



For ASX Market Release: 28 July 2014

Quarterly Activities Report June 2014

Highlights

Wetar Copper Project, Indonesia

- Copper cathode production commenced from the 3,000tpa plant
- First shipment of 102.5 tonnes of cathode left Wetar mid-May
- First copper cathode sold as LME Grade A for almost US\$700,000
- Sales have been agreed for a further 4 shipments
- 3,000tpa copper cathode plant is operating at nameplate capacity
- Construction commenced on expansion to 28,000tpa copper cathode

Corporate

- \$210 million of project financing secured for expansion of plant to 28,000tpa
 - \$45m investment by Daewoo
 - \$165m credit letter approved by BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale
- Share Placement and Entitlement Offer completed to raise \$15.3 million



Contacts:

Mr Gary Comb
Non-Executive Chairman
Mr Barry Cahill
Managing Director
Mr James Wentworth
Chief Financial Officer

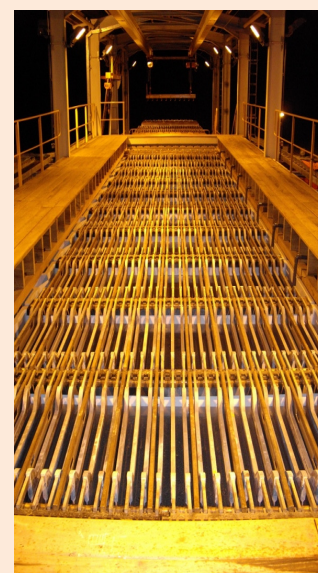
Sydney Office:

Suite 901, Level 9
60 Pitt Street
Sydney NSW 2000
T: +61 2 8084 1812
F: +61 2 8068 2540

E: info@findersresources.com

ASX Code: FND

www.findersresources.com



WETAR COPPER PROJECT (FND 95%)

Background

- The Wetar Copper Project comprises the development, mining and processing sulphide of deposits to produce LME Grade A copper cathode from the Kali Kuning and Lerokis deposits, located on Wetar Island, Maluku Barat Daya, Indonesia. The project scope incorporates the now completed construction of a 3,000tpa copper cathode plant (3kt plant) followed by the construction of an additional 25,000tpa copper cathode plant (25kt plant).
- The results of the Bankable Feasibility Study for the project showed a US\$132.4M capital cost (excluding contingency) and first quartile operating costs of US88c/lb Cu at efficient production levels.
- Finders has completed construction and commissioning of the 3kt plant, which is now producing copper cathode and operating at nameplate capacity
- Finders has arranged financing for the 25kt plant and have commenced earthworks, with the plant expected to be commissioned in the second half of 2015.



Wetar Island, Maluku Barat Daya

Project Potential Upside

- Opportunities for a longer mine life are strongly founded on exploration upside, focussing initially on the nearby satellite Meron deposit and then other identified VMS copper and gold targets on the island including Karkopang.
- The historical performance during the demonstration stage in which copper grades and copper recoveries significantly exceeded assumptions made in the BFS.

WETAR - PROGRESS REPORT

3,000tpa Copper Cathode Plant

The first cathode stripping from the 3,000tpa solvent extraction and electrowinning plant was completed in late April, following the refurbishment and construction of the plant. At that time, 17 tonnes of copper cathode was stripped and palletised, and more than 50,000 tonnes of copper ore had been stacked on the heap leach pad. At the end of June over 400 tonnes of copper cathode had been stripped and approximately 140,000 tonnes of high grade copper ore had been stacked on the heap leach pads.

Quarterly Activities Report June 2014

Wetar Quarterly Production Table

		April	May	June	Quarter Total	Project Total
Stacked Tonnes	t	52,229	46,946	13,542	112,717	139,587
Grade	%Cu	2.02%	3.35%	3.35%	2.70%	2.42%
Metal tonnes stacked	t Cu	1,053	1,573	421	3,046	3,385
Copper Stripped	t Cu	46	189	209	444	444
Copper Sold	t Cu	-	-	100	100	100
Operating costs	\$US/lb Cu	-	1.54	1.66	1.60	1.60

Note: Operating costs relate specifically to the mining of the ore for stacking and the cost of operating the 3Kt SX-EW plant through to sale.

All-in sustaining costs per lb are not currently reported, as the development of the 25t plant is underway.



