



# Finders Resources (ASX: FND)

## Bankable Feasibility Study Shows Robust Copper Project

### BUY

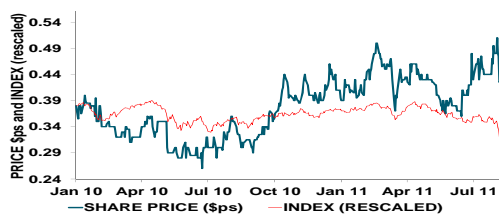
#### Investment Summary

Share Price \$ps	\$0.40
<b>Target Price (12 month) \$ps</b>	<b>\$0.79</b>
Materials	
<a href="http://www.findersresources.com">http://www.findersresources.com</a>	
Issued Capital M	278.85M
Market Cap \$M	\$111.4M
Balance Sheet Cash	\$5M
Analyst Name	Vincent Pisani

#### Changes to Forecasts

Recommendation was	BUY
Target Price was \$ps	Initiation Report

#### Share Price Chart



Year Hi-Lo \$ps	\$0.49 - \$0.29
Avg Monthly Vol (M)	4.4m

	2010	2011	2012	2013
Year end Dec				
Revenue \$Am	na	20.8	136.6	223.0
NPAT \$Am	na	-5.8	33.0	67.3
EPS cps	na	nm	7.9	16.2
DPS cps	na	na	na	na
PE x	nm	nm	5.0	2.5
Yield %	nm	nm	nm	nm

#### Shareholders

	%
Straits Resources	10.8%
Acorn Capital	11.3%
Resource Capital Fund	10.3%
Taurus SM Holdings	10.3%
Lujeta P/L	7.0%

#### Company Activities

Exploration and production of premium grade copper cathode in Indonesia.

### Event

On 27<sup>th</sup> June 2011 FND announced the results of its Bankable Feasibility Study (BFS). The BFS confirms that the company's Wetar Copper Project in Indonesia is financially sound to embark on a two stage expansion from the existing capacity of 1,825tpa of cathode copper production to Stage 1 expansion production rate of 7,000tpa and further to an ultimate production rate of 25,000tpa of cathode copper (Stage 2). The company has also announced a term loan facility of \$103m from Barclays Capital, Credit Suisse AG and Standard Bank plc as Mandated Lead Managers (MLM) for the construction of the plant, expected to cost a total of \$155m. A further US\$35m facility has been negotiated with the stated MLMs for Working Capital (US\$15m) and potential cost overruns (US\$20m). FND has a 95% interest in the Wetar Copper Project and has conducted 2 years of extensive on-site feasibility studies and operation of a demonstration plant showing the robust nature of the Wetar orebody and the extraction methods required to commence profitable mining.

### Highlights of the BFS

- The BFS concludes that a two stage ramp-up of the Wetar Copper Project will deliver a Post-Tax Net Present Value of US\$395m (using 10% discount rate and US\$9,000/tonne copper price over the life of mine).
- A total capital cost to full production (cal 2014) has been estimated at \$155M, including \$17M in contingencies.
- Operating cash costs of US\$1.09/lb over the life-of-mine (*excludes royalties (4%) & head office and marketing costs*) are slightly lower than management guidance at the AGM (26<sup>th</sup> May 2011) of US\$1.10/lb and 9% higher than the 2009 DFS. This is a great result given one of the largest input costs, namely the price of oil (accounting for 40% of operating costs) has risen by 45% since the release of the 2009 DFS.
- Wetar Copper Project Ore Reserves of 8.2 million tonnes at 2.5% copper (100% basis), containing 205,000 tonnes of copper (nine year mine life).
- Key mining permits (20 years) were issued by the District of Maluku Barat Daya under the new Indonesian Mining Law, announced 15 June 2011, for the Wetar Copper project. These cover Mining Business Permits for both copper mining operations and copper processing and refining. This was a first in Indonesia under new mining legislation. Spatial plans submitted by the Governor of the Province in which all but 4ha of the project are freed from Forestry zones are awaiting.

### Recommendation

We initiate with a BUY recommendation and a price target of 79 cents.

## Shaw Stockbroking: Valuation Model of Wetar Copper

The Bankable Feasibility study concludes a robust project. **We well agree with this conclusion**

Even with our conservative cost structure, profitability peaks around 2014 & 2015 at over A\$70m for both years

