

FinnAust Mining plc / EPIC: FAM / Market: AIM / Sector: Mining
20 February 2017

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

**Exercise of the Bluejay Option, Rule 9 Waiver, Change of
Name to Bluejay Mining plc and Notice of General Meeting**

FinnAust Mining plc, the AIM and FSE listed company with projects in Greenland & Finland, is pleased to announce that it is the intention of the Company to exercise the option to acquire 82,560 shares of Bluejay Mining Limited ('Bluejay') (the 'Bluejay Option') representing 39.63 per cent. of Bluejay that it does not already own. Exercising the Bluejay Option will result in the Company increasing its ownership in Bluejay and the Pituffik Titanium Project ('Pituffik' or 'Pituffik Project') from 60.37 per cent. to 100 per cent. Following the exercise of the Bluejay Option, the Company intends to change its name to Bluejay Mining plc. Exercising the Bluejay Option and the change of name is conditional on Shareholder approval to be sought at a General Meeting to be held by FinnAust, details of which are set out below.

Highlights

- FinnAust to increase interest in Bluejay to 100 per cent.
Bluejay is the 100 per cent. owner of the 150km² high grade Pituffik Titanium Project located in North West Greenland. The Pituffik Project comprises three main exploration target areas across more than 80km of coastline historically proven to contain large and high-grade accumulations of primary ilmenite, with mining in Greenland envisaged to be achieved via a low capex dredging operation.
- The Pituffik Project has demonstrated the potential to be a top percentile ilmenite project in terms of heavy mineral grade with the maiden mineral resource targeted to be published in Q1 2017.

- Advancing the Pituffik Project continues to be the Company's primary focus. The near term strategy of the Company is the delivery of a bulk sample during 2017 and larger scale production in 2018.
- The Directors believe that moving to 100% ownership of the Pituffik Project will provide certainty of title and remove any issues associated with joint venture partners.
- The consideration for Bluejay was agreed in December 2015 with the number of shares to be issued pursuant to the Exercise of the Bluejay Option agreed at the time the Company purchased its initial interest in 60.37 per cent. of Bluejay (see RNS dated 9 December 2015).
- Acquisition price of £594,393 to be satisfied by the issue of 108,071,388 new Ordinary Shares to the Bluejay Vendors.
- Recent placing of 76,428,572 Ordinary Shares at 7 pence to raise £5.35m in December 2016 demonstrated strong support for the Company and the Pituffik Project.

FinnAust Managing Director Rod McIlree said, "Pituffik has proven its potential to be in the top percentile of ilmenite projects in terms of heavy mineral grade. With a maiden mineral resource targeted to be published in Q1 2017, a bulk sample due later this year, and larger scale production targeted in 2018, we believe the Project offers significant value upside. It is therefore our intention, subject to shareholder approval, to increase our interest in the Project to 100 per cent. by acquiring the remaining 39.63 per cent. interest in Bluejay which we do not currently own. Being the sole owner of Pituffik will ensure that the Company benefits from maximum exposure to this highly prospective asset and will also aid future development plans by having a simplified ownership structure.

"Whilst we maintain additional assets in Finland, which offer further upside to our company, our primary development focus is undoubtedly on our portfolio of assets in Greenland. Accordingly, we are proposing a change of name to BlueJay Mining plc. This change is again subject to shareholder approval at a General

Meeting to be held in a few weeks time. We believe the proposed change of name and exercise of the Bluejay Option will best position our company for growth."

Notice of General Meeting

The Board of FinnAust announces a General Meeting of the Company to be held at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE on 10 March 2017 at 10:00 a.m. for the purposes of approving the exercise of the Bluejay Option.

The circular convening the General Meeting dated 20 February 2017 ('Circular') will be posted to shareholders today. Further details of the Bluejay Acquisition (which constitutes a related party transaction under the AIM Rules for Companies), Rule 9 Waiver and Change of Name as extracted from the Circular are set out below.

The Circular is available at www.finnaust.com

****ENDS****

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

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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.

Circular

Extracts from the Circular are set out below. The same definitions apply throughout this announcement as are applied in the Circular. A list of definitions is set out at the end of this announcement.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this document	20 February 2017
Last time and date of receipt of Forms of Proxy	10.00 a.m. on 8 March 2017
Ordinary Shares to begin trading under the new name and TIDM	On or around 8.00 a.m on 13 March 2017
Admission of Consideration Shares	On or around 13 March 2017

KEY STATISTICS

Number of Ordinary Shares as at the date of this document	619,169,499
Consideration Shares to be issued pursuant to the Exercise of the Bluejay Option	108,071,388
Enlarged Issued Share Capital*	727,240,887
Consideration Shares as a percentage of the Enlarged Issued Share Capital	14.86%
International Security Identification Number (ISIN) of the Ordinary Shares	GB00BFD3VF20
Legal Entity Identifier (LEI)	213800E9AEFEHFLOVJ19
Tradeable Instrument Display Mnemonic (TIDM)	FAM
New TIDM following the change of name	JAY

**assuming no options or warrants are exercised between the date of this document and Admission*

PART I

LETTER FROM THE BOARD

1 Introduction

On 8 December 2015, the Company entered into a sale and purchase agreement to conditionally acquire a 60.37 per cent. stake in Bluejay Mining Limited, which holds the mineral resource exploration licence for the Pituffik Project. Following receipt of change of control consent from the Greenlandic authorities, the acquisition of this majority stake in Bluejay was completed on 8 March 2016. Under the terms of the sale and purchase agreement the Company was also granted an option to acquire the remaining 39.63 per cent. of Bluejay by way of the issue of 108,071,388 new Ordinary Shares to the Bluejay Vendors, pro

rata, to their respective holdings in Bluejay.

It is the intention of the Company to exercise the Bluejay Option which would result in FinnAust increasing its ownership of Bluejay and the Pituffik Project to 100 per cent.

The issue by the Company of the Consideration Shares to the Bluejay Vendors pursuant to the Exercise of the Bluejay Option gives rise to certain considerations under the Takeover Code. The issue of the Consideration Shares to the Bluejay Vendors requires Independent Shareholder approval of the Waiver under Rule 9 of the Takeover Code.

Approval of Shareholders other than Western Areas and the Bluejay Vendors is therefore being sought, by means of the Whitewash Resolution, to the Waiver, which the Panel has granted subject to such approval of the Independent Shareholders being obtained.

The purpose of this document is to provide Independent Shareholders with further details of the Waiver and the Exercise of the Bluejay Option.

Further details on the background to and terms of the Proposed Transaction are set out below.

2 Background to and reasons for the Exercise of the Bluejay Option

Bluejay is the 100 per cent. owner of the 150km² high grade Pituffik titanium project located in North West Greenland. The Pituffik Project comprises three main exploration target areas across more than 80km of coastline historically proven to contain large and high-grade accumulations of primary ilmenite, with mining in Greenland envisaged to be achieved via a low capex dredging operation.