Image 1: 3kt Heap Leach

On the 15th May a total of 102.5 tonnes of cathode was shipped from Wetar to Surabaya via Kupang. The plant had also reached its nameplate capacity of 8 tonnes per day of copper cathode.

The first shipment of cathode was sold at a premium to the London Metal Exchange ("LME") Grade A Cathode pricing after assays confirmed that the shipment was within those specifications. Payment of almost US\$700,000 was received for the shipment.

Three further 100 tonne shipments of copper cathode have been sold at increasingly higher premiums than the initial shipment.



Image 2: Stripped and packaged LME grade copper cathode at the 3kt plant

25,000tpa Copper Cathode Plant Project Funding

During the quarter, Finders finalised two key components of funding for the expansion of Wetar from 3,000tpa to 28,000tpa. Leading international trading house, Daewoo International Corporation (“Daewoo”) announced it would provide US\$45 million in project level equity. BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale (“the Senior Lenders”) signed a credit approved commitment letter for USD\$165 million of senior loan facilities.

The \$165M commitment from senior lenders consists of:

- US\$130 million term loan facility;
- US\$20 million cost overrun facility; and
- US\$15 million VAT working capital facility.

The facilities will have first ranking security over the Wetar Copper Project. Availability of the facilities is subject to typical conditions precedent for facilities of this nature, including formal documentation (which is already advanced), implementation of a minimum copper hedging programme to support the facilities, and raising and expending the project equity. Negotiation of the Project Finance Facility documentation is well advanced and it is expected to be signed in the third quarter.

Investment by Daewoo International Corporation

Daewoo received investment committee approval to invest US\$45 million for between 24% and 27% of Finders’ Indonesian subsidiary PT Batutua Tembaga Raya (“BTR”) as part of broader strategic partnership between Daewoo and Finders.

Key points in relation to the term sheet are as follows:

- The term sheet has been approved by the Daewoo Investment Committee. The investment is subject to conditions precedent including satisfactory documentation, confirmatory accounting and legal due diligence (technical due diligence has been completed) and formal Daewoo and Finders board approvals once documentation is complete.
- Daewoo’s final ownership percentage will be determined following clarification of certain Indonesian taxation, royalty and regulatory issues but will not be more than 27% nor less than 24%.

- Daewoo and Finders will enter into a shareholders' agreement in relation to BTR which will govern, among other things, the structure of the board, minority rights in relation to certain critical business matters and the issue of shares by BTR. Finders will remain the majority owner and controlling shareholder of BTR.
- Daewoo and BTR will enter into an offtake agreement in relation to 20% of the copper cathode produced by BTR. Daewoo will pay prevailing market prices for the cathode over the life of the project. This agreement with BTR secures offtake arrangements for 100% of its cathode production.

Documentation is well advanced with signing and closing expected in the third quarter.

Daewoo and Finders are exploring other opportunities to partner in relation to the Wetar Copper Project, including technical assistance and procurement. Longer term, the companies may look for other projects to develop together.

Earthmoving and Construction

Finders continued preliminary civil construction works for the 25kt plant concurrently with the mining of ore required to stack the initial heap leach pad for the 3kt plant. Production from the 25kt plant is scheduled to be commissioned in the second half of 2015.

Finders have taken advantage of having the earthmoving fleet on site to commence work to access the Kali Kuning Valley (KKV) and then the proposed location of the 25kt plant. Access to the site is a time-critical element of the project development. Excavation to access to the KKV was completed in April, and the fleet is currently establishing access along the valley to the site for the plant and infrastructure.

The earthmoving fleet also focused on establishing the access road along the length of the KKV to enable commencement of construction of the site location for the 25kt SX-EW plant, as well as the plant's associated heap leach pads and dams. (Image 3)



Image 3: Excavated high wall of the KKV Access

Waste from earthmoving has been used to fill the historical gold open pit adjacent to the mine site, which is being filled for as another heap leach pad. This Gold Pit Heap Leach Pad (GPLP) filling operation is now complete. The GPLP will have capacity for more than 500,000 tonnes of copper ore in its first lift. (Image 4)

Earthmoving has also commenced in the limestone quarry adjacent to the coast at Lerokis Port. The limestone is to be used as an under-liner for the heap leach pads and sufficient material has been moved adjacent to the GPLP for this purpose. The limestone is also to be used for neutralization of the solution from the two plants.



