

## Quarterly Activities Report For The Period Ended 31 December 2007

### HIGHLIGHTS

#### **Wetar Copper Project**

- Laboratory column leach test work continues with
  - Ongoing 2m tests at 45°C show up to 81.5% Cu recovery after 25 weeks
  - BioHeap™ test work indicates strong copper and zinc leaching.
- 5 tpd Cu demonstration plant on track for mid 2008 initial production:
  - Major capital items ordered
  - First equipment shipment has arrived at site.
  - Key operational staff appointed.
  - Receipt of principal permits.

#### **Ojolali Gold-Silver Project**

- Major RC drilling program underway with 3,242m completed in 37 drill holes
  - 7 scout holes at the Kencur prospect,
  - 7 step out holes at Jambi South,
  - 23 resource definition holes at Jambi.
- Significant gold intersections at Jambi South indicate potential for extensions for at least 300m to the south east of the currently defined Jambi resource.
- On-going soil sampling and detailed ground geophysics continue to define extensive gold soil anomalies identified with geophysical targets

#### **Corporate**

- Financing of A\$15.8m announced on 12 December 2007
- 28,300 options were exercised at a price of 50c during the period.
- At the end of the period 65,614,136 fully paid shares were on issue.
- Cash held at 31 December 2007 totalled A\$5.7 million.
- Research by Green Leader Equities Research assessed a risk weighted valuation for Finders of \$151M, or AUD\$2.02/share

#### **Subsequent events:**

- Financing completed with the following share issues priced at A\$1.10
- 4,000,000 ordinary shares to clients of Southern Cross Equities.
- 5,165,339 ordinary shares to Tennant Metals Pty Ltd and Meridian International Capital Ltd.
- Provision of a US\$5m loan facility for the Wetar demonstration plant.

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## 1. Wetar Copper Project, Indonesia

Finders Resources Limited ~72% and earning through expenditure

### Background Information

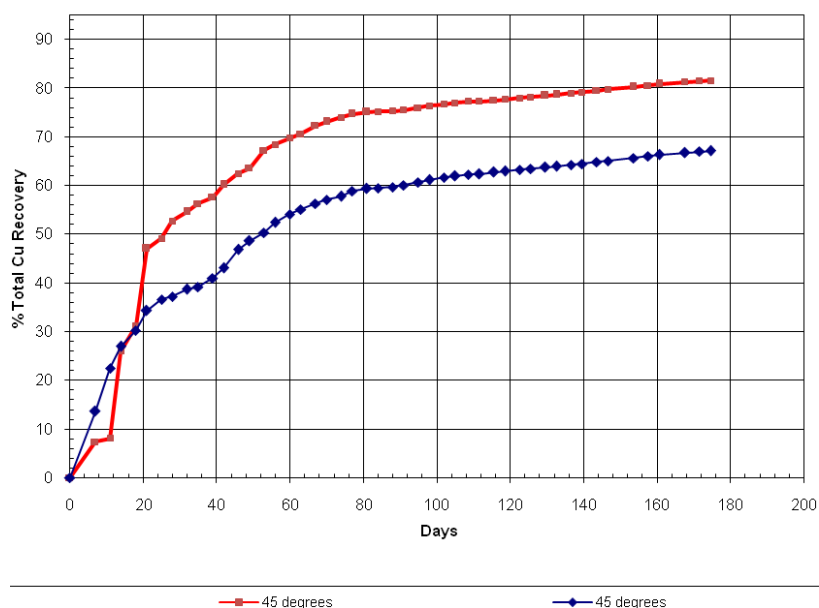
At the Wetar Copper Project, Finders has previously announced Measured, Indicated and Inferred Resources at a 0.5% copper cut-off grade, of 9.8 million tonnes at 2.5% copper for 248,000 tonnes contained copper in two deposits, Kali Kuning and Lerokis. As part of a definitive feasibility study, a demonstration SX-EW plant with 5t per day copper cathode capacity is being installed with planned cathode production from mid-2008. The Company is targeting commercial production of 20-25,000 tonnes per year cathode by the end of 2009. For further information on results previously reported and a full resource statement please visit our website [www.findersresources.com](http://www.findersresources.com)

### Leach Test Work

During the period, the Company received results from laboratory scale leach test work being undertaken at HRL in Brisbane and Ammtec Ltd. in Perth.

At HRL, two 2m column tests on different ore samples using non-proprietary bacteria collected at site at elevated (45°C) temperatures have now been running for 25 weeks with approximately 67% and 81.5% copper recovery. It should be noted that these progress results are based on extrapolation from solution assays, and that definitive recovery figures will require completion of solids assays and mass balances on completion of the tests, which will occur in the current quarter. Further tests are planned to fully characterise the ore types at the Wetar deposits.

