finders resources ltd
ABN 82 108 547 413

For ASX Market Release: 16 December 2016

Wetar Copper Project Resource Update

Finders Resources Limited (ASX:FND) is pleased to provide the following Mineral Resource and Ore Reserve update for the Wetar Copper Project in which the company holds a 72% interest.

The Measured, Indicated and Inferred Resource as at 30th June 2016 on a 100% equity basis now stands at 8.9 million tonnes at 2.4% copper for 210 thousand contained tonnes of copper metal (Table 1).

The Proved and Probable Reserve as at the 30th June 2016 on a 100% equity basis stands at 8.6 million tonnes at 2.3% copper for 202 thousand contained tonnes of copper metal (Table 2).

A 2% overcall in reconciled copper tonnes mined versus the Ore Reserve Model for the Project to the end of November 2016 demonstrates the robustness of the Mineral Resource and Ore Reserve estimates.

A full summary of the estimates including the methodology, Competent Person's Statements and JORC 2012 Tables is appended to this release.

Contacts:
Mr Gary Comb
Non-Executive Chairman
Mr Barry Cahill
Managing Director
Mr James Wentworth
Chief Financial Officer

Phil Retter
Investor Relations
NWR Communications
phil@nwrcommunications.com.au
T: +61 407 440 882

Perth Office:
Level 1, 5 Ord Street
West Perth WA 6005
T: +61 8 6555 3996
F: +61 8 6555 3998
E: info@findersresources.com
ASX Code: FND
www.findersresources.com

Table 1 : Mineral Resource Estimate

Wetar Copper Project - Mineral Resource Estimate as at 30th June 2016									
	Measured		Indicated		Inferred		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Kali Kuning Resource (COG 0.4% Cu)									
Primary	3.6	2.7	0.5	2.8	0.03	2.7	**4.2**	**2.7**	**114**
Transition	0.8	1.2	0.3	1.4	0.08	1.7	**1.2**	**1.3**	**15**
Leached	0.1	0.5	0.01	0.8	0.01	1.1	**0.2**	**0.6**	**1**
Total	**4.6**	**2.4**	**0.8**	**2.3**	**0.1**	**1.9**	**5.5**	**2.4**	**130**
Lerokis Resource (COG 0.5% Cu)									
Primary	2.1	2.4	0.4	2.2	0.1	1.5	**2.6**	**2.3**	**61**
Total	**2.1**	**2.4**	**0.4**	**2.2**	**0.1**	**1.5**	**2.6**	**2.3**	**61**
Total Kali Kuning and Lerokis Open Pits									
COG as above	**6.7**	**2.4**	**1.2**	**2.3**	**0.2**	**1.7**	**8.1**	**2.4**	**191**
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)									
Kali Kuning Valley	0.8	2.4	-	-	-	-	**0.8**	2.4	18
Total	**0.8**	**2.4**	**-**	**-**	**-**	**-**	**0.8**	**2.4**	**18**
Total Mineral Resource (including Heap Leach Pads)									
TOTAL	**7.5**	**2.4**	**1.2**	**2.3**	**0.2**	**1.7**	**8.9**	**2.4**	**210**

Note – Rounding errors may occur. Mineral Resources which are not included in the following Ore Reserve compilation do not have demonstrated economic viability.

The following reconciliation table records the changes from the previous estimate.

Mineral Resource Reconciliation	Cu Metal (Kt)
Mineral Resource Estimate as at 17th July 2013	**216**
Depletion – Mining at Kali Kuning	**(24)**
Addition – Heap leach Pads (including pre-treatment stockpiles)	**24**
Depletion - Decommissioned UDP Pads 5 and 6	**(1)**
Depletion – Cathode Production	**(4)**
Reductions/Increases (changes in economic assumptions)	**-**
Mineral Resource Estimate as at 30th June 2016	**210**

Table 2 : Ore Reserve Estimate

Wetar Copper Project – Ore Reserve Estimate as at 30th June 2016							
	Proved		Probable		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Kali Kuning Open Pit (COG 0.4% Cu)							
Primary	3.6	2.7	0.5	2.7	**4.1**	**2.7**	**111**
Transition	0.8	1.2	0.3	1.3	**1.1**	**1.2**	**13**
Leached	0.1	0.5	0.01	0.8	**0.1**	**0.6**	**1**
Total	**4.6**	**2.4**	**0.7**	**2.2**	**5.3**	**2.4**	**126**
				Waste	3.9		
				Stripping Ratio	0.7		
Lerokis Open Pit (COG 0.5% Cu)							
Primary	2.1	2.3	0.4	2.0	**2.5**	**2.3**	**59**
Total	**2.1**	**2.3**	**0.4**	**2.0**	**2.5**	**2.3**	**59**
				Waste	1.9		
				Stripping Ratio	0.8		
Total Kali Kuning and Lerokis Open Pits							
COG as above	**6.7**	**2.4**	**1.2**	**2.2**	**7.8**	**2.3**	**184**
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)							
Kali Kuning	0.8	2.4	-	-	**0.8**	**2.4**	**18**
Total	**0.8**	**2.4**	**-**	**-**	**0.8**	**2.4**	**18**
Total Ore Reserve (including Heap Leach Pads)							
COGs as above	**7.4**	**2.4**	**1.2**	**2.2**	**8.6**	**2.3**	**202**

Notes – The Ore Reserve Estimate for the open pit mines is derived from the Mineral Resource block models for the Kali Kuning and Lerokis deposits. The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grades. "Stripping Ratio" refers to the ratio of the waste to the ore tonnage.

The following reconciliation table records the changes from the previous estimate.

Ore Reserve Reconciliation	Cu Metal (Kt)
Ore Reserve Estimate as at 17th July 2013	**209**
Depletion – Mining at Kali Kuning	**(24)**
Additions – Heap Leach Pads (including pre-treatment stockpiles)	**24**
Depletion - Decommissioned UDP Pads 5 and 6	**(1)**
Depletion – Cathode Production	**(4)**
Reductions/Increases (changes in economic assumptions)	**-**
Ore Reserve Estimate as at 30th June 2106	**202**

Background Information on Finders

Finders is the operator of the Wetar Copper Project (72% interest) located in Maluku Barat Daya, Indonesia.

The Wetar Copper Project comprises the development, open pit mining and processing of the high-grade sulphide deposits at Kali Kuning and Lerokis located within 3 kilometres of the coast on Wetar Island. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially exposed copper ore bodies from a prior gold mining era.

Finders currently operates a 25,000 tonne per annum ("t.p.a") copper cathode solvent extraction-electrowinning ("SX-EW") plant, commissioned in May 2016, and a 3,000 t.p.a SX-EW plant for annual production capacity of 28,000 tonnes copper cathode.

The project has a total debt of US$100M (including a VAT facility) repayable over three years to 2019 and has a projected cash operating cost of US$1.05/lb Cu over the life of mine.

Opportunities for extending the mine life past the current 7 years are strongly founded on exploration upside, focussing initially on the nearby Meron satellite deposit and other identified VMS copper and gold targets on Wetar Island.

Disclaimer

This announcement may or may not contain certain "forward-looking statements". All statements, other than statements of historical fact, which address activities, events or developments that Finders believes, expects or anticipates will or may occur in the future, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "targeting", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could", or "might" occur or be achieved and other similar expressions. These forward-looking statements, including those with respect to permitting and development timetables, mineral grades, metallurgical recoveries, potential production reflect the current internal projections, expectations or beliefs of Finders based on information currently available to Finders. Statements in this document that are forward-looking and involve numerous risks and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. Actual results may differ materially from expected results. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate, (iii) the Company's analysis is correct or (iv) the Company's strategy, which is based in part on this analysis, will be successful. Finders expressly disclaims any obligation to update or revise any such forward-looking statements.

No Representation, Warranty or Liability

Whilst it is provided in good faith, no representation or warranty is made by Finders or any of its advisers, agents or employees as to the accuracy, completeness, currency or reasonableness of the information in this announcement or provided in connection with it, including the accuracy or attainability of any Forward Looking Statements set out in this announcement. Finders does not accept any responsibility to inform you of any matter arising or coming to Finders' notice after the date of this announcement which may affect any matter referred to in this announcement. Any liability of Finders, its advisers, agents and employees to you or to any other person or entity arising out of this announcement including pursuant to common law, the Corporations Act 2001 and the Trade Practices Act 1974 or any other applicable law is, to the maximum extent permitted by law, expressly disclaimed and excluded.

Distribution Restrictions

The distribution of this announcement may be restricted by law in certain jurisdictions. Recipients and any other persons who come into possession of this announcement must inform themselves about, and observe any such restrictions.

finders resources ltd
ABN 82 108 547 413

Wetar Copper Project

Mineral Resource and Ore Reserve Estimate

As at 30th June 2016

Terry Burns BAppSc GDipEd PGDGeoSci GDipMinEng FAusIMM(CP)

Nick Holthouse DipAppSc GDipMinEng MAusIMM

Executive Summary

The Wetar Copper Project (Finders Resources ~72%) is a fully permitted and operational mine and SX-EW production facility located on Wetar Island, part of the Maluku Barat Daya Regency (MBD), in the Maluku Province of the Republic of Indonesia. Finders Resources Ltd (Finders) interest in the Wetar Copper Project (~72%) is held through Indonesian subsidiaries, PT Batutua Tembaga Raya ("BTR") and PT Batutua Kharisma Permai ("BKP").

The island preserves 4.7-million-year old precious metal-rich volcanogenic massive sulphide and barite deposits. The polymetallic massive sulphides are dominated by pyrite, with minor chalcopyrite that are cut by late fractures infilled with copper minerals (covellite, chalcocite, tennantite–tetrahedrite, enargite, bornite). Barite orebodies are developed on the flanks and can locally overly the massive sulphides. The most striking similarities to the mineralisation have come from recent discoveries on the sea floor "black smoker" deposits such as in the Woodlark Basin, Okinawa Trough and Juan de Fuca Ridge.

Extensive exploration including drilling and open pit mining was carried out during the period 1990-1997 by PT Prima Lirang Mining (a subsidiary of Billiton). This gold/precious metals exploration, mining and processing activity was subsequently rehabilitated at the completion of processing and practical completion of this was eventually achieved in late 2004.

In 2004 and 2005, Finders re-established the geological and assay database from the previous operator, and used this to predict potential for a mining operation based on epigenetic copper sulphides previously recognised as occurring below several of the gold/silver-barite resources. The first mineral resource estimates for copper were completed prior to Finders' listing on London's AIM bourse in March 2006.

Finders then successfully operated a trial mine at the Kali Kuning deposit in conjunction with a 5tpd SX-EW demonstration plant to test heap leach kinetics, optimise process design and to provide additional data for project finance purposes over the period February 2009 to December 2010. Subsequent to this, an upgraded 3Ktpa demonstration plant has operated continuously since February 2014 using mineralisation that was also mined from the nearby Kali Kuning deposit. Over this time, the operation has continuously produced copper cathodes that were predominantly equivalent to LME Grade A specifications (~99.999%Cu).

Full-scale mining at the Kali Kuning deposit commenced in April 2015 after successful project financing and has, since that time, provided feedstock to an expanded 3Ktpa heap leach SX-EW demonstration plant and a recently commissioned 25Ktpa heap leach SX-EW copper operation.

A large body of drilling data in conjunction with recent production experience has been used to generate the mineral resource estimates for the Kali Kuning and Lerokis deposits which together make up the mineral resource inventory of the Wetar Copper Project.

The June 2016 Ore Reserve Estimate will, for the first time, include estimates of copper metal remaining in heap leach pads in conjunction with "conventional" estimates of the mineralisation remaining within the Kali Kuning and Lerokis open pits.

The project's heap leach pad cells are depleted over lengthy time periods that are similar to the annual inventory reporting timeframe adopted by Finders. Each pad, is at any time, in multiple and varying stages of production based on their irrigation rates, expected copper extraction leach kinetics and observed progress when measured against the mineralisation's cumulative theoretical leach curves established from pre-production metallurgical testwork.

The Ore Reserve Estimate is derived from the Mineral Resource block models for the Kali Kuning and Lerokis deposits. The following tables summarise the current total copper mineral inventory for the Wetar Copper Project and provide a reconciliation table of the changes from the previous calculation.

Mineral Resource Estimate

Wetar Copper Project - Mineral Resource Estimate as at 30th June 2016									
	Measured		Indicated		Inferred		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Kali Kuning Resource (COG 0.4% Cu)									
Primary	3.6	2.7	0.5	2.8	0.03	2.7	**4.2**	**2.7**	**114**
Transition	0.8	1.2	0.3	1.4	0.08	1.7	**1.2**	**1.3**	**15**
Leached	0.1	0.5	0.01	0.8	0.01	1.1	**0.2**	**0.6**	**1**
Total	**4.6**	**2.4**	**0.8**	**2.3**	**0.1**	**1.9**	**5.5**	**2.4**	**130**
Lerokis Resource (COG 0.5% Cu)									
Primary	2.1	2.4	0.4	2.2	0.1	1.5	**2.6**	**2.3**	**61**
Total	**2.1**	**2.4**	**0.4**	**2.2**	**0.1**	**1.5**	**2.6**	**2.3**	**61**
Total Kali Kuning and Lerokis Open Pits									
COG as above	**6.7**	**2.4**	**1.2**	**2.3**	**0.2**	**1.7**	**8.1**	**2.4**	**191**
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)									
Kali Kuning Valley	0.8	2.4	-	-	-	-	**0.8**	2.4	18
Total	**0.8**	**2.4**	**-**	**-**	**-**	**-**	**0.8**	**2.4**	**18**
Total Mineral Resource (including Heap Leach Pads)									
TOTAL	**7.5**	**2.4**	**1.2**	**2.3**	**0.2**	**1.7**	**8.9**	**2.4**	**210**

Note – Rounding errors may occur. Mineral Resources which are not included in the following Ore Reserve compilation do not have demonstrated economic viability.

