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News Release

Selwyn Announces Update for ScoZinc's Gays River Deposit Mineral Resources

***Vancouver, BC,* August 24, 2012** – Selwyn Resources Ltd. (SWN.TSX-V) ("Selwyn" or the "Company") is pleased to announce an update to the mineral resources of the Gays River deposit completed to NI 43-101 standards. The Gays River deposit includes both the Main and Northeast zones of the ScoZinc mine. Selwyn acquired 100% of ScoZinc Limited's mineral assets in Nova Scotia under the purchase agreement reached with Acadian Mining Corporation (see February 8, 2011 news release).

"These very positive results of a 55% increase in Measured mineral resources are derived from a combination of a low-cost, thorough data evaluation from the historical records at the mine site, and the 2011 definition drilling program," stated Jason Dunning, Vice President of Exploration for Selwyn. "The updated mineral resource for the Gays River deposit has resulted in significantly more zinc-lead mineralization that provides the engineering staff with more flexibility in updating the mine plan previously released in August 2011 as part of the Preliminary Economic Assessment for the ScoZinc mine."

Highlights

- The Gays River deposit has a base case mineral resource of (0.75% zinc equivalent cut-off value):
    - Measured mineral resources of 2 ,075,000 tonnes grading 3.14% zinc and 1.68% lead;
    - Indicated mineral resources of 5,770,000 tonnes grading 3.30% zinc and 1.69% lead;
    - Inferred mineral resources of 3,677,000 tonnes grading 2.35% zinc and 1.51% lead.
- An increase of 55% for the base case Measured mineral resources at Gays River deposit;
- An increase of 65% for the base case Indicated mineral resources Gays River deposit; and
- A decrease of 13% for the base case Inferred mineral resources at Gays River deposit.

Gays River Deposit General Information

The Gays River deposit is located approximately 50 kilometres northeast of Halifax, Nova Scotia. The mine site is contained within Mineral Lease 10-1, which consists of 601 hectares of mineral rights. The ScoZinc land package associated with the ScoZinc mine also includes ten exploration licences covering 178 claims in the immediate vicinity (within approximately 4 km) of the Mineral Lease and one additional contiguous exploration license covering 79 claims within 13 kilometres of the Mineral Lease. Each individual claim covers an area of 40 acres (16.2 hectares). In total, the 257 claims cover 4,160 hectares. These licences are located along strike from the ScoZinc mine and include favourable host rocks similar to that at the mine site.

Zinc-lead mineralization at the Gays River deposit consists of disseminated to locally semi-massive sphalerite and galena occurring within a dolomitized carbonate reef of the Lower Carboniferous age Gays River Formation. The Gays River deposit is one of a series of related zinc-lead mineralized reefs including the Getty deposit (see March 30, 2011 news release), situated 1,500 metres to the west of the Main deposit and mill facilities. Other mineralized reef structures include the Carroll's Farm and Carroll's Corner zinc-lead exploration targets located 1.5 kilometres and 2.5 kilometres west of the Getty deposit respectively. These exploration targets are also an integral part of this series of mineralized reef structures and are considered highly prospective targets warranting follow-up drilling.

On August 30, 2011, Selwyn announced the results of Preliminary Economic Assessment ("PEA") that was based upon the 2011 mineral resource estimates for the Gays River and Getty deposits (see March 30 and April 6, 2011

news releases, respectively). The Gays River deposit, the focus of the current mineral resource study, is composed of two main zones, the Main and Northeast; however, it should be noted that Selwyn has directed its exploration and engineering work on the Main zone and its extension to the southwest, which were deemed essential to the restart of ScoZinc mine. No work has been undertaken on the Getty deposit, and it is not updated as part of this study.

