



For ASX Market Release: 31 October 2013

Quarterly Activities Report September 2013

Highlights

Wetar Copper Project

- Forestry Permit granted.
- Ore Reserves increase by 7% at Kali Kuning.
- Bankable Feasibility Study revised
 - Single plant strategy to 25,000 t.p.a. copper cathode
 - Preliminary estimates demonstrate reduced capital cost of US\$133M (pre-contingency) and shorter construction period
 - Final BFS due Quarter 4 of 2013
- Operations restart commenced
 - Upgrade of existing SX-EW plant to 3,000 t.p.a. copper cathode underway.
 - Earthmoving contractor mobilized to site.

Corporate

- Provident exercised A\$10M of options and A\$4.9M was raised in placement at 20c per share.
- New Managing Director and two new Non-executive Directors appointed to reflect transition to copper producer.



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Non-Executive Chairman
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WETAR COPPER PROJECT (FND 95%)

Background

- The Wetar Copper Project comprises the development, mining and processing of sulphide deposits at Kali Kuning and Lerokis located on Wetar Island, Maluku Barat Daya, Indonesia.
- Finders has successfully operated an 1,825 t.p.a. Cu demonstration plant, that incorporates heap leaching and SX-EW and ~2,500 tonnes of LME Grade A copper cathode was sold to Asian markets.
- Finders is currently updating capital and operating cost estimates for a single stage development based on expanding the capacity of its Whim Creek plant from 16,000 t.p.a. to 25,000 t.p.a. copper cathode.
- Preliminary results of an updated Bankable Feasibility Study which considers the single stage project development resulted in a US\$133m capital cost estimate (before contingency) and operating costs at full production of US94c/lb Cu. This study is currently being finalised.
- On the basis of a previous BFS result, Finders secured a \$138m credit facility from Barclays, Credit Suisse and Standard Bank. Since then, Commonwealth Bank of Australia has replaced Standard in the consortium. In addition, Finders had secured a \$75m mezzanine facility. This demonstrated bankability of the project. New finance approvals will be required under the revised BFS when available however the previous senior project financiers remain highly supportive of the project.



Wetar Island, Maluku Barat Daya

- Opportunities for a longer mine life are strongly founded on exploration upside, focussing initially on the nearby satellite Meron deposit and historical performance during the demonstration stage in which copper grades and copper recoveries significantly exceeded assumptions made in the BFS.
- The project has all required permits to commence construction. The major permits include a Mining Permit, a Processing permit, a Transport and Sales permit and a Forestry Permit.
- Finders is currently upgrading and then will restart the existing SX-EW plant at 3,000 t.p.a. copper cathode capacity, up from 1,800 t.p.a. copper cathode capacity.
- Site-wide capacity will be 28,000 t.p.a. copper cathode to take advantage of expected increases in copper grade and recovery, plus potential to expand the resource base at the satellite deposit at Meron.

WETAR - PROGRESS REPORT

Wetar Copper Project Permitting

In July 2013 Finders announced that the final forestry permit (Pinjam Pakai) had been awarded to its Indonesian operating company. The permit allows the company to carry out development of mining and production activities at the Wetar Project through to expiry in December 2031. This permit is the final permit required to complete project financing and to commence project development. The receipt of this permit has allowed Finders to commence the upgrade of its existing demonstration plant and mobilise a mining contractor to site to commence mining.

Ore Reserve and Mineral Resource estimates

On the 17th July 2013 Finders announced an increase of 7% in the Kali Kuning ore reserve as a result of its ongoing revision of the Bankable Feasibility Study. The combined Ore Reserve for the Kali Kuning and Lerokis deposits now stands at 8.9 Mt at 2.4% Cu 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 cash-flow at current copper prices.¹ Ore reserve detail is appended to the end of this report.

New Development Strategy & Preliminary Feasibility Results

On 26th July 2013 Finders released details of a revised development strategy which will provide for faster delivery of the project and increased production flexibility. The previous two stage expansion is superseded by a simpler construction plan involving the expansion of the existing Whim Creek SX-EW plant to 25,000 t.p.a. copper cathode capacity.

Changes in the strategy were enabled by several key elements.

- Design changes to the heap leach pad located in the Kali Kuning pit, allow for earlier stacking of ore to support rapid ramp-up of a single, larger SX-EW plant at full capacity.
- Utilisation of a mining contractor in Indonesia delivering significant fleet flexibility and productivity.
- The engineering modifications to lift capacity of the existing Whim Creek plant to 25,000 t.p.a.

