

3 September 2010

Dear Shareholder,

There have been some positive recent developments at Finders Resources.

The Board of Finders has negotiated a capital raising to generate funds for the commercial development of the Wetar copper project in Indonesia. The funds will be extremely important to the company and the capital raising has the unanimous support of the Board of Finders.

I would like to let you know a bit more about this news and what you can expect to see happen over the coming weeks.

The capital raising

The capital raising will raise \$20.95 million via a placement to institutional investors. Under the offer approximately 75 million new ordinary shares will be issued at A\$0.28 per share. The price represents a discount of approximately 10% to the recent trading price of Finders shares.

The placement will be made in two tranches. The first tranche was the placement of 28.07 million shares to raise \$7.86 million. This was settled on 3 September, and the shares were issued under the Company's available 15% capacity. The second tranche will be the placement of 46.75 million shares to raise \$13.09 million, subject to shareholder approval.

Following completion of the capital raising we will be joined by several new institutional investors, along with our existing substantial shareholders Resource Capital Funds, Taurus Funds Management, Acorn Capital and Straits Resources.

Development of the Wetar copper project

Finders is poised to make the crucial step into commercial production following years of study and planning, together with the experience and knowledge gained from operating the demonstration plant for the past 18 months.

The funds from this placement will be used primarily for the development of the Wetar copper project. The first phase of this development will be the expansion of the existing 1.8ktpa demonstration plant to a capacity of 7ktpa of copper cathode. This expansion will also require debt financing (the arrangement of which is underway), and is expected to take 9 months and will commence once permitting is finalised.

All supporting documents for the mining permit application have been positively reviewed by the Mines Department and a presentation to the local parliament is being scheduled. We have flagged the potential for delays whilst land

status/administration issues are resolved and are working closely with the Maluku Government, Mines and Forestry Departments and Land Agency to achieve a timely outcome.

Finders is one of very few emerging copper players for Australian investors. The robust economics underpinning our Wetar project, combined with the experience of our management and the support of the local Indonesian community, auger well for a healthy and profitable future for the Company.

Shareholder meeting

The second tranche of the placement is subject to approval at a shareholder meeting to be held on 6 October 2010 at Finders' offices in Sydney.

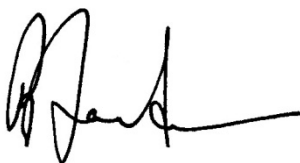
You will have received a notice for the shareholder meeting. Please refer to that notice for more information on the specific resolutions. It is an important document that you should read in full.

The Board believes the placement is in the interests of all shareholders and recommends that shareholders vote in support of both resolutions. The Directors intend to unanimously vote in favour of both resolutions for any shares that they control.

If you are not planning to attend the EGM in person, I encourage you to vote on the resolutions by completing the Proxy form provided with the notice of meeting.

Thank you for your continued support as shareholders and I look forward to a profitable future for the company.

Yours sincerely,



Russell Fountain
Chairman
Finders Resources Limited



Dear Shareholder,

**NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF FINDERS RESOURCES LIMITED
ABN 82 108 547 413 ("COMPANY")**

Notice is hereby given that an Extraordinary General Meeting (EGM) of Shareholders is to be held as follows:

Venue: Finders Resources Limited, Suite 59B, Level 3, 330 Wattle Street, Ultimo NSW 2007.

Time: 10.00 am

Date: Wednesday 6 October 2010

The meeting will consider two resolutions related to past and proposed security issues. These resolutions are explained in the Explanatory Statement in some detail. Please find enclosed the following documents in relation to the EGM:

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We look forward to seeing you at the meeting and receiving your vote in support of the resolutions. If you are not able to attend the EGM in person, you are urged to complete and lodge the enclosed Proxy or appointment of Corporate Representative form.

Ian Morgan
Company Secretary

Friday, 3 September 2010

NOTICE IS GIVEN that an Extraordinary General Meeting of the Company will be held on Wednesday 6 October 2010 at 10.00 am at Finders Resources Limited, Suite 59B, Level 3, 330 Wattle Street, Ultimo NSW 2007, to consider, and if thought fit, pass the resolutions below.

The Explanatory Statement and the Proxy Form accompanying this Notice are incorporated in and comprise part of this Notice.

1. AGENDA

1.1. Special Business

1.1.1. Resolution 1 – Ratification of Previous Share Issue to Placement Investors (Tranche 1 Placement Shares)

Resolution 1 is to consider and, if thought fit, with or without amendment, pass the following ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue and allotment by the Company on 3 September 2010 of 28,076,000 fully paid ordinary shares in the capital of the Company (“Tranche 1 Placement Shares”) for a cash issue price of 28 cents per Share to the Placement Investors.”