The following reconciliation table records the changes from the previous estimate.

Mineral Resource Reconciliation	Cu Metal (Kt)
Mineral Resource Estimate as at 17th July 2013	**216**
Depletion – Mining at Kali Kuning	**(24)**
Addition – Heap leach Pads (including pre-treatment stockpiles)	**24**
Depletion - Decommissioned UDP Pads 5 and 6	**(1)**
Depletion – Cathode Production	**(4)**
Reductions/Increases (changes in economic assumptions)	**-**
Mineral Resource Estimate as at 30th June 2016	**210**

Ore Reserve Estimate

Wetar Copper Project – Ore Reserve Estimate as at 30th June 2016							
	Proved		Probable		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Kali Kuning Open Pit (COG 0.4% Cu)							
Primary	3.6	2.7	0.5	2.7	**4.1**	**2.7**	**111**
Transition	0.8	1.2	0.3	1.3	**1.1**	**1.2**	**13**
Leached	0.1	0.5	0.01	0.8	**0.1**	**0.6**	**1**
Total	**4.6**	**2.4**	**0.7**	**2.2**	**5.3**	**2.4**	**126**
				Waste	3.9		
				Stripping Ratio	0.7		
Lerokis Open Pit (COG 0.5% Cu)							
Primary	2.1	2.3	0.4	2.0	**2.5**	**2.3**	**59**
Total	**2.1**	**2.3**	**0.4**	**2.0**	**2.5**	**2.3**	**59**
				Waste	1.9		
				Stripping Ratio	0.8		
Total Kali Kuning and Lerokis Open Pits							
COG as above	**6.7**	**2.4**	**1.2**	**2.2**	**7.8**	**2.3**	**184**
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)							
Kali Kuning	0.8	2.4	-	-	**0.8**	**2.4**	**18**
Total	**0.8**	**2.4**	**-**	**-**	**0.8**	**2.4**	**18**
Total Ore Reserve (including Heap Leach Pads)							
COGs as above	**7.4**	**2.4**	**1.2**	**2.2**	**8.6**	**2.3**	**202**

Notes – The Ore Reserve Estimate for the open pit mines is derived from the Mineral Resource block models for the Kali Kuning and Lerokis deposits. The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grades. "Stripping Ratio" refers to the ratio of the waste to the ore tonnage.

The following reconciliation table records the changes from the previous estimate.

Ore Reserve Reconciliation	Cu Metal (Kt)
Ore Reserve Estimate as at 17th July 2013	**209**
Depletion – Mining at Kali Kuning	**(24)**
Additions – Heap Leach Pads (including pre-treatment stockpiles)	**24**
Depletion - Decommissioned UDP Pads 5 and 6	**(1)**
Depletion – Cathode Production	**(4)**
Reductions/Increases (changes in economic assumptions)	**-**
Ore Reserve Estimate as at 30th June 2106	**202**

Table of Contents

Mineral Resource Estimate

Ownership / Permitting

The Wetar Copper Project (Finders ~72%) is a fully permitted and operational mine and SX-EW treatment facility located on Wetar Island, part of the Maluku Barat Daya Regency (MBD), in the Maluku Province of the Republic of Indonesia.

Finders Resources Ltd (Finders) interest in the Wetar Copper Project (~72%) is held through Indonesian subsidiaries, PT Batutua Tembaga Raya ("BTR") and PT Batutua Kharisma Permai ("BKP").

Permits (IUPs) covering the exploitation of copper, limestone and sand and gravel have been obtained for periods covering the current life of the project. An AMDAL environmental permit for life of mine was granted in April 2010.

BTR holds a business license for processing and refining (IUP Processing and Refining No. 543-125 Tahun 2011) for a 20-year period expiring on 9 Jun 2031. This IUP allows BTR to process ore from the Wetar Copper Project to produce copper cathode.

BKP holds a production stage forestry use permit Number SK478/Menhut II/2013) for 134.63Ha ("Pinjam Pakai") which allows the company to carry out development, mining and production activities at the Wetar Copper Project through to expiry in December 2031.

Background

Extensive exploration including drilling and mining was carried out during the period 1990-1997 by PT Prima Lirang Mining (a subsidiary of Billiton). The gold/precious metals exploration, mining and processing activities were subsequently rehabilitated at the completion of mining with practical completion eventually achieved in 2004 (COW terminated on 18th October 2004).

In 2004 and 2005, Finders re-established the geological and assay database from PLM, the previous operator, and used this to predict potential for a mining operation based on epigenetic copper sulphides previously recognised as occurring below several of the gold-barite mineral resources. Mineral resource estimates were first completed by Hellman & Schofield prior to Finders' listing on London's AIM in March 2006.

Initial work by Finders focussed on the concept of the production of a low grade copper concentrate and on-processing by an off-site hydrometallurgical plant. However, success with column leach testwork lead to a decision in mid-2007 to change the focus to development of the Wetar copper resources to use heap-leach and solvent extraction and electrowinning to produce copper cathode on site.

Infrastructure

Wetar is a sparsely populated island located towards the eastern end of the Indonesian archipelago and its remoteness dictates that all supplies and personnel must be delivered by barge or boat. However, a mining presence has been in operation on the island since the 1990s and the recent construction of processing infrastructure and development of a new open pit mine suggests that logistics required to operate in this area are well understood.

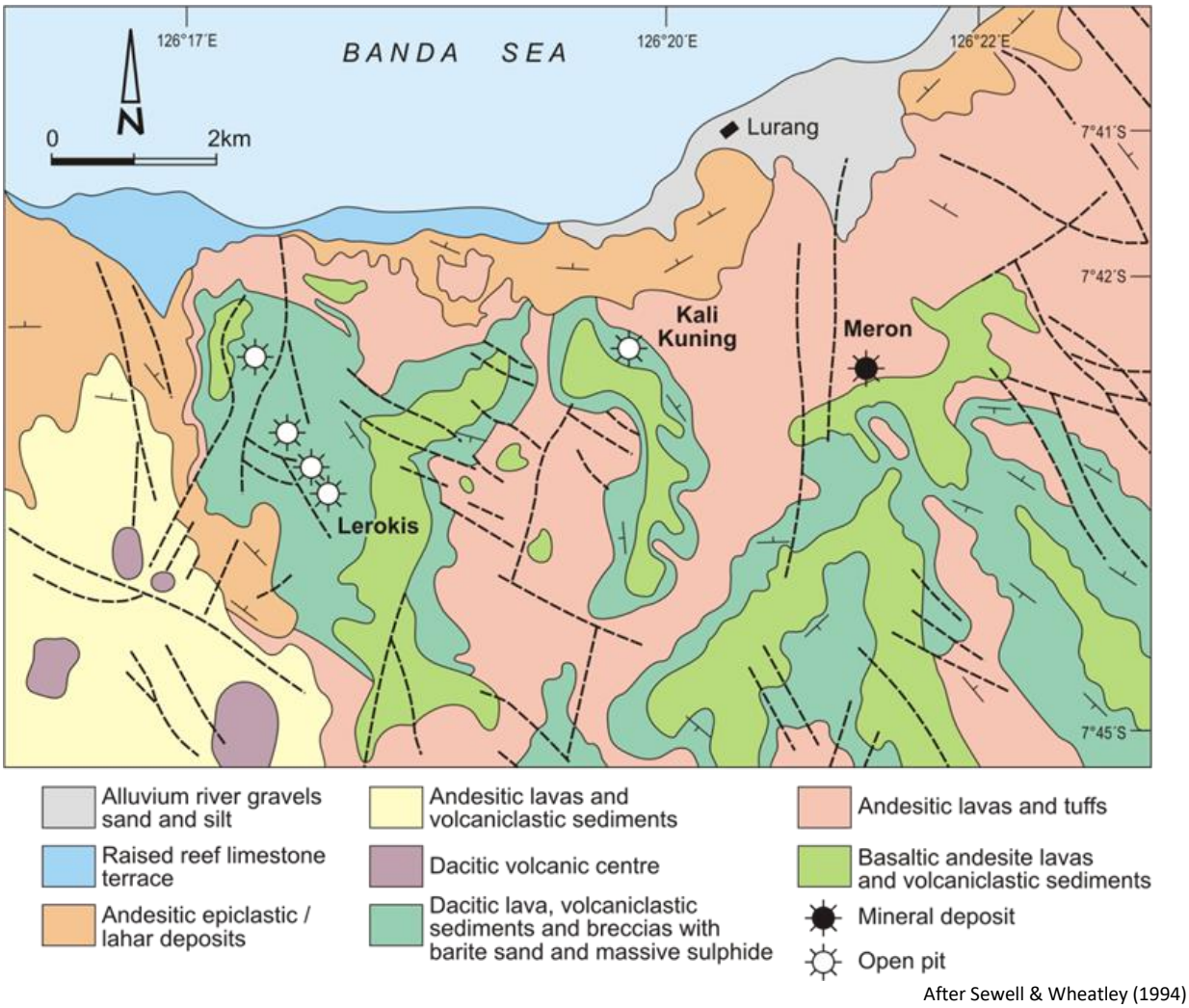
All support infrastructure including a jetty, offices, 800-person camp and power station are established and commissioned. An acid neutralisation plant is in the final stages of construction (Q3 CY2016).

Geology

Regional

The volcanogenic massive sulphide (VMS) deposits of Kali Kuning and Lerokis are located on Wetar Island in the Maluku Province of the Republic of Indonesia.

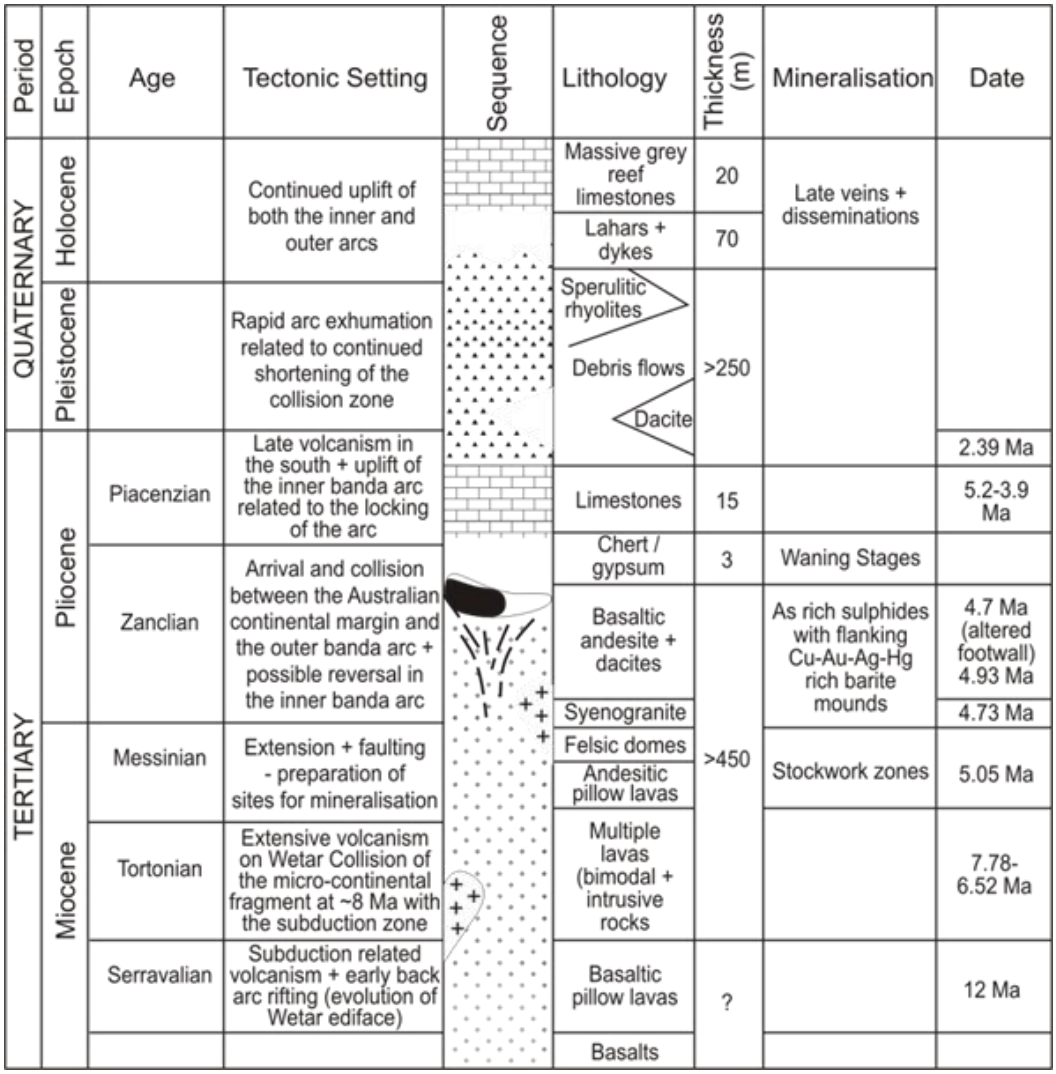
The geology of Wetar Island is composed entirely of Neogene volcanic rocks and minor oceanic sediments (*Sewell and Wheatley, 1994*). Submarine, basaltic–andesites, with local pillows, form the volcanic basement to the island. The basaltic–andesites are intruded by rhyodacite domes and overlain by dacitic lavas, tuffs and breccias, debris flows, globigerina limestones and lahar deposits. Reef limestones are evident around the perimeter of the island at varying heights.



After Sewell & Wheatley (1994)

The precious metal mineralisation previously mined comprised poorly consolidated gold and silver rich barite sands, which are interpreted to have arisen from submarine exhalative processes.

