



Dear Shareholder,

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF FINDERS RESOURCES LIMITED
ABN 82 108 547 413 (COMPANY)**

Notice is hereby given that an Annual General Meeting (**AGM**) of Shareholders is to be held as follows:

Venue: Royal Automobile Club, Level 4, Macquarie Room, 89 Macquarie Street, Sydney NSW
Time: 11.00am
Date: Thursday 26th May 2011

Please find enclosed the following documents in relation to the AGM:

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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 AGM in person, you are urged to complete and lodge the enclosed Proxy or appointment of Corporate Representative form, if a company.

Ian Morgan
Company Secretary
Friday, 15 April 2011

NOTICE IS GIVEN that an Annual General Meeting of the Company will be held on Thursday 26th May 2011 at 11.00am at Royal Automobile Club, Level 4, Macquarie Room, 89 Macquarie Street, Sydney NSW 2000, to consider, and if thought fit, pass the resolutions below.

The Proxy Form accompanying this Notice is incorporated in and comprises part of this Notice.

Explanatory notes, appearing under each item of business below, have 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 Annual General Meeting (AGM).

The purpose of the AGM is to consider and if thought fit, pass the Resolutions.

The Directors recommend that Shareholders read this Notice of Meeting of Shareholders, before determining whether to support the Resolutions or otherwise.

1. ORDINARY BUSINESS AGENDA

1.1. Financial Report

To receive and consider the Financial Report of the Company.

There is no requirement for Shareholders to approve the Financial Report. A copy of this Financial Report may be downloaded from the Company's web-site address at <http://www.findersresources.com/files/Announcements%202011/Annual%20Report.pdf>.

1.2. Resolution 1: Adoption of Remuneration Report

Resolution 1 is to consider and, if thought fit, to pass the following non binding ordinary Resolution:

That the Remuneration Report for the year ended 31st December 2010 included in the Directors' Report, which forms part of the Financial Report, be adopted by the Company.

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

1.3. Resolution 2: Election of Robert Thomson

Resolution 2 is to consider and, if thought fit, with or without amendment, to pass the following ordinary Resolution:

That Robert Thomson, who retires from office as a Director in accordance with the Constitution and, being eligible, having offered himself for election, is elected as a Director.

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

1.4. Resolution 3: Election of Thomas Quinn Roussel

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

That Thomas Quinn Roussel, who retires from office as a Director in accordance with the Constitution and, being eligible, having offered himself for election, is elected as a Director.

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

1.5. Resolution 4: Election of James Wentworth

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

That James Wentworth, a Director appointed as an addition to the existing Directors since the last annual general meeting in accordance with the Constitution, is elected as a Director.

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

2. SPECIAL BUSINESS AGENDA

2.1. Resolution 5: Ratification of Previous Share Issue (BKP Shares)

Resolution 5 is to consider and, if thought fit, with or without amendment, 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 on 21st January 2011 by the Company of 2,000,000 fully paid ordinary shares in the capital of the Company (BKP Shares) for an issue price of 39.5 cents per Share to BKP.

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

2.2. Resolution 6: Ratification of Previous Share Issue (Plan Shares)

Resolution 6 is to consider and, if thought fit, with or without amendment, 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 on 10th January 2011 by the Company of 4,142,430 fully paid ordinary shares in the capital of the Company (Plan Shares) for an issue price of 43.0 cents per Share to certain Employees.

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

2.3. Resolution 7: Amend Constitution to Permit Payment of Dividends where Solvent

To consider and, if thought fit, pass the following Resolution as a special Resolution:

That in accordance with Section 136 of the Corporations Act, the Constitution of the Company is amended by:

- (i) Replacing rule 123.1 with the following: 'Subject to the Act, a dividend or bonus or payment by way of bonus may be payable to members otherwise than out of profits of the Company'; and
- (ii) Replacing rule 125.1 with the following: 'Before declaring any dividend, set aside such sums as they think proper as a reserve, to be applied, at the discretion of the Directors, for any purpose for which such sums may be properly applied'; and
- (iii) Replacing rule 125.3 with the following: 'The directors may carry forward so much of the reserves under rule 125.1 remaining as they consider ought not to be distributed as dividends'.

