



For ASX Market Release: 31 October 2017

Quarterly Activities Report – September 2017

HIGHLIGHTS

Wetar Copper Project

- Copper cathode production of 6,131 tonnes with sales of 6,886 tonnes at an average realised price of US\$2.88/lb Cu
- C1 cash cost at lower end of revised guidance¹ at US\$1.15/lb and AISC cost of US\$1.66/lb
- EBITDA of US\$21.0 million achieved despite the “crud run event” interruption to the SX-EW plant
- Unsold finished product inventory of 959 tonnes copper cathode with a value of US\$6.2 million at quarter end
- Impressive near surface copper intersections from Lerokis pre-development drilling including:
 - 22m at 13.3% Cu
 - 37m at 8.9% Cu
 - 25m at 7.3% Cu

Corporate

- Total project debt reduced to US\$68.0 million at quarter end from the initial US\$162 million facility
- Cash on hand at quarter end of US\$2.7 million
- Unsolicited off-market takeover offer from Eastern Field Developments Limited for \$0.23 per Finders share was announced 6 October 2017. The independent Finders directors reiterate their recommendation that Finders shareholders **TAKE NO ACTION** in relation to the offer at this stage

Managing Director Barry Cahill commented: *“Despite the unexpected interruption to the SX-EW plant late in the quarter, the Project still achieved an impressive EBITDA of US\$21.0 million, which was slightly below the record set in the previous quarter. The pre-development drilling program at Lerokis returned some outstanding drill intersections, which are now being incorporated into a new Mineral Resource and Ore Reserve estimate to be released during the December quarter.”*

¹ Refer ASX release of 27 September 2017



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WETAR COPPER PROJECT (FINDERS 74.1%)

3,000 t.p.a. and 25,000 t.p.a. SX-EW Plant Production Report

The 3,000 t.p.a. plant continued to operate as expected with production from the 25,000 t.p.a. plant impacted by a “crud run event” interruption to the SX-EW circuits late in the quarter, as summarised in the following table:

Table 1: Wetar Quarterly Copper Production

| | | Full Year 2016 | March 17 Quarter | June 17 Quarter | September 17 Quarter |
|-------------------|------------|------------------------|---------------------|--------------------|-------------------------|
| Ore stacked | t | 2,152,574 ¹ | 429,616 | 633,638 | 513,516 |
| Grade | % Cu | 2.19 | 1.47 | 1.66 | 2.32 |
| Metal stacked | t Cu | 47,247 | 6,299 | 10,450 | 12,385 |
| Copper stripped | t Cu | 11,760 | 6,125 | 6,804 | 6,131 |
| Copper sold | t Cu | 8,825 | 7,153 | 7,419 | 6,886 |
| Copper sale price | US\$/lb Cu | 2.25 | 2.60 | 2.60 | 2.88 |

Note 1: includes ore stacked to heap and stockpile leach pads.

Tonnes and grades mined from the Kali Kuning open pit closely followed the Life of Mine plan and continued to exceed the Ore Reserve estimate, with the positive reconciliation extending into the September quarter. Mining to date has produced an extra 12% more ore tonnes and recovered 9% more copper metal. Black massive sulphide currently dominates the pit floor as depicted in Image 1.

Ore stacking on the Gold Pit (GP) leach pad and the Kali Kuning Valley (KKV) heap leach pads continued with crushed and stacked quantities exceeding budget for the quarter.

The focus for the September quarter has been the rehandling of one of the original truck dump leach pads (KK03). This will be ongoing into the December quarter to enable base stability preparation works to be completed, a new liner to be inserted, and fresh ore to be over-stacked.

During this period, lower quantities of high grade ore are being delivered to the pads for stacking and leaching as the priority is on moving the old partially leached material. The effect will be that the amount of copper leached and subsequently stripped during the December 2017 quarter will be reduced. The work on the KK03 leach pad is scheduled to be completed by the end of the calendar year. There is no loss of recoverable copper from the reserve profile it is simply delayed in the production cycle.

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Image 1 – Kali Kuning pit



Image 2 – Stacked tonnes on the GP leach pad with ore mining in Kali Kuning pit in the foreground

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The neutralisation plant continued to perform at nameplate capacity. The 25,000 t.p.a. SX-EW plant is now stabilised following the “crud run event” late in the quarter as disclosed in the ASX release of 27 September 2017. Organic and aqueous solution containing contaminants and impurities from the solvent extraction (SX) settlers overflowed through the circuit and into the clean electrolyte for the electrowinning (EW) circuit. This affected the operation of the EW circuit and its ability to plate copper cathode. The contaminated electrolyte was removed from the circuit with fresh reagents added and production restored.

