



TSX Venture Exchange: FEX
Website: www.fjordlandex.com
Email: info@fjordlandex.com

NEWS RELEASE

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Fjordland Updates Tak-Milligan Project, BC; Drilling Planned on Moffat Property

Vancouver, BC, August 03, 2011 – Fjordland Exploration Inc. (TSX-V: FEX) reports that it has outlined a large induced polarization chargeability (IP) anomaly on its Moffat property, which is part of the Tak-Milligan project in central British Columbia. Drill testing is scheduled for September.

The seven properties that comprise the “Tak” package (total 55,654 hectares) of the Tak-Milligan project are under option to Capstone Mining Corp. (TSX: CS) and lie immediately south of the Woodjam North and South copper-gold-molybdenum projects, where Gold Fields is currently conducting a multi-million dollar exploration program.

Much of the Quesnel trough region, hosting the Tak properties, is covered by extensive overburden, which has hampered traditional, historical exploration. The discovery of significant copper-gold-molybdenum mineralization, associated with the Takomkane batholith, at Woodjam South and on the Moffat Lake property suggests important exploration potential over a very large unexplored area.

During June 2011, reconnaissance-scale IP surveys were completed over two properties (Moffat and Tisdall) totaling 19 line km. The lines were spaced between 700 and 1000 m apart. In addition, limited soil sampling and prospecting were completed on these two properties, as well as on the Canim and Howard Lake properties.

At Moffat (24,974 ha), the western part of the property is underlain by airborne and ground magnetic anomalies, coincident with a copper-in-soils anomaly and a 3.5 km-long chargeability (IP) anomaly, trending north-northwesterly. Late in 2010, chalcopyrite and molybdenite bedrock mineralization was discovered between two of the three reconnaissance IP lines completed (see News Release dated December 7, 2010). The best grab sample assay returned 0.36% copper, 0.29 g/t gold, 6.9 g/t silver and 11 ppm molybdenum. During June 2011, Fjordland continued its program of reconnaissance IP surveying over this area, completing 11 line-km on 5 lines. An additional 6.5 line-km of in-fill and expansion (to the north) IP surveying is scheduled for August- September, prior to a planned drilling program consisting of 3 holes totaling approximately 900 m. This target area is just west of two mineralized outcrops, 620 m apart, and approximately 1000 m north of the Harrison Creek copper-gold-molybdenum Minfile prospect.

At Tisdall (7,195 ha), during June 2011, an IP chargeability high anomaly was identified by an 8 line-km IP survey. This anomaly lies immediately south of the Tisdall Lake showing, where Gold Fields plans to drill test a new copper discovery in August, as part of its Woodjam North option agreement with Fjordland and Cariboo Rose Resources Ltd. During August-September, 2011, an additional 4 line-km of IP surveying and limited soil sampling are scheduled.

Capstone has recently vested into its 49% interest in the Tak-Milligan project and has confirmed that it will fund the next phase of work on the Tak-Milligan option. The commitment is for exploration expenditures totaling \$300,000 by the end of December, 2011. By funding a further \$1.7 million of

exploration expenditures on or before December 31, 2013 Capstone may earn an additional 11% interest in the project, for a cumulative 60% interest. The planned phase two program for 2011 includes approximately 10 line-km of IP surveying (as discussed above) and soil geochemical surveying on the Moffat and Tisdall properties, plus limited soil sampling on the Howard Lake and Milligan properties. Preliminary drilling is planned on the Moffat property; drilling on Tisdall will be subject to additional funding.

Tom Schroeter, President of Fjordland commented: “We are very pleased to have come up with drill targets on two of the Tak properties within the first year of our option agreement with Capstone. We look forward to initiating drilling on the Moffat Property later this Fall”

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.

About Fjordland Exploration Inc.

Fjordland Exploration is a mineral exploration company focused on the discovery of gold, copper and molybdenum deposits in British Columbia. Of the 28 properties Fjordland owns, the Woodjam North and Woodjam South properties (totaling 56,540 ha) are part of the Woodjam Joint Venture between Fjordland (60%) and Cariboo Rose Resources Ltd (40%); both properties are under separate option agreements to Gold Fields Horsefly Exploration Corporation. Fjordland also has a 100% interest in 7 properties known as “Tak” totaling 55,654 ha in the Woodjam area. Fjordland has a 100% interest in the 2,192 ha “Milligan” project, 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 Tak-Milligan Project. Fjordland and Serengeti Resources Inc. (TSX-V: [SIR](#)) are 38%/62% partners exploring 12 properties (QUEST Project) totaling 56,670 ha in the Quesnel terrane north of Woodjam for precious and base metals. 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’s shares trade on the TSX Venture Exchange under the symbol “FEX”. For more information visit Fjordland’s website at www.fjordlandex.com.

About Capstone Mining Corp.

Capstone is a Canadian based copper producer with two operations, the Cozamin and Minto mines, that are forecast to produce 80-85 million pounds of copper in 2011 at a total cash cost, net of by-product credits, of US\$1.30 to US\$1.35 per pound of payable copper, as well as the high grade Kutcho copper-zinc project, which is being advanced towards a production decision. As reported on May 24, 2011, Capstone has a strong balance sheet with cash on hand of US\$181.2 million as of March 31, 2011. In spring 2011, Capstone announced a proposed acquisition of Far West Mining Ltd. and a strategic partnership and joint venture with KORES, involving the Santo Domingo, Chile project. For further information about Capstone visit www.capstonemining.com.

Tom Schroeter
President & CEO

Contact:

John Gomez,
Manager, Investor Relations
Tel. 604-893-8365

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the release.