

Strategic Metals & Rare Earths Letter

INTERNATIONAL

the independent information and advisory publication on investing in Strategic Metals & Rare Earths

INVESTMENT ALERT – 28 September 2016

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FinnAust Mining Plc (GBp 6.28)

AIM	: FAM
H+L prices (12 months)	: GBp 6.95 – 0.45
Net issued shares	: 494.4 million
Market capitalization	: £ 31.0 million (US\$ 40.2 million)

12 months price target raised to : GBp 9.00

INVESTMENT ALERT

- ▶ **Completion of 2016 work programme at [Pittufik Titanium Project](#),**
- ▶ **Lodging exploitation licence application in the first half of 2017**

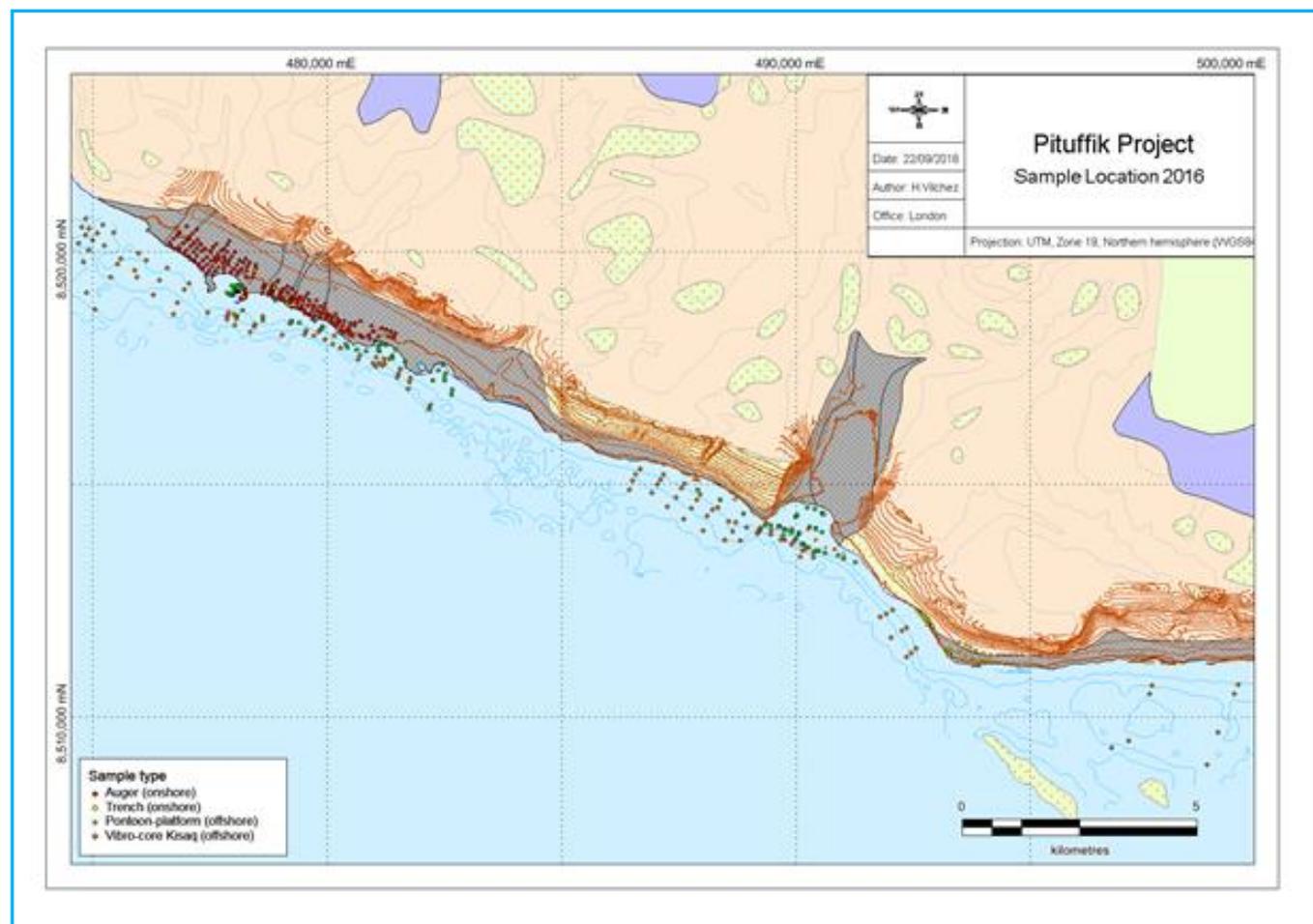
FinnAust Mining (“FinnAust”) announced that it has completed a 2016 work programme at its **Putuffik Ttanium Project** in **Greenland**.

The programme was designed in consultation with SRK Exploration Services (“SRK”) and executed by the Danish Geological Survey of Denmark and Greenland (“GEUS”).

Key deliverables from tis work are the production of n initial JORC resource and identification of optional areas to focus current “wet mining” trade-off studies, as well as larger metallurgical samples for on-going test work.



More than 500 auger and vibracore drill holes were completed with extensive trenching and sampling across the project area during the 2016 field season (see figure of locations where various work programmes were undertaken).



