

**For Release 31 January 2017**

**CORRECTION – APPENDIX 5B AND QUARTERLY ACTIVITIES REPORT**

Finders Resources Limited (“FND”) advises that the Appendix 5B released earlier today contained a number of errors. An amended version has been attached.

In addition the Quarterly Activities Report has been amended to include a clarification that the cash balance includes restricted cash and to correct a typographical error on page 9 where a reference to March 2016 Quarter should have read March 2017 Quarter. An amended version is also attached.

**-ends-**

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For ASX Market Release: 31 January 2017

## Quarterly Activities Report – December 2016

### HIGHLIGHTS

#### Wetar Copper Project

- Copper cathode produced for the quarter was 6,159 tonnes with sales of 4,888 tonnes at an average price of US\$2.32/lb
- December quarter C1 cash cost of US\$1.08/lb
- EBITDA for the quarter of US\$10.9 million
- 12 month rolling LTIFR and Injury Severity rates remain at zero

#### Corporate

- Total project debt reduced to US\$91.4 million from the initial US\$162 million facility at project commencement
- Debt restructure completed
- Project ownership increased to 73.5% from 72.0%
- Hedge book (copper and diesel fuel) out of the money by US\$12.4 million at 31 December 2016
- Cash on hand at quarter end of AU\$6.0 million (includes restricted cash)

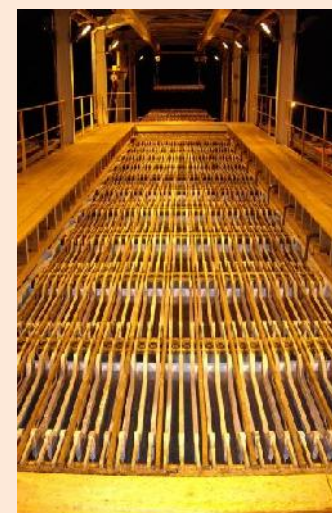
Managing Director Barry Cahill commented: *“This landmark quarter saw our new 25,000 t.p.a. copper cathode SX-EW plant achieve nameplate production capacity and our debt position significantly reduced. We are now well positioned to reward shareholders with increased news flow during 2017 on our resource expansion initiatives along with further reductions in debt off the back of an improving copper price.”*



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## Quarterly Activities Report December 2016

### WETAR COPPER PROJECT (FINDERS 72% increasing to 73.5%)

#### 3,000 t.p.a. and 25,000 t.p.a. SX-EW Plant Production Report

While the 3,000 t.p.a. plant operated below expectations, the 25,000 t.p.a. plant continued to ramp up copper cathode production and finished the quarter at nameplate capacity as summarised in the following table:

Table 1: Wetar Quarterly Copper Production

		March 16 Quarter	June 16 Quarter	September 16 Quarter	December 16 Quarter
Ore stacked	t	178,556	346,879	677,510 <sup>1</sup>	949,629 <sup>1</sup>
Grade	% Cu	2.43	2.33	2.33	2.01
Metal stacked	t Cu	4,342	8,085	15,763	19,057
Copper stripped	t Cu	569	1,067	3,987	6,159
Copper sold	t Cu	815	612	2,587	4,888
Copper sale price	US\$/lb Cu	2.10	2.22	2.18	2.32

Note 1: includes ore stacked to heap and stockpile leach pads.

Ore mining continued in the Kali Kuning open pit with the initial ore movement required to achieve steady state solution inventory completed by quarter end. Future ore movement will be focussed on maintaining inventory.



Image 1 – Excavating blasted material in Kali Kuning pit

Waste mining focussed on bringing down the pit floor in sequence with the required ore movement and stabilising the northern pit wall as reported in the September quarter.

Excess equipment from the mining fleet will be demobilised during the forthcoming quarter in line with reduced earthmoving volumes.

Ore stacking continued on the Gold Pit Leach Pad (GPLP) and the Kali Kuning Valley (KKV) heap leach pads. Construction of the new DP07 leach pad was completed and stacking has commenced early in 2017.

## Quarterly Activities Report December 2016

The 3,000 t.p.a. SX-EW plant performed below expectations and will be shut down for a short time during the March quarter for minor refurbishment work to restore the plant to normal operating capacity.

The 25,000 t.p.a. SX-EW plant continued to perform well with steady state nameplate production achieved during the December quarter. Production from this plant is expected to increase incrementally as efficiency improvements are implemented and site staff gain more experience in the operation of the plant.



Image 2 – Stacked tonnes on the Gold Pit Heap Leach Pad

The neutralisation plant operated as planned during the quarter. Demobilisation of construction personnel and equipment continued as final work was completed to all construction activities.

The copper cathode from the 25kt SX-EW plant continued to produce some minor visual quality and specification issues during ramp up. More than 90% of the copper cathode currently being produced is LME Grade A and has been sold at a premium to the LME price with the balance sold at or about the LME price.

The C1 cash cost for the quarter was US\$1.08 per pound of copper produced which is slightly (3%) above forecast life of mine cost estimates. The C1 cost is expected to be in line with forecast during the March quarter.

Project EBITDA for the quarter was US\$10.9 million which is in line with expectations for the first full quarter of production.



