

For Release 27 June 2011

Finders Resources Limited

Wetar Copper Project Bankable Feasibility Study





FEASIBILITY STUDY BACKS NPV OF US\$ 304 m FOR WETAR COPPER PROJECT

Finders Resources Limited (ASX: FND) (Finders) announces that its Bankable Feasibility Study (BFS) confirms the robust economic viability of its 95% owned Wetar Copper Project and positions the company well to take the project into its next phase of development.

Based on the BFS, the post-tax, net present value (NPV) of the Wetar copper project is \$304m¹ (all monetary figures stated are in US\$ unless otherwise specified). Key financial metrics at various copper prices are set out below:

		Flat LOM Copper Price (US\$/t)				
Price Case	Base ¹	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000
LOM Cash Surplus (US\$m)	525	295	408	518	627	737
Project NPV ₁₀ (US\$m)	304	143	216	287	359	430
Project IRR	62%	32%	42%	51%	60%	69%
Payback Period (Years)	0.9	1.6	1.3	1.1	0.9	0.8

Finders will use the BFS as the basis for negotiating financing for the project, and plans to finalise a mandate to lead arrangers for the project finance debt facility in July.

Other key findings of the BFS include:

- At current copper prices, project EBITDA for the first full year of production would exceed \$160m – a payback period on capital costs of less than 1 year.
- EBITDA Margins exceed 75% at full production and current copper prices.
- Life of mine copper production of 150,000 tonnes over a planned 9 year production period. Assuming that construction commences early in the fourth quarter this year, full production should be achieved by the end of 2013.
- Total capital costs for Stage 1 (the Expanded Demonstration Plant) and Stage 2 (the Main Plant) are expected to be \$155m including an accuracy provision of \$17m. The capital costs have increased from prior guidance as Finders has bought rather than leased a number of items of equipment and brought forward a number of previously deferred items including the Neutralisation Plant.
- Operating cash costs of \$1.09/lb². This result has been achieved despite a 40% increase in fuel prices by switching the project power to Marine Fuel Oil from diesel.



The study is based on a three stage ramp-up to full production of 25,000 tpa copper cathode.

- The existing 1,825 tpa Demonstration Plant will be restarted within 3 months of a Board decision to proceed.
- Production will expand to 7,000 tpa with commissioning of the Expanded Demonstration Plant approximately 10 months after commencement of construction activities.
- Full capacity of 25,000 tpa will be reached with re-commissioning of the Whim Creek plant approximately 20 months after commencement of construction activities. Full production will be reached by the end of 2013.

Higher grades and recoveries achieved during the demonstration phase have the potential to add a full year's production and \$43m to the project NPV. Given the high operating margins the project is not overly sensitive to changes in operating or capital costs.

Finders Managing Director, Chris Farmer noted that the BFS followed the approvals last week of key mining permits on Wetar Island.

“We have recently achieved a number of key milestones in establishing Finders as one of the few listed copper companies with potential for near-term production. This BFS indicates that the value of the Wetar Copper Project is significantly more than our current market capitalisation even though it excludes a number of significant potential upsides including improved grade and recoveries achieved during the demonstration phase and potential satellite deposits in the tenement areas.”

Finders will be providing further updates shortly regarding the progress of its project financing process, re-zoning to excise the Project area from conversion forest classification as highlighted in the recent AGM and the planned project timetable.

A summary of key findings from the Bankable Feasibility Study is appended.

IMPORTANT NOTES

1. Assumes a 10% discount rate and a copper price based on the Comex forward curve as at 16 June 2011 reverting to a long term real copper price of \$2.50/lb by 2017.
2. Operating cash costs exclude royalties (4%), head office expenses and marketing expenses (expected to be zero after netting off sales premiums).

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BANKABLE FEASIBILITY STUDY

Introduction

- The Wetar Copper Project comprises the development, mining and processing of sulphide copper deposits at Kali Kuning and Lerokis located on Wetar Island, Indonesia.
- Mining will be carried out by conventional open pit methods initially at Kali Kuning and from Year 3 also at Lerokis with ore hauled from the open pits to the Kali Kuning ROM pad.
- Finders has operated a 1,825 tpa Cu demonstration plant on site that incorporates heap leaching, solvent extraction (SX) and electrowinning (EW) in its flowsheet.
- The Expanded Demonstration Plant (EDP) project phase involves the expansion of the existing heap leach SX-EW demonstration plant to a nominal capacity of 7,000 tpa of cathode copper. The EDP will be operated in conjunction with the Main 18,000 tpa SX-EW Plant relocated from Whim Creek. Neutralisation is also included, as the demonstration heap leach has shown that the ore is acid generating rather than acid consuming.
- The processing route for the ore has been designed to handle up to 1.65 Mtpa of sulphide ore to produce a total of 25,000 tpa of LME A Grade copper cathode from both plants.
- The Bankable Feasibility Study (BFS) describes the technical and financial position of the project as at May 2011.

Key Bankable Feasibility Study Outcomes

	BFS June 2011
Ore Reserves ¹	8.2 MT
Strip Ratio	0.95
Initial Mine Life	9.2 years
Ave Cu Grade	2.5%
Cathode Production Capacity	25,000 tpa
LOM Cathode Production	150,000 t
Average Copper Recovery	75%
Operating Cash Cost (LOM) ²	\$1.09
Capital Costs (US\$ m)	
- Construction Period	\$143.4
- MFO Power Plant	<u>\$12.0</u>
Total	\$155.4

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)



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Participants

Key areas of Wetar Copper Project BFS have been undertaken by independent and internationally recognised experts; respective areas of responsibility are as follows:

Area	Participant
Geology & Mineral Resource	Hellman & Schofield, Finders
Mining & Ore Reserve	Australian Mine Design and Development (AMDAD) SRK Consultants
Metallurgy	Randolph Scheffel, Finders
Mineral Processing	Electrowin – NeuBau, Resindo, SRK Consultants, Golders Associates
Project Logistics	Finders, Electrowin-NeuBau
Infrastructure	Finders, Electrowin-NeuBau, Resindo
Project Execution	Electrowin-NeuBau, Resindo
Capital Costs	AMDAD, Electrowin-NeuBau, Resindo
Operating Costs	AMDAD, Electrowin-NeuBau, Resindo



