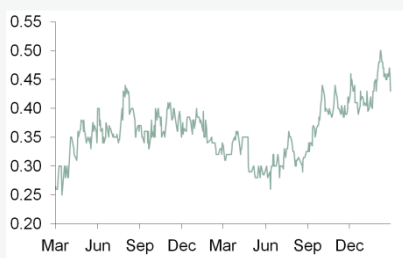


14 March 2011

<b>Ticker (ASX)</b>	FND	
<b>Price</b>	\$0.43	
<b>Target Price</b>	\$0.77	
<b>Upside</b>	79.0%	
<b>Market Cap</b>	\$119.9m	
<b>Index</b>	S&P/ASX 300 Resources	
<b>Sector</b>	Mining	
<b>Net Cash</b>	\$11.9m	
<b>Shares in Issue</b>	278.7m	
<b>Next Results</b>	Prelims - March 2011	
<b>What's changed</b>	<b>From</b>	<b>To</b>
<b>Adj. EPS</b>		-2.4c
<b>Recommendation</b>		
<b>Target Price</b>		77.0c

#### Share Price Performance



Source: Thomson Reuters

%	1M	3M	12M
Actual	-3.4	+10.3	+34.4
Relative	+0.2	+8.9	+21.5

#### Company Description

Copper producer

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## Ripe for permitting

## CORP

Since our last update on Finders in August last year, the company has continued to de-risk its 95% owned Wetar copper project in Indonesia. The shares have risen 32% in line with an appreciating copper price but continue to trade at a 0.4x NPV while the mining and forestry permits for the main project remain outstanding. We continue to believe that Wetar is one of the best undeveloped copper projects in the world and value the company on a 0.8x NPV at 77 cents per share, assuming that permitting and financing hurdles are overcome.

- ▶ **Potential now fully demonstrated.** The shut-down of the demonstration plant on 23 December culminated the successful exercise in de-risking the project by showing that copper recoveries from heap leaching were even better than the independently compiled feasibility study suggested. Specifically, metallurgical test work for heap 3 showed that 80% copper recovery is achievable. Due to the project's proximity to the Asian market, the copper cathode produced fetches a premium to spot prices due to high demand.
- ▶ **Permitting award edges ever closer.** Regional elections for the local Regency have to date failed to return a winning candidate but the interim government has indicated that the mining permit can be issued before the appointment of the new Regent. While we see this as a positive development, delays have occurred in the past and project timing is dependent on receiving the necessary permits.
- ▶ **Early cash flow from staged production ramp-up.** A 2-stage ramp up to full production has been identified as the optimal development plan and commissioning of the expanded demonstration plant for Stage 1 is scheduled to start in Q2 2012 producing 7,000 tonnes of copper cathode per year. Construction of the larger project for Stage 2 will run in parallel with Stage 1 and commissioning is expected in Q1 2013. The cash flow numbers for that year tell their own story. Our 0.8x NPV of Wetar of 67 cents per share uses the latest Bloomberg forward curve and assumes a long term price of 6,500 per tonne (\$2.95 per lb).

Year ending December (A\$m)	2010E	2011E	2012E	2013E
<b>Data</b>				
Sales (\$m)	11.3	8.3	38.3	212.3
EBITDA (\$m)	-3.4	1.0	15.1	160.3
PTP (\$m)	-6.9	-3.0	6.0	129.1
Net income (\$m)	-6.9	-3.0	4.3	100.4
Adj. EPS (cents)	-2.4	-0.8	1.1	26.9
DPS (cents)	--	--	--	--
<b>Ratios</b>				
EV/Sales (x)	10.6	14.4	3.1	0.6
EV/EBITDA (x)	--	--	7.9	0.7
P/E (x)	--	--	28.0	1.2
Yield (%)	--	--	--	--
Cash flow Yield (%)	--	--	--	84%
EPS Growth (%)	--	--	--	2,245%

## Valuation

Sum of the parts values Finders Resources at 0.77 cents per share

Since our last update in August 2010, Finders took the decision to de-list from AIM and now retains a sole quote on the ASX. The majority of our valuation in Table 1 is the Wetar copper project which we value on a 0.8x NPV multiple to proxy for the remaining project execution risk after permitting and financing hurdles have been overcome.

