

For Release: 20 May 2013

FINDERS RESOURCES LIMITED

Conversion of RCF and Taurus Loans to Shares

As announced on 8 May 2013, Taurus Funds Management (“Taurus”) and Resource Capital Fund IV LP (“RCF”) have requested a conversion of their outstanding convertible notes to shares at the price (16.5 cents per share) of the recently announced placement to Provident Capital Partners. The shares to be issued (84.8 million) exceed Finders Resources Limited’s (“Finders”) current capacity to issue new shares under Listing Rule 7.1.

Finders has agreed with Taurus and RCF to effect the conversion by:

- Converting \$3,603,600.00 of the notes into 21,840,000 shares on 20 May 2013 within Finders’ current capacity under Listing Rule 7.1
- Converting up to \$1,569,715.62 of the notes into 9,513,428 shares after Finders’ Annual General Meeting to be held on 23 May subject to the passage of some or all of Resolutions 5 to 7 at the AGM
- Holding an Extraordinary General Meeting to approve the balance of any conversion

This conversion, if fully approved by shareholders, will leave Finders debt-free and reduces the funding required for the construction phase by \$14 million.

-ends-

Background Information on Finders

Finders is the operator of the Wetar Copper Project (95% Interest), and the Ojolali Gold-Silver Project (72% with option), both located in Indonesia. The Wetar Copper Project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and suitable for open pit mining. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially pre-stripped copper ore bodies from a prior gold mining era. From February 2009 to December 2010, Finders successfully operated a 5 tonne per day Solvent Extraction/Electro Winning (“SX/EW”) demonstration plant to test copper sulphide leach kinetics, optimise process design and provide data required for project finance. The demonstration plant produced and sold about 2,500 tonnes of LME Grade A copper cathode, all of which was sold at a premium to the LME price and without specification issues. The test heaps are at heights similar to commercial operations worldwide and the SX/EW technology being used is industry standard. SX/EW technology is currently responsible for approximately 22% of the world’s copper production. The development of the Wetar Copper Project comprises the brownfields expansion of the existing demonstration plant to 7,000tpa capacity, followed by incorporation of the Whim Creek plant to lift production to 25,000tpa.

Further information from Finders Resources Ltd, please contact

Russell Fountain
Chris Farmer
James Wentworth

Non-Executive Chairman
Managing Director
Finance Director

+61 2 8084 1812
info@findersresources.com
+61 2 8084 1812

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

FINDERS RESOURCES LIMITED

ABN

82 108 547 413

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 36,991,515 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Shares are fully paid |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>								
<p>5 Issue price or consideration</p>	<p>\$0.165 each share</p>								
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 985 1061 1075">Purpose</th> <th data-bbox="1061 985 1283 1075">Number of Shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1075 1061 1164">Cash Placement</td> <td data-bbox="1061 1075 1283 1164">15,151,515</td> </tr> <tr> <td data-bbox="686 1164 1061 1265">Conversion of Loan Drawings</td> <td data-bbox="1061 1164 1283 1265">21,840,000</td> </tr> <tr> <td data-bbox="686 1265 1061 1310" style="text-align: right;">Total</td> <td data-bbox="1061 1265 1283 1310">36,991,515</td> </tr> </tbody> </table>	Purpose	Number of Shares	Cash Placement	15,151,515	Conversion of Loan Drawings	21,840,000	Total	36,991,515
Purpose	Number of Shares								
Cash Placement	15,151,515								
Conversion of Loan Drawings	21,840,000								
Total	36,991,515								
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>								
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable</p>								
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Not applicable</p>								

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of securities issued under an exception in rule 7.2	Not applicable	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	20 th May 2013	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number 356,707,105	+Class Ordinary fully paid shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	
	500,000	Options, each to acquire one fully paid ordinary share at an exercise price of 30 cents expiring 16 th April 2014.
	2,000,000	Options, each to acquire one fully paid ordinary share at an exercise price of 30 cents expiring 8 th May 2014.
	250,000	Options, each to acquire one fully paid ordinary share at an exercise price of 37 cents expiring 29 th Aug 2014.
	16,000,000	Options, each to acquire one fully paid ordinary share at an exercise price of 50 cents expiring 24 th Oct 2014. Exercise period does not include expiry date.
	22,857,144	Options, each to acquire one fully paid ordinary share at an exercise price of 35 cents expiring 6 th June 2017. Exercise period does not include expiry date.
	31,298,904	Options, each to acquire one fully paid ordinary share at an exercise price of 25.56 cents expiring 22 nd October 2017. Exercise period does not include expiry date.
	50,000,000	Options, each to acquire one fully paid ordinary share at an exercise price of 20.00 cents during the exercise period of 20 business days commencing the date permitting approvals are obtained and expire 30 th September 2013.
	Total	122,906,048
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There has been no change to the dividend policy.

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the ⁺ securities will be offered | |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | |
| 15 | ⁺ Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

39 Class of +securities for which
 quotation is sought

40 Do the +securities rank equally in
 all respects from the date of
 allotment with an existing +class
 of quoted +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next
 dividend, (in the case of a
 trust, distribution) or interest
 payment
- the extent to which they do
 not rank equally, other than in
 relation to the next dividend,
 distribution or interest
 payment

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end
 of restriction period

(if issued upon conversion of
 another security, clearly identify
 that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: (Director/Company secretary)

Date: 20th May 2013

Print name: Ian Morgan

== == == == ==

+ See chapter 19 for defined terms.