The Company currently has an interest in 60.37 per cent. of the Pituffik Project via its existing shareholding in Bluejay. The Company was focused on developing the Pituffik Project throughout 2016 and it continues to be the Company's primary focus. The Pituffik Project has demonstrated the potential to be a top percentile ilmenite project in terms of heavy mineral grade with the maiden mineral resource targeted to be published in the

first quarter of 2017. FinnAust's near term strategy for the Pituffik Project remains the delivery of a bulk sample during 2017 and larger scale production in 2018.

Roderick McIlree and Gregory Kuenzel, both Directors of FinnAust, are amongst the vendors of Bluejay. It is the opinion of the Board that the Exercise of the Bluejay Option by the Company will ensure Bluejay becomes a wholly owned subsidiary of the Company and will mitigate any potential future conflicts of interest which may arise as a result of Roderick McIlree's and/or Gregory Kuenzel's interest in Bluejay.

The Directors believe that FinnAust moving to 100% ownership of the Pituffik Project will provide certainty of title and remove any issues associated with joint venture partners.

The consideration for Bluejay was agreed in December 2015 with the number of new Ordinary Shares to be issued pursuant to the Exercise of the Bluejay Option agreed at the time the Company purchased its initial interest in 60.37 per cent. of Bluejay.

The recipients of a majority of the Consideration Shares, being the Bluejay Vendors, consist of board members or consultants of the Company and are the team members who are working to deliver the Pituffik Project. The issue of the Consideration Shares to these board members and senior managers is considered to further align management and Shareholders' interests in increasing the value of the Pituffik Project due to their shareholdings in Bluejay and the Company.

If Bluejay had been fully consolidated into the Company's accounts from 1 January 2015, the consolidated statement of income of the Group for the year ended 30 June 2016 would have shown an additional loss of £6,300 and revenue would have remained unchanged. There would be no change to FinnAust's assets or liabilities as Bluejay is already controlled by FinnAust and therefore consolidated into the Group statement of financial position.

Since the publication of the final results for the year ended 30 June 2016 the following key events have taken place:

- On 13 July 2016 the Company raised £500,000 via the issue and allotment of 10,000,000 new Ordinary Shares

at 5 pence per share;

- On 5 September 2016 the Group proposed to acquire 100% of Avannaa Exploration Limited ('Avannaa') for consideration of £500,000 to be paid via the issue and allotment of new Ordinary Shares, and on 5 January 2017 the Company successfully completed the acquisition of Avannaa and issued 7,584,238 new Ordinary Shares; and
- On 8 December 2016 the Company raised £5,350,000, before expenses by the issue and allotment of 76,428,572 new Ordinary Shares at 7 pence per share.

3 Principal terms of the Bluejay Acquisition Agreement

On 8 December 2015, the Company entered into a sale and purchase agreement, pursuant to which it conditionally agreed to acquire 125,788 shares of no par value each in Bluejay representing an interest of 60.37 per cent. of Bluejay for a maximum purchase price of £905,607, based on a total maximum valuation of Bluejay of £1.5 million, to be satisfied by the issue of up to 164,655,885 new Ordinary Shares to the Bluejay Vendors, *pro rata*, to their respective holdings in Bluejay as follows:

- (a) the allotment and issue of the initial consideration shares, namely, 123,900,000 new Ordinary Shares on the satisfaction of the conditions (being the December 2015 Placing and obtaining the change of control consent from the Greenlandic authorities in respect of Bluejay in its capacity as the holder of the mineral exploration permit for the Pituffik Project) of the Initial Bluejay Acquisition, which occurred on 8 March 2016; and
- (b) the allotment and issue of the deferred consideration shares, namely, 40,755,885 new Ordinary Shares, subject to certain conditions (being grant of mineral exploration permit to Bluejay over the offshore Pituffik project area and the deferred shares not triggering a mandatory offer pursuant to Rule 9 of the Takeover Code), which occurred on 8 December 2016.

Under the terms of the Bluejay Acquisition Agreement, the Company was also granted an option by the Bluejay Vendors to acquire the remaining 39.63 per cent. of Bluejay for the sum of £594,393 to be satisfied by the issue of 108,071,388 new Ordinary

Shares to the Bluejay Vendors, *pro rata*, to their respective holdings in Bluejay. The expiry date of the Bluejay Option is 8 March 2020.

It is the Company's intention to exercise the Bluejay Option as soon as possible. However, the issue of the Consideration Shares to the Bluejay Vendors gives rise to certain considerations under the Takeover Code. Approval of Shareholders other than Western Areas and the Bluejay Vendors is therefore being sought, by means of the Whitewash Resolution, to a waiver of this offer obligation (the "Waiver"), which the Panel has granted subject to such approval of the Independent Shareholders being obtained.

The purpose of this document is to provide Independent Shareholders with further details of the Waiver and to explain why SP Angel considers that the Waiver is in the best interests of both the Company and the Independent Shareholders as a whole.

The Exercise of the Bluejay Option also constitutes a related party transaction as defined by the AIM Rules for Companies.

Further information in relation to these matters is set out below.

4 Takeover Code and Concert Party

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company incorporated in the United Kingdom. The Company is such a company and Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights in a company which is subject to the Takeover Code is required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any

further interest in shares is acquired by any such person, or any person acting in concert with him, which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 must be made in cash (or with a full cash alternative) at a price not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Rule 9 of the Takeover Code further provides, amongst other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not be required to make a general offer to the other shareholders to acquire the balance of their shares.

Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. Control means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

As set out in the December 2015 Circular, the Panel determined that pursuant to the Initial Bluejay Acquisition, the Bluejay Vendors are acting in concert with each other and Western Areas is acting in concert with the Bluejay Vendors (the "**Concert Party**").

As at the date of this document, Western Areas holds an interest in 138,611,112 Ordinary Shares representing 22.39 per cent. of the Existing Ordinary Shares and the Bluejay Vendors hold an interest in 163,190,336 Ordinary Shares representing 26.36 per cent. of the Existing Ordinary Shares. Therefore, in aggregate, the Concert Party is interested in 301,801,448 Ordinary Shares which represents 48.74 per cent of the voting rights of the Company.

A table which sets out the current interests, interests following completion of the Proposed Transaction and maximum potential

interests in the ordinary share capital of the Company for each member of the Concert Party is set out in Part II of this document.

Following completion of the Proposed Transaction, Western Areas will have an interest in 138,611,112 Ordinary Shares which will represent 19.06 per cent of the Enlarged Issued Share Capital and the Bluejay Vendors will have an interest in 271,261,724 Ordinary Shares which will represent 37.30 per cent of the Enlarged Issued Share Capital. Therefore, in aggregate, the Concert Party will be interested in 409,872,836 Ordinary Shares which will represent 56.36 per cent of the total voting rights of the Company.

