



NEWS RELEASE

RESOURCES ON THE FAYOLLE DEPOSIT TRANSFERRED FROM THE INFERRED TO THE INDICATED CATEGORY, A 332% INCREASE OF THE INDICATED RESOURCES

Laval, Canada, September 6, 2012 – **TYPHOON EXPLORATION INC.** (TYP: TSX-V) is pleased to announce an updated mineral resource estimate for the Fayolle Deposit and results of the metallurgical testwork on the Fayolle Property, which is located near the town of Rouyn-Noranda in the Abitibi Region of Quebec.

The present updated mineral resources are estimated at 1,814,800 tonnes at 2.7 grams of gold per tonne, for 156,000 ounces of gold at a cut-off grade of 0.8 grams of gold per tonne. All of the updated mineral resources are in the indicated mineral resource category, the total inferred resources transferred into this category.

Different capping grades have been applied, and are referenced on the resource table on the following page.

With an **average gold recovery rate of 96%**, originating from a preliminary metallurgical test, the Company is very satisfied with the results. **On the environmental side, testing done on two composites samples suggests that acid generation is highly unlikely to occur** from these samples considering the high carbonate/low sulphur content profile of both types of mineralized rocks.

David Mc Donald, President and CEO of Typhoon Exploration Inc. said, “This resource estimate update significantly exceeds our expectations with a 332% increase of the indicated resources. It is noteworthy that **all of the estimated resources in this update have been upgraded from the inferred to the indicated category. Furthermore, this new resource estimate seems to show a possible extension at depth, towards the south-east of the Fayolle Deposit Zone.** This mineral resource estimate confirms the relevance of continuing the preliminary economic evaluation (PEA), which should be completed by the end of 2012.

The updated **mineral resource estimate was prepared by InnovExplo Inc.** of Val-d’Or, Quebec, in collaboration with Aurizon’s personnel.

Metallurgical testwork was conducted by SGS Mineral Services of Lakefield, Ontario.

Table 1: Fayolle Deposit - Mineral Resource Estimate / September 2012

	Cut-Off grade (Gold g/t)	Tonnes (t)	Grade (g/t)	Gold (ounces)
Indicated Mineral Resources (1)	0.4	3,573,900	1.6	188,000
	0.6	2,423,300	2.2	170,000
	0.8	1,814,800	2.7	156,000
	1.0	1,451,500	3.1	146,000
	2.0	701,000	5.0	112,000
	2.5	548,500	5.8	101,000
	3.0	438,000	6.5	92,000
	4.0	295,500	8.0	76,000
	5.0	216,400	9.3	64,000

(1) All of the mineral resources are in the Indicated mineral resource category.

NOTES:

- The Independent and Qualified Persons for the Mineral Resource Estimate, as defined by National Instrument 43-101, are Pierre-Luc Richard, M.Sc., P.Geo. and Alain Carrier, M.Sc., P.Geo. from InnovExplo Inc.
- Results are presented undiluted and in situ. The estimate includes four (4) gold-bearing zones.
- Resources were compiled at a range from 0.40 g/t Au to 5.00 g/t Au cut-off grades. Cut-off grades must be re-evaluated in light of prevailing market conditions (gold price, exchange rate and mining cost). Note that no pitshell was used.
- A fixed density of 2.82 g/cm³ was used in ore zones.
- A minimum true thickness of 2.0 m was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed.
- High grade capping was done on the raw data and established at 40g/t Au for Zone 1 and Zone 2 and at 90g/t Au for Zone 3.
- Compositing was done on drill hole sections falling within the mineralized zone envelopes (composite = 1 metres).
- Resources were evaluated from drill hole using an ID2 interpolation method in a multi folders percent block model.
- The Indicated category is defined by the drillholes spacing and established geological continuity.
- Ounce (troy) = Metric Tons x Grade / 31.10348. Calculation used metric units (metres, tonnes and g/t).
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- The number of metric tons was rounded to the nearest hundred; grades are expressed at 1 decimal; ounces were rounded to the nearest 1 thousand. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in National Instrument 43-101. InnovExplo is not aware of any known environmental, permitting legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the Mineral Resource Estimate.
- The Fayolle Deposit Mineral Resource technical Report will be filed on Sedar (www.sedar.com) within 45 days.