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

2.4. Resolution 8: Amend Constitution to Permit Board Circular Resolutions by a Simple Majority

To consider and, if thought fit, pass the following Resolution as a special Resolution:

That in accordance with Section 136 of the Corporations Act, the Constitution of the Company is amended by replacing rule 57.1 with the following: 'The directors may pass a resolution without a directors' meeting being held if the proposed resolution has been provided electronically to all directors and a simple majority (being in excess of 50%) of the directors entitled to vote on the resolution including at least two non-executive directors, sign a document containing a statement that they are in favour of the resolution set out in the document.'

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

2.5. Resolution 9: Approval of Deeds of Access and Indemnity for Directors

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

That for the purposes of section 195(4) of the Corporations Act 2001 and all other purposes:

- (i) approval is given to the Company to enter into a Director's Deed of Access and Indemnity between the Company and each of the current Directors of the Company, in substantially the same form as that which is submitted to the Meeting, and signed by the Chairman for identification, and to the Company providing benefits in accordance with the Deeds to each of the Directors; and
- (ii) any Director or Secretary of the Company be authorised to sign, seal and deliver on behalf of the Company, the Director's Deed of Access and Indemnity.

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

2.6. Resolution 10: Approval of Finders Employee Share Plan

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

That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 of the Listing Rules, the Company approve the issue and allotment of Shares under the incentive security scheme for Employees (excluding any Director) known as the 'Finders Employee Share Plan', a summary of the rules of which are annexed as Annexure A to the Explanatory Statement accompanying this Notice of Meeting, as an exception to Listing Rule 7.1.

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

3. VOTING EXCLUSION STATEMENTS

3.1. Resolution 5

The Company will disregard any votes cast on Resolution 5 by BKP or any associate of BKP. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

3.2. Resolutions 6 and 10

The Company will disregard any votes cast on Resolutions 6 and 10 by an Employee or Director and any associate of an Employee or Director. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

3.3. Resolution 9

The Company will disregard any votes cast on Resolution 9 by a Director or any associate of a Director. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

4. OTHER MATTERS

4.1. 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 901, Level 9, 60 Pitt St Sydney NSW 2000; or

- facsimile to Finders Resources Limited on facsimile number +61 2 8068 2540, so that it is received not later than 11.00 am Wednesday 25th May 2011, Sydney time.

4.2. Voting and required majority

For the purpose of determining a person's entitlement to vote at the Annual 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 5.00 pm Sydney time on Tuesday 24th May 2011, being the second Business Day prior to the date of the Annual 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);
- (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); and
- (iii) in the case of special resolutions must be passed by not less than 75% 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.

4.3. Definitions

For the purposes of this Notice of Annual General Meeting the following definitions apply unless the context requires otherwise.

AGM or Annual General Meeting means the annual general meeting to be held at 11.00am on Thursday 26th May 2011 and notified to the Company's Shareholders by the Notice.

ASX means ASX Limited ABN 98 008 624 691

BKP means PT Batutua Kharisma Permai, a limited liability company existing under the laws of the Republic of Indonesia.

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.

Corporations Act means the Corporations Act 2001 (Clth).

Directors mean the directors of the Company from time to time and Director has a corresponding meaning.

Directors' Report means the Company's directors' report for the financial half-year ended 31 December 2009 prepared in accordance with the Corporations Act and which forms part of the Financial Report.

Employee means any employee of the Company, excluding any Director.

Financial Report means the Company's audited annual financial statements and associated reports for the financial half-year ended 31 December 2009 prepared in accordance with the Corporations Act.

Listing Rules means the ASX's listing rules.

Notice means this notice incorporating the explanatory statement and proxy form.

Plan means the Finders Employee Share Plan.

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.

4.4. Interpretation

For the purposes of interpreting the Notice:

- (i) the singular includes the plural and vice versa;
- (ii) words importing any gender include both genders;
- (iii) Unless stated otherwise, references to currency are to Australian dollars or cents as applicable;
- (iv) 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; and
- (v) 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 Notice.

By order of the Board of Directors
Ian Morgan
Company Secretary
15 April 2011

5. EXPLANATORY STATEMENT

5.1. Financial Report

The Corporations Act requires the following reports in respect of the financial year ended 31st December 2010 to be laid before the Annual General Meeting:

- Financial Report (which includes financial statements and Directors' Declaration); and
- The Directors' Report (which includes the Remuneration Report); and
- The Auditor's Report

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on these reports.

