

finders
resources ltd

INVESTOR PRESENTATION

FEBRUARY 2018



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Exploration Targets:

References to Exploration Targets or Targets in this document are in accordance with guidelines of the JORC Code (2012). As such it is important to note that the reported targets are based on existing data, historical production and geology models. Any references to grade and quantity are conceptual in nature. Exploration carried out to date is insufficient to be able to estimate and report mineral resources in accordance with the JORC Code (2012). It is uncertain if further exploration will result in the determination of a Mineral Resource.

Summary – Investment Case

- Wetar Project is a 28,000 tpa copper cathode production capacity SX-EW operation
- Finders has a 74.1% economic interest in the Wetar Project which has a remaining project life of at least 6 years
- EBITDA of US\$72.2 million (unaudited) for the full year to 31 December 2017 for the Wetar Project
- Copper demand outlook is favourable. In Sept 2017, BHP said “2017 will be considered a tipping point for electric cars, boosting demand for commodities from copper to nickel. Copper will be the one commodity that will see an immediate impact in the next 15 years. An electric car uses 80kg of copper compared to 20kg for a petrol or diesel car.”
- The Independent Directors consider Eastern Field’s offer of A\$0.23 per Finders share (**Offer**) is inadequate and does not reflect the fair value of Finders shares. The Independent Expert has assessed the fair market value of a Finders share on a control basis to be in a range of **A\$0.31 to A\$0.35** per share. The Independent Expert’s valuation range demonstrates that the Offer price is clearly inadequate
- The Independent Directors consider the Offer is being made at an opportunistic point in time, prior to Finders shareholders being able to enjoy the returns from Finders investment to expand the Wetar Project. The Independent Directors believe that Finders is now well positioned to benefit from considerable free cash flows expected to be generated from the Wetar Project. The Independent Directors believe this will enable Finders to continue to rapidly repay bank debt and allocate funds for further exploration targeting increases to life of mining operations and, once bank debt has been fully repaid, pay dividends to shareholders
- Finders is one of the few companies purely providing exposure to copper production on the ASX

Finders Corporate Overview

CAPITAL STRUCTURE

Ordinary shares	772 million ¹
Performance rights	4.2 million ²
Mandatory Convertible Notes to shares	12.2 million ³
Share Price (31 January 2018)	A\$0.24
Market Capitalisation (31 January 2018)	A\$185 million ⁴
Net assets (30 June 2017)	A\$135.7 million

PROJECT FINANCIALS (BTR⁵)

**Finders 74.1%
economic interest**

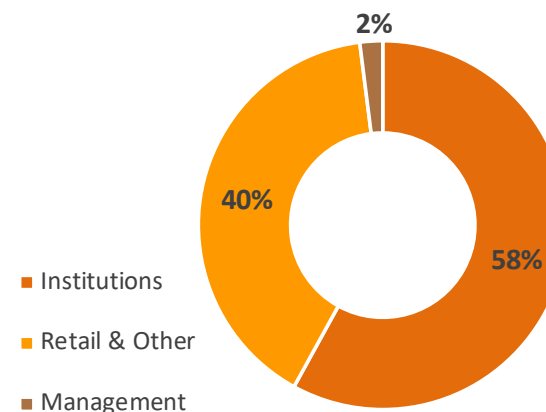
Debt Facility (31 December 2017)	US\$60.5 million
Cash (31 December 2017)	US\$10.6 million
Hedge (31 December 2017)	US\$(23.4) million

1. Includes 10,500,000 Finders Incentive Shares issued at prices from 20.08 cents to 30.08 cents funded by loans from Finders and subject to performance and time based vesting conditions
2. Performance Rights were issued on 15 November 2017 to certain members of Finders' management before announcement of the Offer. Finders has also agreed to issue a further 4,000,000 Performance Rights to Finders' Managing Director, however these have not yet been issued
3. Each with an aggregate face value of US\$100,000 converting into a total of 12,248,538 fully paid ordinary shares on or before 16 March 2018
4. Excludes Mandatory Convertible Notes
5. Finders Indonesian subsidiary, PT Batutua Tembaga Raya (BTR)