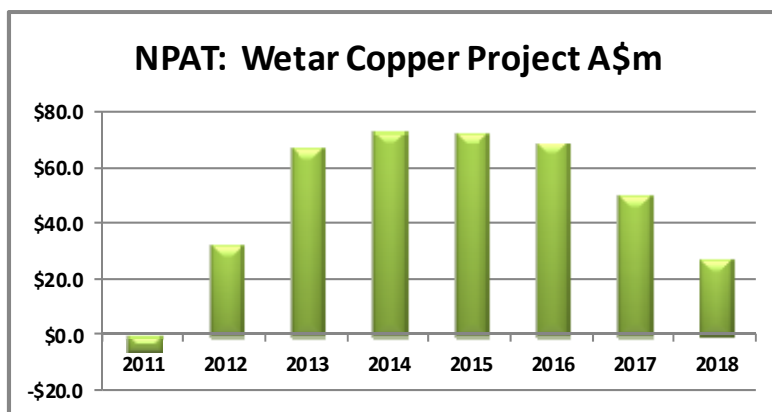
Shaw's NPV using a declining copper price and stable and consensus exchange rates calculate an NPV of 79.0c/share for FND's 95% of the Wetar project

2012 P/E of 6.0x, falls to 2.5x in 2013 and 2.2x in both 2014 & 2015

Our profitability waterfall for the project. FND will use cash flow generation on furthering exploration project to development to extend the life-of-mine and NPV of the project

We have assumed in our modelling of FND's Wetar Copper Project the following assumptions:

- Our modelling concludes a valuation of Finders Resources of 79 cents per share
- The BFS shows capital expenditure on the project of \$155M (inclusive of \$17M in contingencies), with operating costs of US\$1.09/lb copper of the life-of-mine (LOM). We have remained conservative on costs and have operating costs falling to US\$1.09 at full production in 2014 then escalating at 7.5% pa thereafter
- 10% discount rate with a LOM of 9 years with 4% copper royalties on revenue
- Copper recovery rate of 80% after 21 months of leaching (achieved in 2015)
- Consistent grade of 2.5% copper
- \$52M in new equity Recommissioning of the pilot plant and commencement of Stage 1 expansion to 7,000tpa is expected by late 2011 and mid 2012 respectively. Profitability will ramp-up over this period. Once the Whim Creek plant is fully operational by end 2013 we expect profitability to peak at around A\$74.2m in 2014 and A\$73.1m in 2015.
- Our modelling assumes consensus copper prices commencing US\$4.55/lb for 2012, US\$4.15/lb in 2013, US\$3.64/lb in 2014 and long term price of US\$2.87/lb from 2017. Our exchange rate assumptions are consensus market forecasts of A\$1.00:US\$1.00 for 2012, falling to A\$0.95:US\$1.00 for 2013 and settling at A\$0.90:US\$1.00 from 2015.
- Shaw's Project NPV with 10% discount rate = 79.0c/share (assumes equity issue to fund \$52m shortfall of project cost and current debt facilities of 137.5m shares @ 40.0c/share). **Using a steady copper price of US\$4.00/lb over the entire 9 year life of mine, our NPV calculation increases to 94.0c/share.**
- On a diluted basis for a future equity issue, EPS for Cal. 2012 of 8.0c, places the stock on a P/E of 6.0x, falling to 2.9x in 2013 and 2.7x in both 2014 and 2015.



## Shaw Stockbroking: Valuation Model of Wetar Copper Project

		2011	2012	2013	2014	2015	2016	2017	2018
AUD/USD exchange rate		0.9500	1.0000	0.9500	0.9250	0.9000	0.9000	0.9000	0.9000
Reserve (thousand tonnes -100%)	8400	8220	7140	5820	4500	3180	1880	560	0
Ore irrigated (thousand tonnes)		180	1080	1320	1320	1320	1300	1320	560
Copper Grade		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Copper Recovery		75.0%	75.0%	75.0%	78.0%	80.0%	80.0%	80.0%	80.0%
Copper in leach (thousand tonnes)		3.38	20.25	24.75	25.74	26.40	26.00	26.40	11.20
Operating Cost Split (%)									
Mining		20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%
Processing - Power		35.8%	35.8%	35.8%	35.8%	35.8%	35.8%	35.8%	35.8%
Processing - Other		16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%	16.2%
G&A		27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%
Operating Cost Split (US\$/lb)									
Mining		0.81	0.47	0.32	0.25	0.22	0.24	0.25	0.27
Processing - Power		1.43	0.84	0.57	0.45	0.39	0.42	0.45	0.48
Processing - Other		0.65	0.38	0.26	0.20	0.18	0.19	0.20	0.22
G&A		1.10	0.65	0.44	0.34	0.30	0.32	0.35	0.37
Cash costs (US\$/lb)		3.99	2.34	1.60	1.25	1.09	1.17	1.26	1.35
Copper sales (thousand tonnes)		2.03	13.50	22.95	25.34	26.14	26.16	26.24	17.28
Copper sales (million lbs)		4.464	29.762	50.596	55.874	57.620	57.673	57.849	38.096
Copper price (US\$/lb)		4.40	4.55	4.15	3.64	3.28	3.25	2.87	2.87
Cathode Copper Premium (US\$/lb)		0.04	0.04	0.03	0.03	0.03	0.03	0.02	0.02
End Price Received (US\$/lb)		4.43	4.59	4.19	3.67	3.30	3.28	2.90	2.90