Image 3 – Stacked tonnes on KKV Leach Pad

## Quarterly Activities Report December 2016



Image 4 – Aerial view of the 25kt SX-EW plant

### Exploration and Project Development

Exploration and project development activities have continued to gain momentum during the quarter in preparation for the commencement of pre-development activities at the Lerokis mine and the next phase of exploration drilling at the Meron prospect located approximately 2km from the Kali Kuning open pit mine.

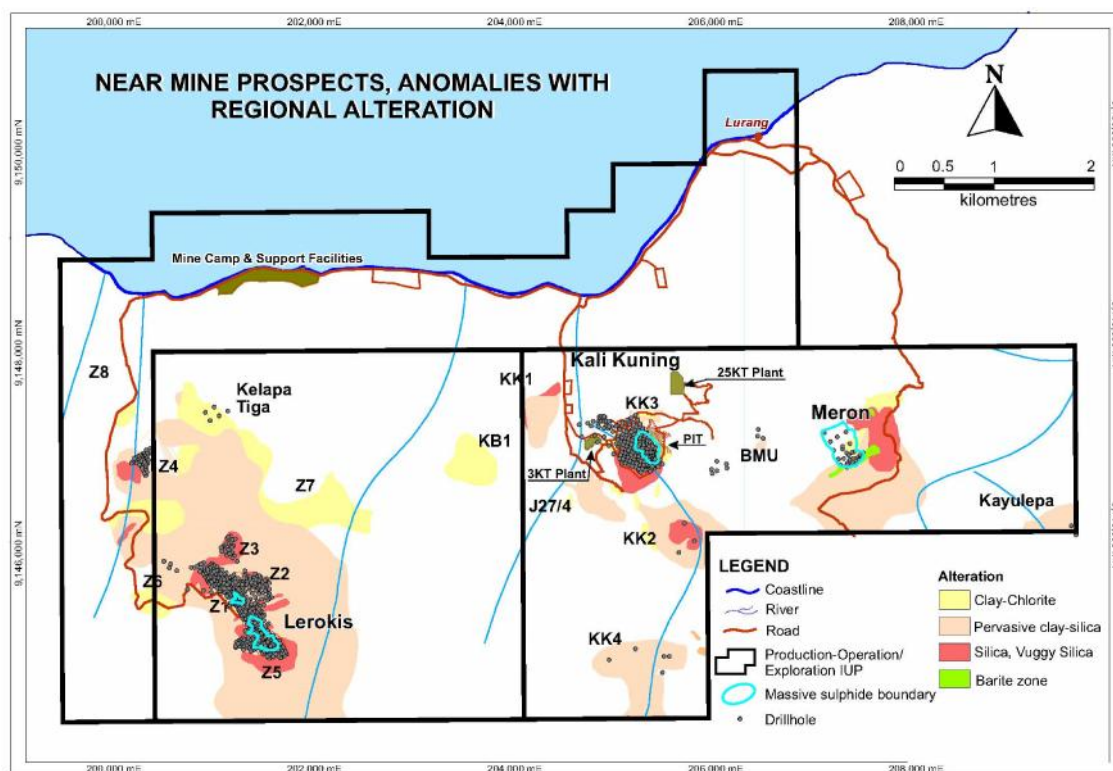


Figure 1 – Wetar Site Plan

### Mineral Resource and Ore Reserve Update

During the quarter the company provided an update to the Mineral Resource and Ore Reserve for the Wetar Copper Project. The updated tables are appended to the end of this report.

The Measured, Indicated and Inferred Resource as at 30<sup>th</sup> June 2016 on a 100% equity basis now stands at 8.9 million tonnes at 2.4% copper for 210 thousand contained tonnes of copper metal.

The Proved and Probable Reserve as at the 30<sup>th</sup> June 2016 on a 100% equity basis stands at 8.6 million tonnes at 2.3% copper for 202 thousand contained tonnes of copper metal.

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A 2% overall in reconciled copper tonnes mined versus the Ore Reserve Model for the Project to the end of November 2016 demonstrates the robustness of the Mineral Resource and Ore Reserve estimates.

### Lerokis Mine

Limited technical activity has been completed at the Lerokis deposits since the feasibility update (November 2013) due to the focus on the development of the Kali Kuning open pit mine and the associated processing and support infrastructure. The Lerokis mine is currently scheduled to commence production in 2019.

During the quarter, geological and structural interpretations were updated using the mining experience from Kali Kuning, the re-logging and re-assaying of holes drilled specifically for geotechnical purposes and the assaying of metallurgical test holes drilled during 2016.

A deposit-scale structural framework in conjunction with a revised metal zonation re-interpretation has resulted in a small drill program (<2,000m) to remove any residual ambiguity in mineralisation outlines and to ensure that the general mine area has been effectively sterilised for the placement of production infrastructure.

Figures 2 and 3 (below) are a longitudinal section through the mineralisation at Zones 5 and 1S and a representative cross-section through Zone 5.