Image 4: Gold pit backfilling complete

Earthmoving has now progressed down into the KKV and clearing of the valley area is well advanced. Construction has commenced on the underdrainage for the plant and pad areas in the valley, in the existing valley trough. Access has proceeded into the site of the 25kt plant and initial clearing and access work has commenced. (Image 5)



Image 5: Earthmoving being undertaken at the 25kt SX-EW Plant site

Next Steps

The Company will focus on the following activities over the next quarter:

- Continued production and sales of cathode from 3kt plant
- Finalising the finance documentation for both Daewoo and the syndicate of banks
- Continue the earthmoving activities and ready the site to commence the construction of the 25kt plant
- Mobilise contractors and commence construction of 25kt plant at Wetar

OJOLALI Au-Ag PROJECT (FND 72%)

Background

The Ojolali Project is an advanced gold-silver prospect covering a large epithermal system with numerous shoots within the highly productive Sumatran Gold Belt. The Jambi oxide gold deposit has potential for a small scale mining operation based on the resource below.

Zone	Indicated			Inferred			Total				
	Tonnes (million)	Au g/t	Ag g/t	Tonnes (million)	Au g/t	Ag g/t	Tonnes (million)	Au g/t	Ag g/t	Au Oz	Ag Oz
Oxide	4.1	0.92	4.8	0.39	0.8	3.1	4.5	0.9	4.7	131,000	670,000
Transition	0.79	0.70	6.3	0.07	0.6	6.3	0.85	0.7	6.3	19,000	170,000
Fresh	0.99	0.66	3.9	0.22	0.7	4.5	1.2	0.7	4.0	26,000	160,000
Total	5.9	0.85	4.9	0.67	0.8	3.9	6.5	0.8	4.8	176,000	1,000,000

Cut-off 0.3 g/t Au (100% project basis); the figures in the table may not sum due to rounding. Significant figures do not imply an added level of precision.

With widespread gold in soil geochemical anomalies over an area 8km north south and up to 5km wide, Finders considers that there is strong potential for additional discoveries, including a number of target types:

- Bulk low grade disseminated gold (Jambi, Jambi North, Wujun, Belida, Supri)
- Bonanza grade gold-silver veins (Way Neki, Batu Kuning, Kencur)
- High grade Ag in supergene enriched zones (Tambang Oxide, Jambi)
- Major vein systems in feeder structures at depth (Jambi, Tambang, Talang Harno)

Activities

Low cost field activities continued in the Batu Kuning, Talang Harno, Tambang North and Krisna prospect areas. A number of parties continue to conduct due diligence on the project with view to potential offers.

1,220m of trenching was completed and auger grids were extended over resistivity anomalies by a further 1.2 line km. 120 channel and rock samples were collected for future assay. Trenching exposed 20-55m wide and 10-50m clay silica alteration zones at Batu Kuning and Talang Harno, characterized by weak-moderate quartz veining with a strong limonite overprint.

At Tambang North a 24m wide zone comprising gossanous quartz veining and manganese stringers possibly represents a northern extension to the drilled Tambang prospect. Mapping at Talang Harno and Krisna identified new 7-10m wide zones of quartz stockwork and breccias.

In preparation for requirements under the final year of the exploration IUP, the company has identified a local group of consultants to complete an Environmental Impact Assessment (AMDAL) on the Jambi Oxide gold project. This work is intended to be completed in parallel with an in-house evaluation of the project economics with view to completion of a Feasibility Study for submission to the local authorities. The Company also plans to complete assays for some 2,500 outstanding samples in order to identify further drill targets and complete the final exploration report on the tenement area.