Copper Recovery Vs time



Graph Showing Cu recovery from HRL 2m Columns

Six column tests using Bioheap™ technology have now been ongoing for 5 months out of a planned leach time of 10 months. Oxidation continues on all columns.

The Kali Kuning columns continue to display concurrent zinc and copper release at steady rates, with over 65% Cu and 75% Zn leached thus far. Iron oxidation remains low on all columns, indicating preferential oxidation of zinc and/or copper minerals over pyrite.

The Lerokis columns, which have significantly higher zinc grades than the Kali Kuning columns (1.9% Zn c.f. 0.26% Zn) continue to show preferential zinc oxidation, although the Lerokis 6.3mm 1m column has begun copper release with currently 12% Cu reporting to solution. It is anticipated that copper recovery from the Lerokis columns will increase during the next few months, and these leaching results will then be compared to the results for the non-proprietary bacteria test results prior to a decision on which bacteria and process to use for production heaps at Lerokis. Non proprietary site bacteria will be used for the demonstration heaps at Kali Kuning.

In mid December, an overflow incident occurred in the 3m Lerokis column, which has been restacked; the impact of this event is currently under review.

Size / Crush	Ore Body	Fe (%)	Cu (%)	Zn (%)
1m 6.3mm	Lerokis	4.6	12.2	67.3
1m 19mm	Lerokis	2.5	2.0	66.7
3m 19mm	Lerokis +	4.2	6.5	67.2
1m 6.3mm	Kali Kuning	4.6	64.9	76.4
1m 19mm	Kali Kuning	3.8	71.7	99.8
3m 19mm	Kali Kuning	2.6	33.3	40.3

*Ongoing BioHeap™: Test results : Metals Reporting to Solution (% total)  
+ data prior to overflow event in mid-Dec*

### **Demonstration Plant**

All key elements of engineering design work for the test heaps and demonstration plant have been completed, enabling the company to issue orders for capital items in a timely fashion; such as the rectifier, anodes and cathodes, which have longer lead times.

Plant and equipment for the development will be mobilised to the project area in two main shipments, the first of which departed Surabaya on January 17th.

This shipment includes contract earthmoving equipment, generators and fuel and water tanks. Initial work will focus on road refurbishment, environmental protection measures and construction of the heap pad area.

The Company has expanded its senior project team with experienced appointments in key disciplines. The technical team for the project is now largely in place.

In addition, seven peizometers (216m of drilling) and 3 geotech holes (232m of drilling) were completed during the quarter.

## Tenement Status and Permitting

Applications were lodged during the period to extend the exploration permits covering the Kali Kuning and Lerokis deposits for a further year. This extension was granted on 14<sup>th</sup> January 2008. Four new exploration permits covering 4,693 ha were also lodged to cover prospective areas defined by the geochemical program within the South Coast general survey permit areas. Two of these tenements were also granted on 14<sup>th</sup> January 2008. These transactions are described in Appendix 5b and a revised tenement schedule is provided in Appendix 1 of this Report.

On the 4<sup>th</sup> January 2008, the Company received notification that the Environment Impact Control Committee (BAPEDALDA) of Maluku had approved the Company's environmental management and control plans (UKL/URL) for the demonstration plant after review by the provincial AMDAL commission on December 12<sup>th</sup> 2007.

On the 14<sup>th</sup> January 2008, further permits for a 100,000t bulk sample and pilot-scale processing were received from the Regency of Maluku Tenggara Barat.

