



For ASX Market Release: 31 October 2017

Further High Grade Copper Intersections from Lerokis

Finders Resources Limited ("Finders" or "the Company") is pleased to provide the following update on pre-development drilling activities at Lerokis within the Wetar Copper Project.

Highlights

- Further high grade copper mineralisation intersected in the final reverse circulation (RC) holes of the recent exploration program that were drilled into areas of complexity along the margins of Zone 5 at Lerokis.
- Significant intersections include:
 - **11m at 5.33% Cu, 0.81g/t Au, 53.1g/t Ag, 0.32% Zn, 0.08% Pb** from 8.0m in LKR541 – Zone 5 (sulphide)
 - **37m at 8.93% Cu, 0.97g/t Au, 45.0g/t Ag, 0.07% Zn, 0.11% Pb** from 4.0m in LKR543 – Zone 5 (sulphide)
 - **30m at 1.40% Cu, 1.23g/t Au, 53.0g/t Ag, 0.17% Zn, 0.47% Pb** from 0m in LKR544 – Zone 5 (sulphide)
 - **20m at 7.85% Cu, 0.62g/t Au, 29.5g/t Ag, 0.15% Zn, 0.05% Pb** from 13.0m in LKR550 – Zone 5 (sulphide)
 - **32.4m at 5.25% Cu, 1.1.16g/t Au, 91.8g/t Ag, 4.11% Zn, 0.99% Pb** from 11.4m in LKD062 – Zone 1S (sulphide)
 - **26.4m at 1.77% Cu, 0.51g/t Au, 18.0g/t Ag, 1.23% Zn, 0.23% Pb** from 18.7m in LKD063 – Zone 5 (sulphide)
 - **65.7m at 1.84% Cu, 0.50g/t Au, 15.3g/t Ag, 0.52% Zn, 0.11% Pb** from 2.9m in LKD064 – Zone 5 (sulphide)

Managing Director Barry Cahill commented:

"These outstanding final results from the Lerokis pre-development drilling program have provided a much higher level of confidence in the interpretation of the massive sulphide mineralisation in advance of an update to the pre-mining Mineral Resource and Ore Reserve estimate for the Company's second open pit mine at Wetar. The updated estimate is the first re-work of the deposit since 2009 and we have improved our confidence in an increase in the contained copper metal above that previously reported."



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Drilling Program Summary

As previously reported in Finders' ASX release of 3 October 2017, a 60 hole program of reverse circulation (RC) and diamond drilling (for a total of 2,991m) was completed into the more complex zones of the Zone 5 and Zone 1S areas at Lerokis (Figure 1) to better define pre-development mineralised envelopes for mine design purposes, to obtain additional samples for metallurgical column leach testing, to "sterilise" areas for infrastructure locations and to provide additional support to final open pit wall design assumptions.

