egypt's gold reserves are now believed to be up to 70 million ounces, an increase from 3 million in 2005.

These figures are the result of exploration campaigns carried out in the Eastern Desert area by several international companies, most notably Centamin Egypt and SMW Gold, and are likely to rise as the work continues. In a recent interview, Mr. Sameh Fahmy, Egypt's Minister of Petroleum and Mineral Resources, stated: "We have huge reserves. We want international companies to join us."

About SMW Gold:

SMW Gold is a junior exploration and mining company dedicated to development of economic, multi-million ounce deposits in Egypt. Based in Moscow, SMW Gold is a unit of SMW Engineering, whose parent company is Magnesium.com. More information on SMW Gold can be found at

www.smwgold.com

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