FINDERS RESOURCES LIMITED

ABN 82 108 547 413

ANNUAL REPORT 2014

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CHAIRMAN'S STATEMENT

On behalf of the Board of Finders Resources, I am pleased to present this report for 2014.

Finders Resources Limited remains committed to becoming a low-cost copper cathode producer in Indonesia, and 2014 has seen the Company make great strides to achieve this.

The Company's most significant accomplishment for the year was securing commitments of US$210 million to fund construction of our main 25,000 tonne per annum copper cathode plant on Wetar Island, Indonesia. This funding was made up of a US$165 million commitment from a consortium including BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale ("the Senior Lenders"), as well as US$45 million in project level equity from international trading house Daewoo International Corporation ("Daewoo"). Securing this funding in the current market climate was not easy – many of our peers have not been able to overcome this challenge – and it is testament to the quality of our project that we have received these funding commitments.

We have now commenced construction for the expanded plant, having completed the bulk of the priority earthworks over the past year. We awarded a $9 million EPCM contract for the project in November, and it is pleasing that to date, the project remains on track to be commissioned by the end of the 2015 calendar year.

As an earlier milestone of the Wetar project, Finders recommenced copper cathode production at the 3,000 tonne per annum plant in April, having upgraded and refurbished our original demonstration plant. This plant has operated throughout the year, producing a total of 1,416 tonnes of cathode to the end of December. This is generating income for the Company through the sale of London Metal Exchange Grade A cathode, and we finished the year in a strong financial position, with almost $50 million cash on hand.

Our Ojolali gold-silver project in Sumatra has also progressed over the course of the year. The scoping model for the gold-silver project is based on a 30,000oz per year operation at Ojolali, and our current work is focusing on an environmental impact assessment (AMDAL) on the Jambi prospect, being completed in conjunction with local consultants, as well as an evaluation of project economics. Aspects of this work are due for completion soon and we look forward to updating our Shareholders in that regard.

The support of our shareholders has been crucial to the Company. Their support was demonstrated again in January and in June 2014 when the Company successfully raised a total of $25 million by way of share placements and a 1 for 15 Entitlement Offer to shareholders.

The support of the Wetar local community is also crucial to our success. It is pleasing to note that many from the local community are employed and being trained by the Company. In addition, we are working with the local communities to develop industries and opportunities which will continue past the end of the Wetar mine life. Such skills-based training will put the local community in good stead for the future.

We are cognizant of the many challenges that lie ahead during the construction of the project. We have assembled a team of professionals whom we believe have the requisite skills and experience to deliver the project as planned. We also have a team presently operating the 3,000tpa SX-EW plant whose experience will be invaluable in ensuring that the 25,000tpa SX-EW plant, when commissioned, operates to its planned capacity.

I would like to thank my fellow board members for their work over the past year, as well as Finders management and employees, both in Australia and Indonesia for their efforts. It is my hope that we will continue to work together to drive the success of the Wetar project as well as that of our Company, and I look forward to the delivery of additional milestones in the year ahead.

Gary Comb
Chairman

26 March 20

MANAGING DIRECTOR'S REVIEW

Wetar Copper Project (Finders – 72%)

The Wetar Copper Project is a fully-permitted project currently under expansion. The project comprises the development, mining and processing of sulphide deposits (Kali Kuning deposit and Lerokis deposit) on Wetar Island. Total ore reserve is estimated at 8.9 million tonnes at an average copper grade of 2.4%, containing approximately 210,000 tonnes of copper.

Construction activities for the expansion of the project have commenced, incorporating the ex-Whim Creek SX-EW plant, which will add 25,000tpa copper cathode capacity to the project. Together with the existing 3,000tpa copper cathode plant, the project will have a total capacity of 28,000tpa copper cathode when completed.

The initial mine life is projected to be about 10.5 years, with total copper cathode production of 155,000 tonnes.

The development is based on a Bankable Feasibility Study ("BFS") for the Project completed in 2011, which was revised and updated in November 2013.

Key findings of the revised BFS are –

	BFS November 2013
Ore Reserves [1]	8.9 Mt
Strip Ratio	0.9
Initial Mine Life	10.5 years
Average Copper Grade	2.4%
Cathode Production Capacity	28,000 tpa
LOM Cathode Production	155,000 t
Average Copper Recovery	74%
Operating Cash Cost (efficient production) [2]	US$0.88/lb
Capital Costs (pre accuracy provision and contingency)	US$132.4m

Notes:

1. There is an additional 0.2MT of Inferred Resource within the pit shell not included in the above Ore Reserves
2. Operating Cash Costs exclude royalties (4%), head office costs and marketing costs (expected to be zero after netting off sales premiums). Efficient production is defined as a run rate greater than 1,500 tpm


Kali Kuning Valley

Location

The project is located on the north coast of Wetar Island in the Province of Maluku Barat Daya in eastern Indonesia. Wetar Island is a remote island which supports a total population of around 9,000 people. It can be accessed by boat from a number of ports including Kupang, Kisar and Atapupu.

Construction of 25,000 tonnes per annum SX-EW plant

Mine construction activities officially commenced in the fourth quarter of 2014 following the finalization of the Daewoo investment, which provided the initial funding for the development, and execution of the project finance facility agreements. Significant progress has been made since then.

Earthmoving activities commenced during the year, utilizing excess capacity from the mining contractor's fleet which had been mobilized towards the end of 2013. Earthmoving activities continued to make good progress, with production rates continuing to exceed those anticipated in the project schedule.

The major earthmoving areas undertaken up to date of this report include –

a) Siteworks for the 25 ktpa SX-EW plant and leach pads. Earthmoving work is nearly complete on the SX/EW pad and it will be handed over to the project team in April. Work on the leach pads is well advanced;

b) Siteworks for gold pit leach pads. Earthmoving work is now complete and the first two cells have now been lined ready for stacking;

c) Construction of Intermediate Leach Solution pond. The pond is now complete and lined and is expected to be filled shortly;

d) Construction of Storm Water Ponds No2 and No. 3. Earthmoving for both ponds is well advanced;

e) Construction of wetlands area as a sediment trap for storm water runoff from the construction site. The wetlands is now complete;

f) Construction of emergency airstrip which is well advanced.

The EPCM contract with a value of US$8.9 million was awarded to GR Engineering Services during the year. Other contracts that have been tendered and awarded in early 2015 include the first stage construction camp and the crusher supply contract. Major contracts expected to be awarded shortly include the earthmoving contract and the power station supply contract.

The SX-EW plant (ex-Whim Creek mine), which had been in storage in the port at Kupang, West Timor, has been transported to Wetar. The initial inspection and assessment has been completed with serviceable parts identified.

A number of structures in the coastal works have been completed including the initial 188 man construction camp and a concrete batching plant.

Upside Potential

Based on the revised BFS, the initial mine life is 10.5 years.

There are opportunities for a longer mine life 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.

Improvements in copper recovery and increase on mined copper grade also have the potential to increase the mine life. The potential higher copper recovery alone, based on an estimated copper recovery of 87.5% from close out drilling of Heap 3 from the demonstration phase, could add an additional year production with no additional mining cost.

Project Financing

Syndicated Project Finance Facility

The Senior Secured Project Finance Facility Agreement with BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale was finalized in November 2014. Under the agreements, the banking syndicate has agreed to provide loan facilities totaling US$165 million consisting of:

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

Gold pit leach pads

Emergency airstrip under construction

The facilities have first ranking security over the Wetar Copper Project. Availability is subject to conditions precedent typical for a facility of this nature, including raising and expending the project equity and satisfaction of costs to completion tests, implementation of a minimum copper hedging programme to support the facilities and financial covenant tests immediately prior to hedging and drawdown.

Partnering with Daewoo International Corporation

The Group has entered into a number of agreements with Daewoo International Corporation ("Daewoo") pursuant to which Daewoo has provided US$45 million of funding to expand the Wetar project from its current capacity of 3,000tpa of copper cathode to 28,000tpa of copper cathode.

Under the agreements, Daewoo has subscribed for shares in and provided a loan to Finders' Indonesian subsidiary, PT Batutua Tembaga Raya ("BTR"), in consideration for a 24.1% shareholding in BTR, thereby diluting Finders' shareholding in the company to 75.9%. BTR in turn has an economic interest of 95% in the Wetar copper project.

BTR will also enter into a Procurement Agreement with Daewoo under which BTR will be able to access Daewoo's procurement and technical expertise for the benefit of the project.

Offtake Agreements

The agreements with Daewoo above also include an Offtake Agreement in relation to 20% of copper cathode production from the project. With this agreement, Finders has secured offtake partners for 100% of its copper cathode production from the project.

3,000 tonnes per annum SX-EW plant

The 3Kt plant was commissioned in April 2014. A total of 140,000 tonnes of ore grading 2.42% was stacked and has provided feed (copper solution) for the 3Kt plant. The heaps have been stacked at 8 metres high compared to the BFS of 6 metres high, further improving the efficiency of the stacking operation and providing valuable re-optimisation information for the 25,000tpa operation.

Below is a summary of the production statistics to 31 December 2014.

Stacked ore	t	139,587
Grade	%Cu	2.42
Contained metal stacked	t Cu	3,385
Copper stripped	t Cu	1,416
Copper sold	t Cu	1,314
Copper revenue	A$million	9.96
Average price sold	US$/lb	2.88

The SX-EW plant has performed to expectations. Future copper production at plant capacity is now dependent on the timing of the stacking of ore on the Gold Pit Heap Leach Pad (GPLP).

The copper cathode produced meets the specification for LME Grade A and has been exported and sold at a premium to LME pricing.

Wetar Copper Project – Reserves and Resources Statement

Ore Reserve Estimate			
	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.

Mineral Resource Estimate									
	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

Competent persons statement

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. The information 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. The original report titled "Increase Ore Reserve for Wetar Copper Project" was dated 17 July 2013 and released to Australian Securities Exchange on that date.

The Company confirms that –

g) it is not aware of any new information or data that materially affects the information included in the Australian Securities Exchange announcement;

h) all material assumptions and technical parameters underpinning the estimates in the Australian Securities Exchange announcement continue to apply and have not materially changed;

the form and context in which the Competent Persons' findings are presented have not been materially modified.

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. Gold mineralisation is widespread within the belt with several mines operational during Dutch colonial times.

In modern times, gold has been mined at Lebong Tandai and Lebong Donok in the Bengkulu Province. Current mines in operation include Martabe (G-Resources) and Way Linggo (Kingsrose) with Sumatra Copper & Gold set to construct at Tembang. The Jambi oxide gold deposit has potential for a small scale mining operation based on the resource below.

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

Exploration Activities

Field activities comprised in-fill trenching and sampling of bedrock material at various prospect locations within the tenement and compilation of assay results received from samples from a systematic sampling program within a 12km2 area characterized by anomalous soil assays for a cumulative length of 4,393m. The focus of the program was to upgrade the potential of satellite prospects surrounding the existing 176,000 Oz Au oxide gold Mineral Resource at the Jambi prospect and the Ag-Au-Zn deposit at Tambang.

A full report describing the results of the exploration was released to the ASX on 28 January 2015 and reference should be made to that report for detail regarding prospect descriptions, significant assays and information from Table 1 following JORC guidelines.

In summary, the results have underlined the potential for additional bulk oxide gold resources at Belida-Talang Harno and Supri, which are easily accessible and in close proximity to the Jambi resource (<800m). Potential for high grade vein style mineralization is further established in the Batu Kuning-Way Neki vein swarm and at Wujun and Kencur.

Assays from infill trench (bedrock), rock channel and continuous float sampling undertaken at 10 prospects within the exploration licence area returned multiple zones with significant gold and silver assays. Highlights from over 2,500 individual assays include[1]:

Bulk Oxide targets

- **76m @ 1.88 g/t Au** (trench TBLD66, Belida)
- **52m @ 1.4 g/t Au** (trench TSPR31, Supri)
- **56m @ 1.25 g/t Au** (trench TBKT68, Way Neki)
- **12m @ 1.3 g/t Au** (trench TTLH71, Talang Harno)

Vein targets

- **4m @ 26 g/t Au, 18 g/t Ag** (trench TBKT23, Batu Kuning)
- **2m @ 9.03 g/t Au, >100 g/t Ag** (channel CBKT88, Batu Kuning)
- **2m @ >50 g/t Au, 90 g/t Ag** (channel CWUJ61, Wujun)
- **2m @ 13 g/t Au, 47 g/t Ag** (channel CKCR150, Kencur)

The assay results further emphasize the widespread nature of gold mineralisation within the Ojolali tenement and define a mineralised district approximately 6km north-south and up to 5km wide. (Fig. 1 & 2).

The company has completed a preliminary study to evaluate a 30,000oz Au production from heap leach operations at the Jambi prospect. Given the assumptions in the study, the results confirmed a small scale gold operation could be developed profitably in the future.