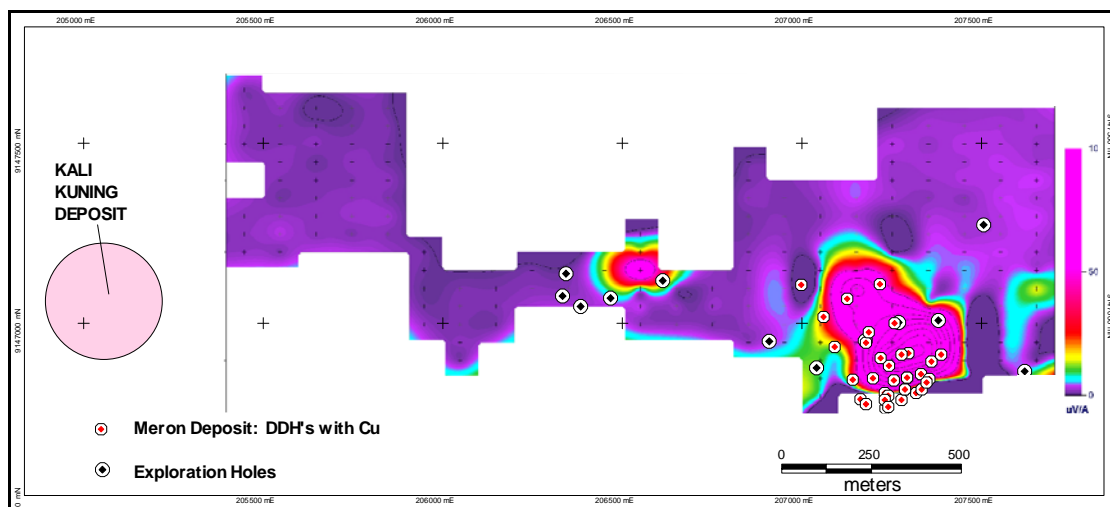
## Exploration

As a result of the ongoing wet season, no activities were undertaken within the South Coast exploration areas

### Mine Site Exploration

A small TEM survey covering (120 ha) was completed in the area between Kali Kuning and the partially drilled satellite deposit at Meron. The survey targeted cover sequence rocks that are known to occur stratigraphically above the copper/gold bearing sequence on Wetar Island.

The results show the Meron deposit as a strong conductor and a smaller conductor located approximately 500m west of Meron. Previous drilling by Billiton shows a close relationship between copper mineralization and the TEM responses, which are either not closed-off or untested by historical drilling. Finders consider that both targets have potential for discovery of additional copper mineralisation.



TEM survey results, Window 25: approx 12.2 msec

## 2. Ojolai Project, Indonesia

*Finders Resources Limited ~72% with option*

### Background Information

At the Ojolali Project, Finders has previously announced Inferred Resources at the Jambi Oxide gold deposit (3.2 Mt @ 1.0 g/t Au, 6.9 g/t Ag at a 0.5 g/t Au cut-off, and including mining dilution) and Inferred Resources at the Tambang Prospect (7.9 Mt @ 167g/t Ag and 0.7 g/t Au at a 1 g/t Au equivalent cut-off using drilling data from a previous explorer).

Finders believe 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. Other prospects have outstanding potential for the discovery of additional resources using modern geophysical techniques to optimize drill targeting.

For further information on results previously reported and a full resource statement please visit our website [www.findersresources.com](http://www.findersresources.com)

### Reverse Circulation Drilling Program

The RC drilling program which encompasses the upgrade of the Jambi oxide gold resource and scout drill a number of other prospects is well underway with 37 drill holes (3,242m of drilling) of a planned 80 hole 7500m program completed since drilling commenced on 21<sup>st</sup> November 2007.

Drilling completed thus far comprises scout drilling at Kencur (7 holes, 748m) and Jambi South (7 holes 784m) and definition drilling at the Jambi resource deposit (23 holes, 2,488m). A full list of drill collars can be found in Appendix 2.

Hole	Target	From (m)	Width (m)	Au g/t	Ag g/t
KCRR01	Kencur West	3	1	2.1	-
KCRR03	Kencur Bedor	71	5	0.65	3
KCRR04	Kencur Bedor	11	2	1.1	6
KCRR05	Kencur Bedor	56	1	1.4	1
		91	1	1.2	1
KCRR06	Kencur West	29	1	1.0	-
KCRR07	Kencur South	10	1	2.0	1
		51	4	1.1	3

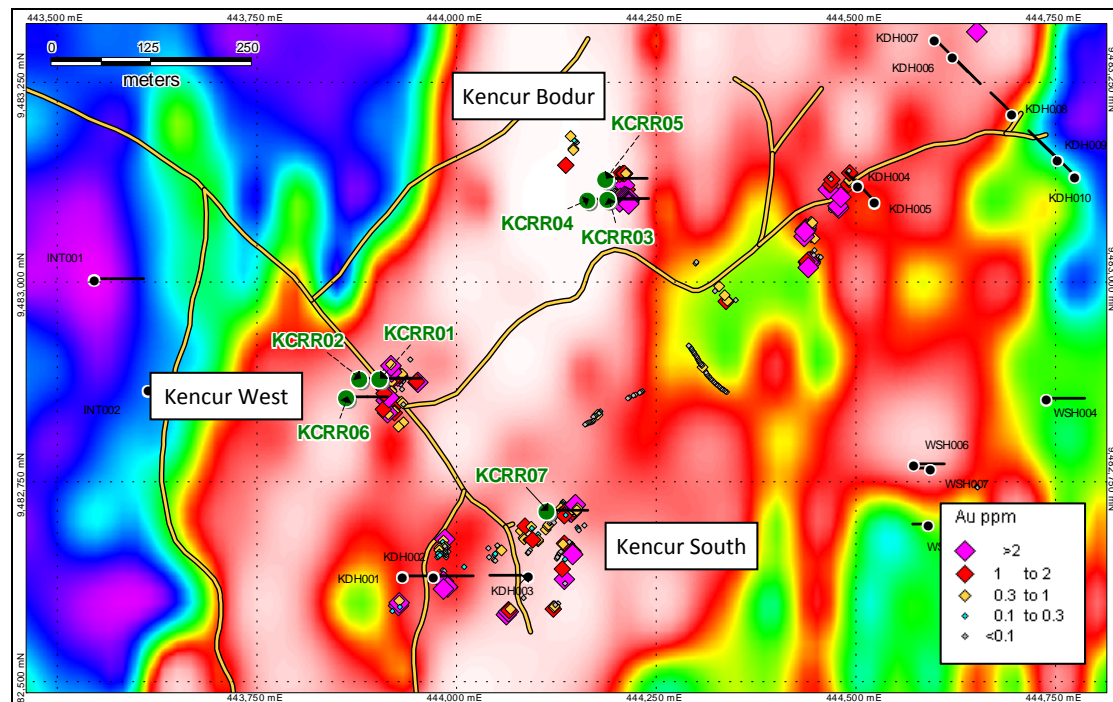
*Kencur Prospect scout drilling: significant assay results*

