

## NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of members of Finders Resources Limited ABN 82 108 547 413 (“**Company**”) will be held at Suite 901, Level 9, 60 Pitt Street, Sydney NSW 2000 on Monday 1<sup>st</sup> July 2013, commencing 11am Sydney time.

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***This Notice of General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.***

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## ITEMS OF SPECIAL BUSINESS

### 1. RESOLUTION 1: APPROVAL OF PRIOR SHARE ISSUE TO PROVIDENT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That approval is hereby given, for the purpose of ASX Listing Rule 7.4 and all other purposes, to the issue on 20<sup>th</sup> May 2013 of 15,151,515 Shares at an issue price of \$0.165 cash per Share to Provident Nominees and otherwise on the terms and conditions set out in the Explanatory Statement.”

### 2. RESOLUTION 2: APPROVAL OF PRIOR FACILITY CONVERSION SHARE ISSUES TO RCF

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That approval is hereby given, for the purpose of ASX Listing Rule 7.4 and all other purposes, to the issue of 13,437,183 Shares to RCF, as follows:

1. On 20<sup>th</sup> May 2013, the issue of 9,360,000 Shares at an issue price of \$0.165 per Share; and
2. On 24<sup>th</sup> May 2013, the issue of 4,077,183 Shares at an issue price of \$0.165 per Share being Facility Conversion Shares, and otherwise on the terms and conditions set out in the Explanatory Statement.”

### 3. RESOLUTION 3: APPROVAL OF PRIOR FACILITY CONVERSION SHARE ISSUES TO TAURUS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That approval is hereby given, for the purpose of ASX Listing Rule 7.4 and all other purposes, to the issue of 17,916,244 Shares to Taurus, as follows:

1. On 20<sup>th</sup> May 2013, the issue of 12,480,000 Shares at an issue price of \$0.165 per Share; and
2. On 24<sup>th</sup> May 2013, the issue of 5,436,244 Shares at an issue price of \$0.165 per Share being Facility Conversion Shares, and otherwise on the terms and conditions set out in the Explanatory Statement.”

### 4. RESOLUTION 4: APPROVAL OF FACILITY CONVERSION SHARE ISSUE TO RCF

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Board to issue and allot 22,926,453 Facility Conversion Shares to RCF or its nominee at an issue price of \$0.165 each and otherwise on the terms and conditions set out in the Explanatory Statement.”

### 5. RESOLUTION 5: APPROVAL OF FACILITY CONVERSION SHARE ISSUE TO TAURUS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Board to issue and allot 30,568,604 Facility Conversion Shares to Taurus or its nominee at an issue price of \$0.165 each and otherwise on the terms and conditions set out in the Explanatory Statement.”

### 6. RESOLUTION 6: APPROVAL OF FACILITY INTEREST SHARE ISSUE TO RCF

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Board to issue and allot up to 200,000 Facility Interest Shares to RCF or its nominee at an issue price of \$0.165 per Share and otherwise on the terms and conditions set out in the Explanatory Statement.”

## **7. RESOLUTION 7: APPROVAL OF FACILITY INTEREST SHARE ISSUE TO TAURUS**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Board to issue and allot up to 250,000 Facility Interest Shares to Taurus or its nominee at an issue price of \$0.165 per Share and otherwise on the terms and conditions set out in the Explanatory Statement.”

## **8. VOTING RIGHTS AND PROXIES**

Notes:

- A member entitled to attend and vote at the meeting has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a member of the Company.
- 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.

### **8.1. HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES**

Subject to any voting exclusions (see paragraph 8.2 below of the Notice), the Chairman of the meeting will vote available proxies on, and in favour of, all of the proposed resolutions.

### **8.2. VOTING EXCLUSIONS**

#### **Resolution 1**

The Company will disregard any votes cast on Resolution 1 by:

- Provident;
- Provident Nominees; and
- any associate of those persons.

#### **Resolution 2**

The Company will disregard any votes cast on Resolution 2 by:

- RCF; and
- any associate of that person.

### Resolution 3

The Company will disregard any votes cast on Resolution 3 by:

- Taurus; and
- any associate of that person.

