

Finders Resources Limited is an ASX-listed copper and precious metals company, primarily focused on developing its relatively high grade, low cost Wetar Copper Project on the Island of Wetar, East Indonesia.

Investment data

ASX code	FND
Share price (18 th March 2011)	A\$0.41
Cash	A\$14m
Debt (2012 Con Notes, 12%, \$0.36)	US\$1.5m

Current issued capital

Issued shares	278m
Options	5.6m
Market capitalisation (fully diluted)	\$116.3m
Enterprise Value (fully diluted)	\$103.8m

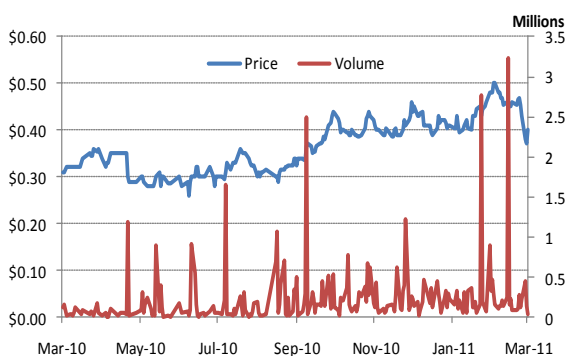
Board and Management

Russell Fountain	Chairman
Chris Farmer	Managing Director
Robert Thomson	Executive Director
James Wentworth	Executive Director
Stephen De Belle	Non-Executive Director
Steve Lonergan	Non-Executive Director
Quinn Roussel	Non-Executive Director

Top shareholders

	%
Resource Capital Fund	10.5
Straits Resources Ltd	11.1
Acorn Capital Ltd	10.4
Taurus Resources Ltd	10.0

Share price performance



Analyst

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SUMMARY OPINION

- The Wetar demonstration exercise has prepared Finders well technically and logistically for the build up to 25,000 tonnes of annual copper cathode production
- While final permitting and financing steps remain outstanding, the project risks have been reduced below tolerable levels, and the lingering share price discount looks unfair
- Grade and exploration upside add appeal

KEY POINTS

- Finders' Wetar deposit features 2.5% copper ore from surface in a coastal location with no competing land use and a positive legacy left by past mining.
- Total Wetar reserves are 8.2 million tonnes at 2.5% copper, containing 205,000 tonnes of copper within a pit design with a waste:ore ratio of 1:1.
- Wetar ore responds well to heap leaching under industry standard practices. The leach kinetics were tested by a demonstration heap and SX-EW project that ran from December 2008 to January 2011.
- Acid for Wetar will be generated within the heaps following water irrigation. In the demonstration phase even contact between ore and solute was maintained throughout the heap life. Target leach rates were met and terminal copper recoveries exceed expectations.
- Finders plans to complete optimisation of the Wetar feasibility study in May 2011. Finders is seeking to secure final approvals after the process stalled in 2010.
- Planned Wetar production is 25,000 tonnes of copper metal per year from 2012. The demonstration project will be expanded and an adjacent, larger processing operation will be built from previously operated plant paid for and held in storage.
- The funding cost of Wetar's construction has been previously estimated at US\$118 million. Subsequent changes in scope and materials prices are likely to increase the estimated funds required by about 10%.
- The forecast average operating cost for Wetar is US\$1.07/lb copper (US\$1.64/lb average total cost) over nine years of mine life.
- Numerous gold and copper prospects have been identified on Wetar, including a previously drilled deposit that Finders plans to consider for early development.
- Finders' management has a long collective record of successful exploration and development throughout Asia for major resource companies, including close involvement with Wetar and south Sumatran gold mining.
- Finders' second project is a large epithermal gold, silver and base metals system in Sumatra, called Ojolali.
- Finders is valued here at 84 cents per share diluted for a future equity raising and \$1.02 per share undiluted.

1. COMPANY BACKGROUND

Finders Resources Limited (Finders) was incorporated in 2004 to acquire controlling interests in the Wetar (December 2004) and Ojolali (April 2005) mineral projects in Indonesia. Finders listed on Australian Stock Exchange in June 2006.

In 2008 Finders built a demonstration plant on Wetar Island with the aim of finalising key operating parameters for full scale development of an open pit copper mine and copper cathode production facilities. The Wetar demonstration plant ran from February 2009 to December 2010.

In 2011 Finders is preparing to finance and build the Wetar copper project.

2. BOARD AND MANAGEMENT

Finders' founding directors, Russell Fountain and Chris Farmer, are each geologists with a long running association with minerals developments in Indonesia.

Russell Fountain, Executive Chairman

Mr Fountain was Chief Geologist in the CSR Limited team that discovered the Wetar deposits in the mid 1980s. Dr Fountain was vice president of exploration for Phelps Dodge in the Australasia region from 1993 and head of Phelps Dodge exploration efforts worldwide from 2000.

Chris Farmer, Managing Director

Mr Farmer was Chief Geologist with Billiton Indonesia BV from 1991 to 1995. In that period Dr Farmer managed exploration of the Wetar mine and regional prospects, and the Leborg Tandai gold mine in southern Sumatra. From 1996 to 2002 Dr Farmer was vice president of exploration for Phelps Dodge in the Australasia region.