Due to the Share Options, the maximum potential interest in the Company of the Bluejay Vendors is 275,111,724 Ordinary Shares, which would represent 37.63 per cent of the total voting rights of the Company. The maximum potential interest of the Concert Party is therefore 413,722,836 Ordinary Shares which would represent 56.59 per cent of the total voting rights of the Company.

The Bluejay Vendors, in aggregate, will have a maximum potential interest in more than 30 per cent. but less than 50 per cent. of the voting rights of the Company following completion of the Bluejay Acquisition. Each of the Bluejay Vendors will therefore be prevented from acquiring any Ordinary Shares, other than through the exercise of the Share Options, without incurring a further obligation under Rule 9 to make a general offer.

Shareholders should note that the Concert Party currently holds less than 50 per cent. of the voting rights of the Company. The Concert Party will hold over 50 per cent. of the voting rights of the Company when the Consideration Shares are issued. Following completion of the Bluejay Acquisition, the Bluejay Vendors will not be permitted to increase their maximum potential interests in the voting rights of the Company through or between a Rule 9 threshold without Panel consent. Western Areas will be able to increase its interests in the voting rights of the Company, but will not be permitted to cross the Rule 9 threshold (being 30 per cent or more of the voting rights) without Panel consent.

Further background information in relation to the Bluejay Vendors, Western Areas and the Waiver is set out in Part II of this document.

5 Related Party Transaction

The Exercise of the Bluejay Option constitutes a related party transaction as defined by the AIM Rules for Companies, due to the fact that two of the Bluejay Vendors, being Gregory Kuenzel and Roderick McIlree, are Directors of the Company. As a result of the Proposed Transaction Gregory Kuenzel will receive 15,147,257 of the Consideration Shares and Roderick McIlree will receive 37,477,556 of the Consideration Shares. In addition, Jeremy Whybrow, another Bluejay Vendor, has been a substantial shareholder of the Company in the last 12 months and he will receive 37,477,556 of the Consideration Shares.

Graham Marshall, Non-Executive Chairman of the Company is not deemed to be independent for the purpose of the Exercise of the Bluejay Option as he is also an employee of Western Areas. There is therefore, no independent director for the purpose of the related party transaction as defined by the AIM Rules.

The Company's Nominated Adviser, SP Angel, considers that the terms of the Exercise of the Bluejay Option and the Bluejay Acquisition are fair and reasonable insofar as Shareholders are concerned.

6 Change of Name

In order to better reflect the focus of the Company's operations, it is proposed that the name of the Company be changed to Bluejay Mining plc. The new TIDM will be JAY. The change of name is conditional upon the Independent Shareholders approving the Proposed Transaction and Resolution 5 being passed by Shareholders at the General Meeting.

7 General Meeting

You will find at the end of this document a notice convening the General Meeting to be held at 10:00 a.m. on 10 March 2017 at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE. The Resolutions to be proposed at the General Meeting are as follows:

Resolution 1 - Approval of the Proposed Transaction

This is an ordinary resolution proposing that the Exercise of the

Bluejay Option by the Company (which constitutes a related party transaction as defined by the AIM Rules for Companies) be and is hereby approved and that the directors of the Company be and are hereby authorised to do all such things as any of them may consider necessary or desirable to implement the Exercise of the Bluejay Option.

Resolution 1 may only be voted on by Independent Shareholders.

Resolution 2 - Whitewash Resolution

This is an ordinary resolution to approve the Waiver granted by the Panel of the obligation that would otherwise arise on any of the Bluejay Vendors to make a general offer to Shareholders pursuant to Rule 9 of the Takeover Code as a result of the Exercise of the Bluejay Option, the issue of the Consideration Shares to the Bluejay Vendors and the exercise of Share Options.

Resolution 2 will be conducted by way of a poll and may only be voted on by Independent Shareholders.

Resolution 3 - Section 551 authority

This is an ordinary resolution authorising the directors to allot and issue new Ordinary Shares and grant rights to subscribe for such shares up an aggregate nominal value of £500,000. The authority will expire at the commencement of the next Annual General Meeting following this meeting or 31 December 2017, whichever is the earlier to occur.

Resolution 4 - Section 570 authority and dis-application of Section 561(1)

This is a special resolution authorising the directors to issue equity securities wholly for cash on a non-pre-emptive basis pursuant to the authority conferred by resolution number 3 above. This will allow the Board to allot shares without recourse to the Shareholders so that it can move quickly from time to time as it deems appropriate. This authority will expire at the commencement of the next Annual General Meeting following this meeting or 31 December 2017, whichever is the earlier to occur.

Resolution 5 - Change of Name

This is a special resolution that, subject to the passing of Resolutions 1 and 2, proposes to change the name of the Company to Bluejay Mining plc.

8 Action to be taken

A Form of Proxy for use at the General Meeting is enclosed. Please complete and sign the Form of Proxy and return it to the Company's Registrars so as to arrive no later than 48 hours before the time fixed for the General Meeting.

The return of the Form of Proxy will not, however, prevent you from attending the General Meeting and voting in person should you wish to do so.

9 Conflicts of interest

Certain Directors of the Company, namely Roderick McIlree and Gregory Kuenzel, are Bluejay Vendors and as such have a personal interest in the Exercise of the Bluejay Option. In addition, Graham Marshall Non-Executive Chairman is an employee of Western Areas, a member of the Concert Party and the Company's current largest shareholder. As such Roderick McIlree, Gregory Kuenzel and Graham Marshall (the "Conflicted Directors") are each deemed to have a conflict of interest with regard to the Proposed Transaction.

In accordance with Rule 25.2 of the Takeover Code the Conflicted Directors give no expression of their views on the Proposed Transaction.

10 Recommendation

SP Angel considers that the terms of the Proposed Transaction are fair and reasonable and in the best interests of the Shareholders and the Company as a whole. In providing this opinion, SP Angel has taken into account the Directors' commercial assessment.

Accordingly, SP Angel recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

Yours faithfully

Graham Marshall
Non-Executive Chairman

PART II
ADDITIONAL INFORMATION IN RELATION TO THE
WAIVER

1 Background

Under the Takeover Code a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. Control means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

As set out in the December 2015 Circular, the Panel determined that pursuant to the Initial Bluejay Acquisition, the Bluejay Vendors are acting in concert with each other and Western Areas is acting in concert with the Bluejay Vendors. Together, Western Areas and the Bluejay Vendors are referred to as the "Concert Party".

Western Areas was previously the subject of a waiver granted in respect of Rule 9 and approved by Independent Shareholders on a poll at the general meeting held on 29 November 2013. At that time Western Areas held an interest in 67.8 per cent of the voting rights of the Company.

Furthermore, as stated in the December 2015 Circular there was no obligation under Rule 9 to make a general offer in respect of the issue of new Ordinary Shares to either Western Areas or the Bluejay Vendors pursuant to the December 2015 Placing nor the Initial Bluejay Acquisition, as at that time Western Areas had an interest in excess of 50 per cent. of the voting rights of FinnAust and the Concert Party retained an interest in excess of 50 per cent. of the voting rights of the Company following the completion of the December 2015 Placing and the Initial Bluejay Acquisition.