BOARD

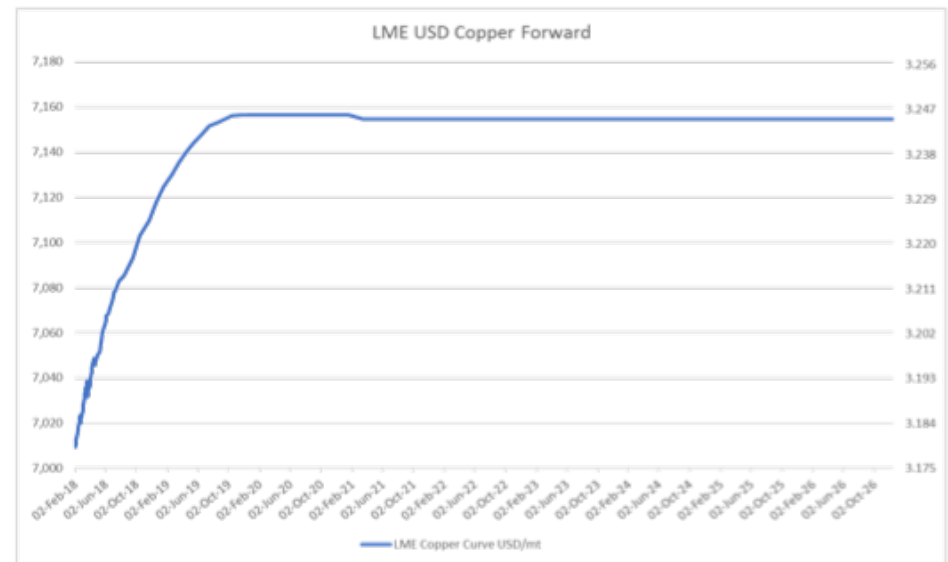
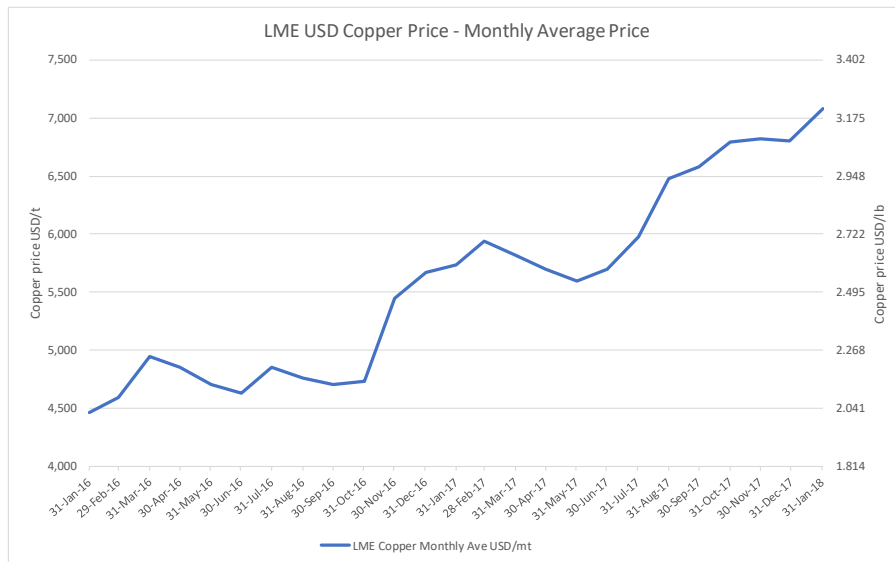
Gary Comb	Independent Chairman
Barry Cahill	Managing Director
Gordon Galt	Non-Executive Director (Taurus rep)
Gavin Caudle	Non-Executive Director (Provident rep)

REGISTER



Copper Market Fundamentals

- Supply from operating mines anticipated to decline – lower grades, depletion and disruption
- New supply from greenfield developments and brownfield expansions may not keep pace with demand
- Copper price has already increased by ~50% in the last 12 months
- The current copper forward curve suggests that the copper price environment will remain strong



Source: London Metal Exchange as at 2 February 2018, sourced without consent

Copper Market Fundamentals (cont.)

- Growing market for electric vehicles, and power storage and other clean energy technologies will drive future demand for copper
- The copper price is expected to benefit from the expected surge in demand



"Surging demand for metals like copper, nickel and cobalt for use in electric vehicles promises to overturn the balance of power between mining companies and their customers."

ROBERT FRIEDLAND, NOVEMBER 2017¹

"Vehicles with conventional internal combustion engines typically contain about 20 kilograms of copper. For electric vehicles the copper load is up to 80 kilograms (and increased quantities of cobalt, nickel, manganese)."

IVAN GLASENBERG, GLENORE, AUGUST 2017²

"Lithium gets a lot of the headlines, but the reality is the supply of lithium is nowhere near as constrained as copper or nickel."

TODD WARREN, COLONIAL FIRST STATE GLOBAL ASSET MANAGEMENT, NOVEMBER 2017³

"In the last few years we have seen the strong emergence of two drivers that have potential to lift this game even higher. These are electric vehicles and renewable energy ... and fortunately copper is ideally placed to benefit from the expected upsurge in demand from both."

DANNY MALCHUK, BHP MINERALS AMERICA, OCTOBER 2017⁴

1. www.bloomberg.com/news/articles/2017-11-30/-miner-s-revenge-is-coming-with-electric-cars-friedland-says
2. www.mining.com/glenore-turns-bigger-copper-zinc-price-bull/
3. www.theaustralian.com.au/business/mining-energy/colonials-warning-to-rio-tinto-over-lithium-investment/news-story/ea64b6486ca4c75c11543ab749d001d8
4. www.theaustralian.com.au/business/mining-energy/bhp-says-electric-cars-will-boost-copper-demand/news-story/14af796fc9d9203f7fc6ef17afd8a31

Wetar Project Summary



- Copper cathode production expanded in 2016 following commissioning of **25,000 tpa copper cathode** SX-EW plant
- Annual production capacity of **28,000 tpa copper cathode**
- Total debt facility paid down to **US\$60.5 million from US\$145 million at 30 June 2016**
- Finders' economic interest **~74.1%**
- Remaining Project life of **+6 years**
- Life of mine grade of **2.1% Cu and strip ratio of 0.7:1**
- Projected C1 cash cost of **US\$1.05/lb** for remaining LOM
- FY 2017 EBITDA result - **US\$72.2m** (unaudited)
- Several satellite targets identified to grow mine life

