

2 February 2016

FinnAust Mining plc ('FinnAust' or the 'Company')
Survey Results Confirm High Grade Ilmenite Mineralisation Extends into Shallow Marine Environment

FinnAust Mining plc, the AIM listed exploration company with projects in Greenland, Finland and Austria, is pleased to announce results from the bathymetry (depth) and seismic profiling survey as well as the extensive sea floor sampling programme at the Pituffik Titanium Project in Greenland ('Pituffik'). The initial survey consisted of 300 line kilometres, followed by a further 38 line kilometres of infill and a wide spread sea floor sampling programme.

Highlights

- Results demonstrate that the shallow marine environment hosts very large volumes of potentially high grade titanium
 - Hosted within shallow, extensive and thick ilmenite rich sediments extending for >30km in length and 1,000m in width
 - The sedimentary horizons are on average more than 5m in thickness (up to a maximum thickness of 27m).
 - These results multiply the amount of known titanium mineralisation significantly
 - Three sedimentary units identified in total, the two most shallow sequences show visual concentrations of 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 of 20-30m
- Positive results reinforce the stated strategy to deliver a bulk sample/proof of concept production by 2017
- Results from offshore sampling programme over the shallow marine drowned beaches out to 1,000m from shore are expected in the next couple of months
- Following receipt of all results from the 2015 work programme, which includes outstanding sampling results from all three project areas, FinnAust will announce its full 2016 work programme inclusive of indicative timelines for permitting and environmental approval and assessment

FinnAust CEO Roderick McIlree said, "The drowned beaches at Pituffik have always represented to us an exciting low cost production opportunity and it is pleasing that the results received so far from the completed offshore survey support the potential viability of this

strategy. The realisation that these potentially high-grade titanium rich sediments extend offshore has changed the calculus in terms of potential resources by an order of magnitude and continues to demonstrate Pituffik is potentially a globally significant high-grade, pure ilmenite play. Pituffik hosts an unusually pure titanium occurrence and with the results from both the offshore and onshore samples expected shortly, we will have better detail on the broader grade potential of these distinct project areas.

“Our commitment to delivering on our promise of near term proof of concept production is strong, demonstrated by the appointment of GEUS to undertake a range of initiatives designed to help us reach our goal of securing off-take agreements during 2016. In the coming months the Company expects to announce additional appointments that will further consolidate this development strategy. This is a positive development for the Company.”

