



Quarterly Activities Report for the Period Ended 30 September 2008

HIGHLIGHTS

Wetar Copper Project

- Construction of the 5 tpd demonstration cathode plant is ongoing and all components now received in Indonesia. Commissioning re-scheduled for end November with full cathode production rate expected in December.
- The impact of current lower copper prices on projected cash flow from the demonstration plant is significantly mitigated by reduced costs resulting from lower oil prices. Direct operating costs for the demonstration plant are estimated to be less than an average of US\$1/lb Cu during the initial 12 month production period.
- The Feasibility Study for the full scale 25,000 tpa copper project remains on track under Ausenco management, with progress milestones completed including:
 - Project layout including cost analysis for expansion to Lerokis.
 - Equipment and consumable inquiries sent to capable suppliers.
 - Engineering process design and operating cost simulations.
 - Power study including transmission and fuel storage.
- Independent mining consultant AMDAD (Australian Mine Design and Development) has commenced the estimation of mining reserves using JORC guidelines and based upon resource modelling from Hellman and Schofield.
- On September 16th the Environment Impact Control Committee (BAPEDALDA) of the Maluku provincial government, Indonesia, approved the KA-ANDAL for the full scale project, the penultimate stage of environmental approval.
- In the light of recent drastic changes in the economic climate, and also potential easing of supplier capacity restrictions, a full review of underlying assumptions for the feasibility study has been initiated with a view to minimizing the capital footprint of the full scale project development.

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Ojolali Gold-Silver Project

- Confirmation of epithermal style gold–silver mineralization at the new Suban prospect extends the known target area within the Ojolali project leases by around 3 km north of previously known mineralization at Jambi.
- District exploration continued with extensive infill soil sampling, results are still pending.

Corporate

- During and since the end of the quarter, the Company carried out a successful fund-raising, involving a placement to sophisticated investors, institutions and Directors of approximately 8.6 million shares at AUD\$ 0.60 or GBP 0.28 each to raise approximately AUD\$5.4 million, which was completed on October 22, plus a shareholder purchase plan at the same price which raised another AUD\$163,000.
- Key additions to the Company’s management comprising the appointment of Mr Robert Thomson as General Manager, Development, and Mr Chin Haw Lim as Chief Financial Officer, will considerably strengthen the Company as it undergoes the transition to producer status.



Crusher and Leach Pad at Wetar Demonstration Plant

1. Wetar Copper Project, Indonesia

Finders 72.4%* and earning

*Based on expenditures as of 31 Dec 2006, estimated ~90% 1 Sept 2008 subject to audit

Background Information

At the Wetar Copper Project, Finders has previously announced the following resource estimates for the Kali Kuning and Lerokis deposits:

					Attributable (72.4%)	
	Category	Tonnes (M)	Cu%	Cont. Cu (KT)	Tonnes (M)	Cont. Cu (KT)
Kali Kuning	Measured	3.3	2.7	89	2.4	64.6
0.5% Cu	Indicated	2.6	2.4	63	1.9	45.3
Cut-off grade	Inferred	0.6	1.8	11	0.4	7.7
	Total	6.6	2.5	165	4.8	119.1
Lerokis	Indicated	2.9	2.5	71	2.1	51.6
0.5% Cu	Inferred	0.4	1.7	7	0.3	4.9
Cut-off grade	Total	3.2	2.4	76	2.3	55.1
	Overall	9.8	2.5	241	7.1	174.2

As part of a definitive feasibility study, a demonstration SX-EW plant with 5t per day copper cathode capacity is being installed and is permitted to process 100,000t of ore from the Kali Kuning deposit.

The Company is targeting commercial production of 20-25,000 tonnes per year cathode by the end of 2009, subject to accelerated schedules for engineering design work and project funding. For further information on results previously reported please visit our website www.findersresources.com.

Demonstration Plant

The demonstration plant will replicate all aspects of the planned full scale 20-25,000 tpa cathode operation from mining to the production of copper cathode.