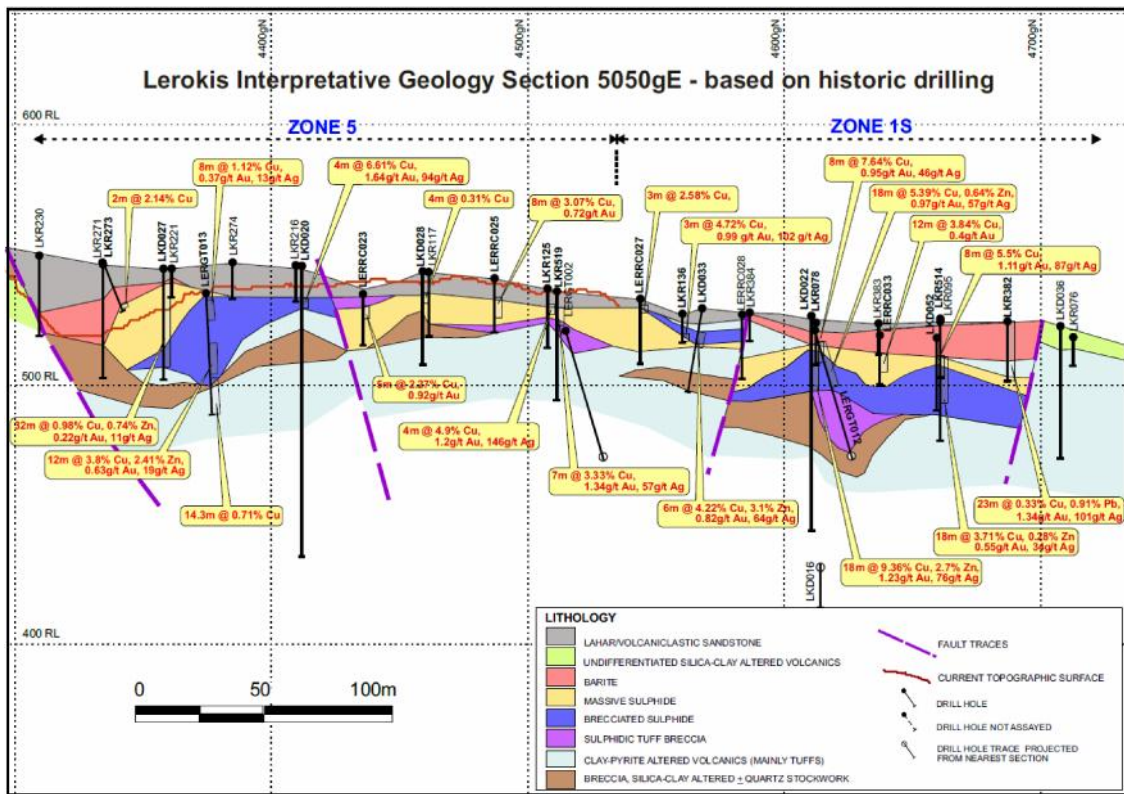


Figure 2 – Longitudinal section 5050gE showing geology and historic drilling.

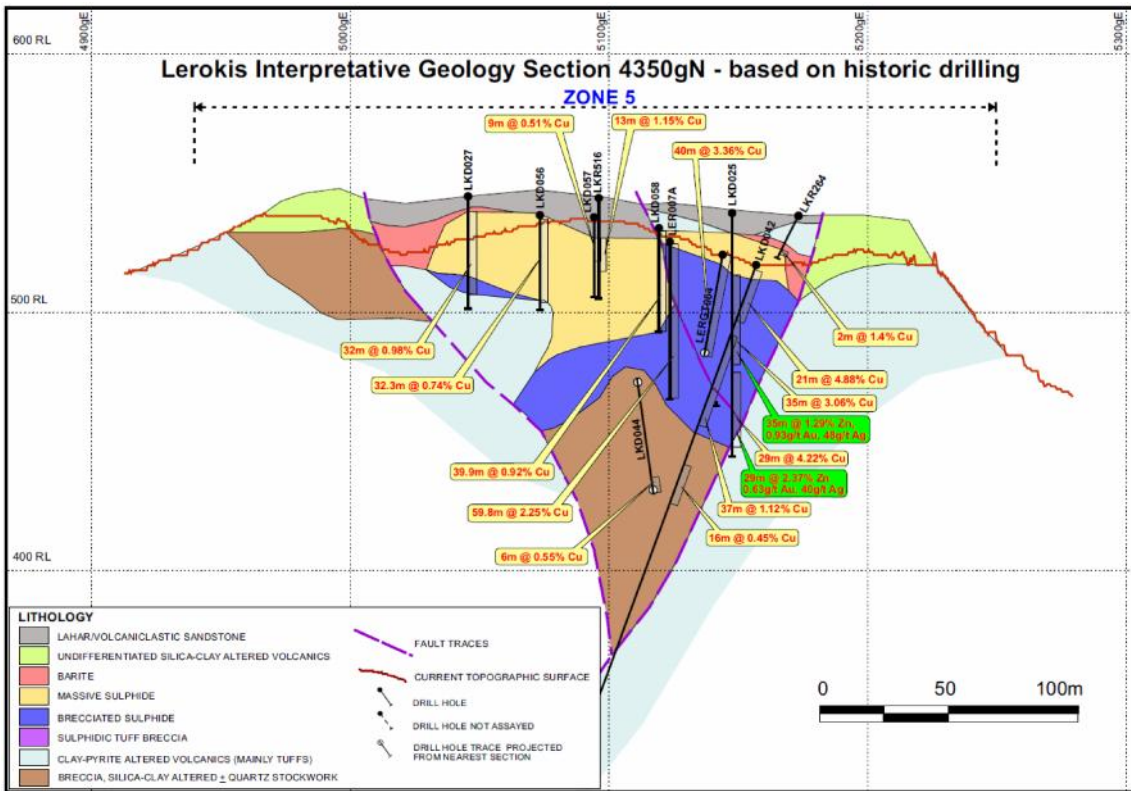


Figure 3 – Zone 5 geological cross section 4350gN showing historic drilling.

