

For ASX Market Release: 17 July 2013

Increased Ore Reserve for Wetar Copper Project

- Ore Reserve estimates at Kali Kuning increase 7%
- Total Ore Reserve estimate of 8.9 Mt at 2.4% Cu
- Comprises 210,000 tonnes of contained copper
- Extremely low waste : ore ratio of 0.9 to 1

As part of its feasibility study update, Finders Resources Ltd (“Finders”) is pleased to announce updated Ore Reserve and Mineral Resource estimates for its Wetar Copper Project in Indonesia.

The combined Ore Reserve now stands at 8.9 Mt at an average copper grade of 2.4% for approximately 210,000t of contained copper, an increase of 10,000 tonnes. This equates to over US\$50m of incremental revenue and US\$35m of additional pre-tax cashflow at current copper prices.¹

Reporting of Mineral Resource estimates have been upgraded to follow JORC 2012 guidelines and are restated at 9.2 Mt with an average copper grade of 2.4%. 97% of the Mineral Resources have been successfully converted into Ore Reserves.

In addition, there are a number of promising prospects within Finders’ existing tenements including Meron, Karkopang and the South Coast of Wetar which have the potential to significantly expand the resource base of the project.

The Ore Reserves and Mineral Estimates are detailed in the following pages.

Chris Farmer, Managing Director of Finders, commented. “The updated Ore Reserve and Mineral Resource estimates represent the first tangible step in the efforts currently being undertaken by the development team at Finders to deliver a new enhanced and streamlined project development plan which will culminate in an updated Feasibility Study. We expect to update the market on progress over the coming weeks.”

¹ Assumes copper price of US\$3.15/lb, marginal cost of production of US\$0.95/lb and recovery of 75% consistent with updated BFS results (17 May 2012). Finders is currently revising its feasibility study.



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The full breakdown of the new Ore Reserve estimate is as follows:

Ore Reserve Estimate – Wetar Copper Project			
	Category	Tonnage (Mt)	Cu %
Kali Kuning	Proved	5.4	2.4
Cut-off Grade	Probable	0.9	2.1
0.4% Cu	Total Ore	6.3	2.4
	Waste	5.9	
	Ratio	0.9	
Lerokis	Proved	2.1	2.3
Cut-off Grade	Probable	0.4	2.0
0.5% Cu	Total Ore	2.5	2.3
	Waste	1.9	
	Ratio	0.8	
Total	Proved	7.5	2.4
COG as above	Probable	1.4	2.1
	Total Ore	8.9	2.4
	Waste	7.8	
	Ratio	0.9	

Important Note: 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. "Ratio" refers to the ratio of the waste to the ore tonnage.

Ore Reserve estimates were undertaken by Australian Mine Design and Development Pty Ltd using JORC 2004 Guidelines; with the intention to report the same reserves against JORC 2012 as soon as the current Feasibility Study is completed.

Life of mine waste to ore strip ratio remains low at 0.9:1.0, due to the open pit nature of the deposits. The additional Reserves compared to previously announced Ore Reserves May 2011 derive from modification of the Kali Kuning pit design which now allows for extraction of virtually the whole resource.

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\$6,612 per tonne (US\$3.00/lb). Whittle shells were used to guide detailed pit designs including berm and bench configurations recommended by geotechnical consultants SRK Consulting (Australasia) Pty Ltd.



The revised Mineral Resource estimate has been reported in accordance with the JORC Code 2012 edition (Table 1 is appended to this announcement). The geological models for the Mineral Resource Estimates were developed by Finders, and audited by Dr Phillip Hellman from H&S Consultants, who also undertook the mineral resource estimates reported below:

Mineral Resource Estimate – Wetar Copper Project

	Measured		Indicated		Inferred		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (kt)
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
Transition	1.1	1.3	0.3	1.5	0.1	1.7	1.6	1.4	22
Primary	4.1	2.8	0.6	2.6	0.1	2.1	4.7	2.8	132
Total	5.4	2.4	1.0	2.1	0.2	1.7	6.6	2.4	155
Lerokis (Cut-off Grade 0.5% Cu)									
Primary	2.1	2.4	0.4	2.2	0.1	1.5	2.6	2.3	61
Total Kali Kuning and Lerokis									
COG as above	7.5	2.4	1.4	2.2	0.3	1.6	9.2	2.4	216

Rounding errors may occur

The resource comprises two massive sulphide lenses, Kali Kuning and Lerokis. Both were exposed during former gold mining operations during 1989-97 and have since been tested by extensive grid diamond and reverse circulation drilling to achieve a nominal 25x25m grid spacing for the drilling. All drilling was sampled and assayed for copper in 1 m intervals.

