

6 January 2016

FinnAust Mining plc ('FinnAust' or the 'Company')
Three Primary Targets Identified at Pituffik Titanium Project

FinnAust Mining plc, the AIM listed exploration company with projects in Greenland, Finland and Austria, is pleased to provide further detail on work completed during 2015 at the recently acquired 126 sq km Pituffik Titanium Project ('Pituffik') in Greenland. This work focused on better defining areas likely to host economic mineralisation and was undertaken by Bluejay Mining Limited ('Bluejay'), in conjunction with the Geological Survey of Denmark and Greenland ('GEUS').

Highlights

- Pituffik comprises three main target areas along an >80km coastline historically proven to contain large & 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
 - **Drowned beaches;** refers to the areas seaward of active beaches
- The primary constituent of the Pituffik ilmenite is the metal titanium;
 - Ilmenite is the primary feedstock in the production of all titanium based derivatives which include titanium dioxide ('TiO₂'), used primarily as a bulking agent and white pigment for all paint products, has a wide range of uses in the military and defence sectors as well as aeronautical applications including space activities
 - An emerging and potentially significant driver of titanium consumption will be 3D titanium printing, an application which has seen significant growth over the last five years and has significant commercial application
- Seafloor bathymetry and boomer seismic profiling has been conducted over the drowned beaches to map the depth of the water and to profile the sediments accumulated on the sea floor. The initial survey consisted of >300 line km of wide spaced array followed by an additional 38 line km's of infill and sea floor sampling
 - Full bathymetry report expected to be published by GEUS in Q1 2016
- Initial on site unprocessed results from the bathymetry and boomer profiling were used to identify targets for offshore sampling programme – 69 samples collected at

the drowned beaches up to c.1km from shore prove that the mineralisation runs into the marine environment with full results anticipated in Q1 2016

- Sampling conducted at the active and raised beaches – 171 samples taken across 28km of shoreline with the intertidal, upper tidal and raised terraces targeted with results anticipated in Q1 2016
- Aerial photography completed over the majority of the licence length concentrating on the coast and frontal scarp
- GEUS commissioned to define the simplest and most appropriate metallurgical process that may be applicable to concentrate the Pituffik ilmenite into a saleable product in addition to preparing a pure ilmenite concentrate for distribution to potential customers in the next three months
- FinnAust is focused on finalising initial off-take agreements before the end of the year

FinnAust Managing Director Roderick McIlree said, “As demonstrated by the above, a large amount of high quality work has been undertaken to date on this project and FinnAust and its shareholders are the direct beneficiaries of this. This announcement demonstrates the news flow that can be expected over the coming months as the results from these various work programmes flow through.

“The potential of this very pure titanium occurrence is clear and attractive to us; the path to generating consistent cash flow is simple and well understood by industry with little to no metallurgical complexity or processing problems. It is significant that the mineralisation has been proven to continue into the drowned beach environment, which is potentially the most significant of the three target areas. However, we believe each of the targets to be globally significant in their own right.

“The Company is currently working closely with the Greenlandic regulators to finalise the approval of the Pituffik licence transfers to FinnAust and once done, we will apply for appropriate licence coverage of these newly discovered marine based sediments. Approval processes for this type of licence usually take 4-12 weeks.

“We expect that the results, which will start rolling through in Q1 2016, will re-confirm the independently determined potential for Pituffik to be in the top percentile of projects worldwide in terms of heavy mineral grade, putting us in a strong position to move the project forward. The 2016 work programmes will also be announced in the coming months. Add to this is our extremely tight shareholder structure, the presence of a highly supportive major shareholder in Western Areas, and extensive management experience in

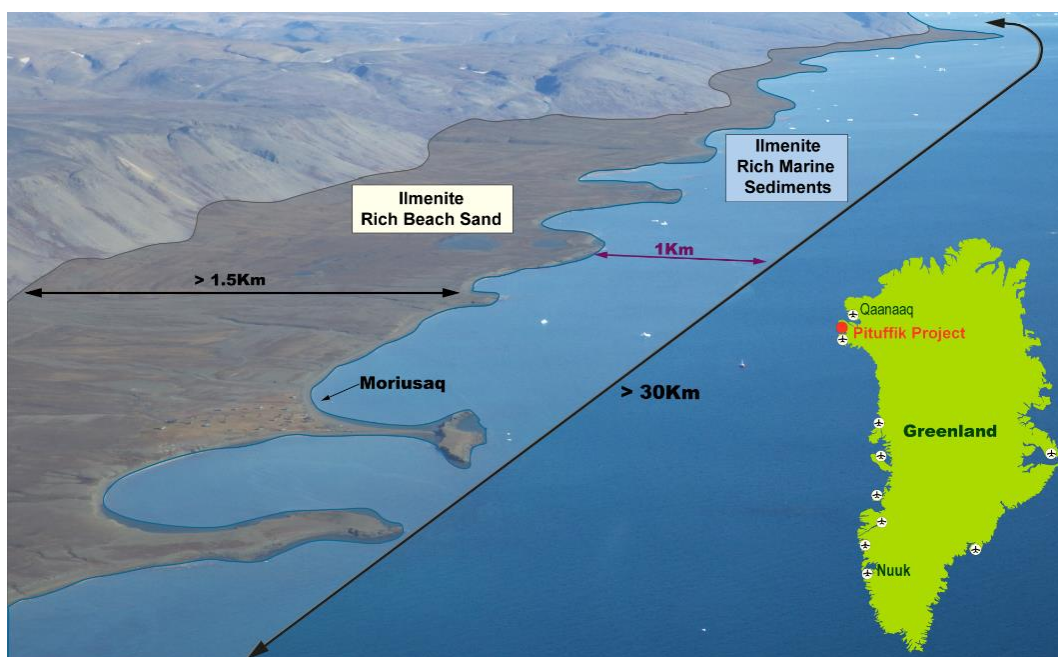
Greenland, which together ideally position the Company to deliver significant growth and value in 2016.”

