

KOKANEE MINERALS INC.

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NEWS RELEASE

KOKANEE TERMINATES TANZANIAN EXPLORATION CONSULTANT

March 7, 2012

Symbol: KOK

Vancouver, B.C. – March 7, 2012 – Kokanee Minerals Inc. (“Kokanee” or the “Company”) (TSX-V:KOK) announces that it has terminated its Tanzanian exploration consultant, Mr. Laurence Stephenson (“Stephenson”) and his companies AFGF (Tanzania) Ltd.(“AFGF”) and Kokanee Placer Ltd.(“Placer”) for cause. The termination was unanimously approved by the Board and follows a failure by Stephenson to satisfactorily reconcile cash advances provided by the Company for exploration expenses in Tanzania. As reported in the Company’s September 30, 2011 audited financial statements, exploration advances totaling \$813,000 to Stephenson, AFGF and Placer have not been reconciled to the satisfaction of the Company or its auditors. The Company is initiating arbitration proceedings to force reconciliation or collection of the \$813,000.

AFGF is both the optionor of the Company’s Morogoro and North Hills 500 properties in Tanzania and a co-exploration consultant with Stephenson and Placer under a consulting agreement dated January 22, 2010 (the “Consulting Agreement”). The Company has received notice from AFGF that it considers the Company in default of its obligations under the Morogoro and North Hills 500 option agreements based on payments that AFGF deems owing under the Consulting Agreement. All required option payments under the Morogoro and North Hills 500 option agreements have been made by the Company. No further payments are required until October 7, 2012. It is the opinion of management and counsel for the Company that the Morogoro and North Hills 500 option agreements are in good standing and that the Consulting Agreement dispute does not impact the option agreements.

The Company is seeking resolution of the issues which have given rise to the termination of Stephenson, AFGF and Placer as exploration consultants. The Company is considering the options available to continue its exploration program on the Morogoro and North Hills 500 properties through 2012. The Company’s director and Qualified Person, Mr. Garry Clark, P.Geo. states, “Initial work done on the North Hills 500 property is encouraging and justifies Kokanee considering further work on the property in 2012.”

On behalf of the Board of Directors

“Michelle Gahagan”

Michelle Gahagan, Director

For more information:

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