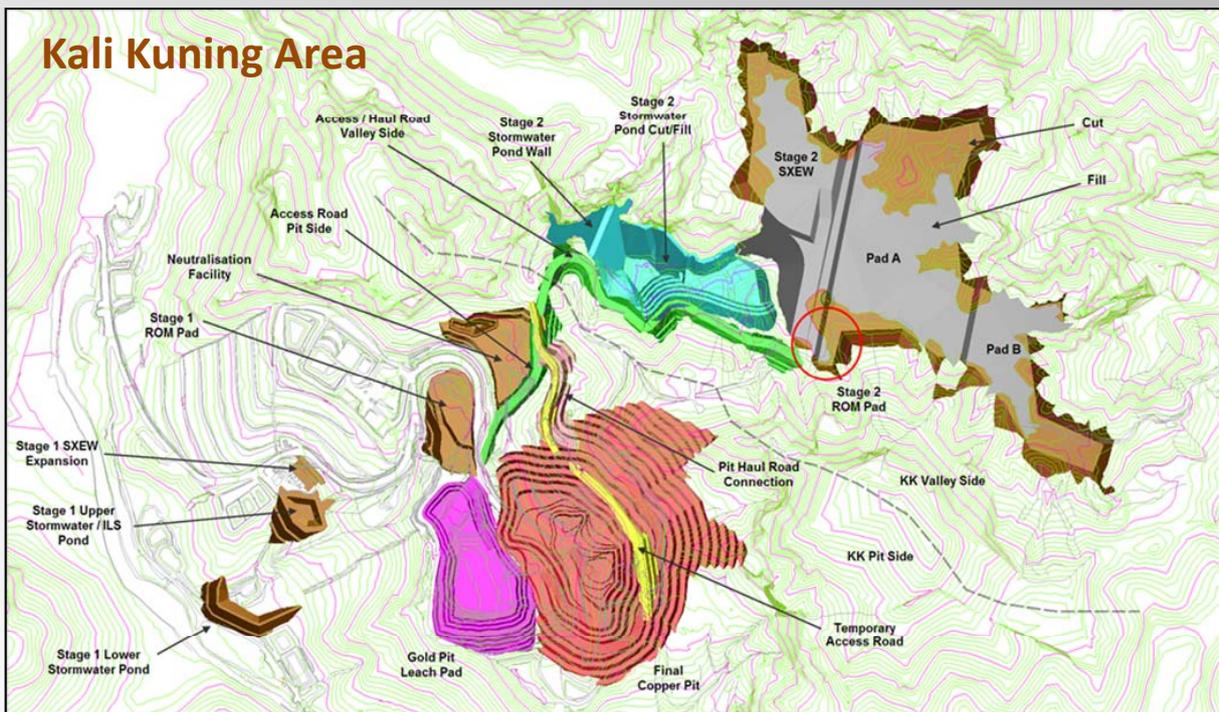
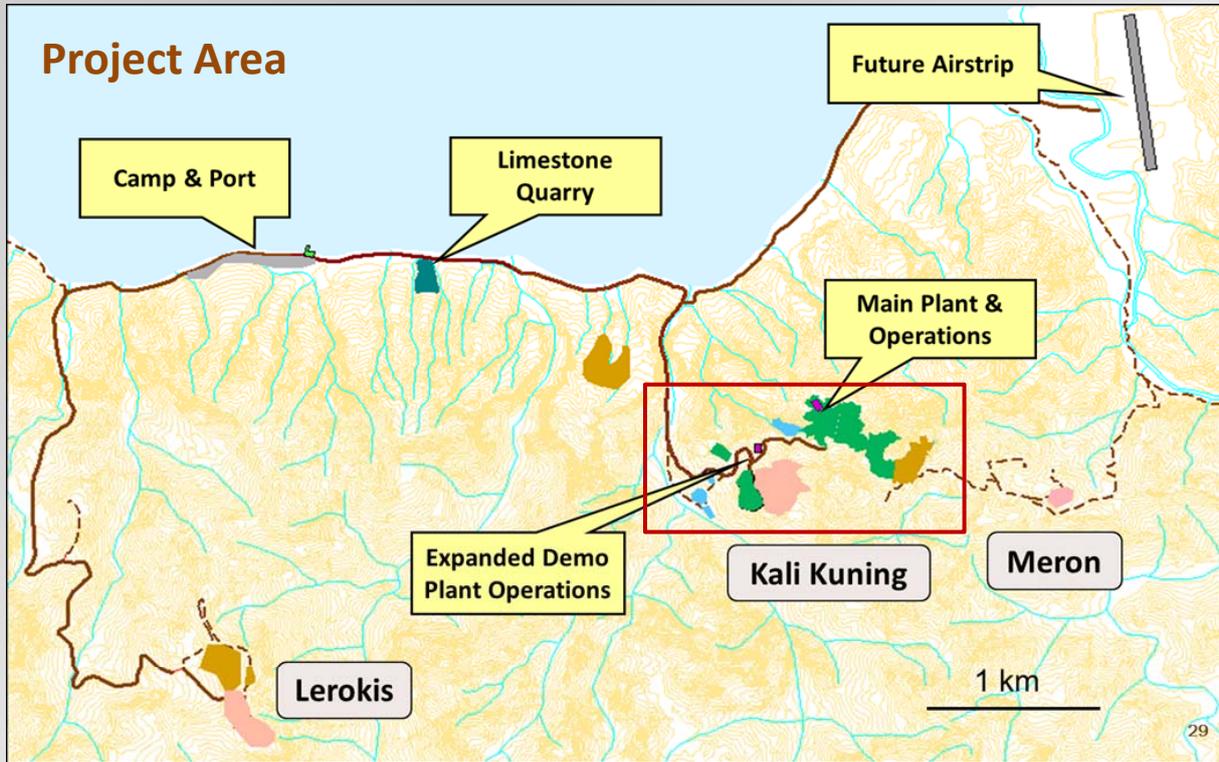
LOCATION

- The Wetar Copper Project is located on the north central coast of Wetar Island and is part of the Maluku Barat Daya Regency (MBD), Maluku Province of the Republic of Indonesia. Wetar Island is a remote island which supports a total population of around 7000 people. It can be accessed by boat from Kisar and Atapupu and LCT (landing craft) from Surabaya. The closest villages to the project, Lurang and Uhak, have a population of around 700 people in total.





