

# Selwyn Resources Ltd

TSXV:SWN [view on Pink OTC Markets Inc »](#)

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Friday February 11, 2011 1:13 PM ET. Data delayed 15 minutes.

**0.31 0.00 (0.00%)**

Bid/Lots Ask/Lots Open/Prev Close Day Range 52-Week Range Vol/Avg Daily Vol  
**0.31/128 0.31/131 0.31/0.31 0.30-0.32 0.14-0.35 402.1K/919.5K**

## SWN ARTICLE

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### Selwyn Acquires ScoZinc Limited

6:58AM ET on Tuesday Feb 08, 2011 by Marketwire Canada

Selwyn Resources Ltd. ("Selwyn") (TSX VENTURE:SWN) is pleased to announce that it has signed a Letter of Intent with Acadian Mining Corporation ("Acadian") whereby Selwyn would acquire, either directly or indirectly, all of the issued and outstanding shares of ScoZinc Limited ("ScoZinc"), a wholly owned subsidiary of Acadian, and thereby acquire all of the assets associated with the Scotia Mine located in Nova Scotia. Selwyn and Acadian have agreed to an exclusive period expiring on February 14, 2011 to complete a binding letter agreement for the Acquisition.

The purchase price for ScoZinc is CAD\$10 million less certain deductions related to increased bonding requirements for an amended reclamation and closure plan for the Scotia Mine. Upon completion of the Acquisition, Selwyn will own a 100% interest in the mine-mill complex and an extensive mineral claims package owned by ScoZinc, subject to a mineral royalty to government of Nova Scotia and other royalties on certain mineral interests held by ScoZinc.

The Acquisition is subject to completion of formal documentation, regulatory approval and the achievement of certain conditions prior to closing, including Selwyn being satisfied with the results of an environmental audit by an independent consulting group and Selwyn receiving an independent 43-101 Technical Report confirming the Mineral Resources reported by ScoZinc.

#### Highlights:

The following are key aspects of the Acquisition:

Dr. Harlan Meade, President and CEO, said that "The acquisition and restart of ScoZinc will be a major step in the evolution of Selwyn into a mid-tier base metal mining company, and will provide Selwyn with an attractive opportunity to expand its operations and take advantage of mining opportunities in mining friendly Nova Scotia. ScoZinc will provide Selwyn with a basis for expansion of its management team and an opportunity to grow its development and operating experience. This growth, and the addition of cash flow, is an important and large step forward in strengthening Selwyn as it prepares for the financing and development of its world class Selwyn Project in the Yukon, together with its joint venture partner Chihong Canada Mining Ltd., a wholly owned subsidiary of Yunnan Chihong Zinc & Germanium Co. Ltd."

Selwyn will fund the acquisition of ScoZinc and restart of the Scotia Mine through a combination of working capital, a new equity offering and debt financing related to concentrate offtake agreements.

#### History

The Scotia Mine is located near Gays River in central Nova Scotia, and was last operated by Acadian Mining in 2007-2009. Production was terminated with the collapse of the zinc price to US\$0.50/lb in late 2008. Initial production in the Main Zone, in the late 1970's and later production in 1989, was by underground mining methods which encountered water inflow problems due to an overburden filled trench above the mineralized zone.

ScoZinc redeveloped the Scotia Mine as an open pit operation and achieved good efficiencies in processing both high and low grade ores at a production rate of approximately 2150 tonnes per day to produce high grade zinc and lead concentrates with recoveries of approximately 86% for both zinc and lead.

Keyword Search



Feb 9, 2011

### CANADA RESEARCH SUMMARY: Feb 9 1427 GMT

9:28AM ET on Wednesday Feb 09, 2011 by Thomson Reuters  
Companies Mentioned: [VSN](#), [SWN](#), [ENA](#), [WPPT](#), [CG](#), [VNP](#)

Feb 8, 2011

### Investment Industry Regulatory Organization of Canada - Trade Resumption - Selwyn Resources - SWN - V

9:13AM ET on Tuesday Feb 08, 2011 by CNW Group  
Companies Mentioned: [SWN](#), [SWNLF](#)

### Acadian Mining Corporation Sells Zinc and Lead Interests

8:59AM ET on Tuesday Feb 08, 2011 by CNW Group  
Companies Mentioned: [ADAI](#), [ADA](#), [SWNLF](#)

