mount burgess mining

and Controlled Entities

ACN 009 067 476

Annual Report

for the Year ended 30 June 2015

Directors:	NIGEL RAYMOND FORRESTER, FCA
	MOLATLHEGI BENJAMIN MOSIGI, BSc, MSc – *resigned 23 September 2014*
	ALFRED PATRICK STIRLING, FCA – *deceased 17 August 2015*
	CHRIS CAMPBELL-HICKS, FAusIMM CP Met MMICA – *appointed 15 September 2014*
	KAREN CLARK – *appointed 25 August 2015*
Joint Secretaries:	JAN FORRESTER
	SERENE CHAU, CPA
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Mount Burgess Mining NL is an ASX listed public company incorporated in Australia.

It is my pleasure to present to you our annual report for the year to 30 June 2015.

Throughout the year, the Company was engaged in litigation and Court proceedings in attempts to secure title to Prospecting Licence PL69/2003, the Kihabe – Nxuu Zn/Pb/Ag project in Western Ngamiland, Botswana. An Application for Extension to PL69/2003, was rejected on 13 May 2013 by the Minister for Minerals Energy and Water Resources (MMEWR), Botswana.

Without the merits of the Company's application being considered, the High Court of Botswana ruled in April 2014, that the Minister MMEWR should have been joined in the legal proceedings. Based on precedent established in the High Court, the Company was advised by its Legal counsel to nominate the Attorney General as the Respondent.

As a consequence of the High Court ruling, the Company lodged a Notice of Appeal in the Appeal Court of Botswana and was advised by its Attorney of the time that all costs had been paid in time to secure an Appeal Court hearing in January 2015.

Because the costs were not in fact paid by the Company's Attorney in time, the case was not entered on the Appeal Court roll in January 2015. This caused a six month delay in the proceedings with an Appeal Court hearing eventuating in July 2015.

The interlocutories upheld in the High Court were again upheld in the Appeal Court. However, the Appeal Court ruling concurred that ***"It remains open for the Appellant, should it be advised, to start its review afresh complying with all the requirements of the rules. Only then would the merits of its application be considered".***

The Company is in the process of submitting a further Application to the High Court of Botswana.

The merits of the case rest on the fact that the Company undertook to conduct a feasibility study on the project, based on assurances that grid power would be available in the project area by the end of 2012. In compliance with the JORC Code, granted International status by the UN Economic Commission, the Company was not able to get a Competent Person to produce and sign off on a feasibility study on the project because grid power was not made available as previously assured. The Minister MMEWR declared the Company's reason for not producing a feasibility study, the lack of grid power, as "unsatisfactory". He further stated "JORC Code or any other international requirements or standards does not substitute one's obligations under the MMA".

Such was the conclusion of the Minister MMEWR, despite the fact that the Company had twice been ordered, under the signatures of two previous Ministers MMEWR, to comply with the JORC Code. Also, in accordance with the requirements of the Checklist for Appropriate Company Programme of Prospecting Operations, issued under the Mines and Minerals Act of Botswana, the Company was required to comply with an International code when conducting a feasibility study. The JORC Code is an International Code.

For a more detailed summary of the issues involved in regard to the Kihabe-Nxuu Project, please refer to the Project section of the report that follows.

I should like to extend my sincere thanks to those Shareholders, Directors and Associates who continued to help fund the Company during the year whilst engaged in this litigation. Also I am extremely grateful to staff members for alternatively scheduling their work arrangements to accord with the Company's requirements.

Nigel Forrester
Chairman & Managing Director
29 September 2015

BOTSWANA

PL69/2003
THE KIHABE-NXUU PROJECT, BOTSWANA

6 SEPTEMBER 2006 - Minister Tibone MMEWR advised the Company that grid power would be available for the Kihabe- Nxuu project.

JULY 2008 AND SEPTEMBER 2009 – Representatives from the Botswana Power Corporation advised the Company that power would be available for the project by the end of 2012.

