



29 May 2014

Market Announcements Platform
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

FINDERS COMPLETES INSTITUTIONAL PLACEMENT AND ANNOUNCES A FULLY UNDERWRITTEN NON-RENOUNCEABLE ENTITLEMENT OFFER - NOTICE PURSUANT TO PARAGRAPH 708AA (2)(F) OF THE CORPORATIONS ACT 2001

Finders Resources Limited ACN 108 547 413 (ASX:FND) (**Finders** or **Company**) is pleased to announce the successful completion of a \$10 million Institutional and Sophisticated Investor Placement (**Placement**) to be followed by a fully underwritten 1 for 15 non-renounceable entitlement issue (**Entitlement Offer**) to raise approximately \$5.3 million (the Placement and the Entitlement Offer together being the **Capital Raising**). The Capital Raising will raise gross proceeds of approximately \$15.3 million and will be used to complete funding for the expansion of the Company's Wetar Copper Project as well as fund further exploration and working capital.

The Placement received strong support from both existing and new investors. The Entitlement Offer has been fully underwritten by the Joint Lead Managers, Morgans Corporate Limited and Blackswan Corporate Pty Ltd.

Finders' Non Executive Chairman, Gary Comb, said "We are delighted with the strong support from investors in the Placement and are pleased to provide our shareholders with the opportunity to participate in the equity raising on the same terms through the Entitlement Offer. The capital raising will provide the Company with funding to complete the expansion of the Wetar Copper Project and take us through to first production at full capacity."

The issue price for fully paid ordinary shares under the Placement is \$0.14 per share, representing a 12.5% discount to the closing price of the Company's shares on Monday 26 May 2014 (the day prior to undertaking the capital raising). The Placement shares will not be entitled to participate in the Entitlement Offer.

Fully paid ordinary shares under the Entitlement Offer will be offered at \$0.14 per share, the same price as the Placement shares. Based on the capital structure (and assuming no convertible securities are converted into shares prior to the record date for the Entitlement Offer (**Record Date**)) a total of up to an additional approximate amount of 37,799,612 shares (subject to rounding) will be issued and the maximum amount raised will be approximately \$5.3 million.

Under the terms of the Entitlement Offer, eligible shareholders will also be given the opportunity to apply for shares in excess of their entitlement through a top-up facility (**Shortfall Offer**). Shares will only be available under the Shortfall Offer in the event that

other shareholders do not take up their entitlements. Allocations under the Shortfall Offer will be determined by the Company and the Underwriters in their sole discretion.

An offer document relating to the Entitlement Offer (**Offer Document**) is proposed to be despatched to eligible shareholders on or about 5 June 2014 together with personalised Entitlement and Acceptance Forms. A sample copy of the Offer Document has been attached to this notice.

An indicative timetable for the Entitlement Offer and Placement is set out below:

Event	Date
Announcement of Placement and Entitlement Offer and shares recommence trading	Thursday, 29 May 2014
Lodgement of Entitlement Offer Document and Appendix 3B with ASX	Thursday, 29 May 2014
Notice of Entitlement Offer sent to holders of Options	Thursday, 29 May 2014
Notice of Entitlement Offer sent to shareholders	Friday, 30 May 2014
Shares commence trading on an 'Ex' Entitlement basis	Monday, 2 June 2014
Record Date	7:00pm (AEST) on Wednesday, 4 June 2014
Placement shares issued and holding statements despatched for the Placement	Thursday, 5 June 2014
Offer document sent to eligible shareholders and Entitlement Offer opens	Thursday, 5 June 2014
Entitlement Offer closes (Closing Date)	5:00pm (AEST) on Tuesday, 17 June 2014
Deferred settlement trading commences	Wednesday, 18 June 2014
Notification of under subscriptions to ASX (if any)	Friday, 20 June 2014
Issue Date Deferred settlement trading ends Entitlement Offer shares entered into shareholders' security holdings and despatch date	Tuesday, 24 June 2014

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new shares.

** The dates in this timetable are indicative only and are subject to change.

NOTICE UNDER s708AA OF THE CORPORATIONS ACT

This notice is given by Finders Resources Limited (ACN 108 547 413) (ASX:FND) (**Company**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**) as notionally modified by Australian Securities and Investment Commission Class Order 08/35 (**Class Order**).

The Company hereby notifies ASX under paragraph 708AA(2)(f) of the Corporations Act that:

- (a) the Company will offer the shares under the Entitlement Offer for issue without disclosure to investors under Part 6D.2 of the Corporations Act, as notionally modified by the Class Order;

- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Corporations Act, as notionally modified by the Class Order;
- (c) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
- (d) as at the date of this notice, the Company has complied with section 674 of the Corporations Act;
- (e) as at the date of this notice, there is no information that is "excluded information" within the meaning of sub-sections 708AA(8) and 708AA(9) of the Corporations Act; and
- (f) the potential effect that the issue of the shares under the Entitlement Offer will have on the control of the Company is as follows:
 - (i) if all eligible shareholders take up their entitlements under the Entitlement Offer, the issue of shares under the Entitlement Offer will have no effect on the control of the Company as at the Record Date and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Entitlement Offer;
 - (ii) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of shares under the Entitlement Offer and ineligible shareholders unable to participate in the Entitlement Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement and the underwriters Morgans Corporate Limited (ACN 010 539 607) and Blackswan Corporate Pty Ltd (ACN 137 308 724) (**Underwriters**) and any relevant sub-underwriters, if they participate in the shortfall of the Entitlement Offer; and
 - (iii) the Underwriters will endeavour to place the shortfall (if applicable) to a combination of existing Shareholders of the Company, institutional and high net worth clients of the Underwriters and various other parties introduced by the Company or the Underwriters pursuant to the Shortfall Offer. The Underwriters will ensure that no person will be issued, through participation in the Shortfall Offer, shares if such issue will result in their voting power in the Company exceeding 19.9%. Having regard to the number of shares to be issued under the Entitlement Offer, even if a substantial shortfall eventuated, a participant in the Shortfall Offer would not be in a position to exercise any substantive control in the Company.

