



For ASX Market Release: 31 July 2018

Quarterly Activities Report – June 2018

HIGHLIGHTS

Wetar Copper Project

- Leached copper in solution recovered to 5,586 tonnes in June quarter, up 21% from March quarter.
- Copper cathode production down 1.5% to 4,273 tonnes. High free acid levels impacting the efficiency of the SX circuit.
- 4,207 tonnes of copper sold at an average realized sale price of \$3.10/lb Cu.
- C1 cash cost of US\$1.42/lb and all in sustaining cost (AISC) cost of US\$2.08/lb.
- EBITDA of US\$9.9 million.
- A major slip occurred at the Kali Kuning pit requiring approximately 175,000 bcm of waste to be removed through to the September quarter.

Corporate

- June 2018 debt repayment of US\$8.5 million reduces total debt to US\$44.2 million.
- Total cash of US\$9.9 million as at 30 June 2018, including restricted cash of US\$9.0 million in the Debt Service Reserve Account.
- Copper hedges remaining at 30 June 2018 were 4,946 tonnes at an average price of US\$4,785 per tonnes.
- The takeover bid by EFDL remains open and has been extended until 13 August 2018. Acceptances for 96.77% comprising 763,264,671 shares have been received. Acceptances from Taurus for 87,339,525 shares equivalent to 11% of issued capital are in dispute.



Board of Directors

Mr Colin Moorhead

Non-Executive Chairman

Mr David Fowler

Executive Director & Acting CEO

Mr Gavin Caudle

Non-executive Director

Mr Gordon Galt

Non-executive Director

Mr Mark Sherman

Independent Non-executive Director

Mr Roderick Webster

Independent Non-executive Director

Perth Office:

25 Colin Street

West Perth WA 6005

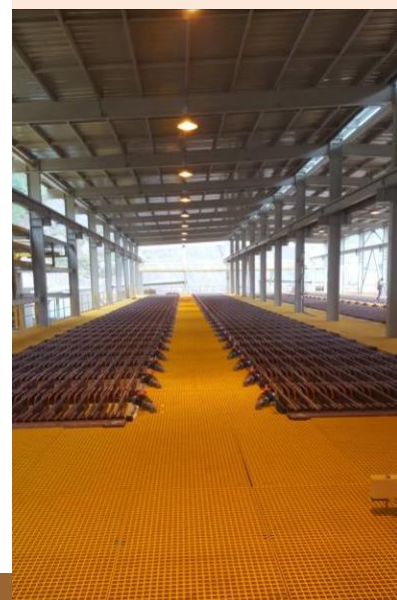
T: +61 8 6555 3996

F: +61 8 6555 3998

E: info@findersresources.com

ASX Code: FND

www.findersresources.com



Quarterly Activities Report June 2018

WETAR COPPER PROJECT (FINDERS 74.1%)

OH&S

The Lost Time Injury Frequency Rate (LTIFR) at the end of the June 2018 quarter was 1.08 versus 0.68 in the corresponding June 2017 quarter. There were no lost time injuries recorded during the quarter, and the Total Injury Frequency Rate (TRIFR) has reduced to 1.80 versus 4.76 in the corresponding June 2017 quarter.

Production

Heap leach and SX-EW plant production data for the Wetar Copper Project is summarised in the following table:

Table 1: Wetar Quarterly Copper Production¹

	Unit	September Quarter 2017	December Quarter 2017	March Quarter 2018	June Quarter 2018	Last 12 Months
MINING						
Ore mined	Tonnes	508,135	384,599	430,867	232,286	1,555,870
Waste mined	Bcm	149,133	32,449	31,285	34,963	247,830
Grade mined	% Cu	2.41	2.73	2.71	3.83	2.78
Contained copper	Cu tonnes	12,264	10,500	11,676	8,903	43,325
PRODUCTION						
Fresh ore crushed	Tonnes	526,330	367,764	378,296	247,536	1,519,926
Dump ore crushed	Tonnes	148,237	134,998	25,921	198,773	507,929
Total ore crushed	Tonnes	674,567	502,762	404,217	446,309	2,027,855
Grade	% Cu	2.31	2.65	2.77	2.07	2.05
Metal stacked	Cu tonnes	15,582	13,323	11,197	9,239	49,341
Copper stripped	Cu tonnes	6,131	4,100	4,339	4,273	18,843
Copper sold	Cu tonnes	6,886	3,818	4,501	4,207	19,412
Copper sale price	US\$/lb Cu	2.88	3.12	3.12	3.10	3.06

Note 1: There are minor variations to previously released figures due to adjustments in the calculation method.