The 3,000 t.p.a. SX-EW plant was unaffected by this event, and its performance continued in line with expectations.

During the quarter, over 60% of the copper shipped was sold as LME Grade A Cathode at a premium to the LME copper price. The balance was sold as Standard Grade Copper at or around the LME copper price. Some impacts to cathode quality materialised as a result of the crud run event, with the cathode downgraded from LME Grade A specification to Standard Grade.

The C1 cash cost for the quarter was US\$1.15 per pound of copper produced and the AISC cost was US\$1.66 per pound of copper produced, which increased from the June 2017 quarter mainly due to the reduced copper stripped.



Image 3 – Crusher stacking on the KKV leach pad

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Costs for the Wetar Copper Project are summarised in Table 2 below:

Table 2: Wetar Copper Project Quarterly Unit Costs

| | | Full Year ¹ 2016 | March 17 Quarter | June 17 Quarter | September 17 Quarter |
|-------------------------|------------|--------------------------------|---------------------|--------------------|-------------------------|
| Copper Stripped | t Cu | 11,760 | 6,125 | 6,804 | 6,131 |
| Copper Sold | t Cu | 8,825 | 7,153 | 7,419 | 6,886 |
| Copper sale price | US\$/lb Cu | 2.25 | 2.60 | 2.60 | 2.88 |
| C1 cash cost | US\$/lb Cu | | 1.03 | 1.02 | 1.15 |
| Royalties | US\$/lb Cu | | 0.02 | 0.02 | 0.03 |
| Marketing / sales costs | US\$/lb Cu | | 0.11 | 0.11 | 0.10 |
| Sustaining capital | US\$/lb Cu | | 0.03 | 0.02 | 0.06 |
| Hedging losses | US\$/lb Cu | | 0.16 | 0.12 | 0.28 |
| Reclamation & other | US\$/lb Cu | | 0.03 | 0.04 | 0.04 |
| AISC cost | US\$/lb Cu | | 1.38 | 1.33 | 1.66 |

Note 1: During the 2016 year the Project was still under construction and commissioning

Project EBITDA for the quarter was US\$21.0 million. Copper cathode as finished product (produced but not sold) at quarter end was 959 tonnes. This copper cathode is either at site awaiting shipment, in transit to Surabaya (the major export port) or at Surabaya. This copper is worth US\$6.2 million based on the LME copper price as at 30 September 2017.



Image 4 –25,000 t.p.a. SX-EW plant at night

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Exploration and Project Development

During the quarter 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 (Figures 1 to 3) to better define pre-development mineralised envelopes for mine design purposes, to “sterilise” areas for infrastructure locations and to provide additional support to final open pit wall design assumptions.

Three vertical diamond core holes (for 163.6m) were also completed to provide sulphide material for optimised column leach metallurgical testwork to ensure that the proposed mining and processing activities provide an optimum blend of mineralisation types to maximise copper recovery from the heap leach pads.

Finders’ June 2017 Quarterly Activities Report and ASX releases of 3rd October 2017 and 31st October 2017 covered the individual drill hole results by section and highlighted the many significant intersections returned.