Western Areas held between 30 per cent. and 50 per cent. of the voting rights of the Company and the Bluejay Vendors held an interest in 29.99 per cent of the voting rights of the Company following completion of the December 2015 Placing and the Initial Bluejay Acquisition, therefore both Western Areas and the Bluejay Vendors were unable to increase their interests in the voting rights of the Company through or between a Rule 9 threshold without Panel consent.

As at the date of this document, Western Areas holds an interest in 138,611,112 Ordinary Shares representing 22.39 per cent. of the Existing Ordinary Shares and the Bluejay Vendors hold an interest in 163,190,336 Ordinary Shares representing 26.36 per cent. of the Existing Ordinary Shares. Therefore, in aggregate, the Concert Party is interested in 301,801,448 Ordinary Shares which represents 48.74 per cent of the voting rights of the Company.

On completion of the Exercise of the Bluejay Option the Consideration Shares will be issued to the Bluejay Vendors. This will result in the Bluejay Vendors being interested in 271,261,724 Ordinary Shares which will represent 37.30 per cent of the Enlarged Issued Share Capital and total voting rights of the Company. Therefore, in aggregate, the Concert Party will be interested in 409,872,836 Ordinary Shares which will represent 56.36 per cent of the total voting rights of the Company.

Due to the Share Options, the maximum potential interest in the Company of the Bluejay Vendors is 275,111,724 Ordinary Shares, which would represent 37.63 per cent of the voting rights of the Company. The maximum potential interest of the Concert Party therefore is 413,722,836 Ordinary Shares which would represent 56.59 per cent of the voting rights of the Company.

2 Current interests and maximum potential interests in the voting rights of the Company of the Concert Party

Details of the current interests, interests following completion of the Proposed Transaction and maximum potential interests in the ordinary share capital of the Company for each member of the Concert Party are set out in the table below:

Shareholder name	Interest in Ordinary Shares as at the date of this Circular	Percentage interest in Ordinary Shares as at the date of this Circular	No. of Consideration Shares	Interest in Ordinary Shares on completion of the Proposed Transaction	Percentage interest in voting rights on completion of the Proposed Transaction	No. of Share Options**	Maximum potential interest in Ordinary Shares	Maximum potential percentage interest in voting rights
Shaun Bunn	17,089,886	2.76%	11,443,696	28,533,582	3.92%	-	28,533,582	3.90%
Gregory Kuenzel*	23,108,125	3.73%	15,147,257	38,255,382	5.26%	3,600,000	41,855,382	5.73%
Roderick McIlree*	57,100,222	9.22%	37,477,556	94,577,778	13.01%	-	94,577,778	12.94%
Garth Palmer	9,291,881	1.50%	6,525,323	15,817,204	2.17%	250,000	16,067,204	2.20%
Jeremy Whybrow	56,600,222	9.14%	37,477,556	94,077,778	12.94%	-	94,077,778	12.87%
Bluejay Vendors Total	163,190,336	26.36%	108,071,388	271,261,724	37.30%	3,850,000	275,111,724	37.63%
Western Areas	138,611,112	22.39%	-	138,611,112	19.06%	-	138,611,112	18.96%
Concert Party Total	301,801,448	48.74%	108,071,388	409,872,836	56.36%	3,850,000	413,722,836	56.59%
Other Shareholders	317,368,051	51.26%	-	317,368,051	43.64%	-	317,368,051	43.41%
TOTAL	619,169,499	100.00%	108,071,388	727,240,887	100.00%	3,850,000	731,090,887	100.00%

***Director of the Company, ** subject to the approval of the Waiver being received, and at the discretion of the option holder the Share Options can be exercised immediately**

3 Waiver

The Company applied to the Panel for a waiver of Rule 9 of the Takeover Code in order to permit the Exercise of the Bluejay Option by the Board without triggering an obligation on the part of the Bluejay Vendors to make a general offer to Shareholders. The Panel has agreed, subject to the approval of Independent Shareholders on a poll vote, to waive the requirement for the Bluejay Vendors to make a general offer to all Shareholders where such an obligation would arise as a result of the issue of the Consideration Shares or the exercise of the Share Options.

4 Further details on the Bluejay Vendors

The current interests of each of the Bluejay Vendors in the share capital of Bluejay are set out in the table below along with the number of Consideration Shares that they will receive on completion of the Exercise of the Bluejay Option.

Name	Shareholding in Bluejay	Percentage shareholding in Bluejay	Number of consideration Shares (to be issued on a pro rata basis)
Shaun Bunn	8,740	4.19%	11,443,696
Gregory Kuenzel*	11,575	5.56%	15,147,257
Roderick McIllree*	28,630	13.74%	37,477,556
Garth Palmer	4,985	2.39%	6,525,323
Jeremy Whybrow	28,630	13.74%	37,477,556
TOTAL	82,560	39.63%*	108,071,388

* The remaining 60.37% of Bluejay (being 125,788 shares) is already owned by the Company.

Biographies for the Bluejay Vendors are set out below.

a. ***Shaun Bunn***

Mr. Bunn is a mining executive with over 30 years of experience in exploration, mining, processing and project development. Shaun has a BSc and GDip in Metallurgy from WA School of Mines, and an MBA from Deakin University. Shaun has managed mining projects through all stages of development, from grass roots exploration, feasibility studies, financing, construction, commissioning and operations.

b. ***Gregory Kuenzel***

Mr. Kuenzel is Non-Executive Director of the Company. He joined the Board of the Company on 30 June 2010. Greg holds a Bachelor of Business Degree and is an associate of the Institute of Chartered Accountants in England and Wales. Greg has many years of experience in providing accounting and corporate advice across various industry sectors including mining and resource development in the UK, USA and Australia. Greg is the Managing Director of AIM quoted Georgian Mining Corporation.

c. ***Roderick McIllree***

Mr. McIllree is the Managing Director of FinnAust. He joined the Board of the Company on 8 December 2015, having been appointed as non-board interim Chief Executive officer in July 2015. Rod has more than 20 years of experience operating in both the resources and financial sectors. Having worked initially as an exploration geologist for global mining houses he migrated to the financial / advisory side of the industry where he worked extensively as a mining analyst, then later as a corporate adviser to

listed exploration and mining companies with projects across a broad spectrum of commodities and countries, including Greenland.

d. ***Garth Palmer***

Mr. Palmer is the Company Secretary of FinnAust. He holds a Bachelor of Commerce Degree and is a member of the Institute of Chartered Accountants in England & Wales. Garth began his career at Horwath Chartered Accountants in Perth (now part of BDO) in the audit and corporate services division before moving to KPMG's audit and risk advisory team. Mr Palmer works with AIM quoted companies, predominantly within the mining and resources industries, providing corporate and financial consulting services. Garth is the Finance Director of AIM quoted SigmaRoc plc.

e. ***Jeremy Whybrow***

Mr. Whybrow holds a Bachelor degree from the Curtin University of Technology and has over 15 years of experience in the minerals industry. Jeremy has worked for companies such as Sons of Gwalia Ltd, PacMin Ltd, Teck Australia Ltd, Mount Edon Gold Mines Ltd and Croesus Mining NL. His experience was mainly in the operational environment and includes significant exposure to exploration and mining operations, project evaluation and feasibility studies. Jeremy also has extensive international exploration experience having worked in China, Africa and the Philippines as well as numerous localities in Australia. As a founding director of Greenland Minerals and Energy Ltd, Jeremy was instrumental in conducting the exploration programs that have seen the Kvanefjeld project in Greenland emerge as the world's largest resource of rare earth elements.

