



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP18/19

Tuesday, 13 March 2018

Finders Resources Limited – Panel Declines to Conduct Proceedings

The Panel has declined to conduct proceedings on an application dated 1 March 2018 from Eastern Field Developments Limited¹ in relation to the affairs of Finders Resources Limited.

Finders is currently the subject of an unconditional off-market takeover bid by Eastern Field. The application concerned disclosure in the target's statement (see [TP18/17](#)).

The Panel requested and considered further material and relied on the following in reaching its decision:

- Finders submitted that its independent directors believe shareholders could expect from its previous disclosure that Finders' March 2018 quarter copper cathode production would be greater than in the December 2017 quarter (4,100 tonnes) and less than in the June 2017 quarter (6,804 tonnes).
- Finders also submitted that the independent directors maintain their belief that Finders will achieve production at around nameplate capacity of 28,000 tonnes per annum on an annualised basis during the June 2018 quarter and subsequent quarters consistent with their statements in the supplementary target's statement.
- In response to the application (and as requested by Eastern Field), Finders provided updated operational and financial information to the independent expert and technical specialist expert, including actual production levels for January and February 2018.
- The independent expert (as advised by the technical specialist expert) based its review on a more conservative recovery in production following the March 2018 quarter (despite the view of the independent directors noted above).

¹ A company jointly owned by Procap Partners Limited, PT Saratoga Investama Sedaya Tbk and PT Merdeka Copper Gold Tbk

- Having regard to the updated information from Finders and advice from the technical specialist expert, the independent expert confirmed that each change in the key assumptions had an immaterial impact on its valuation analysis (utilising a 10% materiality threshold) and that collectively the changes had a negligible impact on its valuation range and did not alter its opinion that Eastern Field's offer is neither fair nor reasonable.
- In response to Eastern Field's concerns in relation to working capital, Finders submitted that its independent directors maintain their view regarding Finders' balance sheet position and that no new circumstances have arisen that require additional disclosure at this time.

The Panel concluded there was no reasonable prospect that it would make a declaration of unacceptable circumstances. Accordingly, the Panel declined to conduct proceedings.

The sitting Panel was Stephanie Charles, Karen Evans-Cullen (sitting President) and Sharon Warburton.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

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