

Dear Shareholder,

Finders Resources is making solid progress with development plans for the Wetar Copper Project in Indonesia and we all look forward to a busy year in 2012. Construction at Wetar is planned to commence shortly after the completion of the proposed forestry rezoning. As you will be aware, the Company is already at an advanced stage with arranging finance for the construction.

The debt portion of the financing (approximately \$138 million in total facilities) will be sourced from three international project finance banks, Standard Bank, Credit Suisse and Barclays. The Company is also in discussions with potential providers of subordinated funding.

The balance of the required funding will need to be raised in the equity markets. In order to secure the best possible terms, some amount of the equity will have to be raised by placements. To facilitate this process and to give the Company the best opportunity to place shares on the most favourable terms, it is proposed that a general meeting of shareholders refresh the Company's ability to issue up to 15% of its issued capital without shareholders' approval and give the Board the authority for the Company to place up to 100 million shares within 3 months after the meeting.

The placement authority being sought pursuant to the enclosed Notice consists of:

1. Approval to "refresh" the Company's capacity to issue, without shareholders' approval, up to 15% of its issued capital.
2. Authorisation for the Company to issue, within three months of the general meeting, up to 100 million placement shares. In accordance with ASX Listing Rules, the issue price will be not less than 80% of the average market price for shares on the five trading days prior to the date of the issue of the placement shares.

By the Board having authority for the Company to issue this maximum number of shares, Finders will be able to offer incoming investors greater certainty - which should assist in improved pricing and take-up. The Company will also be able to raise funds immediately without waiting for shareholders' approval which provides greater funding certainty.

The Company proposes to give shareholders the opportunity through an entitlements issue to participate in the funding and the Board intends that this will be at a price no greater than the price of the placements referred to above. Details of this issue will be announced once the placement arrangements are more advanced.

The enclosed Notice of General Meeting of shareholders to be held on Thursday, 8 March 2012 contains a detailed Explanatory Statement and has been prepared to assist shareholders with their consideration of the Resolutions. The Explanatory Statement should be read with, and forms part of, the accompanying Notice for the meeting.

Each of the Directors recommends that shareholders vote in favour of all Resolutions. Each of the Directors plans to vote in favour of the resolutions with respect to the shares they control.

I look forward to your attendance at the meeting and your support for the approval of all Resolutions.

Yours sincerely

Russell J Fountain
Chairman
Monday 6 February 2012

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Time: 11.00am (Sydney time)
Date: Thursday 8 March 2012
Place: Finders Resources Limited, Suite 901, Level 9, 60 Pitt Street Sydney NSW 2000

BUSINESS 1

- 1. Resolution 1 - Ratification of prior issue of Convertible Equity Facility Shares and granting Facility Options to RCF and Taurus 1
- 2. Resolution 2 - Approve the issue of Facility Conversion Shares 1
- 3. Resolution 3 - Approve the issue of Facility Interest Shares 1
- 4. Resolution 4 - Approve the issue of Placement Shares 1
- 5. Voting Exclusion Statements 2
- 6. Proxies..... 2
- 7. Power of Attorney..... 2
- 8. Corporate Representatives 3
- 9. Voting and Required Majority 3

EXPLANATORY STATEMENT 4

- 1. Resolution 1 – Ratification of prior issue of Convertible Equity Facility Shares and granting Facility Options to RCF and Taurus 4
- 2. Resolution 2 – Approve the issue of Facility Conversion Shares 9
- 3. Resolution 3 – Approve the issue of Facility Interest Shares..... 9
- 4. Resolution 4 – Approve the issue of Placement Shares 10

GLOSSARY 12

PROXY FORM 14

APPOINTMENT OF CORPORATE REPRESENTATIVE 17

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Notice is given that a General Meeting of shareholders of Finders Resources Limited (the **Company**) will be held at Finders Resources Limited, Suite 901, Level 9, 60 Pitt Street Sydney NSW 2000 at 11.00am (Sydney time) on Thursday 8 March 2012.