Simultaneously, an AMDAL (environmental impact study) has been submitted.

Tenement

The exploration licence (IUP B.24/DPE-WK/HK/2014) expired on 11 March 2015. Prior to the expiry of the exploration licence, an application for a mining licence (IUP Operation Production) was lodged with the Provincial Mines Department which administers the issue of such licences. The application is being assessed by the Mines Department. If approved, the mining licence will have a tenure of 20 years.

1 Full listing of significant assays in ASX release 28/1/15, to be read in conjunction with Table 1

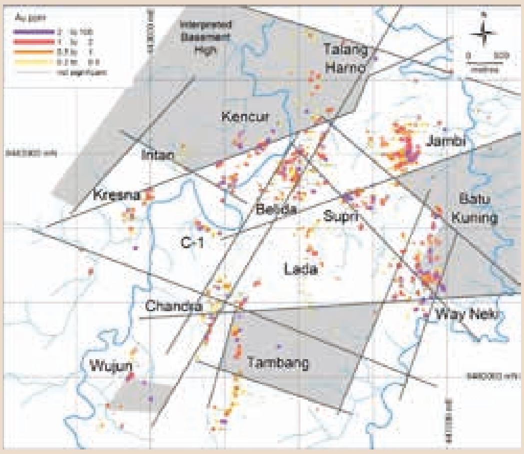

Fig 1 : Location of Prospect Areas with summary gold assays from surface samples against a backdrop with interpretation of magnetic high and structures

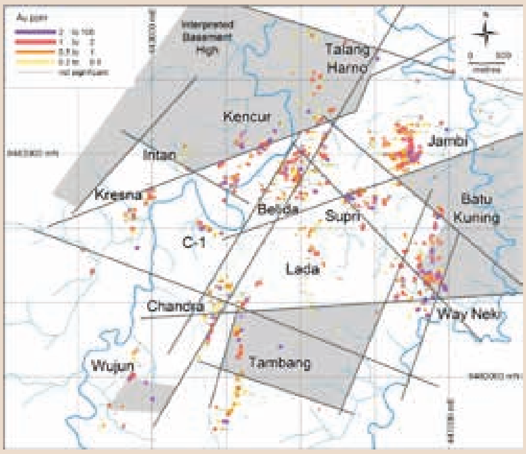

Fig 2 : Location of Prospect Areas with summary silver assays from surface samples against a backdrop with interpretation of magnetic high and structures

Finance

The consolidated loss after income tax for the year was $20.5 million (2013: $20.38 million).

The Group realized $9.96 million from the sale of 1,314 tonnes of copper. However, the Group incurred significant expenses as it ramped up for construction. Contributing to the loss for the year is the Group's decision to make an impairment provision of $4.2 million against an asset (marine fuel oil generators) carried in the balance sheet of BTR. The asset represented payments under a contract to refurbish the generators. BTR is in dispute with the contractor and an arbitration process between BTR and the contractor has commenced. Due to the uncertainty relating to the arbitration, the Group has adopted a conservative approach in preparing these financial statements and has made an impairment provision against the carrying value of the generators. The Group intends to vigorously pursue its rights under the contract.

The Group incurred significant loan origination costs during the year in connection with the establishment of the Wetar project finance facility. As required by accounting standards, the loan origination costs amounting to $4.2 million have been capitalized and will be amortised over the life of the loan facility.

Cashflow

The Group received $9.1 million from copper sales which was a valuable contribution to the funding requirements for the year.

Funding during the year for general operating expenses was supplemented by proceeds from share placements ($20.0 million) and an underwritten 1 for 15 Entitlement Offer to shareholders which raised $5.3 million.

As referred to above, in November 2014, Daewoo made a US$45 million investment in BTR. The funds are for the expansion of the Wetar project from its current capacity of 3,000tpa of copper cathode to 28,000tpa.

At 31 December 2014, the Group had $47.9 million in cash.

Tenements And Permits

IUP Decision No.	Type	Mineral	Expiry Date	Area (ha)	Term	Holder
Wetar Copper Project						
543 – 124 Tahun 2011	IUP Exploitation	Copper	09 Jun 2031	2,733	20 years	BKP
540 – 317.a Tahun 2012	IUP Exploitation	Sand, gravel and stone	01 Nov 2017	80.55	5 years	BKP
540 – 317.b Tahun 2012	IUP Exploitation	Limestone	01 Nov 2017	1,425	5 years	BKP
540 – 28.b Tahun 2010	IUP Exploration	Barite	01 Mar 2016	515	6 years	BBW
Wetar South Coast Exploration						
540 – 28.a Tahun 2010	IUP Exploration	Gold	01 Mar 2016	2,636	6 years	BKP
540 – 28.c Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,418	6 years	BKP
540 – 28.d Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,021	6 years	BBW
540 – 28.e Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,106	6 years	BBW
540 – 28.f Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,148	6 years	BBW
Ojolali Gold-Silver Project						
B.24/DPE – WK/HK/2014	IUP Exploration	Gold	11 Mar 2015*	5,912	1 year	BWKM

*Application for an IUP Exploitation has been lodged

Finders' interest in the Wetar Copper Project (72%) is held through Indonesian subsidiaries, PT Batutua Tembaga Raya ("BTR") and PT Batutua Kharisma Permai ("BKP"). BBW has merged with BKP and tenements previously held by BBW are in the process of being transferred to BKP.

Finders' interest in the Ojolali Project (72%) is held through Indonesian subsidiary, PT Batutua Lampung Elok ("BLE"). BLE is a party to a cooperation agreement with BKP and PT Batutua Way Kanan Minerals ("BWKM") that hold exclusive mining authorisations (Izin Usaha Pertambangan ("IUP")).

Processing and Refining Licence

BTR holds a business license for processing and refining (IUP Processing and Refining No. 543-125 Tahun 2011) for a 20 year period expiring on 9 Jun 2031. This IUP allows BTR to process ore from the Wetar Copper Project to produce copper cathode.

Forestry Permit

BKP holds a production stage forestry use permit ("*Pinjam Pakai*") which allows the company to carry out development, mining and production activities at the Wetar Copper Project through to expiry in December 2031.

CORPORATE GOVERNANCE

The Board of Directors supports good corporate governance principles and practices. Notwithstanding its small size, the Company aims to comply with the Corporate Governance Principles and Recommendations ("ASX Principles") set by the ASX Corporate Governance Council ("Council") to the extent appropriate and practical. Where compliance is inappropriate or impractical, these departures from the ASX Principles are explained in this statement.

The Directors have adopted the following charters and policies and copies are available on the Company's website together with the Company's Constitution.

Audit Committee Charter
Board Charter
Code of Conduct
Continuous Disclosure Policy
Diversity Policy
Remuneration and Nomination Committee Charter
Risk Management Policy
Securities Trading Policy
Shareholder Communication Policy

References to "Company" in this statement shall, where applicable, refer to the Group.

ASX Principle 1: Lay solid foundations for management and oversight. Council states that a company should *"Establish and disclose the respective roles and responsibilities of board and management"*.

The Board Charter defines the operation of the Board of Directors, its role, composition and responsibilities and the separation of the role of the Board from that of management.

The Board is responsible for –

a) setting the Company's values and standards of conduct;
b) providing leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
c) setting the Company's direction, strategies and financial objectives;
d) approving business plans and annual budgets;
e) approving half-year and annual financial reports;
f) ensuring that the performance of management, and the Board itself, is regularly assessed and monitored;
g) monitoring compliance with regulatory and ethical standards; and
h) appointing, terminating and reviewing the performance of the Managing Director and Executive Directors.

The Board has delegated authority for the operations and administration of the Company to the management team, led by the Managing Director.

The roles of the Chairman and the Managing Director are separate.

The Chairman is responsible for –

a) leading the Board in its duties to the Company;
b) ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
c) facilitating effective discussions at Board meetings;
d) ensuring effective communication with shareholders; and
e) developing an effective working relationship with the Managing Director and Executive Directors.

The Managing Director is responsible for –

a) policy direction of the operations of the Company;
b) the efficient and effective operation of the Company;
c) ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the Board;
d) ensuring all material matters affecting the Company are brought to the Board's attention; and
e) maintaining regular communication with the Chairman on operational and strategic matters.

The Company has a formal process for evaluating the performance of Executive Directors and senior executives. Executive Directors are appraised by their respective senior executive staff as well as by their fellow directors as part of Board performance evaluation. Senior executives are individually appraised by the Managing Director and the relevant Executive Director.

A formal performance evaluation of senior executives was not undertaken during the year. Whilst a formal evaluation process was implemented in the 2010 year, the formal process does not appear to be warranted given the small executive team. It is anticipated that the formal evaluation process will be adopted following the Group's transformation into a copper producer.

ASX Principle 2: Structure the board to add value. Council states that a company should *"Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties"*.

The Board currently consists of 5 directors. A description of the skills and experience of each Board member and their period in office are contained in the Directors' Report.

Independent Directors		
Non-Executive Chairman	Gary Comb	
Non – Independent Directors		
Non-Executive Directors	Gavin Caudle Gordon Galt	
Executive Directors	Barry Cahill Christopher Farmer	Managing Director Executive Director – Indonesia

The chairman of the Board is an independent director, however the majority of the Board comprise of non-independent directors (see definition below) as follows –

i) Messrs Cahill and Farmer are not independent as they are employed in an executive capacity;
ii) Messrs Caudle and Galt are associated with Provident Minerals Pte Ltd and Taurus SM Holdings Pty Limited, both of whom are substantial shareholders in the Company.

Notwithstanding, the Company believes that the present composition of the Board is appropriate for the following reasons –

a) it provides a balance of skills and expertise that are required and that are appropriate at this stage of the Company's development;
b) each of the non-independent directors, other than Mr Galt, has a significant personal stake in the Company and the Board believes that, on balance, this serves to align their interests with those of shareholders and other stakeholders.

Independence

An independent director is a non-executive director (ie is not a member of management) and –

a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
b) within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
c) is not a principal or employee of a professional adviser to the Company or its subsidiaries whose billings exceed five per cent of the adviser's total revenue;
d) is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company exceed five per cent of the supplier's total revenue. A significant customer is one whose amounts payable to the Company exceed five per cent of the customer's total operating costs;
e) has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Term

The Board has not adopted a tenure policy. In accordance with the Constitution of the Company, no director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

Independent Advice

The Board, or individual directors, may obtain independent professional advice if it (or the director) considers necessary, with the costs to be borne by the Company.

Remuneration and Nomination Committee

The members of the Committee are –

Gary Comb (Chairman)
Gavin Caudle
Gordon Galt

Under the Remuneration and Nomination Committee Charter, candidates for Board positions are nominated by the Committee for consideration by the Board. In selecting new members for the Board, directors have regard to the appropriate skills and characteristics needed by the Board as a whole. The directors endeavour to appoint individuals who would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company, at least one of whom will have appropriate technical and commercial skills relevant to the mining industry.

Board Performance Evaluation

The Board was restructured during the second half of 2013, bringing on directors with a good mix of Indonesian, construction and financing expertise aimed at the development of the Wetar Copper Project. A formal performance evaluation of the Board and individual directors was not conducted during the year in view of the restructure. The formal evaluation process will be adopted following the Group's transformation into a copper producer.

ASX Principle 3: Promote ethical and responsible decision-making. Council states that a company should *"Actively promote ethical and responsible decision-making"*.

Code Of Conduct

The Company conducts its business within the guidelines set out in the Code of Conduct. Under the Code all directors and employees are required to –

a) comply with the law;
b) act honestly and with integrity;
c) not place themselves in situations which result in a conflict of interest;
d) use the Company's assets responsibly and in the best interests of the Company;
e) be responsible and accountable for their actions.

Adherence to the Code is a term of employment with the Company.

Employees are encouraged to report any violations of this Code of Conduct to the Managing Director or to the Chairman where a concern or conflict issue involves a director.

Diversity Policy

The Company's diversity mission is to become an organization with the following inherent and lasting characteristics:

a) Universal recognition by everyone with whom it deals as a company committed to diversity and synonymous with improving the opportunities of disadvantaged groups in employment;
b) A workforce that fully reflects the requisite skills available in the relevant employment market;
c) A preferred employer and vendor for all cultural groups in the population by virtue of its reputation in this field;
d) An environment where every employee understands and voluntarily values diversity in all areas of practice;
e) An environment where all employees have the opportunity to reach their highest potential.

The recognition and encouragement of the uniqueness of individual contribution within a team environment is the embodiment of the Company and its employment policies. Our philosophy is found in all aspects of employment such as recruitment, compensation, training, promotion, transfer, termination and benefits.