The revised resource estimate for Kali Kuning is based 61 diamond drill holes (4,151m) and 34 RC holes (1,143m) by Finders, plus 33 diamond drill holes completed by a previous owner of the property. Data from holes KKG006, 8, 11 & 67A were excluded from the estimate because of poor core recovery and adjacent twin holes. The inclusion of the data from the gold mining era increases the confidence in the resource definition, but results in a slight decrease in average copper grades reflecting suspected increased selective loss of copper due to lower core recovery and smaller core sizes. A change in the estimated approximate lower economic cut-off grade to 0.4% Cu (previous 0.5% Cu) reflects new cost data developed during optimization studies. The quoted resource numbers relate to the model that reports material inside the mineralised envelope. The "whole block" model for Kali Kuning is 6.55Mt @ 2.36% Cu cf 6.42Mt @ 2.42%Cu for the mineralised portion model.

The Lerokis resource estimate remains unchanged from previously announced estimates, with no new drilling data, and an unchanged cut-off grade of 0.5% copper. Neither the Kali Kuning or Lerokis Resource estimates are sensitive to cut-off, with only minor changes in total copper content for cut-offs between 0.3 and 0.5% Cu.

- End -



Background Information on Finders

Finders is the operator of the Wetar Copper Project (95% Interest), and the Ojolali Gold-Silver Project (72% with option), both located in Indonesia. The Wetar Copper Project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and suitable for open pit mining. 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. From February 2009 to December 2010, Finders successfully operated a 5 tonne per day Solvent Extraction/Electro Winning (“SX/EW”) demonstration plant to test copper sulphide leach kinetics, optimise process design and provide data required for project finance. The demonstration plant produced and sold about 2,500 tonnes of LME Grade A copper cathode, all of which was sold at a premium to the LME price and without specification issues. The test heaps are at heights similar to commercial operations worldwide and the SX/EW technology being used is industry standard. SX/EW technology is currently responsible for approximately 22% of the world’s copper production. The development of the Wetar Copper Project comprises the restarting of the existing demonstration plant followed by incorporation of the Whim Creek plant to lift production to 25,000tpa.

Independent Statements

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 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 Consultant of 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.

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 2012 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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Appendices

Other Information and Figures

Resource Comparison for differing cut-off grades at Kali Kuning and Lerokis

Deposit	Cut-off Grade Cu%	Total Resource (kt)	Grade Cu %	Contained Cu (t)
Kali Kuning	0.3	6,789	2.29	155,544
Kali Kuning	0.4	6,551	2.36	154,686
Kali Kuning	0.5	6,395	2.41	153,992
Lerokis	0.3	2,627	2.33	61,148
Lerokis	0.4	2,621	2.33	61,128
Lerokis	0.5	2,599	2.35	61,034

Note the number of significant figures shown do not imply precision, but are included to illustrate the limited effect of changes in cut-off grade