**Merom Prospect**

Work during the quarter focussed on data collation and geological re-interpretation of earlier historical field data where exploratory drilling intersected a “blind” sulphide body with associated anomalous copper mineralisation (Figure 4).

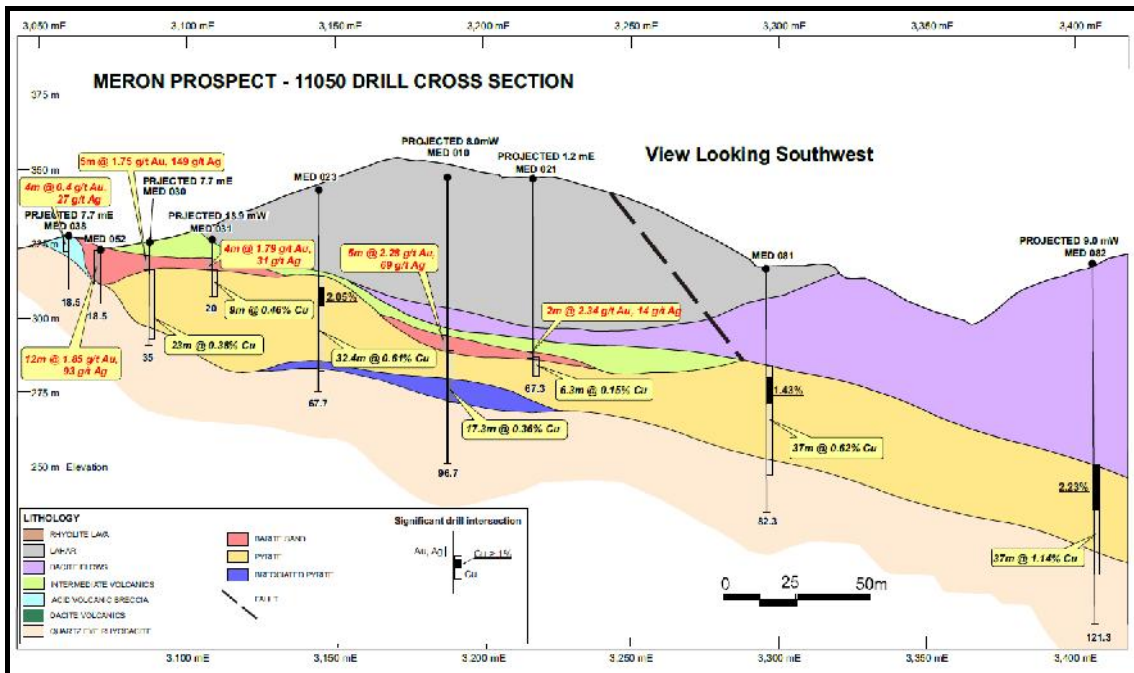


Figure 4 – Meron geological cross section 11050 showing historic drilling and the interpreted sulphide outline.

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This work, when combined with a ground electromagnetic survey completed in early 2015 (see below) has highlighted the considerable opportunity that exists for the delineation of further copper mineralisation that could be easily brought into the existing project.

A drilling program of in excess of 3,500m has been proposed for 2017 to enable the delineation of the interpreted deposit footprint and facilitate the calculation of a maiden resource (Figure 5, below). Discussions have commenced with the local community to enable the finalisation of a land access agreement for drilling purposes.