Robert Thomson, Executive Director

Mr Thomson was appointed General Manager Development in October 2008 and subsequently became an Executive Director in January 2009, with responsibility for completion of the Wetar feasibility study and its subsequent development. Mr Thomson was formerly GM development for Kingsgate's Chatree mine, Project Director of Oxiana's Sepon gold mine and CEO of Climax Mining Limited from 2003 to 2006, overseeing the construction of the Didipio project in the Philippines. Mr Thomson was CEO of Asian Mineral Resources from 2006 to 2008.

Daniel Tarrant, Chief Metallurgist

Mr Tarrant previously managed design, commissioning and operation of SX/EW copper operations at Lady Annie (heap leach), Nifty (heap leach) and Mt Gordon (autoclave leach). Mr Tarrant was responsible for the commissioning of the Wetar demonstration project.

Darren Holmes, Construction Manager

Mr Holmes is in charge of construction and commissioning Wetar stages 1 and 2. He is ex Process Coordinator at Nifty and worked as a supervisor commissioning the Lady Annie, Brown's Oxide and Leichhardt SX-EW plants.

Greg Brown, Logistics Manager

Mr Brown manages contracts and logistics at Wetar. He was previously responsible for materials and logistics at Ambatovy Nickel and has seven years experience in Indonesian logistic management. A team of skilled Indonesian personnel are retained from demonstration plant operations.

Gerry Mbatemooy, Community Relations Manager

Mr Mbatemooy is the Indonesian partner responsible for satisfying local ownership and regulatory requirements. Mr Mbatemooy performed a similar role for Billiton Indonesia BV in the 1990s. He holds a net profit royalty interest in Ojolali and 5% participating interest in Wetar.

3. BACKGROUND OF WETAR COPPER PROJECT

CSR Ltd discovered gold on the western Indonesian island of Wetar in 1986, by following up stream sediment anomalies generated during a sweep of the islands. Billiton Indonesia BV (Billiton) bought the Wetar Contract of Work (COW) in 1988. Billiton built a 600,000 tpa CIP plant on site and mined about 4 million tonnes of ore grading 4.5g Au/t from two similar sized open pits (Kali Kuning and Lerokis) near the central-northern coast of the island.

Mining and exploration wound up in 1997 and the COW was terminated in October 2004 following the removal of plant and heavy equipment and site rehabilitation. Finders' licence application through an Indonesian company was granted two months later.

Finders' initial targets at Wetar are the copper deposits that lie underneath the gold mineralisation mined at Kali Kuning and Lerokis. The deposits are rare examples of subsea 'smokers' comprising a gold bearing barite sand (white smoker) above copper bearing massive pyrite (black smoker). The deposits are relatively high grade (~2.5% copper) and where preserved form a basin shape ideal for open pit mining. Billiton drilled the copper deposits, estimated resources and conducted a prefeasibility study in 1997. Billiton found that the high pyrite (FeS) content of Wetar ore hindered flotation to a concentrate of adequate quality for smelting or effective concentrate leaching, and concluded that Wetar's copper was uneconomic to extract via the flotation route at the prevailing copper prices.

The idea of heap leaching Wetar ore had been initially dismissed because the implications of high pyrite content (90%) on leach chemistry were not clear, and in any case Wetar's copper was thought to occur predominantly as chalcopyrite (CuFeS₂), which is not readily leachable in ambient temperature heaps.

In mid 2006, a re-assay of all drill samples indicated 60% of the copper at Kali Kuning and 45% of the copper at Lerokis was held in 'leachable' minerals (predominantly covellite, CuS and chalcocite, Cu₂S). The switch from thinking about chalcopyrite copper recovery to covellite/chalcocite copper recovery opened a potentially simple and elegant process solution to Wetar and paved the way for Finders' current development push.

4. RESERVES – KALI KUNING & LEROKIS

Kali Kuning and Lerokis are geologically similar deposits 3.5 kilometres apart and each within five road kilometres of the coast. Billiton mined basin shaped gold deposits to a clearly visible contact, exposing massive pyrite and copper sulphide ore over the full extent of each deposit. The ore positions were subsequently covered with up to 15 metres of waste as part of site rehabilitation. Consultants Hellman and Schofield reviewed the Billiton and Finders drilling database in April 2007, concluding that there was little risk associated with the database. The consultant estimated resources in mid 2007 and revised those estimates in November 2008 based on 63 additional drill holes, adjusting density and ore classification inputs. Total combined resources of 8.8 million tonnes at 2.4% copper were estimated at a 0.5% copper lower cut off.

In October 2009 consultants Australian Mine Design & Development estimated reserves, in effect placing 95% of measured and indicated resources into mine plans.

WETAR RESERVES, OCTOBER 2009.

