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FINANCING OF A\$15.8 MILLION FOR WETAR COPPER PILOT PLANT AND WORKING CAPITAL

Highlights

- Raising approximately A\$ 15.8 million to be applied to the construction of a heap leach SX-EW pilot plant for the Wetar copper project and additional working capital
- Metals trading company Tennant Metals Pty Ltd to subscribe US\$5 million for shares at A\$1.10 per share and provide a secured loan facility of US\$5 million
- Placement of 4 million shares to institutional and sophisticated investors at A\$1.10 per share through Southern Cross Equities
- Production from pilot plant expected to commence July 2008 at 5 tonnes per day of copper cathodes

Finders Resources Limited ("Finders") is pleased to announce that it has entered into agreements to raise a total of approximately A\$15.8 million before financing charges, to be applied to construction of a heap leach SX-EW pilot plant for the Wetar Copper Project and additional working capital.

Production from the pilot plant is expected to be around 5 tonnes per day from July 2008, as a precursor to full scale production of 20-25,000 tpa of cathode copper from mid 2009. The current Wetar resource base of **248,000 tonnes of contained copper** (9.8Mt @ 2.5% Cu) in two low strip ratio deposits supports an expected mine life of over 8 years at this production rate. However, Finders believes there is excellent exploration potential on Wetar Island to delineate further copper rich massive sulphide deposits and significantly expand the current resource base and mine life.

The financing is in the form of a placement of 4 million shares at A\$1.10 per share through Southern Cross Equities, and an agreement with Tennant Metals Pty Ltd (Tennant Metals), subject to formal documentation, whereby Tennant Metals and its associated shareholder, Meridian International Capital Limited (Meridian), will subscribe for US\$5 million in shares at A\$1.10 per share, and will also provide a secured loan facility of US\$5 million, in return for the off-take rights for all copper production from the Wetar pilot plant, plus off-take rights for 10% of copper production from the planned full scale mining operation at Wetar.

Based on the current US\$:A\$ exchange rate of around 0.88, a total of around 9.16 million shares will be issued increasing Finders total issued share capital to approximately 74.8 million shares. The expected 5.16 million shares to be issued to Tennant Metals and Meridian will, when added to their existing interests, give them a holding of approximately 9.5% in Finders' expanded share capital base. Finders will apply for the new shares to be admitted to trading on both the ASX and the AIM market.

Finders is the operator of the Wetar Copper and Ojolali Gold-Silver Projects in Indonesia and holds an investment in Geopacific Resources NL, an ASX-listed company.

Tennant Metals is an Australian domiciled, privately owned metals trading company with a long history in Australian and international mining and trading, tracing back to 1966. It has offices in Sydney, China and Taiwan, and agency arrangements in South Africa, Turkey, Vietnam, Thailand, USA, Chile, Peru and India.

Finders Executive Chairman Dr Russell Fountain said today: "This financing represents a significant milestone for the Company in its move to producer status. The funds will enable us to complete fast track development of the Wetar Copper Project pilot plant, which will produce cash flows for the company from mid 2008, and also allow us to continue an aggressive exploration program at Ojolali, aimed at defining a start-up oxide gold resource.

Finders directors believe that the association with Tennant Metals will bring significant benefits to the company as we move to producer status and also welcome the continued strong support of Southern Cross Equities in this fund raising."

Further Details on the Tennant Metals Debt Facility

The key terms of the US\$5 million secured debt facility with Tennant Metals are as follows:

- Availability subject to final due diligence by Tennant Metals and agreement of final documentation;
- Available for drawdown up to 30 June 2008 and repayable on 31 December 2009 with earlier repayments only required out of any cash flow available for debt service or proceeds received from the project financing of the full scale development of the Wetar Project, or otherwise at Finders' option;
- Tennant Metals appointed to sell all of the off-take from the pilot plant stage and then 10% of the full scale life of mine production for the Wetar project.



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Background:

Finders Resources Ltd, (Finders) first listed on AIM in March 2006, and on the ASX, raising AUD 6 million, on June 8 2007.

Finders is the operator of the Wetar Copper (~73% and earning), and Ojolali Gold-Silver Projects (72% with option) in Indonesia, and holds an investment in Geopacific Resources NL, an ASX-listed company with active exploration programs for gold and copper in Fiji.

At the Wetar Copper Project, Finders has previously announced Measured, Indicated and Inferred Resources at a 0.5% copper cut-off grade, of 9.8 million tonnes at 2.5% copper for 248,000 tonnes contained copper in two deposits, Kali Kuning and Lerokis. The company is planning to develop an open cut heap leach SX-EW copper mining operation to produce 20-25,000 tonnes of cathode copper per year from mid 2009. A key component of the feasibility study for this project is the construction of a semi-commercial scale test heap and pilot plant, designed to produce 5 tonnes per day of copper cathode from July 2008, with an estimated capital cost of US\$6.25 million.

At the Ojolali Project, Finders has previously announced Inferred Resources at the Jambi Oxide gold deposit (3.2 Mt @ 1.0 g/t Au, 6.9 g/t Ag at a 0.5 g/t Au cut-off, and including mining dilution) and Inferred Resources at the Tambang Prospect (7.9 Mt @ 167g/t Ag and 0.7 g/t Au at a 1 g/t Au equivalent cut-off using drilling data from a previous explorer).

Finders' believes that the Ojolali project has strong potential to generate short-term cash flow through open pit CIL/CIP development of the gold resource at the Jambi Oxide gold deposit. Other prospects have outstanding potential for the discovery of additional resources using modern geophysical techniques to optimize drill targeting.

For further information on results previously reported and a full resource statement please visit our website www.findersresources.com

Competent Person Statement

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and references to "Indicated" and "Inferred Resources" are to those terms as defined in the JORC Code.

Geological and Mineral Resource information in this announcement is based on information compiled by Dr R Fountain who is a Fellow of the Australasian Institute of Geoscientists and a Director of Finders. Dr Fountain has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the JORC Code. He consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear.