For Release: 23 May 2014

FINDERS RESOURCES LIMITED

Compliance Release – JORC 2012 Reserves

On 17 July 2013 Finders Resources Limited ("Finders") announced a revised Ore Reserve for its Wetar Copper Project. As indicated in the announcement the reserve estimate was undertaken by Australian Mine Design and Development Pty Ltd ("AMDAD") and reported using the 2004 JORC Code and Guidelines with the intention of reporting the same reserves under the JORC 2012 guidelines once the feasibility study was completed.

The Ore Reserve is reported here based on compliance with the 2012 JORC Code and Guidelines. As indicated, there has been no change to the reserves. This announcement is being made for compliance purposes only.

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Table 1-1 Wetar Copper Project Ore Reserves as at 15 July 2013

Wetar Copper Project - Ore Reserve Estimate			
	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
Cut-off Grade 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.

1 RESERVES ASSESSMENT

JORC CODE TABLE 1	
Minerals Resource Estimate for conversion to Ore Reserves.	The Ore Reserves are derived from resource block models for the Kali Kuning and Lerokis deposits prepared by Dr Phillip Hellman who is a consultant to H&S Consultants Pty Ltd. Resource estimation was constrained by geological models developed by FRL. Data were composited into two metre intervals. Ordinary kriging within mineralised domains at Kali Kuning and Lerokis was used to estimate total Cu, and estimates were also made for ferric soluble Cu and cyanide soluble Cu. Block models based on the UTM grid (WGS84,Zone 52S) were used for quoted resources. The relatively small block dimensions of 12.5 x 12.5 x 3.0 metres for Kali Kuning, and 12.5 x 12.5 x 2.5 metres for Lerokis reflect the closely spaced drilling. Blocks and assay data were constrained by ore types; Leached, Transition and Primary Massive Sulphide for Kali Kuning, and a single ore type, Primary Massive Sulphide for Lerokis. 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, and 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, and 8, respectively. These searches were constrained by domains defined on geological and grade criteria. Tonnages are reported on a dry basis in keeping with dry densities and drying temperatures used for assaying. The Mineral Resources are inclusive of the Ore Reserves.
Site Visits	The Competent Person with regard to this Ore Reserves Statement is John Wyche. Mr Wyche visited the Wetar site from 13th to 16th November, 2008. At this time trial mining was in progress in Kali Kuning to supply ore to the Demonstration Heap Leach facility. Mining from the former gold operations in Kali Kuning and Lerokis left the areas for the new copper pits well exposed. Sites for the copper project haul roads, processing facilities and waste rock dumps were all examined on foot or by car.

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Study Status	A comprehensive "Bankable" standard Feasibility Study was completed by FRL and the contributing consultants and engineers in November 2013. The study covers geology, resource estimation, mining, process test work and design, infrastructure, environment, project execution, permitting, capital and operating costs and economic evaluation.
Cut-off parameters	The economic cut off grades were estimated based on the (24) month leach copper recovery and a copper price of $3.00/lb. Taking into account processing, administration and selling costs, but not mining costs, the economic cut off grades applied were: • Kali Kuning 0.4% Cu • Lerokis 0.5% Cu The Lerokis cut off grade is higher because the long term copper recovery is lower and there is a significant additional cost to haul ore from Lerokis to the KK Valley leach pads.
Mining factors or assumptions – Mining Loss and Dilution	The ore in both pits is very distinct in terms of colour and density so a large part of the grade control will be visual. Both the Kali Kuning and Lerokis resource models divide the material into three domains: • Mineralised – the sulphide body containing almost all of the copper; • Un-mineralised – the surrounding hard rock material. Around the margins of the mineralised zone this may contain some copper; and • Fill – the lahar material that was placed in the pit at the end of the gold mining phase to cap the exposed sulphides. The fill material contains no copper. These domains are defined by interpreted wireframes so each block can have a portion of each domain in it. In order to allow for mining loss and dilution the mineralised and un-mineralised portions of each block were combined to form a hard rock fraction and the tonnage weighted copper grade of this hard rock portion was calculated. Blocks were selected as ore or waste depending on whether this hard rock copper grade was above or below the estimated economic cut off grade. Almost the entire mineralised zone in both deposits is above the expected cut off grade so this methodology models the effects of errors in ore block definition and mining around the margins of the mineralised zone.