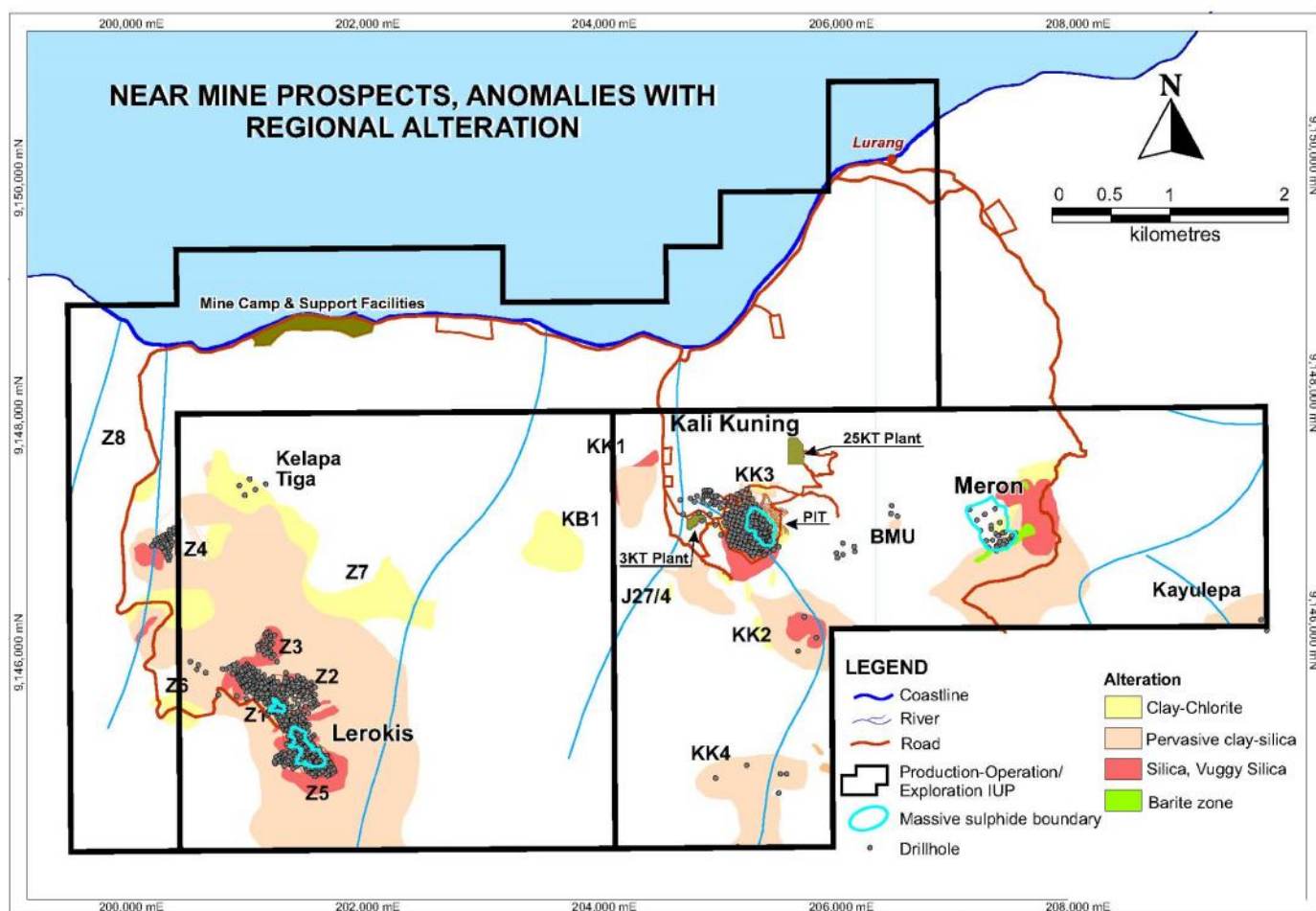


Figure 1 – Plan of Wetar Copper Project showing location of Lerokis deposit

This release summarises the results from the final 33 holes of the exploration part of the program, inclusive of RC holes LKR540 to LKR570 and metallurgical diamond drill holes LKD062 to LKD064. The RC holes purposely targeted the resolution of areas of geometric complexity on the flanks of, and adjacent to, bounding or defining structures of the Lerokis massive sulphide deposit and previously untested areas for the location of mine infrastructure (Figures 2 and 3).

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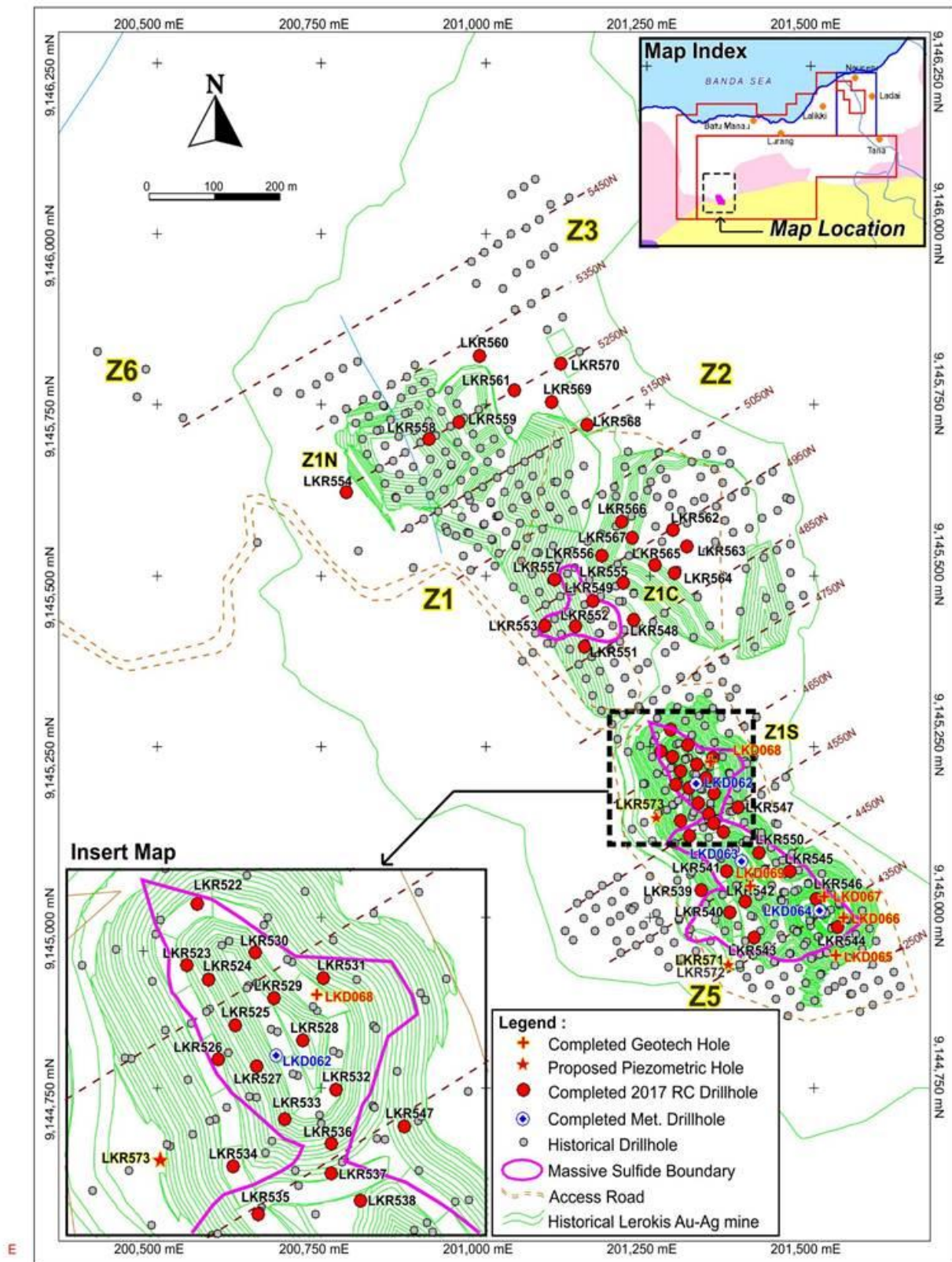