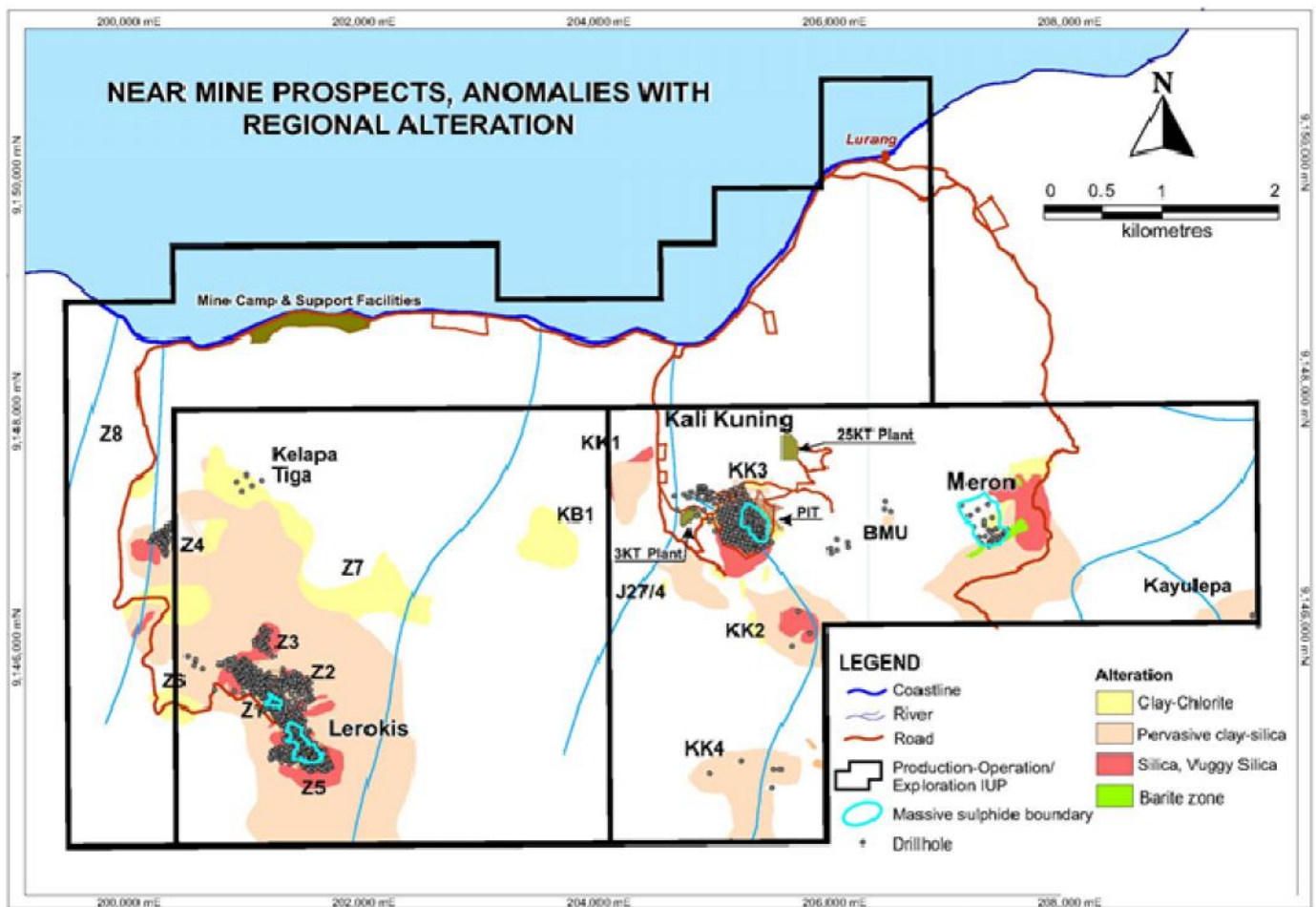


Figure 1 – Plan of Wetar Copper Project showing location of Lerokis deposit

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