All employees of the Company will be treated as individuals according only to their abilities to meet job requirements, and without regard to factors such as race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, sexual orientation, age or because of a criminal or summary conviction charge that is unrelated to the employment or the intended employment or any other factor that is legislatively protected. Any kind of discrimination or harassment based upon these factors is neither permitted nor condoned.

At 31 December 2014, the Group had 341 employees, almost all of whom are employed at the Wetar Copper Project in Indonesia. Women represented 10% of the workforce, 0% in senior executive positions and 0% on the Board.

The Board has not set measurable objectives for achieving gender diversity. The Group is undergoing a major transformation to a copper producer with the development of the Wetar Copper Project. Measurable objectives will be developed over time and will be reported in future.

ASX Principle 4: Safeguard integrity in financial reporting. Council states that a company should *"Have a structure to independently verify and safeguard the integrity of their financial reporting"*.

The Company has accounting policies, systems and procedures for ensuring that its financial reports present a true and fair view of its financial position in all material respects. The policies, systems and procedures cover areas of significance to the financial statements such as revenue recognition, accounting for non-current assets, payroll, control of cash and other assets, recording of liabilities and authority levels.

The Managing Director and Chief Financial Officer provide the Board with a written statement pursuant to Section 295A of the *Corporations Act 2001* that the financial records of the Company for each financial year have/have not been properly maintained in accordance with Section 286 of the *Corporations Act 2001*, the financial statements and notes thereto comply with the accounting standards and give a true and fair view and, that to the best of their knowledge, the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and the Company's risk management and internal compliances and control system is operating efficiently and effectively in all material respects.

Audit Committee

The Committee's role and responsibilities, powers and membership requirements are set out in an Audit Committee Charter.

The Committee provides assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems and external audit functions. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary at the Company's cost.

The current members of the Committee are –

Gavin Caudle (Chairman)
Gordon Galt
Gary Comb

Details of the qualifications of each Committee member, the number of Committee meetings held and the attendance of each Committee member are set out in the Directors' Report.

Appointment and Rotation of External Auditor

If a change in external auditor is proposed, responsibility for recommending the external auditor (to be proposed for shareholder approval) and for evaluating the external auditor shall lie with the Audit Committee. The Committee aims to recommend an external auditor who demonstrates independence and integrity and who has the capacity to support the Group's business operations in Australia and Indonesia.

The audit partner responsible for the audit shall be rotated at least every five years. At least two years must elapse before the audit partner can again be involved in the audit of the Company.

ASX Principle 5: Make timely and balanced disclosure. Council states that a company should *"Promote timely and balanced disclosure of all material matters concerning the company"*.

The Continuous Disclosure Policy sets out how directors and employees shall deal with potentially price-sensitive information to ensure that the Company complies with its continuous disclosure obligations which require the Company to immediately notify the Australian Securities Exchange (ASX) of any such information.

The Managing Director and Executive Directors constantly monitor all Company activities with a view to determining the possible need for disclosure of price-sensitive information.

Directors and the management team notify the Managing Director or the Company Secretary immediately if they become aware of any information that should be considered for release to the market.

Disclosures concerning financial information are reviewed and approved by the Chairman of the Audit Committee prior to their release to ASX.

Price-sensitive information is released to ASX. Price-sensitive information is not disclosed to analysts or others outside the Company until after the ASX confirms that the announcement has been released. The information is posted on the Company's website immediately after the ASX confirms that the announcement has been released, with the aim of making the information accessible to the widest audience.

The Company has a policy of not responding to market rumours and speculation unless it is required to do so by ASX.

Where the Company is not able to make an immediate announcement of market sensitive information, it may choose to apply for a trading halt of its securities on ASX. A trading halt can only be sought by the Managing Director in consultation with the Chairman.

ASX Principle 6: Respect the rights of shareholders. Council states that a company should *"Respect the rights of shareholders and facilitate the effective exercise of those rights"*.

The aim of the Shareholder Communication Policy is to provide shareholders with information about their company to enable them to exercise their rights as shareholders in an informed manner.

Shareholders and other interested parties are invited to register to receive email alerts of announcements posted on the Company's website.

Shareholders are encouraged to attend all meetings, or if unable to attend, to vote on the motions proposed by appointing a proxy.

The Company's auditor attends each Annual General Meeting and is available to answer questions about the conduct of the audit and the preparation and contents of the auditor's report.

ASX Principle 7: Recognise and manage risk. Council states that a company should *"Establish a sound system of risk oversight and management and internal control"*.

The Company faces material business risks arising from its business as an exploration, development and mining company and includes operational and financial risks and others such as reputation and regulatory risks.

Risk management strategies adopted include –

a) health, safety and environment policies;
b) internal control policies and procedures;
c) financial authority limits;
d) business plans and budgets;
e) monthly reporting against budgets;
f) insurance programme; and
g) hedging strategies, where appropriate.

The above strategies are implemented in conjunction with other policies adopted by the Company, including the code of conduct, continuous disclosure policy and securities dealing policy to provide a comprehensive risk management policy.

The Board monitors and reviews areas of significant business risks regularly through –

a) monthly financial reports, including reports on the operations;
b) attendance at Board meetings held at least six times a year;
c) tours of operations;
d) presentations by the Managing Director, Executive Directors and senior management at Board meetings;
e) informal briefings by the Managing Director and Executive Directors; and
f) reports by the Chairman of the Audit Committee and circulation of minutes of Audit Committee meetings to the Board.

The Managing Director and Chief Financial Officer have provided the Board with a written statement pursuant to section 295A of the ***Corporations Act 2001*** that the financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the ***Corporations Act 2001***, the financial statements and notes thereto comply with the accounting standards and give a true and fair view and, that to the best of their knowledge, the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and the Company's risk management and internal compliances and control system is operating efficiently and effectively in all material respects.

ASX Principle 8: Remunerate fairly and responsibly. Council states that a company should *"Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear"*.

Remuneration and Nomination Committee

The members of the Committee are –

Gary Comb (Chairman)
Gavin Caudle
Gordon Galt

The Remuneration and Nomination Committee Charter requires and ASX Principles recommend that the Committee consists of a majority of independent directors. The Chairman of the Committee is an independent director. However the other two members of the Committee (Messrs Caudle and Galt) are not independent. Notwithstanding, the Board believes the composition of the three-member Committee is appropriate given the other directors are executive directors of the Group.

Details of the qualifications of each Committee member, the number of Committee meetings held and the attendance of each Committee member are set out in the Directors' Report.

The Committee's role and responsibilities, powers and membership requirements are set out in its Charter.

The Committee advises the Board on remuneration policies and practices generally to assist the Board in the discharge of its responsibilities for human resources and remuneration matters. The objective of the Committee is to ensure that –

a) the Company's remuneration policy is designed to align senior executives' interests with those of shareholders;

b) remuneration level is commensurate with a person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating employees of the highest calibre.

Full details of the Company's remuneration policy and the structure and level of remuneration paid during the year ended 31 December 2014 are set out in the Remuneration Report section of the Directors' Report. Other than statutory superannuation, there are no schemes for retirement benefits for both executives and non-executive directors.

The Company does not permit the hedging of unvested incentive securities issued to executive directors, employees and consultants. The Company's policy in this matter is contained in its Security Dealing Policy, a copy of which can be found on the Company's website.

26 March 2015

DIRECTORS' REPORT

Your Directors present their report on Finders Resources Limited ("Company") and its controlled entities ("consolidated entity" or "Group") for the year ended 31 December 2014.

Directors

The Directors in office during the financial year and up to the date of this report are:

Gary E Comb *(Appointed 3 June 2013)*	—	**Non-Executive Chairman**
Qualifications	—	BE(Mech), BSc, DipEd
Experience	—	Mr Comb has over 35 years experience in the mining industry, most recently as Managing Director of Jabiru Metals Ltd where he oversaw the acquisition, feasibility study and construction of the Jaguar copper/zinc mine in Western Australia as well as the successful sale of the company to Independence Group NL.
Interest in Shares and Options	—	766,667 Ordinary Shares 7,500,000 Ordinary Shares under incentive plan
Special Responsibilities	—	Chairman of Remuneration and Nomination Committee Member of Audit Committee
Other Listed Company Directorships in last 3 years	—	Aurelia Metals Limited Ironbark Zinc Limited Zenith Minerals Limited (resigned 7 June 2013)
Barry J Cahill *(Appointed 22 August 2013)*	—	**Managing Director**
Qualifications	—	BE (Mining), MAusIMM, MAICD
Experience	—	Mr Cahill is a mining engineer with over 25 years experience in exploration, operational mining and management throughout Australia. He has extensive experience in the management of all facets of operating mines including regional exploration, resource drilling, underground and open pit mining, ore processing facilities, both as a mining contractor and an operator. He has also had particular experience in the management of project development and construction from initial exploration drilling phase right through to project funding and then onto project commissioning and development. Mr Cahill has been an executive director of a number of public companies including operations director of Perilya Limited, managing director of Australian Mines Limited and managing director of Norseman Gold Plc, a company listed on the London AIM market and the ASX. He is a member of the Australasian Institute of Mining & Metallurgy and a member of the Australian Institute of Company Directors.
Interest in Shares and Options	—	200,000 Ordinary Shares 3,000,000 Ordinary Shares under incentive plan
Special Responsibilities	—	Nil
Other Listed Company Directorships in last 3 years	—	Nil

Christopher B Farmer *(Appointed 30 March 2004)*	—	**Executive Director – Indonesia**
Qualifications	—	BSc (Hons) (University of Southampton), MBA (Ashridge), PhD (Royal School of Mines, Imperial College)
Experience	—	Dr Farmer has over 20 years of international experience in all aspects of exploration, with a strong emphasis on business development. He was Managing Director of the Company until 22 August 2013.
Interest in Shares and Options	—	5,965,695 Ordinary Shares 1,500,000 Ordinary Shares under incentive plan
Special Responsibilities	—	Nil
Other Listed Company Directorships in last 3 years	—	Nil

Gavin A Caudle *(Appointed 15 August 2013)*	—	**Non-Executive Director**
Qualifications	—	BCom, CA
Experience	—	Mr Caudle has over 20 years experience in the finance and investment sectors in Australia, Singapore and Indonesia. He was previously a partner in the Arthur Andersen Jakarta office and Country Head of the Investment Bank, Salomon Smith Barney, for Indonesia. Since 2003, together with his partners, Mr Caudle has developed numerous successful businesses including Tower Bersama Group (a telecommunications infrastructure business) and Provident Agro (a plantation business) with assets valued at more than $1 billion.
Interest in Shares and Options	—	80,058,765 Ordinary Shares
Special Responsibilities	—	Chairman of Audit Committee Member of Remuneration and Nomination Committee
Other Listed Company Directorships in last 3 years	—	Sihayo Gold Limited Sumatra Copper & Gold Plc

Gordon T Galt *(Appointed 22 August 2013)*	—	**Non-Executive Director**
Qualifications	—	BE (Mining)
Experience	—	Mr Galt is a mining engineer with over 40 years' experience. He is currently Chairman of Delta SBD, Nucoal Resources and US Masters Holdings. He is a Principal of Taurus Funds Management.
Interest in Shares and Options	—	Nil
Special Responsibilities	—	Member of Audit Committee Member of Remuneration and Nomination Committee
Other Listed Company Directorships in last 3 years	—	Nucoal Resources Ltd Delta SBD Ltd US Master Holdings Ltd Discovery Metals Limited (resigned 20 May 2013) Aquila Resources Limited (resigned 11 July 2014)

Christopher H Brown *(Appointed 30 May 2014)*	—	**Alternate Director for Gordon Galt**
Qualifications	—	BSc (Geology), BEcon, GAICD, MAusIMM, MGSA
Experience	—	Mr Brown has 18 years experience as a professional geologist in industrial minerals and base and precious metals, and in exploration, development and production. For the past 25 years he has been involved with the investment industry. He was part of the management buy-out of Morgan Stockbroking Limited in 1991, initially Research Director until 1996, and an Executive Director until the completion of the sale of 50% of Morgan Stockbroking (now Morgans Financial) to ABN Amro in 2004. He is a Resource Industry Analyst with a focus on the analysis of junior to mid-sized resource companies, and a Technical Adviser to Sydney-based Taurus Funds Management, a private equity fund and an affiliate of MD Sass. Mr Brown remains a Consultant to Morgans Financial, and is a Queensland Resource Industry Ambassador, a member of the Queensland Exploration Council and a member of the Joint Ore Reserve Committee.
Interest in Shares and Options	—	Nil
Special Responsibilities	—	Nil
Other Listed Company Directorships in last 3 years	—	Nil
Douglas L P Tay *(Appointed 30 May 2014)*	—	**Alternate Director for Gavin Caudle**
Qualifications	—	BA
Experience	—	Mr Tay is currently a Director of Provident Capital Partners, an investment company with interests in gold and copper mining, telecom infrastructure, palm plantations, real estate and biomass trading. Prior to joining Provident, he spent 10 years in Citigroup's investment banking and proprietary trading divisions, focusing on Southeast Asia.
Interest in Shares and Options	—	Nil
Special Responsibilities	—	Nil
Other Listed Company Directorships in last 3 years	—	Nil

Company Secretary

James H Wentworth is the company secretary. Mr Wentworth is a qualified solicitor with over 20 years of financial and commercial experience, focussing on the mining and mining services industries. He was formerly Finance Director of the Company and is currently a non-executive director of Mastermyne Group Limited. Prior to joining the Company, he spent nine years with Sydney based private equity firm CHAMP Ventures where he was a director and member of the investment committee.