BUSINESS

Ordinary Resolutions

1. Resolution 1 - Ratification of prior issue of Convertible Equity Facility Shares and granting Facility Options to RCF and Taurus

To consider and, if thought fit, to pass the following resolution as an *ordinary resolution*:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the:

- (a). Issue and allotment to RCF and Taurus of 313,561 Facility Establish Fee Shares at an issue price of \$0.3827 per Share on 8 November 2011;*
- (b). Issue and allotment to RCF and Taurus of 236,433 Facility Interest Shares at an issue price of \$0.3766 per Share on 9 January 2012; and*
- (c). granting to RCF and Taurus of 16,000,000 Facility Options to subscribe for Shares in the Company on 8 November 2011,*

on the terms and conditions set out in the Explanatory Statement.”

2. Resolution 2 - Approve the issue of Facility Conversion Shares

To consider and, if thought fit to pass the following resolution as an *ordinary resolution*:

“That for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Board to issue and allot up to 24 million Facility Conversion Shares at an issue price each not less than 80% of the average market price for Shares on the five trading days prior to the date of the issue of the Facility Conversion Shares on which sales were recorded (as required by ASX Listing Rules) and otherwise on the terms and conditions set out in the Explanatory Statement.”

In certain circumstances RCF and Taurus have the right to apply the proceeds of repayment to the subscription of shares in a placement at the placement price.

3. Resolution 3 - Approve the issue of Facility Interest Shares

To consider and, if thought fit to pass the following resolution as an *ordinary resolution*:

“That for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Board to issue and allot up to 600,000 Facility Interest Shares at an issue price each not less than 80% of the average market price for Shares on the five trading days prior to the date of the issue of the Facility Interest Shares on which sales were recorded (as required by ASX Listing Rules) and otherwise on the terms and conditions set out in the Explanatory Statement.”

Under the terms of the Convertible Equity Facility, the company expects that these shares will be issued at the average market price for the five trading days before a Conversion Notice is issued.

4. Resolution 4 - Approve the issue of Placement Shares

To consider and, if thought fit to pass the following resolution as an *ordinary resolution*:

“That for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Board to issue and allot up to 100 million Placement Shares at an issue price each not less than 80% of the average market price for Shares on the five trading days prior to the date of the issue of the Placement Shares on which sales were recorded (as required by ASX Listing Rules) and otherwise on the terms and conditions set out in the Explanatory Statement.”

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

5. Voting Exclusion Statements

Resolution 1

The Company will disregard any votes cast on Resolution 1 by:

- RCF and Taurus; and
- any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolutions 2, 3 and 4

The Company will disregard any votes cast on Resolutions 2, 3 and 4 by:

- any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder or ordinary securities; and
- any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Proxies

Each ordinary shareholder entitled to attend and vote at the meeting has a right to appoint a proxy. This appointment may specify the proportion or number of votes that the proxy may exercise. The proxy need not be an ordinary shareholder of the Company. An ordinary shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the ordinary shareholder appoints two proxies and the appointment does not specify the proportion or number of the ordinary shareholder's votes that each proxy may exercise, each proxy may exercise half of the votes.

Proxies may be lodged by:

- posting to Finders Resources Limited, Suite 901, Level 9, 60 Pitt St Sydney NSW 2000; or
- facsimile to Finders Resources Limited on facsimile number +61 2 8068 2540, so that it is received not later than 24 hours before the time of holding the meeting.

The proposed Chairman of the meeting intends to vote undirected proxies in favour of all resolutions.

7. Power of Attorney

If an ordinary shareholder has appointed an attorney to attend and vote at the meeting, or if a proxy form is signed by an attorney, the power of attorney must likewise be received by:

- Delivery to Finders Resources Limited, Suite 901, Level 9, 60 Pitt St Sydney NSW 2000; or
- Facsimile to Finders Resources Limited on facsimile number +61 2 8068 2540

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

not less than 24 hours before the time for holding the meeting.

8. Corporate Representatives

An ordinary shareholder who is a body corporate may appoint an individual as a representative to exercise the ordinary shareholder's voting rights at the General Meeting pursuant to section 250D of the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the meeting.

9. Voting and Required Majority

For the purposes of regulation 7.11.37 of the Corporations Act and ASX Settlement Operating Rule 5.6.1, the Board has set the End of Day on Tuesday 6 March 2012 as the time and date to determine holders of the Company's ordinary fully paid shares for the purposes of the General Meeting. Share transfers registered after that deadline will be disregarded in determining entitlements to attend and vote at the General Meeting.

