mount burgess mining

and Controlled Entities

ACN 009 067 476

Annual Report

for the Year ended 30 June 2019

Directors:	NIGEL RAYMOND FORRESTER, FCA (ICAEW)
	JASON STIRBINSKIS, MBA, B. Sc., Grad Dip Ed., AusIMM – *resigned 18 July 2019*
	KAREN CLARK
	CHRIS CAMPBELL-HICKS, FAusIMM CP Met MMICA
	HARRY WARRIES, Ms Mine Eng., FAusIMM
Joint Secretaries:	JAN FORRESTER
	SERENE CHAU, CPA
Registered Office:	Unit 8 800 Albany Highway East Victoria Park Western Australia 6101
	Telephone: +61 8 9355 0123 Facsimile: +61 8 9355 1484 Email: mtb@mountburgess.com Website: www.mountburgess.com
Share Registry:	Advanced Share Registry Services 110 Stirling Hwy Nedlands WA 6009 PO Box 1156 Nedlands WA 6009 Telephone: 1300 113 528 (Australia) +61 8 9389 8033 (International) Facsimile: +61 8 9262 3723
	Suite 8H 325 Pitt Street Sydney NSW 2000 PO Box Q1736 Queen Victoria Building NSW 1230 Telephone: +61 2 8096 3502
	Website: www.advancedshare.com.au
Auditors:	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, Western Australia, 6008
Bankers:	Australia and New Zealand Banking Group Ltd 77 St Georges Terrace Perth, Western Australia, 6000

Mount Burgess Mining NL is an ASX listed public company incorporated in Australia (ASX Code: MTB).

It is my pleasure to present to you our Annual Report for the year to 30 June 2019.

Last year we reported our intention to concentrate on developing the Nxuu Deposit, a polymetallic deposit containing Zinc, Lead, Silver, Germanium and Vanadium. As a shallow basin shaped deposit with a maximum depth of 64 meters, it presents as a potential low cost, low risk operation. Being an oxide deposit there is potential for onsite recovery processes to be applied, thereby achieving beneficiation within Botswana.

As such, significant time was spent during the year on mineralogical and metallurgical test work conducted on the Nxuu Deposit. Initial mineralogical test work conducted by ALS Metallurgy Pty Ltd (ALS) confirmed that so far as the Vanadium content is concerned, it is hosted in the oxide vanadate DESCLOIZITE. Metallurgical test work conducted by ALS has shown that 82% of Vanadium Pentoxide equivalent can be recovered on site from DESCLOIZITE through flotation using an Hydroxamate oxide collector for recovery to a concentrate. This can then be followed by straightforward hydrometallurgical steps to produce Vanadium Pentoxide. With its future demand for Vanadium Redox Flow batteries, Vanadium Pentoxide presents as a significant credit for the Project. To date, neither Vanadium Pentoxide nor Germanium have been included in resource estimates for either of the Nxuu or Kihabe Deposits. Significant intersections of Vanadium Pentoxide mineralisation occur outside of the known Zinc and Lead domains, which will add significantly to the overall mineralised widths within the Nxuu Deposit.

In an effort to improve project economics, with particular emphasis on reducing power requirements, further metallurgical test work was conducted on the Nxuu Deposit by EXXARO and STEINERT Australia Pty Ltd (STEINERT). EXXARO conducted Ultra Fine Dense Media Separation test work and STEINERT conducted Sensor Sorter test work on ore, after crushing but before milling. Both EXXARO and STEINERT conducted this test work at their expense for which the Company is most grateful.

STEINERT's Sensor Sorter process uses an X-ray transmission sensor that measures atomic density in conjunction with a 3D laser sensor, which measures particle height to target dense areas of mineralisation. Two test work regimes were conducted by STEINERT on the +4mm size fraction of crushed quartz wacke, the host of mineralisation. The results were very encouraging, showing that 45% of the +4mm size fraction was separated and rejected by the Sensor Sorter process as being insignificantly mineralised. This resulted in only 55% of a higher grade concentrate, from the sorted +4mm size fraction, being required for milling and downstream treatment.

With milling consuming the most amount of power in the treatment process, the Sensor Sorter process will result in a significant reduction in power requirements and power costs. This will also result in a significant reduction in capital and downstream treatment costs, as well as a reduction in water consumption and the Project's environmental footprint.

In regard to the provision of power for the Project, the Company is in discussion with the Botswana Power Corporation regarding the progress of the upgrade of grid power to Western Ngamiland and assessing the commerciality of constructing a link line from Gumare to the project area. In parallel, the Company is also progressing discussions with companies that provide solar hybrid power solutions.

Prospecting Licence PL 43/2016 (The Kihabe – Nxuu Project) was renewed in November 2018 for a further two years to 31 December 2020, with a right to renew beyond that for a further two years to 31 December 2022. The Company would like to thank Minister Molale for his understanding in allowing renewal over the whole 1,000 sq km of the original licence area. This allows for potential further discoveries to be made outside of the currently known mineralised domains.

One thing I would like to point out to shareholders, is the Company is only showing Kihabe - Nxuu project capital expenditure on its Balance Sheet amounting to A$1,520,000. In 2013 the Company wrote off A$14,800,000 of capital expenditure as a result of not getting its Prospecting Licence renewed. This was incurred in developing some 25 million tons of resources at the Kihabe and Nxuu Deposits, compliant with the 2004 JORC Code. After close to three years of litigation in the High Court and Appeal Court of Botswana, the Company was offered the right to re-apply for and was ultimately awarded a Prospecting Licence over the original Kihabe – Nxuu Project area in January 2016. None of the A$14,800,000 resource development expenditure has been recapitalised at this stage.

I extend my sincere thanks to those continually supportive shareholders that have helped fund the Company during the past year. Further loan funding has been extended by existing Board Members who together with Executive Staff Members have applied significant time on behalf of the Company without being paid accordingly. For this I am extremely grateful.

Nigel Forrester

Chairman & Managing Director

24 September 2019

THE KIHABE-NXUU PROJECT BOTSWANA - PL 043/2016

LICENCE TITLE

In January 2016 Mount Burgess (Botswana) (Proprietary) Ltd, a wholly owned subsidiary of the Company was granted Prospecting Licence PL 43/2016 over the Kihabe- Nxuu Zinc, Lead, Silver, Vanadium and Germanium (Zn/Pb/Ag/V/Ge) Project, previously held under PL 69/2003 (*Figure 1*). The initial term of PL 43/2016 ran for three years to 31 December 2018. A second two year term to 31 December 2020 was applied for and granted on 29 November 2018. The Company is entitled to apply for a third two year term to 31 December 2022.

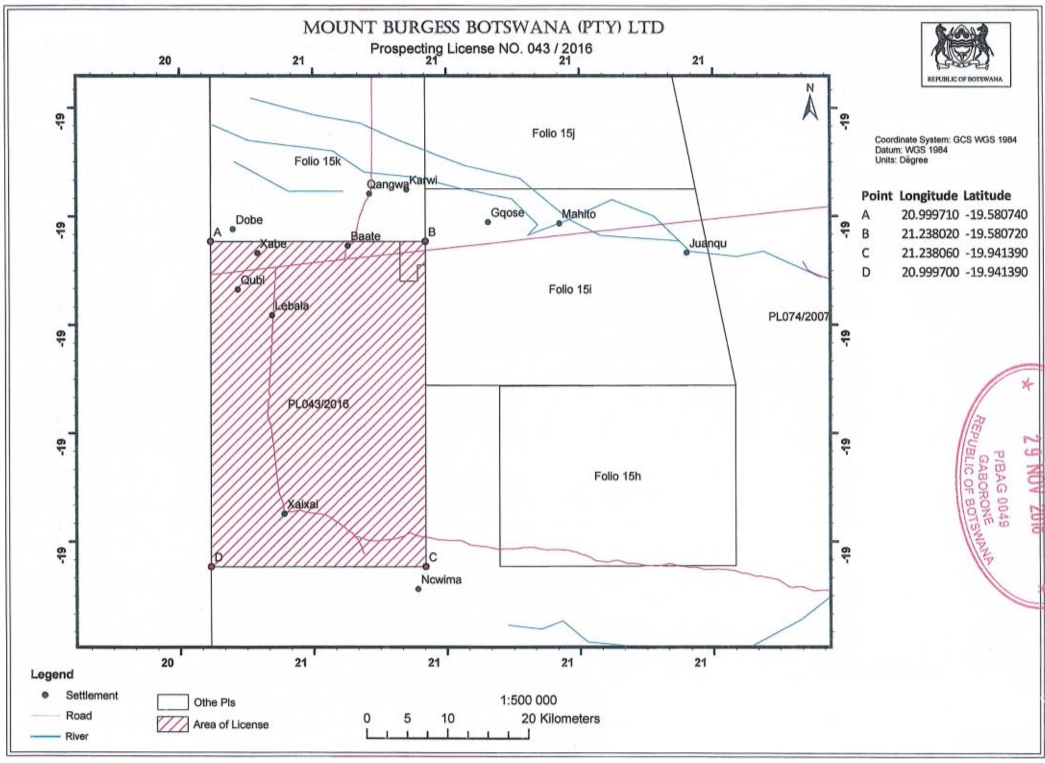

Figure 1: Kihabe-Nxuu Prospecting Licence, North West Botswana.

RESOURCES

To date, the Company has developed 2004 JORC compliant Indicated and Inferred resources amounting to 25 million tonnes @ 3% Zn equivalent grade, including 3.3 million ozs of Ag. These combined resource estimates are made up from the Kihabe and Nxuu deposits, 7 km apart. Neither of these estimates include what could now be significant credits for Vanadium Pentoxide and Germanium

STYLE OF MINERALISATION

The Kihabe-Nxuu project is a SEDEX mineralised system within a Neo-proterozoic belt. Zn/Pb/Ag/V/Ge mineralisation occurs in a quartz wacke, right at the contact with the regional dolostone.

In the Neo-proterozoic era, this SEDEX zone of mineralisation was formed by hydrothermal fluids depositing mineralisation over quartz wacke overlying the regional sea bed/lake bed dolostone. This would have formed a single unit covering a large area. Over time that unit has been broken up by folding, faulting and erosion into several individual units, all within close proximity of one another that now show up as individual geochemical anomalies.

STRATEGIC DIRECTION

Mount Burgess Mining's strategy is to advance the Project as follows:

1. **Focus on the Nxuu Deposit for Initial Development** - The Nxuu Deposit, which is totally oxidised, is a gently-sloping bowl-shaped deposit with a maximum depth of 64m. It has been identified potentially as a low risk, low capital project with a relatively quick path to production.

2. **Upgrade of Resources** - Conduct HQ diamond core drilling to upgrade the existing Zn/Pb Kihabe and Nxuu resources compliant with the 2012 JORC Code and to include additional credits for Germanium and Vanadium.

3. **Exploration** – With recent price increases in Germanium and Vanadium investigate the potential of regional anomalies previously identified through geochemical soil sampling.

4. **Progress to Feasibility** - In conjunction with the revision of Resources, compliant with the 2012 JORC Code, determine the Project's most favourable processing route for production. This will be determined with the intention of maximising commercial beneficiation within Botswana. Such maximisation will however be dependent upon the availability of a commercial power supply.

The Company's strategy of focussing on developing the Nxuu Deposit was determined because of the following:

1. **Relatively inexpensive drilling program**. Only vertical drill holes are required, reaching a maximum depth of 64m and having an average depth per hole of approximately 50m.
2. **Near surface, shallow mineralisation**. Zn/Pb/Ag/V/Ge mineralisation follows a gentle-sloping bowl-shape from 3m below surface to 64m below surface. The shallow mineralisation presents as a potential low cost operation, as well as low risk, relative to any potential geotechnical issues.
3. **Oxidised Mineral Suite**. The Nxuu Deposit is completely oxidised. Zinc is hosted in the Zn oxide mineral Smithsonite, Lead is hosted in the Pb oxide mineral Cerussite (Mineralogical Test Work AMMTEC) and Vanadium is hosted in the V oxide mineral Descloizite (Mineralogical Test Work ALS). Being completely oxidised, this mineral suite allows for a much simpler processing route and removes the complexity associated with having to apply different recovery processes for oxide, transitional and sulphide material. An additional benefit of solely processing oxide mineralisation is the much lower capital cost associated with the processing facility.
4. **Potentially Simple Process Flow**. Metallurgical testwork conducted to date confirmed that at 75 micron grind size 93% Zn and 93% Pb are recovered in 12 hours through tank acid leaching at 25 deg C. As the mineralisation occurs in a Quartz Wacke as opposed to more commonly carbonate host rocks such as Dolostone, acid consumption is relatively low, requiring only 30kg/t acid (Bench Scale Testwork – AMMTEC). Test work conducted during the year showed that 82% of Vanadium Pentoxide equivalent can be recovered from Descloizite through flotation using Hydroxamate for recovery to a concentrate (Bench Scale Testwork ALS). Metallurgical testwork has yet to be conducted on the recoverability of Silver and Germanium. Sensor Sorter Test Work conducted during the year on +4mm crushed ore by STEINERT shows that 45% can be rejected as insignificantly mineralised. This leaves only 55% as an upgraded concentrate available for milling thereby significantly reducing power requirements, power costs, downstream treatment costs, water requirements and the environmental footprint.
5. **Production of Metal on Site.** Production of Zinc metal on site from Smithsonite has been confirmed by metallurgical testwork conducted to date by AMMTEC through acid leaching followed by SX/EW. Germanium is also known to be recoverable through acid leaching and SX/EW. Test Work conducted during the year by ALS showed that Vanadium Pentoxide can be recovered on site from the flot concentrate through straightforward hydrometallurgical steps.