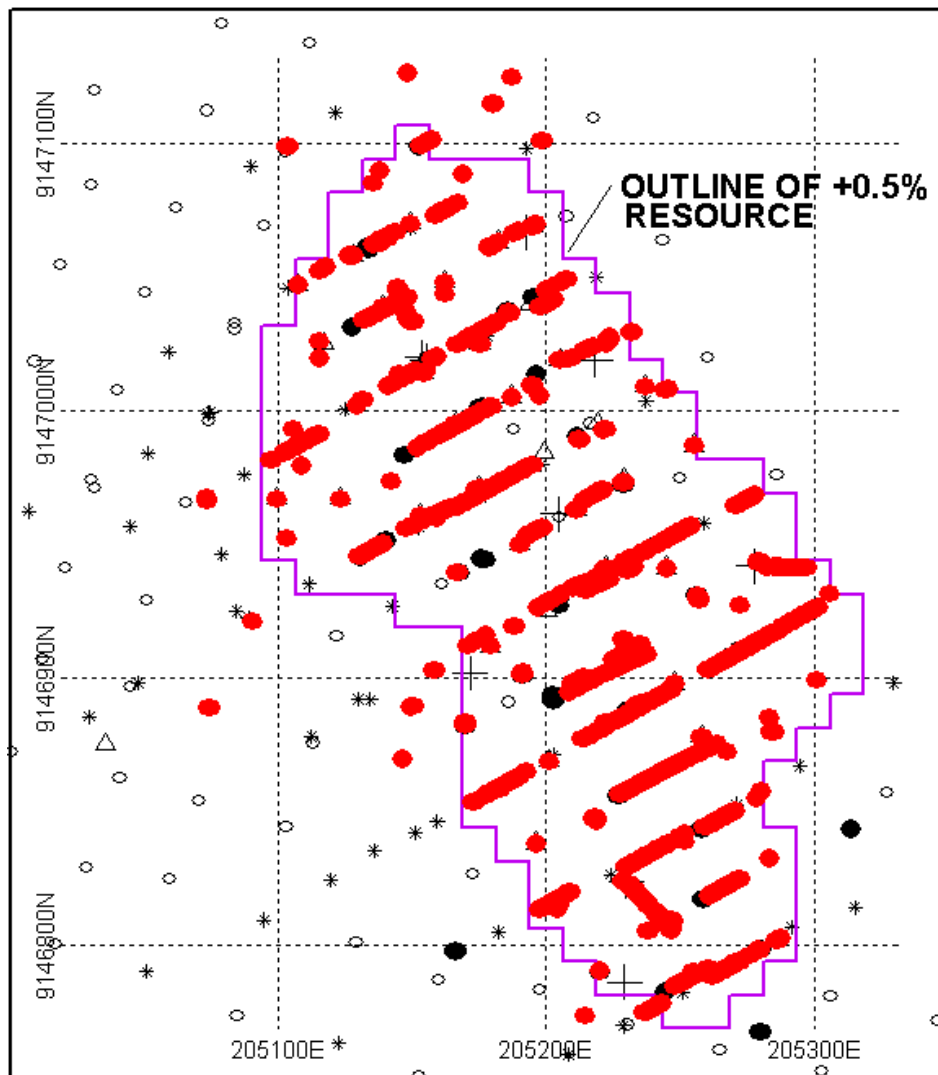


Figure 1- Kali Kuning Drill Holes that Intersected Copper Mineralisation

(solid circles are Finders' diamond holes, asterisks are PTPL diamond holes and open circles are PTPL's RC holes)

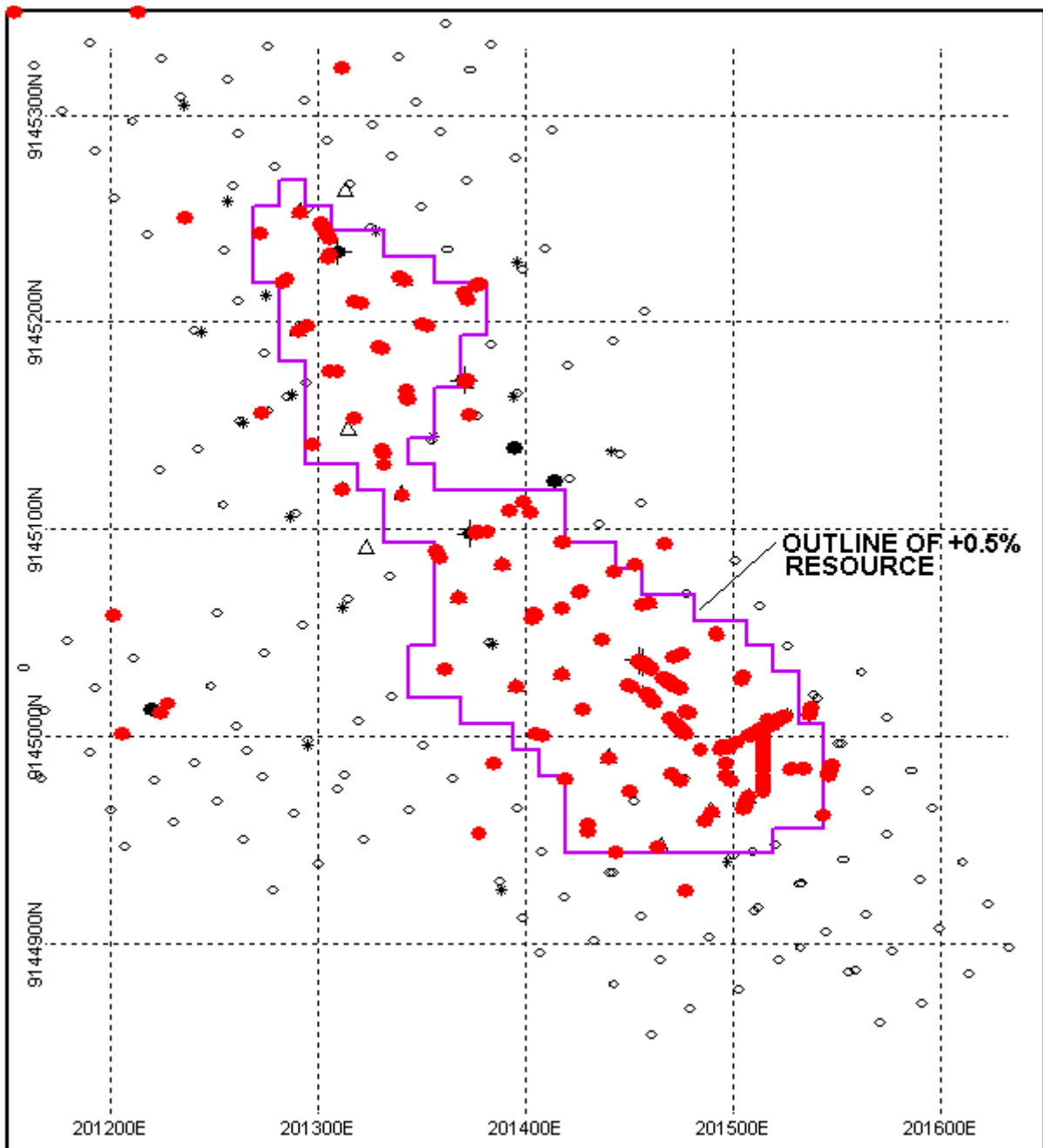


Figure 2 – Plan of Lerokis Drill Holes that Intersected Copper Mineralisation > 0.5%

