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## ELGIN MINING REPORTS THIRD QUARTER 2012 RESULTS

Vancouver, British Columbia, November 13, 2012 – Elgin Mining Inc. (“Elgin Mining” or the “Company”) (TSX: ELG and ELG.WT) released today financial and operating results, and its unaudited condensed consolidated interim financial statements for the third quarter of 2012. The Company owns and operates the Bjorkdal gold mine in northern Sweden, and is exploring and developing the past-producing Lupin gold mine and Ulu gold project located in Nunavut, Canada. The Company’s unaudited condensed consolidated interim financial statements for the three and ten months ended September 30, 2012 and notes thereto, along with its Management’s Discussion and Analysis are available at [www.sedar.com](http://www.sedar.com) and [www.elginmining.com](http://www.elginmining.com). Unless otherwise noted, all financial information expressed herein is in Canadian dollars.

### Highlights of Third Quarter, 2012

- Gold production of 10,460 gold ounces (Q3-2011: 9,302 gold ounces), with production of 4,514 gold ounces for the month of September;
- Gold sales of 9,463 gold ounces (Q3-2011: 10,229 gold ounces);
- Average realized gold price of US\$1,800 per ounce (Q3-2011: US\$1,796 per ounce);
- On-site cash cost per gold ounce produced of US\$892 reflecting a significant improvement from the on-site cash cost per ounce of US\$1,018 for Q2-2012 (Q3-2011: US\$882 per ounce). On-site cash costs excludes off-site treatment and refining charges;
- Cash cost per gold ounce produced of US\$946 (Q3-2011: US\$945 per ounce);
- Cash cost per gold ounce sold of US\$1,052 (Q3-2011: US\$882 per ounce sold) reflecting the build-up of low cost gold inventory at quarter-end;
- Net loss of \$2.8 million (Q3-2011: Net income of \$5.5 million). The net loss in the current quarter is attributable to \$6.4 million in exploration expense incurred at the Lupin and Ulu gold properties;
- Basic loss per share of \$0.02 (Q3-2011: Basic earnings per share of \$0.07);
- Appointed Jim Currie as Chief Operating Officer and strengthened the technical and operating teams with several key senior appointments;
- Completed a successful test campaign of cable-bolted stope ore in September 2012 at the Bjorkdal mine which showed significant reduction in stope ore dilution and a head grade improvement to the plant of an estimated 40% from non cable-bolted stope ore;

- On-going implementation of grade control programs in both the open pit and underground at the Bjorkdal mine, and the ramp up of underground ore production from production stopes to further optimize operations;
- Initiated study at the end of the quarter on a potential new underground mine plan at the Bjorkdal mine that would incorporate the use of an internal workforce to replace the higher cost underground mining contractor, and the deployment of smaller size equipment, mining widths, and development headings to reduce underground mining dilution;
- Continued the program of underground exploration at the Bjorkdal mine to expand the known resources as part of a longer term mine expansion plan, with drilling results released subsequent to quarter-end on October 22<sup>nd</sup>; and
- Continued exploration of the Company's prospective tenements at both the Lupin and Ulu gold properties, allowing the Company to meet its obligation to spend \$9 million in flow-through eligible expenditures within the 2012 calendar year.

Patrick Downey, President and Chief Executive Officer of the Company, commented "During this quarter, the Company made good progress on the initiatives undertaken to optimize the operations at Bjorkdal. We were encouraged by the results of the test campaign of the cable-bolted stopes in achieving a significant reduction in underground ore dilution. As a result, our teams, with the help of external consultants, are now working diligently on the preparation of a new underground mine plan that would have all ore from development and stoping mined by Company personnel using smaller sized equipment and mining widths. After the necessary transition period to implement this new mine plan, the Bjorkdal mine should be a much stronger operation, with increased gold output at a lower per ounce cash cost than current levels.

At Lupin, we plan to move forward with an underground drilling program in the West Zone South of Shaft ("WZSOS") over the coming months in order to prove up additional resources and reserves and to evaluate the conditions of underground workings. The drill program will commence once the mine portal is re-opened which we plan to work on shortly. In conjunction with this planned drilling, the Company will continue with minor cleaning, repairs and testing of existing key equipment and building infrastructure which will help define the capital program and associated costs required for a restart. With this information in hand, the Company will be able to move quickly once a production decision is made to place Lupin back into production. The Company expects to make a production decision by no later than the third quarter of 2013."