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

1.1.2. Resolution 2 – Approval of Share Placement to Placement Investors (Tranche 2 Placement Shares)

To consider and, if thought fit, with or without amendment, pass the following ordinary Resolution:

“That, in accordance with ASX Listing Rule 7.1 and for all other purposes, the Company be permitted and authorised to issue and allot up to 47,000,000 Shares to the Placement Investors (“Tranche 2 Placement Shares”) for a cash issue price of 28 cents per Share.”

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

1.2. Voting Exclusion Statements

1.2.1. Resolution 1

For the purposes of ASX Listing Rules 7.5.6 and 14.11.1 and all other purposes, the Company will disregard any votes cast on Resolution 1 by:

- (i) a person who participated in the issue; and
- (ii) an Associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

1.2.2. Resolution 2

In accordance with the notice requirements of ASX Listing Rule 7.3.8 for approval under ASX Listing Rule 7.1 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 2 by:

- (i) a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (ii) an Associate of that person (or those persons).

However, the entity will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

1.3. Voting Rights and Proxies

- (i) A member entitled to attend and vote at the meeting has a right to appoint a proxy.
- (ii) This appointment may specify the proportion or number of votes that the proxy may exercise.
- (iii) The proxy need not be a member of the Company.
- (iv) A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half of the votes.
- (v) Proxies may be lodged by:
 - posting to Finders Resources Limited, Suite 51, Level 3, 330 Wattle St Ultimo NSW 2007; or
 - facsimile to Finders Resources Limited on facsimile number +61 2 9212 0200,so that it is received not later than 10.00 am, 5 October 2010, Sydney time
- (vi) All United Kingdom holders of the Company's depositary interests will receive a Form of Instruction for use at the Extraordinary General Meeting instead of a Proxy Form. To be valid, the Form of Instruction, duly signed and executed, together with a power of attorney (if any) or other authority under which it is signed (if any) must be deposited at the offices of the Custodian, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgewater Road, Bristol BS99 7NH by 10.00am on 1 October 2010.

1.4. Voting and required majority

For the purpose of determining a person's entitlement to vote at the Extraordinary General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 5:00pm Sydney time on 4 October 2010, being the second Business Day prior to the date of the Extraordinary General Meeting.

In accordance with the Corporations Act, for the resolutions to be effective:

- (i) the resolutions must be passed at a General Meeting of which not less than 28 days written notice specifying the intention to propose the resolutions has been given (satisfied by this Notice); and
- (ii) in the case of ordinary resolutions must be passed by more than 50% of all the votes cast by Shareholders present and entitled to vote on the resolutions (whether in person or by proxy, attorney or representative).

On a show of hands every Shareholder has one vote, and on a poll, every Shareholder has one vote for each fully paid Share.

1.5. Definitions

For the purposes of this Explanatory Statement and the Notice of Extraordinary General Meeting the following definitions apply unless the context requires otherwise.

Associate has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules means the official listing rules issued and enforced by the ASX as amended from time to time.

Board or **Board of Directors** means the board of Directors of the Company.

Company means Finders Resources Limited (ABN 82 108 547 413).

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company from time to time.

EGM or **Extraordinary General Meeting** means the extraordinary general meeting to be held at 10.00 am on Wednesday 6 October 2010 and notified to the Company's Shareholders by this Notice.

Explanatory Statement means the explanatory statement incorporated into this Notice.

Notice means this notice incorporating the Explanatory Statement.

Placement means the placement of fully paid ordinary shares to a limited number of institutions and other exempt investors in accordance with Section 708 of the Corporations Act.

Placement Investors means institutional or sophisticated investors, being persons who, because of one or more of sections 708(8), 708(10), 708(11) and 708(12) of the Corporations Act, have subscribed for Tranche 1 Placement Shares or will subscribe for Tranche 2 Placement Shares without receiving a disclosure document issued by the Company in accordance with Part 6D.2 of the Corporations Act, excluding related parties of the Company.

Share means a fully paid ordinary share in the issued capital of the Company and Shares has a corresponding meaning.

Shareholder means shareholder of the Company and Shareholders has a corresponding meaning.

Tranche 1 Placement Shares means 28,076,000 Shares issued and allotted on 3 September 2010 for a cash issue price of 28 cents per Share to the Placement Investors.

