



For ASX Market Release: 13 December 2017

Finders Takeover Offer Update

Finders Resources Limited (ASX: FND) (“**Finders**” or “**the Company**”) provides the following update in relation to the unsolicited off-market cash offer of \$0.23 per Finders share by Eastern Field Developments Limited (“**Eastern Field**”), (the “**Offer**”).

Eastern Field has today notified Finders and announced to ASX that Eastern Field has extended the Offer period by 30 days so that the Offer will now close at 7.00 pm (Perth time) on Friday, 19 January 2018 (unless further extended) and waived the 50% minimum acceptance condition to the Offer (**Notice of Variation**). Eastern Field has not waived any other conditions to the Offer.

The Independent Directors note that:

- according to the Notice of Variation, as at 12 December 2017 Eastern Field had voting power in Finders equal to 19.84%, comprising 153,248,198 Finders shares. This means that **since the Offer opened on 20 November 2017** until 12 December 2017 - a period of 22 days - **Eastern Field had not received one single acceptance to its Offer**; and
- as announced by Finders earlier today, **Finders shareholders representing 37.58% of Finders shares in aggregate** have notified Finders that they **do not intend to accept the Offer** at the Offer price of \$0.23 per Finders share (refer to the Finders announcements on 12 and 13 December 2017, both titled "Further shareholders do not intend to accept Takeover Offer", for the names of those Finders shareholders and the number of Finders shares each of them owns, controls or manages).

Finders shareholders comprehensive rejection of the Offer has been overwhelming.

The Independent Directors believe that Eastern Field's decision to waive the 50% minimum acceptance condition provides further illustration of the opportunistic nature of the Offer, under which Eastern Field is now attempting to acquire any Finders shares that it can at an Offer price which the Independent Directors believe does not reflect the fair value of Finders shares and which the Independent Expert considers is neither fair nor reasonable.

Furthermore, Eastern Field has not waived any other conditions to the Offer. This means the Offer remains conditional, including on conditions which are outside of the control of



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Finders and Eastern Field (for example, there is a condition that is tied to the price of copper) and there is no certainty that the Offer will proceed.

Finders shareholders who accept the Offer may be deprived of the opportunity to receive greater value for their Finders shares than the Offer price, because (unless the limited withdrawal rights are available) while the Offer remains open Finders shareholders who accept the Offer will lose their ability to:

- accept an alternative proposal in relation to Finders (should one emerge); or
- sell their Finders shares on ASX (the price of Finders shares has traded on the ASX at or above the Offer price of \$0.23 since the Offer was announced on 6 October 2017).

Finders is currently in discussions with third parties regarding potential alternative proposals for Finders shareholders. However as at the date of this announcement no proposal has reached a stage where it is sufficiently progressed for it to be disclosed and the Independent Directors can give no assurance that any alternative proposal will emerge. The Independent Directors will keep Finders shareholders informed of any material developments in this regard.

The Independent Directors of Finders unanimously recommend that Finders shareholders **REJECT** the Offer by **TAKING NO ACTION**. The full reasons for that recommendation are set out in Finders' target's statement dated 5 December 2017 which Finders shareholders should read in full.

The target's statement contains the reasons for the Independent Directors' belief that the Offer is opportunistic and does not reflect the fair value of Finders shares. The Target's Statement also contains a copy of the Independent Expert's report containing the Independent Expert's opinion that the Offer is neither fair nor reasonable.

ENDS