   With access to an economic power supply, alternative options for which are currently being investigated, the established process of being able to produce Zinc metal and Vanadium Pentoxide on site from the Nxuu Deposit removes the cost of transporting and shipping Zinc and Vanadium Pentoxide concentrate, as well as by-passing negotiations with smelters in respect of smelting costs.

   The HQ diamond core drilling campaign conducted at the Nxuu Deposit from October to December 2017, confirmed the presence of significant zones and widths of Vanadium mineralisation from as shallow as 3m below surface (Kalahari sand cover), extending beyond the known zones of Zn/Pb mineralisation. The inclusion of these Vanadium mineralised zones with the Zn/Pb mineralised zones now shows that on average 60% of the total lengths of all holes drilled into the Nxuu Deposit intersected Zn/Pb/V mineralisation above the low cut grade applied and only 40% of the drill hole lengths were below the low cut grade. Further HQ diamond core drilling is still required at the Nxuu Deposit in order to be able to estimate a 2012 JORC compliant Indicated Resource. (*Figure 2a and 2b and Figure 3*)

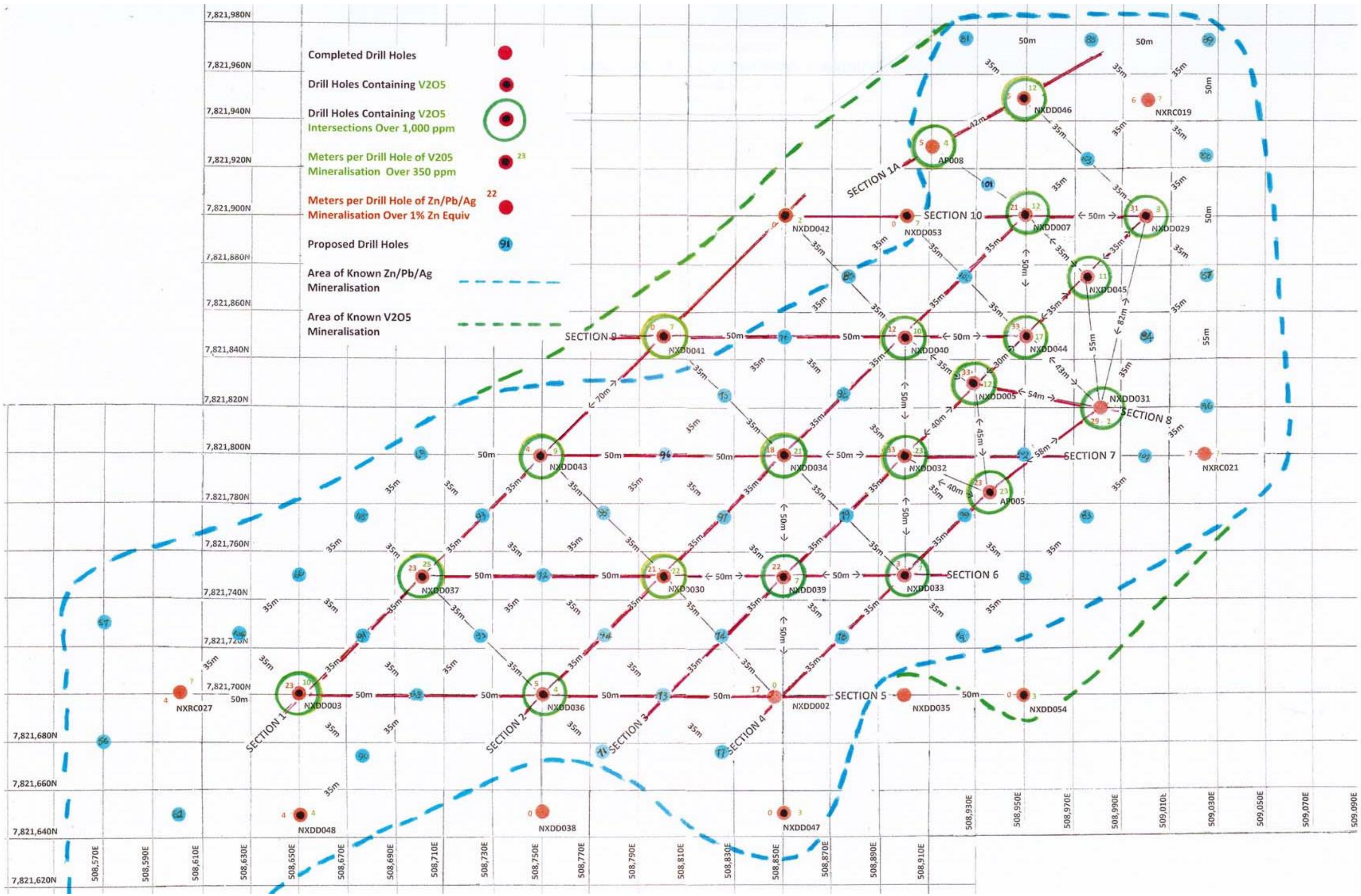

Figure 2a: Nxuu Deposit Zn/Pb/Ag/Ge/V Mineralisation – Drill Hole Map (Part 1 of 2)

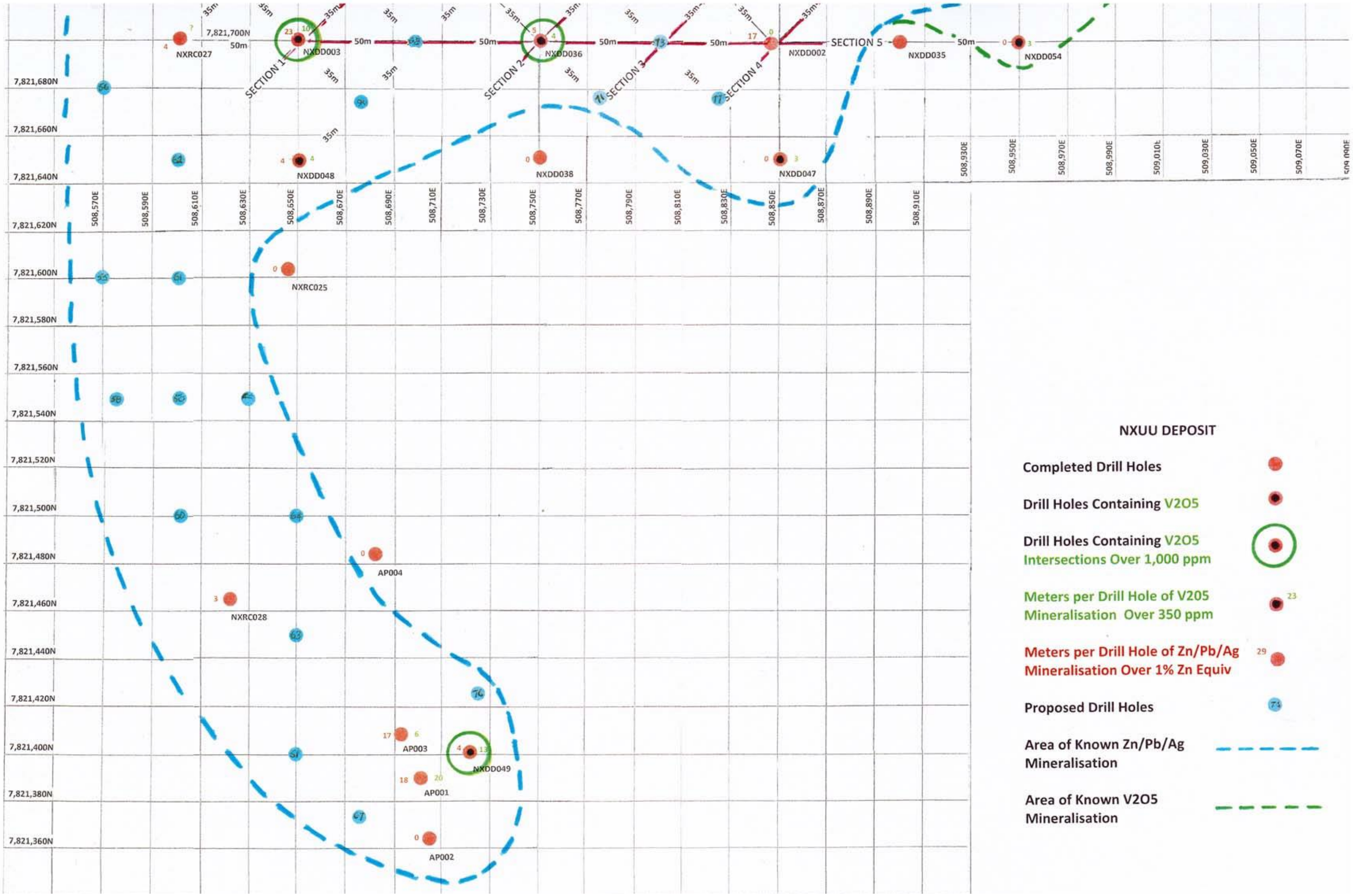

Figure 2b: Nxuu Deposit Zn/Pb/Ag/Ge/V Mineralisation – Drill Hole Map (Part 2 of 2)

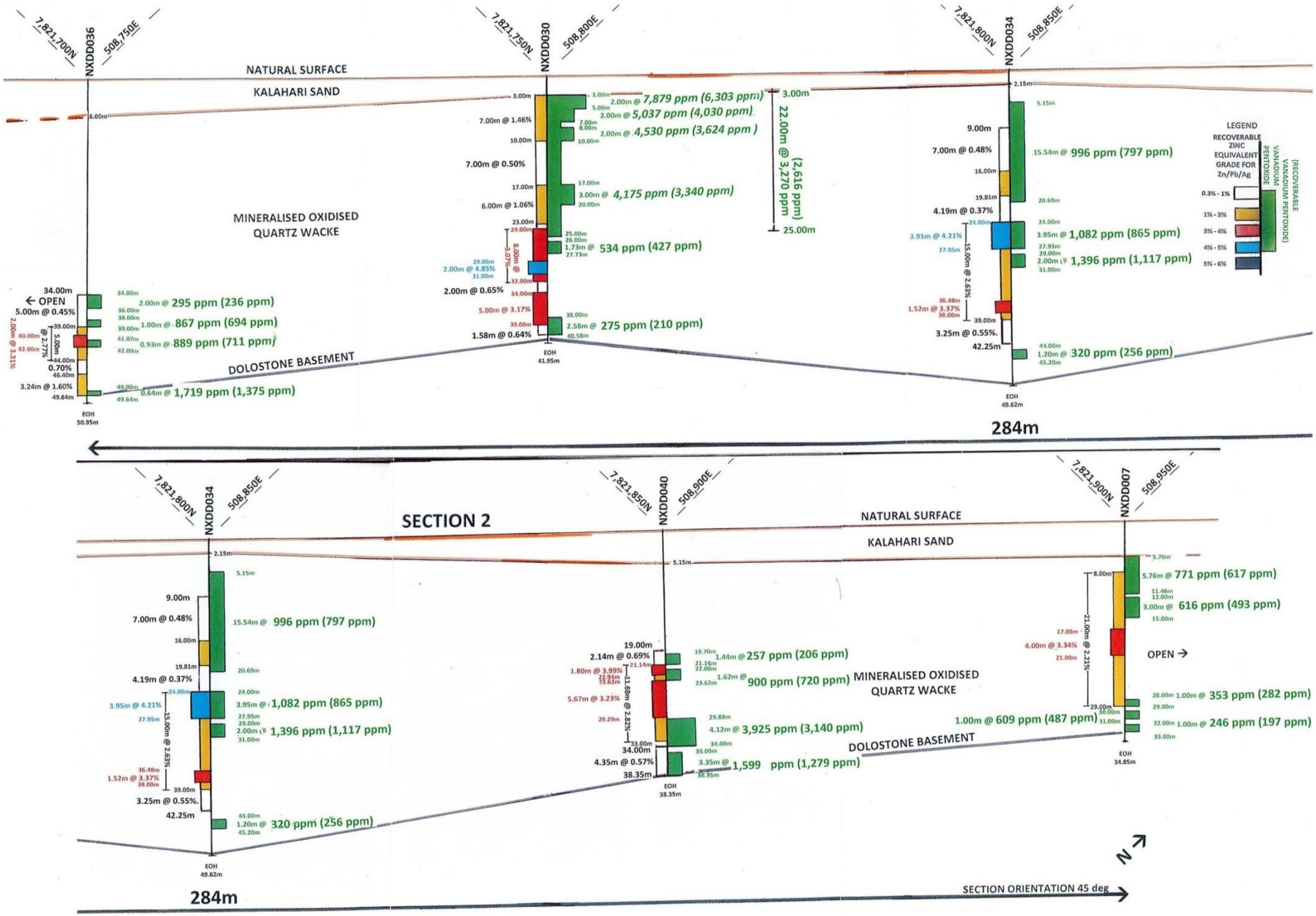

Figure 3: Nxuu Drill Hole Section 2.