## Financial Model (A\$M)

Revenue		\$20.82	\$136.64	\$222.98	\$221.73	\$211.44	\$209.93	\$186.12	\$122.57
Indonesian royalty		-\$0.83	-\$5.47	-\$8.92	-\$8.87	-\$8.46	-\$8.40	-\$7.44	-\$4.90
<b>Net revenue</b>		<b>\$19.99</b>	<b>\$131.18</b>	<b>\$214.06</b>	<b>\$212.86</b>	<b>\$202.98</b>	<b>\$201.53</b>	<b>\$178.68</b>	<b>\$117.67</b>
Cash costs		-\$18.74	-\$69.73	-\$84.96	-\$75.28	-\$69.57	-\$74.86	-\$80.72	-\$57.15
Overheads - H/O		-\$4.00	-\$4.00	-\$4.00	-\$4.00	-\$4.00	-\$4.00	-\$4.00	-\$4.00
<b>EBITDA</b>		<b>-\$2.75</b>	<b>\$57.44</b>	<b>\$125.10</b>	<b>\$133.58</b>	<b>\$129.40</b>	<b>\$122.67</b>	<b>\$93.96</b>	<b>\$56.52</b>
Depreciation and Amortisation		-\$3.09	-\$8.30	-\$25.08	-\$26.96	-\$26.77	-\$26.77	-\$26.43	-\$19.72
<b>EBIT</b>		<b>-\$5.84</b>	<b>\$49.14</b>	<b>\$100.02</b>	<b>\$106.62</b>	<b>\$102.63</b>	<b>\$95.90</b>	<b>\$67.53</b>	<b>\$36.80</b>
Interest cost (A\$ million)		\$0.00	-\$5.15	-\$10.30	-\$7.73	-\$5.15	-\$2.58	\$0.00	\$0.00
<b>Net Profit Before Tax</b>		<b>-\$5.84</b>	<b>\$43.99</b>	<b>\$89.72</b>	<b>\$98.90</b>	<b>\$97.48</b>	<b>\$93.33</b>	<b>\$67.53</b>	<b>\$36.80</b>
Tax		\$0.00	-\$11.00	-\$22.43	-\$24.72	-\$24.37	-\$23.33	-\$16.88	-\$9.20
<b>Net Profit After Tax</b>		<b>-\$5.84m</b>	<b>\$33.00m</b>	<b>\$67.29m</b>	<b>\$74.17m</b>	<b>\$73.11m</b>	<b>\$69.99m</b>	<b>\$50.65m</b>	<b>\$27.60m</b>
Add back D&A		\$3.09	\$8.30	\$25.08	\$26.96	\$26.77	\$26.77	\$26.43	\$19.72
Less debt amortisation		\$0.00	\$0.00	-\$25.75	-\$25.75	-\$25.75	-\$25.75	\$0.00	\$0.00
Add options exercise		\$0.00	\$0.15	\$0.00	\$0.94	\$0.00	\$0.00	\$0.00	\$0.00
Add back interest		\$0.00	\$3.86	\$7.73	\$5.79	\$3.86	\$1.93	\$0.00	\$0.00
Financing flows - Equity	52								
Financing flows - Debt	103								
Capital Expenditure	0	-93	-62						
<b>Cash flow</b>	<b>155</b>	<b>-95.75</b>	<b>41.45</b>	<b>66.62</b>	<b>76.32</b>	<b>74.13</b>	<b>71.01</b>	<b>77.08</b>	<b>47.32</b>
<b>Ungeared</b>	<b>0</b>	<b>-95.75</b>	<b>-16.69</b>	<b>100.10</b>	<b>107.86</b>	<b>103.75</b>	<b>98.70</b>	<b>77.08</b>	<b>47.32</b>

Source: Shaw Stockbroking

## Company Background

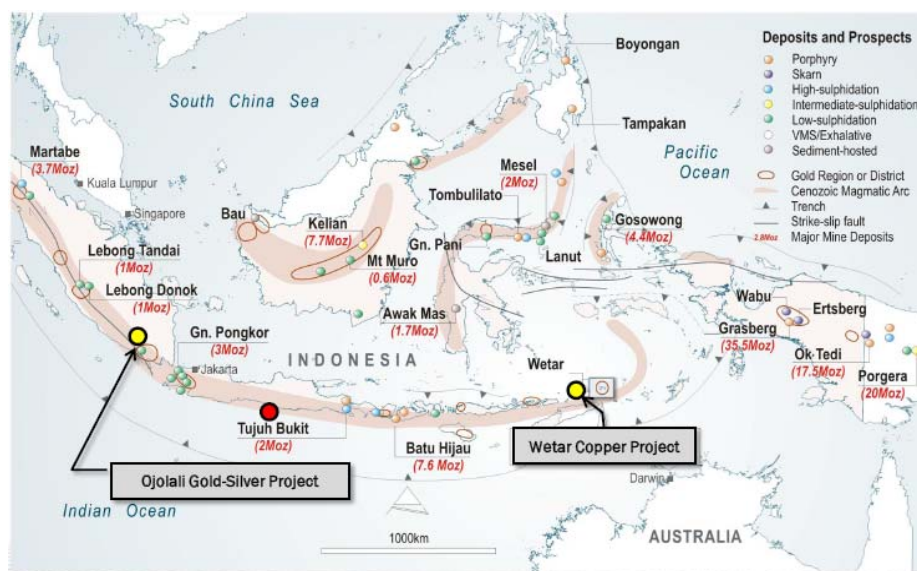
FND built a copper production demonstration plant to fine tune many operating parameters of moving towards a large scale production module in the future

