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FinnAust Mining PLC
19 September 2016

FinnAust Mining plc / EPIC: FAM / Market: AIM / Sector: Mining

19 September 2016

FinnAust Mining plc ('FinnAust' or the 'Company')

Final Results

FinnAust Mining plc, the AIM and FSE listed company with projects in Greenland, Finland and Austria, is pleased to provide its Final Results for the year ended 30 June 2016.

The Company also announces that its Annual General Meeting ('AGM') will be held at 10am on 12 October 2016 at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE. A notice convening the AGM, proxy form and Report and Accounts for the year ended 30 June 2016 will be posted to shareholders today and will also be available to download from the Company's website at www.finnaust.com shortly.

Highlights

- Published exploration results successfully demonstrating the potential for the Pituffik Project to be in the top percentile of titanium projects globally in terms of grade

- Granted the first offshore minerals licence in Greenland

- Appointed key consultants in line with strategy to deliver production at low cost in the relative near term via a dredging operation within the marine environment

- Strong progress made to support application for an exploitation licence in Q1 2017 ahead of delivering a proof-of-concept bulk sampling programme in 2017
    - Post period end, work programme commenced to generate a maiden JORC code compliant resource
    - Prepared and shipped a large metallurgical sample to metallurgical consultants to produce a high purity ilmenite concentrate for analysis and distribution

- Broadened Greenland footprint via the all-share acquisition of polymetallic licences, which position FinnAust as a dominant player in this emerging resource destination

- Cash position at 30 June 2016 was £425,046 (30 June 2015: £795,368) - raised £500,000 by way of a placing post period end

FinnAust CEO Roderick McIllree said, "This has been a transformational year for FinnAust, defined by the acquisition of the highly prospective Pituffik titanium project in Greenland. With multiple prospects identified and results to date underpinning our belief that Pituffik has the potential to be in the top percentile of titanium projects globally in terms of grade, we believe this deposit has the potential to become a significant value driver for the Company. Our focus is now on strengthening our knowledge of the asset, and we expect to be in a position to publish a JORC compliant resource by the end of 2016, ahead of commencing a proof-of-concept bulk sampling programme in 2017.

"With Greenland only just beginning to reveal its resource potential we are delighted to have a first-mover position in this prospective region, and in line with this, post-period end we expanded our geographical footprint through the acquisition of two polymetallic assets in the south-west of the country. Both projects boast multiple, large, high-grade polymetallic targets that are drill ready. With near term development potential at Pituffik and additional upside opportunity available at these news assets, we believe the coming year will be extremely active for the Finnaust. We look forward to keeping shareholders updated with our progress as we look to deliver on these value accretive milestones."

Chairman's Statement

The year under review for FinnAust Mining plc (the 'Company' or 'FinnAust') has been characterised by rapid transformation and progress, thanks to our successful acquisition of the Pituffik Titanium Project ('Pituffik' or the 'Project') in Greenland in December 2015. We believe that this significant and unusually pure titanium deposit, which is spread across both beaches and the shallow marine environment, has the potential to be in the top percentile of projects worldwide in terms of heavy mineral grade. I sit on the FinnAust Board as a representative of the Company's supportive cornerstone investor, Western Areas Limited, and in assessing this Project, we were attracted to the opportunity to deliver production at low cost in the relative near term via a dredging operation within the marine environment using industry normal equipment and practices.

FinnAust has big ambitions for this distinctive and exciting Project and is committed to effectively delivering on our strategy for the benefit of all stakeholders. We anticipate dredging a small amount of material next year to demonstrate that the logistics and processing routes currently being developed are precise before ramping up our operation towards a full production scenario. Significant milestones have been achieved since December 2015: we were granted the first offshore minerals licence in Greenland; appointed consultants with the right experience to develop this project; received very positive results from the 2015 study programme which demonstrated that the shallow marine environment hosts very large volumes of potentially high grade titanium; and commenced a work programme to generate a maiden JORC code compliant resource which, when defined, will support the Company in its application for an exploitation licence during 2017. I am pleased to report that the initial findings of the activities support our belief that Pituffik has the potential to be a significant global titanium project.

Pituffik is located within the broader "Thule black sand province" in North West Greenland, comprising coastlines several hundred kilometres long that contain both ilmenite and magnetite-rich regions. These regions host localised higher concentrations of ilmenite, and it is these areas that FinnAust is targeting. The Company has focused its attention on three primary target types along more than 30km of prospective coastline, Raised, Active, and Drowned beaches. Work undertaken prior to our acquisition of the Project identified two project areas within the Pituffik tenure. Moriusaq is the most advanced and has returned the highest ilmenite grades to date, whilst Interlak offers the largest volume of heavy mineral sands with grade upside potential. Importantly, the highest-grade material from the entire region to date has been identified within FinnAust's licences.

Photogrammetry, marine bathymetry and onshore and offshore sampling was completed by the previous owners, Bluejay Mining Limited ('Bluejay'), during 2015 and initial results gave an indication that it could become one of the highest grade in situ deposit of ilmenite anywhere in the world. Shortly after the transaction we delivered the results from these campaigns which positively strengthened this belief by demonstrating that the shallow marine environment hosts very large volumes of potentially high grade titanium within shallow, extensive and thick ilmenite rich sediments extending for >30km in length and 1,000m in width. With the sedimentary horizons on average more than 5m in thickness (up to a maximum thickness of 27m), the amount of known titanium mineralisation understood by the Company to be in existence at

Pituffik was multiplied significantly. Three sedimentary units were identified in total with the two shallowest sequences showing visual concentrations of ilmenite. Sampling in the "Moriusaq bay" gave us an indication of the phenomenal grade potential of this area, returning opaque fractions (magnetite and ilmenite) of up to 95% of sample with 73% of that being ilmenite. Sampling was not limited to the marine environment and on the active beaches at Moriusaq, average grades of ±40% were returned. In addition to these areas are the far more expansive uplifted beaches which are on average around 17% ilmenite. The third or "high stand" sequence wasn't sampled during 2015, however continues to represent an attractive exploration target even if in slightly deeper water.

These results make it clear that we have ownership of a very pure and expansive ilmenite deposit. Bearing in mind our plans to dredge the marine environment, we were naturally delighted to receive an extension to our existing onshore licences to include all minerals within the shallow marine environment at Pituffik. This is the first time that the Self Rule Government of Greenland has granted a marine based exploration licence, which is testament to our strong relationship with the authorities and the potential of our Project. This was a milestone moment for FinnAust, providing us not only with title over the marine bearing sediments at Pituffik but more importantly, providing us a clear permitting pathway for the Project as a whole. Our positive relationship with the Greenlandic authorities endorses our strong geographic focus on European natural resource projects, mostly due to the Board's aversion to sovereign risk. With this licence in hand we are ideally positioned to look ahead and commence a new work programme to support our production strategy.

In order to successfully commercialise this exciting asset, it is imperative that we deliver a viable development and logistics solution. With this in mind we appointed Royal IHC ('IHC'), a world leader in the provision of cost-effective wet mining solutions, dredging equipment supply, training, maintenance and support to work with us in defining an effective scenario for both our 'proof of concept' bulk sampling programme planned within the marine environment at Moriusaq (also known as Moriusaq Bay) in H2 2017, and for our full scale production operation. We anticipate using their in house wet mining equipment and look forward to receiving a high level cost estimation for our Project. I am excited to be working with IHC, who stood out during the evaluation process as the best and most qualified to provide all marine dredging and wet mining services as we move Pituffik towards development.

Defining a processing route is also key to delivering production and we have made excellent progress here. KeyPointE Pty Ltd ('KeyPointE') and QuedTech Pty Ltd ('QuedTech'), both leaders in the mineral sands space, have been appointed to complete the next phase of metallurgical test work programme at Pituffik. As part of our 2016 work programme, a large metallurgical sample has been prepared and shipped to our metallurgical consultants with the aim of producing a high purity ilmenite concentrate for analysis and distribution. Once this has been completed, attention will turn to scaling up and optimising the processing route identified in order to support large-scale production of a similar high purity ilmenite concentrate from the Pituffik black sands. This will ultimately evolve to include pilot scale continuous testing later this year. Following this, both KeyPointE and QuedTech will confirm the processing flowsheet, which will form the basis for plant design and optimisation, and will advise on processing routes in order to optimise concentrate production rates and operating efficiencies.