### Selwyn Resources Announces Teleconference on Acquisition of ScoZinc Limited

7:02AM ET on Tuesday Feb 08, 2011 by Marketwire  
Companies Mentioned: [SWN](#), [SWNLF](#)

### Selwyn Resources Announces Teleconference on Acquisition of ScoZinc Limited

7:00AM ET on Tuesday Feb 08, 2011 by Marketwire Canada  
Companies Mentioned: [SWN](#), [SWNLF](#)

### Selwyn Acquires ScoZinc Limited

6:58AM ET on Tuesday Feb 08, 2011 by Marketwire  
Companies Mentioned: [ADAI](#), [SWN](#), [SWNLF](#)

### Selwyn Acquires ScoZinc Limited

6:58AM ET on Tuesday Feb 08, 2011 by Marketwire Canada  
Companies Mentioned: [ADAI](#), [SWN](#), [SWNLF](#)

Feb 7, 2011

### IIROC: Halt, Selwyn Resources Ltd.

1:44PM ET on Monday Feb 07, 2011 by Marketwire Canada  
Companies Mentioned: [SWNLF](#)

### Investment Industry Regulatory Organization of Canada - Trading Halt - Selwyn Resources Ltd - SWN

1:43PM ET on Monday Feb 07, 2011 by CNW Group  
Companies Mentioned: [SWN](#), [SWNLF](#)

Feb 3, 2011

### Selwyn Resources Ltd.: Infill Drilling of 93 Lens at XY Central Deposit Confirms High-Grade Mineralization

8:59AM ET on Thursday Feb 03, 2011 by Marketwire

Importantly, ScoZinc achieved a cash cost of production of CAD\$0.51/lb zinc after lead credits in Q3 2008, after they overcame initial start-up problems.

Companies Mentioned: [SWN](#), [SWNLF](#)

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## Geology and Mineral Resources

Current mineral resources at ScoZinc occur within the Main and Northeast zones of the Scotia mine, and the Getty deposit. These deposits are referred to as Mississippi Valley Type deposits with zinc and lead deposited in the fore-reef and back-reef facies of the limestone reefs flanking a sedimentary basin; in this location, the Carboniferous reefs flank the Windsor Basin in central Nova Scotia. Similar districts in the US and Canada have been very prolific and have yielded clusters of deposits over large areas. ScoZinc has secured the mineral rights to approximately 50 kilometres of favourable reef structure, most of which is unexplored. All historic exploration has been within the mine area; however, it is expected over time that exploration in the other areas will also yield discoveries.

**K=Thousands, M=Millions, B=Billions, TTM=Trailing 12 Month, MRQ=Most Recent Quarter, FYR=Fiscal Year End, NM=Not Meaningful, NA=Not Available**

1:13 PM February 11, 2011

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The Main Zone has previously released technical information on its mineral resource classifications and mine production history by Acadian between 2006 and 2010; however, for the purposes of regulatory compliance and adherence to NI 43-101 disclosure, Selwyn has downgraded the remaining mineral resources of the Main Zone to mineral potential until such time as a new NI 43-101 mineral resource and reserves report can be completed. This means that this target contains between 4,800,000 and 5,650,000 tonnes with a range of grades for zinc from 1.50% to 3.60% and lead grades ranging from 0.50% to 1.40%. The majority of the mineral potential is near-surface with minimal overburden, and has the potential to be both amenable to extraction by open pit mining methods, and to provide additional mine production. Additional drilling and engineering work is required to confirm the mineral inventory, and investors should be cautioned not to rely on the mineral potential of this zone.

The Northeast Zone, which is located 300 metres to the northeast of the Main Zone along the same favourable stratigraphic horizon, has also had technical information previously released on its mineral resources and its categories of classification by Acadian in 2006. However, for the purposes of regulatory compliance and adherence to NI 43-101 disclosure, Selwyn has downgraded the Northeast Zone to mineral potential. This means that this target, until verified by a new NI 43-101 compliant mineral resource estimate, could contain between 1,100,000 to 1,150,000 tonnes with a range of grades for zinc from 5.70% to 6.60% and a range of grades for lead from 3.20% to 3.70%. The majority of the mineralization is near-surface with minimal overburden, and amenable to extraction by open pit mining methods. Additional drilling and engineering work is required to confirm the mineral inventory, and investors should be cautioned not to rely on the mineral potential of this zone.