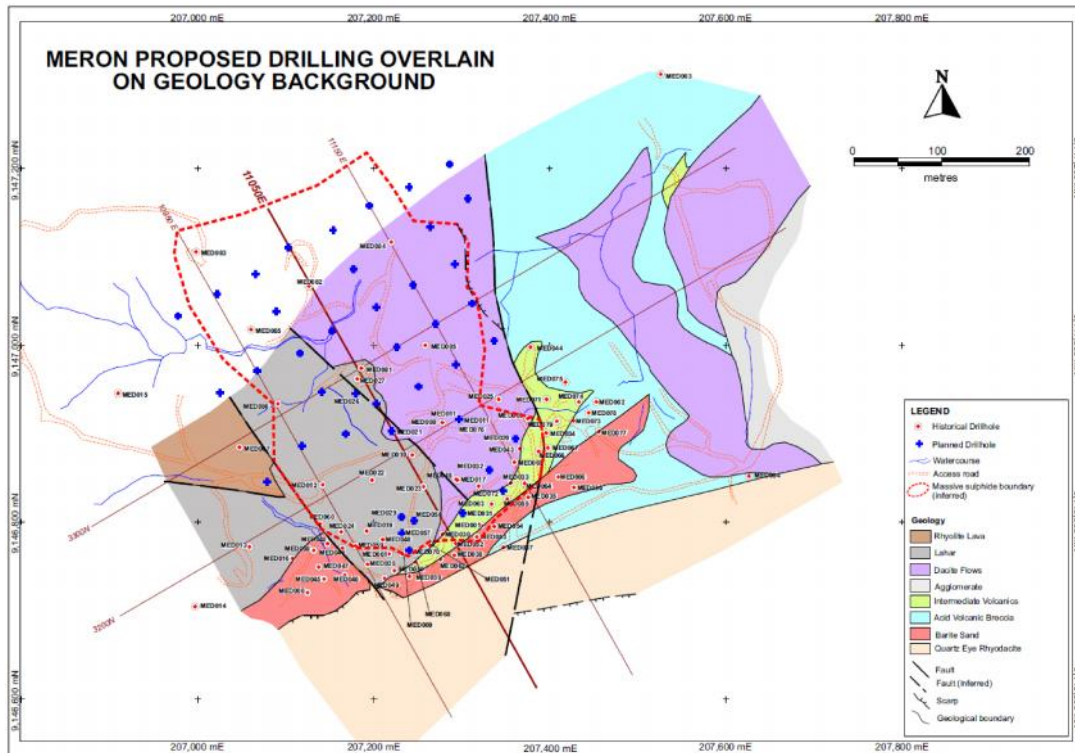


Figure 5 – Meron geology surface plan showing interpreted sulphide outline.

### Geophysics

Modeling and re-interpretation of a 2015 moving in loop electromagnetic (MILEM) survey over the Lerokis mine area and the Meron prospect was completed during the quarter to optimise the upcoming drilling into each and ensure that all program objectives are met.

An additional three holes (~300m) have resulted from this geophysical interpretation to ensure that all adjacent opportunities are tested in conjunction with each of the drilling programs. Two of these targets are within the Lerokis mine area while the remaining target is within 500m of the Meron prospect at Barumanu Figure 6.



## Quarterly Activities Report December 2016

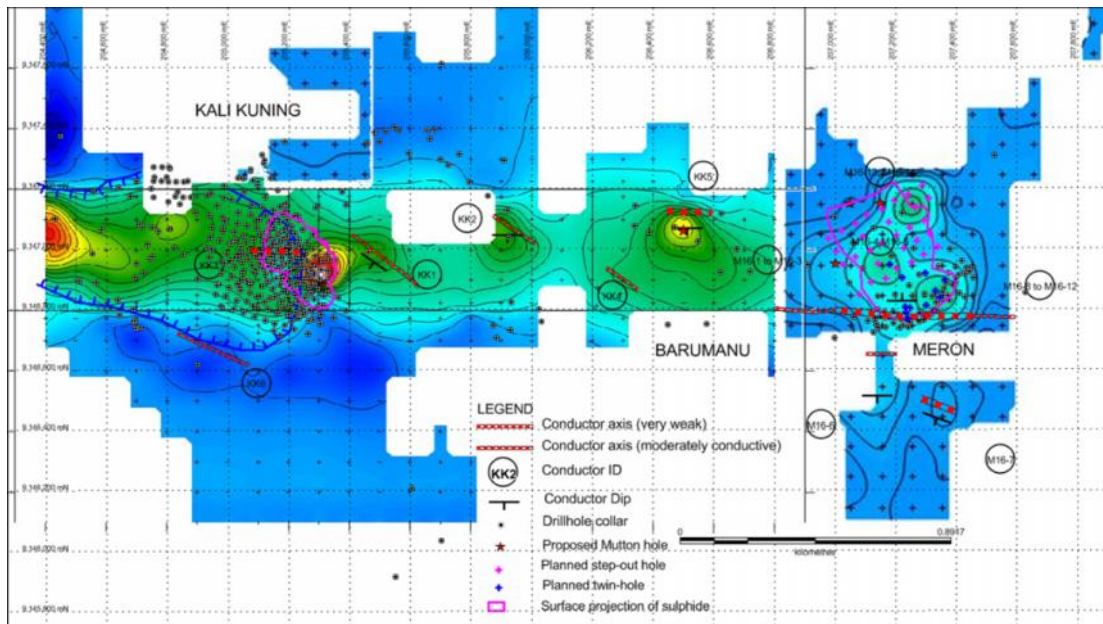


Figure 6 – Kali Kuning to Meron region EM image showing the Barumanu target location.

### OH&S

There were no serious injuries recorded during the quarter, with the Lost Time Injury Frequency Rate (LTIFR) remaining at zero. The 12 month rolling LTIFR is 0.00 and the Injury Severity Rate is 0.00. The Total Recordable Injury Frequency rate for the project is 4.5 this is the total rate of medically treated and lost time injuries recorded which was an increase from last quarter. Management are focussed on reducing this lag indicator, particularly the rate of medically treated injuries.



Image 5 – Aerial view of the coastal facilities at Lerokis Port

### Wetar Community Development

Community development programs, which assist with health and economic development, continued during the quarter and included;

- Agricultural initiatives, including vegetable growing and chicken farming, to supplement the requirements of the Wetar Project.
- Local community employment initiative, inclusive of island villages further afield of the operation, which accounted for 48% of company's employees at the Wetar Project at the end of the quarter.