In accordance with the Corporations Act 2001 (Clth) for the resolutions to be effective:

- the resolutions must be passed at a General Meeting of which not less than 28 clear days written notice specifying the intention to propose the resolutions has been given (satisfied by this Notice);
- in the case of ordinary resolutions must be passed by more than 50% of all the votes cast by ordinary shareholders of the Company present and entitled to vote on the resolutions (whether in person or by proxy, attorney or representative); and
- in the case of special resolutions must be passed by not less than 75% of all the votes cast by ordinary shareholders of the Company present and entitled to vote on the resolutions (whether in person or by proxy, attorney or representative).

On a show of hands every ordinary shareholder has one vote, and on a poll, every ordinary shareholder has one vote for each fully paid Share.

By Order of the Board:

Ian Morgan

Company Secretary

Monday 6 February 2012

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders with their consideration of the resolutions detailed in the Notice of General Meeting dated Monday 6 February 2012. This Explanatory Statement should be read with, and forms part of, the accompanying Notice of General Meeting.

Capitalised terms used in this Explanatory Statement are defined in the glossary section at the end.

1. Resolution 1 – Ratification of prior issue of Convertible Equity Facility Shares and granting Facility Options to RCF and Taurus

On 25 October 2011, the Company announced details of the Convertible Equity Facility provided by RCF and Taurus of an amount of up to \$8,000,000. The key terms of the Convertible Equity Facility were set out in the announcement and are also set out below.

Resolution 1 seeks Company shareholder ratification for:

- (a). issue and allotment on 8 November 2011 to RCF and Taurus of 313,561 Facility Establishment Fee Shares pursuant to the terms of the Convertible Equity Facility at an issue price of \$0.3827 per Share;
- (b). issue and allotment on 9 January 2012 to RCF and Taurus of 236,433 Facility Interest Shares pursuant to the terms of the Convertible Equity Facility at an issue price of \$0.3766 per Share; and
- (c). granting on 8 November 2011 to RCF and Taurus of 16,000,000 Facility Options to subscribe for Shares in the Company.

Convertible Equity Facility Terms

The principal terms of the Convertible Equity Facility are:

- facility amount totalling up to \$8,000,000;
- the facility is unsecured;
- interest rate of 8% p.a. payable quarterly in arrears and may, subject to agreement between the individual Lenders (RCF and Taurus) and the Company, be paid by way of issue of Shares at the average market price for the Shares on the five trading days preceding the conversion notice;
- the facility is repayable on the earlier of the project equity raising for development of the Wetar project or 24 October 2012;
- if the Company is issuing Shares, the individual Lenders (RCF and Taurus) may elect to convert some or all of the Convertible Equity Facility into Shares at the same issue price per Share as the equity raising;
- the Lenders are entitled to a facility establishment fee totalling \$120,000 being 1.5% of the total facility amount under the Convertible Equity Facility – payment of this facility fee was satisfied by issue of the Facility Establishment Fee Shares to RCF and Taurus;
- the Lenders will be granted Facility Options over a total of 16,000,000 Shares, the terms of which are described below; and
- the Company is required to use funds raised on the exercise of the Facility Options to repay any outstanding amounts under the Convertible Equity Facility.

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Facility Establishment Fee Shares

Pursuant to the terms of the Convertible Equity Facility, the Lenders were entitled to a facility establishment fee of 1.5% of the total facility amount. Subject to agreement between the individual Lenders (RCF and Taurus) and the Company, this was permitted to be paid by way of issue of the Facility Establishment Fee Shares at the average market price for the Shares on the five trading days prior to entry into the Convertible Equity Facility. Each Lender agreed to issue of the Facility Establishment Fee Shares which were issued as follows:

Lenders	No. of Facility Establishment Fee Shares
Resource Capital Fund IV, L.P.	117,586
Taurus Funds Management Pty Limited	195,975
Total	313,561