Figure 2 – Plan of Lerokis deposit

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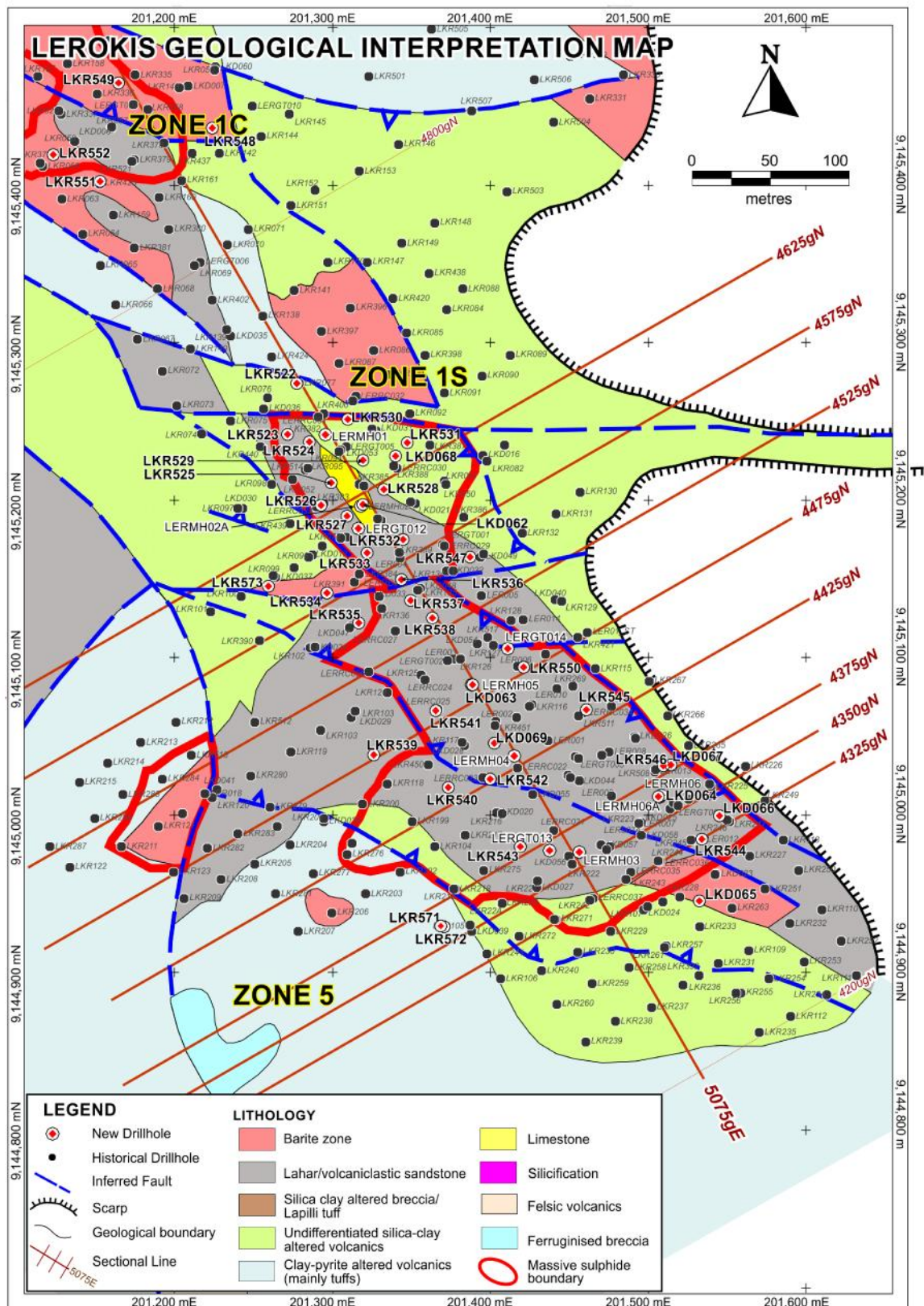


Figure 3 – Enlarged plan of Lerokis (southern end), showing drill hole locations.

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Results Discussion

All assay data has now been received from the drill program and there is improved confidence that the results will incrementally increase the volume of mineralised material and correspondingly increase the contained copper metal in the previously outlined higher grade zones. This will be confirmed and quantified in the coming month as the pre-mining Mineral Resource estimate for Lerokis is finalised.

Significant assay results returned from the final holes of the drilling program are summarised in Table 1.

Table 1 - Significant intersections from Lerokis drill holes. Intercepts calculated using a 0.3%Cu cut-off grade and allowing for up to 2m of internal sub-grade material. Significant precious metal intersections have been included for completeness.

Hole_ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (ppm)	Ag (ppm)	Zn (%)	Pb (%)
LKR540 Incl.	11.0	14.0	3.0	1.18	0.57	24.9	0.09	0.28
	14.0	20.0	6.0	3.94	0.90	56.4	0.14	0.11
	14.0	17.0	3.0	7.26	1.70	103.7	0.16	0.19
	17.0	20.0	3.0	0.62	0.09	9.2	0.11	0.04
LKR541 Incl.	8.0	19.0	11.0	5.33	0.81	53.1	0.32	0.08
	8.0	12.0	4.0	11.33	1.55	97.8	0.15	0.14
	12.0	19.0	7.0	1.33	0.32	23.3	0.44	0.04
LKR542	1.0	7.0	6.0	4.21	0.94	58.2	0.10	0.11
	43.0	47.0	4.0	1.22	0.01	1.7	0.03	0.03
LKR543 Incl.	4.0	41.0	37.0	8.93	0.97	45.0	0.07	0.11
	4.0	35.0	31.0	9.56	0.98	45.1	0.07	0.12
	35.0	41.0	6.0	5.61	0.95	44.0	0.07	0.05
LKR543	41.0	51.0	10.0	2.47	0.11	9.7	0.15	0.01
LKR544	0.0	30.0	30.0	1.40	1.23	53.0	0.17	0.47
LKR545	4.0	16.0	12.0	1.42	0.36	22.1	0.07	0.24
LKR546	12.0	18.0	6.0	2.74	0.74	57.5	4.47	0.61
LKR550	10.0	13.0	3.0	0.04	2.50	76.0	0.02	0.13
LKR550 Incl.	13.0	33.0	20.0	7.85	0.62	29.50	0.15	0.05
	13.0	24.0	11.0	13.10	0.98	46.8	0.17	0.07
	24.0	33.0	9.0	1.39	0.17	8.4	0.11	0.02
LKD062 Incl.	11.35	43.70	32.35	5.25	1.16	91.8	4.11	0.99
	11.35	38.00	26.65	6.29	1.36	108.7	4.62	1.12
	38.00	43.70	5.70	0.36	0.19	12.9	1.74	0.36
LKD063	18.70	45.10	26.40	1.77	0.51	18.0	1.23	0.23
LKD064 Incl.	2.85	68.50	65.65	1.84	0.50	15.3	0.52	0.11
	2.85	31.90	29.05	2.25	0.60	23.3	0.76	0.19
	31.90	45.90	14.00	0.52	0.36	7.6	0.55	0.01
	45.90	68.50	22.60	2.93	0.51	11.9	0.15	0.03

