finders resources ltd
ABN 82 108 547 413

**For ASX Market Release: 31 January 2019**

# Quarterly Activities Report – December 2018

## HIGHLIGHTS

### Production & Cost

- **4,000 tonnes of copper produced, down 10.3% on last quarter.**
- **4,228 tonnes of copper sold at an average price of US$2.43/lb.**
- **2nd major slip at the Kali Kuning pit of around 630,000 tonnes.**
- **US$1.48/lb C1 cash cost for the quarter.**

### Improvement Initiatives

- **Filter press for acid neutralization expected February 2019.**
- **H2-2018 initiatives set up H1-2019 for expected turnaround in leaching and plating based on the 3-6 month lag in leaching.**

### Exploration & Development

- **Lerokis haul road 1/3 complete with ore expected April 2019.**
- **Partolang drill results confirm existence of a mineralised sulphide body with impressive near-surface copper intersections including:**
  - **30.1m @ 2.81% Cu from 20m (PTD002);**
  - **36.1m @ 3.28% Cu from 14.5m (PTD003);**
  - **14.8m @ 3.66% Cu from 9.8m (PTD004); and**
  - **34.3m @ 1.72% Cu from 17.7m (PTD005).**

### Corporate

- **US$8.7 million EBITDA.**
- **US$7 million debt repayment made in December 2018.**
- **US$21.0 million total debt outstanding at 31 December 2018.**
- **US$10.1 million cash at 31 December 2018, including US$9.0 million in the Debt Service Reserve Account.**
- **1,747 tonnes of copper hedges at an average price of US$4,777 per tonne remaining at 31 December 2018.**



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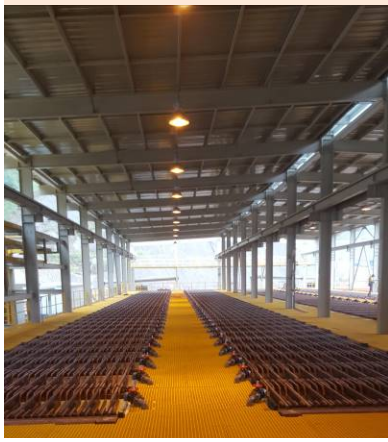


## WETAR COPPER PROJECT (FINDERS 74.1%)

### OH&S

The twelve-month rolling Lost Time Injury Frequency Rate (LTIFR) continued to decrease towards the end of the December 2018 quarter falling to 0.30 versus 0.73 in the corresponding December 2017 quarter. There were no lost time injuries recorded during the quarter and the Total Injury Frequency Rate (TRIFR) has reduced to 1.20, versus 3.34 in the corresponding December 2017 quarter.

### Production

Mining of ore decreased over the quarter as equipment was directed to waste removal following the Kali Kuning wall failure of 1 October 2018. This event requires the removal of around 630,000 tonnes of waste material and has temporarily buried circa 60,000 tonnes of ore. As a result, total copper metal mined decreased 21% over the previous quarter (12,821 versus 16,201 contained tonnes of copper). Stacking of fresh ore was impacted by low crusher availability over the month.

Several process improvement initiatives have been implemented over the last 6 months. The impact is expected to be realised in leaching and plating in the first half of 2019 following a 3-6 month leaching lag time.

Mining and processing production data for the Wetar Copper Project is summarised in the following table:

**Table 1: Wetar – Key Production Statistics**

| Wetar | Unit | Mar Quarter 2018 | Jun Quarter 2018 | Sep Quarter 2018 | Dec Quarter 2018 | Year to Date 2018 |
|---|---|---|---|---|---|---|
| | **Open Pit Mining** | | | | | |
| Ore Mined | Tonnes | 431,663 | 232,386 | 497,230 | 426,672 | 1,587,951 |
| Waste Mined | Tonnes | 65,699 | 73,422 | 559,381 | 710,170 | 1,408,672 |
| Mined Copper Grade | % CU | 2.69 | 2.87 | 3.26 | 3.00 | 2.98 |
| Contained Copper Metal | Tonnes | 11,591 | 6,659 | 16,201 | 12,821 | 47,272 |
| | **Heap Leach Production** | | | | | |
| Fresh Ore Crushed | Tonnes | 376,738 | 247,536 | 460,504 | 379,366 | 1,464,144 |
| Dump Ore Crushed | Tonnes | 25,921 | 198,773 | 26,769 | - | 251,463 |
| Total Ore Crushed | Tonnes | 402,659 | 446,310 | 487,273 | 379,366 | 1,715,607 |
| Copper Grade Stacked | % Cu | 2.77 | 2.07 | 3.09 | 3.08 | 2.58 |
| Recovered Copper | Tonnes | 4,339 | 4,273 | 4,459 | 4,000 | 17,071 |
| Recovered Copper | lbs | 9,566,503 | 9,419,492 | 9,830,601 | 8,819,446 | 37,636,042 |
| | **Cathode Sales** | | | | | |
| Copper Sold | Tonnes | 4,501 | 4,207 | 4,611 | 4,228 | 17,547 |
| **Copper sale price** | **US$/lb** | **3.12** | **3.10** | **2.82** | **2.43** | **3.01** |

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 426,672 tonnes at a grade of 3.0% copper. A major slip occurred on the north wall of the Kali Kuning pit (ASX announcement on 3 October 2018). Remediation works to remove approximately 300,000 bcm of waste were substantially completed over the quarter and are expected to be completed early in the first quarter of 2019. No injuries were sustained during this incident.

**Figure 1 – Kali Kuning pit as at late December with pit wall remediation works advancing.**

The Ore Reserve to actual ore mined reconciliation continues to remain positive. As at 31 December 2018, the project-to-date reconciled copper tonnes mined (grade control model) are 111% of ore reserve tonnes depleted (a positive variance of 625,003 tonnes of ore). The project-to-date reconciled copper metal mined also continues to show a positive variance, now at 123% of the reserve model (a positive variance of 28,603 tonnes of copper metal) driven by better than expected grades in the deeper part of the pit and additional ore tonnes identified at the margins. This trend is expected to continue until then end of mining at the Kali Kuning pit expected in Q3 2019.

## Heap Leaching Operations

Copper leached was affected negatively by several incidents over the quarter including irrigation disruptions, inclement weather and a scheduled plant shut down. Approximately 376,473 tonnes of fresh ore was crushed and stacked during the quarter, placing 11,595 tonnes of copper on the heap pads. Copper metal leached totalled 3,947 tonnes.

Leach pad extension activities continued at KK01 and KK06 with the final trim completed and installation of the geotextile and HDPE liner advanced. Liner installation is planned to be finished in the 2nd week of January 2019.

