



Trading Symbol: **SWN.TSX-V**
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News Release

Selwyn Resources Announces \$1.0 Million Closing of First Tranche of Financing

Vancouver, BC, July 5, 2010 – Selwyn Resources Ltd. (SWN.TSX-V) (“Selwyn”) announces that it has closed on an initial \$1 million tranche of the previously-announced (see June 16, 2010 News Release) non-brokered offering of Flow-through shares and Units (the “Offering”). Pursuant to the Offering, in this first tranche, the Company issued 1,275,000 Units for gross proceeds of \$255,000 and 3,725,000 Flow-through shares for gross proceeds of \$745,000. Each unit was priced at \$0.20 per unit and consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.30 for a period of two years from the closing date. Each Flow-through share was priced at \$0.20 per share. The securities have a hold period that expires on November 1, 2010. Finder’s fees of \$46,500 were paid in respect of a portion of the securities being sold.

The Securities were sold pursuant to applicable securities law exemptions in the Provinces of Ontario, British Columbia and such other provinces of Canada as the Company may determine and in such jurisdictions outside of Canada, as the Company determined.

Both of Resource Capital Fund IV LP and Pan Pacific Metal Mining Corporation, a subsidiary of Korea Zinc Corporation, have rights under their respective shareholder agreements for participation in the financing as to the number of shares that would maintain their pre-Offering equity interests at approximately 20.6% and 19.1% respectively. Therefore once instructions have been received from these parties within the required notice period, additional shares may be issuable at the same share price.

The funds will be used for qualifying Canadian Exploration Expenses, and permitting and engineering programs 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. (see June 2, 2010 news release).

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 financing and 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 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 Canadian funds.

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