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If you sell or have sold or otherwise transferred all of your Ordinary Shares in FinnAust Mining plc you should deliver this document together with the enclosed Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded in or into the United States or into any other jurisdiction if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions.

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FinnAust
Mining Plc

**BLUEJAY ACQUISITION
PLACING
SHARE CAPITAL REORGANISATION
AND
NOTICE OF GENERAL MEETING**

This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

Notice of the General Meeting of the Company to be held at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE on 24 December 2015 at 9:00 a.m. is set out on pages 20 to 21 of this document. A form of proxy is also enclosed at the end of this document for use at the General Meeting. Forms of proxy should be completed and returned to the Company's Registrars, Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF as soon as possible and in any event so as to be received not later than 48 hours before the time fixed for the General Meeting.

Notice:

This document includes forward-looking statements. The words “believe”, “anticipate”, “expect”, “intend”, “aim”, “plan”, “predict”, “continue”, “assume”, “positioned”, “may”, “will”, “should”, “shall”, “risk”, and any other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Shareholders should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company’s control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance, and the Company’s actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from that made in or suggested by the forward-looking statements contained in this document. The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Company, or persons acting on its behalf, may issue.

These forward-looking statements are made as of the date of this document and are not intended to give any assurances as to future results. Save as required by law or regulation the Company undertakes no obligation to update these forward-looking statements, and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Graham Marshall (Non-Executive Chairman) Daniel Lougher (Non-Executive Director) Gregory Kuenzel (Non-Executive Director) Roderick McIlIlree (Managing Director)
Company Secretary	Garth Palmer CA
Registered office	47 Charles Street London W1J 5EL
Nominated Adviser and Broker	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
Solicitors to the Company	Kerman & Co LLP 200 Strand London WC2R 1DJ
Registrars	Capita Asset Services 34 Beckenham Road Kent BR3 4TU

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this document	8 December 2015
Last time and date of receipt of Forms of Proxy	9.00 a.m. on 22 December 2015
General Meeting	9.00 a.m. on 24 December 2015
Share Capital Reorganisation to become effective	6.00 p.m. on 24 December 2015
Admission of Placing Shares and Initial Consideration Shares	On or around 15 January 2016

KEY STATISTICS

Number of Ordinary Shares as at the date of this document	295,986,560
Number of New Ordinary Shares following the Share Capital Reorganisation*	295,986,560
Number of Placing Shares	10,000,000
Placing Price	2 pence
Gross proceeds of the Placing	£200,000
Placing Shares as a percentage of the Existing Ordinary Shares	3.38%
Initial Consideration Shares	123,900,000
Initial Consideration Shares as a percentage of the Existing Ordinary Shares	41.86%
Total number of New Ordinary Shares following the Placing, Bluejay Acquisition and Share Capital Reorganisation*	429,886,560
International Security Identification Number (ISIN) of the Ordinary Shares	GB00BFD3VF20
Tradeable Instrument Display Mnemonic (TIDM)	FAM

** assuming no options or warrants are exercised between the date of this document and Admission*

DEFINITIONS

The following words and expressions apply throughout this letter unless the context requires otherwise:

“A Deferred Shares”	the A deferred shares with a nominal value of 0.01 pence each, further details of which are set out in the Articles;
“Admission”	admission of Placing Shares and Initial Consideration Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
“Admission Document”	the Company’s AIM admission document dated 12 November 2013;
“AIM”	a market of that name operated by the London Stock Exchange;
“AIM Rules”	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers (including the Note for Mining and Oil & Gas Companies);
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange as amended from time to time;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange as amended from time to time;
“Articles”	the articles of association of the Company as at the date of this document;
“Bluejay”	Bluejay Mining Limited, a company incorporated in the British Virgin Islands with registered number 1662564;
“Bluejay Acquisition”	the proposed acquisition by the Company of 125,788 shares of no par value each representing an interest in 60.37 per cent. of Bluejay;
“Bluejay Placees”	the members of Bluejay who are participating in the Placing, namely Jeremy Whybrow and Shaun Bunn;
“Bluejay Vendors”	the vendors of Bluejay, namely Roderick McIlree, Jeremy Whybrow, Gregory Kuenzel, Garth Palmer and Shaun Bunn;
“Board” or “Directors”	the directors of the Company whose names are set out on page 2 of this document;
“Company” or “FinnAust”	FinnAust Mining plc, a company incorporated in England and Wales with registered number 05389216;

