

Foundation Signs Letter Of Intent for the Mitchell Massive Sulphide Project

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Vancouver, May 08, 2012: [Foundation Resources Inc.](#) (FDN: TSX-V) ("Foundation") is pleased to announce that it has signed a Letter of Intent ("LOI") with [Open Gold Corp.](#) (OPG:TSX-V) ("Open Gold") whereby Open Gold can acquire a 100% interest in the Mitchell Massive Sulfide Project located in the Red Lake District of Northwestern Ontario by making cash payments totalling \$120,000, issuing 1.2 million shares to Foundation and incurring \$1 million in exploration expenditures.

The 2,256 ha Mitchell Project is located approximately 10 kilometres southwest of the former South Bay Mine (1.6 Mt mined @2.5% copper, 14% zinc and 120 g/t per ton silver). The infrastructure at the property is excellent, being situated approximately 80 kilometres east of the Town of Red Lake, Ontario with access via the South Bay Road that extends east off of Highway 105, and runs along an electrical grid that crosses the southern most claims of the property.

Open Gold has an option to earn a 100-per-cent interest, subject to a 25% back-in right, by making cash and share payments to Foundation and incur exploration expenditures as follows:

A. Cash payments totalling \$120,000 :

- i) \$25,000 upon Exchange approval of the letter agreement ; and
- ii) \$35,000 on or before April 30th 2013; and
- iii) \$60,000 on or before April 30th 2014

B. Shares issuances totalling 1,200,000 shares:

- i) 525,000 common shares upon Exchange approval; and
- ii) 450,000 shares on or before April 30th 2013; and
- iii) 225,000 shares on or before April 30th 2014

C. Incurring an aggregate of \$1,000,000 exploration expenditures on the Property:

- i) \$200,000 on or before April 30, 2013; and
- ii) \$800,000 on or before April 30, 2014

Foundation has the right to buy back up to a maximum 25% interest in the Property by paying two times the corresponding proportion of actual expenditures in relation to the Property. Open Gold will assume all commitments of the underlining agreement and have the option to acquire 1 percent of the 2% NSR for \$1,000,000 held by the underlining Optionor.

The transaction is subject to TSX Venture Exchange approval and the execution of a definitive agreement between the parties.

Ike Osmani, M.Sc., P. Geo., the Qualified Person (QP) for Foundation as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects, is responsible for the preparation of all technical information contained in this news release.

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. 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.

On behalf of the board,

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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release." 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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