

Finders Resources Limited



Annual Report 2010

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Chairman's Letter

Dear Fellow Shareholder(s),

With Finders poised for strong growth through development of the Wetar Copper Project, the past year has been a tantalizing one for Finders staff and shareholders alike.

Excellent technical progress of the Wetar Copper Project, continued promising exploration results from the Ojolali gold-silver project, supported by record prices for copper, gold and silver, has been tempered by slower than anticipated award of the final mining and forestry permits.

Significant milestones achieved include:

- Successful Wetar Demonstration Plant operation completed, which tested all phases of the heap leach and extraction for production of copper cathode from the Wetar ore with copper recoveries of up to 80% and 2,500 tonnes of copper sold.
- Updated mine plan to increase cathode production to 25,000 tpa, with detailed engineering for Stage 1 (7,000 tpa Cu) and preliminary engineering for Stage 2 (expansion to 25,000 tpa Cu) completed.
- Very strong support for the Wetar project from the local community and issue of the final AMDAL environmental approvals for construction and operation of the full scale 25,000 tpa Wetar Copper Project.
- All documentation to convert the Wetar exploration permits to mining permits has been lodged with the relevant authorities.
- On the exploration front, the Meron prospect, 2 km east of the Wetar plant is shaping as a potential 3rd copper mining area at Wetar and the Ojolali gold-silver project in Sumatra continues to produce high grade gold and silver results from drilling and trench sampling from a range of prospects over a 13 km² mineralized area.

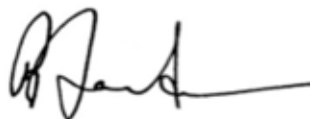
The grant of final permits to proceed with development of the Wetar project has been delayed by a number of issues, as outlined in the body of this report. Finders remain very confident that outstanding issues will be successfully resolved and the requisite permits for full mine development issued. This is a pre-requisite for finalizing project financing. Finders is currently in discussions with a number of interested lenders with a view to mandating lead arrangers in April 2011.

Pending grant of the mining permits and completion of project financing, the corporate focus has been on conserving cash resources, while continuing all work required to achieve the earliest possible production start-up from Wetar. This has resulted in a temporary slowdown of our exploration activities, both on Wetar and at Ojolali.

Our long term efforts to introduce sustainable development projects for the local Wetar community have been rewarded by very strong and active support for the project throughout the local community and reflect the continued dedicated efforts by Chris Farmer and the Wetar project team. We now have the Wetar development team in place, led by Development Director Rob Thomson, and have continued to strengthen our board with the appointment of James Wentworth as Finance Director.

I would like to thank my fellow shareholders for their patience and continued support of the Company as we progress to becoming a profitable copper producer. Your directors believe that the grant of the Wetar mining permits will result in a significant re-rating of the Company, to more accurately reflect the true value of our high quality projects and we look forward to an exciting year ahead as the Company moves to full scale development of the Wetar project.

Yours sincerely



Russell J Fountain
Chairman

22 March 2011

Operations Review

Wetar Copper Project

(Finders - 95%)

Finders completed an Ausenco sponsored definitive feasibility study (DFS) in November 2009, which assessed the development of a 23,000t cathode per year solvent extraction electro-winning (SX-EW) and open cut mining operation at the Wetar Copper Project.

The DFS indicated a technically and commercially robust project with a 9 year mine life with life-of-mine (LOM) production of 146,000t of copper cathode

based on Proven and Probable ore reserves of 8.2mt @ 2.5% Cu. The DFS mine plan produced copper ore from two deposits (Kali Kuning and Lerokis), assuming 71% average leach recovery of the copper ores. A funding requirement of U\$118m, which foresaw ongoing cathode sales from the Demonstration Plant, and life of mine operating costs (C1) of \$1/lb indicated the project would have a low capital intensity and ranked close to the median of operating costs for global copper producers.

(0.5% Cu Cut-off)	Category	Tonnes (m)	Grade % Cu	Contained Copper (kt)	FND 95%
Kali Kuning Pit	Proved	4.91	2.5	123	117
	Probable	0.85	2.2	19	18
	Sub-Total	5.76	2.5	142	135
Lerokis Pit	Proved	2.05	2.4	49	47
	Probable	0.37	2.3	9	9
	Sub-Total	2.42	2.4	58	55
Combined	Proved	6.96	2.5	172	163
	Probable	1.22	2.2	28	27
	Total	8.18	2.5	205	195

Tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grades.

Table 1. Wetar Ore Reserves

The DFS also incorporated the Whim Creek SX-EW plant and stacker/agglomerator which have been separately purchased from Straits Resources and Venturex Resources.

In 2010, Finders has focused efforts on optimizing the Demonstration Plant; optimizing the mine plan and elevating the DFS to Bankable Feasibility Study (BFS) standard with the view to securing project finance and completing detailed design.

- Recoveries from Heap 3 exceeded DFS design reaching 80% copper recovery after ~21 months.
- Reconciliation of heap residual material confirmed leaching of chalcopryrite, covellite and chalcocite. The confirmed chalcopryrite leaching is a global first for Finders.
- Effective testing of all aspects of the planned commercial operation from mining to logistics and international sales, including training and development of local staff.
- Over 1.2 million work hours have now been completed on the project with only 3 lost-time injuries.

Demonstration Plant

The demonstration phase of the Wetar Copper Project was successful, significantly de-risking the technical aspects of the project, with the following key achievements:

- The plant achieved nameplate production during the first six months of the year; an outstanding accomplishment which reflected the efforts of the site team to optimize heap and plant performance during the latter half of 2009.

Production Summary

During 2010, copper production totalled 1,392 tonnes of cathode, which was sold to Asian markets at an average base price of US\$7,378/t (fixed by reference to the LME spot price) plus an average premium of US\$75/t.

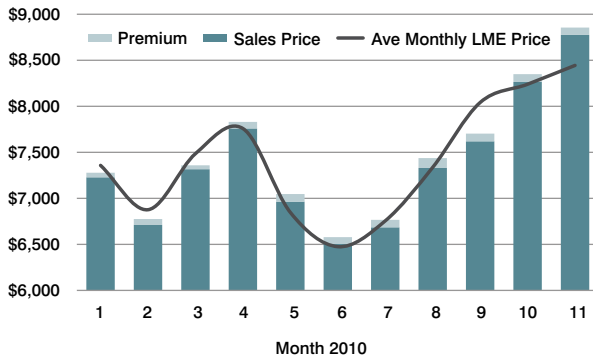


Figure 1. Monthly realization of Wetar cathode

A drop off in production in the second half of the year was in line with expectations as the copper available from the 100,000t bulk sample became exhausted and leach rates declined.

	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Copper Leached (t)	203	294	332	214
Copper Produced (t)	453	416	338	185
Inventory (t)	310	188	182	210

Table 2. Key Operating Statistics

Since the start of demonstration plant operations, cathode production has exceeded 2,500 tonnes of cathode with average impurities of less than 10ppm, comfortably within LME Grade A specification.

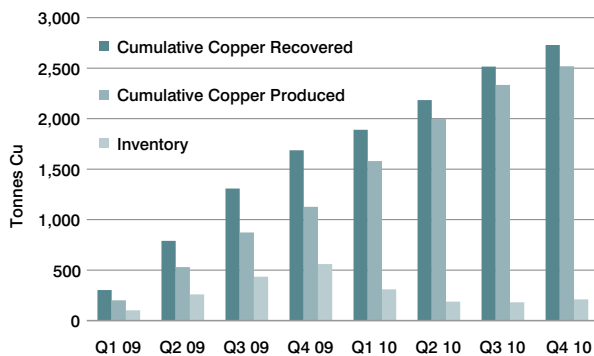


Figure 2. Historic performance from the Wetar Demonstration Plant

The Demonstration Plant is currently shut down until final permits are in place, with minor maintenance activities being undertaken. Irrigation of the heaps is ongoing and copper inventory is being built up in the leach solution, to be plated when production resumes.

Leaching Summary

The demonstration phase of the project utilized a 100,000t bulk sample from the Kali Kuning deposit to stack and test various properties in four test heaps. Each of the test heaps had different heights, crush sizes, copper grades, aeration and irrigation rates and surface areas. For a variety of reasons, most notably crush size, Heap 3 had the best performance with ~80% copper recovery by the end of December 2010. The results from Heap 3 and parameters used for stacking and its operating conditions have been used in the design criteria for the bankable studies and detailed engineering.

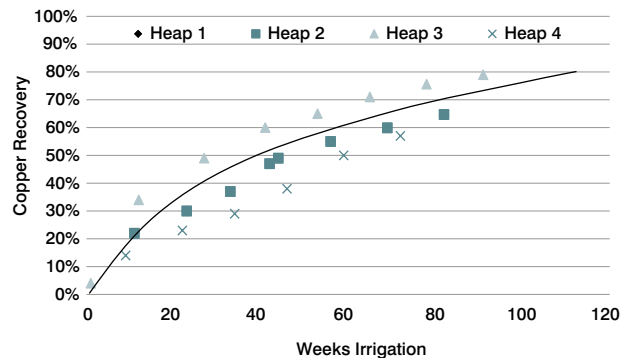


Figure 3. Summary of Heap recovery performance over time

A number of samples were taken from each of the heaps to determine the residual copper mineralogy. Copper species in the heaps are dominated by covellite, indicating that precursor chalcopyrite has successfully been leached during the trial phase providing encouragement for higher terminal copper recoveries than previously modeled.

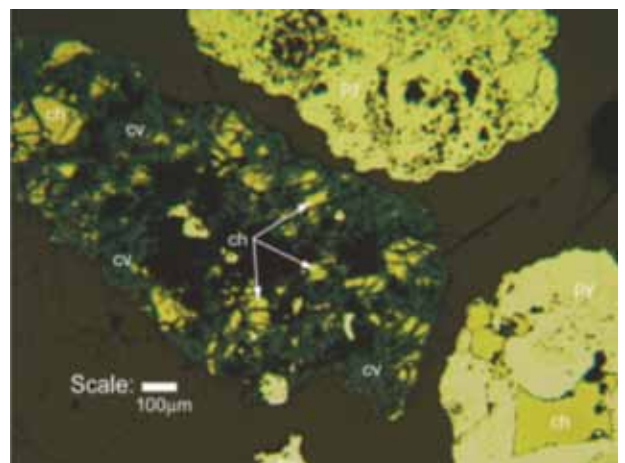


Figure 4. Photo shows chalcopyrite (ch) being replaced by covellite (cv)

Operations Review



Plant and Project Facilities

During the year, facilities at both the Demonstration Plant and the supporting infrastructure were continually upgraded and improved in preparation for the commercial project. Major upgrades were completed as follows:

- Modification of SX launders to enable more efficient copper extraction from the aqueous solutions carrying copper.
- Fitting of roofs to the settlers to reduce solvent evaporation.
- Refurbishment of the crusher and conveyors in preparation for a resumption of mining at greater throughputs of around 125tph.
- Installation of a neutralisation plant and then extending it with larger tanks and the addition of a filter press to assist with solids treatment.
- Renovation of the 350 man camp (80% completed).
- Construction of larger stormwater ponds in preparation for the greater footprint of the Expanded Demonstration Plant and heap facilities.
- Installation of raincoats on the heaps to test requirements for the main project.



Figure 5. Filter press and neutralisation plant



Figure 6. Refurbished crusher at Wetar



Figure 7. Completed new stormwater pond



Figure 8. Covers on the SX plant

Operations Review

Safety

Safety at Wetar is a focus for the Company due to its remote location and the fact that 50% of the work force has been educated to elementary school education standard with little previous exposure to any form of industry. In 2010, the site recorded 21 personal injury cases of which two were lost time incidents and five were medical treatment cases. This was a slight increase on 2009, resulting in an overall lost-time injury frequency (LTIF) rate for the project to date of 3.18. This compares favourably to Australian standards.

Lost Time Incidents	2008	2009	2010	Project to date
Company	1	-	2	3
Contractor	-	1	-	1
Total	1	1	2	4
Manhours	420,454	423,319	413,721	1,257,494
LTIF	2.38	2.36	4.83	3.18

Table 3. Key Safety Statistics

To support the focus on safety the Company has instigated daily toolbox meetings and after compilation of common incidents (mainly burns, impact injuries and cuts) has completed job safety analyses and standard operating procedures for the key work areas. These programs assist identification and control of key safety hazards for all employees. Recently, key staff have been incentivized with safety targets as key performance indicators and once the commercial operations commence, safety targets will be a key factor in the scale of production bonuses.

Environment

The Company aims to adopt best practice environmental standards similar to the Equator Principles in all its project areas.

The main focus for the Company concerns management of acidic water, particularly the low pH process solutions and run-off from potentially acid generating surface rocks. During the year, several minor processing related incidents were recorded, mainly broken joints in polypipe and slight tears in HDPE lining. For each of these incidents, contaminated soil was excavated and lime applied to minimize long term damage.

Community

The Company regards its relationship with the local community as its fundamental measure of success of the project and has developed a 15 year plan aimed at assisting the local people achieve long-lasting benefits. Apart from priority local employment and skills training and personal development associated with employment, the Company has encouraged development of local businesses, assisted with health and education programs and has completed a number of infrastructure projects.

- The results of our collaboration with both the local villages and the local government have been encouraging.
- Local supplies now account for 50% of the Company's monthly food bill, a ten-fold increase since 2008. 60% of our local supplies are derived from sources previously not available on the island.
- For the first time in 12 years, immunization was completed for mothers and children throughout the island.
- Three rice harvests have now been completed at Wetar's first rice paddy in the village of Uhak.

The Company also supports charitable foundations for each of the villages by means of a levy on locally sourced goods. The charities are managed by the villagers and provide for scholarships, teacher training, micro-finance schemes, agricultural training and clean water and sanitation programs.



Project Development

The DFS envisaged two stages of project development, with Stage 1 being the expansion of the current 1,800 tpa copper cathode demonstration plant to 5,000 tpa, followed by Stage 2 with expansion to 23,000 tpa copper cathode utilizing the Whim Creek SX-EW plant.

Stage 2 included the development of the Lerokis pit and haulage of Lerokis ore to the Kali Kuning plant to maintain copper cathode production at 23,000 tpa.

During 2010, Finders has completed additional studies and detailed engineering design work in order to optimize production schedules based on the metallurgical results of the demonstration stage and define costs to accuracy levels expected by lenders for project finance. The bulk of the work has focused on:

- Extra geotechnical work to finalize pit shell design.
- Identification of a new waste dump site to reduce the cost of waste material handling.
- Re-assessment of mine scheduling and footprint requirements for leach pads based on copper leaching rates derived from the demonstration plant.
- Updated Heap Leach and drainage requirements based on the new footprints.
- Detailed storm-water ponds designs and re-design according to the new footprints.
- Detailed engineering plans for both SX-EW plants in Stages 1 and 2.
- Revised equipment specifications for all new plant.
- Revised design of the neutralization plant.
- Development of construction schedules.
- Contract tenders to major suppliers and fabrication workshops.
- Front End Implementation plans and schedules to allow a rapid commencement of the Project.
- Identification of long lead items including ordering the Stage 1 rectifier.

The scope of the implementation plan has changed significantly since the DFS. Until Q3 2010, the main focus was to increase early cash flow by extending production from the Expanded Demonstration Plant to 7,000tpa (to be followed by re-installation of the Whim Creek plant to lift production to 23,000 tpa cathode in two separate construction phases). The capital cost for this stage was re-estimated to be US\$25 million plus contingencies; with production capacity increased by 40% relative to the DFS and inclusion of infrastructure previously incorporated in Stage 2 in the DFS. Term sheets were received from six banks in lieu of a possible two stage project finance.

As permitting delays began to encroach on the development schedule, the implementation plan was further revised to maintain the planned timeline for full scale production at 23,000 tpa cathode by commencement of construction of both the Expanded Demonstration and Main Plant at the same time.

Optimisation of the LOM schedule allowed Finders to increase the nameplate capacity to 25,000 tpa cathode. Financial models are nearing completion with banks being requested to submit revised term sheets which reflect a single-stage project finance. Project data is being reviewed by Behre Dolbear Australia, as independent experts.

Expanded Demonstration Plant (Brownfields Expansion)

Detailed Stage 1 engineering design was completed by NeuBau Pty Ltd and Electrowin Consulting Pty Ltd. A Project Development Plan (PDP) was completed to document the development activities and organisation required for Stage 1. All major contracts needed, equipment required, contractors to fabricate and install and the necessary management and supervision required through to commercial operations have been identified. All support requirements such as transport and logistics, camp and catering and fuel and power requirements were also developed in the PDP. Generally, Surabaya will be the engineering base for the fabrication and logistics control and transport for the Wetar Project as occurred in the previous Demonstration Plant construction.

Long lead items have been identified and a selective ordering of key components has commenced such that when the project is committed to development these items do not impede the project delivery schedule.

Orders have been placed for rectifier and harmonic protection systems plus spares with Rapid Power of the USA who also provided the Demonstration Plant unit which has worked well to date. Expected delivery time to Wetar is 7- 9 months. In addition, stainless steel fabrication drawings are complete and shop floor drawings are underway with the preferred Surabaya fabricator.