(solid circles are Finders' diamond holes, open circles are PTPL's holes)

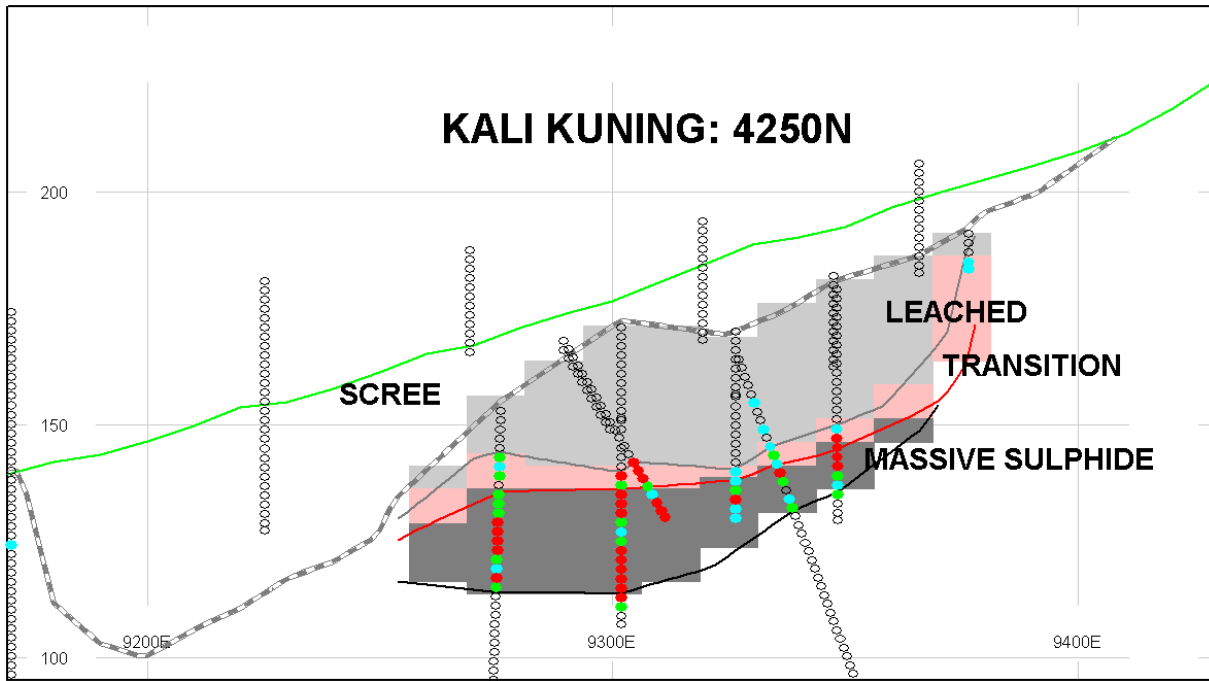


Figure 3 - Cross Section 4250N, Kali Kuning showing distribution of ore types

(circles mark drill hole traces: solid red = +2%, solid green = 1-2%, solid blue = 0.5-1% Cu and open circles are < 0.5% Cu)