Yours faithfully



Barry Cahill
MANAGING DIRECTOR

FINDERS RESOURCES LIMITED

ACN 108 547 413

(Company)

OFFER DOCUMENT

For a fully underwritten non-renounceable pro-rata Entitlement Offer of one (1) new fully paid ordinary share in the Company (**New Shares**) for every fifteen (15) existing fully paid ordinary share in the Company (**Shares**) held by Shareholders at an issue price of \$0.14 per New Share to raise up to approximately \$5.3 million (**Offer**).

The Offer opens on 5 June 2014 and closes at 5.00pm (AEST) on 17 June 2014 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.



Joint Lead Manager/Underwriter



Joint Lead Manager/Underwriter

IMPORTANT NOTICE

This Offer Document is dated 29 May 2014 and is not a prospectus or other regulated document under Australian law or under any other law. It is for information purposes only. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Document.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Offer Document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.

IMPORTANT NOTES

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Foreign Shareholders

This document does not constitute an offer of new fully paid ordinary shares (**New Shares**) of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

British Virgin Islands

The New Shares may not be offered from inside the British Virgin Islands unless the Company or the person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. The New Shares may be offered to existing shareholders of the Company from outside the British Virgin Islands.

Indonesia

A registration statement with respect to the New Shares has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the New Shares may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the New Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations in the Republic of Indonesia.

Malaysia

No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Schedule 6 of the Malaysian Capital Markets and Services Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not

an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

New Zealand

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Offer Document or any Entitlement and Acceptance Form in any country outside Australia and New Zealand, except in such other country as the Company may determine it is lawful and practical to make the Offer.

Privacy Act

If you complete an Application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the official rules promulgated by ASX. You should note that if you do not provide the information required on the Application for New Shares pursuant to the attached Entitlement and Acceptance Form, the Company may not be able to accept or process that Application.

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1. DETAILS OF THE OFFER

1.1 Equity raising

Pursuant to this Offer Document, the Company intends to raise up to approximately \$5.3 million via the Entitlement Offer, open to eligible Shareholders whose details appear on the Company's register of Shareholders as at 7:00pm (AEST) on Wednesday, 4 June 2014 (the **Record Date**) (**Eligible Shareholders**).

Shares under the Entitlement Offer will be offered at \$0.14 per New Share. Based on the capital structure excluding the Shares to be issued under the Placement (and assuming no convertible securities are converted into shares prior to the Record Date) a total of up to 37,799,612 New Shares (subject to rounding) will be issued pursuant to the Entitlement Offer and the maximum amount raised will be approximately \$5,291,950.

Prior to the Entitlement Offer, the Company intends to proceed with an issue of Shares by way of a placement to sophisticated and professional investors (for the purposes of section 708 of the Corporations Act) to allow the Company to raise up to approximately \$10 million (before costs) (**Placement**).

The Placement comprises an offer of up to 71,430,000 Shares made at an issue price of \$0.14 per Share under the Company's placement capacity pursuant to Listing Rule 7.1. Shareholder approval is consequently not required in order to make the Placement offer.

The Company has received Placement applications for 71,430,000 Shares. The Placement Shares will not be eligible to participate in the Entitlement Offer.

The combined gross proceeds of the Placement and the Entitlement Offer will be approximately \$15.3 million which will be used to pay the costs of the Placement and the Entitlement Offer (together the **Equity Raising**), complete funding for the expansion of the Company's Wetar Copper Project as well as to fund further exploration and working capital.

The Placement is not being offered pursuant to this Offer Document.

1.2 The Entitlement Offer

The Company is making a non-renounceable pro-rata offer of New Shares at an issue price of \$0.14 each on the basis of one (1) New Share for every fifteen (15) Shares held on the Record Date (**Entitlement**).

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

Eligible Shareholders are urged to read the Company's announcements released to the ASX Market Announcements Platform in addition to this Offer Document prior to deciding whether to apply for any of their Entitlement or any further available Shares (subject to Section 1.13) if some or all of the Eligible Shareholders do not take up their Entitlement under the Offer (**Shortfall**).

You are particularly referred to the Investor Presentation in relation to the Equity Raising which the Company released on the ASX Market Announcements Platform on 27 May 2014, a copy of which accompanies this Offer Document.

1.3 Use of Funds

The Placement and Offer are expected to raise approximately \$15.3 million.

The Company intends to apply these funds towards:

Item	Proceeds of the Offer & Placement	\$ million
1	Additional equity requirement for the Wetar Copper Project (required under the Senior Lender Commitment Letter summarised at Section 3.2(e))	5.7
2	Exploration	3.2
3	Costs of the Entitlement Offer and Placement	0.9
4	Working Capital	5.5
	Total	15.3

The above table contains the Directors' statements of current intentions as at the date of this Offer Document. Intervening events may alter the way Equity Raising funds are ultimately applied by the Company and may alter the costs estimated above.