KALI KUNING 0.5% COPPER CUTOFF

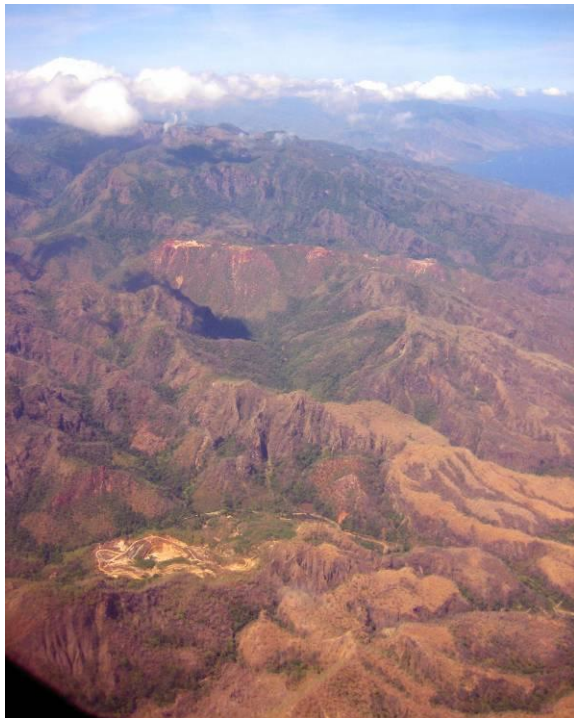
Category	Mt	%Cu
Proved	4.9	2.5
Probable	0.9	2.2

LEROKIS, 0.5% COPPER CUTOFF

Category	Mt	%Cu
Proved	2.1	2.4
Probable	0.4	2.3

TOTAL WETAR, 0.5% COPPER CUTOFF

Category	Mt	%Cu	Contained Cu
TOTAL	8.2	2.5	205,000t



Wetar looking west, Kali Kuning is in the foreground and Lerokis is in the middle distance

5. ORE PROCESSING

Commercial leaching of secondary copper sulphide minerals (mainly chalcocite) is well established at other operations around the world, supplying about 5% of the world's copper. Chilean operations Cerro Colorado (BHP Billiton), Quebrada Blanca (Aur Resources) and Zaldivar (Placer Dome) each produce 80,000 to 150,000 tonnes of copper metal per year, and recover 80-90% of total copper in 300-500 days of leaching, by trickling solute through heaps of crushed and bacterially oxidised chalcocite ore. Heap leaching is an accepted and generally preferred method of copper recovery from ore containing oxide and secondary sulphide minerals. Practices relating to crush size, ore preparation methods, heap design, aeration, irrigation rate and leach cycle duration have converged to industry standards subject to well understood variations and limitations. The development and dissemination of efficient heap leach copper recovery is a contemporary success story that has created opportunities for copper developers around the world.

To establish whether heap leaching followed by solvent extraction and electrowinning could be commercially applied at Wetar, Finders began laboratory testing

programs in August 2006. Upon receipt of encouraging results Finders committed to a demonstration heap leach and SX-EW project at Wetar in June 2007.

6. THE DEMONSTRATION PLANT

The Wetar demonstration project was designed to produce five tonnes of copper cathode per day, or about 10% of the capacity of a full scale development.

From June 2008 to June 2009 four heaps containing a total of 100,000 tonnes of Kali Kuning ore were stacked in four leach pads ranging from six to nine metres high. Finders selected the test pits for the demonstration heaps as representative of the main ore types to be mined at Wetar, according to physical and assay distinctions.

From December 2008 the pads were reticulated with water and aerated. The solution collected from the base of the heaps underwent solvent extraction and electrowinning in a plant constructed on-site, producing the first copper cathode in January 2009.

Within each of the four heaps, crush size, reticulation rate, heap height and aeration designs varied. Monitors in the heaps returned information about the changes and distribution in temperature and acid concentration, among other parameters. A sampling program of the heap material, when compared against heap recovery results, provide a calibrated, predictive model of heap copper recovery from laboratory tests.

By the end of December 2010 the Wetar demonstration project had produced 2,500 tonnes of copper cathode, accounting for 65% of the copper in the heaps prior to the start of leaching. In the best performing heap (heap 3) 80% of the contained copper was recovered into solution in 90 weeks of irrigation, with terminal recovery still to be reached.

The demonstration project affirmed the copper recovery curves predicted from laboratory results. In particular;

- More than 80% of the contained copper at Kali Kuning and Lerokis is recoverable by leaching within practical leach times.
- The wetting and percolation characteristics of the Wetar ores remain almost ideal for effective contact between micro-organisms, solute and copper minerals throughout the envisaged life of the heaps. In the demonstration heaps the best permeability was

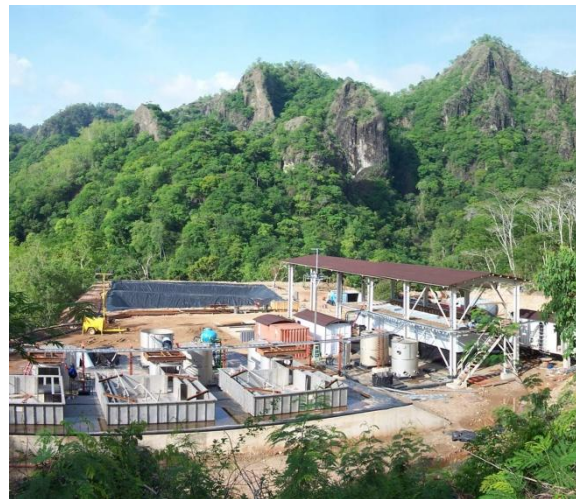
maintained at a relatively coarse crush size (screened at about 14 mm).

