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

26 January 2015

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

Kelkka Nickel Sulphide Project - Remobilised and disseminated nickel and copper sulphides interested from first drill programme

FinnAust Mining plc, the AIM listed exploration company with a multi-project copper, zinc and nickel portfolio in Finland and Austria, is pleased to announce the completion of its first drilling programme at the Kelkka Nickel Sulphide Project with hole R306 intersecting remobilised and disseminated nickel and copper sulphides.

Highlights

- R306, drilled at Laukunlampi, just NW of Kelkka, intersected an interval of remobilised Ni/Cu sulphides comprising 1.5m @ 0.68% Ni and 0.31% Cu from 61.5m.

- The presence of remobilised and disseminated fracture filled nickel and copper sulphide veins, veinlets and blebs is very encouraging. Whilst the grades are themselves not as high as hoped for most importantly it indicates the Laukunlampi intrusive body is capable of hosting nickel / copper mineralisation of the type we are seeking.

- A Downhole Electromagnetic (DHEM) survey was completed on R306. The results of the survey showed an off hole anomaly to the west of the hole indicating the presence of a conductive body in the vicinity of the western margin of the Laukunlampi intrusive body.

- At Kelkka, R304 and R305 intersected mafic to ultramafic rocks that contained broad, low-grade disseminated nickel and copper sulphides. R303 hit non-nickel bearing sulphides.

- Given the success at R306 a follow-up drilling programme designed to test the western margin (including the source of the conductive body identified in the DHEM) and the relatively shallow remobilised sulphides at Laukunlampi is due to commence in the next 10 days.

FinnAust Executive Director Alastair Clayton said, "With R306 we have proven the existence of previously undiscovered horizons of remobilised nickel and copper sulphides. Whilst the grades are lower than first anticipated the fact that both veins and more disseminated mineralisation was discovered is very encouraging.

“What is also an excellent result is the indication of a possible conductive body on the margin of the intrusion of a known ultramafic contact. We are pleased to report that the rig is expected to be despatched to site to commence this follow-up drill programme within the next week to 10 days.”