There is no requirement either in the Corporations Act or the Constitution for Shareholders to vote on, approve or adopt these reports. Shareholders will also be able to ask questions of the Company's auditor.

5.2. Adoption of Remuneration Report

Resolution 1 is proposed for the adoption of the Remuneration Report of the Company for the financial year ended 31st December 2010, which is set out in the Directors' Report contained in the Financial Report.

In accordance with the Corporations Act, the votes cast in respect of this Resolution are advisory only and do not bind the Company.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution.

5.3. Election of Robert Thomson

Resolution 2 relates to the election of Robert Thomson as a Director. Under the Constitution, one third of the Directors, excluding the Managing Director, must retire at an AGM and, if eligible, may be re-elected.

Robert Thomson retires as Director in accordance with the Constitution and, being eligible, offers himself for election.

Mr Thomson's qualifications are BE (Mining) (University of Queensland), MBA (University of Wollongong), FAusIMM.

Mr Thomson has over 30 years of Australian and international mining experience. He has worked on 5 Asian development projects in the last 13 years including GM Development, Chatree Gold Mine in Thailand and Project Director, Sepon Gold Mine in Laos. Mr Thomson was CEO of Climax Mining Limited from 2003 to 2006 and Asian Mineral Resources Limited from 2006 to 2008. Mr Thomson is an executive director of the Company and is the Company's Development Director.

The Directors (other than Robert Thomson) recommend that Shareholders vote in favour of the Resolution.

5.4. Election of Thomas Quinn Roussel

Resolution 3 relates to the election of Thomas Quinn Roussel as a Director. Under the Constitution, one third of the Directors, excluding the Managing Director, must retire and, if eligible, may be re-elected.

Thomas Quinn Roussel retires as Director in accordance with the Constitution and, being eligible, offers himself for election.

Mr Roussel's qualifications are BSc (Mining Engineering) (Colorado School of Mines), MBA (University of South Carolina and Wirtschafts Universitat – Wien).

Mr Roussel is a US based Principal of Resource Capital Funds ("RCF"), a mining-focused private equity firm investing in hard rock mineral commodities at various stages of development. Prior to joining RCF he was Director of Business Development at Asian American Coal in China. He has also served as an engineer in underground and open-cut coal mines and open-cut gold mines. RCF is a substantial shareholder in the Company.

The Directors (other than Thomas Quinn Roussel) recommend that Shareholders vote in favour of the Resolution.

5.5. Election of James Wentworth

Resolution 4 relates to the election of James Wentworth as a Director.

The Board may at any time appoint a person qualified to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

Any Director appointed to fill a casual vacancy or as an addition to the existing Directors holds office only until the termination of the next annual general meeting of the Company and is eligible for re-election at that annual general meeting, but is not taken into account in determining the number of directors who must retire by rotation at that meeting.

Mr Wentworth was appointed to the Board as an addition to the existing Directors since the last annual general meeting.

James Wentworth retires as a Director in accordance with the Constitution and, being eligible, offers himself for election.

Mr Wentworth's qualifications are LLB (Hons), BCom (University of Queensland).

Mr Wentworth is a qualified solicitor with over 17 years of financial and commercial experience, including a number of transactions in the mining and mining services industries. Prior to joining the Company, he spent nine years with Sydney-based private equity firm CHAMP Ventures where he was a director and member of the investment committee. Mr Wentworth is an executive director of the Company and is the Company's Finance Director

The Directors (other than James Wentworth) recommend that Shareholders vote in favour of the Resolution.

5.6. Ratification of Previous Share Issue (BKP Shares)

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 issue of 2,000,000 BKP Shares was within the 15% prescribed limit when issued, Shareholder approval was not obtained prior to the issues of those Shares.

However, ASX Listing Rule 7.4 treats the issues of those BKP Shares 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.

That issue did not breach ASX Listing Rule 7.1.

Under Resolution 5, the Company seeks the ratification by the Shareholders of the issue and allotment of the BKP Shares, so as to 'refresh' the effect of ASX Listing Rule 7.1 on any further issues of securities in the next 12 months.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution.

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

Issue Date: 21st January 2011.

ASX Listing Rule 7.5.1: *Number of Shares:* 2,000,000.

