



For ASX Market Release: 26 April 2017

Quarterly Activities Report – March 2017

HIGHLIGHTS

Wetar Copper Project

- Copper cathode produced for the quarter was 6,125 tonnes with sales of 7,153 tonnes at an average price of US\$2.60/lb Cu
- C1 cash cost of US\$1.03/lb
- EBITDA of US\$21.9 million
- Unsold finished product inventory of 2,253 tonnes copper cathode at quarter end
- 12 month rolling LTIFR and Injury Severity rates remain at zero
- Good potential identified to expand the Lerokis resource

Corporate

- Total project debt reduced to US\$81.3 million from the initial US\$162 million facility
- Following the end of the quarter, project ownership increased to 74.1% from 73.5%
- Cash on hand at quarter end of US\$3.2 million

Managing Director Barry Cahill commented: *“This outstanding quarterly result of US\$21.9 million in EBITDA, achieved during the wet season, is a real credit to the Wetar Project team. We now look forward to building on our copper production from this base and further reducing our debt position while executing on the next phase of project development at Lerokis.”*



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WETAR COPPER PROJECT (FINDERS 74.1%)

3,000 t.p.a. and 25,000 t.p.a. SX-EW Plant Production Report

Both the 3,000 t.p.a. plant and the 25,000 t.p.a. plant continued to operate as expected as summarised in the table below:

Table 1: Wetar Quarterly Copper Production

		Full Year 2016	September 16 Quarter	December 16 Quarter	March 17 Quarter
Ore stacked ¹	t	2,152,574	677,510	949,629	429,616
Grade	% Cu	2.19	2.33	2.01	1.47
Metal stacked	t Cu	47,247	15,763	19,057	6,299
Copper stripped	t Cu	11,760	3,958	6,166	6,125
Copper sold	t Cu	8,825	2,587	4,888	7,153
Copper sale price	US\$/lb Cu	2.25	2.18	2.32	2.60

Note 1: includes ore stacked to heap and stockpile leach pads.

Ore and waste mining continued at Kali Kuning, with the focus on mining in the northern end of the open pit. Ore mined was as required to meet the crusher feed requirements.



Image 1 – Kali Kuning pit in the foreground with Gold Pit Leach Pads in the background

The mining focus continued to be on moving waste from the northern end of the pit and bringing the floor down to match the southern end of the pit. As anticipated, this also involved mining a greater proportion of transitional ore (PBx), which is generally of a much lower grade (~1.0% Cu) than the massive sulphide (MS) ore that comprises most of the orebody at Kali Kuning. The mining of this type of ore is expected to continue through to May after which the MS type ore will again comprise a greater portion of the ore mined.

Project to date mined copper tonnes compared to pre-mining ore reserve copper tonnes, continues to reconcile positively at +4.7%.

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Ore stacking on the new DP07 leach pad and the Kali Kuning Valley (KKV) heap leach pads was ongoing. The crushed and stacked quantities were lower during the quarter due to the expected heavy rainfall during the wet season and delays in the supply of wear parts for the cone and jaw crushers. These factors were no longer restrictions by the end of the quarter as the crushed and stacked tonnages for March easily exceeded budget.

The crushing of the PBx material is generally slower than the MS ore, due to the higher percentage of pyrite “boulders” in the feed. However, improvements in blasting fragmentation using emulsion explosives during the quarter has addressed this issue.



Image 2 – Stacked tonnes on the Gold Pit Heap Leach Pad

It was expected that operating the project heaps and SX-EW plants at near capacity during the first wet season would create some operating difficulties. Failures in several critical pumps, especially at the storm water ponds, restricted the flexibility of the operators to move solution inventory around to the appropriate areas. Despite these challenges the site still managed to produce similar copper cathode quantities as the December quarter and, positively, there is now a significantly larger copper solution inventory contained in the site dams than at the start of the quarter.

Planned refurbishment work continued on the 3,000 t.p.a. SX-EW plant. Several issues have been overcome, including overheating of the rectifier and the replacement of capping boards required to improve plant efficiency. Refurbishing work continues to get the plant up to expected cathode production rates and will be ongoing through the forthcoming quarter.

