

10 May 2016

**FinnAust Mining plc ('FinnAust' or the 'Company')**  
**Advances Geological Model of Pituffik Titanium Project**

FinnAust Mining plc, the AIM and FSE listed exploration company with projects in Greenland, Finland and Austria, is pleased to advise that a photogrammetry and 3D geological model of the Pituffik Titanium Project in Greenland ('Pituffik' or the 'Project') has been completed. This work covers the three main target areas defined at the Project – the active, raised and drowned beach environments.

**Highlights:**

- During 2015 the Company engaged the Geological Survey of Denmark and Greenland ('GEUS') to construct geological models ('HD3Ds') for both the "on" and "off" shore areas so as to generate a complete digital 3D model of the sedimentary occurrences at Pituffik
- HD3Ds built using a combination of bathymetry, seismic and the latest ortho-rectified 3D photomosaic technology to deliver for the first time a model of ilmenite bearing sediment accumulations into one complete 3D model
  - Key findings are:
    - Bathymetry and boomer profiling has clearly defined very large volumes of ilmenite bearing sediments within the shallow marine or near-shore area
    - Photogrammetry has clearly defined very large volumes of ilmenite bearing sediments within the raised beach environment (figure 2)
- The HD3Ds provide the Company with the appropriate platform to launch future activities such as exploration & field surveys, Environmental and Social surveys, licencing, resource work as well as infrastructure planning
- All necessary documentation to support the application for rights to the ilmenite bearing sediments contained in the shallow marine area have already been lodged.
  - Once approved this expanded licence area will increase the amount of ilmenite bearing sediments held by the Company substantially – the application covers the area out to depth of not more than 30m (approximately 1.5km from shore)
- Work programmes for 2016 have been submitted to the Mineral Licence and Safety Authority ('MLSA'), with approvals expected in due course

- Work programme prepared by SRK Exploration Services Ltd ('SRK') and GEUS is anticipated to be sufficient to generate an initial mineral inventory or resource for Pituffik

FinnAust CEO Roderick McIlree said, "With the geological model for the Pituffik Titanium Project complete we now have a clear understanding of the project dimensions. We are preparing work programmes accordingly and remain confident that we will deliver an initial resource calculation from the work carried out during 2016. The Company also continues to focus on the delivery of a proof-of-concept, cash generative 'bulk sample' in 2017.

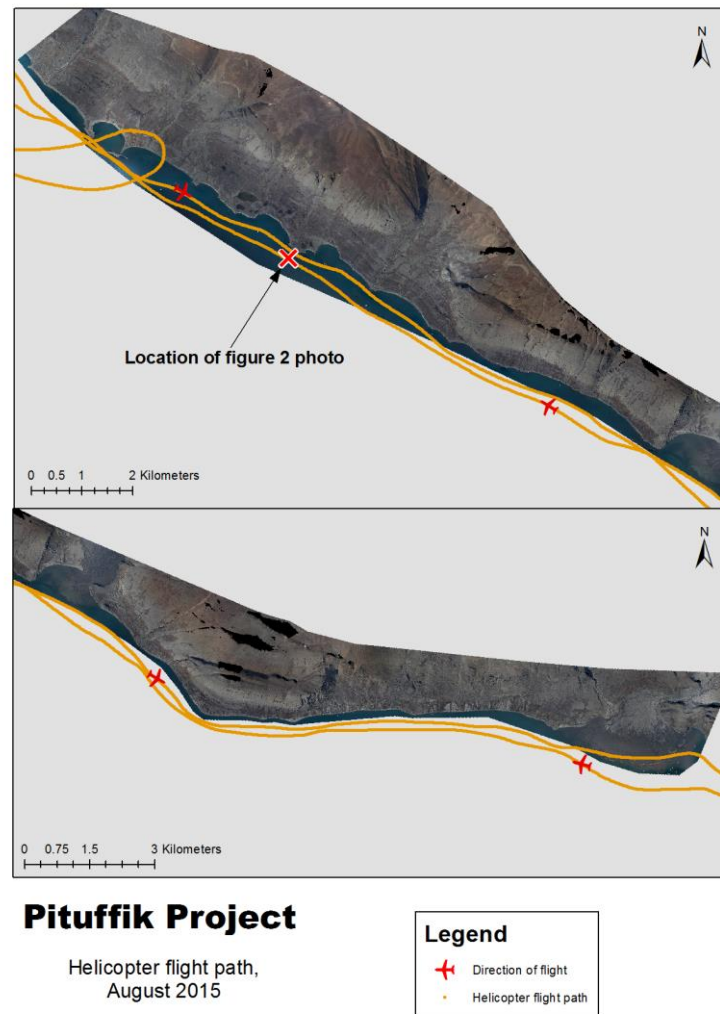
"With the model in hand, it is now possible to understand the significance of this Project in terms of volume of mineralisation for the very first time. To fully appreciate the dimensions of the titanium rich sediments one must do so from a helicopter at a height of 1500m, only then can the true regional extent of this material can be understood. The fact that the Project is comprised only of high grade homogenous ilmenite of low impurity presents FinnAust with a unique opportunity to potentially deliver production rapidly and at low cost. With this in mind, alongside our highly experienced consultants, we continue to prepare both the logistics studies as well as the work programmes that will further progress the Project. We look forward to providing full details on the key aspects of these shortly."