ASX Listing Rule 7.5.2: *Issue Price:* 39.5 cents 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 allottee was Martin Place Securities Nominees Pty Ltd ABN 38 107 885 030 as nominee for BKP.

ASX Listing Rule 7.5.5: *Use or intended use of the funds raised:* As the Company's local Indonesian partner, BKP is the legal holder of the Wetar mining tenements and held a minority interest in Banda Minerals Pty Ltd (Banda). BKP is also entitled to a royalty on the Wetar project equal to 5% of net profit. As at 31st December 2010, BKP's interest in Banda was diluted to 3.7% through project expenditure. The Company acquired this minority interest in Banda for a cash payment of US\$675,000 and issue and allotment of 2,000,000 Shares. The Shares were issued subject to certain agreed vesting conditions relating to the issuance of permits required for commencement of operations.

ASX Listing Rule 7.5.6: *A voting exclusion statement:* A voting exclusion statement is included at paragraph 3.1 of this Notice.

5.7. Ratification of Previous Share Issue (Plan Shares)

Although the issue of 4,142,430 Plan Shares was within the 15% prescribed limit when issued, Shareholder approval was not obtained prior to the issues of those Shares.

However, ASX Listing Rule 7.4 treats the issues of those Plan Shares 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.

That issue did not breach ASX Listing Rule 7.1.

Under Resolution 6, the Company seeks the ratification by the Shareholders of the issue and allotment of the Plan Shares, so as to 'refresh' the effect of ASX Listing Rule 7.1 on any further issues of securities in the next 12 months.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution.

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

Issue Date: 10th January 2011.

ASX Listing Rule 7.5.1: *Number of Shares:* 4,142,430.

ASX Listing Rule 7.5.2: *Issue Price:* 43.0 cents 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 Employees in accordance with the Plan. Refer to paragraph 5.11 of this Notice for more details.

ASX Listing Rule 7.5.5: *Use or intended use of the funds raised:* Issued in accordance with the Plan. Refer to paragraph 5.11 of this Notice for more details.

ASX Listing Rule 7.5.6: *A voting exclusion statement:* A voting exclusion statement is included at paragraph 3.2 of this Notice.

5.8. Amend Constitution to Permit Payment of Dividends where Solvent

The Corporations Act was recently amended by replacing the requirement that dividends be paid out of company profits with a test based on balance sheet solvency.

The new provisions of the Corporations Act allow companies to pay dividends if:

- the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for payment of the dividend;
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The dividend provisions in the Company's Constitution are currently based on the repealed provisions of the Corporations Act and state that dividends can only be paid out of profits.

Therefore, it is proposed to amend the Constitution to make it consistent with the new provisions of the Corporations Act.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution.

5.9. Amend Constitution to Permit Board Circular Resolutions by a Simple Majority

The Corporations Act replaceable rule (section 248A) and the Company's Constitution permits directors to pass a resolution without a directors' meeting being held if all the directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set down in the document.

The Company's Constitution further excludes from this requirement any director absent from Australia who has not left a facsimile number at which he or she may be given notice.

The Corporations Act (section 135(2)) permits a company's constitution to displace or modify a replaceable rule that applies to a company.

By amending the Company's Constitution to permit a simple majority of directors including at least two non-executive directors, to pass a resolution without a meeting (circular resolution), the Company expects to simplify the present requirement that, excluding a limited exception, all eight Directors are required to sign any circular resolution.

This change is expected to improve the process presently required for the Board to consider and approve resolutions.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution.

5.10. Approval of Deeds of Access and Indemnity for Directors

It is common practice for publicly listed companies to enter into deeds with their Directors providing access to documents, rights of indemnity and insurance. This practice has arisen:

- because of the increasing risks involved in corporate management;
- as a means of attracting and retaining quality directors; and
- uncertainty as to whether former directors can enforce indemnities included in a company's constitution.

It is therefore proposed that the Company enter into a Deed with each Director providing access to documents, rights of indemnity and insurance.

Section 195 of the Corporations Act provides, in essence, that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Although section 191(2)(a)(vi) provides that Directors do not necessarily hold an interest in a matter relating to contracts of insurance, each Director is considered to hold a material personal interest in the consideration of the other matters contained in the Deed (ie the indemnity and

access components) and, therefore, cannot consider those matters at Board level. However, by reason of section 195(4), the Directors are permitted in such instances to put the matter before the shareholders to consider and resolve upon under section 195(4).