### **Summarized Financial and Operating Results**

*Due to the change in year-end from November 30 to December 31 in the current year, the Company's results for the year to date period will not be directly comparable to the results of the corresponding period in the previous year.*

	For the three months ended		For the three months ended		For the ten months ended		For the nine months ended	
	September 30, 2012		August 31, 2011		September 30, 2012		August 31, 2011	
Gold ounces sold	9,463		10,229		33,957		31,368	
Gold ounces produced	10,460		9,302		35,407		30,471	
Revenue	\$	16,450,682	\$	17,222,556	\$	55,525,549	\$	46,680,561
Production costs, excluding depreciation and depletion	\$	9,429,823	\$	8,190,046	\$	34,396,389	\$	26,903,433
Income from mining operations	\$	5,792,528	\$	7,302,632	\$	16,091,060	\$	14,341,076
Exploration expense	\$	6,389,051	\$	104,198	\$	9,561,989	\$	374,209
Net (loss) income	\$	(2,820,847)	\$	5,540,554	\$	(751,644)	\$	9,580,751
Net (loss) earnings per share								
- Basic	\$	(0.02)	\$	0.07	\$	(0.01)	\$	0.11
- Diluted	\$	(0.02)	\$	0.06	\$	(0.01)	\$	0.11
Cash flow (used) provided by operations	\$	(466,877)	\$	12,159,805	\$	1,947,270	\$	14,879,924
Cash and cash equivalents	\$	13,113,229	\$	16,816,077	\$	13,113,229	\$	16,816,077
Average realized gold price (USD per ounce)	\$	1,800	\$	1,796	\$	1,676	\$	1,578
Cash cost per gold ounce sold (USD per ounce)	\$	1,052	\$	882	\$	1,054	\$	925

### Bjorkdal Gold Mine – Skellefteå, Sweden

Operating Data	Q3-2012	Q3-2011
Open Pit (tonnes)	139,128	149,173
Open Pit (gpt)	1.15	0.77
Underground (tonnes)	131,712	103,337
Underground (gpt)	1.37	1.62
Stockpile (tonnes)	57,507	62,013
Stockpile (gpt)	0.55	0.68
Tonnes milled	328,344	314,523
Plant throughput (tonnes per day)	3,569	3,419
Average plant head grade (gpt)	1.13	1.03
Average plant recovery rate	87.6%	89.1%
Gold (ounces)		
- Produced	10,460	9,302
- Sold	9,463	10,229
Average realized gold price (USD per ounce)	\$ 1,800	\$ 1,796
Cash cost per gold ounce sold (USD per ounce)	\$ 1,052	\$ 882
Cash operating margin per ounce sold (USD per ounce)	\$ 748	\$ 914

Gold production during the three months ended September 30, 2012 was 12% higher than the 2011 third quarter. The higher production was the result of a 10% increase in the head grade to the plant and a 4% increase in the plant's daily throughput rate offset by a 2% drop in the plant's recovery. The higher plant head grade was primarily driven by a greater proportionate mix of higher-grade underground ore tonnes and by a 30% grade increase in open pit ore tonnes negated in part by a 26% grade reduction in underground ore tonnes and a 29% grade reduction in stockpile ore tonnes processed in the current quarter.

The increase in the open pit grades during the current quarter was primarily due to mine sequencing that resulted in the processing of a high grade mining block in the month of September coupled with management's continuing focus on its grade control program initiated in the prior quarter.

In the underground mining unit, the Company continues to ramp up ore production from underground stopes. As part of its optimization strategy, the Company continues to hire and train additional operators to mine ore from the stopes using Company-owned equipment purchased during the year.

Cash cost per gold ounce sold for the current quarter was 19%, or US\$170 per ounce, higher than the 2011 third quarter cash cost per ounce sold. Cash cost per gold ounce produced in the current quarter was US\$946 per ounce. This is lower than the cash cost per gold ounce sold by US\$106 because of the build-up of low cost inventory at quarter end, the benefit of which will be realized in Q4-2012 as these gold ounces are sold.

Besides the above-mentioned cash cost impact from the build-up of low cost gold inventory at quarter-end, cash cost per ounce sold in the current quarter was higher than the 2011 third quarter because of higher mining costs per tonne in both the open pit and underground, a drop in ore grade from underground compounded by the impact of processing a greater percentage of lower-than-average grade underground ore tonnes in the quarter. In the open pit, the higher mining costs per ore tonne were due to the extra operating costs of the grade control program in the current quarter and from a lower-than-average strip ratio in the 2011 third quarter coupled with a positive contractor billing adjustment. In the underground, the mining costs per ore tonne were marginally higher in the current quarter than the 2011 third quarter due to contractor and labour rate increases but well below those in the first half of 2012 due to mining a higher mix of stope ore, and lower pumping and shotcreting costs.

#### **Lupin Gold Mine – Nunavut, Canada**

During the current quarter, the Company continued with its regional drill program and drilled over 12,500 metres by operating two diamond drill rigs. Drill assays returned from this regional drill program did not identify mineralized intersections with any meaningful grades and widths, however, management still believes the area possesses good exploration upside and may pursue additional drilling next summer pending a critical review of the area's exploration data.

The regional exploration program at Lupin together with the exploration conducted at Ulu in this current quarter brought the flow-through eligible expenditures up to a total of \$8.4 million at September 30, 2012. The Company has satisfied the remaining \$0.6 million obligation in October 2012.

The Company now intends to follow-up on the successful surface drilling program completed earlier in the year on the shallow upper portion of the WZSOS by re-opening the mine portal to gain underground access to conduct underground drilling in the WZSOS over the winter months. The Company's objective is to prove up additional resources and reserves in 2013 to justify a positive production decision at Lupin with the possible restart of gold production shortly thereafter.