Underlying, and variably offset to this later mineralisation are copper-rich massive sulphide bodies or "mounds" which comprise the Wetar copper ores. These overlie intensely altered submarine volcanic breccias and pillow basalts.



After Scotney et al (2005)

The mine sequence is unconformably overlain locally by limestones and sub-aerial dacitic volcanic and thick andesitic lahar deposits. The age of the mineralisation has been estimated by Scotney (2005) at around 4.7 million years.

Mineralisation

Copper mineralisation at both Kali Kuning and Lerokis occurs within coherent massive sulphide units, with a lesser amount of generally lower grade material occurring within intensely clay-sericite pyrite altered andesitic tuffs-in the footwall and lateral extent of the massive sulphides.

The contact between the massive sulphide and footwall tuff is generally quite sharp, but in some drill holes, a mixed breccia of massive sulphide and altered tuff fragments occurs, that are possibly structurally controlled.

The massive sulphide bodies at Kali Kuning and Lerokis comprise early, coarse grained, copper poor pyrite which is fractured and overprinted and cemented by a later, copper rich, phase of massive sulphide mineralisation. Copper grades are generally proportional to the magnitude of the late stage cementing phase present, which ranges from relatively sparse stockwork mineralisation to a high grade matrix supported breccia mineralisation.

Boundaries between the massive sulphide sub-types are irregular, and gradational, and at the 25 x 25m drill spacing employed, it is not always possible to reliably correlate individual breccia zones between drill

holes, and so for resource definition purposes the primary massive sulphide lenses at both Kali Kuning and Lerokis were modelled for the most part as single, simpler units.

In the upper portions of the Kali Kuning massive sulphide, incipient supergene alteration has manifested a progressive breakdown of the more reactive late stage matrix and stock work fill material resulting in a largely unconsolidated, rubble-like pyritic breccia (PBX) phase of the massive sulphide. This unit is in stark contrast to the well cemented primary massive sulphide material.

A direct consequence of the unconsolidated matrix in the PBX unit is that it is extremely difficult to drill either using diamond or reverse circulation drilling techniques.

In diamond drilling, the tough pyrite clasts tend to rotate with the drilling and cause the fine unconsolidated matrix to be washed out by drilling fluid and not recovered. In reverse circulation drilling, the very dense and abrasive fine and un-cemented matrix material causes excessive wear and also bogging of the drill hammer.

Copper is present mainly as covellite, chalcocite and chalcopyrite at Kali Kuning and covellite and chalcopyrite at Lerokis. However, locally up to 20% of the copper can be present as enargite and tennantite in both Kali Kuning and Lerokis. Bornite has been reported in several QEMSCAN studies, but rarely identified in numerous optical studies.

The Lerokis deposit also has a significantly higher zinc content (average 0.77% Zn as sphalerite), compared to Kali Kuning (average 0.24% Zn).

At depth, the pyritic massive sulphide units have a sharp contact with clay-sericite-pyrite altered, bleached andesitic lavas and breccias with pyritic stockwork veining.

Mineralisation in the PBX unit at Kali Kuning is dominated by fine loosely bonded covellite within the poorly consolidated matrix material.

The most striking similarities to the mineralisation have come from recent discoveries on the sea floor ‘black smoker’ deposits such as in the Woodlark Basin, Okinawa Trough and Juan de Fuca Ridge. There are also similarities with Kuroko deposits albeit at shallower depths and temperatures.

Ore Types

The Kali Kuning massive sulphide resource has been re-classified into three metallurgical sub-types, Leached (PBX), Transition Zone (PBX2), and Primary Massive Sulphide (MS).

The Leached and Transition types are drilled grade defined subsets of the PBX, and reflect incipient in-situ alteration of the massive sulphide unit by natural groundwater. This alteration is expressed as a progressive leaching of copper, accompanied by an increase in the proportion of covellite to other copper minerals as evidenced by mineralogical studies, and a higher proportion of ferric soluble copper to total copper.

Both the Leached and Transition zone material occur at the higher levels of the deposit and are thought to have had significant preferential losses of copper due to fine, poorly cemented supergene covellite being washed from unconsolidated core (or chips) during the drilling process.

The primary massive sulphide at Kali Kuning has a higher proportion of chalcopyrite and chalcocite, which appears to progressively alter to covellite near the transition zone boundary. This material is generally quite coherent, and is not thought to be subject to significant copper losses in the drilling process.

The Lerokis massive sulphide does not appear to show the development of an equivalent to the pyrite breccia, and is currently modelled as one single coherent unit.

Mineral Resource Estimation

Competent Person Statement

The information in this report that relates to mineral resource estimation at Kali Kuning and Lerokis is based on prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Terry Burns who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (#107527).

Mr Burns has sufficient experience which is 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'.

Summary

The following table outlines the revised Mineral Resource Estimate for the Wetar Copper Project as at 30th June 2016.

Wetar Copper Project - Mineral Resource Estimate as at 30th June 2016									
	Measured		Indicated		Inferred		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Kali Kuning Resource (COG 0.4% Cu)									
Primary	3.6	2.7	0.5	2.8	0.03	2.7	**4.2**	**2.7**	**114**
Transition	0.8	1.2	0.3	1.4	0.08	1.7	**1.2**	**1.3**	**15**
Leached	0.1	0.5	0.01	0.8	0.01	1.1	**0.2**	**0.6**	**1**
Total	**4.6**	**2.4**	**0.8**	**2.3**	**0.1**	**1.9**	**5.5**	**2.4**	**130**
Lerokis Resource (COG 0.5% Cu)									
Primary	2.1	2.4	0.4	2.2	0.1	1.5	**2.6**	**2.3**	**61**
Total	**2.1**	**2.4**	**0.4**	**2.2**	**0.1**	**1.5**	**2.6**	**2.3**	**61**
Total Kali Kuning and Lerokis Open Pits									
COG as above	**6.7**	**2.4**	**1.2**	**2.3**	**0.2**	**1.7**	**8.1**	**2.4**	**191**
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)									
Kali Kuning Valley	0.8	2.4	-	-	-	-	**0.8**	**2.4**	**18**
Total	**0.8**	**2.4**	**-**	**-**	**-**	**-**	**0.8**	**2.4**	**18**
Total Mineral Resource (including Heap Leach Pads)									
TOTAL	**7.5**	**2.4**	**1.2**	**2.3**	**0.2**	**1.7**	**8.9**	**2.4**	**210**

Note – Rounding errors may occur. Mineral Resources which are not included in the following Ore Reserve compilation do not have demonstrated economic viability.

Methodology

The resource estimate of 2009 was revised in July 2013 to be compliant with the updated JORC 2012 guidelines for the reporting of exploration results, mineral resources and ore reserves.

Past resource estimation was undertaken by Hellman and Schofield which was constrained by geological models developed by Finders. Data were composited into two metre intervals and ordinary kriging was used to estimate total copper metal within defined mineralised domains at Kali Kuning and Lerokis. Estimates were also completed for ferric soluble copper and cyanide soluble copper.

Block models are based on the UTM grid (WGS84, Zone 52S) and the relatively small block dimensions of 12.5m x 12.5m x 3.0m for Kali Kuning, and 12.5m x 12.5m x 2.5m for Lerokis reflects the relatively close spaced nature of the drilling.

Mine planning is also completed using the UTM grid and the block and assay data was constrained by designated ore types; Leached, Transition and Primary Massive Sulphide for Kali Kuning, and a single ore type, Primary Massive Sulphide for Lerokis. These constraining domains were defined on specific geological and copper grade criteria.

Classification of Kali Kuning blocks into Measured, Indicated and Inferred categories corresponds to search ellipsoids of 30m x 30m x 8m; 40m x 40m x 10m; and 60m x 60m x 16m, with a minimum number of data points of 10, 10, and 8, respectively.

Classification of Lerokis blocks into Measured, Indicated and Inferred categories corresponds to search ellipsoids of 24m x 24m x 18m; 30m x 30m x 22m; and 48m x 48m x 36m, with a minimum number of data points of 12, 12, and 8, respectively.

Tonnages are reported on a dry basis and is in keeping with dry densities and drying temperatures in the assay techniques used.

The Kali Kuning mineral resource block model was “re-blocked” into a model suitable for the commencement of mining where the block sizes matched the open pit mining parameters of six metre benches and two individually mined flitches of three metres each. This manipulation of the data contained in the block model has provided for an effective reconciliation process where pre-mining data can be compared to that material actually removed from the open pit.

Reconciliation Studies & Full-Scale Production

FND successfully operated a five tonne per day SX-EW demonstration plant to test leach kinetics, optimise process design and to provide additional data for project finance purposes over the period from February 2009 to December 2010. This plant treated material from the Kali Kuning deposit and produced and sold LME Grade A quality copper cathodes (99.999%Cu) without specification issues.

An upgraded 3Ktpa demonstration plant has operated continuously since February 2014 using heap leach pads containing approximately 883Ktpa of mineralisation that was mined from the Kali Kuning deposit up until the end of June 2016. The operation continued to produce predominantly LME Grade A copper cathodes (99.999%Cu).

Full-scale mining at the Kali Kuning deposit subsequently commenced in April 2015 to provide feed to the expanded interim operation that has ultimately led to the recent commissioning of a newly constructed 25Ktpa copper cathode operation (Q2 CY2016). Grade control assays and additional crusher tonnage data has generally validated the current Mineral Resource Estimate.

Trial Mining & Processing (Kali Kuning)

Trial mining and processing was undertaken between February 2009 and December 2010 where an ~100Kt parcel of ore was mined to produce ~2.5Kt of copper metal as cathodes. Hellman and Schofield has completed a comparison between the 2009 mineral resource model and a model generated from the

grade control data obtained from the trial pit used to build the heap leach pads for the initial demonstration plant.

The grade control data set comprised 542 holes, 444 holes on three benches to the southeast and 98 holes on one bench to the northwest. A comparison of the resource model with that produced from grade control drilling exhibited a reasonable correlation and resulted in similar tonnes of ore being recovered albeit at significantly higher grades. The trial area represented approximately 4% of the total resource and, therefore, was not a significant enough volume from which to draw conclusions that could be applied to the remaining mineral inventory.

Additional mining was undertaken at Kali Kuning over the period February 2014 to June 2014 with a further ~125Kt parcel of mineralisation used for an upgraded demonstration heap leach and SX-EW plant trial.

Full-Scale Operation

As mentioned earlier, full-scale mining commenced in April 2015 to feed the expanded interim operation and then the newly constructed 25Ktpa plant. To the end of June 2016, 883Kt of mineralisation has been mined from the Kali Kuning open pit of which approximately 758Kt at 2.77%Cu has been produced during full-scale mining.

Approximately 1.24bcm of waste (including sub-grade sulphides) has been produced from Kali Kuning as part of the mining operation from February 2014 to end of June 2016 and this equates to an approximate strip ratio of 3.9 when an average S.G. of 2.8 is ascribed to the material removed. The vast majority of the clean waste has been used in earthworks as cut and fill for the Kali Kuning Valley heap leach pads and other processing plant infrastructure requirements.

Drilling and Sampling

A large body of drilling data has been used to generate the mineral resource estimates for the Kali Kuning and Lerokis deposits which together currently make up the mineral resource inventory for the Wetar Project.

Both the Kali Kuning and Lerokis deposits are essentially sub-horizontal lensoidal bodies or “mounds” and as such the drilling has either been vertical or 60 degree inclined to Mine Grid east. Drilled intersections are therefore very indicative of the true deposit thickness.

PLM drilled 33 diamond drill (DD) holes (2318m) and 42 reverse circulation (RC) holes (1165m) within the Kali Kuning mineralised envelope. However, many of these did not adequately test the massive sulphide horizon below their generally shallow precious metals open pit operations.

PLM also drilled 52 DD holes (2043m) and 114 RC holes (1143m) at Lerokis.

Finders commenced drilling at Wetar in 2005 and since that time has completed an additional 255 holes for a total of 9845m, in four phases, 2005, 2006, 2008 and 2009 to achieve a nominal 25m x 25m drill spacing for resource definition at each deposit.

At Kali Kuning this activity comprised 61 DD holes (4151m) and 34 RC holes (1143m) and at Lerokis comprised 20 DD holes (1418m) and 17 RC holes (417m).

The 2013 resource estimate for Kali Kuning is based on 61 diamond drill holes (4,151m) and 34 RC holes (1,143m) drilled by Finders, in addition to 33 diamond drill holes completed by PLM.

Some data was excluded from the estimate due to poor core recovery and the presence of adjacent twinned holes. The inclusion of the data from the gold mining era increases the confidence in the resource definition, but results in a slight decrease in average copper grades due to a suspected increase in the selective loss of copper due to lower core recovery and the smaller diameter core sizes used.

Most diamond drilling utilised large diameter triple tube drilling techniques (predominately PQ & HQ) with downsizing to NQ core only to complete holes that encountered difficult drilling conditions. RC drilling was completed with a conventional 5½ inch face sampling hammer.

All drilling was sampled and assayed for copper in one metre intervals. Drilling assays have been composited into 2m length intervals for resource estimation purposes. Mineralised zone thicknesses are large when compared to the composites used for the resource estimation and therefore all composites are regarded as representing true deposit thickness and therefore have equal weighting in the estimation process.

Drilling and Surveying

Collar surveys and other general survey work was completed using GPS technology.

Drilling has used a local mine grid for both Kali Kuning and Lerokis that is rotated approximately 30° to the west of true north. All data is subsequently transformed into UTM WGS-84, Zone 52S for resource estimation and mine planning purposes.

Down hole surveys using an Eastman camera were completed for 39 Kali Kuning KKG and 12 Lerokis LER holes. Dip and azimuth variation down hole averages 2.0 degrees per 100m and similarly for inclined holes due to the relatively shallow nature of the drilling. These deviations are trivial and indicate that dips and azimuths at the collar used at the end of hole for unsurveyed holes will result in insignificant error.

