

FINDERS RESOURCES LIMITED

AUDIT COMMITTEE CHARTER

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1. PURPOSE

The purpose of the Audit Committee is to provide assistance to the Board of Directors in fulfilling its corporate governance and oversight responsibilities in relation to the company's financial reporting, internal control structure, risk management systems and external audit functions.

2. POWERS

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the company and the authority to engage independent counsel and other advisers as it determines necessary at the company's cost.

3. COMPOSITION

3.1 Membership

The Committee members shall consist of –

- a) at least two directors;
- b) only non-executive directors; and
- c) a majority of independent directors.

The Committee shall include members who are all financially literate or become financially literate within a reasonable period of time after appointment. At least one member shall have financial expertise. At least one member shall have an understanding of the industry in which the company operates.

3.2 Chairman

The Chairman of the Committee shall be an independent director who is not chairman of the Board.

3.3 Secretary

The Company Secretary shall be the Committee Secretary.

4. MEETINGS

4.1 Frequency of Meetings

The Committee shall meet at least twice a year. The purpose of these meetings shall be to review the following reports and recommend to the Board for approval -

- a) half-year financial report; and
- b) annual financial report.

4.2 *Attendance at Meetings*

The number of members whose presence at a meeting of the Committee is necessary to constitute a quorum is two.

The external auditor shall be given notice of all meetings and shall have the right to attend and speak.

The Managing Director, Finance Director and Chief Financial Officer may attend the meetings at the invitation of the Chairman.

5. **COMMITTEE RESPONSIBILITIES**

5.1 *Accounting Policies*

The Committee shall –

- a) review the appropriateness of the company's accounting policies and principles;
- b) review proposed professional and regulatory pronouncements regarding accounting policies and financial reporting and assess their impact on the company.

5.2 *Financial Statements*

The Committee shall –

- a) review all published financial statements which require approval by the Board of Directors prior to approval by the Board;
- b) review any report of management which accompanies published financial statements (to the extent that such a report discusses the financial position or operating results) for consistency of disclosure with the financial statements before approval by the Board.

5.3 *Disclosures to ASX*

The Chairman of the Committee shall review and approve any disclosures of financial information to Australian Stock Exchange prior to their release to ASX.

5.4 *External Audits*

The Committee shall –

- a) review and assess provision of non-audit services by the external auditor, with particular consideration to the potential to impair, or appear to impair, the external auditor's judgement or independence in respect of the company;
- b) meet with the external auditor without the presence of management;
- c) review the audit plans of the external auditors and ascertain the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control, fraud or other illegal acts;

- d) review any significant recommendations by the auditors to strengthen internal controls; and
- e) review the results of the external audits.

5.5 *Appointment and rotation of external auditor*

If a change in external auditor is proposed, responsibility for recommending the external auditor (to be proposed for shareholder approval) and for evaluating the external auditor shall lie with the Audit Committee. The Committee shall aim to recommend an external auditor who demonstrates independence and integrity and who has the capacity to support the group's business operations in Australia and Indonesia.

The audit partner responsible for the audit shall be rotated at least every five years. At least two years must elapse before the audit partner can again be involved in the audit of the company.

5.6 *Internal control*

The Committee shall –

- a) assess management's programmes and policies which deal with the adequacy and effectiveness of internal controls over the company's accounting and financial reporting systems.
- b) review the corporate code of conduct and seek assurance that all policies and practices comply. This exercise might include monitoring the standard of corporate conduct in transactions with related parties. Committee members shall be aware of actual or potential conflicts of interest, including transactions which are not at arm's length.

6. REVIEW OF CHARTER

The Audit Committee Charter is reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities.

7. REPORTING TO THE BOARD

The chairman of the Committee shall report the findings and recommendations of the Committee to the Board after each Committee meeting. The minutes of all Committee meetings shall be circulated to members of the Board.

October 2009