Operations Review

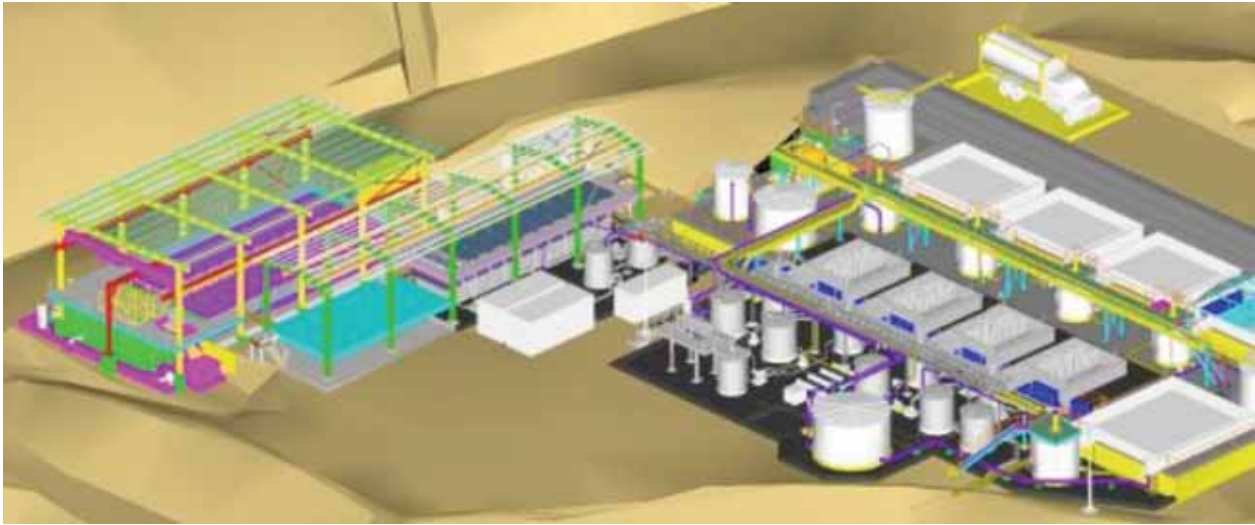


Figure 9. 3D design of EDP with new cell house and mixers/settlers (courtesy of NeuBau Pty Ltd)

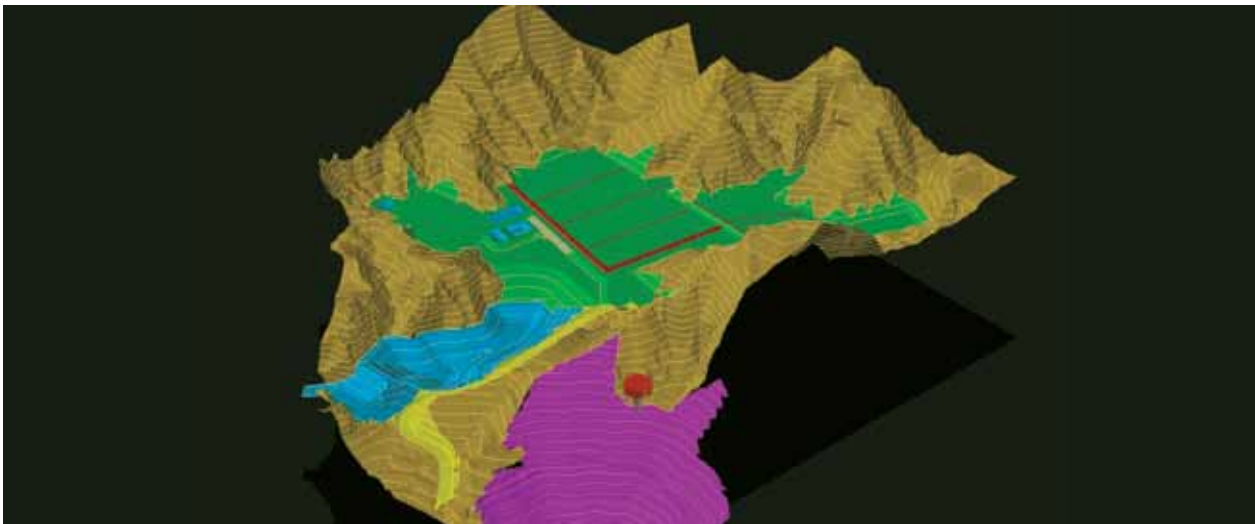


Figure 10. EDP development layout showing existing Kali Kuning pit, view looking east

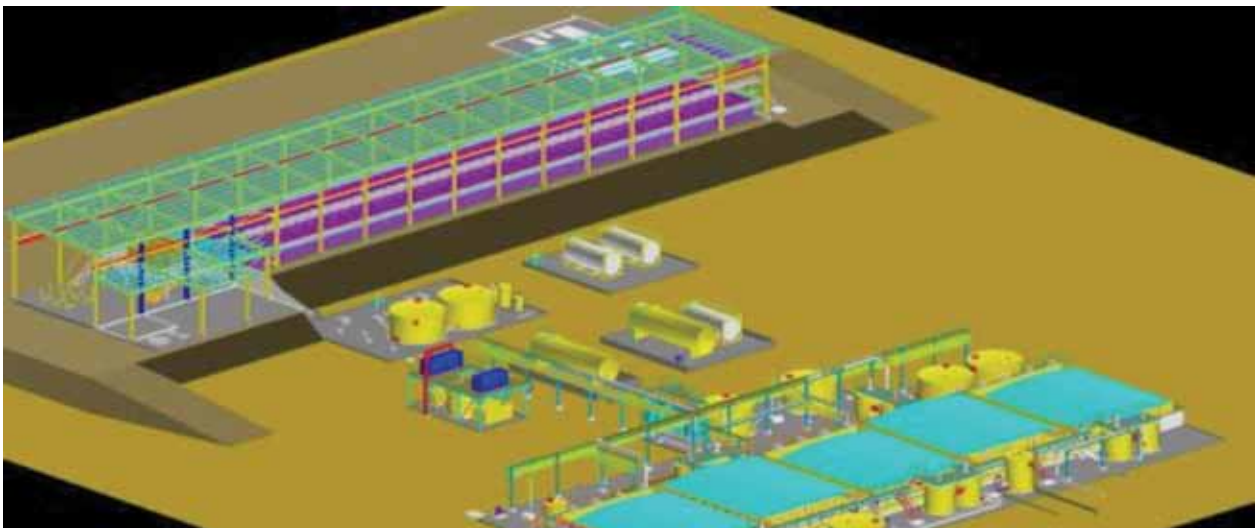


Figure 11. Engineering design CAD view of re-located Whim Creek plant

Main Stage (Whim Creek Plant and Expansion to 25,000tpa Cathode)

In Q4 2010, preliminary capital cost estimates for Stage 2 were revised as a precursor to elevating the Stage 2 components to Bankable Feasibility status on the basis of further detailed engineering studies and equipment inquiries.

The DFS assessed a 7 year period of mining to mine approximately 8.2mt of ore from the Kali Kuning and Lerokis deposits at a 0.95 strip ratio. Production of approximately 146,000t of copper cathode over a 9 year processing period was predicted assuming a 71% terminal copper recovery.

On the basis of better copper recoveries from Heap 3 (80%) and reconciliation of the bulk sample which indicated under-reporting of copper grades by 10-30% in a lithology that comprises 25% of the Kali Kuning ore body, Finders completed mine plan optimization studies. This work determined that when the Stage 2 Whim Creek plant was combined with the Stage 1 Expanded Demonstration Plant that the heap leach profile was capable of 25,000 tpa cathode; an additional increase of 2,000 tpa over the DFS production rate.

In addition, on the assumption that the nearby satellite ore deposit at Meron is later proven to be commercially viable through proposed drilling and metallurgical testing, then it is anticipated that all or part of Meron can be crushed and stacked into the Kali Kuning Valley as well and should this occur then the project life would be extended to 10+ years.

Whim Creek Equipment

Finders exercised its option to purchase the Whim Creek SX-EW plant from Straits Resources in December 2009 for A\$5 million in shares and completed dismantling and containerizing the equipment on budget and on time by April 2010.

The Whim Creek SX-EW plant is capable of producing 18,000t of copper cathode per annum and is well suited to Finders' needs at the Wetar Copper Project. The purchase provides certainty of both supply and timing for key components for the development, as well as significant cost savings compared to the purchase of new equipment.

In Q3 2010, Finders also exercised an option to purchase the Whim Creek 400tph mobile crushed ore to leach-pad stacker and agglomerator for A\$200,000 from Venturex Resources Ltd. The equipment was designed and supplied by Australian Conveyor Engineering Pty Ltd. The capacity of these units matches well with throughput requirements for the Main Stage development. Dismantling of the Whim Creek agglomerator and stacker is complete and are being held in storage in Port Hedland with the SX-EW plant, awaiting

shipping to Indonesia. Both purchases have ensured that the bulk of equipment required for project expansion is now owned by the Company.

Permitting

At the end of March 2010, the Environmental Impact Assessment (known as AMDAL in Indonesia) relating to the Wetar Copper Project was approved by the Governor of Maluku; as recommended by the Regional Environmental Impact Management Agency (BAPEDALDA). The AMDAL submission was based on best practice environmental standards similar to the Equator Principles along with extensive consultation with all stakeholder groups and incorporates the Company's agreements with the local community.

The AMDAL covers an independent and comprehensive assessment of major and significant impacts likely to result from the proposed project activity and includes the:

- Environmental Impact Analysis (ANDAL), containing definition of the environmental baseline;
- Environmental Management Plan (RKL), together with mine closure objectives; and
- Environmental Monitoring Plan (RPL).

In advance of the award of the Mining Permit, a suite of follow-on permits which allow for import of equipment and construction activities to proceed have been progressed. Finders' Indonesian operating company, PT Batutua Tembaga Raya ('BTR') has received approval for a capital expansion with the Foreign Investment Board which will allow use of the "master list" facility to import equipment.

By mid-year, the Feasibility Study, Exploration Stage Report, Mine Closure/Reclamation Plans and all other necessary administrative documents in relation to the application for the Mining Permit were submitted to a team led by the Mines Department of the Province of Maluku. The documents were approved pending minor revisions which were duly completed. In the last quarter of 2010, the local government structure was reorganized with the formation of a new Mines Department at the Kabupaten (or sub-district) level in Maluku Barat Daya; this led to a further review of the administrative requirements which was completed in Q4 2010. Finders believes it has met all the substantive requirements for a mining permit.

In mid-2010, in preparation for a Location Permit (Land Use permit), an inconsistency was identified between advice and permits obtained from the local government and the Forestry Department. The key issue is whether the land used by former mining operations on the island and rented by BTR from the local government falls within a zone of Conversion/Production Forest administered by the Forestry Department or not. In addition, new spatial plans for the region recommend a change of status from Conversion Forest which covers the Kali Kuning and Meron locations to open ground not administered by the Forestry Department.

Operations Review

In December 2010, the Regent of Maluku Barat Daya, who administers the area covering Finders' copper project on Wetar Island, wrote to forty-seven companies with exploration tenements in the district, including Finders. The letter requested the companies to finalise permits required for access to forestry areas and to suspend activities until the permits were issued. Finders took the view that it was prudent to shut down the demonstration plant temporarily in response to this request. Applications for initial forestry permits which will allow Finders to recommence work on the tenements have been submitted to the Minister for Forestry and are awaiting approval. Post-issue of the Mining Permit, a further forestry permit will be required before construction can commence. Once the mining permit is issued, Finders will apply for a forestry permit over the relevant areas. Finders have already prepared most of the required paperwork however formal lodgment of the application cannot occur until the mining permit is issued.

Separately the Province of Maluku has submitted documents to the Forestry Department which will result in the area covering Kali Kuning and Meron being reclassified to open ground. This process is independent of Finders and is currently expected to complete in mid-2011.

Finders is disappointed that the permitting process is taking longer than expected; the process has partly been influenced by local politics and elections for a new Regent in Maluku Barat Daya, with campaigns and several rounds of elections now been running for the last four months. The interim government has indicated that the mining permit can be issued prior to the appointment of the new Regent. There is no indication that the required permits will not be issued.



Ojolali Gold-Silver Project

(Finders - 72% with option to increase to 100%)

The Ojolali Project is an advanced gold-silver prospect in Lampung Province of southern Sumatra covering a 9km long mineralised system with numerous shoots. Ojolali lies within the highly productive Sumatran Gold Belt, which includes Martarbe (+3.7 moz) Lebong Donok (1.5 moz), Lebong Tandai (1.3 moz), Pongkor (3 moz), Cibalung (0.4 moz) and Way Linggo deposits (0.25 moz).

The project has a defined oxide gold resource of 175,000oz at Jambi (Table 4), high grade drill intercepts at Tambang and strong surface showings of gold and silver along its length suggesting at least 1m oz gold potential. Recent geological work by Finders showed that the Jambi resource formed near the original ground surface. Throughout the field only a few holes have been drilled to >100m depth, while epithermal systems commonly persist to depths of 500m and more, which leaves great opportunities for further discoveries at depth.

Finders controls the whole known mineralised system at Ojolali, under a 5,912 km² IUP (No. B.34/DPE-WK/HK/2011) which has been recently renewed to 17 March 2013.

The Ojolali Project's principal target areas are shown in Figure 13.

Jambi Prospect

Detailed drilling at Jambi has defined a potentially low strip ratio predominantly oxide resource of 175,000 oz Au and 1,000,000 oz Ag at a 0.3 g/t Au cut-off.

Preliminary metallurgical testing from Jambi yielded an average recovery of 83% for gold and 63% for Ag in bottle roll testing.

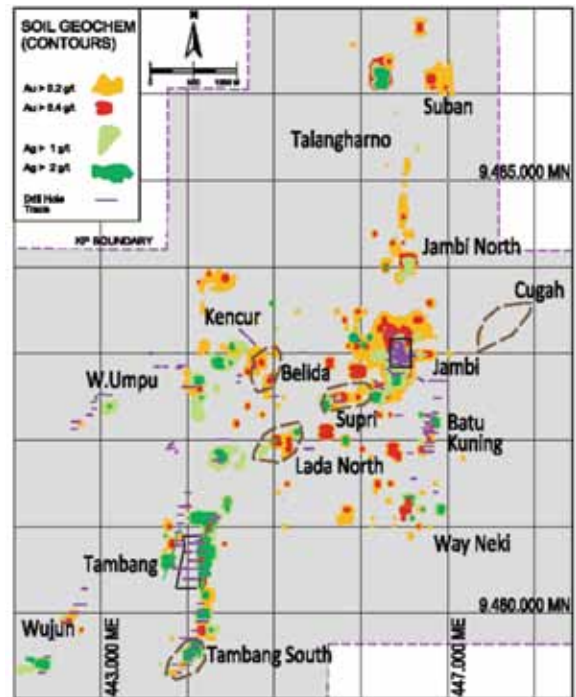


Figure 13. Ojolali Project Map showing key target areas



Figure 12. Jambi Hill Oxide resource

Zone	Indicated			Inferred			Total				
	Tonnes (million)	Au g/t	Ag g/t	Tonnes (million)	Au g/t	Ag g/t	Tonnes (million)	Au g/t	Ag g/t	Au (oz)	Ag (oz)
Oxide	4.1	0.92	4.8	0.39	0.8	3.1	4.5	0.9	4.7	130,000	670,000
Transition	0.79	0.7	6.3	0.07	0.6	6.3	0.85	0.7	6.3	19,000	170,000
Fresh	0.99	0.66	3.9	0.22	0.7	4.5	1.2	0.7	4.0	26,000	160,000
Total	5.9	0.85	4.9	0.67	0.8	3.9	6.5	0.8	4.8	175,000	1,000,000

