



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

Trading Symbol: **SWN.TSX-V**
News Release – 2012-21

info@selwynresources.com
www.selwynresources.com

News Release

Selwyn Joint Venture To Evaluate A Smaller Tonnage High-Grade Mine Plan

Vancouver, BC, May 28, 2012 – Selwyn Resources Ltd. (SWN.TSX-V) (“Selwyn” or the “Company”) provides investors an update regarding on going evaluation of the development plan and project feasibility in progress for the Selwyn Project. The Selwyn Project is being advanced by Selwyn Chihong Mining Ltd. (“SCML”), the joint venture company formed by Selwyn and Chihong Canada Mining Ltd. (“Chihong”) in August 2010 to advance the Selwyn Project to feasibility study to National Instrument 43-101 standards, and if warranted, to production.

SCML has reported to Selwyn and Chihong that it is evaluating a 3,500 tonne per day development concept focused on underground mining of the higher grade sections in the XY Central and Don deposits. The development plan under consideration utilizes selective mining methods, and has relied on detailed mine development and costing information from the feasibility-level work completed to date. This recent analysis suggests that the new development plan has a good probability of providing a satisfactory economic return.

SCML is expected to present a detailed implementation plan and budget for the preparation of an updated economic evaluation of this new development plan to the Management Committee of SCML during this quarter. Until the economic evaluation has been completed, and reviewed by external experts, the anticipated economic results derived from the new development concept should be considered speculative and should not be relied upon.

Change Of Direction

In January 2007 Selwyn completed a Preliminary Economic Assessment (“PEA”) for the Selwyn Project (see January 18, 2007 news release), which considered an open pit plan of mining at 20,000 tonnes per day. Since the initial PEA was prepared there have been significant movement in exchange rate, metal prices and capital and operating cost assumptions that would make the development plan described in the PEA no longer viable and investors should not rely on the findings of that economic evaluation.

Tetra Tech Wardrop (Tetra Tech) was engaged by SCML in January 2010 to complete a feasibility study for the Selwyn Project to NI 43-101 standards. The mining plan in the feasibility study focused on the development of the Selwyn Project as an 8,000 tonne per day underground mine operation, initially focused on the XY Central and Don deposits. In current market conditions and with the technical and engineering data consolidated to date, SCML has reported to Selwyn and Chihong that, at the present time, an 8,000 tonne per day development concept will not provide an economic return.

Strategic Advisory Review Process

On March 26, 2012, Selwyn announced the engagement of Cutfield Freeman & Co. Ltd. as advisors to the Company to assist Selwyn in evaluating its financing and strategic options in relation to the Selwyn Project and the ScoZinc Mine. Their mandate includes consideration of all financing alternatives including debt, equity and other financial instruments, as well as concentrate off-take finance,

partnership arrangements, corporate restructuring and sale alternatives for Selwyn and its mineral projects. Among others things, Cutfield Freeman intends to enter into discussions with industrial groups that may have an interest in purchasing Selwyn..

-30-

Forward-Looking Statements

This press release contains forward-looking statements concerning the advancement of the Selwyn Project, the results and status of the feasibility study that is being carried out on the Selwyn Project, a proposal to produce a new economic assessment for the Selwyn Project and strategic initiatives that are being undertaken to evaluate possible alternatives for Selwyn and its projects. These forward-looking statements are based on assumptions and judgments of management regarding future events or results that may prove to be inaccurate as a result of market conditions for commodities, the results of exploration activities, engineering studies and economic evaluations, Selwyn's ability to raise sufficient capital on terms acceptable to it in order to enable it to fund its corporate, exploration, permitting and development activities, the attractiveness of Selwyn and its projects to potential investors or buyers and other risk factors that are beyond Selwyn's control. For a full review of the risks related to Selwyn's operations and the market for its shares, investors should view "risk factors" in Selwyn's Annual Information Form dated March 28, 2012. As a result of these risks, there is no assurance that the Selwyn Project or the ScoZinc Mine will be advanced to production, that timelines for development of the Selwyn Project or the ScoZinc Mine will be achieved or that potential investors or buyers will be found.

For more information contact:

Dr. Harlan Meade, CEO

Catalin Chiloflisci, Manager of Investor Communications

Telephone: +1 (604) 801-7240

Toll-free: +1 (888) 989-9188

Facsimile: +1 (604) 689-8355

Email: info@selwynresources.com

Website: www.selwynresources.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.