



Bearclaw Reports Phase One of Work Program underway on the Axe Porphyry Copper-Gold Project

Vancouver, British Columbia - August 28, 2012. Bearclaw Capital Corp. (TSX-V: BRL and FSE 5BQ) is pleased to report that the first phase of exploration work on the Axe Porphyry Copper-Gold Property (the "Property") by Xstrata Copper Canada ("Xstrata") is underway. Bearclaw is party to a joint venture (the "Axe JV") in which it holds a 30% beneficial interest in 25 mineral claims (4,983 hectares) known as the Axe Property which is located in the Similkameen Mining division approximately 20 Kilometers north of Princeton, British Columbia. Bearclaw, together with its partner, optioned the Property to Xstrata in March of this year.

As part of the Phase One work program, Xstrata crews are conducting geological mapping, soil sampling and line cutting on the Property with the goal of expanding the known mineralization zones on the Property. The cut lines will be used to conduct a future induced polarity ("IP") survey on a number of copper-gold targets which were identified during previous drilling and geophysical work conducted by Bearclaw and its Partner.

Bearclaw is pleased to see the Axe Property continue to be advanced through the efforts of Xstrata and looks forward to additional exploration developments on the Property in the future.

This news release contains forward-looking statements. Known and unknown risks and uncertainties may cause actual events or results to differ materially from those expressed or implied by any such forward-looking statements.

Bearclaw Capital Corp. is a Canadian public mineral exploration company which was incorporated in British Columbia in 1999. The Company has several significant copper-gold-silver properties located in British Columbia.

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

On behalf of the Board

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