We are also pleased to be working with Mr. Peter Waugh as we focus on finalising our route to market and we expect to benefit from his broad industry management experience as well as his valuable knowledge of the international titanium dioxide pigment industry.

We are optimistic that our product will be in strong demand given the results of the market analysis conducted by TZ Minerals International Pty Ltd ('TZMI'), which covered all aspects of the titanium sector and identified two prospective end-sale markets for product taken from Pituffik. Initial analytical results indicate that the ilmenite concentrate from Pituffik in its current non optimised form is well suited for direct use in the sulphate production process of Titanium Dioxide pigment ('TiO2')

This non-optimised ilmenite concentrate from Pituffik gives the Company a high degree of confidence that with a very small amount of further purification on larger samples from the main zones at the Project, the concentrate could also be suitable for chloride slag manufacture to produce either TiO2 pigment or titanium metal.

Detailed market analysis from TZMI confirms chloride slag and sulphate markets are both large & growing globally and potential end-sale customers have been identified in both Europe and Asia. TZMI has also forecast that supply deficits will increase into the medium and longer term, thereby presenting the Company with an excellent opportunity to deliver Pituffik product into this market shortfall.

We plan to submit our application for an exploitation licence in Q1 2017. There are a number of pre-requisite tasks to complete ahead of applying for this licence which are:

- a resource definition programme;
- an Environmental Impact Assessment; and
- a Social Impact Assessment.

To ensure that we complete these rapidly and successfully, we have appointed a number of world class consultants to assist in delivering these results.

The Geological Survey of Greenland and Denmark ('GEUS') is playing a key role in our campaign to deliver a resource. Exploitation is now possible due to the dramatic climatic changes being experienced in this part of the world. GEUS has worked on the Project in one form or another for more than 40 years and has an intimate understanding of the Project. We have leveraged off this knowledge base with the design and execution of the 2016 work programme at Pituffik which is comprised of:

- Vibracore drilling in the shallow marine environment;
- Ground penetrating radar over the raised beaches; and
- Extensive pit sampling and auger drilling.

The mild weather conditions allowed us to quickly complete our planned campaign, which focussed on both Moriusaq and Interlak. GEUS is now working with SRK Exploration Services Limited to deliver a JORC compliant resource for the marine and broader environment and pleasingly, the initial findings support the Company's belief that Pituffik represents a globally significant titanium project. Extensive trenching over main project areas has identified large volumes of ilmenite-rich sand across many square kilometres while ground penetrating radar has identified buried layers of what is expected to be high concentrations of heavy minerals. Additionally, all 260 auger drill holes completed on the raised and active beach targets show significant horizons of ilmenite-rich sands. We expanded the programme to include infill drilling focused on the regional extent of raised beaches between Moriusaq and Interlak (±15km) which will define deeper drilling targets for future work as is common in this type of coastal system.

We have also drilled 150 offshore vibracore holes to date from a support vessel (designed to penetrate up to 3m). Vibra-coring (or vibro-coring) is a technique for collecting core samples of underwater sediments and soils using a rod and a vibrating drill head. Vibra-coring, utilising a second unit, was also completed from a raft in shallower, protected waters. Some holes in the Moriusaq Bay area encountered compacted layers of ilmenite bearing sediments and cobble, reducing penetration.

The Company has also recently acquired Avannaa Exploration Limited (a subsidiary of Cairn Energy Ltd). The transaction is yet to settle and remains conditional on Greenlandic approval; however the portfolio consists of exciting projects that the Company believes will create significant shareholder value in the near and long term future.

Accordingly, we look forward to generating a maiden resource for the Project and thereby defining both the grade and volume characteristics of Pituffik, with a particular emphasis on defining optimal "wet mining" areas. This will be a major value milestone to look forward to in the coming months.

We would like to thank shareholders for their continued support and conclude we are looking forward to a productive 2017.

Financial and Corporate Review

The loss before taxation of the Group for the year ended 30 June 2016 amounted to £620,059 (30 June 2015: £561,381).

The Group's cash position at 30 June 2016 was £425,046 (30 June 2015: £795,368). Post period end the Company announce that it has raised £500,000 by way of a placing of 10,000,000 new ordinary shares of 0.01 pence each in the capital of the Company at a price of 5 pence per Placing Share.

In February 2016, we were pleased to commence trading on the Frankfurt Stock Exchange ('FSE') under the symbol 'S5WA'. This dual listing was in response to strong demand from European investors given that the Company's core operations are located across Europe.

We also strengthened our Board considerably during the period in tandem with the Bluejay acquisition. During December, Rod McIllree, a Board member of Bluejay and having intimate knowledge of the Pituffik project and strong relationships in Greenland, joined the Company as Managing Director and at the same time, I moved to the position of Non-Executive Chairman. Daniel Lougher moved to Non-executive director and then in March retired from the Board. Like me, he is also an Executive of Western Areas Limited (Australia's leading nickel producer), which has a 37.14% holding in FinnAust. His retirement from the FinnAust Board was a reflection of our belief that the new management team has control of an exciting project with serious growth potential and with the right know-how to deliver value. Importantly, FinnAust continues to have access to Western Areas' resources and expertise.

'Brexit' Implications

Following the result of the recent EU referendum in the UK, the Directors acknowledge that this may have an impact on the Company's future trading and performance. They cannot say with any certainty as to what this impact will be, given the uncertainty surrounding the UK's withdrawal from the EU but they will continue to monitor the situation closely and take action as and where deemed appropriate.

Wider Portfolio

Greenland is our primary focus of activity; however the Group has a wider portfolio of prospective assets situated in Finland and Austria. In Finland, the Group owns 100% of a portfolio of copper, zinc and nickel projects; the Hammaslahti Copper-Gold-Zinc Project, the Outokumpu Copper Project and the Kelkka Nickel Project. In January 2016 we increased licence coverage across these project areas by approximately 50%. We continue to see value in these project areas but we will be focusing our resources and activities over the next six to twelve months on our Greenlandic portfolio due to the exceptional results from our preliminary work.

Naturally, we always evaluate potentially value accretive projects but are mindful of preserving shareholder value.

Outlook

I am confident that Pituffik has the potential to be a globally significant titanium project with a low cost route to market, and our team is incredibly excited to deliver on the objectives required to facilitate cash generative production. The remainder of 2016 will see us deliver a maiden resource for the area and strengthen our understanding of the processing requirements for this unusually pure mineralisation, which will in turn aid our end user / offtake discussions. We feel confident that we are well placed to make the right decisions for the Project given our working relationships with leaders in their respective fields and we look forward to clarifying our development scenario as it becomes defined. We also feel that we have the right asset at the right time following the report from TZMI which highlights the dynamic current and forecast market fundamentals. I speak both as a representative of the Company's cornerstone stakeholder and as FinnAust Chairman when I say that I hope investors share in our excitement regarding this expansive project and look forward to updating you all as we progress.

I would like to thank all our investors, partners, advisers and management team for their support during the period and look forward to a very busy future.

