



For ASX Market Release: 02 January 2018

Wetar Copper Project Update

Finders Resources Limited (“Finders” or “the Company”) is pleased to provide the following update on the Wetar Copper Project (**Project**) in which the Company holds a 74.1% economic interest.

Highlights

- December 2017 quarter debt repayment reduces gross debt under the Project’s Senior Secured Finance Facility Agreement (Wetar Facility Agreement) to US\$60.5 million
- Debt Service Reserve Account (DSRA) funding requirements under the Wetar Facility Agreement successfully renegotiated
- Initial US\$9.0 million deposited into DSRA, effectively reducing net Project debt to US\$51.5 million
- December 2017 quarterly provisional copper cathode production of approximately 4,100 tonnes

Finder’s Managing Director, Barry Cahill commented: *“With the temporary production interruption which occurred in the September and December quarters now behind us, we look forward to returning to the previous production levels, continuing to pay down debt and growing shareholder value. The current strong copper price will further assist this.*

The renegotiation of the DSRA funding requirements and the deposit of the initial US\$9.0 million into the DSRA represents another significant step in the de-risking of the Project.

On behalf of the Independent Directors of Finders we continue to recommend that Finders shareholders reject Eastern Field Developments Limited’s opportunistic Offer by taking no action in respect of all correspondence sent to Finders’ shareholders by Eastern Field Developments Limited.”



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Wetar Copper Project Update

Finders is pleased to provide the following financing and production update for the Project in which the Company holds a 74.1% economic interest.

1. Wetar Copper Project financing update

The Company has successfully concluded negotiations with the Senior Lenders under the Wetar Facility Agreement to revise the payment schedule for the funding of the DSRA, following the temporary production interruptions which occurred in the September and December 2017 quarters. The newly agreed schedule for the DSRA is for an initial US\$9.0 million to be deposited into the DSRA by 31 December 2017, a further US\$4.5 million to be deposited by the end of the March 2018 quarter with the remaining balance of US\$4.5 million to be deposited by the end of the June 2018 quarter.

The first DSRA deposit has now been completed. The DSRA represents approximately 15% of the total outstanding debt. The DSRA increases to approximately 26% of the outstanding debt after the March 2018 quarter contribution and approximately 41% of the outstanding debt after the June 2018 quarter contribution.

The scheduled December 2017 quarter repayment under the Wetar Facility Agreement has also been made with gross debt reduced from US\$68.0 million to US\$60.5 million. The repayment continues the rapid reduction in the total outstanding debt under the Wetar Facility Agreement which was drawn to US\$145 million in July 2016. The total outstanding debt under the facility has now been reduced by US\$84.5 million in just 18 months. The inclusion of the initial deposit of US\$9.0 million to the DSRA means that the Project net debt effectively now totals US\$51.5 million.

2. Wetar Copper Project December 2017 quarter production update

December 2017 quarterly provisional copper cathode production at the Project was approximately 4,100 tonnes. Solution inventories are continuing to rise steadily with an increased supply of fresh ore to the leach pads following the completion of rehandling of truck dump ore from leach pad KK03.

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Wetar Copper Project Update

Background Information on Finders

Finders is the operator of the Wetar Copper Project (74.1% economic 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.

The Project has a gross debt of US\$60.5 million repayable by March 2019 and a projected cash operating cost of US\$1.05/lb Cu over the life of mine.

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