As previously reported, the Company has experienced significant supplier delays for key components of the plant. We are pleased to report that the last of these items, the trunk busbars, are now in-country and in the process of passing through customs.

The final shipment of equipment to site is expected to arrive ready for installation during the first week of November and, as such, commissioning of the demonstration plant has been rescheduled for late November with copper cathode production expected in December.

The updated project status is as follows:

- Fabrication of trunk busbar complete, expected on site within 3 weeks subject to customs clearance in Indonesia.
- Crusher/stacker installation and fabrication is advanced with final electrical motor installation and cabling outstanding with view to commissioning and stacking commencing in mid-November.
- Final shipment of electro-winning plant components due in early November for immediate installation on arrival at site.
- Final SX plant civil works are complete and installation of tanks, pumps and piping due to commence.



Primary Crusher & Conveyors



On-Site Metallurgical Lab



Last pour of concrete at SX location



Pre-stripped test pit

Activities at site – Wetar Demonstration plant

Feasibility Study

The feasibility study for the full scale 20-25,000 tpa cathode operation is running in parallel with the construction of the demonstration plant and Ausenco Services Pty Ltd has been retained as study manager.

Current changes in the economic climate, and also potential easing of supplier capacity restrictions, have prompted the Company to undertake a full review of underlying assumptions for the feasibility study with a view to minimizing the capital footprint of the full scale project development.

The review, to date, has focussed on the following aspects

- Project layout optimisation particularly considering earthworks volumes and utilisation of waste rock from the Kali Kuning deposit
- Analysis of electrical transmission and pipeline costs for initial production from Kali Kuning and later expansion to Lerokis.
- Revised equipment and consumable enquiries sent to capable suppliers.
- Operating cost simulations which are particularly sensitive to oil prices; current modelling of process operating cost estimates alone vary by approx. 3c/lb Cu for every 10c/l change in landed fuel price.

Ausenco has completed substantial portions of the process engineering work required for the Feasibility Study and is on track to complete work by December.

Refined models of the leach kinetics and copper recovery curves are underway with a view to optimising mining, stacking and plant throughput.

AMDAD has commenced the estimation of mining reserves using JORC guidelines.

Hellman and Schofield is finalising an upgraded resource model based on the in-fill drilling undertaken in conjunction with the geotechnical drilling in the previous quarter.

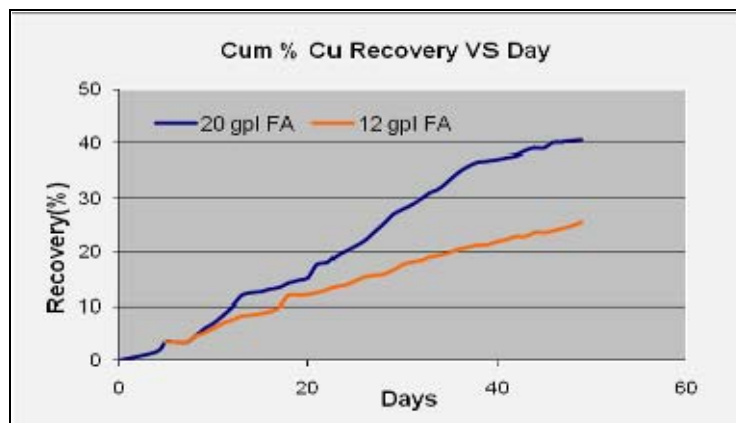
During the quarter the Company lodged documents with the Environment Impact Control Committee (BAPEDALDA) of the Maluku provincial government pertaining to the environmental permitting process for the full scale project and on September 16th approval was obtained by the Company for the KA-ANDAL (terms of reference), the penultimate stage of environmental approval.

The final environmental monitoring and closure plan is currently being drafted by ENSR and Institut Pertanian Bogor.

Metallurgical test work

During the period, the Company initiated further column test work at the onsite laboratory at Wetar using fresh ore material from the Kali Kuning test pit. The main aim of the tests is to compare the Cu recovery and acid generation effects at different feed acid conditions.