Graham Marshall
Chairman
16 September 2016

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2016

	Note	Consolidated **30 June 2016** **£**	 30 June 2015 £	Company **30 June 2016** **£**	 30 June 2015 £
Non-Current Assets					
Property, plant and equipment	6	**16,883**	12,327	**4,577**	812
Intangible assets	7	**12,627,680**	8,432,062	**-**	-
Investment in subsidiaries	8	**-**	-	**13,505,274**	10,971,654
		12,644,563	8,444,389	**13,509,851**	10,972,466
Current Assets					
Trade and other receivables	9	**175,685**	79,178	**111,176**	38,526
Cash and cash equivalents	10	**425,046**	795,368	**371,485**	715,583
		600,731	874,546	**482,661**	754,109
Total Assets		**13,245,294**	9,318,935	**13,992,512**	11,726,575
Non-Current Liabilities					
Deferred Tax Liabilities	13	**373,343**	-	**-**	-
		373,343	-	**-**	-
Current Liabilities					
Trade and other payables	11	**392,754**	198,800	**368,403**	49,664
Borrowings	12	**-**	62,500	**-**	-
		392,754	261,300	**368,403**	49,664
Total Liabilities		**766,097**	261,300	**368,403**	49,664
Net Assets		**12,479,197**	9,057,635	**13,624,109**	11,676,911
Equity attributable to owners of the Parent					
Share capital	14	**5,938,572**	5,919,731	**5,938,572**	5,919,731
Share premium	14	**16,183,675**	14,274,528	**16,183,675**	14,274,528
Deferred shares		**1,825,104**	1,825,104	**1,825,104**	1,825,104
Reverse acquisition reserve		**(8,071,001)**	(8,071,001)	**-**	-
Other reserves	16	**470,700**	(974,504)	**355,809**	398,010
Retained losses		**(4,458,414)**	(3,916,223)	**(10,679,051)**	(10,740,462)
Total equity attributable to owners of the Parent		**11,888,636**	9,057,635	**13,624,109**	11,676,911
Non-controlling interest		**590,561**	-	**-**	-
Total Equity		**12,479,197**	9,057,635	**13,624,109**	11,676,911

CONSOLIDATED INCOME STATEMENT
For the year ended 30 June 2016

	Note	**Year ended 30 June 2016** **£**	Year ended 30 June 2015 £
Continued operations			

Revenue		**-**	1,028
Cost of sales		**-**	-
Gross profit		**-**	1,028
Administrative expenses	22	**(629,046)**	(563,340)
Foreign exchange		**8,737**	-
Operating Loss		**(620,309)**	(562,312)
Finance income	19	**250**	931
Loss before Income Tax		**(620,059)**	(561,381)
Income tax expense	20	**-**	-
Loss for the Year		**(620,059)**	(561,381)
Loss attributable to			
- Owners of the Parent		**(613,849)**	(561,381)
- Non-Controlling interests		**(6,210)**	-
Loss for the Year		**(620,059)**	(561,381)
Basic and Diluted Earnings Per Share attributable to owners of the parent during the year (expressed in pence per share)	21	**(0.172) p**	(0.201) p

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income.

The loss for the Company for the year ended 30 June 2016 was £10,247 (year ended 30 June 2015: £674,883).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2016

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Loss for the year	**(620,059)**	(561,381)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	**1,487,405**	(1,025,713)
Other comprehensive income for the year, net of tax	**867,346**	(1,587,094)
Total Comprehensive Income for the Year Attributable to		
- Owners of the Parent	**867,346**	(1,587,094)
- Non-Controlling interests	**-**	-
Total Comprehensive Income	**867,346**	(1,587,094)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2016

		Attributable to owners of the Parent							
	Note	**Share capital £**	**Share premium £**	**Deferred shares £**	**Other reserves £**	**Retained losses £**	**Total £**	**Non-controlling interest £**	**Total equity £**
Balance as at 1 July 2014		**4,941,953**	**14,188,311**	**1,825,104**	**(8,019,792)**	**(3,354,842)**	**9,580,734**	**-**	**9,580,734**
Loss for the year		-	-	-	-	(561,381)	(561,381)	-	(561,381)
Other comprehensive income for the year									

Items that may be subsequently reclassified to profit or loss									
Currency translation differences		-	-	-	(1,025,713)	-	(1,025,713)	-	(1,025,713)
Total comprehensive income for the year		**-**	**-**	**-**	**(1,025,713)**	**(561,381)**	**(1,587,094)**	**-**	**(1,587,094)**
Proceeds from share issues	14	977,778	122,222	-	-	-	1,100,000	-	1,100,000
Issue costs	14	-	(36,005)	-	-	-	(36,005)	-	(36,005)
Total transactions with owners, recognised in equity		**977,778**	**86,217**	**-**	**-**	**-**	**1,603,995**	**-**	**1,603,995**
Balance as at 30 June 2015		**5,919,731**	**14,274,528**	**1,825,104**	**(9,045,505)**	**(3,916,223)**	**9,057,635**	**-**	**9,057,635**
Balance as at 1 July 2015		**5,919,731**	**14,274,528**	**1,825,104**	**(9,045,505)**	**(3,916,223)**	**9,057,635**	**-**	**9,057,635**
Loss for the year		-	-	-	-	(613,849)	(613,849)	(6,210)	(620,059)
Other comprehensive income for the year									
Items that may be subsequently reclassified to profit or loss									
Currency translation differences		-	-	-	1,487,405	-	1,487,405	-	1,487,405
Total comprehensive income for the year		-	-	-	**1,487,405**	**(613,849)**	**873,556**	**(6,210)**	867,346
Proceeds from share issues		5,807	1,155,537	-	-	-	1,161,344	-	1,161,344
Issue costs		-	(44,108)	-	-	-	(44,108)	-	(44,108)
Share based payments		13,034	797,718	-	-	-	810,752	-	810,752
Issued options		-	-	-	29,457	-	29,457	-	29,457
Expired options		-	-	-	(71,658)	71,658	-	-	-
Non-controlling interest arising on business combination		-	-	-	-	-	-	596,771	596,771
Total transactions with owners, recognised in equity		**18,841**	**1,909,147**	**-**	**(42,201)**	**71,658**	**1,957,445**	596,771	**2,554,216**
Balance as at 30 June 2016		**5,938,572**	**16,183,675**	**1,825,104**	**(7,600,301)**	**(4,458,414)**	**11,888,636**	**590,561**	**12,479,197**

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

		Attributable to equity shareholders					
	Note	**Share capital £**	**Share premium £**	**Deferred shares £**	**Other reserves £**	**Retained losses £**	**Total equity £**
Balance as at 1 July 2014		**4,941,953**	**14,188,311**	**1,825,104**	**398,010**	**(10,065,579)**	**11,287,799**
Loss for the year		-	-	-	-	(674,883)	(674,883)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(674,883)**	**(674,883)**
Proceeds from share issues	14	977,778	122,222	-	-	-	1,100,000
Issue costs	14	-	(36,005)	-	-	-	(36,005)
Total transactions with owners, recognised in equity		**977,778**	**86,217**	**-**	**-**	**-**	**1,063,995**
Balance as at 30 June 2015		**5,919,731**	**14,274,528**	**1,825,104**	**398,010**	**(10,740,462)**	**11,676,911**
Balance as at 1 July 2015		**5,919,731**	**14,274,528**	**1,825,104**	**398,010**	**(10,740,462)**	**11,676,911**
Loss for the year		-	-	-	-	(10,247)	(10,247)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	(10,247)	(10,247)
Proceeds from share issues		5,807	1,155,537	-	-	-	1,161,344
Issue costs		-	(44,108)	-	-	-	(44,108)
Share based payments		13,034	797,718	-	-	-	810,752
Issued options		-	-	-	29,457		29,457
Expired options		-	-	-	(71,658)	71,658	-

Total transactions with owners, recognised in equity	**18,841**	**1,909,147**	-	(42,201)	71,658	1,957,445
Balance as at 30 June 2016	**5,938,572**	**16,183,675**	**1,825,104**	**355,809**	**(10,679,051)**	**13,624,109**