As each of the current Directors has a material personal interest in the proposed Deeds, the Directors have exercised their right under section 195(4) of the Corporations Act and resolved to place before shareholders the question of whether the Deeds should be entered into by the Company. The main provisions of the Deeds are as follows:

Access

- The Company must maintain a complete set of records and ensure safekeeping and custody of the records in a storage place.
- The Company must allow a Director access to such records. However, the Company may refuse to provide access where:
 - the records are the subject of client legal privilege and related to legal proceedings brought by the Company or its related bodies corporate against the Director; or
 - the records are the subject of client legal privilege and related to legal proceedings brought by the Director against the Company and its related bodies corporate.
- The rights of access continue for seven years after the Director ceases to hold office. Where access is provided, the Director must maintain the confidentiality of the documentation.

Insurance

- The Deed provides that the Company shall take out and maintain a contract of insurance insuring each Director against any liability:
 - which does not arise out of conduct involving a wilful breach of duty in relation to the Company; and
 - for costs and expenses incurred by the Director in defending proceedings, whatever their outcome.
- The Company shall continue to maintain and pay the premiums for such insurance for a period of seven years after the Director ceases to hold office.

Indemnity

- The indemnity contained in the Deed does not extend further than is permitted under the Corporations Act 2001.
- The indemnity extends to any liability (except legal costs) incurred by a Director to another person provided the liability is not:–owed to the Company; or–for an order under section 1317G or 1317H of the Corporations Act; or–owed to someone other than the Company or a related body corporate and did not arise out of conduct in good faith.

5.11. Approval of Finders Employee Share Plan

The Directors consider that it is desirable to maintain a Share Plan under which Employees may be offered the opportunity to subscribe for Shares, in order to increase the range of potential incentives available to them and to strengthen links between the Company and its Employees.

Accordingly, the Directors have adopted the Finders Employee Share Plan (**Plan**). The Plan is designed to provide incentives to Employees and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to Employees are a cost-effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To

enable the Company to secure Employees who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue and allotment of Employee Shares pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued and allotted without Shareholder approval.

Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue and allotment of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years after the date of approval.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Shares in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the rules of the Plan is annexed as Annexure A to this Explanatory Statement. Employee Shares issued and allotted under the Plan will be offered to participants in the Plan on the basis of the Board's view of the contribution of the eligible person to the Company.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b), the following information is provided:

- (a) A summary of the terms of the Plan is attached as Annexure A to the Notice of Meeting;
- (b) Under the Plan, 4,142,430 Shares have previously been issued and allotted to Employees (refer to paragraph 5.7 of this Notice for more details); and
- (c) A voting exclusion statement has been included for the purposes of Resolution 10 (refer to paragraph 3.2 of this Notice).

The Company intends to issue and allot to its Employees a total not exceeding 5% of the Company's issued shares from time to time, on the terms set out in the Plan.

These Shares will only become available to Employees on achievement of performance hurdles as pre determined from time to time by the Board.

Shares will be listed and rank pari passu with the then existing Shares.

The Shares issued and allotted under the Plan are as a reward for past efforts by Employees and an incentive for the future success of the Company. Directors consider the issue and allotment of Shares under the Plan to be in the best interests of the Company.

5.12. Annexure A to the Explanatory Statement

Summary of the Terms of the Plan

Overview

Under the Finders Employee Share Plan (**Plan**), selected Employees are offered the opportunity to acquire shares from the Company at a placement price, funded by a limited recourse, interest-free loan from the Company. The Shares offered to an Employee are subject to vesting conditions (ie. performance hurdles) and are released to the Employee only upon the performance hurdles being met and the relevant loan having been repaid. Participation in the Plan is at the discretion of the Board.

The placement or issue price of the Shares is the ASX recorded closing price for the Company's shares on the date of issue to the Employee. The aggregate cost of the issue to the Employee (number of Shares multiplied by the issue price) is funded by a loan to the Employee. The term of this loan is normally five years and is interest free.