Further HQ Diamond Core Drilling Planned for the Nxuu Deposit

Additional HQ diamond core drilling is planned for the Nxuu Deposit in order to:

- Facilitate the estimation of a Nxuu Indicated/Measured Resource, compliant with the 2012 JORC Code, based entirely on diamond core drilling.
- Determine the overall potential of Silver, Vanadium and Germanium credits in the planned upgrade of the Nxuu Resource estimate. None of these metals were include in the 2004 JORC Code Inferred Zn/Pb Resource estimate of the Nxuu Deposit. All of these metals have the potential to enhance the economics of the Project.

6. **Kihabe Resource Oxide Material.** The top portion of the Kihabe Deposit, 7 km west of the Nxuu Deposit is also oxidised. Whilst the Company's initial focus will be on developing the Nxuu Deposit, the Kihabe Deposit's oxide material, will potentially allow for further oxide feed before plant modifications would be required to treat the deeper transitional and sulphide zones of the Kihabe Deposit mineralisation. The October to December 2017 HQ diamond core drilling campaign also included seven holes drilled into the Kihabe deposit. This was to determine the extent of one of the higher grade oxide zones which could be accessed as supplemental feed for the Nxuu deposit. KDD126 previously drilled into one of this zone at 500,884E/7,821,667N, inclined -78 Deg, Azimuth 159 Deg, returned 22m @ 9.48% zinc equivalent grade from 39m to 61m down hole. Six of these holes also intersected significant zone of Vanadium Pentoxide.

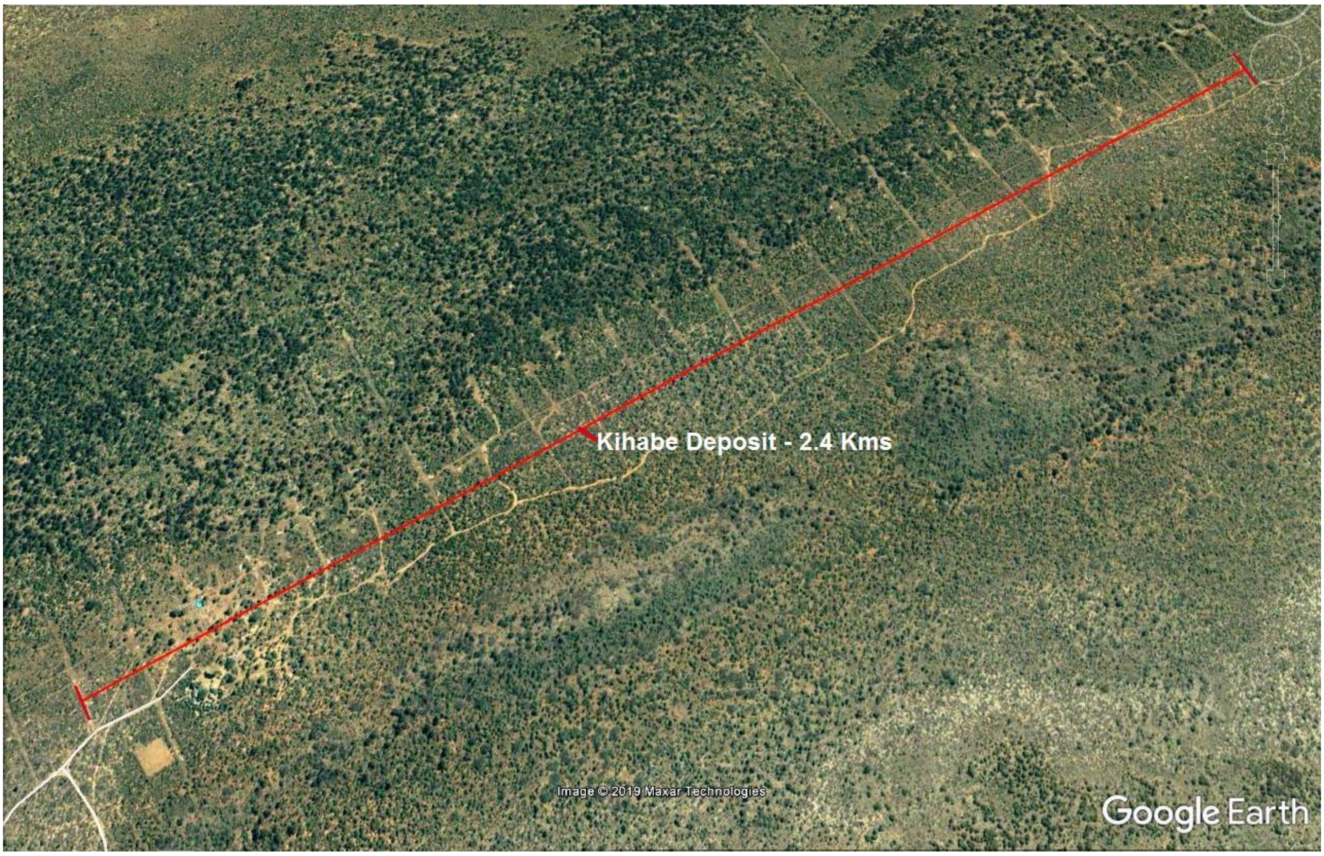

Figure 4: Kihabe Deposit - showing drill intersection over 2.4km containing the Kihabe Resource (Page 11)

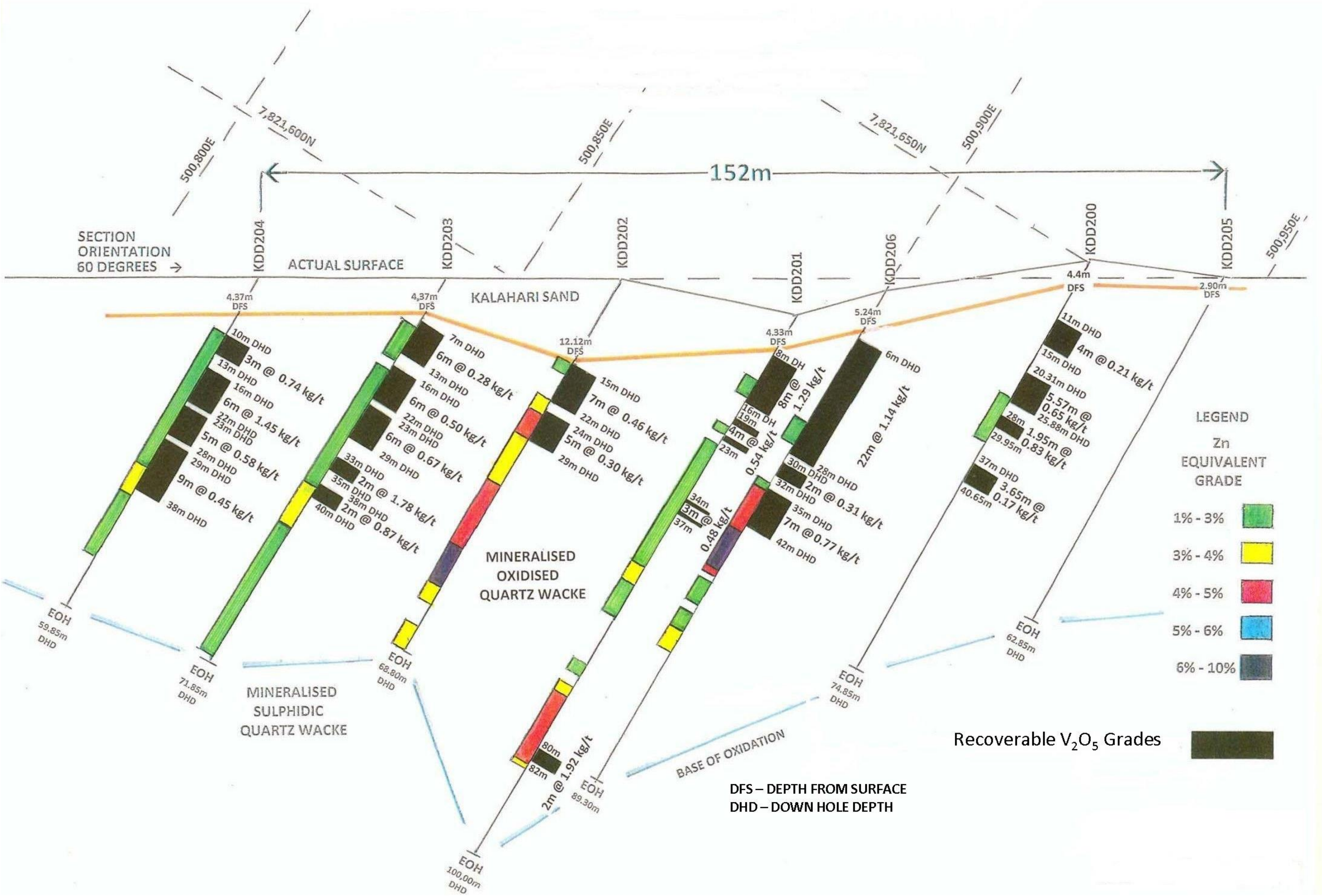

Figure 5: Kihabe Deposit – Holes drilled into the higher grade Zn/Pb Oxide Zone in October to December 2017, showing recoverable Vanadium Pentoxide V_2O_5 Grades alongside Recoverable Zn Equiv. Grades

RESOURCE STATEMENT

Further drilling has still to be conducted to upgrade the Company's Resources as presented below.

Table 1: *Resource Statement for the Kihabe and Nxuu deposits.*

	External Zn-eq Cut %	Indicated M Tonnes %	Inferred M Tonnes %	Total M Tonnes %	Contained Zinc metal (kt)	Contained Lead metal (kt)
Kihabe	1.5%	11.4 @ 2.90%*	3.0 @ 2.60%*	14.4 @ 2.84%*	259kt	115kt
Nxuu	0.3%	-	10.9 @ 3.20%*	10.9 @ 3.20%*	196kt	153kt
		11.4 @ 2.90%*	**13.9 @ 3.07%***	**25.3 @ 3.00%***	455kt	268kt

*Zinc Equivalent

	Zn	Pb	Ag
Kihabe resource calculated on metal prices as at 17/7/2008:	US$1,818/t	US$1,955/t	US$18.75/oz
Kihabe Grades	Zn 1.8%	Pb 0.8%	Ag 7.7 g/t
Nxuu resources calculated on zinc and lead par value metal prices			
Nxuu Grades	Zn 1.8%	Pb 1.4%	

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

KIHABE-NXUU METAL RECOVERIES

Independent metallurgical testwork has confirmed the metal recoveries shown in the table below. Accordingly, the Company believes these recoveries are achievable. Zinc recovered from acid leaching oxide zones will enable Zn metal to be recovered on site from electro-winning.

	Zone	Time	Zinc	Lead	Silver
KIHABE DEPOSIT					
Oxide Zone					
Acid leaching @40°C, 30 kg/t acid	Oxide *	24 hrs	96.9%	91.9%	n/a
Sulphide Zone					
Rougher float	Sulphide	90 seconds	91.9%	84.8%	94%
	Sulphide	15.5 mins	93.8%	88.1%	96.4%
NXUU DEPOSIT					
All Oxide					
Acid leaching @25°C, 30 kg/t acid	Oxide	12 hrs	93%	93%	n/a

** Note: Zn mineralisation in the oxidised zones is hosted within Smithsonite (Nxuu) and Baileychlore (Kihabe) and independent test work has confirmed both of these are amenable to acid leaching.*

Forward Looking Statement:

This report contains forward looking statements in respect of the project being reported on by the Company. Forward looking statements are based on beliefs, opinions, assessments and estimates based on facts and information available to management and/or professional consultants at the time they are formed or made and are, in the opinion of management and/or consultants, applied as reasonably and responsibly as possible as at the time that they are applied.