- Copper recovery rate is sensitive to heap temperature. The bacteria that oxidise chalcocite at ambient temperatures, called mesophiles, are ineffective or slow in oxidising chalcopyrite and covellite. At Wetar the acid and heat generated by bacterial oxidation of the sulphide minerals builds up at such a rate that, starting at ambient temperature with water reticulation, the heaps progress naturally to higher acid concentration and higher heap temperatures. At temperatures of between 35C and 80C other processes (the action of thermophilic microorganisms and/or galvanic type reaction) oxidise chalcopyrite and accelerate oxidation of other primary copper minerals including covellite. Wetar's coarse pyrite catalyses the copper sulphides into solution while maintaining mineral structure and hence solute flow through the heap. Temperature and acid concentration in the heap must be controlled through aeration, irrigation rates and by bleeding acid from the solute stream.
- Covellite, rather than the more soluble chalcocite, was found to be the dominant copper sulphide in the test pit ore. From examination of heap residues, chalcocite and chalcopyrite were effectively leached in the first 50 weeks, leaving slower leaching covellite as the dominant residual copper mineral in the heaps. Terminal recovery of the covellite copper has not yet been achieved in heap 3.
- Excess sulphuric acid generated by the demonstration project required the construction of facilities to neutralise excess acid with lime in a reaction vessel.

Net of sales (\$A19 million) Finders spent \$A40 million on Wetar (inclusive of all demonstration project costs, feasibility study costs and costs associated with dismantling and transporting the Whim Creek SX-EW plant and equipment into storage) from 2008 to the end of 2010. The principal objective of the demonstration project was to determine design inputs for the full scale development. The project also provided invaluable practical experience both on-site and in handling permitting, procurement and transport issues.

Finders proposes a fourfold expansion of the demonstration project, to 7,000 tonnes of annual copper cathode capacity, as part of Wetar's full scale development. The proposal is

intended to maximise use of the infrastructure established for the demonstration project.



The Wetar Demonstration Project SX-EW plant



Ore stacking on demonstration heap, crusher in background

7. FULL SCALE DEVELOPMENT

In June 2009 Finders agreed to acquire the Whim Creek SX-EW plant and associated equipment in Western Australia. Finders settled the purchase in December 2009, issuing 13.4 million shares to Straits Resources Limited. The plant was in operation at Whim Creek until October 2009, with a nameplate capacity of 18,000 tonnes of copper cathode per year. Finders dismantled and packed the Whim Creek plant in containers by early 2010, in preparation for relocation to Wetar.

Finders completed a Wetar feasibility study in November 2009, using the information gathered from the initial nine months' experience of the trial heaps and demonstration plant.

The November 2009 feasibility study is based on expansion of the demonstration plant capacity to 5,000 tpa copper cathode (stage 1) closely followed by construction of 18,000 tpa additional capacity in separate, adjacent leach pads and SX-EW facilities using the Whim Creek plant (stage 2). In stage 3 Lerokis ore is to be mined and trucked to Kali Kuning for treatment, extending the project life at 23,000 tpa copper cathode to nine years.

Finders' estimated the total funds required to establish a project, annually stacking 1.2 Mt of ore and producing up to 23,000 annual tonnes of copper, at US\$118 million in November 2009. The cost comprised US\$12 million for stage 1, US\$91 million for stage 2 and US\$15 million for working capital.

Since mid 2010 an extended permitting process has delayed further mining and construction activity at Wetar. Finders used the delay to complete engineering design, optimise the mining schedule and secure new waste dump locations. The planned capacity of stage 1 has been raised to 7,000 tpa copper cathode. Stage 2 will be developed in parallel with stage 1 and work on stage 3 is planned to start in the third year of the project.

Through the experience of the demonstration project construction, the practicalities of building a project on Wetar, which is a relatively remote part of Indonesia, are well understood. Finders is leasing and has refurbished parts of the Billiton mining camp. Equipment is received by landing craft at the existing wharf. A site on the island's coast for an airstrip has been selected. All infrastructure elements are within five kilometres of the planned mines.

Stage 2 leach pads will be built in the adjacent valley west of Kali Kuning. A flat area will be created for the leach pad site by using waste from the pit and filling the floor. The valley's catchment extends less than 600 metres beyond the designed leach pad limit, and downstream the valley narrows to a neck suitable for managing storm water runoff.

Ore will be crushed to 80% passing 14 mm, charged with acid and micro-organisms in an agglomeration step, and stacked in six metre high lifts. Air and acid will pass through the heaps from the base and top respectively, at rates designed to maintain heap temperatures between 50C and 80C. All design elements are based on accepted,

commercial heap leach practices. Leach pads for Lerokis will be built on top of sealed and decommissioned Kali Kuning ore pads.

The demonstration project results indicate about 1.8 tonnes of lime will be required to neutralise excess acid for every tonne of copper cathode. At full capacity about 200,000 tonnes of local limestone will be mined and processed into lime on site each year.