“Concert Party”	Western Areas and the Bluejay Vendors;
“Deferred Consideration Shares”	40,755,885 New Ordinary Shares to be issued to the Bluejay Vendors to satisfy the deferred consideration in relation to the Bluejay Acquisition, if certain criteria are met and the deferred consideration becomes due;
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company as enlarged by the Initial Consideration Shares and the Placing Shares pursuant to the Bluejay Acquisition and the Placing;
“Existing Ordinary Shares”	the 295,986,560 Ordinary Shares in issue at the date of this document;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this document;
“General Meeting”	the general meeting of the Company which is to be held at 9:00 a.m. on 24 December 2015 at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE, notice of which is set out at the end of this document;
“Initial Consideration Shares”	123,900,000 New Ordinary Shares which will be issued to the Bluejay Vendors to satisfy the initial consideration due in relation to the Bluejay Acquisition;
“London Stock Exchange”	the London Stock Exchange plc;
“Mineral Exploration Permit”	the exploration licence held by Bluejay with licence number 2015/08 which is divided into three sub-areas and covers a land area of 126km ² in North West Greenland;
“New Ordinary Shares”	the proposed new ordinary shares of 0.01 pence each in the capital of the Company resulting from the Share Capital Reorganisation;
“Notice of General Meeting”	the notice of the General Meeting, which begins on page 20 of this document;
“Option”	the option to be granted to the Company pursuant to the terms of the Bluejay Acquisition whereby the Company will be granted the right to acquire the remaining 39.63 per cent. of Bluejay from the Bluejay Vendors for £594,393 to be satisfied by the issue of 108,071,388 New Ordinary Shares for a period of 4 years from the date of completion of the Bluejay Acquisition;
“Ordinary Shares”	the ordinary shares of 2 pence each in the capital of the Company as at the date of this document;
“Panel”	the UK Panel on Takeovers and Mergers;

“Pituffik Project”	the mineral resource exploration project covered by the Mineral Exploration Permit, south of Qaanaaq in North West Greenland;
“Placing”	the issue of the Placing Shares at the Placing Price to Western Areas and the Bluejay Placees;
“Placing Price”	2 pence per share;
“Placing Shares”	10,000,000 New Ordinary Shares subscribed for directly with the Company by Western Areas and the Bluejay Placees;
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting;
“Rule 9”	rule 9 of the Takeover Code;
“Share Capital Reorganisation”	the sub-division of each Existing Ordinary Share into one New Ordinary Share and 199 A Deferred Shares;
“Shareholder(s)”	holders of Ordinary Shares;
“Takeover Code”	the UK City Code on Takeovers and Mergers (as amended from time to time); and
“Western Areas”	Western Areas Limited, a company incorporated in Australia with registered number 091049357.

PART I

LETTER FROM THE CHAIRMAN OF THE COMPANY



Registered Office
47 Charles Street
London
W1J 5EL

Directors:

Graham Marshall (Non-Executive Chairman)
Daniel Lougher (Non-Executive Director)
Gregory Kuenzel (Non-Executive Director)
Roderick McIlree (Managing Director)

8 December 2015

To the Shareholders and, for information only, to the option holders and warrant holders

Dear Shareholder,

I am writing to explain the background to and reasons for the resolutions to be proposed at the General Meeting which is to be held at 9:00 a.m. on 24 December 2015 at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE. The resolutions are set out in the Notice of General Meeting on pages 20 to 21 of this document.

1 Introduction

The Company has entered into a sale and purchase agreement to conditionally acquire a 60.37 per cent. stake in Bluejay Mining Limited which holds a mineral resource exploration licence for areas south of Qaanaaq in North Greenland ("**Pituffik Project**"). The maximum consideration for the Bluejay Acquisition is £905,607 and will be satisfied by the issue of the Initial Consideration Shares and the Deferred Consideration Shares by the Company to the Bluejay Vendors *pro rata* to their respective holdings in Bluejay.

In addition, the Company has conditionally raised £200,000 pursuant to the Placing. Further details of the Placing and use of proceeds are set out in paragraph 5 below.

The Bluejay Acquisition is subject to Shareholder approval therefore the Company is seeking, *inter alia*, Shareholder approval for the Bluejay Acquisition at the General Meeting, the notice of which is set out at the end of this document. An irrevocable undertaking to vote in favour of the Resolutions at the General Meeting has been obtained from Western Areas.

The purpose of this document is to outline the reasons for, and to explain the terms of the Bluejay Acquisition and the Placing, and to set out the reasons why your Board believes that the Bluejay Acquisition, the Placing and the Resolutions are in the best interests of the Company and its Shareholders as a whole and to seek your approval of the Resolutions at the forthcoming General Meeting.