### **Further Information**

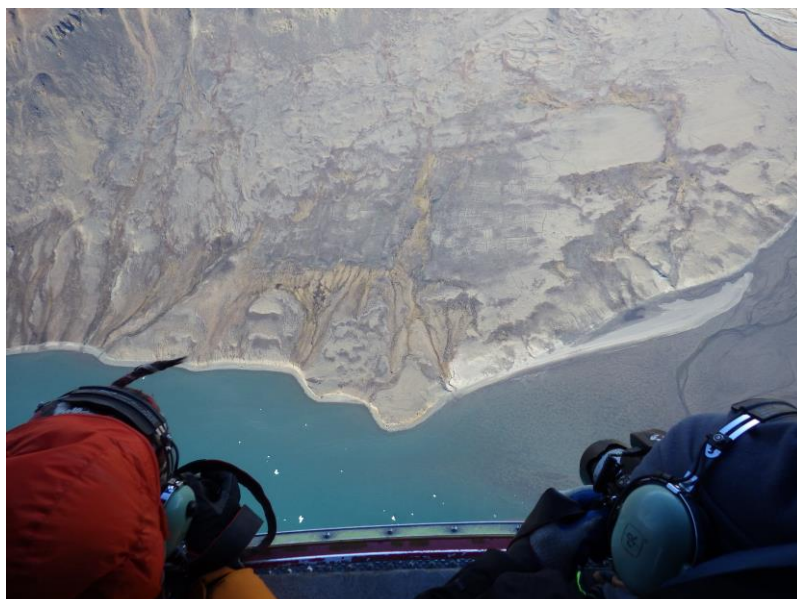
The Company engaged GEUS to prepare an offshore seismic profile and an orthophoto mosaic to generate a 3D geological model for the entire Pituffik region. These two independent models have now been completed and stitched together to form an ultra-detailed high resolution model of both onshore and offshore areas within the Company's licence area. This high definition photomosaic and a digital terrain model of the active, raised and drowned beach targets at Pituffik is the final deliverable that follows the completion of the aerial photographic survey and offshore bathymetry and seismic conducted during Q4 2015 by GEUS and FinnAust personnel.

Photogrammetry entails taking multiple overlapping photos of the ground from an aircraft. These photos are processed to create a stereographic view that can give a sense of depth and can be processed to create a 3D representation of the surface terrain through a digital terrain elevation model ('DTEM'). This model will now form the platform from which all further project planning will be based including, permitting field surveys, the generation of a 3D fly through (expected in the next few weeks), future resource work and site planning.

**Figure 1. Flight path of aerial photography undertaken at Pituffik.**



**Figure 2. From a height of 1500m the high grade black sands of Pituffik are clearly visible (photo represents approximately 1.75km “on ground”).**



To date the bathymetry and boomer profiling has clearly defined very large volumes of ilmenite bearing sediments in the marine deposits above the underlying basement. This includes thick ilmenite rich sediments extending for >30km in length and >1,000m in width, with sedimentary horizons on average more than 5m thick (up to a maximum thickness of 27m). The recently completed photogrammetry will define the topographic surface above sea level, marking the top of the ilmenite bearing sediments.

Looking ahead, the Company's work programmes have been submitted for approval to the MLSA with a response expected shortly. The Company has also lodged all necessary documentation required to support its application for the rights to the ilmenite bearing sediments contained in the shallow marine area, specifically the drowned beach areas off the Pituffik coastline out to a depth of 30m.

Further details of the 2016 work programme and licence expansion will be released in due course. However one aspect of this programme will be to conduct ground penetrating radar surveys undertaken over the raised beach targets. This will define the basement and overlying sediments present, which will help define the volume of ilmenite bearing sediments that comprise the raised beach targets. Eco-sounding to determine the depth of water and sediment profile will also be conducted in the active beach zone so as to fill the small gap in data-points over the active beach targets. The results generated from the 2016 surveys (planned and executed by GEUS & SRK Exploration Services) over all three target areas are anticipated to generate an initial mineral inventory or resource for Pituffik.

### **About the Photogrammetry**

The survey was conducted utilising an Air Greenland Bell 212 helicopter stationed at Thule Airbase. To complete the photographic runs of the coastline the helicopter flew with the side door open, allowing near vertical camera angles from 1,000m above sea level. A second lower level oblique camera angle run was also completed at around 300m above sea level. Finally, high definition cameras were used to capture the images and were connected to a GPS unit for positioning data, which was post corrected by three base stations located in Moriusaq.

**\*\*ENDS\*\***

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## Notes

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

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

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

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

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

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 also holds a 100% interest in a portfolio of copper, zinc and nickel projects in Finland and an 80% interest in the previously producing 33 km sq Mitterberg Copper Project in Austria. 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.