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FinnAust Mining PLC
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FinnAust Mining plc

Polymetallic Discovery at Hammaslahti Project continues to grow - mineralisation now intercepted over 500m along north to south strike and all holes in first cross-section hit mineralisation

FinnAust Mining plc ("FinnAust" or the "Company") is pleased to announce the discovery of additional high grade copper ("Cu"), zinc ("Zn"), lead ("Pb"), silver ("Ag") and gold ("Au") mineralisation, which has extended the previously identified high grade polymetallic mineralised lode at its Hammaslahti Project in Finland. FinnAust is an AIM listed exploration company, which is actively exploring a portfolio of copper, zinc and nickel projects in Finland and Austria including the previously mined Hammaslahti Cu-Zn deposit in southern Finland.

Highlights

- Assay results from three further holes and indications from a fourth, have extended the newly discovered polymetallic system to over 500m north to south and over 125m east to west
- The strike remains open to the south, east and west and further holes are currently focussed on extending the lode further in all directions
- All 6 drill holes targeting this lode to date have intercepted the mineralised system, which is well located beneath and proximal to existing underground

developments and close to infrastructure

- Results include high grade copper, zinc, lead, silver and gold results:
 - R329 drilled circa 50m south-west of R325 - sulphide zone (including massive to semi-massive sulphides) of 1.4m @ 2.34% Cu, 4.05% Zn, 0.96% Pb, 67.6 grams per tonne ("gpt") Ag and 0.13 gpt Au from 267.6m downhole
 - Hole R330 drilled 50m west of R329 - Cu/Ag sulphide zone (including semi-massive sulphides) of 1.0m @ 2.26% Cu, 36.1gpt Ag and 0.22 gpt Au from 280.5m downhole
 - The above intercept was within a broader disseminated to semi-massive zone of 5.15m @ 1.02% Cu, 13.9 gpt Ag and 0.17 gpt Au from 276.4m downhole
 - Both R327 and R328 intercepted lower-grade disseminated Cu and Zn mineralisation
 - Hole R331 recently completed and NITON handheld XRF analysis highlights that the mineralised envelope continues at least 500m north to south

FinnAust Executive Director Alastair Clayton said, "With this latest batch of drill holes, the recently discovered Hammaslahti lode is beginning to grow in size and potential. Holes R328 to R330 represent the first east to west section across the lode, and accordingly it is especially pleasing to report these further strong grades. Considering that we have now intercepted mineralisation at the recently completed R331 hole, for which we are currently awaiting assay results, we are confident that the lode extends over 500m across the north to south strike and over 125m in the east to west. It is also clear that it remains open to the south, east and west. Consequently, the forthcoming holes have been designed to extend the lode further in all directions, and we look forward to reporting these assays when they are available to us.

"We believe that due to the lack of historic near-mine exploration

conducted by state-owned operators, further lodes exist in proximity, and naturally we will focus on identifying these going forward as part of our rolling 10,300 metre drilling campaign. This way, we hope to start understanding the full potential of the Hammaslahti Project, and to identify the highest-grade portions of the lodes, so that we may formulate a future work programme for its development."

Additional Information

The Company is encouraged by the fact the mineralisation discovered as part of the Hammaslahti drill programme is relatively shallow and proximal to the historic pit and underground drives. Company geologists believe this mineralisation is part of a relatively continuous North to South plunging lode system transitioning from shallow zinc and gold in the North to copper as it deepens in the South. Company geologists also believe this new lode sits en-echelon (slightly to the north and east) to the main Hammaslahti zinc lode, which was mined until 1986.

To date, the Company has received results from 6 drill holes targeting the lode, all of which have encountered the mineralised envelope. On 21 July 2014, the Company announced that it had discovered a newly mineralised polymetallic lode proximal to the historic pit. Drilling since then has successfully focussed on expanding the lode.