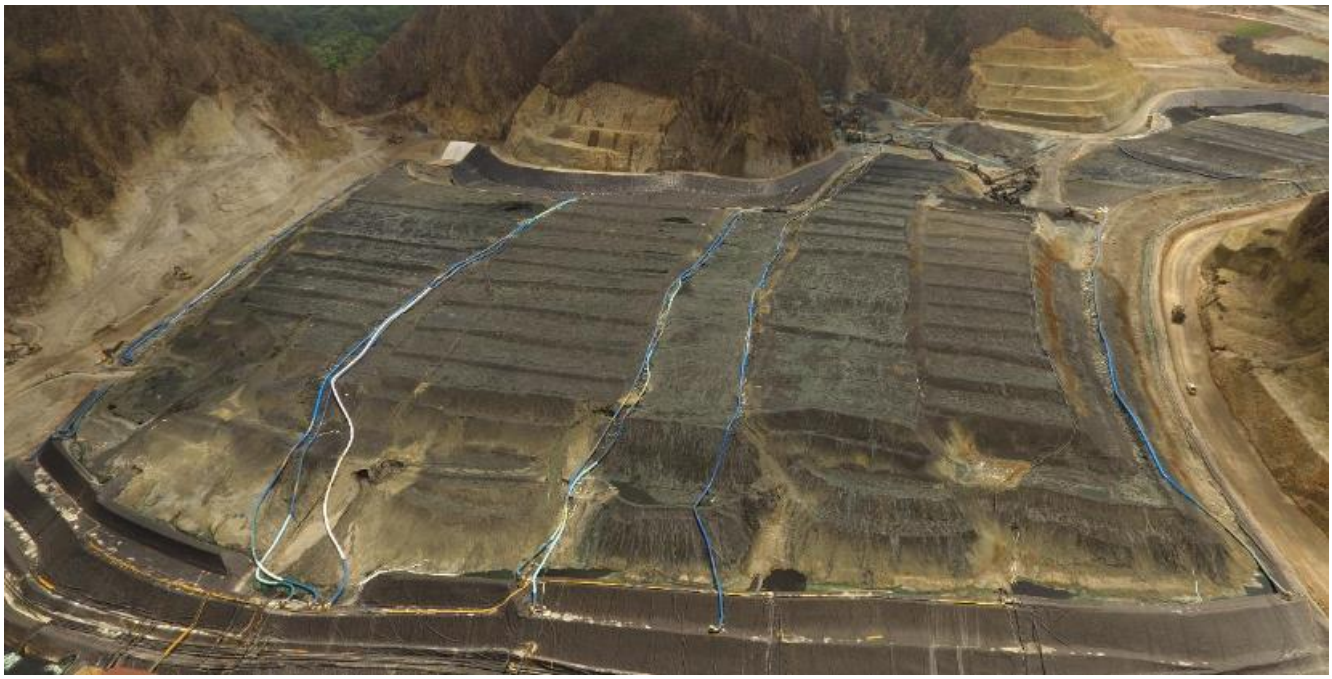


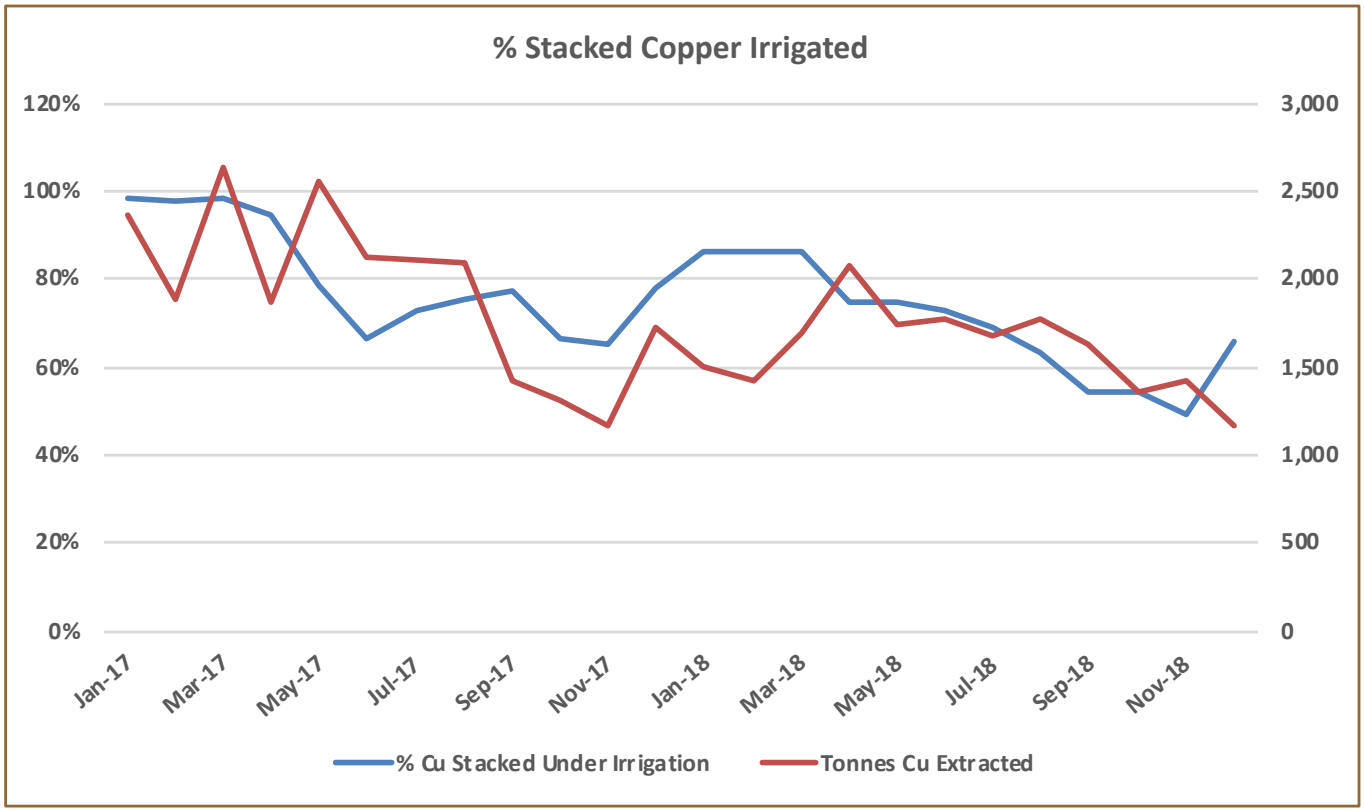
Figure 2 – Kali Kuning Valley leach pads.

Figure 3 – Kali Kuning Valley leach pad KK06 extension progress.

Total copper leached over 2018 was 19,236 tonnes versus budget of 30,622 tonnes. The metallurgy team undertook a comprehensive review over the year identifying and implementing a number of performance initiatives including:

- enhancing the aeration capacity and reducing the spacing between aeration pipes during the remining;
- maintaining high permeability by avoiding blinding by fines and precipitates; and
- maximising the area under irrigation to maintain leaching continuity and pad production.

The percent of total stacked copper under irrigation has been identified as a key factor impacting the tonnes of copper extracted each period as shown in Chart 1. The area under irrigation has declined over 2018 coinciding the remining activity. Additional pad space is currently being prepared as shown in Figure 3 with plans to continue expanding pad space over 2019. The operation is targeting 85% of copper stacked under irrigation for 2019.




## SX-EW Plant Production

Copper stripped was 4,000 tonnes over the quarter versus 4,459 tonnes in the September quarter. This is the lowest quarterly production year to date. Copper stripped for the whole 2018 was 17,071 tonnes. The key constraint to increasing copper production continues to be the level of free acid, which impacts SX plant extraction efficiencies. The free acid level in the PLS solution was high, ranging between 45g/l to 50g/l and SX plant efficiencies were around 47% to 51%. Improvements are being realised through optimising neutralisation operations and managing the leaching circuit solution based on both copper and free acid grades.

The neutralising plant upgrade is progressing with the filter press in transit at the time of writing and installation is expected to commence in February 2019. The existing neutralisation plant performance has improved from an average 70t/d acid neutralized and 12 filtration cycles/day in January to average 147 t/d acid neutralized and 23 filtration cycles/day in November.

Intensive housekeeping continues at the 25KT electrowinning plant improving the current efficiency in both cellhouses. An anode replacement program commenced in December and an acid mist suppression system was also fully implemented.

## Costs

Cash cost for the December 2018 quarter was US$1.23 per pound of copper produced and the AISC cost was US$1.48 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 | Mar 2018 | Jun 2018 | Sep 2018 | Dec 2018 | Unit | Mar 2018 | Jun 2018 | Sep 2018 | Dec 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| Mining costs | US$m | 2.87 | 2.15 | 3.29 | 3.60 | $/t | 6.65 | 9.25 | 6.62 | 8.43 |
| Processing costs | US$m | 8.83 | 9.65 | 10.25 | 10.73 | $/t | 20.46 | 41.53 | 20.61 | 25.14 |
| G&A costs | US$m | 4.99 | 4.92 | 4.73 | 5.13 | $/t | 11.55 | 21.17 | 9.51 | 12.03 |
| Inventory | US$m | 4.68 | (0.19) | 1.86 | 8.65 | $/t | 10.85 | (0.80) | 3.73 | 20.26 |
| **Operating Cash Costs** | **US$m** | **12.00** | **16.91** | **16.41** | **10.81** | **$/t** | **27.81** | **72.75** | **33.01** | **25.33** |

Mining costs increased for the quarter due to removal of additional waste from the pit wall slip. Processing cost increases over the September and December quarters have mainly been driven by high reagent usage due to the high free acid concentration and higher crusher costs with increased in crushing and stacking.

**Table 3: Wetar Copper Project Quarterly Unit Costs**

| Wetar | Unit | Mar 2018 | Jun 2018 | Sep 2018 | Dec 2018 | Unit | Mar 2018 | Jun 2018 | Sep 2018 | Dec 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| Mining costs | US$m | 2.87 | 2.15 | 3.29 | 3.60 | $/lb | 0.30 | 0.23 | 0.33 | 0.41 |
| Processing costs | US$m | 8.83 | 9.65 | 10.25 | 10.73 | $/lb | 0.92 | 1.02 | 1.04 | 1.22 |
| G&A costs | US$m | 4.99 | 4.92 | 4.73 | 5.13 | $/lb | 0.52 | 0.52 | 0.48 | 0.58 |
| Inventory | US$m | 4.68 | (0.19) | 1.86 | 8.65 | $/lb | 0.49 | (0.02) | 0.19 | 0.98 |
| **Cash Costs** | **US$m** | **12.00** | **16.91** | **16.41** | **10.81** | $/lb | **1.25** | **1.79** | **1.67** | **1.23** |
| Royalties | US$m | 0.39 | 0.21 | 0.47 | 0.38 | $/lb | 0.04 | 0.02 | 0.05 | 0.04 |
| Marketing & sales | US$m | 0.99 | 1.09 | 0.85 | 1.19 | $/lb | 0.10 | 0.12 | 0.09 | 0.14 |
| Capital works | US$m | 0.38 | 0.09 | 0.29 | 0.18 | $/lb | 0.04 | 0.01 | 0.03 | 0.02 |
| Reclamation | US$m | 0.29 | 0.26 | 0.18 | (0.13) | $/lb | 0.03 | 0.03 | 0.02 | (0.01) |
| Corporate costs | US$m | 0.52 | 0.38 | 0.51 | 0.63 | $/lb | 0.05 | 0.04 | 0.05 | 0.07 |
| **AISC** | **US$m** | **14.57** | **18.94** | **18.71** | **12.88** | **$/lb** | **1.52** | **2.01** | **1.90** | **1.48** |

Note 1: Corporate costs include management fees

Project EBITDA for the quarter was US$8.7 million.

## PROJECT DEVELOPMENT

The Lerokis development works continued over the quarter. Lerokis is the second deposit to be mined at the Wetar Copper Project. The copper mineralisation is similar to Kali Kuning occuring within a coherent massive sulphide unit, with a lesser amount of generally lower grade material occurring within the intensely altered footwall and lateral extensions of the massive sulphides. The Lerokis deposit also has a significantly higher zinc content (average 1.05% Zn as sphalerite), compared to Kali Kuning (average 0.24% Zn as sphalerite).

The company released a mineral resource and reserve upgrade for Lerokis on 22 October 20181. The Lerokis reserves comprise 2.71 million tonnes of ore at a grade of 2.81% Cu for total contained copper of 76 thousand tonnes. Open cut mining is scheduled to commence in April 2019 following the construction of a 14-kilometre haul road at a cost of around US$12.0 million plus the installation of a fixed crushing facility.

The mobilisation of manpower and heavy equipment commenced over the quarter. The key activities to date have included land clearing and grubbing along the haul road route, cut and fill of the haul road, sediment ponds installation and the crushing of rock. The development is around 1/3 complete as at 31 December 2018.

**Figure 4 – Photo showing progress at the new Lerokis Crushing Facility**

[1] http://findersresources.com/wp-content/uploads/2018/10/Confirmation-of-Release-Mineral-Resource-Ore-Reserve-Update.pdf

## EXPLORATION UPDATE

Drilling commenced at Partolang (formerly known as Meron) during the quarter targeting "buried" sulphides with copper mineralisation intersected in historic drilling. These targets are also associated with geophysical electromagnetic anomalies. Based on initial drilling results the Partolang program was expanded to the south by an additional 16 shallow holes targeting barite and 14 infill sulphide holes to better define the sulphides intersected. To date the Partolang drill results have been encouraging and an initial resource estimate is planned for the first quarter of 2019.

Scout drilling was also undertaken at Barumanu on another electromagnetic anomaly. Three holes were also added at Barumanu, outside of the electromagnetic target to "sterilise" an area for extension of the Kali Kuning waste storage facility.

In total, 77 drill holes have been completed to date for 6,765m, comprising of 57 reverse circulation (RC) drill holes, including a diamond tail, and 20 diamond drill holes. Assay results have been received for 21 of the completed holes.