Heap leaching of the ore was found to be the best extraction method

FND was incorporated on 30 March 2004 and listed on the Australian Securities Exchange on 8 June 2007. In 2008, the company built a copper demonstration plant on Wetar Island for the purpose finalising key operating parameters to move to a larger, more robust copper production plant. FND drilled initial targets at both Kali Kuning and Lerokis prospects. A discovery of very consistent, high grade (2.5% copper) ore led the company to look back at data on this project, previously owned by Billiton. A heap leaching production scenario was investigated and found to provide the best extraction method to maximise the copper in ore and the operating conditions of the site.

FND is operating in an Indonesian mineral province surrounded by other significant projects. The mineral resources of Indonesian and PNG are formed with the area known as the “ring of fire” which hosts large epithermal gold and high grade copper sulphide mineralisations. The Wetar project lies in the Sunda Banda Arc which hosts other deposits such as Tujuh Bukit, Intrepid Mines (ASX: IAU), Batu Hijau (Newmont), Eland (Newmont), Wonogiri, Augur Resources (ASX: AUK) and Trenggalek, ARC Exploration (ASX: ARX).

Located on the Island of Wetar in Indonesia, the copper project being advanced by FND has an outstanding copper grade of 2.5%



Source: Finders Resources

FND is focused on two major projects, the Wetar Copper project and the Ojolali Gold Silver exploration project

FND is an Indonesia focused company with two key projects:

- Wetar Copper Project (95%); and
- Ojolali Gold-Silver Project (72% interest with the option to increase to 100%)

The District of Maluku Barat Daya has announced the granting of mining, processing and refining permits for the Wetar Copper Project

On 15 June 2011, FND announced the grant of key 20 year mining approvals for the development of its Wetar Project by the District of Maluku Barat Daya under the new Indonesian Mining Laws. These cover the Mining Business Permits for both copper mining operations and copper processing and refining. This was a first in Indonesia under new mining legislation and bodes well for potentially other key exploration of FND on Wetar Island.

## Wetar Copper Project (95%)

The Wetar Project has 205,000 tonnes copper mining reserves suitable for open cut mining

Exploration drilling at FND's Meron project will commence in 2011

Locational map of Wetar Island

The Wetar Project, located on the north central coast of Wetar Island Indonesia, is a high grade copper project (2.5% copper) with a JORC-compliant Mining Reserve of 205,000 tonnes of copper (100% basis). The project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and are suitable for open pit mining.

Management has indicated further exploration targets at Wetar, including Meron (2km from the Kali Kuning deposit) and Karkopang prospects will be subject to drilling over the coming 12 months. We estimate a potential +1.0Mt of ore from these exploration sites.

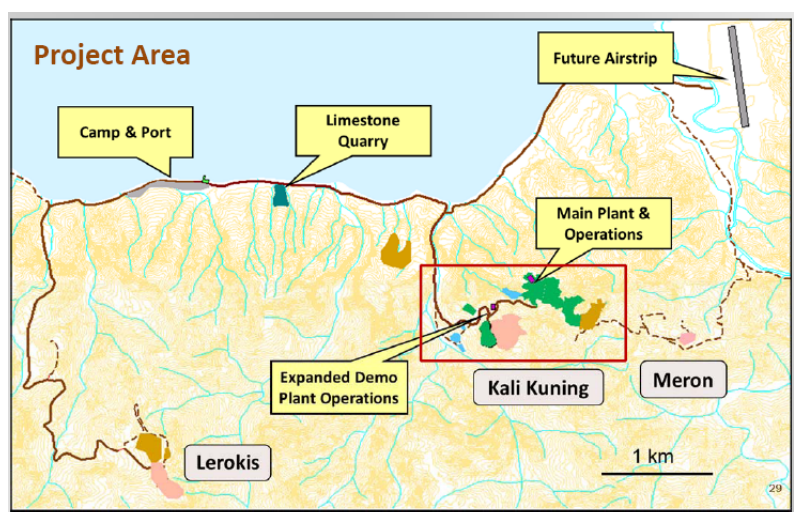
Wetar Island is a remote island with a total population of 7,000 people. The island can be accessed by boat from Kisare and Atapupu and LCT from Surabaya.



