

6 June 2016

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

Appointment of Royal IHC to Support Dredging Activity at Pituffik Titanium Project

FinnAust Mining plc, the AIM and FSE listed company with projects in Greenland, Finland and Austria, is pleased to announce that it has appointed Royal IHC ('IHC') to provide primary support services to the Company on the Pituffik Titanium Project ('Pituffik' or the 'Project'). IHC is a world leader in the provision of cost-effective wet mining solutions, dredging equipment, training as well as maintenance & support for all marine dredging and wet mining activities.

IHC (<https://www.royalihc.com/>) is a globally recognised player with a long history of in-house expertise operating in locations throughout the world in both deep and shallow marine environments. IHC and the Company will now work closely to define an optimised development solution that includes their in house wet mining equipment as well as a high level cost estimation for Pituffik. This work will include the appropriate mechanisms for the delivery of a "proof-of-concept" bulk sample, which is planned for 2017, as well as expanding the operation into a potential multi-decade operation supplying low impurity Ilmenite.

FinnAust CEO Roderick McIlree said, "The decision to partner with Royal IHC was a process of selection and took time to get right. The Company reviewed proposals from multiple parties for the provision of these services however it was IHC that stood out as the best and most qualified to assist us as we move Pituffik towards development. Their level of proven understanding and global experience operating efficient and advanced dredging equipment in all types of environments complement the team we have built as we continue to work through the permitting of this project. Work continues to focus on the 2016 field season, however, with this appointment we are now able to looking farther into the future at the development of the project and the shape of that development.

"Based on the results of work conducted to date it is my belief that Pituffik has significant commercial value, with the potential to support a long-term mining operation exploiting what is a high-grade ilmenite occurrence. We are committed to implementing a fast paced development strategy and look forward to working with our newly expanded advisory team to achieve this."

****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.