5 March 2010 – The Company informed Minister Kedikilwe MMEWR that the project would need around 40 MW of grid power.

16 August 2010 – Minister Kedikilwe approved the extension of PL 69/2003 for two years to 30 June 2012 in full knowledge that 40 MW of grid power would be required to enable a feasibility study to be conducted on the project.

29 March 2012 - The Company's wholly owned subsidiary Mount Burgess (Botswana) (Proprietary) Limited (MBB) submitted its Application for Extension of PL69/2003, for a further two years to 30 June 2014. PL69/2003 contains the Kihabe – Nxuu Zn/Pb/Ag JORC compliant resources of 25 million tonnes @ 3% Zn/Pb with 3.3 million ozs Ag, developed by the Company and MBB at a cost of $14.5 million.

In accordance with procedure administered by the Ministry of Minerals Energy and Water Resources (MMEWR), any notice rejecting the Application for Extension should have been served on MBB by MMEWR within three months of the submission of the Application for Extension. Not having received a notice of rejection from MMEWR by 30 June 2012, MBB continued in good faith conducting day to day exploration and resource development operations on PL69/2003, under the assumption that its Application for Extension would be granted at the next session of licence approvals.

13 May 2013 - Minister Mokaila, MMEWR, rejected MBB's Application for Extension of PL69/2003, submitted 14 months earlier on 29 March 2012, when Dr Ponatshego Kedikilwe (later Vice President) was Minister MMEWR. During this 14 month period the Company and MBB spent $1.2 million on project exploration and resource development, which the Geological Survey of Botswana, a division of MMEWR, was aware of through regular filing by MBB of required reports.

6 June 2013 - MBB appealed to Dr Ponatshego Kedikilwe, then Vice President of Botswana, seeking a reversal of the decision not to extend PL69/2003.

11 July 2013 - Minister Mokaila MMEWR rejected MBB's appeal to the Vice President for the extension of PL69/2003. His two reasons as outlined for rejecting the appeal did not accord with the facts and were therefore incorrect. He maintained that MBB should have:

(a) Obtained the Minister's approval to amend the prospecting programme as a result of the lack of power, **which it did** and
(b) Irrespective of its requirement to comply with the JORC code, MBB should have produced a feasibility study in compliance with the Mines and Minerals Act of Botswana (MMA)**.**

In respect of (a)

Minister Mokaila MMEWR stated *"As indicated in my letter of 13 May 2013, Ref: GSC 6/43/ 7 III (12), Mount Burgess cannot unilaterally amend the approved prospecting programme without the Minister's approval, this is as per section 22 MMA".*

Section 22(1) MMA actually states: "*The holder of a prospecting licence may, from time to time, notify the Minister of amendments he wishes to make to his programme of prospecting operations and such amendments shall, unless the Minister rejects the same within two months after being notified, have effect after such period".*
MBB gave a power point presentation on 23 March 2012, notifying the then Minister MMEWR, Dr Ponatshego Kedikilwe of proposed amendments to the programme of prospecting because of the unavailability of grid power which was previously assured would be available. Page 7 of this presentation, headed **Power Consumption**, specifically highlighted the power problem under "Grinding and SXEW for oxide zinc ore will require around 40MW power". In order to keep the feasibility

on track, it outlined alternative metallurgical recovery processes to be trialed under “Test work required reducing power consumption”. It outlined “Other Helpful Solutions” which included “Explore processes for recovering silver”, “Explore potential for recovery of credits Vanadium, Copper, Gallium and Germanium” and “Increase the resource base”.

Minister Kedikilwe MMEWR did not reject MBB’s proposed amendments to its prospecting programme within two months of being notified on 23 March 2012, as required by Section 22(1) MMA. **Accordingly, such amendments had effect after such period.**

As required, MBB submitted its Application for Extension of PL 69/2003 on 29 March 2012, three months prior to 30 June 2012, the expiry of its current term. The Application for Extension was for a further two years to 30 June 2014.

Minister Kedikilwe MMEWR did not reject MBB’s Application for Extension of PL69/2003, as required within the three months to 30 June 2012. Accordingly MBB was entitled to assume that its Application for Extension would be approved at the next session of license approvals.

