

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 51, Level 3, 330 Wattle Street, Ultimo NSW 2007.

Time: 10 am

Date: 4 May 2009

The meeting will consider a number of 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
2 April 2009

NOTICE IS GIVEN that an Extraordinary General Meeting of the Company will be held on 4 May 2009 at 10 am at Finders Resources Limited, Suite 51, 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 (Tranche 1 Shares)

Resolution 1 is to consider and, if thought fit, with or without amendment, to 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 8 December 2008, of 208,333 fully paid ordinary shares in the capital of the Company (“Tranche 1 Shares”) for a cash issue price of 60 cents per Share, to the person specified in the explanatory statement forming part of this Notice.”

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

1.1.2. Resolution 2 – Ratification of Previous Share Issue (Tranche 2 Shares)

Resolution 2 is to consider and, if thought fit, with or without amendment, to 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 19 January 2009 of 112,500 fully paid ordinary shares in the capital of the Company (“Tranche 2 Shares”) for a cash issue price of 40 cents per Share, to that person specified in the explanatory statement forming part of this Notice.”

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

1.1.3. Resolution 3 – Ratification of Previous Convertible Note Issue (Tranche 1 Notes)

Resolution 3 is to consider and, if thought fit, with or without amendment, to pass the following ordinary Resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue, by the Company on 20 January 2009, of convertible notes with a total value of USD 1,000,000.00 (\$1,536,570.37) (Tranche 1 Notes), to that person and with the terms and conditions set out in the explanatory statement forming part of this Notice.”

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

1.1.4. Resolution 4 – Ratification of Previous Convertible Note Issue (Tranche 2 Notes)

Resolution 4 is to consider and, if thought fit, with or without amendment, to pass the following ordinary Resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the drawing down by the Company on 19 February 2009, of convertible notes with a total value of USD 500,000.00 (\$787,401.57) (**Tranche 2 Notes**), to that person and with the terms and conditions set out in the explanatory statement forming part of this Notice."

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

1.1.5. Resolution 5 – Ratification of Previous Share Issue (Tranche 3 Shares)

Resolution 5 is to consider and, if thought fit, with or without amendment, to pass the following resolution as an 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 27 March 2009 of 6,400,000 fully paid ordinary shares in the capital of the Company ("Tranche 2 Shares") for a cash issue price of 20 cents per Share, to that person set out in the explanatory statement forming part of this Notice."

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 5.

1.1.6. Resolution 6 – Approval of Share Placement to Placement Shareholders (Tranche 4 Shares)

To consider and, if thought fit, with or without amendment, to 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 30,000,000 Shares to the Placement Investors for a cash issue price of 20 cents per Share."

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 6.

1.1.7. Resolution 7 – Conversion of the Fountain Market Conversion Price Advance to Shares (Tranche 5 Shares)

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

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue and allot up to 1,000,000 Shares to Russell Fountain, a Director (or his nominee), for an issue price of 20 cents per Share in full repayment of the Fountain Market Conversion Price Advance totalling \$200,000.00."

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 7.

1.1.8. Resolution 8 – Conversion of the Fountain Market Conversion Price Advance Interest to Shares (Tranche 6 Shares)

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

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue and allot up to 30,136 Shares to Russell Fountain, a Director (or his nominee), for an issue price of 20 cents per Share in full repayment of capitalised Fountain Market Conversion Price Advance interest at the rate of 10% per annum for the period 14 January 2009 to 4 May 2009 and totalling \$6,027.40.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 8.

1.1.9. Resolution 9 – Conversion of the Farmer Advance to Shares (Tranche 7 Shares)

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

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue and allot up to 397,514 Shares to Christopher Farmer, a Director (or his nominee), for an issue price of 20 cents per Share in full repayment of the Farmer Advance totalling \$79,502.80."

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 9.

1.1.10. Resolution 10 – Conversion of the Farmer Advance Interest to Shares (Tranche 8 Shares)

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

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue and allot up to 11,979 Shares to Christopher Farmer, a Director, or his nominee for an issue price of 20 cents per Share in full repayment of capitalised Farmer Advance interest at the rate of 10% per annum for the period 14 January 2009 to 4 May 2009 and totalling \$2,395.97.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 10.

1.1.11. Resolution 11– Conversion of the De Belle Market Conversion Price Advance to Shares (Tranche 9 Shares)

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

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue and allot up to 1,000,000 Shares to

Stephen de Belle, a Director (or his nominee), for an issue price of 20 cents per Share in full repayment of the De Belle Market Conversion Price Advance totalling \$200,000.00."

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 11.

1.1.12. Resolution 12 – Conversion of the De Belle Market Conversion Price Advance Interest to Shares (Tranche 10 Shares)

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

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue and allot up to 30,136 Shares to Stephen de Belle, a Director (or his nominee), for an issue price of 20 cents per Share in full repayment of capitalised De Belle Market Conversion Price Advance interest at the rate of 10% per annum for the period 14 January 2009 to 4 May 2009 and totalling \$6,027.40.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 12.

1.1.13. Resolution 13 – Conversion of the Thomson Advance to Shares (Tranche 11 Shares)

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

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue and allot up to 500,000 Shares to Robert Thomson, a Director (or his nominee), for an issue price of 20 cents per Share in full repayment of the Thomson Advance totalling \$100,000.00."

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 13.

1.1.14. Resolution 14 – Conversion of the Thomson Advance Interest to Shares (Tranche 12 Shares)

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

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue and allot up to 15,168 Shares to Robert Thomson, a Director (or his nominee), for an issue price of 20 cents per Share in full repayment of capitalised Thomson Advance interest at the rate of 10% per annum for the period 14 January 2009 to 4 May 2009 and totalling \$3,013.70.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 14.

