

21 July 2014

New High-Grade Polymetallic lode Discovered at Hammaslahti Target, Finland

FinnAust Mining plc (“FinnAust” or “Company”) is pleased to report a new potential ore lode of copper (“Cu”), zinc (“Zn”), lead (“Pb”), silver (“Ag”) and gold (“Au”) mineralisation has been discovered at its Hammaslahti Project. FinnAust Mining plc is an AIM listed exploration company, which is actively exploring a portfolio of copper, zinc and nickel projects in Finland and Austria including the previously mined Hammaslahti Cu-Zn deposit in Southern Finland.

Highlights

- Hole R325 - sulphide zone (including massive to semi-massive sulphides) of 5.6m at 3.2% Cu, 2.7% Zn, 0.7% Pb, 71gpt Ag and 0.76 gpt Au from 196.80m downhole.
- This high-grade massive to semi-massive sulphide mineralisation has been found within a broader mineralised envelope of 8.65m at 2.2% Cu, 2.0% Zn, 0.5% Pb, 47gpt Ag and 0.50 gpt Au.
- The lower-grade up-plunge portion of this mineralised lode was intercepted in 3 drill holes R321, R322, R324 on a single traverse 100m north of R325 indicates grades are improving down plunge.
- Main Hammaslahti mine structure hosting at least 4 separate plunging lodes now open to the north of the old Zinc pit with 5.6m at 3.2% Cu and down dip extensions to the south with 3.5m at 1.5% Cu. A strike length of 1.8 km.
- Mineralisation is relatively shallow and proximal to the historic underground drives and associated mine infrastructure
- These excellent results include gold grades that include two high-grade (>10 gpt over 1.2m as well as 5.78gpt over 1m) results that could not be repeated by the assay laboratory in checks. First pass check assays at a different laboratory have failed to resolve the issue satisfactorily. The Company’s geologists believe this may be due to coarse gold in some samples and thus the gold grades reported represent a minimum and may in time prove to be higher. The Company is continuing to work with its assay providers to determine if coarse gold is present or not.

FinnAust Executive Director Alastair Clayton said, “This is an excellent drill result and we believe the follow up holes will extend the known mineralised zone to the south and north.

“At the time of listing in December 2013 the Company believed that, despite having historically mined three Southerly plunging en-echelon ore lodes, there existed potential for many more. Drilling at Hammaslahti has now discovered this new lode and extended the zinc lode to the south. Recent work also indicates the potential for further parallel sulphide potential structures to the east of the main lodes. The Company has granted and is pending leases over this entire area.

“Planning will now focus on how to best drill the high-grade portions of these new mineralised structures to better define overall grade and tonnes. It is pleasing to note the proximity of these structures to the existing mine infrastructure.”

Additional Information

The Company is encouraged by the fact the mineralisation discovered as part of the program is relatively shallow and proximal to the historic pit and underground drives. The Company’s geologists believe this mineralisation is part of a relatively continuous North to South plunging lode system transitioning from shallow zinc and gold in the North to copper as it deepens in the South.

Company geologists also believe this new lode sits en-echelon (slightly to the north and east) the main Hammaslahti zinc lode mined until the 1986.

Hammaslahti Target

The Hammaslahti Copper Project is located in southern Finland and includes a previously mined copper-gold-zinc ore body interpreted to be a part re-mobilised volcanogenic massive sulphide (‘VMS’) type deposit. Historically, mining initially commenced at several shallow open pits, followed by an underground mine to a depth of approximately 450m. Mining ceased in the mid-1980s due to depressed metals prices.

In mid-December 2013, FinnAust commenced drilling regional targets near Hammaslahti. This forms part of its 10,300m 11 month rolling drilling campaign focussed across its three high-priority copper-gold and nickel-copper-platinum group element projects, Hammaslahti, Outokumpu and Enonkoski.

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