Any statements in respect of Ore Reserves, Mineral Resources and zones of mineralisation may also be deemed to be forward looking statements in that they contain estimates that the Company believes have been based on reasonable assumptions with respect to the mineralisation that has been found thus far. Exploration targets are conceptual in nature and are formed from projection of the known resource dimensions along strike. The quantity and grade of an exploration target is insufficient to define a Mineral Resource. Forward looking statements are not statements of historical fact, they are based on reasonable projections and calculations, the ultimate results or outcomes of which may differ materially from those described or incorporated in the forward looking statements. Such differences or changes in circumstances to those described or incorporated in the forward looking statements may arise as a consequence of the variety of risks, uncertainties and other factors relative to the exploration and mining industry and the particular properties in which the Company has an interest.

Such risks, uncertainties and other factors could include but would not necessarily be limited to fluctuations in metals and minerals prices, fluctuations in rates of exchange, changes in government policy and political instability in the countries in which the Company operates.

Other important Information

Purpose of document: This report has been prepared by Mount Burgess Mining NL (MTB). It is intended only for the purpose of providing information on MTB, its project and its proposed operations. This report is neither of an investment advice, a prospectus nor a product disclosure statement. It does not represent an investment disclosure document. It does not purport to contain all the information that a prospective investor may require to make an evaluated investment decision. MTB does not purport to give financial or investment advice.

Professional advice: Recipients of this report should consider seeking appropriate professional advice in reviewing this report and should review any other information relative to MTB in the event of considering any investment decision.

Forward looking statements: This report contains forward looking statements which should be reviewed and considered as part of the overall disclosure relative to this presentation.

Disclaimer: Neither MTB nor any of its officers, employees or advisors make any warranty (express or implied) as to the accuracy, reliability and completeness of the information contained in this report. Nothing in this document can be relied upon as a promise, representation or warranty.

Proprietary information: This document and the information contained therein is proprietary to MTB.

Competent Persons Statements:

The information in this report that relates to mineralogical and metallurgical testwork results, together with any related assessments and interpretations, is based on information approved for release by Mr. Chris Campbell-Hicks. Mr. Campbell-Hicks, a Director of Mount Burgess Mining, is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Campbell-Hicks has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Mr. Campbell-Hicks consents to the inclusion in this release of matters based on this information in the form and context to which it appears. The information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report related to 2016 Exploration Results is extracted from an ASX Announcement titled “Kihabe Zinc, Lead, Silver Project Drilling Update” created on 5 February 2017 and is available to view at www.mountburgess.com. The information in this report is based on information compiled by Jason Stirbinskis, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Stirbinskis has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code of Reporting of Exploration Results, Minerals Resources and Ore Reserves’. Mr Stirbinskis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in the resource statement that relates to the Kihabe Resource is compiled by Byron Dumpleton, B.Sc., a member of the Australasian Institute of Geoscientists. The information that relates to the Nxuu Resource is compiled by Mr Ben Mosigi, M.Sc., (Leicester University – UK), B.Sc., (University of New Brunswick – Canada), Diploma Mining Tech (Haileybury School of Mines – Canada), a member of the Geological Society of South Africa.

Mr Dumpleton is an independent qualified person and Mr Mosigi was a Technical Director of the Company for the period in which the resource was developed. Both Mr Dumpleton and Mr Mosigi have sufficient experience relevant to the style of mineralisation under consideration and to the activity to which they have undertaken to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code of Reporting of Mineral Resources and Ore Reserves”. Both Mr Dumpleton and Mr Mosigi consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information regarding Kihabe and Nxuu Resources was first released 8 October 2008 and 20 January 2010 respectively and updated with recovery information 12 April 2012. The information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Directors of Mount Burgess Mining N.L. ("Mount Burgess" or the "Company") submit herewith the annual report of Mount Burgess Mining N.L. and its subsidiaries (the Group) for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Information about the Directors and Senior Management

The names, skills and experience of the Directors of the Company during or since the end of the financial year are:

Mr N R Forrester
FCA (ICAEW)
Chairman & Managing Director
Chartered Accountant
Non- independent

Mr Forrester is a Fellow of the Institute of Chartered Accountants in England and Wales. He has been involved in the exploration and mining industry over the past thirty nine years. Mr Forrester is one of the original shareholders of the Company which he floated in 1985.

Aged 74. Board member since 1985.

Mr J Stirbinskis
MBA, B.Sc., Grad Dip Ed., AusIMM
Executive Director
Geologist
Non- independent
(Resigned 18 July 2019)

Mr Stirbinskis was the CEO of Drake Resources while it was active across gold and base metals projects in Africa and Europe. He has also held MD/CEO roles at Phillips River Mining and Central Asia Resources. Mr Stirbinskis has broad and substantial experience across geology, metallurgy/engineering and financial markets both within Australia and internationally. He is a Geologist and holds an MBA.

Aged 51. Board member since 2016.

Ms K Clark
Non-executive Director
Independent

Following employment with the British Institute of Management, Ms Clark joined Gresham House plc in 1974. Gresham House was involved in asset management and investment trusts. Ms Clark was Company Secretary to fifty companies as well as Director of some forty companies, alongside previous Director of Mount Burgess Mining Mr Stirling until 2008. Since 2008, Ms Clark has been Company Secretary of six Companies and a Director of a number of companies.

Aged 69. Board member since 2015.

Mr C Campbell-Hicks
FAusIMM CP Met MMICA
Non-executive Director
Metallurgist
Independent

Mr Campbell-Hicks has more than 42 years of experience in the mineral processing industry in base metals, precious metals, alumina and iron ore. He has spent extensive time developing projects in including some in Africa, South America, PNG, Fiji, Indonesia, Turkey and Kazakhstan as well as five years with Barrick Gold as Manager Metallurgy, based in Moscow, Siberia and Canada.

Aged 72. Board member since 2014.

Mr H Warries
MS Mine Eng. , FAusIMM
Non-executive Director
Mining Engineer
Independent

Mr Warries is mining engineer with more than 28 years of experience in the mining industry and is a Fellow of the AusIMM. Prior to setting up his own mining consultancy business he worked on a wide range of projects, both in Australia and overseas, including a number of major feasibility studies. He has provided mining engineering services relative to copper, nickel, cobalt, gold, lead, zinc and graphite projects, as well as conducting numerous due diligence studies and technical audits.

Aged 55. Board member since 2016.

The above named Directors held office during the whole of the financial year and since the end of the financial year except where otherwise noted.

Directorships of other Listed Companies

At no time during the year did any officer of the Company hold any directorship of other listed companies in the three years immediately before the end of the financial year.

Former Partners of the Audit Firm

At no time during the year was any officer of the Company a partner in an audit firm, or a director of an audit company that was an auditor of the Company for the year.

Directors' Shareholdings

The following table sets out each director's relevant interest in shares and options in shares of the Company or a related body corporate as at the date of this report.

	Mount Burgess Mining NL	
	Fully Paid Ordinary Shares	Share Options
N R Forrester and /or associates	65,063,219	-
J Stirbinskis and /or associates	2,181,818	-
K Clark	7,531,818	-
C Campbell-Hicks and /or associates	8,114,676	-
H Warries and /or associates	6,981,818	-

Remuneration of Directors and Senior Management

Information about the remuneration of directors is set out in the remuneration report of this directors' report, on pages 16 to 20.

Company Secretaries

The names and particulars of the Company Secretaries of the Company as at the end of the financial year are:

Name	Particulars
Mrs J E Forrester	Aged 70, joined the Company upon listing in 1985 and was appointed as Joint Company Secretary in 1993.
Ms S Chau, CPA	Certified Practising Accountant, aged 40, joined the Company in 2007 as Company Secretary/Accountant and previously held a position in the audit division of Deloitte, Perth.

Review of Operations

(a) The objectives of the Group are to explore for and in the event of discovery, develop commercial deposits of mineral resources. To this end, during the financial year the Group was involved with the following:

Western Ngamiland, Botswana – Base Metals

A two-year renewal of PL 43/2016 to 31 December 2020 was granted on 29 November 2018, with a right to renew for a further two years to 31 December 2022. PL 43/2016 covers an area of 1000 sq km within which is situated a Neoproterozoic belt prospective for base metals.

To date the Group has developed 2004 JORC compliant indicated and inferred SEDEX resources amounting to 25 million tonnes @ 3% Zinc equivalent grade made up of Zinc and Lead, including 3.3 million ozs of silver. Not included in the 2004 JORC compliant resource calculations are Vanadium and Germanium credits, which at current prices could represent significant credits. These 2004 JORC code resources are made up of the Kihabe and Nxuu deposits seven km apart, both of which have the potential to be open cut mining operations.

Delineated as a SEDEX system of mineralisation, potential exists for the discovery of further resources within PL 43/2016.

(b) Performance and indicators used by management in carrying out the above objectives include:

- Assessing and reviewing the likeliness of making a discovery through exploration
- Assessing the risks and rewards relative to the costs of exploration and the values of the minerals being explored for

(c) As the Group is involved only in exploration and resource development at this stage, any significant commercial discovery or resource upgrade could have a significant impact on the capitalisation of the Group. However, inherent in all exploration are risk factors relative to rates of success. Even beyond exploration at the point of resource development, risks prevail relative to fluctuations in commodity prices, rates of exchange and political risk.

Operations and Principal Activities

(a) The main business activity of the Group during the financial year consisted of assessing the way forward for the project. This included investigating the potential to exploit additional known metal credits such as Vanadium and Germanium and investigating various metallurgical processes that could be applied to enhance the potential for on-site beneficiation of metal production.

Funds applied to the various exploration activities were as follows:

	2019 $	2018 $	2017 $	2016 $	2015 $
Resource development for base metals in Botswana	196,007	644,773	521,135	158,428	-

(b) As the Group was involved in exploration and resource development over the Kihabe-Nxuu Project during the financial year, there were not any returns to shareholders by way of dividends and increase in shareholder funds. Between 2015 and 2019 the Company's shares traded as follows:

2019		2018		2017		2016		2015	
Low cents	High cents	Low cents	High cents	Low cents	High cents	Low cents	High cents	Low cents	High cents
0.2	0.8	0.5	1.5	0.4	2.1	0.2	2.0	0.2	0.7

Since the Group regained title to its Kihabe-Nxuu base metals project through the grant of PL43/2016, the Company has been in a far more favourable position to raise funds for ongoing resource development and exploration expenditure for the project.

Financial Conditions

(a) Further resource exploration requirements beyond the Group's current cash resources can only be funded from further share and loan capital raisings or the sale or joint venture of equity in the projects.

(b) At the end of the financial year, the Group had cash resources of $35,165.

(c) A loan agreement is in place with Exchange Services Ltd, a company controlled by A P Stirling, a former Director of the Company for funding up to £275,618 equivalent to $461,787; funding of $740,713 provided via a loan from Jan and Nigel Forrester; funding of $30,000 provided via a loan from Harry Warries; funding of $9,000 provided via a loan from Chris Campbell-Hicks; and $22,500 from Ron O'Regan, a former director of the Company. There were no other resources available to the Group that are not reflected in the Statement of Financial Position, other than the availability to raise further funds through the issue of shares, loan funds, the sale or joint venture of equity in projects and the sale of assets.

The Consolidated Entity has continued financial support from the Directors, former Directors and their associated entities, in that the Directors have confirmed in writing that they will not recall upon their loans to be repaid within the next 12 months, unless sufficient funds are available to do so without affecting the Company's going concern. As at 30 June 2019, the Directors loans outstanding were $1,720,256 (Note 4.4) and accruals for unpaid salaries for director and his related party amounting to $1,445,432 (Note 4.3).

(d) As the Group was mainly involved in exploration and resource development over the Kihabe-Nxuu project during the year then later assessing the way forward of the project there was not any cash generated from operations.

(e) The financial condition of the Group was not impacted by any legislation or other external requirements during the reporting period. It is not currently foreseen that the financial condition will be materially affected by such issues in future reporting periods.

(f) The Audit Report issued by the Group's auditor, contains a "Material uncertainty related to going concern" paragraph in relation to the Group's ability to continue as a going concern. The directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are confident in the ability of the Group to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises.