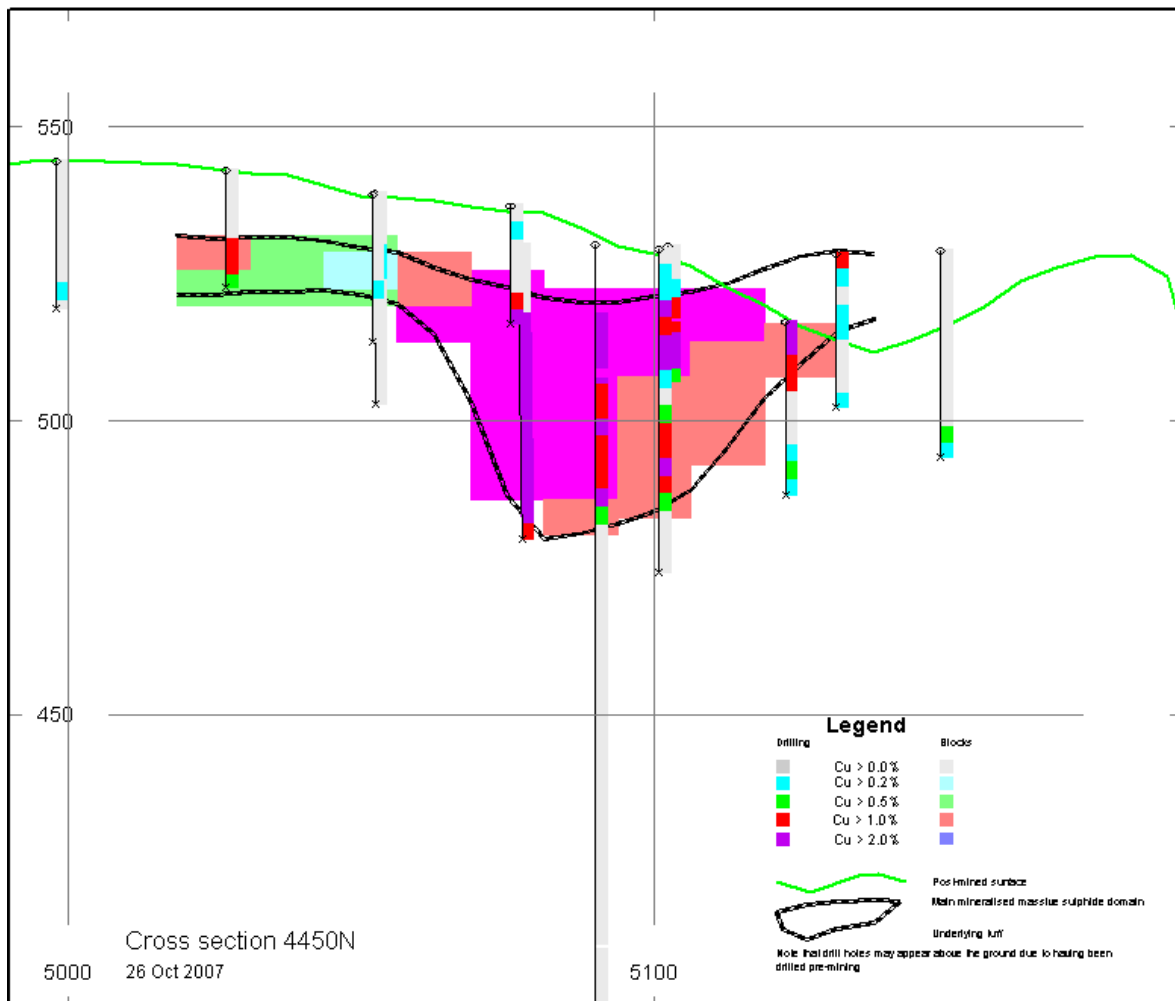


Figure 4 - Section 4450N, Lerokis showing distribution of mineralization

JORC 2012 Compliance (Table 1)

The following section is provided to comply with the JORC (2012) Table 1 requirements for the reporting of the mineral Resource estimates for the Lerokis and Kali Kuning deposits within the Wetar Copper Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<p>The Wetar copper resource comprises 2 massive sulphide lenses, Kali Kuning and Lerokis. Both were exposed during gold mining operations by a subsidiary ("PLM") of Billiton International during the 1990's, and have since been tested by extensive grid diamond and reverse circulation drilling, including diamond/diamond and diamond /RC twinned holes, to achieve a nominal 25x25m grid spacing. All drilling was sampled and assayed for copper and other metals in 1 m intervals.</p> <p>In addition a 100,000 tonne test sample, sourced from 2 locations within the Kali Kuning resource, has been mined and processed</p>
<i>Drilling techniques</i>	<p>Historically PLM drilled 33 diamond drill holes (2318m) and 42 Reverse circulation holes (1165m) within the Kali Kuning mineralized envelope, although most of the RC holes stopped on encountering the massive sulphide. At Lerokis, the PLM totals were 52 diamond drill (2043m) and 114 RC (1143m) holes.</p> <p>Since 2005, the total number of holes drilled by Finders for various purposes is 255, for a total of 9844.85m, in four phases, 2005, 2006, 2008 and 2009. This comprised 61 DDH (4,150.55m) and 34 RC (1028m) for resource definition at Kali Kuning and 20 DDH (1418m) and 17 RC (417m) for resource definition at Lerokis to achieve a nominal 25x25m drill spacing. Finders holes included PQ, mainly HQ, with NQ size only drilled as a last resort. Finders reverse circulation holes were drilled using a 5½ inch face sampling drill bit.</p>
<i>Drill sample recovery</i>	<p>All diamond drill core recovery was measured for sample intervals. RC samples were bagged weighed and riffle split to a 4kg sample for dispatch to the assay laboratory. Diamond drill recoveries were generally good in the Kali Kuning and Lerokis massive sulphides (88% and 70% respectively) but highly variable within the leached and Transition zones at Kali Kuning (79% and 83%, respectively, for Cu > 0.3%). Reverse circulation holes were always completed in the dry, upper parts of the deposit. The high density of the massive sulphide and locally porous nature of the massive sulphide made it difficult to lift samples from deeper levels, so RC was used exclusively to test the Leached and Transition zone material.</p>
<i>Logging</i>	<p>Only skeletal drill logs are available for old PLM drill holes.</p> <p>All Finders drill holes were quantitatively logged in detail, using procedures outlined in H&SC: 2003 Diamond Drill Core and Reverse Circulation Logging Manual. Diamond drill holes were geotechnically logged and photographed. Specific geotechnical drill holes were also logged according to SRK 's in house geotechnical logging format.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>Diamond drill cores were sampled in 1m intervals, with core quartered, 1 quarter for assay, half core for metallurgical testing and 1 quarter retained in galvanized core boxes.</p> <p>RC samples were bagged in 1m intervals, weighed, and riffle split to 4kg sample for assay. 1 in 20 duplicate assay splits.</p> <p>Assay samples were sun dried and shipped to Intertek in Jakarta for pulverizing and assay.</p> <p>Subsequent to pulverizing, pulps were then composited into 3 or 5m composites and re-assayed to provide an additional check on the representivity of sub-sampling.</p>
<i>Quality of assay data and laboratory tests</i>	<p>PT Robertson Utama Indonesia (now Intertek) undertook the primary assaying for PLM. Cu assayed by AAS1/4 (AAS4 = ore grade technique for Cu > 1%. Samples were also assayed for Au (FAS1) and As, Sb and Ba by pressed powder XRF.</p> <p>The assay procedures by Finders for drilling at Wetar have evolved through several stages. Initially, (holes KKG-001-24, LER001-020) when studies were directed towards development of the project through a flotation plant, core was assayed in 1m intervals</p>

