Quarterly Report for the Period Ended March 31st 2011

Highlights

Wetar Copper Project - highlights

- ✓ Administrative elements of Mining Permit approvals complete
- ✓ Project Development
  - Bankable Feasibility Study target completion end-May
  - Appointment of Chris Allwood as Project Manager Wetar Island
  - Project debt; mandate targeted for Q2 completion
- ✓ Mine site exploration to target two satellite deposits within 2km of Kali Kuning

Ojolali Gold-Silver Project - highlights

- ✓ Encouraging Column test work results from Jambi prospect
- ✓ District exploration program focussed on generating new drill targets at Supri and Talang Harno prospects within 2km of Jambi

Corporate - highlights

- ✓ James Wentworth appointed to Board
- ✓ AIM delisting completed

Wetar Copper Project (*FND 95%)*

Current Site Activities

The Demonstration Plant stage was concluded with final stripping cycles completed in early January, resulting in sales of 92t of copper cathode in the Quarter. Reduction of plant activities allowed for maintenance in preparation of the re-start planned when permitting is complete.

Site activities focussed on preparations for the start of the commercial project construction phase.

The capacity of the neutralisation plant was extended with the addition of a new filter press, which is sufficient for the early stages of the expanded demonstration plant. To increase crushing capacity, the fabrication and reconditioning of an extra crushing circuit commenced. New stormwater ponds were constructed and installed for environmental management purposes.

Infrastructure requirements for the commercial stage were completed with the refurbishment of the 350-man former mining camp was completed and the port facilities were upgraded.

Fig 1. LME grade A Copper Cathode

Fig 2. View of Demo Heap and Crushing Area

Permitting

During the Quarter, the Company completed presentations and socialization of the projects' Feasibility Study and Mine Closure and Reclamation Plans with MP's and government officials and all relevant stakeholders. In addition, the new Mines Department completed a review of documents previously submitted to support the mining permit application. These documents were formally approved at the Regency level (issuing authority) on 15th March 2010.

The newly elected Bupati (Regent) is scheduled to begin his term in late April 2011.

Finders has progressed documentation required to recommence exploration stage work in the north coast tenements within forestry areas to the stage that they are now pending signature. Similarly, work has been undertaken in advance of the application for the construction phase, and a site survey of the forest area has been completed.

In parallel, the Province of Maluku and local Regency, have applied for the conversion forest areas in the Kali Kuning and Meron areas to be released from Forestry Department control and this is expected by mid-year.

Project Development

During the Quarter, Finders Resources approached a number of specialist mining project finance banks in March to formally submit expressions of interest to provide debt for development of the Wetar project. From the responses received, Finders will target to complete a common term sheet and then mandate lead arranger(s) in the second quarter.

In March, the Whim Creek processing facility stored in containers and break-bulk items were transported to Port Hedland. The Whim Creek plant is now ready to be shipped to Surabaya Port in Indonesia as soon as final masterlist (duty exemption) documents are complete; import permits for the plant have already been issued. Timing for shipping is expected to be in the second quarter.

Mining and copper leaching optimisation studies have confirmed that copper can be delivered to the Stage 1 and 2 processing plants at an increased nameplate production of 25,000 tpa of cathode. This is a better match with the capacity derived from the integration of the Expanded Demonstration Plant (Stage 1) and the Main Plant (Whim Creek) to be relocated to the Kali Kunning Valley (Stage 2).

The development schedule has been modified further to account for the time estimated for granting of the permits; previously scheduled pre-development expenditure will be suspended until the mining permit is issued to conserve cash. As a possible consequence, construction and commissioning may take 11 months from the time that the Wetar Project is committed to development. Once the mining permit is issued, the Company will review site activities with view to accelerating this timeline.

The revised Bankable Feasibility Study (BFS) level study for Stage 2 is later than expected due to consultant unavailability and continuing iterations of the mine and production modeling aimed at increasing nameplate to 25,000 tpa copper. This work is now complete and the BFS document is being compiled and finalized and updates on revised capital and operating costs will be available by end of May. A seven year mining period is required to mine approximately 8.2mt of ore from the Kali Kuning and Lerokis deposits at a 0.95 strip ratio. Production of approximately 150,000t of copper cathode over a 9 year processing period is foreseen assuming a 76% terminal copper recovery.

