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FinnAust Mining PLC
19 July 2016

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FinnAust Mining plc / EPIC: FAM / Market: AIM / Sector: Mining
19 July 2016

This announcement contains inside information

FinnAust Mining plc ('FinnAust' or the 'Company')
2016 Exploration Programme Approved by Greenlandic Authorities

FinnAust Mining plc, the AIM and FSE listed company with projects in Greenland, Finland and Austria, is pleased to advise that it has received approval from the Mineral Licence and Safety Authority ('MLSA') for its 2016 work programme at the Pituffik Titanium Project ('Pituffik' or 'the Project'), located in north-west Greenland.

Highlights

- Activities to focus on key target areas of Pituffik - the active, raised and drowned beaches, expanding the geological model developed in 2015 to include a maiden resource

- The Geological Survey of Greenland and Denmark ('GEUS') has designed and will execute the 2016 programme in consultation with SRK Exploration Services ('SRK')

- Work to include:
  - Vibracore drilling in the shallow marine environment
  - Ground penetrating radar over the raised beaches
  - Extensive pit sampling and auger drilling
  - An Environmental Impact Study ('EIA') (approval

expected in the near term) comprising, amongst other things, a baseline study inclusive of marine, freshwater and terrestrial samples - to be conducted by Orbicon A/S

- Results to be compiled by SRK, expanding the geological model to include a resource calculation for both the high grade Moriusaq Bay target and the broader area

FinnAust CEO Roderick McIllree said, "The approval of this work programme follows on from the recent extension of the mineral exploration licence to cover offshore areas, which was the first marine based exploration licence for minerals to be granted by the Self Rule Government of Greenland. Operating under security of title is critical given the expectation of a meaningful maiden resource for Moriusaq Bay as well as for the larger project area.

"Importantly a resource forms a fundamental component of any exploitation licence application and we hope this deliverable can be achieved by the end of the year. Work on site will also focus on the bulk sample to be extracted in 2017. It is expected that a processing route will be defined shortly and will be confirmed by the bulk sample, enabling us to deliver larger samples to interested parties. With SRK and GEUS, both well-known and respected independent consultants executing the 2016 work programme this gives us comfort we will complete our stated objectives."

Further Information

Given the recent grant of what is the first marine exploration licence for minerals by the Self Rule Government of Greenland it was necessary to ensure that many of the proposed activities be carried out in a responsible manner, even though these processes are well established and proven techniques globally. Therefore the programme was designed in close consultation with the government and the Company's independent partners to ensure an appropriate precedent was set for the new licence conditions both now and in future.

FinnAust has now received approval for all activities proposed in the 2016 exploration programmes (apart from EIA works which is expected shortly). These include export permits for sample and metallurgical material, permits for the operation of terrain vehicles and equipment required to collect, transport and process these

samples. This programme will build upon the solid foundation of work completed in 2015, but will now include both the marine and terrestrial components.

Fieldwork last year continued to identify titanium rich sands at Pituffik however the campaign was primarily aimed at establishing the existence and extent of the drowned beach sediments. Marine boomer profiling defined extensive ilmenite bearing strata, which precipitated the application for an offshore exploration licence. With this new licence in hand FinnAust will focus now on the methodical sampling of these sediments to ensure a high quality mineral resource. It is also expected that this approach will be duplicated over the active and raised beaches using ground penetrating radar, auger drilling as well as pit sampling. This will create a three dimensional model of all the sedimentary material along the coast, both above and below sea level, in a swathe some two kilometres wide.

GEUS intends to utilise three sampling platforms in parallel to create an integrated programme designed to analyse all three sedimentary accumulations. The sampling and analysis will define the concentrations of titanium sands across all target areas and will be incorporated into the geological model for resource modelling purposes. Two vibrocore sampling platforms will assess the marine environment while an auger drill will be used on land.

The first vibrocore will be deployed from the larger support vessel using a dual anchoring system to maintain seabed position. The second vibrocore unit will sample from a pontoon in the sheltered Moruisaq harbour with support from a small tender. Favourable tides will be used to sample areas better suited to a particular type of sampling.

Auger drilling will be conducted on active and raised beaches and where possible will be completed on ground penetrating radar lines. This will allow the grade and geophysical response to be calibrated.

SRK will review and guide exploration activities that should result in an initial resource calculation for the high grade Moriusaq Bay as well as the surrounding project area. A SRK Competent Person will also conduct a site visit for sign off of the mineral resource estimation.

In addition, the Company is expecting approval of the environmental baseline study shortly as this is a prerequisite for an exploitation licence application. This study will include environmental baseline activities such as the collection of marine, freshwater and terrestrial samples to record the state of the environment prior to any ground disturbing activities as well as more detailed surveys of the benthos, arctic tern, common elders as well as vegetation assessments.

Figure One: Preliminary drill hole and ground penetrating radar survey design for the Moriusaq area, overlain on photomosaic from heliborne photogrammetry and ilmenite bearing sediment thickness derived from boomer profiling. (Please see PDF)

****ENDS****

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Notes

FinnAust has a number of highly prospective licences at various stages of development in Greenland, Finland and Austria. The Company is dual listed on the London AIM market and Frankfurt Stock Exchange.

The Company is currently focussed on advancing the Pituffik project in Greenland, an area that has only recently revealed its mineral potential following changes in the climate. Pituffik, which FinnAust conditionally acquired in December 2015, has demonstrated the potential to be in the top percentile of projects worldwide in terms of heavy mineral grade.

Pituffik comprises three main target areas along an >80km coastline historically proven to contain large and high-grade accumulations of primary ilmenite occurring as placer deposits in the following environments:

- Raised beaches; containing ilmenite accumulations over widths of more than 1km, of unknown depths, along more than 20km

of coastline;

- Active beaches; which refer to the area seaward of the frontal dunes, including the beach, tidal zones and surf zone - historically samples from this area have achieved 70% ilmenite by weight; and
- Drowned beaches; refers to the areas seaward of active beaches.

The Company's strategy is focused on the production of a bulk sample "proof of concept" from the Pituffik project in 2017 with the aim of ultimately generating cash flow to create a company capable of self-funding exploration on future acquisitions.

FinnAust has an interest in 60% of Bluejay Mining Limited the holder of the Pituffik exploration licence and has an option to acquire the remaining 40%.

FinnAust also holds a 100% interest in a portfolio of copper, zinc and nickel projects in Finland and an 80% interest in the previously producing 33 km sq Mitterberg Copper Project in Austria. This multi-commodity portfolio remains a strategic asset of importance and has been restructured to be cost-sustainable whilst determining the best plan for future development.

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2016 Work Programme Approval
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