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Mining factors or assumptions – Mining Method	Both the Kali Kuning and Lerokis deposits were mined for gold by standard open pit methods during the 1990s. The copper ore underlies the former gold mineralization so mining will simply be by expansion of the mined out gold pits. Neither of the pits will mine more than 75 metres below the lowest point on the pit crest. At Kali Kuning the north eastern wall cuts back into a steep slope resulting in a highwall rising 125 metres above the main pit crest. Total monthly material movement peaks at 250 kbcm during the 20 month development period when the mining fleet is also working on construction earthworks. For the remaining 5 years of steady state mining it averages 40 to 80 kbcm per month. Given the relatively small scale of operations and shallow depth the mine plan is based on standard open pit mining using 60 to 80 tonne excavators with 40 to 50 tonne trucks. Mining will be conducted by an Indonesian contractor and it is likely that they will use articulated haul trucks to negotiate steeper grades on narrower roads for both mining and earthworks. The mine plan allows for drilling and blasting of all waste and ore. Mine production starts from Lerokis in Project Year 3. This will require a 14 km one way haul to bring ore to the Kali Kuning leach pads. The timing corresponds to the reduction in total material movement as the earthworks are completed so the full truck fleet will be retained to allow for the longer haul times. Ore production will be shared between Kali Kuning and Lerokis in Years 3 to 6.
Mining factors or assumptions – Pit Wall Slopes	SRK provided slope design criteria for Kali Kuning and Lerokis based on geotechnical drilling, core logging and surface geology in 2009/2010. A detailed review of the Kali Kuning slopes was conducted from April to July 2013 with particular reference to the distribution of rock types and rock mass strength in the eastern and north eastern highwall areas. This resulted in recommendations for inter-ramp slopes and berm batter configurations based on the interpreted geology and the position in the wall. The slopes require cable bolting in some areas. Pit slope design for Kali Kuning Pit is detailed in the May 2013 report by SRK "*Wetar Copper Project: Kali Kuning Pit Geotech Redesign May 2013*". Pit slopes for Lerokis are unchanged from the 2010 recommendations by SRK.
Metallurgical factors or assumptions – Heap Leach Recoveries	Heap leach recovery curves were modelled by Daniel Tarrant of PPM Global Pty Ltd based on extensive column test work and a series of demonstration heaps comprised of 100,000 tonnes of ore from Kali Kuning which fed a small SXEW plant producing 5 tpd of cathode copper during 2009 and 2010. The Lerokis recoveries are lower and slower than Kali Kuning and are based entirely on column test work.

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Metallurgical factors or assumptions – Leached Ore Beneficiation	At Kali Kuning the near surface portion of the mineralised zone in the north of the deposit is partially leached of copper. This material, referred to as PBX, has most of the remaining copper in fine grained sulphides between larger, barren pyrite lumps. Test work has shown that screening the PBX significantly upgrades the copper grade by excluding the barren pyrite in the oversize. Reserves for the PBX component of Kali Kuning assume processing will include an average screening result of 50% of the mass containing 90% of the copper. The remaining 50% is classed as waste. The non-PBX component of the Kali Kuning ore is massive sulphide which is crushed and stacked without any beneficiation. All of the Lerokis ore is massive sulphide which is crushed and stacked without any beneficiation.
Environmental	Environmental planning for the Wetar project was managed by Peter Scott of O'Kane Consultants. The major issue environmental issue is acid rock drainage. The copper at Kali Kuning and Lerokis is contained within massive pyrite zones and much of the material immediately adjacent to the ore also has elevated pyrite. All of the Kali Kuning waste rock except the material in the highwall and the fill cover placed as part of the earlier gold pit closure, all of the earthworks cut adjacent to the Kali Kuning Pit and most of the waste rock at Lerokis except the fill cover placed as part of the earlier gold pit closure is potentially acid forming (PAF). Strategies to manage the PAF waste rock include: • Placement of a large proportion of the Kali Kuning PAF waste in the fill used to form the main heap leach pads. This occurs during the 20 month construction period. • Compaction of PAF waste in the Kali Kuning and Lerokis waste rock dumps to minimize water ingress. • Management of surface drainage to divert clean surface water away from exposed PAF surfaces and to direct water which has come into contact with PAF material into the storm water ponds for use in the heap leach process or for acid neutralization. • Placement of crushed limestone over completed PAF storage areas so that any water ingress will be at an elevated pH. Designs, volume balances and material schedules and costs have been prepared for these strategies to ensure that they are practically and commercially achievable within the mine plan. A large limestone resource has been delineated and a quarry planned in the raised fossil reef just north of Kali Kuning. The environmental management plan has been approved by the Indonesian authorities.