2 Board changes

The Company was pleased to announce today the appointment of Roderick McIlree as Managing Director. In addition, Daniel Lougher will step down from the role of Chairman to Non-Executive Director to better enable him to focus on his role as the Managing Director and Chief Executive Officer of Western Areas. Graham Marshall has assumed the role of Non-Executive Chairman.

3 Background to and reasons for the Bluejay Acquisition

Bluejay is the 100 per cent. owner of the 126km² high grade Pituffik titanium project located in North West Greenland. Further information on the Pituffik Project is set out in Part II of this document.

The Bluejay Acquisition will see the Company expand its presence in the broader Nordic region in line with its stated policy of acquiring complementary and potentially high value assets in what is a very favourable mining location.

4 Principal terms of the Bluejay Acquisition

On 8 December 2015, the Company entered into a sale and purchase agreement, pursuant to which it conditionally agreed to acquire 125,788 shares of no par value each in Bluejay representing an interest 60.37 per cent. of Bluejay for a maximum purchase price of £905,607, based on a total maximum valuation of Bluejay of £1.5 million, to be satisfied by the issue of up to 164,655,885 New Ordinary Shares to the Bluejay Vendors, *pro rata*, to their respective holdings in Bluejay as follows:

- (a) the allotment and issue of the Initial Consideration Shares, namely, 123,900,000 New Ordinary Shares on the satisfaction of the conditions of the Bluejay Acquisition; and
- (b) the allotment and issue of the Deferred Consideration Shares, namely, 40,755,885 New Ordinary Shares on a business day elected by the Company in accordance with the terms of the Bluejay Acquisition and such date shall not be later than 12 months after the date of the sale and purchase agreement.

The Bluejay Acquisition is conditional, amongst other matters, upon the following:

- (i) the Resolutions being passed at the General Meeting including the approval by Shareholders of the Bluejay Acquisition;
- (ii) the Placing; and
- (iii) change of control consent from the relevant Greenlandic authorities in respect of Bluejay in its capacity as the holder of the mineral exploration permit for the Pituffik Project.

The Initial Consideration Shares will be credited as fully paid and will represent 28.82 per cent. of the Enlarged Issued Share Capital.

The deferred consideration will only become due if Bluejay is granted a mineral exploration permit over the offshore Pituffik project area and if the issue of the Deferred Consideration Shares does not trigger a mandatory offer pursuant to Rule 9 of the Takeover Code.

Under the terms of the Bluejay Acquisition, the Company will also be granted an option by the Bluejay Vendors to acquire the remaining 39.63 per cent. of Bluejay for the sum of £594,393 to be satisfied by the issue of 108,071,388 New Ordinary Shares to the Bluejay Vendors, *pro rata*, to their respective holdings in Bluejay. The Option will be exercisable for a period of four years from the date of completion of the Bluejay Acquisition. The exercise of the Option is solely at the Company's discretion. Shareholders should note that the Option will not be exercised if it would trigger a reverse takeover pursuant to the AIM Rules for Companies or if it were to trigger a mandatory offer pursuant to Rule 9 of the Takeover Code.

Gregory Kuenzel, Non-Executive Director of the Company, and Roderick McIlree, who was today appointed as Managing Director of the Company, are both shareholders in Bluejay and will receive Initial Consideration Shares. As a result, the Bluejay Acquisition constitutes a related party transaction as defined by the AIM Rules for Companies.

There are no independent directors of FinnAust for the purpose of the Bluejay Acquisition, SP Angel Corporate Finance LLP, the Company's nominated adviser considers that the terms of the Bluejay Acquisition are fair and reasonable insofar as Shareholders are concerned.

5 Placing

The Company has also placed 10,000,000 New Ordinary Shares following the receipt of subscriptions at a price of 2 pence per share from Western Areas, the Company's largest shareholder, and the Bluejay Placees. The Placing Price represents a premium of 264 per cent. to the Company's closing mid-market share price of 0.55 pence on 7 December 2015. The Placing, which is conditional on, *inter alia*, the Bluejay Acquisition, will raise funds of £200,000 which will be applied to the Company's working capital requirements and the progression of the Pituffik Project.

Application will be made for the Placing Shares and the Initial Consideration Shares to be admitted to trading on AIM. Dealings are expected to become effective on or around 15 January 2016. Following the issue of the Placing Shares and the Initial Consideration Shares, the Company will have 429,886,560 New Ordinary Shares in issue.

Subsequent to the issue of the Placing Shares and Initial Consideration Shares, the Bluejay Vendors will collectively hold 128,930,004 shares in the Company representing 29.99 per cent. of the Enlarged Issued Share Capital. Further details of the shareholdings of the Bluejay Vendors and Western Areas are set out under the heading "Takeover Code and Concert Party" below.