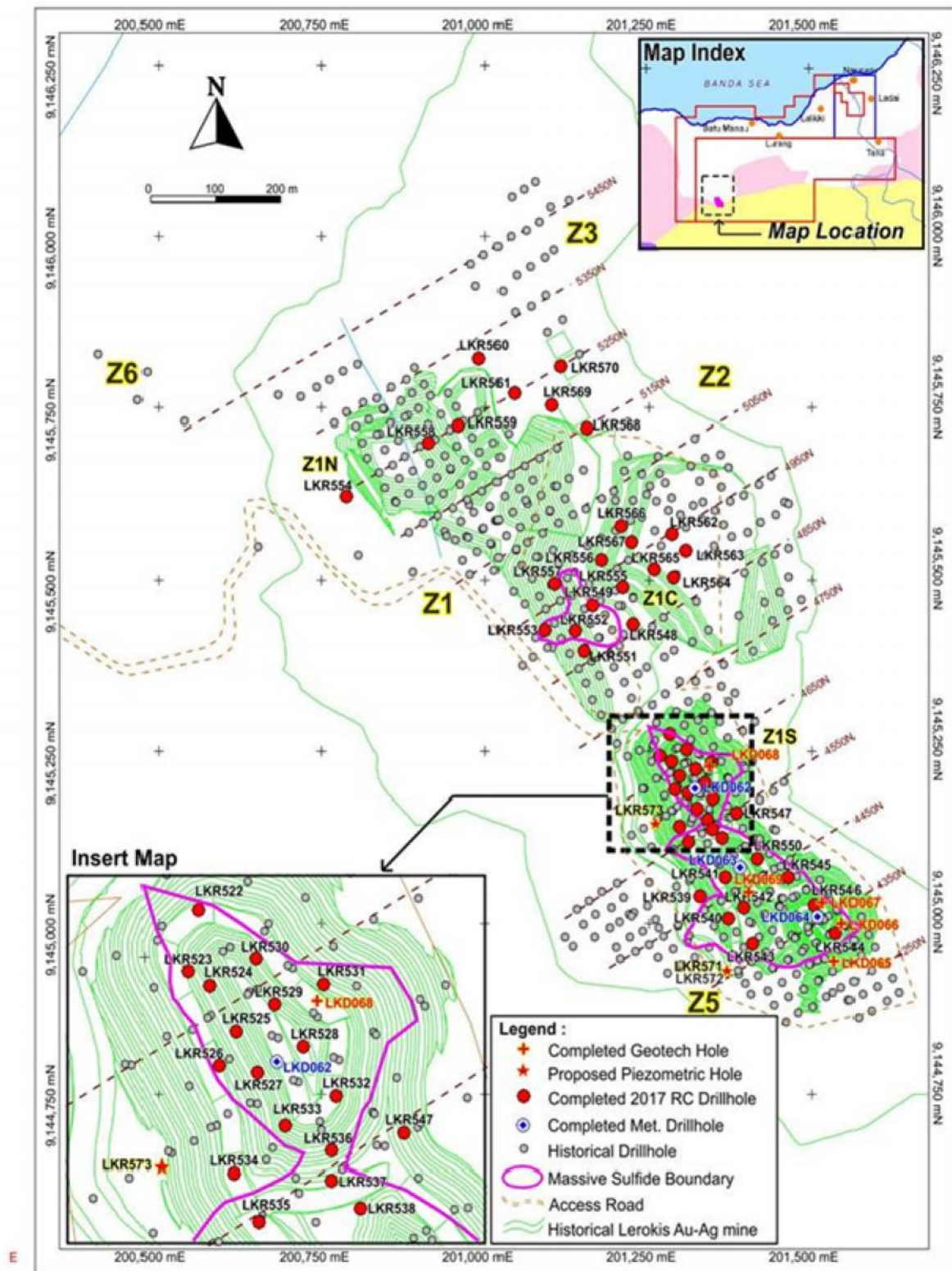


Figure 2 - Plan of Lerokis deposit

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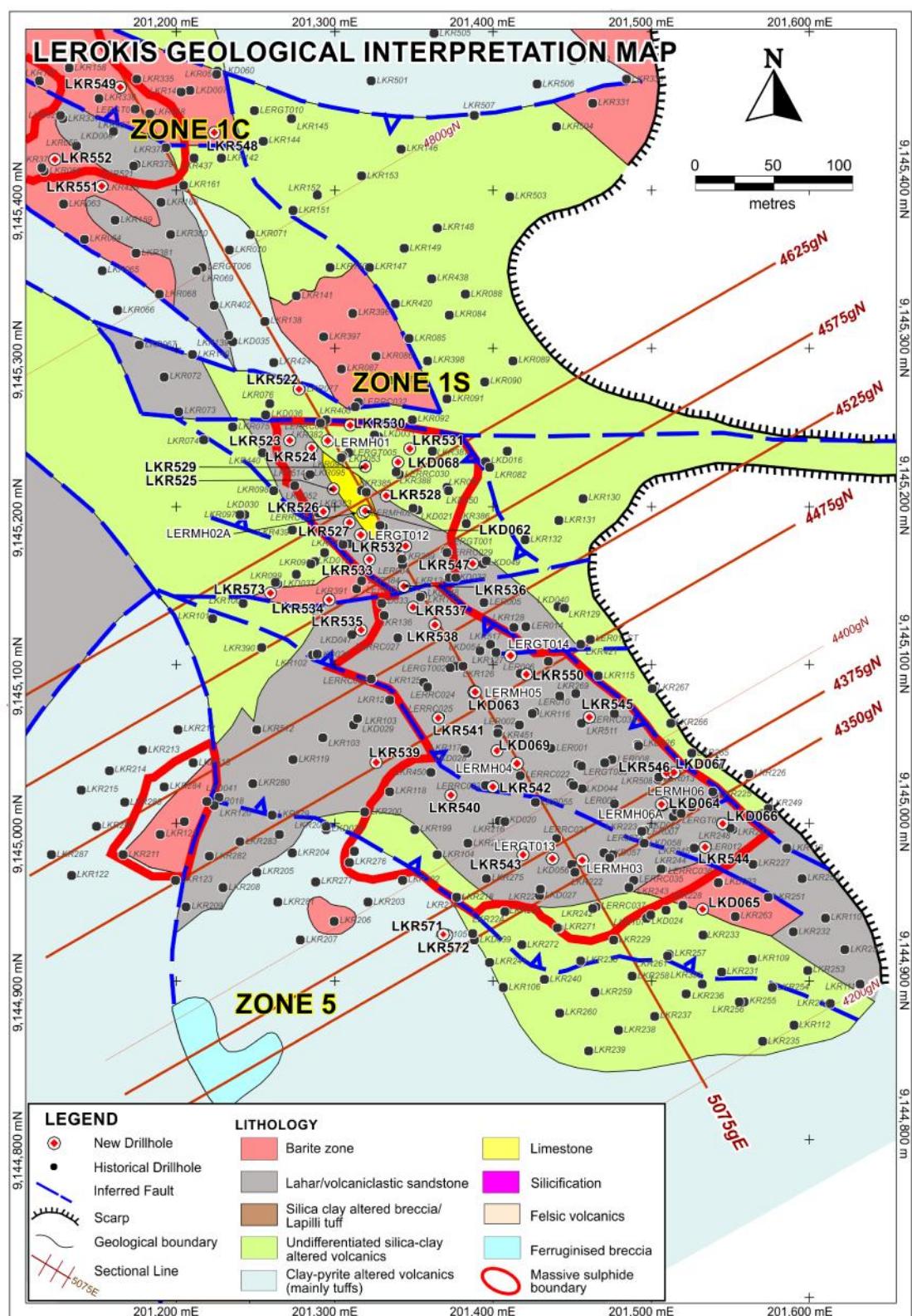