Maiden full year of production in 2017

MARCH

2017 Quarter

- Copper cathode produced: **6,125 tonnes**
- C1 cash cost: **US\$1.03/lb**
- Project EBITDA: **US\$21.9 million**

JUNE

2017 Quarter

- Copper cathode produced: **6,804 tonnes**
- C1 cash cost: **US\$1.02/lb**
- AISC cost: **US\$1.33/lb**
- Project EBITDA: **US\$22.5 million**

SEPTEMBER

2017 Quarter

- Copper cathode produced: **6,131 tonnes**
- C1 cash cost: **US\$1.15/lb**
- AISC cost: **US\$1.66/lb**
- Project EBITDA: **US\$21.0million**

DECEMBER

2017 Quarter

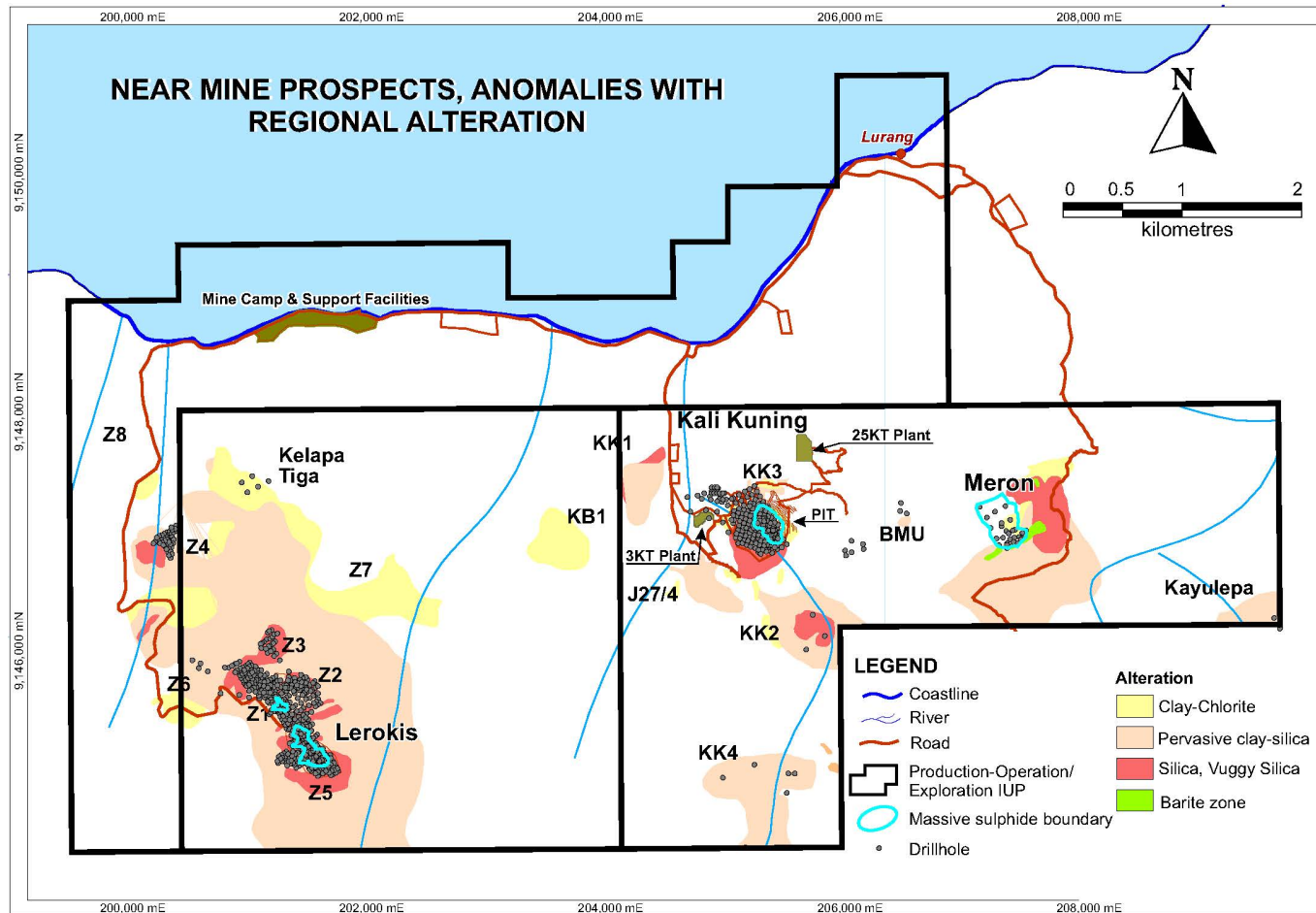
- Copper cathode produced: **4,100 tonnes**
- C1 cash cost: **US\$1.45/lb**
- AISC cost: **US\$2.53/lb**
- Project EBITDA: **US\$6.8 million**
- Production impacted by “crud run event”, crushing & stacking of rehandle material and a crusher breakdown