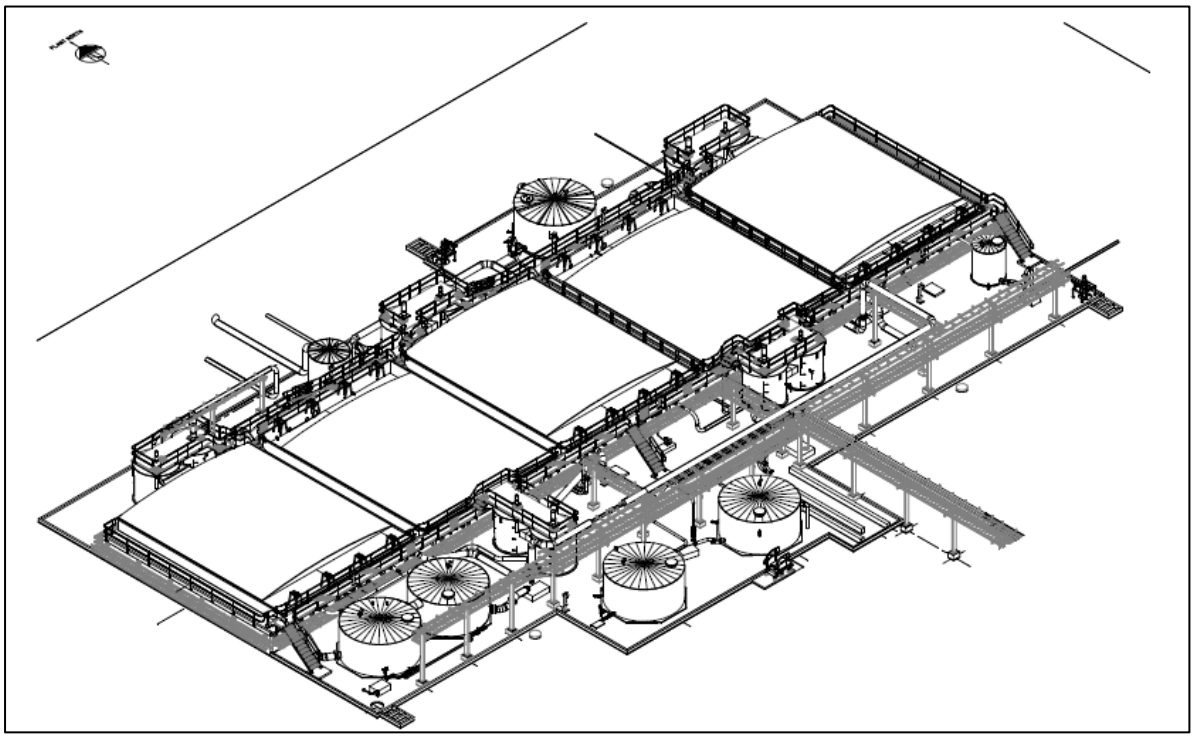

Fig 3. 3D view of Solvent Extraction facility (Main Plant)

Refinement of the preparation for Stage 1 has also been in progress during the Quarter. All major contractors and equipment suppliers have signed Memorandum of Understandings to commence work on the development of the project and final pricing is under review. The Stage 1 rectiformer is near complete and final shop inspections and load testing is expected in May in the USA and thereafter the unit is ready for shipping to Surabaya.