1.1.15. Resolution 15 – Granting Options to Robert Thomson

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

“That, for the purposes of ASX Listing Rule 10.11, approval is given for the Directors to grant 2,000,000 Options to Robert Thomson, a Director (or his nominee), on the terms and conditions set out in the Explanatory Statement.”

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 15.

1.2. Voting Exclusion Statements

1.2.1. Resolution 1

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

- (i) Alchemy;
- (ii) any Associate of Alchemy; and
- (iii) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an Associate of any such person.

However, the Company will not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) a 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. Resolutions 2, 3 and 4

For the purposes of ASX Listing Rule 7.5.6 and ASX Listing Rule 14.11.1, and all other purposes, the Company will disregard any votes cast on Resolutions 2, 3 and 4 by:

- (i) RCF;
- (ii) any Associate of RCF; and
- (iii) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an Associate of any such person.

However, the Company will not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (ii) a 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.

1.2.3. Resolution 5

In accordance with the notice requirements of ASX Listing Rule 7.5.6 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 5 by:

- (i) a person who participated in the issue of Shares referred to in Resolution 5;
- (ii) any Associate of that person; and
- (iii) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed, and an Associate of any such person.

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.

1.2.4. Resolution 6

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 6 by:

- (i) each Placement Investor;
- (ii) any Associate of that person; and
- (iii) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed, and an Associate of any such person.

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.

1.2.5. Resolutions 7 and 8

For the purposes of ASX Listing Rule 10.13.6 and ASX Listing Rule 14.11.1, and all other purposes, the Company will disregard any votes cast on Resolutions 7 and 8 by:

- (i) Russell Fountain;
- (ii) any Associate of Russell Fountain; and
- (iii) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an Associate of any such person.

However, the Company will not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) a 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.

1.2.6. Resolutions 9 and 10

For the purposes of ASX Listing Rule 10.13.6 and ASX Listing Rule 14.11.1, and all other purposes, the Company will disregard any votes cast on Resolutions 9 and 10 by:

- (i) Christopher Farmer;
- (ii) any Associate of Christopher Farmer; and
- (iii) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an Associate of any such person.

However, the Company will not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) a 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.

1.2.7. Resolutions 11 and 12

For the purposes of ASX Listing Rule 10.13.6 and ASX Listing Rule 14.11.1, and all other purposes, the Company will disregard any votes cast on Resolutions 11 and 12 by:

- (i) Stephen de Belle;
- (ii) any Associate of Stephen de Belle; and
- (iii) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an Associate of any such person.

However, the Company will not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) a 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.

1.2.8. Resolutions 13, 14 and 15

For the purposes of ASX Listing Rule 10.13.6 and ASX Listing Rule 14.11.1, and all other purposes, the Company will disregard any votes cast on Resolutions 13, 14 and 15 by:

- (i) Robert Thomson;
- (ii) any Associate of Robert Thomson; and
- (iii) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an Associate of any such person.

However, the Company will not disregard a vote if it is cast by:

- (i) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) a 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, 1 May 2009, Sydney time
- (vi) All United Kingdom holders of the Company's depository interests will receive a Form of Instruction for use at the Extraordinary General Meeting instead of a Proxy Form.
- (vii) 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, Bridgwater Road, Bristol BS99 7NH at least 96 hours before the time for holding the meeting.

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 30 April 2009, 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.

Alchemy means Alchemy Securities Pty Ltd ABN 27 099 075 000, a company related to RFC Corporate Finance Limited ABN 59 009 153 888.

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.

Convertible Note Facility Agreement means a convertible note facility agreement dated 15 January 2009 between the Company and RCF. Further details of the terms and conditions contained in this agreement are set out in the Explanatory Statement

Corporations Act means the Corporations Act 2001 (Clth).

De Belle Market Conversion Price Advance Interest means capitalised interest payable by the Company for the De Belle Market Conversion Price Advance and at the rate of 10% per annum commencing 14 January 2009.

De Belle Market Conversion Price Advance means an unsecured fully subordinated loan totalling \$200,000.00 made on 14 January 2009 by Stephen de Belle to the Company.

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 am on 4 May 2009 and notified to the Company's Shareholders by this Notice.

Explanatory Statement means the explanatory statement incorporated into this Notice.

Farmer Advance means an unsecured fully subordinated loan totalling \$79,502.80 made on 14 January 2009 by Christopher Farmer to the Company.

Farmer Advance Interest means capitalised interest payable by the Company for the Farmer Advance and at the rate of 10% per annum commencing 14 January 2009.

Fountain Market Conversion Price Advance Interest means capitalised interest payable by the Company for the Fountain Market Conversion Price Advance and at the rate of 10% per annum commencing 14 January 2009.

Fountain Market Conversion Price Advance means an unsecured fully subordinated loan totalling \$200,000.00 made on 14 January 2009 by Russell Fountain to the Company.

Issued Shares means the total number of ordinary fully paid shares currently on issue.

Notice means this notice incorporating the Explanatory Statement.

Option(s) means the right to acquire one Share for an exercise price during a defined period.

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, may subscribe for Tranche 3 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.

RCF means Resource Capital Fund IV L.P., a Cayman Islands Limited Partnership.

Resolutions means the resolutions proposed in the Notice.

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.