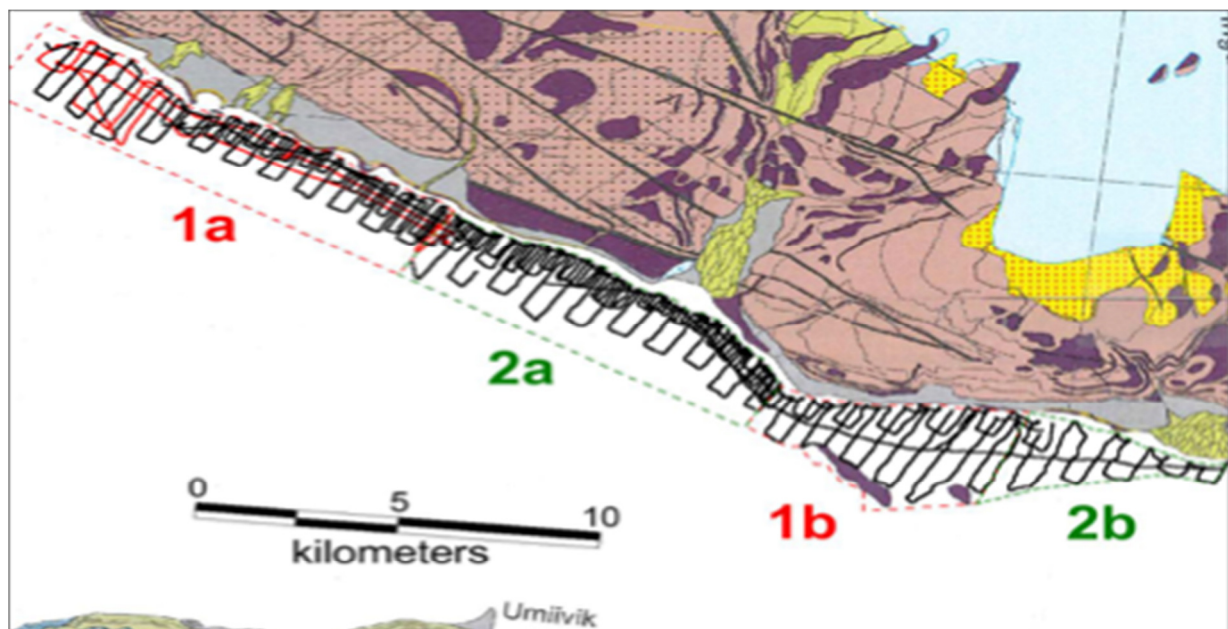
Further Information

The Geological Survey of Denmark and Greenland (‘GEUS’) was contracted to complete a seafloor bathymetry and boomer profiling survey over the moderate to shallow waters adjacent to the shore at Pituffik. This survey, part of a broader exploration programme, was designed in conjunction with an offshore grab sampling programme, also conducted by GEUS, focused on mapping the offshore sediments and testing for deposits of heavy mineral sands.

The survey was completed along the coast adjacent to the closed settlement of Moriusaq in northwest Greenland. A total of 300km of surveying was completed with the line spacing being between 150m and 250m, the trace of which can be seen in Figure 1.

Bathymetric measurements were made with a Navisound 620 and a TC2170 Transducer echo sounder to centimetre accuracy. The raw data was edited and corrections for tidal effects completed creating a bathymetric map. The bathymetric map shows in general that moderate depths of water (30m) are reached at distances of 1km to 2km from shore.

Figure 1: Survey area showing track of survey vessel main and infill lines



Acoustic mapping to determine the thickness of potential offshore heavy mineral sand deposits was completed via C-boom survey. The C-boom system comprises a seismic source and a ministreamer that can penetrate up to 20m into the seafloor.

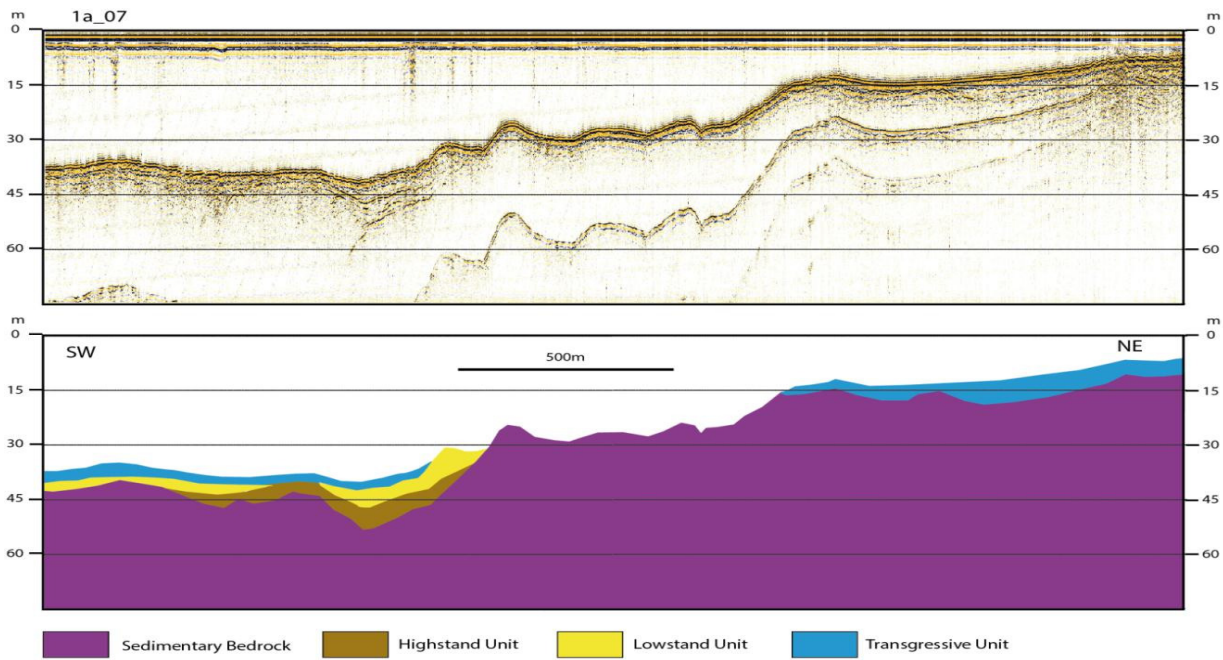
Figure 2: Survey underway with closed town of Moriusaq in background.