6 Takeover Code and Concert Party

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company incorporated in the United Kingdom. The Company is such a company and Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights in a company which is subject to the Takeover Code is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person, or any person acting in concert with him, which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 must be made in cash (or with a full cash alternative) at a price not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Rule 9 of the Takeover Code further provides, amongst other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares.

Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. Control means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

Western Areas holds an interest in 178,611,112 Ordinary Shares representing 60.34 per cent. of the Existing Ordinary Shares. As set out in the Admission Document, the interests of Western Areas in the ordinary share capital of the Company was previously the subject of a waiver granted in respect of Rule 9 and approved by Shareholders at a general meeting on 29 November 2013 (the “**Waiver**”). Following the completion of the Placing and the Bluejay Acquisition, Western Areas will hold an interest in 183,611,112 New Ordinary Shares representing 42.71 per cent. of the Enlarged Issued Share Capital.

The Panel has determined that pursuant to the Bluejay Acquisition, the Bluejay Vendors are acting in concert with each other and Western Areas is acting in concert with the Bluejay Vendors (the “**Concert Party**”).

A table which sets out the current and maximum potential interests in the ordinary share capital of the Company for each member of the Concert Party is set out below:

Shareholder name	Interest in Existing Ordinary Shares	Percentage interest in Existing Ordinary Shares	No. of Placing Shares	No. of Initial Consideration Shares	Interest in New Ordinary Shares on completion of the Placing and the Bluejay Acquisition	Percentage Interest in New Ordinary Shares on completion of the Placing and the Bluejay Acquisition
Roderick McIlree*	Nil	Nil	Nil	42,966,685	42,966,685	9.99
Jeremy Whybrow	Nil	Nil	4,470,549	42,966,685	47,437,234	11.03
Gregory Kuenzel*	30,000	0.01	Nil	17,365,791	17,395,791	4.05
Shaun Bunn	Nil	Nil	529,451	13,119,788	13,649,239	3.18
Garth Palmer	4	0.00	Nil	7,481,051	7,481,055	1.74
Bluejay Vendors Total	30,004	0.01	5,000,000	123,900,000	128,930,004	29.99
Western Areas	178,611,112	60.34	5,000,000	Nil	183,611,112	42.71
Concert Party Total	178,641,116	60.35	10,000,000	123,900,000	312,541,116	72.70
Other Shareholders	117,345,444	39.65	Nil	Nil	117,345,444	27.30
TOTAL	295,986,560	100.00	10,000,000	123,900,000	429,886,560	100.00

*Director of the Company

There is no obligation under Rule 9 to make a general offer in respect of the issue of New Ordinary Shares to either Western Areas or the Bluejay Vendors, as Western Areas currently has an interest in excess of 50 per cent. of the voting rights of FinnAust and the Concert Party will have an interest in excess of 50 per cent. of the voting rights of the Company following the completion of the Placing and the Bluejay Acquisition.

Western Areas will hold between 30 per cent. and 50 per cent. of the voting rights of the Company following completion of the Placing and the Bluejay Acquisition, and will therefore be prevented from acquiring any additional New Ordinary Shares without incurring a further obligation under Rule 9 to make a general offer.

Following completion of the Placing and the Bluejay Acquisition, the Bluejay Vendors will hold an interest in 128,930,004 New Ordinary Shares representing 29.99 per cent. of the issued ordinary share capital of the Company as enlarged by the issue of the Placing Shares and the Initial Consideration Shares. The Bluejay Vendors will therefore be prevented from acquiring any additional New Ordinary Shares without incurring a further obligation under Rule 9 to make a general offer.

Following completion of the Placing and the Bluejay Acquisition, the Concert Party will have an interest in 312,541,116 New Ordinary Shares, representing 72.70 per cent. of the ordinary share capital of the Company as enlarged by the issue of the Placing Shares and the Initial Consideration Shares.

Shareholders should note that Western Areas currently holds over 50 per cent. of the voting rights of the Company. The Concert Party will continue to hold over 50 per cent. of the voting rights of the Company when the Placing Shares and Initial Consideration Shares are issued. Following completion of the Placing and the Bluejay Acquisition, neither Western Areas nor the Bluejay Vendors will be able to increase their interests in the voting rights of the Company through or between a Rule 9 threshold without Panel consent.

Further background information in relation to Western Areas and the Waiver is set out in the Admission Document.

7 Share Capital Reorganisation

Under English law, a company is unable to issue shares at a subscription price which is less than their nominal value. The nominal value of the Existing Ordinary Shares is 2 pence, and the current market price as at close of trading on 7 December 2015 (being the last practicable date prior to the publication of this document) was 0.55 pence. This, together with market conditions generally, means that it is not currently possible for the Company to raise new equity capital from the market generally at a minimum subscription price of 2 pence per share or more.

