



For ASX Market Release: 6 October 2017

Proposed Takeover Offer - TAKE NO ACTION

Finders Resources Limited (ASX: FND) ("**Finders**" or "the Company"), has this morning received a letter from Eastern Field Developments Limited, a special purpose vehicle jointly owned by Procap Partners Limited, PT Saratoga Investama Sedaya Tbk (IDX: SRTG) and PT Merdeka Copper Gold Tbk (IDX: MDKA) (together, "the Consortium"), stating the Consortium's intention to make an off-market takeover offer for all of the shares in Finders ("Proposed Offer"). The Proposed Offer is unsolicited.

The Proposed Offer is at a price of 23 cents cash per Finders share, and is subject to a number of conditions. The offer letter is **attached** to this announcement. The offer letter states that a bidder's statement will be sent to Finders shareholders in due course.

The Finders directors will consider the terms of the Proposed Offer, and the content of the bidder's statement (when received) and will advise Finders shareholders of their recommendation in due course.

In the meantime, Finders shareholders are advised to **TAKE NO ACTION** in relation to the Proposed Offer and any correspondence received in relation to it.

-ends-



Contacts:

Mr Gary Comb
Non-Executive Chairman
Mr Barry Cahill
Managing Director
Mr Wayne Apted
Chief Financial Officer

Phil Retter

Investor Relations

NWR Communications

phil@nwrcommunications.com.au

T: +61 407 440 882

Perth Office:

25 Colin Street
West Perth WA 6005

T: +61 8 6555 3996

F: +61 8 6555 3998

E: info@findersresources.com

ASX Code: FND

www.findersresources.com



EASTERN FIELD DEVELOPMENTS LIMITED

(BVI Co No 1955552)

(a company jointly owned by Procap Partners Limited, PT Saratoga Investama Sedaya Tbk. and PT Merdeka Copper Gold Tbk.)

Provident



MERDEKA
COPPER GOLD

6 October 2017

For Immediate Release

Takeover Offer to be made for Finders Resources Limited

Eastern Field Developments Limited (**Eastern Field**), a special purpose vehicle jointly owned by Procap Partners Limited (**Provident**), PT Saratoga Investama Sedaya Tbk (IDX: SRTG) (**Saratoga**) and PT Merdeka Copper Gold Tbk (IDX: MDKA) (**Merdeka**) (together the **Consortium**), is pleased to announce its intention to make an off-market takeover offer to acquire all the shares of ASX-listed Indonesian copper producer Finders Resources Limited (ASX: FND) (**Finders**) (the **Offer**).

Offer Background

Provident, via a related entity Provident Minerals, has been a Finders shareholder since 2012 and an active supporter of Finders, including providing assistance to Finders in connection with successful achievement of Indonesian regulatory approvals. Provident also assisted Finders by introducing leading Indonesian investment company Saratoga as another supportive, high-quality Indonesian shareholder to Finders in 2013.

Provident has now invited Saratoga and Indonesian copper-gold producer Merdeka to form Eastern Field and become members of a Consortium making a Takeover Offer for Finders.

The Consortium Members and Eastern Field currently have a relevant interest of approximately 19.8% in Finders. This represents the largest relevant interest in Finders Shares.

Offer Terms

Under the Offer, Finders shareholders will receive attractive all cash consideration of A\$0.23 for every Finders Share they own.

The Offer is subject to Eastern Field obtaining a relevant interest in more than 50% of Finders Shares, FIRB approval and other limited customary conditions as set out in the Schedule.

Benefits for Finders Shareholders

The Offer will deliver Finders shareholders a price which is significantly above Finders' 3 month volume weight average price of approximately A\$0.21 and Finders' most recent equity raising price of A\$0.12 as completed in November 2016.

In addition the Offer price exceeds the recently disclosed average sale prices by Finders' former substantial shareholders, Resource Capital Funds¹, a leading global resources investor, and Australian institution Acorn Capital².

¹ Resource Capital Funds reported on 6 September 2017 it ceased being a substantial shareholder in Finders after selling 50,000,000 Finders Shares (approximately 6.6% of Finders Shares on issue) at an average sale price of A\$0.2286 per share.

² Acorn Capital reported on 17 February 2017 it reduced its substantial shareholding in Finders by selling 8,988,215 Finders Shares (approximately 1.2% of Finders Shares on issue) at an average sale price of A\$0.1772 per share and that it retained 54,516,474 Finders Shares (approximately 7.2% of Finders Shares on issue). Acorn Capital subsequently advised on 24 July 2017 it had sold Finders Shares on-market and ceased being a substantial shareholder in Finders.

Commentary from Eastern Field

Eastern Field director David Fowler said:

“Provident and Saratoga have determined their existing interest in Finders is too small in the context of their collective portfolios. This Offer enables them to materially increase their shareholding in Finders.