## Quarterly Activities Report December 2016

- Maintaining staffing levels at the local health centre and two medical posts to reduce the dependency on the Site Clinic. During the quarter over 600 visits were dealt with. Any serious conditions were elevated to the Site Clinic of which there were over 40 visits during the quarter.
- The maintenance of the emergency airstrip for medical evacuation of both employees and local residents.
- Allocation of 10% of the available passenger seats on marine vessels servicing the Wetar Project to the local community.

Stakeholder engagement continued and included information meetings and site visits with various Government officials, community leaders, elders and landowners.

### Wetar Environmental Management

Environmental monitoring activities and reporting to the relevant Indonesian authorities in accordance with the Project's environmental permit was ongoing and no non-compliance occurrences were reported.

### March 2017 Quarter

Planned activities for the March 2017 quarter include:

- Continued stacking of ore to the KKV leach pad and DP07;
- Refurbishment of the 3,000 t.p.a. SX-EW plant;
- Attaining and maintaining the production profile of the project at the nameplate capacity of 28,000 t.p.a. copper cathode at a C1 cash cost of US\$1.05 /lb copper cathode; and
- Commencement of development drilling at the Lerokis project

## CORPORATE

### Cash and Project Finance Facility

Finders through its Indonesian subsidiary PT Batutua Tembaga Raya ("BTR") previously entered into a Senior Facilities Agreement with BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale ("the Senior Lenders") which provided for a US\$162 million commitment from the Senior Lenders consisting of:

- US\$127 million Term Loan Facility;
- US\$20 million Cost Overrun Facility; and
- US\$15 million VAT Working Capital Facility.

During the quarter BTR made further repayments of US\$6.5 million on the Term Loan Facility and US\$3.2 million on the VAT facility. Total amount drawn under the Senior Facilities Agreement as at the end of the quarter was US\$91.4 million.

As announced on 20 January 2017, BTR successfully completed a restructure of the Senior Facilities Agreement. The changes included a reduction in the minimum hedge requirements under the bank facilities, additional discretionary hedging line and amendments to the repayment profile.

## Quarterly Activities Report December 2016

The book value of the hedges entered into by BTR as at 31 December 2016 is summarised in the following table (US\$ million):

Copper hedging	(11.8)
Fuel hedging	(0.6)
<b>Total</b>	<b>(12.4)</b>

As at 31 December 2016, Finders and BTR had cash of AU\$6.0 million (includes restricted cash).

### Corporate

On 10 November 2016, Finders announced the completion of a placement of 100,000,000 shares at 12 cents to existing and new institutional and sophisticated investors to raise A\$12 million. The proceeds will enable targeted investment to increase mine life and project value.

On 20 December 2016, Finders announced the cancellation of 1,000,000 shares issued under its Employee Share Ownership Scheme.

On 20 January 2017, Finders announced that its equity ownership in the Wetar Copper Project had increased from 72.0% to 73.5% following the dilution of joint venture partner, Posco Daewoo Corporation.

### Capital Structure

Type of Security	Number on Issue		
<i>Fully Paid Ordinary Shares ("Shares") - Quoted on ASX</i>			
<b>Shares on issue at 31 December 2016 – Quoted on ASX</b>	<b>761,267,245</b>		
<i>Unlisted Employee Shares</i>	<i>No. of Shares</i>		
Employee shares issued under the Finders Employee Share Ownership Plan at issue prices of 19c to 35c funded by loans from the company	900,000		
Unvested directors incentive Shares issued at issue prices from 20.08 cents to 30.08 cents funded by loans from the company and subject to performance and time based vesting conditions	10,500,000		
<b>Unlisted Employee Shares on issue at 31 December 2016</b>	<b>11,400,000</b>		
<i>Unlisted Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>	<i>No.</i>
	A\$0.35	06 Jun 2017	22,857,144
	A\$0.2556	22 Oct 2017	31,298,904
<b>Unlisted Options on issue at 31 December 2016</b>	<b>54,156,048</b>		
<i>Unlisted Converting Notes</i>	<i>Conversion Price</i>	<i>Maturity Date</i>	<i>No. of Shares</i>
US\$5,500,000	A\$0.427	16 Mar 2018	12,248,538

The mining exploration entity quarterly report (Appendix 5B) is appended.

**Barry Cahill**

**Managing Director**

## Quarterly Activities Report December 2016

### Background Information on Finders

Finders is the operator of the Wetar Copper Project (73.5% interest) located on Wetar Island in eastern Indonesia.

The Wetar Copper Project comprises the development, open pit mining and processing of the high-grade sulphide deposits at Kali Kuning and Lerokis located within 3 kilometres of the coast on Wetar Island. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially exposed copper ore bodies from a prior gold mining era.

Finders currently operates a 25,000 tonne per annum (“t.p.a”) copper cathode solvent extraction-electrowinning (“SX-EW”) plant, commissioned in May 2016, and a 3,000 t.p.a SX-EW plant for annual production capacity of 28,000 tonnes copper cathode. To date, the plants have produced over 15,000 tonnes of copper cathode, of which 90% was sold at a premium to the LME price and without specification issues.