In respect of (b)

Minister Mokaila MMEWR stated “*In addition any holder of a Mineral Concession issued under the Mines and Minerals Act of the Republic of Botswana is required to comply with the relevant sections of MMA irrespective of the company’s international reporting requirement. JORC code or any other international requirements and standards does not substitute one’s obligation under the MMA”.*

6 July 2006 - Previous Minister Tibone ordered the Company to comply with the JORC Code.

3 October 2007 - Previous Minister Kedikilwe ordered MBB to comply with the JORC Code.

The **Checklist for Appropriate Company Programme of Prospecting Operations** issued under the MMA specifically states under Section D, when dealing with a Pre-feasibility Study and Section E, when dealing with a Mining Feasibility Study that **“Delineated Reserves”** must be **“compliant to one of the international codes for estimating reserves”.** The JORC Code was adopted by the UN Economic Commission as an International Code.

In compliance with **the internationally accepted JORC code**, as ordered by two previous Ministers and as required by MMA’s checklist, MBB could not get a Competent Person to produce and sign off on a feasibility study because:

(a) Without an economic power supply MBB could not delineate its resources as **PROVEN and PROBABLE ORE RESERVES** *(See Note)* and
(b) Without being able to quote **DELINEATED RESERVES**, MBB could not get a competent person to produce and sign off on a feasibility study.

*Note: In accordance with the 2004 JORC code, applicable in this instance, Mineral Resources cannot be upgraded to Proven and Probable Ore Reserves unless all Modifying Factors required for the commercial extraction of those Reserves can be relied upon. One of those modifying factors needing to be relied upon for commercial extraction was the availability of a commercial power supply, required as part of the necessary infrastructure, as outlined in that section of Table 1 of the code, headed “**Estimation and Reporting of Ore Reserves”.***

8 October 2013 - MBB’s Notice of Motion and Founding Affidavit to set aside Minister Mokaila’s decision was registered in the High Court of Botswana. Copies were served on the Minister MMEWR. In accordance with sections 3(1), 3(2) and 4 of the State Procedures Act and subsection 3 of section 127 of the Constitution and precedent established in the High Court, copies were also served on the Attorney General as Respondent.

13 February 2014. At the hearing in the High Court of Botswana, the Attorney General raised points of law *in limine*, arguing that MBB’s Notice of Motion and Founding Affidavit should have been filed against the Minister MMEWR as Respondent and not the Attorney General. MBB argued that whilst copies were served on the Minister MMEWR, its Notice of Motion and Founding Affidavit correctly nominated the Attorney General as Respondent in accordance with sections 3(1), 3(2) and 4 of the State Procedures Act and subsection 3 of section 127 of the Constitution. **All these sections confirm that a Minister is part of the Government and any actions against the Government shall be instituted against the Attorney General, as established through precedent in the High Court in “Tim’s Lock and Key Vs the Attorney General.**

28 April 2014. The High Court Judge ruled that MBB's Application for Renewal of PL69/2003 be struck out with costs, as the Minister was not joined in the proceedings, only the Attorney General was cited as the Respondent. Such ruling was handed down despite the Judge even stating *"No cause shall be defeated by reason of the misjoinder or non-joinder of parties and the Judge may in every cause deal with the matter in controversy so far as regards the rights and interests before him".*

The High Court Judge also ruled in paragraph 14 of his judgement that ***"the appeal process to the Vice President is non-existent"***, implying that MBB did not have the right to appeal to the Vice President of Botswana, as it did on 6 June 2013. Reference to the **"Specific functions of His Honour the Vice President's Private Office" as** shown on his website, highlights under the fourth item **"Appeals and Complaints Handling".** In conversations that Nigel Forrester, Director of MBB had with Vice President Ponatshego Kedikilwe, the Vice President acknowledged that any appeal should be directed through his office.

26 May 2014. Mount Burgess Mining advised the ASX that its wholly owned subsidiary Company MBB had lodged a Notice of Appeal in the Appeal Court of Botswana, seeking a reversal of the ruling handed down by the High Court on 28 April 2014.