The 25,000 t.p.a. SX-EW plant and the neutralisation plant continued to perform well with further improvements being undertaken to maintain steady production rates. The SX-EW plant has periodically achieved production rates that are 10% higher than its nameplate capacity.

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Image 3 – Stacked tonnes on KKV Leach Pad

During the quarter, over 70% of the copper shipped was sold as LME Grade A Cathode at a premium to the LME copper price. The balance was sold as Standard Grade Copper at or around the LME copper price.

The C1 cash cost for the quarter was US\$1.03 per pound of copper produced which is below the forecast life of mine cost estimate of US\$1.05 per pound of copper.

Project EBITDA for the quarter was US\$21.9 million.

Copper cathode as finished product (produced but not sold or realised during the quarter) was 2,253 tonnes. This copper cathode is either at site awaiting shipment, in transit to Surabaya (the major export port) or on its way to customers. This copper is worth US\$13.1 million based on the LME copper price at 31 March 2017.



Image 4 – Aerial view of the 25,000 t.p.a. SX-EW plant at night

Exploration and Project Development

Exploration and project development activities continued to gain momentum during the quarter, with the multi-purpose drill rig for the Lerokis project development programme currently in transit to Wetar.

As announced on 6th March 2017, high grade copper mineralisation was encountered in previous geotechnical and metallurgical diamond holes drilled at Lerokis. This signifies good potential to expand the existing resource in the southwest and northeast portions of Zone 5, and in the north and west of Zone 1S.

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Significant drill hole intersections included;

- 18m at 5.39% Cu, 0.97g/t Au, 56.8g/t Ag, 0.64% Zn, 0.55% Pb from 6m in LERGT012 – Zone 1S
- 12m at 3.80% Cu, 0.63g/t Au, 19.4g/t Ag, 2.41% Zn, 0.17% Pb from 26m in LERGT013 – Zone 5
- 24m at 5.84% Cu, 0.48g/t Au, 25.3g/t Ag, 0.39% Zn, 0.16% Pb from 12m in LERGT014 – Zone 5
- 26.2m at 8.01% Cu, 1.35g/t Au, 73g/t Ag, 2.6% Zn, 0.69% Pb from 4m in LERMH01 – Zone 1S
- 34m at 5.28% Cu, 1.09g/t Au, 75g/t Ag, 3.59% Zn, 0.84% Pb from 10m in LERMH02A – Zone 1S
- 18.4m at 2.22% Cu, 0.79g/t Au, 20g/t Ag, 0.65% Zn, 0.15% Pb from 15.6m in LERMH06