The project has a total debt of US\$91.4M (including a VAT facility) repayable over the period to March 2019 and has a projected cash operating cost of US\$1.05/lb Cu over the life of mine.

Opportunities for extending the mine life past the current 7 years are strongly founded on exploration upside, focussing initially on the nearby satellite Meron deposit and other identified VMS copper and gold targets on Wetar Island including Karkopang.

### Tenement/Mineral Permit Schedule

IUP Decision No.	Type	Mineral	Expiry Date	Area (ha)	Term	Holder <sup>1</sup>
<b>Wetar Copper Project<sup>1</sup></b>						
543 - 124 Tahun 2011	IUP Exploitation	Copper	09 Jun 2031	2,733	20 years	BKP
540 – 317.a Tahun 2012	IUP Exploitation	Sand, gravel & stone	01 Nov 2017	80.55	5 years	BKP
540 – 317.b Tahun 2012	IUP Exploitation	Limestone	01 Nov 2017	1,425	5 years	BKP
540 – 28.b Tahun 2010	IUP Exploitation	Barite	01 Nov 2016	515	6 years	BBW
<b>Wetar South Coast Exploration</b>						
540 – 28.a Tahun 2010	IUP Exploration	Gold	01 Mar 2016	2,636	6 years	BKP
540 – 28.c Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,418	6 years	BKP
540 – 28.d Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,021	6 years	BBW
540 – 28.e Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,106	6 years	BBW
540 – 28.f Tahun 2010	IUP Exploration	Gold	01 Mar 2016	1,148	6 years	BBW

- Finders’ interest in the Wetar Copper Project (73.5%) is held through Indonesian subsidiaries, PT Batutua Tembaga Raya (“BTR”) and PT Batutua Kharisma Permai (“BKP”). BBW has merged with BKP and tenements previously held by BBW are in the process of being transferred to BKP.

## Quarterly Activities Report December 2016

### Wetar Copper Project Resources & Reserves

Wetar Copper Project – Ore Reserve Estimate as at 30 <sup>th</sup> June 2016							
	Proved		Probable		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (Kt)
<b>Kali Kuning Open Pit (COG 0.4% Cu)</b>							
Primary	3.6	2.7	0.5	2.7	4.1	2.7	111
Transition	0.8	1.2	0.3	1.3	1.1	1.2	13
Leached	0.1	0.5	0.01	0.8	0.1	0.6	1
<b>Total</b>	<b>4.6</b>	<b>2.4</b>	<b>0.7</b>	<b>2.2</b>	<b>5.3</b>	<b>2.4</b>	<b>126</b>
				Waste	3.9		
				Stripping Ratio	0.7		
<b>Lerokis Open Pit (COG 0.5% Cu)</b>							
Primary	2.1	2.3	0.4	2.0	2.5	2.3	59
<b>Total</b>	<b>2.1</b>	<b>2.3</b>	<b>0.4</b>	<b>2.0</b>	<b>2.5</b>	<b>2.3</b>	<b>59</b>
				Waste	1.9		
				Stripping Ratio	0.8		
<b>Total Kali Kuning and Lerokis Open Pits</b>							
COG as above	<b>6.7</b>	<b>2.4</b>	<b>1.2</b>	<b>2.2</b>	<b>7.8</b>	<b>2.3</b>	<b>184</b>
<b>Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)</b>							
Kali Kuning	0.8	2.4	-	-	0.8	2.4	18
<b>Total</b>	<b>0.8</b>	<b>2.4</b>	<b>-</b>	<b>-</b>	<b>0.8</b>	<b>2.4</b>	<b>18</b>
<b>Total Ore Reserve (including Heap Leach Pads)</b>							
COGs as above	<b>7.4</b>	<b>2.4</b>	<b>1.2</b>	<b>2.2</b>	<b>8.6</b>	<b>2.3</b>	<b>202</b>

Notes – The Ore Reserve Estimate for the open pit mines is derived from the Mineral Resource block models for the Kali Kuning and Lerokis deposits. 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. “Stripping Ratio” refers to the ratio of the waste to the ore tonnage.

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## Quarterly Activities Report December 2016

