



30 January 2018

**ASX Code: MTB**

Ms Isabelle Andrews  
Adviser  
Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40 Central Park  
Perth WA 6000

Dear Ms Andrews,

In regard to your letter of 29 January 2018 addressed to the Company Secretary, please find below responses to the six queries raised by ASX.

**ASX Query 1.** *Does MTB expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

In answer to **Query 1**, MTB confirms that as a company involved in resource exploration and development, without a project in production to generate cash flow, the Company will continue to have negative operating cash flows for the time being.

**ASX Query 2.** *Has MTB taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

### **Background**

In answer to **Query 2**, MTB confirms that based on the strategy outlined by the Company in regard to the future development of its Kihabe Zinc, Lead and Silver project in Botswana, it has in the last nine months been successful in raising funds amounting to \$938,545.

\$822,092 was raised by way of share placements; \$94,453 was received by way of an R & D grant, specifically related to metallurgical recovery processes being trialled for the project to recover metal on site; \$22,000 was received through the sale of data relative to a surrendered project.

### **The Way Forward**

This funding has enabled the Company to recently conduct a significant HQ diamond core drilling programme on the project, results from which are pending, currently being compiled for release to the market in accordance with JORC 2012 reporting as advised in the Company's Quarterly Report released on 29 January 2018.

MTB has the capacity to conduct further share placements under Listing Rules 7.1 and 7.1A. MTB can also conduct rights issues for the purpose of further funding. MTB has also recently received expressions of interest relative to participation in future capital raisings.

**It is only upon release of results from the recent drilling programme (currently being compiled) and with a fully informed market that the Company can embark on any future capital raisings.**

In addition MTB is eligible to receive further R & D grants in respect of expenditure currently being applied to metallurgical test work with regard to recovering metal on site. MTB is due to receive approximately \$25,000 from VAT refunds in respect of drilling conducted during October, November and December 2017.

**ASX Query 3.** *Does MTB expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

In answer to **Query 3**, MTB believes that it will be able to continue its operations and meet its business objectives through the ability to raise further funds for the development of its Kihabe project.

**ASX Query 4.** *Please provide any other information that MTB considers may be relevant to ASX forming an opinion on whether MTB is in compliance with Listing Rule 12.2 (a listed entity's financial condition must in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing)*

In answer to **Query 4**, MTB believes that its financial condition, when taking into account information as outlined in MTB's answers to **ASX Queries 2 and 3**, is adequate to warrant the continued quotation of its securities and its continued listing. In addition, MTB is focussed on developing a project, which based on current metal prices provides a real purpose for pursuing the potential for future production for both an Australian Listed Company and Botswana, a country in need of developing its potential resources.

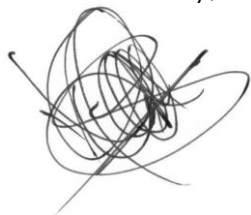
**ASX Query 5.** *Please confirm that MTB is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.*

In answer to **Query 5**, MTB confirms that to the best of its knowledge, it is in compliance with Listing Rule 3.1 and that there isn't any information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.

**ASX Query 6.** *Please confirm that MTB's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an Officer of MTB with delegated authority from the Board to respond to ASX on disclosure matters.*

In answer to **Query 6**, MTB confirms that its responses to the questions above have been authorised and approved by Nigel Raymond Forrester, FCA (ICAEW), CEO of MTB, with delegated authority from the MTB Board to respond to ASX on disclosure matters.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Nigel Forrester', written over a circular scribble.

**Nigel Forrester**  
**CEO**

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29 January 2018

Ms Jan Forrester  
Company Secretary  
Mount Burgess Mining NL  
8/800 Albany Highway  
East Victoria Park WA 6101

Dear Ms Forrester

**Mount Burgess Mining NL ("MTB") Appendix 5B Query**

I refer to MTB's Appendix 5B quarterly report for the period ended 31 December 2017 lodged with ASX Market Announcements Platform on 29 January 2018 (the "Appendix 5B").

ASX notes that MTB has reported:

- negative net operating cash flows for the quarter of \$262,000
- cash at the end of the quarter of \$279,000 and
- estimated cash outflows for the next quarter of \$161,000

It is possible to conclude, based on the information in the Appendix 5B that if MTB were to continue to expend cash at the rate indicated by the Appendix 5B, MTB may not have sufficient cash to continue funding its operations. In view of that, ASX asks MTB to respond separately to each of the following questions and requests for information:

1. Does MTB expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has MTB taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does MTB expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that MTB considers may be relevant to ASX forming an opinion on whether MTB is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that MTB is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that MTB's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MTB with delegated authority from the board to respond to ASX on disclosure matters.

### When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **05:00 pm AWST on Thursday 1 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MTB's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MTB's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [TradingHaltsPerth@asx.com.au](mailto:TradingHaltsPerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to MTB's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that MTB's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MTB's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

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

Yours sincerely,

*[sent electronically without signature]*

Isabelle Andrews  
Adviser, Listings Compliance (Perth)  
P: 13 12 79