Drillhole Twinning

DD drillholes have been twinned due to low original core recoveries. Holes KKG006, KKG008 & KKG011 were twinned by KKG053, KKG052 & KKG050 respectively and found that the latter holes were, on average, 30% higher in grade than the original drilling suggested.

One RC/DD twin (KKGR67/KKG67A) was also completed for drill methodology bias and found that the resultant copper assays were some 25% higher in the RC samples when compared to the corresponding DD intervals.

An analysis of all twinned holes returned an overall consistent positive relationship between core recovery and copper grades and highlighted the significant loss of copper through fines loss in the drilling process. It was shown to be particularly evident in the Leached and Transition zones at Kali Kuning and was supported by data returned from thirteen FND DD drillholes that collected sludge samples during drilling. Results indicated that for thirty-eight intervals with a core recovery <80% (average 65%) the sludge samples averaged 86% higher than the core samples. This is contrasted by forty-two intervals with recovery >80% (average 95%) where core samples averaged 24% higher than the sludge results. Results suggest that that “broken core” is associated with friable chalcocite and enargite and that there is a preferential loss of copper during drilling in these zones of mineralisation.

Cut-off Grades

A change was initiated to the lower economic cut-off grade at Kali Kuning from 0.5% Cu to 0.4% Cu in the 2013 update and reflected the body of new cost data developed during optimisation studies.

The July 2013 update left the Lerokis resource estimate unchanged from earlier estimates as no new data was obtained. In view of this, the cut-off grade used remained at 0.5% Cu.

Work completed at the time suggests that neither the Kali Kuning or Lerokis resource estimates are sensitive to cut-off and exhibit only minor changes in total copper content for cut-off grades between 0.3% Cu and 0.5% Cu.

Geological Logging

Records for historic PLM drilling comprise skeletal drill logs and hand drafted drilling sections. Full geological logging is available for many but not all pre 2005 programs.

Finders instituted a geological logging protocol combined with a detailed logging manual. Geological observations are quantitative and relate to the actual sampled intervals to ensure that assay results can be directly related to geological observations.

DD holes also collected structural information for use in geotechnical evaluation and were photographed prior to sampling for a permanent record and for desktop study purposes. Specific identified geotechnical drill holes were logged according to a supplied legend from the relevant geotechnical consultants involved with the project at the time of drilling.

Sample Preparation, Analysis and QA/QC

Drilling Recoveries

DD core recoveries were measured on a routine basis and stated for each sample interval. Samples obtained from RC drilling were bagged, weighed and riffle split to a 4kg sample for dispatch to the assay laboratory.

Recoveries were generally good in the Kali Kuning and Lerokis massive sulphides for diamond drilling (88% and 70% respectively). The leached and transition zones were variable at Kali Kuning (79% and 83% respectively for >0.3% Cu intervals).

RC drilling has generally been restricted to the dry, upper parts of the Kali Kuning deposit (leached and transition zone) where the high density on the material and the locally porous nature of the massive sulphides has made it difficult to lift adequate samples from deeper levels.

Assays

Historic copper assaying by PLM used the AAS1/4 method whereby AAS4 was the relevant ore grade technique for copper values >1%Cu. Samples were also assayed for gold by the FAS1 method and arsenic, antimony and barium results were obtained from pressed powder x-ray fluorescence (XRF).

Finders assay procedures evolved through several stages whereby the initial drilling (KKG001-024, LER001-020) was assayed in one metre intervals only for total copper, gold, silver, arsenic and antimony when activity was focussed on the development of a project involving conventional beneficiation via froth flotation.

Bagged drill samples were generally packed into wooden boxes and shipped to Kupang (West Timor) where they were airfreighted to Jakarta for sample preparation and assay.

From drillhole KKG025 onwards, all samples were analysed for total copper (Intertek GA50), water soluble copper (GA40a), acid soluble copper (GA41) and ferric soluble copper (GA41A). Three metre composite samples of all prior drilling (KKG001-024, LER 001-013) were also re-assayed using these as individual methods rather than as sequential assays.

Subsequent copper recoveries in column testwork significantly exceeded the ferric copper assay prediction and a re-assay campaign of composite samples from the Kali Kuning and Lerokis resource definition drilling was completed for cyanide soluble copper using the Intertek CN10 method. This work involved the preparation of new 5m composites from stored pulps using intervals corresponding with the bench drillhole composites used in the resource estimation process. These composites were subsequently assayed for total copper (GA50), water soluble copper (GA40a) and ferric soluble copper (GA41A) in conjunction with the cyanide soluble copper (CN10).

QA/QC

Both the PLM and FND programs included the inclusion of standard and blank samples (~1 in 20) and the re-assay of composited pulps. QA/QC results were reviewed by the relevant consultants engaged at the time and concluded that the results contained no issues. Inserted blanks showed no evidence of significant cross contamination. Inserted standards reported within 2% of the recommended value while check assays of selected high grade samples (~7% Cu) were approximately 4% lower than the original assays

PT Prima Lirang Mining (PLM)

Exhaustive assessment of key data relating to QA/QC, core recovery and geological logging has been difficult due to the loss of information that occurred following the cessation of mining by PLM and the ultimate withdrawal of Billiton Minerals from Indonesia. Data continues to be discovered and collated for the Lerokis deposit that enhances geological understanding and suggests that the data when recorded was of a suitable industry standard for the time period in which the activity was completed.

QA/QC protocols consisted of the insertion of field duplicates (5% of samples), standards (2 to 3 per batch) and blanks (2 to 3 per batch) and analysis undertaken by Hellman & Schofield confirmed the consistent use of standards, blanks and duplicates for QA/QC by PLM.

Hellman & Schofield also found that the hardcopy laboratory results were consistent with results stored in the digital database and found no significant errors relevant to the copper resource.

A small number of minor inconsistencies in the database that were found during assessment were corrected at the time of identification.

Finders Resources

The data recording and QA/QC procedures used by Finders for the investigative work undertaken post-PLM is well documented and available in the electronic archives. Hellman & Schofield clearly investigated the sampling, dispatch and assaying as referenced in the appropriate feasibility studies undertaken by Finders leading up to, and ultimately within, the final Bankable Level study document.

Sub-Sampling

DD cores were historically sampled in one metre intervals as discussed earlier. Half core was retained for metallurgical testing while quarter core was sent for chemical assay and the remaining quarter retained in core storage boxes as a permanent record. Any subsequent holes have been half cored for assay with 50% retained and stored.

RC samples were bagged in 1m intervals, weighed, and riffle split to 4kg sample for assay. One in 20 samples were duplicated assay splits. Sub sampling checks were also completed by compositing pulverised sub-samples (3 or 5m) at the lab as an additional check on the validity or representivity of the sub sampling assays.

Samples were sun dried on site prior to transportation to labs in Jakarta (often via Kupang) for chemical assay.

Specific Gravity (SG) Determination

Two methods have been used to provide estimates of the SGs used in the mineral resource estimates. The calliper method is reliable and easy to complete if the core is unbroken. A second technique known as the wax method was used by Intertek on selected core intervals.

SG results were subsequently modelled by inverse distance weighting using data points from the appropriate domains to establish an estimate of the respective modelled domains.

A nominal average value was used to assign an SG to the un-estimated blocks outside the estimated domains and a second, and lesser value, was used for the rehabilitation scree placed by PLM as part of the rehabilitation practice of covering surfaces exposed by mining.

Audits and Reviews

Drilling and sampling methods were independently reviewed by the consultants involved in the resource estimation process and were found to be suitable.

Further and Ongoing Work

It is anticipated that future geological/grade control activities at the Kali Kuning deposit will comprise grade control sampling of the blastholes as the mine is developed and in line with the Company's copper production profile. Feedback from the crusher and processing plant will continue to provide a valuable reconciliation of mine production over time especially with respect to tonnage records obtained from the weightometer associated with the crushing and screening plant.

Several large diameter DD holes have recently been drilled (Q2 CY2016) into the Lerokis deposit to provide additional mineralisation for confirmatory metallurgical testing prior to the commencement of mining. No assay results or leach performance data has been returned at the time of writing.

A minor final RC delineation drilling program of approximately 1800m will be conducted into several small zones at the Lerokis deposit to remove ambiguity in several areas of geometric complexity prior to an updated Mineral Resource Estimate suitable for final detailed open pit design, infrastructure location and production scheduling.

Ore Reserve Estimate

Competent Persons Statement

The information in this report that relates to the in-situ ore reserve estimation at the Kali Kuning and Lerokis deposits is based on ongoing and prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Nick Holthouse who is a Member of the Australasian Institute of Mining and Metallurgy (#305303). The information in this report that relates to the ore reserve estimation for the heap leach pads is based on ongoing and prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Augy Wilangkara who is a Member of the Australasian Institute of Mining and Metallurgy (#206768)

Both Mr Holthouse and Mr Wilangkara have sufficient experience which is relevant to the style of mineralisation, the type of deposit and the beneficiation method under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Summary

The following table outlines the Ore Reserve Estimate for the Wetar Copper Project as at 30th June 2016.

Wetar Copper Project – Ore Reserve Estimate as at 30th June 2016							
	Proved		Probable		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)							
Heap Leach Pads	0.8	2.4	-	-	**0.8**	**2.4**	**18**
Total	**0.8**	**2.4**	**-**	**-**	**0.8**	**2.4**	**18**
Kali Kuning Open Pit (COG 0.4% Cu)							
Primary	3.6	2.7	0.5	2.7	**4.1**	**2.7**	**111**
Transition	0.8	1.2	0.3	1.3	**1.1**	**1.2**	**13**
Leached	0.1	0.5	0.01	0.8	**0.1**	**0.6**	**1**
Total	**4.6**	**2.4**	**0.7**	**2.2**	**5.3**	**2.4**	**126**
				Waste	3.9		
				Stripping Ratio	0.7		
Lerokis Open Pit (COG 0.5% Cu)							
Primary	2.1	2.3	0.4	2.0	**2.5**	**2.3**	**59**
Total	**2.1**	**2.3**	**0.4**	**2.0**	**2.5**	**2.3**	**59**
				Waste	1.9		
				Stripping Ratio	0.8		
Total Ore Reserve (including Heap Leach Pads)							
COGs as above	**7.4**	**2.4**	**1.2**	**2.2**	**8.6**	**2.3**	**202**

Notes – The Ore Reserve Estimate for the open pit mines is derived from the Mineral Resource block models for the Kali Kuning and Lerokis deposits. The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grades. "Stripping Ratio" refers to the ratio of the waste to the ore tonnage. This calculation includes 350Kt of decommissioned heaps from the GPLP as waste that is removed in the latter stages of the Kali Kuning pit life.

Methodology

The June 2016 Ore Reserve Estimate will, for the first time, include estimates of copper metal remaining in heap leach pads in conjunction with "conventional" estimates of the mineralisation remaining within the Kali Kuning and Lerokis open pits.

The project's heap leach pad cells are depleted over lengthy time periods that are larger than the annual inventory reporting timeframe adopted by Finders. Each pad is at any time in multiple and varying stages of production based on their irrigation rates, copper extraction leach kinetics and expected progress when measured against the mineralisation's cumulative theoretical leach curves that were established from pre-production metallurgical testwork.

The Ore Reserve estimate is derived from the Mineral Resource block models for the Kali Kuning and Lerokis deposits as described in detail within the Mineral Resource Estimate section.

Block models with relatively small block dimensions reflects the relatively close spaced nature of the drilling. Blocks and assay data were constrained by ore types; Leached, Transition and Primary Massive Sulphide for Kali Kuning, and a single ore type, Primary Massive Sulphide for Lerokis.

Classification of ore blocks into Measured, Indicated and Inferred categories correspond to defined search ellipsoids with minimum data thresholds at each deposit.

Tonnages are reported on a dry basis in keeping with dry densities and drying temperatures used for assaying.

The Mineral Resources are inclusive of the Ore Reserves.

Mine Plan

Both the Kali Kuning and Lerokis deposits were mined for gold by conventional open pit methods during the 1990s. The copper bearing massive sulphide mineralisation underlies or is proximal to the former gold mineralisation which results in the existing open pits being subsumed by the copper project's open pit mining operation.

The mine plan for the Kali Kuning and Lerokis deposits is based upon conventional open cut mining using hydraulic excavators and trucks. The geology and morphology of the two deposits is very similar and the mine plan assumes a similar style of operation for both operations.

The design of each of the open pits was conducted as two independent operations as these orebodies are approximately 4km apart and are separated by rugged topography. Scheduling, on the other hand, has been conducted in sequence as both pits are to supply ore to the same heap leach operation with the Kali Kuning pit leading development and Lerokis being commissioned as the Kali Kuning production tails off. Lerokis production commences in 2018 and the current plan requires a 14km one-way haul to bring ore to the KKV leach pads.

Only Measured and Indicated Resource category blocks were considered in the development of the Ore Reserve Estimate.

Neither of the planned open pits will mine more than 75m below the lowest point on the pit crest. At Kali Kuning, the north eastern wall cuts back into a steep slope resulting in a highwall rising 125m above the main pit crest.

Total monthly material movement peaks during the development period when the mining fleet is also working on construction earthworks. For the remaining five years of steady state mining it averages 40 to 80Kbcm per month.

Mining is currently conducted by an Indonesian contractor and the mine plan is based on standard open pit mining using an 80t excavator with a mix of 40t articulated and 55t rigid body trucks given the scale of operations and the shallow planned total depth.

The mine plan provides for drilling and blasting of all the ore and waste with blast hole drilling being undertaken by the mining contractor using Atlas Copco TD50 blast hole rigs. Blast hole drilling has a dual role - to provide drilled stocks for blasting production and also for grade control purposes. Grade control sampling is undertaken over a 6m production bench that is to be mined in to 3m flitches. Samples are collected in two 3m composites for assay and grade estimation.

