

9 January 2018

Ms Dawn James
ASX Listings Advisor
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

By email: dawn.james@asx.com.au

Dear Ms James,

Finders Resources Limited (the "Company"): Appendix 3Y (Change of Director's Interest Notice) – Mr Gavin Caudle

We refer to your letter dated 8 January 2018 regarding the above and respond as follows:

1. Please explain why the Appendix 3Y was lodged late.

The Appendix 3Y was lodged late due to a delay in the Company receiving the relevant information from the director, Mr Gavin Caudle. The delay in the provision of the relevant information by Mr Gavin Caudle to the Company was due to an inadvertent administrative oversight. The Company lodged the Appendix 3Y with the ASX as soon as it received the relevant information from Mr Gavin Caudle.

The Company confirms that it is aware of and understands its obligations under the *Corporations Act 2001* (Cth) and the ASX Listing Rules, in particular the obligations under ASX Listing Rules 3.19A and 3.19B.

2. What arrangements does the Company have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

The Company considers that it has the necessary reporting and notification policies in place to ensure compliance by the Company with its disclosure obligations under Listing Rule 3.19A. In addition, the Company has adopted Corporate Governance Policies which include a Securities Trading Policy.

Each of the Directors are aware of the obligations under the ASX Listing Rules that require the Company to notify the ASX of any change in the notifiable interests of the Director in the Company within 5 business days after the change occurs.

The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required to be notified by the Company to the ASX under ASX Listing Rule 3.19A after any change in the notifiable interests of the Director.

3. If the current arrangements are inadequate or not being enforced, what additional step(s) does the Company intend to take to ensure compliance with Listing Rule 3.19B?

The Company considers its current arrangements are adequate for ensuring the notification to the ASX of any changes in notifiable interests of the Directors within the time period allowed by Listing Rule 3.19A. However in light of the delay described above, all Directors have been reminded again of their obligations to promptly inform the Company Secretary of any changes in their notifiable interests to ensure the Company is able to comply with its obligations under ASX Listing Rule 3.19A.

Yours sincerely

A handwritten signature in black ink, appearing to read 'AP Hunter'.

Susan Hunter
Company Secretary

Finders Resources Limited | ABN 82 108 547 413

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8 January 2018

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

By email:

Dear Ms Hunter

FINDERS RESOURCES LIMITED (the "Entity"): Appendix 3Y – Change of Director's Interest Notice

We refer to:

1. the Appendix 3Y lodged by the Entity with ASX on Friday 5 January 2018 for Gavin Arnold Caudle (the "Director Notice");
2. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

The Appendix 3Y indicates that a change in Mr Caudle's notifiable interest occurred between 18 and 21 December 2017. It appears that the Director's Notice should have been lodged with ASX by 27 December 2017. Consequently, the Entity may be in breach of listing rules 3.19A and/or 3.19B.



Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Entity make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*, under listing rule 18.7 we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Entity have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at dawn.james@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than 4.00pm on Wednesday 10 January 2018.

Under listing rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

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

Yours sincerely

[Sent electronically without signature]

Dawn James
Adviser, Listings (Perth)