### Resolutions 4 and 6

The Company will disregard any votes cast on Resolutions 4 and 6 by:

- RCF;
- A person who may participate in the proposed issue and a person who might obtain a benefit, expect a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any associate of those persons.

### Resolutions 5 and 7

The Company will disregard any votes cast on Resolutions 5 and 7 by:

- Taurus;
- A person who may participate in the proposed issue and a person who might obtain a benefit, expect a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any associate of those persons.

However, for all Resolutions, the Company need not disregard a vote if:

- 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
- 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.

## 8.3. LODGING YOUR PROXY

Each Shareholder entitled to attend and vote at the meeting has a right to appoint a proxy. This appointment may specify the proportion or number of votes that the proxy may exercise. The proxy need not be a Shareholder of the Company. A Shareholder 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 Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the votes.

Proxies may be lodged by:

- posting or hand delivery to Finders Resources Limited, Suite 901, Level 9, 60 Pitt St Sydney NSW 2000; or

- facsimile to Finders Resources Limited on facsimile number +61 2 8068 2540, so that it is received not later than 24 hours before the time of holding the meeting.

#### **8.4. LODGING YOUR POWER OF ATTORNEY**

If a Shareholder has appointed an attorney to attend and vote at the meeting, or if a proxy form is signed by an attorney, the power of attorney must likewise be received by:

- posting or hand delivery to Finders Resources Limited, Suite 901, Level 9, 60 Pitt St Sydney NSW 2000; or
- facsimile to Finders Resources Limited on facsimile number +61 2 8068 2540

so that it is received not less than 24 hours before the time for holding the meeting.

#### **8.5. CORPORATE REPRESENTATIVES**

A Shareholder who is a body corporate may appoint an individual as a representative to exercise the Shareholder's voting rights at the General Meeting pursuant to section 250D of the Corporations Act 2001. Representatives will be required to present documentary evidence of their appointment on the day of the meeting.

#### **8.6. DATE FOR DETERMINING HOLDERS OF SHARES**

For the purposes of regulation 7.11.37 of the Corporations Act 2001 and ASX Settlement Operating Rule 5.6.1, the Board has set the End of Day on Thursday 27<sup>th</sup> June 2013 as the time and date to determine holders of the Company's ordinary fully paid shares for the purposes of the General Meeting. Share transfers registered after that deadline will be disregarded in determining entitlements to attend and vote at the General Meeting.

In accordance with the Corporations Act 2001 for the resolutions to be effective:

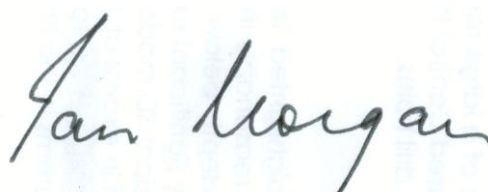
- the resolutions must be passed at a General Meeting of which not less than 28 clear days written notice specifying the intention to propose the resolutions has been given (satisfied by this Notice); and
- in the case of ordinary resolutions must be passed by more than 50% of all the votes cast by Shareholders of the Company 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.

By Order of the Board:

Ian Morgan, Company Secretary

Wednesday, 29<sup>th</sup> May 2013



## 9. EXPLANATORY STATEMENT

### 9.1. APPROVAL OF PRIOR SHARE ISSUE TO PROVIDENT

On 1<sup>st</sup> May 2013, the Company announced that it has entered into a subscription agreement with Provident to raise \$2,500,000 at \$0.165 per Share.

On 20<sup>th</sup> May 2013, the Company issued and allotted a total of 15,151,515 Shares to Provident Nominees, for a price of \$0.165 per Share.

|                             | Number of<br>Shares |
|-----------------------------|---------------------|
| Provident Minerals Pte Ltd  | 6,060,606           |
| Garibaldi Thohir            | 3,030,303           |
| PT Saratoga InvestamaSedaya | 6,060,606           |
|                             | <u>15,151,515</u>   |

Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the issue of the Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any Equity Securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The issue did not breach ASX Listing Rule 7.1.