R329 was drilled circa 50m south-west of R325 and intercepted a sulphide zone (including massive to semi-massive sulphides) of 1.4m @ 2.34% Cu, 4.05% Zn, 0.96% Pb, 67.6gpt Ag and 0.13 gpt Au from 267.6m downhole. Hole R330 was drilled 50m west of R329 and intercepted a Cu/Ag sulphide zone (including semi-massive sulphides) of 1.0m @ 2.24% Cu, 36.1gpt Ag and 0.22 gpt Au from 280.5m downhole. Notably, this intercept was within a broader disseminated to semi-massive zone of 5.15m @ 1.02% Cu, 13.9 gpt Ag and 0.17 gpt Au from 276.4m downhole. Both R327 and R328 intercepted lower-grade disseminated Cu and Zn mineralisation.

The Company recently completed the R331 step-out hole, which was drilled 150m to the south of R326 and was designed to extend the lode to approximately 500m in the north to south strike direction. Assays are pending, however mineralisation has been

confirmed visually by Company geologists and it has also been tested with a NITON handheld XRF, and FinnAust is confident that the north to south strike will extend this far. Assay results for hole R331 will be provided in due course.

Importantly, the newly discovered system remains open to the south, east and west and the Company remains focussed on defining the extent of the mineralisation. As a result, the drilling of hole R322 is underway, circa 70m to the west of R330. Success with this hole would further grow the lode to nearly 175m in the east to west orientation.

As with any early stage discovery FinnAust is focussed on identifying the highest-grade portions of the lode, although it is worth noting that often when drilling on relatively wide spaced centres, grades will vary from hole to hole.

Figure 1: Drill holes location at Hammaslahti (Please view the associated PDF)

Hammaslahti Target

The Hammaslahti Project is located in southern Finland and includes a previously mined copper-gold-zinc ore body interpreted to be a part re-mobilised volcanogenic massive sulphide ('VMS') type deposit. Historically, mining initially commenced at several shallow open pits, followed by an underground mine to a depth of approximately 450m. Mining ceased in the mid-1980s due to depressed metals prices.

In mid-December 2013, FinnAust commenced drilling regional targets near Hammaslahti. This forms part of its 10,300m 11 month rolling drilling campaign focussed across its three high-priority copper-gold and nickel-copper-platinum group element projects, Hammaslahti, Outokumpu and Enonkoski.

Competent Person's Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Urpo Kuronen, who is Chief Operating Officer of the Company and a Member of The Australasian Institute of Mining and Metallurgy.

Mr Kuronen has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the

activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kuronen has reviewed this announcement and consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

****ENDS****

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Notes

FinnAust Mining plc is an AIM listed exploration company focused on copper and base metals in Finland and Austria. Its proven management team, with its track record of exploring, discovering, financing, constructing and safely operating mines globally, has established a portfolio of highly prospective projects at various stages of development. Finland is rated the number one mining destination worldwide in the Fraser Institute Global Mining Survey Results 2012/2013.

The Company's primary focus of exploration is a portfolio of assets in Finland. Three high-priority target areas have already been identified, Hammaslahti, Outokumpu and Enonkoski, which are prospective for Volcanogenic Massive Sulphide ('VMS'), high-grade magmatic sulphide nickel-copper and Outokumpu type copper deposits. The assets are located in one of the world's most prolific geological belts, which hosts multiple high grade mines including the world famous Outokumpu copper mine, which reportedly produced a total of approximately 34.4 million tonnes of ore at average grades of 3.6% copper, 1.2% zinc, 0.22% cobalt

and 0.1% nickel between 1914 and 1988.

FinnAust also holds an 80% interest in the previously producing 33 km sq Mitterberg Copper Project in Austria, which the Company is currently evaluating in order to determine the best plan for future development.

This information is provided by RNS
The company news service from the London Stock Exchange

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Anonymous (not verified)
Polymetallic Discovery Update, Hammaslahti Finland
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