In 2011, mineral resources for the Gays River deposit at a 0.75% zinc equivalent cut-off stood at 1,340,000 tonnes grading 4.4% zinc and 2.0% lead in the Measured category; 3,500,000 tonnes grading 3.7% zinc and 1.8% lead in the Indicated category; and 4,250,000 tonnes grading 2.6% zinc and 1.3% lead in the Inferred category (see April 6, 2011 news release). An amended mineral resources report was filed on July 8, 2011 on SEDAR, which was co-authored by Independent Qualified Person ("IQP") Mr. Douglas Roy, P.Eng., MineTech International Ltd. ("MineTech"), Halifax, Nova Scotia; and Non-Independent Qualified Person Mr. Jason Dunning, P.Geo., Vice President of Exploration for Selwyn Resources Ltd., Vancouver, British Columbia.

Mineral Resource Update

The estimation of mineral resources of the Gays River deposit, which includes both the Main and Northeast zones, is supported on information provided from 896 drill holes, totalling 75,204.40 metres, completed by prior mine operators between 1951 and 2004; 467 underground drill holes, totalling 11,985.60 metres, also completed by prior mine operators between 1979 and 1995; 17 drill holes, totalling 1,613.50 metres completed in 2008 by ScoZinc; and 39 drill holes, totalling 4,984.8 metres completed in 2011 by ScoZinc.

After completion of the infill, definition drilling in September 2011 on the Southwest Extension to the Main zone (see November 1, 2011 news release), Selwyn's technical team began a process of systematically re-evaluating all historical databases to determine if additional information had not be previously considered in either defining the detailed geological interpretation or any of the historical mineral resource estimates.

The re-evaluation of the historic databases revealed a large number of zinc-lead mineralized drill holes that had not been utilized either defining the detailed geological interpretation or any of the historical mineral resource estimates. A decision was made to update the mineral resource model to include all zinc-lead mineralized drill hole with a zinc equivalent cut-off of 0.50% in order to more accurately outline the mineralizing system that formed the Gays River deposit. The new information has now allowed for a complete rebuilding of the Gays River deposit and resulted in a major expansion of mineral resources that could have potential to impact upon any future conceptual mine plan.

At a base case 0.75% zinc equivalent cut-off, the updated global mineral inventories for the mine have increased by 55% to 2,075,000 tonnes of Measured mineral resources grading 3.14% zinc, and 1.68% lead; the updated Indicated mineral resources have increased by 65% to 5,770,000 tonnes grading 3.30% zinc and 1.69% lead; and the updated Inferred mineral resources have decreased by 13% to 3,677,900 tonnes grading 2.35% zinc and 1.51% lead. A summary of mineral resources for a range of zinc equivalent cut-off grades for Gays River deposit is presented in the August 2012 Global Mineral Inventories Table 1a. The 2011 Gays Global Mineral Inventories at the same 0.75% zinc equivalent cut-off are presented in Table 1b for comparative purposes. The 2011 mineral resource estimate was used in the PEA filed on SEDAR for ScoZinc mine (see August 30, 2011 news release); however, it is important to note that additional engineering work is required and currently ongoing to update the conceptual PEA mine plan, given notable the changes in each resource category.

Table 1a: 2012 Global Mineral Inventories for Gays River Deposit

Resource Category	ZnEq. % Cut-off	Tonnes	Zn (%)	Pb (%)	Zn Eq.%
Measured	0.50	2,094,000	3.11	1.67	5.12
Indicated	0.50	5,903,000	3.23	1.65	5.22
Measured + Indicated	0.50	7,997,000	3.20	1.66	5.19
Inferred	0.50	3,817,000	2.29	1.45	4.03
Measured*	**0.75**	**2,075,000**	**3.14**	**1.68**	**5.16**
Indicated*	**0.75**	**5,770,000**	**3.30**	**1.69**	**5.32**
Measured + Indicated*	**0.75**	**7,845,000**	**3.25**	**1.69**	**5.28**
Inferred*	**0.75**	**3,677,000**	**2.35**	**1.51**	**4.16**
Measured	1.50	1,845,000	3.41	1.87	5.65