3 holes drilled at Kencur West to test high grade gold values in local miner pits encountered only minor near surface mineralization in KCRR01, and the high pit values are now interpreted to represent a highly weathered high level alluvial terrace deposit which masks bedrock geochemistry.

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Narrow gold intersections encountered in Kencur Bodor and Kencur South represent genuine bedrock mineralization, but the structural controls for this mineralization, within the 1.5km x 300m Kencur target zone remain unclear.

Close spaced ground magnetic and 3D IP surveys are being completed over this area to better define targets for further drilling



*Kencur Prospect scout drilling locations (green circles) on map showing gradient array resistivity (coloured) and channel sample assay results (legend)*

At Jambi South two fences were drilled to assess anomalous soil geochemistry which extends for approximately 500m to the south east from the main Jambi resource. Encouraging assay results across substantial widths (apparent widths) were returned from three of the drill holes; BKJR37, 39A and 42.

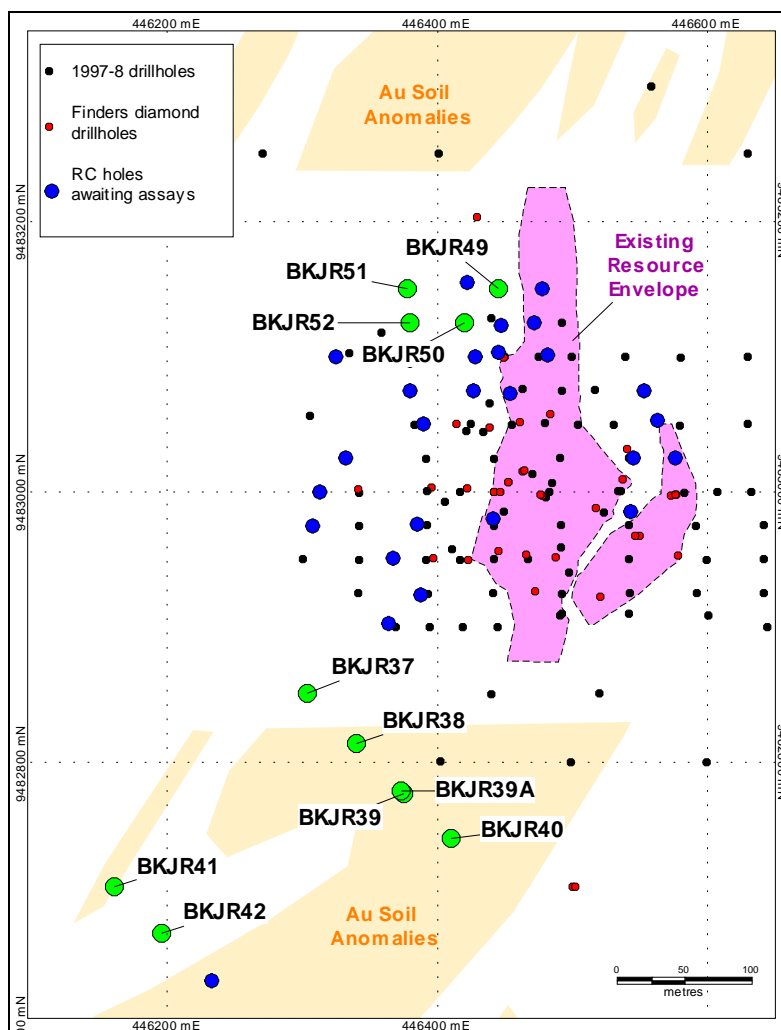
These results indicate potential to extend the Jambi mineralized system for at least 300m beyond the current resource limits, but will require additional infill drilling to confirm continuity of the zones.