A full review of operations is outlined on page 4 to 12.

Change in State of Affairs

During the year there were no significant changes in the state of affairs of the Group.

Subsequent Events

Since the end of the financial year the Company received $70,000 through share placements of 35,000,000 shares.

Other than the above, there have not been any matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

With secure legal title over the Kihabe-Nxuu project, the Group is continuing with exploration and enhancement of resource development.

Environmental Regulations

The Board is committed to environmental best practice in its operations and ensures full compliance with all statutory environmental regulations and guidelines in the countries in which it operates. No known environmental breaches have occurred in relation to the Group's operations.

Dividends

The Directors do not recommend the payment of a dividend and no dividend has been paid or declared since the end of the previous financial year.

Shares under Option or Issued on Exercise of Options

On 30 July 2010, the Company introduced Employee Share Option Plan (2010). This plan expired on 31 December 2016.

Indemnification of Officers and Auditors

During or since the end of the year, the Company, except to the extent permitted by law, has not given any indemnity to a current or former officer or auditor against a liability or made any agreement under which an officer or auditor may be given any indemnity .

During the year, the Group has not paid a premium in respect of directors' and officers' indemnity insurance for the financial year under review.

Remuneration Report – Audited

This report details the nature and amount of remuneration for each director and the key personnel management of Mount Burgess Mining NL. The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Directors Details

The following persons acted as directors of the Company during or since the end of the financial year:

Mr N R Forrester (Chairman and Managing Director)

Mr J Stirbinskis – *resigned 18 July 2019*

Ms K Clark

Mr C Campbell-Hicks

Mr H Warries

For the purpose of this report key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executives or otherwise) of the parent company and all key management personnel.

Remuneration Committee

Due to the limited size of the Group and its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. The Board has adopted the following policies for Directors' and executives' remuneration.

Remuneration policy

The Board of Directors maintains remuneration policies aimed at attracting and retaining a motivated workforce and management team which are within the economic capabilities of the Company. The intention is to match the outcomes from the remuneration system with the performance of the Company and ultimately the value received by our shareholders on a long-term basis.

As an overall policy, the Group will remunerate in such a way that it motivates Directors and management to pursue the long-term growth and success of the Group.

Remuneration structure

In accordance with ASX Corporate Governance Principles and Recommendations, the structure of Non-executive Director and executive compensation is separate and distinct.

Non-executive Directors' Remuneration

Under normal financial circumstances the non-executive directors receive fees either in cash or in shares in lieu of cash – subject to shareholder approval - (including statutory superannuation where applicable) for their services. At a General Meeting held on 1 May 2019 approval was granted for the issue of 4,800,000 shares to K Clark, C Campbell Hicks, H Warries, J Forrester and S Chau. The shares were in lieu of fees to non-executive directors of the Company and its wholly owned subsidiary Mount Burgess (Botswana) (Proprietary) Ltd. The shares were approved for issue at a price of 0.5 of 1 cent per share and covered the two year period from 1 January 2017 to 31 December 2018, at a value of $24,000 per non-executive director listed. The shares were issued on 28 May 2019. In accordance with AASB2 (introduced 1 January 2018) any share based payments must be of fair value at the grant date. As the Company's shares were trading at .3 of a cent at the grant date (1 May 2019) the value of each non-executive directors' fees has therefore been reduced from $24,000 to $14,400 for the two years to 31 December 2018 as shown below:

Mount Burgess Mining NL		
K Clark	$14,400 worth at 0.30 of a cent* =	4,800,000 shares
C Campbell-Hicks	$14,400 worth at 0.30 of a cent* =	4,800,000 shares
H Warries	$14,400 worth at 0.30 of a cent* =	4,800,000 shares
Mount Burgess (Botswana) (Proprietary) Ltd		
J Forrester	$14,400 worth at 0.30 of a cent* =	4,800,000 shares
S Chau	$14,400 worth at 0.30 of a cent* =	4,800,000 shares

* The fully paid shares issued were measured using the market price on day on the General Meeting.

ASX Corporate Governance Principles 8.2 recommends that Non-executive directors should not receive options or bonus payments. The Company does not comply with this recommendation as it is prepared to grant options to all non-executive Directors in recognition of the significant time they contribute to the Company. The non-executive directors are often called upon to perform duties for the Company overseas or spend considerable time away from their earning base to represent the Company. Their fees for these duties in no way cover what they could otherwise earn. Any options granted are often exercisable at a significant premium to the current share price. As at 30 June 2019 the Company did not have any options on issue.

Executive Remuneration

Directors and staff can be granted options in recognition of their efforts and as long term incentives for their retention and for creating value for the Company. No such options will be issued for the satisfaction of any performance conditions. Any options issued to directors are subject to shareholder approval.

The Board reviews the remuneration packages and policies applicable to executive directors, executives and non-executive directors on an annual basis. Remuneration levels relative to current market conditions will be competitively set to attract the most qualified and experienced directors and senior executives. Where necessary the Board will obtain independent advice on the appropriateness of remuneration packages. The Company did not utilise the services of remuneration consultant for the year.

Remuneration packages contain the following key elements:

(a) Short term employee benefits – salary/fees (including any annual leave accrued), shares issued in lieu of directors fees or salary sacrifice and unlisted share options granted under any Employee Share Option Plan and non-monetary benefits

(b) Post employment benefits – including superannuation

(c) Other long term employment benefits – long service leave

(d) Share based payment – unlisted share options which could be granted under an Employee Share Option Plan

There is no link between the remuneration policy and the Company's performance.

Key terms of employment contracts

There were no other employment contracts in place during the financial year.

Details of remuneration

The compensation of each member of the key management personnel of the Company and Group is set out below:

	Short term employee benefits			Post employ-ment benefits				
	Salary & Fees	Annual Leave	Shares issued in lieu of directors' fees or salary sacrifice*	Super-annuation	Long Service Leave	Share based payments	Total	Proportion related to perfor-mance
2019	$	$	$	$	$	$	$	%
Non-executive Directors								
C Campbell- Hicks	-	-	14,400	-	-	-	14,400	-
K Clark	-	-	14,400	-	-	-	14,400	-
H Warries	-	-	14,400	-	-	-	14,400	-
Executive Directors								
N R Forrester[1]	172,936	14,566	-	16,429	6,672	-	210,603	-
J Stirbinskis[2]	-	-	-	-	-	-	-	-
	172,936	14,566	43,200	16,429	6,672	-	253,803	
2018								
Non-executive Directors								
C Campbell- Hicks	-	-	-	-	-	-	-	-
K Clark	-	-	-	-	-	-	-	-
H Warries	-	-	-	-	-	-	-	-
Executive Directors								
N R Forrester[1]	172,936	14,566	-	16,429	6,672	-	210,603	-
J Stirbinskis[2]	46,518	3,819	-	4,399	-	-	54,736	-
	219,454	18,385	-	20,828	6,672	-	265,339	

*Shares issued in lieu of Director's fees for the period of 1 January 2017 to 31 December 2018, approved by shareholders on 1 May 2019.

[1] The salary, annual leave, superannuation and long service leave as shown for N R Forrester was not paid during the year. It has been shown as an accrual.

[2] Resigned on 18 July 2019.

No director appointed during the year received a payment as part of his or her consideration for agreeing to hold the position. There is no short or long term incentive.

Equity instrument held by key management personnel

(i) Shareholdings

	Balance at 1 July 2018 No.	Granted as compensation No.	Net Other Changes No.	Balance at 30 June 2019 No.	Balance held nominally No.
N R Forrester and /or associates	60,263,219	4,800,000	-	65,063,219	-
J Stirbinskis and /or associates	2,181,818	-	-	2,181,818	-
K Clark	2,731,818	4,800,000	-	7,531,818	-
C Campbell-Hicks and /or associates	3,314,676	4,800,000	-	8,114,676	-
H Warries and /or associates	2,181,818	4,800,000	-	6,981,818	-
	70,673,349	19,200,000	-	89,873,349	-

None of the shares above are held nominally by the directors or any of the other key management personnel.

Issued of ordinary shares in lieu

At the General Meeting of shareholders held on 1 May 2019, approval was given for the issue of fully paid ordinary shares in the Company in lieu of director fees to Directors or their nominees as follows:

Name	Number of fully paid shares to be issued	
K Clark	$14,400 worth at 0.30 of a cent* =	4,800,000
C Campbell-Hicks	$14,400 worth at 0.30 of a cent* =	4,800,000
H Warries	$14,400 worth at 0.30 of a cent* =	4,800,000

* The fully paid shares issued were measured using the market price on day on the General Meeting.

(ii) Employee Share Options

Employee share option plan

Mount Burgess Mining NL previously operated an ownership-based scheme for executives and employees of the Group. In accordance with the provisions of the plan, executives and employees may be granted options which can be converted to ordinary shares.

During the financial year, no options were granted to directors or senior management. None of the previous options granted were exercised and all those options granted have now expired.

Share based payments in existence during the year are disclosed in Note 8.1.

Shares issued on exercise of options

During or since the end of the financial year, the Company did not issue any ordinary shares as a result of the exercise of options. All options expired on 31 December 2016.

Loans from key management personnel

Details of loans made from directors of Mount Burgess Mining N.L. and other key management personnel of the Group, including their close family members and entities related to them, are set out below:

Aggregates for key management personnel

	Principal $	Interest $	Total $
Balance as at 1 July 2017	1,305,982	250,378	1,556,360
Additions	-	55,434	55,434
Repayment	(573,509)	-	(573,509)
Balance as at 30 June 2018	732,473	305,812	1,038,285
Additions	69,000	31,988	100,988
Change of the interest rate	-	(163,480)	(163,480)
Repayment	(21,760)	-	(21,760)
Balance as at 30 June 2019	779,713	174,320	954,033

For the details of the loans please refer to Note 4.4.

No write-downs or allowances for doubtful receivables have been recognised in relation to any loans made to key management personnel.

Other transaction with key management personnel

During the year the Company received a loan amounting to $30,000 (2018: NIL) from Jan and Nigel Forrester. Mr Nigel Forrester is a Director of the Company. Interest will accrue on the loan at the rate of 1% (2019: 4%) above the Bank Bill Rate in Australia and is currently at 2.45% (2018: 5.70% pa). The interest accrued for the financial amounts to $20,128 (2018: $55,434). The loan balance, which is inclusive of interest and unpaid salaries at the end of the financial year amounted to $914,648 (2018: $1,038,285) and $1,445,132 (2018: $1,191,464) respectively. $21,760 was repaid. (2018: $73,509). During the last financial year at the General Meeting of shareholders held on 30 November 2017, approval was given for the issue of a total of 50,000,000 fully paid ordinary shares in the Company to NR and JE Forrester and /or their associates. The issue of the 50,000,000 shares at a value of 1 cent per share extinguished $500,000 of a cash loan granted by NR and JE Forrester to the Company.

During the year the Company received a loan amounting to $30,000 (2018: NIL) from Mr Harry Warries. Mr Harry Warries is a Director of the Company. Interest accrued on the loan at the rate of 1% above the Bank Bill Rate in Australia, which was at 2.45% (2018: NIL).

During the year the Company received a loan amounting to $9,000 (2018: NIL) from Mr Chris Campbell-Hicks. Mr Chris Campbell-Hicks is a Director of the Company. Interest accrued on the loan at the rate of 1% above the Bank Bill Rate in Australia, which was at 2.45% (2018: NIL).

Adoption of Remuneration Report

At the 2018 Annual General Meeting, the resolution adopting the 2018 remuneration report was carried unanimously.

The Company received more than 90% of "yes" votes on its Remuneration Report for the 2018 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

This concludes the remuneration report, which has been audited.

Directors Meetings

The number of Directors' meetings attended by each of the Directors of the Company during the financial year are as follows:

Director	Attended	Eligible
N Forrester	36	36
J Stirbinskis	31	36
K Clark	34	36
C Campbell-Hicks	36	36
H Warries	29	36

Non-Audit Service

There were no amounts paid or payable to the auditors of the Group for non-audit services provided during the year. Details of amounts paid or payable to the auditors during the year are outlined in Note 9(i) to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration follows on immediately from the Directors' Report as required under s.307C of the Corporations Act 2001.