Facility Interest Shares

Pursuant to the terms of the Convertible Equity Facility, facility interest of 8% p.a. payable quarterly in arrears and first due 31 December 2011 was permitted to be paid by way of issue of Facility Interest Shares at the average market price for the Shares on the five trading days preceding the conversion notice. Each Lender agreed to issue of the Facility Interest Shares, as follows:

Lenders	No. of Facility Interest Shares
Resource Capital Fund IV, L.P.	92,209
Taurus Funds Management Pty Limited	144,224
Total	236,433

Facility Options

Pursuant to the terms of the Convertible Equity Facility, the Lenders were granted Facility Options over a total of 16,000,000 Shares. The principle terms of the Facility Options are as follows:

- each Facility Option is an option to acquire one Share at an exercise price of \$0.50 per Share;
- the Facility Options may be exercised at any time up to 24 October 2014; and
- the Company is required to use funds raised on the exercise of the Facility Options to repay any outstanding amounts under the Convertible Equity Facility.

The Facility Options were granted as follows:

Lenders	No. of Facility Options
Resource Capital Fund IV, L.P.	6,000,000
Taurus Funds Management Pty Limited	10,000,000
Total	16,000,000

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Resolution 1 seeks Company shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue does not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The issue did not breach ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the matters specified above:

Entry into Convertible Equity Facility

- (a). only one Convertible Equity Facility has been issued for consideration of the agreement of the Lenders to provide a facility amount of up to \$8,000,000 - there is no maximum number of Shares that may be issued on the conversion of the whole or part of any amounts payable pursuant to the terms of the Convertible Equity Facility, the number of Shares that may be issued is calculated as follows:
 - (i) the number of Shares issued on conversion of interest pursuant to the Convertible Equity Facility will be calculated by dividing the amount to be converted by a price per Share equal to the average market price for the Shares on the five trading days prior to the election by the Company to convert the amount to Shares; and
 - (ii) Shares issued as a result of a Lender electing to convert some or all of the Convertible Equity Facility into Shares upon an issue of Shares by the Company will be issued at the same price per Share as other Shares issued by the Company under the terms of the equity raising;
- (b). Examples of the total number of Shares that may be issued each quarter when converting Convertible Note Facility interest into Shares, with different total drawings and average market Share prices:

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Total Drawings (AUD)	\$6.5 million	\$7.0 million	\$7.5 million	\$8.0 million
Average market Share price (cents per Share)				
30	433,333	466,667	500,000	533,333
35	371,429	400,000	428,571	457,143
40	325,000	350,000	375,000	400,000
45	288,889	311,111	333,333	355,556
50	260,000	280,000	300,000	320,000
55	236,364	254,545	272,727	290,909

- (c). the amount of the Convertible Equity Facility is up to \$8,000,000, the price at which Shares may be issued under the Convertible Equity Facility in the event of the exercise of conversion rights under the Convertible Equity Facility is:
- (i) Shares issued on conversion of interest pursuant to the Convertible Equity Facility will be issued at a price per Share equal to the average market price for the Shares on the five trading days prior to the election by the Company to convert interest to Shares; and
 - (ii) Shares issued as a result of a Lender electing to convert some or all of the Convertible Equity Facility into Shares upon an issue of Shares by the Company will be issued at the same price per Share as other Shares issued by the Company under the terms of the equity raising;
- (d). the terms of the Convertible Equity Facility are set out above – all Shares issued in the event of the exercise of conversion rights under the Convertible Equity Facility will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;
- (e). the names of the allottees and the respective amounts of funding provided by each allottee under the Convertible Equity Facility are as follows:

Lenders	Funding provided
Resource Capital Fund IV, L.P.	\$3,000,000
Taurus Funds Management Pty Limited	\$5,000,000
Total	\$8,000,000

- (f). the funds raised from this issue will be used for deposits and progress payments on Marine Fuel Oil (**MFO**) generators, the transportation and import of the Whim Creek SX/EW plant from Australia and for general working capital purposes.

Facility Establishment Fee Shares

- (a). 313,561 Facility Establishment Fee Shares were issued and allotted;
- (b). the issue price for the Facility Establishment Fee Shares was \$0.3827 per Share;
- (c). the Facility Establishment Fee Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

- (d). the Facility Establishment Fee Shares were issued to Resource Capital Fund IV, L.P. and Taurus Funds Management Pty Limited as set out above; and
- (e). the Facility Establishment Fee Shares were issued in satisfaction of the obligation to pay the facility establishment fee under the Convertible Equity Facility as described above.