5 Further information regarding Western Areas

Western Areas Limited, incorporated in Australia on 24 December 1999 with registered number 091049357, was listed on the Australian Securities Exchange in July 2000 and currently has a market capitalisation in excess of AUS\$710 million. Its registered office is Level 2, 2 Kings Park Road, West Perth WA 6005, Australia. Western Areas is a leading Australian nickel producer. Production is built around two of the highest grade underground nickel mines in the world, Flying Fox and Spotted Quoll, both

within Western Area's Forrestania project area in Western Australia.

Western Areas is deemed to be acting in concert with the Bluejay Vendors.

6 Responsibility statements and consent

The Company accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Company, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Conflicted Directors accept responsibility for the information contained in this document save for the Recommendation in paragraph 10 of Part I. To the best of the knowledge and belief of the Conflicted Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bluejay Vendors accept responsibility for the information relating to them contained in this document. To the best of the knowledge and belief of the Bluejay Vendors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document for which the Bluejay Vendors are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Western Areas accepts responsibility for the information relating to it contained in this document. To the best of the knowledge and belief of Western Areas (which has taken all reasonable care to ensure that such is the case), the information contained in this document for which Western Areas is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

SP Angel Corporate Finance LLP, which is authorised and

regulated in the United Kingdom by the Financial Conduct Authority, has given and has not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which they appear.

7 Intentions of the Concert Party

The Bluejay Vendors have each confirmed to the Company that they are not proposing, following any increase in their percentage interests in Ordinary Shares or voting rights as a result of the Proposed Transaction or any potential exercise of Share Options, to seek any change in the general nature of the Company's business.

The Bluejay Vendors have also each confirmed that they have no intention to make any changes regarding the future of the Company's business, the locations of the Company's places of business and the continued employment of its employees and management (and those of its subsidiaries) as a result of any increase in their percentage interests in Ordinary Shares or voting rights as a result of the Proposed Transaction or any potential future exercise of Share Options nor will there be any redeployment of the fixed assets of the Company as a result of such an increase. The Bluejay Vendors intend that the Company remains quoted on AIM.

8 Interests and dealings in relevant securities

Definitions:

For the purpose of this paragraph:

"acting in concert" has the meaning attributed to it in the Takeover Code;

"arrangement" includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

"connected person" has the meaning attributed to it in section 252 of the Companies Act 2006;

"control" means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether

the holding or aggregate holding gives de facto control;

"dealing" or "dealt" includes the following:

the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;

the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a trade option contract) in respect of any relevant securities;

subscribing or agreeing to subscribe for relevant securities;

the exercise or conversion of any relevant securities carrying conversion or subscription rights (whether in respect of new or existing securities);

the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;

entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and

any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

"derivative" includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

"disclosure date" means 17 February 2017, being the latest practicable date prior to the posting of this document;

"disclosure period" means the period commencing on 20 February 2016, being the date 12 months prior to the date of the posting of this

document and ending on the disclosure date;
being **"interested"** in relevant securities includes
where a person:

owns relevant securities;

has a right (whether conditional or absolute)
to exercise or direct the exercise of the
voting rights attaching to relevant
securities or has general control of
them;

by virtue of any agreement to purchase, option
or derivative, has the right or option to
acquire relevant securities or call for
their delivery or is under an obligation
to take delivery of them, whether the
right, option or obligation is conditional
or absolute and whether it is in the
money or otherwise; or

is party to any derivative whose value is
determined by reference to their price
and which results, or may result, in his
having a long position in them;

"relevant securities" includes:

shares and any other securities carrying voting
rights;

equity share capital (or derivatives referenced
thereto);

securities carrying conversion or subscription
rights (including traded options);

"short position" means any short position (whether
conditional or absolute and whether in the
money or otherwise) including any short
position under a derivative, agreement to sell
or any delivery obligation or right to require
any other person to purchase or take delivery.

The Concert Party's interest in the Company at the disclosure date

As at the disclosure date, Western Areas holds an interest in 138,611,112 Ordinary Shares representing 22.39 per cent. of the Existing Ordinary Shares and the Bluejay Vendors hold an interest in 163,190,336 Ordinary Shares representing 26.36 per cent. of the Existing Ordinary Shares. In total, the Concert Party holds an interest in 301,801,448 Ordinary Shares representing 48.74 per

cent. of the Existing Ordinary Shares as at the disclosure date.

Dealings in relevant securities

(a) The dealings by Bluejay Vendors in Ordinary Shares during the disclosure period were as follows:

<i>Name</i>	<i>Description of dealing</i>	<i>No. of Ordinary Shares</i>	<i>Price per Ordinary Share</i>	<i>Date of transaction</i>
Shaun Bunn	Issue of new Ordinary Shares by the Company as deferred consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	4,315,647	n/a	8 December 2016
Gregory Kuenzel	Issue of new Ordinary Shares by the Company as deferred consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	5,712,334	n/a	8 December 2016
Roderick McIlree	Issue of new Ordinary Shares by the Company as deferred consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	14,133,537	n/a	8 December 2016
Garth Palmer	Issue of new Ordinary Shares by the Company as deferred consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	2,460,830	n/a	8 December 2016

Jeremy Whybrow	Issue of new Ordinary Shares by the Company as deferred consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	14,133,537	n/a	8 December 2016
Shaun Bunn	On market disposal of Ordinary Shares	300,000	6.45 pence	19 September 2016
Shaun Bunn	On market disposal of Ordinary Shares	100,000	5.4 pence	18 August 2016
Shaun Bunn	On market disposal of Ordinary Shares	200,000	5.37 pence	17 August 2016
Shaun Bunn	Acquisition of new Ordinary Shares in a placing for cash	300,000	5.0 pence	13 July 2016
Shaun Bunn	On market disposal of Ordinary Shares	75,000	5.0 pence	26 May 2016
Shaun Bunn	On market disposal of Ordinary Shares	150,000	5.0 pence	25 May 2016
Shaun Bunn	On market disposal of Ordinary Shares	350,000	5.0 pence	24 May 2016
Jeremy Whybrow	On market disposal of Ordinary Shares	400,000	5.5 pence	17 May 2016
Garth Palmer	On market disposal of Ordinary Shares	100,000	5.25 pence	16 May 2016
Garth Palmer	On market disposal of Ordinary Shares	100,000	5.00 pence	13 May 2016
Garth Palmer	On market disposal of Ordinary Shares	150,000	3.90 pence	12 April 2016
Jeremy Whybrow	On market disposal of Ordinary Shares	300,000	3.8 pence	11 April 2016
Jeremy Whybrow	On market disposal of Ordinary Shares	300,000	3.52 pence	8 April 2016
Garth Palmer	On market disposal of Ordinary Shares	300,000	3.55 pence	8 April 2016

