



# Finders Resources Limited

(ASX:FND) July 2014

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# Corporate Overview

## Capital Structure / Board

(24 Jul 2014)

Ordinary shares	<b>674m<sup>1</sup></b>
Share Price	<b>A\$0.22</b>
Market Capitalisation	<b>~A\$148m</b>
Options (Unlisted, Out of the Money)	<b>70m<sup>2</sup></b>

### Board:

Gary Comb	(Independent Chairman)
Barry Cahill	(Managing Director)
Chris Farmer	(Director - Indonesia)
Gordon Galt	(Non-executive Director - Taurus representative)
Gavin Caudle	(Non-executive Director - Provident representative)

## Shareholder Register

Taurus Resources	<b>12.9%</b>
Provident Capital	<b>12.2%</b>
Resource Capital Fund	<b>10.9%</b>
Saratoga	<b>9.1%</b>
Acorn	<b>9.1%</b>
Directors/Staff	<b>3.2%</b>

1. Includes 12m shares issued as part of mandatory converting notes (commercially ordinary shares) but excludes 15m shares issued to employees at prices from 20c to 43c per share subject to vesting conditions which are not dilutive at current prices
2. Exercise prices from 26c to 50c including 31m @ 25.6c, 23m @ 35c, 16m @ 50c

Supportive, expert cornerstone investors

## *Wetar Copper Project (FND ~ 95%)*

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- ❑ 3,000 tpa copper cathode plant operating
- ❑ Constructing 25,000 tpa copper cathode plant
- ❑ Senior debt facility - \$US165M
- ❑ Project level equity - \$US45M
- ❑ Lowest quartile C1 costs
- ❑ Fully permitted and copper cathode exported

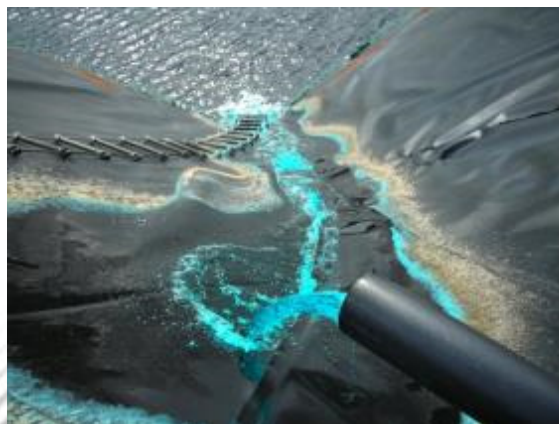




## *Wetar ~ Why does it Work?*

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- ❑ Massive sulphide heap leach
- ❑ Sulphide leaching produces heat and acid
- ❑ Irrigation/aeration controls temperature
- ❑ Clean ore, no clay, good percolation
- ❑ Heap construction parameters proven