The new strategy is important for the Wetar Copper Project with notable benefits:

- Single plant and pads resulted in a reduced capital requirement.
- A single plant construction allows a concentration of resources and therefore will reduce risk during the construction and commissioning stages of the project.
- The construction period is significantly faster, allowing for full scale production nine months ahead of the previous schedule.
- Operational cost savings can be expected from running a single plant rather than the former split site operations, which required some duplication in staffing, equipment and reagent usage.

Together, the upgraded Demonstration Plant and expanded Whim Creek plant will provide flexibility to achieve 28,000 t.p.a. copper cathode and realize any benefit from anticipated increases in copper grades and recoveries and, importantly, the potential of additional resources from the satellite deposit at Meron.

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.

Subsequently on 5th August 2013 Finders released the preliminary findings of the revised feasibility study that indicated a significant reduction in the capital component to \$133M (before contingency) down \$34M from previous revisions and LOM average operating costs of \$1.11/lb Cu. The company also reported that at full production of 25,000 t.p.a. copper cathode the average operating cost would be \$0.94/lb Cu. The Company expects to produce the revised Bankable Feasibility Study in Quarter 4 2013 and proceed to financing then aiming to commence construction late in Quarter 1 2014.

Demonstration Plant Restart

In August 2013 Finders announced that it would be upgrading and restarting the Wetar Copper Project Demonstration plant. The demonstration plant is to be upgraded from its current capacity of 1,800 t.p.a. copper cathode to 3,000 t.p.a. copper cathode.

The restart involves the mining and stacking of 140,000 tonnes of ore from the Kali Kuning pit and leaching the ore to produce copper cathode while the construction of the earthworks and main Whim Creek plant is completed. Finders has contracted the services of an established Indonesian contractor PT Madhani Talatah Nusantra ("Madhani") to undertake mining and earthworks during the restart.

At the end of the quarter Madhani and a number of construction contractors had mobilized to site, spent ore removal was completed from the demonstration heap, concrete works around the plant to upgrade the capacity were near complete and installation of the upgraded power station had commenced.

It is anticipated that copper will be produced from plant inventory possibly late Q4 2013 and copper from the restacked demonstration plant heap by Q1 2014.

Next Steps

The Company will focus on the following activities over the next quarter;

- Commission the upgraded Demonstration Plant to 3,000 t.p.a. copper cathode capacity.
- Complete Bankable Feasibility Studies based on the single stage 25,000 t.p.a. copper cathode plant.
- Begin preliminary earthworks on the project area of the 25,000 t.p.a. copper cathode plant in anticipation of commencement in Q1 2014.
- Arrange project finance, targeting commencement of the development and construction of the 25,000 t.p.a. copper cathode plant late in Q1 2014.

OJOLALI Au-Ag PROJECT (FND 72%)

Background

The Ojolali Project is an advanced gold-silver prospect covering a large epithermal system with numerous shoots within the highly productive Sumatran Gold Belt. The Jambi oxide gold deposit has potential for a 30-50,000 oz per annum operation based on the resource below.

Zone	Indicated			Inferred			Total				
	Tonnes (million)	Au g/t	Ag g/t	Tonnes (million)	Au g/t	Ag g/t	Tonnes (million)	Au g/t	Ag g/t	Au Oz	Ag Oz
Oxide	4.1	0.92	4.8	0.39	0.8	3.1	4.5	0.9	4.7	131,000	670,000
Transition	0.79	0.70	6.3	0.07	0.6	6.3	0.85	0.7	6.3	19,000	170,000
Fresh	0.99	0.66	3.9	0.22	0.7	4.5	1.2	0.7	4.0	26,000	160,000
Total	5.9	0.85	4.9	0.67	0.8	3.9	6.5	0.8	4.8	176,000	1,000,000

Cut-off 0.3 g/t Au (100% project basis); the figures in the table may not sum due to rounding. Significant figures do not imply an added level of precision.