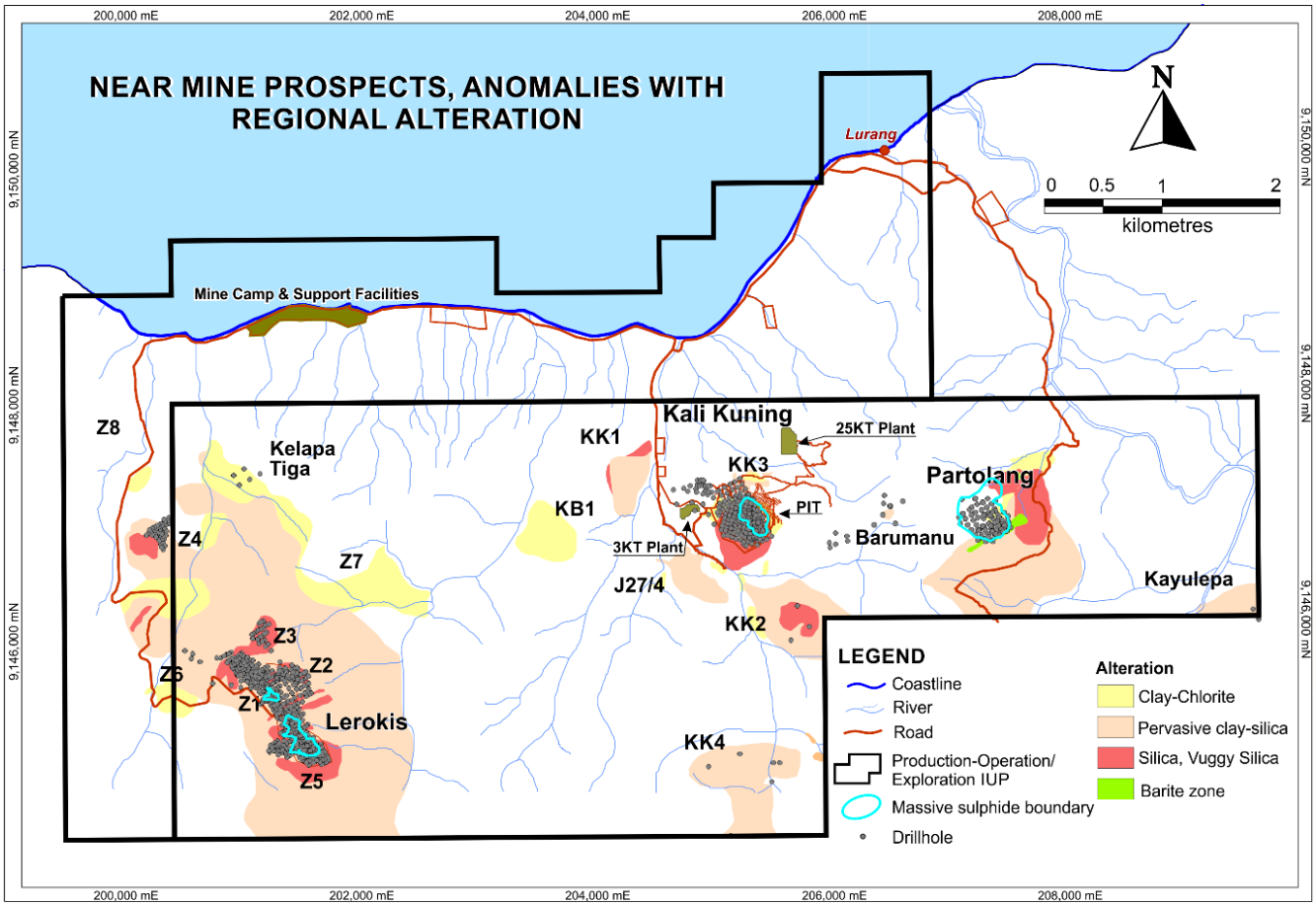



**Figure 5 – Plan of Wetar Copper Project showing location of Partolang and Barumanu prospects**

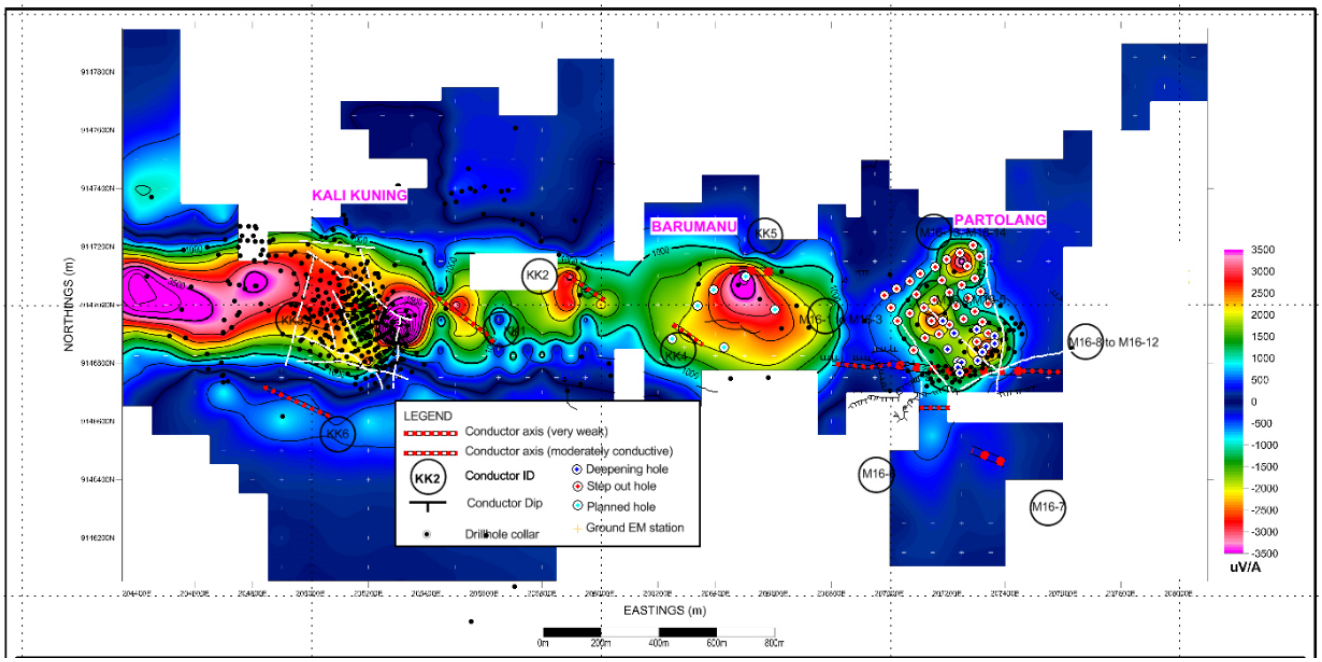



**Figure 6 – Kali Kuning to Partolang region EM image showing target with planned holes shown for Barumanu and Partolang**

## Partolang Exploration

In total 71 drill holes were completed for 6,049m, comprising of 52 reverse circulation holes including 1 diamond tail (PTR001-052) and 19 diamond holes (PTD001-019) for 4,347m and 1,702m respectively. Except for 1 hole, all were vertical. Drill details are provided in Appendix 2 and hole locations are shown in Figure 7.

Initial step-out drilling was completed across the known electromagnetic conductor on a nominal 50m x 50m grid pattern with subsequent infill to a 50m x 25m pattern in the south to further delineate sulphide and barite zones intersected from the initial work. Due to deeper cover sequences, some of the planned step-out RC holes in the north were completed with diamond and others were deferred until results are available from nearby holes. Some of the RC holes were also re-drilled after the holes collapsed, and two were twinned with diamond.

Massive sulphides (dominated by pyrite) have been intersected in most of the step-out holes targeting the electromagnetic conductor, including the most northern hole completed to date (PTD008). However, not all sulphide is expected to be mineralised based on logging observations and available assays. The drilling has outlined a single massive sulphide body, which is 250m wide and has been traced along strike in a northerly direction for 350-400m. The average drilled thickness is 25m, but this varies considerably, from 1m (in PTR029) along the eastern margin to 12m (in PTR033) along the western margin. Along the northern margin the sulphide is 32.5m thick (in PTD008), and in the central portion it reaches up to 60m (in PTR050).

Where sulphides have been intersected, these are dominated by massive pyrite, with lesser amounts of brecciated pyrite and minor black ore identified to date. These are similar to units being mined at Kali Kuning. Examples from the core are provided in Figure 8.