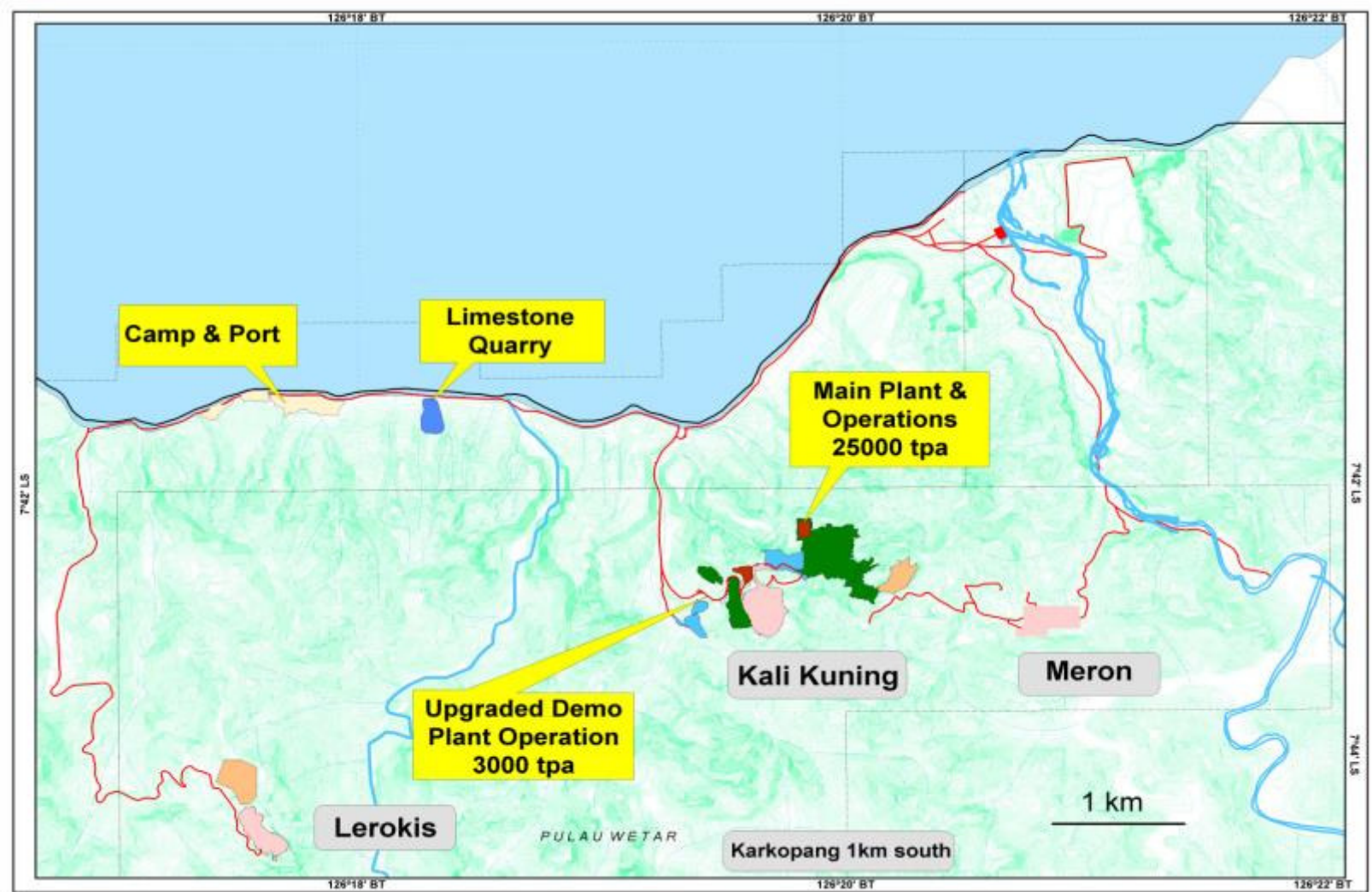
# *Project Location*



Darwin ●



# Wetar Site Plan



## *3,000tpa Copper Cathode Plant*

- ❑ 2009/10 - 1,800 tpa plant
  - ❑ Produced 2,440 tonnes LME Grade A copper cathode
  - ❑ Sold at premium to LME
  - ❑ Recoveries up to 87.5%
- ❑ Upgraded to 3,000tpa
  - ❑ Commissioned in May 2014
  - ❑ 500t copper cathode shipped
  - ❑ Sold at premium to LME





## *25,000 tpa Copper Cathode Plant Progress*

- ❑ Commenced preliminary civil works
- ❑ Completed access to Kali Kuning Valley
- ❑ 25kt plant site accessed
- ❑ Gold pit leach pad filled
- ❑ Blasting commenced
- ❑ Limestone quarry commenced



# *BFS Project Fundamentals*

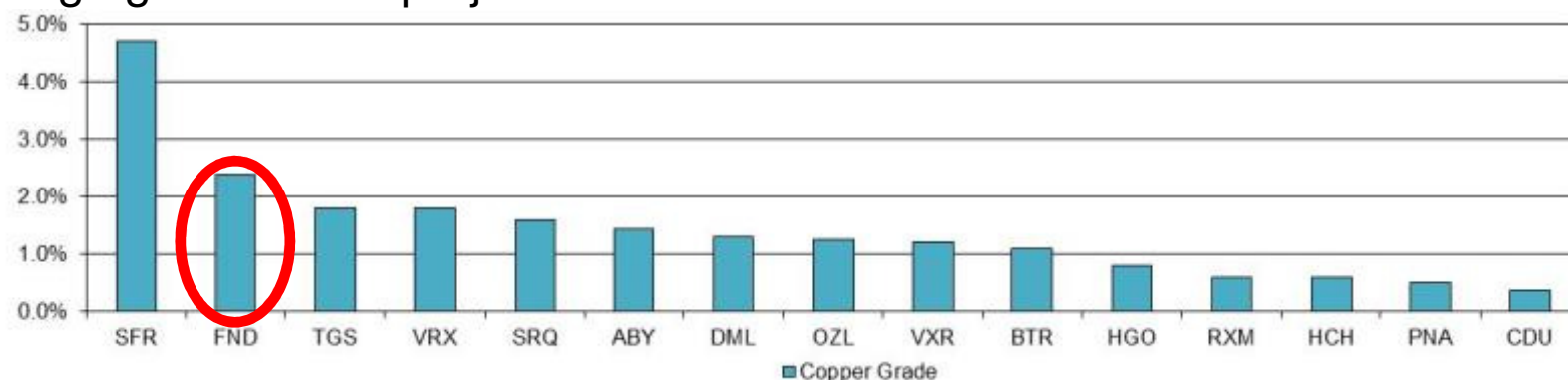
- ❑ High grade - 8.9Mt @ 2.4% Cu reserve
- ❑ Strip ratio <1:1
- ❑ 15 month construction period
- ❑ First quartile C1 cash cost
  - US\$0.88/lb at full production
  - US\$1.05/lb for LOM
- ❑ US\$132m Capex (pre-contingency)
- ❑ 12 month payback



