

For Release 27 May 2010

FINDERS RESOURCES LIMITED

Chairman's Address to the Annual General Meeting

27th May 2010

This Annual Meeting covers a period of only 6 months due to a change in reporting date by the company to fit in with the Indonesian company reporting calendar. It has been a very busy period marked by strong progress towards Finders' goal of becoming a highly profitable copper producer from the Wetar copper project. Major milestones achieved since the last AGM in November include:

- Wetar demonstration plant achieved steady state nameplate capacity of 5 tpd (1,800 tpa) of copper cathode. 598 tonnes of copper were produced January-April, and all cathode achieved LME A grade specification
- Final AMDAL environmental permit granted for full scale 23,000 tpa staged expansion project
- Whim Creek 18,000 tpa Cu SXEW plant purchased, dismantled and containerized for transport
- Adopted low risk, 2 stage expansion strategy, with Stage 1 expansion of the current demonstration plant (EDP) increased to 7,000 tpa Cu cathode capacity, with Stage 2 increasing to 23,000 tpa.

Outstanding matters required to commence construction, include: the final mining and import permits, development finance for the project, and detailed engineering. These are all at an advanced stage and the company is poised for rapid growth in the months ahead.

The 5tpd Cu Wetar demonstration plant has proven to be an invaluable learning tool, in demonstrating the viability of heap leaching the Wetar ore, providing operational experience not available through column testing or laboratory studies, and particularly in terms of understanding the logistics of operating in Wetar's remote environment. This provides an excellent platform from which to develop the project to full commercial scale.

The focus on the demonstration plant is now on converting it from a test facility to a reliable long term production plant. This has involved adding an acid neutralization circuit, upgrading of key pumps, and re-stacking of two of the four test heaps to improve aeration and drainage. Copper leaching performance has been in line with initial predictions, with heap 3 having achieved 67% copper recovery. Since January the SXEW circuit has consistently operated at nameplate production levels. Our cathode is of very high quality, with around 10ppm total impurities which is well below the LME Grade A specification limit of 65ppm total impurities.

Development work is now focussed on detailed engineering for the Stage 1 Expanded Demonstration Plant, which is to be increased to 7,000 tpa Cu capacity from the originally planned 5,000 tpa, and most efficiently dovetailing that development with the final expansion to 23,000 tpa copper capacity. Staffing for the Stage 1 expansion program is complete. Geoff Hiller, who completed the on time and on budget dismantling of the Whim Creek plant was been appointed as Project Manager for the Stage 1 EDP development.

The 18,000 tpa copper Whim Creek SXEW plant, purchased from Straits Resources, has been fully dismantled and containerized ready for shipment. On the logistics front, we have recently concluded a contract with Susi Air, an Indonesian air charter company to provide services between Kupang and Kisar Island, the nearest airport to the project, which effectively cuts 24 hours (each way) from the travel times to the project.

Final timing for the project expansion is dependent on both receipt of final permits and completion of financing for the project. Our current best projection is that the Stage 1 expansion will take up to 9 months from permitting and financing for the expansion. It is planned to continue production from the existing demonstration plant throughout the construction period.

With the approval of the project's environmental development, operational and closure plan (AMDAL) by the Provincial Government in early April, we are now in the final stages of preparation of the final mine development permits for the full scale Wetar mining project. All the technical sections of this application are complete, and submission awaits completion of an amending agreement between the Indonesian operating companies for the project to bring them into line with the new Indonesian mining laws. This process is currently in the documentation stage.

As previously reported, we have been in discussion with a number of banking groups regarding funding the expansion program, and are now reviewing draft term sheets with a view to selecting a preferred financier for the project over the next few weeks. As I speak, a team from Behre Dolbear is on its way back from a site visit as an independent expert for the banks.

On the exploration front the Board's aim has been to minimize expenditures prior to completion of funding of the Wetar development, while still maintaining a pipeline of projects to maintain future growth of the Company. We are currently drilling at the Ojolali gold-silver project in Sumatra, where we have completed 15 holes of a 40 hole, 4000m reverse circulation drilling program targeting additional near surface gold and silver resources. At Wetar, exploration focus is on the advanced Meron prospect, located within 2km of the main Wetar resource at Kali Kuning, and low cost data compilation and limited ground geophysical surveys on copper-gold tenements elsewhere on the island. This work is being funded from the proceeds from the sale of our minority stake in Geopacific Resources NL which was concluded during the first quarter of this year.

Despite the current uncertainties on world financial markets, the copper price remains strong, with many forecasters predicting ongoing strength. Your Directors believe we have a very robust project at Wetar, with the revenue stream from the existing demonstration plant underpinning the company's finances.

I would like to thank all our staff and shareholders for their support over the trying period of the GFC. We are now primed and ready to go, and look forward to an exciting year of growth ahead.

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Background on Finders Resources

Finders, listed on AIM and ASX, is the operator of the Wetar Copper Project (~94% and earning), and the Ojolali Gold-Silver Project (72% with option), both located in Indonesia.

At the Wetar Project, as part of a definitive feasibility study, a demonstration SX-EW plant with 5t per day copper cathode capacity was commissioned in February 2009 and is permitted to process 100,000t of ore from the Kali Kuning deposit. The demonstration plant is producing LME Grade A copper cathode at planned rates. The Company is targeting commercial production of 23,000 tonnes per year cathode by 2011, subject to final permitting and project funding.

At the Ojolali Project, Finders controls what it considers to be a major new epithermal gold district, and has been undertaking an extensive exploration program comprising detailed drilling to establish an initial mining resource, supported by extensive surface geophysical and geochemical surveys. Finders believe that the Ojolali project has strong potential to generate cash flow through open pit CIL/CIP development of the gold resource at the Jambi Oxide gold deposit.

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

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