Wetar Heap Leach & SX-EW – Established Process

- Massive sulphide heap leach – clean ore and good percolation
- Leaching process generates heat and acid
- Irrigation/aeration controls temperature
- Heap construction parameters proven
- Leached solution to solvent extraction (SX)
- Electrowinning (EW) to produce copper cathode

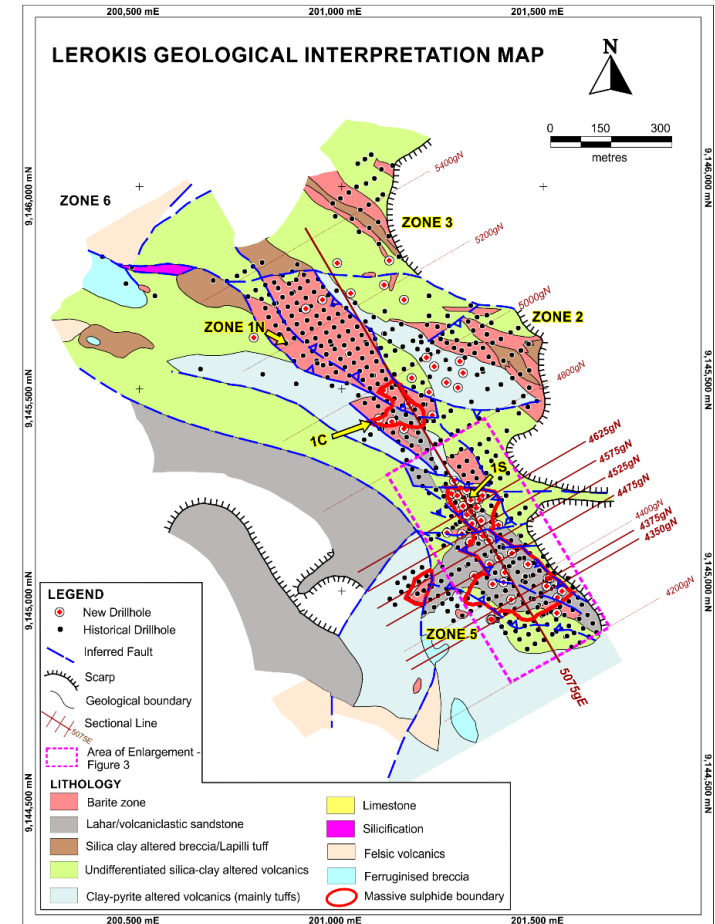


Near Mine Opportunities

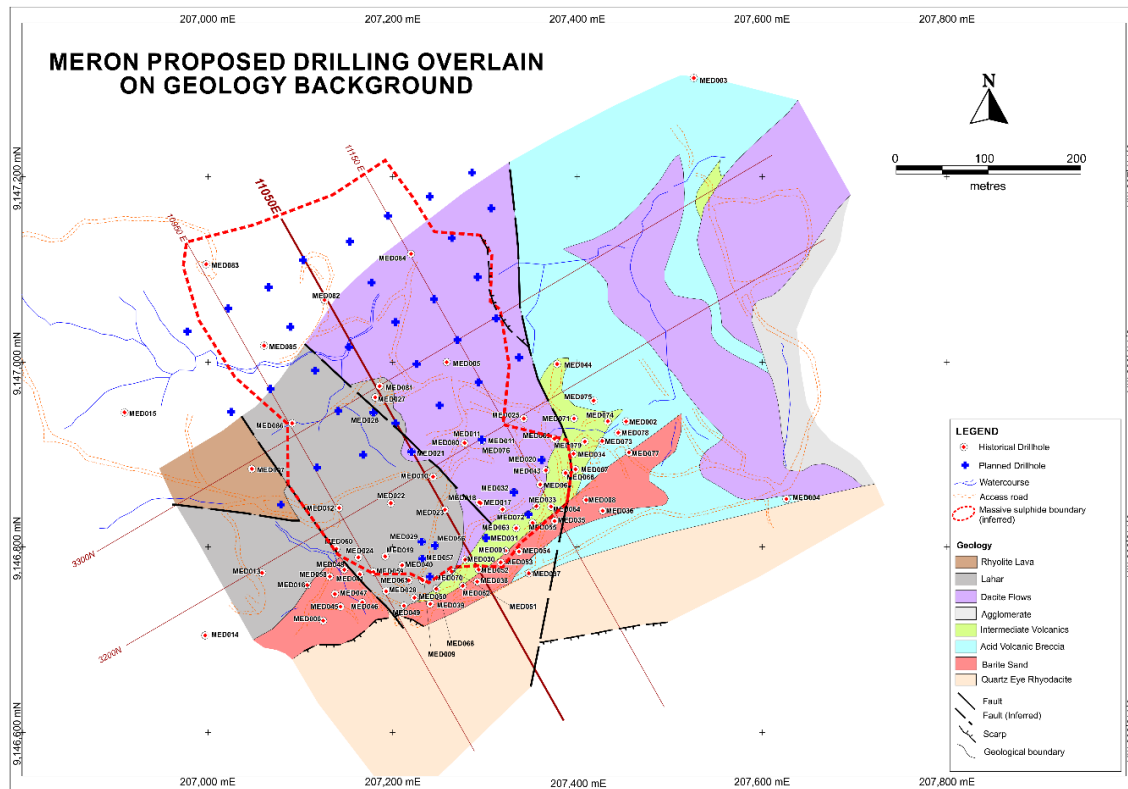


Lerokis Deposit - Next Ore Source

- Lerokis Ore Reserve located ~4km from leach pads
- Drill program recently completed for infrastructure, sterilisation and the addition of near mine resources
- Proved and Probable Reserve increased by 17,200 tonnes of contained copper to **2.7 million tonnes at 2.8% Cu** (76,000 tonnes of copper metal)
- Ore Reserve grade increased by 22% from 2.3% to **2.8% Cu**
- Exceptionally low Life of Mine waste to ore strip ratio of **0.97:1**
