



For ASX Market Release: 30 October 2015

Quarterly Activities Report – September 2015

HIGHLIGHTS

Wetar Copper Project

- Copper cathode produced for the quarter was 425 tonnes. Sales were 406 tonnes at an average price of US\$2.38/lb
- Earthworks completed on a number of major structures
- Coastal infrastructure construction progresses rapidly
- 25,000 t.p.a. copper cathode SX-EW plant remains on track for commissioning in Q1 2016
- The 12 month rolling LTIFR and Injury Severity rates remain at zero

Corporate

- A further US\$35.0 million drawn under the Term Loan Facility and VAT Working Capital Facility
- Hedge book (copper and diesel fuel) valued at US\$30.6 million as at 30 September 2015
- At 30 September cash on hand was AUD\$38.9 million and unused project finance facilities were US\$108.0 million

Managing Director Barry Cahill commented: *"It is pleasing to report the significant progress made on the expansion project during the quarter, which remains on budget and on track for production in Q1 2016. During the December quarter, the expansion project will really take shape as we advance into an intensive construction phase on the 25,000 t.p.a SX-EW plant."*



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WETAR COPPER PROJECT (FINDERS 72%)

3,000 t.p.a. SX-EW plant Production Report

The 3,000 t.p.a. plant operated as expected during the quarter as summarised in the following table.

Table 1: Wetar Quarterly Copper Production

		Full Year 2014 Total	March 15 Quarter	June 15 Quarter	September 15 Quarter	YTD 2015 Total
Ore stacked	t	139,587	-	44,540	42,898	87,438
Grade	% Cu	2.42	-	1.72	1.59	1.65
Metal stacked	t Cu	3,385	-	764	682	1,446
Copper stripped	t Cu	1,416	104	203	425	732
Copper sold	t Cu	1,306	127	76	406	609
Copper sale price	US\$/lb Cu	2.88	2.63	2.77	2.38	2.48

Good progress was made on the Gold Pit Leach Pad (GPLP) during the quarter with 42,898 tonnes ore stacked. Stacking on the GPLP will be suspended after commissioning of the new crusher in October as the focus switches to stacking the KKV Heap leach Pad in readiness for the commissioning of the 25,000 t.p.a. SX-EW plant.

Temperatures on the GPLP heaps are within the required range and work continues on neutralising the acid in solution. The success of these efforts is reflected in the improved production performance (copper stripped) in the Table 1.



Image 1 – Stacking on the GPLP heaps

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The new crusher arrived on site at quarter's end and was in the process of being commissioned on the KKV Heap Leach Pad during October. Commissioning involved crushing the bedding layer prior to ore stacking.



Image 2 – New crusher being commissioned on KKV leach pad

Copper cathode produced has continued to be exported as LME Grade A copper cathode without any issues during the quarter.

25,000 t.p.a. SX-EW plant Construction Progress

Mine construction and related activities advanced in accordance with expectations during the September quarter.

Earthmoving activity increased following mobilisation of a second earthmoving fleet, with Stormwater Pond Three advancing to the floor of the underdrainage. Once the underdrainage is installed, the dam walls will be shaped and compacted to allow installation of the liner.

The first cell of the KKV Heap Leach Pad, which is the largest pad adjacent to the 25,000 t.p.a SX-EW plant site, is lined and the new crusher is currently crushing the initial bedding layer.

Earthworks at Stormwater Pond Two have been completed and the pond is currently being lined. Once completed the pumps and necessary pipework will be installed and the pond will be ready for use.

The 25,000 t.p.a. SX-EW plant raffinate pond located adjacent to the plant site is lined and ready for use.

The final cut on the neutralisation pad is currently being undertaken prior to handover for the commencement for concrete work. The cut required widening of the main haul road to allow the pad to be enlarged. During the excavation of the open pit haul ramp onto the main access ramp a small quantity of additional ore was excavated from outside the ore reserve.