- Thomson Advance** means an unsecured fully subordinated loan totalling \$100,000.00 made on 14 January 2009 by Robert Thomson to the Company.
- Thomson Advance Interest** means capitalised interest payable by the Company for the Thomson Advance at the rate of 10% per annum commencing 14 January 2009.
- Tranche 1 Notes** means convertible notes with a total value of USD 1,000,000.00 (\$1,536,570.37) issued by the Company on 20 January 2009 and in accordance with the Convertible Note Facility Agreement.
- Tranche 2 Notes** means convertible notes with a total value of USD 500,000.00 (\$787,401.57) issued by the Company on 19 February 2009 and in accordance with the Convertible Note Facility Agreement.
- Tranche 1 Shares** means 208,333 Shares issued and allotted on 8 December 2008 for an issue price of 60 cents per Share to Alchemy.
- Tranche 2 Shares** means 112,500 Shares issued and allotted on 19 January 2009 for an issue price of 40 cents per Share to RCF.
- Tranche 3 Shares** means 6,400,000 Shares issued and allotted on 27 March 2009 for a cash issue price of 20 cents per Share to certain professional and sophisticated investors.
- Tranche 4 Shares** means up to 30,000,000 Shares to be issued and allotted within three months of the EGM to Placement Investors for a cash issue price of 20 cents per Share.
- Tranche 5 Shares** means 1,000,000 Shares to be issued and allotted within one month of the EGM to Russell Fountain or his nominee for an issue price of 20 cents per Share, to repay the Fountain Market Conversion Price Advance.
- Tranche 6 Shares** means 30,136 Shares to be issued and allotted within one month of the EGM to Russell Fountain or his nominee for an issue price of 20 cents per Share, to repay the Fountain Market Conversion Price Advance Interest.
- Tranche 7 Shares** means 397,514 Shares to be issued and allotted within one month of the EGM to Christopher Farmer or his nominee for an issue price of 20 cents per Share, to repay the Farmer Advance.
- Tranche 8 Shares** means 11,979 Shares to be issued and allotted within one month of the EGM to Christopher Farmer or his nominee for an issue price of 20 cents per Share, to repay the Farmer Advance Interest.
- Tranche 9 Shares** means 1,000,000 Shares to be issued and allotted within one month of the EGM to Stephen de Belle or his nominee for an issue price of 20 cents per Share, to repay the De Belle Market Conversion Price Advance.
- Tranche 10 Shares** means 30,136 Shares to be issued and allotted within one month of the EGM to Stephen de Belle or his nominee for an issue price of 20 cents per Share, to repay the De Belle Market Conversion Price Advance Interest.
- Tranche 11 Shares** means 500,000 Shares to be issued and allotted within one month of the EGM to Robert Thomson or his nominee for an issue price of 20 cents per Share, to repay the Thomson Advance.
- Tranche 12 Shares** means 15,068 Shares to be issued and allotted within one month of the EGM to Robert Thomson or his nominee for an issue price of 20 cents per Share, to repay the Thomson Advance Interest.
- VWAP** means VWAP defined by the Convertible Note Facility Agreement and includes in relation to any period (being a number of trading days), the average of the daily volume-weighted average sale prices of the relevant securities sold on ASX for each trading day during the relevant period as determined by RCF (rounding to the nearest full cent with A\$0.005 being rounded upwards), excluding:
- (i) any transaction defined in the ASX market rules as 'special';
 - (ii) crossings before commencement of normal trading;
 - (iii) crossings during the closing phase and after hours adjust phase;
 - (iv) overseas trades outside Australia;
 - (v) trades on exercise of options over the relevant securities; and
 - (vi) overnight crossings.

If at any time during the relevant period the VWAP has been based on a price ex-dividend or ex- any other right or entitlement and during some other part of that period the VW AP has been based on a price cum-dividend or cum- any other right or entitlement, then the amount thereof will be adjusted for the fair market value of any such divided, right or entitlement.

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);
- (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;
- (vii) reference to **pence** is a reference to the lawful tender for the time being and from time to time of the United Kingdom; and
- (viii) reference to **US currency** is a reference to the lawful tender for the time being and from time to time of the United States of America.

By order of the Board of Directors
Ian Morgan
Company Secretary
2 April 2009

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. Resolutions 1, 2, 3 and 4 - Ratification of Previous Share and Note Issues (Tranche 1 Shares, Tranche 2 Shares, Tranche 1 Notes and Tranche 2 Notes)

2.2.1. Background

Tranche 1 Shares

On 8 December 2008, the Company issued 208,333 ordinary fully paid shares, each for 60 cents, to Alchemy.

This Tranche 1 Share issue was for payment of fees for advisory services provided by RFC Corporate Finance Limited ABN 59 009 153 888 in respect of the Company's capital raising approved by Shareholders at a general meeting held on 16 October 2008.

This Company fund raising was a cash placement issuing and allotting 1,725,000 Shares on 17 October 2008 for 28 pence cash each Share; and 6,925,000 Shares on 23 October 2008 for 60 cents cash each Share.

Tranche 2 Shares

On 19 January 2009, the Company issued 112,500 ordinary fully paid shares, each for 40 cents, to RCF.

This Tranche 2 Share issue was for payment of a 2% establishment fee (\$45,000.00) to RCF in respect of the Convertible Note Facility Agreement.

Tranche 1 Notes

On 20 January 2009, the Company issued convertible notes with a total value of USD 1,000,000.00 (\$1,536,570.37) under the Convertible Note Facility Agreement.

Tranche 2 Notes

On 19 February 2009, the Company issued convertible notes with a total value of USD 500,000.00 (\$787,401.57) under the Convertible Note Facility Agreement.

2.2.1.1. Convertible Note Facility Agreement

The Terms of the Convertible Note Facility Agreement include:

- (i). Total facility USD 1,500,000.00;
- (ii). Maturity date is three years commencing the first drawdown date (20 January 2009);
- (iii). Conversion rate to Shares is 40 cents per Share, subject to anti-dilution provisions;
- (iv). The conversion rate to Shares is converted into US dollars at the exchange rate determined by RCF using its usual market practice;
- (v). RCF may at any time convert all (or part) of the loan principal outstanding into Shares, during the conversion period commencing the first drawdown until one day prior to the maturity date;
- (vi). Subject to anti-dilution provisions, RCF may elect to receive any quarterly interest payment in Shares at the five day VWAP price per Share, calculated on the trading day that immediately precedes the applicable interest payment date;
- (vii). Coupon rate is 12% per annum;
- (viii). 2% establishment fee payable by issuing 112,500 Shares to RCF; and
- (ix). Security is a second ranking floating charge.