Open Pit Optimisation

Gemcom Whittle pit optimisation software was used to determine the general shapes and extents to maximise value from an open-cut mining operation. Whittle is an industry standard tool which combines the geological, geotechnical, spatial, grade, metallurgical, cost and revenue characteristics of the deposit to determine the optimal mining limits and sequence for the given set of assumptions.

Both Kali Kuning and Lerokis are characterised by steep topography and widely varying material types. The pit optimisation software utilises the mineral resource block model (discussed in detail earlier) and it is essential that the model is correctly constrained against the detailed topography, interpreted geology and the month-end progressive survey pickup (as at 30th June 2016) of the Kali Kuning open pit mining operation.

Topography and Month-End Surveys

The topographic surface for Kali Kuning is derived from detailed surface surveys and end of month mining pickups. Previously mined areas that were used to provide ore for the demonstration heaps has been taken into account.

The exposed sulphide surfaces were buried with inert fill when the original gold open pit was completed. The volume between the final gold pit floor surveys and the current topography defined the fill material which forms part of the new copper pit's waste rock. This situation is now largely historical and all errors/shortcomings of these assumptions have now passed due to the progress of open pit mining operations over the past 12 months.

Surface surveys have also been used to define the Lerokis topography.

Geological Parameters

As outlined previously in the Mineral Resource Estimate details, wireframes were created to define domains and the tonnes and grade of each material type in each block were estimated. Interpreted domains included -

- Non-sulphide fill,
- Non-sulphide waste rock,
- Sulphide waste rock,
- Leached sulphide ore termed PBX (Kali Kuning only), and
- Massive sulphide ore.

Mineral resource block models are based on the UTM grid (WGS84, Zone 52S) with dimensions of 12.5m x 12.5m x 3.0m for Kali Kuning, and 12.5m x 12.5m x 2.5m for Lerokis.

Optimisation Parameters

Whittle optimisation software uses a modified Lerchs-Grossman algorithm to generate a series of optimal economic open pit shells into the resource model.

Mining Recovery and Dilution

The mineralisation in both mine areas is very distinct in terms of colour and density which will provide a useful visual check to grade control sampling of blastholes and the subsequent mark-out and excavation of the designated ore blocks.

The mineral resource models segregate the geology into three basic domains -

- Mineralised - the sulphide body that contains the vast majority of the copper minerals,
- Un-Mineralised - the peripheral non-sulphide volcanic and/or volcanic derived rock. At the margins of the sulphides, this contact zone may contain some copper mineralisation in the form of copper-bearing sulphide veinlets or stockworks, and
- Fill - the waste rock that was placed in the open pit to cap the exposed sulphides at the cessation of the gold mining operations. This material contains no copper mineralisation.

These domains are defined by interpreted wireframes so that each mineral resource block can have a portion of each domain within it.

The mineralised and un-mineralised portions of each block were combined to form a hard rock fraction with a tonnage weighted copper grade in order to allow estimates of mining loss and dilution. Blocks were selected by the software as either ore or waste depending on whether the copper grade was above or below the estimated economic cut-off grade.

Generally speaking, almost the entire mineralised zone in both the Kali Kuning and Lerokis deposits is above the expected cut-off grade. The approach adopted effectively models the effects of errors in ore block definition and mining around the margins of each mineralised zone.

Cut-off Grades

As discussed earlier, a change was initiated to the lower economic cut-off grades estimated for Kali Kuning from 0.5% Cu to 0.4% Cu in the mineral resource update completed in 2013 and reflected new cost data developed during the optimisation studies.

The economic cut-off grades were estimated based on the approximate 24-month copper recovery and leach kinetics and a copper price of $3.00/lb. Cut-off grade calculations considered processing, administration and selling costs (excluding mining costs).

The July 2013 left the Lerokis resource estimate unchanged from earlier estimates as no new data was obtained. In view of this, the cut-off grade used remained at 0.5% Cu. The Lerokis cut-off grade is higher because estimates of the long term copper recovery are lower and there may be additional costs associated with treating ore remotely from the Kali Kuning Valley (KKV) leach pads.

Work completed at the time suggests that neither the Kali Kuning or Lerokis resource estimates are sensitive to cut-off and exhibit only minor changes in total copper content for cut-off grades between 0.3%Cu and 0.5%Cu.

Wall Slope Angles

Slope design criteria for Kali Kuning and Lerokis is based on geotechnical drilling, core logging and surface geology inspections completed during 2009/2010.

A detailed review of the Kali Kuning slopes was conducted from April to July 2013 with particular reference to the distribution of rock types and rock mass strength in the eastern and north eastern highwall areas. This resulted in recommendations for inter-ramp slopes and berm batter configurations based on the interpreted geology and the wall position.

Kali Kuning

The slope configurations at Kali Kuning were incorporated in the final pit designs and the recommended berm / batter configurations are based on mapping and drilling of the main lithologies, particularly in the high northern and eastern walls. The upper dacitic units tend to be more competent than the lower brecciated volcanic that hosts the orebody.

The ramp design for the northern wall acts as a geotechnical berm and has a major influence on the overall slope. On the southern side much of the copper pit wall was developed through capping fill over the former gold pit which requires the development of much flatter slopes.

The wall stability of the Kali Kuning open pit is routinely monitored by BTR personnel and results are regularly reviewed by external consultants as the geotechnical input to mining is outsourced to a consulting group.

Lerokis

Pit slopes for Lerokis are unchanged from the recommendations provided in 2010 that were developed following the drilling of geotechnical holes for rock mass assessment.

Process Feed Rates

Ore will be processed in a heap leach operation where the annual process feed rate is determined by the tonnage of ore required to be stacked in each period to allow the heaps and SX-EW plant to produce 28,000tpa of copper cathodes (3,000tpa UDP + 25,000tpa KKV). The only realistic constraints to this target is the annual throughput capacity of the crushers and associated stacking infrastructure.

Mining schedules are set from an understanding of the “new” copper metal units required to be stacked and irrigated on the heap leach pads (on a month by month basis) to maintain copper production at 28Ktpa.

Process Recoveries

Heap leach recovery curves were modelled and were based on extensive column test work and a series of demonstration heaps using Kali Kuning mineralisation during 2009 and 2010. The project is currently in the final stages of commissioning the 25Ktpa project heap leach, solvent extraction and electrowinning infrastructure (Q2 CY2016) using mineralisation from Kali Kuning that has been stacked and progressively irrigated and leached since April 2015.

The estimates for Lerokis copper recoveries are lower and estimates of leach rates are slower than those applied to Kali Kuning and have been based entirely on column test work.

The average terminal recoveries over a 720-day leach cycle currently used in production planning are estimated to be:

- Kali Kuning 75%, and
- Lerokis 50%

Cost Assumptions

A Feasibility Study was released to the ASX in November 2013 and secured appropriate financing through a syndicate of four banks. Most of the key construction activities are now complete and operating contracts awarded. The operation of two campaigns of the demonstration SX-EW facility and the ongoing operation of the 25Kt plant provides for operating cost estimates with a high level of confidence.

Mining and earthworks costs are based on a schedule of hourly hire rates contained in the contract with Indonesian mining contractor, PT Madhani Talatah Nusantara (Madhani). All supplies including explosives, diesel, process reagents and fuel oil for the power station are under various forms of contract.

Finders, through BTR, has entered into forward purchase agreements for a total of 40 million litres of diesel for the 2016 and 2017 calendar year and this represents ~65% of the forecast fuel exposure of the Wetar Copper Project during that period.

Labour costs for operation have been set through a locally negotiated collective labour agreement (CLA) and most ongoing operational positions have been filled and construction labour demobilised.

Revenue Factors

Cathode produced from the Wetar Copper Project will be sold into the Asian market. Most sales to date from the project have attracted a premium to the LME A Grade price in this market.

Wetar's annual production of 28Ktpa of refined metal (which includes the ongoing operation of the 3Ktpa demonstration plant) is inconsequential to the World and regional supply and demand balance and the high quality nature of the product suggests that there is little likelihood of not meeting the sales forecasts for copper produced.

The pit optimisation used to define the Kali Kuning and Lerokis pit shells was run at US$3.00/lb of copper and was also used to determine the mine cut-off grades.

Many revenue scenarios were run at various copper prices to understand the revenue effects and sensitivity of the project to a range of copper price outlooks.

Finders has been selling copper cathode from the demonstration facility since 2009 and therefore there is a sound basis for the cost structure for delivering product to market and the likely premiums or penalties attributable to actual Wetar cathode production revenues.

BTR (a 72% owned subsidiary of Finders) has a hedging program in place where 40,700 tonnes of copper cathode over the period from July 2016 to March 2019 (~26% of LOM production) has secured a price of US$5,940/tonne (~US$2.70/lb).

Heap Leach Pads

Heap Leach pads are now routinely wire-framed during sequential development using Micromine mining software.

Classification

The current Ore Reserve Statement has ore reserve estimates resulting from the design of several open pits (Kali Kuning and Lerokis) and ore reserves coinciding with active heap leach pads (GPLP and KKV) that will continue to produce copper metal over many years and are depleted annually in reports for the tonnages of copper metal produced. Some heap leach pads will be removed from service once the estimated planned terminal recovery of metal is reached, while most will continue to remain in service through the multiple lift "over-stacking" of the older heaps by freshly mined ore.

In this Ore Reserve Statement -

- Proved Ore Reserves are derived from Measured Mineral Resources.
- Probable Ore Reserves are derived from Indicated Mineral Resources.
- All mineralisation mined and stacked on the heap leach pads is considered a Proved Ore Reserve due to the fact that it was mined to this location following grade control drilling and a decision that each block mined from the open pit is above cut-off grade.
- None of the Probable Ore Reserves are derived from Measured Mineral Resources.
- No Inferred Mineral Resources are included in the Ore Reserves.

The Ore Reserves classifications are considered appropriate because -

- Both the Kali Kuning and Lerokis copper deposits are very shallow, well drilled and geologically understood.
- Extensive metallurgical test work and the results of two phases of demonstration heap leaching and SX-EW copper production in conjunction with the current commissioning of the new KKV heaps and 25Ktpa SX-EW operation are available to support the process and production assumptions.
- The capital for the new 25Ktpa operation is spent (commissioning Q2 CY2016) and operating costs are mostly (if not entirely) based on current actual costs.

Environmental

The major environmental issue concerning the Wetar Copper project is acid rock drainage. The copper at Kali Kuning and Lerokis is contained within massive pyrite zones and considerable material immediately adjacent to the mineralisation also has an elevated pyrite content. Kali Kuning waste rock except the material in the highwall and the fill cover placed as part of the earlier gold pit closure, the earthworks cut adjacent to the Kali Kuning open pit, and most of the waste rock at Lerokis except the fill cover placed as part of the earlier gold pit closure is potentially acid forming (PAF). Strategies to manage the PAF waste rock include:

- Placement of a large proportion of the Kali Kuning PAF waste in the fill used to form the main heap leach pads. This occurs during the 20-month construction period.
- Compaction of PAF waste in the Kali Kuning and Lerokis waste rock dumps to minimise water ingress.
- Management of surface drainage to divert clean surface water away from exposed PAF surfaces and to direct water which has come into contact with PAF material into the storm water ponds for use in the heap leach process or for acid neutralisation.
- Placement of crushed limestone over completed PAF storage areas so that any water ingress will be at an elevated pH.

Designs, volume balances and material schedules and costs have been prepared for these strategies to ensure that they are practically and commercially achievable within the mine plan.

A large limestone resource (~2.35Mt) with an average estimated neutralisation capacity of 680kg/tonne has been delineated and a quarry established just east of the current coastal mine support infrastructure. This material is routinely used to neutralise acid in the processing of the copper ores via the neutralisation plant and is available for any additional acid neutralisation purposes at the site.

The environmental management plan has been approved by the appropriate Indonesian authorities and regulatory bodies.

Bibliography

Sewell D.M., Wheatley C.J.V., 1994, The Lerokis and Kali Kuning Submarine Exhalative Gold-Silver-Barite Deposits, Wetar Island, Maluku, Indonesia, Journal of Geochemical Exploration 50, pp. 351-370.

Scotney P.M., Roberts S., Herrington R.J., Boyce A.J., Burgess R., 2005, The Development of Volcanic Hosted Massive Sulfide and Barite–Gold Orebodies on Wetar Island, Indonesia, Mineralium Deposita 40, pp. 76–99.

Hellman & Schofield, 2005, Summary of Resource Estimation – Lerokis and Kali Kuning Copper Deposits, Internal Technical Report, Feb 2005.

Hellman & Schofield, 2007, Resource Estimation – Kali Kuning Copper Deposit Wetar Island, Indonesia, Internal Technical Report, Oct 2007.

Hellman & Schofield, 2007, Mineral Resource Estimates – Lerokis Copper Deposit Wetar Island Indonesia, Internal Technical Report, Nov 2007.

Hellman P.L., 2011, Geology and Mineral Resources – May 2011 Update, Internal Technical Report (chapter 5 Feasibility Study Update), May 2011.

Ausenco, 2009, PT Batutua Tembaga Raya – Wetar Copper Project, Draft Copy Internal Company Report, Sec 2009.

Electrowin Consulting, 2011, PT Batutua Tembaga Raya – Wetar Copper Project, Bankable Feasibility Study Report, Internal Technical Report, May 2011.

Finders Resources, 2013, PT Batutua Tembaga Raya – Wetar Copper Project Bankable Feasibility Study, Internal Technical Report, Nov 2013.

Australian Mine Design and Development, 2013, Wetar Copper Project – Ore Reserve Estimate as at 15 July 2013, Internal Company Report, July 2013.