Tranche 2 Placement Shares means up to 47,000,000 Shares to be issued and allotted within three months of the EGM to Placement Investors for a cash issue price of 28 cents per Share.

1.6. Interpretation

For the purposes of interpreting the Explanatory Statement and the Notice:

- (i) the singular includes the plural and vice versa;
- (ii) words importing any gender include both genders;

- (iii) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (iv) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Statement and the Notice;
- (v) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (vi) reference to cents, \$, A\$, Australian Dollars or dollars is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

By order of the Board of Directors

Ian Morgan
Company Secretary

Friday, 3 September 2010

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2. EXPLANATORY STATEMENT

2.1. General

This Explanatory Statement has been prepared to provide you with material information reasonably required to enable you to make an informed decision on how to vote upon the business to be conducted at the Extraordinary General Meeting (EGM).

The purpose of the EGM is to consider and if thought fit, pass the Resolutions.

The Directors recommend that Shareholders read this Explanatory Statement, which forms part of the accompanying Notice of Meeting of Shareholders, before determining whether to support the Resolutions or otherwise.

2.2. Approvals Required

ASX Listing Rule 7.1 provides that, without approval of the Shareholders, the Company must not issue or agree to issue more equity securities if such issue, if aggregated with the securities issued by the Company during the previous 12 months, would be such amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exemptions not relevant to the Company's present circumstances).

Although the issues of 28,076,000 Tranche 1 Placement Shares were within the 15% prescribed limit when issued, Shareholder approval was not obtained prior to the issues of those Shares.

However, ASX Listing Rule 7.4 treats the issues of those Tranche 1 Placement Shares made without the approval under ASX Listing Rule 7.1 as having been made with approval, for the purposes of ASX Listing Rule 7.1, if those issues did not breach ASX Listing Rule 7.1 and Shareholders subsequently approve them.

That issue did not breach ASX Listing Rule 7.1.

Under Resolution 1, the Company seeks the ratification by the Shareholders of the issues and allotments of the Tranche 1 Placement Shares, so as to 'refresh' the effect of ASX Listing Rule 7.1 on any further issues of securities in the next 12 months.

Under Resolution 2, the Company seeks approval by the Shareholders of the issues and allotments of the Tranche 2 Placement Shares, so as to maintain its 15% capacity under ASX Listing Rule 7.1.

2.3. Resolution 1 – Ratification of Previous Share Issue (Tranche 1 Placement Shares)

For the purposes of the ASX Listing Rule 7.5, the following information is given to Shareholders:

Issue Date: 3 September 2010

ASX Listing Rule 7.5.1: *Number of Shares:* 28,076,000

ASX Listing Rule 7.5.2: *Issue Price:* 28 cents cash each Share.

ASX Listing Rule 7.5.3: *Terms of the securities:* the issued shares are fully paid ordinary shares and are on the same terms as existing fully paid ordinary shares in the Company.

ASX Listing Rule 7.5.4: *Allottee (basis):* the allottees are certain professional and sophisticated investors and are not related parties of the Company.

ASX Listing Rule 7.5.5: *Use or intended use of the funds raised:* The funds raised by the issue and allotment of Tranche 1 Placement Shares to the Placement Investors will be applied to the near term development of the Wetar Copper Project, capital equipment purchases, payment of environmental bonds, relocating the Whim Creek plant from Australia and completion of a revised capital estimate for the planned expansion to 23,000 tonnes per annum copper cathode.

ASX Listing Rule 7.5.6: *A voting exclusion statement:* A voting exclusion statement is included at paragraph 1.2.1 of this Notice.

2.4. Resolution 2 – Participation in Share Placement by Placement Investors (Tranche 2 Placement Shares)

Pursuant to ASX Listing Rule 7.3, the following information is provided regarding ASX Listing Rule 7.1 approval:

ASX Listing Rule 7.3.1: *Maximum number of securities to be issued and allotted pursuant to Resolution 2:* Up to 47,000,000 Tranche 2 Placement Shares will be issued and allotted to Placement Investors.

ASX Listing Rules 7.3.2 and 7.3.7: *Date by which securities will be issued and allotted:* If Shareholder approval is obtained, the issue and allotment of Tranche 2 Placement Shares to the Placement Investors will occur on a date or dates which is or are no later than three months after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

ASX Listing Rule 7.3.3: *Issue price of securities:* The issue price is a cash issue price of 28 cents per Tranche 2 Placement Share.