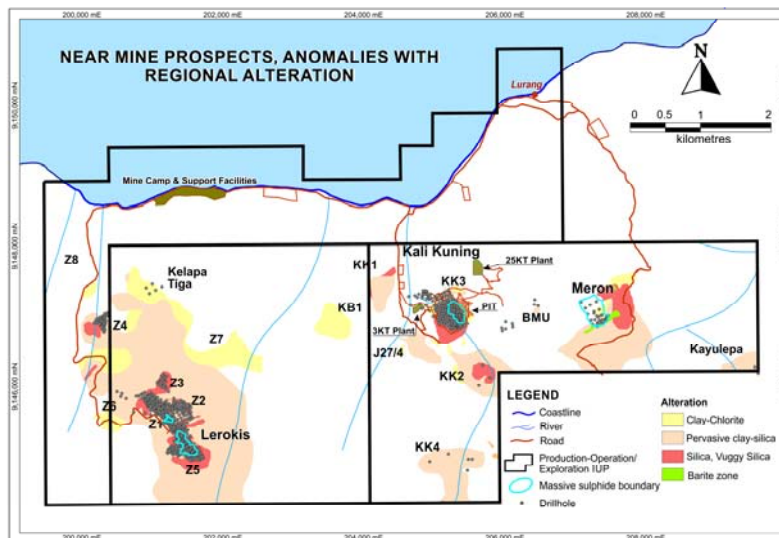


Figure 1 – Wetar Site Plan

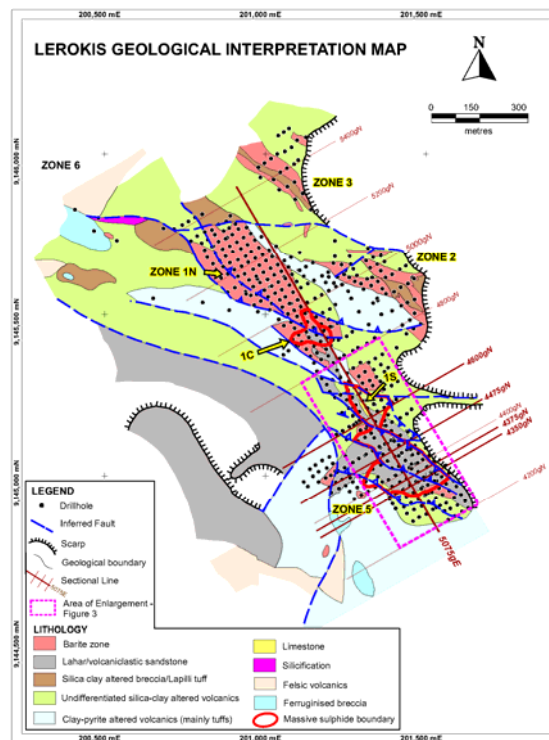


Figure 2 – Plan of the Lerokis deposit

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A 2,600m RC drilling program has been designed to test the potential highlighted in these holes. It is anticipated that positive results from this planned drilling will lead to a Mineral Resource estimate update.

OH&S

There were no serious injuries recorded during the quarter, with the Lost Time Injury Frequency Rate (LTIFR) remaining at zero. The 12-month rolling LTIFR is 0.00 and the Injury Severity Rate is 0.00. The Total Recordable Injury Frequency rate for the project is 4.5. This is the total rate of medically treated and lost time injuries recorded which is the same as the previous quarter. Management remains focussed on reducing this lag indicator, particularly the rate of medically treated injuries.



Image 5 – Aerial view of the 25,000 t.p.a. SX-EW looking across the KKV Heap Leach Pad

Wetar Community Development

Community development programs, which assist with local health and economic development, continued during the quarter, and included;

- Agricultural initiatives, including vegetable growing and chicken farming, to supplement the requirements of the Wetar Project.
- Local community employment initiative, inclusive of island villages further afield of the operation, which now account for 50% of the Company's employees at the Wetar Project at the end of the quarter.
- Maintaining staffing levels at the local health centre and two medical posts to reduce the dependency on the Project's Site Clinic.
- The maintenance of the emergency airstrip for medical evacuation of both employees and local residents.
- Allocation of 10% of the available passenger seats to the local community on marine vessels servicing the Wetar Project.

Stakeholder engagement continued and included information meetings and site visits with various Government officials, community leaders, elders and landowners.

Wetar Environmental Management

Environmental monitoring activities and reporting to the relevant Indonesian authorities in accordance with the Project's environmental permit was ongoing. No non-compliance occurrences were reported.

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June 2017 Quarter

Planned activities for the June 2017 quarter include:

- Continued stacking of ore to the KKV and DP07 leach pads;
- Ongoing refurbishment of the 3,000 t.p.a. SX-EW plant;
- Attaining and maintaining the production profile of the project at the nameplate capacity of 28,000 t.p.a. copper cathode at a C1 cash cost of US\$1.05 /lb Cu; and
- Commencement of pre-development drilling at Lerokis.

CORPORATE

Cash and Project Finance Facility

Finders Resources Limited through its Indonesian subsidiary PT Batutua Tembaga Raya (“BTR”) previously entered into a Senior Facilities Agreement with BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Société Générale (“the Senior Lenders”). The Agreement provided for a US\$162 million commitment from the Senior Lenders consisting of:

- US\$127 million Term Loan Facility;
- US\$20 million Cost Overrun Facility; and
- US\$15 million VAT Working Capital Facility.

A restructure of the finance facilities was successfully completed during the quarter. Following the hedge restructure announced on 15 September 2016, which yielded proceeds of US\$42.5 million, several additional changes were made to the senior debt facilities including:

- Minimum mandatory copper hedging for 2017 - 2019 reduced from 32,951 tonnes to 16,476 tonnes;
- Additional discretionary hedging lines available for up to 6,000 tonnes of copper; and
- Repayment profile amended to reflect the revised cashflow profile of the Project.