Figure 3 - Enlarged plan of Lerokis (southern end), showing drill hole locations.

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The results of the drilling successfully confirmed the existence of contiguous, high grade zones previously only defined by single or isolated drill hole intercepts. The angled holes also closed out more complex mineralised zones on the margins of the deposit.

The results improve confidence that there will be an incremental increase in the volume of mineralised material and also increase the contained metal in the high grade zones. This will be quantified in the coming month as the pre-mining Mineral Resource estimate for Lerokis is finalised.

Significant drill hole intersections from the program are summarised in Table 3:

Table 3 - 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 (%) |
|---------|----------|--------|--------------|--------|----------|----------|--------|--------|
| LKR523 | 1.0 | 9.0 | 8.0 | NS | 2.07 | 213.5 | NS | 2.93 |
| LKR523 | 12.0 | 16.0 | 4.0 | 0.66 | NS | 10.1 | NS | NS |
| LKR524 | 0.0 | 5.0 | 5.0 | NS | 2.14 | 133.8 | NS | 0.62 |
| LKR524 | 5.0 | 22.0 | 17.0 | 4.24 | 0.47 | 48.8 | 0.62 | 0.10 |
| Incl. | 5.0 | 19.0 | 14.0 | 5.06 | 0.53 | 56.9 | 0.66 | 0.10 |
| LKR525 | 1.0 | 6.0 | 5.0 | 0.16 | 4.21 | 220.4 | NS | 0.27 |
| LKR525 | 7.0 | 35.0 | 28.0 | 1.68 | 0.62 | 27.3 | 0.76 | 0.19 |
| LKR526 | 0.0 | 7.0 | 7.0 | 0.70 | 4.00 | 157.6 | NS | 0.33 |
| LKR526 | 7.0 | 24.0 | 17.0 | 1.08 | 0.16 | 9.0 | NS | NS |
| LKR527 | 3.0 | 5.0 | 2.0 | 1.12 | 6.46 | 339.5 | 0.05 | 1.44 |
| | 5.0 | 30.0 | 25.0 | 7.29 | 0.75 | 34.2 | 1.14 | 1.44 |
| LKR528 | 10.0 | 16.0 | 6.0 | 1.03 | 0.24 | 15.0 | 0.18 | 0.14 |
| | 16.0 | 40.0 | 24.0 | 3.63 | 0.81 | 32.2 | 1.48 | 0.24 |
| LKR529 | 1.0 | 12.0 | 11.0 | 1.75 | 0.47 | 36.0 | 0.81 | 0.62 |
| | 12.0 | 39.0 | 27.0 | 3.53 | 0.91 | 35.6 | 2.67 | 0.49 |
| LKR532 | 9.0 | 18.0 | 9.0 | 0.82 | 0.40 | 31.8 | 1.18 | 0.33 |
| | 26.0 | 30.0 | 4.0 | 1.31 | 0.28 | 36.3 | 2.93 | 0.85 |
| | 34.0 | 37.0 | 3.0 | 4.06 | 0.57 | 39.1 | 0.33 | 0.39 |
| | 37.0 | 57.0 | 20.0 | 3.88 | 0.75 | 30.7 | 0.66 | 0.21 |
| Incl. | 37.0 | 46.0 | 9.0 | 6.79 | 1.15 | 55.6 | 0.68 | 0.33 |
| | 46.0 | 57.0 | 11.0 | 1.49 | 0.42 | 10.3 | 0.65 | 0.11 |
| LKR533 | 9.0 | 31.0 | 22.0 | 13.33 | 1.21 | 74.5 | 1.52 | 0.66 |
| incl. | 9.0 | 22.0 | 13.0 | 21.81 | 1.64 | 107.9 | 1.27 | 0.84 |
| LKR536 | 7.0 | 34.0 | 27.0 | 4.06 | 0.96 | 47.5 | 3.73 | 0.89 |
| Incl. | 9.0 | 31.0 | 22.0 | 4.81 | 1.12 | 52.1 | 3.97 | 0.92 |
| LKR537 | 10.0 | 28.0 | 18.0 | 0.55 | 0.19 | 13.0 | 1.23 | 0.22 |
| | 28.0 | 50.0 | 22.0 | 5.65 | 1.59 | 76.2 | 1.81 | 0.62 |