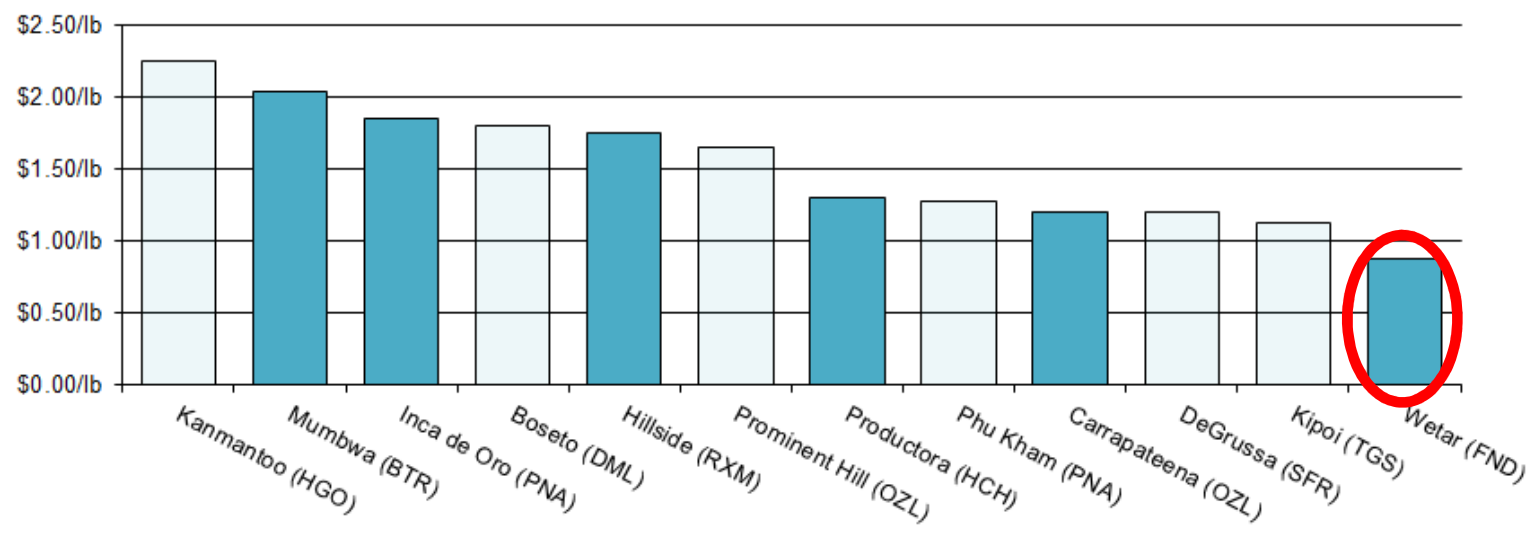
	Flat LOM Copper Price (US\$/t)				
Price Case	\$6,000	\$6,500	\$7,000	\$7,500	\$8,000
LOM Cash Surplus (US\$m)	338	395	452	509	566
Project NPV <sub>10</sub> (US\$m)	195	234	273	312	351
Project IRR	52%	60%	67%	75%	83%

# Next ASX Low Cost Producer

High grade drives project economics...