The case was heard in the Appeal Court in July 2015. The interlocutories upheld in the High Court were again upheld in the Appeal Court. However the ruling allowed for the merits of the Application to be considered in a further hearing in the High Court.

The Company is in the process of submitting a further application to the High Court of Botswana.

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 2015. 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 three years. Mr Forrester is one of the original shareholders of the Company which he floated in 1985. Aged 70. Board member since 1985.
Mr M B Mosigi Executive Director Geologist B.Sc. M.Sc *Non-independent* (*Resigned 23 September 2014*)	Mr Mosigi has experience in base metal and diamond exploration/mining. His previous diamond exploration and mining experience, which included a significant period of time with Debswana and Botswana Diamondfields covered work on the Orapa, Lethlakane, Jwaneng and Damtshaa Diamond Mines in Botswana and the Bobbejaan, Water Fissure and Bellsbank kimberlites in the Republic of South Africa. Aged 56. Board member since 2009.
Mr A P Stirling Non-executive Director Chartered Accountant *Non-independent* (*Deceased 17 August 2015*)	Mr Stirling, a Fellow of the Institute of Chartered Accountants in England and Wales, has had significant experience in investment and fund management. Aged 79. Board member since 2003.
Mr C Campbell-Hicks Non-executive Director Metallurgist FAusIMM CP Met MMICA *Independent* (*Appointed 15 September 2014*)	Mr Campbell-Hicks has more than forty years' 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 67. Board member since 15 September 2014
Ms K Clark Non-executive Director *Independent* (*Appointed 25 August 2015*)	Following employment with the British Institute of Management, Karen Clark joined Gresham House plc in 1974. Gresham House was involved in asset management and investment trusts. Karen was Company Secretary to fifty companies as well as Director of some forty companies, alongside previous Director of Mount Burgess Mining Fred Stirling until 2008. Since 2008, Karen has been Company Secretary of six Companies and a Director of a number of companies with Fred Stirling. Aged 65.

The above named Directors held office during the whole of the financial year and since the end of the financial year, except as noted for Mr M B Mosigi, Mr Campbell-Hicks and Ms K Clark.

Directorships of other Listed Companies

Direc3torships of other listed companies held by directors in the three years immediately before the end of the financial year are as follows:

Name	Company	Position	Period of Directorship
Mr A P Stirling	SpaceandPeople Plc	Non-executive	Since 21 June 2007

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	7,143,685	571,430
C Campbell-Hicks	892,858	-
K Clark	478,572	-

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 10 to 14.

The following table discloses the details of the option holdings of the Directors and senior management of the Company. The issuing entity of all options is Mount Burgess Mining N.L.

	Mount Burgess Mining NL	
	Fully Paid Ordinary Shares	**Share Options**
DIRECTORS		
N R Forrester - *Chairman*	7,081,805	285,715
A P Stirling - *Non executive director*	8,920,505	285,715
C Campbell-Hicks – *Non executive director*	892,858	-
SENIOR MANAGEMENT		
J E Forrester – *Company Secretary*	61,880	285,715

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 66, joined the Company upon listing in 1985 and was appointed as Joint Company Secretary in 1993.
Ms S Chau, CPA	Certified Practising Accountant, aged 36, 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, the Group was during the year currently involved with the following:

Western Ngamiland, Botswana – Base Metals

On the 13 May 2013 the renewal of PL 69/2003, the Company's Kihabe-Nxuu Base Metals Project, was rejected. The matter is currently before the High Court of Botswana. As a result, an impairment of $7,358,532 was recognised in the financial year to 30 June 2013 in relation to this project.

(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 consolidated entity during the year consisted of compiling documentation for submission to the Appeal Court of Botswana, such as a Notice of Motion and founding Affidavit previously filed in the High Court of Botswana. This was submitted on 12 September 2014, seeking reversal of the decision by the Minister for the Ministy of Minerals, Energy and Water Resources Botswana, not to renew PL 69/2003, which contains the Kihabe Nxuu resources.