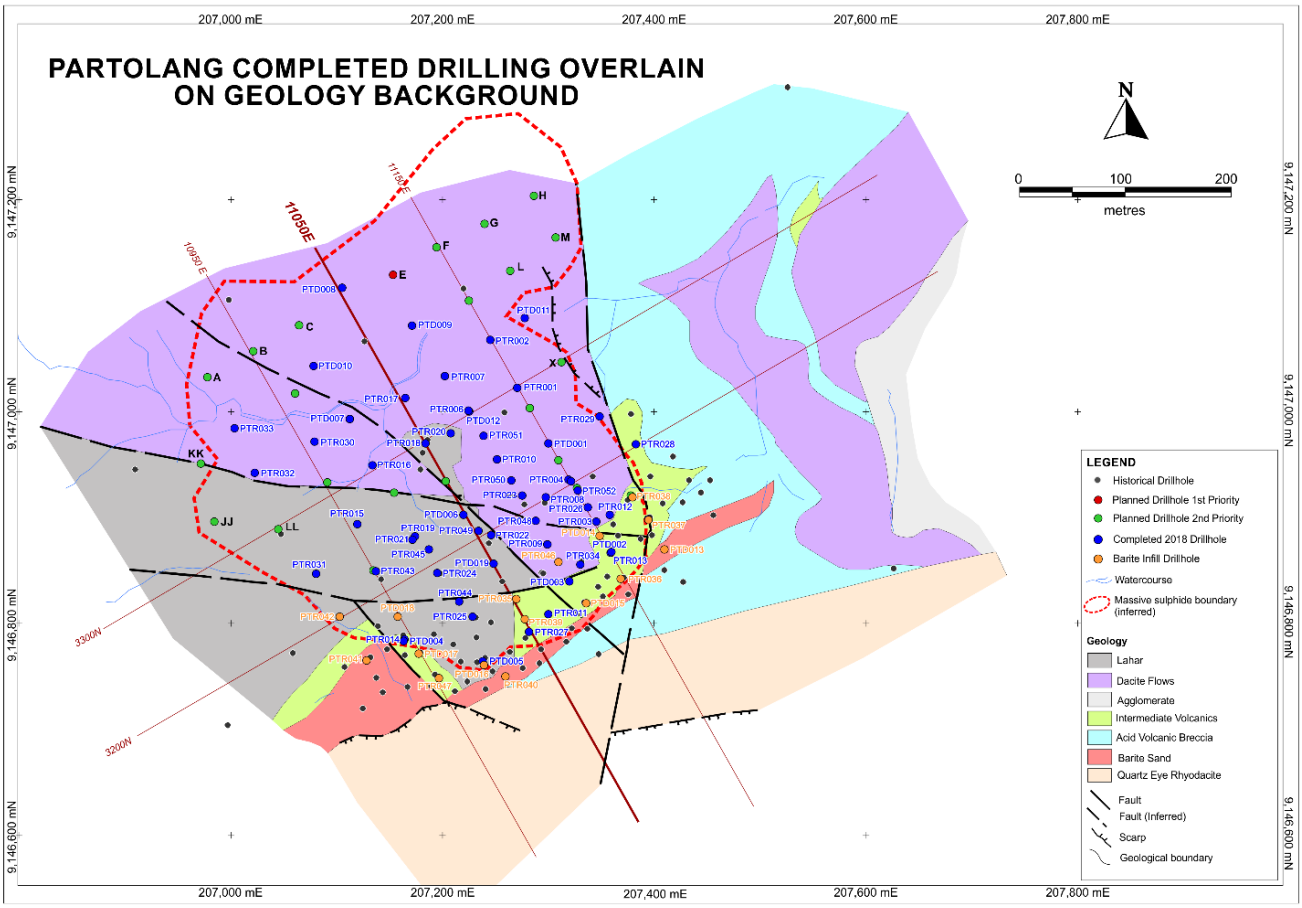



Figure 7 – Plan of Partolang showing drilling overlain on geology

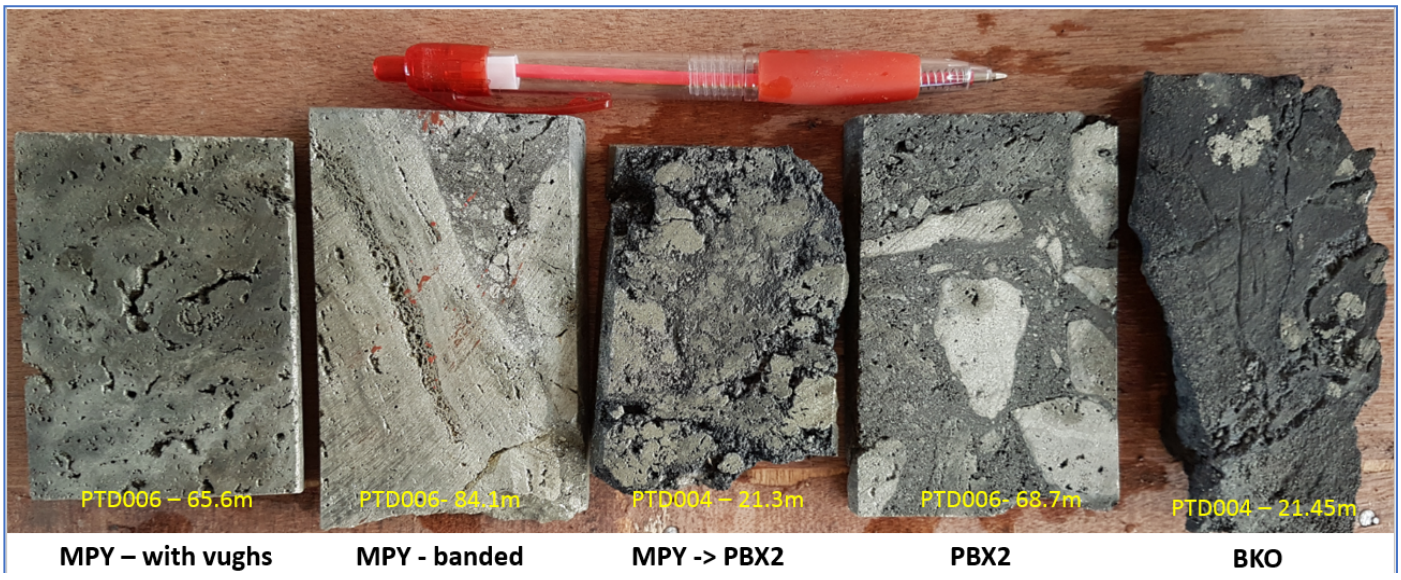



Figure 8 – Main Sulphide Units Intersected at Partolang

Final assay results have only been received for 8 of the diamond holes (PTD001-008) and 15 of the RC holes (PTR001-008, 010-011,013-016, 018). A complete listing of significant assay results is provided in Appendix 2.

To date, the highest copper and some of the gold results have been intersected in the south, from PTD002-005 and PTR013-014 (refer Table 4). Based on visual core analysis, the copper minerals are comprised mainly of chalcocite and covellite with lesser amounts of chalcopyrite. The sulphide body is relatively shallow in this area and is overlain by significant gold and silver mineralisation, associated with barite and/or gold bearing "ferruginous" material.

The top parts of PTD002-006 twinned historic diamond drilling to verify results and RC holes PTR013 and PTR014 partly twinned new diamond drill holes PTD002 and PTD004 respectively for comparison.

Where results are available from the historic drilling, in the barite, and in the top of the sulphide, there is good correlation on intercept widths and, to a lesser extent, grade between the previous NQ drilling, the current HQ drilling and the 5 ½-inch RC. Where assay data is available between the new RC and diamond drilling over similar depth intervals, there is generally good correlation on intercept widths, and to a lesser extent grade.

**Table 4: Selected Assay Intersections from Partolang**

| Hole_ID | From (m) | To (m) | Interval (m) | Cu % | Au (ppm) | Ag (ppm) | Zn % | Pb % |
|---|---|---|---|---|---|---|---|---|
| PTD002 | 14.8 | 19.0 | 4.2 | - | 2.90 | 171.9 | - | - |
| Incl: | 19.0 | 49.1 | 30.1 | 2.81 | 0.50 | 14.6 | 0.24 | 0.02 |
| | 21.0 | 33.0 | 12.0 | 3.47 | 0.70 | 21.3 | 0.37 | 0.03 |
| PTD003 | 6.3 | 14.5 | 8.2 | - | 4.56 | 267.4 | - | - |
| Incl: | 14.5 | 50.6 | 36.1 | 3.28 | 0.39 | 17.2 | 0.25 | 0.06 |
| | 26.5 | 36.6 | 10.1 | 6.59 | 0.44 | 23.3 | 0.39 | 0.08 |
| PTD004 | 7.8 | 9.8 | 2.0 | 0.08 | 2.36 | 87.0 | 0.06 | 0.02 |
| Incl: | 9.8 | 24.6 | 14.8 | 3.66 | 0.56 | 11.0 | 0.17 | 0.17 |
| | 17.5 | 22.5 | 5.0 | 7.27 | 0.42 | 14.4 | 0.10 | 0.29 |
| PTD005 | 17.7 | 52.0 | 34.3 | 1.72 | 0.56 | 11.0 | 0.19 | 0.06 |
| Incl: | 19.7 | 23.7 | 4.0 | 5.22 | 0.87 | 23.0 | 0.30 | 0.10 |
| | 35.7 | 38.7 | 3.0 | 3.20 | 0.66 | 18.0 | 0.23 | 0.05 |
| PTR013 | 15.0 | 19.0 | 4.0 | 0.05 | 2.78 | 106.0 | 0.01 | 0.06 |
| Incl: | 19.0 | 60.0 | 41.0 | 2.83 | 0.47 | 18.6 | 0.04 | 0.01 |
| | 22.0 | 42.0 | 20.0 | 4.57 | 0.63 | 18.38 | 0.05 | 0.02 |
| PTR014 | 6.0 | 8.0 | 2.0 | 0.13 | 1.59 | 64.5 | 0.03 | 0.10 |
| Incl: | 8.0 | 29.0 | 21.0 | 3.08 | 0.38 | 23.4 | 0.15 | 0.09 |
| | 10.0 | 22.0 | 12.0 | 4.48 | 0.48 | 28.58 | 0.21 | 0.11 |

Geological results are still being compiled and interpreted for much of the drilling, but a representative section showing interpreted geology and some of the recently received assays is provided in Figure 9.

The initial results have confirmed the existence of a mineralised sulphide body associated with the electromagnetic conductor and also confirmed some of the assay results from historic exploratory work in the 1990's.

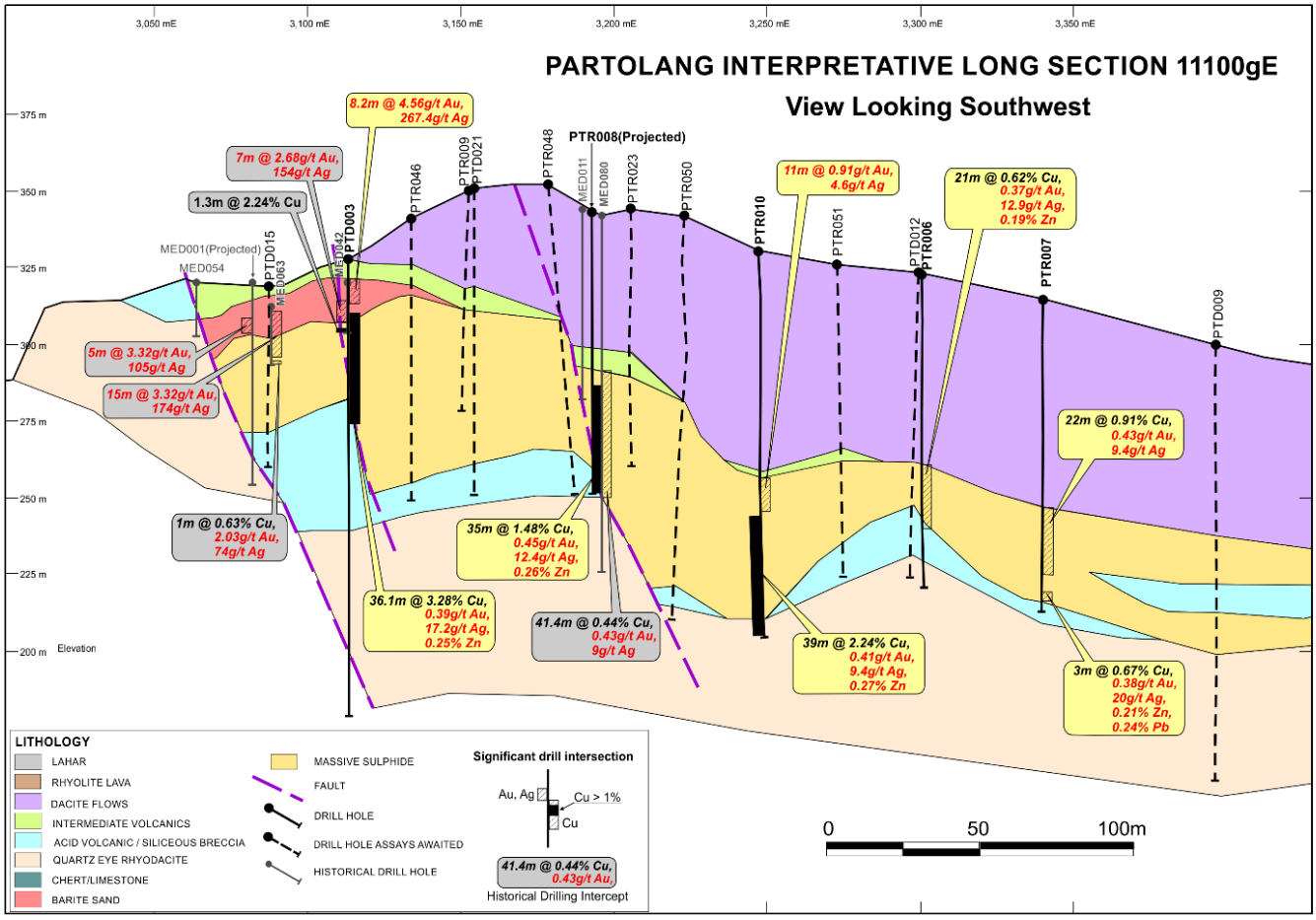



**Figure 9 – Partolang Interpretative Long Section 11100gE**

## Barumanu Exploration

In total 6 drill holes were completed for 716.1m, including 5 reverse circulation and 1 diamond hole for 474m and 242.1m respectively. Drill details are provided in Appendix 3 and hole locations are shown in Figure 10.