PROJECT LAYOUT

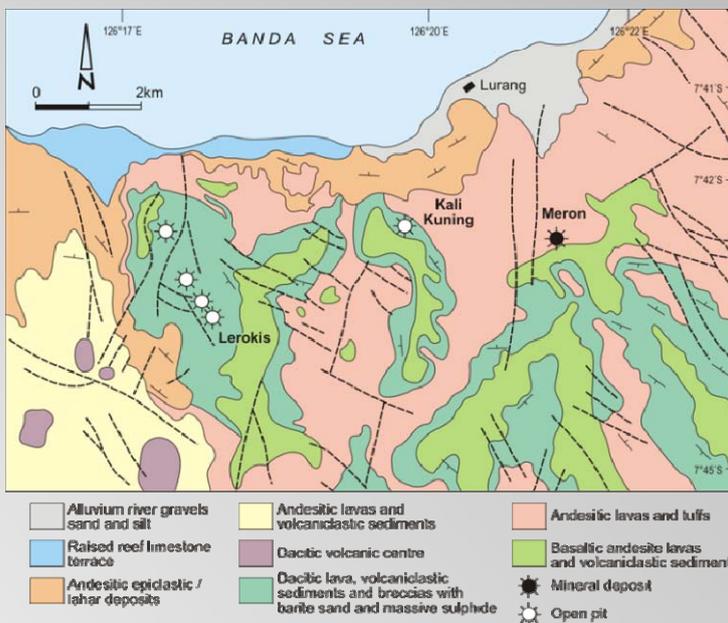




GEOLOGY

Wetar Geological Setting

- The geology of Wetar Island is composed entirely of Neogene volcanic rocks and minor oceanic sediments. Submarine basaltic-andesites with local pillows form the volcanic basement to the island. The basaltic-andesites are intruded by rhyo-dacite domes and overlain by dacitic lavas, tuffs and breccias, debris flows, globerigina limestones and lahar deposits.
- The age of the mineralisation has been estimated at around 4.7 million years.



Kali Kuning massive sulphide
Exposed at end of gold mine era

Copper Mineralisation

- Copper mineralisation at both Kali Kuning and Lerokis occurs predominantly within coherent massive sulphide units with a lesser amount of generally lower grade material occurring within intensely clay-sericite pyrite altered andesitic tuffs in the footwall and lateral extent of the massive sulphide units.
- Based on Finders drilling, the Kali Kuning massive sulphide resource has been re-classified into three metallurgical sub-types - Leached, Transition zone and Primary massive sulphide. The Leached and Transition types reflect incipient in-situ leaching of the massive sulphide unit by natural groundwater. The Transition zone material although of lower copper grade than the main Primary massive sulphide (1.5% vs 2.9%) contains a higher proportion of readily leachable copper minerals.



MINERAL RESOURCES

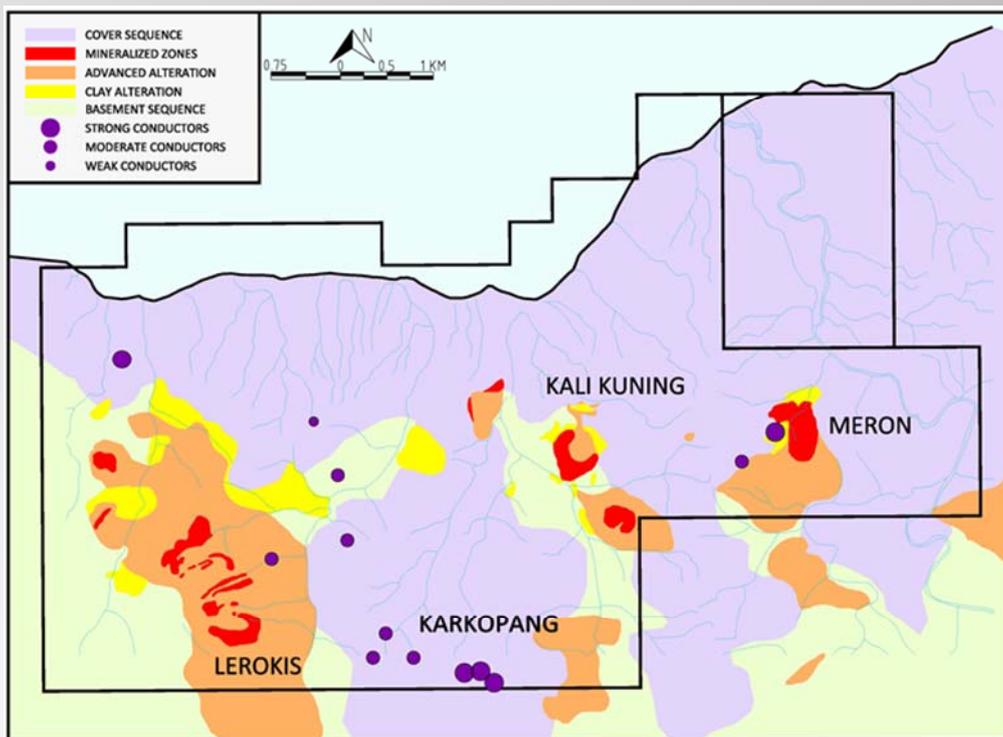
Mineral Resource Estimate

Kali Kuning Sulphide Resource - 0.5% Cu Cut-Off									
	Measured		Indicated		Inferred		Total		
	t(M)	Cu%	t(M)	Cu%	t(M)	Cu%	t(M)	Cu%	Cu (kt)
Leached	0.08	0.70	0.03	0.87	0.03	1.32	0.14	0.87	1.19
Transition	0.88	1.43	0.47	1.55	0.20	1.54	1.55	1.48	22.9
Primary	2.99	2.95	1.53	2.72	0.16	3.21	4.61	2.92	135
Total	3.97	2.59	1.94	2.44	0.38	2.22	6.30	2.52	159