By approving this issue, the Company will retain the flexibility to issue Equity Securities in the future up to:

- (a) the 15% annual placement capacity set out in ASX Listing Rule 7.1; and
- (b) 10% placement facility set out in ASX Listing Rule 7.1A and approved by Shareholders at a meeting on 23<sup>rd</sup> May 2013

without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the approval of the matters specified above:

- (a) a total of 15,151,515 Shares were issued and allotted;
- (b) the issue price for the Shares was \$0.165 per Share;
- (c) the Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Provident Nominees as set out above; and
- (e) the Company intends to use the funds raised from the Shares as part of the Wetar Island Copper Project financing in support of near term capital expenditure requirements, and for general working capital;

(f) A voting exclusion statement is included in the Notice.

Each of the Directors recommends that Shareholders vote in favour of Resolution 1.

## 9.2. APPROVAL OF PRIOR SHARE ISSUES TO RCF AND TAURUS

On 7<sup>th</sup> June 2012, the Company announced that three of its major Shareholders, RCF, Taurus and Acorn Capital ('Acorn') agreed to provide a loan facility of up to \$8 million to the Company. The funds are being used for the continued development of the Wetar Copper Project including continuing funding of the refurbishment of the MFO generators, additional engineering and design work and progressing the project financing.

The loan facility is by way of an amendment to the Convertible Equity Facility dated 25<sup>th</sup> October 2011, which was the subject of a Shareholders' meeting held on 8<sup>th</sup> March 2012. Under the Convertible Equity Facility, RCF and Taurus agreed to lend the Company up to \$8,000,000. Under the Amended Convertible Equity Facility, the facility was increased by \$8,000,000 to \$16,000,000, with AMI becoming a party to the facility agreement and RCF, Taurus and AMI agreeing to lend the Company the increased facility amount totalling up to \$8,000,000.

The Amended Convertible Equity Facility matured on 24<sup>th</sup> October 2012 and, on 22<sup>nd</sup> October 2012, was extended until 24<sup>th</sup> October 2013.

### Acorn

As the Company announced on 17<sup>th</sup> December 2012, Acorn elected to convert its \$2,000,000 loan into Shares for a price of \$0.20 per Share into 10,000,000 Facility Conversion Shares.

On 19<sup>th</sup> December 2012, the Company issued and allotted 7,800,000 Facility Conversion Shares to AMI, for a price of \$0.20 per Share.

On 30<sup>th</sup> January 2013, the Company issued and allotted 2,200,000 Facility Conversion Shares to AMI, for a price of \$0.20 per Share.

The Facility Conversion Shares issued on 30<sup>th</sup> January 2013 were approved by Shareholders at a meeting on 18<sup>th</sup> January 2013.

The Facility Conversion Shares issued on 19<sup>th</sup> December 2012 were approved by Shareholders at a meeting on 23<sup>rd</sup> May 2013.

### RCF and Taurus

As announced on 7<sup>th</sup> May 2013 by the Company, RCF and Taurus elected to convert their loans totalling \$14,000,000 (RCF \$6,000,000 and Taurus \$8,000,000) into Shares for a price of \$0.165 per Share into 84,848,484 (RCF 36,363,636 and Taurus 48,484,848) Facility Conversion Shares.

To the date of this Notice, in accordance with ASX Listing Rules 7.1 a total of 31,353,427 Shares for a price of \$0.165 per Share has been issued to RCF and Taurus as follows:



FINDERS RESOURCES LIMITED NOTICE OF GENERAL MEETING 1<sup>st</sup> July 2013

| Date                      | ASX Listing Rule | RCF               |                  | Taurus            |                  | Total             |                   | Convertible Equity Facility Balance |            |
|---------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------------------------|------------|
|                           |                  | Number of Shares  | \$               | Number of Shares  | \$               | Number of Shares  | \$                | \$                                  | \$         |
| 19 <sup>th</sup> May 2013 |                  |                   |                  |                   |                  |                   |                   |                                     | 14,000,000 |
| 20 <sup>th</sup> May 2013 | 7.4              | 9,360,000         | 1,544,400        | 12,480,000        | 2,059,200        | <b>21,840,000</b> | <b>3,603,600</b>  |                                     | 10,396,400 |
| 24 <sup>th</sup> May 2013 | 7.4              | 4,077,183         | 672,735          | 5,436,244         | 896,980          | <b>9,513,427</b>  | <b>1,569,715</b>  |                                     | 8,826,685  |
|                           |                  | 13,437,183        | 2,217,135        | 17,916,244        | 2,956,180        | <b>31,353,427</b> | <b>5,173,315</b>  |                                     | 8,826,685  |
|                           | 7.1              | 22,926,453        | 3,782,865        | 30,568,604        | 5,043,820        | <b>53,495,057</b> | <b>8,826,685</b>  |                                     | -          |
| <b>Total</b>              |                  | <b>36,363,636</b> | <b>6,000,000</b> | <b>48,484,848</b> | <b>8,000,000</b> | <b>84,848,484</b> | <b>14,000,000</b> |                                     | -          |