1.4 Timetable

An indicative timetable for the Entitlement Offer and Placement is set out below:

Event	Date
Trading Halt	(Pre-market) Tuesday, 27 May 2014
Announcement of Placement and Entitlement Offer Shares recommence trading	(Pre-market) Thursday, 29 May 2014
Lodgement of Entitlement Offer Document and Appendix 3B with ASX	(Pre- Market) Thursday, 29 May 2014
Notice of Entitlement Offer sent to holders of Options	Thursday, 29 May 2014
Notice of Entitlement Offer sent to Shareholders	Friday, 30 May 2014
Shares commence trading on an 'Ex' Entitlement basis	Monday, 2 June 2014
Record Date	7:00pm (AEST) on Wednesday, 4 June 2014
Placement shares issued and holding statements despatched for the Placement	Thursday 5 June 2014
Offer document sent to Eligible Shareholders and Entitlement Offer opens	Thursday, 5 June 2014
Entitlement Offer closes (Closing Date)	5:00pm (AEST) on Tuesday, 17 June 2014
Deferred settlement trading commences	Wednesday, 18 June 2014

Event	Date
Notification of under subscriptions to ASX (if any)	Friday, 20 June 2014
Issue Date Deferred settlement trading ends Entitlement Offer Shares entered into Shareholders' security holdings and despatch date	Tuesday, 24 June 2014
Normal trading of New Shares issued pursuant to the Entitlement Offer anticipated to commence	Wednesday, 25 June 2014

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** The dates in this timetable are indicative only and are subject to change.

1.5 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

Unless you apply to participate in the Shortfall Offer described on the Entitlement and Acceptance Form, acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form), although you may accept for a lesser number of New Shares should you wish to take up only part of your Entitlement. If your acceptance of the Offer exceeds your Entitlement, and you have not applied to participate in the Shortfall Offer, your acceptance will be deemed to be for your maximum Entitlement and any surplus Application Monies will be returned to you. Refer to Section 1.13 for information in relation to the Shortfall Offer.

1.6 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

1.7 No minimum subscription

There is no minimum subscription condition in relation to the Entitlement Offer or the Placement, although the Directors reserve the right, in consultation with the Underwriters, to withdraw the Equity Raising, subject to the Listing Rules, the Corporations Act and other applicable laws.

1.8 Effect of the Equity Raising on the Capital Structure of the Company

Set about below is the effect of the Entitlement Offer (and the Placement) on the issued capital of the Company.

Shares	Number
Shares on issue at date of this Offer Document ¹	566,994,184

Maximum Shares to be issued under the Placement	71,430,000
Maximum estimated New Shares offered pursuant to the Offer ²	37,799,612
Total estimated Shares on completion of the Offer and Placement²	676,223,796

Options³	Number
Unquoted Options expiring 24 October 2014, exercisable at 50 cents each	16,000,000
Unquoted Options expiring 6 June 2017, exercisable at 35 cents each	22,857,144
Unquoted Options expiring 22 October 2017, exercisable at 25.56 cents	31,298,904
Total Options	70,156,048

Convertible Notes	Number
Mandatory convertible notes each with a face value of US\$100,000 and in aggregate converting into a total of 12,248,538 Shares on or before 16 March 2018	55
Total Convertible Notes	55

Notes:

- The Shares on issue include the following unquoted and unvested Shares, which are entitled to participate in the Offer on the same basis as other Shares:

Unvested Shares	Number
Unvested employee Shares issued under the Company's Finders Employee Share Ownership Plan at an issue price of \$0.43 each, funded by loans from the Company and subject to performance based vesting conditions	4,457,000
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
Total Unvested Shares	14,957,000

- This number may vary due to rounding of Entitlements and may increase depending on the number of Options exercised, or if any convertible notes are converted prior to the Record Date and as a result of the rounding up of New Shares offered under the Offer.
- Any or all of these Options may be exercised prior to the Record Date and increase the number of Shares to be issued under the Offer.

1.9 Underwriting

The Entitlement Offer is fully underwritten, with each of Blackswan Corporate Pty Ltd (ACN 137 308 724) and Morgans Corporate Limited (ACN 010 539 607) (**Underwriters**) underwriting half of the Shortfall, subject to the terms of the Underwriting Agreement summarised at Section 4.2. The Underwriters have or will engage sub-underwriters, all of whom are, or will be, sophisticated or professional investors.

The Placement is not underwritten.

None of the Underwriters or sub-underwriters of the Offer are proposed to be

related parties of the Company.

1.10 Current and potential voting power of the Underwriters

As the total number of Shares to be issued under the Entitlement Offer will only amount to approximately 5.59% of the post Equity Raising Shares on issue, the Offer will not have any material impact on the control of the Company.

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 16.2% (as compared to their holdings and number of Shares on issue as at the date of the Offer Document and assuming the maximum number of Shares to be issued pursuant to the Placement are issued).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer ²
Shareholder 1	50,000,000	8.82%	3,333,334	50,000,000	7.39%
Shareholder 2	25,000,000	4.41%	1,666,667	25,000,000	3.70%
Shareholder 3	10,000,000	1.76%	666,667	10,000,000	1.48%
Shareholder 4	1,000,000	0.18%	66,667	1,000,000	0.15%
Shareholder 5	100,000	0.02%	6,667	100,000	0.01%

Notes:

1. This is based on a share capital of 566,994,184 Shares at the date of this Offer Document but does not include Shares to be issued under the Placement.
2. Includes 71,430,000 Shares to be issued under the Placement.

