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News Release

Selwyn Resources Announces C\$100 Million Joint Venture Transaction With Yunnan Chihong Zinc & Germanium Co. Ltd.

Vancouver, BC, December 14, 2009 – Selwyn Resources Ltd. (SWN.TSX-V) (“**Selwyn**” or the “**Company**”) announces that it has executed a binding Framework Agreement (the “**Agreement**”) with Yunnan Chihong Zinc & Germanium Co. Ltd. (“**Chihong**”). The parties have agreed to form a Joint Venture Operating Company to finance the advancement of the Selwyn Project to bankable feasibility, and if warranted, to production.

Highlights of the transaction include:

1. Selwyn will transfer its mineral and other assets associated with the Selwyn Project to a new Canadian Joint Venture (JV) company.
2. A new company (Operating Co.) will be established, owned 50% by each of Selwyn and Chihong, to act as the operator to carryout the programs of the JV. The Board of Operating Co. will have equal representation from each of Selwyn and Chihong.
3. Chihong will deposit C\$100 million in cash irrevocably to a bank account set up by the Operating Co., which funds will be used to fund programs of the JV. Chihong will earn a 50% interest in the JV by expending these funds on programs.

Dr. Harlan Meade, President and CEO of Selwyn, remarks: *“the formation of the Joint Venture is a major step towards advancing the Selwyn Project to production. We are very pleased to have Chihong, an experienced and accomplished fully integrated zinc-lead mining and smelting company, as our strategic partner that shares our vision of the Selwyn Project becoming the next major zinc-lead mine in the world. Chihong becoming a strategic partner for the Selwyn Project opens up the Asian markets for project financing, which is seen as strategically very important in the evolving financial markets for financing resource development.”*

Chihong is an integrated lead and zinc producer with over 60 years of history in exploration, mining, beneficiation, smelting and downstream processing. The company has several operating mines in China. Its Qujing smelter is equipped with internationally advanced technologies in terms of environmental protection, energy conservation and waste emission. The smelter recovers lead, zinc, precious and rare metals. Chihong is listed on the Shanghai Stock Exchange and has its head office in Qujing, Yunnan Province. Its major shareholder is China Yunnan Metallurgical Group Co., Ltd., a diversified resources company majority owned by the Yunnan Provincial Government. Chihong has C\$1 billion total assets and a market capitalisation of approximately C\$4 billion.

Mr. Ying Dong, Chairman of Chihong, commented, *“The Selwyn Project provides much potential to become a major zinc-lead mine. The successful development of the project can bring significant growth to both Chihong and Selwyn. The signing of the Framework Agreement is an important first step for the cooperation between the two companies. With joint efforts, the two parties will strive for the best outcome for the Selwyn Project.”*

Upon completion of the transaction and the expending of the C\$100 million on exploration and development, Chihong and Selwyn will each own a 50% interest in the JV. The combination of Selwyn and Chihong brings together a strong team capable of carrying out all activities for the exploration,

development and operation of the Selwyn Project as a mine. Chihong's C\$100 million investment will be used to advance the Selwyn Project through, advanced exploration, engineering, permitting and for initial construction activities, including the preparation of a 43-101 compliant feasibility study. Upon completion of the expenditure of the C\$100 million investment, the joint venture participants will fund continuing expenditures pro rata to their interest in the Joint Venture.

The Agreement, which has been approved by the Boards of both Selwyn and Chihong, provides for Chihong, together with Selwyn, to use all commercially reasonable measures to bring the Selwyn Project into commercial production as soon as possible after the Closing, subject to the completion of the bankable feasibility study and a decision by the JV management committee to proceed with construction of a mine. The Agreement also provides for Chihong's technical assistance for the preparation of the NI 43-101 compliant bankable feasibility study, mine development and associated infrastructure planning, mining operations and related matters. Selwyn and Chihong have agreed to procure the maximum amount of debt financing commercially available from Chinese banks for placing the Selwyn Project into commercial production.