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It is noteworthy that some significant precious metal zones were coincidentally intersected and although not currently the focus of mining studies, are important in the context of the need for appropriate stockpiling strategies for future consideration.

The sterilisation holes confirmed the planned location of much of the operational infrastructure intended for the life of mine.

Cross section 4325gN (Figures 3 and 4) shows hole LKR544, which was drilled to close off the eastern margin of Zone 5 to confirm the attitude of the eastern margin's bounding fault. The hole intersected 30m at 1.4% Cu from surface.

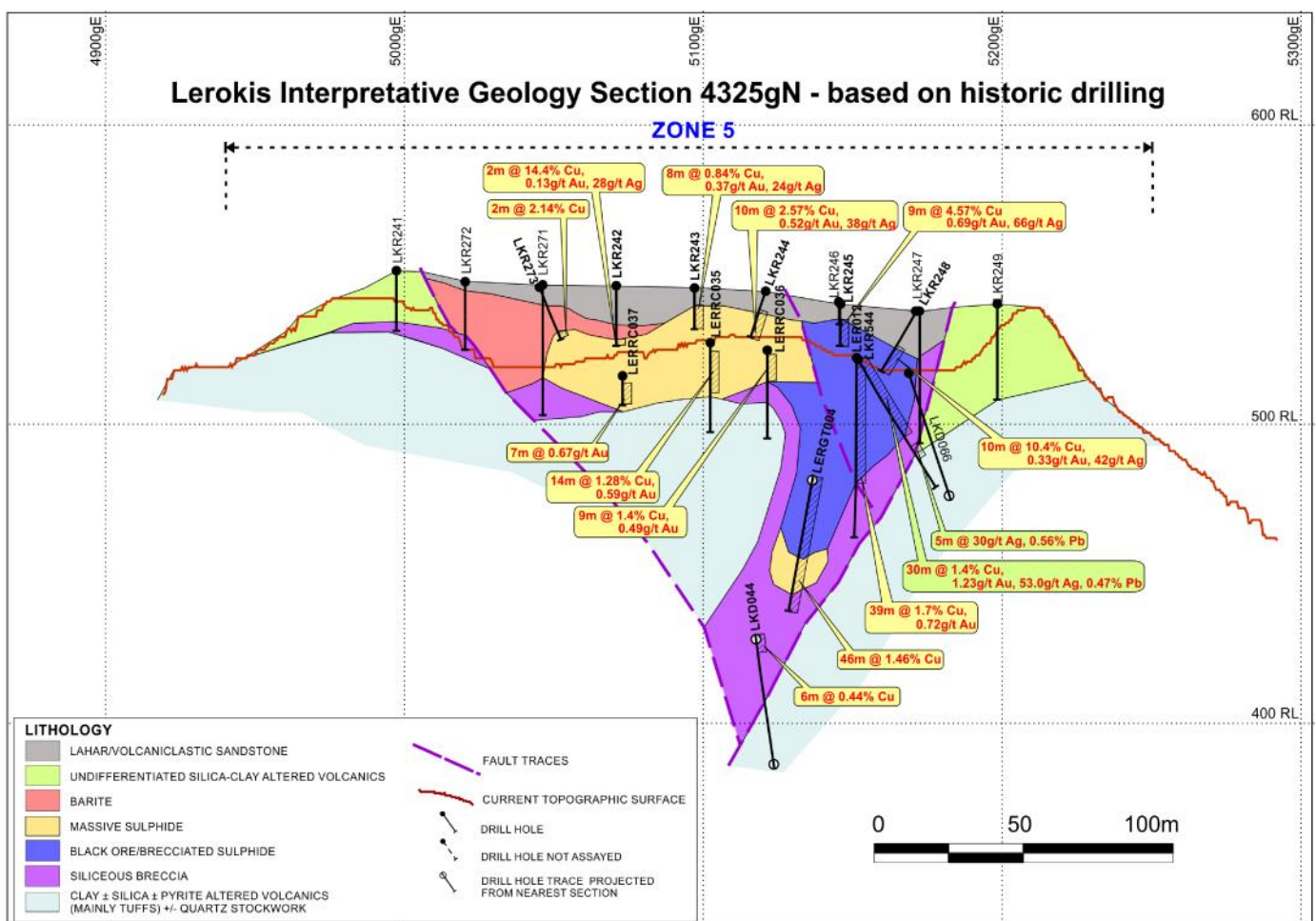


Figure 4 – Cross section 4325gN showing the location of recent holes and previous drilling. New intersections highlighted in green

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Cross section 4375gN (Figure 5) depicts holes LKR543 and LKR546, which were drilled to close off the western and eastern margins of Zone 5 respectively and to confirm the attitude of the known-bounding faults. Hole LKR543 intersected 37m at 8.93% Cu from a downhole depth of 4m.