- Potential for improved recovery rates indicated by metallurgical testwork program currently in progress, which achieved a recovery rate of **88%** for one sample (compared to BFS recovery estimate of 66% and Ore Reserve recovery estimate of 62.9%)

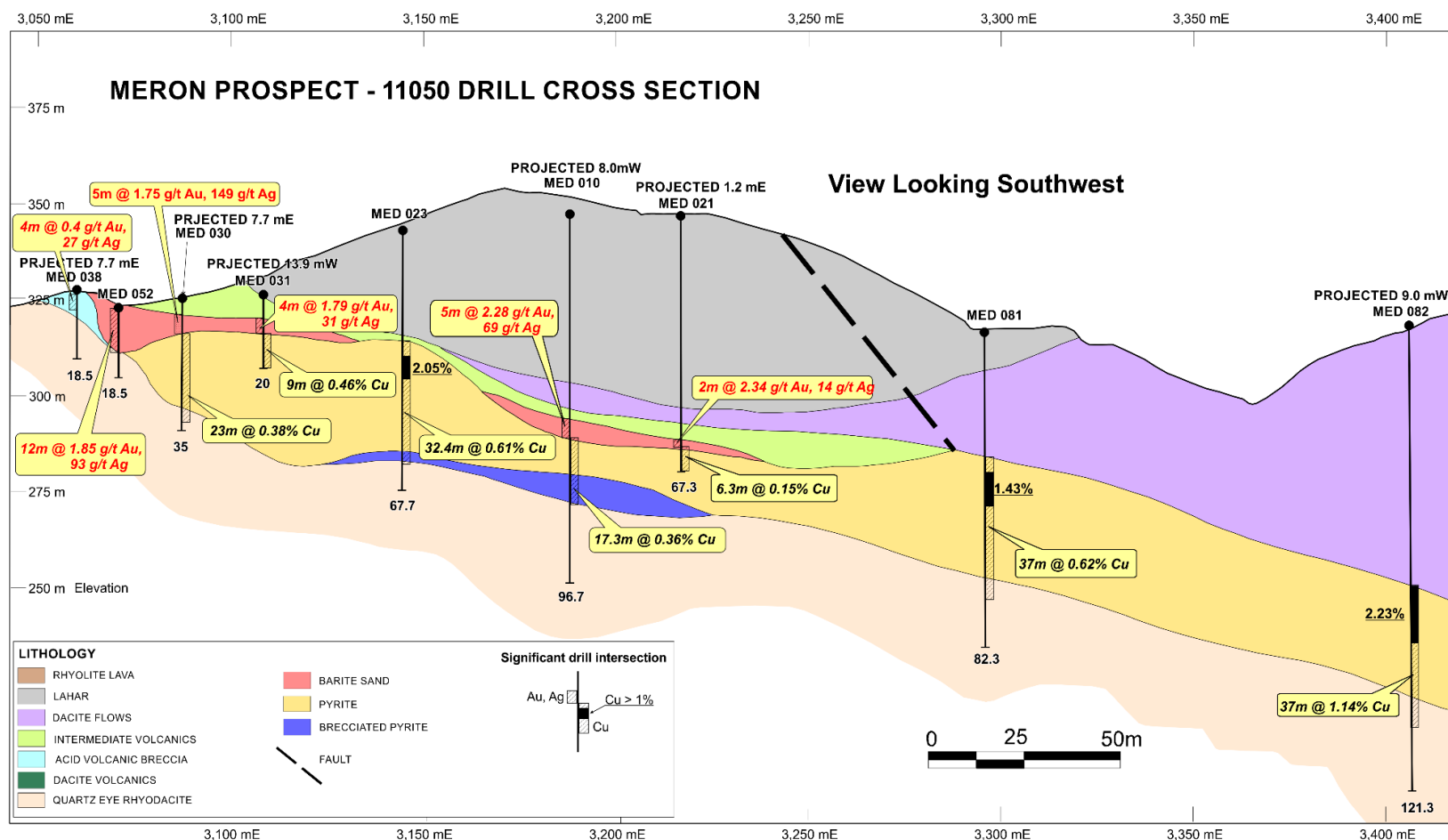


Meron Prospect - Exploration Upside



- Meron located ~1km from leach pads
- Shallow dipping massive sulphide body with variable copper enrichment concealed below volcanic rocks - open to north & west
- Hole MED082 intersected 37m at 1.14% Cu, 0.49g/t Au & 15g/t Ag
- Step out & infill resource definition drilling planned (42 holes for ~4,600m)
- +5Mt massive sulphide exploration target based on geophysical surveys (TEM), structural interpretation and historic drilling
- Finders has submitted a drilling proposal and is currently in negotiations with the local communities to obtain necessary access to commence drilling at Meron