In comparison with the 2007 estimate, the indicated resources of the Fayolle Project have increased of 332% (compared with the 0.5 g/t cut-off grade). The previous resource estimation prepared for Typhoon Exploration Inc., by InnovExplo Inc. dated as of February 21, 2007, included a resource sensitivity table using different cut off grades. At a cut-off grade of 0.5 grams of gold per tonne, indicated mineral resources totalled 464,700 tonnes at 2.4 grams of gold per tonne for 36,081 ounces of gold, and inferred mineral resources totalled 2,191,100 tonnes at 1.6 grams of gold per tonne for 113,021 ounces of gold. (Ref. "Mineral Resources Evaluation of the Fayolle Gold Deposit, 43-101 Technical Report" prepared for Typhoon Exploration Inc., dated February 21, 2007 available on SEDAR)

GEOLOGY

Gold mineralization of the Fayolle Zone is mainly contained in deformed komatiitic rocks and altered intermediate intrusions near the contact with massive basalt and silicified sediments. Shear zones and fault patterns observed are generally oriented west to north-west, corresponding to a major inflexion of the La Pause Fault.

The dense and complex dykes swarm is characterized by changing orientation and perceived as a strong favourability indicator for gold mineralization.

Mineralization is part of a stacking of pluri-metric zones located inside a 50 to 100 metre wide favourable structure, plunging moderately towards the east. Visually, this mineralized structure corresponds to tectonic breccias. The grades can generally be correlated with the intensity and complexity of brecciation. Alteration is characterized by carbonates, chlorite and fuchsite in ultramafic rocks and by albite-hematite in dykes. Gold is mostly observed as free grains up to a millimetre in size in both host rocks.

The updated mineral resource estimate integrates the results of all the drill programs on the Fayolle Deposit since the mineral resource estimate prepared by InnovExplo Inc. on February 21, 2007, part of the Typhoon-Aurizon option agreement.

METALLURGICAL TESTWORK

As the gold can be found in two different types of rock, two gold-bearing composite samples were examined by SGS Mineral Services: a Komatiite composite, containing an assay grade of 7.78 grams of gold per tonne and an intrusive composite, containing an assay grade of 4.59 grams of gold per tonne. **After 48 hours, gold recoveries ranged from 94% to 97% for both composites. Finer grinding typically increased the gold recovery, at the cost of higher cyanide consumption.**

Table #1 Ore cyanidation recovery results				
Sample	Average Size P80 (micron)	Recovery 48 hours without gravity (%)	Recovery 48 hours including gravity (%)	Calculated Head grade (g/t Au)
Komatiite	106	94	95	7.57
Komatiite	68	94	97	6.96
Intrusive	103	95	94	4.93
Intrusive	68	96	97	4.51

Gravity separation testing on the Komatiite composite showed a 27.3% Gravity Recoverable Gold ("GRG"). Gravity separation testing on the Intrusive composite showed a 41.4% GRG. **The combination of gravity recovery and cyanidation of the gravity tail did increase the overall gold recovery by 1-3%. This demonstrates that this concept would be beneficial from a plant design and financial perspective.**

Table #2 Gravity recovery			
Samples	GRG (Gravity Recoverable Gold) (%)	Gravity concentrate grade (g/t)	Calculated Head grade (g/t Au)
Comp. 1	27.3	4281	6.62
Comp. 2	41.4	3793	4.93

Bond ball mill testing indicated that the two composites fell in the medium range of hardness compared to the SGS database (12.0-14.1 kWh/t).

While this test work is preliminary in nature and has only been performed on two composite samples, we are encouraged by these initial results, which suggest high gold recoveries utilizing conventional processes.

OUTLOOK

The drill programs completed to date aimed at obtaining information inside the Fayolle Zone down to a depth of about 250 metres, and laterally along 200 metres. **The new updated mineral resource estimate indicates the potential to delineate mineralization at a grade above 5 grams of gold per tonne, using a tight drilling pattern and following different orientations.**

Efforts have been made during the last two years to test the mineralized system influence outside the Fayolle Zone with 41 holes drilled at a 100 to 150 metre-wide spacing along a 2 kilometre long trend. Mineralized intersections, in the range of 1 to 8 grams per tonne over a thickness comprised between 3 to 10 metres, have identified different parallel gold bearing structures located a few hundred metres south of the Fayolle Zone (*See Aurizon's press release dated August 9, 2011*).

