



SVC Group Limited

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Company Announcements Supervision
Australian Securities Exchange
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Attention: Companies Officer

Zambian Resource Ventures Pty Ltd – Emerald Drilling Update **Critical talc magnetite schist zone intersected**

Zambian Resource Ventures Pty Ltd (ZRV), a company which is 38% owned by SVC Group Limited recently completed a ground magnetic survey in the Lufwanyama area at Kafubu that has defined two prominent linear magnetic anomalies. These exciting targets are interpreted as potential talc-magnetite schists, known elsewhere in the Kafubu area to host significant emerald mineralization.

Drilling is being undertaken by a local contractor under the geological supervision of Mr Lance Govey from BinEx Consulting, Perth. Mr Govey is also a Director of SVC Group Limited. ZRV has planned up to approximately 400m of core drilling that will be sufficient to confirm the presence or otherwise of talc-magnetite schists and pegmatites that would constitute a favourable geological environment for emerald formation.

Core Hole LDD-1

Core Hole LDD-1 on anomaly B (Figure 1) was completed last week at 101m depth. There were no visible signs sufficient to confirm the presence or otherwise of talc-magnetite schists that would constitute a favourable geological environment for emerald formation. One minor pegmatite vein was intersected. Further interpretation of information derived from the core samples will be undertaken.

Core Hole LDD-2

Core Hole LDD-2 on Anomaly A (Figure 1) successfully intersected a shallow dipping talc-magnetite schist (TMS) from 18m-46m and was terminated at 59m depth in quartz-biotite schists, similar to those intersected in LDD-1. This anomaly is highly encouraging and provides vindication of the exploration strategy undertaken to date. It is now necessary to identify intersecting veins/pegmatite which together with the TMS provide the key conditions for emerald formation.

Core Hole LDD-3

A further hole, LDD-3, is planned to be drilled some 300m south east of LDD-2. If successful it may be inferred that there is potential for a strike length of 900m of the chromium rich TMS zone as defined by the ground magnetic survey.



Further Planning

In order to define potential zones of pegmatite veining along the 900m strike of the TMS, further work is contemplated using hand auger drilling to the base of the sandy clay cover (approx 8-10m), and assaying for boron (tourmaline indicator), beryllium (beryl indicator) and chromium. Anomalies from this information may provide the optimal location for an initial trial pit.

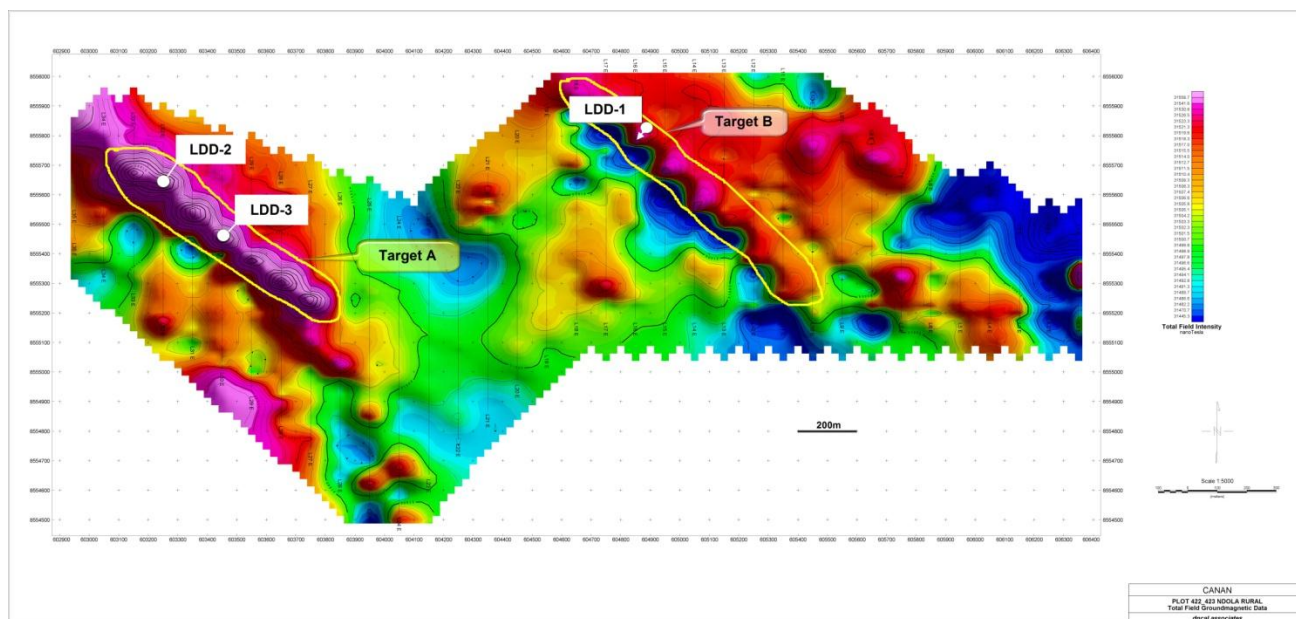
Background – Spin off of Zambian Assets

The Board has determined that the Zambia Assets are not core to the Company's future. As it is likely that the Company will be required to raise funds for their development, it has been determined that the Zambia Assets being 38% ownership of ZRV be transferred to a separate, newly incorporated non-ASX listed public company – ZTR Resources Limited. A meeting of shareholders is to be held on 26th November to resolve to allow this spin off to occur, if approved exiting shareholders in SVC as at the record date of 4th December will receive 1 share in ZTR Resources Limited for every 10 shares in SVC.

Please do not hesitate to contact the Company for any further information or clarification on the matters addressed in this update.

Yours faithfully,

Richard Pritchard
Chairman and joint Company Secretary
SVC Group Limited



Note: Grid coordinates are UTM (ARC 1950)

Figure 1. Location of drill holes LDD-2 and LDD-3 on Total Magnetic Intensity Image, Lufwanyama Area, Zambia



Figure 2. LDD-2 in progress



Figure 3. Logging core, LDD-2



Figure 4. Biotite schist alteration within TMS zone, LDD-2

Background

Having reviewed a number of opportunities and conducted early technical evaluation on Emerald Mining Licences in the Kafubu Emerald Area of Zambia, Zambia Resource Ventures Pty Ltd (ACN 156 602 487) (ZRV), a company which is 38% owned by SVC Group Limited, has entered into an Option to Joint Venture with Cannan Oil Exploration Mining Limited, a Zambian company which holds two emerald mining licences.

The Option allows ZRV six months to conduct further exploration work to evaluate the probability of commercial extraction of emeralds from the licence area. At the end of the exploration/evaluation period ZRV must decide either to exercise its right to enter a Joint Venture Agreement (JVA) or withdraw.

About: Kafubu Emerald Area

In the past three decades Zambia has become a significant gem-producing country. The Kafubu Emerald Restricted Area in the Lufwanyama District has supplied up to 20 per cent of the world's emerald production, and is believed to be second in value only to Colombia. The Kafubu area has become a significant producer of good-quality emeralds with high economic potential. Because of new discoveries (such as at Kamakanga, Pirala, Mitondo, Fwaya-Fwaya, Kabashila, Dabwisa, Libwente, and Fibolele) and extensive illegal mining, the area has been declared by the government as a restricted zone. All access routes are patrolled and entry is by permit only.



Location of the Kafubu Emerald Field

Competent Persons Statement

The information in this report that relates to Exploration Results and other activities is based on information compiled by Lance Govey, who is a Member of the Australasian Institute of Mining and Metallurgy and a director of SVC Group. Mr Govey has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Govey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements:

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning SVC's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although SVC believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.