This Directors' Report is signed in accordance with a resolution of directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

Nigel Forrester

Chairman & Managing Director

Perth, 24 September 2019

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MOUNT BURGESS MINING NL

As lead auditor of Mount Burgess Mining NL for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mount Burgess Mining NL and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 24 September 2019

	Notes	Consolidated	
		2019	**2018**
		$	**$**
Revenue	2.1	100	20,129
Administration expenses	2.2 (a)	(376,845)	(376,159)
Finance cost	2.2 (b)	(59,208)	(82,087)
Gain on Renegotiation on Loan		178,748	-
Loss before income tax		(257,205)	(438,117)
Income tax benefit / (expense)	3	-	-
Loss after income tax for the year		(257,205)	(438,117)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the owners of Mount Burgess Mining NL		(257,205)	(438,117)
Loss per share for the year attributable to the owners of Mount Burgess Mining NL:			
Basic Loss per Share (cents per share)	8.5	(0.06)	(0.12)
Diluted Loss per Share (cents per share)	8.5	N/A	N/A

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	Consolidated	
		2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	4.1	35,165	26,134
Trade and other receivables	4.2	2,259	16,639
TOTAL CURRENT ASSETS		37,424	42,773
NON CURRENT ASSETS			
Plant and equipment	5.1	727	2,907
Exploration interests	5.2	1,520,343	1,324,336
TOTAL NON CURRENT ASSETS		1,521,070	1,327,243
TOTAL ASSETS		1,558,494	1,370,016
CURRENT LIABILITIES			
Trade and other payables	4.3	1,532,711	1,307,294
Borrowings	4.4	1,720,256	1,781,660
Provisions	5.3	270,793	241,623
TOTAL CURRENT LIABILITIES		3,523,760	3,330,577
TOTAL LIABILITIES		3,523,760	3,330,577
NET LIABILITIES		(1,965,266)	(1,960,561)
EQUITY			
Issued capital	7.1	45,208,369	44,955,869
Reserves	7.3(a)	490,017	490,017
Accumulated losses	7.3(b)	(47,663,652)	(47,406,447)
TOTAL DEFICIENCY		(1,965,266)	(1,960,561)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Issued Capital $	Employee Equity Settled Benefits Reserve $	Assets Realisation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2017	43,744,096	380,045	109,972	(46,968,330)	(2,734,217)
Loss for the year	-	-	-	(438,117)	(438,117)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(438,117)	(438,117)
Transactions with owners in their capacity as owners:					
Share placement to professional investors	711,773	-	-	-	711,773
Shares issued in lieu of directors' loan	500,000	-	-	-	500,000
Balance at 30 June 2018	44,955,869	380,045	109,972	(47,406,447)	(1,960,561)
Loss for the year	-	-	-	(257,205)	(257,205)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(257,205)	(257,205)
Transactions with owners in their capacity as owners:					
Share placement to professional investors	180,500	-	-	-	180,500
Shares issued in lieu of directors' fees	72,000	-	-	-	72,000
Balance at 30 June 2019	45,208,369	380,045	109,972	(47,663,652)	(1,965,266)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	2019 $	2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(245,416)	(308,067)
Other income and interest income received		100	20,129
Interest and other costs of finance paid		(76)	(5)
Net cash (outflows) from operating activities	6(b)	(245,392)	(287,943)
Cash flows from investing activities			
Payments for plant and equipment		-	(4,358)
Payments for exploration and evaluation expenditure		(43,780)	(540,984)
R&D Tax Incentives		70,200	94,453
Net cash inflows / (outflows) from investing activities		26,420	(450,889)
Cash flows from financing activities			
Proceeds from issues of equity securities		180,500	711,804
Payment for share issue costs		-	(31)
Proceeds from borrowings to fund operations		69,000	-
Repayment of borrowings		(21,760)	(73,509)
Net cash inflows from financing activities		227,740	638,264
Net increase / (decrease) in cash and cash equivalents		8,768	(100,568)
Cash and cash equivalents at the beginning of the financial year		26,134	126,494
Effects of exchange rate changes on the balance of cash held in foreign currencies		263	208
Cash and cash equivalents at the end of the financial year	6(a)	35,165	26,134

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of Directors that are used to make strategic decision. The Company does not have any operating segments with discrete financial information.

The board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. As a result, no reconciliation is required because the information as presented is what is used by the board to make strategic decision.

NOTE 2: REVENUE AND EXPENSES

NOTE 2.1: Revenue

	2019 $	2018 $
Interest income	100	129
Sale of Makuri Vlei Cu/Co Project Namibia's database	-	20,000
	100	20,129

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measure reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

NOTE 2.2: Expenses

		2019 $	2018 $
(a)	**Administration expenses include:**		
	Salaries and wages	137,566	132,247
	Directors' fees	72,000	-
	Defined contribution plans	12,239	11,700
	Net foreign exchange loss / (gain)	11,841	31,933
(b)	**Finance Costs**		
	Interest on directors' loans	59,132	82,082
	Late payment fees / Interest	76	5
		59,208	82,087

NOTE 3: INCOME TAXES

		2019 $	2018 $
(a)	**Income Tax Expense**		
	Income tax recognised in profit or loss		
	Tax expense / (income) comprises:		
	Income tax refund	-	-
	Benefits arising from previously unrecognised tax losses recognised	-	-
	Total tax expense/(income)	-	-
	Income tax expense/(income) attributable to loss from continuing operations	-	-

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:

	2019 $	2018 $
Loss from operations	(257,205)	(438,117)
Income tax benefit calculated at 27.5% (2018: 27.5%)	(70,731)	(120,482)
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Share based payments	72,000	-
Tax benefits not recognised	(1,269)	120,482
Income tax benefit	-	-

NOTE 3: INCOME TAXES (Cont'd)

	2019 $	2018 $
(b) Unrecognised Australian Deferred Tax Assets		
The following deferred tax assets have not been brought to account as assets:		
Tax losses at 27.5% (2018:27.5%)	6,004,820	6,070,709
Temporary differences at 27.5% (2018:27.5%)	77,230	71,821
	6,082,050	6,142,530

Accounting Policy

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that they are probable and that sufficient taxable income will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in associates and are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and that they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects that tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination the tax effect is included in the accounting for the business combination.

NOTE 4: FINANCIAL ASSETS AND LIABILITIES

NOTE 4.1: Cash and cash equivalents

	2019 $	2018 $
Cash	35,156	26,134

Accounting Policy

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

NOTE 4.2: Trade and other receivables

	2019 $	2018 $
VAT/GST receivables	2,259	16,639

Due to the short term nature of current receivables, the carrying amount is assumed to be the same as their fair value.

NOTE 4.3: Trade and other payables

	2019 $	2018 $
Trade payables	68,491	77,733
Accruals	1,464,220	1,229,561
	1,532,711	1,307,294

Trade payables are non-interest bearing and are normally settled on terms of 30 days from month end. Included in the balance, $34,787 was agreed to be deferred; $8,000 was covered by security; $17,087 was for current creditors, leaving balance of $8,617 for creditors over 30 days. Included in accruals are unpaid salaries for director and his related party amounting to $1,445,132.

Accounting Policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTE 4.4: Borrowings

	2019 $	2018 $
Unsecured – at amortised cost		
Loan from a former Director related company (i)	743,723	706,460
Loan from a Director (ii)	914,648	1,038,285
Loan from a Director (iii)	30,330	-
Loan from a Director (iv)	9,055	-
Loan from a former Director (v)	22,500	36,915
	1,720,256	1,781,660
Current	1,720,256	1,781,660

(i) The loan comprises two parts:

a) Loan from a former Director’s related company amounts to £20,618, equivalent to $38,218 (2018: $37,125) to a wholly owned subsidiary Mount Burgess (Botswana) Proprietary Ltd. Interest is not payable on this loan.

b) Loan from a former Director’s related company amounts to £255,000 equivalent to $461,787 (2018: $455,090). Interest will accrue on the loan at the rate of 4% above the Bank Bill Rate in Australia as from 1 July 2010 until the loan has been repaid in full. The above balance is inclusive of interest payable amounting to £134,582 (2018: £120,047), equivalent to $243,718 (2018: $214,245).

The Company’s exposure to foreign currency exchange risk has been disclosed in Note 7.2.

(ii) The loan was provided by NR and JE Forrester. Mr NR Forrester is a Director of the Company. Interest will accrue on the loan at the rate of 1% (2018: 4%) above the Bank Bill Rate in Australia and is currently at 2.45% (2018: 5.70%). The above balance is inclusive of interest. During the last financial year, at the General Meeting of shareholders held on 30 November 2017, approval was given for the issue of a total of 50,000,000 fully paid ordinary shares in the Company to NR and JE Forrester and /or their associates. The issue of the 50,000,000 shares at a value of 1 cent per share extinguishes $500,000 of a cash loan granted by NR and JE Forrester to the Company.

(iii) The loan was provided by Harry Warries. Mr Harry Warries is a Director of the Company. Interest will accrue on the loan at the rate of 1% above the Bank Bill Rate in Australia and is currently at 2.45%. The above balance is inclusive of interest.

(iv) The loan was provided by Chris Campbell-Hicks. Mr Chris Campbell-Hicks is a Director of the Company. Interest will accrue on the loan at the rate of 1% above the Bank Bill Rate in Australia and is currently at 2.45%. The above balance is inclusive of interest.

NOTE 4.4: Borrowings (Cont'd)

(v) The loan was provided by Ron O'Regan. Mr Ron O'Regan was a Director of the Company. Interest will accrue on the loan at the rate of NIL (2018: 4%) above the Bank Bill Rate in Australia and is currently at NIL (2018: 5.70%).

Loan movement is as follows:

	Principal $	Interest $	Total $
Balance as at 1 July 2017	1,796,198	442,037	2,238,235
Additions	-	82,082	82,082
Repayment	(573,509)	-	(573,509)
Revaluation	24,499	10,353	34,852
Balance as at 30 June 2018	1,247,188	534,472	1,781,660
Additions	69,000	59,132	128,132
Change of the interest rate	-	(178,748)	(178,748)
Repayment	(21,760)	-	(21,760)
Revaluation	7,791	3,181	10,972
Balance as at 30 June 2019	1,302,219	418,037	1,720,256

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

NOTE 5: NON-FINANCIAL ASSETS AND LIABILITIES

NOTE 5.1: Plant and Equipment

	Plant, Equipment and Vehicles $	Leased Equipment and vehicle $	Total $
Gross carrying amount			
Balance as at 1 July 2017	864,713	27,931	892,644
Additions	4,360	-	4,360
Disposal	-	-	-
Balance as at 30 June 2018	869,073	27,931	897,004
Additions	-	-	-
Disposal	-	-	-
Balance as at 30 June 2019	869,073	27,931	897,004
Accumulated depreciation/amortisation			
Balance as at 1 July 2017	864,713	27,931	892,644
Depreciation/amortisation expense	1,453	-	1,453
Disposal	-	-	-
Balance as at 30 June 2018	866,166	27,931	894,097
Depreciation/amortisation expense	2,180	-	2,180
Disposal	-	-	-
Balance as at 30 June 2019	868,346	27,931	896,277
Net Book Value	727	-	727
As at 30 June 2019	2,907	-	2,907
As at 30 June 2018			

NOTE 5.1: Plant and Equipment (Cont'd)

Aggregate depreciation and amortisation allocated during the year

	2019 $	2018 $
Plant, equipment and vehicles		
Capitalised as part of the carrying amount of exploration interests	2,180	1,453

Accounting Policy

Plant and equipment and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of each item of plant and equipment is written off over its estimated useful life to its estimated residual value.

Depreciation is calculated on a diminishing value or straight line basis. Each item's economic life has due regard to both its own physical limitations and to any present assessments of economically recoverable resources of the mine property at which the item is located, and to possible future variations in those assessments. Estimates of remaining useful lives and residual values are made annually, with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

Plant, equipment and vehicles	2 - 15 years
Leased equipment and vehicles	3 - 5 years

Depreciation relating directly to plant and equipment utilised in exploration activities is allocated to particular areas of interest and capitalised into the exploration and evaluation asset for that area.

NOTE 5.2: Exploration interests

	2019 $	2018 $
Tenement acquisition at cost		
Balance as at the start of the financial year	-	-
Addition / (Write offs)	-	-
Balance as at the end of the financial year	-	-
Exploration expenditure at cost		
Balance as at the start of the financial year	1,324,336	679,563
Additions	196,007	644,773
Balance as at the end of the financial year	1,520,343	1,324,336
Total Exploration Interests	1,520,343	1,324,336

Recovery of the carrying amount of exploration expenditure is dependent on the continuance of the Group's right to tenure of the areas of interest, successful development of commercial exploration or sale of the respective tenement areas.

Accounting Policy

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as exploration and evaluation assets in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- the exploration and evaluation in the area of interest has not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administration costs are included in measurement of exploration and evaluation costs only when they are related directly to operational activities in a particular area of interest.