Criteria	Commentary
	<p>for total Cu, Au, Ag and As and Sb.</p> <p>From holes KKG 025 onwards, all drilling was assayed also for Total Cu (Intertek GA50, Water soluble Cu (GA40a), Acid soluble Cu (GA41) and ferric soluble Cu (GA41A). 3m composite samples of all prior drilling (KKG1-24, LER 1-13) were also made up and re-assayed for these elements.</p> <p>Routine assays were done on individual pulps for all the separate copper methods, rather than as sequential assays.</p> <p>Subsequent to the completion of all drilling, because copper recoveries in some test columns had significantly exceeded the Ferric Cu assay prediction, it was decided to re-assay composite samples from the whole of the Kali Kuning and Lerokis resource drilling for cyanide soluble Cu, using Intertek CN10 procedure.</p> <p>For the CN10 re-assay program, new 5m composites were made from stored 1m pulps, with the compositing intervals selected to mirror bench composites used in resource estimates by H&SC. The new composites were then re-assayed for total copper (GA50), water soluble Cu (GA40a) and ferric soluble copper (GA41A) as well as CN10. Quality control by both PLM and Finders included standard and blank samples (~1 in 20) and re-assay of composited pulps. QA/QC results have been reviewed by H&SC who reported that no issues were identified. Inserted blanks show no evidence of significant cross contamination. Inserted standards report within 2% of recommended values. Check assays of selected high grade samples (~7% Cu) are approximately 4% lower than the primary laboratory.</p>
<i>Verification of sampling and assaying</i>	<p>Drilling results have been reviewed by H&SC.</p> <p>Three early Finders' diamond drill holes were twinned by Finders due to low core recoveries. These are holes KKG006, 008 & 011 which were twinned by KKG053, 052 & 050, respectively. The re-drilled higher recovery holes are, on average, 30% higher in grade than the original holes. One RC/diamond twin was also drilled, (KKGR67/KKG67A) with 25% higher Cu in the RC samples compared to the corresponding diamond drill hole DDH intervals. Twin holes showed an overall consistent positive relationship between core recovery and copper grades, indicating significant losses of copper in fines in the drilling process, particularly evident in the Leached and Transition zones at Kali Kuning. This conclusion is supported by data from 13 Finders diamond drill holes for which sludge samples were taken during drilling. For 38 intervals with core recovery <80% (average 65%) sludge samples averaged 86% higher than core samples, compared to 42 intervals with recovery >80% (average 95%) where core samples averaged 24% higher than sludge. Sludge from areas of low recovery appears distinctly higher in Cu grade compared with that from intervals of good recovery. This suggests that broken core that is associated with friable chalcocite and enargite may have been associated with preferential loss of Cu.</p>
<i>Location of data points</i>	<p>Surveys were carried out by PT McElhanney Indonesia using GPS technology. Drilling was carried out on an arbitrary mine grid for both Kali Kuning and Lerokis, with grid north approximately 30° west of true north.</p> <p>All data was subsequently transformed into UTM WGS-84, Zone 52S for final resource and mine planning purposes</p>
<i>Data spacing and distribution</i>	<p>Both the Kali Kuning and Lerokis resources have been drilled to a nominal 25 x 25m grid spacing, resulting in 97.5% of the Kali Kuning, and 95.5% of the Lerokis resources being classified within JORC Measured and Indicated Resource classes.</p> <p>Drill assay values were composited into equal 2 m length intervals for resource estimation purposes.</p>
<i>Orientation of data in relation to geological structure</i>	<p>Both Kali Kuning and Lerokis are essentially sub horizontal lensoid bodies. All drilling was either inclined at 60° to Mine Grid east, or vertical. Drilled widths approximate true thicknesses.</p>
<i>Sample security</i>	<p>Drill assay samples were packed into wooden boxes, and shipped by company transport (boat/truck) to Kupang, and then by airfreight to Intertek Jakarta for sample preparation and assay.</p>
<i>Audits or reviews</i>	<p>Drilling and sampling methods have been reviewed independently by H&SC.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<p>Key permits regarding development of the Wetar copper project have now been obtained, comprising Mining lease, environmental AMDAL permits and Forestry permits, as listed below</p> <p>IUP Exploitation 543-124 Tahun 2011 for copper, 2,733Ha expiry 9/6/2031, held by PT BKP, a 70% owned subsidiary of Finders. Through additional processing agreements, Finders has a 95% economic interest in the Wetar project</p> <p>AMDAL environmental permit for life of mine granted April 201</p> <p>Forestry permit (Pinjam Pakai) Number SK478/Menhut II/2013) for 134.63Ha valid to December 2031</p>
<i>Exploration done by other parties</i>	Extensive exploration and drilling carried out during the period 1990-1997 by PT PLM (subsidiary of Billiton) during the course of gold-mining activities.
<i>Geology</i>	Copper mineralization 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. The contact between the massive sulphide and footwall tuff is generally quite sharp, but in some drill holes, a mixed breccia of massive sulphide and altered tuff fragments occurs, possibly structurally controlled.
<i>Drill hole Information</i>	A large body of drilling data have been used in generating current resource estimates for the Wetar Project. Drill locations for Kali Kuning and Lerokis are shown in Figures 1 and 2 above.
<i>Data aggregation methods</i>	2m length weighted composites have been used as the basis of resource estimation
<i>Relationship between mineralisation widths and intercept lengths</i>	Both Kali Kuning and Lerokis are essentially sub horizontal lensoid bodies. All drilling either inclined at 60% to Mine Grid east, or vertical, and drilled widths approximate true thicknesses. Mineralised zone thicknesses are large compared to the 2 meter composites used for resource estimation, so all composites can be regarded as representing true thicknesses, and have equal weighting in resource calculations
<i>Diagrams</i>	Plans and cross sections showing drill locations and distribution of ore types for Kali Kuning and Lerokis are included as Figures 1-4 above.
<i>Balanced reporting</i>	It is considered that all substantive material relevant to this resource estimation has been reported
<i>Other substantive exploration data</i>	From February 2009 to December 2010, Finders successfully operated a 5 tonne per day Solvent Extraction/Electro Winning ("SX/EW") demonstration plant to test copper sulphide leach kinetics, optimise process design and provide data required for project finance. The demonstration plant produced and sold about 2,500 tonnes of LME Grade A copper cathode, all of which was sold at a premium to the LME price and without specification issues.
<i>Further work</i>	It is anticipated that future work at Lerokis and Kali Kuning will comprise grade control drilling at the time of development