2.2.1.2. Prepayment

With at least 10 business days notice, but not within 60 days of the loan maturity date (20 January 2012), the Company may voluntarily prepay all (but not part) the loan principal outstanding. In addition to payment of the whole loan principal and any interest outstanding, the Company must also grant to RCF the number of Options determined by converting the total principal outstanding at the conversion rate of 40 cents per Option. Each Option has the right to purchase one Share for 40 cents each at any time during the period commencing the option grant date and ending on the loan maturity date.

2.2.1.3. Anti-dilution provisions

Anti-dilution provisions of the Convertible Note Facility Agreement include:

Shares placement

If and whenever there shall be issued (otherwise than as a Share rights issue) wholly for cash or for no consideration any Shares (other than Shares issued pursuant to a conversion or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Shares) or issue or grant (otherwise than as a Share rights issue) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Shares (other than the convertible notes), in the case of the first such issue of Shares following the date of this document at a price per Share which is less than 35 cents per Share and in each case after such first Share placement, at a price per Share which is less than the current market price per Share on the date of the first public announcement of the terms of issue of such securities the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such issue or grant by the following fraction:

$(A+B) / (A+C)$ where:

A is the number of Shares in issue immediately before the issue of such Shares or the grant of such options, warrants or rights;

B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such current market price per Share; and

C is the number of Shares to be issued pursuant to such issue of such Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or rights.

Assuming that the maximum number of Tranche 3 Shares included in this Notice are issued and allotted, the conversion rate contained in the Convertible Note Facility Agreement would decrease from 40 cents per Share to 37 cents per Share.

2.2.2. 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 208,333 Tranche 1 Shares and 112,500 Tranche 2 Shares and the loan draw downs of USD 1,000,000.00 and USD 500,000.00 by issuing Tranche 1 Notes and Tranche 2 Notes respectively were within the 15% prescribed limit when issued, Shareholder approval was not obtained prior to the issues of those Shares and convertible notes.

However, ASX Listing Rule 7.4 treats the issues of those Tranche 1 Shares, Tranche 2 Shares, Tranche 1 Notes, and Tranche 2 Notes 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.

Those issues did not breach ASX Listing Rule 7.1.

Under Resolutions 1, 2, 3 and 4, the Company seeks the ratification by the Shareholders of the issues and allotments of the Tranche 1 Shares and Tranche 2 Shares; and the issues of Tranche 1 Notes and Tranche 2 Notes with the terms and conditions set out in the Convertible Note Facility Agreement, so as to 'refresh' the effect of ASX Listing Rule 7.1 on any further issues of securities in the next 12 months.

2.2.3. Details of Tranche 1 Shares

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

Issue Date: 8 December 2008

ASX Listing Rule 7.5.1: *Number of Shares:* 208,333

ASX Listing Rule 7.5.2: *Issue Price:* 60 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):* Alchemy.

ASX Listing Rule 7.5.5: *Use or intended use of the funds raised:* Funds raised were applied to a capital raising advisory fee (\$125,000.00) incurred by the Company.

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

2.2.4. Details of Tranche 2 Shares

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

Issue Date: 19 January 2009

ASX Listing Rule 7.5.1: *Number of Shares:* 112,500

ASX Listing Rule 7.5.2: *Issue Price:* 40 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):* RCF.

ASX Listing Rule 7.5.5: *Use or intended use of the funds raised:* Funds raised were applied to a 2% facility fee (\$45,000.00) incurred by the Company.

ASX Listing Rule 7.5.6: *A voting exclusion statement:* A voting exclusion statement is included at paragraph 1.2.2 of this Notice.

2.2.5. Details of Tranche 1 Notes

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

Issue Date: 20 January 2009

ASX Listing Rule 7.5.1: Value of Convertible Loan drawdown USD 1,000,000.00 (\$1,536,570.37)

If fully converted and subject to the anti-dilution clauses referred to in section 2.2.1.3 of this Notice, the noteholder would convert:

- (i). The principal outstanding to 3,841,426 Shares; and
- (ii). The interest coupons into Shares at a conversion price equal to the 5-day volume weighted average price of Company's shares for the 5 trading days before the interest payment date.

ASX Listing Rule 7.5.2: *Issue Price:* Draw down USD 1,000,000.00 (\$1,536,570.37).

ASX Listing Rule 7.5.3: *Terms of the securities:*

The Terms of the Convertible Note Facility Agreement include:

- (i). Total facility USD 1,500,000.00;
- (ii). Maturity date is three years commencing the first drawdown date (20 January 2009);
- (iii). Conversion rate to Shares is 40 cents per Share, subject to anti-dilution provisions;
- (iv). The conversion rate to Shares is also converted into US dollars at the exchange rate determined by RCF using its usual market practice;
- (v). RCF may at any time convert all (or part) of the loan principal outstanding into Shares, during the conversion period commencing the first drawdown until one day prior to the maturity date;
- (vi). Coupon rate is 12% per annum;
- (vii). 2% establishment fee payable by issuing 112,500 Shares to RCF; and
- (viii). Security is a second ranking floating charge.

ASX Listing Rule 7.5.4: *Allottee (basis):* RCF.

ASX Listing Rule 7.5.5: *Use or intended use of the funds raised:*

- (i). To provide working capital to the Company to be applied to ongoing feasibility work at the Wetar project including the commissioning of the 100,000 tonne test bio-leaching heap, the five tonne per day copper cathode solution extraction / electrowinning plant and the completion of the bankable feasibility study;
- (ii). To fund the Company's corporate, Wetar project exploration and working capital requirements in accordance with the corporate budget; and
- (iii). For any other purpose that RCF approves in writing from time to time.