Principal Activities

The principal activities of the consolidated entity during the financial year were –

a) Operation of a 3,000tpa SX-EW plant at the Wetar Copper Project;

b) Pre-development activities in preparation for the expansion of the Wetar Copper Project;

c) Exploration for copper and gold in Indonesia.

There was no significant change in the nature of those activities during the financial year.

Operating and Financial Review

The operating and financial review of operations during the year are set out on pages 5 to 13.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:

a) The Company raised $25.3 million during the year from the placement of 55.6 million shares at $0.18 and a further 109.2 million shares at $0.14 per share pursuant to a placement and an entitlement offer to shareholders.

b) In November 2014, PT Batutua Tembaga Raya, a subsidiary of the Company, raised US$45 million from Daewoo International Corporation through a loan and an equity issue. Pursuant to the equity issue, Daewoo received shares in BTR equivalent to a 24.1% shareholding in the company, thereby diluting Finders' interest in BTR to 75.9%.

c) A Senior Secured Project Finance Facility Agreement with BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale was finalized in November 2014. Under the agreements, the banking syndicate has agreed to provide loan facilities totaling US$165 million consisting of:

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

d) The facilities have first ranking security over the Wetar Copper Project. Availability is subject to conditions precedent typical for a facility of this nature, including raising and expending the project equity and satisfaction of costs to completion tests, implementation of a minimum copper hedging programme to support the facilities and financial covenant tests immediately prior to hedging and drawdown.

Likely Developments and Expected Results

Other than as referred to in this report, further information as to likely developments in the operations of the consolidated entity and the likely results of those operations would, in the opinion of the Directors, be speculative and/or prejudicial to the interests of the consolidated entity.

Significant Events after Balance Date

The Directors are not aware of any matter or circumstance, which has arisen since the end of the financial year that has significantly affected or may significantly affect:

a) the operations of the consolidated entity;

b) the result of those operations; or

c) the state of affairs of the consolidated entity;

in subsequent financial years.

Dividends Paid or Recommended

There was no dividend paid, recommended or declared but not paid, during the financial year.

Environmental Issues

The consolidated entity adopts "best practice" environmental management techniques from the wider mining community, particularly Australian standards of operation, in managing environmental issues at all its project areas.

In each of the project areas, the consolidated entity has engaged reputable independent consultants to undertake extensive environmental studies, including base line studies, design of monitoring programmes and rehabilitation. The consolidated entity is not aware of any endangered species of flora or fauna in these project areas.

Projects are subject to relevant environmental regulation in Indonesia and will themselves have varying levels and types of potential impact on the natural environment. At Ojolali, exploration work typically has a minimal impact on the environment. At Wetar, the location has historical degradation from former gold mining operations and the baseline reflects water quality in an area of acid rock drainage and former gold mining activities, monitoring activities are conducted under the auspices of an approved environmental permit and all environmental studies and on-going monitoring results are reported on a quarterly basis to the relevant Indonesian authorities.

The consolidated entity is required to comply with Indonesian laws and regulations regarding environmental matters, including disturbance and rehabilitation issues and the discharge of hazardous waste and materials.

Meetings of Directors and Board Committees

Attendances by each director during the year were as follows:

			Committee Meetings			
	Directors Meetings		Audit		Remuneration & Nomination	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Gary E Comb	12	12	2	2	1	1
Barry J Cahill	12	12	-	-	-	-
Christopher B Farmer	12	12	-	-	-	-
Gavin A Caudle	12	10	2	2	1	1
Gordon T Galt	12	10*	2	2	1	1

* Christopher Brown attended one meeting as Alternate Director for Gordon Galt

Indemnifying Directors and Other Officers

The Company's constitution provides that "to the extent permitted by the *Corporations Act 2001*, the Company may indemnify:

a) every person who is or has been an officer of the Company; and

b) where the Board of Directors considers it appropriate to do so, any person who is or has been an officer of a related body corporate of the Company;

against any liability incurred by that person in his or her capacity as an officer of the Company or of the related body corporate (as the case may be)."

During the financial year, the Company paid a premium and other charges for a Directors and Officers Liability Insurance Policy for the benefit of the directors, secretary, officers and employees of the Company. The policy prohibits disclosure of the terms of the policy, including the amount insured, the insuring clauses and exclusions and the amount of premium paid.

Options

The Company has an Employee Share Ownership Plan under which employees are offered the opportunity to acquire shares in the Company at pre-determined prices, funded by a limited recourse interest-free loan from the Company. The incentive shares offered to the employees are generally subject to vesting conditions (ie. performance and time hurdles) and are released to the employees only upon the performance hurdles being met and the loans repaid. The incentive shares have similar characteristics to options.

Subsequent to the end of the financial year, the Company issued 1.63 million incentive shares to employees of the Group, including 900,000 shares to Mr James Wentworth, Chief Financial Officer and Company Secretary. The shares, which have similar characteristics to options, have an exercise price ranging from $0.19 to $0.35 per share and expire between 1 January 2017 and 2 February 2020.

Other than the above, no options over unissued ordinary shares were granted during or since the end of the financial year.

The options over unissued ordinary shares outstanding at the date of this report are detailed in Note 16 to the financial statements. The option holders do not have any right by virtue of the options to participate in any share issue of any other body corporate.

Since the end of the previous financial year, no shares have been issued by virtue of the exercise of the options.

Non-audit Services

The Company may engage the services of its auditor on other assignments in addition to the statutory audit where the firm's expertise and experience with the Company are beneficial.

During the financial year, the Company did not engage the auditor, PricewaterhouseCoopers, for tax consulting services (2013: $3,000).

Full details of the auditor's remuneration are set out in Note 24 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration pursuant to section 307C of the *Corporations Act 2001* is set out on page 31.

Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/100 dated 10 July 1998 issued by the Australian Securities and Investments Commission and in accordance with that Class Order, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report details the nature and amount of remuneration for key management personnel.

REMUNERATION REPORT

Remuneration policy

The remuneration policy is designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance indicators affecting the consolidated entity's operational and financial results. The policy ensures that the remuneration level is commensurate with the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating employees of the highest calibre, as well as creating goal congruence between directors, executives, shareholders and all other stakeholders.

The remuneration policy, which sets the terms and conditions for senior executives, was developed by the Remuneration Committee, after seeking professional advice from independent consultants and was approved by the Board.

All key management personnel receive a base salary, superannuation and may benefit from the Company's performance bonus plan. The Board (including non-executive directors) are remunerated by means of a fixed annual salary and superannuation, having regard to comparable companies from time to time.

The employment conditions of the managing director and specified executives are formalised in contracts of employment.

Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The Company's Constitution requires that the remuneration payable from time to time to non-executive directors shall be an amount not exceeding in aggregate a maximum sum that is from time to time approved by resolution of the Company, currently $350,000 per annum. In accordance with the Constitution, the Board has set the directors fees as follows –

Non-Executive Chairman	$50,000 per annum
Non-Executive Directors	$36,000 per annum

The Company also makes statutory superannuation contributions, currently 9.5% of directors' fees, for the benefit of the directors. There are no schemes for retirement benefits other than statutory superannuation for both executives and non-executive directors.

Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with those of shareholders, the directors are encouraged to hold shares in the Company.

Performance-based remuneration

Short-term incentives

A performance bonus plan was developed and agreed by the Remuneration Committee with the aim of providing alignment between executives and shareholders' interests in respect of the financial performance of the Company. The payment of bonuses and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. The Board can exercise its discretion in relation to approving bonuses and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

The Company has also adopted a Performance Rights Plan (approved by shareholders on 5 November 2013). The directors consider that it is desirable to maintain a plan under which a limited number of employees and directors of the Company and its subsidiaries may be offered performance rights over shares in the Company instead of annual bonuses in order to increase the range of potential incentives available to them and to strengthen links between the Company and the participants.

Selected personnel will be offered participation in the Performance Rights Plan in lieu of part of or all of their annual short term incentive. Performance rights which will entitle the holder to ordinary shares in the Company will be offered to selected executives. The number of performance rights will be determined by the annual bonus entitlement and the market price of ordinary shares at the time of issue.

Long-term incentives

The Company has an Employee Share Ownership Plan ("Share Plan") (adopted pursuant to shareholders' approval on 5 November 2013) designed to provide long-term incentives to employees of the consolidated entity.

Under the Share Plan, employees are offered the opportunity to acquire shares in the Company at a pre-determined price, funded by a limited recourse interest-free loan from the Company. The shares offered to the employees are subject to vesting conditions (ie. performance and time hurdles) and are released to the employees only upon the performance hurdles being met and the loans repaid. Participation in the Share Plan is at the discretion of the Board.

Company performance and directors and executive remuneration

At this stage of the Company's development, performance-based bonuses and incentive securities are structured for achieving milestones towards the full scale development of the Wetar Copper Project, including securing finance and meeting development and production targets. Due to the delays in securing permitting for the development of the Project, no securities issued were vested during the year and no bonuses have been paid.

Subsequent to balance date, 1.63 million incentive shares were issued pursuant to the Share Plan. The incentive shares are structured with an emphasis on delivery of the Wetar Copper Project financing and development on time and on budget as well as achieving the nameplate production capacity. The shares were issued at prices ranging from $0.19 to $0.35 per share.

Details of remuneration

The key management personnel of the consolidated entity during the year were –

Directors

Gary G Comb	Non-Executive Chairman
Barry J Cahill	Managing Director
Christopher B Farmer	Executive Director – Indonesia
Gordon T Galt	Non-Executive Director
Gavin A Caudle	Non-Executive Director
Christopher Brown	Alternate for Gordon Galt
Douglas Tay	Alternate for Gavin Caudle

Other key management personnel

James H Wentworth	Chief Financial Officer/Company Secretary

Consolidated					
	Short Term Benefits		Post Employment	Share-based payments	
2014	**Salary & fees**	**Other employment benefits** *	**Super-annuation**	**Incentive shares**	**Total**
	$	$	$	$	$
Directors					
Gary E Comb	127,186	-	10,376	87,500	225,062
Barry J Cahill	400,000	-	18,279	35,000	453,279
Christopher B Farmer	350,000	31,382	31,500	-	412,882
Gavin A Caudle	-	-	-	-	-
Gordon T Galt	29,520	-	-	-	29,520
Alternate Directors					
Christopher Brown	9,855	-	-	-	9,855
Douglas Tay	-	-	-	-	-
Other key management personnel					
James Wentworth	366,429	-	8,571	-	375,000
	1,282,990	31,382	68,726	122,500	1,505,598

Subsequent to the end of the financial year, the Company issued 900,000 incentive shares to Mr James Wentworth. The shares, which have similar characteristics to options, have an exercise price ranging from $0.19 to $0.35 per share and expire between 1 January 2017 and 1 January 2019.

	Short Term Benefits		Post Employment	Share-based payments	
2013	**Salary & fees**	**Other employment benefits** *	**Super-annuation**	**Incentive shares**	**Total**
	$	$	$	$	$
Directors					
Gary E Comb	104,489	-	7,954	14,583	127,026
Barry J Cahill	217,339	-	6,329	5,833	229,501
Christopher B Farmer	472,075	70,154	31,500	9,900	583,629
Gavin A Caudle	-	-	-	-	-
Gordon T Galt	9,844	-	-	-	9,844
Russell J Fountain	125,309	-	12,310	-	137,619
Robert P Thomson	367,543	-	-	-	367,543
James H Wentworth	457,845	-	7,382	7,260	472,487
Stephen R de Belle	21,455	-	1,939	-	23,394
Stephen J Lonergan	21,455	-	1,939	-	23,394
T Quinn Roussel	16,000	-	-	-	16,000
Other key management personnel					
Chin Haw Lim	159,375	-	10,457	30,176	200,008
	1,972,729	70,154	79,810	67,752	2, 190,445

* Other employment benefits represent costs of housing, school fees and motor vehicle paid for expatriate employees.

Service agreements

The remuneration and terms of engagement of Executive Directors and other key management personnel are formalised in employment and consulting agreements. Key provisions of each of the agreements are set out below. All contracts (other than those in respect of non executive director services) may be terminated early by the Company giving between 3 and 12 months notice, subject to termination payments as detailed below.