Jeremy Whybrow	Off market disposal of Ordinary Shares	3,125,000	2.0 pence	8 March 2016
Jeremy Whybrow	Off market disposal of Ordinary Shares	1,345,549	2.0 pence	8 March 2016
Jeremy Whybrow	Off market disposal of Ordinary Shares	250,000	2.0 pence	8 March 2016
Jeremy Whybrow	Off market disposal of Ordinary Shares	250,000	2.0 pence	8 March 2016
Shaun Bunn	Issue of new Ordinary Shares by the Company as consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	13,119,788	n/a	8 March 2016
Gregory Kuenzel	Issue of new Ordinary Shares by the Company as consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	17,365,791	n/a	8 March 2016
Roderick McIlree	Issue of new Ordinary Shares by the Company as consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	42,966,685	n/a	8 March 2016
Garth Palmer	Issue of new Ordinary Shares by the Company as consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	7,481,051	n/a	8 March 2016

Jeremy Whybrow	Issue of new Ordinary Shares by the Company as consideration for the Initial Bluejay Acquisition in accordance with the terms of the Bluejay Acquisition Agreement	42,966,685	n/a	8 March 2016
Shaun Bunn	Acquisition of new Ordinary Shares in a placing for cash	529,451	2.0 pence	8 March 2016
Jeremy Whybrow	Acquisition of new Ordinary Shares in a placing for cash	4,470,549	2.0 pence	8 March 2016
Jeremy Whybrow	Acquisition of new Ordinary Shares in a placing for cash	1,000,000	2.0 pence	4 March 2016

(b) The dealings by Western Areas in Ordinary Shares during the disclosure period were as follows:

<i>Description of dealing</i>	<i>No. of Ordinary Shares</i>	<i>Price per Ordinary Share</i>	<i>Date of transaction</i>
Disposal of Ordinary Shares by way of a vendor placing	45,000,000	7.0 pence	8 December 2016
Acquisition of new Ordinary Shares in a placing for cash	5,000,000	2.0 pence	8 March 2016

(c) The dealings by SP Angel in Ordinary Shares during the disclosure period were as follows:

<i>Description of dealing</i>	<i>No. of Ordinary Shares</i>	<i>Price per Ordinary Share</i>	<i>Date of transaction</i>
Grant of warrants over Ordinary Shares exercisable at 7 pence per share until 14 December 2021.	2,165,357	n/a	8 December 2016
On market disposal of Ordinary Shares	1,584,244	4.54 pence	3 May 2016
Issue of new Ordinary Shares by the Company in lieu of fees due	481,928	2.075 pence	15 April 2016
Grant of warrants over Ordinary Shares exercisable at 2 pence per share until 15 April 2021.	625,000	n/a	15 April 2016
Issue of new Ordinary Shares by the Company in lieu of fees due	1,102,316	2 pence	4 March 2016
Grant of warrants over Ordinary Shares exercisable at 2 pence per share until 4 March 2017.	1,000,000	n/a	4 March 2016

Grant of warrants over Ordinary Shares exercisable at 4 pence per share until 4 March 2018.	1,000,000	n/a	4 March 2016
Grant of warrants over Ordinary Shares exercisable at 6 pence per share until 4 March 2019.	1,000,000	n/a	4 March 2016

As at the date of this document, SP Angel did not hold any Ordinary Shares, but has an interest in warrants to subscribe for Ordinary Shares as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price per Ordinary Share</i>	<i>No. of Ordinary Shares</i>
4 March 2016	4 March 2017	2 pence	1,000,000
4 March 2016	4 March 2018	4 pence	1,000,000
4 March 2016	4 March 2019	6 pence	1,000,000
15 April 2016	15 April 2021	2 pence	625,000
8 December 2016	14 December 2021	7 pence	2,165,357

Save as disclosed in this document, as at the disclosure date, neither the Bluejay Vendors, their immediate families, any related trust and any connected persons and any persons acting in concert with the Bluejay Vendors (including, without limitation, Western Areas, any subsidiary or associated company of Western Areas or any pension fund of Western Areas or any of its subsidiaries or associated companies, any person whose investments are managed on a discretionary basis by a fund manager connected with the Bluejay Vendors, any connected adviser of the Bluejay Vendors and any person controlling, controlled or under the same control as such connected adviser) had any interest in or a right to subscribe for, or had any short position in relation to, any relevant FinnAust securities, nor had any such person dealt in any relevant FinnAust securities during the disclosure period.

Save as disclosed in this document, as at the disclosure date, neither the Bluejay Vendors, their immediate families or related trusts or anyone acting in concert with any of the Bluejay Vendors (including Western Areas) had borrowed or lent any relevant FinnAust securities (save for any borrowed shares which have

either been on-lent or sold) or dealt in relevant securities during the disclosure period nor owns or is interested in any relevant securities (whether by interests, rights to subscribe or short positions).

Save as disclosed in this document, at the disclosure date:

none of the Directors (including any members of their respective immediate families, related trusts or connected persons) had any interest in or a right to subscribe for, or has any short positions in relation to any relevant securities of the Company;

no person acting in concert with the Company had any interest in, or right to subscribe for, or had any short position in relation to any relevant securities of the Company; and

none of the Directors (including any members of their respective immediate families, related trusts or connected persons) nor any person acting in concert with the Company nor the Company had borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold.

Material contracts

The Bluejay Acquisition Agreement is the only material contract that has been entered into by the Company or its subsidiaries in the last two years. The material contract summary is given below.

On 8 December 2015, the Company entered into a sale and purchase agreement, pursuant to which it conditionally agreed to acquire 125,788 shares of no par value each in Bluejay representing an interest of 60.37 per cent. of Bluejay for a maximum purchase price of £905,607, based on a total maximum valuation of Bluejay of £1.5 million, to be satisfied by the issue of up to 164,655,885 new Ordinary Shares to the Bluejay Vendors, *pro rata*, to their respective holdings in Bluejay as follows:

- (a) the allotment and issue of the initial consideration shares, namely, 123,900,000 new Ordinary Shares on the satisfaction of the conditions (being the December 2015 Placing and obtaining the change of control consent from the Greenlandic authorities in respect of

Bluejay in its capacity as the holder of the mineral exploration permit for the Pituffik Project) of the Initial Bluejay Acquisition, which occurred on 8 March 2016; and

- (b) the allotment and issue of the deferred consideration shares, namely, 40,755,885 new Ordinary Shares, subject to certain conditions (being grant of mineral exploration permit to Bluejay over the offshore Pituffik project area and the deferred shares not triggering a mandatory offer pursuant to Rule 9 of the Takeover Code), which occurred on 8 December 2016.