Three of the holes were completed for exploration over a known electromagnetic target, including diamond hole (PMD018) and 2 reverse circulation holes (BMR001-002). A further 3 RC holes (BMR003-005) were completed to the south to sterilise an area for extension of the Kali Kuning waste dump.

BMD018, centred on the peak electromagnetic response, intersected 3 intervals of massive pyrite (1.6m, 4.3m and 9m in thickness). These intervals explain the source for the EM anomaly, but the assay results were generally disappointing.

Gold was intersected from surface on the edge of the electromagnetic anomaly, associated with baritic tuff in BMR001 and weak sulphidic stockwork was intersected at depth in both exploration RC holes, and in BMR005 for sterilisation.

Assay results have been received for all the drilling. Significant intercepts are summarized in Appendix 3.

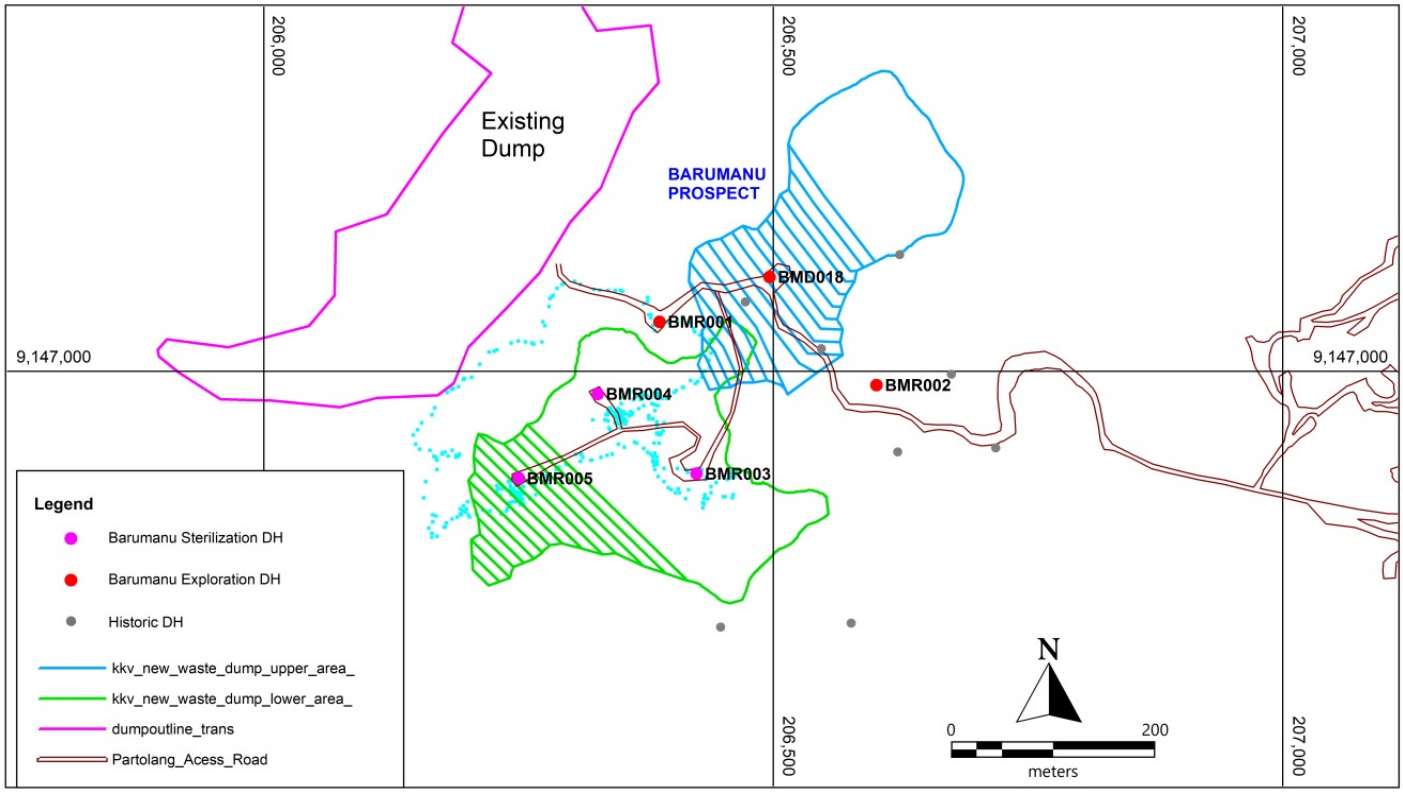



**Figure 10 – Plan of Barumanu showing drilling in relation to existing and potential new waste dumps**

### Regional Exploration & Airborne Geophysics Survey

Final flight permits were received late in the quarter for a planned airborne electromagnetic and magnetic survey targeting the volcanogenic massive sulphide mineralisation. This survey is expected to start in late January and will cover an area of 111km$^2$ with 1,470-line kilometres. This will be the first airborne geophysics program by the company and will be used to identify additional exploration targets.

Several exploration targets have already been identified outside of known resources. A drilling program is scheduled to commence on these after the wet season. Access is difficult at several of the targets and a man-portable drill rig will be used for parts of the program.

## COMMUNITY & ENVIRNOMENT

### Community Development

The company continues to be actively engaged with its government and community stakeholders in a number of areas including recent meetings with the Ambon environment office, the Commander of Maluku Mobile Brigade Corps and with Bupati Maluku Barat Daya authorities at Ambon.

## CORPORATE

### Cash and Project Finance Facility

The Wetar Facility Agreement scheduled Term Loan payment of US$8.0 million was completed during the quarter, reducing total debt under the facility to US$21.0 million. The net amount outstanding under the facility at 31 December 2018, after adjusting for the DSRA, was US$12.0 million.

The company's subsidiary, PT Batutua Tembaga Raya ("BTR") increased the unsecured subordinated loan with PT Merdeka Copper and Gold Tbk ("Merdeka") by US$25.0 million. The total amount available under the BTR shareholder loans is US$44.0 million with US$29.0 million currently utilised.

Shortly after the quarter BTR and Posco Daewoo agreed to an US$18.0 million advanced payment in exchange for 4,800 metric tonnes of copper cathode to be delivered in shipments of 400 metric tonnes per month over 12 months commencing February 2019. Initially 60% of the value of each shipment is to offset the advanced payment amount and may be adjusted in the final three months to ensure it is fully offset.

As at 31 December 2018, the Group held total cash of US$10.1 million, including the US$9.0 million deposited in the DSRA.

### Hedging

As at 31 December 2018, 1,747 tonnes of copper was hedged under the mandatory hedging program at an average price of US$4,777 per tonne, with maturities between January and March 2019. The mark-to-market value of copper hedges as at 31 December 2018 was a liability of US$2.1 million.

### Takeover Offer

As at 31 December 2018, Eastern Field Developments Limited (EFDL) had received acceptances under the Finders takeover offer for 765,832,589 shares comprising 97.09% of the voting power in Finders. This 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. The takeover offer period has been extended beyond the usual 12-month period (subject to certain conditions). That modification was designed, to the extent possible in the circumstances, to maintain the status quo in relation to EFDL's bid pending the outcome of the judicial review process.

## Capital Structure

There were 788,765,783 fully paid ordinary shares on issue (all quoted) as at 31 December 2018.

**Table 5: Major Shareholders as at 31 December 2018**

| Shareholders | No. of Shares | % |
|---|---|---|
| Eastern Fields Developments Limited | 678,493,064 | 86.020 |
| Taurus Res Ltd Partner A & Taurus Resources Tst A | 87,339,525 | 11.073 |
| ICBC Standard Bank PLC | 12,248,538 | 1.553 |
| BNP Paribas Nominees Pty Ltd | 1,163,351 | 0.147 |
| Andrew Reid | 700,000 | 0.089 |
| Wayne Apted | 700,000 | 0.089 |
| Terry Burns | 700,000 | 0.089 |
| Bevan Jones | 450,000 | 0.057 |
| Ashley McAleese | 350,000 | 0.044 |
| Citicorp Nominees Pty Limited | 302,807 | 0.038 |
| **Total Top 10 Shareholders** | **782,447,285** | **99.199** |
| Others | 6,318,498 | 0.801 |
| **Total Shares on Issue as at 31 December 2018** | **788,765,783** | **100.000** |

## FOR FURTHER INFORMATION PLEASE CONTACT:

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## COMPENTENT PERSON STATEMENT

### Exploration Results and Targets

The information in this report that relates to Exploration Results and Targets is based on information compiled by Ms Donna Sewell who is a Member of the Australian Institute of Geoscientists (#2413).

Ms Sewell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Ms Sewell is contracted by Finders Resources, and consents to the inclusion in the reports of the matters based on her information in the form and context in which it appears.

## 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.

## APPENDIX 1 – TENEMENTS

Set out in the following tables is a summary of the Group's mineral tenements and permit schedule.

**Table 6: Tenement & Permit Schedule**

| IUP Decision No. | Type | Mineral | Expiry Date | Area (ha) | Term | Holder[1] |
|---|---|---|---|---|---|---|
| **Wetar Copper Project[1]** | | | | | | |
| 543 - 124 Tahun 2011 | IUP Exploitation | Copper | 09 Jun 2031 | 2,733 | 20 years | BKP |
| 7/1/IUP/PMA/2018 | PMA adjustment to 543-124 TAHUN 2011 | Copper | 09 Jun 2031 | 2,733 | 20 years | BKP |
| 311 TAHUN 2017 | IUP Exploitation | Sand Gravel & Stone | 29-Dec-22 | 108 | 5 Years | BKP |
| 276 TAHUN 2017 | IUP Exploitation | Limestone | 20-Nov-22 | 1425 | 5 Years | BKP |

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").
2. IUP 543-124 TAHUN 2011 has been amended to reflect the change to foreign investment company (PMA).
3. IUP 540-28.8 TAHUN 2010 has expired.

## APPENDIX 2 – PARTOLANG DRILL COLLARS & SIGNIFICANT ASSAYS

Set out in the following tables are the results of the Partolang drill program.