Results are only available for 4 holes from the Jambi resource definition drilling. However an encouraging intercept of 3m @ 6.3g/t Au from a depth of 20m in hole BKJR52 appears to represent a new high grade structure, sub-parallel to known mineralization and to the west of the inferred resource.

A plan view showing the status of drilling at Jambi, plus a tabulation of significant assay results follows:-

Hole	Target	From (m)	Width (m)	Au g/t	Ag g/t
BKJR37	Jambi South	3	1	1.2	-
		65	14	0.3	38
BKJR38	Jambi South	4	1	1.7	2
BKJR39	Jambi South	2	3	1.5	-
BKJR39A	Jambi South	2	10	1.3	-
BKJR42	Jambi South	93	5	3.9	32
		111	6	2.0	24
		144	1	1.7	13
BKJR43-48	Awaiting assay results				
BKJR49	Jambi	8	3	1.6	-
		26	2	1.3	2
		41	3	1.5	13
BKJR50	Jambi	49	2	1.0	3
BKJR51	Jambi	35	1	1.4	3
BKJR52	Jambi	0	3	1.7	2
		20	3	6.3	2

*Jambi drilling: significant assay results*



*Plan view of current drilling at Jambi*

### Auger and Channel Sampling

A major program of auger soil geochemistry is ongoing with sampling over 80% of the main IP geophysical targets completed. During the period an additional 1,050 composite soil samples and 420 channel samples were collected, bringing the total thus far to 2,400 and 1,820 samples respectively.

Partial assay results have been received and they indicate significant potential for extensions to the known oxide gold mineralization at Jambi, as defined by anomalous soils above 0.5 ppm gold for a distance of approximately 400m north and south of the current inferred resources.

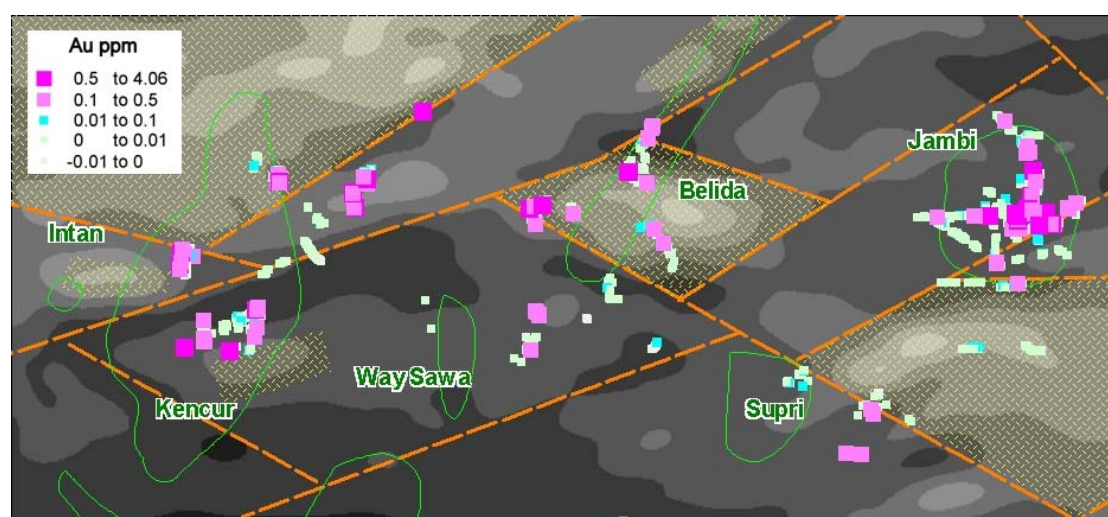
At Belida, high soil assays from the southern portion of the prospect area have upgraded prospectivity within a 700m wide NE trending corridor which contains 100m-200m wide zones of veining and alteration and can be mapped at surface for a strike length of 1.5km.

A summary map showing soil assay results and their relation to IP targets is presented in Appendix 3.

On the basis of these results, plus detailed follow-up mapping in the vicinity of the target areas, the auger program has been extended to cover much of the area between Belida, Jambi and the Cugah prospects. Channel sampling of surface outcrop and local mining pits, further enhances the prospectivity of the northern prospect areas. Summary results can be viewed below.

### Ground geophysics

A program of detailed ground magnetics has been completed covering approximately 15 sq. km of the tenement area, targeting boundary zones of interpreted basement highs. Preliminary review of the magnetic data indicates that it has been very successful in defining major structural trends in the basement rocks.