Further Information Regarding 2015 Work Programme

Fieldwork at Pituffik (without the need for winterising the logistics) can be easily executed between late spring and early Autumn or June through to October. Work was conducted by Bluejay, in conjunction with GEUS, in accordance with the standard terms and conditions set out by the MLSA (Mineral Licence and Safety Authority), following an application to conduct exploration, which was subsequently approved.

GEUS is a research and advisory institution in the Danish Ministry of Energy, Utilities and Climate. The work of GEUS includes geo-scientific studies, research, consultancy and geological mapping and primarily covers Denmark and Greenland.

Figure 1: Ilmenite rich raised, active and drowned beaches adjacent to the closed settlement of Moriusaq



The deposit model for Pituffik comprises three primary target areas that are or were depositional environments in recent history:

1. Raised beaches can comprise more than 1km wide deposits, of unknown depths, along more than 20km of coastline, resulting from glacio-isostatic uplift of marine to littoral deposits.
2. Active beaches 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. These beaches are commonplace along the entire coastline, separated by headlands and some rocky beaches with little developed sand.

3. Drowned beaches are areas seaward of active beaches. These areas had not been explored historically but recent work suggests they are extensive and at least prospective out 1km from shore.

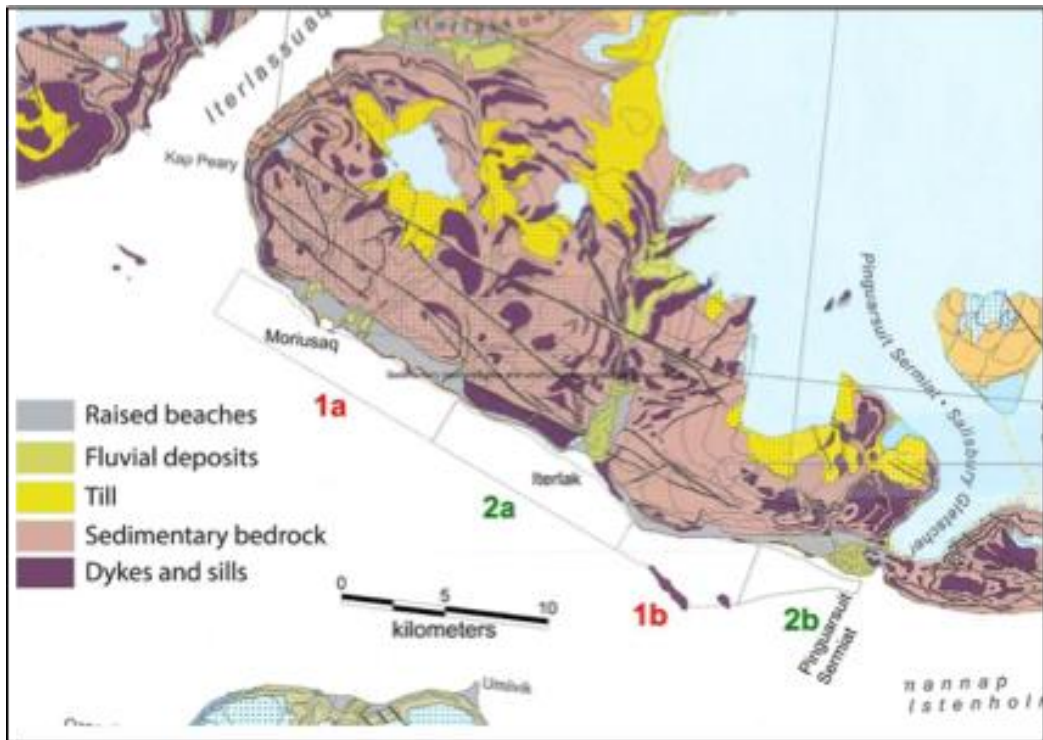
Bluejay, with the assistance of GEUS, formulated a plan to conduct both land and sea based exploration at Pituffik to better define areas likely to host economic mineralisation. This involved general prospecting throughout the licence area, sampling of onshore and offshore areas, a photogrammetry programme and a bathymetric and boomer survey of the near shore areas.

