

For Release: 16th January 2009

FINDERS RESOURCES LIMITED
CONVERTIBLE NOTE FACILITY TO RAISE UP TO US\$1.5 MILLION

Finders Resources Limited (ASX and AIM: FND) (the "Company") is pleased to announce that it has entered into a Convertible Note Facility Agreement ("Facility") with Resource Capital Fund IV L.P. ("RCF"). Under the Facility, RCF has agreed to provide the company with US\$1.5 million, of which US\$1.0 million will be made available on satisfaction of certain standard conditions precedent with the balance to be made available, subject to further conditions precedent, on or before 15 March 2009.

The terms of the convertible note are as follows –

- (a) Maturity date: Three years from drawdown
- (b) Conversion rate: Convertible to Finders shares at A\$0.40, subject to usual anti-dilution provisions
- (c) Coupon rate: 12% per annum
- (d) Establishment fee: 112,500 Finders ordinary shares
- (e) Security: 2nd ranking floating charge

The proceeds from the Facility will be used for working capital purposes.

Executive Chairman, Russell Fountain, said

"RCF is a significant investor in Finders and we welcome their continuing support through this Facility. The funds from this Facility will place the company in a better financial footing as we move through the commissioning phase of the Wetar Demonstration Plant. We now have over 15,000 tonnes of ore under irrigation in the test heap; the heap is percolating well, with initial take-up of copper into solution in line with our expectations, and copper cathode production expected to commence by the end of January. The Company continues to assess several proposals to acquire second hand plant for the full scale development of the Wetar copper project, which could significantly enhance the project's economics."

The Company has also entered into loan agreements with four directors, Messrs Russell Fountain, Christopher Farmer, Robert Thomson and Stephen de Belle lending a total of AUD\$714,000 to the Company. Subject to shareholders' approval, these unsecured loans may be converted by the Company into Finders shares as follows:

- i) AUD\$134,000 is interest free, may be converted at A\$0.50 per share, unless the relevant director has earlier elected to apply the loan amount to the exercise of existing options;
- ii) AUD\$580,000 at an interest rate of 10% per annum, which may be converted to shares at Market Price at the time of the shareholders approval;
- iii) "Market Price" being the volume weighted average share price over the five trading days prior to such approval; and
- iv) These Directors' loans are not otherwise repayable until after the existing loan from Meridian has been repaid and the Company is in compliance with any obligations in relation to the RCF convertible notes.

Stephen Lonergan, the only director of the Company not involved in the above loan arrangements, considers that after having consulted with RFC Corporate Finance Ltd, the Company's nominated advisor in relation to the AIM market, that the terms of the loan transaction and share conversion are fair and reasonable insofar as its shareholders are concerned and are at least as favourable to the Company as arms length terms.

The Company also advises that an updated presentation is available on its website. The presentation includes an overview of current activities at the Wetar Project and recent images of the Wetar Copper demonstration plant.

Attention is also drawn to a new research report on Finders by Green Leader Equities Research which is now available on the company website.

Finder's webpage is www.findersresources.com

For further information please contact

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Background on Finders Resources

Finders, listed on AIM and ASX, is the operator of the Wetar Copper (~92% owned and earning), and Ojolali Gold-Silver Projects (72% with option) in Indonesia, and holds an investment in Geopacific Resources NL, an ASX-listed company with active exploration programs for gold and copper in Fiji.

At the Wetar Project, 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 early 2010, subject to accelerated schedules for engineering design work and project funding.

At the Ojolali Project, Finders controls what it considers to be a major new epithermal gold district, and has been undertaking an extensive exploration program comprising detailed drilling to establish and initial mining resource, supported by extensive surface geophysical and geochemical surveys. Finders' believes 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.

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

Disclaimer

This announcement may or may not contain certain "forward-looking statements". All statements, other than statements of historical fact, which address activities, events or developments that Finders believes, expects or anticipates will or may occur in the future, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "targeting", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could", or "might" occur or be achieved and other similar expressions. These forward-looking statements reflect the current internal projections, expectations or beliefs of Finders based on information currently available to Finders. 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. Finders expressly disclaims any obligation to update or revise any such forward-looking statements.