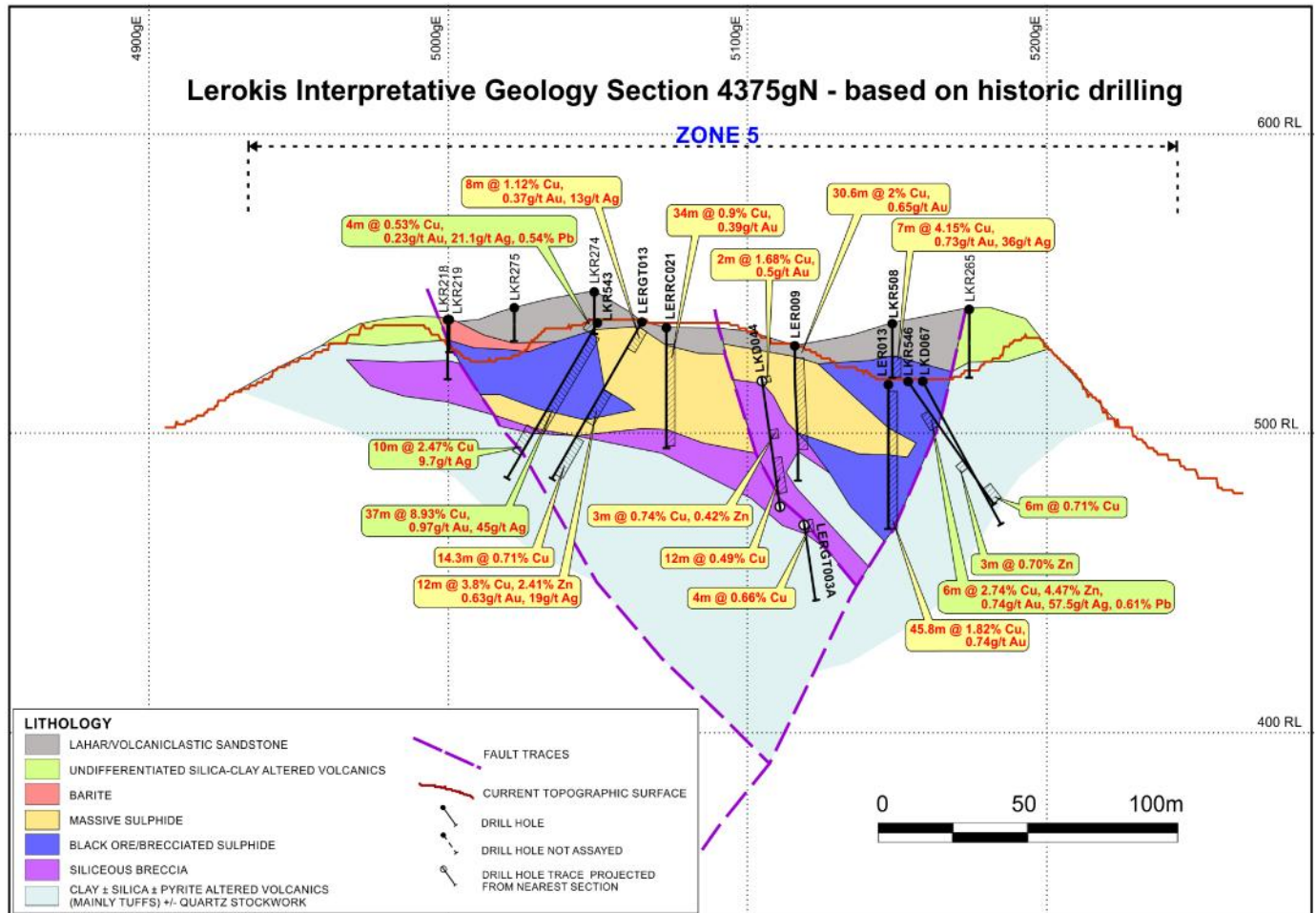


Figure 5 – Cross section 4375gN showing the location of recent holes and previous drilling. New intersections highlighted in green

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Cross section 4425gN (Figure 6) depicts holes LKR540 and LKR542 in the west of the deposit and LKR545 in the east of the deposit, which were designed to close off the mineralisation on the margins of Zone 5 and confirm the attitude of the known-bounding faults.