Meron Prospect - Exploration Upside



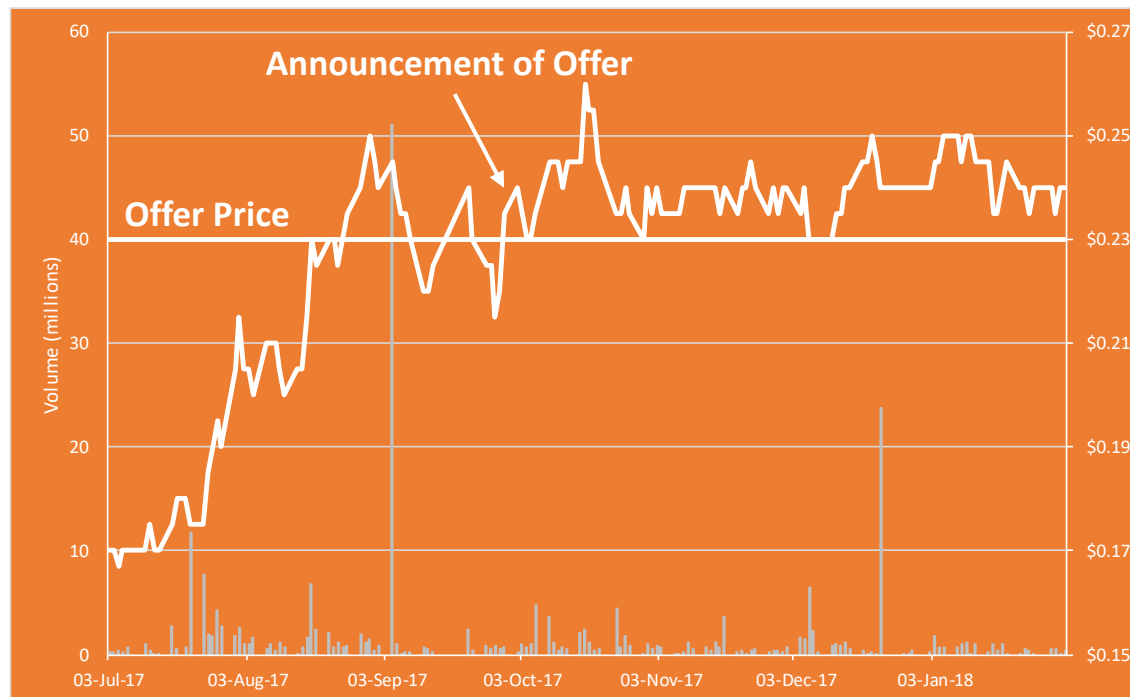
Finders' Competitive Advantage

- Producers of copper in concentrate generally receive final payment of the LME spot price after 3 months of delivery following deduction of treatment and refining charges
- Finders produces a high value finished product (99.99% Cu) and sells directly to customers
- Finders typically receives final payment at the LME spot price or at a premium within a month of delivery
- Finders is unaffected by Indonesian regulations restricting ore or concentrate exports
- Over 65% of the copper cathode shipped during 2017 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
- In an ongoing strong copper price environment, Finders is anticipating considerable free cash flows to be generated by the Wetar Project which Finders believes will enable rapid extinguishment of remaining bank debt, allowing cash to be applied to growth initiatives and payment of dividends to shareholders in the future once the bank debt has been repaid



Takeover Offer

- On 6 October 2017 Eastern Field Developments Limited (Eastern Field), 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) announced its intention to make an off-market takeover offer for all of the shares in Finders (the **Offer**)
- Eastern Field's replacement Bidder's Statement was lodged with ASX on 17 November 2017 and sent to Finders shareholders shortly after that
- The Offer is unsolicited
- The Offer price is A\$0.23 cash per Finders Share
- The Offer is subject to a number of conditions
- Finders Shares have consistently traded at or above the Offer price since the Offer was announced



FINDERS' TARGET'S STATEMENT

- Finders' Target's Statement was lodged with ASX and sent to Finders shareholders on 5 December 2017, and Supplementary Target's Statement lodged with ASX on 22 December 2017.
- Finders Independent Directors carefully considered the Offer and, for the reasons set out in the Target's Statement, consider that Eastern Field's Offer is **INADEQUATE** and recommend that shareholders **REJECT** Eastern Field's Offer for your Finders Shares:
 - The Offer does **NOT REFLECT FAIR VALUE**
 - The Independent Expert has concluded that the Offer is **NEITHER FAIR NOR REASONABLE**. The Independent Expert has assessed the fair market value on a control basis to be in a range of **A\$0.31 to A\$0.35** per share. The Independent Expert's valuation range demonstrates the Offer price is clearly inadequate
 - The timing of the Offer is **OPPORTUNISTIC**
 - Accepting the Offer may **DEPRIVE YOU OF** the opportunity to receive **GREATER VALUE** for your Finders Shares from an alternative proposal (should one emerge) or by selling on market
 - The Offer price does not fairly reflect the strong copper price environment
 - The Offer is conditional and not certain to proceed
- To **REJECT** the Offer you should simply **DO NOTHING**

