



For ASX Market Release: 18 October 2016

Wetar Copper Project Update

Finders Resources Limited (ASX:FND) is pleased to provide the following progress update at the Wetar Copper Project. The 25,000 t.p.a. copper cathode SX-EW plant has now plated over 4,800 tonnes of copper cathode with the production ramp up reaching the plant's nameplate capacity of 25,000 t.p.a. copper cathode on a number of days.

Operations staff are now targetting to achieve a steady state production rate of 28,000 t.p.a. copper cathode over the coming weeks.

Plant ramp up has now progressed past the usual fine tuning stages involving equipment performance, reagents addition and power variations. It was pleasing that during this phase all copper cathode was able to be sold at or about LME copper price including a proportion as LME grade A with premium. A majority of the copper cathode now produced is LME Grade A and this will continue to improve as the plant approaches steady state operation.

Cathode daily production levels have been steadily increasing to be now regularly within 10% of full production. Parts of the SX-EW plant have at times achieved and even exceeded their required operating parameters. During the coming weeks it is anticipated that this will occur more regularly until full production is achieved.

Finders expects that the Wetar Project will be operating at full capacity during the December 2016 quarter, as indicated in the following graph, at which time there will be more visibility on the actual financial metrics of the project including production costs.

Ore mining continues to perform as expected with a change to an emulsion blasting product delivering improved fragmentation which in turn has had a positive effect on the crush and stack rate from the crushing circuits.

The neutralisation plant is currently being run on a campaign basis, as required by the build up of acid levels in the circuit.

Managing Director Barry Cahill commented: *"It has been a very pleasing effort from site management now commencing to achieve nameplate production from the 25,000 tonne SX-EW plant. Investors can now look forward to more positive news in the coming weeks as production is stabilised, completing the transformation of Finders to a significant and profitable copper cathode producer."*



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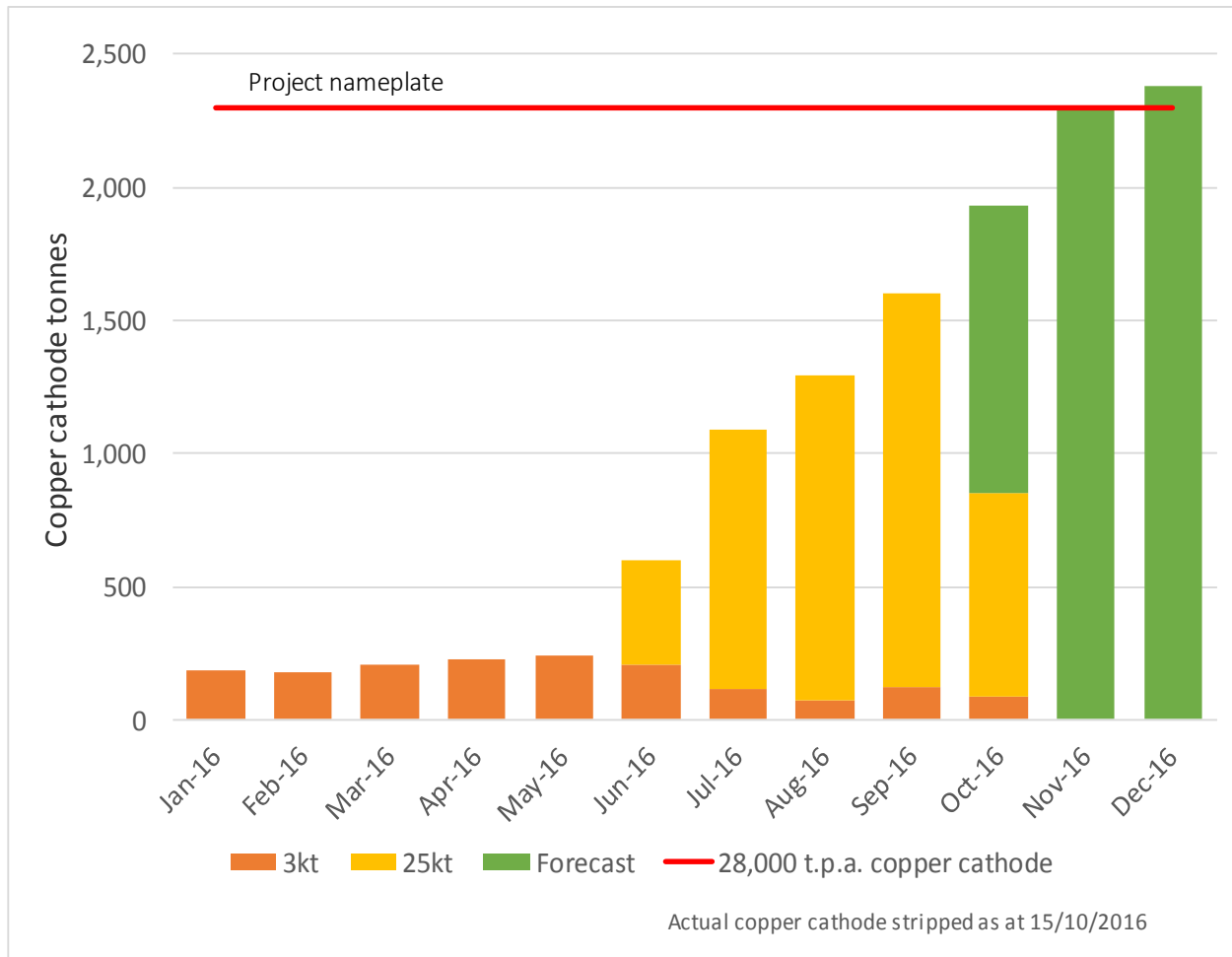
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Graph 1 : Actual and Forecast Copper Cathode Production 2016



Background Information on Finders

Finders is the operator of the Wetar Copper Project (72% interest) located in Maluku Barat Daya, Indonesia.

The Wetar Copper Project comprises the development, open pit mining and processing of the high-grade sulphide deposits at Kali Kuning and Lerokis located within 3 kilometres of the coast on Wetar Island. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially exposed copper ore bodies from a prior gold mining era.

Finders currently operates a 25,000 tonne per annum (“t.p.a”) copper cathode solvent extraction-electrowinning (“SX-EW”) plant, commissioned in May 2016, and a 3,000 t.p.a SX-EW plant for annual production capacity of 28,000 tonnes copper cathode. To date, the plants have produced over 9,000 tonnes of copper cathode, of which 90% was sold at a premium to the LME price and without specification issues.

The project has a total debt of US\$102M (including a VAT facility) repayable over three years to 2019 and has a projected cash operating cost of US\$1.05/lb Cu over the life of mine.

Opportunities for extending the mine life past the current 7.5 years are strongly founded on exploration upside, focussing initially on the nearby Meron satellite deposit and other identified VMS copper and gold targets on Wetar Island.

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