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## Finders Resources Secures funding for Wetar Copper Project

- **Syndicate of banks to provide US\$165 million of senior loan facilities**
- **Daewoo International Corporation to invest US\$45 million in project level equity**
- **Funding is for the expansion to 28,000tpa Cu capacity**

Copper producer Finders Resources Limited ("Finders"; ASX code: FND) is pleased to announce it has finalised the two key components of the funding for the expansion of its Wetar Copper Project in Indonesia from the current capacity of 3000 tpa of copper cathode to 28,000 tpa.

Leading international trading house, Daewoo International Corporation ("Daewoo") will provide US\$45 million in project level equity. BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale ("the Senior Lenders") have signed a credit approved commitment letter for USD\$165 million of senior loan facilities.

Finders Managing Director Barry Cahill said: "Daewoo and the four senior banks are very sophisticated global resource project financiers who have taken the time to conduct extensive project due diligence. The support of these experienced project financiers is an extremely pleasing endorsement of the Wetar Copper Project. We look forward to working with such highly credentialed partners to develop Wetar into the Tier One project that the fundamentals support."

Finders, which started copper production from Wetar on 31 March 2014, is now expected to start construction of the project expansion works in June 2014. Production from the expanded plant is scheduled to come online in the second half of 2015.

### Senior Project Finance

The Senior Lenders have signed a credit approved commitment letter to provide total facilities of US\$165m consisting of:

- US\$130 million term loan facility;
- US\$20 million cost overrun facility; and
- US\$15 million VAT working capital facility.

The facilities will have first ranking security over the Wetar Copper Project. Availability of the facilities will be subject to typical conditions precedent for a facility of this nature, including formal documentation (which is already advanced), implementation of a



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minimum copper hedging programme to support the facilities, and raising and expending the project equity.

Finders was advised on the facilities by Optimum Capital.

### **Investment by Daewoo International Corporation**

Daewoo has received investment committee approval to invest US\$45 million for between 24% and 27% of Finders' Indonesian subsidiary PT Batutua Tembaga Raya ("BTR") as part of broader strategic partnership between Daewoo and Finders.

Key points in relation to the term sheet are as follows:

- The term sheet has been approved by the Daewoo Investment Committee. The investment is subject to conditions precedent including satisfactory documentation, confirmatory accounting and legal due diligence (technical due diligence has been completed) and formal Daewoo and Finders board approvals once documentation is complete.
- Daewoo's final ownership percentage will be determined following clarification of certain Indonesian taxation, royalty and regulatory issues but will not be more than 27% nor less than 24%.
- Daewoo and Finders will enter into a shareholders' agreement in relation to BTR which will govern, among other things, the structure of the board, minority rights in relation to certain critical business matters and the issue of shares by BTR. Finders will remain the majority owner and controlling shareholder of BTR.
- Daewoo and BTR will enter into an offtake agreement in relation to 20% of the copper cathode produced by BTR. Daewoo will pay prevailing market prices for the cathode over the life of the project. This agreement with BTR secures offtake arrangements for 100% of its cathode production.

Daewoo and Finders are also exploring other opportunities to partner in relation to the Wetar Copper Project including technical assistance and procurement. Longer term, the companies may look for other projects to develop together.



### About Finders

Finders is an emerging low cost copper cathode producer, developing a high grade 28,000tpa copper mine on Wetar Island in Indonesia, plus a highly prospective, advanced gold-silver exploration project in Sumatra.

Currently the focus lies with the fully permitted Wetar project where mining and subsequent copper cathode production has commenced. This project is a high grade, open pit 8.9Mt @ 2.4% Cu reserve with a 1:1 strip ratio. The Company has an operational plant capable of producing 3,000tpa copper cathode through sulphide heap leach SX-EW. This plant has validated the economics of the Wetar project as detailed in the revised BFS which includes project cash costs of \$US0.88 a pound copper at efficient production levels (\$1.05/lb life of mine). The Company intends to add 25,000tpa to copper cathode capacity via the refurbishment and re-assembly of the former Whim Creek plant and the building of associated leach pads and infrastructure.

### About Daewoo

Daewoo, a member of the POSCO Family, is a leading international trader, investor, manufacturer and project organizer in Korea which has 117 overseas units in 58 countries. Daewoo is actively participating in the natural resources sector, with investments in 17 global projects including Block A-1 gas field (operator) in Myanmar, Ambatovy nickel project in Madagascar and Narrabri Coal in Australia.

For further information please visit [findersresources.com](http://findersresources.com)

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