



9 October 2017

Dawn James
Adviser, Listings Compliance (Perth)
ASX Limited

By email: Dawn.James@asx.com.au

Dear Dawn

Finders Resources Limited – Response to ASX aware query

Finders Resources Limited (ASX:FND) (**FND** or the **Company**) refers to:

- your letter dated 6 October 2017; and
- an announcement by Eastern Field Developments Limited, a special purpose vehicle jointly owned by Procap Partners Limited, PT Saratoga Investama Sedaya Tbk (IDX: SRTG) and PT Merdeka Copper Gold Tbk (IDX: MDKA) (together, the **Consortium**), stating the Consortium's intention to make an off-market takeover offer for all of the shares in FND (**Proposed Offer**), (**Proposed Offer Announcement**).

Set out below is the response of FND to each of the questions in your letter dated 6 October 2017.

All references to times in this letter are to the time in Perth, Western Australia and are approximate. Unless stated otherwise, all events referred to by time occurred on 6 October 2017.

1. Does FND consider the information in the Proposed Offer Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes. The Proposed Offer would be an offer to acquire all of the shares in FND and, accordingly, is potentially material for FND.

However, FND notes that:

- the offer price under the Proposed Offer is \$0.23 per FND share, which is the same as the FND closing price on 5 October 2017 (the trading day immediately prior to the date on which the Proposed Offer Announcement was released); and
- the FND closing price on 6 October 2017 was \$0.235 per FND share, which is not materially different to the FND closing price on 5 October 2017 of \$0.23 per FND share.



Contacts:

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Non-Executive Chairman
Mr Barry Cahill
Managing Director
Mr Wayne Apted
Chief Financial Officer

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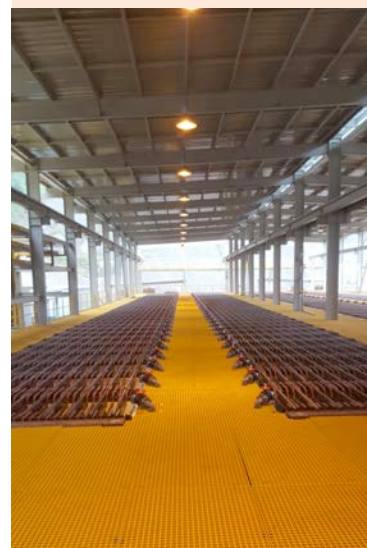
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ASX Code: FND

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2. If the answer to question 1 is "no", please advise the basis for that view.

Not applicable.

3. If the answer to question 1 is "yes", when did FND first become aware of the information in the Proposed Offer Announcement?

FND first received any notice of the Proposed Offer Announcement at 6:45 am, when Mr Barry Cahill (Managing Director of FND) was informed in a telephone call with a representative of the Consortium that an offer would be made for FND. The telephone conversation was brief, and Mr Cahill was not made aware of the full details of the Proposed Offer Announcement (or, indeed, even enough information that could reasonably have formed the basis of an announcement to ASX).

At 6:49 am, the Consortium's representative sent the Proposed Offer Announcement to certain representatives of FND, including Mr Cahill. At this time, Mr Cahill was in transit to FND's offices. By 7:15 am, Mr Cahill had accessed that email and read the attached Proposed Offer Announcement. FND considers this to be the time at which FND was "aware" of the information in the Proposed Offer Announcement.

4. If the answer to question 1 is "yes" and FND first became aware of the information before the Proposed Offer Announcement was lodged on the Platform, did FND make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe FND was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps FND took to ensure that the information was released promptly and without delay.

FND is aware of, and has processes and policies in place to ensure compliance with, its continuous disclosure obligations under Listing Rules 3.1 and 3.1A. FND considers that its obligation to disclose the Proposed Offer arose "immediately" upon FND becoming aware of the Proposed Offer.