It is therefore proposed that each of the Existing Ordinary Shares be sub-divided into one New Ordinary Share with a nominal value of 0.01 pence each and one hundred & ninety nine A Deferred Shares with a nominal value of 0.01 pence each.

The A Deferred Shares have no value or voting rights and you will not be issued with a share certificate in respect of the A Deferred Shares. They will not be admitted to trading on AIM. Accordingly, the A Deferred Shares will be effectively worthless. The full rights attaching to the A Deferred Shares are set out in the Articles.

After the Share Capital Reorganisation, there will be the same number of New Ordinary Shares in issue as there are Existing Ordinary Shares. The New Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares in issue under the Articles, including those relating to voting and entitlement to dividends. You will not be issued with a new share certificate for your New Ordinary Shares and the existing one will remain valid.

Holders of options and warrants over Existing Ordinary Shares will maintain the same rights as currently accruing to them and will not be issued with new warrant or option certificates.

The proposed Share Capital Reorganisation will become effective if resolution 1, which is set out in the Notice of General Meeting, is approved at the General Meeting.

8 General Meeting

You will find at the end of this document a notice convening the General Meeting to be held at 9:00 a.m. on 24 December 2015 at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE. The Resolutions to be proposed at the General Meeting are as follows:

Resolution 1 – Sub-division and re-designation of ordinary shares

This is an ordinary resolution to sub-divide and re-designate each of the issued ordinary shares of 2 pence each in the capital of the Company into one hundred & ninety nine A deferred shares of 0.01 pence each and one ordinary share of 0.01 pence each.

New Ordinary Shares

Immediately following the sub-division and re-designation, each Shareholder will hold one new ordinary share of 0.01p and one hundred & ninety nine A Deferred Shares in place of every one existing ordinary share of 2 pence each previously held in the capital of the Company. The rights of the New Ordinary Shares will in all material respects be the same as the ordinary shares currently in issue.

A Deferred Shares

The A Deferred Shares do not carry voting rights or a right to receive a dividend. The holders of A Deferred Shares do not have the right to receive notice of any general meeting of the Company, nor have any right to attend, speak or vote at any such meeting. In addition, holders of A Deferred Shares are only entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares has received a payment of £100,000 in respect of each ordinary share. Accordingly, the A Deferred Shares will have no economic value. The Company does not intend to make any application for A Deferred Shares to be admitted to trading on AIM.

The Company does not intend to issue new share certificates to Shareholders following the re-organisation of its share capital.

Resolution 2 – Approval of the Bluejay Acquisition

This is an ordinary resolution that, subject to the passing of resolution 1 above, the proposed Bluejay Acquisition by the Company be and is hereby approved and that the directors of the

Company be and are hereby authorised to do all such things as any of them may consider necessary or desirable to implement the Bluejay Acquisition.

Resolution 3 – Section 551 authority

This is an ordinary resolution authorising the directors to allot and issue New Ordinary Shares and grant rights to subscribe for such shares up an aggregate nominal value of £50,000. The authority will expire at the commencement of the next Annual General Meeting following this meeting or 31 December 2016, whichever is the earlier to occur.

Resolution 4 – Section 570 authority and dis-application of Section 561(1)

This is a special resolution authorising the directors to issue equity securities wholly for cash on a non pre-emptive basis pursuant to the authority conferred by resolution number 3 above. This will allow the Board to allot shares without recourse to the Shareholders so that it can move quickly from time to time as it deems appropriate. This authority will expire at the commencement of the next Annual General Meeting following this meeting or 31 December 2016, whichever is the earlier to occur.

9 Action to be taken

A Form of Proxy for use at the General Meeting is enclosed. Please complete and sign the Form of Proxy and return it to the Company's Registrars so as to arrive no later than 48 hours before the time fixed for the General Meeting.

The return of the Form of Proxy will not, however, prevent you from attending the General Meeting and voting in person should you wish to do so.

10 Irrevocable undertaking

Western Areas has irrevocably undertaken to vote in favour of the Resolutions in respect of their existing holding of 178,611,112 Ordinary Shares, which represents 60.34 per cent. of the Existing Ordinary Shares.

Shareholders should note that Gregory Kuenzel will abstain from voting on Resolution 2 on account of the Bluejay Acquisition being considered a related party transaction. Roderick McIlree does not have an interest in the Existing Ordinary Shares.