<b>Wetar Copper Project - Mineral Resource Estimate as at 30<sup>th</sup> June 2016</b>									
	<b>Measured</b>		<b>Indicated</b>		<b>Inferred</b>		<b>Total</b>		
	<b>Mt</b>	<b>Cu%</b>	<b>Mt</b>	<b>Cu%</b>	<b>Mt</b>	<b>Cu%</b>	<b>Mt</b>	<b>Cu%</b>	<b>Cu (Kt)</b>
<b>Kali Kuning Resource (COG 0.4% Cu)</b>									
Primary	3.6	2.7	0.5	2.8	0.03	2.7	4.2	2.7	114
Transition	0.8	1.2	0.3	1.4	0.08	1.7	1.2	1.3	15
Leached	0.1	0.5	0.01	0.8	0.01	1.1	0.2	0.6	1
<b>Total</b>	<b>4.6</b>	<b>2.4</b>	<b>0.8</b>	<b>2.3</b>	<b>0.1</b>	<b>1.9</b>	<b>5.5</b>	<b>2.4</b>	<b>130</b>
<b>Lerokis Resource (COG 0.5% Cu)</b>									
Primary	2.1	2.4	0.4	2.2	0.1	1.5	2.6	2.3	61
<b>Total</b>	<b>2.1</b>	<b>2.4</b>	<b>0.4</b>	<b>2.2</b>	<b>0.1</b>	<b>1.5</b>	<b>2.6</b>	<b>2.3</b>	<b>61</b>
<b>Total Kali Kuning and Lerokis Open Pits</b>									
COG as above	6.7	2.4	1.2	2.3	0.2	1.7	8.1	2.4	191
<b>Heap Leach Pads (ex-mine minus cathode production and decommissioned leach pads)</b>									
Kali Kuning Valley	0.8	2.4	-	-	-	-	0.8	2.4	18
<b>Total</b>	<b>0.8</b>	<b>2.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.8</b>	<b>2.4</b>	<b>18</b>
<b>Total Mineral Resource (including Heap Leach Pads)</b>									
<b>TOTAL</b>	<b>7.5</b>	<b>2.4</b>	<b>1.2</b>	<b>2.3</b>	<b>0.2</b>	<b>1.7</b>	<b>8.9</b>	<b>2.4</b>	<b>210</b>

Note – Rounding errors may occur. Mineral Resources which are not included in the following Ore Reserve compilation do not have demonstrated economic viability.

The information in this report that relates to the in-situ ore reserve estimation at the Kali Kuning and Lerokis deposits is based on ongoing and prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Nick Holthouse who is a full-time employee of PT Batutua Tembaga Raya (a subsidiary of Finders Resources Limited) and who is a Member of the Australasian Institute of Mining and Metallurgy (#305303). The information in this report that relates to the ore reserve estimation for the heap leach pads is based on ongoing and prior work completed by external consultants and PT Batutua Tembaga Raya employees that has been reviewed by Mr Augy Wilangkara who is a full time employee of PT Batutua Tembaga Raya (a subsidiary of Finders Resources Limited) and who is a Member of the Australasian Institute of Mining and Metallurgy (#206768)

Both Mr Holthouse and Mr Wilangkara have sufficient experience which is relevant to the style of mineralisation, the type of deposit and the beneficiation method under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Holthouse and Mr Wilangkara consent to the inclusion in the report of the matters based on their reviewed information in the form and context in which it appears.

## Quarterly Activities Report December 2016

The information in this report that relates to mineral resource estimation for the Kali Kuning and Lerokis deposits is based on prior work completed by external consultants that has been reviewed by Mr Terry Burns who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (#107527).

Mr Burns has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Burns is contracted by Banda Minerals Pty Ltd, a 100% owned subsidiary of Finders Resources Limited, and consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Finders Resources Limited

**ABN**

82 108 547 413

**Quarter ended ("current quarter")**

31 December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	35,138	58,296
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(5,396)	(68,731)
(c) production	(14,360)	(43,671)
(d) staff costs	(4,163)	(21,466)
(e) administration and corporate costs	(330)	(1,126)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	23
1.5 Interest and other costs of finance paid	(3,299)	(10,203)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
Taxes and value added tax refund (paid)	(2,078)	(6,199)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>5,512</b>	<b>(93,077)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2,475)	(4,401)
(b) tenements (see item 10)	-	-
(c) investments	-	-

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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	41
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2,475)</b>	<b>(4,360)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	12,000	12,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(627)	(627)
3.5 Proceeds from borrowings	-	72,106
3.6 Repayment of borrowings	(18,053)	(75,495)
3.7 Transaction costs related to loans and borrowings	(956)	(1,613)
3.8 Dividends paid		
3.9 Other (provide details if material)		
Net hedge receipts / (payments)	-	61,824
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(7,636)</b>	<b>68,195</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	7,888	33,728
4.2 Net cash from / (used in) operating activities (item 1.9 above)	<b>5,512</b>	<b>(93,077)</b>
4.3 Net cash from / (used in) investing activities (item 2.6 above)	<b>(2,475)</b>	<b>(4,360)</b>
4.4 Net cash from / (used in) financing activities (item 3.10 above)	<b>(7,636)</b>	<b>68,195</b>

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	1,590	393
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,879</b>	<b>4,879</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	4,879	7,888
5.2 Call deposits	-	
5.3 Bank overdrafts	-	
5.4 Other (provide details)	-	
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,879</b>	<b>7,888</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
138
-

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
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## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	126,197	126,197
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
8.1 The Group has signed a Senior Secured Project Finance Facility Agreement with a syndicate of banks. Under the agreement, the banking syndicate agreed to provide loan facilities totalling US\$162 million. This has been paid down to US\$85 million		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	3,000
9.3 Production	14,000
9.4 Staff costs	6,000
9.5 Administration and corporate costs	300
9.6 Other (provide details if material) – interest payable	1,500
<b>9.7 Total estimated cash outflows</b>	<b>24,800</b>

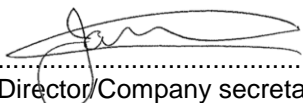
10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

.....  
  
 (Director/Company secretary)

Date: ....31 January 2017.....

Print name:

...James Wentworth.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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