The Offer also provides Finders shareholders with the opportunity to lock in certain all cash value while removing the Indonesian operational and regulatory risks associated with Finders’ Wetar project.”

Eastern Field director David Fowler went on to comment:

“In the event the Offer is unsuccessful then Provident and Saratoga will review their Finders’ interest and may divest all their Finders Shares and withdraw their involvement in Finders.”

Next Steps and Timetable

Eastern Field expects that its Bidder's Statement, which will contain further information about the Offer, will be sent to Finders shareholders in due course.

Advisors

Argonaut is acting as Financial Adviser and Iffla Wade is acting as Legal Adviser.

Further Information

For further details on this announcement, please contact:

Andrew Rowell or Peter Klinger

Cannings Purple

Ph +61 400 466 226 or +61 411 251 540

E arowell@canningspurple.com.au or pklinger@canningspurple.com.au

Background Information on the Consortium

Provident Group: The Provident Group, which incorporates Provident and Provident Minerals, was established in 2004 and has invested in a wide range of investments in Indonesia including; telecommunications, agriculture, mining, oil & gas and real estate. The Provident Group has successfully founded three prominent IDX listed companies including Merdeka in which it retains a significant shareholding.

Saratoga: An Indonesian investment company with two decades of active investment experience in Indonesia. Saratoga was listed on the IDX in 2013 (IDX: SRTG) and at the date of this announcement has a market capitalisation of approximately US\$650 million and a Net Asset Value of US\$1.6 billion as at 31 August 2017. Further information on Saratoga can be found at www.saratoga-investama.com

Merdeka: An Indonesian listed mining company (IDX: MDKA) operating and developing the Tujuh Bukit project, located 200km south-east of Surabaya in Indonesia. At the time of this announcement, Merdeka has a market capitalisation of approximately US\$620 million. Further information on Merdeka can be found at www.merdekakoppergold.com

Schedule - Conditions

The Offer is subject to fulfilment of the following conditions:

1 FIRB approval

That before the expiration of the Offer Period, the Treasurer of the Commonwealth of Australia provides written advice (on terms acceptable to Eastern Field Developments) that the Commonwealth Government does not object to the transfer of the Finders Shares under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**) or due to the passage of time becomes precluded from making an order in relation to the transfer of the Finders Shares under the FATA (**FIRB Approval**).

2 Minimum acceptance

That before the expiration of the Offer Period, Eastern Field has received valid acceptances so that Eastern Field has a relevant interest in more than 50% of the Finders Shares at or before the end of the Offer Period.

3 No regulatory action

Between the date of this Announcement and the end of the Offer Period:

- (a) no preliminary or final decision, order or direction is made or issued by any Regulatory Authority;
- (b) no action, proceeding or investigation is announced, commenced or threatened by any Regulatory Authority; and
- (c) no application is made to any Regulatory Authority (other than by Eastern Field or any associate of Eastern Field),

which is likely to or purports or threatens to restrain, prohibit, impede or otherwise adversely affect the making of the Offer, the acquisition of Finders Shares by Eastern Field, the rights of Eastern Field in respect of the Finders or Finders Shares (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).

4 No Target Prescribed Occurrences

Between the date of this Announcement and the end of the Offer Period, there is no occurrence of a Target Prescribed Occurrence.

5 No Material Adverse Change

Save as publicly announced to the ASX prior to the date of this Announcement, between 1 January 2017 and the end of the Offer Period, there is no occurrence of any Material Adverse Change.

6 Third party consents

If Finders, or a subsidiary of Finders, is a party to, is bound by, or is subject to, an agreement, arrangement or understanding which as a result of or in connection to the acquisition of Finders Shares under the Offer entitles another person to exercise any rights (including termination rights or pre-emptive rights).

7 No material acquisitions, disposals or commitments

Between the date of this Announcement and the end of the Offer Period, none of the following events occurs, are announced or become known to Eastern Field:

- (a) Finders or any subsidiary of Finders (**Finders Group**), offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest therein) for an amount in aggregate greater than A\$5,000,000;
- (b) any member of the Finders Group disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest therein) for an amount, or in respect of which the book value is, in aggregate, greater than A\$5,000,000; and
- (c) the Target Group, incurs Financial Indebtedness which in aggregate exceeds A\$5,000,000.

8 Copper Price

Between the date of the Announcement and the end of the Offer Period, the 3 Month Copper Price at the close of business on the London Metal Exchange is below US\$6,000 on 2 consecutive days the London Metal Exchange is open for business.

9 No inaccurate public information

Between the date of this Announcement and the end of the Offer Period, Eastern Field does not become aware, that any document filed by or announcement made by or on behalf of Finders, or by or on behalf of any person in relation to Finders, with ASX, ASIC or anywhere in the public domain, contains a statement which is incorrect or misleading in any material way or from which there is a material omission.