**Table 1: Sum of the parts base case valuation**

	0.8x NPV <sub>10</sub> (US\$m)	Per share (AU\$)*
Wetar copper project*	252	0.67
Ojolali gold silver project	--	0.05
Cash	--	0.05

Source: finnCap

\*fully diluted valuation - assumes a future equity fund raise at Australian 55 cents per share

We have re-scheduled Wetar's production profile by approximately 6 months and now assume that full annualised production of 23,000 tonnes copper cathode will be reached in Q1 2013 whereas previously our assumption was at the end of Q2 2012. This new schedule depends on the mining permit being awarded no later than Q2.

We continue to view permitting as the overriding risk for the Wetar project and believe that this is the main reason for the market's current 0.4x NPV multiple. Table 2 shows the value of the Wetar project using a range of discount rates.

**Table 2: Valuation of Wetar using a range of discount rates**

Discount rate	20%	15%	12%	10%	8%	5%	0%
1x NPV (US\$m)	205	251	287	<b>314</b>	346	402	525
0.8x NPV	164	201	230	<b>252</b>	277	321	420
Shares o/s* (m)	373	373	373	<b>373</b>	373	373	373
Value per share (US\$)	0.44	0.54	0.61	<b>0.67</b>	0.74	0.86	1.13
Value per share (A\$)	0.44	0.54	0.61	<b>0.67</b>	0.74	0.86	1.13

Source: finnCap

\*fully diluted valuation - assumes a future equity fund raise at Australian 55 cents per share

Our NPV of Wetar is calculated by discounting the free cash flow after financing as this is the value available to shareholders. We have assumed that the Australian dollar, Finders' reporting currency, to be on a par with the US\$, which is Wetar's revenue stream and cost base.

### Wetar valuation is on a fully diluted basis

The Ausenco feasibility study published on 12 November 2009 estimated that the capital cost of building the full scale project at Wetar will cost \$130m. We have assumed that 60% of this will be funded by project finance. Having almost religiously followed due process in technically de-risking Wetar, Finders is confident that sufficient information is available for the banks to conduct due diligence to their satisfaction. We understand that a number of banks have expressed an interest in project finance and have previously financed other mines in Indonesia so are comfortable with the geopolitical risk.

The remaining 40% of the capital cost will be funded by equity after the permit has been awarded. In providing a post fundraise valuation, we have assumed

that approximately 95 million new shares are issued at 55 cents for A\$52m. In Table 3, we show a breakdown of the Wetar project valuation.