STATEMENTS OF CASH FLOWS
For the year ended 30 June 2016

	Note	**Consolidated Year ended 30 June 2016 £**	Year ended 30 June 2015 £	**Company Year ended 30 June 2016 £**	Year ended 30 June 2015 £
Cash flows from operating activities					
Loss before taxation		**(620,059)**	(561,381)	**(10,247)**	(674,883)
Adjustments for:					
Depreciation	6	**5,037**	2,335	**1,547**	333
Finance income	19	**-**	(931)	**-**	(875)
Share options expense	15	**29,457**	-	**29,457**	-
Share based payments	15	**129,302**	-	**129,302**	-
Intercompany management fees		**-**	-	**(120,855)**	(181,129)
Foreign exchange		**(2,541)**	86,070	**(522,341)**	306,883
Changes in working capital:					
Increase in trade and other receivables	9	**(99,323)**	(1,452)	**(72,652)**	(1,177)
(Decrease)/increase/ in trade and other payables	11	**(25,000)**	(37,019)	**94,583**	14,476
Net cash generated from operating activities		**(583,127)**	(512,378)	**(471,206)**	(536,372)
Cash flows from investing activities					
Finance income	19	**-**	931	**-**	875
Cash consideration for subsidiaries net of cash		**4,182**	-	**-**	-
Purchase of property plant and equipment	6	**(2,307)**	-	**-**	-
Purchase of software	6	**(5,312)**	-	**(5,312)**	-
Loans granted to subsidiary undertakings		**-**	-	**(984,816)**	(1,519,772)
Repayment of borrowings		**-**	-	**-**	-
Purchase of intangible assets	7	**(845,261)**	(1,080,814)	**-**	-
Net cash used in investing activities		**(848,698)**	(1,079,883)	**(990,128)**	(1,518,897)
Cash flows from financing activities					
Proceeds from issue of share capital	14	**1,161,344**	1,139,925	**1,161,344**	1,139,925
Transaction costs of share issue	14	**(44,108)**	(36,005)	**(44,108)**	(36,005)
Repayment of borrowings	12	**(62,500)**	(62,500)	**-**	-
Net cash generated from financing activities		**1,054,736**	1,041,420	**1,117,236**	1,103,920
Net decrease in cash and cash equivalents		**(377,089)**	(550,841)	**(344,098)**	(951,349)
Cash and cash equivalents at beginning of year		**795,368**	1,706,137	**715,583**	1,666,932
Exchange gain/(loss) on cash and cash equivalents		**6,767**	(359,928)	**-**	-
Cash and cash equivalents at end of year	10	**425,046**	795,368	**371,485**	715,583

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

1. General information

The principal activity of FinnAust Mining plc (the 'Company') and its subsidiaries (together the 'Group') is the exploration and development of precious and base metals. The Company's shares are listed on the AIM of the London Stock Exchange. The Company is incorporated and domiciled in England.

The address of its registered office is 47 Charles Street, London, W1J 5EL.

2. Summary of Significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Consolidated Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of Preparation of Financial Statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRIC') as adopted by the European Union, the Companies Act 2006 that applies to companies reporting under IFRS and IFRIC interpretations. The Consolidated Financial Statements have also been prepared under the historical cost convention.

The Financial Statements are presented in Pound Sterling rounded to the nearest pound.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 4.

2.2. New and Amended Standards

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 July 2015

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning on or after 1 July 2015 and have been applied in preparing these Financial Statements.

Annual Improvements Cycle 2010-2012

Amendments to IFRS 2 (Share-based payments - Definition of "vesting condition"), IFRS 3 (Business combinations - accounting for contingent consideration in a business combination), IFRS 8 (Operating segments - aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets), IFRS 13 (Fair value measurement - short-term receivables and payables), IAS 16 (Property, plant and equipment - revaluation method - proportionate restatement of accumulated depreciation), IAS 24 (Related party disclosures - key management personnel), and IAS 38 (Intangible assets - revaluation method - proportionate restatement of accumulated amortization). Effective 1 February 2015.

Annual Improvements Cycle 2011-2013

Amendments to IFRS 1 (First time adoption of International Financial Reporting Standards - meaning of effective IFRSs), IFRS 3 (Business combinations - scope of exception for joint ventures), IFRS 13 (Fair value measurement - scope of paragraph 52 (portfolio exception)), and IAS 40 (Investment property - clarifying the inter-relationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property). Effective 1 January 2015.

The adoption of these standards had no impact on the financial statements other than changes to disclosures.

(b) New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Company and Group intend to adopt these standards, if applicable, when they become effective.

Standard	**Impact on initial application**	**Effective date**
IAS 1 (Amendments)	Presentation of Financial Statements: Disclosure Initiative	1 January 2016
IAS 7 (Amendments)	Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred Tax	*1 January 2017
IAS 16 (Amendments)	Clarification of Acceptable Methods of Depreciation	1 January 2016
IAS 27 (Amendments)	Equity method in Separate Financial Statements	1 January 2016
IFRS 2 (Amendments)	Classification and Measurement of Share-based payments	*1 January 2018
IAS 38 (Amendments)	Clarification of Acceptable Methods of Amortisation	1 January 2016
IFRS 9	Financial Instruments	*1 January 2018
IFRS 10 (Amendments)	Contribution of Assets between an Investor and its Associate or Joint Venture	*^1 January 2016
IFRS 11 (Amendments)	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016

IFRS 12 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 15	Revenue from Contracts with Customers	*1 January 2018
IFRS 16	Leases	*1 January 2019
Annual Improvements	2012 - 2014 Cycle	1 January 2016

*Subject to EU endorsement
^ Effective date deferred indefinitely

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Group's results or shareholders' funds.

2.3. Basis of Consolidation

The Consolidated Financial Statements consolidate the financial statements of the Company and its subsidiaries made up to 30 June each year. Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Investments in subsidiaries are accounted for at cost less impairment within the parent company financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

2.4. Going Concern

The Group's business activities together with the factors likely to affect its future development, performance and position are set out in the Chairman's Report on pages 3 to 6. In addition, Note 3 to the Consolidated Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

The Consolidated Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors are of the view that the Group has sufficient funds to undertake its operating activities over the next 12 months from the date these financial statements are approved including any additional payments required in relation to its current exploration projects. The Group has financial resources which the Directors consider will be sufficient to fund the Group's committed expenditure both operationally and on various exploration projects for this time period. However, in order to complete other exploration work over the life of existing projects and as additional projects are identified, additional funding will be required. The amount of funding cannot be forecast with any certainty at the point of approval of these Financial Statements and the Group will be required to raise additional funds either via an issue of equity or through the issuance of debt. The Directors are reasonably confident that funds will be forthcoming if and when they are required. Should additional funding not be forthcoming the Directors have agreed, if circumstances require, to defer payment of their fees until such time as adequate funding is received.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Group and

Company Financial Statements.

2.5. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.6. Foreign Currencies

(a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the UK parent entity and UK subsidiary is Pound Sterling and the functional currency of the Finnish and Austrian subsidiaries is Euros. The Financial Statements are presented in Pounds Sterling which is the Company's functional and Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each year end date presented are translated at the year-end closing rate;

- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

2.7. Intangible assets

Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets are recorded and held at cost.

Exploration and evaluation assets are not subject to amortisation, but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ("CGU's"), which are based on specific projects or geographical areas. The CGU's are then assessed for impairment using a variety of methods including those specified in IFRS 6.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Income Statement.

2.8. Investments in subsidiaries

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

2.9. Property, Plant and Equipment

Property, Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight line basis at the following annual rates:

Office Equipment - 20% straight line
Machinery and Equipment - 10% straight line
Software - 50% straight line

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Income Statement.

2.10. Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use, and goodwill, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11. Financial Assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Group commits to purchasing or selling the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the Income Statement within 'Other (Losses)/Gains - Net' in the period in which they arise.

(c) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measureable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio; or
- for assets classified as available-for-sale, a significant or prolonged decline in fair value of the security below its cost.

For loans and receivables, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the Income Statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Income Statement.

2.12. Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings in the Statement of Financial Position, and are held at amortised cost.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Borrowings in the Statement of Financial Position are also classified as financial liabilities and are held at amortised cost. Borrowings are classified as current liabilities if repayment is due within one year or less. If not, they are presented as non-current liabilities.