Under the terms of the Bluejay Acquisition Agreement, the Company was also granted an option by the Bluejay Vendors to acquire the remaining 39.63 per cent. of Bluejay for the sum of £594,393 to be satisfied by the issue of 108,071,388 new Ordinary Shares to the Bluejay Vendors, *pro rata*, to their respective holdings in Bluejay. The expiry date of the Bluejay Option is 8 March 2020.

Directors' service contracts

A summary of the service contract entered into with the Company by each Director is set out below. None of the Directors' service contracts have been amended in the last six months.

Graham Marshall

On 12 November 2013 the Company entered into a letter of appointment with Mr Marshall whereby he agreed to act as non-executive director of the Company for a nominal fee of £1 per annum terminable by either party giving two months' prior written notice. There have been no subsequent changes to Mr Marshall's terms of appointment.

Roderick McIlree

On 8 December 2015 the Company entered into a service agreement with Mr McIlree whereby he agreed to act as an executive director of the Company for a fee of £6,666.67 per calendar month terminable by either party giving six months' prior written notice. There have been no subsequent changes to Mr McIlree's service agreement.

Gregory Kuenzel

On 12 November 2013 the Company entered into a letter of

appointment with Mr Kuenzel whereby he agreed to act as non-executive director of the Company for a fee of £1,000 per calendar month terminable by either party giving three months' prior written notice. There have been no subsequent changes to Mr Kuenzel's terms of appointment.

Additional disclosures required by the Takeover Code

Save as disclosed in this document, none of the Directors have any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company.

No agreement, arrangement or understanding (including any compensation arrangement) exists between the Bluejay Vendors or Western Areas and any of the Directors, recent directors, Shareholders or recent shareholders of the Company, or any person interested or recently interested in the Ordinary Shares, having any connection with or dependence upon the Proposed Transaction.

There is no agreement, arrangement or understanding whereby the legal and/or beneficial interest in any Ordinary Share held by or to be issued to any member of the the Concert Party pursuant to the Bluejay Acquisition or the future exercise of Share Options will be transferred to any other person.

In the event the Proposed Transaction is approved at the General Meeting, the members of the Concert Party will not be restricted from making an offer for the Company.

9 Middle market quotation

The following table sets out the closing middle market quotations for an Ordinary Share in FinnAust for the first business day of each of the six months immediately preceding the date of this document and for 17 February 2017 (being the latest practicable date prior to the publication of this document):

<i>Date</i>	<i>Price per Ordinary Share (pence)</i>
17 February 2017	7.625
1 February 2017	6.950
3 January 2017	7.075
1 December 2016	7.775
1 November 2016	6.450
3 October 2016	7.000

Source: Bloomberg

10 Information incorporated by reference

Your attention is drawn to the following documents (or parts thereof) that are incorporated by reference into this document:

Information incorporated by reference	Document reference	Page number(s) in such document
Annual Report and Accounts for FinnAust Mining plc for the year ended 30 June 2016 (available for viewing on the FinnAust website at http://www.titanium.gl/documents/corporate-documents/160630-FinnAust-Mining-Plc-Accounts.pdf)	Consolidated income statement	15
	Consolidated statement of comprehensive income	16
	Consolidated statement of financial position	14
	Consolidated statement of changes in equity	17
	Consolidated statement of cash flows	19
	Notes to the financial statements	20
	Independent auditor's opinion	13
	Consolidated income statement	14
	Consolidated statement of comprehensive income	12
	Consolidated statement of financial position	15
Annual Report and Accounts for FinnAust Mining plc for the year ended 30 June 2015 (available for viewing on the FinnAust website at http://www.titanium.gl/documents/corporate-documents/FinnAustMiningPlcAccounts150630FINAL.pdf)	Consolidated statement of changes in equity	17
	Consolidated statement of cash flows	18
	Notes to the financial statements	11
	Independent auditor's opinion	

Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company Secretary at the Company's registered office, 47 Charles Street, London W1J 5EL or by calling +44 (0)203 006 0266. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

The documents incorporated by reference into this document have been incorporated in compliance with Rule 24.15 of the Takeover Code. Except as set forth above, no other portion of these documents is incorporated by reference into this document.

11 Documents on display

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Company, 47 Charles Street, London, W1J 5EL from the date of this document until one month following the date of the General Meeting.

- (a) the Memorandum and Articles of the Company;
- (b) the financial information on the Company referred to in paragraph 13 above;
- (c) the service contracts and letters of appointment of each of the Directors;
- (d) the written consent of SP Angel Corporate Finance LLP referred to in paragraph 6.5 above; and
- (e) the Bluejay Acquisition Agreement.

These documents will also be available from the Company's website www.finnaust.com.

PART III

PRINCIPAL RISKS AND UNCERTAINTIES

The risks and uncertainties described below are the material risk factors facing the Group which are currently known to the Directors and should be read in conjunction with the other information contained in this document.

Additional risks and uncertainties not presently known or currently deemed immaterial may also have a material adverse effect on the Group's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Group's business, financial condition, operational performance and share price could be materially and adversely affected to the detriment of the Group and the Shareholders. No inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect. The risks are not presented in any order of priority nor are they exhaustive.

No representation is or can be made as to the future performance of the Company and there can be no assurance that the Company will achieve its objectives.

Exploration risks

The exploration and mining business is controlled by a number of global factors, principally supply and demand which in turn is a key driver of global mineral prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine.

At every stage of the exploration process the projects are rigorously reviewed to determine if the results justify the next stage of exploration expenditure ensuring that funds are only applied to high priority targets.

The principal assets of the Group comprising the mineral exploration licences are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to legislation defined by the Government; if this legislation is changed it could adversely affect the value of the Group's assets.

Economically viable mining

The exploration and development of natural resources involves significant financial risks over a prolonged period of time, which even if there is a combination of careful evaluation, experience and knowledge may not be eliminated. While discovery of a natural resource may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditure may be required to establish reserves by drilling and in constructing mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to abandonment of projects. It is impossible to ensure that preliminary feasibility studies or definitive feasibility studies on the Group's projects will result in a profitable mining operation.

Acquisition, retention and conversion of licences, permits and other regulatory approvals

The ability of the Group to develop and exploit natural resources depends on its continued compliance with the obligations of its current exploration rights and the Group's ability to convert exploration opportunities into production and/or mining licences. The Group depends on licences whose grant and renewal are subject to the discretion of the relevant governmental authorities and cannot be assured.

Weather conditions

It may not be possible to fully insure against adverse weather conditions and should such events occur liabilities may arise which could reduce or eliminate any future profitability, result in increasing costs or the loss of the Group's assets and a decline in the value of the Ordinary Shares.