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Image 3 – Lining of Stormwater Pond 2 commences

Pouring of concrete to establish the foundations for the 25,000 t.p.a SX-EW plant continued. Tank refurbishment has been completed on a number of the major tanks. The fibreglass contractor's focus has now turned to the construction of the new settler and the electrolyte recirculation tank. Refurbishment of the EW cells continues.



Image 4 – Foundations for the EW electrolyte circulation tank

The fibreglass contractor completed the refurbishment of the SX settler tanks and the lifting of these tanks into position on the SX site commenced during the quarter.

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Construction is well advanced on the coastal facilities to support the increase in personnel and material movements required for the intensive construction phase during the December quarter. Completed facilities to date include the concrete batching plant, emergency airstrip, medical clinic and emergency centre, laundry facility, 188-person construction camp, kitchen and mess facility, various staff quarters and offices.



Image 5 – New accommodation units being constructed

Concrete works completed included pads for the new power station area and laboratory with the excavation of the foundations for the large diesel tanks completed. Construction of the power station day tank has commenced.

A major portion of the required equipment and materials is now the subject of firm contracts and purchase orders. Remaining items are in the process of final negotiations with the preferred vendors and procurement is expected to be finalised shortly. Secured long lead items are due for delivery within the required project timeline.

Major construction contracts have been awarded or are in preferred tenderer status with negotiations nearing completion. The contractors for civils, steel, mechanical and piping, electrical and instrumentation and power supply have all commenced work either on site or are preparing to mobilise personnel and materials.

All the Project management team are now in place and operating from site on Wetar Island. Two personnel boats continue to operate between site and Kupang and have sufficient capacity for the construction phase. The use of the two boats means that there is always one boat on site for emergency purposes if required. Freight inwards such as equipment, materials and diesel and outwards such as empty containers and copper cathode continues to be transported via LCT with no issues.

The expansion project remains on budget and on track for production in Q1 2016.

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OH&S

There were no serious injuries recorded during the quarter, with the Lost Time Injury Frequency Rate (LTIFR) remaining at zero. The 12 month rolling LTIFR is 0.00 and the Injury Severity Rate is 0.00. There were no injuries requiring medical treatment recorded, with all employees returning to normal duties immediately following first aid treatment at the on-site medical clinic.

Wetar Community Development

Community development programs, which assist with health and economic development, continued during the quarter.

- Agricultural initiatives, including vegetable growing and chicken farming, increased as the number of workers on the project increased
- The community employment initiative was extended to island villages further afield of the operation following the successful recruitment program from the three local villages. At the end of the quarter, a total of 409 of the 726 company employees at the Wetar Project originate from the local region, which is equivalent to 56% of the total project workforce.
- Of the 709 visits to the on-site medical clinic, 9% were from local residents.
- The emergency airstrip for medical evacuation of both employees and local residents is now in operation.
- 10% of the available passenger seats on marine vessels servicing the Wetar Project are now allocated to the local community.

Stakeholder engagement also continued and included information meetings and site visits with various Government officials, community leaders, elders and landowners.

Wetar Environmental Management

Environmental monitoring activities and reporting to the relevant Indonesian authorities in accordance with the Project's environmental permit was ongoing and no non-compliance occurrences were reported.

December 2015 Quarter

The Company's planned activities for the December quarter are:

- Stacking ore to the KKV Heap Leach Pad
- Finish construction of site earthworks
- Ongoing construction of the 25,000 t.p.a. plant

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OJOLALI GOLD-SILVER PROJECT (FINDERS 72%)

Activities

Two key environmental permits dated 7th September 2015 were awarded by the Governor of Lampung. The **AMDAL** includes an approved Environmental Impact Analysis, Environmental Management Plan and Environmental Monitoring Plan. The **Izin Lingkungan** is a secondary environmental permit required before activities in the operation production stage can commence.

The Mines Department has continued its evaluation of various documents submitted in support of the application for an Operation Production permit and a number of site visits have been completed. The company expects to receive the completed evaluation before the end of 2015.