ASX Listing Rule 7.3.4: *Names of allottees:* The allottees are the Placement Investors, who are certain professional and sophisticated investors and are not related parties of the Company.

ASX Listing Rule 7.3.5: *Terms of securities:* The Company will apply to the ASX to have Tranche 2 Placement Shares officially quoted and they will rank equally with all the other Shares on issue. In all other respects, the rights and entitlements of the holders in respect of the Tranche 2 Placement Shares issued to the Placement Investors will be identical to the rights and entitlements of the holders of existing issued Shares.

ASX Listing Rule 7.3.6: *Intended use of the funds:* The funds raised by the issue and allotment of Tranche 2 Placement Shares to the Placement Investors will be applied to the near term development of the Wetar Copper Project, capital equipment purchases, payment of environmental bonds, relocating the Whim Creek plant from Australia and completion of a revised capital estimate for the planned expansion to 23,000 tonnes per annum copper cathode.

ASX Listing Rule 7.3.8: *A voting exclusion statement:* A voting exclusion statement is included at paragraph 1.2.2 of this Notice.

3. APPOINTMENT OF A PROXY FORM

If appointing a Proxy to attend the Extraordinary General Meeting on your behalf, please complete and lodge this Proxy form in accordance with the instructions following.

I/We

being a shareholder/shareholders of Finders Resources Limited pursuant to my/our right to appoint not more than two proxies, appoint

<input type="checkbox"/> The Chairman of the Meeting (mark with an "X")	OR		Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.
or failing him/her			Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above) the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting to be held at 10.00 am (Sydney time) on Wednesday 6 October 2010 at Finders Resources Limited, Suite 59B, Level 3, 330 Wattle Street, Ultimo NSW 2007 and any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the Ordinary Shares I/we hold.

If you wish to indicate how your proxy is to vote, please place an "X" in the appropriate box, beside each resolution, below. If no indication is given on a resolution, the proxy may abstain or vote at his/her discretion. Proxies lodged in favour of the Chairman which do not include a vote will be used to vote in favour of the resolutions.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions. Votes cast by the Chair of the meeting for the resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolutions. The Chair intends to vote 100% of all open proxies in favour of all resolutions.

Voting directions to your proxy – please mark to indicate your directions

	For	Against	Abstain*
To consider and, if thought fit, to pass, with or without amendment, the following resolutions as ordinary resolutions:			
Resolution 1: To ratify issue of 28,076,000 Shares to Placement Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: To approve the placement of up to 47,000,000 Shares to Placement Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* *If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented. *Executed in accordance with section 127 of the Corporations Act 2001 (Cth):*

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>
Sole Director & Company Secretary	Director / Company Secretary	Director

Dated this _____ Day of _____ 2010

Instructions for Completing Proxy Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint a proxy to attend and vote on behalf of that member.
2. A duly appointed proxy need not be a member of the Company. This form should be signed by the member. If a joint holding, either member may sign. If signed by the member's attorney, the power of attorney must have been previously noted by the Company or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the member's constitution and the Corporations Act 2001.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act 2001. Section 127 of the Corporations Act 2001 provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
4. For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act 2001, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
5. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
6. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
7. To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:
 - post to Finders Resources Limited, Suite 51, Level 3 330 Wattle St Ultimo NSW 2007; or
 - facsimile to Finders Resources Limited on facsimile number +61 2 9212 0200,

so that it is received not later than 10.00 am, 5 October 2010, Sydney time.

Proxy forms received later than this time will be invalid.

8. Chapter 2C of the Corporations Act requires information about you as a member (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. You can access your personal information by contacting the Company at the address or telephone number shown on this form.



4. APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the Corporations Act 2001

_____ (ABN/ACN/ARBN _____)
(Insert name of Shareholder/Body Corporate & ACN/ARBN)

hereby authorises

(Insert name of appointee)

- (*) 1. To act as the Company's representative at all General Meetings of Finders Resources Limited (ABN 82 108 547 413).
- (*) 2. To act as the Company's Representative at the Extraordinary General Meeting to commence at **10.00 am** on **Wednesday 6 October 2010** and any adjournment thereof.

Dated this _____ day of _____ 2010

Executed by the corporation in accordance with its Constitution/Section 127 of the Corporations Act 2001 in the presence of:

(*) Director

(*) Sole Director & Sole Secretary

(*) Director/Secretary

Affix Common Seal here (optional)

(*) *Delete if not applicable*

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set out in the Notice of Extraordinary General Meeting which this appointment accompanies or handed in at the Extraordinary General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.