1.11 Directors' Interests and Participation

Each Director's interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Entitlement	Options
Gary Comb	7,750,000 ¹	516,667	Nil
Barry Cahill	3,000,000 ²	200,000	Nil
Christopher Farmer	7,465,695 ³	497,713	Nil
Gavin Caudle	71,320,666 ⁴	4,754,711	Nil
Gordon Galt	Nil	Nil	Nil

Notes:

1. 7,500,000 unvested Shares held directly and which are subject to performance and time based vesting conditions and 250,000 Shares held indirectly through Bluedale Pty Ltd as trustee for Comb Superannuation Fund.

2. 3,000,000 unvested Shares held directly and which are subject to performance and time based vesting conditions.
3. 7,465,695 Shares held directly (1,500,000 of which are subject to performance and time based vesting conditions).
4. 71,320,666 Shares held indirectly by Provident Minerals Pte Ltd.

Each of the Directors intends to take up their own personal Entitlements in part or in full.

1.12 Effect of the Entitlement Offer on Voting Power in the Company

The issues of Shares under the Placement and New Shares under the Offer are anticipated have the following effect on the control of the Company:

- (a) no investor will acquire voting power above 14% in the Company as a result of the Placement;
- (b) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, the issue of New Shares under the Entitlement Offer will have no effect on the control of the Company as at the Record Date and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from the Placement and ineligible Shareholders being unable to participate in the Entitlement Offer;
- (c) in the more likely event that there is a Shortfall, Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Entitlement Offer and ineligible Shareholders unable to participate in the Entitlement Offer will be diluted relative to those Eligible Shareholders who subscribe for some or all of their Entitlement or the Shortfall and the Underwriters and any relevant sub-underwriters, if they participate in the Shortfall; and
- (d) the Underwriters will endeavour to place the Shortfall to a combination of existing Shareholders of the Company, institutional and high net worth clients of the Underwriters and various other parties introduced by the Company or the Underwriters (pursuant to the Shortfall Offer described at Section 1.13). The Underwriters will ensure that no person will be issued, through participation in the Shortfall Offer, Shares if such issue will result in their voting power in the Company exceeding 19.9%. Having regard to the number of Shares to be issued under the Placement and Entitlement Offer, even if a substantial Shortfall eventuated, a participant in the Shortfall Offer would not be in a position to exercise any substantive control in the Company.

1.13 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will revert to the Underwriters unless it is allocated to other Eligible Investors as follows.

You may, in addition to taking up your Entitlement in full, apply for additional Shares out of the Shortfall (**Shortfall Shares**) in excess of your Entitlement pursuant to a top-up facility (**Shortfall Offer**) by completing the relevant part of the Entitlement and Acceptance Form relevant to the Shortfall Offer.

Shortfall Shares will only be available where there is a Shortfall between Entitlement and Acceptance Form applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer. Shortfall Shares will be issued at the issue price of \$0.14 per Shortfall Share.

Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of Shortfall Shares than applied for, or may be allocated no Shortfall Shares at all, in which case excess Application Monies will be refunded without interest. To the extent any Shares under the Offer remain unallocated, the Underwriters will (subject to the terms of the Underwriting Agreement, which is summarised in Section 4.2) be required to subscribe for those Shares or procure sub-underwriters to do so on the Underwriters' behalf.

All decisions regarding the allocation of Shortfall Shares will be made by the Directors (at their discretion) and Underwriters and will be final and binding on all Eligible Shareholders.

1.14 Market Price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

Highest: \$0.19 on 6 March 2014, 9 May 2014 and 12 May 2014

Lowest: \$0.15 on 3 April 2014 and 22 May 2014

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Offer Document was \$0.16 on 26 May 2014.

1.15 Opening and Closing Dates

The Offer opens on the Opening Date, being Thursday, 5 June 2014. The Company will accept Entitlement and Acceptance Forms until 5:00 pm (AEST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

1.16 Issue and despatch

The expected timing for issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur as specified in the Timetable set out in Section 1.4.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.17 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made by the Company.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

1.18 Clearing House Electronic Sub-Register System (CHES)

The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.19 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

1.20 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustively described in Section 3.

1.21 Enquiries concerning Offer Document

This Offer Document and the accompanying Entitlement and Acceptance Form are important and require your immediate attention. If you do not understand their content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.

If you have any questions in respect of the Entitlement Offer, Offer Document or Entitlement and Acceptance Form, please contact the Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) or the Company on +61 2 8084 1812 at any time from 9:00 AM (AEST) to 5:00 PM (AEST) Monday to Friday until the Closing Date.

2. ACTION REQUIRED BY SHAREHOLDERS

2.1 How to accept the Offer

You may accept all, part, or none of your Entitlement under this Offer. If you wish to accept all or part of your Entitlement (and, if you wish, apply to participate in the Shortfall Offer described in Section 1.13), you may submit your Application for New Shares by completing the accompanying Entitlement and Acceptance Form or by following the personalised BPAY® instructions provided on the Entitlement and Acceptance Form.

You must make payment for the appropriate Application Monies (at \$0.14 per New Share subscribed) as provided in Sections 2.2 and 2.3 below.