Indicated	1.50	4,988,000	3.66	1.93	5.98
Measured + Indicated	1.50	6,833,000	3.59	1.92	5.89
Inferred	1.50	2,858,000	2.77	1.88	5.03
Measured	2.00	1,597,000	3.73	2.11	6.26
Indicated	2.00	4,430,000	3.93	2.15	6.51
Measured + Indicated	2.00	6,027,000	3.88	2.14	6.44
Inferred	2.00	2,450,000	3.01	2.13	5.58

Table 1b: 2011 Global Mineral Inventories for Gays River Deposit at 0.75% Zinc Equivalent Cut-off

Resource Category	Zn Eq. % Cut-off	Tonnes	Zn (%)	Pb (%)	Zn Eq. %
Measured	**0.75**	1,340,000	4.40	2.00	7.40
Indicated	**0.75**	3,500,000	3.70	1.80	6.40
Measured + Indicated	**0.75**	4,840,000	3.90	1.80	6.70
Inferred	**0.75**	4,250,000	2.60	1.30	4.60

Notes to Table 1a and 1b:

1. Base case for this study denoted by "*"
2. See notes for Tables 2 and 3 for more detailed explanations on the aspects of the mineral resources for the Main and Northeast zones that comprise the Gays River deposit.

The majority of additional mineral resources that were identified during the re-evaluation of historic databases and recent diamond drilling were located in the Main zone, a subset of the Gays River deposit that has seen both underground and open pit mining. At a base case of 0.75% zinc equivalent cut-off, this subset of the global mineral inventories has 2,075,000 tonnes of Measured mineral resources grading 3.14% zinc and 1.68% lead; Indicated mineral resources of 4,033,000 tonnes grading 2.96% zinc and 1.49% lead; and Inferred mineral resources of 929,000 tonnes grading 3.04% zinc and 2.06% lead. A summary of mineral resources for a range of zinc equivalent cut-off grades for the Main zone is presented in Table 2.

The Northeast zone, also a subset of the Gays River deposit, has yet to see any mining activity. At the same base case of 0.75% zinc equivalent cut-off, there are Indicated mineral resources of 1,737,000 tonnes grading 4.07% zinc and 2.15 lead and Inferred mineral resources of 2,748,000 tonnes grading 2.12% zinc and 1.32% lead. A summary of mineral resources for a range of zinc equivalent cut-off grades for the Northeast zone is presented in Table 3.

Mineral Resource Evaluation

An update for mineral resources of the Gays River deposit was commissioned by Selwyn as part of a rebuilding of all mineral resources at Gays River deposit. The mineral resource estimate for the Main zone has an effective date of August 14, 2012, and was supervised and prepared by Independent Qualified Person ("IQP") Mr. Tim Carew, P.Geo. and IQP Mr. Doug Roy, M.A.Sc., P.Eng., both of whom are "Qualified Persons" as defined by National Instrument 43-101. Mr. Roy, P.Eng. works for MineTech of Halifax, Nova Scotia, Canada, and Mr. Carew, P.Geo., is the Principle of Reserva International LLC. ("Reserva").

In accordance with National Instrument 43-101, the Technical Report will be filed on SEDAR within 45 days. For the purposes of this news release, Mr. Jason Dunning, M.Sc., P.Geo., Selwyn's Vice President of Exploration is Selwyn's designated Non-Independent Qualified Person for the purposes of this study, and has reviewed, and approved the contents of this press release, as prepared by MineTech and Reserva.

The geologic continuity of the Gays River deposit mineralization is well established through extensive diamond drilling, historical underground development, and most recently by open pit mining that are all summarized in a PEA (see August 30, 2011 news release) and this study. The NI 43-101 resource estimate created was completed using a combination of relative elevation modelling and inverse distance interpolation in a 3D block model using Gemcom GEMS® software. The database was updated and verified followed by compositing zinc and lead at 1.5 metre intervals within mineralized zones. Classical statistical evaluation methods were applied to the database, accompanied by similar variography, and the high-grade outliers were addressed using limited

search radii. Bulk densities were assigned on a block-by-block basis. The mineral resources were classified based on sample spacing, and reported following a thorough 3D block model validation process.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include Inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these Inferred mineral resources will be converted to the Measured and Indicated categories through additional drilling, or into mineral reserves, once economic considerations are applied.

