

FINMETAL MINING LTD. (\$0.07 FNMM: OTCBB)

Recommendation: Speculative Buy (No Change)
Target Price: \$0.45 (Lowered from \$0.70)

RECENT DEVELOPMENT: ASSAY RESULTS FROM HALVALA

FinMetal Mining Ltd. has announced assay results from the first diamond drill hole of a two-hole preliminary evaluation in its joint venture with Magnus Minerals at the Halvala nickel exploration prospect in the Enonkoski Belt in Finland.

Halvala is the first of four high-priority targets identified by FinMetal in its Finnish nickel exploration program, which is based on earlier work carried out by the Geological Survey of Finland. The prospect is a past-producing nickel mine.

The Company completed the first two 600-metre holes at Halvala - FML-01 and FML-02 - in late February. FML-01 intersected 12.23 metres of nickel sulphide mineralization at a depth of 550 metres, with an average grade of 0.93% nickel that includes an interval of 2.07% nickel and 0.43% copper over 4.83 metres.

Assay results are pending on nickel sulphide mineralization intersected at a depth of approximately 500 metres in FML-02, drilled about 50 metres away from FML-01, in order to test the continuity of the mineralization. However, FinMetal's three-dimensional compilation of the historical data at Halvala indicates that both sulphide intersections are part of a vertical cylinder-shaped zone of nickel sulphides open at depth.

COMMENT: *The drilling clearly shows that there is mineralization of significant value present at Halvala. The grade of the 12.23-metre intercept from FML-01 is impressive. At 0.93% Ni, the rock has a value, at today's nickel price, in excess of US\$275 per tonne (which is potentially quite profitable underground ore, given enough tonnage and existing mining infrastructure). If the assays from FML-02 prove continuity of the mineralization as the Company hopes, the story improves yet again and the Company will have taken a big step toward confirmation of a nickel resource at Halvala.*

THE COMPANY

FinMetal Mining Ltd. is a mining exploration company based in Finland. The Company is active only in Finland, with its primary focus being brown-field nickel exploration. FinMetal is also involved, to a lesser extent, in gold exploration.

RECOMMENDATION

Given that FinMetal has progressed as planned, and has recent positive drill results in an environment of rising nickel prices, we feel that the market is significantly undervaluing the shares. Traders seem to be selling any stock with a bid, and FinMetal Mining seems to be as much a victim of current adverse market conditions as any other company.

Further, we think the shares of the Company suffer from being listed only on the OTCBB, and that a listing on another exchange would improve investor awareness and likely investor interest, and lead to better market efficiencies for the shares.

Given these positive drill results, and with any improved investor interest, a return to the \$0.47 per share area (the stock's high since our Initiating Report) in the near term is a reasonable expectation. Accordingly, we are lowering our one-year Target Price to \$0.45.

Our former Target Price of \$0.70 is more likely to be attained in about 18 months than in a one-year time frame.

We are maintaining our Speculative Buy Recommendation for risk-tolerant investors.

RATINGS HISTORY

| Date | Report Type | Recommendation | Stock Price | Target Price |
|---------------|--------------------|-----------------------|--------------------|---------------------|
| Aug. 21, 2007 | Initiating | Speculative Buy | \$0.42 | \$0.70 |
| Nov. 14, 2007 | Bulletin | No Change | \$0.23 | No Change |
| Mar. 18, 2008 | Bulletin | No Change | \$0.07 | Lowered to \$0.45 |

High-Low Since Initiating: \$0.47-\$0.04.

NOTE: eResearch reports on FinMetal Mining Ltd. and other companies are available FREE on our website at www.eresearch.ca.

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