ASX Listing Rule 7.5.6: *A voting exclusion statement:* A voting exclusion statement is included at paragraph 1.2.2 of this Notice.

2.2.6. Details of Tranche 2 Notes

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

Issue Date: 19 February 2009

ASX Listing Rule 7.5.1: Value of Convertible Loan drawdown USD 500,000.00 (\$787,401.57)

If fully converted and subject to the anti-dilution clauses referred to in section 2.2.1.3 of this Notice, the noteholder would convert:

- (i). The principal outstanding to 1,968,504 Shares; and

- (ii). The interest coupons into Shares at a conversion price equal to the 5-day volume weighted average price of Company's shares for the 5 trading days before the interest payment date.

ASX Listing Rule 7.5.2: *Issue Price:* Draw down USD 500,000.00 (\$787,401.57).

ASX Listing Rule 7.5.3: *Terms of the securities:*

The Terms of the Convertible Note Facility Agreement include:

- (i). Total facility USD 1,500,000.00;
- (ii). Maturity date is three years commencing the first drawdown date (20 January 2009);
- (iii). Conversion rate to Shares is 40 cents per Share, subject to anti-dilution provisions;
- (iv). The conversion rate to Shares is also converted into US dollars at the exchange rate determined by RCF using its usual market practice;
- (v). RCF may at any time convert all (or part) of the loan principal outstanding into Shares, during the conversion period commencing the first drawdown until one day prior to the maturity date;
- (vi). Coupon rate is 12% per annum;
- (vii). 2% establishment fee payable by issuing 112,500 Shares to RCF; and
- (viii). Security is a second ranking floating charge.

ASX Listing Rule 7.5.4: *Allottee (basis):* RCF.

ASX Listing Rule 7.5.5: *Use or intended use of the funds raised:*

- (i). To provide working capital to the Company to be applied to ongoing feasibility work at the Wetar project including the commissioning of the 100,000 tonne test bio-leaching heap, the five tonne per day copper cathode solution extraction / electrowinning plant and the completion of the bankable feasibility study;
- (ii). To fund the Company's corporate, Wetar project exploration and working capital requirements in accordance with the corporate budget; and
- (iii). For any other purpose that RCF approves in writing from time to time.

ASX Listing Rule 7.5.6: *A voting exclusion statement:* A voting exclusion statement is included at paragraph 1.2.2 of this Notice.

2.3. Resolution 5 – Ratification of Previous Share Issue (Tranche 3 Shares)

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

Issue Date: 27 March 2009

ASX Listing Rule 7.5.1: *Number of Shares:* 6,400,000

ASX Listing Rule 7.5.2: *Issue Price:* 20 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 were certain professional and sophisticated investors unrelated to 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 4 Shares to the Placement Investors will be applied to complete the Wetar feasibility study, retire outstanding creditors and provide additional working capital.

ASX Listing Rule 7.5.6: *A voting exclusion statement:* A voting exclusion statement is included at paragraph 1.2.3 of this Notice.

2.4. Resolution 6 – Participation in Share Placement by Placement Shareholders (Tranche 4 Shares)

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

2.4.1. ASX Listing Rule 7.3.1: *Maximum number of securities to be issued and allotted* pursuant to Resolution 6:

Up to 30,000,000 Tranche 4 Shares will be issued and allotted to Placement Investors.

2.4.2. 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 4 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.

2.4.3. ASX Listing Rule 7.3.3: *Issue price of securities*

The issue price is a cash issue price of 20 cents per Tranche 4 Share.

2.4.4. ASX Listing Rule 7.3.4: *Names of allottees*

The allottees are the Placement Investors. The Placement Investors must be persons who are not related parties of the Company.

2.4.5. ASX Listing Rule 7.3.5: *Terms of securities*

The Company will apply to the ASX to have Tranche 4 Shares officially quoted and these Tranche 4 Shares 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 4 Shares issued to the Placement Investors will be identical to the rights and entitlements of the holders of existing issued Shares.

2.4.6. ASX Listing Rule 7.3.6: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 4 Shares to the Placement Investors will be applied to complete the Wetar feasibility study, retire outstanding creditors and provide additional working capital.

2.4.7. ASX Listing Rule 7.3.8: *A voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.4 of this Notice.

2.5. Resolution 7 – Conversion of the Fountain Market Conversion Price Advance to Shares (Tranche 5 Shares)

2.5.1. ASX Listing Rule 10.13.1: *Name of Person*

Russell Fountain, a Director, or his nominee.

2.5.2. ASX Listing Rule 10.13.2: *Maximum number of securities to be issued and allotted*

1,000,000 Tranche 5 Shares will be issued and allotted to Russell Fountain or his nominee.

2.5.3. ASX Listing Rule 10.13.3: *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of Tranche 5 Shares to Russell Fountain or his nominee will occur on a date or dates which is or are no later than one month after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

2.5.4. ASX Listing Rule 10.13.5: *Issue price of securities*

The issue price is 20 cents cash per Tranche 5 Share, which is the same price as offered to Placement Shareholders under this Notice.

2.5.5. ASX Listing Rule 10.13.6: *A voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.5 of this Notice.

2.5.6. ASX Listing Rule 10.13.6A: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 5 Shares to Russell Fountain or his nominee will be applied to repay the Fountain Market Conversion Price Advance

2.6. Resolution 8 – Conversion of the Fountain Market Conversion Price Advance Interest to Shares (Tranche 6 Shares)

2.6.1. ASX Listing Rule 10.13.1: *Name of Person*

Russell Fountain, a Director, or his nominee.

2.6.2. ASX Listing Rule 10.13.2: *Maximum number of securities to be issued and allotted*

30,136 Tranche 6 Shares will be issued and allotted to Russell Fountain or his nominee.