Table 3: Free cash flow profile for Wetar copper project (US\$ million)										
Year end 31 December	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
<b>Production</b>										
Recovered copper cathode (kt)	0.9	4.1	23.0	23.0	23.0	23.0	23.0	17.4	7.2	2.5
Recovered copper cathode (million lb)	2.0	9.0	50.7	50.7	50.7	50.7	50.7	38.4	15.9	5.5
Copper price (US\$/t)*	9,216	9,343	9,230	9,010	8,782	6,500	6,500	6,500	6,500	6,500
Copper price (US\$/lb)	4.18	4.24	4.19	4.09	3.98	2.95	2.95	2.95	2.95	2.95
<b>Cash flow</b>										
Revenue	8.3	38.3	212.3	207.2	202.0	149.5	149.5	149.5	149.5	16.3
Inventory movement	(4.9)	0.2	(7.1)	0.0	0.0	0.4	--	--	--	11.3
Operating costs	(11.9)	(21.4)	(50.6)	(50.6)	(50.6)	(50.6)	(50.6)	(50.6)	(50.6)	(4.3)
Cash cost per lb Cu	(6.0)	(2.4)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.3)	(3.2)	(0.8)
Royalties	(0.3)	(1.5)	(8.5)	(8.3)	(8.1)	(6.0)	(6.0)	(6.0)	(6.0)	(0.7)
Gross margin	-43%	44%	76%	76%	75%	66%	66%	66%	66%	74%
<b>EBITDA</b>	<b>(8.8)</b>	<b>15.6</b>	<b>146.0</b>	<b>148.4</b>	<b>143.3</b>	<b>93.3</b>	<b>92.9</b>	<b>92.9</b>	<b>92.9</b>	<b>22.6</b>
Depreciation	(1.0)	(4.5)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(18.9)	(7.8)	(2.7)
<b>EBIT</b>	<b>(9.8)</b>	<b>11.1</b>	<b>121.0</b>	<b>123.4</b>	<b>118.3</b>	<b>68.3</b>	<b>67.9</b>	<b>74.0</b>	<b>85.1</b>	<b>19.9</b>
Net interest	(1.7)	(4.7)	(6.2)	(5.2)	(2.8)	(0.5)	--	--	--	--
<b>PTP</b>	<b>(11.4)</b>	<b>6.4</b>	<b>114.8</b>	<b>118.1</b>	<b>115.5</b>	<b>67.8</b>	<b>67.9</b>	<b>74.0</b>	<b>85.1</b>	<b>19.9</b>
Tax paid	--	(1.7)	(28.7)	(29.5)	(28.9)	(16.9)	(17.0)	(18.5)	(21.3)	(5.0)
<b>Net profit</b>	<b>(11.4)</b>	<b>4.7</b>	<b>86.1</b>	<b>88.6</b>	<b>86.6</b>	<b>50.8</b>	<b>50.9</b>	<b>55.5</b>	<b>63.8</b>	<b>14.9</b>
<b>Free cash flow adjustment</b>										
Depreciation	1.0	4.5	25.0	25.0	25.0	25.0	25.0	18.9	7.8	2.7
Working capital	5.7	(0.6)	6.8	0.0	0.0	0.1	--	(0.5)	(0.9)	(10.5)
Capex	(45.0)	(70.0)	(17.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)
Minorities (5%)	--	--	--	--	(4.3)	(2.5)	(2.5)	(2.8)	(3.2)	(0.7)
<b>Free cash flow before financing</b>	<b>(49.7)</b>	<b>(61.4)</b>	<b>100.9</b>	<b>109.6</b>	<b>103.3</b>	<b>69.4</b>	<b>69.4</b>	<b>67.1</b>	<b>63.5</b>	<b>2.4</b>
Project finance (60%)	25.5	42.0	4.0	(30.0)	(30.0)	(13.0)	--	--	--	--
Equity** (40%)	52.0	--	--	--	--	--	--	--	--	--
<b>Free cash flow after financing</b>	<b>27.8</b>	<b>(19.4)</b>	<b>104.9</b>	<b>79.6</b>	<b>73.3</b>	<b>56.4</b>	<b>69.4</b>	<b>67.1</b>	<b>63.5</b>	<b>2.4</b>

Source: finnCap

\* Bloomberg forward curve until 2016

\*\*fully diluted valuation - assumes a future equity fund raise at Australian 55 cents per share

Our valuation uses the latest Bloomberg forward curve until the end of 2015 when we revert to a long term price of \$6,500 per tonne. The staged production approach will see the 7,000 tonnes per year Expanded Demonstration Plant (EDP) starting in Q2 2012 and the larger 16,000 tonnes per year SX-EW plant, purchased from Straits Resources for A\$5m in shares, starting in Q1 2013. Due to the learning curve undergone from the demonstration plant, Finders expects both plants to ramp up to full capacity in a matter of weeks, not months.

As Wetar is a heap leach project, the ore under leach is classified as inventory and, under IFRS, the movement is recorded on the income statement. We have simulated the build up and reduction of inventory over the 10 year life of mine.

The LOM operating cost of \$1.06 per lb ranks Wetar among the world's lowest copper producers on a unit cost basis. The low unit cost of production is due to the higher average copper grade of 2.5%, the low waste to ore strip ratio of 1:1 and the low cost heap leach flowsheet.

We have opted to value a recovery premium at the end of the mine life to proxy for expected higher copper grades than those in the reserve statement. This

recovery premium is based on the drilling under reporting the average grades at the breccia zone at the Kali Kuning deposits by up to 30%. Copper recovery from the demonstration heap leach which averaged 70% and, in some cases, better than 80% in heap 3 due to a larger crush size, was also better than expected. Our estimates show this recovery premium to be worth 5 cents per share on a discounted basis or \$25m undiscounted.