*Kencur-Belida-Jambi: preliminary ground magnetic interpretation and channel sample assay results*

Detailed IP surveying of the same area is underway with approximately 25 line km completed to date. This work will allow integrated 3D modelling and drill target selection by the end of the first quarter.

### 3. Corporate

On 12 December 2007, the Company announced agreement in principle of a A\$15.8m financing package which will be used to construct the demonstration plant at Wetar and to provide the company with additional working capital.

On 27<sup>th</sup> November 2007, 28,300 options were exercised at a price of 50c, with the above transactions resulting in the following change to the capital structure of the Company:

Type of Security	Exercise Price	Expiry Date	Number in Issue
<i>Fully Paid Ordinary Shares</i>			<b>65,624,136</b>
<i>Options</i>	A\$0.50	20 March 2009	3,152,767
	24p	22 March 2009	1,322,881
	A\$0.6875	13 June 2010	500,000
			<b>4,975,648</b>

In December, John Macdonald of Green Leader Equities Research completed and published an independent research report which is the first public domain evaluation of the Company and its projects. The report assessed a risk weighted valuation for Finders of \$151M, or AUD\$2.02/share, and can be downloaded at <http://www.greenleader.com.au/framework/documents/frame.asp?doc=529.pdf>

The Company's cash held at 31 December 2007 totalled A\$5.7 million.

The mining exploration entity quarterly report (Appendix 5b) is appended.

#### Subsequent events

On 14<sup>th</sup> January 2008, the financing arrangement announced on 12<sup>th</sup> December 2007 was completed by:

- the issue of a total of 5,165,339 shares at A\$1.10 per share (raising A\$5.68 million) to Tennant Metals Pty Ltd and its associated shareholder, Meridian International Capital Limited, and
- the provision of a secured loan facility for US\$5.0 million.

This transaction, together with the placement of 4 million shares at A\$1.10 per share (raising A\$4.4 million) arranged by Southern Cross Equities on 4<sup>th</sup> January 2008, completes the A\$15.8 million financing.

#### **Chris Farmer**

Managing Director

Further details for all projects including location maps, tenement schedules and technical descriptions may be found on the Finders website at [www.findersresources.com](http://www.findersresources.com)

#### 4. Statements from Finders

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and references to "Indicated" and "Inferred Resources" are to those terms as defined in the JORC Code.

Geological information in this announcement is based on information compiled by Dr R Fountain who is a Fellow of the Australasian Institute of Geoscientists and a Director of Finders. Dr Fountain has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the JORC Code. He consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear.

All assaying of Ojolali samples was undertaken by the ITS laboratory in Jakarta. ITS is one of the world's largest product and commodity testing, inspection and certification organizations. The Jakarta laboratory is ISO 17025 accredited and employs a Laboratory Information Management System (LIMS) for sample tracking, quality control and reporting.

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.

#### **For further information please contact:**

##### *Finders Resources Ltd:*

Russell Fountain, Executive Chairman, +61 (0) 2 9211 8299

Chris Farmer, Managing Director, [cbf@findersresources.com](mailto:cbf@findersresources.com)

##### *Financial PR:*

Doug Macdonald, +61 (0) 424 255 959, Capital Group (in Australia)

Paddy Blewer or Nick Elwes, 020 7457 2020, College Hill (in the UK)