Name	Term of agreement	Base fee/salary	Termination payment
Barry J Cahill Managing Director	23 Aug 2013 – 22 Aug 2016	$417,775 per annum (inclusive of superannuation)	12 months notice or payment in lieu
Christopher B Farmer Executive Director – Indonesia	Contract expired on 22 Mar 2013, rolled-over on monthly basis	$350,000 per annum and expatriate benefits plus 9% superannuation	3 months salary and expatriate benefits but 6 months if termination follows a change in control in the 12 months prior to termination
James H Wentworth Chief Financial Officer	From 1 December 2010 until terminated	$360,000 per annum (inclusive of superannuation)	3 months salary/fee but 6 months salary/fee if termination follows a change in control in the 12 months prior to termination

Signed in accordance with a resolution of the Board of Directors.

Gordon Galt
Director

Sydney
26 March 2015

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Finders Resources Limited for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Finders Resources Limited and the entities it controlled during the period.

Craig Thomason
Partner
PricewaterhouseCoopers

Sydney
27 March 2015

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Sales revenue		**9,961**	-
Interest income		**24**	67
Raw materials and consumables used		**(18,403)**	-
Change in inventories of finished goods and work in progress		**888**	-
Development costs written-off		**(607)**	(1,218)
Personnel costs		**(3,503)**	(2,796)
Pre-development costs		**-**	(9,696)
Provision for impairment		**(4,214)**	-
Finance costs	3	**(1,392)**	(4,802)
Depreciation and amortisation	10,11	**(1,913)**	(179)
Exchange gain/(loss)		**673**	315
Exploration expenditure written-off		**(469)**	(201)
Royalty expense		**(62)**	-
Other expenses		**(1,488)**	(1,873)
Loss before income tax		**(20,505)**	(20,383)
Income tax expense	4	**-**	-
Loss for the year		**(20,505)**	(20,383)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Adjustments from translation of foreign controlled entities		**5,200**	5,186
Other comprehensive income, net of tax		**5,200**	5,186
Total comprehensive loss for the year:		**(15,305)**	(15,197)
Loss for the year attributable to:			
Owners of Finders Resources Limited		**(17,968)**	(19,868)
Non controlling interests		**(2,537)**	(515)
		(20,505)	(20,383)
Total comprehensive loss for the year attributable to:			
Owners of Finders Resources Limited		**(13,006)**	(14,071)
Non controlling interests		**(2,299)**	(1,126)
		(15,305)	(15,197)
Basic loss per share	25	**(3.3 cents)**	(5.0 cents)
Diluted loss per share		**(3.3 cents)**	(5.0 cents)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
CURRENT ASSETS			
Cash and cash equivalents	5	**47,946**	7,872
Receivables	6	**1,249**	358
Financial assets	7	**40**	-
Inventories	8	**2,762**	808
Other assets	9	**344**	123
TOTAL CURRENT ASSETS		**52,341**	9,161
NON-CURRENT ASSETS			
Receivables	6	**4,700**	1,445
Financial assets	7	**4,418**	148
Plant and equipment	10	**20,660**	21,657
Development expenditure	11	**39,510**	21,185
TOTAL NON-CURRENT ASSETS		**69,288**	44,435
TOTAL ASSETS		**121,629**	53,596
CURRENT LIABILITIES			
Trade and other payables	12	**10,301**	4,576
Current tax liabilities		**-**	156
Provisions	14	**703**	350
TOTAL CURRENT LIABILITIES		**11,004**	5,082
NON-CURRENT LIABILITIES			
Borrowings	13	**38,538**	-
Provisions	14	**6,140**	2,319
TOTAL NON-CURRENT LIABILITIES		**44,678**	2,319
TOTAL LIABILITIES		**55,682**	7,401
NET ASSETS		**65,947**	46,195
EQUITY			
Issued capital	15	**156,884**	137,358
Reserves	17	**16,234**	11,143
Accumulated losses		**(116,962)**	(98,994)
Capital and reserves attributable to owners of Finders Resources Limited		**56,156**	49,507
Non-controlling interest		**9,791**	(3,312)
TOTAL EQUITY		**65,947**	46,195

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share Capital $'000	Accumulated Losses $'000	Equity Reserve $'000	Foreign Currency Translation Reserve $'000	Share-based Payments Reserve $'000	Non-Controlling Interest $'000	Total $'000
Balance at 1 Jan 2014	137,358	(98,994)	6,045	3,747	1,351	(3,312)	46,195
Loss for the year	-	(17,968)	-	-	-	(2,537)	(20,505)
Other comprehensive loss	-	-	-	4,962		238	5,200
Transactions with owners recorded directly in equity:							
Shares issued during the year	20,292	-	-	-	-	-	20,292
Share capital received in advance							
Share issue expenses	(766)	-	-	-	-	-	(766)
Share-based payments	-	-	-	-	129	-	129
Transaction with non-controlling interest	-	-	-	-	-	15,402	15,402
Balance at 31 Dec 2014	156,884	(116,962)	6,045	8,709	1,480	9,791	65,947
Balance at 1 Jan 2013	96,488	(79,126)	5,095	(2,050)	1,607	(2,208)	19,806
Loss for the year	-	(19,868)	-	-	-	(515)	(20,383)
Other comprehensive loss	-	-	-	5,797	-	(610)	5,187
Transactions with owners recorded directly in equity:							
Shares issued during the year	37,636	-	-	-	-	-	37,636
Share capital received in advance	5,000	-	-	-	-	-	5,000
Share issue expenses	(1,766)	-	-	-	-	-	(1,766)
Share-based payments	-	-	-	-	(256)	-	(256)
Option premium	-	-	950	-	-	-	950
Transaction with non-controlling interest	-	-	-	-	-	21	21
Balance at 31 Dec 2013	137,358	(98,994)	6,045	3,747	1,351	(3,312)	46,195

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**9,131**	-
Payments to suppliers and employees (inclusive of goods and services tax)		**(23,463)**	(12,887)
Interest received		**25**	72
Taxes paid		**(2,987)**	(766)
Net cash used in operating activities	26	**(17,294)**	(13,581)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(1,368)**	(1,653)
Payments for exploration expenditure		**(462)**	(366)
Payments for development expenditure		**(9,358)**	(4,174)
(Payment)/Refund of security deposits		**(96)**	(59)
Net cash used in investing activities		**(11,284)**	(6,252)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**35,912**	27,687
Payment for share issue expenses		**(1,244)**	(1,289)
Proceeds from borrowings	13	**38,314**	-
Payments for Interest and other finance costs		**(4,336)**	(481)
Net cash provided by financing activities		**68,646**	25,917
Net increase/(decrease) in cash held		**40,068**	6,084
Cash and cash equivalents at beginning of financial year		**7,872**	1,770
Exchange rate effect		**6**	18
Cash and cash equivalents at end of financial year	5	**47,946**	7,872

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTE 1: BASIS OF PREPARATION OF FINANCIAL REPORT

Finders Resources Limited is a public company, incorporated and domiciled in Australia whose shares are traded on the Australian Securities Exchange (ASX).

This financial report includes the consolidated financial statements and notes of Finders Resources Limited and controlled entities ("consolidated entity").

The financial report was authorised for issue in accordance with a resolution of the Directors on 26 March 2015. The directors have the power to amend and reissue the financial statements.

a. Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the ***Corporations Act 2001***. The Company is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS
The financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b. Historical Cost Convention

The financial statements have been prepared under the historical cost convention, as modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

c. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key areas of judgement are –

- Determination of ore reserve and resource estimates
- Capitalisation and impairment of exploration and evaluation costs
- Assumptions underlying the valuations of share options issued

Key areas of estimation are –

- Estimation of rehabilitation and restoration costs and the timing of such expenditure
- Review of asset carrying values and impairment charges

The Directors have reviewed the carrying values of assets at balance date and made an impairment provision of $4.2 million (2013: Nil). As noted in 1(c), development costs are carried forward on the expectation the Company will be successful in securing project finance and raising additional equity for the development of the Wetar Copper Project.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. The accounting policies have been consistently applied, unless otherwise stated.

a. Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising Finders Resources Limited and all entities which Finders Resources Limited controlled from time to time during the year and at balance date. Controlled entities are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

At reporting date, the assets and liabilities of all controlled entities, as well as their results for the period then ended, are incorporated into the consolidated financial statements. Where control of an entity is obtained during a financial year, its results are included from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists. All intercompany balances and transactions, including recognised profits arising from intra-group transactions are eliminated in full. Accounting policies of subsidiaries are changed where necessary to ensure consistencies with those policies applied by the parent entity.

b. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest method.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible debt instrument. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowing costs are capitalised and amortised over the life of the facility.

c. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated balance sheet.

d. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

e. Earnings per Share

Basic earnings per share is determined by dividing net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus element.

Diluted earnings per share is determined by dividing net profit attributable to members, adjusted for –

i) costs of servicing equity (other than dividends);

ii) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognized as expenses;

iii) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and

iv) by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

f. Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liabilities for long service leave and annual leave not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

g. Exploration and Development Expenditure

Exploration and evaluation expenditure

Exploration and evaluation expenditure is carried forward in the accounts in respect to areas of interest for which the rights of tenure are current and where –

i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

ii) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area are continuing.

Where the expenditure is expected to be recouped through development and economic exploitation of the area of interest, the accumulated costs are transferred to mine properties and amortised over the life of the mine in proportion to the depletion of the economically recoverable mineral reserves.

Costs carried forward in respect of an area of interest which no longer satisfy the above policy are written off in the period in which that decision is made.

Development expenditure

Development expenditure carried forward represents the accumulation of exploration, evaluation and development expenditure.

Amortisation of development expenditure is calculated on a unit-of-production basis so as to write off the cost over the life of the project in proportion to the depletion of the anticipated recoverable mineral reserves.

h. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the consolidated statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the consolidated statement of comprehensive income.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the consolidated statement of comprehensive income.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are measured at fair value through other comprehensive income.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated statement of comprehensive income – is reclassified from equity and recognised in the consolidated statement of comprehensive income as a reclassification adjustment. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the consolidated statement of comprehensive income.

If there is evidence of impairment for any of the consolidated entity's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the consolidated statement of comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the consolidated statement of comprehensive income.

i. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the subsidiaries is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the consolidated statement of comprehensive income.

Subsidiaries

The financial results and position of foreign operations whose functional currency is different from the consolidated entity's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the consolidated balance sheet. These differences are recognised in the consolidated statement of comprehensive income in the period in which the operation is disposed.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST or Value Added Tax (VAT), except where the amount of GST or VAT incurred is not recoverable from the relevant tax authorities. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated balance sheet are shown inclusive of GST or VAT.

Cash flows are presented in the consolidated cash flow statement on a gross basis, except for the GST or VAT component of investing and financing activities, which are presented as operating cash flows.

k. Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

m. Inventories

Inventories of copper cathode and work in progress are carried at the lower of cost and net realisable value. Cost includes raw materials, labour and other direct expenditure together with a portion of fixed and variable overhead attributable to the inventory on hand, calculated on a weighted average basis.

Inventories of consumables and spares are valued at cost less, where appropriate, a provision for obsolescence.

n. Leases

Leases of property, plant and equipment where the consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the consolidated entity as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

o. Operating Segments

Operating segment information is based on the consolidated entity's reporting structure and internal reports that are regularly reviewed by the Directors for the purposes of decision making. The consolidated entity is developing a copper project on the Indonesian island of Wetar and conducting mineral exploration on Wetar Island and in Sumatra. The internal reporting structure is focussed on copper mining and exploration which forms the basis for the operating segments.

p. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets.

Depreciation

Fixed assets are depreciated over their useful lives commencing from the time the asset is held ready for use.

Depreciation on copper processing plant and equipment is calculated on a unit-of-production basis so as to write off the cost of each asset in proportion to the depletion of the economically recoverable mineral reserves.

Depreciation of other plant and equipment is calculated on a straight line basis so as to write off the cost of each asset over its estimated useful life, generally at a rate of between 12.5% and 25% per annum.

q. Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessment of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

r. Rehabilitation and Restoration Costs

Expenditure relating to ongoing rehabilitation and restoration programmes are provided for or charged to costs of production as incurred. Other rehabilitation and restoration costs are accrued over the life of the mine. The estimated costs are reassessed on a regular basis and changes in estimates are dealt with on a prospective basis. The estimates are based on current costs, current legal requirements and current technology.

s. Revenue

Sales of copper cathode are recognised when the title and risk have passed to the customer and the selling price can be determined with reasonable accuracy. All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

t. Share-based Payments

Share-based compensation benefits are provided to employees under the Company's incentive share and option plans. The fair value of securities granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the options.

Share–based compensation under which employees purchase shares funded by limited recourse loans from the Company is measured as the value of the options inherent within the shares issued and is expensed over the vesting period of the shares with a corresponding credit to the share-based payments reserve.