2.6.3. ASX Listing Rule 10.13.3: *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of Tranche 6 Shares to Russell Fountain or his nominee will occur on a date or dates which is or are no later than one month after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

2.6.4. ASX Listing Rule 10.13.5: *Issue price of securities*

The issue price is 20 cents cash per Tranche 6 Share, which is the same price as offered to Placement Shareholders under this Notice.

2.6.5. ASX Listing Rule 10.13.6: *A voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.51.2.5 of this Notice.

2.6.6. ASX Listing Rule 10.13.6A: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 6 Shares to Russell Fountain or his nominee will be applied to repay interest on the Fountain Market Conversion Price Advance

2.7. Resolution 9 – Conversion of the Farmer Advance to Shares (Tranche 7 Shares)

2.7.1. ASX Listing Rule 10.13.1: *Name of Person*

Christopher Farmer, a Director, or his nominee.

2.7.2. ASX Listing Rule 10.13.2: *Maximum number of securities to be issued and allotted*

397,514 Tranche 7 Shares will be issued and allotted to Christopher Farmer or his nominee.

2.7.3. ASX Listing Rule 10.13.3: *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of Tranche 7 Shares to Christopher Farmer or his nominee will occur on a date or dates which is or are no later than one month after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

2.7.4. ASX Listing Rule 10.13.5: *Issue price of securities*

The issue price is 20 cents cash per Tranche 7 Share, which is the same price as offered to Placement Shareholders under this Notice.

2.7.5. ASX Listing Rule 10.13.6: *A voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.6 of this Notice.

2.7.6. ASX Listing Rule 10.13.6A: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 7 Shares to Christopher Farmer or his nominee will be applied to repay the Farmer Advance

2.8. Resolution 10 – Conversion of the Farmer Advance Interest to Shares (Tranche 8 Shares)

2.8.1. ASX Listing Rule 10.13.1: *Name of Person*

Christopher Farmer, a Director, or his nominee.

2.8.2. ASX Listing Rule 10.13.2: *Maximum number of securities to be issued and allotted*

11,979 Tranche 8 Shares will be issued and allotted to Christopher Farmer or his nominee.

2.8.3. ASX Listing Rule 10.13.3: *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of Tranche 8 Shares to Christopher Farmer or his nominee will occur on a date or dates which is or are no later than one month after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

2.8.4. ASX Listing Rule 10.13.5: *Issue price of securities*

The issue price is 20 cents cash per Tranche 8 Share, which is the same price as offered to Placement Shareholders under this Notice.

2.8.5. ASX Listing Rule 10.13.6: *A voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.6 of this Notice.

2.8.6. ASX Listing Rule 10.13.6A: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 8 Shares to Christopher Farmer or his nominee will be applied to repay interest on the Farmer Advance

2.9. Resolution 11 – Conversion of the De Belle Market Conversion Price Advance to Shares (Tranche 9 Shares)

2.9.1. ASX Listing Rule 10.13.1: *Name of Person*

Stephen de Belle, a Director, or his nominee.

2.9.2. ASX Listing Rule 10.13.2: *Maximum number of securities to be issued and allotted*

1,000,000 Tranche 9 Shares will be issued and allotted to Stephen de Belle or his nominee.

2.9.3. ASX Listing Rule 10.13.3: *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of Tranche 9 Shares to Stephen de Belle or his nominee will occur on a date or dates which is or are no later than one month after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

2.9.4. ASX Listing Rule 10.13.5: *Issue price of securities*

The issue price is 20 cents cash per Tranche 9 Share, which is the same price as offered to Placement Shareholders under this Notice.

2.9.5. ASX Listing Rule 10.13.6: *A voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.7 of this Notice.

2.9.6. ASX Listing Rule 10.13.6A: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 9 Shares to Stephen de Belle or his nominee will be applied to repay the De Belle Market Conversion Price Advance

2.10. Resolution 12 – Conversion of the De Belle Market Conversion Price Advance Interest to Shares (Tranche 10 Shares)

2.10.1. ASX Listing Rule 10.13.1: *Name of Person*

Stephen de Belle, a Director, or his nominee.

2.10.2. ASX Listing Rule 10.13.2: *Maximum number of securities to be issued and allotted*

30,136 Tranche 10 Shares will be issued and allotted to Stephen de Belle or his nominee.

2.10.3. ASX Listing Rule 10.13.3: *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of Tranche 10 Shares to Stephen de Belle or his nominee will occur on a date or dates which is or are no later than one month after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

2.10.4. ASX Listing Rule 10.13.5: *Issue price of securities*

The issue price is 20 cents cash per Tranche 10 Share, which is the same price as offered to Placement Shareholders under this Notice.

2.10.5. ASX Listing Rule 10.13.6: *A voting exclusion statement*

A voting exclusion statement is included at paragraph of this Notice.

2.10.6. ASX Listing Rule 10.13.6A: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 10 Shares to Stephen de Belle or his nominee will be applied to repay interest on the De Belle Market Conversion Price Advance

2.11. Resolution 13 – Conversion of the Thomson Advance to Shares (Tranche 11 Shares)

2.11.1. ASX Listing Rule 10.13.1: *Name of Person*

Robert Thomson, a Director, or his nominee.

2.11.2. ASX Listing Rule 10.13.2: *Maximum number of securities to be issued and allotted*

500,000 Tranche 11 Shares will be issued and allotted to Robert Thomson or his nominee.

2.11.3. ASX Listing Rule 10.13.3: *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of Tranche 11 Shares to Robert Thomson or his nominee will occur on a date or dates which is or are no later than one month after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

2.11.4. ASX Listing Rule 10.13.5: *Issue price of securities*

The issue price is 20 cents cash per Tranche 11 Share, which is the same price as offered to Placement Shareholders under this Notice.

