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**FinnAust Mining plc ('FinnAust' or the 'Company')
Increases Land Position Surrounding Project Areas in
Finland and Update on Bluejay Acquisition**

FinnAust Mining plc, the AIM listed exploration company with projects in Greenland, Finland and Austria, is pleased to announce that it has significantly expanded its licence coverage at its 100% owned copper, zinc and nickel properties in Finland. Additionally it provides an update regarding the status of the acquisition of Bluejay Mining Limited.

Additional licences have been granted over prospective land surrounding its three Finnish project areas, namely the Hammaslahti Copper-Gold-Zinc Project, the Outokumpu Copper Project and the Kelkka Nickel Project. This licence expansion, which has been achieved at low cost, reinforces the Company's view that its Finnish portfolio is of strategic importance and supports its stated strategy of positioning the assets for exploration initiatives when market conditions improve.

FinnAust holds a total of 76 permits for exploration, of which two are Reservations (13,192 hectares in total), 57 are claims (3,663 hectares in total) and 17 are Exploration Licences ('EL') (7,655 hectares in total).

FinnAust CEO Roderick McIlree said, "Our Finnish assets are highly prospective and the receipt of these additional licences demonstrate our commitment to the Finland project areas and

highlight the value upside we still see in this region. At the appropriate time FinnAust will restart exploration in Finland, however in the interim the projects are being maintained on a low cost holding basis. Importantly, the Finland projects are cost sustainable which means that we can continue to focus on our stated strategy to evaluate assets within the expanded Nordic region as well as to get the Pituffik Titanium Project in Greenland into production in the near to mid-term. Our management team has strong experience of operating in Greenland and believes that the regulatory approval of the change of control of the Bluejay exploration licence required to complete the acquisition will be forthcoming in the short term. We look forward to providing updates regarding this matter and the results we are expecting from work completed on the Pituffik Titanium Project in 2015 in the coming weeks."

Outokumpu Copper Project

At the Outokumpu Project, FinnAust has secured two further ELs, consisting of two areas of the Haapovaara EL (999 hectares in total) and the Viuruniemi EL (971 hectares). This has increased the Company's project area to 6,130 hectares in total, comprising of 52 licence areas of which 44 are claims and 8 are ELs (Figure 1). A further EL application is still in progress at Outokumpu. The claims expire in 2017 - 2018 and the new ELs in 2019 - 2020. A three year extension can be applied to all of the claims and ELs.

The two Haapovaara licence areas (999 hectares in total) are located north of the Kylylahti mine, which is currently operated by Boliden. The eastern licence area covers the NE extension of the Kylylahti zone, which has potential for Outokumpu type high grade copper sulphide deposits. The western area of the Haapovaara EL may represent a parallel zone with the Kylylahti zone, including rocks of the Outokumpu assemblage with potential also for copper sulphides. The Haapovaara EL expires in 2019.

The Viuruniemi EL (971 hectares) is located approximately 5km south east of the main Outokumpu Belt, which contains historical copper sulphide deposits, in the southern part of the Outokumpu project area and has the potential to represent a parallel structure to the main belt. The licence area has been picked up based mainly on geophysics (magnetic, gravity, EM and ZTEM). No historical exploration has been conducted on this area. The Viuruniemi EL expires in 2019.

Figure 1. FinnAust tenement holding in the Outokumpu project. Airborne magnetic data from GTK. (Please see PDF at the top of the page.)

Hammaslahti Copper-Gold-Zinc Project

In the Hammaslahti project area FinnAust has been granted a further licence, Tohmajärvi EL (921 hectares), which has seen it increase the project area to 12,317 hectares, comprising of 18 licence areas. Of this total number of licences, the Reservation licence covers the largest area (9,834 hectares) and is valid till July 2017 (Figure 2). The remaining licences include 13 claims (940 hectares) and 4 ELs (1,543 hectares), which will be expired in 2017-2019. A three year extension application applies to both claims and ELs. A new EL can also be applied over the Reservation area or part of it before it expires in 2017.

The Tohmajärvi EL is located on the southern part of the Hammaslahti Belt. Due to the existence of many historical outcrop samples with high copper ('Cu'), zinc ('Zn'), lead ('Pb'), silver ('Ag') and gold ('Au') grades, this area is highly prospective for VMS type Cu-Zn-Pb-Ag-Au deposits. The Tohmajärvi EL expires in 2019.

Figure 2. FinnAust Tenement Holding in the Hammaslahti Project. (Please see PDF at the top of the page.)

Kelkka Nickel Sulphide Project

At Kelkka, FinnAust has secured two further licence areas, the Enonkoski C EL (1,849 hectares) and Makkola EL (514 hectares), increasing the total project area to 5,730 hectares. These cover a zone between the historical Enonkoski and Hälvälä nickel-copper mines. A Reservation (3,358 hectares) secures the SE part of that zone (Figure 3). The Reservation expires in 2017 and the Enonkoski C and Makkola ELs in 2019. Several gabbro intrusions, similar to the intrusions which host historical ore deposits, have been located within the tenement areas from historical geological and geophysical data, providing the rationale for the application.

Figure 3. FinnAust Tenement Holding in the Kelkka Project (Please see PDF at the top of the page.)

Update on Bluejay Acquisition

The acquisition of a 60% stake in Bluejay Mining Limited ('Acquisition') was approved by shareholders at the General Meeting in December 2015. The Acquisition remains conditional upon the receipt of change of control consent from the Greenlandic authorities and application has been made to the relevant authorities for the change of control of the mineral exploration permit to be approved. Whilst approval is taking longer than first anticipated, the Company is confident that the approval process is a formality and consent will be received in due course. Upon receipt of change of control consent from the Greenlandic authorities, the Acquisition and placing will complete and the initial consideration shares and placing shares will be issued. Further information on the Acquisition and placing is contained in the circular to shareholders dated 8 December 2015.

****ENDS****

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Anonymous (not verified)
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