

11 August 2010

Ms Suzanna Dabski
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Suzanna

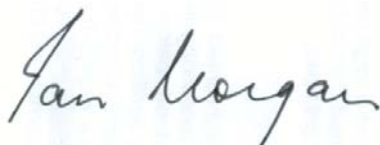
Quarterly Report (Appendix 5B) – 30 June 2010

We refer to your letter dated 6 August 2010 and respond as follows -

1. The Company currently produces LME Grade A copper cathode from a demonstration plant at the Wetar Copper Project, a heap leach solvent extraction electro-winning (SX-EW) project in Indonesia. The Company has recently announced the progress and status of its planned expansion to produce 23,000 tonnes of copper cathode per annum. Factors that should be taken into account in assessing the Company's cash position are:
 - (a) the figures included under the heading 'Estimated cash outflows for next quarter' in the Company's Appendix 5B Mining Exploration Entity Quarterly Report for June 2010 were stated as being 'before receipts from copper sales';
 - (b) the revenue from copper sales provides a useful contribution to, but does not fully cover, the Company's funding requirements as it moves towards commercial development of the project;
 - (c) the Company has been reviewing its funding requirements for the capital expenditure required for the expansion of the project and ongoing working capital as it moves towards commercial production. Funding is expected from a mix of debt and equity sources; and
 - (d) the Company is in advanced discussions with various parties regarding the provision of both debt and equity finance sufficient to meet its business objectives, and will update the market as further information becomes available.
2. See above.
3. See above.
4. The Company confirms that it is in compliance with the listing rules, including listing rule 3.1.
5. The Company believes that there has not been a material change to its financial position that would affect continued quotation of the Company's securities and its continued listing.

Yours sincerely

Finders Resources Limited



Ian Morgan
Company Secretary



ASX Compliance Pty Limited
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227 0892
Facsimile 61 2 9241 7620
www.asx.com.au

6 August 2010

Mr Ian Morgan
Company Secretary
Finders Resources Limited
Suite 51
Level 3
330 Wattle Street
Ultimo NSW 2007

By Email

Dear Ian

Finders Resources Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 June 2010, released to ASX Limited ("ASX") on 28 July 2010 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$3,201,000.
2. Net negative operating cash flows for the quarter of \$1,768,000.
3. Cash at end of quarter of \$3,328,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?



5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by e-mail to suzanna.dabski@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00 p.m. A.E.S.T. on Wednesday, 11 August 2010**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on (02) 9227 0892.

Yours sincerely,

[Sent electronically without signature]

Suzanna Dabski
Senior Adviser, Issuers (Sydney)