Source: Finders Resources

Previous mining by Billiton gives the benefit of a wharf, camp road and site and partially pre-stripped ore bodies

The project is at the same location as the old Lerokis gold mine which operated between 1989 and 1997 and benefits from having existing infrastructure in place, including a wharf, camp roads and partially pre-stripped copper ore bodies.



Source: Finders Resources

The 2011 DFS concludes a higher total operating rate target of 25,000tpa of copper compared with the 2009 DFS of 23,000tpa. Copper recoveries are expected to be closer to 80% compared to the 2009 DFS of 71%

JORC resources total 9.0M tonnes grading 2.45% copper. Previous copper recovery of 71% is expected to be bettered after extensive leach pad testing over the last 2 years

The Meron exploration site will be subject to drilling in 2011/12 with the potential to host up to 1.5Mt of ore grading 1-3% copper

FND completed a Definitive Feasibility Study (DFS) in November 2009 confirming the viability of developing a high grade 23,000 tonnes per annum open cut copper mine at the Wetar Copper Project. The DFS confirmed that the project is economically robust, with a nine year mine life with life-of-mine (LOM) production of 146,000 tonnes of copper cathode based on Proven and Probable Ore Reserves of 8.2 million tonnes @ 2.5% Cu, assuming 71% average leach recovery of the copper ores. The BFS released on 27<sup>th</sup> June 2011 confirms a slightly higher end production of 25,000tpa.

**Wetar Copper Project Ore Reserves (cut off 0.5% Au)**

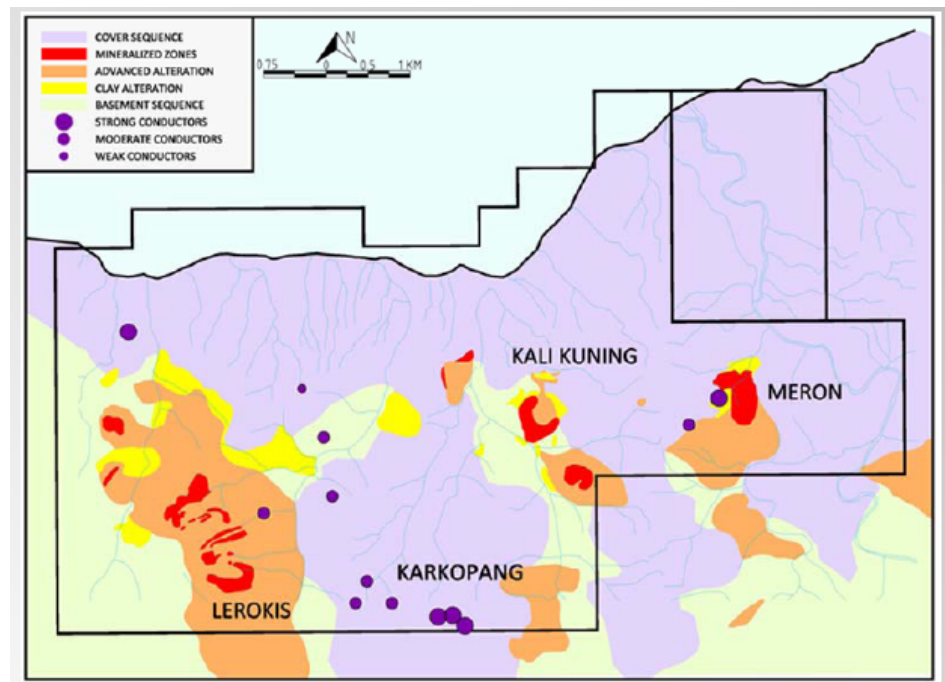
Kali Kuning Sulphide Resource - 0.5% Cu Cut-Off									
	Measured		Indicated		Inferred		Total		
	t(M)	Cu%	t(M)	Cu%	t(M)	Cu%	t(M)	Cu%	Cu (kt)
<b>Leached</b>	0.08	0.70	0.03	0.87	0.03	1.32	0.14	0.87	1.19
<b>Transition</b>	0.88	1.43	0.47	1.55	0.20	1.54	1.55	1.48	22.9
<b>Primary</b>	2.99	2.95	1.53	2.72	0.16	3.21	4.61	2.92	135
<b>Total</b>	<b>3.97</b>	<b>2.59</b>	<b>1.94</b>	<b>2.44</b>	<b>0.38</b>	<b>2.22</b>	<b>6.30</b>	<b>2.52</b>	<b>159</b>

