



For ASX Market Release: 16 February 2018

Eastern Field's Unconditional Takeover Offer **REJECT AND TAKE NO ACTION**

Finders Resources Limited (ASX: FND) ("**Finders**" or "the **Company**"), refers to the announcement made by Eastern Field Developments Limited ("**Eastern Field**") on 15 February 2017 that it has now declared its off-market takeover offer for Finders unconditional.

The Independent Directors of Finders have recommended Finders shareholders **REJECT** the inadequate and opportunistic Offer by Eastern Field and **TAKE NO ACTION** in relation to the Offer.

The first full year of production from the Company's Wetar heap leach operation generated an outstanding EBITDA of US\$72.2 million (unaudited) for Finders in 2017. This has enabled Finders to rapidly pay down project debt, which is now paid down to US\$51.5 million, net of the US\$9.0 million in the DSRA, from a peak project debt facility of US\$145 million. Wetar was successfully ramped up in 2017 and reported strong production in the first three quarters of the 2017 calendar year. The project has a remaining life in excess of six years and significant exploration upside with the potential to extend its life further.

In this context, Eastern Field's selective focus on production in the December 2017 quarter and the January 2018 production inaccurately and opportunistically represents the production history and value of Wetar. The jaw crusher failure, rehandling of truck dump material and crud run event that impacted Wetar's production were clearly communicated to shareholders and addressed as a matter of priority. Copper production at Wetar has continued to improve towards previous production rates since those operational issues. Irrespective of those operational issues, the project still delivered an outstanding result in its maiden production year.

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 inadequate. Furthermore, the Independent Directors note that Finders shares are today trading at a premium to the Offer price, with the Offer continuing to receive very minimal shareholder acceptance. Eastern Field has notified acceptances in respect of only 5% of Finders shares since its offer opened on 20 November 2017, nearly three months ago.

The Independent Directors reiterate that Finders shareholders should **REJECT** the inadequate and opportunistic Offer and **TAKE NO ACTION** in relation to the Offer.

ENDS



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