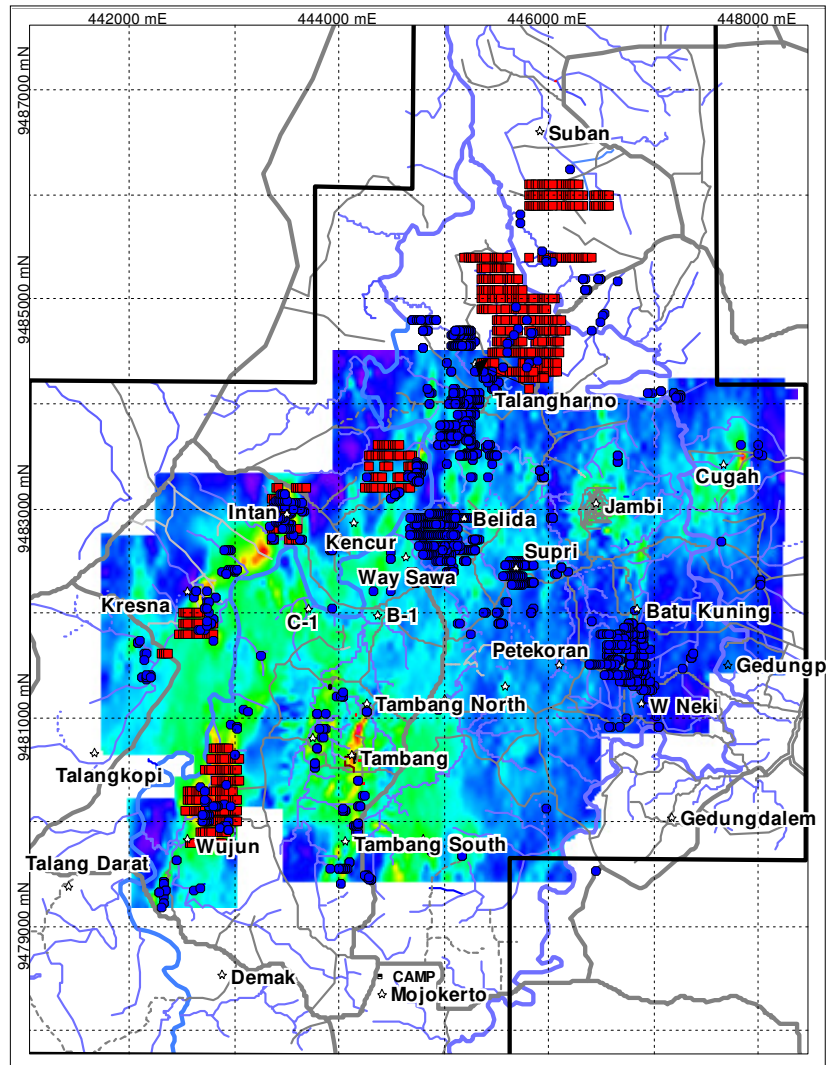


Figure 1: Map showing location of samples pending assay: Rock/Trench channel samples (blue dots) and bedrock samples (red dots); background image chargeability zones from gradient array survey.



Image 6: Channel sampling at Talang Harno



Image 7: Quartz-Manganese vein float at Tambang North

CORPORATE

Capital Structure

Type of Security	Number on Issue		
Fully Paid Ordinary Shares (“Shares”) - Quoted on ASX			
Shares on issue at 31 Mar 2014	552,037,184		
Entitlement Offer	37,800,061		
Placement of Shares	71,430,000		
Shares on issue at 30 Jun 2014 – Quoted on ASX	661,267,245		
Unlisted Employee Shares			
Unvested employee Shares issued under the Finders Employee Share Ownership Plan at issue price of \$0.43 funded by loans from the company and subject to performance based vesting conditions	4,457,000		
Unvested directors incentive Shares issued at issue prices from 20.08 cents to 30.08 cents funded by loans from the company and subject to performance and time based vesting conditions	10,500,000		
Unlisted Employee Shares on issue at 30 Jun 2014	14,957,000		
Unlisted Options	Exercise Price	Expiry Date	No.
	A\$0.50	24 Oct 2014	16,000,000
	A\$0.35	06 Jun 2017	22,857,144
	A\$0.2556	22 Oct 2017	31,298,904
Unlisted Options on issue at 30 Jun 2014	70,156,048		
Unlisted Converting Notes	Conversion Price	Maturity Date	No. of Shares
US\$5,500,000	A\$0.427	16 Mar 2018	12,248,538

Capital Raising

Finders announced it would raise up to \$15.3 million through a placement of 71.4 million shares to institutional and sophisticated investors to raise \$10.0 million, followed by a 1 for 15 Non-Renounceable Entitlement Offer to raise a further \$5.3 million.

Finders planned to use the funds to complete the equity financing required for the expansion of the Wetar Copper Project (95% owned by Finders) as well as fund further exploration and provide working capital.

Finders completed the placement on 29 May, receiving strong support from existing and new investors.

The Entitlement Offer was fully underwritten by Joint Lead Managers Morgans Corporate Ltd and Blackswan Corporate Ltd.

