

NEWS RELEASE

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Fjordland Options Dillard Gold and Copper Property, Between Copper Mountain Mine and Elk Gold Mine, Southern British Columbia

Recent Extensive Logging Exposes High-Grade Porphyry Copper Mineralization

Vancouver, BC, August 31, 2011 – Fjordland Exploration Inc. (TSX-V: FEX) has signed a Letter of Intent with private vendors for the 2,200-hectare Dillard Property, located in southern British Columbia. The option agreement to purchase a 100% interest covers prospective ground straddling newly discovered porphyry copper showings and high-grade gold quartz vein targets.

The road-accessible Dillard Property is located approximately 35 kilometres north of Princeton, where Copper Mountain Mining Corp. recently put the Copper Mountain (Similco) copper-gold-silver mine back into production, with measured and indicated resources estimated at 326 million tonnes grading 0.373% Cu, and inferred resources of 169 million tonnes grading 0.29% Cu, plus gold and silver credits. Gold Mountain Mining Corp.'s recently acquired past-producing Elk gold-silver mine lies approximately 15 kilometres to the northeast of Dillard. A major drilling program (12,000 m) is in progress at Elk to expand the existing 15,500- kilogram gold resource.

Grab samples collected by Company geologists during site visits in late July-early August, 2011 yielded assays up to 1.64% Cu, 7.4 ppm Ag, 0.025 ppm Au and 56.9 ppm Mo from new exposures in altered volcanic rocks on the western portion of the Property and up to 28.9 g/t Au and 11.4 ppm Ag from a quartz vein in granodiorite on the eastern portion.

“Dillard has highly attractive porphyry copper mineralization that has recently been exposed through extensive logging activity; in addition, good potential exists for further discoveries of high-grade gold in quartz veins,” states Fjordland President, Tom Schroeter. “We have started our ground prospecting program and expect to have multiple drill targets defined for drilling by early next year.”

Previous exploration on the Dillard Property includes work by Noranda (1972-1973), Cominco (1981-1983), Fairfield Minerals (1987-1988) and Placer Dome (1989-1991). Since then, there has been no significant, systematic exploration in the immediate area, except for two short drill holes totaling 184 m on the Gold Core gold target. Extensive recent logging in the area has exposed numerous new copper showings on the western portion of the Property, discovered after only limited prospecting.

There are a large number of assessment reports documenting work on the Property and surrounding area, available on the BC government website; this information has not yet been fully compiled and analyzed. For example, drilling of 11 short holes totaling 2,030 m on an alkaline porphyry target by Placer Dome in 1991 on claims adjoining the Dillard Property to the west yielded the following significant assay intercepts: 0.24% Cu over 187.1 m, including 0.35% Cu over 65.7 m; 0.28% Cu over 48.2 m; 0.13% Cu over 180.4 m and 2.02% Cu over 3.1 m.

At Dillard, copper and gold soil anomalies, coincident with induced polarization (IP) anomalies, have never been drilled. Trenching in 1991 by Placer Dome in a small area (“Gold Core”) with a similar geological setting to the Elk mine to the northeast yielded samples of mineralized quartz-carbonate veins of up to 245.4 g/t Au over 1.5 m and 85.37 g/t Au and 0.16% Cu over 4.5 m.

For the option to purchase a 100% interest in the Dillard Property, Fjordland may make staged cash payments to the vendors totaling \$180,000, may issue a total of 1,500,000 common shares of the Company in stages and may expend \$2,500,000 in exploration in stages on the Property over a five-year period. The Company will also reserve a 3% net smelter return royalty (NSR) for the vendors that may be bought down by the Company to a 1.5% NSR for \$2,000,000. This agreement is subject to approval by the TSX-Venture Exchange.

Tom 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. Analyses in 2011 were performed by AGAT Laboratories of Alberta using aqua regia digest and ICP-MS finish. Gold was analyzed via fire assay with ICP-OES finish. Quality control protocol includes pick up of samples by the laboratory and laboratory internal controls.

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 52,342 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. The Tak-Milligan properties have been optioned to Capstone Mining Corp. (TSX: CS); Capstone has vested into a 49% interest in the properties. Fjordland and Serengeti Resources Inc. (TSX-V: SIR) are 37%/63% 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.

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