



Trading Symbol: **SWN.TSX-V**
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#700 – 509 Richards Street
Vancouver, British Columbia
Canada V6B 2Z6
Telephone: (604) 801-7240
Toll-free: 1-888-989-9188
Fax: (604) 689-8355

info@selwynresources.com
www.selwynresources.com

News Release

Selwyn Resources Announces TSX-V Acceptance of US\$5 Million Credit Facility

Vancouver, BC, July 2, 2010 – Selwyn Resources Ltd. (SWN.TSX-V) (“Selwyn” or the “Company”) announces that the TSX Venture Exchange has conditionally approved the terms of a US\$5,000,000 revolving credit facility (“the Facility”) with Resource Capital Fund IV LP (“RCF”). RCF is a major shareholder of the Company holding a 20.6% current equity position.

Funds drawn under the Facility will be used for approved 2010 Selwyn Project expenditures and working capital. These expenditures are being undertaken in advance of the expected closing of the CDN\$100,000,000 joint venture investment by Yunnan Chihong Zinc and Germanium Co. Ltd. (“Selwyn-Chihong Transaction”) (see June 2, 2010 news release). Upon financial close of the Selwyn-Chihong Transaction, expected in mid-August 2010, the CDN\$100,000,000 will be deposited into the bank account of the new joint venture company, “**Selwyn Chihong Mining Ltd.**”, which will be 50% owned by the Company. Selwyn intends to repay any amounts drawn under the Facility upon receipt of the Selwyn Project expenditures made from July 1, 2009, reimbursed to Selwyn under the terms of the Selwyn-Chihong Joint Venture Agreement.

Dr. Harlan Meade, Selwyn’s President & CEO, comments: *“We are very pleased to receive TSX-V approval of this credit facility term sheet. This facility, coupled with the recently-announced \$3,000,000 Flow-through share and Unit offering, completes the bridge financing sought to fund the drilling, engineering and permitting studies under the June to August programs. The bridge financing was necessary to maintain permitting and bankable feasibility study timelines. Upon close of the Chihong Selwyn joint venture transaction, Selwyn expects to recover approximately CDN\$11,000,000 paid from the CDN\$100,000,000 million of joint venture investment funds, providing the Company with a strong working capital position going forward.”*

The principal terms of the Facility are:

Facility Amount:	US\$5,000,000
Minimum Drawdown Amount:	US\$1,000,000
Prepayment:	Selwyn can prepay the Facility, in whole or in part, at any time.
Convertibility	None.
US\$ - CDN\$ Exchange Rate	Fixed at 1.035 CDN\$ per US\$.
Selwyn Share Pricing	Shares issued pursuant to the Facility terms, are priced at the 20 day average volume weighted share price prior to the relevant calculation date (“Market Price”).
Interest Rate	15% per annum during the revolving period (6 months from closing); 10% per annum thereafter; payable in cash or shares at RCF’s election
Warrants Issued	Selwyn will reserve for issuance to RCF, Selwyn share purchase warrants at a rate of one-quarter (¼) warrant per annum, for each Selwyn share equivalent value of funds drawn. The warrants will have a three year term, with an exercise price being the Market Price, except for the first US\$2,000,000 of Facility draws, in which case the warrant pricing will be the Market Price on the date of acceptance of the term sheet. The warrants reserved for issuance will be issued to RCF on a pro-rated monthly basis as earned. If the Facility is repaid early, the remaining warrants reserved for issuance will be cancelled.
Establishment Fee	US\$250,000, payable in Selwyn shares at the Market Price.

Termination Fee	500,000 shares payable, should Selwyn terminate the Facility after acceptance, but prior to closing.
Standby Fee	1% per annum on unused balances, payable quarterly in arrears in cash or shares at RCF's election.
Security	First-ranking liens on Selwyn's equity interests in its subsidiaries up to time of closing of the Chihong Transaction, if not repaid, then second-ranking liens, subject to the terms of the Chihong Transaction terms.
Closing Date	On or about July 23, 2010.

Selwyn's focus is the exploration and development of its Selwyn Project in eastern Yukon and Northwest Territories. The Selwyn Project represents one of the largest undeveloped resources of zinc and lead in the world and is unique in its location in the politically-attractive and stable jurisdiction of the Yukon. It is therefore both a unique opportunity and a strategic asset providing a long term secure supply of zinc and lead to the Pacific Margin.

This news release contains forward-looking statements concerning the proposed credit facility financing, the development of the Selwyn Project and the Chihong investment. These statements are based on assumptions and judgments of management regarding future events or results that may prove to be inaccurate as a result of failure to complete the proposed financing, failure to complete the Chihong transaction, failure to obtain necessary regulatory or shareholder approvals, exploration and other risk factors beyond Selwyn's control. There can be no assurance that such forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this news release. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. All dollars in this release are in United States funds unless otherwise stated.

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For more information contact:

Dr. Harlan Meade, President and CEO
 Jasmin TamDoo, Manager of Investor Communications
 Telephone: (604) 801-7240
 Toll-free: 1-888-989-9188
 Facsimile: (604) 689-8355
info@selwynresources.com
www.selwynresources.com

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