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NEWS RELEASE

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Fancamp announces positive pilot test results for the production of synthetic rutile concentrate from the Magpie Iron-Titanium-Vanadium-Chromium Project

Fancamp Exploration Ltd. ("Fancamp" or the "Company") is pleased to announce that its 46.7% owned Magpie Mines Inc., **has successfully completed the Phase 2 Hydrometallurgical Pilot Plant Tests** (the "Metallurgical Tests") conducted at SGS Lakefield Research Limited ("SGS Lakefield") on mineralized material from the Magpie Iron-Titanium-Vanadium-Chromium Project ("Magpie").

The Metallurgical Tests achieved their primary objectives by producing a high-grade synthetic rutile (titanium dioxide) concentrate, which has the potential to be used for both titanium pigment and metal producers, and also **confirming that the previous process test results achieved at the bench scale were well reproduced at the pilot plant scale.**

The Phase 1 Hydrometallurgical Bench Scale Tests (*refer to the Company news release dated August 2, 2011*) of the proprietary process was carried out by COREM in Quebec City, and indicated a 94.8% concentrate of titanium dioxide (TiO₂) with leaching recovery of 88.5%.

The Metallurgical Tests conducted by SGS Lakefield included bench-scale and pilot-plant testing to fine-tune and further improve the results of Phase 1. The objectives were successfully reached, resulting in a major improvement in the process by following

one step leaching (instead of two-step leach in Phase 1), yet attaining superior results in terms of recovery (over 90%) and purity (about 96%) of the TiO₂ product using an integrated leaching and TiO₂ hydrolysis circuit that continuously operated for about 100 hours during the week of December 3 to December 7, 2012.

These tests confirmed the new process conditions in a continuous operation; producing and assuring the quality of the filtrate to be used for future works, such as in the Vanadium and Chromium separation tests, and Fe(2) oxidation/Fe(3) hydrolysis tests, and reproducing test results achieved at bench scale. Pilot tests resulted in 95.8% concentrate of titanium dioxide (TiO₂) with leaching recovery of 98.5%, which far exceeds initial bench scale test results.

Dr. Fathi Habashi, PhD, Professor Emeritus of Extractive Metallurgy (Laval University, Quebec) and a project consultant, stated *“The heart of this new proprietary process is its simplicity and flexibility. Simplicity in terms of one-step leaching then hydrolysis and achieving high grade TiO₂ product without involving any additional and energy-consuming (oxidation/reduction) steps to treat the iron, and flexible because synthetic rutile has the advantage of being the raw material for pigment as well for metal production. In addition, the process proved successful for low grade (10% to 12%TiO₂) ore, and can be applied with advantage to higher grade TiO₂ ores or concentrates.”*

SGS Lakefield is expected to initiate the **Phase 3 Metallurgical Tests** later this month and will consist of **selective recovery of Vanadium (V) and Chromium (Cr)** using solvent extraction technique. The **Phase 4 Metallurgical Tests** will consist of a **mini-pilot plant scale test for the production of high-grade iron oxide and acid regeneration** using well established oxy-hydrolysis methods and are expected to commence later in Q1-2013.

Fancamp had previously announced that The Magpie Mines Inc., had entered into a contractual agreement with the Sichuan Non-Ferrous Technology Group (“SNFT”) to carry out beneficiation tests on the Magpie mineralized material (*refer to the company news release dated August 21, 2012*). SNFT is a Chinese R&D company with many years of experience in beneficiating and processing complex Iron-Titanium-Vanadium ores, similar to Magpie. The objective of the tests are to produce Iron concentrates from smelting containing Vanadium and Chromium, and Titanium concentrates from a 1.5 tonnes of samples shipped to China late last year. Test results are still pending but are expected this Quarter.

Jean Lafleur, MSc, P. Geo., President and CEO of Fancamp, asserted *“There are basic fundamentals in dealing with industrial minerals – these include the uniqueness and size of the mineral resource attached to a commercially viable metallurgical process, its proximity to market and an end-user ready to buy the ore. In Magpie, we definitely have size with a mineral inventory of 1 billion tonnes with substantial Iron, Titanium, Vanadium and Chromium credits located 130 kilometres from tidewater. As for the metallurgical test work, it is being carried out by SNFT with the perspective of large scale production of Iron, Titanium, Vanadium and Chromium concentrates suitable for*

smelting purposes, together with relatively small scale hydrometallurgical production, as part of the SGS work, using feed from SNFT's TiO₂ concentrates and achieving high purity TiO₂ products."

The Magpie Iron-Titanium-Vanadium-Chrome Project hosts NI 43-101 Indicated Mineral Resources of 635.2 million tonnes grading 42.49% FeT (60.78% Fe₂O₃), 11.20% TiO₂, 0.30% V₂O₅ and 2.61% Cr₂O₃ with additional Inferred Mineral Resources of 293.2 million tonnes of 42.29% FeT (60.49% Fe₂O₃), 11.21% TiO₂, 0.32% V₂O₅ and 2.54% Cr₂O₃ (both based on a 15% FeT cut-off grade) (refer to the Fancamp news release dated April 18, 2012).

The technical information in this news release was prepared, reviewed and approved by Fouad Kamaledine, PhD, P. Eng., Fancamp's VP of Research and Development, and Jean Lafleur, MSc, P. Geo., Fancamp's President and CEO. Both individuals are also Directors of Fancamp and Qualified Persons under NI 43-101 Rules.

About Fancamp Exploration Ltd

Fancamp Exploration Ltd is a Canadian junior mineral exploration company with an exceptional inventory of resource projects at various stages of development covering more than 1,710 km² in three provinces. The commodities include hematite magnetite iron formations, titaniferous magnetite and hematite, nickel/copper/PGM, chromite, Volcanogenic Massive Sulphides and gold. The Company is focused on enhancing shareholder value by identifying and acquiring early-stage projects with excellent mineral potential; advancing them to the next decision stage with efficient exploration; selling, optioning or joint venturing them to solid partners for cash and shares of the partnering companies and inheriting a significant royalty on future production.

About SGS Lakefield Research Limited

Lakefield Research provides metallurgical, analytical, mineralogical and environmental technical expertise and support to clients from facilities in Canada, Argentina, Australia, Chile, Brazil, Peru and South Africa. Recognized world-wide as a premier testing and consulting facility, Lakefield provides services that range from simple bench scale tests to investigation of complex flow sheet variables through integrated pilot plant operations. Lakefield Research analytical and mineralogical laboratory is the only Canadian commercial laboratory that is accredited to ISO Guide 25, supplemented by CAN-P-1579 for mineral analysis.

SGS offers a very broad range of metallurgical process design options that will reduce risk, enhance value and maximize return. With over 70 years-experience and a truly global presence, SGS has earned the reputation as the leading supplier of proven, technologically advanced metallurgical services. SGS will provide the optimal,

environmentally sustainable flow sheet for your operations. SGS's demonstrated success in metallurgical and process design has provided thousands of companies with effective flow sheets and practical technical solutions to processing problems. From that core of capability, we continue to provide the processing industry with innovative approaches to geo-metallurgy, process modeling, production forecasting and advanced control systems.

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