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
<i>Database integrity</i>	All drilling data collection and drill data used for the resource estimates has been validated in collaboration with Finders' staff by H&SC. Data is held in MS Access databases, with copies held in Jakarta and H&SC
<i>Site visits</i>	Dr R J Fountain, a Director of Finders, in numerous site visits has reviewed all drill core and RC chips, and all geological mapping and interpretation. Dr P Hellman of H&SC has visited the site, and reviewed all drill core and sampling protocols
<i>Geological interpretation</i>	Based mainly on the results of the 2008 reverse circulation 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 are subsets of the PBX, 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% Cu vs 2.9%Cu) contains a higher proportion of readily leachable copper minerals, evidenced by higher ratios of ferric soluble and water soluble copper to total copper. The Transition zone occurs at the highest levels of the deposit and will comprise a major proportion of early mined mineralization for the expanded Wetar copper project. The obvious nature of the massive sulphide mineralisation and its consistent strike and dip result in an unequivocal interpretation that makes it difficult to provide plausible alternative interpretations.
<i>Dimensions</i>	Both Kali Kuning and Lerokis massive sulphide deposits are coherent shallow dipping lensoid deposits, and partly outcrop at surface where exposed by old gold mining ops. Kali Kuning has dimensions of about 350m x 150m, elongate to the north west, and extends to maximum depth of about 80m below surface. Lerokis has dimensions of 350m by 50-100m, also elongate to the north west, and extends to around 50m below surface.
<i>Estimation and modelling techniques</i>	Block models based on the UTM grid were used for quoted resources (Table 5.18 and Table 5.19). The relatively small block dimensions of 12.5 x 12.5 x 3 metres for Kali Kuning, and 12.5 x 12.5 x 2.5 metres for Lerokis reflect the closely spaced drilling. Mine planning is undertaken using the UTM grid. Ordinary kriging within mineralised domains at Kali Kuning and Lerokis was used to estimate Cu, Au, Ag, As, Ba, Pb, Sb and Zn grades. Techbase software was used with check estimates by GS3, software developed by H&S. Data were composited into two metre intervals. Classification for Kali Kuning of Measured, Indicated and Inferred categories correspond to search ellipsoids of 30 x 30 x 8 metres; 40 x 40 x 10 metres; and 60 x 60 x 16 metres, with a minimum number of data of 10, 10, & 8, respectively. Classification for Lerokis of Measured, Indicated and Inferred categories correspond to search ellipsoids of 24 x 24 x 18 metres; 30 x 30 x 22 metres; and 48 x 48 x 36 metres, with a minimum number of data of 12, 12, & 8, respectively. These searches were constrained by domains defined on geological and grade criteria. Check estimates achieve Cu grades within 2% of primary estimates. The maximum distance of extrapolation is approximately 12.5 metres (ie half the drill hole spacing) and is constrained by mineralised domains defined by geology, sulphur and grade.
<i>Moisture</i>	Tonnages are reported on a dry basis in keeping with dry densities and drying temperatures used for assaying.
<i>Cut-off parameters</i>	Initially assumed cut-off grades of 0.5% Cu for both Kali Kuning and Lerokis have been reviewed in the light of detailed feasibility studies with the result that the cut-off grade for Kali Kuning has been reduced to 0.4%Cu, while a 0.5% Cu cut-off has been confirmed for Lerokis.
<i>Mining factors or assumptions</i>	Proposed open cut mining methods, cut-off grades and selective mining units have been reviewed by AMDAD Pit slopes assumed are as recommended by SRK as a result of detailed studies.
<i>Metallurgical factors or assumptions</i>	Heap leach amenability has been estimated from a combination of partial copper assays, (ferric and cyanide leach) extensive column test work, and confirmed by a 100,000 tonne test leaching operation.