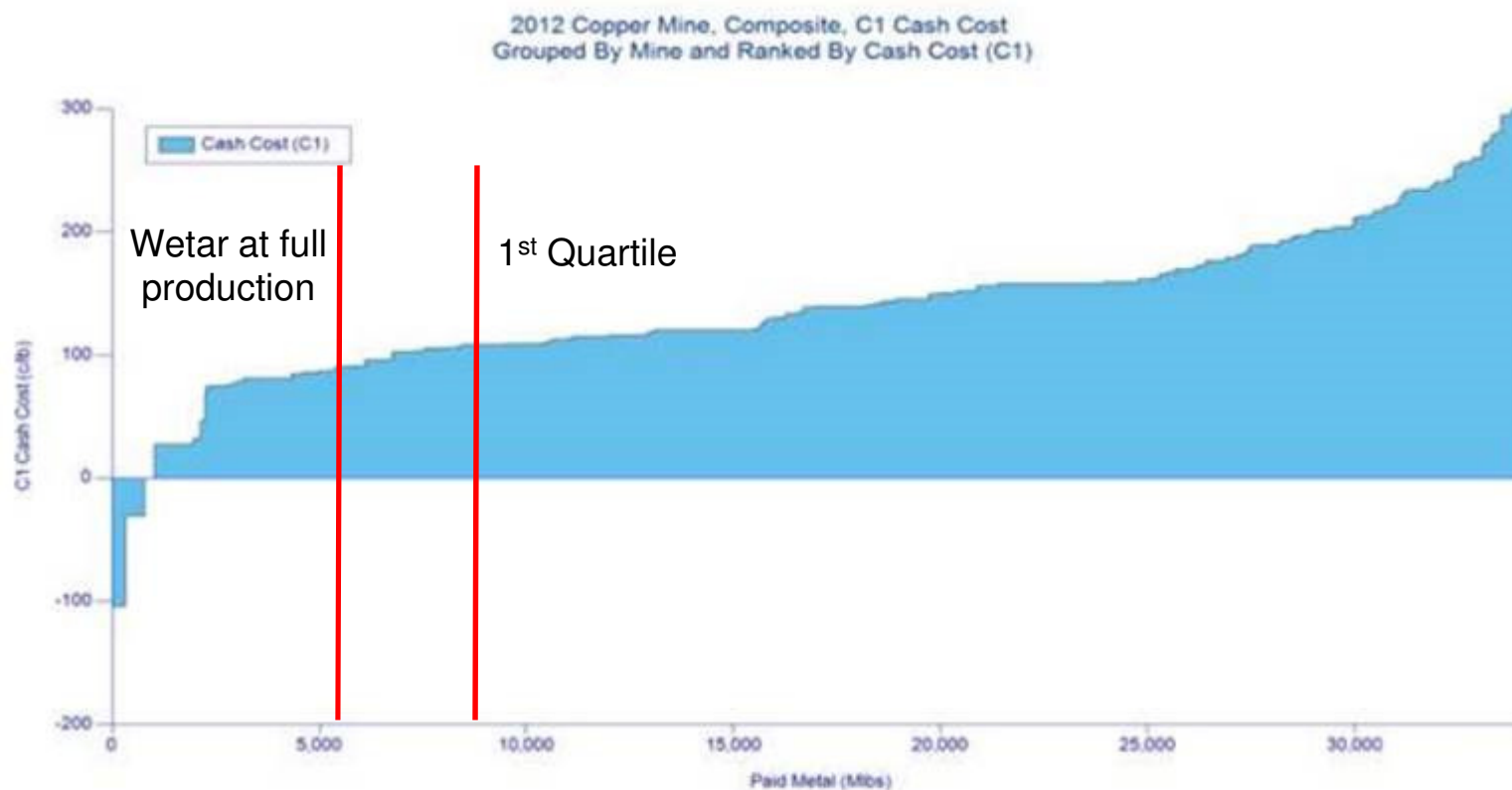


...including low C1 Cash Cost





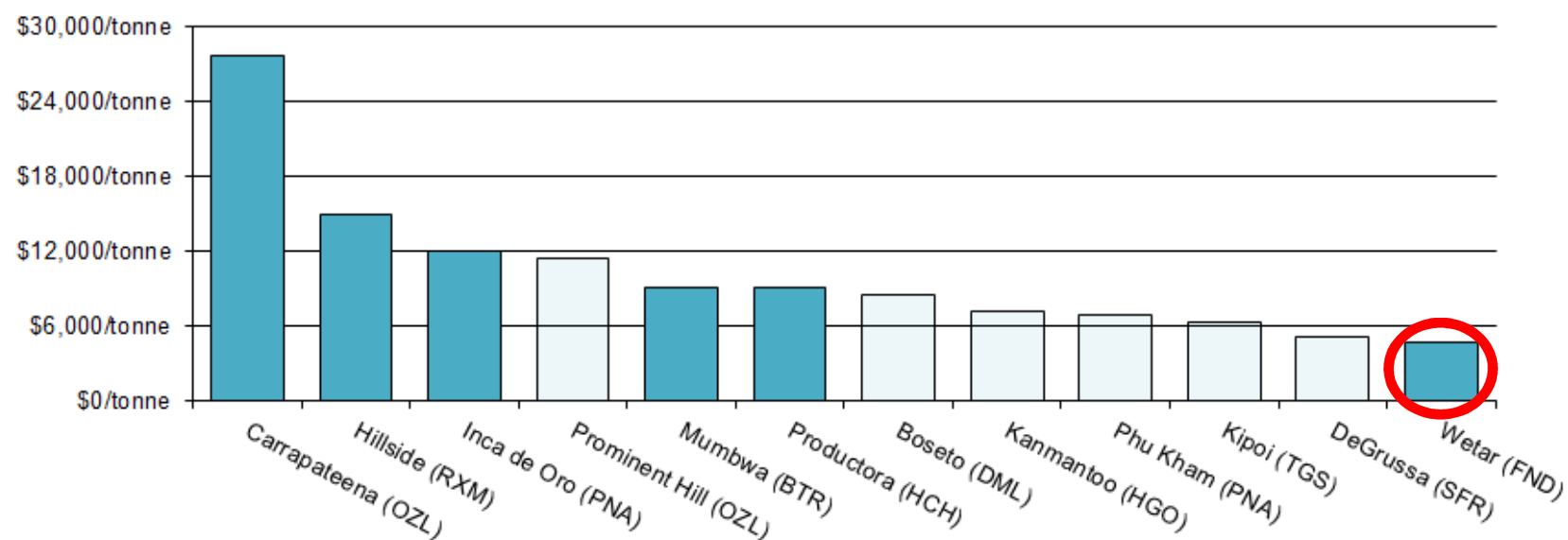
# *Lowest Quartile Production Costs*



Source: Wood Mackenzie Ltd, Dataset: 2012 Q2

# Low Capital Expenditure

Low capital intensity...



# *Finance*

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- ❑ Syndicate of banks
  - ❑ BNP Paribas
  - ❑ Commonwealth Bank of Australia
  - ❑ Hong Kong and Shanghai Banking Corporation
  - ❑ Societe Generale
- ❑ Senior Loan Facilities
  - ❑ US\$130 million term loan facility
  - ❑ US\$20 million cost overrun facility
  - ❑ US\$15 million VAT working capital facility
- ❑ Daewoo project level equity / Offtake
  - ❑ US\$45 million
  - ❑ 24% - 27% of Finders Indonesian subsidiary