Funds applied to the various exploration and resource development activities were as follows:

	2015	2014	2013	2012	2011
	$	$	$	$	$
Exploration for rare earths in Namibia	-	-	677	51,812	53,836
Exploration for diamonds in Namibia and Botswana	-	26,407	42,391	54,350	66,077
Resource development for base metals in Namibia and Botswana	-	-	244,256	498,564	370,426

(b) As the Group was involved only in exploration and resource development during the year there were not any returns to shareholders by way of dividends and increase in shareholder funds. Between 2011 and 2015 the Company's shares traded as follows:

2015		2014		2013		2012		2011	
Low	High	Low	High	Low	High	Low	High	Low	High
cents	cents	cents	cents	cents	cents	cents	cents	cents	cents
0.2	0.7	0.1	0.2	0.1	0.4	0.2	1.2	0.6	2.7

Ongoing resource exploration expenditure for the remainder of the year will be determined by the availability of funds and any outcome in regard to legal proceedings for the renewal of PL69/2003. The Company is awaiting scheduling of a High Court hearing.

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 $15,132.

(c) A loan agreement with Exchange Services Ltd, a company controlled by A P Stirling, a Director of the Company for funding up to £255,000 equivalent to $523,614, funding of $1,238,382 provided via a loan from Nigel Forrester and $32,500 from Ron O'Regan, 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, the sale or joint venture of equity in projects, the sale of assets or the recoupment of expenditure through claims for damages in respect of the non-renewal of PL69/2003.

(d) As the Group was involved only in efforts to secure title over PL 69/2003 during the year 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 an "Emphasis of Matter" 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 pages 3 to 5.

Change in State of Affairs

During the year to 30 June 2013, there was a significant change in the state of affairs of the Group, as a result of the Minister for Minerals, Energy and Water Resources (MMEWR) informing the Company's wholly owned subsidiary Mount Burgess (Botswana) (Proprietary) Limited (MMB) on 13 May 2013 of his rejection to renew Prospecting Licence PL69/2003.

PL 69/2003 contains the Group's main Kihabe-Nxuu Zn/Pb/Ag project, on which the Group was incurring expenditure on a day to day basis on resource development up until the date or rejection.

The matter was heard in the High Court and then in the Appeal Court. It has now been returned back to the High Court.

A Notice of Motion and Founding Affidavit are awaiting filling in the High Court of Botswana to set aside the decision of rejecting the renewal of PL69/2003.

Subsequent Events

Since the end of the financial year the Company has received a total of $5,000 as loan funding from Mr Chris Campbell-Hicks, a Director of the Company.

Since the end of the financial year the Company has received a total of $75,000 as loan funding from N R Forrester and J E Forrester, a Director and Company Secretary respectively of the Company.

On 21 September 2015 the Company received $4,000 through share placements of 2,000,000 shares.

On 23 September 2015 the Company received $3,000 through share placements of 1,500,000 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.

Future Developments

Provided the Group can secure the legal right to renew PL69/2003 in Botswana, it will be continuing exploration and enhancement of resource development. If the Group loses the legal right to renew PL69/2003 it will have to embark upon sourcing new projects.

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) governed by the following terms and conditions:

(1) each option will be issued free of consideration;

(2) the Options shall not be transferred or assigned by the holder provided that the holder shall be at liberty at any time to transfer all or any of his or her Options to his or her wife or husband respectively or to a proprietary limited company all the issued shares of which are beneficially owned by the holder and his or her wife or husband or any other nominee of the Eligible Employee, provided that any such transferee first undertakes to the Company, in a deed, not to transfer or assign such Options until such time as they are exercised;

(3) each Option will entitle the holder to subscribe for one share at an exercise price;

(4) the Options expire at 5.00pm on 31 December of the year five (5) years from the year of grant;

(5) the Options are exercisable wholly or in part by forwarding to the Company an "Option Exercise Form", accompanied by payment of the exercise price;

(6) the Options are exercisable at any time on or prior to the Expiry Date;

(7) there are no participating rights or entitlements inherent in the Options and holders will not participate in any new issue of capital offered to shareholders during the currency of the Options;

(8) shares issued on the exercise of Options will rank pari passu with the then existing ordinary share capital;

(9) an Option's terms must not prevent the Option being reorganised as required by the Listing Rules on a reorganisation of capital; and

(10) the Company shall grant the Options and deliver the certificates relating to the Options to the Eligible employee within ten (10) business days of the Application Date.