During the quarter BTR made further repayments of US\$9.0 million on the Term Loan Facility and US\$1.0 million on the VAT facility. The total amount drawn under the Senior Facilities Agreement as at the end of the quarter was US\$81.3 million.

The book value of the hedges entered into by BTR as at 31 March 2017 is summarised in the following table (US\$ million):

Copper hedging	(15.1)
Fuel hedging	(0.9)
Total	(16.0)

As at 31 March 2017, Finders and BTR had cash of US\$3.2 million.

Project Ownership

During the quarter, Finders increased its equity ownership in the Wetar Copper Project from 72% to 73.5%. Following the end of the quarter, and as a result of additional investment into BTR, Finders’ economic ownership of

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the Wetar Copper Project has increased again to 74.1% and the interest of Posco Daewoo Corporation has been diluted to 20.9%. The interest of Finders' local Indonesian partner remains unchanged at 5%.

Capital Structure

Type of Security	Number on Issue		
<i>Fully Paid Ordinary Shares ("Shares") - Quoted on ASX</i>			
Shares on issue at 31 March 2017 – Quoted on ASX	761,267,245		
<i>Unlisted Employee Shares</i>			
Employee shares issued under the Finders Employee Share Ownership Plan at issue prices of 19c to 35c funded by loans from the company	900,000		
Vested and unvested Director's incentive Shares issued at issue prices from 20.08 cents to 30.08 cents funded by loans from the company and subject to performance and time based vesting conditions	10,500,000		
Unlisted Employee Shares on issue at 31 March 2017			
<i>Unlisted Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>	<i>No.</i>
	A\$0.35	06 Jun 2017	22,857,144
	A\$0.2556	22 Oct 2017	31,298,904
Unlisted Options on issue at 31 March 2017			54,156,048
<i>Unlisted Converting Notes</i>	<i>Conversion Price</i>	<i>Maturity Date</i>	<i>No. of Shares</i>
US\$5,500,000	A\$0.427	16 Mar 2018	12,248,538

Barry Cahill

Managing Director

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Background Information on Finders

Finders is the operator of the Wetar Copper Project (74.1% interest) located on Wetar Island in eastern 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 giving annual production capacity of 28,000 tonnes copper cathode. To date, the plants have produced over 21,000 tonnes of copper cathode, 80% of which has been sold at a premium to the LME price.

The project currently has a total debt of US\$81.3M (including a VAT facility) repayable over the period to March 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 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 including Karkopang.

Tenement/Mineral Permit Schedule

IUP Decision No.	Type	Mineral	Expiry Date	Area (ha)	Term	Holder ¹
Wetar Copper Project¹						
543 - 124 Tahun 2011	IUP Exploitation	Copper	09 Jun 2031	2,733	20 years	BKP
540 – 317.a Tahun 2012	IUP Exploitation	Sand, gravel & stone	01 Nov 2017	80.55	5 years	BKP
540 – 317.b Tahun 2012	IUP Exploitation	Limestone	01 Nov 2017	1,425	5 years	BKP
540 – 28.b Tahun 2010 ²	IUP Exploitation	Barite	01 Nov 2016	515	6 years	BBW
Wetar South Coast Exploration²						
540 – 28.a Tahun 2010	IUP Exploration	Gold	01 Mar 2016	2,636	6 years	BKP
540 – 28.c Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,418	6 years	BKP
540 – 28.d Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,021	6 years	BBW
540 – 28.e Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,106	6 years	BBW
540 – 28.f Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,148	6 years	BBW

- Finders’ interest in the Wetar Copper Project (74.1%) is held through Indonesian subsidiaries PT Batutua Tembaga Raya (“BTR”) and PT Batutua Kharisma Permai (“BKP”). BBW has merged with BKP and tenements previously held by BBW are in the process of being transferred to BKP.
- The South Coast exploration tenements and Barite tenement 540-28.b expired in 2016. They are not required as part of the operational requirements of the Wetar Copper Project. BKP has been in discussions with the Indonesian government in relation to an extension of the term of these tenements. These discussions have not concluded and the current status of these tenements is unresolved.