Mining

During the quarter, ore supply from the Kali Kuning open pit totalled 232,386 tonnes at a grade of 2.67% copper. The lower ore supply versus previous quarters was due to prioritising the re-mining of the existing heap leach pads.

A major slip occurred on the north wall of the Kali Kuning pit (ASX announcement 18 June 2018). Remediation works removing approximately 175,000 bcm of waste have commenced and are expected to be completed during the September 2018 quarter. A re-design and re-schedule of the open pit will allow an uninterrupted ore supply to the crushers during the remediation phase.

Quarterly Activities Report June 2018

The Ore Reserve to actual ore mined reconciliation continues to remain positive. As at 30 June 2018 an additional 11% (497,723) more ore tonnes and 16% (16,638) more tonnes of copper metal have been extracted from the pit and placed on the heap leach pads compared to the Ore Reserve.



Figure 1 – Kali Kuning open pit with north wall slip remediation in action

Heap Leaching Operations

Approximately 247,536 tonnes of fresh ore was crushed and stacked during the quarter. An additional 198,773 tonnes of reclaimed dump leach material was also crushed and stacked.

Several of the original Gold Pit leach pads were rehandled to new locations to continue leaching as preparation for the Stage 6 cutback of the Kali Kuning western wall. This rehandled material totalled 127,714 tonnes.

Crushers 21 and 31 produced 11% more material versus the March 2018 quarter assisted by dryer weather conditions and better equipment availability through the quarter.

Copper metal leached totalled 5,586 tonnes, being 17% higher than the previous quarter and the best quarter since June 2017. The daily leaching rate for the quarter of 61 tonnes per day was also the highest since the June 2017 quarter.

Quarterly Activities Report June 2018

The re-mining of older pads has allowed for a new and expanded pad aeration system to be installed. Results-to-date indicate this has significantly improved the short-term performance of the heap pads releasing substantial amounts of additional copper metal into the solution inventory. The re-mining of older pads should be substantially completed during the September 2018 quarter. Thereafter fresh ore crushing will dominate the production schedule. Re-mining of the heap pads may become a routine part of future operations.

Construction commenced on the pad DP07 extension. Once completed the re-mining works and pad extensions will provide up to 500,000 tonnes of additional pad capacity over that originally provided in the site design.



Figure 2 – Leach pad KK06 being stacked with ROM Fresh Ore.

SX-EW Plant Production

Copper stripped was down marginally at 4,273 tonnes versus 4,339 tonnes in the March 2018 quarter.

While leaching performance improved significantly during the second quarter the high free acid concentration (above 40 g/l) in the Pregnant leach solutions (“PLS”) has reduced the efficiency of the SX organic reagent in extracting copper. This in turn reduces the amount of copper delivered to the EW cellhouse for plating and stripping while the copper inventory in solution increases.

The process designed incorporates a neutralising plant to control free acid levels. This plant has significantly underperformed its design criteria in terms of throughput since commercial production commenced resulting in the significant increase of acid in solution. Modifications to the filter press, rectification of other aspects of the circuit, and improved operating practices have contributed to the neutralisation plant exceeding design levels towards the end of the quarter.

Quarterly Activities Report June 2018

Several acid neutralisation initiatives have been trialled and implemented during the quarter. Increased daily neutralisation capacity and better plant availability resulted in a marginal improvement in copper plating later in the quarter. The ability to achieve improved stripping depends on reducing the acid levels (target of less than 20 g/l) or increasing the PLS copper grade at higher acid levels. Increases in neutralising capacity will be required for copper plating to return to name plate capacity. This is expected to occur over a 6 to 12 month period.

