

30 May 2014

Dear Shareholder

Finders Resources Limited – Non-renounceable entitlement offer

On 27 May 2014, Finders Resources Limited (ACN 108 547 413) (**Company**) announced an equity raising of up to \$15.3 million (**Equity Raising**) via a placement to institutional and sophisticated investors to raise \$10 million (**Placement**) and a non-renounceable entitlement issue of one (1) new fully paid ordinary share in the Company (**New Share**) for every fifteen (15) existing fully paid ordinary shares in the Company to raise approximately \$5.3 million (**Entitlement Offer** or **Offer**).

The Placement comprises an offer of up to 71,430,000 fully paid ordinary shares (**Shares**) made at an issue price of \$0.14 per Share under the Company's placement capacity pursuant to ASX 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.

Shares under the Offer will be offered at \$0.14 per 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 defined below) a total of up to approximately 37,799,612 New Shares (subject to rounding fractional entitlements up) will be issued pursuant to the Offer and the maximum amount raised will be approximately \$5,291,950. The Entitlement Offer is being made in accordance with section 708AA of the Australian Corporations Act 2001 (Cth) (**Corporations Act**) (as modified by Australian Securities and Investments Commission Class Order 08/35), meaning that no prospectus needs to be prepared. The Company lodged an Offer Document for the Offer (**Offer Document**) on the ASX Market Announcements Platform on 29 May 2014.

The Offer is severally underwritten by Morgans Corporate Limited and Blackswan Corporate Limited (**Underwriters**) 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 Company must pay the Underwriters an underwriting fee of 5% of the value of all the New Shares offered pursuant to the Offer and pursuant to a separate mandate the Company has agreed to pay the Underwriters management and selling fees of, in aggregate, 5% of the gross proceeds of Shares actually issued pursuant to the Placement, which fees are all exclusive of GST and shall be split equally between the Underwriters.

Under the terms of the Offer, eligible shareholders will also be given the opportunity to apply for New Shares in excess of their entitlement through a top-up facility (**Top-Up Facility**). New Shares will only be available under the Top-Up Facility in the event that other shareholders do not take up their entitlements. Allocations under the Top-Up Facility will be determined by the Company and the Underwriters.

The Company intends to apply the gross proceeds of the Equity Raising towards:

Item	Proceeds of the Offer and Placement	\$ million
1	Additional equity requirement for the Wetar Copper Project	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 notice. Intervening events may alter the way Equity Raising funds are ultimately applied by the Company and may alter the costs estimated above.

The Offer is being made to all holders of Shares in the Company (**Shareholders**) named on the Company's register of members at 7:00pm Australian Eastern Standard Time (**AEST**) on 4 June 2014 (**Record Date**), whose registered address is in Australia or New Zealand or such other jurisdictions as the Company determines.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue.

Upon completion 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).

Ineligible Shareholders

A Shareholder who has a registered address outside Australia and New Zealand or such other jurisdictions as the Company determines (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Offer Document. This decision has been made by the Company pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act after taking into consideration the costs of complying with legal and regulatory requirements in foreign jurisdictions compared with the relatively small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

You are not required to do anything in response to this letter.

New Shares equivalent to the number of New Shares you would have been entitled to if you were eligible to participate in the Entitlement Offer may be allocated to those eligible Shareholders who successfully subscribe for New Shares pursuant to the Top-Up Facility in excess of their entitlements under the Entitlement Offer or in accordance with the underwriting agreement.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for the entitlement in respect of any New Shares that would have been offered to you if you were eligible.

If you have any queries concerning the Entitlement Offer, please contact your financial adviser or 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.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barry Cahill', written in a cursive style.

Barry Cahill
MANAGING DIRECTOR