Various BTR/BKP Monthly Production Reports

Various Finders Resources Ltd (FND) Annual Reports and ASX Releases.

Appendices

Joint Ore Reserve Committee (JORC) Tables

Section 1 – Sampling Techniques and Data

Section 2 – Reporting of Exploration Results

Section 3 – Estimation and Reporting of Mineral Resources

Section 4 – Estimation and Reporting of Ore Reserves

Competent Person Statements

- Exploration Results and Targets
- Mineral Resource Estimate
- Ore Reserve Estimate

Limestone Resources

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	The Wetar Copper Project is currently comprised of two copper bearing massive sulphide deposits. Kali Kuning and Lerokis are located in close proximity to each other (~4km) on Wetar Island, Maluku Province, Indonesia. Both were exposed but not mined during a distinctly separate gold mining operation focused on the precious metal-rich barite "sands" carried out during the 1990s by a subsidiary of Billiton International, PT Prima Lirang Mining (PLM). Each deposit has been drill tested by multiple phases of both diamond and reverse circulation drilling that includes diamond/diamond and diamond /RC twinned holes. Pre-mining hole spacing is based on a nominal 25m x 25m grid spacing where samples were collected in one metre downhole intervals and assayed for copper and other associated base and precious metals. Trial mining and processing was undertaken between February 2009 and December 2010 where an ~100Kt parcel of ore was mined to produce ~2.5Kt of copper metal as cathodes. Additional mining was undertaken at Kali Kuning over the period February 2014-June 2014 with a further ~150Kt parcel of mineralisation used for an upgraded demonstration heap leach and SX-EW plant trial. Full-scale mining (including grade control sampling of blastholes using 3m composites) subsequently commenced in April 2015 to provide feed to the expanded interim operation and has ultimately led to the recent commissioning of a newly constructed 25Ktpa copper cathode operation during Q2 CY2016. To the end of June 2016, approximately 883Kt of mineralisation has been mined and grade control sampled from the Kali Kuning open pit. Lerokis is unmined as a source of copper feed to the existing KKV Heap Leach SX-EW operation and is not planned for extraction until Year 3 of the production schedule.
Drilling techniques	PLM drilled 33 diamond drill (DD) holes (2,318m) and 42 reverse circulation (RC) holes (1,165m) into the Kali Kuning mineralised envelope. However, many of these did not adequately test the massive sulphide horizon below the precious metal open pit operations. PLM also drilled 52 DD holes (2,043m) and 114 RC holes (1,143m) at Lerokis. Finders Resources Limited (FND) commenced drilling in 2005 and since that time has completed an additional 255 holes for a total of 9,845m, in four phases - 2005, 2006, 2008 and 2009 to achieve a nominal 25m x 25m drill spacing for resource definition at each deposit. At Kali Kuning this activity comprised 61 DD holes (4,151m) and 34 RC holes (1,028m) and at Lerokis comprised 20 DD holes (1,418m) and 17 RC holes (417m). Diamond drilling utilised large diameter triple tube drilling techniques (predominately PQ & HQ) with downsizing to NQ core only to complete holes that encountered difficult drilling conditions. RC drilling was completed with a conventional 5½ inch face sampling hammer.
Drill sample recovery	DD core recoveries were measured on a routine basis and stated for each sample interval. Samples obtained from RC drilling were bagged, weighed and riffle split to a 4kg sample for dispatch to the assay laboratory.

Criteria	Commentary
	Recoveries were generally good in the Kali Kuning and Lerokis massive sulphides for diamond drilling (88% and 70% respectively). The leached and transition zones were variable at Kali Kuning (79% and 83% respectively for >0.3% Cu intervals). RC drilling has been restricted to the dry, upper parts of the Kali Kuning deposit (leached and transition zone) where the high density on the material and the locally porous nature of the massive sulphides has made it difficult to lift adequate samples from deeper levels.
Logging	Records for historic PLM drilling comprise skeletal drill logs and hand drafted drilling sections. Full geological logging is available for many but not all pre-2005 programs. FND drilling has been processed using detailed logging procedures developed specifically for the project. DD holes also collected structural information for use in geotechnical evaluation and were photographed prior to sampling for a permanent record and for desktop study purposes. Specific identified geotechnical drillholes were logged according to a supplied legend from the relevant geotechnical consultants involved with the project at the time of drilling.
Sub-sampling techniques and sample preparation	DD cores were historically sampled in one metre intervals. Half core was retained for metallurgical testing while quarter core was sent for chemical assay and the remaining quarter retained in core storage boxes as a permanent record. Any subsequent holes have been half cored for assay with 50% retained and stored. RC samples were bagged in 1m intervals, weighed, and riffle split to 4kg sample for assay. One in twenty samples were duplicated assay splits. Sub sampling checks were also completed by compositing pulverised sub-samples (3m or 5m) at the lab as an additional check on the validity or representivity of the sub sampling assays. Samples were sun dried on site prior to transportation to labs in Jakarta for chemical assay.
Quality of assay data and laboratory tests	Historic copper assaying by PLM used the AAS1/4 method whereby AAS4 was the relevant ore grade technique for copper values >1%Cu. Samples were also assayed for gold by the FAS1 method and arsenic, antimony and barium results were obtained from pressed powder x-ray fluorescence (XRF). FND assay procedures evolved through several stages whereby the initial drilling (KKG001-024, LER001-020) was assayed in one metre intervals for total copper, gold, silver, arsenic and antimony only when activity was focussed on the development of a project involving conventional beneficiation via froth flotation. From drillhole KKG025 onwards all samples were analysed for total copper (Intertek GA50), water soluble copper (GA40a), acid soluble copper (GA41) and ferric soluble copper (GA41A). Three metre composite samples of all prior drilling (KKG001-024, LER 001-013) were also re-assayed using these methods as individual assays rather than as sequential assays. Subsequent copper recoveries in column testwork significantly exceeded the ferric copper assay prediction and a re-assay campaign of composite samples from the Kali Kuning and Lerokis resource definition drilling was completed for cyanide soluble copper using the Intertek CN10 method. This work involved the preparation of new 5m composites from stored pulps using intervals corresponding with the bench drillhole composites used in the resource estimation process. These composites were subsequently assayed for total copper (GA50), water soluble copper (GA40a) and ferric soluble copper (GA41A) in conjunction with the cyanide soluble copper (CN10).

Criteria	Commentary
	Both the PLM and FND programs included the inclusion of standard and blank samples (~1 in 20) and the re-assay of composited pulps. QA/QC results were reviewed by the relevant consultants at the time and concluded that the results contained no issues. Inserted blanks showed no evidence of significant cross contamination. Inserted standards reported within 2% of the recommended value while check assays of selected high grade samples (~7% Cu) were approximately 4% lower than the original assays.
Verification of sampling and assaying	Historic drilling results were reviewed by the consultants who completed the early mineral resource estimates. DD drillholes have been twinned due to low original core recoveries. Holes KKG006, KKG008 & KKG011 were twinned by KKG053, KKG052 & KKG050 respectively and found that the latter holes were, on average, 30% higher in grade than original drilling suggested. One RC/DD twin (KKGR67/KKG67A) was also completed for drill methodology bias and found that the resultant copper assays were some 25% higher in the RC samples when compared to the corresponding DD intervals. An analysis of all twinned holes returned an overall consistent positive relationship between core recovery and copper grades and highlighted the significant loss of copper through fines loss in the drilling process. It was shown to be particularly evident in the Leached and Transition zones at Kali Kuning and was supported by data from returned from thirteen FND DD drillholes that collected sludge samples during drilling. Results indicated that for thirty-eight intervals with a core recovery <80% (average 65%) the sludge samples averaged 86% higher than the core samples. This is contrasted by forty-two intervals with recovery >80% (average 95%) where core samples averaged 24% higher than the sludge results. Results suggest that that “broken core” is associated with friable chalcocite and enargite and that there is a preferential loss of copper in these zones of mineralisation.
Location of data points	Collar and other general survey work was completed using GPS technology. Drilling used a local mine grid for both Kali Kuning and Lerokis that is rotated approximately 30^{o} to the west of true north. All data is subsequently transformed into UTM WGS-84, Zone 52S for resource estimation and mine planning purposes. Downhole surveys using an Eastman camera were completed for 39 KKG and 12 LER holes. Dip and azimuth variation down hole averages 2.0 degrees per 100m and similarly for inclined holes due to the relatively shallow nature of the drilling. These deviations are trivial and indicate that dips and azimuths at the collar used at the end of hole for unsurveyed holes will result in insignificant errors.
Data spacing and distribution	Both the Kali Kuning and Lerokis deposits have been drilled to a nominal 25m x 25m hole spacing. Drilling assays have been composited into 2m length intervals for resource estimation purposes.
Orientation of data in relation to geological structure	Both the Kali Kuning and Lerokis deposits are essentially sub-horizontal lensoidal bodies and as such the drilling has either been vertical or 60 degree inclined to Mine Grid east. Drilled intersections are therefore indicative of the true deposit thickness for the most part.
Sample security	Bagged drill samples were generally packed into wooden boxes and shipped to Kupang (West Timor) where they were airfreighted to Jakarta for sample preparation and assay. In some programs the samples were crushed and split in Kupang prior to sending to Jakarta for final assay analysis.
Audits or reviews	Drilling and sampling methods were independently reviewed by the consultants involved in the resource estimation process and were found to be suitable.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	The Wetar Copper Project (FND ~72%) is a fully permitted and operational mine and SX-EW treatment facility located on Wetar Island, part of the Maluku Barat Daya Regency (MBD), in the Maluku Province of the Republic of Indonesia. Key permits are listed below. • IUP Exploitation 543-124 Tahun 2011 for copper, 2,733Ha expiry 9/6/2031, held by PT Batutua Kharisma Permai (BKP), a subsidiary of FND. • AMDAL environmental permit for life of mine granted April 2010. • Forestry permit (Pinjam Pakai) Number SK478/Menhut II/2013) for 134.63Ha valid to December 2031.
Exploration done by other parties	Extensive exploration including drilling and mining was carried out during the period 1990-1997 by PT Prima Lirang Mining (a subsidiary of Billiton). The gold/precious metals exploration, mining and processing activities were subsequently rehabilitated at the completion of mining.
Geology	Wetar Island is composed of Neogene volcanic rocks and minor oceanic sediments and forms part of the Inner Banda Arc. The island preserves ~4.7 million year old precious metal-rich volcanogenic massive sulphide and barite deposits. The polymetallic massive sulphides are dominated by pyrite, with minor chalcopyrite that are cut by late fractures infilled with copper minerals (covellite, chalcocite, tennantite–tetrahedrite, enargite, bornite). Barite orebodies are developed on the flanks and locally overly the massive sulphides. Hydrothermal alteration around the orebodies is zoned and dominated by illite–kaolinite–smectite with local alunite and pyrophyllite. Sulphide mounds showing talus textures are localised onto faults, which provided the main pathways for high-temperature hydrothermal fluids and the development of associated stockworks. The orebodies were covered and preserved by post-mineralisation chert, gypsum, limestone, lahars, subaqueous debris flows and pyroclastic rocks. The economic copper mineralisation at both Kali Kuning and Lerokis occurs predominantly within coherent massive sulphide units with some minor lower grade material occurring within intensely altered andesitic tuffs in the footwall and lateral extent of the massive sulphide units. The contact between the massive sulphide and footwall units is generally quite sharp.
Drill hole Information	A large body of drilling data has been used to generate the mineral resource estimates for the Kali Kuning and Lerokis deposits which together currently make up the mineral resource for the Wetar Project. This data has been described in detail in Section 1 (above). Drillhole locations (including plans of all holes used) have been provided in many previous releases to the Australian Securities Exchange (ASX) by Finders Resources Ltd – ASX:FND.
Data aggregation methods	Two metre, length weighted composites of the relevant drilling data has been used as the basis for the calculation of the mineral resource estimate for each deposit.
Relationship between mineralisation widths and intercept lengths	Both the Kali Kuning and Lerokis deposits are essentially sub-horizontal lensoidal bodies and as such the drilling has either been vertical or 60 degree inclined to Mine Grid east. Drilled intersections are therefore indicative of the true deposit thickness.