#### Free cash flow turns positive 12 months from commencement of full production

As Table 4 shows, the high copper grades mean that Wetar is strongly free cash flow generative. We estimate that, once the \$130m initial capital outlay has been sunk into the project, payback will be in about 12 months assuming current copper prices. We have assumed a relaxed debt repayment schedule over 5 years at an interest rate of 8%.

**Table 4: Year-end key debt estimates**

	2010	2011	2012	2013	2014	2015
Cash (A\$m)	14.2	42.3	23.8	199.9	347.1	490.9
Debt (A\$m)	2.3	52.3	117.9	145.5	139.1	132.7
Net cash (debt)	11.9	(10.0)	(94.1)	54.4	208.0	358.2
<i>Net debt over equity (gearing)</i>	--	11%	51%	--	--	--
<i>Interest cover</i>	3.8	6.6	2.7	20.8	22.8	25.1

Source: finnCap

But it is clear to us that the accumulation of cash on the balance sheet means that this repayment schedule could be shortened considerably. Finders may choose to do this if the project finance terms allow, especially if some hedging of production is required.

#### Demonstration plant has achieved all objectives.

To date, the 5tpd demonstration plant at Wetar has produced 2,500 tonnes of copper cathode which has been sold at a premium to spot prices due to the project's proximity to Asian markets. Importantly, the plant and associated heap leach process has de-risked the orebody and has demonstrated that recoveries as high as 80% are achievable.

The demonstration plant was permitted for a maximum 100,000 tonnes of ore to be heap leached to prove economic viability. The declining production of copper cathode towards the end of last year was due to the majority of copper being recovered and, having achieved all its objectives, the demonstration plant was shutdown on 23 December last year.

#### Production forest areas on Wetar do not have protected status

Permitting a mine in Indonesia is a complex, iterative process which involves generating and submitting a large volume of documentation to a number of regional and national government departments before the application can be lodged. Finders' has completed the application process and awaits the award of the mining permit for the main project which it now expects to receive in by the end of Q1 / early Q2 2011.

The award of the forestry permit depends on part of the brown-field site on Wetar being re-zoned from production forest status to allow site clearance. Indonesia differentiates between forests that have protected status and those that do not. The forests of concern are not protected so we believe it is a question of when,

not if, the re-zoning occurs and the forestry permit is awarded. We understand that the forestry permit may be issued 3 months or more after the mining permit. Construction of the Stage 1 Expanded Development SX-EW Plant cannot start until this permit is awarded.

#### Wetar valuation stays robust under cost pressure

Using an identical copper price of \$6,500 per tonne (\$2.95 per lb) and removing the tax, the NPV of our Wetar model differs by less than 1% from the Ausenco feasibility study NPV (see press release dated 12 November 2009). Although we have used the operating cost profile from the feasibility study, we acknowledge that, with approximately 40% of operating costs being fuel to power the gensets, the escalating price of oil will influence the NPV.

Our model doesn't run into sufficient detail to sensitise the oil price but, in Table 5, we show the impact an increase in operating costs has on the NPV against a rising copper price. We have selected a \$6,500 per tonne copper price as a starting point as this was the price used in the Ausenco feasibility study.

Between 12 November 2009 and today, both the copper price and the oil price have risen by about 45%. We acknowledge the weak correlation between copper and oil but, irrespective of this, have assumed that a \$1,000 per tonne increase in the copper price equals a 10% increase in operating costs. The results of this admittedly high level analysis are shown in Table 5.

**Table 5: How higher copper prices and operating costs Impact our 0.8x NPV valuation of Wetar**

Share price (A\$)	Copper price (US\$ per lb)							
	2.95	3.40	3.86	4.31	4.76	5.22	5.67	
1.05	0.45	0.59	0.73	0.88	1.02	1.16	1.30	
1.16	0.41	0.55	0.70	0.84	0.98	1.13	1.27	
1.26	0.37	0.52	0.66	0.80	0.95	1.09	1.23	
Operating cost (US\$ per lb)	1.37	0.33	0.48	0.62	0.77	0.91	1.05	1.19
	1.47	0.29	0.44	<b>0.59</b>	<b>0.73</b>	0.87	1.01	1.16
	1.58	0.25	0.41	0.55	0.69	0.84	0.98	1.12
	1.68	0.12	0.27	0.42	0.56	0.70	0.85	0.99

