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Finders Restructures Ownership of Wetar Project

Finders Resources Limited has moved to restructure its ownership of the Wetar project by moving to 100% ownership of Banda Minerals Pty Ltd (Banda) through the acquisition of the remaining shares in Banda from its local Indonesian partner PT Batutua Kharisma Permai (BKP). The transaction increases Finders' economic interest in the project, better aligns the interests of our local partner with existing shareholders and provides tax benefits. It is also an important step in a broader restructuring of the project as the company approaches commercial production.

As Finders' local partner, BKP is the legal holder of the Wetar mining tenements, held a minority interest in Banda and was entitled to a royalty on the Wetar project equal to 5% of net profits. As at 31 December 2010, BKP's interest in Banda had been diluted to 3.7% through project expenditure. Finders has acquired the minority interest in Banda for a payment of US\$675,000 as well as the issue of 2,000,000 Finders shares. The Finders shares to be issued are subject to vesting conditions relating to the issuance of permits required for commencement of operations.

In addition and to ensure compliance with the new Indonesian mining regulations, Finders has reached commercial agreement to merge BTR with BKP to move to full ownership of the mining tenements and extinguish the royalty. In exchange, BKP's shareholders will be entitled to a 5% interest in the merged entity, with Finders holding a 95% interest. Finders is currently reviewing the legal and taxation mechanics of the merger and will develop a timetable to complete the transaction in due course.

For further information please contact

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