Criteria	Commentary
	Mineralised zone thicknesses are large when compared to the composites used for the resource estimation and therefore all composites are regarded as representing true thicknesses and therefore have equal weighting in the estimation process.
Diagrams	Plans and cross sections showing drill locations and distribution of ore types for Kali Kuning and Lerokis have been provided in many previous releases to the ASX by FND.
Balanced reporting	It is considered that all substantive material relevant to the resource estimation process has been reported.
Other substantive exploration data	FND (through ~72% owned subsidiary PT Batutua Tembaga Raya (BTR) has successfully operated a five tonne per day SX-EW demonstration plant to test leach kinetics, optimise process design and to provide additional data for project finance purposes over the period February 2009 to December 2010. This plant treated material from the Kali Kuning deposit and produced and sold LME Grade A copper quality cathodes (99.999%Cu) without specification issues. An upgraded 3Ktpa demonstration plant has operated continuously since February 2014 using heap leach pads containing approximately 635Ktpa of mineralisation that was mined from the Kali Kuning deposit up until the end of April 2016. The operation continued to solely produce predominantly LME Grade A copper cathodes (99.999%Cu) until commissioning commenced for the newly constructed plant (see below). Full-scale mining at the Kali Kuning deposit subsequently commenced in April 2015 to provide feed to the expanded interim operation that has ultimately led to the recent commissioning of a newly constructed 25Ktpa copper cathode operation (Q2 CY2016). Grade control assays and additional crusher data has generally validated the accuracy of the current mineral resource estimate.
Further work	It is anticipated that future work at the Kali Kuning deposit will comprise ongoing grade control drilling as the mine is developed in line with the Company's copper production profile. Feedback from the crusher and processing plant will continue to provide a valuable reconciliation of mine production over time. Several large diameter DD holes have recently been drilled (Q2 CY2016) into the Lerokis deposit to provide additional mineralisation for confirmatory metallurgical testing prior to the commencement of mining. No assay results or testwork outcomes have been returned at the time of writing. A final minor RC delineation drilling program of approximately 1860m will be conducted into several small zones at the Lerokis deposit to remove ambiguity in several areas of geometric complexity prior to an updated Mineral Resource Estimate for final open pit design and production scheduling.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
Database integrity	Drilling and associated data is held in a central Microsoft Access database located in the Perth office with updated copies held on the Wetar site server. Appropriate back-up procedures are programmed and checked by an external IT support business. All drilling data and associated procedures used for the current mineral resource estimates at Kali Kuning and Lerokis was validated by the consultants involved in collaboration with FND staff prior to completion of the estimate and this update.
Site visits	All consultants and FND personnel involved in the production of the Mineral Resource estimate either works at site or has visited site and observed data collection, ancillary procedures and the specific and general facilities at which the work is completed.
Geological interpretation	The geological interpretation of the Kali Kuning deposit is based on the geology outline presented in Section 2 – Geology. A geometallurgical framework has been developed following the 2008 RC drilling program whereby the massive sulphide resource has been re-classified into three metallurgical sub-types based on guidance from the metallurgical testwork. The three ore-types modelled are: • Leached, • Transition zone, and • Primary massive sulphide. The Leached and Transition types are subsets of the Pyrite Breccia rock-type (PBX) and reflects incipient in-situ leaching of the massive sulphide unit by natural groundwater. The transition zone material, although of lower copper grade than the main primary massive sulphide, (1.5%Cu vs 2.9%Cu) contains a higher proportion of readily leachable copper minerals as evidenced by higher ratios of ferric soluble and water soluble copper to total copper content. The Transition zone occurs at the highest levels of the deposit and will comprise a major proportion of early mined mineralisation for the expanded Wetar copper project. The obvious nature of the massive sulphide mineralisation and its consistent strike and dip result in an unequivocal interpretation that makes it difficult to provide plausible alternative interpretations. The geological interpretation of the Lerokis deposit is also based on the geology outline presented in Section 2 – Geology. However, the buried and somewhat “preserved” nature of the deposit is markedly different to Kali Kuning where all modelled copper mineralisation is interpreted as primary massive sulphide only.
Dimensions	Both Kali Kuning and Lerokis massive sulphide deposits are coherent shallow dipping lensoidal deposits that partly outcrop at surface where they have been exposed by the historic gold mining activities of PLM. The Kali Kuning deposit has dimensions of about 350m x 150m x 80m depth and is elongated to the north-west. The Lerokis deposit has dimensions of 350m x 100m x 50m depth and is also elongated to the north west.
Estimation and modelling techniques	Block models based on the UTM grid were used for quotation of the mineral resource estimates and mine planning purposes. The block dimensions of 12.5m x 12.5m x 3.0m for the Kali Kuning deposit and 12.5m x 12.5m x 2.5m for the Lerokis deposit reflect the closely spaced drilling completed at each project.

Criteria	Commentary
	The available drillhole data was composited into two metre intervals before the use of ordinary kriging within mineralised domains to estimate Cu, Au, Ag, As, Ba, Pb, Sb and Zn grades at both at the Kali Kuning and Lerokis deposits. Proprietary Techbase software (Hellman & Schofield) was used to check estimates. Kali Kuning classification into Measured, Indicated and Inferred categories corresponds to search ellipsoids of 30m x 30m x 8m; 40m x 40m x 10m; and 60m x 60m x 16m respectively. Each category has a minimum data point requirement of 10, 10, & 8, respectively. Lerokis classification into Measured, Indicated and Inferred categories correspond to search ellipsoids of 24m x 24m x 18m; 30m x 30m x 22m; and 48m x 48m x 36m respectively. Each category has a minimum data point requirement of 12, 12, & 8 respectively. Each search was constrained by domains defined on geological criteria. The maximum distance of extrapolation is approximately 12.5m or half the drillhole spacing. No grade capping or top-cutting was used and check estimates achieved copper grades are within 2% of the primary estimates.
Moisture	Tonnages are reported on a dry basis in keeping with dry densities and the drying temperatures used for assay preparation.
Cut-off parameters	Pre-mining feasibility study derived estimates for the Kali Kuning and Lerokis deposit cut-off grades are 0.4%Cu and 0.5%Cu respectively. They continue to be used in the current estimation procedures.
Mining factors or assumptions	The current open cut mine at Kali Kuning and the proposed open cut mine at Lerokis, the cut-off grades in use and the selective mining units employed were reviewed by the consultants used for construction of the mineral resource model and the employees and consultants used for mine design purposes. Pit slopes employed are as recommended by the geotechnical consultants which were in turn derived as a result of purpose-specific geotechnical drilling and detailed studies. The performance of the current mine parameters at Kali Kuning provide feedback as to the appropriateness of the recommendations selected.
Metallurgical factors or assumptions	Heap leach amenability has been estimated from a combination of partial copper assays (ferric and cyanide leach) and extensive column test work. It has further been confirmed by the original demonstration plant, UDP plant upgrade, and the full commercial operation of in excess of >500Kt of Kali Kuning mineralisation stacked onto the KKV and GPLP leach pads that are now part of the newly commissioned operation.
Environmental factors or assumptions	Process design has been developed on the basis of final encapsulation of potentially acid forming wastes, together with zero water discharge from the mining and processing operation. Existing environmental approvals include a detailed mine and processing plant closure plan.
Bulk density	The wax-immersion method has been used to estimate whole rock bulk densities. The process involved the collection of 0.1m pieces of representative whole core from diamond drilling and stored in a dry place prior to dispatch to an offsite lab in Jakarta for analysis and measurement. A total of 110 dry density determinations were completed pre-mining by rock type and were then ultimately assigned to their corresponding 2m composites. As mining progresses, measured volumes (survey)

Criteria	Commentary
	and tonnages (crusher weightometer) are being monitored to ensure that modelled material density values are appropriate. Specific gravity was included in the mineral resource estimate by modelling the measured values of each domain and using inverse distance weighting using data points from the appropriate domains. A value of 2.3 g/cm^3 was used to assign un-estimated blocks outside domains 0 to 2 and a value of 1.5 g/cm^3 was used for the rehabilitation "scree" overlying the mined surface. However, the calliper determinations appear to have suffered from inaccurate core recovery adjustments due to a poor comparison with the determinations based on 10cm lengths of core. The data obtained through ongoing mining at Kali Kuning is continually checked against the pre-mining model estimates.
Classification	At the Kali Kuning deposit the classification of blocks into Measured, Indicated and Inferred categories correspond to search ellipsoids of 30m x 30 x 8m; 40m x 40m x 10m; and 60m x 60m x 16m, with a minimum number of data points of 10, 10, and 8, respectively. At the Lerokis deposit the classification of blocks into Measured, Indicated and Inferred categories correspond to search ellipsoids of 24m x 24m x 18m; 30m x 30m x 22m, and 48m x 48m x 36m, with a minimum number of data points of 12, 12, and 8, respectively. These searches were constrained by the domains defined on geological and grade criteria and the classification reflects the respective consultant's understanding of the mineralisation at each of the deposits.
Audits or reviews	Three separate due diligence reviews of the mineral resource estimates for the Kali Kuning and Lerokis deposits were undertaken by external consultancies in 2011. It was concluded, at the time, that the mineral resource model estimates were adequate for use in the preparation of feasibility studies. However, these reviewers preferred the use an Indicated classification rather than Measured due to issues associated with poor core recovery, density data and grade continuity. However, it was noted that the two test open pits at Kali Kuning showed a positive six percent reconciliation in copper grade of 3.91%Cu compared to 3.68%Cu. Furthermore, approximately 838Kt of mineralisation has now been mined from the Kali Kuning deposit at the end of June 2016. The Wetar project's Monthly Reports indicate that up until the end of June 2016 (from January 2014) that grade control figures when compared to the mineral resource block model indicate a positive 7.5% tonnage variance and a comparable grade reconciliation which results in an approximate positive metal reconciliation of seven percent. This is a satisfactory result and well within the range of any expected mineral resource estimation error.
Discussion of relative accuracy/ confidence	Industry accepted confidence levels have been used. The data available from the two test pits and the mining to date performance at Kali Kuning provides some confidence that the classification used is appropriate. There are no factors that are regarded as being likely to negatively impact on the confidence categorisation at this point in the project development.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The Ore Reserve estimate is derived from the Mineral Resource block models for the Kali Kuning and Lerokis deposits as prepared by external consultants and reviewed by FND personnel. Mineral resource estimation was constrained by geological models developed by FND (see Section 3 – Estimation and Reporting of Mineral Resources). The following briefly outlines some key aspects of the material contained within that section. At Kali Kuning and Lerokis drillhole data was composited into two metre intervals and ordinary kriging was used within interpreted mineralised domains (geology and grade) to estimate total copper (estimates were also produced for ferric soluble copper and cyanide soluble copper). Block models with relatively small block dimensions reflects the closely spaced nature of the drilling. Blocks and assay data were constrained by ore types; Leached, Transition and Primary Massive Sulphide for Kali Kuning, and a single ore type, Primary Massive Sulphide for Lerokis. Classification of ore blocks into Measured, Indicated and Inferred categories correspond to defined search ellipsoids with minimum data thresholds at each deposit. Tonnages are reported on a dry basis in keeping with dry densities and drying temperatures used for assaying. The Mineral Resources are inclusive of the Ore Reserves.
Site visits	All consultants and FND/BTR personnel involved in the preparation of the Ore Reserve Estimate either works at site or has visited site and observed data collection, ancillary procedures and the specific and general facilities at which the work is completed. Mining from the former gold operations in Kali Kuning and Lerokis has left the areas for the copper-focussed open pits well exposed. Existing infrastructure has been observed/visited and the plans/sites for future haul roads, processing facilities and waste rock dumps have all been examined.
Study status	A comprehensive Feasibility Study was completed by FND and the contributing consultants and engineers in November 2013. The study covered geology, resource estimation, mining, process test work and design, infrastructure, environment, project execution, permitting, capital and operating costs and economic evaluation. Final commissioning is currently underway at the 25Ktpa copper metal, SX-EW plant and associated infrastructure (Q2 CY2016) and full-scale mining has been ramping up open pit production at Kali Kuning since April 2015. To date (end June 2016) an additional 758Kt of ore has been produced since ~150Kt of copper ore was produced for the various demonstration plant stages.
Cut-off parameters	The economic cut-off grades were estimated based on copper recovery leach cycle times from testwork and a copper price of US$3.00/lb. This estimate took into account processing, administration and selling costs and excluded mining. The economic cut off grades applied were 0.4%Cu for Kali Kuning and 0.5%Cu for Lerokis. The Lerokis cut-off grade is incrementally higher because the estimates of long term copper recovery are lower than that for Kali Kuning and there is additional cost to haul ore from Lerokis to the Kali Kuning Valley (KKV) leach pads if this development option from the Feasibility Study is followed.

Criteria	Commentary
Mining factors or assumptions –	The sulphide mineralisation in both the Kali Kuning and Lerokis open pits is very distinct in terms of colour and density from the surrounding volcanic/volcanic derived country rock so a large part of any additional grade control efforts following blasthole sampling will be visually based.
Mining Loss & Dilution	Both the Kali Kuning and Lerokis mineral resource models divide the material into three domains - Mineralised - the massive or brecciated sulphide body that contains almost all of the copper; Un-mineralised - the surrounding country rock. However, the margins of the country rock adjacent to the mineralised zone may contain some minor copper; and Fill - the material placed in the completed gold open pit during PLM rehabilitation to cap the exposed sulphides. This material contains no copper. These domains are defined by interpreted wireframes so that each block can have a portion of each domain contained within it. In order to allow for mining loss and dilution the mineralised and un-mineralised portions of each block were combined to form a hard rock fraction and the tonnage weighted copper grade of this hard rock portion was calculated. Blocks were selected as ore or waste depending on whether this hard rock copper grade was above or below the estimated economic cut-off grade from reconciled mined copper tonnes, ore losses through adjustments to mineable shapes and boundary losses to approximately five percent. Almost the entire mineralised zone in both deposits is above the expected cut-off grade so this methodology models the effects of errors in ore block definition and mining around the margins of the mineralised zone.
Mining Method	Both the Kali Kuning and Lerokis deposits were mined for gold by conventional open pit methods during the 1990s. The copper bearing massive sulphide mineralisation underlies or is proximal to the former gold mineralisation which results in the existing open pits being subsumed by the copper project's open pit mining operation. Neither of the planned open pits will mine more than 75m below the lowest point on the pit crest. At Kali Kuning the north eastern wall cuts back into a steep slope resulting in a highwall rising 125m above the main pit crest. Total monthly material movement peaks during the development period when the mining fleet is also working on construction earthworks. For the remaining five years of steady state mining it averages 40 to 80Kbcm per month. Mining is currently conducted by an Indonesian contractor and the mine plan is based on standard open pit mining using 80t excavators with 40t articulated and 55t rigid body haul trucks given the scale of operations and the shallow planned total mining depth. Articulated haul trucks also help negotiate steeper grades on narrower roads for both mining and earthworks. The mine plan provides for drilling and blasting of 50% of the waste and all ore. Lerokis production commences in 2018 and the current plan requires a 14km one-way haul to bring ore to the KKV leach pads. Ore production will be shared between Kali Kuning and Lerokis over years 3 to 6 in the current development plan.
Pit Wall Slopes	Slope design criteria for Kali Kuning and Lerokis is based on geotechnical drilling, core logging and surface geology inspections completed during 2009/2010. A detailed review of the Kali Kuning slopes was conducted from April to July 2013 with particular reference to the distribution of rock types and rock mass strength in the eastern and north eastern highwall areas. This resulted in recommendations