Status of the Options

Any options issued under this plan will not be listed on the Australian Securities Exchange Limited for official quotation.

Only upon exercise of the Options issued under the plan will the Company make application to the Australian Securities Exchange Limited for the quotation of the shares issued pursuant to the exercise of the Options.

The resolution for the consolidation of share capital, on a 1 for 7 basis, was approved at the Company's Annual Meeting held on 27 November 2014. As of 10 December 2014 the official completion of a 1 for 7 share and option consolidation, the Company has on issue the following:

Share Capital 153,227,958 listed ordinary shares and 1,978,579 unlisted options exercisable at 35 cents.

As at 30 June 2015 the following options over ordinary shares of Mount Burgess Mining N.L. remained on issue:

	Number of Shares under option	Expiry Date	Exercise price $
Issued 17 September 2010	1,428,575	31/12/2015	0.35
Issued 04 October 2010	442,860	31/12/2015	0.35
Issued 16 November 2010	35,714	31/12/2015	0.35
Issued 1 September 2011	71,430	31/12/2016	0.35
	1,978,579		

All of the above options were issued as an incentive and in recognition of past performance and none are dependent on the satisfaction of a performance condition. Further details of the options on issue are disclosed in Note 22 to the financial statements.

No shares have been issued during or since the end of the year as a result of the exercise of an option over unissued shares.

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 did not pay premiums 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 M B Mosigi (Executive Director) – resigned as at 23 September 2014

Mr A P Stirling (Non-executive Director) – deceased as of

Mr C Campbell-Hicks – appointed 15 September 2014

Ms K Clark – appointed 25 August 2015

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.

A. 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.

B. 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

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. No non-executive directors' fees have yet been paid for the year to 30 June 2015.

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 grants 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 (currently waived) in no way cover what they could otherwise earn. The options granted are exercisable at a significant premium to the current share price.

Executive Remuneration

Directors and staff are granted options in recognition of their efforts and to act as long term incentives for their retention and for creating value for the Company. None of these options are issued for the satisfaction of any performance conditions. All 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), share issued in lieu of directors fees or salary sacrifice and unlisted share options granted under 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 granted under the Employee Share Option Plan

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

C. Key terms of employment contracts

Mr B Mosigi, who resigned during the year, was a party to a service contract with Mount Burgess Mining NL, which sets out a fixed compensation package of $24,000 per annum. There are no termination benefits specified in this contract. Mr B Mosigi was appointed as Technical Director on 1 March 2009.

D. 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							
	Salary & fees	Annual Leave	Shares issued in lieu of directors' fees or salary sacrifice	Post employment benefits Superannuation	Long Service Leave	Share based payments. Options and rights	Total	Proportion related to performance
	$	$	$	$	$	$	$	%
2015								
Non-executive Directors								
A P Stirling[1]	-	-	-	-	-	-	-	-
C Cambell- Hicks[2]	-	-	-	-	-	-	-	-
Executive Directors								
N R Forrester	172,936	14,826	-	16,429	6,766	-	210,957	-
M B Mosigi[3]	-	-	-	-	-	-	-	-
	172,936	14,826	-	16,429	6,766	-	210,957	

[1] Deceased 17 August 2015
[2] Appointed 15 September 2014
[3] Resigned 23 September 2014