Under the transaction, Selwyn will be reimbursed for its direct costs incurred on the Selwyn Project from July 1, 2009 to the Closing of the Transaction. This amount is estimated to be approximately C\$4.2 million. Following completion of the transaction, Selwyn will have a strong working capital of approximately C\$8.0 million, and will be well positioned (no money will be required by Selwyn for the Selwyn Project until after Chihong's C\$100 million has been spent on JV programs) to raise additional funds to enable it to continue its participation in the Selwyn Project and to grow Selwyn into a significant base-precious metal producer.

Closing of the Transaction is targeted for May 2010 and is subject to completion of non-technical due diligence and formal documentation, including a Joint Venture Agreement, the formation and organization of JV company and receipt by each of Selwyn and Chihong of all necessary regulatory approvals and other customary conditions.

Selwyn and Chihong look forward to working with governments and communities of the Yukon in advancing the Selwyn Project and realizing significant economic and social benefits from mine and infrastructure development in a responsible and constructive manner.

In current dollars, Selwyn and its predecessors have spent more than \$100 million on the exploration and development of the Selwyn Project. Drilling has defined 15 mineralized zones over 38 kilometres of the known mineralized trend. NI 43-101 compliant mineral resources include Indicated resources of 154.35 million tonnes grading 5.35% zinc and 1.86% lead containing 18.19 billion pounds of zinc and 6.32 billion pounds of lead; and Inferred resources of 234.15 million tonnes grading 4.57% zinc and 1.42% lead containing 23.57 billion pounds of zinc and 7.32 billion pounds of lead. Included in the global mineral resources is high-grade mineralization with an Indicated resource of 16.06 million tonnes grading 10.25% zinc and 4.23% lead, and an Inferred resource of 26.70 million tonnes grading 8.71% zinc and 2.75% lead. These high-grade mineral resources are the initial focus of the JV as it proceeds towards the preparation of a bankable feasibility study and carries out permitting activities for the Selwyn Project. The current mineral resource estimate was prepared by Non-Independent Qualified Person John J. O'Donnell, P.Geo., the onsite Qualified Person for Selwyn (see February 26, 2009 News Release). Mr. Jason Dunning, P.Geo., also a Non-Independent Qualified Person, has reviewed the current mineral resource and has approved the technical information in this news release.

Upon completion of this transaction, the JV intends to undertake initial underground development and advanced exploration on the NI 43-101 compliant mineral resources of the XY Central deposit. This work will be designed to upgrade Inferred resources to both the Measured and Indicated categories from both surface and underground diamond drilling platforms. The underground development will also provide an exceptional exploration platform for the JV to explore the core of the Synclinal Structure that hosts the high-grade mineralization because these areas of high mineral potential are too difficult to test from surface. In addition, it is anticipated that surface diamond drilling will resume on the Don deposit to

allow for upgrading to NI 43-101 compliant Inferred resources to both the Measured and Indicated categories.

The Selwyn Project represents one of the largest undeveloped resources of zinc and lead in the world and is uniquely located in the politically attractive and stable jurisdiction of the Yukon. It is therefore both a unique opportunity and a strategic asset that could provide a long term secure supply of zinc and lead to the markets of the Pacific Margin.

This news release contains forward-looking statements concerning the proposed transaction with Chihong, the future financing and development of the Selwyn Project and the objectives of exploration activities to be carried out at the Selwyn Project and Selwyn's future prospects in maintaining its 50% interest in the Selwyn Project. 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 transaction with Chihong, whether due to an inability to reach agreement on the terms of the formal documentation or the failure to obtain necessary regulatory or other required approvals, the failure of exploration activities to upgrade Inferred resources to Measured and Indicated categories, the failure of Selwyn to raise funds to enable it to meet its pro rata share of expenditures for the Selwyn Project and other risk factors, both financial and technical, that are 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.

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