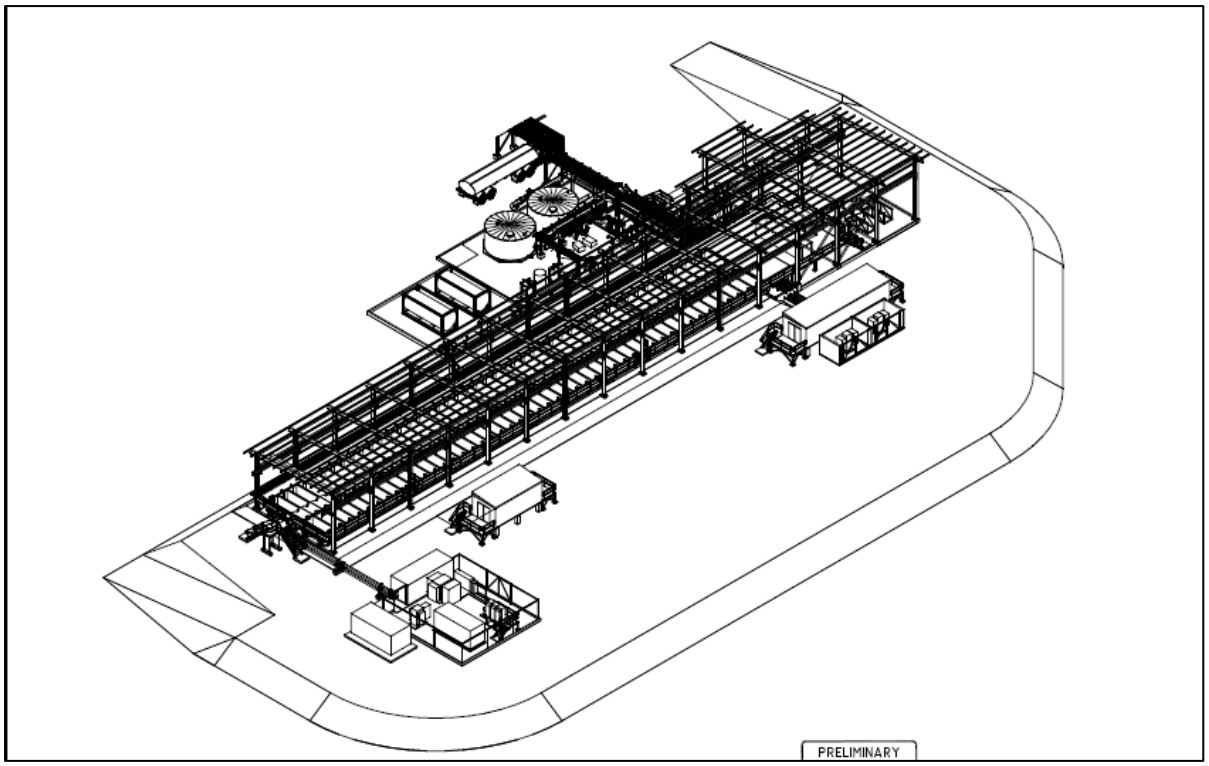

Fig 4. 3D view of Electrowinning facility (Main Plant)

Finders is pleased to announce the appointment of Chris Allwood to the position of Project Manager for the Wetar Project. He reports to the Company's Development Director, Rob Thomson. Mr. Allwood has qualifications in Project Management and Mechanical Engineering and as a senior project and construction manager has a background which includes multi-disciplinary international projects, ranging from commercial buildings and civil projects to heavy industrial and resource processing facilities.

Recent work includes Principals Representative for Barrick at the Porgera paste backfill plant in PNG (2009-10), Principals Representative for Straits Resources at the Sebuku Coal Processing Expansion plants in Indonesia (2008-9), Construction Manager for the Cibaliung process plant in Indonesia (2007-8) and leading the Ausenco team as Owners Project Manager at the Minara Nickel Heap Leach Expansion Project in Australia (2006-7).

Allwood's initial focus will be the completion of design and project implementation schedules with Neubau Engineering in Brisbane and then he will oversee the process of relocating project control from Sydney to Jakarta. In Jakarta, a primary role is to complete the buildup of the Indonesian development team and integration of the Wetar Project using Indonesian contractors and suppliers. After this, Allwood will be based on Wetar Island and take charge of the project management of Stage 1 and 2 developments.

