



FACSIMILE MESSAGE

TO: ASX Market Announcement Office
COMPANY: ASX Limited
FACSIMILE NO: 1300 135 638
DATE: 9 January 2018
SUBJECT: Eastern Field Developments Limited – Off Market Takeover Offer to acquire all the ordinary shares in Finders Resources Limited (FND) – Form 604: Notice of change of interest of substantial shareholder

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We act for Eastern Field Developments Limited (EFDL).

On behalf of EFDL, we attach a statement by EFDL relating to its extension of the offer period for its takeover offer for the ordinary shares in Finders Resources Limited (ACN 108 547 413) (Finders).

In accordance with section 650D of the Corporations Act 2001 (Cth), we enclose a formal notice of variation extending the offer period which was lodged with ASIC today.

A copy of the attached notice has separately been given to Finders.

Yours faithfully

Iffla Wade

A handwritten signature in black ink, appearing to read 'Iffla Wade'. The signature is written in a cursive, flowing style.

Iffla Wade

EASTERN FIELD DEVELOPMENTS LIMITED

(BVI Co No 1955552)

(a company jointly owned by Procap Partners Limited, PT Saratoga Investama Sedaya Tbk. and PT Merdeka Copper Gold Tbk.)



9 January 2018

ASX and Press Release

For Immediate Release

Eastern Field extends Offer Period

Eastern Field Developments Limited (**Eastern Field**) has reviewed the First Supplementary Target's Statement dated 22 December 2017 (**Supplementary Target's Statement**) issued by Finders Resources Limited (ASX: FND) (**Finders**) in relation to Finders' Target's Statement dated 5 December 2017.

The Supplementary Target's Statement was issued following Eastern Field's submission to Finders of its serious concerns that the Target's Statement contained material omissions and misleading statements. Eastern Field also expressed its concerns about a number of issues with Deloitte's Independent Expert's Report and BDA's Independent Technical Expert's Report including:

- the methodology adopted;
- the assumptions made;
- the reasonableness of those assumptions;
- the failure to fully disclose all assumptions; and
- the correctness of calculations.

Finders' Supplementary Target's Statement does not adequately address Eastern Field's concerns. In particular:

- **Eastern Field does not consider that full disclosure has been made about the performance of Finders' Wetar copper project, particularly copper recoveries and the recent production issues.**
- **It is also unclear to Eastern Field how Finders managed further debt reductions under the Wetar Facility Agreement given Wetar's production problems and the resultant impact on Finders' cashflow generation.**
- **Based on Finders' own forecasts, its latest debt repayments were more than double its expected net cashflow for the December 2017 quarter. Finders had \$A3.6 million cash at the start of the December quarter.**

The confusion over Finders' production forecasts for the December 2017 quarter (during which there were 3 production downgrades) continues with conflicting statements on the level of the expected March 2018 quarter production. Finders has now indicated in the Supplementary Target's Statement that it only expects Wetar's daily production rate to reach a level equivalent to 6,800 tonnes of copper cathode a quarter (just short of Wetar's nameplate capacity and a level last achieved in the June 2017 quarter) during the month of March 2018, but not for the entire March quarter. Furthermore, Finders' assertion in the Target's Statement should not be interpreted as implying that production for the March 2018 quarter is expected to be equal to the total copper cathode production for the June 2017 quarter (6,804 tonnes). In addition, Finders makes no forecast on total March 2018 quarter

production. Eastern Field find this very surprising because Figure 7 on page 20 of the Deloitte Independent Expert's Report released on 5 December 2017 indicates production for the March 2018 quarter is forecast to be 6,800 tonnes. This forecast was presumably used by Deloitte to calculate the independent expert's valuation of Finders. Eastern Field calls on Finders to clarify why Deloitte adopted a figure of 6,800 tonnes for the March 2018 quarter if it was not a forecast provided by Finders.