Dependence on key personnel

The Group and Company is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupation and health hazards and weather conditions or other acts of God.

Funding risk

The only sources of funding currently available to the Group are through the issue of additional equity capital in the parent company or through bringing in partners to fund exploration and development costs. The Company's ability to raise further funds will depend on the success of the Group's exploration activities and its investment strategy. The Company may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the Group may be required to reduce the scope of its exploration and development activities or relinquish some of the exploration licences held for which it may incur fines or penalties.

Financial Risks

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs.

Shareholding of the Concert Party

Should the Proposed Transaction be approved by Independent Shareholders, over 50 per cent. of the Enlarged Issued Share Capital will be controlled by the Concert Party. As long as the Concert Party owns a majority of the Ordinary Shares it will be able to, among other things, propose and pass without support from Independent Shareholders all ordinary resolutions of the Company including, but not limited to, the election and removal of directors, proposed amendments to the Articles, which govern the rights attaching to the Ordinary Shares, and approval of acquisitions or disposals of significant subsidiaries or assets or other significant corporate transactions required to be subject to majority shareholder consent. The Concert Party will also be able to control or exert significant influence on all of the Company's policy decisions and its strategic direction. Independent Shareholders will benefit from minority shareholder protection to the extent prescribed under English law.

DEFINITIONS

The following words and expressions apply throughout this document unless the context requires otherwise:

"Admission"	admission of the Consideration Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
"Admission Document"	the Company's AIM admission document dated 12 November 2013;
"AIM"	a market of that name operated by the London Stock Exchange;
"AIM Rules"	together, the AIM Rules for Companies (including the Note for Mining and Oil & Gas Companies) and the AIM Rules for Nominated Advisers;
"AIM Rules for Companies"	the AIM Rules for Companies published by the London Stock Exchange as amended from time to time;

"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange as amended from time to time;
"Articles"	the articles of association of the Company as at the date of this document;
"Bluejay"	Bluejay Mining Limited, a company incorporated in the British Virgin Islands with registered number 1662564;
"Bluejay Acquisition"	the proposed acquisition by the Company of 82,560 shares of no par value each representing an interest in 39.63 per cent. of Bluejay, which is not already owned by the Company;
"Bluejay Acquisition Agreement"	the sale and purchase agreement entered into on 8 December 2015 by the Company and the Bluejay Vendors setting out the terms of the acquisition of Bluejay;
"Bluejay Option"	the option granted to the Company pursuant to the terms of the Bluejay Acquisition Agreement whereby the Company was granted the right to acquire the remaining 39.63 per cent. of Bluejay that it does not already own from the Bluejay Vendors to be satisfied by the issue of the Consideration Shares;
"Bluejay Vendors"	the vendors of Bluejay, being Roderick McIlree, Jeremy Whybrow, Gregory Kuenzel, Garth Palmer and Shaun Bunn;
"Board" or "Directors"	the directors of the Company whose names are set out on page 2 of this document;
"Company" or "FinnAust"	FinnAust Mining plc, a company incorporated in England and Wales with registered number 05389216;
"Concert Party"	Western Areas and the Bluejay Vendors;

"Conflicted Directors"	certain directors of the Company, being Roderick McIlree, Gregory Kuenzel and Graham Marshall are deemed to have a conflict of interest for the purposes of the Takeover Code with regard to the Proposed Transaction;
"Consideration Shares"	108,071,388 new Ordinary Shares which will be issued to the Bluejay Vendors to satisfy the consideration due in respect of the Exercise of the Bluejay Option;
"December 2015 Placing"	the placing of new shares for cash undertaken by the Company in December 2015, which was conditional upon completion of the Initial Bluejay Acquisition, further details of which are set out in the circular dated 8 December 2015;
"Enlarged Issued Share Capital"	the issued ordinary share capital of the Company as enlarged by the issue of the Consideration Shares;
"Exercise of the Bluejay Option"	the proposed exercise of the Bluejay Option by the Company, which will result in the Bluejay Acquisition;
"Existing Ordinary Shares"	the 619,169,499 Ordinary Shares in issue at the date of this document;
"Form of Proxy"	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this document;
"General Meeting"	the general meeting of the Company which is to be held at 10:00 a.m. on 10 March 2017 at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE, notice of which is set out at the end of this document;
"Group"	the Company and its subsidiaries;
"Independent Shareholders"	the Shareholders other than the Bluejay Vendors and Western Areas;
"Initial Bluejay Acquisition"	the acquisition by the Company of 125,788 Bluejay shares of no par value each representing an interest in 60.37 per cent. of Bluejay, which completed on 8 March 2016;
"London Stock Exchange"	the London Stock Exchange plc;

"Notice of General Meeting"	the notice of the General Meeting, which begins on page 35 of this document;
"Ordinary Shares"	ordinary shares of 0.01 pence each in the capital of the Company;
"Panel"	the UK Panel on Takeovers and Mergers;
"Pituffik Mineral Exploration Permit"	the exploration licence held by Bluejay with licence number 2015/08 which covers an area of approximately 150 square kilometres (including the expansion granted by the Self Rule Government of Greenland in July 2016 to cover the shallow marine environment);
"Pituffik Project"	the mineral resource exploration project covered by the Pituffik Mineral Exploration Permit, south of Qaanaaq in North West Greenland;
"Proposed Transaction"	together, the Exercise of the Bluejay Option, the Bluejay Acquisition and the Waiver;
"Resolutions"	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting;
"Rule 3"	rule 3 of the Takeover Code;
"Rule 9"	rule 9 of the Takeover Code;
"Share Options"	options to acquire Ordinary Shares previously granted by the Company to Gregory Kuenzel and Garth Palmer;
"Shareholder(s)"	holders of Ordinary Shares;
"SP Angel"	SP Angel Corporate Finance LLP, the Rule 3 adviser and nominated adviser and broker to the Company;
"Takeover Code"	the UK City Code on Takeovers and Mergers (as amended from time to time); and
"TIDM"	tradeable instrument display mnemonic;

"Waiver"

the waiver which has been granted by the Panel, conditional upon the approval by the Independent Shareholders of the Whitewash Resolution on a poll, of the obligations to make a mandatory offer for the entire issued and to be issued share capital of the Company not already held by the Concert Party which might otherwise be imposed on the Concert Party under Rule 9, as a result of the issue of the Consideration Shares to the Bluejay Vendors pursuant to the Exercise of the Bluejay Option;

"Western Areas"

Western Areas Limited, a company incorporated in Australia with registered number 091049357; and

"Whitewash Resolution"

Resolution 2 set out in the Notice of General Meeting, which relates to the Waiver.

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

END

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Anonymous (not verified)

Exercise of the Bluejay Option; Change of Name

<http://www.DigitalLook.com>

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Mon, 02/20/2017 - 08:00

LSE RNS

Company Announcement - General

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