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Infrastructure	Wetar is a sparsely populated island towards the eastern end of the Indonesian archipelago so all supplies and personnel must be delivered by barge or boat. However, because of the former gold operation and the demonstration SXEW facility built and run by FRL the logistics required to work on Wetar are well understood. The former operations also provide excellent site access and many working or near working facilities including a jetty, explosives magazine and camp. The main SXEW plant is being relocated from its former use at Whim Creek in Western Australia. All other facilities such as the power station and neutralization plant have been designed, tendered and costed and are now in the process of construction. Detailed earthworks designs for the leach pads, haul roads and storm water ponds were done by SRK in conjunction with FRL and AMDAD.
Costs	The Bankable Feasibility Study was completed in November 2013 and many of the construction activities and project contracts are already in progress. The facts that the project is already underway and that it was preceded by a gold mine on the same site and, more recently, a demonstration SXEW facility run by FRL mean that costs are estimated to a high level of confidence. Mining and earthworks costs are based on rates in the tender awarded to an Indonesian mining contractor, Madhani. All supplies including explosives, diesel, process reagents and fuel oil for the generator are under contract. Capital costs for construction were costed to a bankable feasibility standard and construction is currently in progress. Labour costs for construction and operations have been set and many of these positions have already been filled.
Revenue Factors	The pit optimisation used to define the Kali Kuning and Lerokis pits was run at US$3.00/lb of copper. This price was also used to set the cut off grades for these Ore Reserves. FRL ran the Base Case economic analysis at US$3.15/lb. The Bankable Feasibility Study (BFS) also ran models from US$6,000/tonne (US$2.72/lb) up to US$9,000/tonne (US$4.08/lb) and obtained positive project values in all cases. Since FRL has been selling cathode from the demonstration facility over the last four years there is a sound basis for understanding the costs of getting the cathode to market and the understanding the quality of cathode that will be produced.

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Market Assessment	Cathode produced at Wetar will be sold into the Asian market. Sales to date from the demonstration plant have attracted a small premium in this market. World production for 2014 is expected to be around 20 Mt (ICSG). Given that Wetar will only be delivering 25 ktpa into the market and it will be a high quality product there is little likelihood of not meeting the sales forecasts.
Economic	FRL conducted an economic assessment of the Wetar Project as part of the BFS. Since the project has several years of operating experience through the demonstration plant and most capital and operating costs have been are based on tendered prices the inputs to the economic assessment can be considered as being at a high level of confidence. FRL ran scenarios with copper prices ranging from US$6,000/tonne (US$2.72/lb) up to US$9,000/tonne (US$4.08/lb), capital costs ranging from -30% to +30% of the Base Case and operating costs ranging from -30% to +30% of the Base Case. All cases tested returned solid positive net present values and rates of return.
Social	Agreements are in place with the local communities regarding land compensation, employment and community relations. The Social Action Plan includes aspects relating to social management and monitoring to mitigate the key socio-economic issues raised in the Environmental Impact Assessment. In addition, a community development plan summary that discusses a roadmap for future community development is provided as part of the main volume of this document.
Other	Permits (IUPs) covering the exploitation of copper, limestone and sand and gravel have been obtained for periods covering the current life of the project. A further IUP covering mineral processing to allow production of copper cathode until 2031 has also been obtained. The Environmental Impact Statement (AMDAL) was approved in March 2010. The main land use permit is the Forestry Borrow and Use Permit (Pinjam Pakai Eksploitasi). This was obtained in 2013 and will remain in force until December 2031. The BFS lists the range of other permits obtained to allow development and operation of the project to proceed. AMDAD is not aware of any outstanding permit approvals.

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Classification	In this Ore Reserves Statement: • Proved Ore Reserves are derived from Measured Mineral Resources • Probable Ore Reserves are derived from Indicated Mineral Resources. • None of the Probable Ore Reserves are derived from Measured Mineral Resources. • No Inferred Mineral Resources are included in the Ore Reserves. The Ore Reserves classifications are considered appropriate because: • Both the Kali Kuning and Lerokis copper deposits are very shallow, well drilled and geologically understood. • Extensive metallurgical test work and the results of a 100,000 tonne demonstration heap leach and SXEW operation are available to support the process assumptions. • Capital and operating costs are mostly based on tendered prices. In many cases the facilities and services have already been procured. • All permits required for development and operation of the project are in place.
Audits or reviews	An independent copper leach performance review were conducted in 2010 by Randy Scheffel. Behre Dolbear Australia conducted a Due Diligence review of the overall project in June 2011 with a minor update in February 2012. A project review was conducted by Minarco / MineConsult in January 2012.
Discussion of relative accuracy/confidence	The Ore Reserves are estimated on a local basis and this is reflected in the variation in ore types and copper grades mined in each month in the production schedule. The reasons for this level of confidence are discussed in the Classification section above.

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 2012 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.