Four stratigraphic units were determined based on the results and the known recent sea level history. These units are:

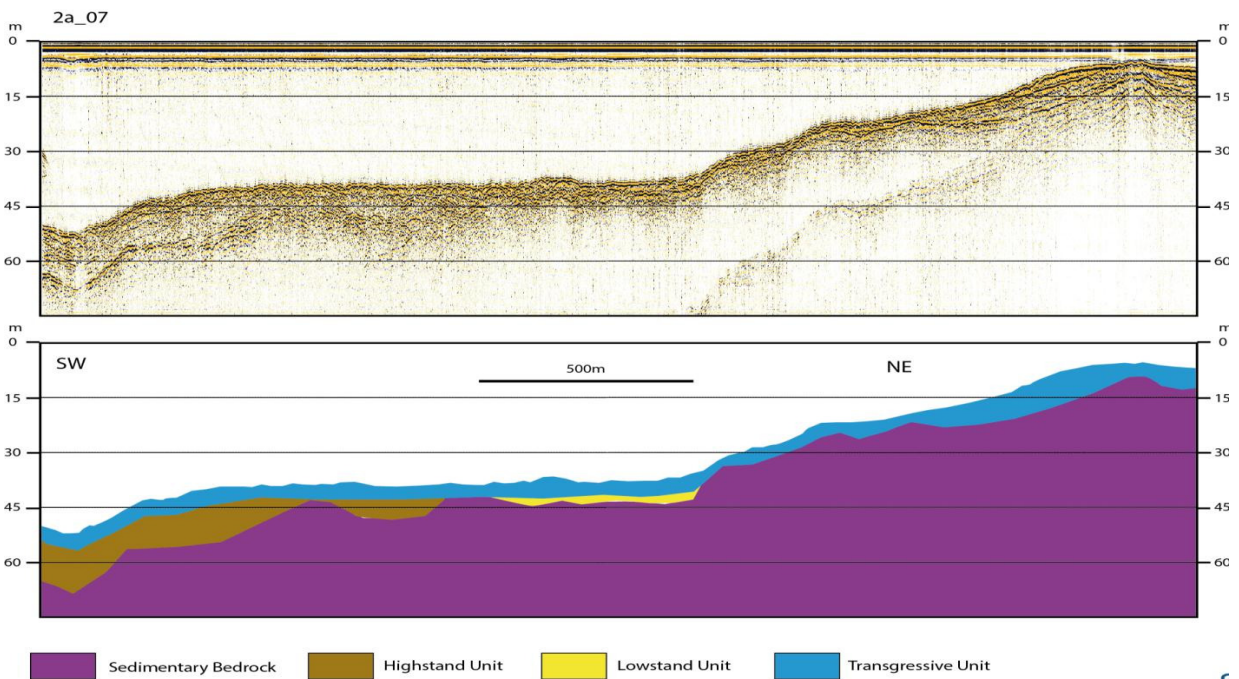
- A **transgressive** sequence laid down most recently, proven to contain heavy mineral sands, this is the upper most unit that covers most others, the youngest in age.
- A **lowstand** sequence also proven to contain heavy mineral sands, usually occurs in moderate water depths with a characteristically sharp lower unconformity boundary.
- The **highstand** sequence has the earliest age of the sand units defined and represents usually deeper water depths, the heavy mineral sand potential of this unit is virtually untested, in very deep water it can be covered in fine mud.
- A sedimentary bedrock usually forms the basement seen as a well-defined reflector.