Cut-off 0.3g/t Au

Table 4. Jambi Mineral Resource

Operations Review

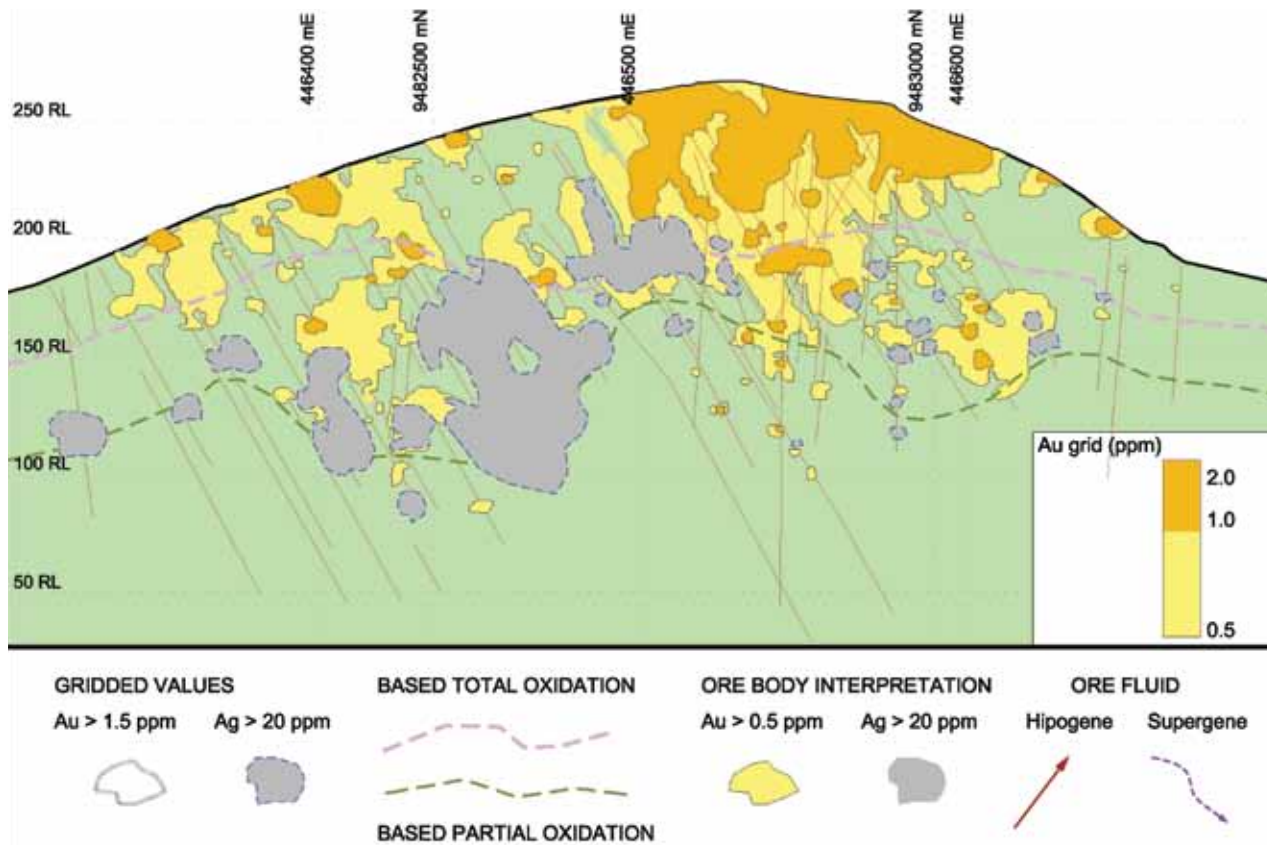


Figure 14. Cross section of Jambi Resource

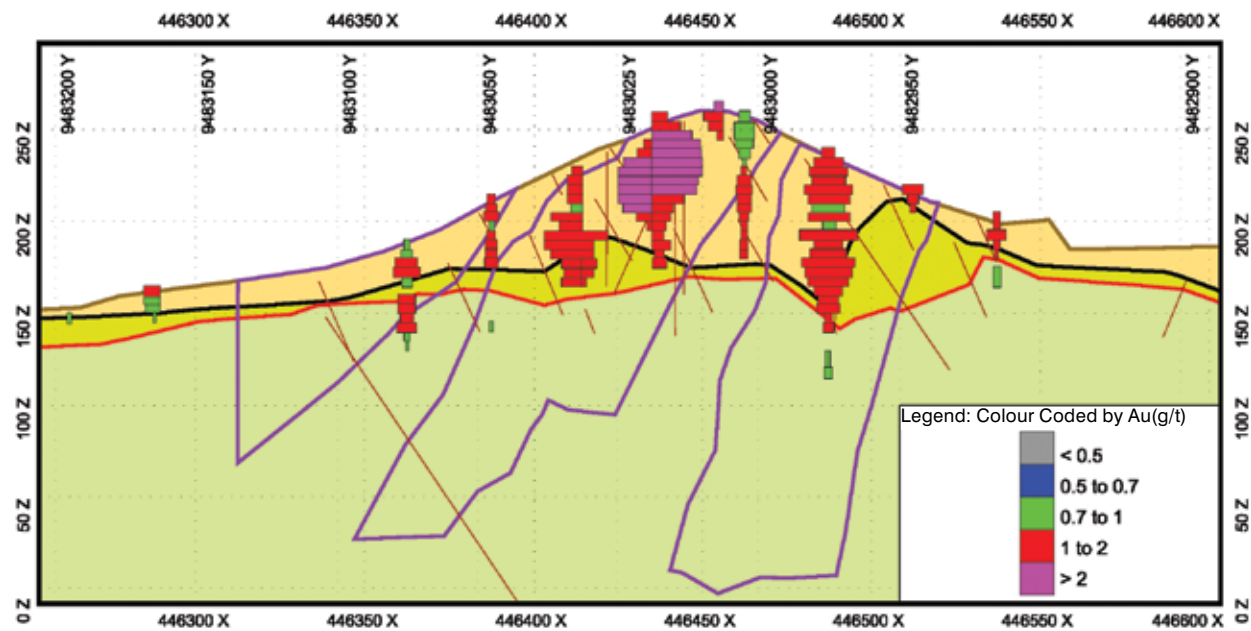


Figure 15. Jambi, oblique north-west to south-east section, view showing Au g/t in resource panels with drill holes and domain boundaries. Green line represents base of total oxidation.

Tambang Prospect

The Jambi system is open at depth with an intercept of 6m @ 7.1 g/t Au and 161 g/t Ag, within 21m @ 2.9 g/t Au and 85 g/t Ag from a depth of 90m in hole number BKJR148. As previously mentioned, similar epithermal systems persist to depths of 500m plus.

The Tambang prospect comprised a 10-20m wide structurally controlled veinlet swarm, mapped over 2.2 km of strike length. Finders has previously announced Inferred Resources of 890,000 oz Au equivalent 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.

Recent reverse circulation drilling by Finders has shown erratic correlations with previous diamond drill results, and that potentially ore grade material at Tambang occurs in higher grade shoots of 100 - 200m strike length and each with 0.5 – 2 million tonne potential, within the overall vein system.

With generally high Ag-Au ratios, and also accompanying low grade Zn, Pb and Cu and Mn mineralization, the metallurgy of Tambang is more complex than Jambi but still has potential for significant resources of both gold and silver in high grade shoots. A program of metallurgical test-work to determine the optimum processing options for Tambang ores is currently in progress. Only the central portion of the Tambang vein system has been adequately drill tested within the top 100m, and the system remains largely open at depth.

It is now considered that the Tambang mineralization will require either additional drilling or work on the metallurgy to meet JORC resource guidelines.

The Tambang vein system continues to yield strong encouragement for exploration, as evidenced by recent RC drilling and trench sampling results listed below.

- A new high grade gold-rich shoot that is completely open at depth with an intersection of 7m grading 5.62 g/t Au and 70 g/t Ag from 55m depth within a broader intercept of 24m grading 1.84 g/t Au and 38 g/t Ag and 0.56% Zn from 49m depth in TBGR 29.
- - 13m grading 184 g/t Ag and 0.41 g/t Au from 23m in TBGR 21
 - 20m grading 128 g/t Ag and 0.39 g/t Au from 52m depth in TBGR 19
 - 1m grading 658 g/t Ag and 0.52 g/t Au from 30m depth in TBGR 20
- Wide low grade gold intercepts, including some narrow but very high grade gold intercepts, from surface trenching, extending over 1 km south from Finders recent drilling, including (horizontal bedrock channel samples in E-W trenches, using 0.3 g/t Au cut-off):
 - 40m @ 1.39 g/t Au including 2m at 15 g/t Au in trench TBG 28 (9480250m N)
 - 34m @ 3.35 g/t Au including 2m at 50 g/t Au in trench TBG 19 (9479850m N)
 - 26m @ 1.35 g/t Au in trench TBG 7 (9479400m N)

Ongoing Exploration

Finders is targeting a resource base of around 500,000 ounces for the Ojolali project as a basis for an initial mine feasibility study. Current exploration is restricted to low cost surface trenching and ongoing metallurgical testing of material from Jambi and Tambang prospects. A major drilling program to define additional resources is planned, subject to completion of financing for the Wetar project.

Competent Persons Statement

The information in this report that relates to exploration potential, mineral resource and ore reserve estimation for the Wetar Copper Project and the geological data and geological and geophysical interpretations for the Ojolali Project is the responsibility of Dr Russell Fountain. Dr Fountain is a Director of Finders and a Fellow of the Australian Institute of Geoscientists. 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 a Competent Person as that term is defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). He consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

All assaying of drill core 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.

For the Ojolali Project, Hellman and Schofield Pty Ltd accepts responsibility for classifying the current estimates as Indicated and Inferred, provided Finders nominate a Competent Person, or Persons to accept responsibility for the data on which it is based, including the geological interpretation and geophysical data and to attest to the reasonable prospect of eventual economic extraction of the mineral resources. Information in this report that relates to the Jambi Mineral Resource Estimation reflects information compiled by Mr Robert Spiers. Resource estimation was also undertaken by Mr Spiers who is a full time employee of Hellman and Schofield Pty Ltd. Mr Spiers is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as that term is defined in the JORC Code.

Operations Review

Tenements

Tenement IUP Decision No.	Tenement Type	Expiry Date	Area (ha)	Term	Holder	Finders Interest
Wetar Copper Project						
543.4 - 190 Tahun 2009	IUP Exploration	31 Dec 2012	1,372	3 years	BKP	95.0%
543.4 - 191 Tahun 2009	IUP Exploration	31 Dec 2012	1,361	3 years	BKP	95.0%
545 - 192 Tahun 2009	IUP Exploration	31 Dec 2012	1,425	3 years	BBW	95.0%
540 – 28.b Tahun 2010	IUP Exploration	09 Jan 2013	515	4 years	BBW	95.0%
Wetar South Coast Exploration						
540 – 28.a Tahun 2010	IUP Exploration	16 Oct 2011	2,636	6 years	BKP	95.0%
540 – 28.c Tahun 2010	IUP Exploration	09 Jan 2013	1,418	4 years	BKP	95.0%
540 – 28.d Tahun 2009	IUP Exploration	09 Jan 2013	1,021	4 years	BBW	95.0%
540 – 28.e Tahun 2009	IUP Exploration	09 Jan 2013	1,106	4 years	BBW	95.0%
540 – 28.f Tahun 2009	IUP Exploration	09 Jan 2013	1,148	4 years	BBW	95.0%
Ojolali Gold-Silver Project						
B.34/DPE-WK/HK/2011	IUP Exploration	17 Mar 2013	5,912	2 years	BWKM	71.7%

Finders' interests in the Wetar Copper Project and the Ojolali Project are held through its Indonesian subsidiaries, PT Batutua Tembaga Raya ("BTR") and PT Batutua Lampung Elok ("BLE"). BTR and BLE are parties to certain cooperation agreements with Indonesian companies, PT Batutua Kharisma Permai ("BKP"), PT Batutua Barit Wetar ("BBW") and PT Batutua Way Kanan Minerals ("BWKM") that hold exclusive mining authorisations (Izin Usaha Pertambangan ("IUP")).



Finance

The group's activities during the year comprised largely the operation of the Wetar Copper Project demonstration plant and engineering and planning for the development of the full scale project pending the issue of the requisite permits by the Indonesian authorities. There was a limited drilling programme at the Ojolali gold-silver project.

The Wetar project received approval in 2008 to mine 100,000 tonnes of ore for trial processing through the 5 tonne per day SX-EW demonstration plant. Copper production commenced in February 2009. With no fresh ore under irrigation, copper production in 2010 declined gradually over time as expected. Production during the first half-year was 869 tonnes, reducing to 523 tonnes in the second half-year.

Results

The consolidated loss after income tax for the year ended 31 December 2010 was \$8,611,000 (6 months ended 31 December 2009: \$3,108,000).

The result for the year (refer table below) reflects the effect of the declining production coupled with the high fixed costs in operating a small scale demonstration plant.

		2010 Jan-Jun	2010 Jul-Dec	2010 Total	2009 Jul-Dec
Copper cathode produced	tonnes	869	523	1,392	567
Copper cathode sold	tonnes	940	501	1,441	416
Sales revenue	\$000	7,316	3,970	11,286	2,985
Raw materials and consumables	\$000	(5,651)	(5,972)	(11,623)	(3,936)
Change in inventories	\$000	(928)	(260)	(1,188)	738
Cost of sales	\$000	(6,579)	(6,232)	(12,811)	(3,198)
Gross profit (loss)	\$000	737	(2,262)	(1,525)	(213)
Other income	\$000	620	218	838	624
Administration and other costs	\$000	(2,733)	(3,064)	(5,797)	(2,235)
Depreciation and amortisation	\$000	(834)	(423)	(1,257)	(662)
Exploration expenditure	\$000	(663)	(206)	(869)	(206)
Income tax	\$000	-	(1)	(1)	(3,108)
Loss after income tax	\$000	(2,873)	(5,738)	(8,611)	(3,108)

The group generated \$11.3 million in revenue from the sale of 1,441 tonnes of copper cathode, which included the sale of copper in inventory carried over from the previous period. The copper cathode was sold at an average price of US\$3.27/lb, compared to the London Metals Exchange average cash settlement price of US\$3.42/lb for the year, reflecting the weighting of sales towards the first half of the year when prices were lower.

The Company also raised \$0.8 million from the sale of its entire shareholding of 5.9 million shares in Geopacific Resources NL, realising a profit of \$0.5 million.

Overall, costs were higher than the previous period, largely attributable to increased transport and logistics requirements due to the Wetar Project's remote location and increased personnel and other costs as the group gears up for the full scale development and operation of the project.

Operations Review

Financial Position and Cash Flows

The group had \$14.4 million in cash at year-end. Its financial position was strengthened during the year by a \$20.5 million capital raising at \$0.28 per share. The funds raised are being used to advance the development of the Wetar Copper Project and for working capital.

Copper cathode sales contributed \$10 million to cashflow during the year. The group also raised \$0.8 million from the sale of the shares it held in Geopacific Resources NL.

The group made significant investments in the Wetar Copper Project during the year. Following the purchase of the Whim Creek SX-EW plant from Straits Resources Limited in December 2009, the group expended \$2.2 million in dismantling and containerising the plant in preparation for shipping to Wetar Island. Plant and equipment acquired during the year included the Whim Creek stacker and agglomerator and payments were also made for long-lead items (rectiformer and electrolyte filter). Significant engineering, geotechnical and other development-related costs were also incurred as the project development team continued to advance the Wetar Copper Project towards full scale development. Development costs capitalised during the year totalled \$2.3 million.

Total exploration expenditure during the year was \$0.9 million. A description of the work carried out during the year is set out in the Ojolali project review.

The group has no borrowings except for a US\$1.5 million 12% convertible note which if not converted, will be repayable on 19 January 2012. The note is convertible into 6.46 million Finders shares at \$0.36 per share.



Restructure of Wetar Copper Project Ownership

Subsequent to balance date, the Company acquired all the shares in Banda Minerals Pty Ltd it did not already own, thereby making Banda Minerals Pty Ltd a wholly-owned subsidiary. The consideration for the acquisition was \$1.47 million, comprising US\$675,000 in cash and 2 million fully paid ordinary shares in the Company which are subject to vesting conditions. The shares were acquired from PT Batutua Kharisma Permai ("BKP"), the Company's joint venture partner in Indonesia.

BKP was also entitled to a royalty on the Wetar Copper Project equal to 5% of net profits of PT Batutua Tembaga Raya ("BTR"), the subsidiary that holds the Company's interest in the project.

To ensure compliance with the new Indonesian mining regulations, the Company has reached in principle agreement with BKP to merge BTR with BKP (subject to there being no legal or taxation impediments) 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 the Company holding a 95% interest.



Board of Directors



Russell J Fountain

Non-Executive Chairman

(Appointed 30 March 2004)

Qualifications

- BSc (University of Sydney),
PhD (University of Sydney), FAIG

Experience

- Dr Fountain has over 40 years of successful international experience in all aspects of mineral exploration, project feasibility and development of mining projects.

Interest in Shares and Options

- 7,505,277 Ordinary Shares

Special Responsibilities

- Member of Remuneration Committee

Other Listed Company

- Geopacific Resources NL (since 9 May 2006)

Directorships in last 3 years



Christopher B Farmer

Managing Director

(Appointed 30 March 2004)

Qualifications

- BSc (Hons) (University of Southampton), MBA (Ashridge), PhD
(Royal School of Mines, Imperial College)

Experience

- Dr Farmer has over 20 years of international experience in all aspects of exploration, with a strong emphasis on business development.

Interest in Shares and Options

- 5,965,695 Ordinary Shares
1,500,000 Ordinary Shares under employee incentive plan

Special Responsibilities

- Nil

Other Listed Company

- Nil

Directorships in last 3 years

Board of Directors



Robert P Thomson

Executive Director - Development

(Appointed 6 January 2009)

- Qualifications — BE (Mining) (University of Queensland), MBA (University of Wollongong), FAusIMM
- Experience — Mr Thomson has over 30 years of Australian and international mining experience. He has worked on 5 Asian development projects in the last 13 years including GM Development, Chatree Gold Mine in Thailand and Project Director, Sepon Gold Mine in Laos. Mr Thomson was CEO of Climax Mining Limited from 2003 to 2006 and Asian Mineral Resources Limited from 2006 to 2008.
- Interest in Shares and Options — 569,405 Ordinary Shares
750,000 Ordinary Shares under employee incentive plan
2,000,000 options expiring 8 May 2014 (exercise price - \$0.30)
- Special Responsibilities — Nil
- Other Listed Company Directorships in last 3 years — Asian Mineral Resources Limited (TSX.V) (16 April 2004– May 2009)



James H Wentworth

Finance Director

(Appointed 8 March 2011)

- Qualifications — LLB (Hons), BCom (University of Queensland)
- Experience — Mr Wentworth is a qualified solicitor with over 17 years of financial and commercial experience, including a number of transactions in the mining and mining services industries. Prior to joining the Company, he spent nine years with Sydney based private equity firm CHAMP Ventures where he was a director and member of the investment committee.
- Interest in Shares and Options — 1,100,000 Ordinary Shares under employee incentive plan
- Special Responsibilities — Nil
- Other Listed Company Directorships in last 3 years — Nil



Stephen R de Belle

Independent Non-Executive Director

(Appointed 27 November 2004)

- Qualifications — BA (Macquarie University), MSc (London University), MTCP (University of Sydney)
- Experience — Mr de Belle has been closely involved with the start-up and operation of iron ore, coal, base metals, gold and petroleum projects and companies, and has particular expertise in the development and financing of projects in the resources and infrastructure sectors both in Australia and overseas. He is currently managing director of a geothermal and power technology company.
- Interest in Shares and Options — 4,570,315 Ordinary Shares
- Special Responsibilities — Chairman of Audit, Remuneration and Nomination Committees
- Other Listed Company Directorships in last 3 years — Mantle Mining Corporation Limited (since 3 July 2006)
Midwest Corporation Limited (10 Apr 2003 – 10 Sep 2008)



Stephen J Lonergan

Independent Non-Executive Director

(Appointed 22 March 2005)

Qualifications

- LLB (Hons) (Australian National University), LLM (McGill University)

Experience

- Mr Lonergan is a commercial lawyer based in Sydney with more than 30 years experience in the Australian and international mining industry, having been General Counsel of Pancontinental Mining Group, a partner at Baker & McKenzie Sydney, and General Counsel and Company Secretary of Savage Resources Limited. Mr Lonergan was until recently General Counsel and Company Secretary of CBH Resources Limited. He is currently Executive Director – Commercial and Company Secretary of Kimberley Metals Limited.