Future activity on the property will focus on re-evaluating the exploration potential and the drilling approach adapted to the particular geometry of the Fayolle Zone. Emphasis will be put on eventually extending the zone down to 500 metres.

AGREEMENT WITH AURIZON MINES LTD.:

Typhoon Exploration Inc. signed an option agreement with Aurizon Mines Ltd., for the development of its Fayolle gold property (100%-owned by Typhoon), located in the heart of Abitibi's mining projects. Pursuant to the Agreement, Aurizon has the option to acquire up to a 65% interest in the Fayolle Project by incurring total expenditures of (CND) \$25 Million and by subscribing for common shares of the Corporation for gross proceeds of (CND) \$2 Million.

ABOUT TYPHOON EXPLORATION INC.

- Typhoon Exploration Inc. holds only 22,591,235 shares outstanding.
- The Fayolle Property offers the company the potential to gather important gold resources.
- The 27 million dollar agreement between Typhoon Exploration Inc. and Aurizon Mines Ltd. is starting off its third year and is going according to schedule.
- Typhoon Exploration Inc. mandated InnovExplo Inc. to complete a preliminary economic study of the Fayolle Deposit.
- Typhoon Exploration Inc. has begun exploration work on its Nordair Property, located in the heart of Plan Nord Territory.

THE COMPANY OWNS THE FOLLOWING PROJECTS:

- Fayolle Project, 100%-owned by Typhoon Exploration Inc. / Rouyn-Noranda region
(See agreement with Aurizon Mines Ltd. in press release dated May 18, 2010)
- Faille 1 Project, 100%-owned by Typhoon Exploration Inc. / Rouyn-Noranda region
- Monexco Project, 100%-owned by Typhoon Exploration Inc. / Chibougamau region, in the heart of Plan Nord territory
- Nordair Project, 100%-owned by Typhoon Exploration Inc. / James Bay region, in the heart of Plan Nord territory
- Aiguebelle-Goldfields Project, 51%-owned by Typhoon and 49%-owned by Agnico-Eagle Mines Limited / Rouyn-Noranda region
- Destorbelle Project, 50%-owned by Typhoon and 50%-owned by Diamond Frank Exploration Inc. / Rouyn-Noranda region

Typhoon takes advantage of Quebec's excellent mineral potential for the development of new world class gold deposits.

For more information, visit SEDAR's website at www.sedar.com or the company's website at www.typhoonexploration.com

QUALIFIED PERSON

Mr. Daniel Gaudreault, P. Eng., Geol. (OIQ), of Géologica Groupe-Conseil, is the Qualified Person as defined by National Instrument 43-101, to supervise the preparation of this press release.

The Independent and Qualified Persons for the updated mineral resource estimate, as defined by National Instrument 43-101, are Pierre-Luc Richard, M.SC., P.GEO., and Alain Carrier, M.SC., P.Geo. (InnovExplo Inc.).

The common shares of Typhoon Exploration Inc. are listed on the TSX Venture Exchange under the symbol "TYP".