Lerokis Sulphide Resource - 0.5% Cu Cut-Off									
	Measured		Indicated		Inferred		Total		
	t(M)	Cu%	t(M)	Cu%	t(M)	Cu%	t(M)	Cu%	Cu (kt)
Total	2.1	2.4	0.5	2.1	0.1	1.4	2.7	2.3	62

District Exploration

- Similar style mineralisation and potential for additional resources has been identified near the Kali Kuning deposit at Meron and Karkopang. Partial drilling of Meron by a previous explorer has shown encouraging copper assays.





MINING & ORE RESERVES

Pit Optimisation

- Gemcom Whittle pit optimisation software was used to define economically optimal openpit shapes to guide the detailed pit designs and sequencing assuming a base case copper price of US\$5,000 per tonne (US\$2.27/lb).

Pit Design

- Whittle shells were used to guide detailed pit designs including berm and bench configurations recommended by geotechnical consultants SRK.

Ore Reserve

Category	Volume	Tonnes	Cu %
Kali Kuning Pit			
Proved	938,000	3,868,000	2.6
Probable	438,000	1,788,000	2.4
Total Ore	1,375,000	5,656,000	2.5
Waste	2,551,000	5,743,000	
Ratio	1.85	1.02	
Lerokis Pit			
Proved	509,000	2,052,000	2.4
Probable	115,000	460,000	2.1
Total Ore	624,000	2,512,000	2.4
Waste	1,011,000	2,051,000	
Ratio	1.62	0.82	
Combined			
Proved	1,446,000	5,920,000	2.5
Probable	553,000	2,248,000	2.4
Total Ore	1,999,000	8,168,000	2.5
Waste	3,562,000	7,794,000	
Ratio	1.78	0.95	

Notes

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.

Approximately 0.2Mt of Inferred Resource at similar copper grades occurs within the pit shell.



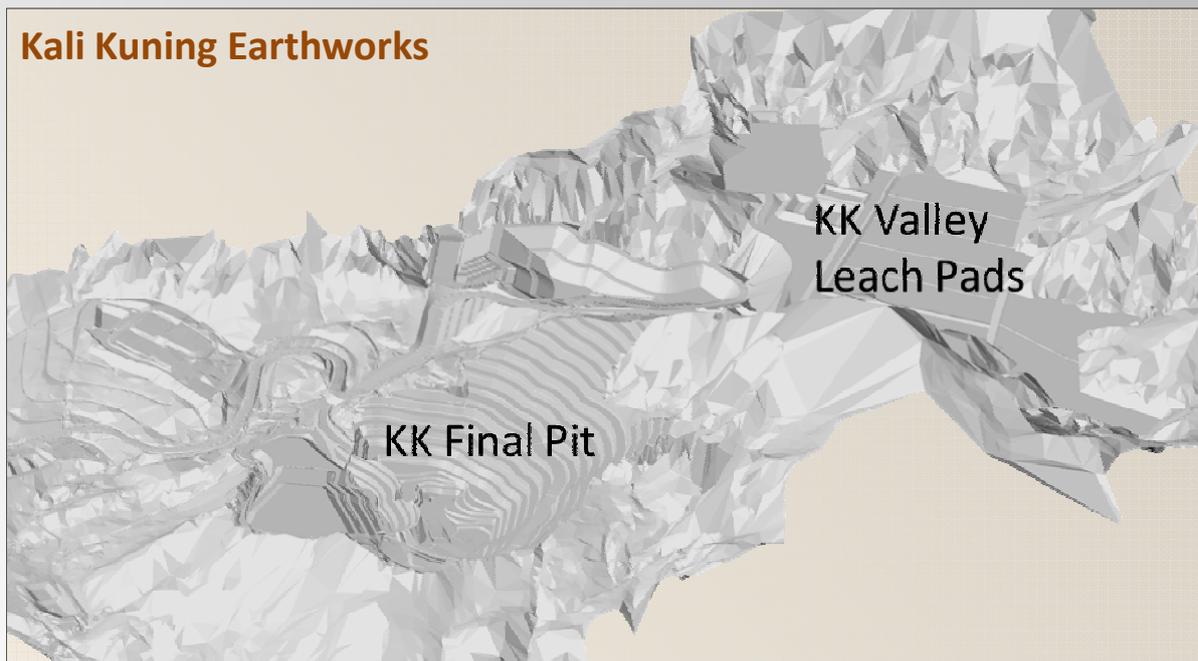
WASTE DUMPS & EARTHWORKS

Mine Earthworks

- The Kali Kuning area will require large volumes of bulk earthworks during the construction phase predominantly to prepare the leach pad, SX-EW plant and stormwater pond areas in the Kali Kuning Valley (KKV or KK Valley).
- The size of the fleet is designed to achieve the bulk earthworks tasks in line with the construction and production schedules. At peak activity periods the fleet would comprise 7 x 45t hydraulic excavators and 16 x 25t articulated dump trucks. Equipment will be supplied by a mining contractor.
- Specialist earthworks designs for facilities such as the leach pads and process areas were designed by SRK and Golder Associates.

Mine Waste Rock Management

- Mining will commence at Kali Kuning (KK) and all waste rock produced, either from the pit or from construction earthworks, will be used as construction fill material.
- The initial waste rock dump area is at the head of the KK Valley. Non acid forming (NAF) waste in the KK Valley dumped will be reclaimed to cap the KK Valley leach at the end of the project.
- During the first two years, all of the potentially acid forming (PAF) waste rock will be used as fill in the base of the KK Valley pads. The remainder will be stored in a permanent waste rock dump on the coastal area north of the KK Pit.