The key terms of the Amended Convertible Equity Facility are set out below.

[Terms of Amended Convertible Equity Facility](#)

The principal terms of the Amended Convertible Equity Facility are:

- The total facility amount initially totalled up to \$16,000,000 provided by RCF, Taurus and AMI;
- With AMI's conversion of its \$2,000,000 loan into Shares, the total facility amount reduced by \$2,000,000 to \$14,000,000;
- With conversions by RCF and Taurus of \$5,173,315 loans into Shares, the total facility amount reduced by \$5,173,315 to \$8,826,685;
- With conversion by RCF and Taurus of \$8,826,685 loans into Shares, the total facility amount will reduce by \$8,826,685 to \$Nil;
- the facility is unsecured;
- interest rate of 8% p.a. payable quarterly in arrears and was, subject to agreement between the individual Lenders and the Company, paid by way of issue of Shares at the weighted average market price for the Shares on the five trading days preceding the conversion notice;
- on 17<sup>th</sup> May 2013, the Company, RCF and Taurus agreed that interest is payable by way of issue of Shares at the fixed price of \$0.165 per Share;
- the facility is repayable on the earlier of the project equity raising for development of the Wetar Island Copper Project or 24<sup>th</sup> October 2013;
- if the Company is issuing Shares, the individual Lenders may elect to convert some or all of the Amended Convertible Equity Facility into Shares at the same issue price per Share as the equity raising;
- RCF, Taurus and AMI were paid a facility establishment fee totalling \$320,000 being 2.0% of the facility amount under the Amended Convertible Equity Facility. Payment of this facility fee to RCF,

Taurus and AMI was satisfied by the issue of a total of 1,564,792 Facility Establishment Fee Shares;

- RCF, Taurus and AMI were granted Facility Establishment Options over a total of 31,298,904 Shares in consideration for the renewed facility amount under the Amended Convertible Equity Facility, the terms of the Facility Establishment Options are described below;
- the Company is required to use funds raised on the exercise of the Facility Establishment Options to repay any outstanding amounts under the Amended Convertible Equity Facility;
- the Company agreed not to dispose of all or a substantial part of its property, with certain exceptions including receiving consents from the Lenders, or disposals in the ordinary course of business for arm's length consideration; and
- the Company has undertaken not to change its Wetar Copper Project and take all action necessary or desirable in order to operate the Wetar Copper Project and ensure that all its assets are maintained in good and efficient operating condition.

#### Facility Interest Shares

Pursuant to the terms of the Amended Convertible Equity Facility, facility interest of 8% p.a. payable quarterly in arrears was permitted to be paid by way of issue of Shares at the weighted average market price for the Shares on the five trading days preceding the conversion notice. On 17<sup>th</sup> May 2013, the Company, RCF and Taurus agreed that interest is payable by way of issue of Shares at the fixed price of \$0.165 per Share.

#### Facility Establishment Options

Pursuant to the terms of the Amended Convertible Equity Facility, RCF, Taurus and AMI were granted Facility Establishment Options over a total of 31,298,904 Shares in consideration for the renewed facility amount. The principle terms of the Facility Establishment Options are as follows:

- each Facility Establishment Option is an option to acquire one Share at an exercise price of \$0.2556 per Share;
- the Facility Establishment Options may be exercised at any time up to and including 21<sup>st</sup> October 2017; and
- the Company is required to use funds raised on the exercise of the Facility Establishment Options to repay any outstanding amounts under the Amended Convertible Equity Facility.