The Company reserves the right to reject any Entitlement and Acceptance Form which is not correctly completed or any payment which is submitted by a person whom they believe may be an ineligible Applicant, or to waive or correct any errors made by an Applicant in completing an Entitlement and Acceptance Form.

2.2 Payment by cheque

Please complete the Entitlement and Acceptance Form according to the instructions on the form for all, or that part, of your Entitlement that you wish to subscribe for (and if desired, the Shortfall Offer). Entitlement and Acceptance Forms must be accompanied by payment in full of \$0.14 per New Share pursuant to the Offer or Shortfall Offer.

Payments must be made by 5:00 pm (AEST) on Tuesday, 17 June 2014 or such other Closing Date as may be lawfully determined and must be in Australian currency and by a cheque or bank draft drawn on and payable at any Australian bank.

Cheques should be made payable to "Finders Resources Limited" and crossed "Not Negotiable". All amounts must be in cleared funds. Cash payments will not be accepted and receipts for payments will not be provided.

Completed Entitlement and Acceptance Forms with accompanying cheque or bank draft payment must be mailed to the following address:

By Post:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

By delivery:

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Applicants are not required to sign the Entitlement and Acceptance Form. Entitlement and Acceptance Forms and Application Monies must be received by the Registry no later than 5:00 pm (AEST) on the Closing Date.

2.3 Payment by BPAY®

If you are paying for your New Shares pursuant to the Offer or Shortfall Offer by BPAY®, you should refer to your personalised instructions on your Entitlement and Acceptance Form. You **DO NOT** need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that

Entitlement and Acceptance Form and the representations outlined below in Section 2.4.

Make sure you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form.

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **DO NOT** use the same CRN for more than one of your shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any Application in respect of your remaining shareholdings will not be recognised as valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. Please note that the maximum payment that can be received by BPAY® is \$1 million. It is your responsibility to ensure that funds submitted through BPAY® are received by **5:00 pm (AEST) on the Closing Date**.

2.4 Implications of making an Application

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares or Shortfall Shares via BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

2.5 If you do not wish to accept the Offer

If you do not wish to accept your Entitlement or any part of your Entitlement (or you are precluded from doing so due to the jurisdiction of your registered address), you do not need to take any action. The number of Shares you hold and the rights attaching to those Shares will remain unchanged and the New Shares representing your Entitlement will form part of the Shortfall Offer.

2.6 Entitlements not transferable

Your right to take up your Entitlement under the Offer is not transferable to another person. Entitlements can only be accepted by the offeree and on the official Entitlement and Acceptance Form which accompanies this Offer Document. If you decide not to accept all or part of your Entitlement to New Shares or fail to do so by the Closing Date, your rights will lapse.

3. RISK FACTORS

3.1 Introduction

The future performance of the Company and the future performance of the New Shares may be influenced by a range of risk factors, many of which may be outside the control of the Company and the Directors. This Section lists these risks, but prospective investors should note that this list of risk factors may not be exhaustive.

Eligible Shareholders should consider the risk factors listed below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for New Shares.

3.2 Company specific

(a) Commodity Price Volatility

Substantially all of the Company's potential future revenues and cash flows are anticipated to be derived from the sale of copper (although no forecast or guarantee is made by the Company or any other person as to whether future revenues or cash flows will eventuate). Therefore the financial performance of the Company is sensitive to the price prevailing at the time relevant commodities are sold. Commodity prices are affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity, copper reserve movements at central banks, costs of production by other copper producers and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends.

If copper prices should fall below or remain below the Company's forecast costs of production for any sustained period due to these or other factors and events, the Company's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Company's projects may require the Company to write-down its copper reserves and/or resources and may have a material adverse effect on the Company's production, earnings and financial position. The Company's financial position and financial performance may also be detrimentally impacted in future by movements in other commodity prices such as gold and silver.

(b) Operating and Development Risks

The business of copper mining involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents, occupational and health hazards, cave-ins and rock bursts. Such occurrences could result in damage to, or destruction of,

production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

In addition, the Company's financial performance could be adversely affected if for any reason its production and processing of copper or mine development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, pit slope failures, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, failure of mine communications systems, poor water condition, interruptions to electricity supplies, disruptions or unavailability of transport facilities to and from the project, human error, earthquakes, tsunamis and adverse weather conditions.

(c) **Sovereign Risk**

The Company's key projects are located in Indonesia. Possible sovereign risks associated with operating in Indonesia include, without limitation, changes in the terms of mining legislation, changes in the foreign ownership requirements in Indonesia, changes to royalty arrangements, changes to taxation rates and concessions, expropriation by the government or private sector entities and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares. No assurance can be given regarding future stability in Indonesia or any other country in which the Company may, in the future, have an interest.

(d) **Risk of international operations generally**

International sales and operations are subject to a number of risks, including:

- (A) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (B) potential difficulties in protecting intellectual property;
- (C) increases in costs for transportation and shipping; and
- (D) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors and other factors could materially and adversely affect the Company's business, results of operations and financial condition.

(e) **Financing of the Wetar Copper Project**

As announced to ASX on 12 May 2014, the Company has entered into a term sheet (**Equity Term Sheet**) with international trading house, Daewoo

International Corporation (**Daewoo**) to provide US\$45 million in project level equity for the Wetar Copper Project (**Daewoo Project Financing**). The Equity Term Sheet is non-binding but has been approved by the Investment Committee of Daewoo. The Company has also entered into a commitment letter (**Senior Lender Commitment Letter**) with BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale (the **Senior Lenders**) to provide US\$165 million of senior loan facilities in relation to development of the Wetar Copper Project (**Senior Lenders Financing**). The Senior Lender Commitment Letter has been credit approved by all the Senior Lenders.