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Wetar Copper Project Resources & Reserves

Wetar Copper Project – Ore Reserve Estimate as at 30 th June 2016							
	Proved		Probable		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Kali Kuning Open Pit (COG 0.4% Cu)							
Primary	3.6	2.7	0.5	2.7	4.1	2.7	111
Transition	0.8	1.2	0.3	1.3	1.1	1.2	13
Leached	0.1	0.5	0.01	0.8	0.1	0.6	1
Total	4.6	2.4	0.7	2.2	5.3	2.4	126
Waste					3.9		
Stripping Ratio					0.7		
Lerokis Open Pit (COG 0.5% Cu)							
Primary	2.1	2.3	0.4	2.0	2.5	2.3	59
Total	2.1	2.3	0.4	2.0	2.5	2.3	59
Waste					1.9		
Stripping Ratio					0.8		
Total Kali Kuning and Lerokis Open Pits							
COG as above	6.7	2.4	1.2	2.2	7.8	2.3	184
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)							
Kali Kuning	0.8	2.4	-	-	0.8	2.4	18
Total	0.8	2.4	-	-	0.8	2.4	18
Total Ore Reserve (including Heap Leach Pads)							
COGs as above	7.4	2.4	1.2	2.2	8.6	2.3	202

Notes – The Ore Reserve Estimate for the open pit mines is derived from the Mineral Resource block models for the Kali Kuning and Lerokis deposits. The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually, the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grades. “Stripping Ratio” refers to the ratio of the waste to the ore tonnage.

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Wetar Copper Project - Mineral Resource Estimate as at 30th June 2016									
	Measured		Indicated		Inferred		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
Kali Kuning Resource (COG 0.4% Cu)									
Primary	3.6	2.7	0.5	2.8	0.03	2.7	4.2	2.7	114
Transition	0.8	1.2	0.3	1.4	0.08	1.7	1.2	1.3	15
Leached	0.1	0.5	0.01	0.8	0.01	1.1	0.2	0.6	1
Total	4.6	2.4	0.8	2.3	0.1	1.9	5.5	2.4	130
Lerokis Resource (COG 0.5% Cu)									
Primary	2.1	2.4	0.4	2.2	0.1	1.5	2.6	2.3	61
Total	2.1	2.4	0.4	2.2	0.1	1.5	2.6	2.3	61
Total Kali Kuning and Lerokis Open Pits									
COG as above	6.7	2.4	1.2	2.3	0.2	1.7	8.1	2.4	191
Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)									
Kali Kuning Valley	0.8	2.4	-	-	-	-	0.8	2.4	18
Total	0.8	2.4	-	-	-	-	0.8	2.4	18
Total Mineral Resource (including Heap Leach Pads)									
TOTAL	7.5	2.4	1.2	2.3	0.2	1.7	8.9	2.4	210

Note – Rounding errors may occur. Mineral Resources which are not included in the Ore Reserve compilation do not have demonstrated economic viability.

The information in this report that relates to the in-situ ore reserve estimation at the Kali Kuning and Lerokis deposits is based on ongoing and prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Nick Holthouse, who is a full-time employee of PT Batutua Tembaga Raya (a subsidiary of Finders Resources Limited) and who is a Member of the Australasian Institute of Mining and Metallurgy (#305303). The information in this report that relates to the ore reserve estimation for the heap leach pads is based on ongoing and prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Augy Wilangkara, who is a full-time employee of PT Batutua Tembaga Raya (a subsidiary of Finders Resources Limited) and who is a Member of the Australasian Institute of Mining and Metallurgy (#206768)

Both Mr Holthouse and Mr Wilangkara have sufficient experience which is relevant to the style of mineralisation, the type of deposit and the beneficiation method under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Holthouse and Mr Wilangkara consent to the inclusion in the report of the matters based on their reviewed information in the form and context in which it appears.

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The information in this report that relates to mineral resource estimation for the Kali Kuning and Lerokis deposits is based on prior work completed by external consultants that has been reviewed by Mr Terry Burns who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (#107527).

Mr Burns has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Burns is contracted by Banda Minerals Pty Ltd, a 100% owned subsidiary of Finders Resources Limited, and consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

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