Contact Us

BARRY CAHILL | Managing Director

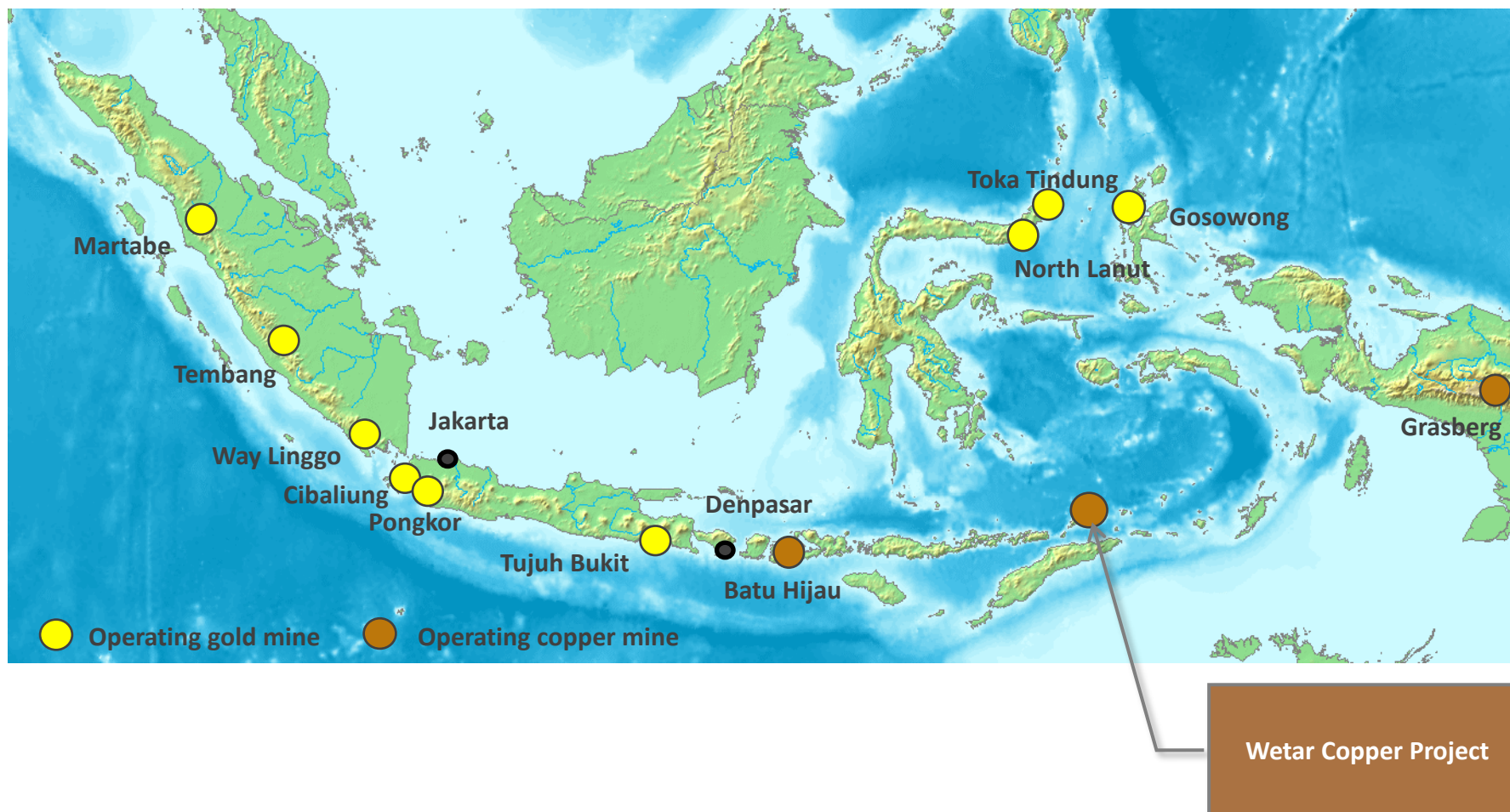
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Appendix - Wetar Project Location