In explaining the meaning of "immediately", paragraph 4.5 ASX Guidance Note 8 (GN8) refers to authority that states that "immediately" is analogous to "promptly and without delay". GN8 then states that:

Doing something "promptly and without delay" means doing it as quickly as it can be done in the circumstances (acting promptly) and not deferring, postponing or putting it off to a later time (acting without delay).

FND considers that it did act promptly without delay, in that it

- first, requested a trading halt from ASX as soon as it reasonably could after becoming aware of the Proposed Offer, so as to ensure that trading in FND shares did not occur on an uninformed basis; and
- then, released the Proposed Offer Announcement (and came out of trading halt) as soon as it reasonably could in the circumstances, after taking legal advice.

Specifically:

- After becoming aware of the information in the Proposed Offer Announcement at 7:15 am, Mr Cahill immediately contacted me (FND's Company Secretary) and instructed me to request a trading halt from ASX to enable FND to:
 - obtain legal advice as to FND's disclosure obligations; and
 - prepare an appropriate covering announcement for the Proposed Offer Announcement to be released to ASX.

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- At 7:19 am, I contacted ASX by telephone to request an immediate trading halt in the Company's securities. I confirmed to ASX that I believed the Proposed Offer Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities and requested that the Company's securities be placed in a trading halt immediately. I advised ASX I would send through the written trading halt request as soon as possible. I confirmed the wording of the written trading halt request with ASX.
- At 7:35 am, I sent the written request for a trading halt to ASX via email to tradinghaltsperth@asx.com.au.
- At 7:37 am, ASX contacted me by telephone to request an amendment to the wording of FND's trading halt request. I approved the amendment.
- At 7:49 am, I sent an amended written request for a trading halt to ASX via email to tradinghaltsperth@asx.com.au.
- At 8:00 am the trading halt on FND's securities was processed by ASX and was released to the ASX announcements platform.
- Between 8:00 am and 9:00 am FND consulted with ASX and took legal advice regarding its disclosure obligations in respect of the Proposed Offer and, as quickly as it could in the circumstances, prepared a covering "take no action" announcement to attach and release the Proposed Offer Announcement.
- At 9:02 am FND sent the Proposed Offer Announcement to ASX, together with the covering "take no action" announcement, and these documents were released on ASX at 9:05 am. Shortly after that FND came out of trading halt.

5. Please confirm that FND is in compliance with the Listing Rules and, in particular, Listing Rule 3.1

We confirm that FND is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that FND's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of FND with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed.

Yours sincerely



Susan Hunter

Company Secretary



6 October 2017

Ms Susan Hunter
Company Secretary
Finders Resources Limited
25 Colin Street
West Perth, WA 6005

By email:

Dear Ms Hunter

Finders Resources Limited ("FND"): aware query

ASX Limited ("ASX") refers to the following:

- A. FND's announcement entitled "Takeover Offer to be made for Finders Resources Limited" lodged on the ASX Market Announcements Platform at 9:05 am Perth time on 6 October 2017 and released at 9:18 am Perth time on 6 October 2017 (the "Proposed Offer Announcement"), disclosing the intention by Eastern Field Developments Limited to make an off-market takeover offer for all of the shares in FND.
- B. FND's request for a trading halt sent to tradinghaltspert@asx.com.au and received at 7:35 am Perth time and amended request for a trading halt received at 7:49 am Perth time.
- C. The trading halt placed on FND's securities which was processed by ASX at 8:00 am Perth time.
- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks FND to respond separately to each of the following questions and requests for information:

1. Does FND consider the information in the Proposed Offer Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did FND first become aware of the information in the Proposed Offer Announcement?
4. If the answer to question 1 is "yes" and FND first became aware of the information before the Proposed Offer Announcement was lodged on the Platform, did FND make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe FND was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps FND took to ensure that the information was released promptly and without delay.
5. Please confirm that FND is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that FND's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of FND with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before

6.30 a.m. Perth time on Monday 9 October 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in FND's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, FND's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltsperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to FND's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that FND's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in FND's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Dawn James
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