**Table 7 – Drill Hole Details Partolang**

| Hole_ID | EOH (m) | Easting | Northing | RL | Azim | DIP | Datum |
|---|---|---|---|---|---|---|---|
| PTD001 | 125.0 | 207299.5 | 9146970.5 | 331.9 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD002 | 50.0 | 207358.7 | 9146868.0 | 328.3 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD003 | 149.1 | 207319.0 | 9146840.5 | 327.9 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD004 | 69.6 | 207163.5 | 9146785.0 | 325.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD005 | 98.3 | 207237.7 | 9146764.7 | 331.7 | 330 | -60 | UTM WGS84 Zone 52S |
| PTD006 | 102.4 | 207220.1 | 9146902.8 | 349.1 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD007 | 89.3 | 207111.8 | 9146993.4 | 317.3 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD008 | 165.6 | 207104.5 | 9147117.7 | 338.8 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD009 | 142.2 | 207170.5 | 9147081.6 | 300.1 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD010 | 85.8 | 207077.9 | 9147043.5 | 331.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD011 | 76.8 | 207277.2 | 9147089.2 | 304.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD012 | 99.8 | 207225.0 | 9147001.0 | 323.7 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD013 | 30.4 | 207409.0 | 9146870.2 | 314.7 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD014 | 71.2 | 207347.8 | 9146882.8 | 334.4 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD015 | 59.0 | 207335.1 | 9146819.8 | 319.1 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD016 | 65.4 | 207237.3 | 9146763.0 | 331.8 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD017 | 24.3 | 207176.6 | 9146772.0 | 323.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD018 | 54.9 | 207156.9 | 9146806.8 | 334.7 | 0 | -90 | UTM WGS84 Zone 52S |
| PTD019 | 86.3 | 207247.5 | 9146857.1 | 352.7 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR001 | 138.0 | 207269.6 | 9147023.0 | 330.4 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR002 | 170.0 | 207244.2 | 9147067.8 | 317.0 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR003 | 90.0 | 207344.4 | 9146896.2 | 333.0 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR004 | 108.0 | 207320.5 | 9146934.4 | 333.3 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR005 | 132.0 | 207318.7 | 9146936.6 | 334.1 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR006 | 102.0 | 207223.9 | 9147001.5 | 322.8 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR007 | 102.0 | 207201.4 | 9147034.3 | 314.9 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR008 | 92.0 | 207297.2 | 9146919.4 | 345.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR009 | 72.0 | 207298.9 | 9146874.2 | 350.3 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR010 | 126.0 | 207250.5 | 9146955.5 | 330.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR011 | 66.0 | 207299.3 | 9146808.8 | 323.7 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR012 | 68.0 | 207357.5 | 9146903.3 | 328.3 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR013 | 66.0 | 207357.9 | 9146867.2 | 328.1 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR014 | 40.0 | 207162.5 | 9146784.0 | 325.5 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR015 | 100.0 | 207119.1 | 9146893.8 | 334.0 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR016 | 72.0 | 207133.2 | 9146949.5 | 310.1 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR017 | 75.0 | 207164.3 | 9147013.1 | 306.7 | 0 | -90 | UTM WGS84 Zone 52S |

| Hole_ID | EOH (m) | Easting | Northing | RL | Azim | DIP | Datum |
|---|---|---|---|---|---|---|---|
| PTR018 | 78.0 | 207183.4 | 9146970.3 | 318.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR019 | 84.0 | 207173.8 | 9146882.4 | 345.7 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR020 | 64.0 | 207207.4 | 9146979.8 | 321.5 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR021 | 90.0 | 207170.3 | 9146880.1 | 344.9 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR022 | 78.0 | 207245.0 | 9146883.8 | 347.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR023 | 84.0 | 207274.7 | 9146921.2 | 344.4 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR024 | 72.0 | 207194.8 | 9146848.4 | 362.3 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR025 | 108.0 | 207227.6 | 9146807.0 | 356.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR026 | 84.0 | 207336.7 | 9146909.7 | 333.7 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR027 | 54.0 | 207281.2 | 9146792.6 | 328.1 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR028 | 72.0 | 207381.9 | 9146970.0 | 306.4 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR029 | 84.0 | 207347.9 | 9146995.7 | 301.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR030 | 84.0 | 207078.6 | 9146972.0 | 325.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR031 | 116.5.0 | 207080.0 | 9146847.5 | 341.8 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR032 | 102.0 | 207022.4 | 9146942.4 | 342.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR033 | 108.0 | 207002.9 | 9146985.0 | 335.4 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR034 | 78.0 | 207329.4 | 9146855.9 | 333.3 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR035 | 70.0 | 207268.9 | 9146823.5 | 337.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR036 | 37.0 | 207367.9 | 9146842.8 | 317.1 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR037 | 54.0 | 207394.3 | 9146898.0 | 309.5 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR038 | 57.0 | 207378.6 | 9146920.0 | 312.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR039 | 54.0 | 207277.1 | 9146804.1 | 331.0 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR040 | 24.0 | 207259.1 | 9146750.7 | 328.4 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR041 | 24.0 | 207127.5 | 9146765.4 | 333.8 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR042 | 60.0 | 207102.7 | 9146807.0 | 339.6 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR043 | 120.0 | 207136.8 | 9146850.0 | 348.8 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR044 | 102.0 | 207215.0 | 9146821.3 | 364.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR045 | 114.0 | 207186.2 | 9146870.4 | 352.5 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR046 | 92.0 | 207308.8 | 9146858.1 | 341.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR047 | 24.0 | 207196.1 | 9146748.4 | 318.8 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR048 | 102.0 | 207287.1 | 9146897.2 | 352.4 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR049 | 96.0 | 207233.3 | 9146887.7 | 349.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR050 | 132.0 | 207264.3 | 9146935.6 | 342.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR051 | 102.0 | 207237.8 | 9146977.6 | 326.2 | 0 | -90 | UTM WGS84 Zone 52S |
| PTR052 | 80.0 | 207327.3 | 9146926.1 | 333.0 | 0 | -90 | UTM WGS84 Zone 52S |

Table 8 – Significant intersections from Partolang drill holes.

| Hole_ID | From (m) | To (m) | Interval (m) | Cu % | Au (ppm) | Ag (ppm) | Zn % | Pb % |
|---|---|---|---|---|---|---|---|---|
| PTD001 | 65.7 | 69.4 | 3.7 | - | 0.66 | 24.5 | - | - |
| | 69.4 | 80.4 | 11.0 | 1.47 | 0.27 | 4.9 | 0.03 | 0.01 |
| | 83.4 | 93.4 | 10.0 | 0.82 | 0.06 | 3.3 | 0.01 | 0.02 |
| PTD002 | 14.8 | 19.0 | 4.2 | - | 2.90 | 171.9 | - | - |
| Incl: | 19.0 | 49.1 | 30.1 | 2.81 | 0.50 | 14.6 | 0.24 | 0.02 |
| | 21.0 | 33.0 | 12.0 | 3.47 | 0.70 | 21.3 | 0.37 | 0.03 |
| PTD003 | 6.3 | 14.5 | 8.2 | - | 4.56 | 267.4 | - | - |
| Incl: | 14.5 | 50.6 | 36.1 | 3.28 | 0.39 | 17.2 | 0.25 | 0.06 |
| | 26.5 | 36.6 | 10.1 | 6.59 | 0.44 | 23.3 | 0.39 | 0.08 |
| PTD004 | 7.8 | 9.8 | 2.0 | 0.08 | 2.36 | 87.0 | 0.06 | 0.02 |
| Incl: | 9.8 | 24.6 | 14.8 | 3.66 | 0.56 | 11.0 | 0.17 | 0.17 |
| | 17.5 | 22.5 | 5.0 | 7.27 | 0.42 | 14.4 | 0.10 | 0.29 |
| PTD005 | 17.7 | 52.0 | 34.3 | 1.72 | 0.56 | 11.0 | 0.19 | 0.06 |
| Incl: | 19.7 | 23.7 | 4.0 | 5.22 | 0.87 | 23.0 | 0.30 | 0.10 |
| | 35.7 | 38.7 | 3.0 | 3.20 | 0.66 | 18.0 | 0.23 | 0.05 |
| PTD006 | 68.2 | 84.6 | 16.4 | 1.74 | 0.37 | 25.9 | 0.19 | 0.10 |
| | 87.6 | 91.6 | 4.0 | 0.50 | 0.14 | 7.7 | 0.06 | 0.08 |
| PTD007 | 40.0 | 49.8 | 9.8 | 2.41 | 0.69 | 22.3 | 0.05 | |
| Incl: | 44.0 | 48.0 | 4.0 | 3.83 | 0.84 | 26.5 | 0.05 | 0.00 |
| PTD008 | 108.1 | 109.3 | 1.2 | 0.11 | 2.13 | 6.1 | 0.09 | 1.63 |
| | 109.3 | 119.3 | 10.0 | 1.60 | 0.56 | 18.8 | 0.20 | 0.05 |
| | 124.3 | 129.3 | 5.0 | 0.55 | 0.22 | 4.2 | 0.09 | 0.02 |
| PTR001 | 79.0 | 98.0 | 19.0 | 1.81 | 0.38 | 11.2 | 0.13 | 0.10 |
| PTR002 | 82.0 | 105.0 | 23.0 | 1.74 | 0.47 | 14.4 | 0.12 | 0.18 |
| Incl: | 91.0 | 101.0 | 10.0 | 2.63 | 0.49 | 16.2 | 0.09 | 0.25 |
| PTR003 | 53.0 | 61.0 | 8.0 | 0.01 | 2.15 | 27.3 | 0.01 | 0.12 |
| | 65.0 | 68.0 | 3.0 | 0.01 | 0.87 | 14.3 | 0.01 | 0.03 |
| PTR004 | 55.0 | 63.0 | 8.0 | 1.70 | 0.41 | 14.6 | 0.04 | 0.02 |
| | 66.0 | 70.0 | 4.0 | 0.64 | 0.07 | 2.0 | 0.01 | 0.08 |
| | 83.0 | 92.0 | 9.0 | 0.70 | 0.10 | 4.0 | 0.01 | 0.02 |
| | 98.0 | 104.0 | 6.0 | 2.38 | 0.03 | 0.7 | 0.01 | 0.01 |
| PTR005 | 53.0 | 61.0 | 8.0 | 1.78 | 0.46 | 14.4 | 0.04 | 0.01 |
| | 92.0 | 105.0 | 13.0 | 1.20 | 0.03 | 0.9 | 0.01 | 0.01 |
| | 109.0 | 114.0 | 5.0 | 0.56 | - | 0.3 | 0.12 | 0.04 |
| PTR006 | 62.0 | 83.0 | 21.0 | 0.62 | 0.37 | 12.9 | 0.19 | 0.11 |
| PTR007 | 68.0 | 90.0 | 22.0 | 0.91 | 0.43 | 9.4 | 0.06 | 0.04 |
| | 95.0 | 98.0 | 3.0 | 0.67 | 0.38 | 20.0 | 0.21 | 0.24 |
| PTR008 | 57.0 | 92.0 | 35.0 | 1.48 | 0.45 | 12.4 | 0.26 | 0.05 |
| PTR010 | 70 | 81.0 | 11.0 | - | 0.91 | 4.6 | - | - |
| | 82 | 121.0 | 39.0 | 2.24 | 0.41 | 9.4 | 0.27 | 0.09 |
| | 88 | 105.0 | 17.0 | 3.76 | 0.53 | 11.8 | 0.33 | 0.11 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **PTR011** | 6 | 10.0 | 4.0 | 0.04 | 1.53 | 29.3 | 0.02 | 0.04 |
| | 12 | 51.0 | 39.0 | 1.13 | 0.15 | 3.4 | 0.01 | 0.01 |
| | 21 | 28.0 | 7.0 | 2.40 | 0.17 | 4.7 | 0.01 | - |
| **PTR013** | 15 | 19.0 | 4.0 | 0.05 | 2.78 | 106.0 | 0.01 | 0.06 |
| | 19 | 60.0 | 41.0 | 2.83 | 0.47 | 18.6 | 0.04 | 0.01 |
| | 22 | 42.0 | 20.0 | 4.57 | 0.63 | 18.38 | 0.05 | 0.02 |
| **PTR014** | 6 | 8.0 | 2.0* | 0.13 | 1.59* | 64.5* | 0.03 | 0.10 |
| | 8 | 29.0 | 21.0 | 3.08 | 0.38 | 23.4 | 0.15 | 0.09 |
| | 10 | 22.0 | 12.0 | 4.48 | 0.48 | 28.58 | 0.21 | 0.11 |
| **PTR015** | 87 | 90.0 | 3.0 | 0.81 | 0.11 | 19.5 | 0.05 | 0.03 |
| **PTR016** | 20 | 35.0 | 15.0 | 0.67 | 0.30 | 11.1 | 0.12 | 0.03 |
| **PTR018** | 33 | 37.0 | 4.0 | 0.25 | 0.76 | 21.7 | 0.04 | 0.01 |
| | 37 | 58.0 | 21.0 | 1.72 | 0.42 | 15.6 | 0.19 | 0.09 |
| **Incl:** | 37 | 47.0 | 10.0 | 2.86 | 0.57 | 26.9 | 0.12 | 0.10 |

