



For ASX Market Release: 15 September 2016

## Wetar Copper Project realizes US\$42.5 million from Hedge Restructure

- 21,651 tonnes of copper hedging closed out
- 16,476 tonnes of copper re-structured at an average forward selling price of US\$4,806
- Total proceeds of US\$42.5 million applied to repayment of debt reducing outstanding balance to US\$103 million.
- Discussions underway with banking syndicate to amend the current debt facilities to reflect the hedge close-out

Finders Resources Limited ("Finders"; ASX code: FND) is pleased to announce that its 75.9% owned subsidiary, PT Batutua Tembaga Raya ("BTR"), has completed a restructure of its current copper hedge book of 38,126 tonnes of copper. The restructure has seen a total of 21,650.5 tonnes of copper hedging closed out and a further 16,475.5 tonnes adjusted to reduce the forward price from an average of US\$5,912 per tonne to US\$4,806 per tonne. The remaining hedging is in place for the period from January 2017 to March 2019 and represents around 26% of copper cathode production over that period and 11% of life of mine production.

The restructure has generated proceeds of US\$42.5 million for BTR, all of which has been applied to reduce existing term loan debt facilities. Following this reduction, total bank debt stands at approximately US\$103 million, including US\$12 million of VAT loan facilities which are expected to be repaid from the proceeds of VAT refunds.

As part of the arrangements to close out the hedges, BTR and its Lenders are in negotiations around additional changes proposed to be made to the Facility Agreement to take into account the reduction in the principal amount of the debt and to more closely align future repayments with anticipated cashflows from the Wetar Copper Project following the hedge close-outs. While these negotiations have not yet been completed, they have reached a point where the Company and the Lenders were comfortable proceeding with the hedge close-out. The Company anticipates that the amendments to the Facility Agreement will be finalised and formally documented over the coming weeks.

Barry Cahill, Managing Director of Finders welcomed the significant debt reduction. "Given the recent movements in the copper price, the Boards of both Finders and BTR saw an opportunity to crystallise a significant proportion of the value of the hedge book to reduce debt and strengthen our financial structure for the next phase of growth."



### Contacts:

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

### Phil Retter

Investor Relations

### NWR Communications

[phil@nwrcommunications.com.au](mailto:phil@nwrcommunications.com.au)

T: +61 407 440 882

### Perth Office:

Level 1, 5 Ord Street  
West Perth WA 6005  
T: +61 8 6555 3996  
F: +61 8 6555 3998

[E: info@findersresources.com](mailto:info@findersresources.com)

ASX Code: FND

[www.findersresources.com](http://www.findersresources.com)



### Background Information on Finders

Finders is the operator of the Wetar Copper Project (72% interest) 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 25,000 tonne per annum (“t.p.a”) copper cathode solvent extraction-electrowinning (“SX-EW”) plant, commissioned in May 2016, and a 3,000 t.p.a SX-EW plant for annual production capacity of 28,000 tonnes copper cathode. To date, the plants have produced over 7,000 tonnes of LME Grade A copper cathode, all of which was sold at a premium to the LME price and without specification issues.

The project was constructed with a US\$145M debt facility and has a projected cash operating cost of US\$1.05/lb Cu over the life of mine.

Opportunities for extending the mine life past the current 7.5 years are strongly founded on exploration upside, focussing initially on the nearby Meron satellite deposit and other identified VMS copper and gold targets on Wetar Island.

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