

31st May 2012

Company Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Re: Finders Resources Limited (ASX: FND) Annual General Meeting Chairman's Address

The year has been one of mixed sentiments for Directors and Shareholders alike. Clearly, the main cause of frustration to all stakeholders – inclusive of the local community and the Government of the Province of Maluku – is the completion of the new spatial plan; which is now overdue. This process, which will re-classify low grade forestry zones in most of the Wetar project area, is now pending release of maps for formal signing. Once completed, the Company will be able to build-on successes during the year, such as arranging debt, completing detailed engineering and securing critical equipment, to complete project financing. During the year, based on our understanding of the time needed to complete the new spatial plan, the Directors have elected to maintain activity and staffing levels such that the project is maintained on a "ready to start basis". This situation is continually under review.

A recently announced update of the 2011 Bankable Feasibility Study is notable in that despite strong world-wide escalation of project construction costs, our engineering team has succeeded in holding capital cost appreciation to within 8%, and actually achieved a small reduction in predicted operating costs. Much has been made in the local press of new regulations in Indonesia requiring mining projects to divestment of majority equity to Indonesian interests within 10 years of commencement of production, and also restricting the export of unprocessed ores and concentrates. I am pleased to confirm that our corporate structure for the Wetar Copper Project already satisfies the project divestment rules, and that as a producer of pure copper cathode, the project is not affected by the ore/concentrate export regulation. We do however continue to seek to develop strategic partnerships with strong Indonesian groups to expand our future growth opportunities in this highly prospective country.

The Wetar project has been designed to meet best practice environmental and safety standards through the development operations and mine closure phases. Our community development programs focussed on health, education and empowerment of the local community to develop long term sustainable activities have been very successful, evidenced by very strong community support for the project, at the local, Regency and Provincial levels.

Beyond the immediate Wetar copper development, Finders strategic vision is to lever the strong cash flows expected from this project into strong, organic growth for the company. The Company has in-house core competencies in exploration, mine development and operating in the Indonesian environment, together with unique technology, proven through operation of the Wetar demonstration plant, for leaching similar copper-rich massive sulphide ores.

Our exploration activities have been restricted while focussed on the Wetar development, but Finders still retains the core proven mine-finders who founded the company, and through having first mover advantage on Wetar have a highly prospective portfolio of exploration areas, with potential for discovery of both additional gold and copper deposits similar to the current project, but also world class porphyry copper gold deposits at depth below the current extensive alteration zones surrounding our current prospects.

Our initial exploration focus after completion of the Wetar rezoning will be a drill-out of the Meron prospect to JORC resource status. This prospect is located 1 km from the Wetar heap leach pad, and has the potential to add several years to the currently estimated mine life. At the Ojolali gold-silver project in Sumatra, as recently announced, we are actively seeking outside sources of funding to enable acceleration of drill testing of a range of targets where surface trenching has intersected potentially ore grades and widths of gold-silver mineralization.

Finally, I would like to thank all of our fellow shareholders for their patience and support through what has been a trying period, leaving you with the comfort that the Wetar project remains a very robust project with high operating margins and substantial opportunity to extend mine life by means of better grades, higher copper recoveries and successful exploration of nearby satellite deposits.

Russell Fountain