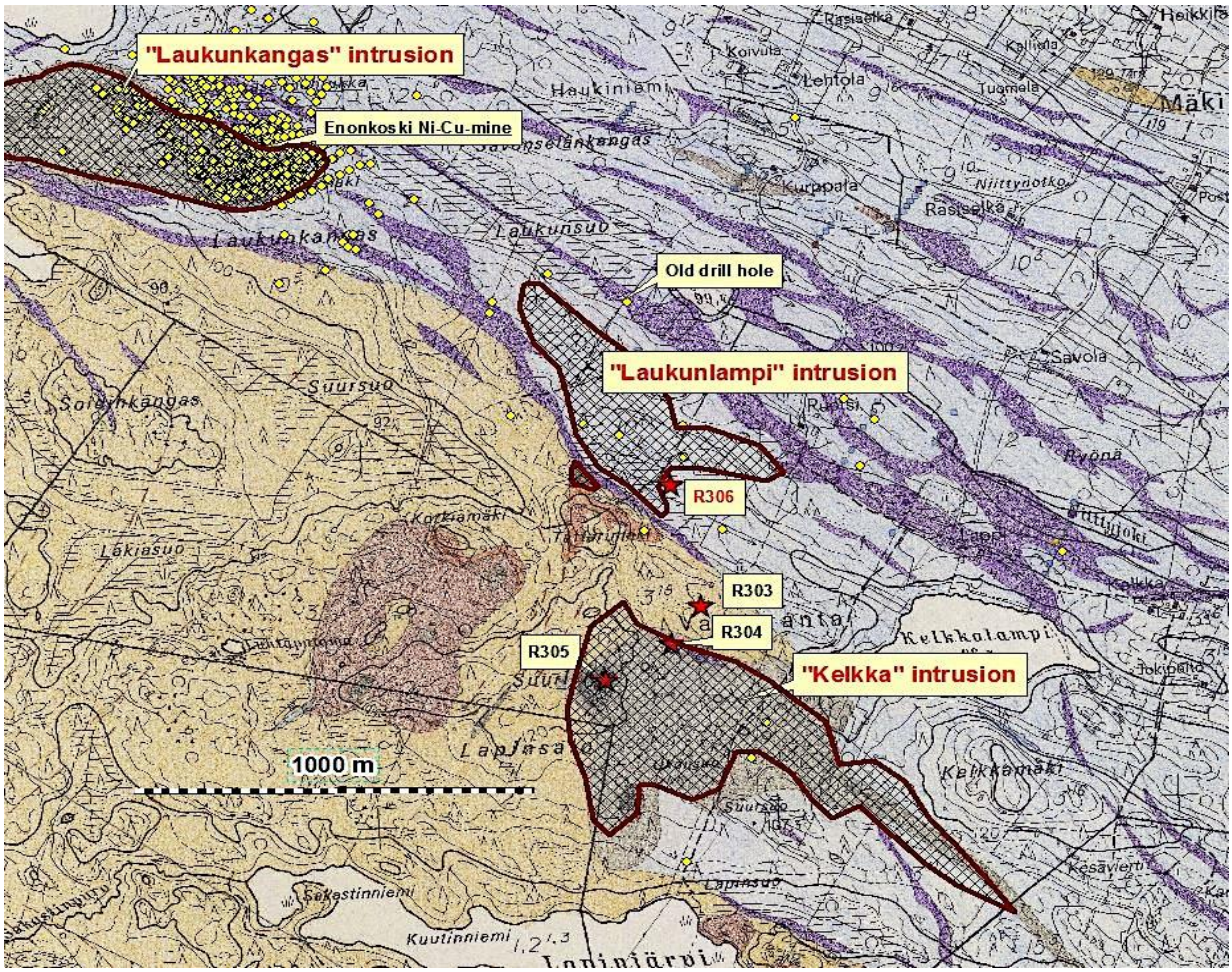

Figure 1. Kelkka – Lauknlampi – Laukunkangas (Enonkoski mine) intrusions

Figure 2. Angular fracture fill and veinlet “remobilised” Cu-Ni-Fe sulphide in drill core (R306) (top 61.7m) and (bottom 62.6m).

Figure 3. Cu-Ni "magmatic" sulphide lumps in drill core (R306) (top 70.3m) and (bottom 70.7m).

Targets

The objective has been to present potential targets for exploration in the vicinity of the Enonkoski mine only within 5km off the mine. The aim is to find high grade Ni-Cu sulphides near the contact of the mafic, differentiated gabbro intrusions. Bottom of till geochemistry, outcrop observations and geological maps and different geophysical data have been used to rank the targets. Five targets with highest ranking were selected for further compilation of existing drilling data and detailed geophysical modelling. Two of these five targets are associated with the Kelkka intrusion and one was at Laukunlampi immediately to the NW.

Enonkoski Mine

The Enonkoski (Laukunkangas) nickel-copper ore deposit was discovered in 1969, but the high grade Ni-Cu ore was only found in 1980. In 1984 the Enonkoski mine was established by Outokumpu Oy.

From the Laukunkangas deposit a total of 6.7 million tons of ore @ Ni 0.78% and Cu 0.22% was mined. When the ore from the satellite mines Hälvälä and Telkkälä was also milled at Enonkoski the total production of Enonkoski was 7.3 million tons @ Ni 0.83% and Cu 0.23%. Production was commenced in November 1985 and it was finished at the end of December 1994.

The nickel-copper ore deposit occurs as many separate ore lodes in the ultramafic – mafic rocks of the Laukunkangas formation on its eastern and northern parts. Some rich ore occurred as off-set ore lodes in mica gneiss or black schist outside of the main norite gabbro intrusion. The ore types varied from the massive-semimassive sulphide ore to rich dissemination in peridotite and poor dissemination in norite. Typical ore minerals were pyrrhotite, pentlandite and chalcopyrite. Nickel content of the off-set massive ore was over 5%, over 2% in stopes. The low grade ore contained only 0.3% - 0.4% Ni.

Competent Person's Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Urpo Kuronen, who is Chief Operating Officer of the Company and a Member of The Australasian Institute of Mining and Metallurgy.

Mr Kuronen has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a

Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kuronen has reviewed this announcement and consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

****ENDS****

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Notes

FinnAust Mining plc is an AIM listed exploration company focused on copper and base metals in Finland and Austria. Its proven management team, with its track record of exploring, discovering, financing, constructing and safely operating mines globally, has established a portfolio of highly prospective projects at various stages of development. Finland is rated the number one mining destination worldwide in the Fraser Institute Global Mining Survey Results 2012/2013.

The Company's primary focus of exploration is a portfolio of assets in Finland. Three high-priority target areas have already been identified, Hammaslahti, Outokumpu and Enonkoski, which are prospective for Volcanogenic Massive Sulphide ('VMS'), high-grade magmatic sulphide nickel-copper and Outokumpu type copper deposits. The assets are located in one of the world's most prolific geological belts, which hosts multiple high grade mines including the world famous Outokumpu copper mine, which reportedly produced a total of approximately 34.4 million tonnes of ore at average grades of 3.6% copper, 1.2% zinc, 0.22% cobalt and 0.1% nickel between 1914 and 1988.

FinnAust also holds an 80% interest in the previously producing 33 km sq Mitterberg Copper Project in Austria, which the Company is currently evaluating in order to determine the best plan for future development.