Interest in Shares and Options

- 70,733 Ordinary Shares

Special Responsibilities

- Member of Audit, Remuneration and Nomination Committees

Other Listed Company

- Paradigm Metals Limited (since 18 November 2003)

Directorships in last 3 years

- Kimberley Metals Limited (appointed 23 November 2010)
- CBH Resources Limited, Alternate Director (19 March 2008 -11 July 2008)



T Quinn Roussel

Non-Executive Director

(Appointed 25 March 2009)

Qualifications

- BSc (Mining Engineering) (Colorado School of Mines), MBA (University of South Carolina and Wirtschafts Universitat – Wien)

Experience

- Mr Roussel is a US based Principal of Resource Capital Funds (“RCF”), a mining-focused private equity firm investing in hard rock mineral commodities at various stages of development. Prior to joining RCF he was Director of Business Development at Asian American Coal in China. He has also served as an engineer in underground and open-cut coal mines and open-cut gold mines.

Interest in Shares and Options

- Nil

Special Responsibilities

- Member of Remuneration Committee

Other Listed Company

- Nil

Directorships in last 3 years



Michael H Stirzaker

Non-Executive Director

(Appointed 3 June 2009)

Qualifications

- BCom (University of Cape Town), CA (Australia)

Experience

- Mr Stirzaker is a Chartered Accountant with more than 25 years of commercial experience, most of which has been in the mining finance and mining investment sectors, including mergers and acquisitions and capital raisings. Mr Stirzaker was the Company’s Finance Director until 31 October 2010.

Interest in Shares and Options

- 4,017,858 Ordinary Shares

Special Responsibilities

- Nil

Other Listed Company

- Nil

Directorships in last 3 years

Corporate Governance

The Board of Directors supports good corporate governance principles and practices. Notwithstanding its small size, the Company aims to comply with the Corporate Governance Principles and Recommendations 2nd Edition published in 2007 ("ASX Principles") set by the ASX Corporate Governance Council ("Council") to the extent appropriate and practical. However where compliance is inappropriate or impractical, these departures from the ASX Principles are explained in this statement.

The Directors have adopted the following charters and policies and copies are available on the Company's website together with the Company's Constitution.

Audit Committee Charter
Board Charter
Code of Conduct
Continuous Disclosure Policy
Nomination Committee Charter
Remuneration Committee Charter
Risk Management Policy
Securities Dealing Policy
Shareholder Communication Policy

ASX Principle 1: Lay Solid Foundations for Management and Oversight

Council states that a company should "*Establish and disclose the respective roles and responsibilities of board and management*".

The Board Charter defines the operation of the Board of Directors, its role, composition and responsibilities and the separation of the role of the Board from that of the management.

The Board is responsible for -

- a) setting the Company's values and standards of conduct;
- b) providing leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- c) setting the Company's direction, strategies and financial objectives;
- d) approving business plans and annual budgets;
- e) approving half-year and annual financial reports;

- f) ensuring that the performance of management, and the Board itself, is regularly assessed and monitored;
- g) monitoring compliance with regulatory and ethical standards; and
- h) appointing, terminating and reviewing the performance of the Managing Director and Executive Directors.

The Board has delegated authority for the operations and administration of the Company to the management team, led by the Managing Director.

The roles of the Chairman and the Managing Director are separate.

The Chairman is responsible for -

- a) leading the Board in its duties to the Company;
- b) ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
- c) facilitating effective discussions at Board meetings;
- d) ensuring effective communication with shareholders; and
- e) developing an effective working relationship with the Managing Director and Executive Directors.

The Managing Director is responsible for -

- a) policy direction of the operations of the Company;
- b) the efficient and effective operation of the Company;
- c) ensuring directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the Board;
- d) ensuring all material matters affecting the Company are brought to the Board's attention; and
- e) maintaining regular communication with the Chairman on operational and strategic matters.

A formal process for evaluating the performance of senior executives, including Executive Directors, was implemented in April 2010. Senior executives were individually appraised by the Managing Director and the relevant Executive Director. Executive Directors were appraised by their respective senior executive staff as well as by their fellow directors as part of Board performance evaluation.

ASX Principle 2: Structure the Board to Add Value

Council states that a company should *"Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties"*.

The Board consists of 8 directors. A description of the skills and experience of each Board member and their period of office are contained in the Directors' Report.

Independent Directors

Stephen de Belle Non-Executive Director

Stephen Lonergan Non-Executive Director

Non - Independent Directors

Russell Fountain Non-Executive Chairman

Christopher Farmer Managing Director

Robert Thomson Executive Director – Development

James Wentworth Finance Director

Quinn Roussel Non-Executive Director

Michael Stirzaker Non-Executive Director

The majority of the Board comprise of non-independent directors. Messrs Fountain, Farmer, Stirzaker, Thomson and Wentworth are not independent (see definition below) as they have been or are employed in an executive capacity. Mr Roussel, being a Principal of Resource Capital Funds (a substantial shareholder in the Company), is considered to be not an independent director. Notwithstanding, the Company believes that the present composition of the Board is appropriate for the following reasons –

- a) it provides a balance of skills and expertise that are required and that are appropriate at this stage of the Company's development;
- b) each of the non-independent directors, other than Mr Roussel, has a significant personal stake in the Company and the Board believes that, on balance, this serves to align their interests with those of shareholders and other stakeholders.

The Chairman, Dr Fountain, was the Executive Chairman until 25 March 2009 and is not considered to be independent. Having regard to the composition of the Board, the directors have taken the view that it is in the best interest of the Company that Dr Fountain serve as chairman of the Board.

Independence

An independent director is a non-executive director (ie is not a member of management) and -

- a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- b) within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
- c) is not a principal or employee of a professional adviser to the Company or its subsidiaries whose billings exceed five per cent of the adviser's total revenue;
- d) is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company exceed five per cent of the supplier's total revenue. A significant customer is one whose amounts payable to the Company exceed five per cent of the customer's total operating costs;
- e) has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Term

The Board has not adopted a tenure policy. In accordance with the Constitution of the Company, no director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

Independent Advice

The Board, or individual directors, may obtain independent professional advice if it (or the director) considers necessary, with the costs to be borne by the Company.

Corporate Governance

Nomination Committee

The members of the Committee are –

Stephen de Belle (Chairman)
Stephen Lonergan

Under the Nomination Committee Charter, candidates for Board positions are nominated by the Nomination Committee for consideration by the Board. In selecting new members for the Board, directors have regard to the appropriate skills and characteristics needed by the Board as a whole. The directors endeavour to appoint individuals who would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company, at least one of whom will have appropriate technical and commercial skills relevant to the mining industry.

The Nomination Committee did not meet during the financial year. All director appointment issues were dealt with by the whole Board at directors meetings.

Board Performance Evaluation

A formal evaluation process for the Board and individual directors was implemented in April 2010. The process, conducted during the year, required individual directors to evaluate their fellow directors as well as themselves.

ASX Principle 3: Promote Ethical and Responsible Decision-Making

Council states that a company should “*Actively promote ethical and responsible decision-making*”.

Code of Conduct

The Company conducts its business within the guidelines set out in the Code of Conduct. Under the Code all directors and employees are required to -

- a) comply with the law;
- b) act honestly and with integrity;
- c) not place themselves in situations which result in a conflict of interest;
- d) use the Company’s assets responsibly and in the best interests of the Company;
- e) be responsible and accountable for their actions.

Adherence to the Code is a term of employment with the Company.

Employees are encouraged to report any violations of this Code of Conduct to the Managing Director or to the Chairman where a concern or conflict issue involves a director.

Securities Dealing Policy

The Company adopted a new Securities Dealing Policy in December 2010. The Securities Dealing Policy is to create awareness of the legal prohibition on dealing in securities of the Company and deals with the manner in which directors, employees and contractors can deal in securities in the Company. The policy rules are designed to assist in preventing breaches of the insider trading provisions of the Corporations Act. The policy also aims to ensure that the Company’s reputation and those of its employees and directors is not adversely impacted by perceptions of dealing at inappropriate times.

The policy also imposes additional dealing restrictions on key management persons (“KMP”). KMPs are permitted to deal in the Company’s securities throughout the year except during the following periods:

- a) the period commencing 10 business days prior to the financial year-end and ending 24 hours after the release of the Company’s annual results;
- b) the period commencing 10 business days prior to the half year-end and ending 24 hours after the release of the Company’s half-year results; and
- c) any other period where they are in possession of information and, were they to deal in the Company’s securities, would cause a breach of the insider trading provisions of the Corporations Act, such period ending 24 hours after the release of the information to the stock exchange on which the Company’s securities are quoted.

At all times, a KMP is prohibited from dealing in the Company’s securities without first giving prior notification of the proposed dealing to –

- a) if the KMP is a Director, giving prior notification of the proposed dealing to the Chairman;
- b) if the KMP is the Chairman, giving prior notification of the proposed dealing to a Non-Executive Director;
- c) if the KMP is a person other than a Director, giving prior notification of the proposed dealing to the Managing Director or in his absence, a Non-Executive Director.

Where the proposed dealing is approved, the KMP must complete the dealing within 10 business days of the approval.

A KMP is also prohibited from engaging in frequent and regular trading activity involving the Company’s securities or derivatives with a view to deriving profit related income from that activity.

Directors are required to provide details of all changes to their interest in the Company’s securities registered in the name of the director or held on behalf of the director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than two business days after the change to allow for compliance with the listing rule obligations.

ASX Principle 4: Safeguard Integrity in Financial Reporting

Council states that a company should *“Have a structure to independently verify and safeguard the integrity of their financial reporting”*.

The Company has accounting policies, systems and procedures for ensuring that its financial reports present a true and fair view of its financial position in all material respects. The policies, systems and procedures cover areas of significance to the financial statements such as revenue recognition, accounting for non-current assets, payroll, control of cash and other assets, recording of liabilities and authority levels.

The Managing Director and Chief Financial Officer provide the Board with a written statement pursuant to Section 295A of the *Corporations Act 2001* that the financial records of the Company for each financial period have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*, the financial statements and notes thereto comply with the accounting standards and give a true and fair view and, that to the best of their knowledge, the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and the Company’s risk management and internal compliances and control system is operating efficiently and effectively in all material respects.

Audit Committee

The Committee’s role and responsibilities, powers and membership requirements are set out in an Audit Committee Charter.

The Committee provides assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company’s financial reporting, internal control structure, risk management systems and external audit functions. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary at the Company’s cost.

The members of the Committee are two independent non-executive directors -

Stephen de Belle (Chairman)
Stephen Lonergan

Details of the qualifications of each Committee member, the number of Committee meetings held and the attendance of each Committee member are set out in the Directors’ Report.

Appointment and Rotation of External Auditor

If a change in external auditor is proposed, responsibility for recommending the external auditor (to be proposed for shareholder approval) and for evaluating the external auditor shall lie with the Audit Committee.

The Committee aims to recommend an external auditor who demonstrates independence and integrity and who has the capacity to support the group’s business operations in Australia and Indonesia.

The audit partner responsible for the audit shall be rotated at least every five years. At least two years must elapse before the audit partner can again be involved in the audit of the Company.

ASX Principle 5: Make Timely and Balanced Disclosure

Council states that a company should *“Promote timely and balanced disclosure of all material matters concerning the company”*.

The Continuous Disclosure Policy sets out how directors and employees shall deal with potentially price-sensitive information to ensure that the Company complies with its continuous disclosure obligations which require the Company to immediately notify the Australian Stock Exchange (ASX) of any such information.

The Managing Director and Executive Directors constantly monitor all Company activities with a view to determining the possible need for disclosure of price-sensitive information.

Directors and the management team notify the Managing Director or the Company Secretary immediately if they become aware of any information that should be considered for release to the market.

Disclosures concerning financial information are reviewed and approved by the Chairman of the Audit Committee prior to their release to ASX.

Price-sensitive information is released to ASX.

Price-sensitive information is not disclosed to analysts or others outside the Company until after the ASX confirms that the announcement has been released.

The information is posted on the Company’s website immediately after the ASX confirms that the announcement has been released, with the aim of making the information accessible to the widest audience.

The Company has a policy of not responding to market rumours and speculation unless it is required to do so by ASX.

Where the Company is not able to make an immediate announcement of market sensitive information, it may choose to apply for a trading halt of its securities on ASX. A trading halt can only be sought by the Managing Director in consultation with the Chairman.

Corporate Governance

ASX Principle 6: Respect the Rights of Shareholders

Council states that a company should “*Respect the rights of shareholders and facilitate the effective exercise of those rights*”.

The aim of the Shareholder Communication Policy is to provide shareholders with information about their company to enable them to exercise their rights as shareholders in an informed manner.

Shareholders and other interested parties are invited to register to receive email alerts of announcements posted on the Company’s website.

Shareholders are encouraged to attend all meetings, or if unable to attend, to vote on the motions proposed by appointing a proxy.

The Company’s auditor attends each Annual General Meeting and is available to answer questions about the conduct of the audit and the preparation and contents of the auditor’s report.

ASX Principle 7: Recognise and Manage Risk

Council states that a company should “*Establish a sound system of risk oversight and management and internal control*”.

The Company faces material business risks arising from its profile as an exploration company in transition to a mining company and includes operational and financial risks and others such as reputation and regulatory risks.

Risk management strategies adopted shall include –

- a) health, safety and environment policies;
- b) internal control policies and procedures;
- c) financial authority limits;
- d) business plans and budgets;
- e) monthly reporting against budgets;
- f) insurance programme; and
- g) hedging strategies, where appropriate.

The above strategies are implemented in conjunction with other policies adopted by the Company, including the code of conduct, continuous disclosure policy and securities dealing policy to provide a comprehensive risk management policy.

The Board monitors and reviews areas of significant business risks regularly through –

- a) monthly financial reports, including reports on the operations;
- b) attendance at Board meetings held at least six times a year;
- c) tour of operations and major exploration sites;
- d) presentations by the Managing Director, Executive Directors and senior management at Board meetings;
- e) informal briefings by the Managing Director and Executive Directors; and
- f) reports by the Chairman of the Audit Committee and circulation of minutes of Audit Committee meetings to the Board.

The Managing Director and Chief Financial Officer have provided the Board with a written statement pursuant to section 295A of the *Corporations Act 2001* that the financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*, the financial statements and notes thereto comply with the accounting standards and give a true and fair view and, that to the best of their knowledge, the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and the Company’s risk management and internal compliances and control system is operating efficiently and effectively in all material respects.

ASX Principle 8: Remunerate Fairly and Responsibly

Council states that a company should “*Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear*”.

Remuneration Committee

The members of the Committee are -

Stephen de Belle (Chairman)
Stephen Lonergan
Russell Fountain (appointed 2 March 2010)
Quinn Roussel (appointed 2 March 2010)

Messrs Fountain and Roussel were appointed as additional members of the Committee on 2 March 2010. The Remuneration Committee Charter requires that the Committee consists of a majority of independent directors. Whilst the additional appointments results in an equal number of independent and non-independent directors, the Board believes the appointments are appropriate given the expanding operations of the group. The Chairman of the Committee is an independent director.

Details of the qualifications of each Committee member, the number of Committee meetings held and the attendance of each Committee member are set out in the Directors' Report.

The Committee's role and responsibilities, powers and membership requirements are set out in a Remuneration Committee Charter.

The Committee advises the Board on remuneration policies and practices generally to assist the Board in the discharge of its responsibilities for human resources and remuneration matters.

The objective of the Committee is to ensure that –

- a) the Company's remuneration policy is designed to align senior executives' interests with those of shareholders;
- b) remuneration level is commensurate with a person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating employees of the highest calibre.

Full details of the Company's remuneration policy and the structure and level of remuneration paid during the year ended 31 December 2010 are set out in the Remuneration Report section of the Directors' Report. Other than statutory superannuation, there are no schemes for retirement benefits for both executives and non-executive directors. The Company does not permit the hedging of unvested incentive securities issued to executive directors, eligible employees and consultants. The Company's policy in this matter is contained in its Security Dealing Policy, a copy of which can be found on the Company's website.

Directors' Report

Your Directors present their report on the Company and its controlled entities ("consolidated entity") for the year ended 31 December 2010.

Directors

The directors in office during the financial year and up to the date of this report are:

Russell J Fountain	Non-Executive Chairman
Christopher B Farmer	Managing Director
Robert P Thomson	Executive Director – Development
James H Wentworth	Finance Director
Steven R de Belle	Non-Executive Director
Steven J Lonergan	Non-Executive Director
T Quinn Roussel	Non-Executive Director
Michael H Stirzaker	Non-Executive Director

Details of the qualifications, experience, interest in shares and options, special responsibilities and other listed company directorships of the above are set out on pages 17 to 19.

Company Secretary

Ian H Morgan

(Appointed 27 November 2004)

Qualifications — BBus (NSW Institute of Technology), MComm Law (Macquarie University), Grad Dip App Fin (Securities Institute), CA, ACIS, MAICD, FFin

Experience — Mr Morgan is a Chartered Accountant and Company Secretary with over 25 years experience in accounting and corporate administration.