Costs

The C1 cash cost for the June 2018 quarter was US\$1.42 per pound of copper produced and the AISC cost was US\$2.08 per pound of copper produced. Costs for the Wetar Copper Project are summarised in Tables 2 & 3 below:

Table 2: Wetar Project – Cash Costs per tonne of Ore Crushed and Stacked

	Unit	Jun-18 Quarter	Full Year 2017	Unit	Jun-18 Quarter	Full Year 2017
Mining Costs	US\$ m	2.15	15.04	US\$ / lb	0.23	0.29
Processing Costs	US\$ m	9.65	33.77	US\$ / lb	1.02	0.66
Administration Costs	US\$ m	4.92	20.04	US\$ / lb	0.52	0.40
Inventory & WIP	US\$ m	(3.42)	(11.22)	US\$ / lb	(0.36)	(0.22)
Gross Operating Cost¹	US\$ m	13.30	57.62	US\$ / lb	1.42	1.14

Note 1: Administration costs include site costs and management fees

Table 3: Wetar Copper Project Quarterly Unit Costs

	Unit	Full Year 2017	Mar-18 Quarter	Jun-18 Quarter
Copper stripped	Cu tonnes	23,160	4,339	4,273
Copper sold	Cu tonnes	25,277	4,501	4,207
Copper sale price	US\$/lb Cu	2.76	3.12	3.10
C1 cash cost	US\$/lb Cu	1.14	1.28	1.42
Royalties	US\$/lb Cu	0.02	0.04	0.02
Marketing / sales costs	US\$/lb Cu	0.12	0.10	0.12
Sustaining capital	US\$/lb Cu	0.07	0.04	0.01
Hedging losses	US\$/lb Cu	0.26	0.34	0.43
Reclamation & other	US\$/lb Cu	0.05	0.16	0.16
AISC cost	US\$/lb Cu	1.66	1.96	2.08

Project EBITDA for the quarter was US\$9.9 million.

Quarterly Activities Report June 2018

Exploration and Project Development

Planning and design work continued for the development of the second mine at Lerokis during the quarter. Exploration programs are ready to commence at Partolang (formerly known as Meron), proximal to Lerokis and at a number of regional prospects within the IUP.