## *Wetar ~ History, Location & Community*

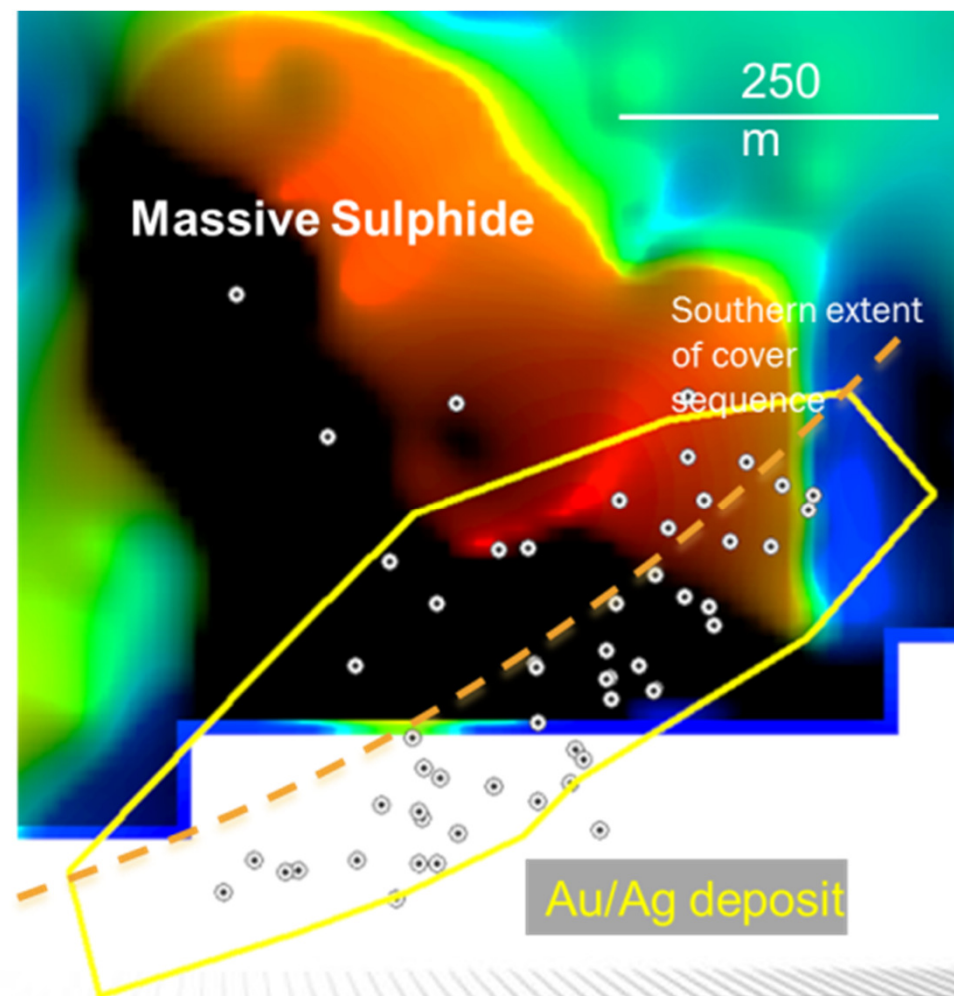
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- ❑ Billiton gold mine 1989 - 1997
- ❑ Camp, port, magazine and haul roads remain
- ❑ Local community are supportive
- ❑ Completed compensation and access agreements
- ❑ Local employment priority ~125 people



## *Upside ~ Resources*

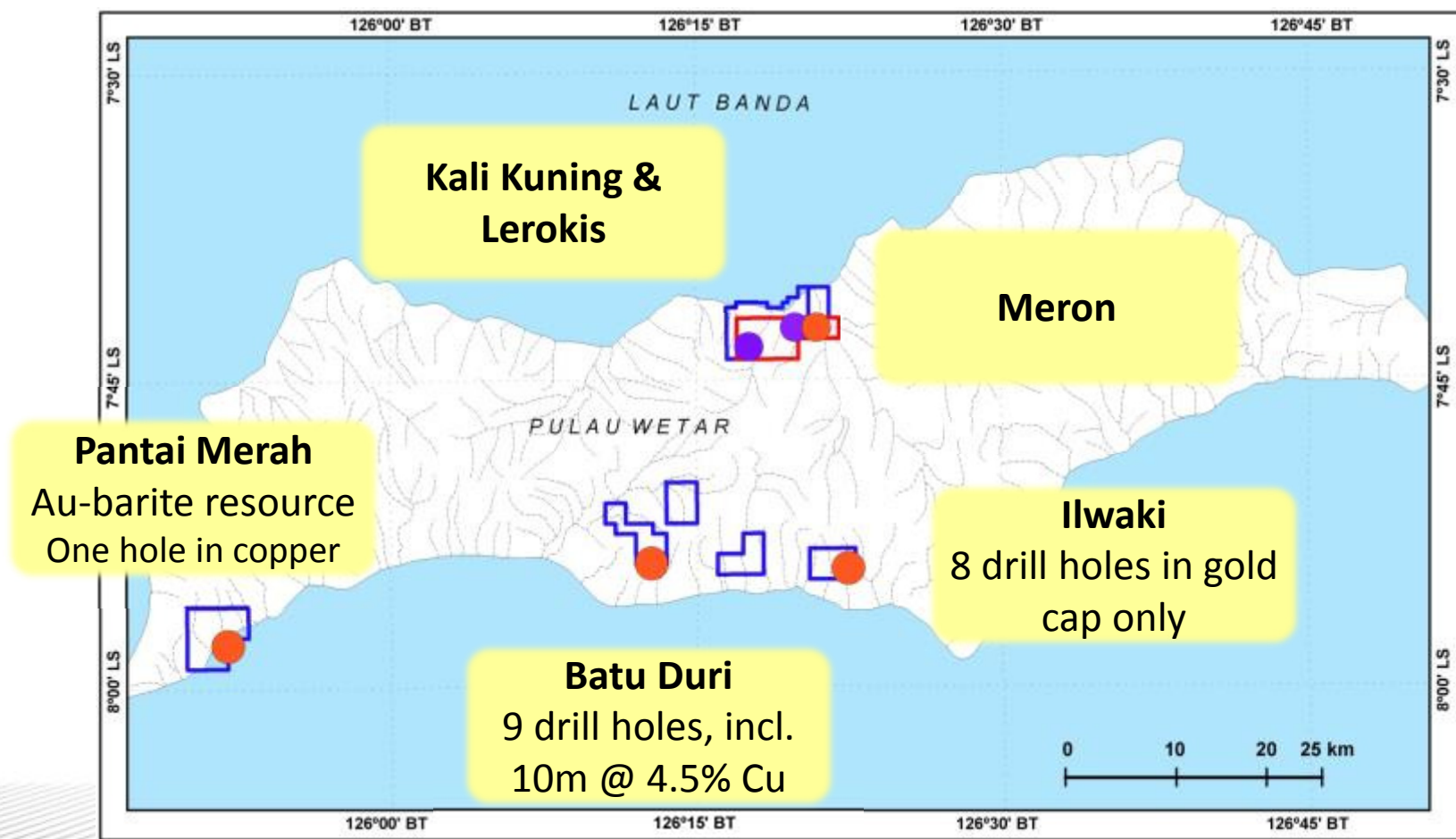
- ❑ **Meron (drill-ready)**
  - 1 km from leach pads
  - Known massive sulphide with copper intercepts
  - 5 to 10Mt potential sulphide unknown copper grade
- ❑ **Karkopang**
  - Possible sulphide under cover
  - 2 km from Kali Kuning
- ❑ **Porphyry**
  - Indicative peripheral mineralisation identified
  - Deep target



