

FINDERS RESOURCES LIMITED
ACN 108 547 413
(Company)

CORPORATE GOVERNANCE STATEMENT
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2017

This Corporate Governance Statement is current as at 29 March 2018 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company has, during the financial year ending 31 December 2017, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

The Company has adopted Corporate Governance Policies which provide the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Policies are available on the Company's website at <http://findersresources.com/finders/corporate-governance/>.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
		A copy of the Company's Board Charter is available on the Company's website.
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	YES	<p>(a) The Company's Board Charter and the Remuneration and Nomination Committee Charter sets out the guidelines for the appointment and selection of the Board. In selecting new members for the Board, Directors shall have regard to the appropriate skills and characteristics needed by the Board as a whole. The directors shall endeavour to appoint individuals who would provide the mix of director characteristics and diverse experiences, perspectives and skills that are required and that are appropriate for the company. Appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Board Charter requires new Directors to be provided with a letter of appointment which sets out the key terms and conditions of their appointment.</p> <p>The Company has written agreements with each of its Directors and senior executives.</p>
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	YES	<p>The Board Charter states that the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION									
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</p>	<p>PARTIALLY</p>	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives, if any have been set and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available on the Company's website.</p> <p>(c) (i) The Board did not set measurable gender diversity objectives for the past financial year, because:</p> <ul style="list-style-type: none"> • the Board's view is that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; and • if it became necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the relatively small size of the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit. <p>(ii) The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for the past financial year is disclosed below –</p> <table border="1" data-bbox="1254 1212 1792 1356"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Senior Executive*</td> <td>25%</td> <td>75%</td> </tr> </tbody> </table>		Female	Male	Board	0%	100%	Senior Executive*	25%	75%
	Female	Male									
Board	0%	100%									
Senior Executive*	25%	75%									

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		<p>Whole organisation 14% 86%</p> <p>* The Senior Executives are the individuals at the highest level of organisational management who have the day-to-day responsibilities of managing the Company below the Board. The Senior Executives for the purposes of the table above include the Company's CFO, Project Development Manager, COO and Company Secretary.</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>YES</p>	<p>(a) The Company's Remuneration Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Policies, which is available on the Company's website.</p> <p>(b) The Company did not complete a formal performance evaluation in respect of the Board, its committees and Directors for the past financial year. The Company plans to undertake a performance evaluation of the Board, its committees and Directors in the next financial year. During the financial year, the Chairman and the Remuneration and Nomination Committee reviewed the performance of the Board, its committees and its Directors on an informal and as needs basis.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>YES</p>	<p>(a) The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these</p>

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		<p>purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Policies, which are available on the Company's website.</p> <p>(b) The Company undertook a formal evaluation of Mr. Cahill's remuneration and the Board's remuneration during the financial year. This was undertaken with assistance from an independent remuneration advisory firm.</p>
Principle 2: Structure the Board to add value		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience,</p>	<p>YES</p>	<p>(a) The Company had a Remuneration and Nomination Committee for the past financial year. The Committee is Chaired by an independent Non-executive Director, Mr. Comb who is Chair of the Board and has two Non-executive Directors as members, Messrs. Caudle and Galt. The Committee does not have a majority of independent Directors given the size and composition of the current Board. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report.</p> <p>(b) The Company had a Remuneration and Nomination Committee for the past financial year.</p>

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independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.		
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	NO	<p>Full details as to each Director and senior executive's relevant skills and experience are available in the Annual Report.</p> <p>The Board has not prepared a formal Board Skills Matrix but pursuant to the Board Charter the Directors shall have regard to the appropriate skills and characteristics needed by the Board as a whole. The directors shall endeavour to appoint individuals who would provide the mix of director characteristics and diverse experiences, perspectives and skills that are required and that are appropriate for the company.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	YES	<p>(a) The Board currently consists of an Independent Non-executive Chairman, Mr. Comb, Managing Director, Mr. Cahill and Non-executive Directors, Messrs. Caudle and Galt. The Company's Managing Director is not considered to be independent as he is an executive of the Company. Messrs. Caudle and Galt are not considered independent as they are designated appointees to the Board of Provident Minerals Pte Ltd and Taurus SM Holdings Pty Limited, two substantial shareholders in the Company.</p> <p>(b) There are no independent Directors who fall into this category.</p> <p>(c) The Company's Annual Report discloses the length of service of each Director.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent.</p>	NO	<p>Whilst the composition of the Board does not result in a majority of independent Directors, the Board believes the current membership reflects an appropriate mix of experience and ability to represent all shareholders. It is noted the composition of the Board will be reassessed in future in line with changes in the</p>