Share-based compensation provided to lenders in relation to an interest bearing loan facility is measured at fair value and is recognised as finance costs with a corresponding increase in equity. The fair value is measured at grant date and recognised over the term of the facility.

u. Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/100 dated 10 July 1998 issued by the Australian Securities and Investments Commission and in accordance with that Class Order, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

v. New Accounting Standards and Interpretations

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2014:

(i) AASB 119 Employee Benefits (September 2011)and AASB 2011 -10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The adoption of AASB 119 resulted in changes in accounting policies with no material impact on the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods. The company's assessment of the impact of these new standards and interpretations is set out below.

(ii) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption.

There will be no impact on the company's accounting for financial assets as the company does not have any available-for-sale financial assets.

There will be no material impact on the company's accounting for financial liabilities.The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The company has not yet decided when to adopt AASB 9.

There are no other standards that are not yet effective and that are expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

	2014 $'000	2013 $'000
NOTE 3: EXPENSES		
Finance costs		
Interest charges	**8**	536
Provisions – unwinding of discount	**88**	76
Value of options granted	**-**	3,898
Other borrowing costs	**1,296**	292
	1,392	4,802
Rental expense relating to operating leases		
Minimum lease payments	**3,072**	829

NOTE 4: INCOME TAX

Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax	**(20,505)**	(20,383)
Income tax benefit calculated at tax rate of 30% (2012: 30%)	**(6,152)**	(6,115)
Tax effect of amounts which are not deductible in calculating taxable income:		
- Finance costs	**231**	1,169
- Share-based payments	**39**	(77)
- Other non-deductible expenses	**330**	387
Difference in overseas tax rate	**1,346**	724
Deferred tax assets not brought to account	**4,206**	3,912
Income tax expense	**-**	-
a) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**67,069**	60,125
Potential tax benefit at 30% (Australia), 25% (Indonesia)	**17,395**	15,756

	2014 $'000	2013 $'000
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	**47,946**	7,872

a) **Cash at bank**

Cash at bank includes $Nil (2013: $5.0 million) which represents share application money received prior to balance date but for shares which were issued subsequent to balance date.

b) **Risk exposure**

The group's exposure to interest rate risk is discussed in Note 28. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 6: RECEIVABLES

	2014 $'000	2013 $'000
CURRENT		
Trade debtors	**769**	-
Income tax receivable	**188**	157
Goods and services tax receivable	**-**	31
Other receivables	**292**	170
	1,249	358
NON-CURRENT		
Value added tax receivable	**4,700**	1,445

NOTE 7: FINANCIAL ASSETS

	2014 $'000	2013 $'000
CURRENT		
Security deposit 7(a)(i)	**40**	-
NON-CURRENT		
Deferred borrowing costs	**4,183**	-
Security deposits 7(a)(ii)	**235**	148
	4,418	148

a) Security deposits include –

i) $40,000 (2013: $38,000) held by the parent entity's banker to secure a bank guarantee issued by the bank on behalf of the parent entity (Note 19).

ii) $205,000 (2013: Nil) environmental bond placed by a subsidiary with the Indonesian government to secure the subsidiary's rehabilitation obligations at the Wetar Copper Project.

The remaining security deposits comprise cash held by suppliers to a controlled entity to secure contracts and payments for goods and services.

	2014 $'000	2013 $'000
NOTE 8: INVENTORIES		
Inventories, at cost		
Raw materials and consumables	**1,635**	671
Work in progress	**797**	137
Finished goods	**330**	-
	2,762	808

NOTE 9: OTHER ASSETS

Prepayments	**344**	123

NOTE 10: PLANT AND EQUIPMENT

Plant and equipment – at cost	**17,745**	17,526
Less: accumulated depreciation	**(4,167)**	(2,360)
	13,578	15,166
Construction in progress	**7,082**	6,492
	20,660	21,658
Movements:		
Plant and equipment		
Opening net book value	**21,658**	16,217
Additions	**3,013**	3,011
Impairment provision	**(4,638)**	-
Depreciation charge	**(1,490)**	(179)
Exchange rate effect	**2,117**	2,609
Closing net book value	**20,660**	21,658

NOTE 11: DEVELOPMENT EXPENDITURE

Development expenditure	**40,573**	21,838
Less: accumulated amortisation	**(1,063)**	(653)
	39,510	21,185
Movements:		
Opening net book value	**21,185**	15,716
Additions	**16,821**	2,842
Amortisation charge	**(423)**	-
Exchange rate effect	**1,927**	2,627
Closing net book value	**39,510**	21,185

NOTE 12: TRADE AND OTHER PAYABLES

Trade creditors and accruals	**10,301**	4,576

Information on the Group's exposure to foreign exchange risks is set out in Note 28.

	2014 $'000	2013 $'000
a) Foreign currency risks		
Trade creditors and accruals are denominated in the following currencies -		
Australian Dollar	**873**	1,018
United States Dollar	**6,995**	2,546
Indonesian Rupiah	**2,433**	1,012
	10,301	4,576

NOTE 13: BORROWINGS

	2014 $'000	2013 $'000
NON CURRENT		
Loan (unsecured) 13(a)	**38,316**	-
Fair value adjustment	**222**	-
	38,538	-

a. Loan (unsecured)

The Group secured US$45 million in funding from Daewoo International Corporation for the expansion of the Wetar Copper Project, of which US$31.4 million was provided as an unsecured loan. Interest at the rate of 10% per annum is payable on the loan from commencement of commercial production at the Wetar Copper Project. The loan is subordinated to the secured loan below.

b. Loan (secured)

The Group has signed a Senior Secured Project Finance Facility Agreement with a syndicate of banks. Under the agreement, the banking syndicate has agreed to provide loan facilities totaling US$165 million consisting of:

Facility	Amount	Interest rate	Maturity date
Term loan facility	US$130 million	LIBOR + 5.00%	31 Mar 2019
Cost overrun facility	US$20 million	LIBOR + 5.75%	42 months from date when all conditions precedent are satisfied
VAT working capital facility	US$15 million	LIBOR + 5.00%	

The facilities have first ranking security over the Wetar Copper Project.

Availability is subject to conditions precedent typical for a facility of this nature, including raising and expending the project equity and satisfaction of costs to completion tests, implementation of a minimum copper hedging programme to support the facilities and financial covenant tests immediately prior to hedging and drawdown.

As at balance date, the conditions precedent had not been satisfied and no drawdown had been made under the facility.

	2014 $'000	2013 $'000
c. Foreign currency risks		
The borrowings are denominated in the following currencies -		
United States Dollar	**38,316**	-

NOTE 14: PROVISIONS

	2014 $'000	2013 $'000
CURRENT		
Employee benefits	**703**	350
NON CURRENT		
Employee benefits	**1,058**	1,010
Rehabilitation and restoration	**5,082**	1,309
	6,140	2,319
Movements:		
Provision for employee benefits		
Opening balance	**1,010**	679
Provision for year	**(40)**	213
Exchange rate effect	**88**	118
Closing balance	**1,058**	1,010
Provision for rehabilitation and restoration		
Opening balance	**1,309**	1,056
Provision for the year	**3,558**	-
Unwinding of discount	**88**	76
Exchange rate effect	**127**	177
Closing balance	**5,082**	1,309

The provision for rehabilitation and restoration has been recognised in connection with the consolidated entity's closure obligations when the Wetar Copper Project ceases operations in the future. The timing of the site rehabilitation will depend on the mine life of the full scale project to be developed.

NOTE 15: ISSUED CAPITAL

	Note	2014 Number	2013 Number	2014 $'000	2013 $'000
Contributed equity					
Issued and paid up shares	15(a)	**661,267,245**	496,481,628	**151,699**	127,173
Share capital received in advance	15(a)	**-**	-	**-**	5,000
Employee incentive shares	15(a)(b),23(b)	**14,957,000**	14,957,000	**-**	-
Converting Notes	15(c)	**-**	-	**5,185**	5,185
		676,224,245	511,438,628	**156,884**	137,358

a. Issued shares

		Number of shares '000	Issue price $	Issued capital $'000
Movements:				
2014				
01 Jan 2014	**Balance at beginning of financial year**	**511,438**		**127,173**
03 Jan 2014	Placement of shares	**8,334**	**0.18**	**1,500**
10 Jan 2014	Placement of shares	**47,222**	**0.18**	**8,500**
05 Jun 2014	Placement of shares	**71,430**	**0.14**	**10,000**
24 Jun 2014	Entitlement offer	**37,800**	**0.14**	**5,292**
		676,224		**152,465**
	Share issue expenses			**(766)**
31 Dec 2014	**Balance at end of financial year**	**676,224**		**151,699**
2013				
01 Jan 2013	Balance at beginning of financial year	298,599		91,303
30 Jan 2013	Placement of shares	17,500	0.20	3,500
30 Jan 2013	Conversion of loan	2,200	0.20	440
31 Jan 2013	Conversion of interest payable	1,417	0.19	276
20 May 2013	Placement of shares	15,151	0.17	2,500
20 May 2013	Conversion of loan	21,840	0.17	3,603
24 May 2013	Conversion of loan	9,513	0.17	1,570
01 Jul 2013	Conversion of loan	53,495	0.17	8,827
01 Jul 2013	Conversion of interest payable	1,412	0.17	233
08 Aug 2013	Exercise of options	50,000	0.20	10,000
16 Aug 2013	Placement of shares	10,070	0.20	2,014
23 Aug 2013	Placement of shares	10,000	0.20	2,000
12 Sep 2013	Placement of shares	4,270	0.20	854
11 Oct 2013	Placement of shares	7,500	0.20	1,500
17 Oct 2013	Placement of shares	1,596	0.20	319
08 Nov 2013	Director incentive shares	6,875		
		511,438		128,939
	Share issue expenses			(1,766)
31 Dec 2013	**Balance at end of financial year**	**511,438**		**127,173**

Subsequent to 31 December 2014, the Company issued 1.63 million incentive shares to employees pursuant to the Employee Share Ownership Plan.

b. Employee incentive shares

The Company has issued incentive shares to employees and executive directors under the Finders Employee Share Plan as well as incentive shares to the Non-Executive Chairman on similar terms to the plan. This share-based compensation under which the employees and directors purchase shares funded by limited recourse loans from the Company is measured as the value of the options inherent within the shares issued and is expensed over the expected life of the shares with a corresponding credit to the share-based payments reserve.

c. Converting Notes

The Company raised US$5,500,000 from Standard Bank Plc in 2012 pursuant to mandatory Converting Notes, which will convert into 12,248,538 shares in the Company on or before 16 March 2018 at a conversion price of $0.427 per share. The Notes will convert into shares and have been treated as equity for accounting purposes.

d. Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At a general meeting on a show of hands, each shareholder present has one vote and on a poll each shareholder present has:

i) one vote for each fully paid share held; and

ii) for each share which is not fully paid a fraction of a vote equivalent to the proportion which the amount paid up, but not credited as paid up, on that share bears to the total of the amounts paid and payable (excluding amounts credited) on that share.

e. Capital management

At this stage of the consolidated entity's development, its funding requirements have largely been sourced from equity funds. Its objectives in capital management are to ensure that the consolidated entity can meet its debts as and when they become due and payable and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with the above objectives, the Company has raised funds from equity issues to advance the development of the Wetar Copper Project and for working capital.

	2014 '000	2013 '000
NOTE 16: OPTIONS		
a. Number of options on issue		
Balance at beginning of financial year	**70,656**	72,906
Add: Options issued	-	50,000
Less: Options exercised	-	(50,000)
Less: Options lapsed	**(16,500)**	(2,250)
Balance at end of financial year	**54,156**	70,656

b. Details of options on issue

Number of options 2014 '000	2013 '000	Exercise price	Vesting conditions	Expiry date
-	500	$0.30	Note 16(c)	16 Apr 2014
-	16,000	$0.50	Vested	24 Oct 2014
22,857	22,857	$0.35	Vested	06 Jun 2017
31,299	31,299	$0.2556	Vested	22 Oct 2017
54,156	70,656			

c. Vesting date

Upon securing finance for the full scale Wetar Copper Project.

NOTE 17: RESERVES	2014 $'000	2013 $'000
Equity reserve	**6,045**	6,045
Foreign currency translation reserve	**8,709**	3,747
Share-based payments reserve	**1,480**	1,351
	16,234	11,143

a. Equity reserve

The equity reserve arises from the acquisition of shares in a controlled entity from a minority shareholder and the value of conversion rights attached to the convertible note and options granted.

b. Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

c. Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of equity instruments issued to employees.