NOTE 5.2: Exploration interests (Cont'd)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

NOTE 5.3: Provisions

	2019 $	2018 $
Employee entitlements	270,793	241,623

The current provision for employee entitlements includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

Accounting Policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

NOTE 6: NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash and Cash Equivalents

For the purpose of the cash flow statement, cash includes cash on hand and in banks. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement are reconciled to the related items in the statement of financial position as follows:

	2019 $	2018 $
Cash and cash equivalents	35,165	26,134

The Company's exposure to interest rate risk is discussed in Note 7.2.

(b) Reconciliation of Loss for the Period to the Net Cash Flows from Operating Activities

	2019 $	2018 $
Loss for the year	(257,205)	(438,117)
Project management fees	(28,940)	-
Unrealised foreign exchange loss / (gain) on loan	10,972	34,852
Equity settled expenses	72,000	-
Net exchange differences	(263)	(208)
Changes in operating assets and liabilities:		
(Decrease) / increase in trade receivables	(1,072)	2,120
Increase in trade payables	54,441	3,097
(Decrease) / increase in borrowings costs	(119,616)	82,082
Increase in provision for employee entitlements	24,291	28,231
Net cash (outflows) from operations	(245,392)	(287,943)

NOTE 6: NOTES TO THE STATEMENT OF CASH FLOWS (Cont'd)

(c) Non-cash Financing and Investing Activities

There have been no non-cash financing and investing activities for the year ended 30 June 2019 (2018: Nil).

(d) Financing Facilities

As at reporting date the Company had a Visa Card credit facility to the value of $10,000 (2018: $10,000) and an indemnity / guarantee facility of $8,000 (2018: $8,000). At reporting date the total amount unused for all facilities was $18,000 (2018: $18,000).

NOTE 7: EQUITY

NOTE 7.1: Issued capital

	2019 $	2018 $
485,129,391 fully paid ordinary shares (2018: 423,179,391)	45,208,369	44,955,869

	2019 No.	2019 $	2018 No.	2018 $
Fully paid ordinary share capital				
Balance at beginning of financial year	423,179,391	44,955,869	276,125,919	43,744,096
Share placements to professional investors	37,950,000	180,500	97,053,472	711,804
Less costs	-	-	-	(31)
Issue of ordinary shares in lieu (i)	24,000,000	72,000	-	-
Issue of ordinary shares in lieu (ii)	-	-	50,000,000	500,000
	485,129,391	45,208,369	423,179,391	44,955,869

(i) Issue of ordinary shares in lieu of directors' fees

At the General Meeting of shareholders held on 1 May 2019, approval was given for the issue of fully paid ordinary shares in the Company in lieu of director fees and for a salary sacrifice as follows:

Ms K Clark	$14,400 worth at 0.30 of a cent =	4,800,000	shares
Ms S Chau	$14,400 worth at 0.30 of a cent =	4,800,000	shares
Ms J Forrester	$14,400 worth at 0.30 of a cent =	4,800,000	shares
M C Campbell-Hicks	$14,400 worth at 0.30 of a cent =	4,800,000	shares
Mr H Warries	$14,400 worth at 0.30 of a cent =	4,800,000	shares
		24,000,000	shares

(ii) Issue of ordinary shares in lieu of director's loan

In the last financial year at the General Meeting of shareholders held on 30 November 2017, approval was given for the issue of a total of 50,000,000 fully paid ordinary shares in the Company to NR and JE Forrester and /or their associates. The issue of the 50,000,000 shares at a value of 1 cent per share extinguishes $500,000 of a cash loan granted by NR and JE Forrester to the Company.

NOTE 7.2: Financial Risk management

(a) Significant Accounting Policies

Details of significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 9 to the financial statements. No financial derivative instruments were in place at year end.

(b) Financial Risk Management Objectives

Note 7.2 (c), (d), (e) (f) (g) and (h) present information about the Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continual basis. The Group does not enter into or trade financial instruments, including derivatives financial instruments, for speculative purposes.

NOTE 7.2: Financial Risk management (Cont'd)

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risk relating to the operations of the Group through regular reviews of the risks.

(c) Interest Rate Risk Management – Cash Flow

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents and variable rate borrowings), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

	Weighted average effective interest rate %	2019 $	2018 $
Non-interest bearing			
Financial assets	-	27,424	32,773
Financial liabilities	-	1,593,429	1,344,419
		1,620,853	1,377,192
Fixed rate instruments			
Financial assets	1.00	10,100	10,100
Financial liabilities		-	-
		10,100	10,100
Variable rate instruments			
Financial assets		-	-
Financial liabilities	3.66	1,286,924	1,279,036
		1,286,924	1,279,036

Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable rate instruments at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis point higher/lower and all other variables constant, the Group's loss for the year ended 30 June 2019 would decrease/increase by $6,208 (2018: decrease/increase by $6,050). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(d) Foreign Currency Risk Management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Company monitors relevant rates of exchange on a daily basis to determine as best as possible the more advantageous rates at which to transfer funds to overseas accounts.

The Group has not entered into any derivative financial instruments to hedge such transactions.

The Group is exposed to currency risk. At reporting date the Group holds significant amounts of financial assets or liabilities which are exposed to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

NOTE 7.2: Financial Risk management (Cont'd)

	Liabilities		Assets	
	2019	2018	2019	2018
GBP	275,618	275,618	-	-

(e) Sensitivity Analysis

A 10 percent strengthening of the Australian dollar against the following currency as at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2018.

	GBP impact	
	2019	2018
Profit or loss	49,912	45,509

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

(f) Credit Risk Management

Credit risk refers to the risk that a counter party will default on in relation to its contractual obligations, resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

The Group does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Non-trade receivables from wholly owned controlled entities are assessed for impairment by reference to any future prospects in relation to development of the tenements / resources.

(g) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 9 to the financial statements.

(h) Liquidity Risk Management

Ultimate responsibility of liquidity risk management rests with the Board of Directors, which continually monitors the Company's future funding plans. Future funding plans are subject to change, according to prevailing and anticipated market conditions determining the ease at which further funding capital can be raised. Capital raisings are planned at times that the Company still holds adequate cash resources or has in place banking and resource borrowing facilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated	Weighted average effective interest rate	Less than 1 year	1-5 years	Total
	%	$	$	$
30 June 2019				
Non-interest bearing		1,593,429	-	1,593,429
Variable interest rate instruments	3.66	1,286,924	-	1,286,924
		2,880,353	-	2,880,353
30 June 2018				
Non-interest bearing		1,344,419	-	1,344,419
Variable interest rate instruments	5.70	1,279,036	-	1,279,036
		2,623,455	-	2,623,455

NOTE 7.2: Financial Risk management (Cont'd)

The following table details the Company's expected maturity of its non-derivative financial assets. The table has been drawn up based on the undiscounted maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Consolidated	Weighted average effective interest rate %	Less than 1 year $	1-5 years $	Total $
30 June 2019				
Non-interest bearing		27,424	-	27,424
Fixed rate instruments	1.00	10,100	-	10,100
		37,524	-	37,524
30 June 2018				
Non-interest bearing		32,773	-	32,773
Fixed rate instruments	1.00	10,100	-	10,100
		42,873	-	42,873

(i) Capital Risk Management

The Group manages its capital to ensure that companies in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt to equity balance. The Group's focus has been to raise sufficient funds through equity to fund exploration and resource development activities.

The Group's overall strategy remains unchanged from 2018. Risk management policies and procedures are established with regular monitoring and reporting.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in Notes 7.1, 7.3(a) and 7.3(b) respectively. The Group operates in Australia and Botswana. None of the Group's companies are subject to externally imposed capital requirements.

NOTE 7.3: Reserves and accumulated losses

(a) Reserves

	2019 $	2018 $
Equity-settled employee benefits	380,045	380,045
Asset realisation reserve	109,972	109,972
	490,017	490,017

The equity-settled employee benefits arise on the grant of share options to employees under the employee share option plan. Further information about share-based payments to employees is made in Note 8.1 to the financial statements.

Asset realisation reserve represents realised benefits transferred from a previous asset revaluation reserve.

(b) Accumulated losses

	2019 $	2018 $
Movements in accumulated losses were as follows:		
Balance 1 July	(47,406,447)	(46,968,330)
Net loss for the year	(257,205)	(438,117)
Balance 30 June	(47,663,652)	(47,406,447)

NOTE 8: OTHER INFORMATION

NOTE 8.1 Share-based payments

Equity-settled share-based payments granted to employees are measured at fair value at the date of the grant. In the event of the issue of employee options fair value is measured by use of a binomial model where Black-Scholes option pricing model is used to validate the valuation. The expected life used in the model would be adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

NOTE 8.2: Commitments for Expenditure

(a) Exploration Commitments

The Group has certain obligations to perform minimum exploration work on its Prospecting Licence PL 43/2016, in Western Ngamiland, Botswana, in order to maintain tenure. These obligations will vary over time, depending on the Group's priorities relative to exploration and resource development programmes.

The Group is required to outline minimum annual expenditure estimates as proposed by it when applying for or renewing its Prospecting Licence in Botswana. The Group may from time to time notify the Minister of any amendments it wishes to make to its proposed prospecting operations and relative expenditure. The Minister has the discretion to suspend or agree to vary the obligation to expend the minimum annual expenditure estimates as initially outlined when applying for or renewing its Prospecting Licence. As at the reporting date future expenditure commitments on PL 43/2016 have not been provided for in the financial statements.

The Group has 100% of Prospecting Licence PL 43/2016, awarded effective January 2016 for a period of three years with the right to renew for a further two years to 31 December 2020 which has been applied for and granted. There is a further right to renew for a further two years to 31 December 2022. The annual expenditure commitment for PL 43/2016 covers the calendar year from 1 January to 31 December. The expenditure commitment outlined by the Group is listed below:

Year	Period	Commitment P	$	Expenditure $
1	1 January 2019 – 31 December 2019	5,000,000	678,000	124,500*
2	1 January 2020 – 31 December 2020	15,500,000	2,100,000	-

* For the half year to 30 June 2019, P927,000 (equivalent to approximately $124,500) expenditure was incurred. Significant cost savings were achieved in relation to previously budgeted metallurgical test work expenditure. This was as a result of both EXXARO and STEINERT conducting Ultra Fine Dense Media Separation and Sensor Sorter test work respectively at their cost. Of the P15,500,000 committed for the year to 31 December 2020, P12,000,000 (equivalent to $1,600,000) was estimated for the cost of conducting a Feasibility study. A Feasibility Study can only be conducted based on the ability to upgrade resources to reserves. Reserves can only be quoted if the provision of grid power or an alternative economic on-site power supply can be relied upon.

The Company has commenced investigations into the economics of on-site solar/hybrid power in the event of not being able to rely on grid power.

Even without having conducted a Feasibility Study on the project, whilst being involved with the project since 2003, the Group has spent P109,170,396 on the project against commitments of P97,750,000. This amounts to excess expenditure of P11,420,396. This includes P9,200,000 (A$1,150,000) expended on the project between 30 June 2012 and the award of PL43/2016 on 26 January 2016, when the Company ultimately had no title to the project.

(b) Operating Lease Commitments

	2019 $	2018 $
No later than 1 year	10,370	10,370
Later than 1 year and not later than 5 years	-	-
	10,370	10,370

The above operating lease commitment is for the lease of the Company premises. The annual lease commitments are fixed and there are no contingent rental payments. he lease agreement contains an option to renew the lease.

Accounting Policy

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

NOTE 8.2: Commitments for Expenditure (Cont'd)

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTE 8.3: Contingent Assets and Contingent Liabilities

As at reporting date there are no known contingent assets and liabilities.

NOTE 8.4: Events occurring after the reporting period

Since the end of the financial year the Company received $70,000 through share placements of 35,000,000 shares.

Other than the above, there have not been any matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial years.

NOTE 8.5: Loss per share

	2019 Cents per share	**2018 Cents per share**
Basic loss per share	(0.06)	(0.12)
Diluted basic loss per share	N/A	N/A

The loss and weighted average number of ordinary shares used in the calculation of basic and dilutive earnings per share are as follows:

	2019 $	**2018 $**
Net loss	(257,205)	(438,117)
Loss used in calculation of basic and dilutive EPS	(257,205)	(438,117)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	441,382,542	367,124,789

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report other than disclosed in subsequent events.

Accounting Policy

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- The weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 8.6: Related-party transactions

(a) Equity Interest in Related Parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 8.8 to the financial statements.

NOTE 8.6: Related-party transactions (Cont'd)

(b) Key Management Personnel

Remuneration of Directors

The aggregate compensation made to the directors of the Company and Group is set out below:

	2019 $	2018 $
Short term employee benefits (including annual leave accrued)	187,502	237,839
Directors Fees – shares issued in lieu of Directors' fees	43,200	-
Post-employment benefits	16,429	20,828
Other long term benefits – long service leave accrued	6,672	6,672
	253,803	265,339

Accounting Policy

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after reporting period, regardless of when the actual settlement is expected to occur.