2.13. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand.

2.14. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability in cash for at least 12 months after the end of the reporting period.

2.15. Equity

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Other reserves" represents the merger reserve, foreign currency translation reserve, redemption reserve and share option reserve where;
    - "Merger reserve" represents the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange;
    - "Foreign currency translation reserve" represents the translation differences arising from translating the financial statement items from functional currency to presentational currency;
    - "Redemption reserve" represents a non-distributable reserve made up of share capital;

- "Share option reserve" represents share options awarded by the group;

- "Retained earnings" represents retained losses.

2.16. Share capital, share premium and deferred shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available. Should sufficient premium not be available placing costs are recognised in the Income Statement.

Deferred shares are classified as equity. Deferred shares have no rights to receive dividends, or to attend or vote at general meetings of the Company and are only entitled to a return of capital after payment to holders of new ordinary shares of £100,000 per each share held.

2.17. Share Based Payments

The Group operates a number of equity-settled, share-based schemes, under which the Group receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Income Statement or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The fair value of the share options and warrants are determined using the Black Scholes valuation model.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

2.18. Taxation

No current tax is yet payable in view of the losses to date.

Deferred tax is recognised for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

3. Financial Risk Management

3.1. Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. None of these risks are hedged.

Risk management is carried out by the London based management team under policies approved by the Board of Directors.

Market Risk

(a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and the British Pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group negotiates all material contracts for activities in relation to its subsidiaries in either British Pounds or Euros. The Group does not hedge against the risks of fluctuations in exchange rates. The volume of transactions is not deemed sufficient to enter into forward contracts as most of the foreign exchange movements result from the retranslation of inter company loans. The Group has not sensitised the figures for fluctuations in foreign exchange rates as the Directors are of the opinion that these fluctuations, apart from the retranslation of intercompany loans at the closing rate, would not have a significant impact on the financial statements of the Group. However, the Directors acknowledge that, at the present time, the foreign exchange retranslations have resulted in rather higher than normal fluctuations which are separately disclosed, and is predominantly due to the exceptional nature of the Euro exchange rate in the last two years in the current economic climate. The Directors will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary. One measure may include the presentation currency of future financial statements being shown in Euros, which is the Group's functional currency, as this may reduce the presentation fluctuations that have arisen in the last two years.

(b) Price risk

The Group is not exposed to commodity price risk as a result of its operations, which are still in the exploration phase. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

The Group has no exposure to equity securities price risk, as it has no listed or unlisted equity investments other than investments in wholly owned subsidiaries.

(c) Interest rate risk

As the Group's borrowings are non-interest bearing it is not exposed to interest rate risk on financial liabilities. The Group's interest rate risk arises from its cash held on short-term deposit, which is not significant.

Credit Risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

Liquidity Risk

In keeping with similar sized mineral exploration groups, the

Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

With exception to deferred taxation, financial liabilities are all due within one year.

3.2. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to enable the Group to continue its exploration and evaluation activities, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

At 30 June 2016 the Group had borrowings of £nil (30 June 2015: £62,500) and defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

Given the Group's level of debt versus its cash at bank and cash equivalents, the gearing ratio is immaterial.

3.3. Sensitivity Analysis

On the assumption that all other variables were held constant, and in respect of the Group and the Company's expenses the potential impact of a 10% increase/decrease in the UK Sterling:Euro Foreign exchange rate on the Group's loss for the year and on equity is as follows:

Potential impact on euro expenses: 2016	**Effect on loss before tax for the year ended**		Effect on equity before tax for the year ended	
	Group	**Company**	Group	Company
Increase/(decrease) in foreign exchange rate	**£ 000's**	**£ 000's**	£ 000's	£ 000's
10%	**(627,295)**	**(10,247)**	**12,715,807**	**13,624,108**
-10%	**(612,822)**	**(10,247)**	12,242,587	13,624,108

4. Critical Accounting Estimates and Judgements

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Items subject to such estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, include but are not limited to:

Impairment of intangible assets - exploration and evaluation costs
Exploration and evaluation costs have a carrying value at 30 June 2016 of £12,627,680 (2015: £8,432,062). Such assets have an indefinite useful life as the Group has a right to renew exploration licences and the asset is only amortised once extraction of the resource commences. Management tests for impairment annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 2.7. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the year warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside a decision will be made to discontinue exploration; an impairment charge will then be recognised in the Income Statement. The Directors have reviewed the estimated value of each project prepared by management and have concluded that no impairment is necessary for the year ended 30 June 2016.

Share based payment transactions
The Group has made awards of options and warrants over its unissued share capital to certain Directors as part of their remuneration package. Certain warrants have also been issued to shareholders as part of their subscription for shares and suppliers for various services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 15.

5. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the year the Group had interests in four geographical segments; the United Kingdom, Greenland, Austria, and Finland. Activities in the UK are mainly administrative in nature whilst the activities in Austria and Finland relate to exploration and evaluation work.

The Group had no turnover during the year.

2016	**Greenland £**	**Austria £**	**Finland £**	**UK £**	**Total £**
Revenue	-	-	-	-	-
Administrative expenses	(3,629)	(69,858)	(34,630)	(520,929)	**(629,046)**
Loss from operations per reportable segment	(3,629)	(69,858)	(34,630)	(512,192)	**(620,309)**
Additions to non-current assets	2,266,850	79,545	1,806,023	3,764	**4,156,982**
Reportable segment assets	2,302,853	612,887	9,812,573	473,790	**13,202,103**
Reportable segment liabilities	1094	2,116	21,140	741,747	**766,097**

2015	**Austria £**	**Finland £**	**UK £**	**Total £**
Revenue	-	1,028	-	1,028
Administrative expenses	(12,281)	(154,528)	(396,531)	(563,340)
Loss from operations per reportable segment	(12,281)	(153,500)	(396,531	(562,312)
(Reductions)/additions to non-current assets	(61,033)	367,918	(333)	306,552
Reportable segment assets	519,312	8,033,086	766,537	9,318,935
Reportable segment liabilities	441	147,814	113,045	261,300

6. Property, Plant and Equipment

Group

	Software £	**Machinery & equipment £**	**Office equipment £**	**Total £**
Cost				
As at 1 July 2014	**-**	**21,691**	**3,124**	**24,815**
Exchange differences	-	(3,124)	-	(3,124)
As at 30 June 2015	-	**18,567**	**3,124**	**21,691**
As at 1 July 2015	**-**	**18,567**	**3,124**	**21,691**
Exchange Differences	-	3,183	-	3,183
Additions	5,312	-	2,307	7,619
As at 30 June 2016	**5,312**	**21,750**	**5,431**	**32,493**

Depreciation				
As at 1 July 2014	**-**	**6,514**	**1,979**	**8,493**
Charge for the year	-	2,002	333	2,335
Exchange differences	-	(1,464)	-	(1,464)
As at 30 June 2015	-	**7,052**	**2,312**	**9,364**
As at 1 July 2015	-	**7,052**	**2,312**	**9,364**
Charge for the year	734	2,177	2,126	5,037
Exchange differences	-	1,209	-	1,209
As at 30 June 2016	**734**	**10,438**	**4,438**	**15,610**
Net book value as at 30 June 2015	-	**11,515**	**812**	**12,327**
Net book value as at 30 June 2016	**4,578**	**11,312**	**993**	**16,883**

Depreciation expense of £5,037 (30 June 2015: £2,335) for the Group has been charged in administration expenses.

Company	**Office equipment £**
Cost	
As at 1 July 2014	**3,124**
Additions	-
As at 30 June 2015	**3,124**
As at 1 July 2015	**3,124**
Additions	5,312
As at 30 June 2016	**8,436**
Depreciation	
As at 1 July 2014	**1,979**
Charge for the year	333
As at 30 June 2015	**2,312**
As at 1 July 2015	**2,312**
Charge for the year	1,547
As at 30 June 2016	**3,859**
Net book value as at 30 June 2015	**812**
Net book value as at 30 June 2016	**4,577**

Depreciation expense of £1,547 (30 June 2015: £333) for the Company has been charged in administration expenses.