Tenement

The exploration license (IUP B.24/DPE-WK/HK/2014) expired on 11 March 2015. The Company has applied for a mining licence (IUP Operation Production). If approved, the mining license will have a tenure of 20 years.

CORPORATE

Cash and Project Finance Facility

Finders previously entered into a Senior Facilities Agreement with BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale ("the Senior Lenders") which provides for a US\$165 million commitment from the Senior Lenders consisting of:

- US\$130 million Term Loan Facility;
- US\$20 million Cost Overrun Facility; and
- US\$15 million VAT Working Capital Facility.

The facilities will be sufficient to enable the completion of construction of the 25,000 t.p.a. SX-EW plant.

During the quarter Finders Indonesian subsidiary, PT Batutua Tembaga Raya (BTR) received a further two drawdowns under the Senior Facilities Agreement totalling US\$35 million. Total amount drawn under the Senior Facilities Agreement as at the end of the quarter was US\$54 million. BTR remained comfortably in compliance with all covenants and a further drawdown of US\$24 million was received in late October.

During the quarter, BTR agreed to a reduction in the Term Loan Facility of US\$3 million to US\$127 million as a result of a reduction in the forecast capital expenditure for the Wetar Copper Project. At the end of the quarter, undrawn facilities were US\$108million.

In August BTR entered into forward purchase agreements for a total of 40 million litres of High Speed Diesel for the 2016 and 2017 calendar year. This represents approximately 65% of the forecast fuel exposure of the Wetar Copper Project during that period.

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The book value of the hedges entered into by BTR as at 30 September 2015 is summarised in the following table (US\$ million):

Copper hedging	31.6
Fuel Hedging	(1.0)
Total	30.6

As at 30 September 2015, Finders and BTR had cash of AU\$38.9 million and undrawn project finance facilities of US\$108 million.

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

Barry Cahill

Managing Director

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Background Information on Finders

Finders is the operator of the Wetar Copper Project (72% interest) and the Ojolali Gold-Silver Project (72% interest) both located in Indonesia.

The Wetar Copper Project comprises the development, open pit mining and processing of the high-grade sulphide deposits at Kali Kuning and Lerokis located within 3 kilometres of the coast on Wetar Island. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially pre-stripped copper ore bodies from a prior gold mining era.

Finders currently operates a 3,000 tonne per annum (“t.p.a”) copper cathode solvent extraction-electrowinning (“SX-EW”) demonstration plant to test copper sulphide leach kinetics and optimise process design. To date, the demonstration plant has produced over 4,000 tonnes of LME Grade A copper cathode, all of which was sold at a premium to the LME price and without specification issues.

The current construction of a 25,000 t.p.a SX-EW facility will lift annual production capacity to 28,000 t.p.a when commissioned in late 2015. The Bankable Feasibility Study for the expansion project estimated a US\$132.4M capital cost (excl. contingency) and a cash operating costs of US\$88c/lb Cu at an efficient production level.

Finders has successfully arranged a US\$165 million senior facility and an additional US\$45 million project level equity facility to fund the expansion project.

Opportunities for extending the mine life past the current 10.5 years are strongly founded on exploration upside, focussing initially on the nearby satellite Meron deposit and other identified VMS copper and gold targets on Wetar Island including Karkopang.

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

Capital Structure

Type of Security			Total
Fully Paid Ordinary Shares (“Shares”)			
Shares on issue at 30 September 2015 - quoted on ASX			661,267,245
Unlisted Employee Shares			
Unvested employee Shares issued under the Finders Employee Share Ownership Plan at an issue price of 43 cents funded by loans from the Company and subject to performance based vesting conditions			4,189,667
Unvested employee Shares issued under the Finders Employee Share Ownership Plan at an issue price of 19 cents funded by loans from the Company and subject to performance based vesting conditions			1,000,000
Employee shares issued under the Finders Employee Share Ownership Plan at issue prices of 19 cents to 35 cents funded by loans from the Company			900,000
Unvested directors incentive Shares at issue prices from 20.08 cents to 30.08 cents funded by loans from the Company and subject to performance and time based vesting conditions			10,500,000
Total Unlisted Employee Shares on issue at 30 September 2015			16,589,667

