



For ASX Market Release: 11 January 2018

Finders Takeover Offer Update

Finders Resources Limited (“**Finders**” or “**the Company**”) refers to the ASX and Press Release dated 9 January 2018 from Eastern Field Developments Limited (“**Eastern Field**”) extending the Offer Period for its unsolicited off-market Takeover Offer (“**Offer**”) so that the Offer will now close at 7.00 pm (Perth time) on Wednesday, 28 February 2018 (“**Extension Notice**”).

The Independent Directors reiterate their recommendation that Finders shareholders **REJECT** the **INADEQUATE** and **OPPORTUNISTIC** Offer by **TAKING NO ACTION** in relation to the Offer. Finders’ Target’s Statement dated 5 December 2017, as supplemented by its Supplementary Target’s Statement dated 22 December 2017 (“**Target’s Statement**”), contains the reasons for the Independent Directors’ recommendation. 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.

The Extension Notice sets out a number of "concerns" of Eastern Field in respect of the Target’s Statement. The Independent Directors believe that the Target’s Statement contains all information that Finders shareholders and their professional advisors would reasonably require and reasonably expect to find in the Target’s Statement to make an informed assessment of whether to accept the Offer, that it is not misleading, and that it complies with all applicable legislative and regulatory requirements.

The Independent Directors reiterate to shareholders that the Independent Expert, Deloitte Corporate Finance Pty Ltd, concluded that the Offer is neither fair nor reasonable and assessed the fair market value of a Finders share on a control basis to be in the range of \$0.31 to \$0.35 per Finders share. The Independent Expert’s valuation supports the Independent Directors’ belief that the Offer Price of \$0.23 per Finders Share is clearly inadequate.

Finder’s Chairman, Gary Comb commented: *“It remains the firm view of the Independent Directors of Finders that the unsolicited and hostile bid by Eastern Field is an opportunistic attempt to gain control of the Company and its potentially strong cashflows for less than the fair value of the Company.*



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The view of the Independent Directors that the Offer Price of \$0.23 per Finders share does not reflect the fair value of the Company is supported by the opinion of the Independent Expert, who found the Offer Price to be between 25% to 35% below its assessment of the fair market value of a Finders Share on a control basis of \$0.31 to \$0.35 per Finders share. In addition, the Finders share price on the ASX has consistently traded at or above the Offer price of \$0.23 since the Offer was announced on 6 October 2017.

Whilst the Independent Directors do not consider any of the matters raised by Eastern Field are material issues, and does not accept any of Eastern Field's assertions that the disclosures in its Target's Statement are inadequate or misleading, Finders nonetheless included some additional disclosure for the benefit of all shareholders in its Supplementary Target's Statement.

The most recent release from Eastern Field appears to be an attempt to distract the Company and potentially unsettle other Finders shareholders into selling their Finders shares for an Offer price less than the fair value of the Company.

Shareholders can be assured that despite Eastern Field's negative campaign, management is focused on the Company's operations to ensure that Finders produces as much copper cathode as efficiently as possible following the operational issues that occurred during the December 2017 quarter. The Independent Directors believe that the considerable free cashflows that are expected to be generated by the Wetar Copper Project - particularly given the current strength of the copper price – will enable Finders to continue to rapidly repay the bank debt under the Wetar Facility Agreement and, once the bank debt has been fully repaid, potentially make distributions to shareholders.

The Independent Directors of Finders continue to recommend that Finders shareholders reject the Offer by taking no action.”

- ENDS -

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Background Information on Finders

Finders is the operator of the Wetar Copper Project (74.1% economic interest) located in Maluku Barat Daya, Indonesia.

The Wetar Copper Project comprises the development, open pit mining and processing of the high-grade sulphide deposits at Kali Kuning and Lerokis located within 3 kilometres of the coast on Wetar Island. The Project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially exposed copper ore bodies from a prior gold mining era.

Finders currently operates a 25,000 tonne per annum (“t.p.a”) copper cathode solvent extraction-electrowinning (“SX-EW”) plant, commissioned in May 2016, and a 3,000 t.p.a SX-EW plant for annual production capacity of 28,000 tonnes copper cathode.

The Project has a gross debt of US\$60.5 million repayable by March 2019 and a projected cash operating cost of US\$1.05/lb Cu over the remaining life of mine.

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