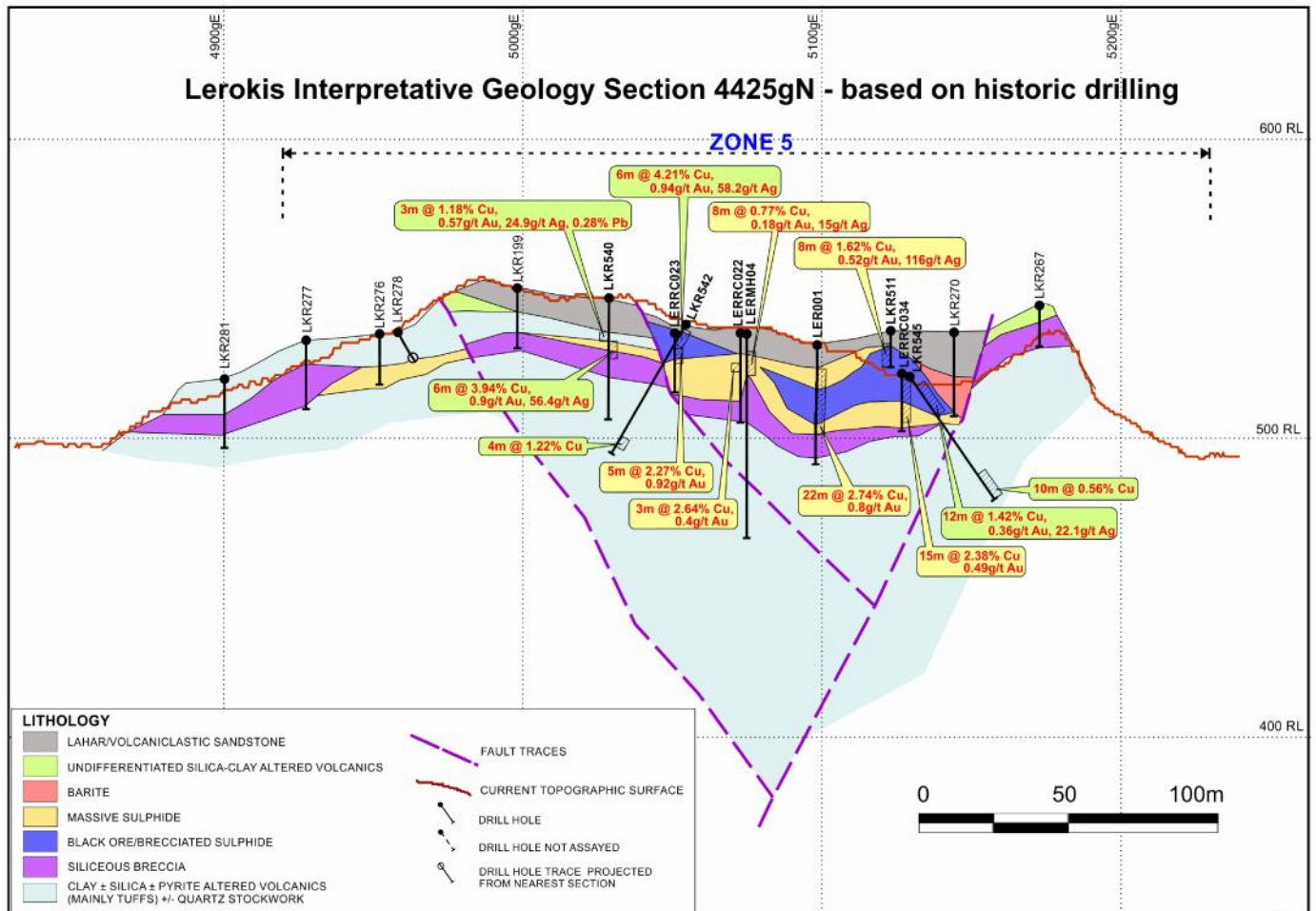


Figure 6 – Cross section 4425gN showing the location of recent holes and previous drilling. New intersections highlighted in green.

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Cross sections 4475gN (Figure 7) depicts holes LKR541 and LKR550, which were drilled to close of the margins of Zone 5 and confirm the attitude of the known bounding faults. Hole LKR550 intersected 20m at 7.85% Cu from a down hole depth of 13m.

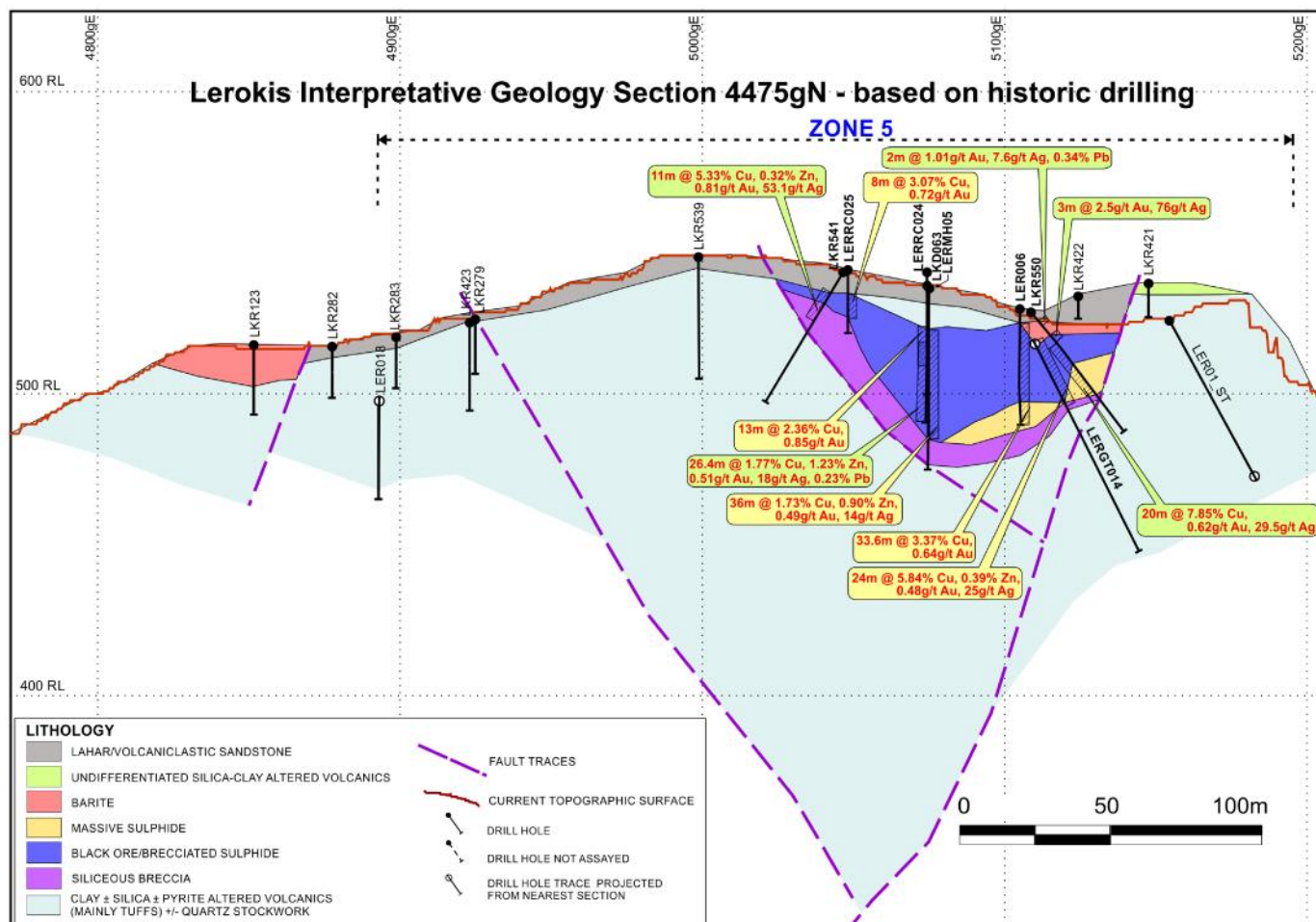


Figure 7 – Cross section 4475gN showing the location of recent holes and previous drilling. New intersections highlighted in green.

