



For ASX Market Release: 23 July 2018

SUBORDINATED FUNDING & PROJECT FACILITY AMENDMENTS

HIGHLIGHTS

- Finders has signed amendments to the Wetar Copper Project Facility Agreement on amendments to the Facility Agreement.
- Merdeka will provide a US\$19.0m shareholder loan facility and BTR will drawdown US\$12.0m under that facility before 31 July 2018
- The Lenders have agreed to reduce DSRA funding obligation from US\$18.0m to US\$9.0m.
- These agreements will provide additional funds for debt service, working capital and capital expenditure requirements.

Finders Resources Ltd ("**Finders**") (FND:ASX) announces that the agreement set out in its ASX release of 2 July 2018 amending the senior secured project facility agreement for the Wetar Copper Project (the "**Facility Agreement**") has been finalised.

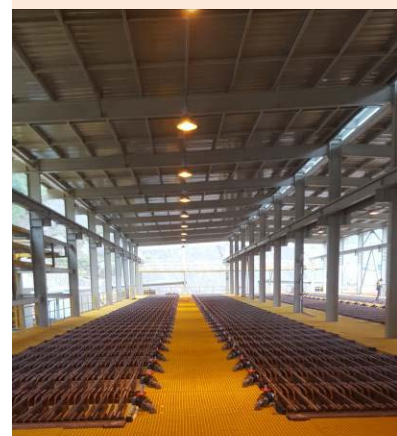
Under the terms of the agreement between Finders, its subsidiary, PT Batutua Tembaga Raya ("**BTR**") and the banking group comprising BNP Paribas, Commonwealth Bank of Australia, Societe Generale Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited Jakarta Branch (the "**Lenders**"):

- the debt service reserve account under the Facility Agreement (the "**DSRA**") has been reduced from US\$ 18 million to US\$9.0 million;
- BTR has arranged an unsecured subordinated debt facility with PT Merdeka Copper and Gold Tbk ("**Merdeka**") ("**Shareholder Loan**") in an aggregate amount of US\$19 million;
- BTR has drawn down US\$6.0 million from the Shareholder Loan and will draw down a further US\$6.0 million, for US\$12.0 million in total, of the Shareholder Loan on or before 31 July 2018; and
- the Change in Control Review Event arising from the takeover offer by Eastern Field Developments Limited for Finders is no longer continuing.



Board of Directors
Mr Colin Moorhead
Non-Executive Chairman
Mr David Fowler
Executive Director & Acting CEO
Mr Gavin Caudle
Non-executive Director
Mr Gordon Galt
Non-executive Director
Mr Mark Sherman
Independent Non-executive Director
Mr Roderick Webster
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The key terms of the Shareholder Loan between BTR and Merdeka are:

- Merdeka has committed US\$19.0 million to BTR in two tranches;
 - a first tranche of US\$12.0 million that must be drawn down before 31 July 2018 with at least US\$6.0 million of that amount to be drawn down on or before 20 July 2018; and
 - a second tranche of US\$7.0 million to be drawn down before maturity upon delivery of a utilisation request to Merdeka for a minimum amount of US\$500,000;
- an interest rate of 10% per annum accruing daily on the principal amount utilised with unpaid interest to be capitalised on the last day of each month to become part of the principal amount outstanding;
- the maturity date is to be the later of 18 months after first utilisation of the Shareholder Loan being 20 January 2020 or 5 business days after the discharge of the Facility Agreement; and
- Posco Deawoo Corporation, Finders' partner in the Wetar Copper Project with an interest of 22% in BTR, has the right to provide its pro-rated share of the Shareholder Loan subject to notification to Merdeka of its intention no later than 31 July 2018.

The previous terms of the Facility Agreement required US\$18.0 million to be deposited in the DSRA at 30 June 2018. Capping the DSRA funding obligation and additional funds to be provided under the Shareholder Loan are important steps towards placing the Wetar Copper Project in a position where capital can be allocated to sustain operations and enhance long term value.

FOR FURTHER INFORMATION PLEASE CONTACT:

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BACKGROUND INFORMATION ON FINDERS

Finders is the operator of the Wetar Copper Project (74.1% economic interest) located on Wetar Island 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. Finders currently operates a 25,000 tonne per annum ("tpa") copper cathode solvent extraction-electrowinning ("SX-EW") plant, commissioned in May 2016, and a 3,000 tpa SX-EW plant for nameplate production capacity of 28,000 tpa copper cathode.