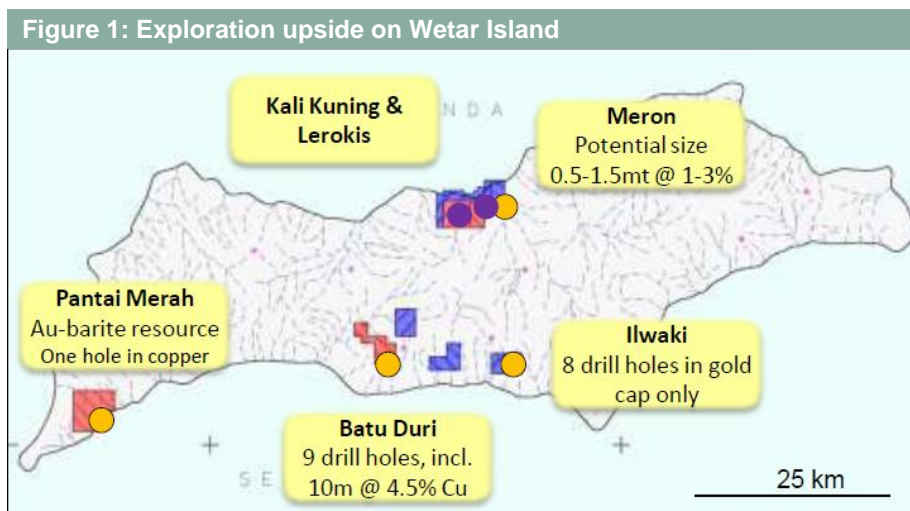
Source: finnCap

Following this logic, today's copper price of approximately 4.14 per lb (\$9,100 per tonne) would equate to a 40% increase in operating costs to 1.47 per lb copper and would imply a value approximately equal to our base case of \$0.67 per share.

#### Exploration upside on Wetar Island not priced in

To date, Finders has focused exclusively on de-risking the Kali Kuning and Lerokis brown-field deposits and is likely to continue doing so until they are in full production in early 2013. But the company also owns a number of green-fields exploration licences elsewhere on Wetar, shown in Figure 1, which show potential for the same style of mineralisation.

The 'black smoker' Wetar deposits typically have a gold cap surrounded by a copper halo. Billiton mined out the gold caps at Kali Kuning and Lerokis but left the remaining potential deposits intact. Of these potential deposits, Meron is arguably the most accessible locate as it is 1km from the proposed Kali Kuning leach pads. But access will require additional haul road development.



Source: Finders Resources

The remaining exploration projects are all located inland from the south coast on Wetar. Although initial access by boat should be simple, we did not have time during our visit to inspect them. Our initial impression is that the mountainous terrain of central Wetar prohibits the potential ore being trucked to the north coast thereby necessitating the relocation of the plant at some future date. But this isn't as onerous a task it would first appear as the EDP plant, with its 7,000 tonne per day capacity, is small enough to be relocated at minimal expense.

#### New resource statement for Ojolali gold project

Our valuation of the 72% owned (and earning) Ojolali gold project in Sumatra province has stayed the same at 5 cents per share. Gold metallurgical recovery was good at 83% for Jambi and 86% for Tambang. Consequently, we have doubled the in situ value of the new indicated resource of 175,000 ounces to \$100 per ounce. Silver recovery at Tambang was disappointing but high grade surface showings here suggest that additional work is warranted.

**Table 6: Share price valuation for Ojolali gold project**

Share price (pence)	Resource value per ounce in situ (US\$)						
	100	120	140	160	180	200	
175,000	5	7	8	9	10	11	
200,000	6	7	9	10	11	12	
Potential resource size (Au oz)	220,000	7	8	10	11	12	14
	240,000	7	9	10	12	13	15
	260,000	8	10	11	13	15	16
	280,000	9	10	12	14	16	17