Figure 3: Section 1a_07, adjacent to north Moriusaq, interpretation shows sand units on bedrock



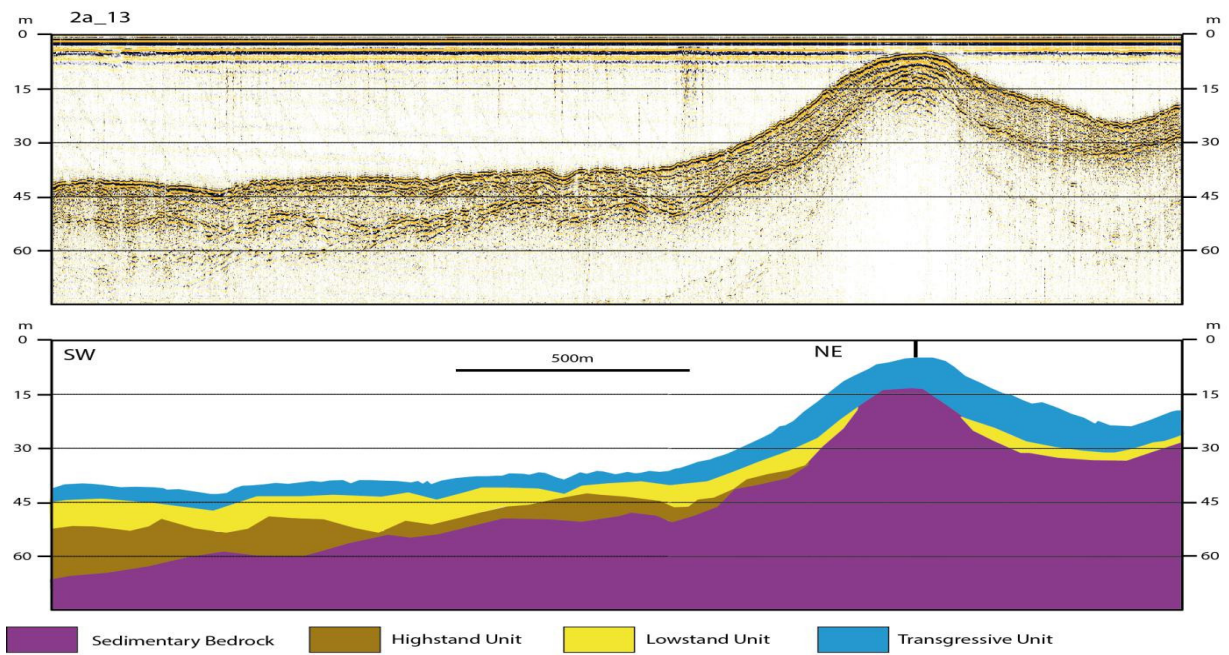
Section 1a_07 shows a transgressive heavy mineral sand-bearing unit from shore to a depth of around 15m. Visual estimates of ilmenite in sediments in this area indicate that results of up to 65% can be expected.