The Equity Term Sheet in relation to the Daewoo Project Financing will see Daewoo acquire an interest of between 24% and 27% in the Company's Indonesian subsidiary PT Batutua Tembaga Raya as part of broader strategic partnership between Daewoo and the Company. However, this term sheet is currently non-binding and remains subject to the parties entering into a binding arrangement, together with satisfaction of some standard conditions precedent (such as completion of due diligence by Daewoo, no material adverse change occurring to the Company and finalisation of other project related agreements).

The Senior Lender Commitment Letter is binding and will see the Senior Lenders provide total facilities of US\$165m consisting of:

- (A) US\$130 million term loan facility;
- (B) US\$20 million cost overrun facility; and
- (C) US\$15 million VAT working capital facility.

The Senior Lenders will have first ranking security over the Wetar Copper Project. Availability of the facilities will be subject to typical conditions precedent for a facility of this nature, including formal documentation (which is already advanced), implementation of a minimum copper hedging programme to support the facilities, no material adverse change to the Company occurring and raising and expending the project equity.

While the Company is confident that the conditions attached to the Daewoo Project Financing and the Senior Lenders Financing will all be satisfied, it is unable to guarantee that this will occur expeditiously or at all and therefore there are risks that the financing may not be available to the Company. If this was to occur it would have a materially adverse impact on the Company and its plans to develop the Wetar Copper Project.

(f) **Additional Funding Requirements**

While the Company anticipates being fully funded for the Wetar Copper Project from the proceeds of the Equity Raising, project finance and debt facilities (as outlined in Section 3.2(e) above), further expenditure may need to be incurred on the Wetar Copper Project or otherwise, that have not been taken into account by the Company or in the preparation of this Offer Document. Although the Company is not aware of any such additional expenditure requirements, if such

expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its financial performance and financial position.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Market conditions which are then generally prevailing will impact on the price or cost at which the Company will be able to raise such funds and no assurance can be given that such funding will be available on terms acceptable to the Company. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of the Company's business. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(g) **Potential for dilution**

Upon implementation of the Entitlement Offer, assuming all Entitlements are accepted and no convertible securities are converted into Shares prior to the Record Date, the number of Shares in the Company will increase from 566,994,184 currently on issue to approximately 676,223,796 (inclusive of Shares anticipated to be issued under the Placement). This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Offer Document being lodged of \$0.16 per Share on 26 May 2014 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.

(h) **No geographical diversification**

The projects in which the Company holds an interest are all located in Indonesia. Any circumstance or event which negatively impacts the ownership or development of these areas or which negatively affects Indonesia could materially affect the financial performance of the Company and more significantly than if it had a diversified asset base.

(i) **Reliance on Key Personnel**

If the Company's objectives are to be met, this will depend on the ability of the Directors and management to implement the current development and production strategies and to adapt, where necessary, to accommodate and manage any unforeseen difficulties, which may not be achieved. The Company will rely heavily on the experience of its existing management team and Directors. The loss of the services of certain personnel could have an adverse effect on the

Company and its activities.

The Company's future ability to recruit and retain highly qualified management personnel will also be critical to its prospects of success.

(j) **Currency Risk**

The majority of the Company's revenues (if any) and most costs will be in USD. Any fluctuation in the AUD:USD exchange rate that is unhedged could adversely impact on the potential financial performance and financial position of the Company. The Company's financial performance and Share price could also be detrimentally affected by an appreciation in the value of the Indonesian Rupiah or the Australian Dollar, in either case against the USD. The Company makes no forecast as to whether it will be profitable in the future.

(k) **Mine development**

Future further development of mining operations at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of further economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(l) **Joint Ventures**

The Company is subject to the risk that changes in the status of any present or future joint venture in which the Company has or may acquire an interest (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.

3.3 Industry specific

(a) **Uninsured Loss and Liability**

Exploration, development and production of minerals involve hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration, development

and production costs will be reduced and the value and/or tenure of the Company's assets may be at risk.

(b) **Exploration**

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified.

Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting its projects.

(c) **Equipment and availability**

The Company's ability to undertake exploration, development, mining and mineral processing activities is dependent upon its ability to source and acquire appropriate mining and related equipment. Equipment is not always available and the market for such equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(d) **Estimates of mineral resources and ore reserves**

Mineral resources and ore reserves are estimates only and no assurance can be given that any particular yield of minerals from them will in fact be realised or that an identified ore reserve will ever qualify as a commercially mineable project that can be economically exploited. Mineral resource and ore reserve estimates are expressions of judgment based on knowledge, experience and industry practice.

The estimating of mineral resources and ore reserves is a subjective process and the accuracy of reserve and resource estimates is a function of the quantity and quality of available data and the assumptions used and judgments made in interpreting engineering and geological information. There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Company's reported estimates. The exploration for minerals is speculative in nature and is frequently unsuccessful. The Company may be unable to successfully discover and exploit new mineralisation.

