Foundation Resources Inc. Discovers Widespread Surface Mineralization

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- Widespread gold mineralization up to 17.85 g/t gold in a grab sample discovered during the 2011 Prospecting and sampling program(i)

- Over 2.0 km long geophysical IP anomaly correlating with anomalous surface gold mineralization

- Burchell West Grid is located 6.0 km west of the Osmani Gold Deposit (763,276 ounces gold Inferred and 96,400 ounces of gold Indicated) on the Coldstream property

VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 01/18/12 -- Foundation Resources Inc. (TSX VENTURE: FDN) ('Foundation' or 'the Company') is pleased to announce the results of its recently completed geophysical spectral induced polarization (IP) survey and prospecting/sampling program carried out in the 2011 summer field season on the Burchell West Grid ('BWG') of the Coldstream Property ('Property'). One of five known areas of significant gold mineralization on the Property, the BWG is located approximately 6.0 kilometres west of the Osmani Gold Deposit (formerly the East Coldstream Deposit) which is host to 763,276 ounces gold Inferred (30.5 million tonnes at 0.78 g/t Au) and 96,400 ounces of gold Indicated (3.5 million tonnes at 0.85 g/t Au). A 4000-metre winter exploration drilling program currently underway on the Span Lake prospect is located approximately 5.0 kilometres south of the BWG. Results of this drilling program will be reported as they become available.

Preliminary compilation and interpretation of the IP data of the Burchell West Grid suggests four priority areas of strong to moderate chargeability anomalies (A, B, C and D). These anomalies display good correlation with widespread anomalous surface gold results obtained during the 2009 and 2011 prospecting and sampling programs (Figure 1).

The two best prospective chargeability anomalies A and B of strong to medium strength occur within the northern-half of the grid. Anomaly A is an approximately 350 m long, east-west trending anomaly of medium to strong chargeability strength, situated in the northwestern part of the gridlines (10000E to 10200E) and is coincident with anomalous to highly anomalous surface gold mineralization (e.g., 17.85 g/t Au and 5.86 g/t Au). The curvilinear anomaly B is of strong to medium chargeability strength and occurs sub-parallel to the grid's baseline and extends for over 2.0 km in length. The most western part of this anomaly is connected with anomaly A through a 220 m long, north-trending anomaly of medium strength. Both the connector and B anomalies are coincident with widespread anomalous surface gold mineralization (e.g., 1.95 g/t, 1.47 g/t, and 1.58 g/t). The central and eastern parts of anomaly B, though coincident with surface mineralization (e.g., 0.84 g/t, 0.66 g/t, 0.41 g/t and 0.44 g/t gold), have fewer surface gold results due poor bedrock exposures in these areas.

To view Figure 1 please click on the following link:
http://media3.marketwire.com/docs/FDN0118.pdf

The four IP chargeability anomalies are high priority drill targets which are intended to be drilled in 2012.

'We are very pleased with the successful completion and the results of the spectral IP survey which added several new high priority targets for drill testing. The discovery of anomalous to high-grade gold mineralization coincident with high priority chargeability anomalies, particularly A and B, in the northwest and central parts of the Burchell West Grid have opened up new potential for the Coldstream Property,' commented Ike Osmani, President and Director of the Foundation.

(i) Note: grab samples are by definition selective and are unlikely to represent average grades on the property.

About the Burchell West Grid

The Burchell West Grid is underlain by mainly mafic to felsic metavolcanic rocks, dikes/sills of quartz-feldspar and feldspar porphyries and other granitoid rocks. The northern-half of the grid is mostly underlain by the mafic metavolcanic rocks and the southern-half is dominated by felsic metavolcanic rocks. A

small granitic pluton intruding the felsic metavolcanic rocks occurs along the mafic-felsic metavolcanic contact within the south-central part of the grid. Outcrop scale shearing and penetrative schistosity are abundant but no shear or fault structure of regional scale has been identified to date on the grid.

The southern felsic metavolcanic-dominated part of the grid is host to numerous historical gold-copper showings however, the northern mafic volcanic area was the least known for mineralization until Foundation's 2009 and 2011 prospecting and sampling programs. During these exploration programs numerous anomalous to high-grade gold mineralization as high as 17.85 g/t gold in grab samples were discovered within the northern mafic metavolcanic part of the grid. Gold and gold-copper mineralization on the grid is associated with pyrite and minor chalcopyrite, bornite and malachite.

About the Coldstream Property

The 6,410-hectare Coldstream Property is located along the Trans Canada Highway 115 km west of the City of Thunder Bay, Ontario. The area is road accessible and has excellent infrastructure with a major power line and CN rail line passing just north of the property. Skilled labour is readily available locally.

For more details regarding the Coldstream Property, please visit our website at www.foundationres.com.

About Foundation Resources Inc.

Foundation Resources is a mineral exploration company focused on the exploration and development of its flagship Coldstream Gold Project located in the Shebandowan Greenstone Belt, 115 Km North West of Thunder Bay, Ontario and the Mitchell base metal property located within the Red Lake Mining District in Ontario. The Company's recently announced resource estimate of 860,000 ounces of gold (763,276 ounces gold inferred and 96,400 ounces gold indicated) on the Osmani deposit is one of five highly prospective gold targets that Foundation has within this 16 km long Coldstream Gold Trend. In addition to its Canadian projects, the Company is also exploring the San Rafael gold-silver property in Mexico which is located approximately 150 km northwest of Durango.

On behalf of the board,

Ike Osmani, M.Sc., P.Geo.
President & Director

News release contains certain 'Forward-Looking Statements' within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Forward-looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking statements.

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