

# **Fairmount Resources Inc. (FMR-TSX V)**

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**FOR IMMEDIATE RELEASE**

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## **PROPERTY ACQUISITION AND PRIVATE PLACEMENT**

The Company has entered into an agreement with Rainy Mountain Royalty Corp. and Mega Uranium Ltd. to acquire a 70% interest in the Powell and Clay Property, consisting of an aggregate 21 mineral tenures located near Thunder Bay, Ontario. The Company has agreed to issue 400,000 common shares and incur an aggregate \$1,000,000 in exploration expenditures on the property over three years. The property acquisition is subject to regulatory approval.

The Company is also pleased to announce that, subject to regulatory acceptance, it has arranged a private placement in the amount of up to 2,400,000 units of the Company at a price of \$0.25 per unit for gross proceeds of \$600,000. Each unit will consist of one common share and one-half transferable share purchase warrant. One warrant entitles the holder to purchase one additional common share at an exercise price of \$0.33 per share for a period of up to one year. The proceeds of the private placement will be used to fund the initial exploration program on the Powell and Clay Property and for general working capital purposes.

The Company is also pleased to report the appointment of Bernard Dewonck to the board of directors. Mr. Dewonck graduated from the University of British Columbia with a Bachelor of Science degree in Geology in 1974 and Bachelor of Education in 1993. He has worked throughout North, Central and South America on a wide range of base, precious and industrial mineral projects, as well as in the Athabasca oil sands of northern Alberta. He has participated in and managed programs ranging from grassroots to detailed surface and underground drilling programs, and evaluated projects requiring report submissions to regulatory agencies.

Directors of the Company have also agreed to transfer an aggregate 1,593,500 shares within escrow to other directors subject to regulatory approval.

Further, the Company has entered into an investor relations agreement with Rain Communications Inc. Under the terms of the agreement, which is also subject to regulatory approval, the Company has agreed to a payment of \$5,000 per month and has also agreed to issue up to 400,000 stock options to Rain.

## About Powell and Clay Property

The Powell and Clay properties, are located in the Shebandowan greenstone belt of the Wawa Subprovince in Ontario. The property, which has been surveyed both geologically and geophysically (IP and airborne magnetics), and also witnessed limited diamond drilling in the past, is hosting several significant gold showings (For example 1.5 – 2.6 g/t gold in channel samples and up to 17.2 g/t gold in grab samples – News Release of Mega Uranium Ltd. - August 25, 2005). Historical data show up to 10% copper in grab samples. Some of these sulphide-bearing gold and copper showings correspond well with the IP anomalies that extend up to 4.5 kilometres in strike lengths. The setting and style of gold mineralization in these showings is similar to the Ardeen Mine deposit, located 14km to the northeast. Gold in both areas occurs in quartz veins and closely associated with porphyries hosted within sheared and iron carbonatized mafic metavolcanic rocks similar to those found in the Timmins (Porcupine) and Red Lake gold camps.

The style and setting of mineralization on the Clay property is quite similar to the shear-hosted Moss Lake gold deposit (**NI 43-101 compliant resource of 1.1 million ounces gold in indicated and 520,000 ounces gold in inferred categories**) located approximately 12 km northeast. In addition to the Moss Lake-style gold mineralization, an iron oxide-copper-gold (IOCG) style of mineralization reportedly occurs within the eastern most part of the Clay property. The IOCG mineralization on the Clay property covers the structure and stratigraphy that extends south-westerly from the adjacent Hamlin property, currently being explored by joint venture partners Xstrata and Rainy Mountain Royalty Corp. The IOCG type mineralization is associated with hematized and feldspathized breccias on both properties. The most recent drilling program completed by Xstrata on the Hamlin property intersected several considerable zones of copper-molybdenum-gold mineralization (174 meters grading 0.33% copper, 0.014% Mo, 0.085 g/t gold, including 97.5 meters grading 0.40% copper, 0.012% Mo and 0.123 g/t gold – News Release, July 28 2010).

On Behalf of the Board,

“Robert Coltura”

Robert Coltura  
Director & CEO

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