Two 1.8m columns are being operated with two different initial raffinate acidities of 12gpl and 20gpl. Both tests involve solvent extraction and the latter test is not being controlled with respect to raffinate acidity.



Recovery Curves from onsite test columns

Results to date indicate that copper recovery is faster and PLS grades higher with higher acid concentrations and over 40% copper recovery achieved within 50 days. It should be noted that these progress results are based on extrapolation from solution assays, and that definitive recovery figures will require solids assays and mass balances on completion of the tests.

Test work on columns using Bioheap™ technology at the Ammtec Ltd laboratory is ongoing and the two 3m columns are being continued. An updated recovery table is as follows:

Column Height / Crush Size	Ore Body	Fe (%)	Cu (%)	Zn (%)
1m / 6.3mm - terminated	Lerokis	18.2	85.3	84.5
1m / 19mm - terminated	Lerokis	10.7	44.7	82.7
3m / 19mm	Lerokis	15.7	75.4	93.1
1m / 6.3mm - terminated	Kali Kuning	8.7	84.4	89.5
1m / 19mm - terminated	Kali Kuning	6.2	88.4	109.1
3m / 19mm	Kali Kuning	7.3	61.2	61.4

Ongoing BioHeap™ Test results (22/10/08)

Metals Reporting to Solution (*pending mass balance calculations)

2. Ojolali Project, Indonesia

Finders Resources Limited ~72% with option

Background Information

Finders believe that the Ojolali project has strong potential to generate short-term cash flow through open pit CIL/CIP development of the gold resource at the Jambi Oxide gold deposit.

Cut off	Indicated			Inferred			Total			Cont. Au	Attrib. Finders 72%
	Au g/t	Mt	Ag g/t	Mt	Au g/t	Ag g/t	Mt	Au g/t	Ag g/t		
0.5	2.98	1.10	8.3	1.1	0.9	5.7	4.08	1.05	7.6	138	99
0.7	1.97	1.36	8.4	0.6	1.2	6.0	2.57	1.32	7.8	109	78
1.0	1.13	1.74	8.5	0.3	1.6	6.7	1.43	1.71	8.1	78.6	57

May 2008 Jambi Deposit Mineral Resource Estimates

(Mt equals millions of tonnes, koz equals thousands of ounces. Subject to rounding errors.)

Other prospects have outstanding potential for the discovery of additional resources using modern geophysical techniques to optimize drill targeting.

Finders has previously announced Inferred Resources at the Tambang Prospect (7.9 Mt @ 167g/t Ag and 0.7 g/t Au at a 1 g/t Au equivalent cut-off using drilling data from a previous explorer).