Source: FinnCap

## Financials

**Table 7: Income statement**

Australian dollars (million)	FY2010E	H1 2011E	FY2011E	FY2012E	FY2013E	FY2014E	FY2015E
<b>Revenue</b>	<b>11.3</b>	--	<b>8.3</b>	<b>38.3</b>	<b>212.3</b>	<b>207.2</b>	<b>202.0</b>
Change in inventories and WIP	<b>0.9</b>	--	<b>4.9</b>	<b>(0.2)</b>	<b>7.1</b>	<b>(0.0)</b>	<b>(0.0)</b>
Operating costs	<b>(15.0)</b>	(6.0)	<b>(11.9)</b>	<b>(21.4)</b>	<b>(50.6)</b>	<b>(50.6)</b>	<b>(50.6)</b>
Royalty expense	<b>(0.6)</b>	--	<b>(0.3)</b>	<b>(1.5)</b>	<b>(8.5)</b>	<b>(8.3)</b>	<b>(8.1)</b>
<b>EBITDA</b>	<b>(3.4)</b>	(6.0)	<b>1.0</b>	<b>15.1</b>	<b>160.3</b>	<b>148.3</b>	<b>143.3</b>
Depreciation	<b>(1.7)</b>	(1.7)	<b>(2.6)</b>	<b>(4.5)</b>	<b>(25.0)</b>	<b>(25.0)</b>	<b>(25.0)</b>
EBIT	<b>(5.1)</b>	(7.7)	<b>(1.6)</b>	<b>10.7</b>	<b>135.3</b>	<b>123.3</b>	<b>118.2</b>
Net interest	<b>(1.1)</b>	(0.4)	<b>(1.7)</b>	<b>(4.7)</b>	<b>(6.2)</b>	<b>(5.2)</b>	<b>(2.8)</b>
Impairments	--	--	--	--	--	--	--
Provisions	--	--	--	--	--	--	--
Other	<b>(0.7)</b>	0.2	<b>0.4</b>	--	--	--	--
<b>PBT</b>	<b>(6.9)</b>	(7.9)	<b>(3.0)</b>	<b>6.0</b>	<b>129.1</b>	<b>118.0</b>	<b>115.4</b>
Tax	--	--	--	<b>(1.7)</b>	<b>(28.7)</b>	<b>(29.5)</b>	<b>(28.9)</b>
<b>Net income</b>	<b>(6.9)</b>	(7.9)	<b>(3.0)</b>	<b>4.3</b>	<b>100.4</b>	<b>88.5</b>	<b>86.5</b>
Attributable to							
Equity holders	<b>(6.9)</b>	(7.9)	<b>(3.0)</b>	<b>4.3</b>	<b>100.4</b>	<b>88.5</b>	<b>90.9</b>
Minority interest	--	--	--	--	--	--	<b>4.3</b>
<b>Basic EPS (cents per share)</b>	<b>(2.48)</b>	<b>(2.12)</b>	<b>(0.79)</b>	<b>1.15</b>	<b>26.89</b>	<b>23.71</b>	<b>24.34</b>
<b>FD EPS (cents per share)</b>	<b>(2.43)</b>	<b>(2.12)</b>	<b>(0.79)</b>	<b>1.15</b>	<b>26.89</b>	<b>23.71</b>	<b>24.34</b>