Criteria	Commentary
<i>Environmental factors or assumptions</i>	Process design has been on the basis of final encapsulation of potentially acid forming wastes, together with zero water discharge from the mining and processing operation. Existing environmental approvals include a detailed close down plan.
<i>Bulk density</i>	<p>The wax method is used by Intertek on core selected by Finders. At least two 10cm pieces of representative whole core from each core box are selected and given a sample number. These samples are stored separately in a dry place for dispatch to Intertek for more accurate density measurements at their lab in Jakarta.</p> <p>110 dry density determinations (based on ~10cm sticks of core) have been completed. These were assigned to their appropriate 2m composites and are summarised in Table 5.4 together with modelled values.</p> <p>SGs were modelled by inverse distance weighting using data points from the appropriate domains to estimate their respective modelled domains. A value of 2.3 was used to assign un-estimated blocks outside domains 0 to 2 and a value of 1.5 was used for the rehabilitation scree overlying the mined surface. The calliper determinations appear to have suffered from inaccurate core recovery adjustments because of a poor comparison with the determinations based on 10cm sticks of core. For example, for domains 0 to 2, the calliper results average 3.44, 3.41 and 2.06, respectively. The calliper results average 2.48 for core outside these domains.</p>
<i>Classification</i>	<p>Classification for Kali Kuning of Measured, Indicated and Inferred categories correspond to search ellipsoids of 30 x 30 x 8 metres; 40 x 40 x 10 metres; and 60 x 60 x 16 metres, with a minimum number of data of 10, 10, & 8, respectively.</p> <p>Classification for Lerokis of Measured, Indicated and Inferred categories correspond to search ellipsoids of 24 x 24 x 18 metres; 30 x 30 x 22 metres; and 48 x 48 x 36 metres, with a minimum number of data of 12, 12, & 8, respectively. These searches were constrained by domains defined on geological and grade criteria. The classification reflects the Competent Persons understanding of the mineralisation.</p>
<i>Audits or reviews</i>	<p>Three due diligence reviews of the Wetar Resource undertaken in 2011 by external consultancies.</p> <p>One of these concluded that the resource models are adequate for feasibility studies. The reviewers preferred an Indicated classification rather than Measured due to issues associated with poor core recovery, density data and grade continuity. The review, however, noted that the two test pits showed a positive reconciliation in Cu grade of 3.91% compared to 3.68% for the resource grade which represents a 6% positive reconciliation.</p>
<i>Discussion of relative accuracy/confidence</i>	<ul style="list-style-type: none"> Industry accepted confidence levels have been used. The limited data available from the two test pits provide confidence that the classification used is appropriate. There are no factors that are regarded as being likely to negatively impact on the confidence categorisation. <p>Because of clearly demonstrated selective losses of copper from drilling, particularly in the Leached and Transition Zones at Kali Kuning, it is considered that there is a high probability that the copper grades for these specific zones have been underestimated.</p>