EM image of Meron with drill-hole locations

# Wetar Exploration ~ Copper and Gold

- South coast tenements remain under explored



Similar systems explored for gold cap by Billiton



# *Delivery Team*

<b>Gary Comb</b> (Chairman)	Previously Managing Director of Jabiru Metals Ltd from 2003 to 2011. Currently a Director of YTC Resources Ltd and Ironbark Zinc Ltd.
<b>Barry Cahill</b> (Managing Director)	Mining engineer with over 25 years' experience. Previous roles include MD of Australian Mines and Norseman Gold and Operations Director of Perilya
<b>Dr Chris Farmer</b> (Director Indonesia)	20 years of international experience, VP Phelps Dodge Exploration and Senior Geologist Billiton Indonesia BV. Chris has lived in Jakarta since 1991.
<b>James Wentworth</b> (CFO)	19 years of finance and investment experience with a focus on mining and mining services. Non-Executive Director of Mastermyne (ASX:MYE).
<b>Dean Stuart</b> (General Manager)	Mining engineer with over 20 years experience. Was VP Operations for Avocet Mining (Penjom Mine, Malaysia and North Lanut, Indonesia).
<b>Ray Bailey</b> (Project Manager)	Mechanical engineer with 20 years project experience including MGM coal project in Indonesia and Degruusa copper project in Australia
<b>Darren Holmes</b> (Operations Manager)	Over 11 years copper SX-EW experience, including commissioning the Lady Annie, Browns Oxide and Leichardt plants.
<b>Subra Ramaswamy</b> (Contracts & Logistics)	25 years of procurement and logistics experience worldwide including in Indonesia. Formerly Group Procurement Manager with Avocet PLC
<b>Demo Plant Crew</b>	Successfully built and operated the Demo plant at Wetar. Experienced nationals supported by local crew trained in all aspects of the project.

## *Summary ~ Wetar Copper Project*

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- ✓ High grade, low strip, proven process
- ✓ High EBITDA - \$135m pa @ \$7000 Cu
- ✓ Resource expansion potential
- ✓ Producing at 3,000 tpa copper cathode
- ✓ 500t copper cathode shipped
- ✓ Targeting construction second half 2014
- ✓ First cathode from main plant in second half 2015

## *Appendix 1*

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# 3,000 tpa Copper Cathode Plant



## *3kT Plant – Kali Kuning Open Pit*



Mining Ore



High grade ore (8%) in the pit floor



High grade ore (23%)