Yours faithfully

Graham Marshall
Non-Executive Chairman

PART II

INFORMATION ON THE PITUFFIK PROJECT AND FUTURE STRATEGY

Overview

The Thule black sand province in North West Greenland composes a coastline several hundred kilometres long containing both ilmenite and magnetite-rich regions. Within these regions are areas of elevated ilmenite concentrations (up to 60 per cent. with an average of 37 per cent.) on both active and uplifted beach zones that are the focus of Bluejay. The source of these titanium rich sands are regional basaltic sill and dyke swarms containing unusually high amounts of titanium (up to 6 per cent. in whole-rock analysis).

Regional extent of titanium rich sands

The highest-grade material to date has been identified at Pituffik, an area that has returned samples of opaque mineral (magnetite and ilmenite) fractions of up to 95 per cent. with up to 73 per cent. of that being ilmenite. Active beaches in the region have demonstrated grades of up to 68 per cent. with an average of between 38-40 per cent. ilmenite. In addition to these areas are the far more expansive uplifted beaches which are on average around 17 per cent. ilmenite.

Fieldwork by Bluejay as well as historical work by the Geological Survey of Greenland & Denmark (“**GEUS**”) and others has highlighted the potential of these large and quite pure titanium occurrences for exploitation.

Greenland is a highly prospective yet underexplored emerging mining destination with a government focused on developing a resource based economy. The new incoming management of FinnAust, in particular Roderick McIlree, have operated successfully in Greenland for most of the past decade.

Bluejay and the Pituffik Project

The Pituffik Project is located on the Steensby Land peninsular in the north west of Greenland and is centered on the closed settlement of Moriusaq in the Qaasuitsup municipality (see Figure 1 below). The Pituffik Project is 83km south of the regional settlement Qaanaaq.