Lerokis Sulphide Resource - 0.5% Cu Cut-Off									
	Measured		Indicated		Inferred		Total		
	t(M)	Cu%	t(M)	Cu%	t(M)	Cu%	t(M)	Cu%	Cu (kt)
<b>Total</b>	<b>2.1</b>	<b>2.4</b>	<b>0.5</b>	<b>2.1</b>	<b>0.1</b>	<b>1.4</b>	<b>2.7</b>	<b>2.3</b>	<b>62</b>

Source: Finders Resources

A third prospective deposit also exists at the Wetar Copper Project called Meron, located 2km from Kali Kuning. FND has indicated, based on historical drilling results that the Meron prospect has a conceptual potential size of 0.5-1.5 million tonnes (based on 100%) at 1-3% copper. Meron was not included in the Company’s DFS and we note the explorative nature of this potential deposit that may never be converted into a Mineral Resource.



Source: Finders Resources

### Geology

The geology of Wetar Island is composed entirely of Neogene volcanic rocks and minor oceanic sediments. The age of the mineralisation has been estimated at around 4.7 million years. Copper mineralisation at both Kalu Kuning and Lerokis occurs predominantly within the coherent massive sulphide units with some lower grade material occurring within intensely clay-sericite pyrite altered andesite tuffs in the footwall and lateral extent of the massive sulphide units.

### Wetar Project Demonstration Plant

As part of the Company's DFS, a demonstration plant was commissioned in February 2009. The demonstration plant was a full scale solvent extraction electrowinning (SX-EW) plant with a production capacity of 5 tonnes copper cathode per day. The plant incorporated all aspects of a heap leach SX-EW operation. SX-EW technology is currently responsible for approximately 22% of global copper production.

Years of testing via a demonstration plant on-site at Wetar has given FND valuable information on the ore body and particularly the heap leach properties

Infrastructure management of the site such as power, logistics, heap irrigation and leach recoveries have all been tested and maximized

The running of the demonstration plant has consistently produced LME grade copper cathode

The Company has indicated the critical benefits of the plant as including developing better knowledge and introduction of management systems for logistics, power supply, irrigation, leach recovery rates, acid neutralisation, water balance control and production parameters. The demonstration plant assisted FND in completion of its DFS.

The demonstration plant has produced and sold over 2,500 tonnes of LME grade A copper cathode, all of which was sold at a premium to LME price (average premium to LME spot price of US\$75/tonne) and without specification issues.

Over 2010, copper cathode produced averaged a US\$75/t premium over LME A grade spot prices. The demonstration plant will be re-opened as part of the staged increase in production in accordance to the BFS



Source: Finders Resources

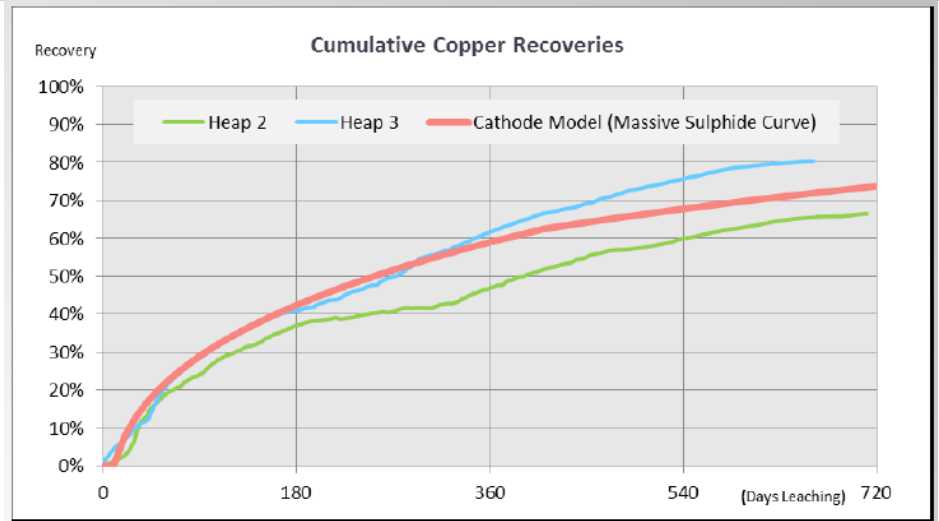
### Results of extensive heap-leaching trials

FND conducted extensive heap-leaching trials over a 15 month period. Four heaps were stacked with total copper bearing ore of 100,000 tonnes stacked between six and eight metres high. Each heap pad was reticulated with affinate, aerated and solution collected from each pad then sent to the demonstration SX-EW plant. First cathode copper production from the plant occurred in early 2009. Each of the heap pads had varying sized ore stacked with variations of aeration technique on each pad. Irrigation and aeration application rates proved to be effective controls on temperature with heaps operating at an average temperature of 75-85°C. The resultant solutions were monitored for recovery of copper. The average incremental acid generated for typical heaps was 1.2kg acid/kg Cu leached, neutralisation of process solutions was required. This gave site management the operational parameters for the current BFS. Best recoveries achieved in the trials suggested that up to 80% recoveries were possible over an extended leaching period. This compared with previous 71% recoveries assumed as part of the DFS and bodes well for project to achieve greater results than the current conservation BFS suggests.