With widespread gold in soil geochemical anomalies over an area 8km north south and up to 5km wide, Finders considers that there is strong potential for additional discoveries, including a number of target types:

- Bulk low grade disseminated gold (Jambi, Jambi North, Wujun, Belida, Supri)
- Bonanza grade gold-silver veins (Way Neki, Batu Kuning, Kencur)
- High grade Ag in supergene enriched zones (Tambang Oxide, Jambi)
- Major vein systems in feeder structures at depth (Jambi, Tambang, Talang Harno)

Activities

At Ojolali a low cost trenching and soil auger program continued. During the quarter around 1,200m of trenching and 2,275m of deep auger sampling was completed on 50m spaced lines perpendicular to the strike of vein swarms and/or geophysics anomalies. Activities focused on the northern extension of Talang Harno and Batu Kuning. Assays for the collected samples are pending. To date around 80% of IP targets in the tenement area have been covered by trenching or deep auger sampling.

The company also engaged in discussion with a number of parties with respect to potential earn-in or sale of the property.

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CORPORATE

Capital Structure

Type of Security	Number on Issue		
<i>Listed Fully Paid Ordinary Shares ("Shares")</i>			
Shares on issue at 30 Jun 2013	358,138,532		
Exercise of options	50,000,000		
Placement of Shares	24,340,310		
Conversion of loan and interest	54,907,094		
Listed Shares on issue at 30 Sep 2013	487,385,936		
<i>Unlisted Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>	<i>No.</i>
	A\$0.30	16 Apr 2014	500,000
	A\$0.50	24 Oct 2014	16,000,000
	A\$0.35	06 Jun 2017	22,857,144
	A\$0.2556	22 Oct 2017	31,298,904
Unlisted Options on issue at 30 Sep 2013	70,656,048		
<i>Unlisted Employee Shares</i>	<i>No. of Shares</i>		
<i>Unvested employee shares</i> at issue prices from \$0.39 to \$0.43 funded by loans from the company and subject to performance-based vesting conditions	8,082,000		
<i>Converting Notes</i>	<i>Maturity Date</i>	<i>No. of Shares</i>	
US\$5,500,000	16 Mar 2018	12,248,538	

Equity Raising

During the quarter, the Company raised \$14.9 million from the issue of 74.34 million shares at \$0.20 each, pursuant to the exercise of 50 million options at \$0.20 each and a share placement of 24.34 million Shares at \$0.20 each.

Conversion of Loan

As referred to in the last quarterly report, following shareholders' approval at an extraordinary general meeting on 1 July 2013, the Company issued a 54.9 million Shares at 16.5 cents each to retire the balance of the loans and accrued interest owed to Taurus Funds Management and Resource Capital Funds.

The Company is now debt-free.

Board of Directors

As previously foreshadowed, the Board was restructured during the quarter with the appointment of Mr Barry Cahill as Managing Director and Messrs Gavin Caudle and Gordon Galt as Non-Executive Directors. The new Board comprises –

Gary Comb	Non-Executive Chairman
Barry Cahill	Managing Director
Chris Farmer	Executive Director – Indonesia
Gavin Caudle	Non-Executive Director
Gordon Galt	Non-Executive Director

Barry Cahill is a mining engineer with over 25 years' experience. Previous roles include Managing Director of Australian Mines, Managing Director of Norseman Gold and Operations Director of Perilya.

Gavin Caudle has over 25 years experience in the investment sectors in Australia, Singapore and Indonesia. He is a director of Provident Capital Partners Pte Ltd which, together with its nominees, has a substantial shareholding in Finders. Together with his partners in Indonesia, he has successfully developed a number of businesses in the telecommunications, agricultural and mining industries. Most notably, Provident has founded and is a substantial shareholder of two prominent listed companies in Indonesia namely, PT Tower Bersama Infrastructure and PT Provident Agro. Provident also has substantial holdings in ASX-listed Sumatra Copper & Gold plc and Sihayo Gold Limited.

Gordon Galt is a mining engineer with over 40 years' experience. He is currently a Principal of Taurus Funds Management, Chairman of Delta SBD and Nucoal Resources and a Director of Aquila Resources. He was formerly Chairman of Discovery Metals and Managing Director of Newcrest among other roles.

The restructured Board brings together the skills appropriate for the next phase of Finders' development with a good mix of Indonesian, construction and financing expertise.

Cash

As at 30 September 2013, Finders had \$10.6 million in cash.

The mining exploration entity quarterly report (Appendix 5B) is appended.

Barry Cahill
Managing Director

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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 to markets in Asia. 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.

Wetar Copper Project Resources & Reserves

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.

The revised Mineral Resource estimate has been reported in accordance with the JORC Code 2012 edition (Table 1 is appended to a previous 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:

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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

Note: Rounding errors may occur

- 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, exploration potential and geology estimation is based on work compiled by Dr Phillip Hellman who is a consultant to 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.

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