Estimated mineral resources and ore reserves may have to be recalculated based on changes in commodity prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume, estimated yield, the value of the reserves or other important factors that influence reserve or resource estimates. Market price fluctuations for commodities, increased production costs or reduced yields, or other factors may render mineral resources and ore reserves uneconomical or unprofitable to develop at a particular site or sites.

Any references in this Offer Document to exploration results, estimates of mineral resources or estimates of ore reserves (as those terms are defined in the Listing Rules) have been previously announced by the Company on ASX's Market Announcements Platform.

The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of mineral resources or estimates of ore reserves, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

3.4 General risks

(a) Environmental Risks

The operations of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining and processing operations, the Company's activities are expected to have an impact on the environment, particularly in relation to mining and production. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(b) Litigation Risks

The Company is exposed to possible litigation risks including title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims, among other claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(c) Stock market fluctuations

There are risks associated with any investment in a company listed on the ASX. The value of the Company's securities (including New Shares) may rise above or fall below the current price depending on the financial and operating performance of the Company and external factors over which the Company and its Directors have no control. These external factors include economic conditions in Australia, Indonesia and elsewhere, changing investor sentiment in the local and international stock markets, changes in domestic or international fiscal, monetary, regulatory and other government policies and developments and general conditions in the markets in which the Company operates or proposes to operate and which may impact on the future value and pricing of Shares.

(d) Government Policy Changes

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of the

Company and may affect industry profitability as well as the Company's capacity to explore, mine and engage in production activities.

At present, the Company is not aware of any reviews or changes that would affect its projects. However, changes in community attitudes on matters such as taxation, competition policy, environment and indigenous lands right issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Economic Conditions**

Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, international economic conditions and employment rates (amongst others) are outside the Company's control and have the potential to have an adverse impact on the Company and its operations.

(f) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (A) general economic outlook;
- (B) introduction of tax reform or other new legislation;
- (C) interest rates and inflation rates;
- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital; and
- (F) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(g) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(h) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements

and general business and other factors considered relevant by the Directors. No assurance or forecast in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(i) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Offer Document.

(j) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's Shares. Therefore, the Shares to be issued pursuant to this Offer Document (if exercised) carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

4. MATERIAL CONTRACTS

4.1 Equity Term Sheet and Senior Lender Commitment Letter

Please refer to Section 3.2(e) for summaries of the Equity Term Sheet and Senior Lender Commitment Letter.

4.2 Underwriting Agreement and Mandate

By an agreement dated 29 May 2014 (**Underwriting Agreement**) between the Company and the Underwriters (being Blackswan and Morgans), the Underwriters agreed to jointly and exclusively manage the Offer and the Placement and severally (but not jointly) underwrite the Offer with each Underwriter agreeing to underwrite fifty percent (50%) of the New Shares offered pursuant to the Offer to the extent of any Shortfall. The Underwriters also separately agreed a Mandate with the Company dated 26 May 2014 with respect to the Underwriters' management and selling services with respect to the Placement (**Mandate**) although the Placement is not underwritten.

The material terms of the Underwriting Agreement (and where specified, the Mandate) are as follows:

- (a) An Underwriter may appoint sub-underwriters of the Entitlement Offer on such terms and conditions as it determines in its absolute discretion.
- (b) Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriters an underwriting fee equal to 5% of the value of all the New Shares offered pursuant to the Offer and pursuant to the separate Mandate the Company has agreed to pay the Underwriters management and selling fees of, in aggregate, 5% the gross proceeds of Shares actually issued pursuant to the Placement (together the **Underwriting, Management and Selling Fee**) which are all exclusive of GST and shall be split equally between the Underwriters. Any sub-underwriting fees or fees to any comanager or seller appointed by the Underwriters will be paid by the Underwriters from the Underwriting, Management and Selling Fee.
- (c) The Company shall reimburse the Underwriters in relation to costs and expenses in relation to the Underwriting Agreement, the Placement and the Offer, including but not limited to legal fees, disbursements, accommodation and travelling expenses, roadshow costs, stamp duty, regulatory costs and other fees incurred by the Underwriter in respect of the Placement or the Offer.
- (d) The obligations of the Underwriters to underwrite the Offer pursuant to the Underwriting Agreement or provide services pursuant to the Mandate are subject to certain events of termination. These events of termination are considered standard for agreements of this nature.

Each Underwriter may separately terminate its obligations under the Underwriting Agreement on the occurrence of specified events, including, among other customary termination events, any of the following:

- (A) (**Termination of Equity Term Sheet**) the Equity Term Sheet is terminated or the Company receives notice from the counterparty to such term sheet of its intention to terminate the

Equity Term Sheet whether for failure to satisfy conditions precedent or for any other reason.