7. Intangible Assets

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation assets are all internally generated.

	Group	
Exploration & Evaluation Assets - Cost and Net Book Value	**30 June 2016 £**	30 June 2015 £
As at 1 July	**8,432,062**	8,101,446
Additions	**842,281**	1,080,814
Acquired through acquisition (at fair value) (Note 24)	**1,912,886**	-
Exchange differences	**1,440,451**	(750,198)
Impairments	**-**	-
As at 30 June	**12,627,680**	8,432,062

Exploration projects in Finland, Greenland and Austria are at an early stage of development and no JORC (Joint Ore Reserves Committee) or non-JORC compliant resource estimates are available to enable value in use calculations to be prepared. The Directors therefore undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted for;
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or
- Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment the Directors concluded that no impairment charge was necessary for the year ended 30 June 2016.

8. Investments in Subsidiary Undertakings

	Company	
	30 June 2016 £	30 June 2015 £
Shares in Group Undertakings		
At beginning of year	**7,700,002**	7,700,002
Additions in year	**905,607**	-
At end of year	**8,605,609**	7,700,002
Loans to Group undertakings	**4,899,665**	3,271,652
Total	**13,505,274**	10,971,654

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

Subsidiaries

Name of subsidiary	Country of incorporation and place of business	Proportion of ordinary shares held by parent (%)	Proportion of ordinary shares held by the Group (%)	Nature of business
Centurion Mining Limited	United Kingdom	100%	100%	Dormant
Centurion Universal Limited	United Kingdom	100%	100%	Holding
Centurion Resources GmbH	Austria	Nil	100%	Exploration
Finland Investments Plc	United Kingdom	100%	100%	Holding
FinnAust Mining Finland Oy	Finland	Nil	100%	Exploration
FinnAust Mining Northern Oy	Finland	Nil	100%	Exploration
BlueJay Mining Limited	BVI	60.37%	60.37%	Exploration

All subsidiary undertakings are included in the consolidation.

The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

9. Trade and Other Receivables

	Group		Company	
	30 June 2016 £	30 June 2015 £	**30 June 2016 £**	30 June 2015 £
Current portion				
Prepayments	**72,510**	29,781	**33,362**	26,277
VAT receivable	**78,142**	27,483	**77,814**	12,249
Other receivables	**25,033**	735	**-**	-
Total current portion	**175,685**	57,999	**111,176**	38,526
Non-current portion				
Other receivables	**-**	21,179	**-**	-
Total non-current portion	**-**	21,179	**-**	-
Total	**175,685**	79,178	**111,176**	38,526

The fair value of all receivables is the same as their carrying values stated above.

At 30 June 2016 all trade and other receivables were fully performing. No ageing analysis is considered necessary as the Group has no trade receivable receivables which would require such an analysis to be disclosed under the requirements of IFRS 7.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group		Company	
	30 June 2016 £	30 June 2015 £	**30 June 2016 £**	30 June 2015 £
UK Pounds	**140,666**	38,526	**111,176**	38,526
Euros	**35,019**	40,652	**-**	-
	175,685	79,178	**111,176**	38,526

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

10. Cash and Cash Equivalents

	Group		Company	
	30 June 2016 £	30 June 2015 £	**30 June 2016 £**	30 June 2015 £
Cash at bank and in hand	**425,046**	795,368	**371,485**	715,583

All of the Group and Company's cash at bank is held with institutions with an AA- credit rating.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	30 June 2016 £	30 June 2015 £	**30 June 2016 £**	30 June 2015 £
UK Pounds	**377,998**	715,583	**371,485**	715,583

Euros	**47,048**	79,785	**-**	-
	425,046	795,368	**371,485**	715,583

11. Trade and Other Payables

	Group		**Company**	
	30 June 2016 £	30 June 2015 £	**30 June 2016 £**	30 June 2015 £
Trade payables	**136,559**	91,250	**124,786**	18,518
Other creditors	**229,361**	9,400	**224,159**	2
Accrued expenses	**26,834**	98,150	**19,458**	31,144
	392,754	198,800	**368,403**	49,664

Trade payables include amounts due of £42,992 in relation to exploration and evaluation activities.

12. Borrowings

	Group	
Current	**30 June 2016 £**	30 June 2015 £
Unsecured borrowings at amortised cost		
Non-interest bearing loan	**-**	62,500
	-	62,500

Non-interest bearing loans arose in prior periods as unsecured cash advances to the Group from Western Areas Limited ('Western Areas'). The agreed facility was £250,000, denominated in Pound Sterling and the balance was repaid in full. There are no undrawn borrowings as at the year end.

13. Deferred Tax

An analysis of deferred tax liabilities is set out below.

	Group		**Company**	
	2016 £	2015 £	**2016 £**	2015 £
Deferred tax liabilities				
- Deferred tax liability after more than 12 months	**373,343**	-	**-**	-
Deferred tax liabilities	**373,343**	-	**-**	-

The movement in the deferred tax account is as follows:

	Group		**Company**	
	2016 £	2015 £	**2016 £**	2015 £
At 1 January	**-**	-	**-**	**-**
Acquisition of subsidiary (Note 24)	**373,343**	-	**-**	**-**
As at 31 December	**373,343**	-	**-**	**-**

The Group has additional capital losses of approximately £nil (2015: £nil) and other losses of approximately £4,752,742 (2015: £4,145,017) available to carry forward against future taxable profits. No deferred tax asset has been recognised in respect of these tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

14. Share capital and premium

Group and Company

Issued and fully paid	Number of shares	Ordinary shares £	Share premium £	Total £
At 30 June 2014	**247,097,670**	**4,941,953**	**14,188,311**	**19,130,264**
Issue of new shares - 24 October 2014 (1)	48,888,890	977,778	86,217	1,063,995
At 30 June 2015	**295,986,560**	**5,919,731**	**14,274,528**	**20,194,259**
Issue of new shares - 24 December 2015	10,000,000	1,000	199,000	200,000
Issue of new shares - 3 March 2016 (2)	54,032,316	5,403	1,031,135	1,036,538
Issue of new shares - 8 March 2016	123,900,000	12,390	669,060	681,450
Issue of new shares - 15 April 2016	481,928	48	9,952	10,000
As at 30 June 2016	**484,400,804**	**5,938,572**	**16,183,675**	**22,122,247**

(1) Includes issue costs of £36,005

(2) Includes issue costs of £44,108

On 24 December 2015 the Company raised £200,000 via the issue and allotment of 10,000,000 new ordinary shares of 0.01 pence each fully paid at a price of 2 pence per share.

On 3 March 2016 the Company raised £1,036,538 via the issue and allotment of 54,032,316 new ordinary shares of 0.01 pence each fully paid at a price of 2 pence per share.

On 8 March 2016 the Company issued and allotted 123,900,000 new ordinary shares of 0.01 pence each fully paid at a price of 0.55 pence per share as consideration for a business acquisition.

On 15 April 2016 the Company issued and allotted 481,928 new ordinary shares of 0.01 pence each fully paid at a price of 2.075 pence per share as consideration for services provided.