Definitions

- (a) In this Schedule

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) in respect of moneys borrowed or raised or any financial accommodation.

Material Adverse Change means any event, change, condition, matter or thing occurring or information is disclosed or announced by any member of the Finders Group, or becomes known to the Bidder, concerning any such event, change, condition matter or thing (each a **Specified Event**) which, whether individually or when aggregated with all Specified Events, has had or would be considered reasonably likely to have a material adverse effect on the:

- (a) assets, liabilities, performance or prospects of the Finders Group; or
- (b) status or terms of (or rights attaching to) any material permits, licences or approvals issued by a Regulatory Authority and applicable to the Finders Group,

including, without limitation where the effect is a diminution, or likely diminution, in the value of the consolidated net assets of the Finders Group, by at least A\$5,000,000 against what it would reasonably have been expected to have been but for such Specified Event, but does not include:

- (c) a Specified Event relating to changes in business conditions affecting the industry in which the Finders Group operates; or
- (d) a Specified Event that is fairly disclosed, or that is reasonably apparent on its face as potentially to flow from the Specified Event that is fairly disclosed in information publicly disclosed by any member of the Finders Group before the Announcement

Offer Period means the period during which the Offer will remain open for acceptance which will be set out in the Bidder's Statement relating to the Offer.

Regulatory Authority means a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local and for these purposes includes ASX and ASIC.

Target Prescribed Occurrence means:

- (a) the Target converts all or any of its shares into a larger or smaller number of shares;
- (b) the Target resolves to reduce its share capital in any way;
- (c) the Target:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or s257D(1) Corporations Act;
- (d) the Target makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (e) the Target, or a subsidiary of the Target:
 - (i) issues shares;
 - (ii) grants an option over its shares; or
 - (iii) agrees to make such an issue or grant such an option, in each case to a person outside the Target or its subsidiaries;
- (f) the Target, or a subsidiary of the Target:
 - (i) issues securities or other instruments convertible into shares or debt securities; or
 - (ii) agrees to issue securities or other instruments convertible into shares or debt securities, in each case to a person outside the Target or its subsidiaries;
- (g) the Target, or a subsidiary of the Target, adopts a new constitution or modifies or repeals its constitution or a provision of it;
- (h) the Target, or a subsidiary of the Target, disposes, or agrees to dispose, of the whole or a substantial part of its business or property;
- (i) the Target, or a subsidiary of the Target:
 - (i) acquires or disposes of;
 - (ii) agrees to acquire or dispose of; or
 - (iii) offers, proposes, announces a bid or tenders for, any material business, asset, interest in a joint venture, entity or undertaking;
- (j) the Target, or a subsidiary of the Target, charges, or agrees to charge, the whole or a substantial part of its business or property;
- (k) the Target, or a subsidiary of the Target:

- (i) materially increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
 - (ii) accelerates the rights of any of its directors or employees to compensation or benefits of any kind; or
 - (iii) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract which, at the date of this document, is in place and has been disclosed to the Bidder), other than in the ordinary course of business, as a result of contracted arrangements that are consistent with past practice and in effect before the Announcement Date;
- (l) the Target, or a subsidiary of the Target:
- (i) enters into any contract or commitment involving revenue or expenditure by the Target or its subsidiary of more than \$200,000 over the term of the contract or commitment;
 - (ii) terminates or amends in a material manner any contract material to the conduct of the Target or its subsidiary's business or which involves revenue or expenditure of more than A\$200,000 over the term of the contract;
 - (iii) waives any material third party default where the financial impact on the Target or its subsidiary will be in excess of A\$200,000; or
 - (iv) accepts as a settlement or compromise of a material matter (relating to an amount in excess of A\$200,000) less than the full compensation due to the Target or a subsidiary of the Target, other than those arrangements notified to the Bidder on or before the Announcement Date;
- (m) the Target, or a subsidiary of the Target, undertakes or agrees to undertake capital expenditure in excess of A\$200,000 in aggregate other than that expenditure notified to the ASX or before the Announcement Date;
- (n) an event set out in s.652C of the Corporations Act occurs in relation to the Target, or a subsidiary of the Target;
- (o) the Target, or a subsidiary of the Target, takes or omits to take action which results in a breach of law material to the Target or a subsidiary;
- (q) the Target, or a subsidiary of the Target, enters into or resolves to enter into a transaction with any related party of the Target as defined in section 228 Corporations Act; or
- (r) the Target, or a subsidiary of the Target, does anything that results in a taxable gain for the Target or a subsidiary by either causing a subsidiary to cease being a subsidiary of the Target or causing the Target, or a subsidiary of the Target to cease being a consolidated group.
- (b) Capitalised terms appearing in this Schedule, if not defined in this Schedule, have the meaning given to them by section 9 of the Corporations Act.

The above is an outline only. The full terms of the conditions will be set out in the Bidder's Statement.