Facility Interest Shares

- (a). 236,433 Facility Interest Shares were allotted and issued;
- (b). the issue price for the Facility Interest Shares was \$0.3766 per Share;
- (c). the Facility Interest Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d). the Facility Interest Shares were issued to Resource Capital Fund IV, L.P. and Taurus Funds Management Pty Limited as set out above; and
- (e). the Facility Interest Shares were issued in satisfaction of the obligation to pay the facility interest under the Convertible Equity Facility as described above.

Facility Options

- (a). 16,000,000 Facility Options were granted;
- (b). the issue price for the Facility Options was nil and they have an exercise price of \$0.50 per Share;
- (c). the terms of the Facility Options are set out above, all Shares to be issued pursuant to an exercise of the Facility Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d). the Facility Options were granted to Resource Capital Fund IV, L.P. and Taurus Funds Management Pty Limited as set out above;
- (e). the Facility Options were granted pursuant to the terms of the Convertible Equity Facility and any funds raised on the exercise of the Facility Options will be used to repay any outstanding amounts under the Convertible Equity Facility and/or for general working capital purposes;
- (f). Reconstruction of issued shares

If at any time the issued share capital of the Company is reconstructed (whether by consolidation of capital, sub-division of capital, return of capital, reduction of capital by a cancellation of paid-up capital that is lost or not represented by available assets where no securities are cancelled, a pro-rata cancellation of share capital or otherwise) all rights of the Facility Option holder will be amended:

- (i) to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and
 - (ii) as agreed by the parties in writing; and
 - (iii) New issues of Shares by the Company;
- (g). If the Company undertakes an issue of Shares during the Facility Option exercise period, the Facility Option holder may only participate in that issue by exercising the Option in part or in whole.

Each of the Directors recommends that Company shareholders vote in favour of Resolution 1.

2. Resolution 2 – Approve the issue of Facility Conversion Shares

Resolution 2 seeks Company shareholder approval for the issue and allotment of up to 24 million Facility Conversion Shares.

The effect of passing the resolution will be to allow the Directors to issue the Facility Conversion Shares during the three month period after the General Meeting (or a longer period if allowed by the ASX), without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in the explanatory information for Resolution 1.

As set out in the explanatory information for Resolution 1, if the Company is issuing Shares, the individual Lenders (RCF and Taurus) may elect to convert some or all of the Convertible Equity Facility into Shares at the same issue price per Share as the equity raising.

The Company may only deliver Facility Conversion Shares to the Lenders, if the Company:

- (a) can do so without the approval of Company shareholders in accordance with ASX Listing Rule 7.1; or
- (b) the approval of Company shareholders in accordance with ASX Listing Rule 7.1 is required and the Company has obtained such approval.

The Company may not issue Shares and, if the Company does issue Shares, the individual Lenders may not elect to convert some or all of the Convertible Equity Facility into Shares, so there is no certainty that the Company will proceed with the issue of Facility Conversion Shares.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Facility Conversion Shares:

- (a). the maximum number of Facility Conversion Shares to be issued is 24 million;
- (b). the Facility Conversion Shares would be issued no later than three months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c). the issue price of the Facility Conversion Shares would be at least 80% of the average market price for the Shares on the five trading days prior to the issue of the Facility Conversion Shares on which sales were recorded;
- (d). the Facility Conversion Shares will be allotted and issued to RCF and Taurus;
- (e). the Facility Conversion Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f). the Company intends to use the funds raised from the Facility Conversion Shares towards funding commercial development of the Wetar copper project in Indonesia and for working capital; and
- (g). allotment of the Facility Conversion Shares may occur progressively.

Each of the Directors recommends that Company shareholders vote in favour of Resolution 2.

3. Resolution 3 – Approve the issue of Facility Interest Shares

Resolution 3 seeks Company shareholder approval for the issue and allotment of up to 600,000 Facility Interest Shares.