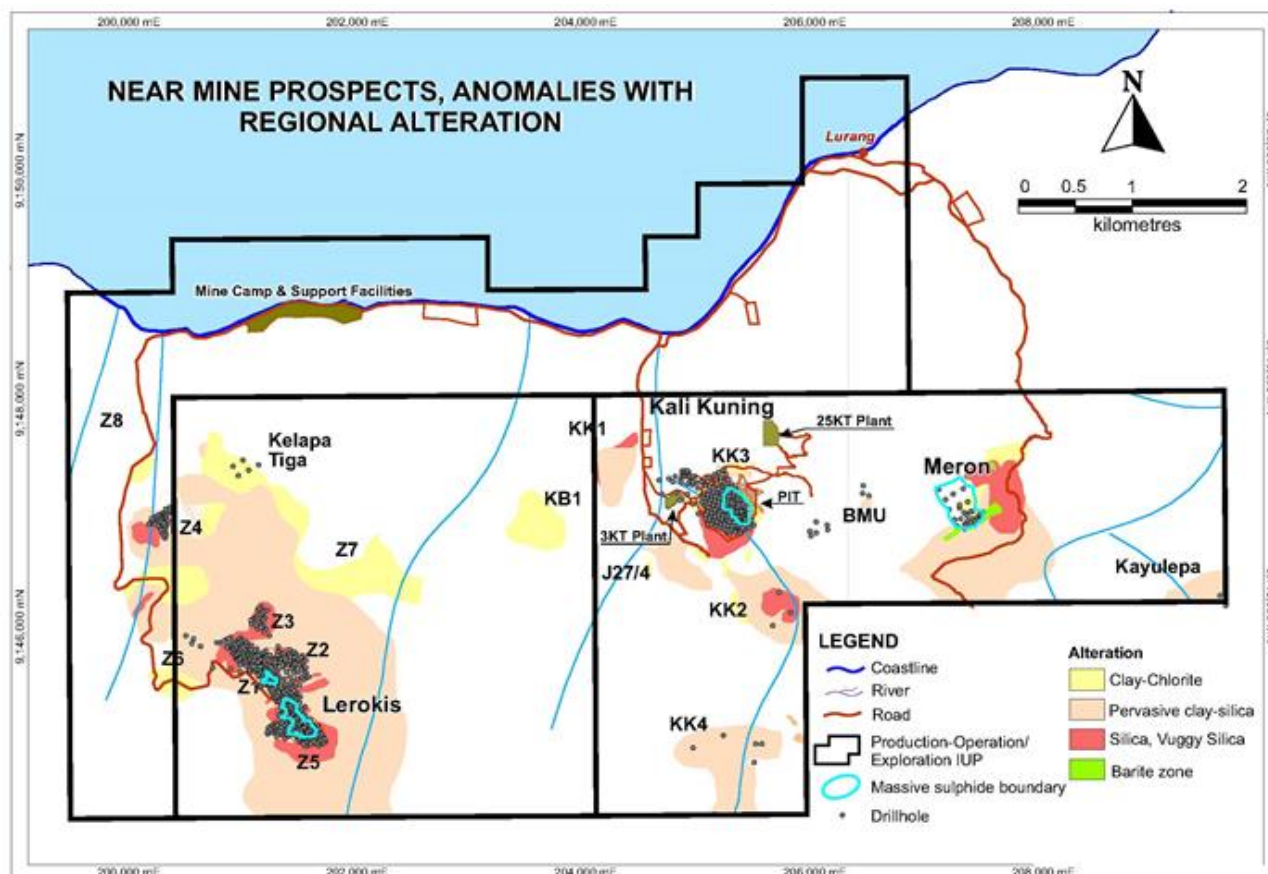


Figure 3 – The Company's IUP's identifying Kali Kuning, Lerokis and Partolang.

Lerokis Mine Development

Approval was received for a variation to the Lerokis haul road route following a meeting with regulators in the Maluku provincial capital of Ambon on 11 May 2018. This is a significant step forward for the company in preparing for the development of the Lerokis deposit. Production is scheduled to commence around mid-2019.

Feasibility work to construct the haul road and complete pre-mining works has now been completed. The route optimises the construction and haulage economics and the total cost is estimated to be US\$12 million. This is a significant increase from the previous US\$2 million cost estimate provided by the company in its Independent Experts Report issued 4 December 2017. This earlier estimate assumed that the haul road passed through the mine camp.



Figure 4– Original Lerokis haul road (pink) and the optimised route (green).

Partolang (formerly Meron) Exploration

Partolang is the new name assigned to the Meron prospect in line with the Wetar community's conventions. A 4,000-5,000m reverse circulation drill program is expected to commence in August 2018. The program will include mostly reverse circulation drilling to approximately 50 metres x 50 metres to ensure acceptable sample integrity.

A diamond drill program will also be undertaken between the Partolang and Kali Kuning deposits, to follow up on historic exploration results that may have potential to define small sulphide bodies beneath shallow cover.

Lerokis Exploration

Several exploration targets have been identified within the vicinity of Lerokis since the project started. A 500 metre diamond drilling program is scheduled to commence in August 2018 in this area. Access is difficult at several of the targets and a man-portable drill rig will be used for this program.

Generative Exploration

Final permits are being sought for airborne electromagnetic and magnetic surveys targeting the volcanogenic massive sulphide mineralisation. The survey area comprises 111km² (1,470-line kilometres) on the existing Wetar production IUP. This will be the first airborne geophysics program by the company.

Quarterly Activities Report June 2018

Community Development

The company has been actively engaged with its government and community stakeholders in a number of areas.

Consultation has been underway regarding the Lerokis haul road variation including submissions from local government, community representatives and non-government agencies. The final design has subsequently been approved and construction work is planned to commence before the end of the calendar year.

The company also received support from the local landowners and nearby village elders to re-commence exploration at Partolang after a long period of restricted access. The company and government representatives joined the local community for a traditional ceremony acknowledging the commencement of work. Around 40-50% of the Wetar copper project's employees are recruited from the local community.