He has been involved in the resources sector for many years and his current clients include being Company Secretary of King Island Scheelite Limited, Metals Finance Limited and Newcastle Coal Infrastructure Group Pty Ltd. Mr Morgan is also an Executive Director of Spencer Hamilton Limited.

Principal Activities

The principal activities of the consolidated entity during the financial year were -

- Operation of the Wetar Copper Demonstration Project;
- Wetar Copper Project feasibility study;
- Exploration for copper and gold in Indonesia; and
- Investment in resource-based companies.

During the year, the Company sold its shareholding of 5,900,000 fully paid ordinary shares in Geopacific Resources NL for a total cash consideration of \$0.8 million, realising a profit of \$0.5 million. Other than the foregoing, there was no significant change in the nature of those activities during the financial year.

Change of Financial Year-End

Pursuant to an order dated 10 March 2010, the Australian Securities and Investments Commission granted the Company approval to change its financial year-end from 30 June to 31 December so as to align the balance dates of companies in the consolidated entity. The change was effective from 31 December 2009 and accordingly, the financial statements attached to this report are for the twelve months ended 31 December 2010, with comparative information for the six months ended 31 December 2009.

Operating Results

The consolidated loss after income tax for the year ended 31 December 2010 was \$8,611,000 (6 months ended 31 December 2009: \$3,108,000).

Review of Operations and Business Strategies

The operating and financial review of operations during the year are set out on pages 2 to 16.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:

- a) The Company raised \$20.5 million through a share placement of 73.2 million shares at \$0.28 per share;
- b) As discussed above, the Company is awaiting the issue of permits required for access to forestry areas at the Wetar Copper Project. Pending issue of the permits and in response to a request from the Regent of Maluku Barat Daya, who administers the area covering the project, the Company has taken the view that it is prudent to shut down the demonstration plant temporarily.

Likely Developments and Expected Results

Other than as referred to in this report, further information as to likely developments in the operations of the consolidated entity and the likely results of those operations would, in the opinion of the Directors, be speculative and/or prejudicial to the interests of the consolidated entity.

Significant Events After Balance Date

Subsequent to balance date -

- a) The Company acquired all the shares in Banda Minerals Pty Ltd it did not already own, thereby making Banda Minerals Pty Ltd a wholly-owned subsidiary. The consideration for the acquisition was \$1.47 million, comprising US\$675,000 in cash and 2 million fully paid ordinary shares in the Company.
- b) The Company cancelled its listing on the AIM market of the London Stock Exchange ("AIM"). The Company incurs significant compliance and other costs associated with maintaining an AIM listing which were not justified by the low trading volume on AIM.

Other than the above, the Directors are not aware of any matter or circumstance, which has arisen since the end of the financial year that has significantly affected or may significantly affect:

- a) the operations of the consolidated entity;
- b) the result of those operations; or
- c) the state of affairs of the consolidated entity; in subsequent financial years.

Dividends Paid or Recommended

There was no dividend paid, recommended or declared but not paid, during the financial year.

Environmental Issues

The consolidated entity adopts "best practice" environmental management techniques from the wider mining community, particularly Australian standards of operation, in managing environmental issues at all its project areas.

In each of the project areas, the consolidated entity has engaged reputable independent consultants to undertake extensive environmental studies, including base line studies, design of monitoring programmes and rehabilitation. The consolidated entity is not aware of any endangered species of flora or fauna in these project areas.

Projects are subject to relevant environmental regulation in Indonesia and will themselves have varying levels and types of potential impact on the natural environment. At Ojolali, exploration work typically has a minimal impact on the environment. At Wetar, activities during the demonstration stage are conducted under the auspices of an approved environmental permit specifically for small scale developments with limited impact. All environmental studies and ongoing monitoring results are reported on a quarterly basis to the relevant Indonesian authorities. There were no breaches of environmental regulations during the year.

The consolidated entity is required to comply with Indonesian laws and regulations regarding environmental matters, including disturbance and rehabilitation issues and the discharge of hazardous waste and materials.

Directors' Report

Meetings of Directors and Board Committees

Attendances by each director during the year were as follows:

	Directors Meetings		Committee Meetings			
	Held	Attended	Audit		Remuneration	
			Held	Attended	Held	Attended
Russell J Fountain	15	15	-	-	1	1
Christopher B Farmer	15	15	-	-	-	-
Michael H Stirzaker	15	14	-	-	-	-
Robert P Thomson	15	14	-	-	-	-
Stephen R de Belle	15	15	2	2	1	1
Stephen J Lonergan	15	14	2	2	1	1
T Quinn Roussel	15	13	-	-	1	1

The Nomination Committee did not meet during the year. All director appointment issues were dealt with by the whole Board at directors meetings.

Indemnifying Directors and Other Officers

The Company's constitution provides that "to the extent permitted by the Corporations Act 2001, the Company may indemnify:

- every person who is or has been an officer of the Company; and
- where the board of directors considers it appropriate to do so, any person who is or has been an officer of a related body corporate of the Company;

against any liability incurred by that person in his or her capacity as an officer of the Company or of the related body corporate (as the case may be)."

During the financial year, the Company paid a premium and other charges for a Directors and Officers Liability insurance policy for the benefit of the directors, secretary, officers and employees of the Company. The policy prohibits disclosure of the terms of the policy, including the amount insured, the insuring clauses and exclusions and the amount of premium paid.

Options

No options over unissued ordinary shares were granted during or since the end of the financial year.

The options over unissued ordinary shares outstanding at the date of this report are detailed in Note 17 to the financial statements. The option holders do not have any right by virtue of the options to participate in any share issue of any other body corporate.

Since the end of the previous financial period, no shares have been issued by virtue of the exercise of options.

Non-Audit Services

The Company may engage the services of its auditor on other assignments in addition to the statutory audit where the firm's expertise and experience with the Company are beneficial.

During the financial year, the Company engaged the auditor, PricewaterhouseCoopers, for tax consulting services, for which the Company paid \$54,09 in fees. A subsidiary of the Company audited by PricewaterhouseCoopers Indonesia also paid \$71,866 to that firm for taxation services.

The directors have considered the level and nature of the non-audit services provided by the auditor during the year and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the nature and scope of the non-audit services provided by the auditors did not compromise the auditor independence requirements of the Corporations Act 2001.

Full details of the auditors' remuneration are set out in Note 25 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration pursuant to section 307C of the Corporations Act 2001 is set out on page 34.

Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/100 dated 10 July 1998 issued by the Australian Securities and Investments Commission and in accordance with that Class Order, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Remuneration Report

The report details the nature and amount of remuneration for key management personnel and executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy is designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance indicators affecting the consolidated entity's operational and financial results. The policy ensures that the remuneration level is commensurate with the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating employees of the highest calibre, as well as creating goal congruence between directors, executives, shareholders and all other stakeholders.

The remuneration policy, which sets the terms and conditions for senior executives, was developed by the Remuneration Committee, after seeking professional advice from independent consultants, and was approved by the Board.

All key management personnel receive a base salary, superannuation and may benefit from the Company's performance bonus plan. The Board (including non-executive directors) are remunerated by means of a fixed annual salary and superannuation, having regard to comparable companies from time to time.

The employment conditions of the managing director and specified executives are formalised in contracts of employment.

Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The Company's Constitution requires that the remuneration payable from time to time to non-executive directors shall be an amount not exceeding in aggregate a maximum sum that is from time to time approved by resolution of the Company, currently \$350,000 per annum. In accordance with the Constitution, the Board has set the directors fees as follows –

Non-Executive Chairman	\$50,000 per annum
Non-Executive Directors	\$36,000 per annum

The Company also makes statutory superannuation contributions, currently 9% of directors' fees, for the benefit of the directors. There are no schemes for

Directors' Report

retirement benefits other than statutory superannuation for both executives and non-executive directors.

Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with those of shareholders, the directors are encouraged to hold shares in the Company.

Performance-Based Remuneration

Short-term incentives

The performance bonus plan was developed and agreed by the Remuneration Committee with the aim of providing alignment between executives and shareholders' interests in respect of the financial performance of the Company. The payment of bonuses and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. The Board can exercise its discretion in relation to approving bonuses and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

Long-term incentives

The Company had an established Employee Share Option Plan designed to provide long-term incentives to employees of the consolidated entity.

The Company has replaced the Employee Share Option Plan with a share incentive plan ("Share Plan"). Under the Share Plan, employees are offered the opportunity to acquire shares in the Company at a pre-determined price, funded by a limited recourse interest-free loan from the Company. The shares offered to the employees are subject to vesting conditions (ie. performance hurdles) and are released to the employees only upon the performance hurdles being met and the loans repaid. Participation in the Share Plan is at the discretion of the Board.

Company Performance and Directors and Executive Remuneration

At this stage of the Company's development, performance-based bonuses and incentive securities are awarded for achieving milestones towards the full scale development of the Wetar Copper Project, including completing the feasibility studies and securing finance and the required permits to commence development of the project. Except for 750,000 options which were vested on completion of the definitive feasibility study, no other options have vested. No bonuses were paid during the year.

Incentive shares granted during the year and bonus payments in the next 2 years are structured with an emphasis on delivery of the Wetar Copper Project financing and development on time and on budget and meeting its production targets.

Details of Remuneration

The key management personnel of the consolidated entity during the year were –

Directors

Russell J Fountain	Non-Executive Chairman
Christopher B Farmer	Managing Director
Robert P Thomson	Executive Director – Development
James H Wentworth	Finance Director (appointed 1 Dec 2010, Board member from 8 Mar 2011)
Stephen R de Belle	Independent Non-Executive Director
Stephen J Lonergan	Independent Non-Executive Director
T Quinn Roussel	Non-Executive Director
Michael H Stirzaker	Non-Executive Director (Finance Director to 31 Oct 2010)

Other Key Management Personnel

Chin Haw Lim	Chief Financial Officer
Geoffrey R Hiller	Project Manager, Development
Grant K Harding	Operations Manager (resigned 31 July 2010)

12 months ended 31 Dec 2010	Short Term	Post Employment		Total	Proportion of performance-based remuneration
	Salary & fees	Superannuation	Share-based payments (Options)		
	\$	\$	\$		
Directors					
Russell J Fountain	128,440	11,560	-	140,000	-
Christopher B Farmer *	288,710	25,984	-	314,694	-
Michael H Stirzaker	179,683	540	-	180,223	-
Robert P Thomson *	283,000	-	99,200	382,200	26%
Stephen R de Belle	36,000	3,240	-	39,240	-
Stephen J Lonergan	36,000	3,240	-	39,240	-
T Quinn Roussel	36,000	-	-	36,000	-
Other key management personnel					
James H Wentworth	24,312	688	-	25,000	-
Chin Haw Lim *	225,000	14,503	55,506	295,009	19%
Geoffrey R Hiller*	195,556	-	26,851	222,407	12%
Grant K Harding*	171,364	14,461	-	185,825	-
	1,604,065	74,216	181,557	1,859,838	

6 months ended 31 Dec 2009	Short Term	Post Employment		Total	Proportion of performance-based remuneration
	Salary & fees	Superannuation	Share-based payments (Options)		
	\$	\$	\$		
Directors					
Russell J Fountain	63,649	25,000	-	88,649	-
Christopher B Farmer *	125,000	13,908	-	138,908	-
Michael H Stirzaker	90,000	-	13,358	103,358	13%
Robert P Thomson *	139,000	-	49,600	188,600	26%
Stephen R de Belle	18,000	1,620	-	19,620	-
Stephen J Lonergan	-	19,620	-	19,620	-
T Quinn Roussel	18,000	-	-	18,000	-
Other key management personnel					
Chin Haw Lim *	60,000	27,231	27,200	114,431	24%
Geoffrey R Hiller*	90,000	-	10,800	100,800	11%
Grant K Harding*	125,000	7,230	13,500	145,730	9%
	728,649	94,609	114,458	937,716	

* Denotes one of the five highest remunerated executives in the respective financial period whose remuneration is required to be disclosed under the Corporations Act 2001.

Directors' Report

Share-Based Payments

Towards the end of the financial year, a total of 4,142,430 shares were granted to employees under the Share Plan referred to above at a price of \$0.43 cents per share. The shares were issued in January 2011. Share-based compensation under which employees purchase shares funded by limited recourse loans from the Company is measured as the value of the option embedded in the shares issued as follows –

a) Number of shares:	4,142,430
b) Grant Date:	30 Nov 2010
c) Expiry date:	30 Nov 2015
d) Share (exercise) price:	\$0.43
e) Vesting condition:	Various performance hurdles aimed at the completion of the Wetar Copper Project development on time and on budget and meeting its production targets
f) Value of embedded option:	\$0.25
g) Maximum total value of option yet to vest:	\$1,023,000

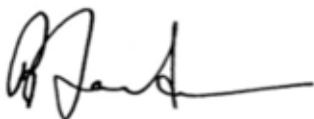
Service Agreements

The remuneration and other terms of engagement of Executive Directors and other key management personnel are formalised in employment and consulting agreements. Key provisions of each of the agreements are set out below. All contracts (other than those in respect of non executive director services) may be terminated early by the Company giving between 1 and 3 months notice, subject to termination payments as detailed below.

Name	Term of agreement	Base fee/salary	Termination payment
Russell J Fountain Non-Executive Chairman Senior Consultant Exploration and Technical Services	1 Apr 2010 – 31 Mar 2013 for consulting services	Chairman fee \$50,000 Consulting fee \$100,000 for 104 days/year (inclusive of superannuation)	None for Director services. For consulting services 3 months fee but 6 months fee if termination follows a change in control in the 12 months prior to termination
Christopher B Farmer Managing Director	3 years concluding 22 Mar 2013	\$300,000 per annum (\$350,000 from 1 Jul 2011) and expatriate benefits (plus 9% superannuation)	3 months salary and expatriate benefits but 6 months if termination follows a change in control in the 12 months prior to termination
Michael H Stirzaker Finance Director (resigned 31 Oct 2010)	From 2 Jun 2009 until the first drawdown of debt under a facility to fund the development of the Wetar Copper Project.	\$180,000 per annum to 30 Jun 2010 \$250,000 per annum from 1 Jul 2010 (inclusive of superannuation)	None
Non executive director from 1 Nov 2010	In accordance with Company Constitution	\$36,000 per annum (plus 9% superannuation)	

Name	Term of agreement	Base fee/salary	Termination payment
James H Wentworth Finance Director (appointed 1 Dec 2010 Board member from 8 Mar 2011)	From 1 December 2010 until terminated	\$300,000 per annum (inclusive of superannuation)	None
Robert P Thomson Executive Director Development	3 years commencing 22 Sep 2010. Company has option to renew the agreement for two further terms of 3 years each	\$1,250 per day (inclusive of superannuation)	3 months fee but 6 months fee if termination follows a change in control in the 12 months prior to termination
Chin Haw Lim Chief Financial Officer	3 years from 10 Nov 2010. Company has option to renew the agreement for one further term of 3 years	\$225,000 per annum (plus superannuation prescribed under superannuation guarantee legislation)	6 months salary plus 1 month salary for each year of service after a qualifying period of 6 months
Geoffrey R Hiller Project Manager Development (resigned 11 Mar 2011)	25 Jun 2009 until the first drawdown of debt under a facility to fund the development of the Wetar Copper Project	\$250,000 per annum (inclusive of superannuation)	None
Grant K Harding Operations Manager (resigned 31 Jul 2010)	2 years commencing 1 Jul 2009	\$250,000 per annum (plus superannuation prescribed under superannuation guarantee legislation)	6 months salary plus 1 month salary for each year of service after a qualifying period of 6 months

Signed in accordance with a resolution of the Board of Directors.



Russell J Fountain
Chairman

Sydney
22 March 2011

Directors' Report



PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the audit of Finders Resources Limited for the year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Finders Resources Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'M Upcroft'.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
22 March 2011

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2010

	Note	12 months ended 31 December 2010 \$'000	6 months ended 31 December 2009 \$'000
Sales revenue		11,286	2,985
Interest income		329	91
Other income		509	2
Raw materials and consumables used		(11,623)	(3,936)
Change in inventories of finished goods and work in progress		(1,188)	738
Personnel costs		(2,807)	(1,245)
Financing costs		(422)	(289)
Depreciation and amortisation		(1,257)	(662)
Exchange gain/(loss)		(18)	531
Exploration expenditure written-off		(869)	(206)
Royalty expense		(445)	(127)
Other expenses		(2,105)	(990)
Loss before income tax		(8,610)	(3,108)
Income tax expense	3	(1)	-
Loss for the period		(8,611)	(3,108)
Other comprehensive income			
Changes in fair value of available for sale financial asset		5	89
Adjustments from translation of foreign controlled entities		(2,960)	(278)
Other comprehensive income, net of tax		(2,955)	(189)
Total comprehensive income for the period		(11,565)	(3,297)
Loss for the period attributable to:			
Owners of Finders Resources Limited		(7,738)	(2,905)
Non controlling interests		(873)	(203)
		(8,611)	(3,108)
Total comprehensive income for the period attributable to:			
Owners of Finders Resources Limited		(10,741)	(3,077)
Non controlling interests		(824)	(220)
		(11,565)	(3,297)
Basic loss per share	26	3.7 cents	2.3 cents
Diluted loss per share		3.7 cents	2.3 cents

The accompanying notes form part of these financial statements.