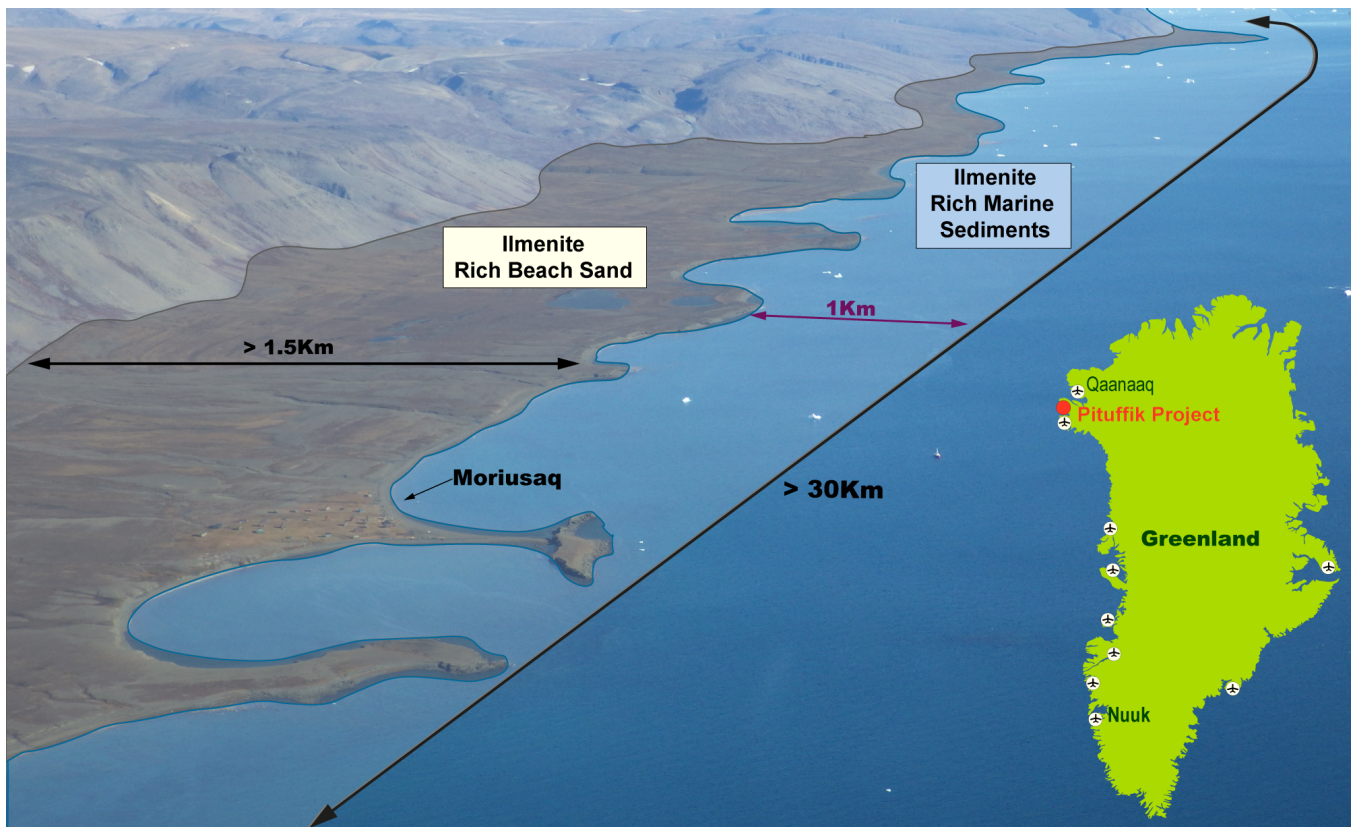


Figure 1. Ilmenite rich beach sand and marine sediments adjacent to the closed settlement of Moriuaq, north-east Greenland

The Pituffik Project was originally discovered in 1915 however it is only in the last 15 years that exploitation has become possible due to profound environmental and climatic changes this part of the world is experiencing. Initial exploration results by Bluejay during 2015 along with a large amount of historical work performed by GEUS and others all indicate the presence of a very large and unusually pure titanium deposit (in ilmenite).

The Pituffik Project sits approximately 30km from the international airport and deep-water port of Thule Air Base operated by the United States Air Force to the south-east and Qaanaaq domestic airport to the north, both of which are serviced by several airlines, including Air Greenland, several times a week.

The Pituffik Project is an early stage exploration project, but it has been the subject of many campaigns of detailed technical studies and exhibits many indications that it could become one of the highest grade in situ deposit of ilmenite anywhere in the world. Photogrammetry, marine bathymetry as well as onshore and offshore sampling has been completed by Bluejay during 2015, the early results of which have shown visual percentages of heavy minerals in almost all samples taken, and continue to demonstrate not just the extensive and high grade nature of the onshore accumulations of ilmenite but also the potential for much larger volumes of ilmenite bearing sediments within the shallow marine environment extending out to approximately 1,000m from shore all in less than 20m of water. These offshore sediment accumulations, if proven, could be amenable to exploitation via simple and cost effective offshore dredging. Bluejay's Mineral Exploration Permit covers onshore ground only, though Bluejay are making enquiries regards extending the coastal boundary to cover potential off shore deposits. The Company will continue to work to determine the nature and extent of these deposits as well as completing a more formal negotiation with the Mineral Licence and Safety Authority in Greenland on permitting and transactional approvals.

After completion of the Bluejay Acquisition the Company intends to continue to work with Greenlandic regulators to expand on existing development models to generate initial proof of concept bulk samples and ultimately larger volume exploitation. The Company will also analyse possible processing routes and product saleability.

Following completion of the Bluejay Acquisition, the Company intends to prioritise activities that will move the Pituffik Project towards relatively short term exploitation. The strategy of the Board is to generate cash flow from the Pituffik Project to create a company that is capable of eventually self-funding exploration and development opportunities that it currently owns as well as continuing to evaluate other complementary opportunities.

Update on existing project areas

As previously announced, the Company has moved to reduce costs across all its existing project areas during this time of low commodity prices. The Directors are now confident that the Finnish assets are “cost sustainable” for the long term. Work continues at a desktop level with acquisition of new geophysical data and reprocessing of existing datasets to generate high value drill targets for drilling at the appropriate time. The Company continues to look at ways to create value from these assets and will provide further updates on progress. The Company sees these assets as being strategic and of high value and recent changes were necessary to ensure they can be carried for the foreseeable future on their new restructured cost base.

Future strategy

The Company has assessed the market and has decided to focus on growth based opportunities to take advantage of the current cyclical downturn affecting the resources sector. This may be achieved in the short term through the acquisition of additional high quality assets to expand and complement the Company’s existing portfolio of projects. Several opportunities are currently being reviewed and evaluated. Work will continue towards the production of a bulk sample “proof of concept” from the Pituffik Project with the aim of ultimately generating cash flow to create a company capable of self-funding exploration on its projects.

Bluejay, presents an opportunity for the Company to diversify and expand its broader Nordic region footprint while also providing a highly experienced technical and management team who collectively have operated mineral exploration businesses in Greenland for approximately 10 years. During this time the Bluejay team has developed strong relationships with local Governments both in Greenland and Denmark and has built up an extensive network of contacts across all mineral exploration disciplines.

The Directors are committed to ensuring FinnAust is well positioned when markets improve for resource companies. This strategy has the support of the Company’s cornerstone investor, Western Areas, one of Australia’s largest Nickel producers, which will continue to make resources and expertise available to FinnAust for this purpose. To date Western Areas has provided extensive technical and financial assistance to the Company, this support is expected to continue as FinnAust executes its growth strategy.