Exploration Ramp-up

A review of exploration targets within the northern tenement blocks was completed. The planned program will focus in two areas; Meron, a known satellite deposit located 1km east the of Kali Kuning heap leach pads and Karkopang, located 2km south of the Kali Kuning deposit

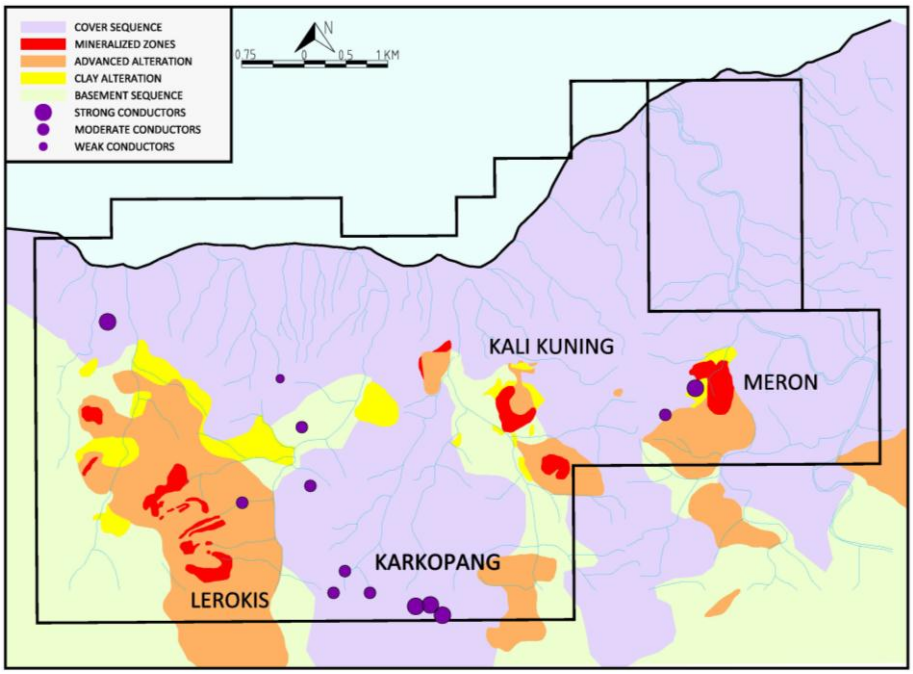

Figure 5 : Mine-site exploration focus at Meron and Karkopang

At Meron, during the former gold mine area, a total of 85 diamond drill holes were completed to assess the potential of a small gold-silver resource. Underlying the gold mineralisation, is a copper bearing massive sulphide which was partially tested during the same program.

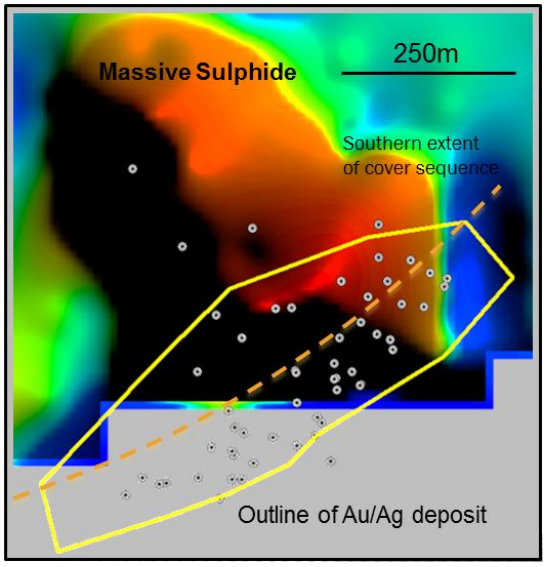

Figure 6: Meron EM anomaly showing location of gold deposit and former drill holes (circles)

Table 1 : Selected drill hole results > 10m% Cu

Hole	From (m)	Width (m)	Cu %
MED17	60.6	8.0	1.4
MED22	61.0	3.0	4.2
MED24	10.0	9.0	1.5
MED24	19.0	2.0	5.8
MED29	50.2	9.8	1.4
MED32	28.5	5.0	3.0
MED33	22.5	5.0	6.3
MED70	33.0	4.5	4.3
MED81	37.0	9.0	1.4
MED82	74.0	12.0	2.7
MED84	67.0	3.0	3.4

Note:
Finders has no QA/QC data, including original assay, core logging, core recovery information

The geology of the prospect area is well known, with outcropping barite sands which host the gold mineralisation, covered to the north by a sequence of lahars. The sulphide is not exposed and Finders completed electromagnetic surveys (EM) in the prospect area, which indicates that the sulphide body maybe be of similar dimensions to that seen at the Lerokis deposit.