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

Suban Gold Prospect

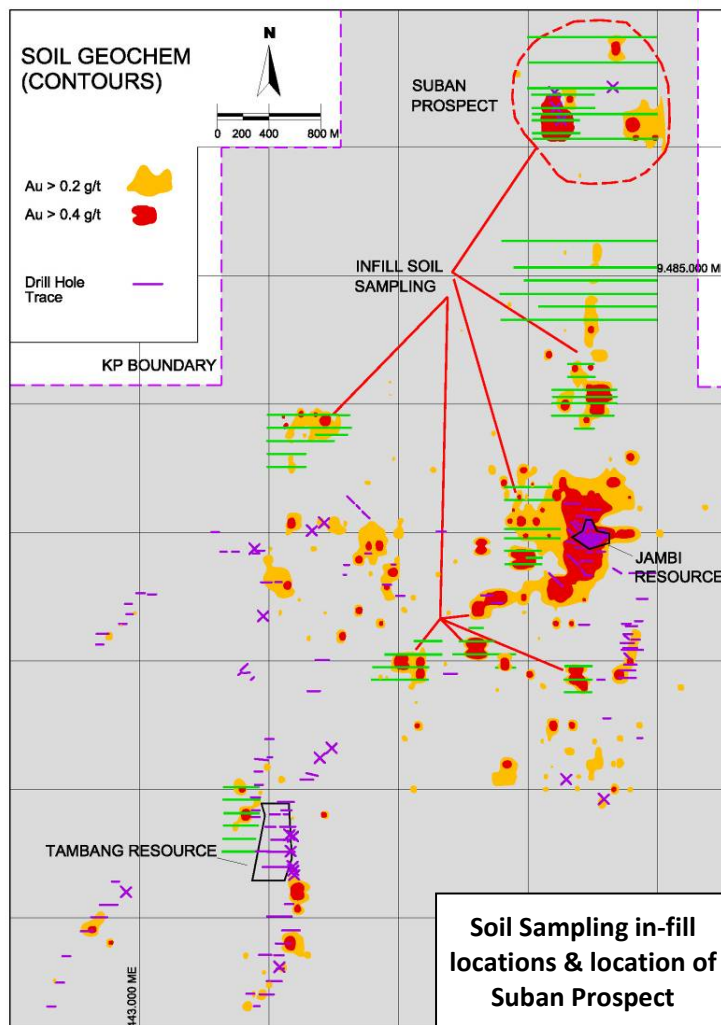
At the newly named Suban prospect, three km north of Jambi, a high gold and silver anomaly coincides with a small window of bedrock exposed in an old erosion surface, with very low relief, characterized by extensive sub-rounded to angular float of epithermal quartz and petrified wood, and overlain by extensive areas of recent unconsolidated volcanic ash up to 2 m thick, which will serve to effectively mask previous soil geochemical surveys. Further follow-up at Suban will comprise auger soil geochemistry and ground IP surveys to define the source of the extensive vein float material. The Suban prospect marks the most northerly of a string of gold geochemical anomalies extending north from Jambi, and is currently interpreted to be a continuation of the Jambi structure.

Tambang Gold-Silver Prospect

During the quarter, a new phase of local miner activity has developed with mining superficial concentrations of manganese oxides along the surface trace of the Tambang vein system over a strike length of around 400m and to maximum depths of about 4m. This has provided some good exposures of the Tambang vein and a program of systematic channel sampling at 25m spacing has been implemented to help assess potential for oxide gold and silver mineralization.

Geochemical Soil Sampling

During the quarter, exploration work at Ojolali focused on infill soil sampling to follow up of regional soil anomalies reported in the June quarterly report, supported by reconnaissance geological mapping of these areas. This work comprised collection of 1,121 samples over 28 line km. Results of this sampling have not yet been received.



3. Corporate

Management Additions

The Company is pleased to announce two key appointments, which considerably strengthen the management team:

- Mr Robert Thomson was appointed General Manager, Development, effective October 8 2008 and with prime responsibility for successful completion of feasibility studies and subsequent development of the Wetar copper project. Rob brings a strong track record of delivering successful construction projects in challenging south-east Asian environments.
- Mr Chin Haw Lim, with extensive mining and also Indonesian operating experience with Straits Resources, will be joining as the Company's Chief Financial Officer from mid November.

Corporate Structure

On September 3rd, the Company announced that it intended to raise up to AUD\$5.0 million, depending on exchange rate fluctuations and subject to shareholder approval at its AGM on October 16th. Commitments from investors for approximately 5,690,000 shares at AUD\$0.60 per share and 1,725,000 shares at a price of GBP 0.28 per share had been received up to September 3rd, including a total of AUD\$600,000 committed by the Company's directors.

In addition, to enable current ASX shareholders and Depository Interest holders to participate in the fund-raising on similar terms to the placement, the Company offered a Share Purchase Plan (SPP), whereby existing shareholders as of record date 3 September 2008 were invited to subscribe up to AUD\$5,000 (equiv.) for shares at a price of AUD\$0.60 or GBP 0.28 per share.

A total of 10,400 options were exercised at a price of 50c during the period.