The effect of passing the resolution will be to allow the Directors to issue the Facility Interest Shares during the three month period after the General Meeting (or a longer period if allowed by the ASX), without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

A summary of ASX Listing Rule 7.1 is set out in the explanatory information for Resolution 1.

As set out in the explanatory information for Resolution 1, the Convertible Note Facility's interest rate of 8% p.a. is payable quarterly in arrears and may, subject to agreement between the individual Lenders (RCF and Taurus) and the Company, be paid by way of issue of Shares at the average market price for the Shares on the five trading days preceding the conversion notice.

The Company may only deliver Facility Interest Shares to the Lenders, if the Company:

- (a) can do so without the approval of Company shareholders in accordance with ASX Listing Rule 7.1; or
- (b) the approval of Company shareholders in accordance with ASX Listing Rule 7.1 is required and the Company has obtained such approval.

The Company and individual Lenders may not agree to pay the Convertible Note Facility's interest by way of issue of Shares, so there is no certainty that the Company will proceed with the issue of Facility Interest Shares.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Facility Interest Shares:

- (a). the maximum number of Facility Interest Shares to be issued is 600,000;
- (b). the Facility Interest Shares would be issued no later than three months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c). the issue price of the Facility Interest Shares would be at least 80% of the average market price for the Shares on the five trading days prior to the issue of the Facility Interest Shares on which sales were recorded;
- (d). the Facility Interest Shares will be issued and allotted to RCF and Taurus;
- (e). the Facility Interest Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f). the Company intends to use the funds raised from the Facility Interest Shares to convert the individual Lenders' rights, in respect of the Company's obligation to pay interest, into Shares; and
- (g). allotment of the Facility Interest Shares may occur progressively.

Each of the Directors recommends that Company shareholders vote in favour of Resolution 3.

4. Resolution 4 – Approve the issue of Placement Shares

Resolution 4 seeks Company shareholder approval for the issue and allotment of up to 100 million Placement Shares.

The effect of passing the resolution will be to allow the Directors to issue the Placement Shares during the three month period after the General Meeting (or a longer period if allowed by the ASX), without using the Company's 15% placement capacity under ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in the explanatory information for Resolution 1.

The Company has not yet made any agreement or arrangement to issue the Placement Shares or the number of Placement Shares to be issued and there is no certainty that it will proceed with the issue.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Placement Shares:

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

- (a) the maximum number of Placement Shares to be issued is 100 million;
- (b) the Placement Shares would be issued no later than three months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price of the Placement Shares would be at least 80% of the average market price for the Shares on the five trading days prior to the issue of the Placement Shares on which sales were recorded;
- (d) subscriptions to the Placement Shares have not yet been arranged, the Placement Shares will be issued and allotted to professional and sophisticated investors at the discretion of the Board, but subject to the requirements of the ASX Listing Rules and Corporations Act 2001 (Clth);
- (e) the Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Placement Shares towards funding commercial development of the Wetar copper project in Indonesia and for working capital; and
- (g) allotment of the Placement Shares may occur progressively.

Each of the Directors recommends that Company shareholders vote in favour of Resolution 4.

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

GLOSSARY

ASX means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Australian Securities Exchange Listing Rules.

Board means the board of Directors of the Company.

Company means Finders Resources Limited ABN 82 108 547 413.

Convertible Equity Facility means the convertible loan facility provided by RCF and Taurus to the Company on or about 24 October 2011 as described in the explanatory information for Resolution 1.

Director means a director of the Company, as appointed from time to time.

End of Day means on any trading day, 7.00pm Sydney time or such other time as ASX Settlement may from time to time determine.

Facility Conversion Shares means up to a total of 24 million Shares in the Company to be issued upon conversion of the Convertible Equity Facility to RCF and Taurus, and described in the explanatory information for Resolution 2.

Facility Establishment Fee Shares means the 313,561 Shares in the Company issued and allotted on 8 November 2011 for \$0.3827 per Share to RCF and Taurus, and described in the explanatory information for Resolution 1.

Facility Interest Shares means:

- (a) 236,433 Shares in the Company issued and allotted on 9 January 2012 for \$0.3766 per Share to RCF and Taurus ; and
- (b) Up to 600,000 Shares in the Company to be issued, upon conversion of Convertible Equity Facility interest, to RCF and Taurus, and

described respectively in the explanatory information for Resolution 1 and Resolution 3.