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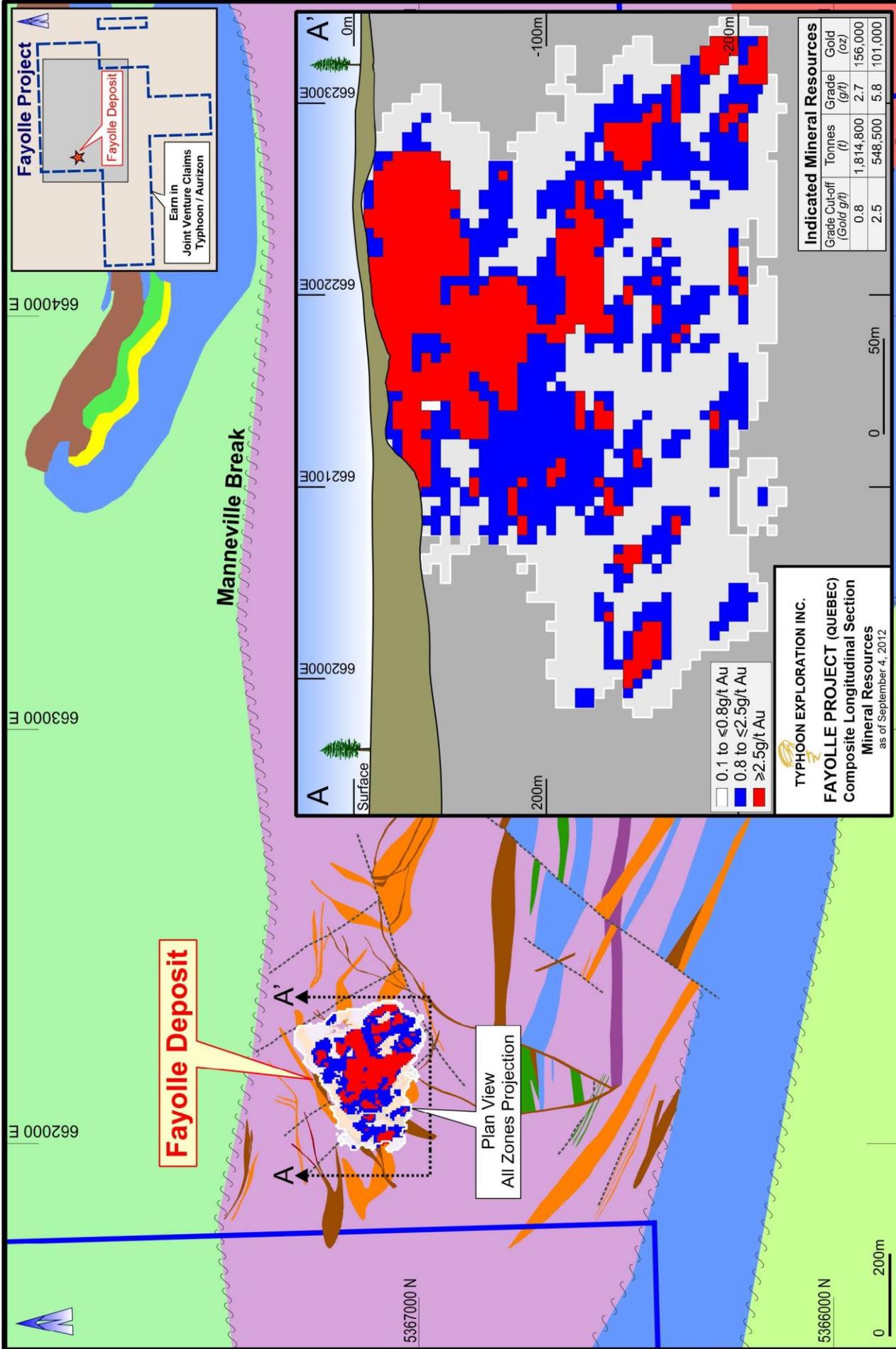
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Forward-Looking Statements

This news release contains statements that constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities legislation. This forward-looking information is subject to numerous risks and uncertainties, certain of which are beyond the control of Typhoon. Actual results or achievements may differ materially from those expressed in, or implied by, this forward-looking information. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that Typhoon will derive therefrom. Forward-looking information is based on the estimates and opinions of Typhoon at the time the information is released and Typhoon does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. Neither 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.



Fayolle Deposit

Plan View
All Zones Projection

Manneville Break

664000 E

663000 E

662000 E

662300E

662200E

662100E

662000E

5367000 N

5366000 N

0

200m

0m

-100m

-200m

0

50m

100m

150m

200m

250m

300m

350m

400m

450m

500m

550m

600m

650m

700m

750m

800m

850m

900m

950m

0.1 to <0.8g/t Au
0.8 to <2.5g/t Au
>2.5g/t Au

TYPHOON EXPLORATION INC.
FAYOLLE PROJECT (QUEBEC)
Composite Longitudinal Section
Mineral Resources
as of September 4, 2012

Indicated Mineral Resources			
Grade Cut-off (Gold g/t)	Tonnes (t)	Grade (g/t)	Gold (oz)
0.8	1,814,800	2.7	156,000
2.5	548,500	5.8	101,000

TYPHOON EXPLORATION INC.

FAYOLLE PROJECT (QUEBEC)
Surface Geology

Mafic Volcanics	Mafic Intrusions	Sediments
Intermediate Volcanics	Syenite	Fault
Felsic Volcanics	Monzoniorite	
Basalt		
Komatiite		
Fuchsitized Komatiite		