##### *RFC Corporate Finance Ltd - Nomad and Corporate Adviser:*

Rob Adamson, +61 (0) 2 9250 0000 or Stuart Laing, + 61 (0) 8 9480 2500

## Appendix 1

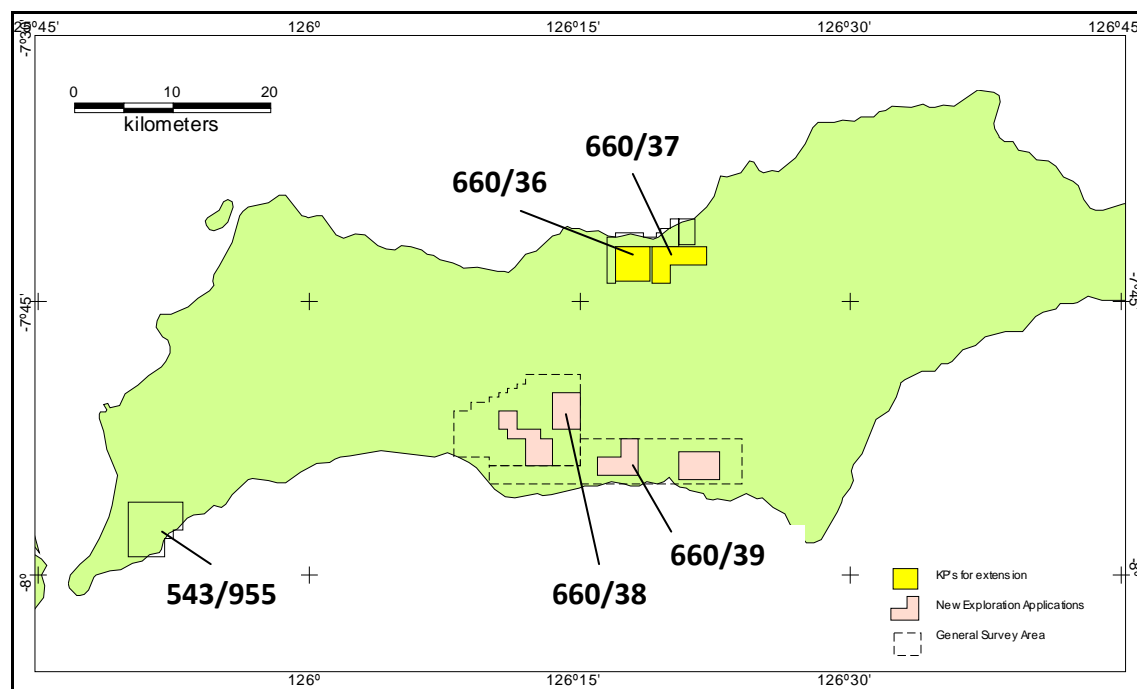
### Revised Status of Tenements

Tenement KP decision No.	Tenement Type	Date Issued	Validity/Status	Area (ha)	Owner
660/36 of 2008	Exploration First Extension	Jan 14, 2007	1 year	1,372	BKP
660/37 of 2008		Jan 14, 2007	1 year	1,361	BKP
543/955 of 2006	Exploration	Oct 16, 2006	3 years	2,636	BKP
660/38 of 2008	Exploration	Jan 14, 2007	1 year	1,021	BBW
660/39 of 2008	Exploration	Jan 14, 2007	1 year	1,106	BBW
To be advised	Exploration	In process	1 year	1,148	BBW
To be advised	Exploration	In process	1 year	1,418	BKP
<b>Relinquished</b>					
543/956 of 2006	General Survey	Oct 16, 2006	Completed	9,441	BKP
543/954 of 2006	General Survey	Oct 16, 2006	Completed	9,358	BKP

BKP : PT Batutua Kharisma Permai

BBW : PT Batutua Barit Wetar

Both parties are subject to Cooperation agreements with Finders Resources. Finders interest 72.385% and earning with expenditure.

