

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Finders Resources Limited

ABN

82 108 547 413

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	31,062	153,903
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(20,646)	(88,995)
(d) staff costs	(5,090)	(18,253)
(e) administration and corporate costs	(88)	(2,297)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	76	287
1.5 Interest and other costs of finance paid	(1,382)	(6,212)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	3,932	38,433

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10,242)	(12,081)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(10,242)	(12,081)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,260
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	14,801	42,124
3.6	Repayment of borrowings	(12,354)	(56,257)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Net Hedge Payments)	(3,429)	(15,410)
3.10	Net cash from / (used in) financing activities	(982)	(27,283)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	21,532	13,766
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,932	38,433
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,242)	(12,081)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(982)	(27,283)
4.5	Effect of movement in exchange rates on cash held	59	1,464
4.6	Cash and cash equivalents at end of period	14,299	14,299

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,422	9,024
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Debt Service Reserve Account)	12,877	12,508
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	14,299	21,532

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

459

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	29,771	29,771
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	41,112	41,112
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Group has a Senior Secured Project Finance Facility Agreement with a syndicate of banks consisting of a term loan (US\$21.0M outstanding) and a cost overrun facility (nil outstanding). The interest rate is are 3-month LIBOR plus a margin, 5.50% for the term loan facility.

The Group has a US\$44.0 million of shareholder loan facilities provided by PT Merdeka Gold Tbk and Posco Deawoo Corporation. These shareholder loan facilities were drawn to US\$29.0 million as at 31 December 2018. Interest rates are 10% for the first US\$19.0 million and 3M LIBOR plus a margin, 5.50% thereafter.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,400
9.2 Development	12,500
9.3 Production	23,000
9.4 Staff costs	3,750
9.5 Administration and corporate costs	750
9.6 Other (provide details if material)	-
Interest and other costs of finance paid	625
Repayment of borrowings	29,200
Net hedge payments	2,900
9.7 Total estimated cash outflows	74,125

Production for Q4 2018 was below the 2018 trend and is expected to reverse in Q1 2019. Substantial capex required for the Lerokis Haul Road and Neutralisation Plant implementation. The final project finance bullet payment of US\$21m is due on 31 March 2019. These will be paid from facilities announced on 22 January 2019.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced			
10.2	Interests in mining tenements and petroleum tenements acquired or increased			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Date: 31 January 2019

D Fowler

(Director)

Print name: David Fowler

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.