15. Share Based Payments

Share options and warrants outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise price in £ per share	Options & Warrants **30 June 2016**	30 June 2015

12 November 2012	12 November 2015	0.67	-	1,681,930
29 November 2013	29 May 2017	0.15	6,000,000	6,000,000
12 November 2012	12 November 2017	0.10	3,684,366	3,684,366
29 November 2013	29 May 2019	0.20	6,000,000	6,000,000
4 March 2016	3 March 2017	0.20	1,000,000	-
4 March 2016	3 March 2018	0.40	1,000,000	-
4 March 2016	3 March 2019	0.60	1,000,000	-
15 April 2016	14 April 2021	0.20	625,000	-
			19,309,366	17,366,296

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2016 Options	2013 Options	2013 Options	2012 Options & Warrants
Granted on:	4/3/2016	29/11/2013	29/11/2013	12/11/2012
Life (years)	1 year	3.5 years	5.5 years	5 years
Share price (pence per share)	3.03p	5.7p	5.7p	1.13p
Risk free rate	0.81%	2.25%	2.25%	2.25%
Expected volatility	48.40%	26.41%	26.41%	29.74%
Expected dividend yield	-	-	-	-
Marketability discount	20%	20%	20%	20%
Total fair value (£000)	9	3	4	117

	2016 Options	2016 Options	2016 Options
Granted on:	15/4/2016	4/3/2016	4/3/2016
Life (years)	5 years	3 years	2 years
Share price (pence per share)	4.0p	3.03p	3.03p
Risk free rate	0.81%	0.81%	0.81%
Expected volatility	48.40%	48.40%	48.40%
Expected dividend yield	-	-	-
Marketability discount	20%	20%	20%
Total fair value (£000)	12	3	4

The expected volatility for the 2012 options & warrants was based on historical share price volatility of similar AIM listed entities for the 6 months prior to the date of granting. This was considered to be the most reasonable measure of expected volatility, given the relatively brief trading history of the Company available.

The expected volatility of the 2013 and 2016 options is based on historical volatility for the six months prior to the date of granting.

The risk free rate of return is based on zero yield government bonds for a term consistent with the option life.

A reconciliation of options and warrants granted over the year to 30 June 2016 is shown below:

	2016		2015	
	Number	**Weighted average exercise price (£)**	Number	Weighted average exercise price (£)
Outstanding at beginning of year	**17,366,296**	**0.1237**	**17,366,296**	**0.1237**
Expired	(1,681,930)	0.0043	-	-
Adjustment for share consolidation	-	-	-	-
Granted	3,625,000	0.0366	-	-
Outstanding as at year end	19,309,366	0.1347	**17,366,296**	**0.1237**
Exercisable at year end	19,309,366	0.1347	**17,366,296**	**0.1237**

	2016				2015			
Range of exercise prices (£)	**Weighted average exercise price (£)**	**Number of shares**	**Weighted average remaining life expected (years)**	**Weighted average remaining life contracted (years)**	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)
0 - 0.05	**0.37**	**3,625,000**	**2.20**	**2.20**	0.00900	5,366,296	2.37	2.37
0.05 - 2.00	**0.15**	**15,684,366**	**1.78**	**1.78**	0.1750	12,000,000	2.92	2.92

No options or warrants were exercised during the year. During the year there was a charge of £29,457 (2015: £nil) in respect of share options.

16. Other Reserves

	Group				
	Merger reserve £	**Foreign currency translation reserve £**	**Redemption reserve £**	**Share option reserve £**	**Total £**
At 30 June 2014	**166,000**	**(346,801)**	**36,463**	**195,547**	**51,209**
Currency translation differences	-	(1,025,713)	-	-	(1,025,713)
At 30 June 2015	**166,000**	**(1,372,514)**	**36,463**	**195,547**	**(974,504)**
Currency translation differences	**-**	1,444,214	-	-	1,444,214
Issued options	**-**	-	-	29,457	29,457
Expired options	**-**	-	-	(71,658)	(71,658)
At 30 June 2016	**166,000**	**71,700**	**36,463**	**153,346**	**427,509**

	Company			
	Merger reserve £	Redemption reserve £	Share option reserve £	Total £
At 30 June 2014	**166,000**	**36,463**	**195,547**	**398,010**
At 30 June 2015	**166,000**	**36,463**	**195,547**	**398,010**
Issued options	-	-	29,457	29,457
Expired options	-	-	(71,658)	(71,658)
At 30 June 2016	**166,000**	**36,463**	**153,346**	**355,809**

17. Employee benefit expense

	Group	
Staff costs (excluding Directors)	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Salaries and wages	**134,781**	310,175
Social security costs	**3,679**	55,892
Retirement benefit costs	**40,018**	12,203
	178,478	378,270

The average monthly number of employees for the Group during the year was 6 (30 June 2015: 6). These were all employed in exploration & evaluation related roles.

Of the above Group staff costs, £169,846 (30 June 2015: £348,527) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

18. Directors' Remuneration

	Directors' Fees		Options Issued	
Company	Year ended 30 June 2016 £	Year ended 30 June 2015 £	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Executive Directors				
Alastair Clayton [1]	**-**	203,043	**-**	**-**
Roderick McIllree	**11,370**	-	**-**	**-**
Non-executive Directors				
Greg Kuenzel	**12,000**	12,000	**-**	**-**
Daniel Lougher	**-**	-	**-**	**-**
Graham Marshall	**-**	-	**-**	**-**
	23,370	215,043	**-**	**-**

No pension benefits are provided for any Director.

Details of fees paid to Companies and Partnerships of which the Directors detailed above are Directors and Partners have been disclosed in Note 25.

(1) Alastair Clayton resigned on 3 June 2015.

19. Finance Income

	Group	
	Year ended 30 June 2016 £	**Year ended 30 June 2015 £**
Interest received from cash and cash equivalents	**250**	931
Finance Income	**250**	931

20. Income Tax Expense

No charge to taxation arises due to the losses incurred.

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

	Group	
	Year ended 30 June 2016 £	**Year ended 30 June 2015 £**
Loss before tax	**(620,059)**	(561,381)
Tax at the applicable rate of 19.20% (2014: 21.18%)	**(119,065)**	(118,900)
Effects of:		
Expenditure not deductible for tax purposes	**1,401**	9,953
Depreciation in excess of/(less than) capital allowances	**967**	2,335
Net tax effect of losses carried forward	**116,696**	106,612
Tax charge	**-**	-

The weighted average applicable tax rate of 19.20% (2015: 21.18%) used is a combination of the 20% standard rate of corporation tax in the UK, 20% Finnish corporation tax, 30% Austrian corporation tax and 30% Greenlandic corporation tax.

The Group has a potential deferred income tax asset of approximately £1,498,657 (2015: £1,381,961) due to tax losses available to carry forward against future taxable profits. The Company has tax losses of approximately £4,752,742 (2015: £4,145,017) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

21. Earnings per Share

Group

The calculation of the total basic earnings per share of 0.172 pence (30 June 2015: (0.201) pence) is based on the loss attributable to equity holders of the parent company of £613,849 (30 June 2015: £561,381) and on the weighted average number of ordinary shares of 357,925,047 (30 June 2015: 279,913,500) in issue during the year.

In accordance with IAS 33, basic and diluted earnings per share are identical for the Group as the effect of the exercise of share options would be to decrease the earnings per share. Details of share options that could potentially dilute earnings per share in future periods are set out in Note 15.

22. Expenses by nature

	Group Year ended 30 June 2016 £	Year ended 30 June 2015 £
Directors' fees	3,505	129,007
Employee salaries	8,632	29,743
AIM related costs (including Public Relations)	164,811	108,367
Establishment expenses	30,000	45,383
Auditor remuneration	16,000	16,000
Auditor fees for other services	1,000	1,000
Travel & subsistence	60,787	11,327
Professional & consultancy fees	253,783	156,818
Insurance	17,238	18,197
Depreciation	5,037	2,335
Other expenses	68,253	45,163
Total administrative expenses	**629,046**	**563,340**

The above Directors' fees are exclusive of £20,915 (30 June 2015: £86,036) which has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

Services provided by the Company's auditor and its associates

During the year, the Group (including overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	Group Year ended 30 June 2016 £	Year ended 30 June 2015 £
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and Consolidated Financial Statements	**16,000**	16,000
Fees payable to the Company's auditor for tax compliance & other services	**1,000**	1,000

23. Commitments

(a) Royalty agreements

As part of the contractual arrangement with Thames Mining Limited ("Thames Mining") the Group has agreed to pay a royalty on revenue from mineral sales arising from mines developed by Centurion Resources GmbH and covered by the Mitterberg Copper Exploration Licences (the "Licences") acquired by the Company. Under the terms of the Royalty Agreement between Thames Mining and the Company, the Group shall pay a 2 per cent royalty on revenue from all mineral sales less permitted deductions generated from revenue in connection with the Licences. The royalty agreement includes a right of first refusal granted in favour of Thames Mining whereby it is given the opportunity to buy back the Licences in the event that it is proposed to be sold by the Company.