The Karkopang Prospect lies 2km upstream from the Kali Kuning deposit. Recent review of airborne EM data from the gold mining era has indicated a number of conductors which have a similar response to the covered massive sulphide at Meron. Local geology is similar to Meron with a lahar cover sequence adjacent to an altered basement sequence exposed in the creeks.

The Company has completed semi-detailed mapping and stream sediment sampling in the vicinity and during the quarter was in the process of completing grids for ground-based surveys. There are encouraging geochemical results, with rock chips up to 0.16% Cu from copper stained altered and very anomalous (for Wetar) stream sediments (BLEG) samples with 5.8ppb Au, 253ppb Ag and 27.6 ppm Cu from rivers draining Karkopang.

Background Information on the Wetar Copper Project

The Wetar Copper Project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and suitable for open pit mining.

The project encompasses the old Lerokis gold mine (operated from 1989 to 1997) and benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially pre-stripped copper ore bodies.

Since February 2009, Finders has operated a 5 tonne per day SX-EW demonstration plant to test copper sulphide leach kinetics, optimise process design and provide data required for the Definitive Feasibility Study (DFS). The test heaps are at heights similar to commercial operations worldwide and the SX-EW technology being used is industry standard. SX-EW technology is currently responsible for approximately 22% of the world's copper production.

The Ore Reserves have been independently assessed by Australian Mine Design & Development Pty Ltd and are in accordance with the JORC Code (Table 2). The following statement uses a cut-off of 0.5% copper for two pits at Kali Kuning and Lerokis.

Table 2: Wetar Ore Reserves

	Category	Tonnes (m)	Grade % Cu	Contained Copper (kt)
Kali Kuning Pit	Proved	4.91	2.5	123
	Probable	0.85	2.2	19
	Sub-Total	5.76	2.5	142
Lerokis Pit	Proved	2.05	2.4	49
	Probable	0.37	2.3	9
	Sub-Total	2.42	2.4	58
Combined	Proved	6.96	2.5	172
	Probable	1.22	2.2	28
	Total	**8.18**	**2.5**	**205**

The 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.

Ojolali Project

(FND ~72% with option to increase to 100%)

During the quarter, work undertaken at Ojolali comprised:

- Metallurgical testing for both Jambi and Tambang prospects carried out by Australian Minmet Metallurgical Laboratories Pty Ltd (AMML) in NSW.
- On-going surface exploration comprising trench sampling and mapping of soil geochemical targets, and augur soil geochemistry through areas of shallow cover where previous surface geochemical sampling would not have been effective.

Metallurgical Testing

Jambi Prospect

A program of column leach testing of Jambi drill cores commenced on March 7th. Four 2m high columns of composite core samples of Jambi oxide material, with various head grades for gold and silver, crushed to minus 20mm, and agglomerated with cement have a planned leaching time of 75 days. Preliminary results, after 40 days of irrigation, are reported below (Table 3).

Table 3. Interim Column Leach Results

Column	Head Grade		Dissolution % (after 40 days)		Bottle Roll Dissolution (18 days)	
	Au g/t	Ag g/t	Au %	Ag %	Au%	Ag%
CL1	0.47	4.0	80.8	23.7	94.0	38
CL2	0.96	1.0	74.3	29.8	95.7	68
CL3	2.63	15.6	56.0	16.8	91.7	69
CL4	0.67	40.7	47.8	22.7	83.2	*

*Final assays not received

These results show very good leaching of gold and slower, but significant, leaching of silver from all samples. The initial 40 days results provide a good indication that ultimate recoveries after the full 75 day leach period will be much closer to the potential recoveries indicated by the bottle roll tests on splits from the same composites.

In particular, the strong and rapid leaching of gold from the low grade (0.47 g/t Au) column indicates that heap leaching with a low cut-off grade of around 0.3 g/t Au will be feasible, which will allow maximum utilization of the available resource.