Financial Report

Consolidated Balance Sheet as at 31 December 2010

	Note	2010 \$'000	2009 \$'000
Current Assets			
Cash and cash equivalents	4	14,457	7,606
Receivables	5	812	609
Financial assets	6	-	324
Inventories	7	1,006	2,511
Other assets	8	132	120
Total current assets		16,407	11,170
Non-current assets			
Receivables	5	2,705	2,032
Financial assets	6	291	120
Plant and equipment	9	14,831	13,580
Development expenditure	10	11,236	3,857
Exploration expenditure	11	-	6,700
Total non-current assets		29,063	26,289
Total assets		45,470	37,459
Current liabilities			
Trade and other payables	12	1,774	1,507
Provisions	14	327	10
Other liabilities	15	-	921
Total current liabilities		2,101	2,438
Non-current liabilities			
Borrowings	13	1,436	1,591
Provisions	14	947	1,006
Total non-current liabilities		2,383	2,597
Total liabilities		4,484	5,035
Net assets		40,986	32,424
Equity			
Issued capital	16	85,661	65,727
Reserves	18	(1,388)	1,375
Accumulated losses		(42,243)	(34,458)
Capital and reserves attributable to owners of Finders Resources Limited		42,030	32,644
Non-controlling interest		(1,044)	(220)
Total equity		40,986	32,424

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2010

	Share Capital	Accu- mulated Losses	Equity Reserve	Foreign Currency Translation Reserve	Share- based Payments Reserve	Financial Asset Reserve	Non- Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 Jan 2010	65,727	(34,458)	(166)	1,394	152	(5)	(220)	32,424
Total comprehensive income for the year	-	(7,785)	-	(2,960)	-	5	(824)	(11,565)
Transactions with owners recorded directly in equity:								
Shares issued during the year	21,149	-	-	-	-	-	-	21,149
Share issue expenses	(1,215)	-	-	-	-	-	-	(1,215)
Share-based payments	-	-	-	-	192	-	-	192
Balance at 31 Dec 2010	85,661	(42,243)	(166)	(1,566)	344	-	(1,044)	40,986
Balance at 1 July 2009	39,722	(31,570)	(166)	1,672	28	(94)	-	9,592
Total comprehensive income for the period	-	(2,888)	-	(278)	-	89	(220)	(3,297)
Transactions with owners recorded directly in equity:								
Shares issued during the period	26,605	-	-	-	-	-	-	26,605
Share issue expenses	(600)	-	-	-	-	-	-	(600)
Share-based payments	-	-	-	-	124	-	-	124
Balance at 31 Dec 2009	65,727	(34,458)	(166)	1,394	152	(5)	(220)	32,424

The accompanying notes form part of these financial statements.

Financial Report

Consolidated Cash Flow Statement for the Year Ended 31 December 2010

	Note	12 Months ended 31 December 2010 \$'000	6 Months ended 31 December 2009 \$'000
Cash flows from operating activities			
Receipts from customers		9,960	3,975
Payments to suppliers and employees		(15,715)	(7,853)
Interest received		326	72
Interest paid		(29)	(166)
Taxes and VAT paid		(531)	(1,013)
Net cash used in operating activities	27	(5,989)	(4,985)
Cash flows from investing activities			
Payments for property, plant and equipment		(3,345)	(95)
Payments for exploration expenditure		(1,114)	(2,255)
Payments for development expenditure		(2,832)	(105)
Loan to third party		(664)	-
Payments for security deposits		(171)	-
Refund of security deposits		-	173
Proceeds from sale of property, plant and equipment		408	-
Proceeds from sale of investments		824	-
Net cash used in investing activities		(6,894)	(2,282)
Cash flows from financing activities			
Proceeds from issue of shares		20,500	21,248
Share issue expenses		(766)	(600)
Proceeds from borrowings		-	622
Repayment of borrowings		-	(8,106)
Net cash provided by financing activities		19,734	13,164
Net increase/(decrease) in cash held		6,851	5,897
Cash and cash equivalents at beginning of financial period		7,606	1,706
Exchange rate effect		-	3
Cash and cash equivalents at end of financial period		14,457	7,606

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010

Note 1: Basis of Preparation of Financial Report

Finders Resources Limited is a public company, incorporated and domiciled in Australia whose shares are traded on the Australian Securities Exchange (ASX) and the AIM market of the London Stock Exchange.

This financial report includes the consolidated financial statements and notes of Finders Resources Limited and controlled entities ("consolidated entity").

The financial report was authorised for issue in accordance with a resolution of the Directors on 22 March 2011. The directors have the power to amend and reissue the financial statements.

a. Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

The financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b. Historical Cost Convention

The financial statements have been prepared under the historical cost convention, as modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

c. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key areas of judgement are –

- Determination of ore reserve and resource estimates
- Capitalisation and impairment of exploration and evaluation costs

Key areas of estimation are –

- Estimation of rehabilitation and restoration costs and the timing of such expenditure
- Review of asset carrying values and impairment charges

The Directors have reviewed the carrying values of assets at balance date and concluded that there has been no impairment.

d. Change of Financial Year-End

Pursuant to an order dated 10 March 2010, the Australian Securities and Investments Commission granted the Company approval to change its financial year-end from 30 June to 31 December so as to align the balance dates of companies in the consolidated entity. The change was effective from 31 December 2009 and accordingly, the financial statements attached to this report are for the twelve months ended 31 December 2010, with comparative information for the six months ended 31 December 2009.

e. Financial Statement Presentation

The group has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements.

Comparative information has been re-presented so that it is also in conformity with the revised standard.

Financial Report

Note 2: Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. The accounting policies have been consistently applied, unless otherwise stated.

a. Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising Finders Resources Limited and all entities which Finders Resources Limited controlled from time to time during the year and at balance date.

Controlled entities are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

At reporting date, the assets and liabilities of all controlled entities, as well as their results for the period then ended, are incorporated into the consolidated financial statements. Where control of an entity is obtained during a financial year, its results are included from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists.

All intercompany balances and transactions, including recognised profits arising from intra-group transactions are eliminated in full. Accounting policies of subsidiaries are changed where necessary to ensure consistencies with those policies applied by the parent entity.

Following adoption of AASB 127 Consolidated and Separate Financial Statements which applies to annual reporting periods beginning on or after 1 July 2009, non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, balance sheet and statement of changes in equity.

b. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible debt instrument. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are expensed in the period in which they are incurred.

c. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

d. Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

e. Earnings per Share

Basic earnings per share is determined by dividing net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus element.

Diluted earnings per share is determined by dividing net profit attributable to members, adjusted for –

- a) costs of servicing equity (other than dividends);
- b) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognized as expenses;
- c) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- d) by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

f. Employee Benefits

Annual and long service leave

Provision is made for the consolidated entity's liability for annual and long service leave arising from services rendered by employees to balance date. Entitlements expected to be settled within 12 months of the balance date are measured at the amounts expected to be paid when the liabilities are settled. All other leave liabilities are measured at the present value of the estimated future payments.

g. Exploration and Development Expenditure

Exploration and evaluation expenditure

Exploration and evaluation expenditure is carried forward in the accounts in respect to areas of interest for which the rights of tenure are current and where –

- (i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- (ii) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area are continuing.

Where the expenditure is expected to be recouped through development and economic exploitation of the area of interest, the accumulated costs are transferred to mine properties and amortised over the life of the mine in proportion to the depletion of the economically recoverable mineral reserves.

Costs carried forward in respect of an area of interest which no longer satisfy the above policy are written off in the period in which that decision is made.

Development expenditure

Development expenditure carried forward represents the accumulation of exploration, evaluation and development expenditure in respect of the Wetar Copper Demonstration Project in which trial mining and processing has commenced.

Amortisation of development expenditure is calculated on a unit-of-production basis so as to write off the cost over the life of the project in proportion to the depletion of the anticipated recoverable mineral reserves.

h. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as –

- a) the amount at which the financial asset or financial liability is measured at initial recognition;
- b) less principal repayments;
- c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- d) less any reduction for impairment.

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The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the statement of comprehensive income.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

The consolidated entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income – is reclassified from equity and recognised in the statement of comprehensive income as a reclassification adjustment. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

If there is evidence of impairment for any of the consolidated entity's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

i. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the subsidiaries is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Subsidiaries

The financial results and position of foreign operations whose functional currency is different from the consolidated entity's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the balance sheet. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST or Value Added Tax (VAT), except where the amount of GST or VAT incurred is not recoverable from the relevant tax authorities. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the

expense. Receivables and payables in the balance sheet are shown inclusive of GST or VAT.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST or VAT component of investing and financing activities, which are presented as operating cash flows.

k. Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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Current and deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

m. Inventories

Inventories of copper cathode and work in progress are carried at the lower of cost and net realisable value. Cost includes raw materials, labour and other direct expenditure together with a portion of fixed and variable overhead attributable to the inventory on hand, calculated on a weighted average basis.

Inventories of consumables and spares are valued at cost less, where appropriate, a provision for obsolescence.

n. Leases

Leases of property, plant and equipment where the consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the consolidated entity as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

o. Non-Current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised

while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

p. Operating Segments

Operating segment information is based on the consolidated entity's reporting structure and internal reports that are regularly reviewed by the Directors for the purposes of decision making. The consolidated entity is developing a copper project on the Indonesian island of Wetar and conducting mineral exploration on Wetar Island and in Sumatra. The internal reporting structure is focussed on copper mining and exploration which forms the basis for the operating segments.

q. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets.

Depreciation

Fixed assets are depreciated over their useful lives commencing from the time the asset is held ready for use.

Depreciation on copper processing plant and equipment is calculated on a unit-of-production basis so as to write off the cost of each asset in proportion to the depletion of the economically recoverable mineral reserves.

Depreciation of other plant and equipment is calculated on a straight line basis so as to write off the cost of each asset over its estimated useful life, generally at a rate of between 12.5% and 25% per annum.

r. Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessment of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

s. Rehabilitation and Restoration Costs

Expenditure relating to ongoing rehabilitation and restoration programmes are provided for or charged to

costs of production as incurred. Other rehabilitation and restoration costs are accrued over the life of the mine. The estimated costs are reassessed on a regular basis and changes in estimates are dealt with on a prospective basis. The estimates are based on current costs, current legal requirements and current technology.

t. Revenue

Sales of copper cathode are recognised when the title and risk have passed to the customer and the selling price can be determined with reasonable accuracy. All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

u. Share-Based Payments

Share-based compensation benefits are provided to employees under the Company's Employee Share Option Plan. The fair value of options granted under the Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the options.

Share-based compensation under which employees purchase shares funded by limited recourse loans from the Company is measured as the value of the options inherent within the shares issued and is expensed over the vesting period of the shares with a corresponding credit to the share-based payments reserve.

v. Comparative Figures

Certain comparative numbers have been reclassified to conform with the current year presentation.

w. Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/100 dated 10 July 1998 issued by the Australian Securities and Investments Commission and in accordance with that Class Order, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

x. New Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2010 reporting period. The group's assessment of the impact of these new standards and interpretations is set out below:

Standards and interpretations not yet effective

AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009 - 13 Amendments to Australian Accounting Standards arising from Interpretation 19.

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

The effective date of the amendment is for years beginning on or after 01 July 2010. The group expects to adopt the amendment for the first time from 1 January 2011.

It is unlikely that the amendment will have a material impact on the group's financial statements, since it is only retrospectively applied from the beginning of the earliest period presented (1 January 2010) and the group has not entered into any debt for equity swaps since that date.

Revised AASB 124 Related Party Disclosures and AASB 2009 - 12 Amendments to Australian Accounting Standards

In December 2009 the AASB issued as revised AASB 124 Related Party Disclosures. It must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party.

The effective date of the amendment is for years beginning on or after 01 January 2011. The group expects to adopt the amendments for the first time from 01 January 2011.

It is unlikely that the amendment will have a material impact on the group as the group does not carry any investments in associates.

AASB 9 and AASB 2009 - 11 Amendments to Australian Accounting Standards arising from AASB 9 Financial Instruments

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the group's accounting for its financial assets. The standard is available for early adoption.

The effective date of the amendment is for years beginning on or after 01 January 2013. The group has not yet decided when to adopt AASB 9.

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The group is unable to reliably estimate the impact of the amendment on the financial statements. However, initial indications are that it may affect the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains or losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains for the year ended 31 December 2010 and losses on available-for-sale investments, for example, will therefore have to be recognised directly in profit or loss.

AASB 9 Financial Instruments

In December 2010 the AASB issued AASB 9 Financial Instruments. The objective of this standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The company must apply this standard to all items within the scope of AASB 139 Financial Instruments: Recognition and Measurement. The company must, upon initial recognition, recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instruments. When an entity first recognises a financial asset, it shall classify it in accordance with the requirements set-out in the standard and measure it in accordance with the same requirements. When a company first recognises a financial liability, it shall classify it in accordance with the requirements of this standard. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting.

The effective date of the standard is for years beginning on or after 01 January 2013 and early adoption is permitted. However, if the company elects to apply this standard early and has not already applied AASB 9 Financial Instruments issued in December 2009, it must apply all of the requirements in this standard at the same time. The company must also disclose that it chose early adoption and at the same time apply the amendments in AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). The group has not yet decided when to adopt AASB 9.

AASB 2010 - 3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASBs 3, 7, 121, 128, 131, 132 & 139)

The objective of this standard is to make amendments to AASB 3 Business Combinations (Measurement of non-controlling interests, Unreplaced and voluntarily replaced share-based payments awards and Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 (2008)), AASB 7 Financial Instruments: Disclosures (Transition requirements for contingent

consideration from a business combination that occurred before the effective date of the revised AASB 3 (2008)), AASB 121 The Effects of Changes in Foreign Exchange Rates (Transition requirements for amendments arising as a result of AASB 127 Consolidated and Separate Financial Statements), AASB 128 Investments in Associates (Transition requirements for amendments arising as a result of AASB 127 Consolidated and Separate Financial Statements), AASB 131 Interests in Joint Ventures (Transition requirements for amendments arising as a result of AASB 127 Consolidated and Separate Financial Statements), AASB 132 Financial Instruments: Presentation (Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 (2008)) and AASB 139 Financial Instruments: Recognition and Measurement (Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 (2008)) as a consequence of the annual improvements project.

The effective date of the amendment is for years beginning on or after 01 July 2010. The group will adopt the amendment for the first time in the 2011 financial statements.

AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASBs 1, 7, 101 & 134 and Interpretation 13)

The objective of this standard is to make amendments to AASB 1 First-time Adoption of Australian Accounting Standards (Accounting policy changes in the year of adoption, Revaluation basis as deemed cost and Use of deemed cost for operations subject to rate regulation), AASB 7 Financial Instruments: Disclosures (Clarification of disclosures), AASB 101 Presentation of Financial Statements (Clarification of statement of changes in equity), AASB 134 Interim Financial Reporting (Significant events and transactions) and Interpretation 13 Customer Loyalty Programmes (Fair value of award credits) as a consequence of the annual improvement project.

The effective date of the amendment is for years beginning on or after 01 January 2011. The group will adopt the amendment for the first time in the 2011 financial statements.

Amendments to AASB 7 Disclosures Transfers of Financial Assets

The amendments introduce new disclosure requirements about transfers of financial assets including disclosures for: financial assets that are not derecognised in their entirety and financial assets that are derecognised in their entirety, but for which the entity retains continuing involvement.

The effective date of the amendment is for annual reporting periods beginning on or after 01 July 2011. The group will adopt the amendment for the first time in the 2012 financial statements.

Standards and Interpretations early adopted

The group has chosen not to early adopt any of the new standards and interpretations.

Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

AASB 2009 - 10 Amendments to Australian Accounting Standards: AASB 132 Classification of Rights Issues

In October 2009 the AASB issued an amendment to AASB 132 Financial Instruments: Presentation, which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are not classified as equity regardless of the currency in which the exercise price is denominated. Previously these issues had to be accounted for as derivative liabilities. The amendment must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The effective date of the amendment is for years beginning on or after 01 February 2010. The group has adopted the amendment for the first time in the 2010 financial statements.

AASB 2009 - 8 Amendments to Australian Accounting Standards: Amendments to AASB 2 Group Cash-Settled Share-based Payment Transactions

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash. They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity or a cash-settled transaction. The group will apply these amendments retrospectively.

The effective date of the amendment is for years beginning on or after 01 January 2010. The group has adopted the amendment for the first time in the 2010 financial statements.

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	12 Months ended 31 December 2010	6 Months ended 31 December 2009
	\$'000	\$'000

Note 3: Income Tax

a) Reconciliation of income tax expense to prima facie tax payable

Loss before income tax	(8,610)	(3,108)
Income tax benefit calculated at tax rate of 30% (2009: 30%)	(2,583)	(932)
Tax effect of amounts which are not deductible in calculating taxable income:		
- Finance costs	27	10
- Share-based payments	58	37
- Overseas project expenditure	206	-
- Other non-deductible expenses	250	158
Difference in overseas tax rate	323	(25)
Deferred tax assets not brought to account		
- Tax losses not recognised	1,940	422
- Temporary differences not recognised	(221)	600
Under-provision in prior period	(1)	-
Tax losses recouped	-	(270)
Income tax expense	(1)	-

b) Tax Losses

Unused tax losses for which no deferred tax asset has been recognised	28,190	20,936
Potential tax benefit at 30% (Australia), 25% (Indonesia)	7,440	5,513

c) Temporary differences

Deductible temporary differences for which no net deferred tax asset has been recognised	826	829
Potential tax benefit at 30% (Australia), 25% (Indonesia)	220	246

	Note	2010 \$'000	2009 \$'000
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Note 4: Cash and Cash Equivalents

Cash at bank and in hand		14,457	7,606
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a) Risk exposure

The group's exposure to interest rate risk is discussed in Note 29. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Note 5: Receivables

Current

Trade receivable		7	-
Goods and services tax receivable		20	524
Loan receivable		664	-
Other receivables		121	85
		812	609

Non-current

Value added tax receivable		2,705	2,032
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Note 6: Financial Assets

Current

Available-for-sale financial assets	6(a)		
- Share in listed corporations, at fair value		-	324

Non-current

Other financial assets			
- Security deposits	6(b)	291	120

- a) Available-for-sale financial assets comprise investment in the ordinary issued capital of a listed entity. The investment was sold during the year.
- b) Security deposits include \$17,000 held by the parent entity's banker to secure a bank guarantee issued by the bank on behalf of the parent entity (Note 20). The remaining security deposits comprise cash held by suppliers to a controlled entity to secure payments for services.