8. FULL SCALE DEVELOPMENT - COSTS

Finders' revised Wetar feasibility study is due for completion by May 2011. Scope changes and increased raw material prices are likely to lead to higher total funding costs than indicated in November 2009. Accompanying forecasts assume \$US140 million inclusive of working capital and contingency allowances.

Forecast Wetar total costs, including administration, marketing, royalties, depreciation and amortisation, average US\$1.65/lb copper over the life of the mine. Forecast cash operating costs (including administration, marketing and royalties) average US\$1.07/lb copper, or US\$44 per tonne of ore stacked.

Wetar costs, both capital and operating, are projected to be relatively low for a medium scale operation. High ore grade, high bulk density and low strip ratios account for much of Wetar's relative advantages, reflected in proportionally less material movement and processing than in comparable operations. Low reagent use (no acid) and rapid leach recovery further reduce costs. Also, labour in Indonesia costs a fraction of Australian rates.

At prevailing rates 30-40% of Wetar's projected operating costs are fuel costs; for contractor mining, on-site contract power generation and transport. State oil company PT Pertamina periodically sets a District III (including Kupang, West Timor) industrial diesel price taking into account international crude prices. Currently the rate translates to US\$0.92/l. Accompanying forecasts assume a fuel cost of \$US0.90/l landed in Wetar. Subject to future international price moves Finders may negotiate arrangements that will reduce fuel costs below this level.

9. COPPER RECOVERY CURVE

Irrigation of individual heaps will not proceed to terminal recovery, which is apparently greater than 85% of the contained copper. Instead the heaps will be decommissioned when the cost of irrigation and extraction is not covered by the amount of copper recovered, or when the pad area can be better used to leach a new heap of ore. With limited space for leach pads, Finders plans to irrigate individual leach pads for about 560 days before decommissioning each heap. In this irrigation period Finders plans to recover 76% of the copper contained in the heap, according to a recovery 'curve' established in laboratory and demonstration heap testing. The planned recovery curve is based on the performance of heap 3, from which 76% of the copper was recovered in 540 days. Finders expects slightly more covellite in the deeper pit ore than mined for the demonstration heaps, and hence is allowing for slightly slower leaching rate average over all heaps. The upper parts of the Kali Kuning deposit, which contain greater proportions of copper in secondary copper minerals, are likely to outperform the average recovery curve.

10. ENVIRONMENT AND PERMITTING

Finders approval of the Environmental Impact Assessment (AMDAL in Indonesia) in April 2010. The approval remains in force covering subsequent amendments to project plans made since November 2009.

As essentially crushed pyrite, the Wetar heaps will need to be permanently sealed upon completion of copper extraction to prevent acid drainage. Billiton successfully sealed the pit and about 600,000 tonnes of copper ore mined as waste. Finders will need to do the same for about 10 million tonnes of heap material, effectively keeping the heaps permanently dry after their rehabilitation. Finders plans to divert runoff around the heap (the valley used for the heap has a small catchment area) and establish a series of settling and cleaning ponds downstream. Finders has the benefit of baseline environmental studies completed during Billiton's tenure on Wetar.

Wetar is on a remote and sparsely populated island where officials at all levels are keen to promote development with the aim of lifting living standards. The local communities have past experience in adjusting to mining development. Priority employment opportunity is given to local workers.

Finders' interest in Wetar is currently held through a co-operation agreement with the Indonesian company holding

the IUPs (mining authorisations). Finders' Indonesian partner has a 5% net profits royalty right to Wetar. The introduction of Indonesia's Bill on Mineral and Coal Mining, which was signed by Parliament in January 2009, provides for direct foreign ownership of mining licences. Finders is seeking to restructure title of Wetar to 95% direct ownership with a participating 5% partner. Under the Mining Bill Finders must sell down a further 15% of the Wetar project to Indonesian interests within five years of commencement of (full scale) operations. A 4% net royalty is payable to the Indonesian government.

Issue of the Mining Permit for Wetar has been delayed by jurisdiction and land use determination issues at ministerial and provincial government levels. The process was complicated by the failure of local government elections in November 2010 to return a winning candidate. The interim administration requested a suspension of activity by all exploration permit holders in Maluku forestry areas, including Finders, pending issue of outstanding permits. The process of re-zoning Kali Kuning and Meron to non-forest areas has since progressed to its latter stages. Finders expects the interim administration to complete their reviews of the Wetar application documents in March 2011, and be in position to recommend the approval necessary for commencement of stages 1 and 2 by April 2011.

11. EXPLORATION

A prospect called Meron lies within the existing IUKP, 1km east of the Kali Kuning leach pad site. Billiton estimated a resource of 0.6 Mt at 2.3% copper at Meron using a 1% Cu cut-off (not included in Finders' resources). Finders plans to drill Meron for consideration in the mining plan ahead of Lerokis.

Before relinquishment in 2004 Billiton identified 25 separate occurrences of barite sands and/or massive pyrite scattered throughout the island of Wetar. Finders has IUPs covering four of these prospects in addition to Kali Kuning, Meron and Lerokis.