Drill Hole Details

Hole_ID	EOH (m)	Easting	Northing	RL	Azimuth	Dip	Datum
LKR540	40.0	201373.5	9145009.0	546.2	0	-90	UTM WGS84 Zone 52S
LKR541	50.0	201365.5	9145066.4	540.2	240	-60	UTM WGS84 Zone 52S
LKR542	50.0	201399.8	9145023.2	538.0	240	-60	UTM WGS84 Zone 52S
LKR543	60.0	201419.2	9144980.3	536.8	240	-60	UTM WGS84 Zone 52S
LKR544	50.0	201533.9	9144984.9	521.5	60	-60	UTM WGS84 Zone 52S
LKR545	50.0	201460.9	9145066.9	520.4	60	-50	UTM WGS84 Zone 52S
LKR546	50.0	201509.4	9145031.5	517.4	60	-55	UTM WGS84 Zone 52S

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LKR547	50.0	201387.4	9145163.7	523.9	60	-60	UTM WGS84 Zone 52S
LKR548	40.0	201223.8	9145436.3	507.7	0	-90	UTM WGS84 Zone 52S
LKR549	75.0	201164.7	9145464.5	510.9	0	-90	UTM WGS84 Zone 52S
LKR550	50.0	201421.1	9145094.2	527.1	60	-50	UTM WGS84 Zone 52S
LKR551	50.0	201152.9	9145402.5	503.8	0	-90	UTM WGS84 Zone 52S
LKR552	50.0	201123.3	9145419.1	493.5	0	-90	UTM WGS84 Zone 52S
LKR553	50.0	201091.3	9145426.9	482.3	0	-90	UTM WGS84 Zone 52S
LKR554	40.0	200782.5	9145627.9	436.6	0	-90	UTM WGS84 Zone 52S
LKR555	50.0	201214.9	9145493.6	499.4	0	-90	UTM WGS84 Zone 52S
LKR556	50.0	201173.2	9145527.1	493.8	0	-90	UTM WGS84 Zone 52S
LKR557	50.0	201103.1	9145497.3	491.2	0	-90	UTM WGS84 Zone 52S
LKR558	40.0	200909.9	9145698.8	460.6	0	-90	UTM WGS84 Zone 52S
LKR559	40.0	200951.9	9145721.0	470.6	0	-90	UTM WGS84 Zone 52S
LKR560	40.0	200989.1	9145811.6	472.1	0	-90	UTM WGS84 Zone 52S
LKR561	40.0	201021.6	9145737.0	478.0	0	-90	UTM WGS84 Zone 52S
LKR562	53.0	201291.2	9145568.4	516.2	60	-60	UTM WGS84 Zone 52S
LKR563	50.0	201299.8	9145539.9	515.4	0	-90	UTM WGS84 Zone 52S
LKR564	90.0	201286.4	9145504.0	509.4	60	-60	UTM WGS84 Zone 52S
LKR565	50.0	201258.0	9145516.7	504.4	0	-90	UTM WGS84 Zone 52S
LKR566	40.0	201209.6	9145578.9	502.9	60	-60	UTM WGS84 Zone 52S
LKR567	50.0	201227.8	9145555.7	501.8	0	-90	UTM WGS84 Zone 52S
LKR568	42.0	201153.9	9145721.7	512.6	0	-90	UTM WGS84 Zone 52S
LKR569	45.0	201104.3	9145758.7	520.7	0	-90	UTM WGS84 Zone 52S
LKR570	40.0	201116.6	9145817.8	522.3	0	-90	UTM WGS84 Zone 52S
LKD062	50.0	201319.5	9145197.2	535.2	0	-90	UTM WGS84 Zone 52S
LKD063	45.1	201388.5	9145083.1	535.2	0	-90	UTM WGS84 Zone 52S
LKD064	68.5	201506.6	9145012.1	536.3	0	-90	UTM WGS84 Zone 52S

Background Information on Finders

Finders is the operator of the Wetar Copper Project (74.1% 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.

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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. To date, the plants have produced over 33,000 tonnes of copper cathode, of which 90% was sold at a premium to the LME price and without specification issues.

The project has a total debt of US\$68M repayable over three years to March 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 is strongly founded on exploration upside, focussing initially on the nearby Meron satellite deposit and other identified VMS copper and gold targets on Wetar Island.

Competent Persons Statement

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.

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Wetar Copper Project Mineral Resources & Ore Reserves

A full and complete copy of JORC Table 1 including Sections 3 and 4 (not included below) has been provided in a previous ASX release titled, "Wetar Copper Project Resource and Reserve Update" and dated 16th December 2016. Persons requiring additional information concerning the current Mineral Resource and Ore Reserve Estimate as at the 30th June 2016 are referred to that release. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement dated 16 December 2016 and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates continue to apply and have materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement dated 16 December 2016.

Wetar Copper Project – Ore Reserve Estimate as at 30 th 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.

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Wetar Copper Project - Mineral Resource Estimate as at 30 th 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 Ore Reserve compilation above do not have demonstrated economic viability.

Competent Persons Statement

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

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(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 was 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). Mr Wilangkara consents to his sign-off being used post his BTR employment for the 30th June 2016 estimate only.

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.

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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.