The granting of the Facility Establishment Options was ratified pursuant to ASX Listing Rule 7.4 by members, at the Company's general meeting held 18<sup>th</sup> January 2013.

Resolutions 2 and 3 seek Shareholder approval pursuant to ASX Listing Rule 7.4 for the issue of the Facility Conversion Shares.

The issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 was approved by Shareholders at a meeting on 23<sup>rd</sup> May 2013.

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 or 7.1A (and provided that the previous issue does not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1 or 7.1A.

The issues did not breach ASX Listing Rule 7.1 or 7.1A.

By approving this issue, the Company will retain the flexibility to issue Equity Securities in the future up to:

- (a) the 15% annual placement capacity set out in ASX Listing Rule 7.1; and
- (b) 10% placement facility set out in ASX Listing Rule 7.1A and approved by Shareholders at a meeting on 23<sup>rd</sup> May 2013

without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the approval of the matters specified above:

- (a) a total of 31,353,427 Facility Conversion Shares were issued and allotted;
- (b) the issue price for the Facility Conversion Shares was \$0.165 per Share;
- (c) the Facility Conversion Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Facility Conversion Shares were issued to RCF and Taurus as set out above; and
- (e) the Facility Conversion Shares were issued in part satisfaction of the obligation to pay the loan totalling \$14,000,000 and under the Amended Convertible Equity Facility as described above.
- (f) A voting exclusion statement is included in the Notice.

Each of the independent Directors recommends that Shareholders vote in favour of Resolutions 2 and 3.

### **9.3. APPROVAL OF FACILITY CONVERSION SHARE ISSUES TO RCF AND TAURUS**

Resolutions 4 and 5 seek Shareholder approval for the issue and allotment of 53,495,057 Facility Conversion Shares to RCF (22,926,453) and Taurus (30,568,604).

As announced on 7<sup>th</sup> May 2013 by the Company, RCF and Taurus elected to convert their loans totalling \$14,000,000 (RCF \$6,000,000 and Taurus \$8,000,000) into Shares for a price of \$0.165 per Share into 84,848,484 (RCF 36,363,636 and Taurus 48,484,848) Facility Conversion Shares.

To the date of this Notice, in accordance with ASX Listing Rules 7.1 a total of 31,353,427 Facility Conversion Shares for a price of \$0.165 per Share has been issued to RCF and Taurus.

Resolutions 2 and 3 seek Shareholder approval for the total of 31,353,427 Facility Conversion Shares issued to the date of this Notice.

Resolutions 4 and 5 seek Shareholder approval for the total of the remaining 53,495,057 Facility Conversion Shares still to be issued to RCF and Taurus.

Further details are set out in section 9.2 of the Explanatory Statement.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any Equity Securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of passing the resolution will be to allow the Directors to issue the remaining Facility Conversion Shares during the three month period after the General Meeting (or a longer period if allowed by the ASX), without using the Company's 15% placement capacity under ASX Listing Rule 7.1 or the 10% placement capacity under ASX Listing Rule 7.1A.

The Company may only deliver Facility Conversion Shares to the Lenders, if the Company:

- (a) can do so without the approval of Shareholders in accordance with ASX Listing Rule 7.1;
- (b) can do so with the approval of Shareholders in accordance with ASX Listing Rule 7.1A; or
- (c) the approval of Shareholders in accordance with ASX Listing Rule 7.1 is required and the Company has obtained such approval.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Facility Conversion Shares:

- (a) the maximum number of Facility Conversion Shares to be issued is 53,495,057;
- (b) the Facility Conversion Shares would be issued no later than three months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price of the Facility Conversion Shares is \$0.165 per Share;
- (d) the Facility Conversion Shares will be issued and allotted to RCF and Taurus;
- (e) the Facility Conversion Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Facility Conversion Shares in full and final satisfaction of the obligation to pay the loan totalling \$14,000,000 under the Amended Convertible Equity Facility as described above;
- (g) issue and allotment of the Facility Conversion Shares may occur progressively; and
- (h) A voting exclusion statement is included in the Notice.

Each of the independent Directors recommends that Shareholders vote in favour of Resolutions 4 and 5.