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Unlisted Employee Options	Exercise Price	Expiry Date	
	A\$0.35	06 Jun 2017	22,857,144
	A\$0.2556	22 Oct 2017	31,298,904
Total Unlisted Options on issue at 30 September 2015			54,156,048
Unlisted Converting Notes	Conversion Price	Maturity Date	
US\$5,500,000	A\$0.427	16 Mar 2018	12,248,538

Tenement/Mineral Permit Schedule

IUP Decision No.	Type	Mineral	Expiry Date	Area (ha)	Term	Holder ¹
Wetar Copper Project¹						
543 - 124 Tahun 2011	IUP Exploitation	Copper	09 Jun 2031	2,733	20 years	BKP
540 – 317.a Tahun 2012	IUP Exploitation	Sand, gravel & 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 Exploitation	Barite	01 Nov 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 Project³						
B.24/DPEWK/HK/2014	IUP Exploration	Gold	11 Mar 2015 ²	5,912	1 year	BWKM3

- 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.
- Application for an IUP Exploitation has been lodged.
- 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")).

Wetar Copper Project Resources & Reserves

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Ore Reserve Estimate			
	Category	Tonnes (m)	Cu (%)
Kali Kuning (Cut-off Grade 0.4% Cu)	Proved	5.4	2.4
	Probable	0.9	2.1
	Total	6.3	2.4
	Waste	5.9	
	Ratio	0.9	
Lerokis (Cut-off Grade 0.5% Cu)	Proved	2.1	2.3
	Probable	0.4	2.0
	Total	2.5	2.3
	Waste	1.9	
	Ratio	0.8	
Total	Proved	7.5	2.4
	Probable	1.4	2.1
	Total	8.9	2.4
	Waste	7.8	
	Ratio	0.9	

Note: Rounding errors may occur. "Ratio" refers to the ratio of the waste to the ore tonnage.

Mineral Resource Estimate									
	Measured		Indicated		Inferred		Total		
	Tonnes (m)	Cu (%)	Tonnes (m)	Cu (%)	Tonnes (m)	Cu (%)	Tonnes (m)	Cu (%)	Cu (t)
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	1,000
Transition	1.1	1.3	0.3	1.5	0.1	1.7	1.6	1.4	22,000
Primary	4.1	2.8	0.6	2.6	0.1	2.1	4.7	2.8	132,000
Total	5.4	2.4	1.0	2.1	0.2	1.7	6.6	2.4	155,000
Lerokis (Cut-off Grade 0.5% Cu)									

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Primary	2.1	2.4	0.4	2.2	0.1	1.5	2.6	2.3	61,000
Total	7.5	2.4	1.4	2.2	0.3	1.6	9.2	2.4	216,000

Note: Rounding errors may occur

The information in this report that relates to ore reserve estimation is based on work completed by Mr John Wyche who is a full time employee of Australian Mine Design and Development Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Wyche has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wyche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to mineral resource, exploration potential and geology estimation is based on work compiled by Dr Phillip Hellman who is a consultant to H&S Consultants Pty Ltd and a Fellow of the Australian Institute of Geoscientists. Dr Hellman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Hellman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ojolali Gold-Silver Project Resource

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

Note: Rounding errors may occur

The information in this report that relates to exploration potential and geology is based on work compiled by Dr Chris Farmer. Dr Farmer is a full-time employee and director of Finders Resources Ltd and a Member of the Australian Institute of Geoscientists. Dr Farmer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Farmer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the estimate of the Mineral Resource at Ojolali is extracted from the report entitled "Quarterly Report for the Period Ended December 31st 2010" created on 31st January 2011 and is available to view on www.findersresources.com. The company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement and, in the case of estimates of the Mineral Resource, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcement.

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