At the end of the period 74,921,825 fully paid shares were on issue and a total of 4,913,248 options (with various exercise prices and expiry dates).

During the course of the Quarter, a final draw down US\$1,250,000 was completed from the US\$5.0 million secured loan facility with Meridian International Capital Limited.

The Company's cash held at 30 September 2008 totalled AUD 785,000.

Subsequent Events

By October 22nd, the Company received all placement monies in respect of the share placement approved by Finders shareholders on October 16th. Gross funds raised under the placement totalled approximately AUD\$5.4 million from the issue of 8,650,020 new shares. The placement consisted of 6,925,020 shares issued at AUD\$0.60 per share through RFC Corporate Finance Ltd and 1,725,000 shares issued to parties in the UK at GBP 0.28 per share through FinnCap, Finders' AIM broker.

Finders would like to welcome the specialist resource investor, Resource Capital Funds ("RCF"), as a new substantial shareholder, with an interest of around 6% in Finders expanded issued share capital.

Following closure of the SPP, 271,657 new shares were issued to raise approximately AUD\$163,000.

Updated Top 20 Shareholders:

Shareholder	# Shares	Voting Power
1 Exsolutions Pty Limited	6,281,202	7.5%
2 Mr Ian David Neuss	5,736,543	6.8%
3 Tennant Metals Pty Limited	5,437,561	6.5%
4 Dr Christopher Ben Farmer	5,389,535	6.4%
5 Lujeta Pty Ltd	5,000,000	6.0%
6 Resource Capital Fund IV LP	4,990,020	6.0%
7 HSBC Global Custody Nominee (UK)	4,455,000	5.3%
8 HSBC Custody Nominees (Australia) Limited	3,022,366	3.6%
9 Mr Stephen De Belle	2,254,664	2.7%
10 Darley Pty Limited	2,253,000	2.7%
11 National Nominees Limited	1,700,000	2.0%
12 Clodene Pty Ltd	1,595,102	1.9%
13 Lomacott Pty Ltd	1,500,000	1.8%
14 Merrill Lynch (Australia) Nominees Pty Limited	1,000,000	1.2%
15 Mr Stephen Jack Fountain	936,000	1.1%
16 Barclayshare Nominees Limited	785,427	0.9%
17 Mr Henry Wiechecki	750,000	0.9%
18 Hoodless Brennan Plc	729,879	0.9%
19 Mechanised Mining Services Pty Ltd	725,000	0.9%
20 Treecity Pty Ltd	692,886	0.8%
Others	28,609,317	34.1%
TOTAL	83,843,502	100.0%

The mining exploration entity quarterly report (Appendix 5b) is appended.

Chris Farmer

Managing Director

Further details for all projects including location maps, tenement schedules and technical descriptions may be found on the Finders website at www.findersresources.com

Statements

The information in this report that relates mineral resource estimation is based on work completed by Dr Philip Hellman (Wetar) and Mr Jonathon Abbott (Ojolali) who are full time employees of Hellman and Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Both Dr Hellman and Mr Abbott have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and as a Qualified Person as defined in the AIM Rules. Dr Hellman and Mr Abbott consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Geological information in this announcement and comments relating to exploration potential and the project in general is based on information compiled by Dr Russell Fountain, who also accepts responsibility for the data on which the resource is based. Dr Fountain is a Director of Finders and a Fellow of the Australasian Institute of Geoscientists. Dr Fountain has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the JORC Code. He consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear.

All assaying of drill core samples was undertaken by the ITS laboratory in Jakarta. ITS is one of the world's largest product and commodity testing, inspection and certification organizations. The Jakarta laboratory is ISO 17025 accredited and employs a Laboratory Information Management System (LIMS) for sample tracking, quality control and reporting.

Statements in this document that are forward-looking and involve numerous risks and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. Actual results may differ materially from expected results. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate, (iii) the Company's analysis is correct or (iv) the Company's strategy, which is based in part on this analysis, will be successful.

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