



For ASX Market Release: 19 January 2014

Wetar Development Update - Earthworks

HIGHLIGHTS

- Earthmoving progress continues to be on target
- 25,000 tpa copper cathode SX-EW plant area is complete
- Stormwater Pond 3 excavation has commenced
- Intermediate Leach Solution Pond construction has commenced

Copper cathode producer Finders Resources Limited ("Finders" ASX code: FND) is pleased to announce an update to progress for the 25,000 t.p.a. copper cathode SX-EW expansion project on Wetar Island in Indonesia.

Critical earthworks structures have been the focus of works to date, and with productivity having been very good, progress remains on schedule. Of particular importance is the new plant site has been completed and is currently undergoing preloading in preparation for commencement of construction

Managing Director Barry Cahill commented "We are very pleased with earthmoving progress. With the plant site now complete and progress on other critical stages moving ahead in line with expectations, the project construction continues to perform well despite the commencement of the wet season."

The Bankable Feasibility Study for the Wetar project showed a US\$132.4M capital cost (excluding contingency) and first quartile operating costs of US88c/lb Cu. Finders has completed construction and commissioning of the 3ktpa SX-EW plant, which is now producing copper cathode. The new 25,000 t.p.a. copper cathode plant is expected to be online at the end of 2015.



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WETAR - PROGRESS REPORT

Finders Resources is pleased to update on progress at its 72% owned Wetar Copper Project.

Earthmoving activities have focussed on the completion of the critical earthworks structures with in the construction schedule. To date earthworks productivity has been very good and progress remains on schedule.

The plant site for the construction of the 25kt SX-EW plant has been completed (Image 1). The site is now undergoing preloading in preparation for the commencement of construction of the new plant.



Image 1 – Equipment parked up on the 25kt SX-EW plant site

Earthmoving equipment in the Kali Kuning Valley (KKV) is now working on Stormwater Pond 3 (SWP3) construction with fill material from excavation activities being placed in the area of the KKV Heap Leach Pads (Image 2). The first blast has been successfully undertaken in the KKV on the east wall of SWP3. Prior to this blast material has been ripped and excavated which has assisted productivity from the earthmoving fleet.



Image 2 – SWP3 cut material being placed and compacted as fill in the KKV Heap Leach Pad

Construction has commenced at the Intermediate Leach Solution Pond (ILS). Prior to this drainage around the area and nearby roads was upgraded, with the forming of drains and a culvert under the main access road to direct clean storm water away from the construction area.

At the ILS site clearing and topsoil stripping and the underdrainage construction has now been completed (Image 3). Placement of fill material to build the dam walls is ongoing.



Image 3 – Earthworks in the ILS Pond

Earthworks have continued to progress during the commencement of the wet season in December when the site received over 215 mm of rainfall. Site rainfall is generally between 1,500mm to 1,700 mm falling during the December to April period.

The wetlands earthworks have been completed and the placement of rip rap and concrete works on the spillways complete (Image 4). The wetlands are a sediment trap for storm water that is directed around the construction area during the wet season.



Image 4 – Looking south up the completed cells of the wetlands

Barry Cahill
Managing Director

WETAR COPPER PROJECT (FND 72%)

Background

- The Wetar Copper Project comprises the development, mining and processing of copper sulphide deposits at Kali Kuning and Lerokis located on Wetar Island, Maluku Barat Daya, Indonesia. The project scope includes the (current) operation of a 3,000 tonnes per annum (t.p.a.) copper cathode SX-EW plant and the construction of an additional 25,000 t.p.a. copper cathode SX-EW plant.
- 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.
- Finders has completed construction and commissioning of the 3ktpa SX-EW plant, which is now producing copper cathode.
- Finders has arranged financing for the 25ktpa SX-EW plant and has commenced construction, with the plant expected to be online at the end 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 Development Update November 2014

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:

| 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.

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