Stream sediment sampling, stratigraphic mapping and electromagnetic surveys each provide direct target indications, aided by a stark contrast between deposit and surroundings. The exposure of Kali Kuning and Lerokis at the surface appears fortuitous because of their susceptibility to erosion.

12. FINDERS - FINANCE

At the end of December 2010 Finders had A\$14.4 million in cash, 278 million ordinary shares on issue and a US\$1.5 million note facility convertible into 6.5 million shares by January 2012. A further 2 million shares will be issued to Finders' Indonesian partner upon receipt of a Mining Permit for Wetar.

In the accompanying forecasts total funding of US\$140 million is financed by US\$80 million in debt and A\$60 million in equity satisfied by the issue of 133 million new shares at \$A0.45 per share.

13. PRODUCTION FORECASTS - WETAR

The following forecasts reflect projections for stages 1, 2, and 3 at Wetar, assuming no contribution from the Meron prospect. Capital and operating cost assumptions are estimates as set out in the text of this report. Finders plans to finalise its own estimates as part of a feasibility study revision due in May 2011.

Copper price forecasts take into account the three year forward curve as at March 2011, which suggests Finders can sell a proportion of its planned copper cathode output forward to mid 2015 at US\$8,700 per tonne (US\$3.95/lb). After 2015 copper prices are assumed to revert to US\$6,170/t (US\$2.80/lb) long term.

Year End 31 Dec	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wetar Heaps									
Ore stacked, irrigated (000t)		180	1,080	1,320	1,320	1,320	1,300	1,320	340
Copper grade (%)		2.5	2.5	2.5	2.5	2.5	2.4	2.4	2.4
Copper recovery (%)		76	76	76	76	76	76	76	76
Leach time (days)		540	540	540	540	540	540	540	540
Copper cathode sales (t)	1,600	500	12,700	23,600	24,800	24,800	24,300	23,800	14,900
Capital exp. (\$USM)	10	65	65			15			
Cash cost (\$US/t ore)		18	27	41	43	38	38	37	131
Cash cost (\$US/lb Cu)		2.86	1.08	1.06	1.07	1.07	1.08	1.08	1.50
Total cost (\$US/lb Cu)		5.10	1.89	1.59	1.57	1.64	1.64	1.65	1.94
Reserve (Mt)	8.2	8.0	6.9	5.6	4.3	3.0	1.7	0.3	
Reserve grade (%Cu)		2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Attrib. reserve (000t Cu)		202	198	171	138	105	72	40	8

14. PROFIT AND CASH FLOW FORECASTS (FND A\$0.395)

Profit & Loss	Unit	12-10F	12-11F	12-12F	12-13F	12-14F	12-15F	12-16F	12-17F
Net Revenue	A\$m	10	4	104	193	203	176	151	148
Total Costs	A\$m	(15)	(7)	(34)	(60)	(63)	(62)	(60)	(59)
EBITDA	A\$m	(5)	(3)	70	134	140	114	91	89
Depreciation/Amort	A\$m	(3)	(3)	(23)	(28)	(27)	(31)	(30)	(30)
EBIT	A\$m	(5)	(6)	47	106	113	83	60	59
Net Interest	A\$m	0	(1)	(6)	(2)	2	2	2	2
Pre-Tax Profit	A\$m	(5)	(7)	41	104	115	85	62	60
Tax Expense	A\$m			(10)	(26)	(29)	(21)	(16)	(15)
NPAT	A\$m	(5)	(7)	31	78	86	63	47	45
Abnormal Items	A\$m								
Reported Profit	A\$m	(5)	(7)	31	78	86	63	47	45
Balance Sheet	Unit	12-10F	12-11F	12-12F	12-13F	12-14F	12-15F	12-16F	12-17F
Cash	A\$m	14	34	64	151	229	303	376	452
Other Current Assets	A\$m		7	7	7	7	6	5	5
Total Current Assets	A\$m	14	42	71	158	236	309	381	457
Property, Plant & Equip.	A\$m	51	113	156	128	101	84	54	24
Investments/other	A\$m								
Tot Non-Curr. Assets	A\$m	51	113	156	128	101	84	54	24
Total Assets	A\$m	65	155	227	286	337	393	435	481
Short Term Borrowings	A\$m								
Other	A\$m								
Total Curr. Liabilities	A\$m								
Long Term Borrowings	A\$m		40	80	40				
Other	A\$m								
Total Non-Curr. Liabil.	A\$m		40	80	40				
Total Liabilities	A\$m		40	80	40				
Net Assets	A\$m	65	115	147	246	337	393	435	481
Cashflow	Unit	12-10F	12-11F	12-12F	12-13F	12-14F	12-15F	12-16F	12-17F
Operating Cashflow	A\$m	(5)	(10)	60	132	140	114	91	88
Income Tax Paid	A\$m	(1)			(10)	(26)	(29)	(21)	(16)
Interest & Other	A\$m	0	(1)	(6)	(2)	2	2	2	2
Operating Activities	A\$m	(5)	(11)	55	120	116	87	72	75
Property, Plant & Equip.	A\$m	(10)	(65)	(65)			(15)		
Exploration	A\$m								
Investments	A\$m								
Investment Activities	A\$m	(10)	(65)	(65)					
Borrowings	A\$m		40	40	(40)	(40)			
Equity	A\$m	20	60						
Financing Activities	A\$m	20	100	40	(40)	(40)			
Net Cash Change	A\$m	5	24	30	80	76	87	72	75
Ratio Analysis	Unit	12-10F	12-11F	12-12F	12-13F	12-14F	12-15F	12-16F	12-17F
GCFPS	A¢	(1.7)	(3.4)	21.4	46.7	49.6	40.3	32.2	31.3
CFR	X	(22.8)	(11.5)	1.8	0.8	0.8	1.0	1.2	1.3
EPS	A¢	(1.6)	(2.3)	10.9	27.7	30.5	22.4	16.5	16.0
PER	X	(24.3)	(17.1)	3.6	1.4	1.3	1.8	2.4	2.5
Interest Cover	x	16.3	na	na	na	na	na	na	na
ROCE	%	-10%	-5%	30%	83%	112%	98%	112%	248%
ROE	%	-7%	-6%	28%	42%	34%	22%	14%	13%
Gearing	%	-	34.8%	54.5%	16.2%	-	-	-	-
*All values fully diluted unless otherwise stated									
Price Assumptions	Unit	12-10F	12-11F	12-12F	12-13F	12-14F	12-15F	12-16F	12-17F
Copper Price	\$US/t	7494	8155	8155	8155	8155	7053	6171	6171
Exchange rate	\$/US	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95