2.11.5. ASX Listing Rule 10.13.6: *A voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.8 of this Notice.

2.11.6. ASX Listing Rule 10.13.6A: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 11 Shares to Robert Thomson or his nominee will be applied to repay the Thomson Advance

2.12. Resolution 14 – Conversion of the Thomson Advance Interest to Shares (Tranche 12 Shares)

2.12.1. ASX Listing Rule 10.13.1: *Name of Person*

Robert Thomson, a Director, or his nominee.

2.12.2. ASX Listing Rule 10.13.2: *Maximum number of securities to be issued and allotted*

15,068 Tranche 12 Shares will be issued and allotted to Robert Thomson or his nominee.

2.12.3. ASX Listing Rule 10.13.3: *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of Tranche 12 Shares to Robert Thomson or his nominee will occur on a date or dates which is or are no later than one month after the date of this Extraordinary General Meeting or such later time as deemed appropriate by an ASX waiver.

2.12.4. ASX Listing Rule 10.13.5: *Issue price of securities*

The issue price is 20 cents cash per Tranche 12 Share, which is the same price as offered to Placement Shareholders under this Notice.

2.12.5. ASX Listing Rule 10.13.6: *A voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.8 of this Notice.

2.12.6. ASX Listing Rule 10.13.6A: *Intended use of the funds*

The funds raised by the issue and allotment of Tranche 12 Shares to Robert Thomson or his nominee will be applied to repay interest on the Thomson Advance

2.13. Resolution 15 – Granting Options to Robert Thomson

2.13.1. General

The Company proposes to issue 2,000,000 Options to Robert Thomson as part of his remuneration package as an executive Director of the Company, and to secure his ongoing commitment to the continued growth of the Company.

In determining the number and terms of the Options to be issued to Robert Thomson or his nominee, consideration was given to his relevant experience and role as Director, his overall remuneration terms including whether the Options constitute reasonable remuneration in the circumstances, the current market price of Shares and the terms of option packages granted to directors of other companies within the sector in which the Company operates.

Shareholder approval for the issue of the Options to Robert Thomson is required pursuant to ASX Listing Rule 10.11.

2.13.2. ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company (which includes a director).

Separate approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Robert Thomson, as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities to Robert Thomson will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

2.13.3. Technical Information Required by ASX Listing Rule 10.13

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 15:

ASX Listing Rule 10.13.1: *Name of person*

Robert Thomson or his nominee

ASX Listing Rule 10.13.2: *Maximum number of securities to be issued to the person*
2,000,000 Options

ASX Listing Rule 10.13.3: *Date by which the securities are to be issued*

The Options will be issued no later than one (1) month after the date of the Extraordinary General Meeting (or such later date as permitted by any ASX waiver or

modification of the ASX Listing Rules) and it is anticipated that allotment will occur on the same date.

ASX Listing Rule 10.13.4: *Nature of relationship*

Robert Thomson is an executive Director of the Company.

ASX Listing Rule 10.13.5: *Issue price of the securities and a statement of terms of issue*

Each Option will entitle the holder to subscribe for one Share in the Company. The Option terms include:

- (i). The Options may be exercisable at any time commencing the Vesting Dates and prior to the date 5 years after the date of granting the Options (Expiry Date).
- (ii). However, all or any of the Options may be exercised at any time during the period commencing the issue date and prior to the Expiry Date and after the date upon which:
 - a) offers are made pursuant to a takeover scheme or a takeover announcement for Shares; or
 - b) any notice is dispatched to members of the Company in relation to a meeting to approve a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - c) a notice is given to members of the Company of a proposed resolution for the voluntary winding-up of the Company.
- (iii). The Options proposed to be issued will vest and become exercisable on each of the Vesting Dates.
- (iv). **Vesting Dates:** means the dates as follows:
 - a) 750,000 options vesting on completion of the Wetar definitive feasibility study, evidenced by securing funding sufficient to proceed to the development phase of the full scale project, and
 - b) 1,250,000 options vesting on the commencement of commercial production from the Full Scale Wetar Copper Project.
- (v). **Full Scale Wetar Copper Project:** means the Wetar copper project commissioned to produce the rate approved by the Board following completion of a feasibility study.
- (vi). Each Option will be issued free.
- (vii). Options not exercised on or before the Expiry Date will automatically lapse.
- (viii). The exercise prices of each Option is 30 cents per Share.
- (ix). A minimum of 100,000 Options may be exercised.
- (x). Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company.
- (xi). The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the exercise price (for example, if the exercise price is paid by cheque, by clearance of that cheque).
- (xii). All Shares allotted upon exercise of Options rank *pari passu* in all respects with Shares previously issued and, in particular, entitle the Holders to participate fully in:

- a) Dividends declared by the Company after the date of allotment; and
 - b) All issues of securities made or offered pro rata to holders of Shares.
- (xiii). The Company will not apply for official quotation by ASX of any Options.
- (xiv). The Company must apply for official quotation of all Shares allotted pursuant to the exercise of these Options not later than 10 business days after the date of allotment (or within such lesser period (if any) as may be required by the ASX Listing Rules).
- (xv). Option holders may only participate in entitlements issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give at least nine Business Days' notice (or such greater period of notice (if any) as may be required by the Listing Rules) to Holders of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- (xvi). There will be no increase in the number of Shares over which any Option is exercisable or any adjustment in the exercise price of any Option in consequence of any bonus issue or any pro rata issue to Shareholders.
- (xvii). If, prior to the expiry or lapse of any Options, there is a reorganisation of the issued capital of the Company, those Options will be reorganised to the extent necessary to comply with the ASX Listing Rules.