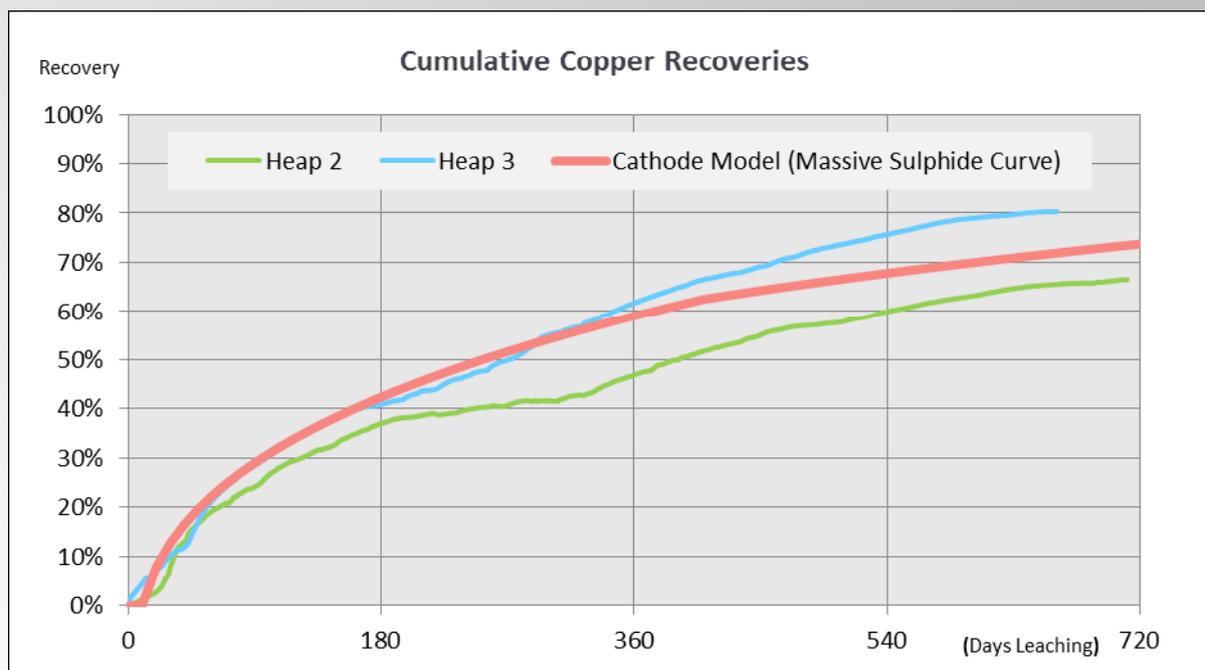
METALLURGY

Mineralogy

- The mineralogy of the Wetar orebodies consists primarily of primary and secondary copper sulphides hosted in massive pyrite (70% - 85%). The predominant secondary copper mineral is covellite at Kali Kuning. The Lerokis orebody contains mainly covellite and chalcopyrite.

Wetar Demonstration Plant Review

- A 100,000 t bulk sample was crushed and stacked into 4 banded heaps, with variable heights, to allow for testing of different leaching variables in each heap to assess optimum parameters such as crush size, aeration and irrigation rates.
- Heap 3 had the best results with a total recovery of 80.3 % Cu after 645 days leaching.
- The average of incremental acid generated for typical heaps was 1.2 kg acid/kg Cu Leached, thus process solutions require neutralisation in commercial operations.
- Irrigation and aeration application rates proved to be effective controls on temperature. Heaps operating at an average sustained ore temperature of 75-85°C.
- The Solvent Extraction and Electrowinning plants achieved nameplate capacity. 99.7% of the cathode produced by the demonstration was sold as LME 'Grade A' product.
- Model leach recovery kinetics based on the commercial scale heap heights during the demonstration phase have been used to generate production leach curves in the BFS.





MINERAL PROCESSING

- Wetar production follows a standard process flow sheet with crushed ore agglomerated and stacked on heaps. Heap aeration and irrigation allows leaching of copper into solution where it is collected and then extracted using standard SX-EW technology to produce copper cathode.
- The BFS adopts the same heap height and modular equipment proven during the Wetar demonstration phase, below:





LOGISTICS & INFRASTRUCTURE

Logistics

- The Wetar project site is located in a remote area of east Indonesia however previous mining operations on Wetar Island have demonstrated that logistics will not impede operations. The mine site is only 6km by road from an established port.
- The transport of materials and mobilisation of heavy construction equipment for the demonstration plant construction was performed by large landing craft (LCT). This proved to be a safe and reliable mode of transport and LCT's can be berthed at the wharf facility which was designed specifically for these vessels.
- Surabaya is a key logistics base and a source of fuel for power generation. It will be the consolidation base for the mining fleet, spare parts and consumables prior to shipping by LCT.
- Copper cathode product will be shipped on the same LCT's to a warehouse in Surabaya for transshipment to international and domestic customers.



Infrastructure

- Finders currently rents the former gold mine facilities from the government, including
 - **Roads** : Kali Kuning access is operational. In Year 3, the Lerokis road will be upgraded.
 - **Accommodation Camp** : Existing camp and messing facilities can accommodate up to 450 persons .
 - **Site Buildings** : Existing offices and medical clinic will continue to operate as administration buildings. The explosive magazine is already operational. New process and mining offices will be located at Kali Kuning.
 - **Wharf & Landing Craft Facilities** : The existing wharf can berth two 1,000t LCTs. The wharf requires an upgrade to provide deep water access for ships delivering MFO.
- New Infrastructure in the BFS includes MFO generator power station and fuel farm, HV power supply and distribution , raw water supply and an airstrip.