NOTE 18: COMMITMENTS	2014 $'000	2013 $'000
a. Capital commitments Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
Plant and equipment		
- Payable within 1 year	**14,085**	1,622
- Payable later than 1 year but not later than 5 years	**-**	4,228
	14,085	5,850
b. Operating lease commitments Commitments for minimum lease payments in relation to non-cancellable operating leases		
- Payable within 1 year	**534**	1,781
- Payable later than 1 year but not later than 5 years	**12**	18
	546	1,799

The Group leases offices and equipment under operating leases. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

	2014 $'000	2013 $'000
NOTE 19: CONTINGENT LIABILITIES		
a. Guarantees		
Bank guarantee	**33**	33

The bank guarantee issued by the Company's banker in favour of a third party to secure obligations of the Company is secured by cash on deposit with the bank (Note 7).

b. Claim by contractor

In 2011, PT Batutua Tembaga Raya ("BTR"), a subsidiary of the Company, entered into a contract for the purchase and refurbishment of six marine fuel oil generators for use at the Wetar Copper Project. The contract amounted to approximately US$8.6 million, of which the subsidiary has paid US$3.8 million (including storage charges).

In September 2014, BTR terminated the contract following breaches of the contract identified by BTR. Subsequent to balance date, an arbitration process between BTR and the contractor was commenced. Due to the uncertainty relating to the arbitration, the Group has adopted a conservative approach in preparing these financial statements and has made an impairment provision against the carrying value of the generators. The Group intends to vigorously pursue its rights under the contract which may lead to a recovery of some or all of the amount provisioned. In the event that the outcome of the arbitration is unfavourable, the Group has a possible exposure. It is not practical to estimate the potential effect of this claim but the directors are of the view that it is not probable that a significant liability will arise.

	Country of Incorporation		Percentage Owned*
		2014 %	2013 %
NOTE 20: CONTROLLED ENTITIES			
Banda Minerals Pty Ltd	Australia	**100.00**	100.00
PT Batutua Tembaga Raya	Indonesia	**75.90**	100.00
PT Batutua Kharisma Permai	Indonesia	**70.00**	-
Way Kanan Resources Pty Ltd	Australia	**71.71**	71.71
PT Batutua Lampung Elok	Indonesia	**71.82**	71.82

* Percentage of voting power is in proportion to ownership

PT Batutua Kharisma Permai ("BKP") became a 70%-owned subsidiary of PT Batutua Tembaga Raya ("BTR") in 2013 following a restructure. Through BTR and BKP, the Finders group holds a 72.1% (2013: 95%) economic interest in the Wetar Copper Project.

NOTE 21: OPERATING SEGMENTS

The consolidated entity operates in two geographical locations, being Australia and Indonesia. Its minerals business is based in Indonesia where it is developing a copper project on the island of Wetar and conducting mineral exploration on Wetar Island and Sumatra. Copper mining is centred on the Wetar Project where it operated a solvent extraction electro-winning plant from February 2009 to December 2010. The plant had a production capacity of 5 tonnes of copper cathode per day. It is being upgraded to produce 8 tonnes of copper cathode per day.

The segment result comprises all costs directly attributable to the two operating segments in Indonesia.

	Copper Mining		Exploration		Total	
	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue						
Sales revenue	**9,961**	-	**-**	-	**9,961**	-
Unallocated revenue					**24**	68
Total revenue					**9,986**	68
Result						
Segment result	**(15,640)**	(11,387)	**(475)**	(464)	**(16,115)**	(11,851)
Administration expenses					**(4,390)**	(8,532)
Loss before income tax					**(20,505)**	(20,383)
Income tax expense					**-**	-
Loss after income tax					**(20,505)**	(20,383)
Assets						
Segment assets	**114,830**	45,770	**395**	327	**115,225**	46,097
Unallocated assets					**6,404**	7,499
Total assets					**121,629**	53,596
Liabilities						
Segment liabilities	**55,318**	5,923	**224**	179	**55,542**	6,102
Unallocated liabilities					**140**	1,299
Total liabilities					**55,682**	7,401

Geographical Segments

	Revenue from Sales to External Customers		Segment Assets	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Australia	-	-	6,404	7,499
Indonesia	9,961	-	115,225	46,097
	9,961	-	121,629	53,596

NOTE 22: KEY MANAGEMENT PERSONNEL DISCLOSURES

Detailed remuneration disclosures are set out in the Remuneration Report section of the Directors' Report on pages 27 to 30.

	2014	2013
	$	$
a. Key management personnel compensation		
Short-term employment benefits	1,314,372	2,042,883
Post-employment benefits	68,726	79,810
Share-based payments	122,500	67,752
	1,505,598	2,190,445

a. Equity instrument disclosures

i) Shareholdings

Number of shares in respect of which Directors and other key management personnel have a relevant interest directly or through related entities.

2014	Balance 1 Jan 2014	Acquisitions	Exercise of Options	Disposals / Other	Balance 31 Dec 2014
Directors					
Gary E Comb	7,750,000	516,667	-	-	8,266,667
Barry J Cahill	3,000,000	200,000	-	-	3,200,000
Christopher B Farmer	7,465,695	-	-	-	7,465,695
Gavin A Caudle	43,542,888	36,515,877	-	-	80,058,765
Gordon T Galt	-	-	-	-	-
Christopher H Brown (Alternate for Gordon Galt) (appointed 30 May 2014)	-	-	-	-	-
Douglas L P Tay (Alternate for Gavin Caudle) (appointed 30 May 2014)	-	413,333	-	-	413,333
Other key management personnel					
James H Wentworth	1,100,000	-	-	-	1,100,000
Total	62,858,583	37,645,877	-	-	100,504,460

2013	Balance 1 Jan 2013	Acquisitions Incentive shares	Exercise of Options	Disposals / Other	Balance 31 Dec 2013
Directors					
Gary E Comb (appointed 3 Jun 2013)	250,000	7,500,000	-	-	7,750,000
Barry J Cahill (appointed 22 Aug 2013)	-	3,000,000	-	-	3,000,000
Christopher B Farmer	7,465,695	-	-	-	7,465,695
Gavin A Caudle (appointed 15 Aug 2013)	43,696,487	-	2,346,401	(2,500,000)	43,542,888
Gordon T Galt (appointed 22 Aug 2013)	-	-	-	-	-
Russell J Fountain*	7,505,277	-	-	(7,505,277)	-
Robert P Thomson*	750,000	-	-	(750,000)	-
James H Wentworth*	1,100,000	-	-	-	1,100,000
Stephen R de Belle*	4,588,265	-	-	(4,588,265)	-
Stephen J Lonergan*	70,733	-	-	(70,733)	-
Other key management personnel					
Chin Haw Lim (ceased 15 Aug 2013)	715,000	-	-	(715,000)	-
Total	**66,141,457**	**10,500,000**	**2,346,401**	**(16,129,275)**	**62,858,583**

*ceased to be a director during the year

Mr J H Wentworth ceased to be a director during the year but remained a key management person as the Chief Financial Officer. There was no change in his shareholding during the year.

	2014 $'000	2013 $'000
NOTE 23: SHARE-BASED PAYMENTS		
a. Expense arising from share-based payments		
Shares issued under employee share scheme	**129**	(252)
	129	(252)

The Company has an Employee Share Ownership Plan designed to provide long-term incentives to employees of the consolidated entity. The scheme is administered by the Directors who have power to determine the terms and conditions of the shares issued to eligible employees. Participation is at the discretion of the Board.

b. Shares granted

The Company has granted the incentive shares set out below to directors and employees of the consolidated entity.

Grant Date	Expiry Date	Exercise Price	Number 2014 '000	Number 2013 '000	Vested and exercisable 2014 '000	Vested and exercisable 2013 '000
8 Nov 2013	7 Nov 2021	$0.2008	**3,500**	3,500	-	-
8 Nov 2013	7 Nov 2021	$0.2508	**3,500**	3,500	-	-
8 Nov 2013	7 Nov 2021	$0.3008	**3,500**	3,500	-	-
04 Apr 2012	31 Mar 2017	$0.39	**-**	-	-	-
21 Jan 2011	30 Nov 2015	$0.43	**2,600**	2,600	-	-
20 Apr 2011	20 Apr 2016	$0.43	**-**	-	-	-
30 Nov 2010	30 Nov 2015	$0.43	**1,857**	1,857	-	-
			14,957	14,957	-	-

Fair value of shares granted

The fair value of the shares granted during the previous year were measured as the value of the options inherent within the shares issued (Note 2(t)) and were estimated using the Black Scholes option pricing model with the assumptions below. The expected price volatility is based on the historic volatility (based on the life of the options inherent within the shares issued), adjusted for any expected changes to future volatility derived from publicly available information.

Number '000	Grant date	Expiry date	Exercise price	Share price at grant date	Risk free rate	Volatility
10,500	8 Nov 2013	7 Nov 2021	$0.2008-$0.3008	$0.20	3.25%	45.0%

c. Options granted

Employee Share Option Plan

Grant Date	Expiry Date	Exercise Price	Number 2014 '000	Number 2013 '000	Vested and exercisable 2014 '000	Vested and exercisable 2013 '000
16 Apr 2009	16 Apr 2014	$0.30	-	500	-	-
			-	500	-	-
Weighted average exercise price			-	$0.30	-	-

The vesting conditions attached to the options above are set out in Note 16.

Other options

The Company has granted the options set out below to lenders in consideration for the interest bearing loan facility.

Grant Date	Expiry Date	Exercise Price	Number		Vested and exercisable	
			2014 '000	2013 '000	2014 '000	2013 '000
24 Oct 2011	24 Oct 2014	$0.50	-	16,000	-	16,000
06 Jun 2012	06 Jun 2017	$0.35	**22,857**	22,857	**22,857**	22,857
22 Oct 2012	22 Oct 2017	$0.2556	**31,299**	31,299	**31,299**	31,299
			54,156	70,156	**54,156**	70,156
Weighted average exercise price			**$0.30**	$0.34	**$0.34**	$0.34

During the previous year, the Company granted 50 million options exerciseable at $0.20 per share pursuant to a share subscription agreement with Provident Capital Partners Pte Ltd. The options were exercised during the previous year.

Fair value of options granted

The fair value of the options granted during the previous year were estimated using the Black Scholes option pricing model with the assumptions below. The expected price volatility is based on the historic volatility (based on the life of the options), adjusted for any expected changes to future volatility derived from publicly available information.

Number '000	Grant date	Expiry date	Exercise price	Share price at grant date	Risk free rate	Volatility
50,000	30 Jan 2013	30 Sep 2013	$0.20	$0.185	3.00%	45.0%

	2014 $	2013 $
NOTE 24: AUDITOR'S REMUNERATION		
PricewaterhouseCoopers Australia		
- Audit and review of financial report	**73,000**	78,000
- Tax consulting	-	3,000
PricewaterhouseCoopers Indonesia		
- Audit and review of financial report	**45,111**	35,500
- Tax consulting	-	17,755
	118,111	134,255

NOTE 25: EARNINGS PER SHARE

Basic loss per share	**(3.3 cents)**	(5.0 cents)
Diluted loss per share	**(3.3 cents)**	(5.0 cents)
	$'000	$'000
Loss used to calculate basic and diluted loss per share	**(20,505)**	(20,383)
	No.	No.
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	**626,209,689**	405,320,814

	2014 $'000	2013 $'000
NOTE 26: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES		
Loss for the year	**(20,505)**	(20,383)
Depreciation and amortisation	**1,913**	179
Financing costs	**1,392**	4,321
Share based payments	**129**	(255)
Exploration expenditure	**469**	320
Development costs written-off	**1,354**	1,189
Impairment provision	**4,214**	-
Unrealised foreign exchange gain	**(673)**	(512)
Other	**(345)**	(91)
Changes in assets and liabilities -		
(Increase)/decrease in receivables	**(4,147)**	(704)
(Increase)/decrease in financial assets	**(97)**	41
(Increase)/decrease in inventories	**(1,954)**	(399)
(Increase)/decrease in other assets	**(222)**	(109)
Increase/(decrease) in trade and other payables	**719**	2,278
Increase/(decrease) in provisions	**615**	544
Increase)/decrease in other liabilities	**(156)**	-
Net cash used in operating activities	**(17,294)**	(13,581)

NOTE 27: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a. Parent entity

Finders Resources Limited is the ultimate parent entity of the group. Interests in subsidiaries are set out in Note 20.

b. Directors and director-related entities

	2014 $'000	2013 $'000
Participation in entitlement offer (3,929,279 shares at $0.14 per share (2013: Nil)) and share placements Nil (2013: 2,346,401 shares at $0.20 per share) by Provident Minerals Pte Ltd, a company in which Mr G A Caudle, a director, is a significant shareholder	**550**	469

c. Key Management Personnel

Disclosures relating to key management personnel are set out in Note 22 and the Remuneration Report.