Criteria	Commentary
	for inter-ramp slopes and berm batter configurations based on the interpreted geology and the wall position. Wall stability of the Kali Kuning open pit is routinely monitored by BTR personnel and results are regularly reviewed by external consultants. Pit slopes for Lerokis are unchanged from the recommendations provided in 2010.
Metallurgical factors or assumptions ***Heap Leach Recoveries***	Heap leach recovery curves were modelled and were based on extensive column test work and a series of demonstration heaps using Kali Kuning mineralisation during 2009 and 2010. The project is currently commissioning the heap leach, solvent extraction and electrowinning infrastructure (Q2 CY2016) using 758Kt of additional mineralisation from Kali Kuning that has been stacked and progressively irrigated and leached since April 2015 (as at June 30 2016). The estimates for Lerokis copper recoveries are lower and estimates of leach rates slower than those applied to Kali Kuning and have been based entirely on column test work.
Environmental	The major environmental issue concerning the Wetar Copper project is acid rock drainage. The copper at Kali Kuning and Lerokis is contained within massive pyrite zones and considerable material immediately adjacent to the mineralisation also has an elevated pyrite content. Kali Kuning waste rock except the material in the highwall and the fill cover placed as part of the earlier gold pit closure, the earthworks cut adjacent to the Kali Kuning open pit, and most of the waste rock at Lerokis except the fill cover placed as part of the earlier gold pit closure is potentially acid forming (PAF). Strategies to manage the PAF waste rock include - ▪ Placement of a large proportion of the Kali Kuning PAF waste in the fill used to form the main heap leach pads. This occurs during the 20-month construction period. ▪ Compaction of PAF waste in the Kali Kuning and Lerokis waste rock dumps to minimise water ingress. ▪ Management of surface drainage to divert clean surface water away from exposed PAF surfaces and to direct water which has come into contact with PAF material into the storm water ponds for use in the heap leach process or for acid neutralisation. ▪ Placement of crushed limestone over completed PAF storage areas so that any water ingress will be at an elevated pH. Designs, volume balances and material schedules and costs have been prepared for these strategies to ensure that they are practically and commercially achievable within the mine plan. A large limestone resource (~2.35Mt) has been delineated and a quarry established just east of the current coastal mine support infrastructure. The environmental management plan has been approved by the appropriate Indonesian authorities and regulatory bodies.
Infrastructure	Wetar is a sparsely populated island towards the eastern end of the Indonesian archipelago and therefore all supplies and personnel must be delivered by barge or boat. However, a mining presence has been in operation on the island since the 1990s and the recent construction of processing infrastructure and development of a new open pit mine suggests that logistics required to operate in this area are well understood. All support infrastructure including a jetty, offices, 800-person camp and power station are established and commissioned. An acid neutralisation plant is in the final stages of construction (Q3 CY2016).

Criteria	Commentary
Costs	A Feasibility Study was completed in 2013 and most of the key construction activities are now complete and operating contracts awarded. The operation of two campaigns of the demonstration SX-EW facility provides for operating cost estimates with a high level of confidence. Mining and earthworks costs are based on a schedule of hourly hire rates contained in the contract with Indonesian mining contractor, PT Madhani Talatah Nusantara (Madhani). All supplies including explosives, diesel, process reagents and fuel oil for the power station are under various forms of contract. FND, through BTR, has entered into forward purchase agreements for a total of 40 million litres of diesel for the 2016 and 2017 calendar year. This represents approximately 65% of the forecast fuel exposure of the Wetar Copper Project during that period. Labour costs for operation have been set through a locally negotiated collective labour agreement (CLA) and most ongoing operational positions have been filled.
Revenue factors	The pit optimisation used to define the Kali Kuning and Lerokis pit shells was run at US$3.00/lb of copper and was also used to determine the mine cut-off grades. Many revenue scenarios were run at various copper prices to understand the revenue effects and sensitivity of the project to a range of copper price outlooks. FND has been selling copper cathode from the demonstration facility since 2009 and therefore there is a sound basis for the cost structure for delivering product to market and the likely premiums or penalties attributable to actual Wetar cathode production. BTR (a 72% owned subsidiary of FND) has a hedging program in place where 40,700 tonnes of copper cathode over the period from July 2016 to March 2019 (~26% of LOM production) has secured a price of US$5,940/tonne (~US$2.70/lb).
Market assessment	Cathode produced from the Wetar Copper Project will be sold into the Asian market. Most sales to date from the project have attracted a premium to the LME A Grade price in this market. Wetar's annual production of 28Ktpa of refined metal (including the ongoing operation of the 3Ktpa demonstration plant) is inconsequential to the World and regional supply and demand balance and the high quality nature of the product suggests that there is little likelihood of not meeting the sales forecasts for copper produced.
Economic	FND conducted an economic assessment of the Wetar Copper project as part of the Feasibility Study (Nov 2013) and a regularly updated financial model is maintained on a monthly basis as a requirement of the finance terms as dictated by the debt providers. Since the project has several years of operating experience (albeit at lesser production levels) through the operation of the demonstration plant, the updated demonstration plant and the recent commissioning of the 25Ktpa plant/project (Q2 CY2016), most (if not all) operating costs are based on current actual costs.
Social	Agreements are in place with the local communities regarding land compensation, employment, community assistance and community relations. The Social Action Plan includes aspects relating to social management and monitoring to mitigate the key socio-economic issues raised in the Environmental Impact Assessment. A community development plan is in place as a roadmap for future community development and a well-staffed Community Development and Relations group/team located at Wetar and Jakarta liaises with the local and wider Indonesian community on a regular basis.

Criteria	Commentary
Other	The relevant operational permits are currently in place to continue the operation of the project. These will be renewed and modified from time to time as is usual in the operation of a complex and multi-faceted project. Permits (IUPs) covering the exploitation of copper, limestone and sand and gravel have been obtained for periods covering the current life of the project. A further IUP covering mineral processing to allow production of copper cathode until 2031 has also been obtained. The Environmental Impact Statement (AMDAL) was approved in March 2010. The main land use permit is the Forestry Borrow and Use Permit (Pinjam Pakai Eksploitasi). This was obtained in 2013 and will remain in force until December 2031.
Classification	The current Ore Reserve Statement has ore reserve estimates resulting from the design of several open pits (Kali Kuning and Lerokis) and ore reserves coinciding with active heap leach pads (GPLP and KKV) that will continue to produce copper metal over many years and are depleted annually in reports for the tonnages of copper metal produced. Some heap leach pads will be removed from service once the estimated planned terminal recovery of metal is reached, while most will continue to remain in service through the multiple lift "over-stacking" of the older heaps by freshly mined ore. In this Ore Reserves Statement - • Proved Ore Reserves are derived from Measured Mineral Resources. • Probable Ore Reserves are derived from Indicated Mineral Resources. • All mineralisation mined and stacked on the heap leach pads is considered a Proved Ore Reserve due to the fact that it was mined to this location following grade control drilling and a decision that each block mined from the open pit is above cut-off grade. • None of the Probable Ore Reserves are derived from Measured Mineral Resources. • No Inferred Mineral Resources are included in the Ore Reserves. The Ore Reserves classifications are considered appropriate because - • Both the Kali Kuning and Lerokis copper deposits are very shallow, well drilled and geologically understood. • Extensive metallurgical test work and the results of two phases of demonstration heap leaching and SX-EW copper production in conjunction with the current commissioning of the new KKV heaps and 25Ktpa SX-EW operation are available to support the process and production assumptions. • The capital for the new 25Ktpa operation is spent (commissioning Q2 CY2016) and operating costs are mostly (if not entirely) based on current actual costs. • All permits required for development and operation of the project are in place.
Audits or reviews	Many independent audits or reviews have been conducted prior to, and after, the completion of the Feasibility Study in November 2013. Behre Dolbear Australia conducts regular site visits (most recent prior to June 30 2016 was 18-20 May 2016) and regularly monthly technical checks on project progress back to the Technical Bank of the lending consortium associated with the provision of the project's finance.
Discussion of relative accuracy/ confidence	The Ore Reserves are estimated on a local basis and this is reflected in the variation in ore types and copper grades mined in each month in the overall production schedule. The reasons for this level of confidence are discussed in the Classification section above.

Competent Persons Statements

Exploration Results and Targets

The information in this report that relates to Exploration Results and Targets is based on information compiled by Mr Terry Burns who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (#107527).

Mr Burns has sufficient experience which is 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 Burns is contracted by Banda Minerals Pty Ltd, a 100% owned subsidiary of Finders Resources Limited, and consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

Kali Kuning and Lerokis Deposits

Mineral Resource Estimate

The information in this report that relates to mineral resource estimation for the Kali Kuning and Lerokis deposits is based on prior work completed by external consultants that has been reviewed by Mr Terry Burns who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (#107527).

Mr Burns has sufficient experience which is 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 Burns is contracted by Banda Minerals Pty Ltd, a 100% owned subsidiary of Finders Resources Limited, and consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

Ore Reserve Estimate

The information in this report that relates to the in-situ ore reserve estimation at the Kali Kuning and Lerokis deposits is based on ongoing and prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Nick Holthouse who is a full-time employee of PT Batutua Tembaga Raya (a subsidiary of Finders Resources Limited) and who is a Member of the Australasian Institute of Mining and Metallurgy (#305303). The information in this report that relates to the ore reserve estimation for the heap leach pads is based on ongoing and prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Augy Wilangkara who is a full time employee of PT Batutua Tembaga Raya (a subsidiary of Finders Resources Limited) and who is a Member of the Australasian Institute of Mining and Metallurgy (#206768)

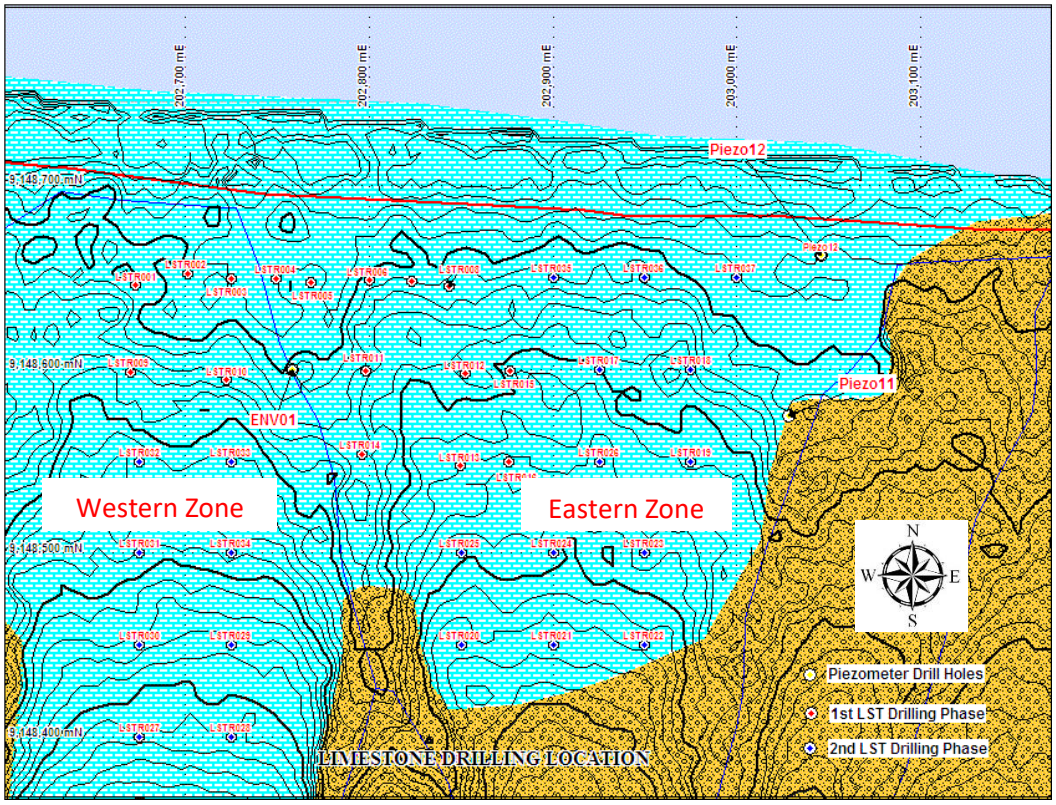
Both Mr Holthouse and Mr Wilangkara have sufficient experience which is relevant to the style of mineralisation, the type of deposit and the beneficiation method under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Holthouse and Mr Wilangkara consent to the inclusion in the report of the matters based on their reviewed information in the form and context in which it appears.

Limestone Resources

A two phase program of drill testing was undertaken in April/May 2009 to establish sufficient, nearby limestone resources to be used in acid neutralisation activities for the fully-expanded Wetar Copper project.

During phase one, sixteen reverse circulation (RC) drillhole (219m) were completed and these were sampled in 3m composites with samples sent to Intertek Jakarta for analysis. An additional twenty-one holes (138m) were drilled during phase two using the lightweight blasthole drilling rig of the open pit mining fleet.

It was found via testwork that the mean acid neutralising capacity based on all the drill samples is 680kg/tonne.



The drilling has outlined two distinct and separate bodies of limestone that are separated by an un-named intermittent creek that flows into the sea during times of excessive rainfall. Key findings suggest that the limestone located in the western zone is thicker than that encountered to the east and has less top soil or alluvial cover at surface.

A simple 3D polygonal shape was generated to estimate the volume and a mean SG of 2.0 used to estimate tonnages.

Resource Category	Volume (bcm)	Tonnes (SG=2.0)
Indicated Resource	675,000	1,350,000
Inferred Resource	500,000	1,000,000
Total	**1,175,000**	**2,350,000**