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| | | | | | | | | |
|----------------------------|-------|-------|-------|-------|------|-------|------|------|
| LKR538 | 9.0 | 18.0 | 9.0 | 0.52 | 0.21 | 12.4 | 0.25 | 0.24 |
| | 18.0 | 42.0 | 24.0 | 6.32 | 2.03 | 162.0 | 7.15 | 2.01 |
| 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 |

NS denotes no significant assay result

OH&S

The Lost Time Injury Frequency Rate (LTIFR) at the end of the September quarter was 0.7 (June quarter: 0), while the Total Recordable Injury Frequency Rate (TRIFR) was 4.2 (June quarter: 4.7).

On the 30th July, whilst tramming a mobile jaw crusher, a recently welded track frame snapped, with metal fragments becoming imbedded in the legs of two operators walking next to the machine. The operators were transported off Wetar to have the metal removed from their legs and then returned to work. Prior to this incident

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the site had achieved over 1,200 days without a lost time injury including through-out the construction and commissioning period.

Safety systems development continued to focus on prevention of incidents and improving the safety culture of employees and contractors, with risks associated with hazards and their identification and management a key focus.

Wetar Community Development

Community development programmes as outlined in previous quarterly reports, which assist with local health and economic development, continued during the quarter.

As part of the Company's annual commitment, many of these community projects are constantly reviewed to ensure they remain effective and appropriate. A community sustainability and social assessment has commenced with the aim of ensuring that the programmes defined produce long lasting results after the mining operations have ceased. An external, independent consultant has been engaged for this purpose.

Wetar Environmental Management

Environmental monitoring activities and reporting to the relevant Indonesian authorities in accordance with the Project's environmental permit was ongoing. No non-compliance events were reported.

December 2017 Quarter

Forecast production of copper cathode for the December 2017 quarter is currently estimated at between 5,700 to 6,000 tonnes at a C1 cost of between US\$1.15/lb to US\$1.25/lb for estimated EBITDA of ~US\$20 million at current copper prices.

The current full year to 31 December 2017 forecast is 24,500 to 25,000 tonnes of copper cathode at a C1 cost of between US\$1.09 and US\$1.11/lb.

Planned activities for the December 2017 quarter include:

- Movement of material from the KK03 heap leach pad;
- Continued stacking of ore to the KKV, GP and DP07 leach pads;
- Ongoing refurbishment of the 3,000 t.p.a. SX-EW plant;
- Continued optimisation of the 25,000 t.p.a. SX-EW plant; and
- Mineral Resource and Ore Reserve update for Lerokis.

CORPORATE

Cash and Project Finance Facility

During the quarter, Finders 74.1% owned Indonesian subsidiary PT Batutua Tembaga Raya (BTR) made further repayments of US\$3.5 million on the Term Loan Facility and US\$3.1 million on the VAT Facility which is now fully repaid. The total amount drawn under the Senior Facilities Agreement as at the end of the quarter was US\$68.0 million.

Hedging

As at 30 September 2017, BTR had hedged 5,435 tonnes of copper under its discretionary hedging programme at an average price of \$6,607 per tonne. This is in addition to 10,728 tonnes hedged at an average price of \$4,796 per tonne under the mandatory hedging programme between October 2017 and March 2019.

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The book value of the hedges entered into by BTR as at 30 September 2017 is summarised in the following table (US\$ million):

| | |
|----------------|---------------|
| Copper hedging | (17.7) |
| Fuel hedging | (0.2) |
| Total | (17.9) |

As at 30 September 2017, Finders and BTR held cash of US\$2.7 million.

