

RNS Number : 8638K
FinnAust Mining PLC
27 September 2016

Click on or paste the following link into your web browser to view the associated PDF:

http://www.rns-pdf.londonstockexchange.com/rns/8638K_1-2016-9-26.pdf

FinnAust Mining plc / EPIC: FAM / Market: AIM / Sector: Mining
27 September 2016

**FinnAust Mining plc ('FinnAust' or the 'Company')
Completion of 2016 Work Programme at Pituffik Titanium
Project**

FinnAust Mining plc, the AIM and FSE listed company with projects in Greenland and Finland is pleased to announce that it has completed its 2016 work programme (the 'Programme') at the Pituffik Titanium Project ('Pituffik') in Greenland.

The Programme was designed in consultation with SRK Exploration Services ('SRK') and executed by the Danish Geological Survey of Denmark and Greenland ('GEUS'). Key deliverables from this work are the production of an initial JORC resource and identification of optimal areas to focus current "wet mining" trade-off studies as well as larger metallurgical samples for on-going test work.

More than 500 auger and vibracore drill holes were completed along with extensive trenching and sampling across the project area during the 2016 field season. Figure 1 (see PDF link) shows the locations where work programmes were undertaken.

As a result of the 2016 fieldwork, the Company has confirmed the two core target areas that will become the focus with respect to future studies. These are:

- **Moriusaq Bay** and surrounding area, a low-medium tonnage target that encapsulates the bay and proximal active and raised beaches with grades in some areas estimated to be in excess of 85% ilmenite; and
- **Interlak**, an area dominated by huge deltaic deposits with associated adjacent high grade beaches (see Figure

1 in PDF link) with grades in some areas estimated to be in excess of 70% ilmenite occurring as thick sedimentary bands.

On the active and raised beaches, a total of 260 auger holes and trenches were sampled during 2016. Additional trenches were completed for metallurgical sampling purposes as well as stratigraphic mapping purposes, creating a bulk metallurgical sample in excess of 500kg. This sample has been sent to Perth, Australia where analysis of the sample will be undertaken to continue to optimise the mineral beneficiation process.

Figure 1: Locations of various work programmes during the Pituffik 2016 field season - See PDF link

Moriusaq Bay has consistently returned the highest grades of ilmenite to date (average of more than 35% ilmenite) over the bay area whereas Interlak offers a very large volume target also with high grade areas. The majority of the ilmenite occurrences at Pituffik are derived via the winnowing of the deltaic sediments by wind, wave and current action with the broader Interlak catchment area interpreted as being the main feeder zone for the Pituffik project area.

Of significance, a new area east of the Interlak delta has returned potentially the highest-grade estimations from the entire project area to date at more than 90% ilmenite. Figure 2 (see PDF link) shows thick layers of ilmenite rich sands from this area. There is potential for significant amounts of ilmenite at this location. As a result, the Company expanded the work programme at this target and delivered a further 26 trenches averaging >1m deep to test as much of the area as time allowed with similar high grade results achieved in most trenches.

Figure 2: Ilmenite accumulations in trench east of Interlak delta, thick layers of black sands are ilmenite rich material - See PDF link

On the drowned beaches a total of 240 samples were taken from both the larger vibracore on the MV Kisaq vessel as well as the smaller pontoon unit. Vibrocoreing is a technique for collecting core samples in shallow water environments and wetland soils.

Vibracore sampling was conducted to the north and the south of the Interlak delta over more than 6km of coastline by both the Kisaq

(see Figure 3 in PDF link) and pontoon deployed vibracore units. A series of scout holes were also placed further east in a depression defined in the sediment profiling survey carried out in 2015 where sediment accumulations in excess of 25m had been identified.

Sample lines were completed perpendicular to the length of the beach at spacings of between 100m to 1000m, with holes aimed at 5m, 10m, 15m, 20m and 25m of water depth, more than 7.5km of coastline was tested.

Figures 3a & 3b: Preparing the vibracore unit for a core hole at Interlak (left) as well as thick layers of ilmenite rich material returned in the vibracore sample tube after drilling - See PDF link

The above initiatives fit with the Company's strategy to undertake a "proof of concept" bulk-sampling programme in 2017 as well as lodging an exploitation licence application in the first half of 2017.

One additional outcome from this year's work programme at Interlak was the mapping of the various terraces to try and identify depositional models and hence likely trap sites for higher-grade ilmenite sands in the raised beach areas. To this end, throughout the trenching a series of optically stimulated luminescence dating samples were taken to better define the age of certain strandlines or sequences of strata. An echo sounding survey was also completed over shallow areas to aid in tying the bathymetry and boomer profiling models with the photogrammetric digital terrain and ground penetrating radar models.

Environmental base line study components were completed by Orbicon in the Moriusaq region and extending to positions outside of the licence area. Various samples were taken including fish samples and seaweed samples. The flora and fauna were also evaluated around the Moriusaq region and outside of the licence area.

FinnAust CEO Roderick McIllree said, "The 2016 fieldwork programme was a major campaign designed to fulfil many requirements, executed by experienced service providers and delivered at relatively low cost. I would like to thank all participants, especially our lead partners, GEUS, Orbicon, NIRAS and SRK for a successful and productive season. The results from the diverse range of initiatives undertaken will generate a large array of data that will tie in with other work programmes that are

underway in the background. The completion of a maiden JORC resource, together with results from the environmental impact assessment, will position us well for our next leap early next year into permitting of an exploitation licence in H1 2017. Pituffik continues to exceed our expectations at each turn and it is my belief that this project will eventually be recognised as a globally significant ilmenite deposit both in terms of grade, and tonnes".

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

****ENDS****

For further information please visit www.finnaust.com or contact:

| | | |
|------------------|-----------------------------------|----------------------|
| Roderick McIlree | FinnAust Mining plc | +44 (0) 20 7907 9326 |
| Graham Marshall | FinnAust Mining plc | +44 (0) 20 7907 9326 |
| Ewan Leggat | SP Angel Corporate Finance LLP | +44 (0) 20 3470 0470 |
| Laura Harrison | SP Angel Corporate Finance LLP | +44 (0) 20 3470 0470 |
| Elisabeth Cowell | St Brides Partners Ltd | +44 (0) 20 7236 1177 |
| Charlotte Page | St Brides Partners Ltd | +44 (0) 20 7236 1177 |

Notes

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

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

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

- Raised beaches; containing ilmenite accumulations over widths of more than 1km, of unknown depths, along more than 20km of coastline;
- Active beaches; which refer to the area seaward of the frontal dunes, including the beach, tidal zones and surf zone - historically samples from this area have achieved 70% ilmenite by weight; and
- Drowned beaches; refers to the areas seaward of active beaches.

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

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

FinnAust has also recently completed an agreement to purchase Avannaa Exploration Limited a company with interesting polymetallic projects in West Greenland.

FinnAust also holds a 100% interest in a portfolio of copper, zinc and nickel projects in Finland. This multi-commodity portfolio remains a strategic asset of importance and has been restructured to be cost-sustainable whilst determining the best plan for future development.

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

END

MSCGMGZLVVKGZM

Anonymous (not verified)

Completion of Work Programme at Pituffik Project

<http://www.DigitalLook.com>

25004848

A

Tue, 09/27/2016 - 07:00

Company Announcement - General

80M