Figure 4: Section 2a_07, near Interlak, has a transgressive unit the entire length of the survey section line



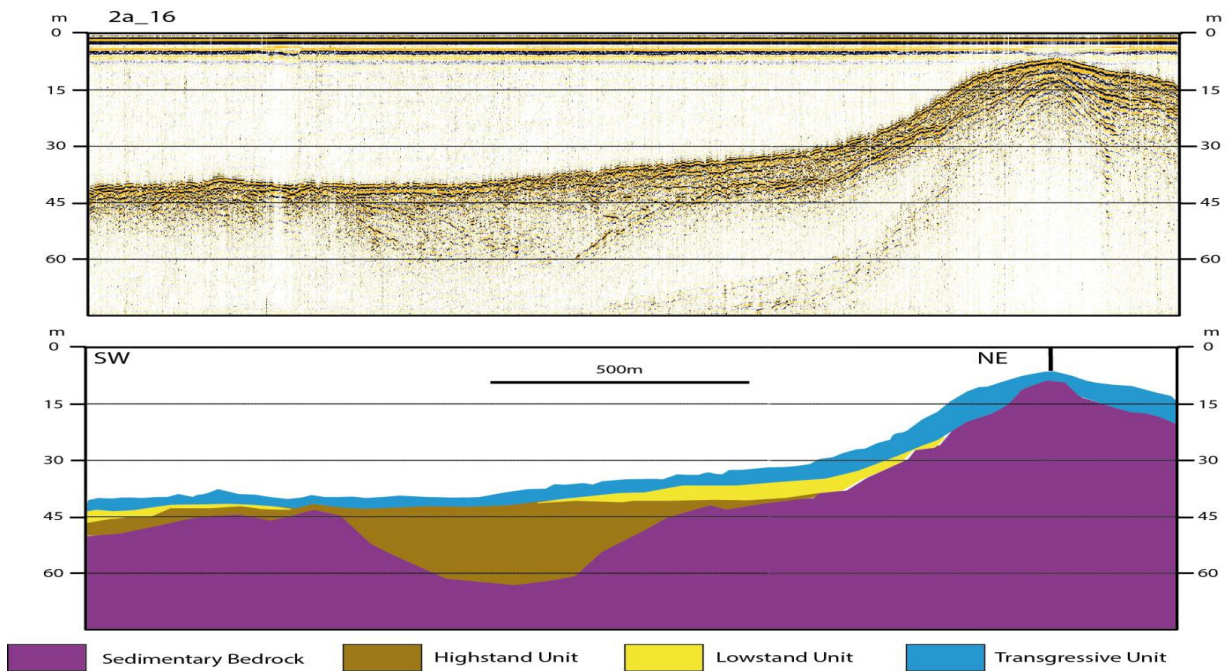
Section 2a_07, is further south, closer to Interlak, here again a transgressive heavy mineral sand-bearing unit is visible from shore, but this unit continues for the entire line. This unit has numerous grab samples that show mineral sands are present.

Figure 5: Section 2a_13, thick transgressive and lowstand unit for almost the entire section



Around Interlak distinct seafloor features contain thicker sand units including the lowstand unit as well, in this area a model GEUS derived to predict heavy minerals sands shows the thickest accumulations. This can be seen in both Figure 5 and 6.