All assay data from 2011 at Gays River deposit have undergone internal validation of quality assurance and quality control. Selwyn has established a sampling and assay control program with blind insertion of assay blanks, standards and duplicates for the Selwyn Project. A quality control and quality assurance program is also in place at ACME Analytical Laboratories Ltd. ("ACME") and includes laboratory blanks, standards and duplicates. At ACME, silver and base metal analyses are conducted by a 23-element, four-acid digestion, ore-grade ICP-AES technique.

Other

Selwyn's main focus is the exploration and development of its properties that make up the Selwyn Project in the Yukon, which are being advanced by the joint venture Selwyn Chihong Mining Ltd. The Selwyn Project has both the potential to have large scale production and to provide a secure supply of zinc and lead to meet the future needs of the metal markets in Asia and beyond. The acquisition of ScoZinc provides Selwyn with a second opportunity for growth and generation of cashflow to fund the advancement of the Selwyn Project.

Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation, which is also referred to as "forward-looking statements." Wherever possible, words such as "plans," "expects," or "does not expect," "budget," "scheduled," "estimates," "forecasts," "anticipate" or "does not anticipate," "believe," "intend," and similar expressions or statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information. In particular, this news release describes future events and conditions related to the Gays River deposit, the Getty Deposit, the Selwyn Project and Selwyn's plans for exploration and development of such. Forward-looking information is based on management's reasonable assumptions, estimates, expectations, analyses and opinions on the date of this news release. These are based on management's experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances, but which may prove to be incorrect. Assumptions have been made regarding, among other things, the estimation of Mineral Resources for the Getty Deposit, Selwyn's ability to carry on exploration and development activities, the price of zinc and lead and recovery rates from milling operations at the Gays River deposit, Selwyn's ability to operate in an efficient and effective manner and Selwyn's ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Selwyn's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, many of which are beyond Selwyn's control. These factors include, but are not necessarily limited to, results of exploration activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of Mineral Resource estimations, receipt and security of mineral property titles, receipt of licences to conduct mining activities, project cost overruns or unanticipated costs and expenses, the availability of funds, fluctuations in metal prices, currency fluctuations, and general market and industry conditions. There is no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on this information. Selwyn does not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

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Table 2: Subset for 2012 Main Zone Mineral Resources of the Gays River Deposit

Resource Category	Zn Eq. % Cut-off	Tonnes	Zn (%)	Pb (%)	Zn Eq. %
Measured	0.50	2,094,000	3.11	1.67	5.12
Indicated	0.50	4,161,000	2.89	1.45	4.62
Measured + Indicated	0.50	6,255,000	2.96	1.52	4.79
Inferred	0.50	940,000	3.03	2.04	5.46
Measured *	**0.75**	**2,075,000**	**3.14**	**1.68**	**5.16**
Indicated *	**0.75**	**4,033,000**	**2.96**	**1.49**	**4.75**
Measured + Indicated *	**0.75**	**6,108,000**	**3.02**	**1.56**	**4.89**
Inferred *	**0.75**	**929,000**	**3.04**	**2.06**	**5.52**
Measured	1.50	1,845,000	3.41	1.87	5.65
Indicated	1.50	3,335,000	3.37	1.78	5.51
Measured + Indicated	1.50	5,180,000	3.39	1.81	5.56
Inferred	1.50	765,000	3.48	2.50	6.47
Measured	2.00	1,597,000	3.73	2.11	6.26
Indicated	2.00	2,843,000	3.69	2.05	6.15
Measured + Indicated	2.00	4,440,000	3.71	2.07	6.19
Inferred	2.00	709,000	3.63	2.68	6.85

Notes to Table 2:

