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Trading Symbol: **SWN.TSX-V**  
News Release – 2012-35

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### **News Release**

#### **New Mine Plan for ScoZinc Project Filed on SEDAR**

**Vancouver, BC, December 21, 2012** – Selwyn Resources Ltd. (SWN.TSX-V) (“Selwyn”) is pleased to announce the filing on SEDAR of a technical report for the recently announced update to the October 7, 2011 ScoZinc Preliminary Economic Assessment (“PEA”) Report for the restart of the ScoZinc Project, a zinc-lead project in Nova Scotia, Canada (see November 22, 2012 news release). The technical report has been completed to National Instrument (“NI”) 43-101 standards and can be downloaded at [www.sedar.com](http://www.sedar.com).

### **Highlights**

The updated PEA report includes:

- 2,500 tonnes per day mill processing rate;
- Unit operating costs of \$52.89 per tonne mined and milled for the first five years (\$42.31 per tonne mined and milled for the life-of-mine);
- Mine and mill restart capital expenditures (CAPEX) of CAD \$31.5 million (including \$1.1 million in contingency and \$3.3 million working capital);
- Base Case zinc and lead prices of US\$1.10 and US\$1.20/lb, respectively;
- Exchange rate of 1 Canadian dollar to 1 US dollar;
- Project pre-tax NPV at 8% of CAD \$69.3 million (NPV at 5% of CAD \$79.1 million);
- After Tax NPV at 8% of CAD \$56.1 million (NPV at 5% of CAD \$64.2 million);
- Project pre-tax Internal Rate of Return (IRR) of 63.3% and after-tax IRR of 57.8%;
- Zinc C1 or Direct cash cost of production (after deducting credits for lead) for the first five years is CAD \$0.60/lb; and
- Earnings before interest, taxes, depreciation and amortization (EBITDA) for the first five years of operations averages CAD \$24.8 million per annum.

*Caution: Mineral resources that are not mineral reserves do not have demonstrated economic viability.*

In accordance with NI 43-101, the technical report was completed by internal technical staff with assistance from external experts associated with the project and under the direction of senior technical staff including Joe Ringwald, Vice President of Mining, Jason Dunning, Vice President of Exploration and Rick MacInnis, ScoZinc's General Manager. All are Qualified Persons as defined by NI 43-101.

The restart of the ScoZinc Mine is an important near term strategic objective in advancing Selwyn to becoming a producer. The completion of project financing and the achieving of production at ScoZinc will facilitate Selwyn's longer term objective of advancing the very large Selwyn Project to production. Selwyn Project is located in the Yukon, and is being advanced by Selwyn Chihong Mining Ltd., a company jointly owned by Selwyn and its joint venture partner Yunnan Chihong Canada Ltd. The known deposits at Selwyn Project have the potential for large-scale production, and to provide a secure supply of zinc and lead to meet the future needs of markets in Asia and beyond.

This news release has been reviewed and approved by Joseph Ringwald, P.Eng., Vice President of Mining with Selwyn Resources Ltd., a Qualified Person under NI 43-101.

## **Cautionary Note**

*The PEA is preliminary in nature and includes inferred mineral resources that are considered too geologically speculative to be subject to economic considerations that would enable them to be categorized as mineral reserves. There is no certainty that the forecast results stated in the PEA will be realized. For a full description of known risks that could materially affect potential development of the ScoZinc zinc-lead project, see Selwyn's Annual Information Form dated March 28, 2012 under the heading "Risk Factors" which are incorporated by reference herein and are available on [www.sedar.com](http://www.sedar.com) under the Selwyn Resources profile. In addition, Selwyn needs to raise approximately \$31.5 million to fund the restart of the ScoZinc Mine.*

## **Cautionary and Forward-Looking Information Comments**

*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 Selwyn's plans for restarting the ScoZinc Mine and further exploration and studies at the ScoZinc lead-zinc project. 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, Selwyn's ability to carry on exploration and development activities, the timely receipt of required approvals, operating costs for the ScoZinc Mine, the price of zinc and lead, Selwyn's ability to operate in a safe, 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 the restart program at the ScoZinc Mine, exploration and development activities, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimations, receipt of permits 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. For more information about the risks and challenges of Selwyn's business, investors should review Selwyn's Annual Information Form dated March 28, 2012 available at [www.sedar.com](http://www.sedar.com).*

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