

**NEWS RELEASE**

NR#12-01

**Fjordland Reports Copper-Gold Mineralization in Reconnaissance Drilling at Moffat Project, British Columbia**

Vancouver, BC, January 17, 2012 – Fjordland Exploration Inc. (TSX-V: FEX) is pleased to report it has encountered copper-gold mineralization in four widely-spaced drill holes on its 24,974 hectares Moffat Property in central British Columbia. The Company completed 1,135 metres of drilling to test large coincident induced polarization (IP) and geochemical soil anomalies in the northwestern portion of the road-accessible Moffat Property. Located approximately 50 kilometres east of Williams Lake, the Property is one of nine properties comprising Fjordland’s Tak-Milligan Project, under option to Capstone Mining Corp. (TSX: CS).

**Moffat Drilling Results:**

Hole ID	From (m)	To (m)	Int. (m)	Cu%	Au g/t	Mo%
<b>MOF11-02</b>	184.9	190.7	5.8	0.15	0.18	
<b>MOF11-03</b>	69.0	276.5	207.5	0.02	0.03	
<b>Including</b>	138.1	140.5	2.4	0.22	0.91	0.001
<b>MOF11-04</b>	20.7	273.4	252.7	0.01	0.01	
<b>MOF11-05</b>	65.2	66.5	1.3	0.12	0.05	
<b>and</b>	252.0	261.9	9.9		3.52	

The holes were collared between 1,000 m to 1,400 m apart, over an overburden-covered area approximately 2,000 m in length and 2,000 m in width. Varying quantities of disseminated and/or fracture/vein-hosted chalcopyrite and pyrite mineralization was encountered in all four holes. The sulphide mineralization is hosted within potassically-altered and magnetite-rich dioritic to monzodioritic phases of the Takomkane batholith and Nicola Group volcanoclastic rocks.

In hole MOF11-02, disseminated and veinlet-hosted chalcopyrite and pyrite mineralization is hosted in a propylitic-altered monzodiorite. Better grade copper and gold mineralization is associated with zones of moderate to strong potassic alteration consisting of pervasive potash feldspar and quartz and strong secondary biotite plus magnetite alteration.

In hole MOF11-03, disseminated and veinlet-hosted chalcopyrite and pyrite mineralization is hosted in fresh to altered monzonite to monzodiorite. Better grade copper-gold-molybdenum mineralization is associated with zones of strong quartz-sericite alteration; lower grade mineralization is associated with zones of albite-chlorite-epidote alteration.

In hole MOF11-04, trace veinlet-hosted and disseminated chalcopyrite mineralization is hosted in variably altered chloritic and sericitic tuffaceous sandstone/siltstone of the Nicola Group volcanoclastic rocks.

In hole MOF11-05, veinlet-hosted chalcopyrite mineralization is hosted within potassically-altered monzonite. Better grade copper-gold-molybdenum mineralization is associated with zones of strong potassium feldspar, quartz, secondary biotite and magnetite alteration. Towards the bottom of the hole, an 9.9-m interval assayed 3.52 g/t Au, 57 ppm Cu and 13 ppm Mo, including a 3.75-m interval assaying 7.04 g/t Au, 66 ppm Cu and 2 ppm Mo.

## FJORDLAND EXPLORATION INC.

Tom Schroeter, President of Fjordland commented: “We are excited to have encountered widespread copper-gold-molybdenum mineralization in the initial drilling of only a small portion of the large Moffat Property. We will now design the next phase of the exploration program to include infill and step-out geophysical and geochemical surveying, to help define additional drilling targets for this summer.”

### **About Fjordland Exploration Inc.**

Fjordland Exploration is a mineral exploration company focused on the discovery of gold, copper and molybdenum deposits in British Columbia. Fjordland currently has a portfolio with 38 properties. It has a 51% interest in 7 properties known as “Tak” totaling 55,654 ha in the Woodjam area of central BC. Fjordland has a 51% interest in two properties known as “Milligan” totaling 2,192 ha, adjoining Thompson Creek Metals Company Inc.’s (NYSE: TC and TSX: TCM) Mt. Milligan copper-gold deposits on the west. Capstone Mining Corp. (TSX: CS) owns a 49% interest in the combined Tak-Milligan Project. Fjordland and Serengeti Resources Inc. (TSX-V: SIR) are 37%/63% partners exploring 13 properties (QUEST Project) totaling 50,170 ha in the Quesnel Terrane north of Woodjam for precious and base metals. Six of the QUEST properties (totaling 27,690 ha) have been optioned to Xstrata Copper; the QUEST JV owns 100% of the remaining 7 properties totaling 22,480 ha. Fjordland has a 100% interest in 8 properties totaling 60,047 ha in the Iron Range area and has an option agreement on 7 properties totaling 21,222 ha with Kootenay Gold Inc. (TSX-V: KTN) in southeastern BC. Fjordland has an option to acquire a 100% interest in the Dillard copper and gold property, north of Princeton. Fjordland’s shares trade on the TSX Venture Exchange under the symbol “FEX”. For more information visit Fjordland’s website at [www.fjordlandex.com](http://www.fjordlandex.com).

### **About Capstone Mining Corp.**

Capstone Mining Corp. is a Canadian mining company with two producing copper mines, the Cozamin copper-silver-zinc-lead mine located in Zacatecas State, Mexico and the Minto copper-gold-silver mine in Yukon, Canada. In addition, Capstone has two development projects, the large scale 70% owned Santo Domingo copper-iron-gold project in Chile in partnership with Korea Resources Corporation and the 100% owned Kutcho copper-zinc-gold-silver project in British Columbia, as well as exploration properties in Chile, British Columbia and Australia. Using its cash flow and strong balance as a springboard, Capstone aims to grow organically through mineral resource and reserve expansions and through acquisitions in politically stable, mining-friendly regions. Capstone is included in the S&P/TSX Composite Index and S&P/TSX Global Mining Index. Additional information is available at [www.capstonemining.com](http://www.capstonemining.com).

T.G. Schroeter, P.Eng./P.Geo., who is a qualified person within the context of National Instrument 43-101, has read and takes responsibility for this news release.

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