Eastern Field is also concerned that Finders may have used up its cash reserves – Finders had \$A3.6 million cash at the start of the December 2017 quarter – and further stretched its working capital position to service its debt. Eastern Field looks forward to Finders' confirmation of the source of funds for the recent payments under the Wetar Facility Agreement, including the \$US9 million payment under the DSRA and a US\$7.5 million debt repayment, and disclosure of its cash balances, receivables, inventories and creditors at 31 December 2017. Finders' forecasts contained in the BDA report (part of the Target's Statement) suggest net cashflow for the December 2017 quarter (before payments under the Wetar Facility Agreement) should be approximately \$US6 million, well short of the \$US16.5 million required to make the 2 payments under the Wetar Facility Agreement as detailed by Finders to the ASX on 2 January 2018.

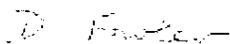
Eastern Field notes that Finders has agreed to provide further disclosure, particularly in relation to recoveries, once the information becomes available. Given that Finders has been stacking and leaching ore at Wetar for two years, Eastern Field questions why this information is not available immediately.

Eastern Field will defer taking any further action in relation to its concerns pending the release of the further information by Finders. Accordingly, Eastern Field has decided to extend the offer period for its All-Cash Takeover Offer to 7.00pm (Perth time) on Wednesday, 28 February 2018. Eastern Field has no present intention to extend the new closing date of the Offer but reserves the right to do so.

The formal notice of variation under section 650D of the Corporations Act 2001 (Cth) in relation to this extension is attached to this announcement.

Should you have any queries, please contact Eastern Field on 1300 079 762 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 10.00am and 5.00pm (Perth time) Monday to Friday, or visit the Eastern Field website at www.easternfielddevelopments.com.

Yours sincerely,



David Fowler
Eastern Field Developments Limited
Director

For more information please contact:

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NOTICE OF VARIATION OF OFFER – EXTENSION OF OFFER PERIOD

To:

Australian Securities & Investments
Commission

Finders Resources Limited

Each holder of Finders Shares to
whom an offer referred to below has
been made

Eastern Field Developments Limited (EFDL), gives notice under section 650D of the Corporations Act 2001 (Cth) that:

- (a) it varies the offers dated 20 November 2017 (**Offers**) made pursuant to its replacement bidder's statement dated 17 November 2017 (as varied or supplemented) (**Bidder's Statement**) relating to its off-market takeover bid for all of the ordinary shares in Finders Resources Limited (ACN 108 547 413) (**Finders**) by further extending the Offer Period so that it now ends at 7.00pm (Perth time) on Wednesday, 28 February 2018 (unless further extended); and
- (b) the terms of the variation by replacing the date "19 January 2018" wherever appearing in the Bidder's Statement with references to "28 February 2018".

As the Offers remain subject to certain of the defeating conditions set out in Schedule 2 to the Bidder's Statement, under section 650E of the Corporations Act 2001 (Cth), those Finders Shareholders who have validly accepted the Offer, may withdraw their acceptance by giving to EFDL notice within 1 month beginning on the day after the day on which the Finders Shareholder first receives a copy of this Notice. Finders Shareholders who withdraw their acceptance must return any consideration received for accepting the Offer.

Any notice by a Finders Shareholder withdrawing their acceptance under section 650E of the Corporations Act 2001 (Cth) must:

- (a) if the Finders Shareholder's shares are in a CHESS Holding, be in the form of a Valid Originating Message transmitted to ASX Settlement by the Controlling Participant for that Holding, specifying the number of shares to be released from the Offer Accepted Subposition in which the shares have been reserved; or
- (b) in any other case, be in writing.

If a Finders Shareholder withdraws their acceptance in this manner, and is legally entitled to withdraw their acceptance, EFDL must before the end of 14 days after it is given the withdrawal notice:

- (c) return to the Finders Shareholder any documents that were sent by that Finders Shareholder to EFDL with the acceptance of the Offer; and

- (d) if the Finders Shareholder's shares are in a CHESS Holding, Transmit to ASX Settlement a Valid Message that authorises the release of those shares from the Offer Accepted Subposition in which the Holding has been reserved.

The original of this notice was lodged with the Australian Securities and Investments Commission on 9 January 2018.

The Australian Securities and Investments Commission takes no responsibility for the contents of this notice.

Terms used in this notice (unless otherwise defined) have the meanings given in the ASX Settlement Operating Rules or the Bidder's Statement unless the context otherwise requires.

This notice has been approved by resolution passed by the directors of EFDL under section 650D (3A) of the Corporations Act, as modified by ASIC CO [13/521].

Dated 9 January 2018