Source: Company reports, finnCap estimates

<b>Table 8: Balance sheet</b>							
Australian dollars (million)	FY2010E	H1 2011E	FY2011E	FY2012E	FY2013E	FY2014E	FY2015E
<b>Non current assets</b>							
Capitalised expenditure	40.6	61.8	106.9	196.4	201.5	193.6	185.6
Receivables	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total non current assets</b>	<b>44.0</b>	<b>65.1</b>	<b>110.3</b>	<b>199.8</b>	<b>204.9</b>	<b>196.9</b>	<b>189.0</b>
<b>Current assets</b>							
Cash at bank and in hand	14.1	55.0	35.8	15.3	178.6	313.4	445.0
Receivables	0.8	0.8	1.0	1.3	2.8	2.8	2.7
Inventory	2.5	2.5	7.4	6.8	21.1	21.0	21.0
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total current assets</b>	<b>17.6</b>	<b>58.5</b>	<b>44.4</b>	<b>23.5</b>	<b>202.7</b>	<b>337.3</b>	<b>468.8</b>
<b>Total assets</b>	<b>61.6</b>	<b>123.7</b>	<b>154.7</b>	<b>223.3</b>	<b>407.5</b>	<b>534.3</b>	<b>657.9</b>
<b>Current liabilities</b>							
Trade payables	3.2	3.2	4.1	4.1	5.3	5.3	5.3
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	--	--	--	--	--	--	--
<b>Total current liabilities</b>	<b>3.2</b>	<b>3.2</b>	<b>4.2</b>	<b>4.1</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>
<b>Non current liabilities</b>							
Borrowings	1.7	19.5	52.3	117.9	145.5	139.1	132.7
Development expenditure	11.8	11.8	11.8	11.8	11.8	11.8	11.8
Provisions	1.1	1.1	1.1	1.1	1.1	1.1	1.1
<b>Total non current liabilities</b>	<b>14.6</b>	<b>32.4</b>	<b>65.2</b>	<b>130.8</b>	<b>158.4</b>	<b>152.0</b>	<b>145.6</b>
<b>Net assets</b>	<b>43.8</b>	<b>88.1</b>	<b>85.3</b>	<b>88.4</b>	<b>243.9</b>	<b>377.0</b>	<b>507.0</b>
<b>Equity</b>							
Issued capital	86.0	138.2	138.4	138.4	138.4	138.4	138.4
Reserves	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Retained income (losses)	(44.1)	(52.0)	(54.9)	(51.8)	103.7	236.8	371.1
Parent Interest	44.2	88.5	85.7	88.8	244.3	377.4	511.7
Minority Interest	0.4	0.4	0.4	0.4	0.4	0.4	4.7
<b>Total Equity</b>	<b>43.8</b>	<b>88.1</b>	<b>85.3</b>	<b>88.4</b>	<b>243.9</b>	<b>377.0</b>	<b>507.0</b>

Source: Company reports, finnCap estimates

Table 9: Cash flow							
Australian dollars (million)	FY2010E	H1 2011E	FY2011E	FY2012E	FY2013E	FY2014E	FY2015E
<b>Loss for the year</b>	<b>(6.9)</b>	(7.9)	<b>(3.0)</b>	<b>4.3</b>	<b>100.4</b>	<b>88.5</b>	<b>86.5</b>
Depreciation	<b>1.7</b>	1.7	<b>2.6</b>	<b>4.5</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>
Impairments	--	--	--	--	--	--	--
Non cash expenses	<b>0.2</b>	0.2	<b>0.2</b>	--	--	--	--
Income Tax expense	--	--	--	--	--	--	--
Working capital	<b>(0.7)</b>	--	<b>(4.1)</b>	<b>0.0</b>	<b>(7.1)</b>	<b>0.1</b>	<b>0.1</b>
Other non cash movements	--	--	--	--	--	--	--
<b>Net cash flows from operations</b>	<b>(5.7)</b>	(6.1)	<b>(4.2)</b>	<b>8.8</b>	<b>118.3</b>	<b>113.6</b>	<b>111.6</b>
Capital expenditure	<b>(3.5)</b>	(11.0)	<b>(36.0)</b>	<b>(36.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>
Other	--	--	--	--	--	--	--
<b>Net cash flows from investments</b>	<b>(3.5)</b>	(11.0)	<b>(36.0)</b>	<b>(36.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>
Net proceeds from issue of shares	<b>20.0</b>	52.0	--	--	--	--	--
Proceeds from borrowings	--	6.0	<b>21.0</b>	<b>21.0</b>	--	--	--
Repayment of borrowings	--	--	--	--	<b>(5.0)</b>	<b>(15.0)</b>	<b>(15.0)</b>
<b>Net cash flows from financing</b>	<b>20.0</b>	58.0	<b>21.0</b>	<b>21.0</b>	<b>(5.0)</b>	<b>(15.0)</b>	<b>(15.0)</b>
Net increase (decrease) in cash	<b>10.8</b>	40.9	<b>(19.2)</b>	<b>(6.2)</b>	<b>110.3</b>	<b>95.6</b>	<b>93.6</b>
Cash, beginning of year	<b>3.3</b>	14.1	<b>55.0</b>	<b>21.5</b>	<b>68.3</b>	<b>217.8</b>	<b>351.4</b>
Net change in FX	--	--	--	--	--	--	--
<b>Cash, end of year</b>	<b>14.1</b>	55.0	<b>35.8</b>	<b>15.3</b>	<b>178.6</b>	<b>313.4</b>	<b>445.0</b>

Source: Company reports, finnCap estimates

**Notes**

Notes

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