Stacking Ore

## *3kt Plant Heap Leach*



Heap leach cell



Copper solution



3 kt plant solution ponds



Lime at the neutralisation plant



## *3kT Plant SX-EW*



Cathode from the EW



Copper cathode bundles



Packed copper cathode



Cathode on the LCT

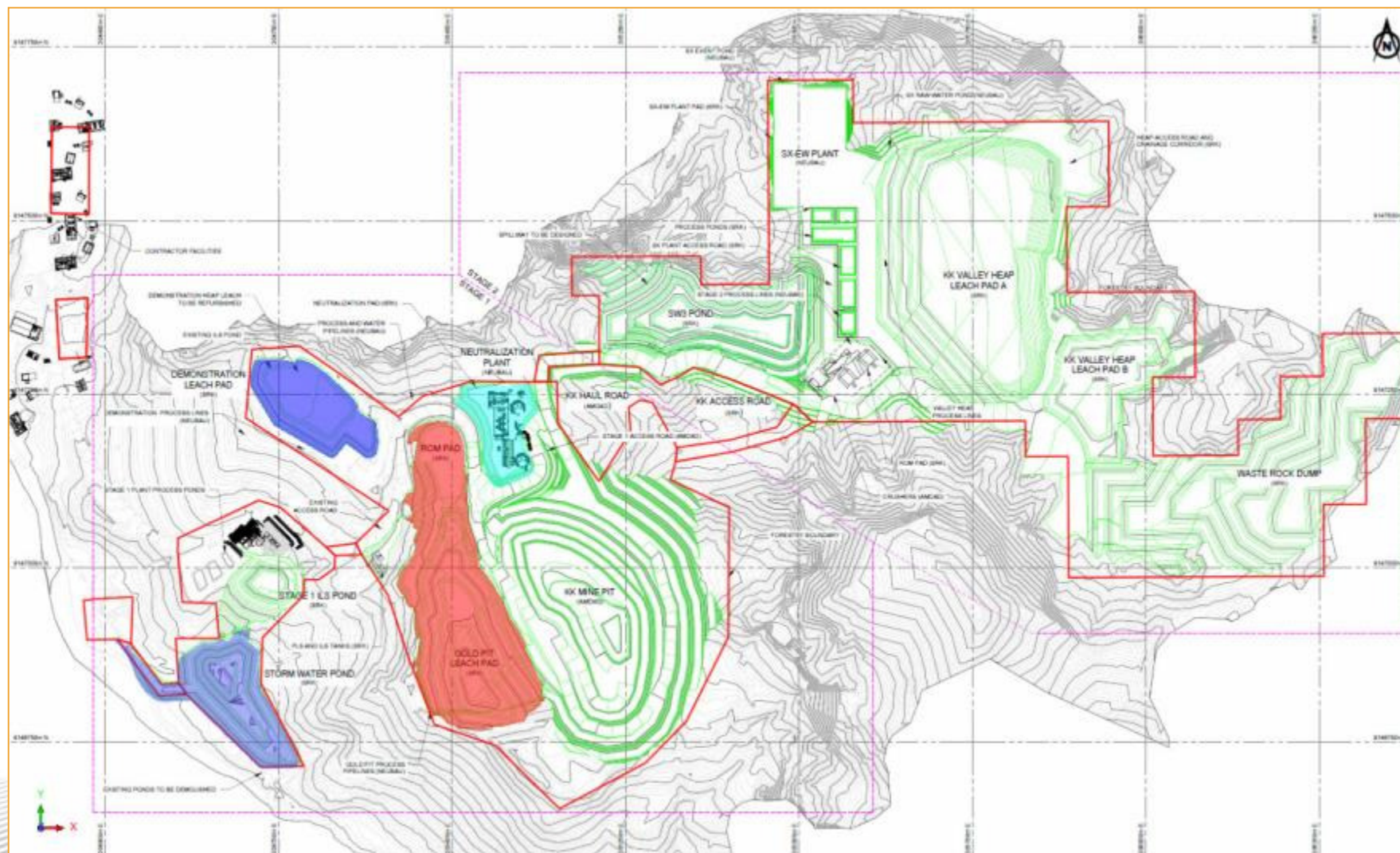
## *Appendix 2*

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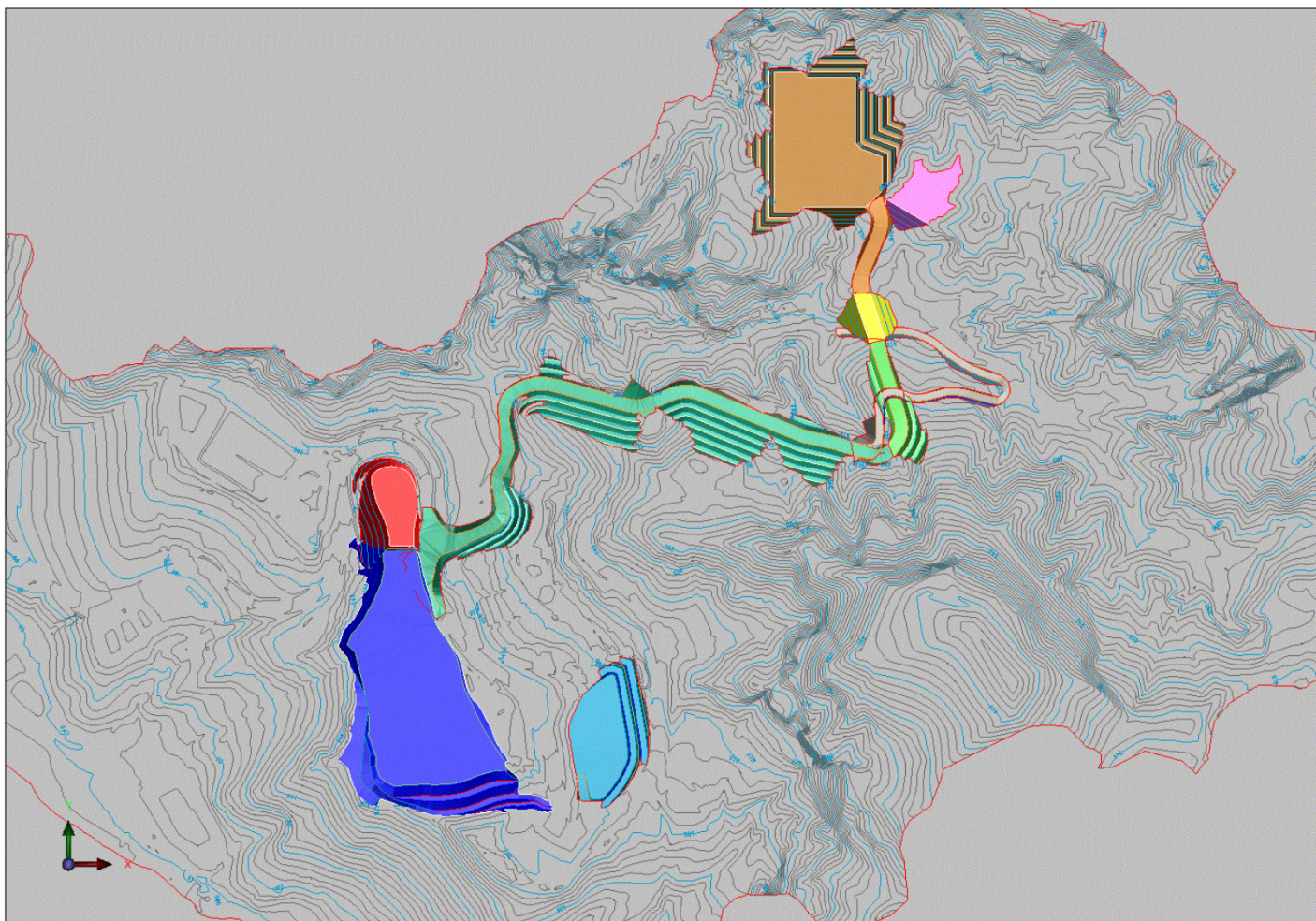
# 25,000 tpa Copper Cathode Plant