1. A three-dimensional block model was developed using Gemcom GEMS® Version 6.4 software.
2. Cut-off grade for mineralized zone interpretation was 0.5 % zinc-equivalent for the "low-grade" domain and 7% for the "high-grade" domain.
3. Block cut-off grade for defining the geological envelope interpretation for Mineral Resources was 0.50% zinc-equivalent and the base case is set at 0.75% zinc-equivalent.
4. No top-cut grade was used. In the author's opinion, the use of top cut would not have significantly affected the results.
5. Zinc price was US$1.00 per lb, lead price was US$1.05 per lb. Prices were based on current and going-forward LME contract prices.
6. Non-diluted.
7. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
8. Main Zone mineral resource estimate prepared by Tim Carew, M.Sc., P.Geo.; base case denoted by “*”.
9. Specific gravity was calculated based on zinc and lead content. There are no other sulphides or dense minerals that are present in significant quantities.
10. Block inverse distance interpolation using "unfolding" was used for estimating block grades.
11. No mineral reserves of any category were identified and were outside the parameters this study.
12. Zinc-equivalent for lead was calculated based on relative metal prices, demonstrated processing recoveries (86% and 84% for lead and zinc, respectively), estimated smelter returns of 95% and 85 %, respectively, for lead and zinc) and demonstrated concentration factors (75% and 65%, respectively, for lead and zinc).

Table 3: Subset for 2012 Northeast Zone Mineral Resources of the Gays River Deposit

Resource Category	ZnEq. % Cut-off	Tonnes	Zn (%)	Pb (%)	Zn Eq.%
Measured	0.50	-	-	-	-
Indicated	0.50	1,742,000	4.06	2.15	6.63
Measured + Indicated	0.50	1,742,000	4.06	2.15	6.63
Inferred	0.50	2,877,000	2.05	1.26	3.56
Measured*	**0.75**	**-**	**-**	**-**	**-**
Indicated*	**0.75**	**1,737,000**	**4.07**	**2.15**	**6.65**
Measured + Indicated*	**0.75**	**1,737,000**	**4.07**	**2.15**	**6.65**
Inferred*	**0.75**	**2,748,000**	**2.12**	**1.32**	**3.70**
Measured	1.50	-	-	-	-
Indicated	1.50	1,653,000	4.23	2.25	6.93
Measured + Indicated	1.50	1,653,000	4.23	2.25	6.93
Inferred	1.50	2,093,000	2.51	1.66	4.50
Measured	2.00	-	-	-	-
Indicated	2.00	1,587,000	4.35	2.32	7.14
Measured + Indicated	2.00	1,587,000	4.35	2.32	7.14
Inferred	2.00	1,741,000	2.76	1.91	5.06

Notes to Table 3:

1. A three-dimensional block model was developed using Datamine software.
2. Cut-off grade for mineralised zone interpretation was 0.5% zinc-equivalent for surface resources (less than 100 metres deep) and 2% at depth.
3. Block cut-off grade for defining Mineral Resources was 0.75% zinc-equivalent.
4. No top-cut grade was used. In the author's opinion, the use of a top cut would not have significantly affected the results.
5. Zinc price was US$1.00 per lb, lead price was US$1.05 per lb. Prices were based on current and going-forward LME contract prices.
6. Zones extended up to 50 metres down-dip from last intercept.
7. Along strike, zones extended halfway to the next cross-section.
8. Minimum width was 2 metres.
9. Non-diluted.
10. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
11. Mineral resource estimate prepared by Doug Roy, M.A.Sc., P.Eng.; base case denoted by “*”.
12. Specific gravity was calculated based on zinc and lead content. There are no other sulphides or dense minerals that are present in significant quantities.
13. Inverse distance weighting, power of "2" ("ID2") was used for estimating block grades.
14. Indicated mineral resources identified where sample intercept spacing was 40 metres or less (based on variography).
15. No Measured mineral resources or mineral reserves of any category were identified.
16. Zinc-equivalent for lead was calculated based on relative metal prices, demonstrated processing recoveries (86% and 84 % for lead and zinc, respectively), estimated smelter returns of 95% and 85%, respectively, for lead and zinc) and demonstrated concentration factors (75% and 65%, respectively, for lead and zinc).