Intercepts calculated using 0.4% Cu cut-off grade for sulphide & 0.5g/t Au for barite with allowance for 2m of internal waste.

## APPENDIX 3 – BARUMANU DRILL RESULTS & SIGNIFICANT ASSAYS

Set out in the following tables are the results of the Barumau drill program.

**Table 9 – Drill Hole Details Barumanu**

| Hole_ID | EOH (m) | Easting | Northing | RL | Azim | DIP | Datum |
|---|---|---|---|---|---|---|---|
| BMD018 | 242.1 | 206496.5 | 9147093.1 | 331.9 | 0 | -90 | UTM WGS84 Zone 52S |
| BMR001 | 132 | 206388.6 | 9147048.8 | 320.6 | 0 | -90 | UTM WGS84 Zone 52S |
| BMR002* | 132 | 206601.5 | 9146986.3 | NA | 0 | -90 | UTM WGS84 Zone 52S |
| BMR003 | 60 | 206424.9 | 9146898.7 | 280.8 | 0 | -90 | UTM WGS84 Zone 52S |
| BMR004 | 75 | 206327.9 | 9146977.5 | 266.5 | 0 | -90 | UTM WGS84 Zone 52S |
| BMR005 | 75 | 206250.3 | 9146894.2 | 248.3 | 0 | -90 | UTM WGS84 Zone 52S |

Collar not yet surveyed accurately.

**Table 10 – Significant intersections from Barumanu drill holes.**

| Hole_ID | From (m) | To (m) | Interval (m) | Cu % | Au (ppm) | Ag (ppm) | Zn % | Pb % |
|---|---|---|---|---|---|---|---|---|
| BMD018 | 6.8 | 7.6 | 0.8 | 1.83 | 0.77 | 33 | 0.08 | 0.02 |
| | 15.6 | 16.6 | 1.0 | 1.72 | 0.14 | 22.0 | 0.03 | 0.34 |
| | 21.6 | 23.6 | 2.0 | 0.51 | 0.14 | 11.2 | 0.02 | 0.10 |
| BMR001 | 0.0 | 25.0 | 25.0 | 0.02 | 0.83 | 48.4 | 0.01 | 0.34 |
| | 44.0 | 54.0 | 10.0 | 0.52 | 0.04 | 3.5 | 0.02 | 0.05 |
| BMR002 | 81.0 | 87.0 | 6.0 | 0.86 | 0.11 | 4.7 | 0.11 | 0.02 |
| BMR005 | 32.0 | 40.0 | 8.0 | 0.42 | 0.02 | 1.4 | 0.04 | 0.01 |

Intercepts calculated using 0.4% Cu cut-off grade for sulphide & 0.5g/t Au for barite with allowance for 2m of internal waste.

# APPENDIX 4 – JORC TABLE 1

## 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*** | • All drilling and sampling were undertaken in an industry standard manner.<br>• Historical sampling was carried out at Partolang and Barumanu during the 1990's over several phases by a subsidiary of Billiton International, PT Prima Lirang Mining (PLM), with a diamond drill rig using NQ diameter core.<br>• All recent samples collected by Finders Resources (FND) have been with a diamond drill rig using HQ3 diameter core and with an RC rig.<br>• After logging and photographing, FND drill core was cut in half, with one half generally sent to the laboratory for assay and the other half retained for mineralised and altered footwall units, with quarter core taken and sent to the laboratory for unaltered cover sequences.<br>• RC samples by FND were collected every 1m, with 1/8 of each interval riffle split for sampling, and the remaining 7/8 of each material stored on site. Representative chips from the drilling are also retained in chip trays for reference.<br>• Holes were sampled in expected mineralised intervals to geological boundaries on a nominal 1m basis, increasing to 2m in known footwall units. Above the mineralisation, 1m intervals of ¼ core or RC splits from unaltered cover sequences were generally composited to 5m for assaying.<br>• Sample weights generally ranged from 2-5kg/m dependent on rock type.<br>• An independent laboratory pulverised the entire sample for analysis as described below. |
| ***Drilling techniques*** | • Historically PLM drilled 86 diamond drill (DD) holes (MED001-086) into the mineralised envelope at Partolang, largely targeting the shallow Au-Ag-barite material in the south. Relatively few holes targeted interpreted sulphides for Cu in the north. PLM also drilled 17 scout diamond holes (BMD001-017) targeting shallow Au-Ag-barite mineralisation at Barumanu. All holes were drilled with NQ standard tube. No details are available on the actual core diameter.<br>• New drilling by FND has included 20 diamond drill holes (PTD001-019 and BMD018) for 1,946m with HQ3 core of a diameter of 57mm, and 57 Reverse Circulation (RC) holes (PTR001-052, BMR001-005) for 4,821m with a 5 ½-inch bit and face sampling hammer. A diamond tail was completed to PTR031 from 60m. Except for 1 hole (PTD005), all drilling was vertical. None of the core has been orientated. |
| ***Drill sample recovery*** | • In historical PLM holes, every effort was made to maximise diamond core recovery which averaged approximately 80% in the barite zones although recoveries were sometimes poor due to the loose friable nature of much of the ore. No details are available on the recoveries achieved in the few holes that penetrated sulphides.<br>• Diamond core recoveries in the FND drilling have benn measured on a routine basis for each drill run and calculated for each sample interval. Recoveries were 98% overall and averaged (~98.5%) for massive sulphide and (~92%) for barite zones.<br>• The RC drilling has largely been restricted to areas where the targeted sulphides are < 80m deep, as the density of the material and the locally porous nature of the sulphides has made it difficult to lift adequate sample material from deep levels.<br>• RC samples were bagged and weighed for each 1 metre interval prior to the sample being riffle split.<br>• Estimation of RC sample recoveries is ongoing, complicated by mixing of the different |

| Criteria | Commentary |
|---|---|
| | massive sulphide ore types, as SG's for these vary considerably and range from 3.4 to 4.87 for the main sulphide units. Work is underway to obtain more SG samples from available diamond core to assist with recovery work for the RC, as the sample population for PBX2 is only 14 samples and no samples have yet been obtained for BKO. The number of samples collected from MPY is 93, however, these have been taken from more competent parts of core and may overestimate the true value as this unit is very fractured and broken locally.<br>• Expected RC recoveries have been calculated based on the relative amounts of each material estimated in the sampled intervals, and available SG data. On this basis, and except for 2 holes, which returned very bad recoveries, the average RC recovery is 65-70% overall including 60% in the sulphide zones.<br>• Assays for much of the drilling are awaited, but to date, no consistent relationships have been recognised between sample recovery and grades for copper and/or gold. |
| ***Logging*** | • Records for historic PLM drilling at Partolang and Barumanu comprise skeletal drill logs and some hand drafted drilling sections. Detailed assays and logs are only available for MED011-027, MED044-079, MED081-083, BMR009-017.<br>• All FND drilling has been processed using detailed logging procedures developed specifically for the project.<br>• Structural information has been collected in all DD holes by FND for use in future geotechnical evaluation. DD holes were photographed prior to sampling for a permanent record and for desktop study purposes.<br>• No DD holes have yet been drilled specifically for geotechnical purposes, however all drill holes were logged according to a supplied legend from previous geotechnical consultants involved with the Kali Kuning project.<br>• RC chip trays have been geologically logged for each drill hole. These are photographed for desktop study purposes and retained on site. |
| ***Sub-sampling techniques and sample preparation*** | • DD cores were historically sampled by PLM in one metre intervals, with half core sent for analysis. None of the original core is available.<br>• DD core from FND work has been sampled in one metre intervals, with half core through the sulphide and barite zones, increasing to 2m intervals in footwall units. In unmineralized cover sequences, 1m intervals of ¼ core were composited to 5m for assaying.<br>• RC samples from FND have been bagged in 1m intervals, weighed, and riffle split to 2-5kg sample for assay through the sulphide and barite zones. The 1m samples have been composited to 2m intervals in footwall units, and 5m composites in cover sequences for assaying.<br>• One in twenty samples have been duplicated as field splits for both DD and RC. In general, zones of expected mineralisation have been targeted for the duplicates to avoid comparing samples with no grades. |
| ***Quality of assay data and laboratory tests*** | • Historic PLM drilling was analysed for Au (FAS), Ag (AAS), Cu, Pb, Zn (AAS) and As, Sb and Ba by XRF at PT. Inchape Utama Services in Jakarta. Samples with > 10% Ba were reanalysed by XRF. The accuracy of the assays was monitored using high grade and low grade (Au) samples (range 2.61-22.17g/t) as well as blanks.<br>Samples from new drilling by FND were assayed by PT Geoservices in Jakarta, generally for:<br>• Gold (fire assay – method FAA40), with copper, lead, zinc, silver, arsenic, antimony, iron, sulphur and a suite of 28 other elements by Aqua Regia ICPOES package (method GA103_ICP36).<br>• An 3 acid ore grade AAS digest (method GOA03_AAS) was completed on samples above detection limits of 1% for Cu, Pb, Zn, As and Sb, above 100ppm for Ag, above 25% for Fe.<br>• Any sulphur values above DL of 20% by ICP were re-assayed by total sulphur (method MET_LECO_S01) by combustion furnace. |

