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## **FINDERS RESOURCES LIMITED**

### **Chairman's Address to the Annual General Meeting 26th May 2011**

I will give a brief overview of our progress during the year, and this will be followed by a more detailed presentation by Chris Farmer, our Managing Director.

In 2010, Finders successfully completed the demonstration phase of the Wetar copper project. This validated the Company's vision for heap leaching of the high grade Wetar massive sulphide copper resource, and confirmed the basis for the 2009 Feasibility study.

- The heap leach achieved recoveries of up to 80%, and
- The SX/EW plant produced over 2,500 tonnes of copper cathode,
- Cathode exceeded the LME Grade A quality specifications.

Detailed engineering is now complete for the full scale development of the Wetar project. Refinements during this process have allowed for an increase in the planned full production rate to 25,000 tonnes of copper cathode per year from the original 23,000 tpa plan. Parallel to the engineering work, Finders has advanced discussions with a short list of project finance banks.

Final capital and operating cost estimates are currently being compiled and checked and are expected to show some increases in both capital and operating costs compared to the original feasibility study, largely due to currency exchange rates and fuel price increases. The revised numbers are expected to be ready by month end. Given the high grade of the Wetar orebody and low strip ratio, the project is economically robust. With a strong outlook for forward copper prices, the project has attracted the attention of a range of financiers and the Company will shortly mandate a high quality syndicate of international banks to provide project financing for the full scale development.

Delays in the issue of permits have been an issue for mining companies in many global jurisdictions, Indonesia is no different.

In the case of the Wetar project, the approving authority for the key Mining Permit (IUP) is the local Regency administrator (Bupati). Evolution of the Indonesian provincial government system and changes in Regency boundaries have impacted the project's reporting authorities. All required documentation for grant of the mining IUP has been lodged and approved by the local authorities. In late April, a new definitive Bupati was inaugurated and Finders welcomes the stability of a permanent regime.

In the case of Forestry permits, some time was lost resolving issues between three separate government entities who administer land in the project area, but the process is back on track. The project area is not affected by the recent moratorium.

The Company from the outset has worked hard on developing support for the project among the local community on Wetar, the success of which is evidenced by a petition lodged by the local villagers with the President of Indonesia requesting his support for the timely grant of the necessary permits for full scale mine development. The construction and operation of the demonstration plant over a 2 1/2 year period has allowed for extensive training of the local work-force, and also development of sustainable local industries to support the project.

While fully focussed on the Wetar project development, we have maintained a pipeline of future development projects, comprising both brownfields and greenfields copper-gold projects on Wetar island, and the Ojolali gold-silver project in Sumatra.

At Ojolali, metallurgical testing continues to determine potential for heap leaching of the Jambi Oxide resource, and ongoing surface exploration continues to define new targets for additional resources. The Board is actively considering mechanisms to realize shareholder value for this asset.

On the Corporate front, since our last Annual Meeting the Company has de-listed from AIM largely due to costs associated with maintaining a small number of shareholders, but we continue to retain Finncap to represent our interests in the UK market. Also with our evolution from an explorer to an imminent significant copper producer we are reviewing our corporate governance, with the aim to evolve the board from its current structure that has grown with the company as we developed the Wetar project.

I would like to express the appreciation of the Board to our fellow shareholders for their ongoing support through a testing pre-development period, to company's management and staff who have operated diligently in a remote and logistically challenging environment, and in particular Managing Director Chris Farmer, whose tireless effort and understanding of the Indonesian business environment has paved the way for the company to achieve sustainable success through the imminent development of the Wetar copper project.

Finally I would like to thank Mike Stirzaker for his contribution to the company over the last 3 years as an executive and more recently a non-executive Director. Mike has not sought re-election through pressure of other commitments, and will cease to be a Director as of the end of this meeting

Russell Fountain  
26/5/2011

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