As part of the contractual arrangement with Magnus Minerals Limited ("Magnus") the Group has agreed to pay royalties on revenue from mineral sales arising from mines developed by the Group. Under the terms of the respective Royalty Agreements between Magnus and the Company, the Group shall pay the following:

- 0.5% of net smelter returns over mineral production from the Kainuu Schist Belt tenements;
- 1.0% of net smelter returns over mineral production from the Outokumpu Savonara Mine Belt tenements;
- 1.5% of net smelter returns over mineral production from the Enonoski Area tenements; and
- 2.5% of net smelter returns over mineral production from the Hammaslahti Area tenements.

The Enonoski and Hammaslahti Royalty Agreements further provide that royalty entitlements may be extended to future rights with the respective areas of influence defined with the agreements.

Additionally, under the terms of the Kainuu Schist Belt Royalty Agreement and the Outokumpu Savonara Mine Belt Royalty Agreement the Group is obligated to pay SES Finland Limited a 0.5% net smelter royalty in respect of production from the associated tenements and Western Areas Limited ("Western Areas") 0.5% of net smelter returns over mineral production of the tenements using a biological leaching technology owned by Western Areas.

(b) License commitments

On 8 March 2016, via the acquisition of Bluejay, the Group acquired a mineral exploration licence in Greenland expiring 31 December 2019. This licence includes commitments to pay annual licence fees and minimum spend requirements.

As at 30 June 2016 these are as follows:

Group	2016 License fees £	Minimum spend requirement £	Total £
Not later than one year	55,230	2,615	57,845
Later than one year and no later than five years	284,100	-	284,100
Total	339,330	2,615	341,945

(c) Operating lease commitments

The Group leases office premises under a non-cancellable operating lease agreement. The lease is on an initial fixed term of two years from 1 July 2015, automatically renewable at the end of the lease period for a further two year fixed term. The lease expenditure charged to the Income Statement during the year is disclosed in Note 22 and is included within establishment expenses.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	30 June 2016 £	30 June 2015 £
Not later than one year	**36,000**	18,000
Total lease commitment	**36,000**	18,000

24. Business Combinations

Bluejay Mining Limited

On 8 March 2016, the Group acquired 60.37% of the share capital of Bluejay Mining LImited ("Bluejay") for £905,607 ("Bluejay Acquisition"). Bluejay is registered in the British Virgin Islands and holds a 126km sq. mineral exploration licence in Greenland. As a result of this acquisition the Group is expected to increase its presence in this market and commodity.

Gregory Kuenzel and Roderick McIllree are both shareholders in Bluejay and received consideration shares resulting from the Bluejay Acquisition. Refer to Note 25 for more details.

The following table summarises the consideration paid for Bluejay and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration at 8 March 2016	£
Cash	-
Deferred Equity Consideration (40,755,885 ordinary shares at 0.55 pence per share)	224,157
Equity instruments (123,900,000 ordinary shares at 0.55 pence per share)	681,450
Total consideration	**905,607**

Recognised amounts of identifiable assets acquired and liabilities assumed	**Book value**	**FV adj.**	**Total**
			£
Cash and cash equivalents	-	-	-
Exploration assets (included within Intangible Assets) (Note 7)	46,171	1,866,715	1,912,886
Other identifiable assets and liabilities	(37,165)	-	(37,165)
Deferred tax liability	-	(373,343)	(373,343)
Total identifiable net assets	9,006	1,493,372	1,502,378
Goodwill			**-**
Non-controlling interest			**(596,771)**
Total consideration			**905,607**

The fair value of the 40,755,885 Ordinary Shares and 123,900,000 Ordinary shares issued as consideration for Bluejay was based on the agreed price of 0.55 pence and 0.0055 pence per Ordinary Share respectively.

The fair value of the exploration assets of £1,912,886 was estimated by applying a number of valuation metrics which include; geological upside potential, mineralogy, market benchmarks and the application of local market factors. In the Directors' opinion, the value of the consideration paid to effect the acquisition related primarily to the value of the exploration licences and upside potential representing a price agreed between willing and knowledgeable parties on an arm's length basis. Therefore, the fair value of the consideration transferred, after consideration of tax implications and the removal of the fair value of other identifiable assets acquired, has been used as a basis for valuing the exploration assets acquired.

Since 8 March 2016 Bluejay Mining Limited contributed a loss of £15,671. No revenue was recognised in the consolidated statement of comprehensive income in respect of Bluejay Mining Limited.

Had Bluejay Mining Limited been consolidated from 1 January 2015, the consolidated statement of income would show a loss of £621,961 and revenue would remain unchanged.

25. Related Party Transactions

Loans to Group undertakings

Amounts receivable as a result of loans granted to subsidiary undertakings are as follows:

	Company 30 June 2016 £	30 June 2015 £
Centurion Universal Limited	**564,300**	564,300
Centurion Resources GmbH	**85,155**	58,828
Finland Investments Plc	**289,153**	192,401
FinnAust Mining Finland Oy	**3,515,060**	2,455,928
Centurion Mining Limited	**195**	195
Bluejay Mining Limited	**445,802**	-
At 30 June (Note 8)	**4,899,665**	3,271,652

Loans granted to subsidiaries have increased during the year due to additional loans being granted to the subsidiaries, and foreign exchange losses of £598,529, given that no loans were repaid during the year.

These amounts are unsecured, interest free and repayable in Euros when sufficient cash resources are available in the subsidiaries.

All intra Group transactions are eliminated on consolidation.

Bluejay Acquisition

As per Note 24, Gregory Kuenzel and Roderick McIllree are both shareholders in Bluejay Mining Limited and received 17,365,791 and 42,966,685 consideration shares respectively as a result of the Bluejay Acquisition they are further entitled to receive 5,712,334 and 14,133,537 deferred consideration shares.

Other Transactions

The Group defines its key management personnel as the Directors of the Company as disclosed in the Directors' Report.

Heytesbury Corporate LLP, a limited liability partnership of which Gregory Kuenzel is a partner, was paid a fee of £84,000 (2015: £84,000) for the provision of corporate management and consulting services to FinnAust Mining Plc. A balance of £8,405 was outstanding at the year-end.

Tabasco Consulting Limited, a limited company of which Roderick McIllree is a Director, was paid a fee of £55,930 (2015: £nil) for the provision of corporate management and consulting services to FinnAust Mining Plc. A balance of £6,500 was outstanding at the year-end.

Noricum Gold Limited, a company of which Greg Kuenzel is a Director, was paid a fee of £2,151 (2015: £nil) for storage services provided to FinnAust Mining Plc. No balance was outstanding at the year-end.

Greenland Gas and Oil Limited, a limited company of which Roderick McIllree and Gregory Kuenzel is a Director, was paid a fee of £9,300 (2014: nil) for geological information systems consulting services to FinnAust Mining plc. This balance was outstanding at the year-end.

26. Ultimate Controlling Party

The Directors believe there is no ultimate controlling party.

27. Events after the Reporting Date

On 13 July 2016 the Company raised £500,000 via the issue and allotment of 10,000,000 new ordinary shares of 0.01 pence each fully paid at a price of 5 pence per share.

On 5 September 2016 the Group proposed to acquire 100% of Avannaa Exploration Limited for consideration of £500,000 to be paid via the issue and allotment of ordinary shares of 0.01 pence each. Completion of the Acquisition is conditional upon, inter alia, the relevant change of control approvals being received from the Greenland Government and admission of the Consideration Shares to trading on AIM.

****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.

END

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Anonymous (not verified)
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