15. CORPORATE VALUATION

Assets	A\$M	cps
Wetar Copper	277	100
Ojolali	10	4
Cash & deposits	14	5
Debt	0	0
Equity dilution	(52)	-19
Minority interest	(14)	-5
Option adjustment	(3)	-1
Share valuation	240	84

16. WETAR SENSITIVITIES

Copper Recovery

Met. recovery	NPV @2.95/lb Cu	Annual prodn*	unit op costs
	A\$M	tCu	US\$/lb Cu
72% in 540 days	252	23,500	1.09
76% in 540 days (Base case)	277	25,000	1.07
80% in 540 days	300	26,400	1.03

*In practice the rate of stacking and irrigation will be adjusted to maintain copper output rates at design capacity.

Copper Grade

Head grade	NPV @2.95/lb Cu	Unit op costs
%Cu	\$AM	\$US/lb Cu
2.3	246	1.09
2.5 (Base case)	277	1.07
2.7	307	1.03
3.0	354	0.99

Copper Price

Copper price	Wetar NPV (10%DR)	Finders valuation (equity diluted)	Unit op costs
\$US/lb	\$AM	Acps	\$US/lb Cu
Base case -10%	222	74	1.05
Base case	277	84	1.07
Base case +10%	331	95	1.08
Base case +20%	385	106	1.09

17. OJOLALI GOLD & SILVER PROJECT

The large Ojolali epithermal vein complex is next to a sealed highway in the cultivated foothills of south Sumatra. Small scale gold and silver extraction by locals preceded corporate exploration at Ojolali, which has been conducted by a series of companies since 1986. Finders' took on Ojolali as its second project area in April 2005, agreeing to earn up to 100% control through a (Bupati approved) cooperation agreement with an Indonesian company

The Ojolali KPs cover 54 square kilometres. Epithermal alteration has been mapped over an area of five by six kilometres. A Canadian company drilled two prospects within the area to resource status and drilled several scout holes into other prospects prior to a change of corporate direction in 1999. From 2005 Finders resumed exploration at Ojolali seeking to validate and extend the near-economic resources and investigate a prospect suite exposed by Finders' geophysical surveys, and by ongoing local prospecting.

The two resource positions, Jambi and Tambang, are contrasting deposits three kilometres apart.

Gold and silver occur at Jambi in mineralised quartz veinlets and breccia zones within a 50 metre thick blanket of altered and oxidised rocks. Finders has drilled the mineralised zone over a 400 by 400 metre area to 25 by 25 metres spacing. The indicated and inferred resource estimated in December 2010 is 4.1 Mt at 1.1 g/t Au and 5.1 g/t Ag (0.5 g/t lower cut, 91% indicated). The Jambi resource remains open to the west and also at depth, where an intercept of 21 metres at 2.9 g/t gold and 85 g/t silver was recorded from 90 metres down hole in 2010.

While Jambi's resource grade and tonnage are both likely to increase with further drilling, the deposit enjoys a low

waste:ore ratio (<1:1) and high recovery rates to cyanide leaching. A program of column leach testing is underway to determine the amenability of Jambi material for heap leaching.

In 2008 Finders traced the Jambi structure northward under thin cover, outlining a series of gold and silver anomalies derived from epithermal quartz veining.

At Tambang a vein set has invaded a geological contact over at least two kilometres of strike. Silver, gold, lead and zinc mineralisation associated with vuggy quartz-carbonate veins occurs over true widths of up to 25 metres.

Finders' drilling in 2010 revealed a more complex vein distribution than modelled by the previous operator when a precious metals resource of 7.9 Mt at 167 g/t silver and 0.67 g/t gold was inferred for Tambang. Drilling is concentrated over a central strike length of 500 metres with very little drilling below a depth of 105 metres, beneath which the deposit is open on most sections.