4 heap leach pads trialed various crushed ore to try and maximise copper output

Up to an 80% recovery rate was achieved from Leach Pad 3.

Heap leach pad No.3 provided excellent results showing a recovery of 80%.



Source: Finders Resources

The BFS shows a robust project expansion of the current demonstration plant towards 7,000 tonnes per annum of copper production

**Expansion plans – a two stage process**

The Company is targeting expansion of the project from the current production capacity of 1,825 tonnes of copper cathode per annum to 7,000 tonnes per annum (Stage 1), using expanded heap leach areas all within the footprint of the existing disturbed area from previous mining at the Kali Kuning deposit.

The Whim-Creek SX-EW plant purchased by FND for A\$5M will be used to move production facilities towards annual production of 25,000 tonnes of copper

This is intended to be followed by a final expansion to 25,000 tonnes per annum copper cathode (Stage 2) utilising the Whim Creek SX-EW plant acquired in June 2009 (for A\$5.0M of FND scrip and an additional 724,638 FND shares as the option fee for the agreement) and a newly constructed pad area in the adjacent Kali Kuning valley. Subsequent development of the Lerokis pit and haulage of Lerokis ore is expected to provide additional ore feed to the Kali Kuning plant to maintain copper cathode production at 25,000 tonnes per annum. The total construction project duration is expected to be 24 months.

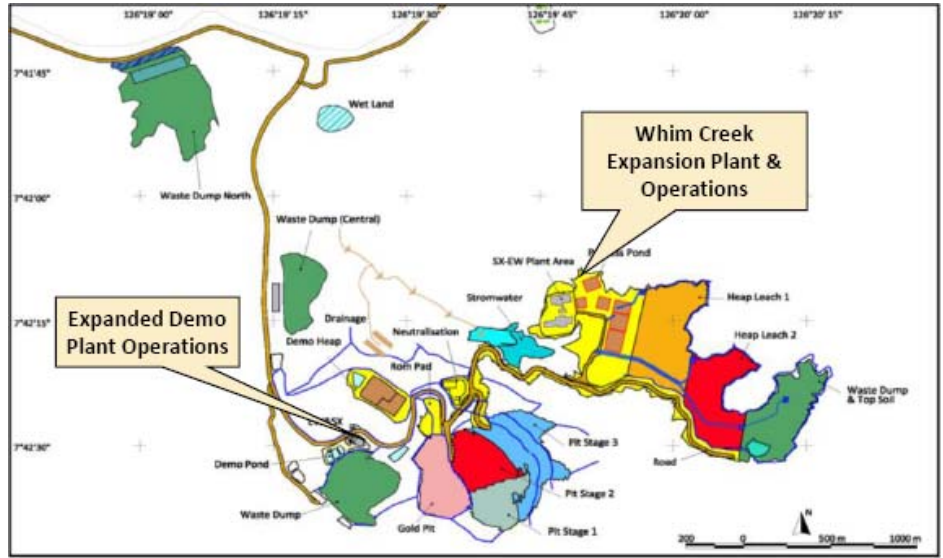
**A path to production**

	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Project Approvals									
Project Finance									
Mining of first ore, re-start Demo Plant									
Mobilisation of heavy equipment contractors									
Commence civil works									
First EDP copper production									
Commissioning of EDP Neutralisation Plant									
First stacking to Gold Pit heap leach									
First Main Plant copper production									
Commissioning of KKV Neutralisation Plant									
First stacking to KKV heap leach									

Source: Finders Resources

### Project Layout

The layout of the project has been determined



Source: Finders Resources

### Sales and revenue

Offtake agreements are in place for 40% of the end cathode product. The other 60% offtake arrangement is expected shortly now that financing for the project is in place

All product to date (2,438t) has been sold into Asian markets, principally Taiwan and Thailand arranged through FND off-take partner Tennant Minerals. Tennant Minerals has an off-take contract for 40% of the full-scale project product. FND is paid 95% of its invoice amount on export customs clearance. Off-take for the remaining 60% is uncommitted although FND expects to arrange off-take with another party as part of the financing of the full-scale plant. Expected to be finalised by the end of 2011.

FND has achieved a weighted average premium of US\$75 per tonne above LME copper prices for all shipments it has made to date.

### Ojolali Gold-Silver Project (approximately 71.7%)

FND has a number of advanced exploration projects. The Ojolali gold silver project is one of these

FND acquired the Ojolali Project, Sumatra, in 2005 consisting of exploration KP concessions in Lampung Province, covering 5,921 hectares. FND holds a 71.7% interest in the project with partners Great Northern Resources (22.8%) and PT Batuta Kharisma Permai (5.5%). FND has an option to purchase 100% of the project on completion of a feasibility study.