Bluejay corporate information

Bluejay Mining Limited is incorporated in the British Virgin Islands and is the holder of the Mineral Exploration Permit. Bluejay was established in July 2011 and made a loss of £76,195 for the 10 month period to 31 October 2015.

Competent person statement

There is currently no mineral resource estimate for the Pituffik Project. The information in this document that relates to exploration results is based on information compiled by Mr. Urpo Kuronen ("**Urpo**"), who is the Chief Operating Officer of the Company and a member of the Australasian Institute of Mining and Metallurgy.

Urpo 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 qualified person as defined AIM Rules. Urpo has reviewed this document and consents to the inclusion in the document of the matters based on his information in the form and context in which it appears.

FINNAUST MINING PLC

(incorporated and registered in England and Wales no. 05389216)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting (the “**Meeting**”) of FinnAust Mining plc (“**the Company**”) will be held on 24 December 2015 at 9:00 a.m. at The Washington Mayfair Hotel, 5 Curzon Street, London, W1J 5HE for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1, 2 and 3 will be proposed as ordinary resolutions and resolution 4 as a special resolution:

Terms used in this notice shall have the same meanings as defined in the circular to shareholders of the Company dated 8 December 2015 (“**Circular**”), unless the context requires otherwise.

- Resolution 1: THAT, each issued ordinary share of 2p each in the capital of the Company be sub-divided and re-designated into one ordinary share of 0.01p each in the capital of the Company, having the same rights and being subject to the same restrictions as the existing ordinary shares, and one hundred & ninety nine A deferred shares of 0.01p each in the capital of the Company, having the rights and being subject to the restrictions attached to them as set out in the articles of association of the Company.
- Resolution 2: THAT, conditional on the passing of Resolution 1 above, the proposed acquisition of Bluejay Mining Limited by the Company be and is hereby approved on the terms and conditions set out in the sale and purchase agreement dated 8 December 2015 between the Company and the Bluejay Vendors as further described in the Circular with such amendments thereto as the Directors (or any duly constituted committee thereof) may consider appropriate and such directors (or any duly constituted committee thereof) be and are hereby authorised to do all such things as any of them may consider necessary or desirable to implement the Bluejay Acquisition.
- Resolution 3: THAT, in accordance with section 551 of the Companies Act 2006 (“**CA 2006**”), the Directors be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (the “**Rights**”) up to an aggregate nominal amount of £50,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the commencement of the next Annual General Meeting of the Company or 31 December 2016, whichever is earlier to occur, save that the Company may, before such expiry, make offer(s) or enter agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such offers or agreements notwithstanding that the authority conferred by this resolution has expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.
- Resolution 4: THAT, conditional on the passing of Resolution 3 above, and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) for cash pursuant to the authority conferred by Resolution 3 or by way of a sale of treasury shares, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to:
- (a) the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or arrangements as the Directors may deem necessary or expedient in relation to the treasury shares, fractional entitlements, record dates, arising out of any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and

- (b) the allotment of equity securities (otherwise than pursuant to sub paragraph (a) above) up to an aggregate nominal amount of £50,000;

and provided that this power shall expire on the commencement of the next Annual General Meeting of the Company or 31 December 2016, whichever is earlier to occur (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry, make offer(s) or agreement(s) which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offers or agreements notwithstanding that the power conferred by this resolution has expired.

By Order of the Board

Garth Palmer
Company Secretary

Dated: 8 December 2015

Registered office:
47 Charles Street
London
W1J 5EL

Notes:

1. A member of the Company entitled to attend, speak and vote at the meeting convened by this notice may appoint one or more proxies to attend, speak and vote in his place. A proxy need not be a member of the Company. A form of proxy is enclosed for use at this meeting.
2. Completing and returning a form of proxy does not preclude a member from attending and voting at the Meeting.
3. To be valid, a form of proxy and, if applicable, any authority under which it is signed, or a notarially certified copy of such authority must be lodged at Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF not later than 9:00 a.m. on 22 December 2015. A form of proxy is enclosed.
4. For the purposes of determining who is entitled to attend or vote (whether on a show of hands or a poll) at the meeting a person must be entered on the register of members not later than 6.00 p.m. on 21 December 2015, or if the meeting is adjourned, you must be entered on the register at 6.00 p.m. on the date which is two days prior to the date of any adjourned meeting.
5. In the case of joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together.
7. As at the close of business on 7 December 2015 (the last business day prior to the publication of this notice), the Company's issued ordinary share capital comprised 295,986,560 ordinary shares of 2p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the time and date given above is 295,986,560.