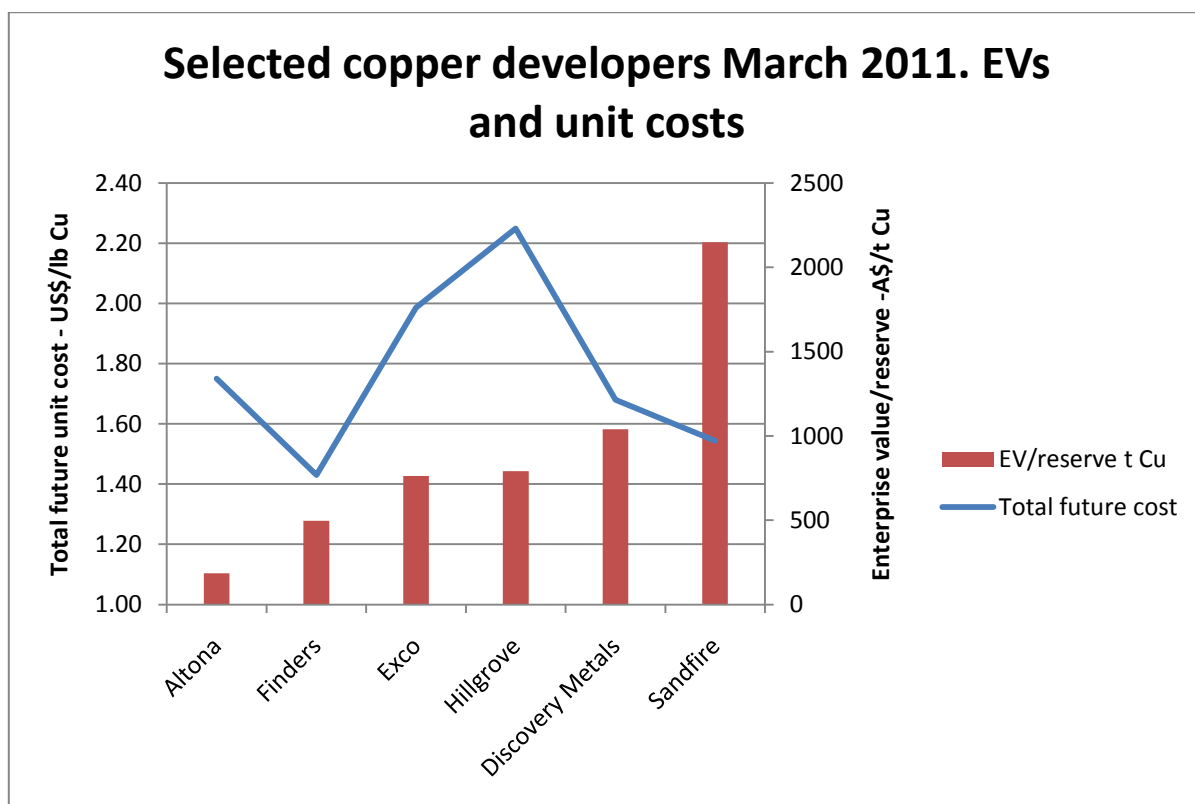
Tambang is predominantly unoxidised and partly refractory. Flotation tests indicate greater than 90% of precious metals can be recovered in separate zinc and lead concentrates.

Finders continues to explore the extensions and separate shoots at Tambang, while testing potential process solutions.

The extent and intensity of the alteration in different settings at Jambi and Tambang suggest a large volume of mineralising fluids has created the Ojolali system. The low sulphidation alteration is comparable in scale and type to Mt Muro, Chatree and other commercially successful projects. In common with these epithermal fields, Finders' IP survey results show a close correlation between resistivity and known prospect trends. Magnetic data and surface geochemistry also guide exploration.

18. PEER COMPARISON – SELECTED UNDEVELOPED AUSTRALIAN COPPER PLAYS

	Share price	Iss. Shs	Mkt cap	Net cash	Project	Capex	Reserve	Grade	Cont Cu	Ann prod	Unit cost	Total cost	EV	EV/Cu rsv
	\$A	M f.d.		\$AM		\$USM	Mt	%Cu	000t	t Cu	\$US/lb	\$US/lb		
Altona	0.28	471	130	55	Kylylahti, Roseby	250	52.2	0.8	404	34,000	1.40	1.75	75	184
Finders	0.43	269	116	14	Wetar	130	8.2	2.5	205	25,000	1.07	1.43	102	496
Exco	0.54	356	192	14	Cloncurry	200	28.1	0.8	233	25,000	1.50	1.99	178	763
Hillgrove	0.27	821	218	118	Kanmantoo	144	14.8	0.9	126	20,000	1.60	2.25	100	791
Discovery Metals	1.09	437	476	159	Boseto	215	21.8	1.4	305	34,400	1.28	1.68	317	1040
Sandfire	6.43	157	1010	114	DeGrussa	400	8.0	5.2	417	60,000	1.00	1.54	896	2148



Information used in the above table is taken from company disclosures to the ASX. Costs may incorporate undisclosed assumptions made for smelting and refining charges. Share prices are as at 11th March 2011.

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