Corporate

On 6 October 2017, Finders received a letter from Eastern Field Developments Limited (EFDL), a special purpose vehicle jointly owned by Procap Partners Limited, PT Saratoga Investama Sedaya Tbk (IDX: SRTG) and PT Merdeka Copper Gold Tbk (IDX: MDKA) (together, "the Consortium"), stating the Consortium's intention to make an off-market takeover offer for all of the shares in Finders ("Offer"). The Offer is unsolicited.

On 23 October 2017, Finders received EFDL's Bidder's Statement in respect of the Offer. The Offer is at a price of 23 cents cash per Finders share, and is subject to a number of conditions.

The independent Finders directors will evaluate the Offer and EFDL's Bidder's Statement and provide Finders shareholders with a recommendation in due course. The independent Finders directors reiterate their recommendation that Finders shareholders **TAKE NO ACTION** in relation to the Offer at this stage.

Capital Structure

| Type of Security | Number on Issue | | |
|--|------------------|---------------|---------------|
| Fully Paid Ordinary Shares (“Shares”) - Quoted on ASX | | | |
| Shares on issue at 30 September 2017 – Quoted on ASX | | | 761,267,245 |
| Unlisted Employee Shares | | | No. of Shares |
| Employee shares issued under the Finders Employee Share Ownership Plan at issue prices of 19.00 cents to 21.00 cents funded by loans from the company | | | 600,000 |
| Vested and unvested Director’s incentive Shares issued at issue prices from 20.08 cents to 30.08 cents funded by loans from the company and subject to performance and time based vesting conditions | | | 10,500,000 |
| Unlisted Employee Shares on issue at 30 September2017 | | | 11,100,000 |
| Unlisted Options | Exercise Price | Expiry Date | No. |
| | A\$0.2556 | 22 Oct 2017 | 31,298,904 |
| Unlisted Options on issue at 30 September 2017 | | | 31,298,904 |
| Unlisted Converting Notes | Conversion Price | Maturity Date | No. of Shares |
| US\$5,500,000 | A\$0.427 | 16 Mar 2018 | 12,248,538 |

Barry Cahill

Managing Director

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Background Information on Finders

Finders is the operator of the Wetar Copper Project (74.1% interest) located on Wetar Island in eastern 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 giving annual production capacity of 28,000 tonnes copper cathode. To date, the plants have produced over 33,000 tonnes of copper cathode. The average sale price for all copper sold to date has been at a premium to the LME price.

The project currently has a total debt of US\$68.0 million repayable over the period 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 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.

Tenement/Mineral Permit Schedule

| IUP Decision No. | Type | Mineral | Expiry Date | Area (ha) | Term | Holder ¹ |
|---|------------------|----------------------|-------------|-----------|----------|---------------------|
| Wetar Copper Project¹ | | | | | | |
| 543 - 124 Tahun 2011 | IUP Exploitation | Copper | 09 Jun 2031 | 2,733 | 20 years | BKP |
| 540 – 317.a Tahun 2012 | IUP Exploitation | Sand, gravel & stone | 01 Nov 2017 | 80.55 | 5 years | BKP |
| 540 – 317.b Tahun 2012 | IUP Exploitation | Limestone | 01 Nov 2017 | 1,425 | 5 years | BKP |
| 540 – 28.b Tahun 2010 | IUP Exploitation | Barite | 01 Nov 2016 | 515 | 6 years | BBW |

- Finders’ interest in the Wetar Copper Project (74.1%) is held through Indonesian subsidiaries PT Batutua Tembaga Raya (“BTR”) and PT Batutua Kharisma Permai (“BKP”). BBW has merged with BKP and tenements previously held by BBW are in the process of being transferred to BKP.

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Wetar Copper Project Resources & Reserves

| 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 do not have demonstrated economic viability.

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.

Quarterly Activities Report September 2017

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.