As a result of the 2016 work programme **FinnAust** has confirmed the two core target areas that will become the focus with respect to future studies. These are:

- Moriusaq Bay and surrounding area, a low-medium tonnage target that encapsulates the bay and proximal active and raised beaches with grades in some areas estimated to be in excess of 25% ilmenite, and;
- Interlak, an area dominated by huge deltaic deposits with associated adjacent high-grade beaches with grades in some areas estimated to be in excess of 70% ilmenite occurring as thick sedimentary bands
- On the active and raised beaches, a total of 260 auger holes and trenches were sampled during 2016. Additional trenches were completed for metallurgical sampling purposes as well as stratigraphic mapping purposes, creating a bulk metallurgical sample in excess of 500 kg. This sample has been sent to Perth, Australia where analysis of the sample will be undertaken to continue to optimize the mineral beneficiation process.

On the drowned beaches a total of 240 samples were taken from both the larger as well as smaller pontoon unit

Vibracoring is a technique for collecting core samples in shallow water environments and wetland soils.

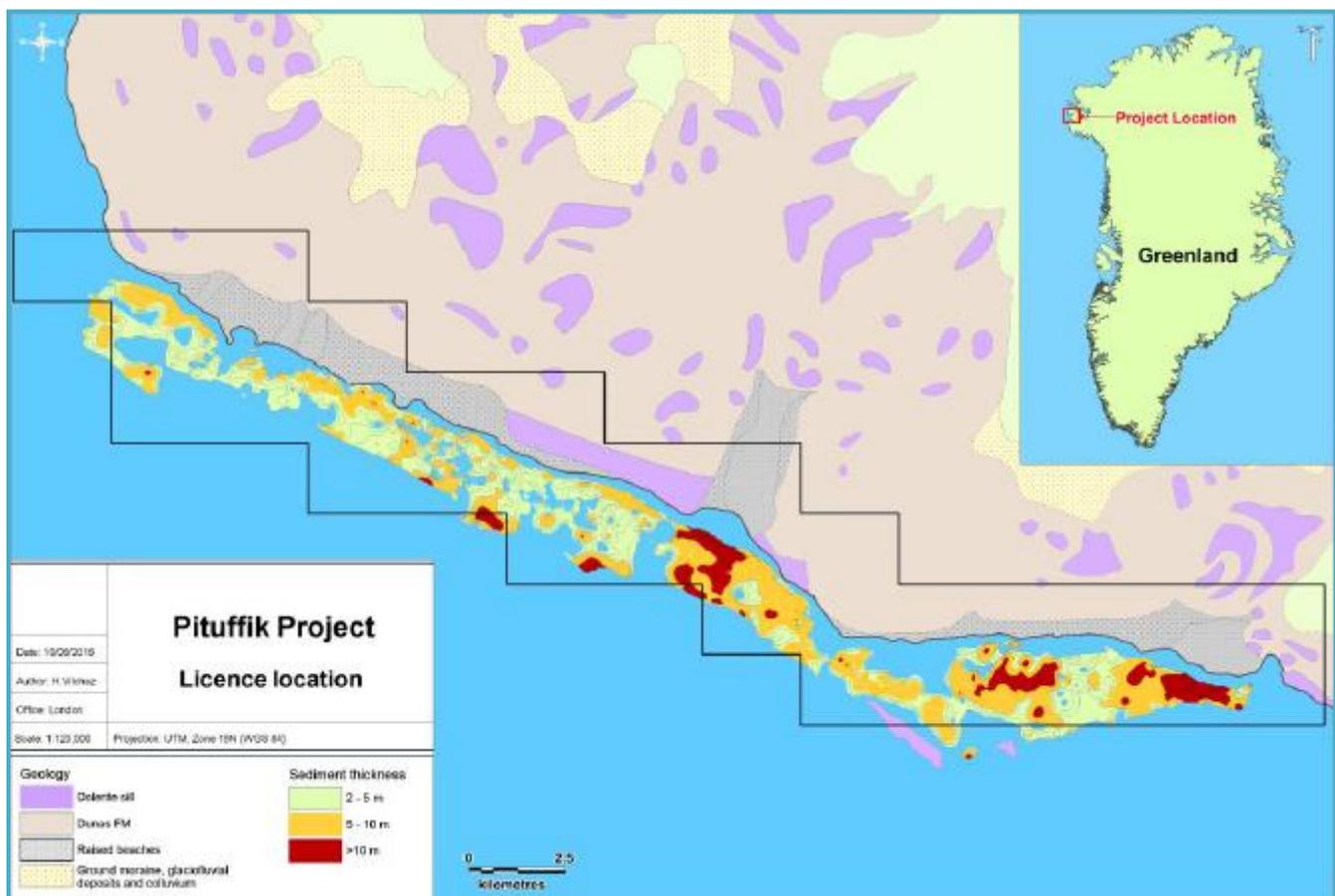
The above initiatives fit with **FinnAust's** strategy to undertake a "proof of concept" bulk sampling programme in 2017, as well as lodging an exploitation licence application in the first half of 2017.

Investment comments:

Management of **FinnAust** believes that the results from the diverse range of initiatives undertaken will generate a large array of data that will tie in with other work programmes that are underway in the background. The completion of a maiden JRC resource, together with results from the environmental impact assessment, will position the Company for its next leap early next year into permitting of an exploitation licence in the first half of 2017.

Pituffik continues to exceed **FinnAust's** expectations at each turn and is believed to be eventually recognized as a globally significant ilmenite deposit, both in terms of grades and tonnes.

With the Company progressing well, considering its low market valuation of only £ 31.0 million (US\$ 40.2 million), I have raised my 12-months price target from GBp 7.00 to GBp 9.00.



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