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		Company's operations, shareholders and level of activity and will be adjusted as deemed appropriate. The Board will consider the ASX Recommendations in assessing any future changes in Board composition.
<p>Recommendation 2.5</p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	YES	The Board's Non-executive Chairman, Mr. Comb, is not the CEO of the Company and is considered Independent.
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	YES	In accordance with the Company's Board Charter, the Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Remuneration and Nomination Committee is responsible for facilitating inductions and professional development.
Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	YES	<p>(a) The Company's Corporate Code of Conduct applies to the Company's Directors and all employees.</p> <p>(b) The Company's Corporate Code of Conduct is available on the Company's website.</p>
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p>	YES	(a) The Company has an Audit and Risk Committee but the Committee does not have an independent chair nor a majority of independent Directors given the current Board composition and size. The Committee comprises two Non-executive

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<p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the Board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>Directors, Mr. Caudle (chair of the Committee) and Mr. Galt (Non-executive Director) and Mr. Comb Independent Non-executive Chairman of the Board. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report. The relevant qualifications and experience of the members of the Committee are disclosed in the Annual Report.</p> <p>(b) The Company had an Audit and Risk Committee for the past financial year.</p>
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>YES</p>	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company has obtained a sign off on these terms for FY2017.</p>

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<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> <p>The Company's external auditor attended the Company's last AGM during the past financial year and will attend the upcoming AGM.</p>
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Company has a Continuous Disclosure Policy which details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Continuous Disclosure Policy is available on the Company website.</p>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its governance is available in the Corporate Governance Policies which can be found on the Company's website.</p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Company has adopted a Shareholder Communication Policy that aims to promote and facilitate effective two-way communication with investors. The Policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Policies.</p>
<p>Recommendation 6.3</p>	YES	<p>Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall</p>

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A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.		send out material stating that all Shareholders are encouraged to participate at the meeting.
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	<p>Shareholders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholder queries are referred to the Company Secretary in the first instance.</p>
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it</p>	YES	<p>(a) The Company had an Audit and Risk Committee for the past financial year. The Committee does not have an independent chair nor a majority of independent Directors given the current Board composition and size. The Committee comprises two Non-executive Directors, Mr. Caudle (chair of the Committee) and Mr. Galt (Non-executive Director) and Mr. Comb Independent Non-executive Chairman of the Board. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report. The relevant qualifications and experience of the members of the Committee are disclosed in the Annual Report.</p> <p>(b) The relevant qualifications and experience of the members of the Committee are disclosed in the Annual Report. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report.</p>

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employs for overseeing the entity's risk management framework.		(a) The Company had an Audit and Risk Committee for the past financial year.
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>(a) The Audit and Risk Committee (or, in its absence, the Board) must, at least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>(b) The Company's Board and Audit and Risk Committee is very focussed on the management of risk. The Company's Board reviews the Company's risks and the risk management framework at each Board meeting. The Managing Director is required to report on the management of risk as a standing agenda item at each Board meeting. In addition, the Company's Audit and Risk Committee will also review the Company's risk management framework at least annually.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	YES	<p>(a) The Audit and Risk Committee monitor the need for an internal audit function.</p> <p>(b) The Company did not have an internal audit function during the past financial year. The Audit and Risk Committee monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations. The Company's management periodically undertakes an internal review of financial systems and processes where systems are considered to require improvement these systems are developed. The Company's Audit and Risk Committee reviews risk management and internal compliance procedures at least annually and monitors the quality of the accounting function.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social</p>	YES	The Board and Audit and Risk Committee assist management determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

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sustainability risks and, if it does, how it manages or intends to manage those risks.		Disclosure on whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks is in the Annual Report and on its website as part of the Company's continuous disclosure obligations.
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>(a) The Company had a Remuneration and Nomination Committee for the past financial year. The Committee is Chaired by an independent Non-executive Director, Mr. Comb and has two Non-executive Directors as members, Messrs. Caudle and Galt. The Committee does not have a majority of independent Directors given the size and composition of the current Board. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report.</p> <p>(b) The Company had a Remuneration and Nomination Committee for the past financial year.</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and</p>	YES	The Company's Corporate Governance Policies require the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed on the Company's website and also in its Annual Report.

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<p>other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>		
<p>Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Company had an equity-based remuneration scheme in place during the financial year. The Company does not permit participants to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>(b) Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in equity based remuneration or in unvested entitlements.</p>