Vesting Conditions

All Shares are issued subject to specified vesting conditions which are specific to each Employee and only once these vesting conditions are satisfied is the Employee able to sell or deal with the Shares, subject to repayment of the loan in respect of the Shares to be dealt with. The Company acting reasonably has absolute discretion in determining whether the particular vesting conditions have been satisfied.

Vesting Conditions Satisfied

If on or before the repayment date, the vesting conditions are satisfied and the then market value of the Shares exceeds the issue price, the Employee can prepay some or all of the loan attributable to a number of Shares specified by the Employee and the Employee is then entitled to sell or dispose of that specified number of Shares.

Vesting Conditions Not Satisfied

If, on the repayment date, the vesting conditions are not satisfied then the loan is due and repayable and the Company is entitled to sell the Employee's shares to recover its loan. If the proceeds of sale are less than the loan amount in respect of those Shares then the Employee is not liable for the shortfall. If the proceeds of sale are more than the loan amount in respect of those Shares, then the Company is entitled to recover its loan and retain the surplus.

Prepayment

An Employee may at any time repay the loan in respect of any number of Shares.

Cessation of Employment

If an Employee ceases employment with the Company (other than by death retirement redundancy, mental or physical incapacity or other circumstance approved by the Company's Board, then whether or not the applicable vesting conditions have been satisfied the Company can sell the Shares and apply the proceeds to recover its loan. If the proceeds of sale are less than the loan amount in respect of those Shares then the Employee is not liable for the shortfall. If the proceeds of sale are more than the loan amount in respect of those Shares, then the Company is entitled to recover its loan and retain the surplus.

Dividends and other Distributions

Cash distributions on Shares in respect of which a loan is outstanding are required to be paid to the Company in reduction of the loan. Other distributions are to be retained by the Employee.

Dealings

An Employee who holds Shares subject to a loan is not permitted to deal with such shares and the Company is entitled to place a holding lock on the Shares

Mergers and Takeovers

If a takeover offer or a scheme of arrangement recommended or approved by the Directors of the Company occurs in relation to the Company, then the vesting conditions under which Shares have been issued to an Employee are deemed to have been met and the loan in respect of that Employee's Shares becomes immediately due and payable. The Employee has no liability for any shortfall on sale of the Shares by the Company. If on a takeover the consideration is script in another company then that script will be substituted for the Shares as security for the loan to the Employee

6. APPOINTMENT OF PROXY FORM

If appointing a Proxy, to attend the Annual 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 Annual General Meeting to be held at 11.00am (Sydney time) on Thursday 26th May 2011 at the Royal Automobile Club, Level 4, Macquarie Room, 89 Macquarie Street, Sydney NSW and any adjournment of that meeting.

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

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 of 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:

Resolution 1: To adopt the Remuneration Report.

Resolution 2: To elect Robert Thomson as a Director. (Ordinary Resolution)

Resolution 3: To elect Thomas Quinn Roussel as a Director. (Ordinary Resolution)

Resolution 4: To elect James Wentworth as a Director. (Ordinary Resolution)

Resolution 5: To ratify previous share issue (BKP Shares). (Ordinary Resolution)

Resolution 6: To ratify previous share issue (Plan Shares). (Ordinary Resolution)

Resolution 7: Amend Constitution to Permit Payment of Dividends where Solvent. (Special Resolution)

Resolution 8: Amend Constitution to Permit Board Circular Resolutions by a Simple Majority. (Special Resolution)

Resolution 9: Approval of Deeds of Access and Indemnity for Directors. (Ordinary Resolution)

Resolution 10: Approval of Finders Employee Share Plan. (Ordinary Resolution)

For Against Abstain

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<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 hands 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 type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director & Company Secretary	Director / Company Secretary	Director

Dated this _____ Day of _____ 2011

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. 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:
 - (i) directors of the company;
 - (ii) a director and a company secretary of the company; or
 - (iii) 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, 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:
 - (i) post to Finders Resources Limited, Suite 901, Level 9 60 Pitt St Sydney NSW 2000;
 - or
 - (ii) facsimile to Finders Resources Limited on facsimile number +61 2 8068 2540,so that it is received not later than 11.00 am Wednesday 25th May 2011, 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.



7. 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 Annual General Meeting to be held at 11.00am Sydney time on Thursday 26th May 2011 and any adjournment thereof.

Dated this _____ day of _____ 2011

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