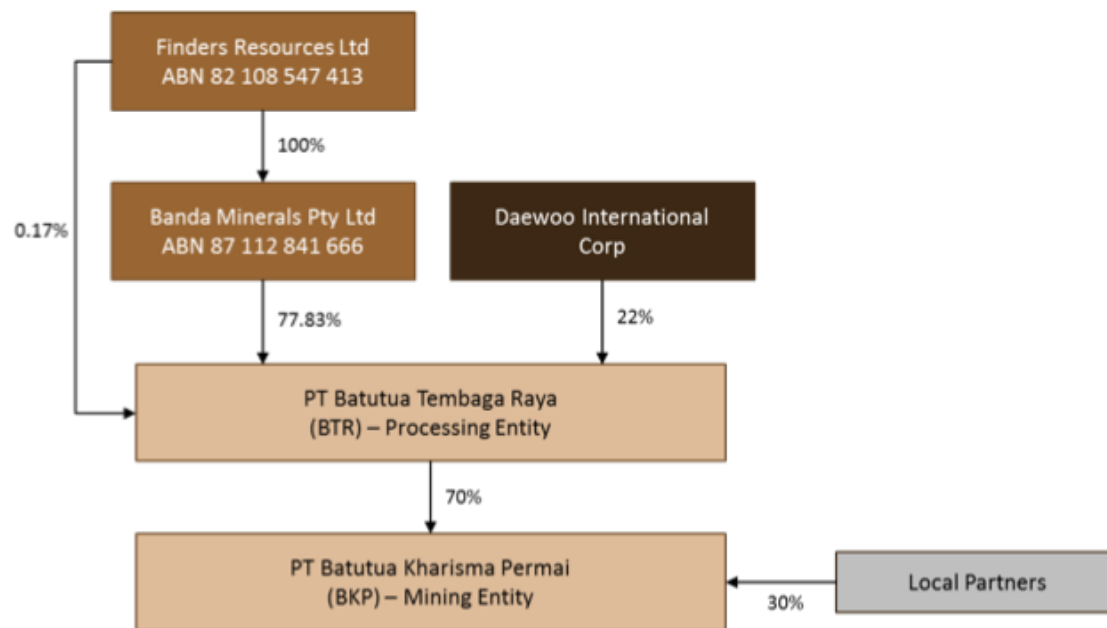
Appendix - Wetar Other opportunities



- Production of clean acid
- Gold and silver in barite sands. ~400,000 oz Au and 12,500,000 oz Ag previously recovered
- Gold and silver in massive sulphides
- Zinc and lead in massive sulphides
- Copper bearing sulphides in stockworks
- KK2 - KK4 (Karkopang) - isolated massive sulphide bodies adjacent to KKV infrastructure
- Baru Manu (BMU) - known barite/Au/Ag intercepts with anomalous copper and deeper TEM anomaly
- Kali Besar (KBI) - surficial base metal anomaly with no drilling
- Kelapa Tiga - surficial base metal anomaly with limited drilling

Appendix - Permitting and Approvals

- Finders has a 78.0% equity in Indonesian subsidiary, PT Batutua Tembaga Raya (“BTR”), in partnership with Daewoo. BTR in turn has an economic interest of 95% in the Wetar Copper Project
- BKP holds a 20 year exploitation permit (“IUP”) valid to 2031
- BTR holds a business license for processing and refining valid to 2031
- BTR holds a production stage forestry use permit (“Pinjam Pakai”) which allows the company to carry out development, mining and production activities until 2031



Appendix - Finance

SYNDICATE OF BANKS

- BNP Paribas
- Commonwealth Bank of Australia
- Hong Kong and Shanghai Banking Corporation
- Societe Generale

SENIOR LOAN FACILITIES

- US\$54.5 million term loan facility
- US\$6.0 million cost overrun facility
- Total of US\$60.5 million currently outstanding
- Debt Service Reserve Account balance at US\$9.0 million (reducing net debt to US\$51.5 million)
- 13,635 tonnes of copper hedged at an average price of US\$5,672 from February 2018 to March 2019

PROJECT LEVEL EQUITY

- Daewoo has 22.0% equity in Finders Indonesian subsidiary company BTR which has a 95% economic interest in Wetar
- Daewoo has marketing rights for 20% of copper cathode production
- Marketing partners secured for other 80% production



Appendix - Wetar Project Ore Reserves

Wetar Copper Project – Ore Reserve Estimate							
	Proved		Probable		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Kali Kuning Open Pit (COG 0.4% Cu) as at 1 December 2017							
Primary	1.9	2.6	0.3	2.8	2.2	2.7	58
Transition	0.1	1.3	0.1	1.2	0.1	1.3	1
Leached	0.01	0.6	0.002	0.8	0.01	0.6	0.0
Total	2.0	2.6	0.3	2.6	2.3	2.6	60
Waste					0.8		
Strip Ratio					0.3		
Lerokis Open Pit (COG 0.5% Cu) as at 1 December 2017							
SBX	0.05	0.8	0.03	0.9	0.1	0.9	1
MPY	1.1	1.5	0.01	0.7	1.1	1.5	16
PBX2	1.1	3.2	-	-	1.1	3.2	37
BKO	0.4	5.3	-	-	0.4	5.3	23
Total	2.7	2.8	0.04	0.9	2.7	2.8	76
Waste					2.6		
Strip Ratio					0.97		
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads) as at 1 December 2017							
Kali Kuning	4.3	1.4	-	-	4.3	1.4	60
Total	4.3	1.4	-	-	4.3	1.4	60

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.

Competent Persons Statement

MINERAL RESOURCE ESTIMATE

The information in this Presentation that relates to Mineral Resource estimation for the Kali Kuning and Lerokis deposits is based on historic and recent 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 this Presentation of the matters based on his information in the form and context in which it appears.

ORE RESERVE ESTIMATE

The information in this presentation 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 presentation 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 Adam Moroney 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 (#315559).

Both Mr Holthouse and Mr Moroney 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 Moroney consent to the inclusion in the presentation of the matters based on their reviewed information in the form and context in which it appears.

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.

METALLURGY

The information in this Presentation that relates to metallurgy and metallurgical test work and findings for the Lerokis Copper Deposit is based on information compiled and reviewed by Mr Adam Moroney 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 (#315559).

Mr Moroney 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 Moroney consents to the inclusion in this Presentation of the matters based on his information in the form and context in which it appears.