Source: Finders Resources

A total of 127,000 oz of gold (FND's share) has been discovered and measured to date on this property. We have valued all other exploration properties held by FND together with this project at A\$25m

The project consists of a complex of high level epithermal gold-silver vein systems covering an area of approximately 8km north south and 4km east west within the FND controlled IUPs. The project encompasses the entire Ojolali mineral district, consisting of 20 named prospects located within the Sumatran gold belt of Indonesia. FND has undertaken an extensive exploration programme, comprising detailed drilling to establish an initial gold oxide resource of 176,000 oz (100% basis) at the Jambi prospect and high grade intercepts at the Tambang prospect.

The Company believes the Ojolali project has the potential to be developed into an open pit CIL/CIP gold mine.

### ***Ojolali Gold-Silver Project Mineral Resources (cut off grade 0.3 g/t Au)***

Category	Tonnes (million)	Au Grade (g/t)	Ag Grade (g/t)	Contained Au (thousand oz)	Attributable to FND Au (thousand oz)
Cut off 0.3 g/t Au					
Indicated	5.9	0.85	4.9		
Inferred	0.67	0.8	3.9		
Total	6.5	0.8	4.8	176	127

Source: Finders Resources

## Board and Management

### ***Russell J Fountain – Non Executive Chairman (BSc, PhD, FAIG)***

Russell has over 40 years of successful international experience in all aspects of mineral exploration, project feasibility and development of mining projects. Russell was previously Chief Geologist in the CSR Limited team that discovered the Wetar deposits and also previously Australasian VP Exploration for Phelps Dodge from 1993 and head of Phelps Dodge exploration globally from 2000.

### ***Dr. Christopher B Farmer – Managing Director (BSc (Hons), MBA, PhD)***

Christopher has over 19 years of international experience in all aspects of exploration, and was Chief Geologist, Billiton Indonesia BV from 1991 to 1995 where he managed the exploration of the Wetar mine and regional prospects, and the Lebong Tandai gold mine in southern Sumatra. From 1996 to 2002 he was Australasian VP Exploration for Phelps Dodge.

### ***Robert P Thomson – Director, Development (BE (Mining), MBA, FAusIMM)***

Robert has over 30 years of Australian and international mining experience. He has worked on 5 Asian development projects in the last 13 years including General Manager Development at Kingsgate's Chatree Gold Mine in Thailand and Project Director, Sepon Gold Mine in Laos. Robert was also CEO of Climax Mining Limited from 2003 to 2006 overseeing the construction of the Didipio project in the Philippines and also CEO of Asian Mineral Resources Limited from 2006 to 2008.

### ***James H Wentworth – Finance Director (LLB, BCom)***

James 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 Champ Ventures where he was a Director and a member of the investment committee. James also previously worked in the Project & Structured Finance and Corporate Advisory divisions of Macquarie Bank, the Mergers and Acquisitions department of Lehman Brothers and the principal investment area of Goldman Sachs. James' key responsibility is to complete a financing package for the expansion of the FND Wetar Copper project and further development of the Ojolali project.

### ***Stephen J Lonergan – Independent Non-Executive Director (LLB, LLM)***

Stephen is a commercial lawyer with more than 25 years of experience in the Australian and international mining industry. Stephen has been General Counsel of Pancontinental Mining Group, a partner at Baker & McKenzie and General Counsel and Company Secretary of Savage Resources Limited. Stephen is also currently Executive Director – Commercial and Company Secretary of Kimberley Metals Limited.

### ***Stephen R de Belle – Independent Non-Executive Director (BA, MSc, MTCP)***

Stephen has been closely involved with the start-up and operation of iron ore, coal, base metals, gold and petroleum projects and companies. Stephen has a particular expertise in the development and financing of projects in the resources and infrastructure sectors in Australia and overseas. Stephen is currently a Director of Mantle Mining Corporation Limited and was previously a Director of Midwest Corporation Limited. Stephen is currently managing director of a geothermal and power technology company.

### ***Thomas Roussel – Non-Exec. Director (BSc (Mining Engineering), MBA)***

Thomas is a principal of Resource Capital Funds (RCF), a mining focused private equity firm. Prior to joining RCF in 2006, he was Director of Business Development at an RCF portfolio company in China. He has also worked as an engineer in both mining and oil & gas industries.

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**Rating Classification**


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Buy	Expected to outperform the overall market
Hold	Expected to perform in line with the overall market
Sell	Expected to underperform the overall market
Not Rated	Shaw has issued a factual note on the company but does not have a recommendation

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**Risk Rating**


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High	Higher risk than the overall market – investors should be aware this stock may be speculative
Medium	Risk broadly in line with the overall market
Low	Lower risk than the overall market.

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