- (B) **(Termination of Senior Lender Commitment Letter)** the Senior Lender Commitment Letter is terminated either by the Company or by any one or more Senior Lender or the Company receives notice from any one or more Senior Lender of its intention to terminate the Senior Lender Commitment Lender whether for failure to satisfy conditions precedent or for any other reason.
- (C) **(Indices fall):** the S&P/ASX Small Resources Index (XSR) and the S&P/ASX 200 Index is at any time prior to the deadline for allotment of the New Shares under the Offer and Shortfall Offer in the Underwriting Agreement more than 10% below its respective level as at the close of Normal Trading on the Trading Day prior to the date of the Underwriting Agreement. The deadline in the Underwriting Agreement for allotment of the New Shares under the Offer and Shortfall Offer is within 5 Business Days after the Closing Date or such other date as determined by the Underwriters but, in any event, a date no later than Tuesday, 24 June 2014, or such other date agreed to in writing by the Company and the Underwriters.
- (D) **(Commodity Change):** a fall in the price of LME Grade A Copper Cathode at any time prior to the deadline for allotment of the New Shares under the Offer and Shortfall Offer in the Underwriting Agreement more than 10% below the level of that commodity at the close of Normal Trading on the Trading Day prior to the date of the Underwriting Agreement.
- (E) **(Prejudicial public information)** the issue or release by or on behalf of the Company of any public statement or information in relation to the affairs of the Company, the Placement or the Offer which is considered by a reasonable person to be materially prejudicial to the prospects of the Offer, having regard to the public statements or information released by or on behalf of the Company prior to the date of the Underwriting Agreement and contained in this Offer Document.
- (F) **(Judgment):** a judgment in an amount exceeding \$100,000 is obtained against the Company (or one of its Related Bodies Corporate) and that judgment is not set aside or satisfied within 21 days.
- (G) **(Process):** any distress, attachment, execution or other process of a governmental agency in an amount exceeding \$250,000 is issued against, levied or enforced upon the assets of the Company (or one of its Related Bodies Corporate) and is not settled or satisfied within 21 days.
- (H) **(Disclosures in Offer Document):** a statement in this Offer Document is misleading or deceptive in circumstances which are or may be material.
- (I) **(Compliance with regulatory requirements):** the Company contravenes the Corporations Act, the Listing Rules, its

constitution or any other applicable law or regulation in circumstances which are or may be material.

- (J) **(Legal proceedings and offence by Directors)**: any of the following occurs in circumstance where it is or may be material:
- (I) a Director of the Company is charged with an indictable offence;
 - (II) legal proceedings are commenced against the Company or any Director; or
 - (III) any Director is disqualified from managing a corporation under section 206A of the Corporations Act.
- (K) **(Timetable)**: an event specified in the timetable set by the Underwriters for the Offer is subject to certain delays other than as the direct result of actions taken by the Underwriters (unless those actions are requested by the Company) or the actions of the Company (where those actions are taken with the Underwriters' prior consent).
- (L) **(Breaches)** the Company commits a material breach of the Underwriting Agreement or a substantial breach of a material contract or various events of alleged or actual non-compliance with legal or regulatory requirements arise.

In the event that one of the Underwriters validly terminates their obligations under the Underwriting Agreement or Mandate, the remaining Underwriter may elect to take up the rights and obligations of the terminating Underwriter under the Underwriting Agreement or Mandate but is not obliged to do so.

The Underwriting Agreement and Mandate also contain a number of indemnities, representations and warranties provided by the Company in favour of the Underwriters, which are considered standard for agreements of this type.

5. DEFINED TERMS

\$ or **AUD** means the lawful currency of Australia.

AEST means Australian Eastern Standard Time.

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

Application Monies means monies received from Applicants in respect of their Applications.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Blackswan means Blackswan Corporate Pty Ltd (ACN 137 308 724).

Business Day means a day on which:

- (a) ASX is open for trading in securities; and
- (b) banks are open for general banking business in Perth.

Closing Date means 5.00pm (AEST) on 17 June 2014.

Company means Finders Resources Limited (ACN 108 547 413).

CRN has the meaning given to that term in Section 2.3.

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date.

Entitlement means the entitlement to subscribe for one (1) New Share for every fifteen (15) Shares held by an Eligible Shareholder on the Record Date and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Entitlement Offer means this fully underwritten pro-rata non-renounceable Entitlement Offer comprising the Offer.

Equity Raising means the Placement and the Entitlement Offer.

Equity Term Sheet means the term sheet between Daewoo International Corporation and the Company for the provision of US\$45 million in project level equity as announced by the Company to the ASX Market Announcements Platform on 12 May 2014.

Joint Lead Managers means Blackswan and Morgans.

Listing Rules means the Listing Rules of the ASX.

Mandate has the meaning given to that term in Section 4.2.

Morgans means Morgans Corporate Limited (ACN 010 539 607).

New Share means a new Share proposed to be issued pursuant to this Offer and if applicable, the Shortfall Offer.

Normal Trading has the meaning given to that term in the ASX Operating Rules.

Offer means the fully underwritten non-renounceable pro-rata offer of New Shares at an issue price of \$0.14 each on the basis of one (1) New Share for every fifteen (15) Shares held on the Record Date pursuant to this Offer Document.

Offer Document means this Offer Document dated 29 May 2014.

Opening Date means 5 June 2014.

Option means an option to acquire a Share.

Placement means the placement to sophisticated and professional investors summarised at Section 1.1.

Record Date means 7:00 pm (AEST) on Wednesday, 4 June 2014.

Related Bodies Corporate has the meaning given by section 50 of the Corporations Act.

Section means a section of this Offer Document unless otherwise specified.

Senior Lender Commitment Letter means the commitment letter between BNP Paribas, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC) and Societe Generale and the Company for the provision of US\$165 million of senior loan facilities as announced by the Company to the ASX Market Announcements Platform on 12 May 2014.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means the offer for the Shortfall pursuant to this Offer Document.

Shortfall Share means a New Share forming part of the Shortfall Offer.

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Operating Rules.

Underwriters means Blackswan and Morgans.

Underwriting Agreement means the underwriting agreement dated 29 May 2014 between the Company and the Underwriters.

USD or **US\$** means the lawful currency of the United States of America.