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.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Finders Resources Limited

ABN

82 108 547 413

Quarter ended ("current quarter")

30 September 2017

| 1. Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| 1.1 Receipts from customers | 53,101 | 154,021 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | - |
| (b) development | (2,806) | (7,357) |
| (c) production | (32,193) | (84,145) |
| (d) staff costs | (3,912) | (12,499) |
| (e) administration and corporate costs | (712) | (1,973) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (1,755) | (5,812) |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | 11,723 | 42,235 |

| | | |
|---|-------|---------|
| Cash flows from investing activities | | |
| 1.10 Payments to acquire: | | |
| (a) property, plant and equipment | (610) | (2,250) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |

| 1. Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1.11 Proceeds from the disposal of: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |
| 1.13 Cash flows from loans to other entities | - | - |
| 1.14 Dividends received (see note 3) | - | - |
| 1.15 Other (provide details if material) | - | - |
| 1.16 Net cash from / (used in) investing activities | (610) | (2,250) |

| | | |
|--|----------|----------|
| Cash flows from financing activities | | |
| 1.17 Proceeds from issues of shares | - | - |
| 1.18 Proceeds from issue of convertible notes | - | - |
| 1.19 Proceeds from exercise of share options | - | - |
| 1.20 Transaction costs related to issues of shares, convertible notes or options | - | - |
| 1.21 Proceeds from borrowings | - | - |
| 1.22 Repayment of borrowings | (8,022) | (29,332) |
| 1.23 Transaction costs related to loans and borrowings | - | (1,031) |
| 1.24 Dividends paid | - | - |
| 1.25 Other (Net Hedge Payments) | (3,706) | (10,267) |
| 1.26 Net cash from / (used in) financing activities | (11,728) | (40,630) |

| | | |
|--|----------|----------|
| Net increase / (decrease) in cash and cash equivalents for the period | | |
| 1.27 Cash and cash equivalents at beginning of period | 4,476 | 4,879 |
| 1.28 Net cash from / (used in) operating activities (item 1.9 above) | 11,723 | 42,235 |
| 1.29 Net cash from / (used in) investing activities (item 2.6 above) | (610) | (2,250) |
| 1.30 Net cash from / (used in) financing activities (item 3.10 above) | (11,728) | (40,630) |
| 1.31 Effect of movement in exchange rates on cash held | (283) | (656) |
| 1.32 Cash and cash equivalents at end of period | 3,578 | 3,578 |

| 2. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 2.1 Bank balances | 3,578 | 4,476 |
| 2.2 Call deposits | - | - |
| 2.3 Bank overdrafts | - | - |
| 2.4 Other (provide details) | - | - |
| 2.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,578 | 4,476 |

| 3. Payments to directors of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 3.1 Aggregate amount of payments to these parties included in item 1.2 | 118 |
| 3.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 3.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

| 4. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 4.1 Aggregate amount of payments to these parties included in item 1.2 | - |
| 4.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 4.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

| 5. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|--|---|
| 5.1 Loan facilities* | 107,194 | 86,765 |
| 5.2 Credit standby arrangements | - | - |
| 5.3 Other (please specify) | - | - |

* Outstanding balance of the US\$162m Project Finance Facilities

| 6. | Estimated cash outflows for next quarter | \$A'000 |
|-----|--|---------------|
| 6.1 | Exploration and evaluation | - |
| 6.2 | Development | 150 |
| 6.3 | Production | 23,902 |
| 6.4 | Staff costs | 3,650 |
| 6.5 | Administration and corporate costs | 660 |
| 6.6 | Other (provide details if material) | |
| | Interest and other costs of finance paid | 1,583 |
| | Repayment of borrowings | 9,576 |
| | Net hedge payments | 5,896 |
| 6.7 | Total estimated cash outflows | 45,417 |

| 7. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|---------------------------------|--------------------|----------------------------------|----------------------------|
| 7.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | | | | |
| 7.2 | Interests in mining tenements and petroleum tenements acquired or increased | | | | |

8. Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|---|---------------|---|--|
| 8.1 Preference *securities (description) | | | | |
| 8.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 8.3 *Ordinary securities | 772,367,245 | 761,867,245 | | |
| 8.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | | |
| 8.5 *Convertible debt securities Converting Notes | US\$5,500,000 Converting Notes (unlisted) which will convert into 12,248,538 Shares in the Company on or before 16 March 2018 | | | |
| 8.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 8.7 Options (description and conversion factor) | 31,298,904 | Nil | Exercise price 25.56 cents | Expiry date 22.10.2017 |
| 8.8 Issued during quarter | | | | |
| 8.9 Exercised during quarter | | | | |
| 8.10 Expired during quarter | | | | |
| 8.11 Employee shares (included in Ordinary securities (item 7.3)) | | | | |
| Employee shares funded by loans from the company. Fully vested. | | | | |
| Vested and unvested directors shares funded by loans from the company and subject to performance and time-based vesting conditions | 10,500,000 | Nil | 20.08-30.08 cents | 07.11.2021 |
| 8.12 Debentures (totals only) | | | | |
| 8.13 Unsecured notes (totals only) | | | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


(Director/Company secretary)

Date 31 October 2017

Print name: Barry Cahill

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.