

Mid-2007 start expected



▲ The Jambi Hill oxide resource will probably be Finders Resources' first development and shall contribute 50,000 ozpa.

By
Tania Winter

AIM-listed Finders Resources Ltd can't seem to put a foot wrong as it moves closer to the possible development of its Wetar copper and Ojalali gold-silver projects in Indonesia.

The latter will probably move into development first in the form of the Jambi oxide gold deposit at the rate of 50,000 ounces per annum.

Conceptually, the objective is to utilise the cashflow from Jambi over its planned three year life to prove up and expand the ongoing vein mineralisation in the area, the closest being the Tambang and Batu Kuning veins.

According to Finders executive chairman Dr Russell Fountain, the company is looking to complete a JORC indicated resource at Jambi by October and will then proceed to a detailed scoping study.

Other Finders directors include Dr Chris Farmer (managing director), Stephen de Belle (non-executive), Steve Lonergan (non executive) and Ian Neuss (alternate executive director).

"All going according to plan, we could be in a position to press the start button on that project by the middle of next year," Dr

Fountain said.

"It is all soft oxide rock with the gold mineralisation starting at about 1m and we're working hard to complete a work program to fast track development."

The project has current inferred resources of 300,000 ounces of gold and 40 million oz of silver at the Jambi and Tambang prospects.

Closely spaced drilling at Jambi has confirmed the continuity of the extensive, low grade oxide gold mineralisation.

Metallurgical testwork is currently underway and a systematic drill out of the deposit is in progress.

The company believes its ability to trace vein structures using surface geophysics provides the key in unlocking the exploration potential of the area.

At the Tambang silver-gold system, four twin holes have confirmed both the grade and continuity of mineralisation.

Geophysical surveys uncovered a strong anomaly at Jambi, indicating a previously unrecognised vein structure extending for 300m along strike to the north of the current drilling area.

At both Tambang and Batu Kuning,

anomalies indicating sub-parallel offshoots and extensions to the known veins comprise 2,500m and 400m respectively of undrilled strike length in each prospect area.

These targets will be systematically drill tested over the next quarter.

To date, more than 125 line km of IP surveys on 50m spaced lines has been completed in the Tambang, Tambang East, Chandra B-1, Jambi and Batu Kuning prospect areas.

At the company's 64%-owned Wetar copper project, located on Wetar Island, a scoping study has been completed which looks at an open pit mining operation producing around 1.25 Mtpa of ore, initially from the Kali Kuning deposit (which contains about 66% of the indicated and inferred resource) and, later, from the Lerokis deposit.

The project has an indicated and inferred resource of 10.7 Mt grading 2.4% copper, 0.6 g/t gold and 27 g/t silver at a cut-off grade of 0.5%.

A rough concentrate would be produced on site for shipment to a suitable third party hydrometallurgical plant.

The study also considered the development

of a dedicated hydrometallurgical plant capable of handling high-arsenic concentrates.

The operation envisaged would be capable of producing about 23,000 tpa of copper. Capital costs were estimated at US\$105 million, including US\$50 million for mining and concentrate production facilities and infrastructure on Wetar, as well as US\$40 million for a hydrometallurgical plant off island.

Finders believes the study indicates that a two-stage feasibility study is justified, with the initial stage focusing on confirmation of the preferred hydrometallurgical process.

Both the Albion (owned by Xstrata plc) and HydroCopper (Outokumpu Oy) hydrometallurgical processes work well with the Wetar concentrate, demonstrating 92-97% recovery of copper from the concentrate.

The first stage of the study, due out in around six months time, would cost about US\$600-900,000, while the second stage would be a formal feasibility study designed to be bankable — including metallurgical pilot plant testing and the search of other deposits in the area.

The company believes it will need an additional US\$4-5 million to complete the

feasibility study.

With around US\$4 million in the bank, Dr Fountain said the group would probably look to undertake a capital raising at the end of the year.

Recent infill drilling at Kali Kuning has recently returned high grade copper intercepts including 28.8m at 8.48% copper and 23.1m at 7.32% copper.