PROJECT EXECUTION

Approach

- Both the EDP and Main Plant /KKV phases of the project are brown-field expansions of the existing heap leach-solvent extraction-electrowinning operation.
- The project execution is based on an Engineering, Procurement and Construction Management (EPCM) philosophy with engineering managed by Electrowin Pty Ltd and NeuBau Pty Ltd and procurement and construction managed by Finders.
- Resindo, an Indonesian EPCM contractor will provide inspection and project controls support.
- Karridale, a Western Australian contractor, will provide construction management support at site for the re-installation of the Whim Creek plant.
- PT SDV Logistics are engaged to relocate the Whim Creek SX-EW Plant from Western Australia and to consolidate the other equipment and materials in Surabaya for transport to Wetar.
- Specialist contractors will be used for structural-mechanical-piping (PT Supra Surya Indo) and electrical and instrumentation (E&I) installation (O'Donnell Griffin Indonesia, ODG). ODG was responsible for E&I on the demonstration plant .
- Commissioning engineers will be provided by Australian company PPM Solutions which was responsible for commissioning of the original demonstration plant.

Schedule

- The total construction project duration is 24 months. Assuming timely project finance and permitting, first cathode production from the EDP is 10 months from project start while first cathode production from the Main Plant is scheduled 20 months from project start.
- Key milestone dates from the project schedule are:

	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Project Approvals									
Project Finance									
Mining of first ore, re-start Demo Plant									
Mobilisation of heavy equipment contractors									
Commence civil works									
First EDP copper production									
Commissioning of EDP Neutralisation Plant									
First stacking to Gold Pit heap leach									
First Main Plant copper production									
Commissioning of KKV Neutralisation Plant									
First stacking to KKV heap leach									



PROJECT MANAGEMENT

The project delivery team is largely in place

Dr Chris Farmer (Managing Director)	20 years of international experience, with an emphasis on international joint ventures and business development. Former VP Australasia, Phelps Dodge Exploration Corporation; and Senior Geologist Billiton Indonesia BV working at the Leborg Tandai and Wetar gold mines. Chris has lived in Jakarta since 1991.
Rob Thomson (Director – Development)	Over 30 years of Australian and international mining experience including 5 Asian development projects in the last 13 years (GM Development, Chatree Gold Mine in Thailand and Project Director, Sepon Gold Mine in Laos). Also CEO of Climax Mining Limited from 2003-6 and Asian Mineral Resources Limited from 2006-8.
James Wentworth (Finance Director)	More than 17 years of finance and investment experience with a focus on mining and mining services in Australia and internationally. Areas covered included principal investment, debt and equity raising, mergers and acquisitions and project and structured finance at CHAMP Ventures, Macquarie Bank, Goldman Sachs and Lehman Brothers.
Chris Allwood (Project Manager)	More than 30 years of multi-disciplinary international projects, ranging from commercial buildings and civil projects to heavy industrial and resource processing facilities. Recent experience includes Principals Representative for Straits at the Sebuk Coal Expansion and Owners Project Manager at the Minara Nickel Heap Leach Expansion Project in Australia.
Darren Holmes (Projects and Commissioning)	Over 10 years copper SX-EW experience, including commissioning the Lady Annie, Browns Oxide and Leichhardt plants whilst working as Commissioning and Construction Supervisor at PPM Solutions and Process Coordinator at Birla Nifty. 10 years in the Royal Australian Navy.
Daniel Tarrant (Metallurgy and Commissioning)	Daniel has 11 years experience of copper SX-EW in a range of metallurgical and operations positions at PPM Solutions, Birla, Lady Annie, Mt Gordon, Young Australia. Responsibilities include heap/plant operations, production modelling and commissioning of SX-EW plants.
Greg Brown (Contracts and Logistics)	For the past 3 years, as Materials and Logistics Manager for the Ambatovy Nickel Project, Greg was responsible for a range of global activities for the construction phase including procurement of the bulk commodities, reagents and power plant. He was also President Director for Linfox Logistics in Indonesia for 7 years.
The Demo Plant Crew	Successfully built, commissioned and operated the demonstration plant. Highly experienced Indonesian nationals with previous experience on major construction projects and mining operations throughout Indonesia. Aply supported by local crew who have shown tremendous progress in two years.



CAPITAL & OPERATING COSTS

Capital Costs

- The initial capital cost estimates for the EDP and Main Plant phases of the project have a base date of 2nd Quarter 2011, are expressed in United States dollars and are to an accuracy of $\pm 15\%$. They assume a fuel price of US\$1.13/l, USD = 1.00 AUD and USD = 8,500 Rupiah (IDR).

<i>US\$ millions</i>	EDP	Main Plant	Total
EPCM	4.0	9.0	13.0
Mining Facilities	0.8	7.0	7.8
Process Facilities	18.5	44.1	62.6
Utilities	3.0	2.3	5.3
Power Supply	0.5	10.9	11.4
On-Site Infrastructure	1.6	12.5	14.1
Off-Site Infrastructure	1.9	2.2	4.1
Mobile Equipment	-	5.5	5.5
First Fills	3.2	2.6	5.8
Other	3.6	4.8	8.4
Sub-Total	37.1	100.8	137.9
Accuracy Provision	4.2	13.3	17.5
Total	41.3	114.1	155.4

Operating Costs

- The life of mine operating costs for both phases of the Wetar Copper Project are as follows:

Life of Mine Operating Costs (C1*)	
Mining Cost	US\$0.22/lb
Processing Cost - Power	US\$0.39/lb
Processing Cost - Other	US\$0.18/lb
G&A Cost	US\$0.30/lb
TOTAL	US\$1.09/lb
C3 Cost*	US\$1.82/lb

* C1 costs exclude royalties (4%), head office expenses and marketing expenses (expected to be zero after netting off sales premiums); C3 costs include royalties, head office costs and finance costs based on a 70% debt funding package



PRODUCT SALES AND REVENUE

Copper Product and Quality

- The Wetar Demonstration Plant first produced copper cathode in February 2009. Cumulative production through December 2010, when the plant was decommissioned, was 2,438t. Each product shipment has been comfortably within the LME Grade A Copper specification.