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JORC Table 1 – Checklist of Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data

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

Criteria	Commentary
Sampling techniques	<p>The Wetar Copper Project is currently comprised of two copper bearing massive sulphide deposits. Kali Kuning and Lerokis are in close proximity to each other (~4km) on Wetar Island, Maluku Province, Indonesia.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 and successful demonstration heap leach and SX-EW plant trial.</p> <p>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 led to the Q2 CY2016 commissioning of a newly constructed 25Ktpa copper cathode operation. To the end of June 2017, approximately 3.606Mt of mineralisation has been mined and grade control sampled from the Kali Kuning open pit.</p> <p>Lerokis is unmined as a source of copper feed to the existing KKV Heap Leach SX-EW operation and is currently not planned for extraction until Year 3 of the schedule.</p>
Drilling techniques	<p>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.</p> <p>PLM also drilled 52 DD holes (2,043m) and 114 RC holes (1,143m) at Lerokis.</p> <p>Finders Resources Limited (FND) commenced drilling in 2005 and since that time has completed an additional 314 holes for a total of 12,776m, in six phases - 2005, 2006, 2008, 2009, 2016 and 2017 to achieve a nominal 25m x 25m drill spacing for resource definition at each deposit. Drill spacing can be less than this in areas of interpreted complexity.</p> <p>At Kali Kuning this activity comprised 61 DD holes (4,151m) and 34 RC holes (1,028m) and at Lerokis comprised 28 DD holes (1,817m) and 68 RC holes (2949m).</p> <p>Diamond drilling has 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 has been completed with a conventional 5½ inch face sampling hammer.</p>

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Criteria	Commentary
<i>Drill sample recovery</i>	<p>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.</p> <p>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).</p> <p>RC drilling has been restricted to the dry parts of the Kali Kuning deposit (leached & transition zone) and the shallow 2017 Lerokis program where the density of the material and the locally porous nature of the sulphides has made it difficult to lift adequate samples from deeper levels.</p>
<i>Logging</i>	<p>Records for historic PLM drilling comprise skeletal drill logs and some hand drafted drilling sections. Full geological logging is available for many of the KKG holes relatively few of the LER holes.</p> <p>FND drilling has been processed using detailed logging procedures developed specifically for the project.</p> <p>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.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>DD cores were historically sampled in one metre intervals. Historically half core was sent for chemical assay and the remaining core stored for additional and/or subsequent testwork. From 2005, Finders retained half core 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 exploration holes have been half cored for assay with 50% retained and stored. Quarter core samples have been taken for assays from recent metallurgical holes at Lerokis.</p> <p>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.</p> <p>Samples have been historically sun dried on site prior to transportation to labs in Jakarta for chemical assay.</p>
<i>Quality of assay data and laboratory tests</i>	<p>Historic copper assaying by PLM has 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).</p> <p>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. 2017 drilling at Lerokis by FND was generally assayed in one metre intervals for gold (Fire Assay), with copper, silver, lead, zinc, arsenic, antimony, and a suite of 36 other elements by Aqua Regia ICP package, with 3 acid ore grade AAS digest completed on samples above detection limits of 1% Cu, Pb, Zn, As and Sb, and above 100ppm for Ag.</p> <p>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)</p>

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Criteria	Commentary
	<p>were also re-assayed using these methods as individual assays rather than as sequential assays.</p> <p>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).</p> <p>Both the PLM and FND programs have 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.</p>
Verification of sampling and assaying	<p>Historic drilling results were reviewed by the consultants who completed the early mineral resource estimates.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Location of data points	<p>Collar and other general survey work was completed using GPS technology.</p> <p>Drilling 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.</p> <p>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. Downhole surveys have been completed with a Proshot camera for 49 Of the 60 recent holes at Lerokis.</p>
Data spacing and distribution	<p>Both the Kali Kuning and Lerokis deposits have been drilled to a nominal 25m x 25m hole spacing (see earlier for departures). Drilling assays have been composited into 2m intervals</p>

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Criteria	Commentary
	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 generally indicative of the true deposit thickness.
Sample security	Bagged drill samples have been 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 for expediency and 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	<p>The Wetar Copper Project (FND ~74%) 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.</p> <ul style="list-style-type: none"> 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 rehabilitated at the completion of processing.
Geology	<p>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.</p> <p>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.</p> <p>Hydrothermal alteration around the orebodies is zoned and dominated by illite–kaolinite–smectite with local alunite and pyrophyllite.</p> <p>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.</p> <p>The orebodies were covered and preserved by post-mineralisation chert, gypsum, limestone, lahars, subaqueous debris flows and pyroclastic rocks.</p> <p>The economic copper mineralisation at both Kali Kuning and Lerokis occurs predominantly within coherent massive sulphide units with some minor lower grade material occurring</p>

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Criteria	Commentary
	<p>within intensely altered andesitic tuffs in the footwall and lateral extent of the massive sulphides.</p> <p>The contact between the massive sulphide and footwall units is generally quite sharp.</p>
Drill hole Information	<p>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 - Sampling Techniques and Data (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.</p>
Data aggregation methods	<p>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.</p>
Relationship between mineralisation widths and intercept lengths	<p>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.</p> <p>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 are ascribed equal weighting in the estimation process.</p>
Diagrams	<p>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.</p>
Balanced reporting	<p>It is considered that all substantive material relevant to the resource estimation process has been reported.</p>
Other substantive exploration data	<p>FND (through ~74% owned subsidiary PT Batutua Tembaga Raya (BTR) 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.</p> <p>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 produce predominantly LME Grade A copper cathodes (99.999%Cu) until commissioning commenced for the new plant (see below).</p> <p>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 commissioning of a newly constructed 25Ktpa copper cathode operation (Q2 CY2016). Grade control assays and additional crusher data collected since that time has validated the accuracy of the current mineral resource estimate.</p>
Further work	<p>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.</p> <p>This most recent drilling program at Lerokis (the subject of this announcement) is envisaged as being the last program of pre-development investigation into this deposit.</p>