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	2010	2009
	\$'000	\$'000

Note 7: Inventories

Inventories, at cost		
Raw materials and consumables	207	387
Work in progress	474	1,485
Finished goods	325	639
	1,006	2,511

Note 8: Other Assets

Prepayments	132	120
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Note 9: Plant and Equipment

Plant and equipment – at cost	16,121	14,572
Less: accumulated depreciation	(1,707)	(992)
	14,414	13,580
Construction in progress	417	-
	14,831	13,580

Movements:

Plant and equipment		
Opening net book value	13,580	8,987
Additions	3,074	5,088
Depreciation charge	(915)	(357)
Exchange rate effect	(908)	(138)
Closing net book value	14,831	13,580

Construction in progress		
Opening net book value	-	-
Additions	417	-
Closing net book value	417	-

	2010 \$'000	2009 \$'000
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Note 10: Development Expenditure

Development expenditure	11,810	4,163
Less: accumulated amortisation	(574)	(306)
	11,236	3,857

Movements:

Opening net book value	3,857	4,117
Additions	2,271	114
Transfer from exploration expenditure	6,700	-
Amortisation charge	(342)	(305)
Exchange rate effect	(1,250)	(69)
Closing net book value	11,236	3,857

Note 11: Exploration Expenditure

Exploration expenditure	-	6,700
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Movements:

Opening net book value	6,700	4,897
Additions	-	1,881
Transfer to development expenditure	(6,700)	-
Exchange rate effect	-	(78)
Closing net book value	-	6,700

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration, development and commercial exploitation or alternatively, sale of the project interests.

Financial Report

	Note	2010 \$'000	2009 \$'000
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Note 12: Trade and Other Payables

Trade creditors and accruals		1,774	1,507
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Information on the group's exposure to foreign exchange risks is set out in Note 29.

a) Foreign currency risks

Trade creditors and accruals are denominated in the following currencies -

Australian Dollar		533	458
United States Dollar		878	595
Indonesian Rupiah		338	453
Other		25	1
		1,774	1,507

Note 13: Borrowings

Non current

Convertible note (secured)	13(a)(b)	1,436	1,591
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a) Convertible note

Pursuant to a US\$1.5 million 12% Convertible Note Facility Agreement ("Facility"), the note is convertible into shares in the parent entity at the option of the noteholder, and if not converted, repayable on 19 January 2012. At balance date, the note is convertible into 6,455,477 (2009: 6,455,477) shares in the parent entity, being the equivalent Australian Dollar value of the note on drawdown of the Facility, at a conversion price of \$0.36 (2009: \$0.36).

Face value of convertible note		2,324	2,324
Other equity security – value of conversion rights		(159)	(159)
Unwinding of discount		69	33
Exchange rate effect		(798)	(607)
		1,436	1,591

The convertible note is secured by a fixed and floating charge over the assets of the parent entity. The book value of the assets at balance date was \$77.7 million (2009: \$59.8 million).

b) Foreign currency risks

The borrowings are denominated in the following currency -

United States Dollar		1,436	1,591
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	2010			2009			Repayment date	Interest rate
	Facility limit	Used	Unused	Facility limit	Used	Unused		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		

c) Loan facilities (secured)

Forward sale and purchase of copper	-	-	-	2,000	-	2,000	31 March 2010	90-Day LIBOR plus 7%pa
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	2010 \$'000	2009 \$'000
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Note 14: Provisions

Current

Employee entitlements	327	10
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Non current

Rehabilitation and restoration	947	1,006
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Movements in provision for rehabilitation and restoration:

Opening net book value	1,006	1,240
De-recognition of provision	-	(194)
Unwinding of discount	66	(40)
Exchange rate effect	(125)	-
Closing net book value	947	1,006

The provision for rehabilitation and restoration has been recognised in connection with the consolidated entity's closure obligations when the Wetar Copper Project ceases operations in the future. The timing of the site rehabilitation will depend on the mine life of the full scale project to be developed.

Note 15: Other Liabilities

Deferred income	-	921
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A subsidiary of the Company received payment for copper cathode sales based on provisional invoices. At balance date, sales receipts that do not meet the revenue recognition policy set out in Note 2 (t) are classified as deferred income.

Financial Report

2010
\$'000

2009
\$'000

Note 16: Issued Capital

269,146,997 (2009: 193,728,009) fully paid ordinary shares

85,661

65,727

		Number of shares \$'000	Issue price	Issued capital \$'000
Movements:				
2010				
01 Jan 2010	Balance at beginning of financial year	193,728		65,727
13 Jan 2010	Conversion of interest payable on convertible note	134	\$0.38	50
14 May 2010	Conversion of interest payable on convertible note	152	\$0.32	48
19 Jul 2010	Conversion of interest payable on convertible note	178	\$0.30	53
03 Sep 2010	Placement	28,076	\$0.28	7,861
11 Oct 2010	Placement	45,138	\$0.28	12,639
11 Oct 2010	Placement fee	1,607	\$0.28	450
11 Nov 2010	Conversion of interest payable on convertible note	134	\$0.35	47
	Less: Share issue expenses			(1,214)
31 Dec 2010	Balance at end of financial year	269,147		85,661
2009				
01 Jul 2009	Balance at beginning of financial period	115,549		39,722
24 Jul 2009	Conversion of interest payable on convertible note	169	\$0.33	56
07 Aug 2009	Placement	16,600	\$0.33	5,478
18 Sep 2009	Placement	44,006	\$0.33	14,522
18 Sep 2009	Share purchase plan	2,921	\$0.33	964
18 Sep 2009	Depositary interest	915	\$0.31	284
09 Oct 2009	Conversion of interest payable on convertible note	147	\$0.35	51
23 Dec 2009	Consideration for option over Whim Creek plant	724	\$0.345	250
23 Dec 2009	Consideration for Whim Creek plant	12,697	\$0.394	5,000
	Less: Share issue expenses			(600)
31 Dec 2009	Balance at end of financial period	193,728		65,727

Subsequent to balance date, the following shares were issued -

- (i) as referred to in Note 21, 2,000,000 shares were issued as part consideration for the acquisition of the remaining shares in Banda Minerals Pty Ltd not already owned by the Company;
- (ii) 108,139 shares were issued on conversion of interest payable on the convertible note;
- (iii) in accordance with the Company's announcement on 10 November 2010, the Company issued 4,142,430 shares at \$0.43 per share to various employees as incentive shares (subject to performance hurdles) pursuant to limited recourse loan agreements; and
- (iv) following shareholders' approval at an extraordinary general meeting held on 17 January 2011, a total of 3,350,000 shares were issued to executive directors of the Company on the same terms (except for the performance hurdles) as the incentive shares referred to in (iii) above.

a) Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At a general meeting on a show of hands, each shareholder present has one vote and on a poll each shareholder present has:

- (i) one vote for each fully paid share held; and
- (ii) for each share which is not fully paid a fraction of a vote equivalent to the proportion which the amount paid up, but not credited as paid up, on that share bears to the total of the amounts paid and payable (excluding amounts credited) on that share.

b) Capital management

At this stage of the consolidated entity's development, its objectives in capital management are to ensure that the consolidated entity can meet its debts as and when they become due and payable and to maintain an optimal capital structure to reduce the cost of capital. Even though the consolidated entity commenced generating a modest cashflow from copper sales since the commissioning of the Wetar Demonstration Plant in February 2009, its funding requirements have largely been sourced from equity funds.

Consistent with the above objectives, the Company raised funds during the year from share placements to advance the development of the Wetar Copper Project and for working capital.

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2010
'000

2009
'000

Note 17: Options

Number of options on issue

Balance at beginning of financial year	6,125	4,875
Add: Options issued	-	1,250
Less: Options lapsed	(1,125)	-
Balance at end of financial year	5,000	6,125

Details of options on issue

Number of Options		Exercise price	Vesting date/ conditions	Expiry date
2010 '000	2009 '000			
-	500	68.75p	Vested	13 Jun 2010
500	500	\$0.30	Vested	16 Apr 2012
500	500	\$0.30	Note 17(i)	16 Apr 2014
1,250	2,000	\$0.30	Note 17(ii)	8 May 2014
750	-	\$0.30	Vested	8 May 2014
250	250	\$0.37	Note 17(iii)	23 Jun 2014
-	625	\$0.37	Note 17(iv)	28 Jun 2014
500	500	\$0.37	Note 17(v)	29 Jun 2014
250	250	\$0.37	Note 17(iii)	31 Aug 2014
1,000	1,000	\$0.37	Note 17(v)	14 Sep 2014
5,000	6,125			

Vesting dates

- i) Upon securing finance for the full scale Wetar Copper Project.
- ii) 750,000 options upon completion of Wetar Copper Project definitive feasibility study and 1,250,000 on commencement of commercial production from the full scale Wetar Copper Project.
- iii) Upon production from the full scale Wetar Copper Project reaching 75% of nameplate design capacity.
- iv) 125,000 options on grant date and 500,000 options upon production from the full scale Wetar Copper Project reaching 75% of nameplate design capacity.
- v) 180 days after drawdown of a project finance facility for the development of the full scale Wetar Copper Project.

	2010 \$'000	2009 \$'000
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Note 18: Reserves

Equity reserve	(166)	(166)
Foreign currency translation reserve	(1,566)	1,394
Share-based payments reserve	344	152
Financial assets reserve	-	(5)
	(1,388)	1,375

a) Equity reserve

The equity reserve arises from the acquisition of shares in a controlled entity from a minority shareholder and the value of conversion rights attached to the convertible note.

b) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

c) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of equity instruments issued to employees.

d) Financial asset reserve

The financial asset reserve records revaluation of financial assets.

Note 19: Commitments

a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Plant and equipment

- Payable within 1 year	414	-
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b) Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases

- Payable within 1 year	453	419
- Payable later than 1 year but not later than 5 years	39	6
	492	425

The group leases offices and equipment under operating leases. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

Financial Report

2010	2009
\$'000	\$'000

Note 20: Contingent Liabilities

a) Guarantees

Bank guarantee	17	17
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The bank guarantee issued by the Company's banker in favour of a third party to secure obligations of the Company is secured by cash on deposit with the bank (Note 6 (b)).

b) Potential claim

As announced on 12 August 2010, the Company may receive a claim from two minority shareholders in the Company in connection with an equity placement of 5,165,289 shares at \$1.10 per share to the two shareholders in 2008 as part of a financing to fund construction of the Wetar Copper Project Demonstration Plant ("Project"). A claim may be made by the two minority shareholders in relation to certain historic reports, announcements and presentations made by the Company. In essence, the basis of the possible claim is that, given the final cost and timing of delivery of the now successful Project and its expected commercial development, the Company could not at the time have had a reasonable basis for its various announcements.

The company believes the claims are without foundation and, if legal proceedings commence, they have little chance of success.

Country of Incorporation	Percentage Owned*	
	2010	2009
	%	%

Note 21: Controlled Entities

Banda Minerals Pty Ltd	Australia	93.94	93.94
PT Batutua Tembaga Raya	Indonesia	93.97	93.97
Way Kanan Resources Pty Ltd	Australia	71.71	71.71
PT Batutua Lampung Elok	Indonesia	71.82	71.82
Finders Resources NZ Limited	New Zealand	100.00	100.00

* Percentage of voting power is in proportion to ownership.

Subsequent to balance date, the Company acquired all the shares in Banda Minerals Pty Ltd it did not already own, thereby making Banda Minerals Pty Ltd a wholly-owned subsidiary. The consideration for the acquisition was \$1.47 million, comprising US\$675,000 in cash and 2,000,000 fully paid ordinary shares in the Company.

Note 22: Operating Segments

The consolidated entity operates in two geographical locations, being Australia and Indonesia. Its minerals business is based in Indonesia where it is developing a copper project on the island of Wetar and conducting mineral exploration on Wetar Island and Sumatra. Copper mining is centred on the Wetar Project where a demonstration plant was commissioned in February 2009. The demonstration plant has a production capacity of 5 tonnes of copper cathode per day.

The segment result comprises all costs directly attributable to the two operating segments in Indonesia.

	Copper Mining		Exploration		Total	
	12 months ended	6 months ended	12 months ended	6 months ended	12 months ended	6 months ended
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Sales revenue	11,286	2,985	-	-	11,286	2,985
Unallocated revenue					838	96
Total revenue					12,124	3,081
Result						
Segment result	(5,346)	(1,763)	(1,105)	(337)	(6,451)	(2,100)
Administration expenses					(2,159)	(1,008)
Loss before income tax					(8,610)	(3,108)
Income tax expense					(1)	-
Loss after income tax					(8,611)	(3,108)
Assets						
Segment assets	30,797	29,194	398	314	31,195	29,508
Unallocated assets					14,275	7,951
Total assets					45,470	37,459
Liabilities						
Segment liabilities	2,672	3,010	94	146	2,766	3,156
Unallocated liabilities					1,718	1,879
Total liabilities					4,484	5,035

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	Revenue from Sales to External Customers		Segment Assets	
	12 months ended 31 Dec 2010	6 months ended 31 Dec 2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Geographical segments				
Australia	-	-	21,617	13,199
Indonesia	11,286	2,985	23,853	24,260
	11,286	2,985	45,470	37,459

The controlled entity sells all its copper production from the Water Copper demonstration plant to Tennant Metals Pty Ltd pursuant to a Copper Cathode Sales Agreement between the parties.

	12 months ended 31 Dec 2010	6 months ended 31 Dec 2009
	\$	\$

Note 23: Key Management Personnel Disclosures

Detailed remuneration disclosures are set out in the Remuneration Report of the Directors' Report on pages 29 to 33.

a) Key management personnel compensation

Short-term employee benefits	1,604,065	728,649
Post-employee benefits	74,216	94,609
Share-based payments	181,557	114,458
	1,859,838	937,716

b) Equity instrument disclosures

(i) Shareholdings

Number of shares in respect of which Directors and other key management personnel have a relevant interest directly or through related entities.

2010	Balance 1 Jan 2010	Acquisitions	Exercise of Options	Disposals	Balance 31 Dec 2010
Directors					
Russell J Fountain	7,505,277	-	-	-	7,505,277
Christopher B Farmer	5,965,695	-	-	-	5,965,695
Michael H Stirzaker	4,017,858	-	-	-	4,017,858
Robert P Thomson	569,405	-	-	-	569,405
Stephen R de Belle	4,570,315	-	-	-	4,570,315
Stephen J Lonergan	70,733	-	-	-	70,733
Other key management personnel					
Gerry I Mbatemooy	2,875	-	-	-	2,875
Geoffrey R Hiller	850,000	-	-	(250,000)	600,000
Total	23,552,158	-	-	(250,000)	23,302,158

Mr Grant Harding ceased to be a key management person during the year.

2009	Balance 1 Jul 2009	Acquisitions	Exercise of Options	Disposals	Balance 31 Dec 2009
Directors					
Russell J Fountain	7,444,671	60,606	-	-	7,505,277
Christopher B Farmer	5,965,695	-	-	-	5,965,695
Michael H Stirzaker	4,017,858	-	-	-	4,017,858
Robert P Thomson	528,496	90,909	-	(50,000)	569,405
Stephen R de Belle	4,418,800	151,515	-	-	4,570,315
Stephen J Lonergan	70,733	-	-	-	70,733
Other key management personnel					
Gerry I Mbatemooy	2,875	-	-	-	2,875
Geoffrey R Hiller	950,000	-	-	(100,000)	850,000
Grant K Harding	20,000	30,303	-	-	50,303
Total	23,419,128	333,333	-	(150,000)	23,602,461

Acquisitions of shares by directors comprise shares received by the directors on conversion of loans and participation in a share purchase plan and market placement.

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(ii) Option Holdings

Number of options in respect of which Directors and other key management personnel have a relevant interest, directly or through related entities.

2010	Balance 1 Jan 2010	Lapsed	Balance 31 Dec 2010	Vested and exercisable	Unvested
Directors					
Michael H Stirzaker *	1,000,000	-	1,000,000	-	1,000,000
Robert P Thomson	2,000,000	-	2,000,000	750,000	1,250,000
Other key management personnel					
Chin Haw Lim	1,000,000	-	1,000,000	500,000	500,000
Geoffrey R Hiller*	500,000	-	500,000	-	500,000
Total	4,500,000	-	4,500,000	1,250,000	3,250,000

* Options lapsed after balance date.

Mr Grant Harding ceased to be a key management person during the year.

2009	Balance 1 Jul 2009	Granted	Balance 31 Dec 2009	Vested and exercisable	Unvested
Directors					
Michael H Stirzaker	-	1,000,000	1,000,000	-	1,000,000
Robert P Thomson	2,000,000	-	2,000,000	-	2,000,000
Other key management personnel					
Chin Haw Lim	1,000,000	-	1,000,000	500,000	500,000
Geoffrey R Hiller	500,000	-	500,000	-	500,000
Grant K Harding	625,000	-	625,000	125,000	500,000
Total	4,125,000	1,000,000	5,125,000	625,000	4,500,000

12 months ended 31 December 2010	6 months ended 31 December 2009
\$'000	\$'000

Note 24: Share-Based Payments

Expense arising from share-based payments

Options issued under Employee Share Option Plan	171	124
Shares issued under employee share scheme	21	-
	192	124

The Company had an Employee Share Option Plan which was replaced by an employee share scheme during the year. These are designed to provide long-term incentives to employees of the consolidated entity. The schemes are administered by the Directors who have power to determine the terms and conditions of the shares and options issued to eligible employees. Participation is at the discretion of the Board.