Customers and Off-Take Partners

- All product to date has been sold into Asian markets, principally Taiwan and Thailand, arranged by Finders' off-take partner, Tennant Metals (TM). TM has an off-take contract for 40% of the full-scale project product. Finders is paid 95% of its invoice amount on export customs clearance.
- Off-take for the remaining 60% is uncommitted although it is expected that off-take will be arranged with another party as part of the financing of the full-scale plant.



Copper Pricing

- Finders has achieved a weighted average premium US\$70 per tonne above LME copper prices for all shipments it has made to date, partly because Asian buyers have lower shipping costs from Indonesia compared to South America and the physical availability of cathode in Asia has been tight recently.
- Assuming the full-scale project is funded partially by project debt, Finders will likely be required to hedge at least part of its copper production during the term of the project loan.
- Based on current forward prices the hedged price would be expected to be well ahead of any stress test copper price.



OWNERSHIP & LEGAL

Ownership

- Finders Resources Limited currently has interests in mining rights at the Wetar Copper Project through a subsidiary, PT Batutua Tembaga Raya (BTR), which is a limited liability foreign capital investment (PMA) mining services and industrial copper plate manufacturer established under the laws of the Republic of Indonesia.
- BTR has an agreement with PT Batutua Kharisma Permai (BKP) and PT Batutua Barit Wetar (BBW) to jointly operate the project by means of a Cooperation Agreement and a separate Ore Sales and Purchase Agreement which provides BTR exclusive right to purchase copper ores. BKP and BBW are the registered holders of the mining tenements and are controlled by Finders' local partner. This structure was developed at a time when mining leases had to be held by Indonesian locals. Following a change of law, Finders intends to move to a controlling interest in BBW and BKP.
- Finders Resources has an in-principle agreement with BKP/BBW to issue a 5% interest in BTR which is not diluted by further project financing reducing Finders economic interest in the project to 95%.

Permits

- Key permits for the Wetar Copper Project are as follows:-
 - IUP for Copper Mining Operations to PT Batutua Kharisma Permai. Decree number 543-124 Year 2011, dated 9th June 2011, valid for up to 20 years
 - IUP for Copper Processing and Refining to PT Batutua Tembaga Raya. Decree number 543-125 Year 2011, dated 9th June 2011, valid for up to 20 years
 - An Environmental Impact Assessment (known as AMDAL in Indonesia) relating to the Wetar Copper Project was approved by the Governor of Maluku on 31st March 2010
- About 50% of the project area occurs within the boundaries of the former gold operations. This land is largely owned by the local government although traditional land rights exist. BTR rents the land from the local government and has compensation agreements in place with traditional land owners.
- The proposed mining area is classified as a production forest (HP/HPK). The process of borrowing the land (Pinjam Pakai) for mine exploitation involves a compensation package and a reforestation plan for the government owned land.
- The Province of Maluku has submitted a new spatial plan in which all HPK areas are converted to open ground and no longer administered by the Forestry Department; this re-zoning covers Kali Kuning, Meron and part of Lerokis and is in the final stages of verification.



FINANCIAL ANALYSIS

Key financial assumptions used in the financial analysis

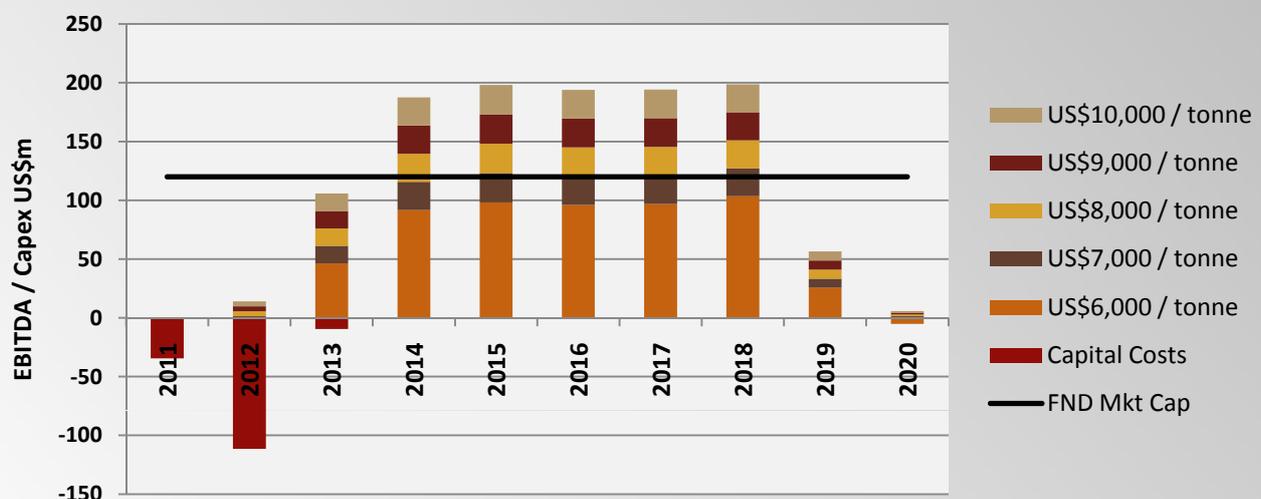
- Copper price for the base case used the Comex forward curve as at 16 June 2011 and then assumed a reversion to a real long-term price of \$2.50/lb by 2017.
- Discount rate 10% (approximates Company’s weighted average cost of capital, WACC);
- IDR/USD exchange rate 8,500;
- Diesel fuel price US\$1.13/litre, MFO fuel price US\$1.01/litre;
- Total power cost US\$0.226/kWh.
- Tax rate of 25%, royalty rate of 4%.

Key financial ratios

The project is robust at a number of copper price scenarios with short payback periods, strong cash generation and significant NPV₁₀ across a range of copper prices. NPV on an ungeared basis varies ~\$70m for every \$1,000 change in the copper price.