Quarterly Activities Report June 2014

The Entitlement Offer closed oversubscribed, with applications being received for \$5.8 million including the shortfall facility. Oversubscriptions under the shortfall facility were scaled back to meet the issue's requirements. Shares issued under the Entitlement Offer were allotted on 24 June.

Appointment of Alternate Directors

Finders appointed two alternate directors to its Board on 30 May 2014. Douglas Tay was appointed as alternate for Gavin Caudle and Chris Brown was appointed as alternate for Gordon Galt.

Cash

At 30 June 2014, Finders had \$11.5 million in cash.

The mining exploration entity quarterly report (Appendix 5B) is appended.

Barry Cahill
Managing Director

Background Information on Finders

Finders is the operator of the Wetar Copper Project (95% Interest), and the Ojolali Gold-Silver Project (72% with option), both located in Indonesia. The Wetar Copper Project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and suitable for open pit mining. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially pre-stripped copper ore bodies from a prior gold mining era. From February 2009 to December 2010, Finders successfully operated a 5 tonne per day Solvent Extraction/Electro Winning ("SX/EW") demonstration plant to test copper sulphide leach kinetics, optimise process design and provide data required for project finance. The demonstration plant produced and sold about 2,500 tonnes of LME Grade A copper cathode, all of which was sold at a premium to the LME price and without specification issues. The test heaps are at heights similar to commercial operations worldwide and the SX/EW technology being used is industry standard. SX/EW technology is currently responsible for approximately 22% of the world's copper production. The development of the Wetar Copper Project comprises the upgrading and restarting of the existing demonstration plant followed by incorporation of the Whim Creek plant to lift production capacity to 28,000tpa.

Wetar Copper Project Resources & Reserves

The full breakdown of the Ore Reserve estimate is as follows:

Ore Reserve Estimate – Wetar Copper Project			
	Category	Tonnage (Mt)	Cu %
Kali Kuning	Proved	5.4	2.4
Cut-off Grade	Probable	0.9	2.1
0.4% Cu	Total Ore	6.3	2.4
	Waste	5.9	
	Ratio	0.9	
Lerokis	Proved	2.1	2.3
Cut-off Grade	Probable	0.4	2.0
0.5% Cu	Total Ore	2.5	2.3
	Waste	1.9	
	Ratio	0.8	
Total	Proved	7.5	2.4
COG as above	Probable	1.4	2.1
	Total Ore	8.9	2.4
	Waste	7.8	
	Ratio	0.9	

Important Note: 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. "Ratio" refers to the ratio of the waste to the ore tonnage.

Ore Reserve estimates were undertaken by Australian Mine Design and Development Pty Ltd using JORC 2012 Guidelines.

The revised Mineral Resource estimate has been reported in accordance with the JORC Code 2012 edition (Table 1 is appended to a previous announcement). The geological models for the Mineral Resource Estimates were developed by Finders, and audited by Dr Phillip Hellman from H&S Consultants, who also undertook the mineral resource estimates reported below:

Quarterly Activities Report June 2014

Mineral Resource Estimate – Wetar Copper Project

	Measured		Indicated		Inferred		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (kt)
Kali Kuning (Cut-off Grade 0.4% Cu)									
Leached	0.2	0.5	0.03	0.8	0.02	1.1	0.2	0.6	1
Transition	1.1	1.3	0.3	1.5	0.1	1.7	1.6	1.4	22
Primary	4.1	2.8	0.6	2.6	0.1	2.1	4.7	2.8	132
Total	5.4	2.4	1.0	2.1	0.2	1.7	6.6	2.4	155
Lerokis (Cut-off Grade 0.5% Cu)									
Primary	2.1	2.4	0.4	2.2	0.1	1.5	2.6	2.3	61
Total Kali Kuning and Lerokis									
COG as above	7.5	2.4	1.4	2.2	0.3	1.6	9.2	2.4	216

Note: Rounding errors may occur

- The information in this report that relates to mineral reserve estimation is based on work completed by Mr John Wyche who is a full time employee of Australian Mine Design and Development Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Wyche 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 Wyche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- The information in this report that relates to mineral resource, exploration potential and geology estimation is based on work compiled by Dr Phillip Hellman who is a consultant to H&S Consultants Pty Ltd and a Fellow of the Australian Institute of Geoscientists. Dr Hellman 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'. Dr Hellman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

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

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.