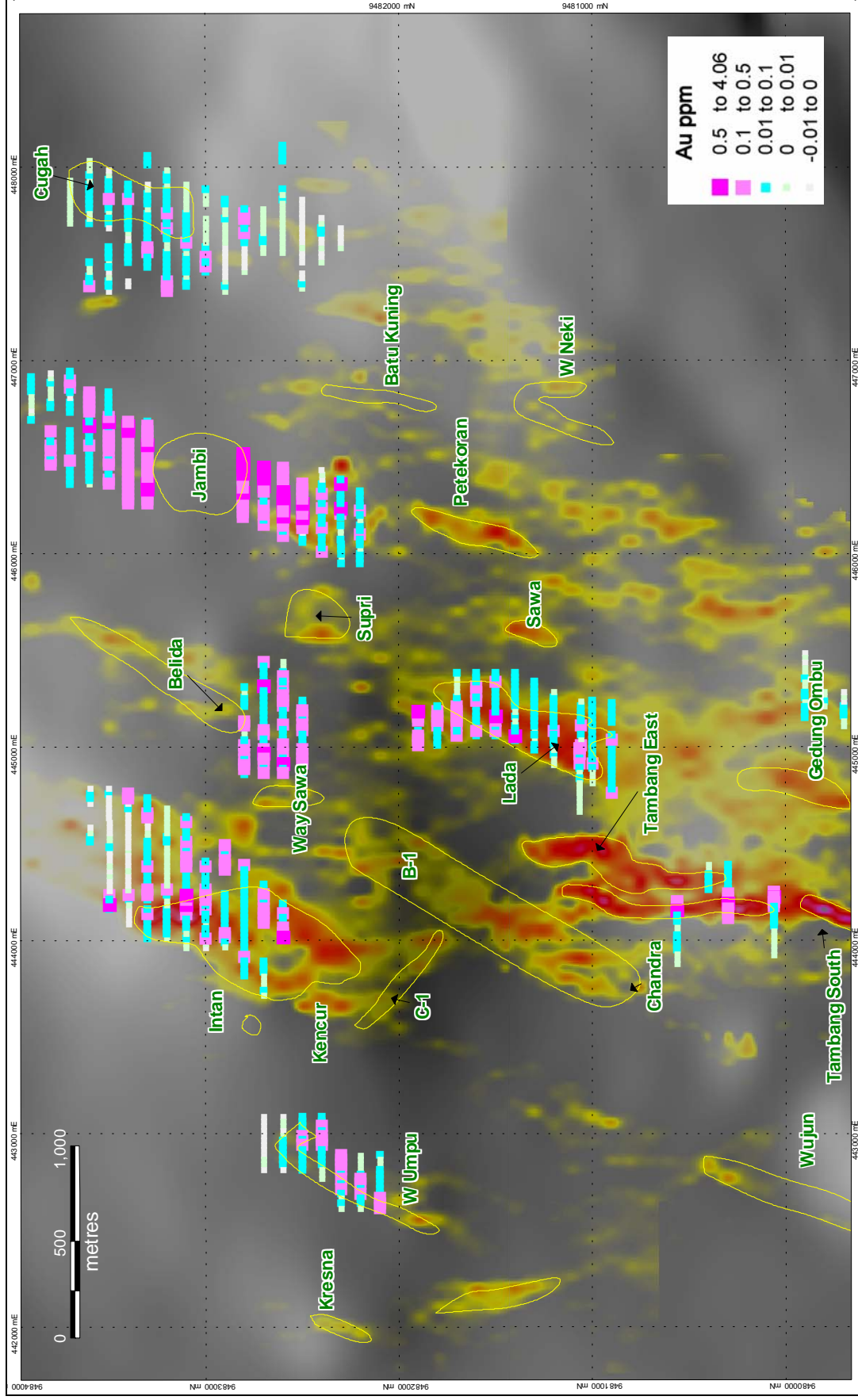


## Appendix 2: Ojolali Drilling Collars

Prospect	Hole	East+	North+	RL	TD	AZIM	DIP
Jambi	BKJR37	446304	9482851	182	113	135	-60
Jambi	BKJR38	446340	9482814	182	100	135	-60
Jambi	BKJR39	446375	9482777	182	37	135	-60
Jambi	BKJR39A	446373	9482779	182	53	135	-60
Jambi	BKJR40	446410	9482744	181	100	135	-60
Jambi	BKJR41	446161	9482708	130	100	135	-60
Jambi	BKJR42	446196	9482674	135	151	135	-60
Jambi	BKJR43	446233	9482639	143	100	135	-60
Jambi	BKJR44	446313	9483000	182	61	90	-60
Jambi	BKJR45	446332	9483025	184	65	90	-60
Jambi	BKJR46	446308	9482975	187	62	90	-60
Jambi	BKJR47	446325	9483100	177	60	90	-60
Jambi	BKJR48	446422	9483155	196	70	90	-60
Jambi	BKJR49	446445	9483150	203	67	90	-60
Jambi	BKJR50	446420	9483125	203	65	90	-60
Jambi	BKJR51	446378	9483150	185	60	90	-60
Jambi	BKJR52	446380	9483125	190	65	90	-60
Jambi	BKJR53	446380	9483097	193	80	90	-60
Jambi	BKJR54	446380	9483075	200	90	90	-60
Jambi	BKJR55	446428	9483100	207	90	90	-60
Jambi	BKJR56	446447	9483123	208	67	90	-60
Jambi	BKJR57	446445	9483103	209	90	90	-60
Jambi	BKJR58	446427	9483075	214	90	90	-60
Jambi	BKJR59	446390	9483050	208	50	90	-60
Jambi	BKJR60	446367	9482951	210	80	90	-60
Jambi	BKJR61	446364	9482903	212	146	90	-60
Jambi	BKJR62	446454	9483073	225	85	90	-60
Jambi	BKJR63	446482	9483101	224	79	90	-60
Jambi	BKJR64	446545	9483025	237	115	90	-60
Jambi	BKJR65	446576	9483025	253	103	90	-60
Kencur	KCRR01	443905	9482880	145	102	90	-60
Kencur	KCRR02	443880	9482880	145	127	90	-60
Kencur	KCRR03	444190	9483105	135	100	90	-60
Kencur	KCRR04	444165	9483104	135	116	90	-60
Kencur	KCRR05	444188	9483130	135	103	90	-60
Kencur	KCRR06	443864	9482857	144	100	90	-60
Kencur	KCRR07	444114	9482715	144	100	90	-60

+ UTM Zone 48S

Appendix 3: Ojolali Soil Results



Ojolali Project Area Soil Results on background showing IP anomalies (reds) and magnetic (greys)