Tambang Prospect

Metallurgical scoping testing on seven composite samples made from Tambang RC drill chips was completed by AMML, to investigate Ag and Au recovery for potentially open pittable Tambang mineralization by dissolution in cyanide solutions. The tests were aimed at a preliminary evaluation of the samples leach response, with a view to making a preliminary assessment on the ores suitability for heap leach processing.

Test work included mineralogical examinations of four samples, agitation cyanide leaching of ground material from all samples, bottle roll cyanide leaching of as received RC chips of all samples, and flotation testing of two samples. Various products were from the leach tests sized and the fractions assayed to aid in interpretation of the results.

The samples represented totally oxidised, partially oxidised transition and un-oxidized (fresh) zones in the resource with head grades and summarised test results shown below (Table 4).

Table 4. Tambang Metallurgical Results

Zone	Head Grade		24hr Agitation Leach				4 day Bottle Roll		Flotation	
			Grind -75um		Grind -16um		RC Chips unground			
			% dissolution		% dissolution		% dissolution		% Recovery	
	Ag g/t	Au g/t	Ag	Au	Ag	Au	Ag	Au	Ag	Au
Oxide	55	0.20	37	94	-	-	9	86	21	29.6
Oxide	91	0.37	32	91	36	91	21	87	-	-
Trans	40	0.50	71	76	-	-	44	54	-	-
Trans	113	0.29	65	47	76	60	29	25	-	-
Trans	59	2.48	36	83	-	-	21	64	38.3	63.5
Fresh	47	0.22	76	35	-	-	43	22	-	-
Fresh	74	0.27	68	43	77	41	26	7	-	-

Results were generally disappointing with respect to potential for leach recovery of high grade near surface silver mineralization at Tambang.

In the oxide zone, Au leach recoveries were reasonably high, but silver recoveries very poor, probably due to silver being incorporated in the lattice of secondary manganese oxide minerals. Gold recoveries dropped off through the transition and fresh zones, while silver recoveries improved slightly.

Very limited float testing on two samples showed poor recovery for both gold and silver in the oxide zone, but significantly improved results for the single transition sample tested. This supports previous test work by Finders on un-oxidized Tambang material which showed silver recoveries of around 70%

Ongoing Surface Exploration

Geological mapping and trench sampling continues targeting additional near surface oxide resources, supported by structural and stratigraphic mapping to target deeper targets for future drilling. Sampling has been completed for the Tambang South extension and Belida areas, and is currently focussed on elucidating the structure of wide zones of veining at the Supri prospect.

In addition, a program of auger soil sampling has been initiated at the Talang Harno prospect, where shallow, post mineral cover (1-12m thick) has been identified which has rendered previous soil surveys in this area ineffective.

Background Information

Finders believes that the Ojolali project has strong potential to be a follow-on project for Finders based on the development of the gold resource at the Jambi Oxide deposit (Table 5) and/or the Tambang Prospect.

Table 5: Jambi Resource Estimates by cut-off grade

	Indicated			Inferred			Total				
Zone	**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	131,000	670,000
Transition	0.79	0.70	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***	***176,000***	***1,000,000***

Cut-off 0.3 g/t Au (100% project basis)

The figures in the table may not sum due to rounding. Significant figures do not imply an added level of precision.

Previous exploration by Finders, using both soil geochemistry and geophysics has located numerous targets within a 10 x 4km mineral district which have potential to provide additional resources.