Facility Options means the options over Shares in the Company granted to RCF and Taurus with the terms described in the explanatory information for Resolution 1.

Lenders means RCF and Taurus.

Placement Shares means up to 100 million Shares to be issued and allotted as further outlined in the explanatory information for Resolution 4.

RCF means Resource Capital Fund IV, L.P.

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

Taurus means Taurus Funds Management Pty Limited ACN 121 452 650.

Blank page

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

PROXY FORM

If appointing a Proxy to attend the General Meeting on your behalf, please complete and lodge this Proxy form in accordance with the instructions following.

I/We

being a shareholder/shareholders of Finders Resources Limited pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman
of the
Meeting
(mark with an
"X")

OR

Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting.

or failing him/her

Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above) the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting to be held at 11.00am (Sydney time) on Thursday 8 March 2012 at Finders Resources Limited, Suite 901, Level 9, 60 Pitt Street Sydney NSW 2000 and any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the Ordinary Shares I/we hold.

If you wish to indicate how your proxy is to vote, please place an "X" in the appropriate box, beside each resolution, below. If no indication is given on a resolution, the proxy may abstain or vote at his/her discretion. Proxies lodged in favour of the Chairman which do not include a vote will be used to vote in favour of the resolutions.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome the resolutions. Votes cast by the Chair of the meeting for the resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolutions. The Chair intends to vote 100% of all open proxies in favour of all resolutions.

**FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT**

Voting directions to your proxy – please mark to indicate your directions

	For	Against	Abstain*
To consider and, if thought fit, to pass, with or without amendment, the following resolutions as ordinary resolutions:			
Resolution 1: Ratification of prior issue of Convertible Equity Facility Shares and granting Facility Options to RCF and Taurus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Approve the issue of Facility Conversion Shares to RCF and Taurus.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Approve the issue of Facility Interest Shares to RCF and Taurus.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Approve the issue of Placement Shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* *If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented. *Executed in accordance with section 127 of the Corporations Act 2001 (Cth):*

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director & Company Secretary	Director / Company Secretary	Director
Dated this _____	Day of _____	2012

FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Instructions for Completing Proxy Form

1. Each ordinary shareholder entitled to attend and vote at the meeting has a right to appoint a proxy to attend and vote on behalf of that member.
2. A duly appointed proxy need not be a member of the Company. This form should be signed by the member. If a joint holding, either member may sign. If signed by the member's attorney, the power of attorney must have been previously noted by the Company or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the member's constitution and the Corporations Act 2001 (Clth).
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act 2001 (Clth). Section 127 of the Corporations Act 2001 (Clth) provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
4. For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act 2001, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
5. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
6. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
7. To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:
 - posting to Finders Resources Limited, Suite 901, Level 9, 60 Pitt St Sydney NSW 2000; or
 - facsimile to Finders Resources Limited on facsimile number +61 2 8068 2540, so that it is received not later than 24 hours before the time of holding the meeting.

Proxy forms received later than this time will be invalid.

8. Chapter 2C of the Corporations Act (Clth) requires information about you as a member (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. You can access your personal information by contacting the Company at the address or telephone number shown on this form.

**FINDERS RESOURCES LIMITED ABN 82 108 547 413
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT**

APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the Corporations Act 2001

_____ (ABN/ACN/ARBN _____)
(Insert name of Shareholder/Body Corporate & ACN/ARBN)

hereby authorises

(Insert name of appointee)

- (*) 1. To act as the Company's representative at all General Meetings of Finders Resources Limited ABN 82 108 547 413.
- (*) 2. To act as the Company's Representative at the General Meeting to commence at 11.00am (Sydney time) on Thursday 8 March 2012 and any adjournment thereof.

Dated this _____ day of _____ 2012

Executed by the corporation in accordance with its Constitution/Section 127 of the Corporations Act 2001 (Clth) in the presence of:

(*) Director

(*) Sole Director & Sole Secretary

(*) Director/Secretary

Affix Common Seal here (optional)

(*) Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set out in the Notice of General Meeting which this appointment accompanies or handed in at the General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.