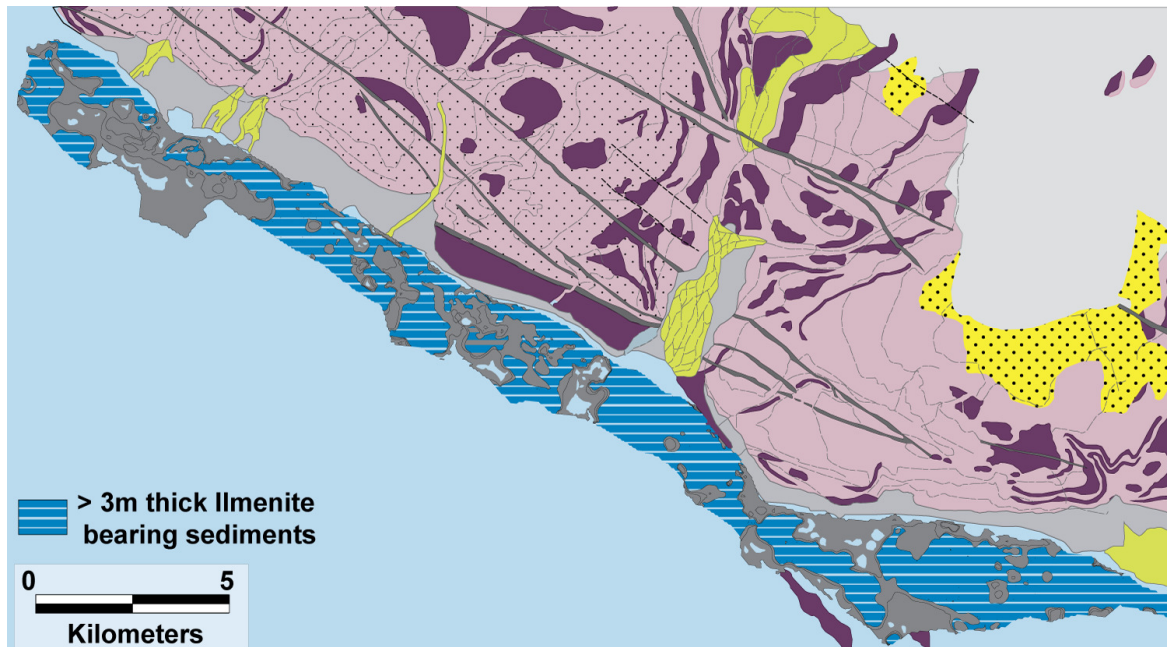
Figure 6: Section 2a_16, thick transgressive unit with some lowstand and highstand in deeper water



GEUS MODEL

GEUS has modelled the potential offshore heavy mineral sands resources; this has been done by combining the lowstand and transgressive sequences. The total thickness of these two units has been modelled for the entire survey area and is represented in Figure 7 below.

Figure 7: Thickness of a combined lowstand and transgressive sequences as modelled by GEUS



This survey has demonstrated that the shallow marine environment contains very significant amounts of ilmenite rich sediments representing a new discovery which increases the resource potential of the entire project area by an order of magnitude.

Unfortunately, in waters of less than 3m (near shore marine environment) the survey boat was not able to operate effectively due to risk to vehicle, seismic response times and survey noise. This $\pm 200\text{m}$ wide strip of beach line has the potential to contain the highest-grade area from the entire Pituffik project area. Very high grade titanium mineralisation has been visually confirmed along the entire project length however the depth of this material is unknown, but expected to be more than 1m. Work during 2016 will focus on this area. It is this zone that is most attractive in terms of ilmenite grade given it is the active erosional/deposition domain and is very likely to contain large volumes of well-sorted high-grade ilmenite rich sands. Also not surveyed was a tombolo directly adjacent to the town of Moriusaq, which also provides cover for a significant depositional environment where ilmenite rich sediments can accumulate.

Important Information re Bluejay Acquisition and Mineral Exploration Permit

The acquisition of a 60% stake in Bluejay Mining Limited ('Acquisition') was approved by shareholders at the General Meeting in December 2015. BlueJay Mining Limited is the holder of the Pituffik Titanium Project mineral exploration permit which covers onshore ground only. The Company is making enquiries in regards to extending the coastal boundary to cover

potential offshore deposits. The Acquisition remains conditional upon the receipt of change of control consent from the Greenlandic authorities and application has been made to the relevant authorities for the change of control of the mineral exploration permit to be approved. Whilst approval is taking longer than first anticipated, the Company is confident that the approval process is a formality and consent will be received in due course. Upon receipt of change of control consent from the Greenlandic authorities, the Acquisition and placing will complete and the initial consideration shares and placing shares will be issued. Further information on the Acquisition and placing is contained in the circular to shareholders dated 8 December 2015.

****ENDS****

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