		Flat LOM Copper Price (\$/t)				
Price Case	Base	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000
LOM Cash Surplus (US\$m)	525	295	408	518	627	737
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Project IRR	62%	32%	42%	51%	60%	69%
Payback Period (Years)	0.9	1.6	1.3	1.1	0.9	0.8

The annual EBITDA for the project at capacity production above a \$7,000/t copper price equals Finders’ current market capitalisation.

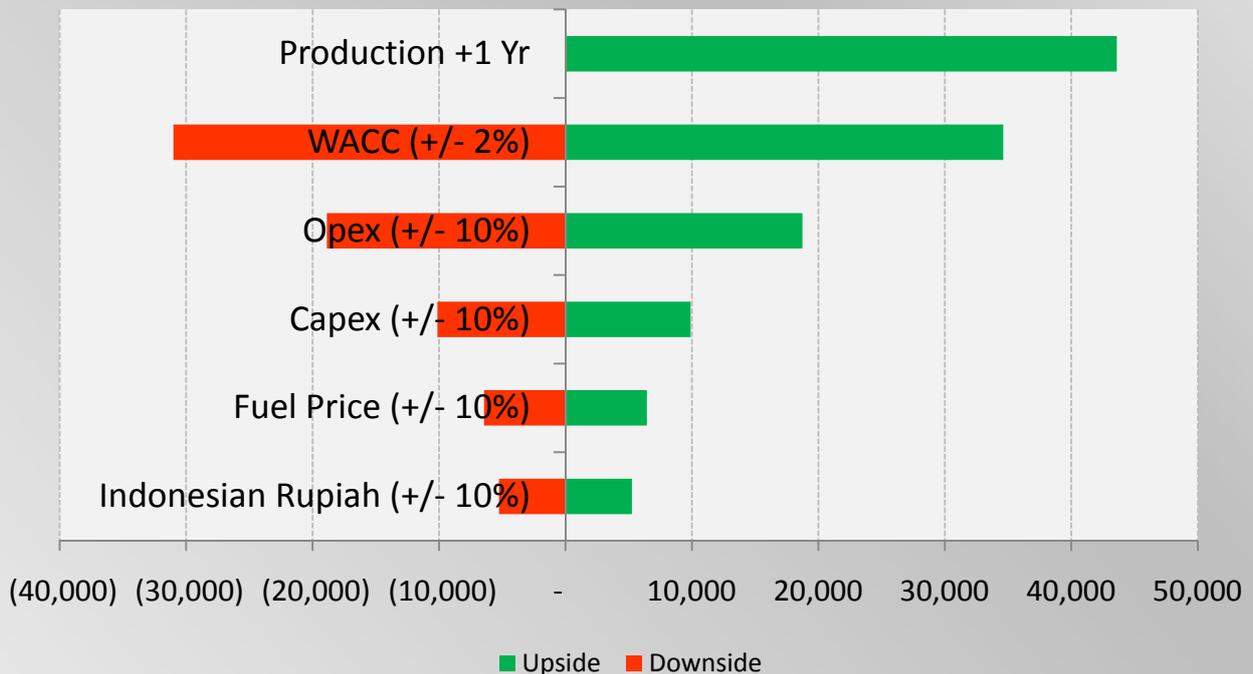




SENSITIVITIES

Higher grades and recoveries achieved during the demonstration phase have the potential to add a full year’s production and US\$43m to the project NPV. Given the high operating margins the project is not overly sensitive to changes in operating or capital costs.

Impact on NPV (US\$ 000s)



Key cost drivers for the Wetar Copper project include cathode produced and tonnes mined.

A summary of the key cost items is set out below:

Key Cost Driver	BFS
Mining (\$/tonne ore mined)	\$8.80
Mining (\$/tonne ore and waste mined)	\$4.50
Power (\$/tonne cathode)	\$860
Reagents (\$/tonne cathode)	\$150
Other Processing (\$/tonne cathode)	\$250
Total Processing (\$/tonne cathode)	\$1,260



RISKS & OPPORTUNITIES

Risks

▪ **Project Finance**

Finders is well advanced in discussions with a number of international project finance banks and expects to mandate lead arrangers early in Q3 2011. Finders has also received offers for mezzanine debt, off-take arrangements and is evaluating convertible instruments. The balance of financing is intended to be sourced from equity, most likely in the form of a placement and rights issue.

▪ **Project Delivery**

All of the key personnel involved in the project have significant project experience with many having extensive copper heap leach-solvent extraction-electrowinning backgrounds. The two stage nature of the project also mitigates risk as cash flow from the EDP will be available to fund any cost overruns on the Main Plant.

▪ **Second-Hand Whim Creek Equipment**

Second-hand equipment from Whim Creek will be installed with a nameplate capacity of 18,000 tpa of copper. The risks associated with using second-hand equipment have been mitigated by either replacement or refurbishment of critical equipment items.

Opportunities

▪ **Longer Mine Life**

With mining reconciliation during the demonstration stage, copper grades from the transition zone are known to be under reported in the Resource Estimate.

Copper recoveries from demonstration Heap 3 (80%) exceed BFS assumptions (75%).

Satellite deposits such as Meron are located close to existing operations and could provide extra ore.

▪ **Maximise Indonesian Content**

The feasibility study only went part-way to achieving Finders' requirements to maximise Indonesian content in order to capitalise on lower in-country cost structures.

▪ **Power Station**

An option exists for the power station to be provided by an Indonesian independent power producer (IPP).



STATEMENTS & DISCLAIMER

Independent Statements

- The information in this report that relates to mineral reserve estimation is based on work completed by Mr John Wyche who is a full time employee of Australian Mine Design and Development Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Wyche has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 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 estimation is based on work completed by Dr Phillip Hellman who is a full time employee of Hellman and Schofield 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 2004 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.
- The information in this report that relates to exploration potential and geology is based on work compiled by Dr Russell Fountain. Dr Fountain is a director of Finders Resources Ltd and a Fellow of the Australian Institute of Geoscientists. Dr Fountain 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Fountain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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