"If we keep getting results like this it will improve the grade even further," Dr Fountain said.

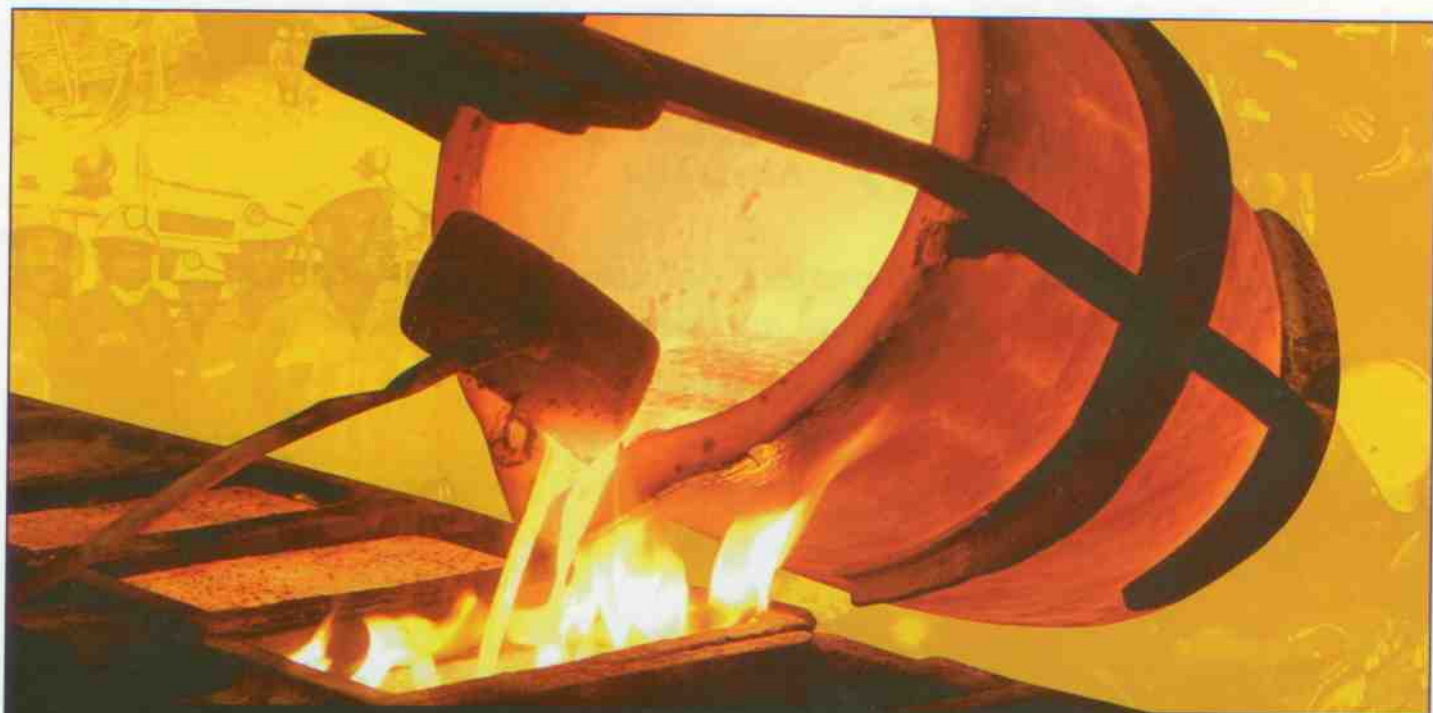
While testwork on the hydrometallurgical process route is ongoing, a feasibility study is ongoing with Intermet Engineering Pty Ltd on producing a concentrate.

One of the challenges at Wetar is its location, meaning that power will need to be generated at site for marine-based supply routes. However, this wasn't an impediment for the old gold mine on the island, which operated for a seven year period in the 1990s.

Outside of Indonesia, Finders also owns 16.6% of Geopacific Resources Ltd, which has a portfolio of copper-gold and gold projects in Fiji. Geopacific recently listed on the ASX after raising \$2.4 million, and recently announced promising gold assays from its initial drilling program at the Raki Raki prospect.



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