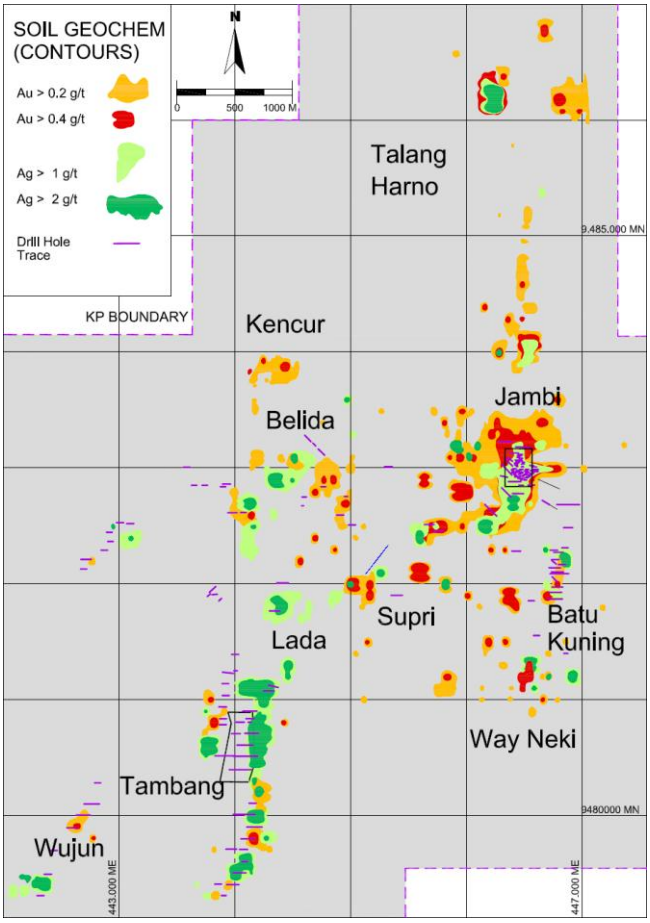

Figure 7: Ojolali district: soil geochemistry and prospect locations

Finders' current exploration strategy at Ojolali is to increase the oxide gold-silver resource base to +300,000 Oz gold equivalent (Au eq), to provide the basis for a low cost 30-50,000 Oz Au eq per year.

Corporate

Corporate Restructuring

As reported last quarter, the Company has restructured its ownership of the Wetar Copper Project by moving to 100% ownership of Banda Minerals Pty Ltd (Banda) through the acquisition of the remaining shares in Banda from its local Indonesian partner PT Batutua Kharisma Permai (BKP). Finders acquired the minority interest in Banda for a consideration comprising of US$675,000 and 2,000,000 Finders shares subject to vesting conditions related to permits. The acquisition was completed during the quarter. BKP retains an effective 5% interest in the Wetar project.

Finance Director

Mr James Wentworth was appointed as Finance Director during the last quarter. As previously foreshadowed, Mr Wentworth was appointed to the Board of Directors on 8 March 2011.

AIM Delisting

During the quarter, the Company cancelled its listing on the AIM market of the London Stock Exchange ("AIM").

Capital Structure

The capital structure at 31 March 2011 is set out in Table 6.

Table 6: Capital Structure

Type of Security			Number on Issue
Fully Paid Ordinary Shares ("Shares")			
Shares on issue at 31 Dec 2010			**269,146,997**
Consideration for acquisition of shares in Banda Minerals Pty Ltd			2,000,000
Employee incentive shares			7,492,430
Issued in payment of convertible note interest			108,139
Shares on Issue at 31 Mar 2011			**278,747,566**
Unlisted Options	*Exercise Price*	*Expiry Date*	
	A$0.30	Apr 16, 2012	500,000
	A$0.30	Apr 16, 2014	500,000
	A$0.30	May 8, 2014	2,000,000
	A$0.37	Jun 23, 2014	250,000
	A$0.37	Aug 29, 2014	250,000
Unlisted Options on issue at 31 Mar 2011			**3,500,000**
12% Convertible Note	*Face Value*	*Conversion Price*	*Maturity Date*
	US$1,500,000 (A$2,323,972)	A$0.36	19 January 2012

Cash

As at 31 March 2011, Finders had A$10.3 million in cash. The mining exploration entity quarterly report (Appendix 5B) is appended.

Chris Farmer
Managing Director

Further information from Finders Resources Ltd, please contact

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Chris Farmer	Managing Director	info@findersresources.com
James Wentworth	Finance Director	+61 2 8084 1812

Competent Person Statements

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 Competent Person in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code) and as a Qualified Person as defined in the AIM Rules. 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 employees 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 Competent Persons as defined in the JORC Code.

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