ASX Listing Rule 10.13.6A: *Intended use of the funds*

The Options will be issued for no cash consideration and otherwise for the reasons set out in Section 2.13 of this Explanatory Statement. No funds will be raised from the issue of the Options to Robert Thomson or his nominee.

ASX Listing Rule 10.13.6: *Voting exclusion statement*

A voting exclusion statement is included at paragraph 1.2.8 of this Notice.

2.13.4. Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit (which includes options) to a related party (which includes a Director) without prior shareholder approval unless one of a number of exceptions applies. It is the Directors view that the exception set out in Section 211 (benefits that are reasonable remuneration) applies in this case

2.13.5. Additional Information

The following additional information is provided to enable Shareholders to assess the proposed issue of the Options to Robert Thomson or his nominee:

The related party to whom the financial benefit will be given
Robert Thomson or his nominee.

The nature of the financial benefits
2,000,000 Options, each to subscribe for one Share.

Director's recommendations

Robert Thomson declines to make a recommendation to Shareholders in relation to Resolution 15 due to his material personal interest in the outcome of the Resolution.

Russell Fountain, Christopher Farmer, Stephen de Belle, Stephen Lonergan and T Quinn Roussel each recommend that Shareholders vote in favour of Resolution 15 as they are of the view that the issue of the Options to Robert Thomson or his nominee is an appropriate form of reasonable remuneration to provide him with an incentive to maximise returns to Shareholders. The Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 15.

Director's interest in resolution

None of Russell Fountain, Christopher Farmer, Stephen de Belle, Stephen Lonergan or Thomas Quinn Roussel has an interest in Resolution 15.

If Resolution 15 is passed, Robert Thomson or his nominee will receive Options to subscribe for Shares in the Company.

All other relevant information

Remuneration generally: As at the date of this Notice, the annual remuneration payable to Robert Thomson as Directors' fees for his services is \$NIL.

During the previous financial year Robert Thomson received \$NIL as Directors' fees for his services to the Company.

Under a consultancy agreement entered into with an entity related to Mr. Thomson prior to his appointment as a Director, the Company pays A\$1,000 per day for Mr. Thomson's services. Pursuant to the agreement, the fees paid and payable by the Finders group for Mr. Thomson's services up to 31 March 2009 total A\$126,500

Director's current interests: As at the date of this Notice, Robert Thomson:

- (i). Indirectly holds 13,428 Shares; and
- (ii). On 14 January 2009 advanced the Company an unsecured fully subordinated loan totalling \$100,000.00 with interest payable at the rate of 10% per annum which will be converted to an aggregate of 15,068 Shares if Resolutions 13 and 14 are approved by the EGM.

Dilution effect: If Shareholders approve the issue of the Options to Robert Thomson or his nominee, and all of the Options are exercised by Robert Thomson or his nominee, the effect will be to dilute the shareholding of existing Shareholders by approximately 2.4% on an undiluted basis (based on 84,164,335 Shares being on issue).

Share trading prices in the past 12 months: in the 12 months preceding the date of this Notice, the highest, lowest and last trading price of Shares on the ASX are as set out below:

	Cents
Highest	120.0
Lowest	16.5
Last	30.0

Valuation of Options: The Options have been valued by internal management of the Company using the Black-Scholes pricing model and based upon the following assumptions:

- (i). The valuation date for the Options is 2 April 2009, although the Options will not be granted until the Shareholders have approved the grant of these Options;
- (ii). The market price of a Share quoted on the ASX as at 2 April 2009 was 30.0 cents;
- (iii). The exercise price of the Options is 30.0 cents;
- (iv). The Options expire on the date 5 years after the date of granting the Options;
- (v). A risk free rate of 3.27% (being an estimate of the 5 year government bond rate);
- (vi). A volatility rate of 76.8% has been applied after considering the industry volatility for the past twenty-two months on a daily basis;
- (vii). The Options will not be listed on the ASX; and
- (viii). The valuation ranges noted below are not necessarily the market price that the Options could be traded at and it is not automatically the market prices for taxation purposes.
- (ix). Based on the above assumptions, the value of each Option to be issued to Robert Thomson or his nominee is as follows:

	Cents
Value of Options (per Option)	18.2

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

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 am (Sydney time) on 4 May 2009 at Finders Resources Limited, Suite 51, Level 3, 330 Wattle Street, Ultimo NSW 2007 and any adjournment of that meeting.

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

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 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

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

For Against Abstain

Resolution 1: To ratify issue of 208,333 Shares.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 2: To ratify issue of 112,500 Shares.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 3: To ratify issue of Notes totalling USD 1,000,000. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4: To ratify issue of Notes totalling USD 500,000. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5: To ratify issue of 6,400,000 Shares. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6: To approve the placement of up to 30,000,000 Shares. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7: To approve the placement of 1,000,000 Shares to Russell Fountain. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8: To approve the placement of 30,136 Shares Russell Fountain. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9: To approve the placement of 397,514 Shares to Christopher Farmer. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10: To approve the placement of 11,979 Shares to Christopher Farmer. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11: To approve the placement of 1,000,000 Shares to Stephen de Belle. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12: To approve the placement of 30,136 Shares to Stephen de Belle. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 13: To approve the placement of 500,000 Shares to Robert Thomson. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 14: To approve the placement of 15,068 Shares to Robert Thomson. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 15: To approve the granting of 2,000,000 Options to Robert Thomson. | <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 hand 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
<input style="width: 100%; height: 40px;" type="text"/>	<input style="width: 100%; height: 40px;" type="text"/>	<input style="width: 100%; height: 40px;" type="text"/>
Sole Director & Company Secretary	Director / Company Secretary	Director

Dated this _____ Day of _____ 2009

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, 1 May 2009, Sydney time

Proxy forms received later than this time will be invalid.

8. 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.



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 am on 4 May 2009** and any adjournment thereof.

Dated this _____ day of _____ 2009

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.