| Criteria | Commentary |
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| | • Samples, which returned Cu values of > 0.4% have also been analysed for cyanide soluble and acid soluble amounts of Cu, Zn and Fe by sequential leach (method MET_CU_DG3A & MET_SOLN_AAS).<br>• PLM and FND programs have included the inclusion of certified standards (~1 in 20 or 25).<br>• The accuracy of the FND sulphide assays was monitored using high, mid and low grade (Cu) standards (range 3.82%, 1.53%, 0.51%) as well as blanks at rate of 1 in 50. Gold standards have been used (range 0.51 to 1.43g/t) for barite material more recently.<br>• Standards from the current FND program have returned acceptable values. |
| ***Verification of sampling and assaying*** | • Duplicate samples, reject pulps and the remaining half core, were originally stored on site for the PLM work, but are no longer available. Hardcopy reports are available from some of the drilling, and data from the reports has been entered in the Company database.<br>• All FND data is initially recorded on paper log sheets retained on site. These are manually entered into the Company database, which is backed up daily. Checking of the manual entries is routinely completed.<br>• Duplicates field samples by FND have been taken at rate of 1 in 20. The Cu results show some scatter locally, especially at higher grades, but the Au results show good correlation.<br>• Eight (8) historical PLM NQ diamond drill holes have been twinned with HQ3 diamond by FND to verify results and compare the grades from the different core sizes, for (MED009,021,024,042,059,063,065,070). Assay information is only available for five (5) of these. There is good correlation on intercept widths, and in general on overall interval grades for gold, with silver results more scattered. Not all PLM holes intersected sulphide, and those that did, finished in it. Where twin data is available, the relevant intervals in MED024/twin PTD004 and MED021/twin PTD006 returned overall copper assays within 5% of each other. The copper values returned from PTD005 were ~ 40% higher than those from MED070 over a similar interval.<br>• Three (3) of the new HQ diamond holes (PTD002, 004, 012) have been twinned with RC holes (PTR013, 014 & 006) respectively to assess any drill methodology bias. Assays are available for 2 of these, which also twinned historical PLM holes (MED065 & 024). Results from PTR013 were ~ 25% higher for copper, and 10% higher for gold in the sulphide than PTD002, whilst MED065 finished above the sulphide. The gold only barite results from PTD002 and PTR013 were comparable but ~25% less than in historical hole MED065. Results from PTD004 were ~ 2% higher overall for copper and 18 % lower for gold than PTR014 in the sulphide over similar intervals and ~3.5% lower for copper and 33% higher for gold than MED024 over comparable interval. An additional 4 holes are planned in the next quarter to explore these variations.<br>• A further three (3) RC holes by FND have also twinned with RC holes to assess repeatability. Results have only been received for 1 of these to date, PTR004/005. The upper and lower portions of both holes compare reasonably well, with overall variations in copper of < 5% and gold < 10% for the intervals of interest. In the middle of the hole there are some isolated values which have not yet been explained.<br>• Thirteen (13) PLM holes have been re-drilled with RC because no original assays could be located for MED010,028-032,034,041,080-081, although significant intercept tables have been found. Many of the historic holes terminated in or above the potential copper mineralisation. Assays are not yet available for the re-drills, but when received, they will be compared with the historic intercept tables. |
| ***Location of data points*** | • Historical coordinates are available from all the PLM work, with work ongoing to verify coordinate data as some inconsistencies have recently been noted compared to the datum used at mine. No downhole survey data is available from any of the PLM holes.<br>• Collar and other general survey work by FND were completed using a total station to an accuracy of 2mm. |

| Criteria | Commentary |
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| | • Drilling by both FND and PLM used a local mine grid 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.<br>• Downhole surveys were completed by FND with a Proshot camera at 30m intervals for 19 (PTD), 42 (PTR), 5 (BMR) and 1(BMD) hole. Dip and azimuth variation down hole averages < 2.0 degrees per 100m and similarly for inclined holes due to the relatively shallow nature of the drilling. These deviations are trivial and indicate that dips and azimuths at the collar used at the end of hole for unsurveyed holes will result in insignificant errors. |
| ***Data spacing and distribution*** | • The area has been drilled as part of the current work by FND to a nominal 50m x 50m hole spacing, reducing to 50m x 25m over shallow sulphide material and locally barite material.<br>• Previous drilling by PLM, largely over known barite in the south, was conducted on a nominal 25m x 25m pattern.<br>• The sampling intervals are 1m and constrained by geological domain boundaries. In sulphide and barite these intervals are sent directly for assay. In the altered footwall and unaltered cover sequences the 1m samples are composited to 2m and 5m respectively. |
| ***Orientation of data in relation to geological structure*** | • Interpreted mineralisation strikes in a north westerly direction and is comprised of a copper-rich massive sulphide body, locally overlain by gold-silver rich barite. These units dip shallowly to the north/northwest and plunge slightly to the east/northeast.<br>• Vertical drilling by both PLM and FND has been completed on local grid sections orientated perpendicular to the interpreted strike of the shallow dipping mineralisation. Only 2 angled holes have been completed to date, including 1 by FND. |
| ***Sample security*** | • Bagged FND drill samples have generally been packed into wooden boxes and shipped on the Company boat to Kupang (West Timor) where the samples have been crushed and split, prior to sending pulps to Jakarta for final assay analysis. |
| ***Audits or reviews*** | • No audits have yet been completed on the new drilling data by FND, but the drilling, logging and sampling methods utilised are based on methods reviewed previously by external consultants for the adjacent mine area, and in-house company standards. |

## Section 2 Reporting of Exploration Results

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

| Criteria | Commentary |
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| ***Mineral tenement and land tenure status*** | 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.<br>• IUP Exploitation 543-124 Tahun 2011 and PMA adjustment to 543-124 Tahun 2011 for copper, 2,733Ha expiry 9/6/2031, held by PT Batutua Kharisma Permai (BKP), a subsidiary of FND.<br>• AMDAL environmental permit for life of mine granted April 2010.<br>• 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 (PLM), a subsidiary of Billiton at Kali Kuning and Lerokis. The gold/precious metals exploration, mining and processing activities were rehabilitated at the completion of processing.<br>• At Partolang and Barumanu, exploratory drilling was completed by PLM. Informal resource estimates were also undertaken in-house for the barite and sulphides at Partolang, where present.<br>• Preliminary scoping studies were undertaken on the informal gold resource at Partolang, but no mining was completed. |
| ***Geology*** | • Wetar Island is composed of Neogene volcanic rocks and minor oceanic sediments and forms part of the Inner Banda Arc. The island preserves ~4.7 million year old precious metal-rich volcanogenic massive sulphide and barite deposits.<br>• 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 and rare bornite). Barite orebodies are developed on the flanks and can locally overly the massive sulphides.<br>• 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.<br>• Known orebodies are closely associated with quartz-porphyry dacites which occur within the basalts/andesites and are surrounded by widespread propylitic and argillic alteration haloes. Hydrothermal alteration around the various orebodies is zoned and dominated by illite–kaolinite–smectite with local alunite and pyrophyllite.<br>• The sulphide mounds and related barite bodies were covered and preserved by post-mineralisation chert, gypsum, limestone, lahars, subaqueous debris flows, volcaniclastic rocks and locally fresh dacitic lava flows in the Partolang and Barumanu areas.<br>• Gold-silver mineralisation occurs predominantly within the barite units, comprised of friable sands and tuffs, which are strongly ferruginised locally.<br>• The economic copper mineralisation occurs predominantly within coherent massive sulphide units with some minor lower grade material occurring within intensely altered andesitic and dacitic tuffs in the footwall and lateral extent of the massive sulphides.<br>• The contact between the massive sulphides, barite, footwall and hangingwall units is generally quite sharp. |
| ***Drill hole Information*** | • New FND drill hole location and directional information is provided in this report. |

| Criteria | Commentary |
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| | • Hole locations from the historic PLM work are shown in the diagrams. |
| ***Data aggregation methods*** | • FND exploration results are reported to a minimum cutoff grade of 0.4% Cu for sulphide zones and 0.5g/t Au, for barite Au-Ag zones, with an internal dilution of 2m maximum. No top cuts have been applied to this data. |
| ***Relationship between mineralisation widths and intercept lengths*** | • The mineralisation at Partolang, generally dips shallowly to the north, and plunges slightly to east, and as such the drilling has been vertical to date by both PLM and FND. Except for PTD005 (angled at 60), mineralisation and intercept widths are generally indicative of the true deposit thickness. |
| ***Diagrams*** | • Photographs of the main sulphide ore types are included in this report, together with location plans for the prospects and completed drill holes.<br>• Assay results have not yet been received for much of the drilling, but a representative long section, showing the main rock units and how these relate to the available assays is provided in this report. |
| ***Balanced reporting*** | • The geological reporting of the rock types is provided in the information.<br>• All available significant results from the recent drilling by FND are provided in this report, which is considered balanced. |
| ***Other substantive exploration data*** | • Massive sulphides, ranging in thickness from 1m to 64m, have been intersected in most drill holes by FND which targeted the previously defined ground electromagnetic (EM) feature, however some of this sulphide is barren based on available assays.<br>• Some 298 samples have been collected from new FND drill core (PTD001-017) for SG determination and submitted to the site Geoservices laboratory, for testing using water immersion methods, including 93 for MPY ore type, 14 for PBX2 ore type and 32 for barite material. SG values returned have been highly variable, ranging from 2.33-4.87 (MPY-average 4.02), 3.47-3.95 (PBX2-average 3.69) and 1.52-3.25 (BARITE UNITS-average 2.16).<br>• Preliminary leach test results have been received for some of the assay intervals received to date. Interpretation of this data has just commenced, but the initial results are encouraging, suggesting that > 80% of the overall copper is leachable by either cyanide or sulphuric acid. |
| ***Further work*** | • Future work will be aimed at infilling and extending mineralisation at depth and laterally, with the view to estimation of a maiden resource in March/April 2019.<br>• Angled holes will be completed to better define fault geometries, and for geotechnical studies and some holes will also be completed for initial metallurgical test work. |

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