Drowned Beaches

A boat was used as the base camp for the duration of the programme, several smaller boats were then used to access shore and conduct surveys in shallow water. A Bell 212 helicopter was hired from Pituffik to complete the aerial photography.

The seafloor bathymetry and boomer profiling was completed with an initial survey of 300 line kilometres, followed by a further 38 line kilometres of infill. The survey mapped the depth of water, and structure of the first 20m of sea floor enabling Bluejay to see specific units. It was these units that were primarily targeted in the offshore sampling programme using a Van Veer grab sampler. A total of 69 samples were collected, mostly in waters generally less than 30m deep up to around 1km from shore. Initial results from these samples prove that these deposits continue into the marine environment. Full results from this, and bathymetry, are anticipated in Q1 2016, with additional initial results in the shorter term. It is these deposit that will be the focal point of work moving forward. The Company is waiting for ministerial approval to transfer the licence for this area and upon receipt of ministerial approvals to transfer the licence, FinnAust will immediately apply for appropriate licence coverage of the marine based sediments. Approval processes for this type of licence usually take 4-12 weeks.

Figure 2: Area of bathymetric and boomer profiling survey delineated on the local geology map of the Pituffik Titanium Project



Active and Raised Beaches

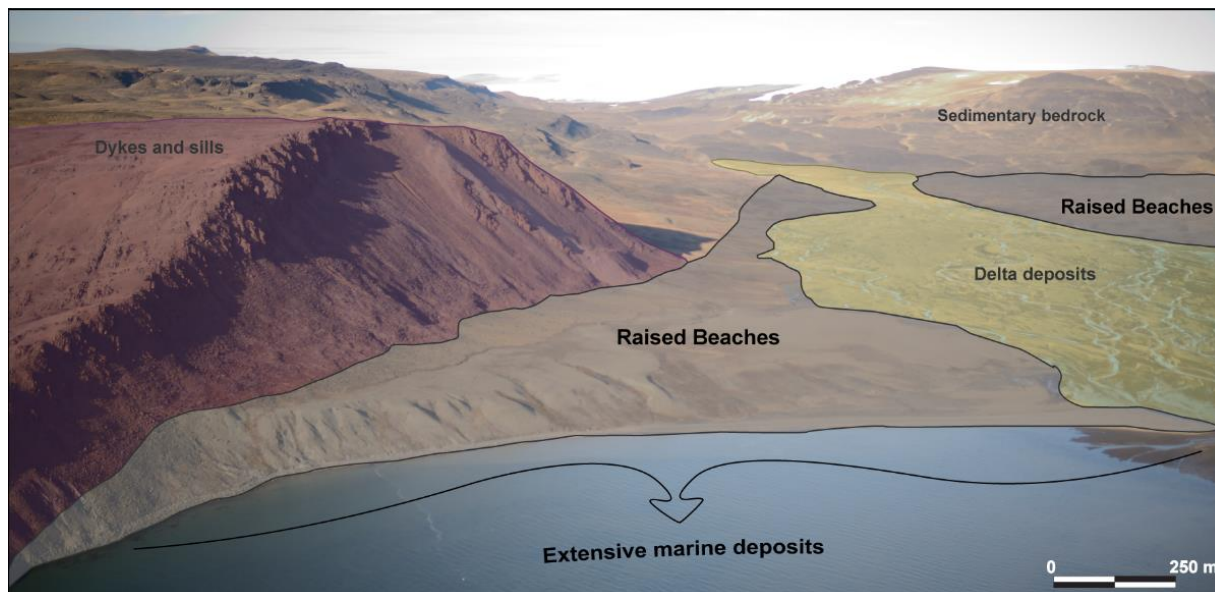
The active and raised beaches were investigated on foot during the onshore sampling. A total of 28km of shoreline were sampled with the intertidal, upper tidal and raised terraces being targeted with 171 samples taken. Results from these will be provided in Q1 2016.

Entire Licence Area

Aerial photography was completed over the majority of the licence length concentrating on the coast and frontal scarp. Two runs were made of the survey area with near vertical and oblique camera angles. Utilising traditional photogrammetry techniques a digital terrain model will be constructed, upon which a stitched image can be draped so that it will be possible to map discrete units.

Although initial prospecting was focussed on the area adjacent to the settlement of Moriusaq, the coastal system at Interlak also warranted close examination. Figure 2 shows the large raised beach, the river delta and shallow marine sediments that contain significant heavy minerals proven by grab sampling.

Figure 3: Interlak schematic overlay showing geological units on some of the oblique aerial photography



Future Work

The Company will report its full plans for its future work programme following publication of the results from the initiatives outlined above. GEUS have been commissioned to develop metallurgical concentrates of likely products from Pituffik for discussions with potential customers which have already commenced. Once the initial concentrates have been produced composite samples will be prepared from outstanding sampling material.

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