The company will continue to actively work with its community stakeholders particularly as exploration work intensifies and the Lerokis development advances.

Environmental Management

No reportable incidents. All statutory reporting compliance in place.

CORPORATE

Management Changes

On 2 July 2018, subsequent to the June quarter, the company announce the appointment of Mr Peter Johnston as General Manager of the Wetar Copper Project and Mr George Lloyd as Chief Financial Officer.

Cash and Project Finance Facility

The scheduled quarterly Term Loan repayment under the Wetar Facility Agreement of US\$9.0 million was made, with gross debt reduced to US\$44.2 million. The Debt Service Reserve Account (DSRA) was reduced by US\$4.5 million to a total of US\$9.0 million on 29 June with the approval of the company's lenders. The net amount outstanding under the facility at 30 June 2018 was US\$35.2 million.

On 20 July 2018 the company also reached an agreement with its lenders to permanently cap the DSRA at US\$9.0 million. This corresponded with the provision of a US\$19.0 million loan facility by PT Merdeka Gold Tbk.

As at 30 June 2018, the Group held total cash of US\$10.0 million including the US\$9.0 million deposited in the DSRA.

Hedging

As at 30 June 2018, 4,946t of copper was hedged under the mandatory hedging program at an average price of US\$4,785 per tonne, with maturities between July 2018 and March 2019. The mark-to-market value of copper hedges as at 30 June 2018 was a liability of US\$9.2 million.

Takeover Offer

As at 23 July 2018, Eastern Field Developments Limited had received acceptances under the takeover offer for 96.77% of voting power in Finders comprising of 763,264,671 Finders shares. This amount includes acceptances for 87,339,525 shares managed by Taurus Funds Management Pty Ltd, being equal to 11.31% of the shares currently on issue. The legitimacy of the Taurus acceptances is being challenged by EFDL.

Quarterly Activities Report June 2018

Capital Structure

There were 788,765,783 fully paid ordinary shares on issue (all quoted) as at 30 June 2018.

Table 4: Major Shareholders as at 30 June 2018

Shareholders	No. of Shares	%
Eastern Fields Developments Limited	647,057,738	82.0
Bond Street Custodians Limited (Taurus Res Ltd Partner A)	68,009,731	8.6
Zero Nominees Pty Ltd	22,100,000	2.8
Bond Street Custodians Limited (Taurus Resources Tst A)	19,329,794	2.5
ICBC Standard Bank PLC	12,248,538	1.6
Mr Gary Ernst Comb	3,000,000	0.4
Bluedale Pty Ltd	1,566,667	0.2
Mr Barry John Cahill	1,200,000	0.2
BNP Paribas Nominees Pty Ltd	1,119,092	0.1
Citicorp Nominees Pty Limited	1,060,620	0.1
Total Top 10 Shareholders	776,692,180	98.5
Others	12,073,603	1.5
Total Shares on Issue as at 31 March 2018	788,765,783	100.0

FOR FURTHER INFORMATION PLEASE CONTACT:

Mr David Fowler
Executive Director & Acting CEO

25 Colin Street
West Perth WA 6005
T: +61 8 6555 3996

BACKGROUND INFORMATION ON FINDERS

Finders is the operator of the Wetar Copper Project (74.1% economic interest) located on Wetar Island in Maluku Barat Daya, Indonesia. The Wetar Copper Project comprises the development, open pit mining and processing of the high-grade sulphide deposits at Kali Kuning and Lerokis located within 3 kilometres of the coast on Wetar Island. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially exposed copper ore bodies from a prior gold mining era.

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

Quarterly Activities Report June 2018

APPENDIX 1 – TENEMENT / MINERAL PERMIT SCHEDULE

Table 4: Tenement/Mineral Permit Schedule as at 31 March 2018

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

1. 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.
2. The renewals for 317.a & 317.b are currently in progress, and an application for renewal for 28.b will be submitted shortly.

DISCLAIMER

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

No Representation, Warranty or Liability

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

Distribution Restrictions

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