Selwyn is planning a drilling program for mid-2011 for the Scotia mine to confirm the mineral inventory and update the mine plan, as well as test other known mineral potential documented by ScoZinc adjacent to the mill complex. Selwyn will also be engaging a mining engineering firm to confirm the mineral inventory for the Scotia Mine; which will be the focus of a restart plan.

The Getty deposit, located approximately 2 kilometres west of the mill complex, was extensively drilled by ScoZinc in 2007 and 2008, and has had technical information previously released on its mineral resources and its categories of classification by Acadian in 2008. However, for the purposes of regulatory compliance and adherence to NI 43-101 disclosure, Selwyn has downgraded the Northeast Zone to mineral potential. This means that this target, until verified by a new NI 43-101 compliant mineral resource estimate could contain between 2,750,000 to 3,330,000 tonnes with a range of grades for zinc from 2.09% to 2.21% zinc and for lead from 1.76% to 1.98% lead. The majority of the mineral potential is near-surface with minimal overburden, and has the potential to be both amenable to extraction by open pit mining methods, and to provide additional mine production. Additional drilling and engineering work is required to confirm the mineral inventory, and investors should be cautioned not to rely on the mineral potential of this deposit.

Prior exploration by ScoZinc and its predecessors has also defined other mineralized areas and defined an exploration model for exploring the approximate 50 kilometers of mineral properties owned by ScoZinc. These targets will be evaluated following completion of exploration of the known mineral deposits.

## Restart Plan

The restart plan as currently conceived is based on licensing the expansion of the Main Zone pit, extensive pre-stripping of waste materials and stock piling of low grade carbonate ores for the commencement of milling in Q1 2012. Mill

refurbishment and expansion of crushing facilities are planned for the second half of 2011, together with a modest amount of drilling to confirm an expansion of the Main Zone pit to the southwest.

Capital required for the restart is currently estimated at CAD\$25 million, including a 15% contingency. These funds are expected to be sufficient to ensure mill availability and performance and to provide ready access to the deeper high grade ores in the Main Zone pit. A feasibility study has not been completed with respect to the restart of ScoZinc's deposits and accordingly, there is no certainty that the proposed operations will be economically viable.

Selwyn plans to assemble a new management and operating team for the ScoZinc operation consisting of a mix of new personnel and prior ScoZinc employees, many of whom remain in the local mine area. Selwyn also intends to expand its head office management team to provide oversight and technical support for the ScoZinc operations.

#### Environment and Community

The carbonate host rock and low iron sulphide content of the ores provide for relatively benign waste rock and tailings that contribute to overall good water quality for all water discharges at the Scotia Mine. Standard reclamation methods should allow the site to be returned to useful habitat on mine closure.

ScoZinc has enjoyed strong support from local communities and the government of Nova Scotia. Selwyn looks forward to working with the local communities and governments to return Scotia mine to production, providing needed economic opportunities and benefits.

#### Other

Selwyn's main focus remains the exploration and development of its properties that make up the Selwyn Project in the Yukon, by the joint venture comprised of Selwyn and Chihong Canada 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 zinc and lead markets in Asia and beyond. The acquisition of ScoZinc will provide Selwyn with a new opportunity for growing the company, expanding the management team, building mine production experience and providing cashflow to fund growth.

The scientific and technical contents of this news release relating to this transaction have been reviewed and approved by Mr. Jason Dunning, P.Geo., Vice President Exploration of Selwyn, and a Qualified Person under NI 43-101. Mr. Dunning has supervised the preparation of the scientific and technical information that forms the basis of this press release. Mr. Dunning is not independent of Selwyn, as he is an officer and shareholder of Selwyn.

Paradigm Capital out of their Toronto, Ontario office, acted as Selwyn's advisor to the transaction.

This press release contains forward-looking statements concerning mineral resources and reserves at the Scotia Mine and future mining and milling rates and recoveries that may not be realized with continuing exploration, development and operations. These forward- looking statements are based on assumptions and judgments of management regarding historical mine production and future events or results that may prove to be inaccurate as a result of geological variability and other risk factors beyond Selwyn's control. As a result, actual results may differ materially from the expected results. Additional drilling is required to confirm the potential for conversion of mineral resources into mineable reserves to extend expected mine life. There is no assurance that such additional drilling will expand mineral resources or that the resources being defined can be developed as an economically attractive mine, and there are many uncertainties associated with permitting and other factors that could delay such development.

SOURCE: Selwyn Resources Ltd.

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