# Project Layout









# *Gold Pit Heap Leach Construction*



GPLP construction



GPLP construction



GPLP back filling complete

# *Limestone Quarry*

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Limestone on the GPLP



Limestone quarry



Limestone quarry



## *KKV Access*



KKV Access in progress



KKV Access in progress



KKV Access complete



KKV Access looking into the valley

## *25 kt Plant Site*

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In the KK valley



Underdrainage construction



25kt plant site



# *Existing Infrastructure*



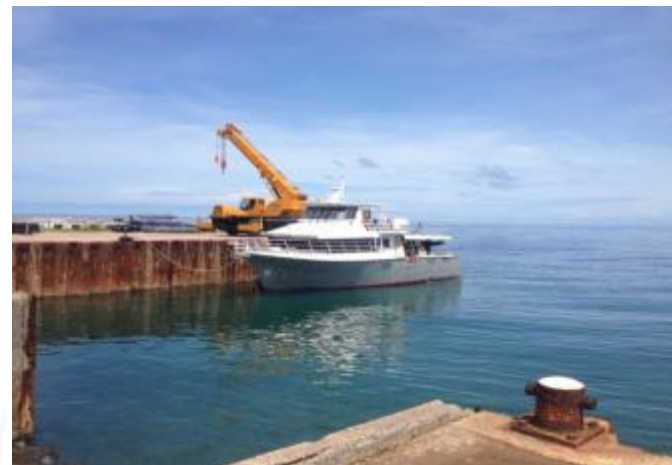
Mine offices



Part of 400 man camp



Magazine



Wharf

## *New Infrastructure*

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850 kL HSD Tank



Piping for 850 kL HSD Tank



New Beach Cottage for Staff Quarters



## *Appendix 3*

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# PROJECT GEOLOGY & RESERVES

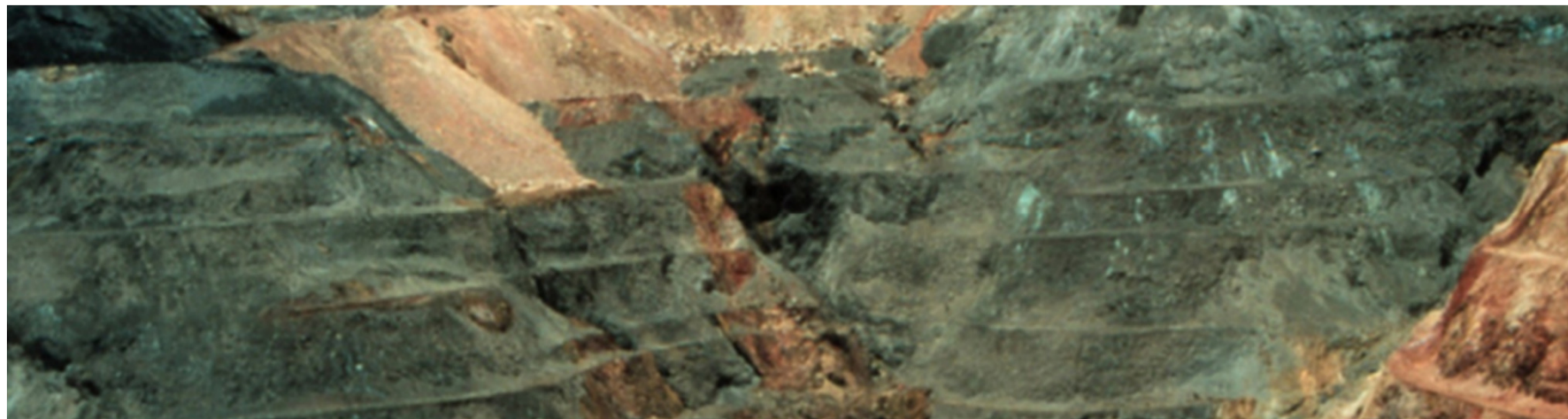
## *Wetar Geology*

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- ❑ Seabed origin VMS deposits in clusters
- ❑ Mineralisation is 4.7 million years old
- ❑ Island is still rising 5m every 10,000 years
- ❑ Primary and secondary Fe / Cu sulphides
- ❑ Overlying barite gold sands in sediment cap



# Wetar Project Reserves



	Category	Tonnes (m)	Grade % Cu	Cont. Cu (kt)
Kali Kuning Pit	Proved	5.4	2.4	132
(0.4% Cu Cut-off)	Probable	0.9	2.1	20
	<b>Sub-Total</b>	<b>6.3</b>	<b>2.4</b>	<b>151</b>
Lerokis Pit	Proved	2.1	2.3	49
(0.5% Cu Cut-off)	Probable	0.4	2.0	9
	<b>Sub-Total</b>	<b>2.5</b>	<b>2.3</b>	<b>58</b>
Combined	Proved	7.5	2.4	181
	Probable	1.4	2.1	29
	<b>Total</b>	<b>8.9</b>	<b>2.4</b>	<b>210</b>

**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.

# *Independent Statements*

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- ✘ 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.