(c) Other Transactions with Key Management Personnel (and their Related Parties) of Mount Burgess Mining N.L.

During the year the Company received a loan amounting to $30,000 (2018: NIL) from Jan and Nigel Forrester. Mr Nigel Forrester is a Director of the Company. Interest will accrue on the loan at the rate of 1% (2019: 4%) above the Bank Bill Rate in Australia and is currently at 2.45% (2018: 5.70% pa). The interest accrued for the financial year amounted to $20,128 (2018: $55,434). The loan balance, which inclusive of interest and unpaid salaries at the end of the financial year end amounted to $914,648 (2018: $1,038,285) and $1,445,132 (2018: $1,191,464) respectively. $21,760 was repaid. (2018: $73,509). During the last financial year at the General Meeting of shareholders held on 30 November 2017, approval was given for the issue of a total of 50,000,000 fully paid ordinary shares in the Company to NR and JE Forrester and /or their associates. The issue of the 50,000,000 shares at a value of 1 cent per share extinguished $500,000 of a cash loan granted by NR and JE Forrester to the Company.

During the year the Company received a loan amounting to $30,000 (2018: NIL) from Mr Harry Warries. Mr Harry Warries is a Director of the Company. Interest accrued on the loan at the rate of 1% above the Bank Bill Rate in Australia, which was at 2.45% (2018: NIL).

During the year the Company received a loan amounting to $9,000 (2018: NIL) from Mr Chris Campbell-Hicks. Mr Chris Campbell-Hicks is a Director of the Company. Interest accrued on the loan at the rate of 1% above the Bank Bill Rate in Australia, which was at 2.45% (2018: NIL).

NOTE 8.6: Related-party transactions (Cont'd)

During the financial year, at the General Meeting of shareholders held on 1 May 2019, approval was given for the issue of fully paid ordinary shares in the Company in lieu of director fees to Directors or their nominees and their related party as follows:

Name	Number of fully paid shares to be issued	
K Clark	$14,400 worth at 0.30 of a cent* =	4,800,000
C Campbell-Hicks	$14,400 worth at 0.30 of a cent* =	4,800,000
H Warries	$14,400 worth at 0.30 of a cent* =	4,800,000
J Forrester	$14,400 worth at 0.30 of a cent* =	4,800,000

* The fully paid shares issued were measured using the market price on day on the General Meeting.

(d) Transactions with Subsidiary

All loans advanced to and payable by MTB (Namibia) (Pty) Ltd and Mount Burgess (Botswana) (Proprietary) Limited are interest free, unsecured and subordinate to other liabilities.

(e) Parent Entity

The parent entity in the Group is Mount Burgess Mining N.L. Equity interests in controlled entities are disclosed in Note 8.8.

NOTE 8.7: Parent entity financial information

(a) Financial Position

	2019 $	2018 $
Assets		
Current assets	36,158	24,223
Non-current assets	25	25
Total assets	36,183	24,248
Liabilities		
Current liabilities	3,485,542	3,276,443
Non-current liabilities	25	25
Total liabilities	3,485,567	3,276,468
Net Liabilities	(3,449,384)	(3,252,220)
Equity		
Issued capital	45,208,369	44,955,869
Reserves	490,017	490,017
Accumulated losses	(49,147,770)	(48,698,106)
Total Deficit	(3,449,384)	(3,252,220)

(b) Financial Performance

	2019 $	2018 $
Loss for the year	(449,664)	(1,088,725)
Other comprehensive income	-	-
Total comprehensive loss	(449,664)	(1,088,725)

(c) Guarantees entered into by the Parent Entity in relation to the Debts of its Subsidiaries

As at reporting date there are no known guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

(d) Contingent Liabilities of the Parent Entity

As at reporting date there are no known contingent liabilities of the parent entity.

NOTE 8.7: Parent entity financial information (Cont'd)

(e) Commitments of the Parent Entity

The commitments of the parent entity have been disclosed in Note 8.2.

NOTE 8.8: Controlled entities

	Country of Incorporation	Ownership Interest (%)	
		2019	2018
Parent Entity			
Mount Burgess Mining N.L.	Australia		
Controlled Entity			
MTB (Namibia) (Proprietary) Ltd	Namibia	100%	100%
Mount Burgess (Botswana) (Pty) Ltd	Botswana	100%	100%

NOTE 9: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 24 September 2019.

Mount Burgess Mining N.L. is a for profit entity for the purpose of preparing the financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Accounting Policies

(a) Going concern basis

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Consolidated Entity has incurred net losses before tax of $257,205 (2018: $438,117) and net cash outflows from operating and investing activities of $218,972 (2018: $738,832) for the year ended 30 June 2019. As at 30 June 2019, the Consolidated Entity had a working capital deficiency of current assets to current liabilities of $3,486,336 (2018: $3,287,804) and cash and cash equivalents of $35,165 (2018: $26,134).

The ability of the Consolidated Entity to continue as a going concern is dependent upon continued financial support from its Directors related parties and creditors, and on securing additional funding through capital raising to continue to meet its working capital requirements in the next 12 months. These conditions indicate a material uncertainty that may cast significant doubt that the Consolidated entity will continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe the Consolidated entity will continue as a going concern and be able to pay its debts as and when they fall due, for the following reasons:

(a) The Consolidated Entity has continued financial support from the Directors, former Directors and their associated entities, in that they have confirmed in writing that they will not call upon their loans to be repaid within the next 12 months, unless sufficient funds are available to do so without affecting the Company's going concern. As at 30 June 2019, the Directors loans outstanding were $1,720,256 (Note 4.4) and accruals for unpaid salaries for director and his related party amounting to $1,445,432 (Note 4.3);

(b) The Company has the ability to raise funds through equity issues. In relation to additional funding via capital raisings, initial discussions have commenced with potential brokers;

NOTE 9: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) In addition, the Directors have also embarked on a strategy to reduce costs in line with the funds available to the Consolidated Entity; and

(d) The Directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are confident in the ability of the Consolidated Entity to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises.

(e) Since the end of the financial year the Company received $70,000 through share placements of 35,000,000 shares.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Consolidated Entity be unable to continue as a going concern.

(b) Basis of Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Financial Instruments issued by the Company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded as the proceeds received, net of direct issue costs.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

(d) Financial assets

All financial assets are recognised and de-recognised on the date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTE 9: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Investment in subsidiaries

Investments in subsidiaries are recognised in the parent entity's financial statements at cost less any impairment losses.

(e) Foreign Currency

The individual financial statements of each Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of partial disposal of the net investment.

(f) Goods and services tax and VAT

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

NOTE 9: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(g) New accounting standards and Australian accounting interpretations

Adoption of new and revised Accounting Standards

A number of new or amended standards became applicable for the current reporting period and the Group has changed its accounting policies as a result of the adoption of the following standards:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*

The impact of the adoption of these standards and the new accounting policies are disclosed below. The impact of these standards, and the other new and amended standards adopted by the Group, has not had a material impact on the amounts presented in the Group's financial statements.

AASB 9 Financial Instruments – Impact of Adoption

AASB 9 replaces the provisions of AASB 139 *Financial Instruments* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 from 1 July 2018 resulted in no material changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Group assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate AASB 9 categories.

There was no impact on the amounts recognised in the financial statements as a result of adoption.

AASB 15 Revenue from Contracts with Customers Impact of Adoption

The Group has adopted AASB 15 from 1 July 2018 which has no material impact to the amounts recognised in the financial statements.

Standards and Interpretation issued not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective:

	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 *Leases*	1 January 2019	30 June 2020
Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019	30 June 2020
AASB 2018-1 *Amendments to Australian Accounting Standards* – Annual Improvements 2015-2017 Cycle	1 January 2019	30 June 2020
Interpretation 23 *Uncertainly over Income Tax Treatments*	1 January 2019	30 June 2020

The Directors have not yet determined what impact, if any, the implementation of the above standards would have on the financial statements of the Group.

NOTE 9: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 9, management is required to make judgements, estimates, and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

I. Going Concern

The Company does not have a sustainable income base from which it can fund its continual exploration effort and resource development. Consequently, with regard to going concern, the Company is reliant upon raising funds through equity issues, debt, or from the sale of assets to fund its ongoing exploration and resource development. Alternatively, the Company can seek joint venture partners to fund exploration and resource development on its behalf.

II. Commitments for exploration and evaluation expenditure not provided for

The Company has expenditure commitments in relation to its exploration licence. If any of these commitments fall into arrears through any funding inability, the Company has the choice to seek joint venture partners to meet these commitments or apply for expenditure exemptions.

III. The carrying amount of the Exploration and Evaluation Assets

The write-off or carrying forward of exploration expenditure of the Company is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable reserves. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the directors are unable to predict the outcome.

(i) Auditors' remuneration

	2019 $	2018 $
Auditor of the parent entity		
Auditing of the financial report	28,000	28,000

The auditor of Mount Burgess Mining N.L. is BDO (2018: BDO).

NOTE 10: COMPANY INFORMATION

Mount Burgess Mining NL (the Company) is a public company listed on Australian Securities Exchange (trading under the symbol 'MTB') incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activities of the Company and its subsidiaries (the Group) are described in Note 1.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 22 to 44 are in accordance with the Corporations Act 2001, including:
 (i) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable, and

Note 9 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Nigel Forrester

Chairman & Managing Director

Perth, 24 September 2019

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Mount Burgess Mining NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mount Burgess Mining NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 9 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Exploration and evaluation expenditure

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 5.2 the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Group, as such we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining from management a schedule of areas of interest held by the Group and assessing whether rights to tenure of those areas of interest remained current at balance date; • testing a sample of expenditure to confirm the nature of the costs incurred and the appropriateness of the classification as exploration and evaluation asset; • Holding discussions with management with respect to the status of ongoing exploration programmes in the Kihabe area and assessed the Group's cash flow forecast for the level of budgeted spend on the project; • Considering whether the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; and • Considering whether any facts or circumstances existed to suggest impairment testing was required. We also assessed the adequacy of the related disclosures in Note 5.2 and in Note 8.2(a) to the Financial Statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Mount Burgess Mining NL, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 24 September 2019

The information set out below was applicable as at 23 September 2019.

1. Distribution of Equity Securities and Voting Rights:

(a) Distribution of Shareholders of Ordinary shares:-

	No. of Holders
1 - 1,000	793
1,001 - 5,000	607
5,001 - 10,000	204
10,001 - 100,000	325
100,001 and over	243
Total No. of Shareholders	2,172

(b) Each shareholder entitled to vote may vote in person or by proxy, attorney or representative. On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote. On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share.

(c) There existed 2,172 shareholders who held less than a marketable parcel of shares.

(d) Substantial Shareholders:

N R Forrester & Associates	65,063,219 shares	representing 12.51% of the Company
Graham Forward Pty Ltd	29,903,172 shares	representing 5.75% of the Company

2. Top Twenty Shareholders

	Shareholder Name	Units Held	Percentage of Issued Capital (%)
1	Mr Nigel Raymond Forrester & Associates	65,063,219	12.51
2	Graham Forward Pty Ltd	29,903,172	5.75
3	Peloton Pty Ltd	25,897,727	4.98
4	J P Morgan Nominees Australia Limited	23,235,176	4.47
5	Mr Udaykumar Ratilal Raniga	20,759,996	3.99
6	Armuk Pty Ltd	20,000,000	3.85
7	Cen Pty Ltd	19,657,814	3.78
8	W B Nominees Limited	19,526,834	3.75
9	Jerd Pty Ltd	15,000,000	2.88
10	ESM Limited	15,000,000	2.88
11	Mr Michael Damian Murphy	13,434,493	2.58
12	Mr Douglas Corker	11,387,164	2.19
13	Mr John Andrew Hardie	10,000,000	1.92
14	Southswan Pty Ltd	10,000,000	1.92
15	Mr Geoffrey Allen Bailey	9,641,550	1.85
16	Mr Alfred Patrick Stirling & Associates	8,170,217	1.57
17	Mr Chris Campbell-Hicks & Associates	8,114,676	1.56
18	Mr Vincenzo Brizzi & Mrs Rita Lucia Brizzi	8,034,744	1.54
19	Ms Sze Leng Chau & Associates	7,537,373	1.45
20	Ms Karen Clark	7,531,818	1.45
		347,895,973	**66.87**

Tenement No.	Percentage of Equity
<u>BOTSWANA</u>	
Kihabe-Nxuu	
PL 043/2016	100%