Shares granted

During the year, the Company granted the incentive shares set out below to employees of the consolidated entity. These comprise the total shares outstanding under the scheme. The shares were issued in January 2011.

Grant Date	Expiry Date	Exercise Price	Number		Number vested and exercisable at end of year	
			31 Dec 2010 '000	31 Dec 2009 '000	31 Dec 2010 '000	31 Dec 2009 '000
30 Nov 2010	30 Nov 2015	\$0.43	4,142	-	-	-

Fair value of shares granted

The fair value of the shares granted during the year were measured as the value of the options inherent within the shares issued (Note 2(u)) and were estimated using the Black Scholes option pricing model with the following assumptions:

Grant date	Expiry date	Exercise price	Share price at grant date	Risk free rate	Volatility
30 Nov 2010	30 Nov 2015	\$0.43	\$0.42	5.26%	70.3%

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Options granted

The options set out below were granted in previous financial periods. These comprise the total options outstanding under the Plan.

Grant Date	Expiry Date	Exercise Price	Number		Number vested and exercisable at end of year	
			31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
			'000	'000	'000	'000
31 Aug 2009	31 Aug 2014	\$0.37	250	250	-	-
14 Sep 2009	14 Sep 2014	\$0.37	1,000	1,000	-	-
16 Apr 2009	16 Apr 2012	\$0.30	500	500	500	500
16 Apr 2009	16 Apr 2014	\$0.30	500	500	-	-
8 May 2009	8 May 2014	\$0.30	2,000	2,000	750	-
24 Jun 2009	23 Jun 2014	\$0.37	250	250	-	-
29 Jun 2009	28 Jun 2014	\$0.37	-	125	-	125
29 Jun 2009	28 Jun 2014	\$0.37	-	500	-	-
29 Jun 2009	29 Jun 2014	\$0.37	500	500	-	-
			5,000	5,625	1,250	625
			\$0.33	\$0.33	\$0.30	\$0.31

The vesting conditions attached to the options above are set out in Note 17.

Fair value of options granted

The fair value of the options granted during the previous year were estimated using the Black Scholes option pricing model with the following assumptions.

Grant date	Expiry date	Exercise price	Share price at grant date	Risk free rate	Volatility
31 Aug 2009	31 Aug 2014	\$0.37	\$0.40	5.30%	76.4%
14 Sep 2009	14 Sep 2014	\$0.37	\$0.37	5.22%	76.1%

The exercise prices for the above options were set at a premium over the then market price of the shares.

	12 months ended 31 December 2010	6 months ended 31 December 2009
	\$	\$

Note 25: Auditor's Remuneration

PricewaterhouseCoopers Australia		
- Audit and review of financial report	113,305	85,000
- Tax consulting	54,090	13,840
Related practices of PricewaterhouseCoopers Australia		
- Audit and review of financial report	56,029	41,388
- Tax consulting	71,866	59,679
Non PricewaterhouseCoopers audit firm		
- Audit and review of financial report	8,483	-
	303,773	199,907

	12 months ended 31 December 2010	6 months ended 31 December 2009
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Note 26: Earnings Per Share

Basic loss per share	3.7 cents	2.3 cents
Diluted loss per share	3.7 cents	2.3 cents
	\$'000	\$'000
Loss used to calculate basic and diluted loss per share	8,611	3,108
	No.	No.
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	233,628,018	136,221,969

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12 months ended
31 December 2010
\$'000

6 months ended
31 December 2009
\$'000

Note 27: Reconciliation of Loss After Income Tax to Net Cash Used in Operating Activities

Loss for the period	(8,611)	(3,108)
Unrealised foreign exchange (gain)/loss	(160)	(531)
Depreciation and amortisation	1,257	662
Financing costs	319	175
Share-based payments	193	124
Exploration expenditure	869	-
Non-current assets written-off	517	255
Profit on sale of investments	(498)	-
Changes in assets and liabilities -		
(Increase)/decrease in receivables	(573)	(938)
(Increase)/decrease in financial assets	-	172
(Increase)/decrease in inventories	1,505	(808)
(Increase)/decrease in other assets	(33)	(3)
Increase/(decrease) in trade and other payables	(170)	(1,908)
Increase/(decrease) in provisions	317	3
Increase/(decrease) in other liabilities	(921)	920
Net cash used in operating activities	(5,989)	(4,985)

Non-cash financing activities

Shares in the Company were issued during the financial period for the following -

Acquisition of solvent extraction electrowinning plant	-	5,250
Convertible note interest payable	199	107
Share placement fee	450	-
	649	5,357

	2010	2009
	\$	\$

Note 28: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Directors and director-related entities

i) Copper cathode sales by a subsidiary, PT Batutua Tembaga Raya ("PTBTR"), to Tennant Metals Pty Ltd (a company in which Mr M H Stirzaker, who was appointed Finance Director of the Company on 3 June 2009, is a significant shareholder) pursuant to a Copper Cathode Sales Agreement dated 10 January 2008 (as amended)	11,286,392	2,985,361
Outstanding balance	-	65,359
ii) Loan from Tennant Metals Pty Ltd to PTBTR pursuant to the forward sale and purchase of copper cathode	-	608,273
Outstanding balance	-	-
iii) Payments made to Elliott Geophysics Indonesia, a company controlled by Mr Peter Elliott who is a director of Way Kanan Resources Pty Ltd, for geophysical services	-	19,432
Outstanding balance	-	-
iv) Advance to PT Batutua Kharisma Permai ("PTBKP"), a company controlled by Mr G Mbatemooy, representing the cash component of the consideration for the acquisition from PTBKP of shares in Banda Minerals Pty Ltd (refer Note 21)	664,174	-
Outstanding balance	664,174	-
v) Prepayment of director fees to Mr G Mbatemooy	12,776	(21,110)
Outstanding balance	32,000	19,224

(b) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 23 and the Remuneration Report.

Note 29: Financial Risk Management

The consolidated entity is headquartered in Australia and operates in Indonesia where it manages a demonstration plant capable of producing 5 tonnes of copper cathode per day. It is exposed to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and fair value interest rate risk), credit risk and liquidity risk.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies. The consolidated entity's risk management program focuses on the unpredictability and volatility of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity without unduly affecting its ability to operate and function.

In respect to foreign currency risk, the Board has retained an external consultant to advise on this risk.

a) Market Risk

i) Foreign currency risk

The consolidated entity operates in Indonesia and is exposed to foreign exchange risk arising from currency exposures, primarily the United States Dollar and the Indonesian Rupiah. The exposure to the United States Dollar is partially mitigated by the natural hedge provided by United States Dollar receipts generated from copper sales.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the consolidated entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

ii) Commodity price risk

The consolidated entity is exposed to adverse movements in the price of copper. The risk could be managed through the use of derivative financial instruments such as forward sale and option contracts. However the consolidated entity has not entered into any hedging instruments due to the unpredictability of copper production from the demonstration plant and the prohibitive cost of buying options.

iii) Interest rate risk

The consolidated entity is exposed to interest rate risk through its cash deposits held with banks.

iv) Credit Risk

Credit risk is the risk that counterparties may default on their contractual obligation, resulting in a financial loss to the consolidated entity. The risk arises from cash and deposits with financial institutions and credit exposures to trade customers. The consolidated entity minimises this risk by maintaining its banking and sales relationships with credit-worthy parties.

v) Liquidity risk

Liquidity risk is the risk that the consolidated entity will encounter difficulty in meeting obligations associated with financial liabilities. The consolidated entity manages its liquidity risk by closely monitoring its forecast and actual cash flows. The consolidated entity currently generates some cash flow from the Wetar Copper Project. Its additional funding requirements are sourced from equity raisings. The appropriate level of liquidity is determined by cash flow forecasting. Surplus funds are invested on short-term deposits.

b) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

The total contractual cash flows at each maturity date is equal to the carrying value except for a convertible note included under loans in the tables below. The convertible note has a face value of US\$1,500,000 (2010: \$1,476,000, 2009: \$1,672,000) and if not converted into shares, is repayable on 19 January 2012.

	Note	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing				TOTAL	
		31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	Within 1 year		Within 1 to 5 years		31 Dec 2010	31 Dec 2009
		%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets											
Cash and cash equivalents	4	4.50	3.78	14,457	7,606	-	-	-	-	14,457	7,606
Security deposit	6			-	-	-	-	17	17	17	17
Total Financial Assets				14,457	7,606	-	-	17	17	14,474	7,623
Financial Liabilities											
Loans	13	-	9.82	-	-	-	-	1,476	1,672	1,476	1,672
Total Financial Liabilities				-	-	-	-	1,476	1,672	1,476	1,672

	Note	Non Interest Bearing					
		Within 1 year		Within 1 to 5 years		TOTAL	
		31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Consolidated		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Receivables	5	812	609	2,705	2,032	3,517	2,641
Investments	6	-	324	-	-	-	324
Security deposit	6	-	-	274	103	274	103
Total Financial Assets		812	933	2,979	2,135	3,791	3,068
Financial Liabilities							
Trade and other payables	12	1,774	1,507	-	-	1,774	1,507
Other	15	-	921	-	-	-	921
Total Financial Liabilities		1,774	2,428	-	-	1,774	2,428

Financial Report

c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date. The company has adopted the amendments to AASB 7 Financial Instruments: Disclosures and consider the listed investments to be classified as Level 1 in the fair value measurement hierarchy.

All other financial assets and liabilities included in the balance sheet are carried at amounts approximate to fair value, except for the convertible note which had a fair value at balance date of \$1,476,000 (2009: \$1,672,000).

d) Sensitivity Analysis

Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk.

The consolidated entity has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and commodity price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

	2010 \$'000	2009 \$'000
--	----------------	----------------

Commodity price sensitivity analysis

The effect on profit and equity as a result of changes in the price of copper, with all other variables remaining constant would be as follows:

Change in profit

Increase in copper price by 10%	1,160	617
Decrease in copper price by 10%	(1,160)	(617)

Change in total equity

Increase in copper price by 10%	1,160	617
Decrease in copper price by 10%	(1,160)	(617)

Interest rate sensitivity analysis

The effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant is as follows:

Change in profit

Increase in interest rate by 2%	145	(30)
Decrease in interest rate by 2%	(145)	30

Change in total equity

Increase in interest rate by 2%	145	(30)
Decrease in interest rate by 2%	(145)	30

	2010 \$'000	2009 \$'000
--	----------------	----------------

Foreign currency risk sensitivity analysis

The effect on profit and equity as a result of changes in the value of the Australian Dollar to the United States Dollar, with all other variables remaining constant is as follows:

Change in profit		
Improvement in AUD to USD by 5%	(409)	(63)
Decline in AUD to USD by 5%	409	63
Change in total equity		
Improvement in AUD to USD by 5%	(409)	(63)
Decline in AUD to USD by 5%	409	63
Change in profit		
Improvement in AUD to IDR by 5%	283	97
Decline in AUD to IDR by 5%	(283)	(97)
Change in total equity		
Improvement in AUD to IDR by 5%	283	97
Decline in AUD to IDR by 5%	(283)	(97)

	Parent Entity	
	2010 \$'000	2009 \$'000

Note 30: Parent Entity Financial Information

Balance sheet		
Current assets	36,645	13,739
Total assets	77,701	59,823
Current liabilities	282	287
Total liabilities	1,718	1,878
<i>Shareholders' equity</i>		
Issued capital	85,661	65,727
Reserves		
Equity reserve	(166)	(166)
Share-based payments reserve	344	152
Financial asset reserve	-	(5)
Accumulated losses	(9,856)	(7,763)
	75,983	57,945

Financial Report

	12 months ended 31 December 2010 \$'000	6 months ended 31 December 2009 \$'000
Profit or loss for the year	(2,093)	(949)
Total comprehensive income	(2,088)	(860)

Guarantees entered into by the parent entity

No guarantees were entered into by the parent entity.

Contingent liabilities of the parent entity

The Company may receive a claim from two minority shareholders in the Company in connection with an equity placement to the two shareholders in 2008 as part of a financing to fund construction of the Wetar Copper Project Demonstration Plant. Details of the potential claim are set out in Note 20(b).

Contractual commitments for the acquisition of property, plant and equipment

No contractual commitments were entered into by the parent entity.

Note 31: Events After Balance Date

Subsequent to balance date -

- a) As detailed in Note 21, the Company acquired all the shares in Banda Minerals Pty Ltd it did not already own, thereby making Banda Minerals Pty Ltd a wholly-owned subsidiary.
- b) The Company cancelled its listing on the AIM market of the London Stock Exchange ("AIM"). The Company incurs significant compliance and other costs associated with maintaining an AIM listing which were not justified by the low trading volume on AIM.

Directors' Declaration

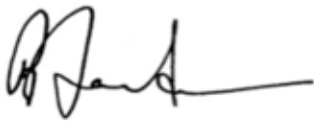
In the opinion of the Directors:

1. the financial statements and notes set out on pages 35 to 72 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the year ended on that date;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have received the declarations by the Chief Executive Officer and Chief Financial Officer pursuant to section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors.



Russell J Fountain
Chairman

Sydney

22 March 2011



Independent auditor's report to the members of Finders Resources Limited

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
pwc.com.au

Report on the financial report

We have audited the accompanying financial report of Finders Resources Limited (the company), which comprises the balance sheet as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Finders Resources Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Finders Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 29 to 33 of the directors' report for the year ended 31 December 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Finders Resources Limited for the year ended 31 December 2010, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Marc Upcroft'.

Marc Upcroft
Partner

Sydney
22 March 2011

Shareholders Information

as at 15 March 2011

Ordinary Shares

Employee Options

Issued capital

278,747,566

3,500,000

Distribution of holders

1 - 1,000	70	-
1,001 - 5,000	154	-
5,001 - 10,000	136	-
10,001 - 100,000	603	-
100,001 and over	196	4
	1,159	4

Non-marketable parcel

There were 64 shareholders with less than a marketable parcel (shareholdings with a market value of less than \$500).

Substantial shareholders

The substantial shareholders in the company, as disclosed in substantial holding notices given to the company are:

	Date of last notice	Holding	% of Issued Capital
Straits Resources Limited	14 Oct 2010	30,196,324	11.2
Acorn Capital Limited	27 Nov 2009	20,354,686	11.3
Resource Capital Fund IV LP	02 Oct 2009	18,920,366	10.5
Taurus SM Holdings Pty Limited	17 Sep 2009	18,181,800	10.3
Lujeta Pty Ltd	23 Feb 2010	15,000,000	7.7

Shareholders Information

Top 20 shareholders

		Holding	% of Issued Capital
1	Straits Mineral Investments Pty Ltd	30,196,324	10.8%
2	Resource Capital Fund IV L P	28,701,472	10.3%
3	Bond Street Custodians Limited <Taurus Res Ltd Partner A/C>	27,110,371	9.7%
4	National Nominees Limited	21,498,348	7.7%
5	Lujeta Pty Ltd <The Margaret Account>	15,610,000	5.6%
6	JP Morgan Nominees Australia Limited <Cash Income A/C>	9,825,001	3.5%
7	Exsolutions Pty Limited <The Exsolutions S/Fund A/C>	7,505,277	2.7%
8	Dr Christopher Ben Farmer	7,465,695	2.7%
9	Osson Pty Ltd	6,428,571	2.3%
10	HSBC Custody Nominees (Australia) Limited	5,115,990	1.8%
11	Mr Ian David Neuss	4,954,864	1.8%
12	Spar Nominees Pty Ltd	3,072,000	1.1%
13	Perth Investment Corporation Ltd	3,000,000	1.1%
14	Merrill Lynch (Australia) Nominees Pty Limited	2,940,000	1.1%
15	Hillboi Nominees Pty Ltd	2,653,585	1.0%
16	Mr Stephen de Belle + Ms Jennifer Sheehan <S J Superannuation Fund A/C>	2,486,408	0.9%
17	Tennant Metals Pty Limited	2,338,388	0.8%
18	UBS Nominees Pty Ltd	2,278,105	0.8%
19	Mr David Jeffrey Taylor + Mrs Rosemary Helen Taylor <Taylor S/F A/C>	2,271,765	0.8%
20	Citicorp Nominees Pty Limited <Cwlth Bank Off Super A/C>	2,208,000	0.8%
	TOTAL	187,660,164	67.3%

Corporate Directory

Directors

Russell John Fountain	Non-Executive Chairman
Christopher Ben Farmer	Managing Director
Robert Peter Thomson	Executive Director – Development
James Hamilton Wentworth	Finance Director
Stephen Ross de Belle	Independent Non-Executive Director
Stephen John Lonergan	Independent Non-Executive Director
Thomas Quinn Roussel	Non-Executive Director
Michael Henry Stirzaker	Non-Executive Director

Secretary

Ian Morgan

Registered Office

Suite 901, Level 9
60 Pitt Street
Sydney NSW 2000
Telephone: + (612) 8084 1812
Facsimile: + (612) 8068 2540
Email: info@findersresources.com

Website

www.findersresources.com

Stock Exchange Listing

ASX: FND

Auditor

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex street
Sydney NSW 1171

Brokers

<u>Australia</u>	<u>United Kingdom</u>
Blackswan Equities Limited	FinnCap
Level 12	60 New Broad Street
28 The Esplanade	London EC2M 1JJ United Kingdom
Perth WA 6000 Australia	

Share Registry

Computershare Investor Services Pty Limited
60 Carrington Street
Sydney NSW 2000 Australia
Telephone : 1300 850 505 (within Australia)
+ (613) 9415 4000 (outside Australia)

Australian Business Number

82 108 547 413

