

Finders secures \$210m for Indonesia copper expansion

By: Esmarie Swanepoel

Published: 12th May 2014



PERTH

(miningweekly.com) – Copper miner Finders Resources has secured some \$210-million in funding for the expansion of its Wetar copper project, in Indonesia, from 3 000 t/y of copper cathode to 28 000 t/y.

ASX-listed Finders said on Monday that it had signed a credit approved commitment letter with a group of four banks for \$165-million of senior loan facilities, while also agreeing to a \$45-million equity investment by trading house Daewoo International Corporation.

“Daewoo and the four senior banks are very sophisticated global resource project financiers who have taken the time to conduct extensive project due diligence,” said Finders MD **Barry Cahill**.

“The support of these experienced project financiers is an extremely pleasing endorsement of the Wetar copper project.”

Under the terms of the senior loan agreements, Finders would secure \$130-million as a term loan facility, \$20-million as a cost overrun facility and \$15-million as a value added tax working capital facility.

The facilities would have first ranking security over the Wetar copper project, and would be subject to typical conditions precedent, including the implementation of a minimum copper hedging programme and raising the project equity.

Under the Daewoo transaction, the trading house would acquire between 24% and 27% of Finders’ Indonesian subsidiary PT Batutua Tembaga Raya. Daewoo’s final ownership percentage would be determined following the clarification of certain Indonesian taxation, royalty and regulatory issues.

The two companies would enter into a shareholder agreement in relation to the Indonesian subsidiary, which would govern the structure of the board, minority rights and the issue of shares.

Daewoo and the Indonesian subsidiary would also enter into offtake agreements for about 20% of the copper cathode produced at Wetar, with Daewoo paying market prevailing prices over the life of the project.

The offtake agreement secured full uptake of the expanded Wetar production.

The Wetar project started copper cathode production in April this year, with the solvent extraction electrowinning plant processing solutions from heaps of newly stacked ore, to produce

at a rate of 3 000 t/y.

Copyright Creamer Media (Pty) Ltd. All rights reserved.

Tel: +27(0)11 622 3744 | Fax +27(0)11 622 9350 | newsdesk@miningweekly.com
<http://www.miningweekly.com>