#### **Ulu Gold Project – Nunavut, Canada**

During the current quarter, the Company mobilized two drill rigs to Ulu and completed 3,966 metres of drilling with holes targeting the high grade Flood Zone at depth and along strike and other nearby gold occurrences. The Company scaled back the size of the original drill program of 7,000 metres and demobilized drill crews and equipment in early September in order to re-direct more of its exploration dollars to Lupin. As the Company is currently focused on advancing the Bjorkdal mine and Lupin, it has no plans to conduct further drilling at Ulu at this time.

## **Conference Call at 6 am PDT (9 am EDT) on Wednesday, November 14, 2012**

A conference call will be held at 6 am Pacific Time (9 am Eastern Time) on Wednesday, November 14, 2012 to discuss the financial and operating results for Q3-2012.

### **Live Dial-In Information**

Toronto and International: 416-340-2217 passcode 4353516  
North America (Toll Free): 866-696-5910 passcode 4353516  
Participant Audio Webcast: [www.elginmining.com](http://www.elginmining.com)

### **Replay Call Information**

Toronto and International: 905-694-9451 passcode 8563306  
North America (Toll Free): 800-408-3053 passcode 8563306

The conference call replay will be available from 2 pm (Eastern Time) on November 14, 2012, until 11:59 pm (Eastern Time) on November 28, 2012.

### **Elgin Mining Inc.**

Elgin Mining is a Canadian based company focused on production at the Bjorkdal Gold Mine in Sweden, which surpassed its first millionth ounce of gold production in 2010, and the exploration and development of the Lupin gold mine and Ulu gold project, both located in Nunavut, Canada. In addition, Elgin Mining's portfolio includes a 29.5% interest in Auracle Resources Ltd., which is exploring the Mexican Hat property in Arizona, and an exclusive right and option to earn a 60% interest in Lincoln Mining Corporation's Oro Cruz (California) and La Bufa (Mexico) gold projects and to earn a 60% interest in North Arrow Minerals Inc.'s Contwoyto gold project located adjacent to the Lupin gold mine in Nunavut, Canada. Elgin Mining also selectively reviews opportunities to add advanced stage development projects to its portfolio. The Company has a strong balance sheet, generates cash flow from gold sales, and remains un-hedged.

For further information, please visit the Company's web site at [www.elginmining.com](http://www.elginmining.com).

### **Elgin Mining Inc.**

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### **Forward-Looking Statements**

This document contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements" are made as of the date of this report or as of the effective date of information described in this report, as applicable. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: (i) the amount of mineral reserves and mineral resources; (ii) the amount of future production over any period; (iii) the amount of waste tonnes mined; (iv) the amount of mining and haulage costs; (v) cash costs; (vi) operating costs; (vii) strip ratios and mining rates; (viii) expected grades and ounces of metals and minerals; (ix) expected processing recoveries; (x) expected time frames; (xi) prices of metals and minerals; (xii) mine life and mine plans; (xiii) capital expenditures; and (xiv) success of exploration activities. Any statements that express or involve discussions with respect to predictions, expectations,

beliefs, plans, projections, objectives, assumptions of future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "envisages", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

All forward-looking statements are based on the Company's or its consultants' current beliefs as well as various assumptions made by and information currently available to them. These assumptions include, without limitation: (i) the presence of and continuity of metals of the Company's mines and mineral properties at modeled grades; (ii) the capacities of various machinery and equipment; (iii) the availability of personnel, machinery and equipment at estimated prices; (iv) exchange rates; (v) metals and minerals sales prices; (vi) appropriate discount rates; (vii) tax rates applicable to the mining operations; (viii) cash costs; (ix) anticipated mining profits; (x) metals recovery rates, (xi) reasonable contingency requirements; and (xiii) receipt of regulatory approvals on acceptable terms. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Many forward-looking statements are made assuming the correctness of other forward looking statements, such as statements of net present value and internal rate of return, which are based on most of the other forward-looking statements and assumptions herein. The cost information is also prepared using current values, but the time for incurring the costs will be in the future and it is assumed costs will remain stable over the relevant period.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, but specifically include, without limitation, risks relating to variations in the mineral content within the material identified as mineral reserves and mineral resources from that predicted, changes in development or mining plans due to changes in logistical, technical or other factors, the impact of general business and economic conditions, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, fluctuating metal prices and currency exchange rates, possible variations in ore grade or recovery rates, changes in accounting policies, changes in the Company's corporate resources, changes in project parameters as plans continue to be refined, changes in project development and production time frames, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, steel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, unexpected changes in mine life, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, successful completion of proposed acquisitions, permitting time lines, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation and labour disputes, as well as those risk factors discussed or referred to herein or in the Company's Management Information Circular dated April 3, 2012, a copy of which is filed on SEDAR at [www.sedar.com](http://www.sedar.com), under the heading "Risk Factors". The foregoing list of factors that may affect future results is not exhaustive.

When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.

The forward-looking statements contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes. The reader is also cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.