#### 9.4. APPROVAL OF FACILITY INTEREST SHARE ISSUES TO RCF AND TAURUS

Resolutions 6 and 7 seek Company shareholder approval for the issue and allotment of up to 450,000 Facility Interest Shares to RCF (200,000) and Taurus (250,000).

The effect of passing the resolution will be to allow the Directors to issue the remaining Facility Interest Shares during the three month period after the General Meeting (or a longer period if allowed by the ASX), without using the Company's 15% placement capacity under ASX Listing Rule 7.1 or the 10% placement capacity under ASX Listing Rule 7.1A.

As set out in section 9.2 of the Explanatory Statement, the Amended Convertible Equity Facility's interest rate of 8% p.a. is payable quarterly in arrears and was permitted to be paid by way of issue of Shares at the weighted average market price for the Shares on the five trading days preceding the conversion notice.

On 17<sup>th</sup> May 2013, the Company, RCF and Taurus agreed that interest is payable by way of issue of Shares at the fixed price of \$0.165 per Share.

The Company may only deliver Facility Interest Shares to the Lenders, if the Company:

- (a) can do so without the approval of Shareholders in accordance with ASX Listing Rule 7.1;
- (b) can do so with the approval of Shareholders in accordance with ASX Listing Rule 7.1A; or
- (c) the approval of Shareholders in accordance with ASX Listing Rule 7.1 is required and the Company has obtained such approval.

The Company and individual Lenders have agreed to pay the Amended Convertible Equity Facility's interest by way of issue of Shares for an issue price of \$0.165 per Share.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Facility Interest Shares:

- (a) the maximum number of Facility Interest Shares to be issued is 450,000;
- (b) the Facility Interest Shares would be issued no later than three months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price of the Facility Interest Shares is \$0.165 per Share;
- (d) the Facility Interest Shares will be issued and allotted to RCF and Taurus;
- (e) the Facility Interest Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Facility Interest Shares to convert the individual Lenders' rights into Shares, in respect of the Company's obligation to pay interest;
- (g) issue and allotment of the Facility Interest Shares may occur progressively; and
- (h) A voting exclusion statement is included in the Notice.

Each of the independent Directors recommends that Shareholders vote in favour of Resolutions 6 and 7.

#### 9.5. GLOSSARY

\$ means Australian dollars unless stated otherwise.

**Acorn Capital** means Acorn Capital Limited ABN 51 082 694 531, a company associated with AMI.

**Amended Convertible Equity Facility** means the amended convertible loan facility dated 6<sup>th</sup> June 2012 under which:

1. The Convertible Equity Facility was increased by \$8,000,000 to \$16,000,000;
2. On 22<sup>nd</sup> October 2012 the Convertible Equity Facility was extended until 24<sup>th</sup> October 2013;
3. On 30<sup>th</sup> January 2013 the Convertible Equity Facility decreased to \$14,000,000 with AMI's conversion into Shares of its \$2,000,000 loan under the facility for \$0.20 per Share;
4. On 20<sup>th</sup> May 2013 the Convertible Equity Facility decreased to \$10,396,400 with conversion by RCF and Taurus into Shares of their \$14,000,000 total loan under the facility and issue of 21,840,000 Shares for \$0.165 per Share;
5. On 24<sup>th</sup> May 2013 the Convertible Equity Facility decreased to \$8,826,685 with the issue of 9,513,427 Shares for \$0.165 per Share; and
6. The Convertible Equity Facility will decrease to \$Nil with the proposed issue of 53,495,057 Shares for \$0.165 per Share.

**AMI** means Australian Microcap Investments Pty Ltd ABN 17 127 745 395, a company associated with Acorn Capital.

**Associate** has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act 2001.

**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, and **Listing Rules** has a corresponding meaning.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532.

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

**Class** has the same meaning as defined by the ASX Listing Rules.

**Company** means Finders Resources Limited ABN 82 108 547 413.

**Consolidated Entity** means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.

**Convertible Equity Facility** means the convertible loan facility provided by RCF and Taurus to the Company on or about 24<sup>th</sup> October 2011 as described in section 9.2 of the Explanatory Statement, pursuant to which RCF and Taurus agreed to lend the Company up to A\$8,000,000.