NOTE 28: FINANCIAL RISK MANAGEMENT

The consolidated entity is headquartered in Australia and operates in Indonesia where it will be developing the full scale Wetar Copper Project and conducting exploration on Wetar Island and at the Ojolali gold-silver project in Sumatra. It is exposed to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and fair value interest rate risk), credit risk and liquidity risk.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies. The consolidated entity's risk management program focuses on the unpredictability and volatility of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity without unduly affecting its ability to operate and function.

In respect to foreign currency risk, the Board has retained an external consultant to advise on this risk.

a. Market Risk

i) Foreign currency risk

The consolidated entity operates in Indonesia and is exposed to foreign exchange risk arising from currency exposures, primarily the United States Dollar and the Indonesian Rupiah.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the consolidated entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

ii) Commodity price risk

The consolidated entity is exposed to adverse movements in the price of copper. The risk could be managed through the use of derivative financial instruments such as forward sale and option contracts. However the consolidated entity has not entered into any hedging instruments due to the unpredictability of copper production from the demonstration plant and the prohibitive cost of buying options.

iii) Interest rate risk

The consolidated entity is exposed to interest rate risk through its cash deposits held with banks.

		Weighted Average Effective Interest Rate		Floating Interest Rate	
Consolidated	**Note**	2014	2013	2014	2013
		%	%	$'000	$'000
Financial Assets:					
Cash and cash equivalents	5	**2.41**	2.74	**47,946**	7,872
Security deposit	7	**-**	-	**40**	-
Total Financial Assets				**47,986**	7,872
Financial Liabilities:					
Loan	13	**10.00***	-	**-**	-
Loans	13	**-**	8.00	**-**	-
Total Financial Liabilities				**-**	-

*Interest payable from commencement of commercial production at the Wetar Copper Project

		Non Interest Bearing			
		Within 1 year		Within 1 to 5 years	
Consolidated	**Note**	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Financial Assets:					
Receivables	6	**1,249**	358	**4,700**	1,445
Security deposit	7	**-**	-	**-**	110
Total Financial Assets		**1,249**	1,104	**4,700**	433
Financial Liabilities:					
Trade and other payables	12	**10,301**	4,576	**-**	-
Current tax liabilities		**-**	156	**-**	-
Total Financial Liabilities		**10,301**	2,298	**-**	-

iv) Credit Risk

Credit risk is the risk that counterparties may default on their contractual obligation, resulting in a financial loss to the consolidated entity. The risk arises from cash and deposits with financial institutions and credit exposures to trade customers. The consolidated entity minimises this risk by maintaining its banking and sales relationships with credit-worthy parties.

v) Liquidity risk

Liquidity risk is the risk that the consolidated entity will encounter difficulty in meeting obligations associated with financial liabilities. The consolidated entity manages its liquidity risk by closely monitoring its forecast and actual cash flows. The consolidated entity generated some cash flow from the Wetar Copper Project. Its additional funding requirements are sourced from debt finance and equity raisings. The appropriate level of liquidity is determined by cash flow forecasting. Surplus funds are invested on short-term deposits.

b. Financial instrument composition and maturity analysis:

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

The total contractual cash flows at each maturity date is equal to the carrying value except for the loans in the tables below. The unsecured loans had a face value of $38.3 million (2013: $14.4 million).

Fixed Interest Rate Maturing					
Within 1 year		Within 1 to 5 years		TOTAL	
2014	2013	2014	2013	2014	2013
$'000	$'000	$'000	$'000	$'000	$'000
-	-	**-**	-	**47,946**	7,872
-	-	**-**	38	**40**	38
-	-	**-**	38	**47,986**	7,910
-	-	**53,638**	-	**53,638**	-
-	14,440	**-**	-		14,440
-	14,440	**53,638**	-	**53,638**	14,440

Non Interest Bearing			
Over 5 years		TOTAL	
2014	2013	2014	2013
$'000	$'000	$'000	$'000
-	-	**5,949**	1,803
205	-	**205**	110
205	-	**6,154**	1,537
-	-	**10,301**	4,576
-	-	**-**	156
-	-	**10,301**	2,298

c. Net Fair Values

All financial assets and liabilities included in the balance sheet are carried at amounts approximate to fair value.

d. Sensitivity Analysis

Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk

The consolidated entity has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and commodity price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Commodity price sensitivity analysis

The effect on profit and equity as a result of changes in the price of copper, with all other variables remaining constant would be as follows:

	2014 $'000	2013 $'000
Change in profit		
- Increase in copper price by 10%	**-**	-
- Decrease in copper price by 10%	**-**	-
Change in total equity		
- Increase in copper price by 10%	**-**	-
- Decrease in copper price by 10%	**-**	-

Interest rate sensitivity analysis

The effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2014 $'000	2013 $'000
Change in profit		
Increase in interest rate by 2%	**8**	48
Decrease in interest rate by 2%	**(8)**	(48)
Change in total equity		
Increase in interest rate by 2%	**8**	48
Decrease in interest rate by 2%	**(8)**	(48)

Foreign Currency Risk Sensitivity Analysis

The effect on profit and equity as a result of changes in the value of the Australian Dollar to the United States Dollar, with all other variables remaining constant is as follows:

	2014 $'000	2013 $'000
Change in profit		
- Improvement in AUD to USD by 5%	**(2,029)**	237
- Decline in AUD to USD by 5%	**2,243**	(237)
Change in total equity		
- Improvement in AUD to USD by 5%	**(2,029)**	237
- Decline in AUD to USD by 5%	**2,243**	(237)

Foreign Currency Risk Sensitivity Analysis

The effect on profit and equity as a result of changes in the value of the Australian Dollar to the Indonesian Rupiah, with all other variables remaining constant is as follows:

	2014 $'000	2013 $'000
Change in profit		
- Improvement in AUD to IDR by 5%	**(24)**	184
- Decline in AUD to IDR by 5%	**27**	(184)
Change in total equity		
- Improvement in AUD to IDR by 5%	**(24)**	184
- Decline in AUD to IDR by 5%	**27**	(184)

29: PARENT ENTITY FINANCIAL INFORMATION

	Parent Entity	
	2014	2013
	$'000	$'000
Balance sheet		
Current assets	**7,045**	6,827
Total assets	**164,047**	103,142
Current liabilities	**473**	915
Total liabilities	**29,729**	950
Shareholders' equity		
Contributed equity	**156,884**	137,358
Reserves		
Equity reserve	**6,233**	6,233
Share-based payments reserve	**1,480**	1,351
Accumulated losses	**(29,608)**	(42,105)
	134,989	102,837
Profit (Loss) for the year	**12,497**	(5,588)
Total comprehensive income	**12,497**	(5,588)

Guarantees entered into by the parent entity

No guarantees were entered into by the parent entity.

Contingent liabilities of the parent entity

There are no contingent liabilities.

Contractual commitments for the acquisition of property, plant and equipment

No contractual commitments were entered into by the parent entity.

30. EVENTS AFTER BALANCE DATE

Subsequent to balance date, the Company issued 1.6 million incentive shares to employees pursuant to the Employee Share Ownership Plan.

DIRECTORS' DECLARATION

In the opinion of the Directors:

1. the financial statements and notes set out on pages 32 to 61 are in accordance with the *Corporations Act 2001* and:
   a) comply with Accounting Standards and the Corporations Regulations 2001; and
   b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the year ended on that date;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have received the declarations by the Chief Executive Officer and Chief Financial Officer pursuant to section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors.

Gordon Galt
Director

Sydney
26 March 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINDERS RESOURCES LIMITED

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Independent auditor's report to the members of Finders Resources Limited

Report on the financial report

We have audited the accompanying financial report of Finders Resources Limited (the company), which comprises the consolidated balance sheet as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Finders Resources Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

pwc

(a) the financial report of Finders Resources Limited is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 27 to 30 of the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Finders Resources Limited for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Thomason
Partner

Sydney
27 March 2015

SHAREHOLDERS INFORMATION AS AT 23 MARCH 2015

ISSUED SECURITIES

	Ordinary Shares (quoted)	Incentive Shares (unquoted)	Total Ordinary Shares	Converting Notes* (unquoted)
Shares	661,267,245	14,957,000	676,224,245	12,248,538

	Options (unquoted)	Total Options
Options	54,156,048	54,156,048

* 55 mandatory Converting Notes of US$100,000 each issued to Standard Bank Plc which will convert into 12,248,538 ordinary shares on or before 16 March 2018

DISTRIBUTION OF HOLDERS

Range	Ordinary Shares	Options
1 - 1,000	82	-
1,001 - 5,000	128	-
5,001 - 10,000	121	-
10,001 - 100,000	537	-
100,001 and over	285	4
	1,153	4

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders in the Company, as disclosed in substantial holding notices given to the Company are:

	Date of last notice	Holding	Percentage
Taurus SM Holdings Pty Limited	25 Jun 2014	87,339,525	12.92%
Resource Capital Fund IV LP	04 Jul 2014	73,409,390	11.1%
Provident Minerals Pte Ltd	05 Feb 2014	71,320,666	12.58%
Acorn Capital Limited	10 Jun 2014	61,206,834	9.26%
PT Saratoga Investama Sedaya Tbk	26 Aug 2013	33,060,606	7.02%

NON-MARKETABLE PARCELS

There were 146 shareholders with less than a marketable parcel (shareholdings with a market value of less than $500).

ON-MARKET BUY-BACK

There is no current on-market buy-back.

TOP 20 SHAREHOLDERS

		Holding	Percentage %
1	Provident Minerals Pte Ltd	80,058,765	11.81
2	Merrill Lynch (Australia) Nominees Pty Limited	73,409,390	10.83
3	HSBC Custody Nominees (Australia) Limited	70,151,190	10.35
4	Bond Street Custodians Limited <Taurus Resources Ltd Partner A/C>	68,009,731	10.03
5	PT Saratoga Investama Sedaya	47,033,990	6.94
6	National Nominees Limited	26,823,219	3.96
7	J P Morgan Nominees Australia Limited	20,291,348	2.99
8	Goldstar Mining Asia Resources (L) BHD	19,489,218	2.88
9	Bond Street Custodians Limited <Taurus Resources TST A/C>	19,329,794	2.85
10	PT Teknologi Riset Global Investama	18,611,111	2.75
11	Hillboi Nominees Pty Ltd	11,000,000	1.62
12	Citicorp Nominees Pty Limited	10,087,611	1.49
13	Spar Nominees Pty Ltd	8,413,668	1.24
14	Mr Gary Ernest Comb	8,000,000	1.18
15	HSBC Custody Nominees (Australia) Ltd <NT-ComwlthSuperCorp A/C	7,920,555	1.17
16	Dr Christopher Ben Farmer	7,465,695	1.10
17	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	7,350,716	1.08
18	Goldfire Enterprises Pty Ltd	6,834,024	1.01
19	Cape Bouvard Equities Pty Ltd	6,428,571	0.95
20	HSBC Custody Nominees (Australia) Limited – A/C 3	5,861,915	0.87
TOTAL		**522,570,511**	**77.09**

OPTIONHOLDERS

Expiry Date	6 Jun 2017		22 Oct 2017		TOTAL
Exercise Price	$0.35		0.2556		
Holder Name	No.	%	No.	%	No.
Resource Capital Fund IV LP	8,571,429	37.5	11,737,089	37.5	20,308,518
Bond Street Custodians Limited <Taurus Resources Ltd Partner A/C>	7,092,623	31.0	10,989,317	35.1	18,081,940
Bond Street Custodians Limited <Taurus Resources TST A/C>	1,478,806	6.5	4,660,135	14.9	6,138,941
National Nominees Limited	5,714,286	25.0	3,912,363	12.5	9,626,649
TOTAL	**22,857,144**	**100.0**	**31,298,904**	**100.0**	**54,156,048**

CORPORATE DIRECTORY

Directors	Gary Ernest Comb	Non-Executive Chairman
	Barry John Cahill	Managing Director
	Christopher Ben Farmer	Executive Director, Indonesia
	Gavin Arnold Caudle	Non-Executive Director
	Gordon Thomas Galt	Non-Executive Director
	Christopher Howard Brown	Alternate for Gordon Galt
	Douglas Len Po Tay	Alternate for Gavin Caudle
Secretary	James Hamilton Wentworth	
Registered Office	Suite 901, Level 9 60 Pitt Street Sydney NSW 2000 Telephone: + (612) 8084 1812 Facsimile: + (612) 8068 2540 Email: info@findersresources.com	
Website	www.findersresources.com	
Stock Exchange Listing	ASX: FND	
Auditor	PricewaterhouseCoopers Darling Park Tower 2 201 Sussex street Sydney NSW 1171	
Brokers	Blackswan Equities Limited Level 12, 28 The Esplanade Perth WA 6000 Australia	
Share Registry	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 Australia Telephone – 1300 737 760 (within Australia) +61 2 9290 9600 (outside Australia)	
Australian Business Number	82 108 547 413	