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

**Corporations Act 2001** means the Corporations Act 2001 (Commonwealth) as amended from time to time.

**Directors** mean the directors for the time being of the Company or the directors assembled as a board.2012

**End of Day** means on any trading day, 7.00pm Sydney time or such other time as ASX Settlement may from time to time determine.

**Equity Securities** has the same meaning as in the ASX Listing Rules.

**Explanatory Statement** means the notes included in the Notice which convened this meeting.

**Facility Conversion Shares** means Shares issued upon conversion of the loan under the Amended Convertible Equity Facility, and described in sections 9.2 and 9.3 of the Explanatory Statement.

**Facility Interest Shares** are Shares issued and allotted pursuant to the Amended Convertible Equity Facility and described in section 9.2 of the Explanatory Statement.

**GM or General Meeting** means the general meeting to commence 11am Sydney time on Monday 1st July 2013 and notified to the Shareholders by this Notice.

**Lenders** mean RCF and Taurus.

**Notice** means this notice of General Meeting.

**Provident** means Provident Capital Partners Pte. Ltd.

**Provident Nominees** means:

1. Provident Minerals Pte. Ltd;
2. Garibaldi Thohir; and
3. PT Saratoga InvestamaSedaya

each a nominee of Provident.

**RCF** means Resource Capital Fund IV, L.P.

**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.

**Trading Day** means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.

**Taurus** means Taurus Funds Management Pty Limited ABN 52 121 452 560.

#### 9.6. REGISTERED OFFICE:

Finders Resources Limited ABN: 82 108 547 413

Suite 901, Level 9, 60 Pitt Street Sydney NSW 2000

Telephone: +61 2 8084 1812

[www.findersresources.com](http://www.findersresources.com)

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**10. PROXY FORM**

I/We, \_\_\_\_\_

*(name / address)*

being a member/s of Finders Resources Limited ABN: 82 108 547 413 (**Company**) hereby appoint

\_\_\_\_\_

*(name / address)*

or failing him or her the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the General Meeting of the Company to be held at the Suite 901, Level 9, 60 Pitt Street, Sydney NSW 2000, on Monday 1st July 2013, commencing at 11am Sydney time, and at any adjournment of that meeting.

If the Chairman 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 Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions. Votes cast by the Chairman 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 Chairman of the Meeting 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.

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 vote will not be counted in computing the required majority on a poll.

This proxy is to be used in respect of all / \_\_\_% (number) of the Ordinary Shares I / we hold.

I/We instruct my/our proxy to vote as follows (the resolutions are numbered as in the Notice of General Meeting):

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

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

|   | For                      | Against                  | Abstain                  |
|---|--------------------------|--------------------------|--------------------------|
| <b>Resolution 1:</b> Approval of Prior Share Issue to Provident                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 2:</b> Approval of Prior Facility Conversion Share Issues to RCF    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 3:</b> Approval of Prior Facility Conversion Share Issues to Taurus | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 4:</b> Approval of Facility Conversion Share Issue to RCF           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 5:</b> Approval of Facility Conversion Share Issue to Taurus        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 6:</b> Approval of Facility Interest Share Issue to RCF             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 7:</b> Approval of Facility Interest Share Issue to Taurus          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Dated: \_\_\_\_\_ 2013

**Individuals and joint holders**

**Companies (affix common seal if appropriate)**

Signature

Director

Signature

Director/Company Secretary

### 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. You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on one item, your vote on that item will be invalid.
3. 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.
4. 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.
5. 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.
6. 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
7. 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.
8. To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:
  - posting or hand delivery to Finders Resources Limited, Suite 901, Level 9, 60 Pitt St Sydney NSW 2000; or
  - facsimile to Finders Resources Limited on facsimile number +61 2 8068 2540,so that it is received not later than 24 hours before the time of holding the meeting.

**Proxy forms received later than this time will be invalid.**

9. Chapter 2C of the Corporations Act 2001 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.

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**11. 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 General Meeting to be held at 11am Sydney time on Monday 1st July 2013 and any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013

**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 General Meeting which this appointment accompanies or handed in at the General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.

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