	Short term employee benefits							
	Salary & fees	Annual Leave	Shares issued in lieu of directors' fees or salary sacrifice	Post employ-ment benefits Super-annuation	Long Service Leave	Share based payments. Options and rights	Total	Propor-tion related to perfor-mance
	$	$	$	$	$	$	$	%
2014								
Non-executive Directors								
A P Stirling[1]	-	-	24,000[5]	-	-	-	24,000	-
R W O'Regan[4]	-	-	24,000[5]	-	-	-	24,000	-
Executive Directors								
N R Forrester	172,936	14,533	24,000[5]	15,997	6,651	-	234,117	-
M B Mosigi[3]	1,730	-	12,000[5]	-	-	-	13,730	-
	174,666	14,533	84,000	15,997	6,651	-	295,847	

[1] Deceased 17 August 2015
[2] Appointed 15 September 2014
[3] Resigned 23 September 2014
[4] Deceased 2 September 2013
[5] Shares issued in lieu of Director's fees covers period 1 July 2012 – 30 June 2013, approved by shareholders 28 November 2013

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

E. Equity instrument held by key management personnel

(i) Shareholdings

The resolution for the consolidation of share capital, on a 1 for 7 basis, was approved at the Company's Annual Meeting held on 27 November 2014. As of 10 December 2014 the official completion of a 1 for 7 share and option consolidation, the Company has on issue the following:

Share Capital 153,227,958 listed ordinary shares and 1,978,579 unlisted options exercisable at 35 2cents.

	Balance at 1 July	Granted as compensation	Share Consolidation	Net Other Changes	Balance at 30 June	Balance held nominally
2015	No.	No.	No.	No.	No.	No.
N R Forrester	53,688,752	-	(46,606,947)	-	7,081,805	-
B Mosigi[1]	21,000,000	-	(18,000,000)	(3,000,000)	-	-
C Cambell-Hicks [2]	6,250,000	-	(5,357,142)	-	892,858	-
A P Stirling[3]	62,443,530	-	(53,523,025)	-	8,920,505	-
	143,382,282	-	(123,487,114)	(3,000,000)	16,895,168	-

[1] Resigned 23 September 2014
[2] Appointed 15 September 2014
[3] Deceased 17 August 2015

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

(ii) Employee Share Options

Employee share option plan

Mount Burgess Mining NL operates 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.

Each employee share option converts into one ordinary share of Mount Burgess Mining NL on exercise (payment of the set exercise price). No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. All options granted during the financial year vest immediately.

The number of options granted is based on the discretion of the Board of Directors. The Board does not impose any restrictions in relation to a person limiting his or her exposure to the risk in respect of options issued by the Company. Given the nature of the company, options are not performance driven.

During the financial year, no option has been granted to directors and senior management, and no options granted previously affect the current or future period.

Share based payments in existence during the year are disclosed in Note 22.

There are no performance criteria that need to be met in relation to the options granted during the financial year before the beneficial interest vests in the recipient at date of grant.

Share consolidation

The resolution for the consolidation of share capital, on a 1 for 7 basis, was approved at the Company's Annual Meeting held on 27 November 2014. As of 10 December 2014 the official completion of a 1 for 7 share and option consolidation, the Company has on issue the following:

Share Capital 153,227,958 listed ordinary shares and 1,978,579 unlisted options exercisable at 35 cents.

Share 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.

	Balance at 1 July	Granted as Remuneration	Share Consolidation	Net Other Changes	Balance at 30 June	Balance vested & exercisable at 30 June	Options vested during the year
2015							
N R Forrester	2,000,000	-	(1,714,285)	-	285,715	285,715	-
M B Mosigi[1]	2,000,000	-	(1,714,285)	(285,715)	-	-	-
C Campbell-Hicks[2]	-	-	-	-	-	-	-
A P Stirling[3]	2,000,000	-	(1,714,285)	-	285,715	285,715	-
	6,000,000	-	(5,142,855)	(285,715)	571,430	571,430	-

[1] Resigned 23 September 2014
[2] Appointed 15 September 2014
[3] Deceased 17 August 2015

On 23 July 2010, the Company terminated the Employee Share Options Plan introduced in 2000. Please refer to Note 22.

All options once granted vest in the option holder at the date of their issue and may be exercised at any time from the date of their issue to the date of their expiry. Any share options issued to a director during the financial year were made in accordance with the provisions of the Company's Share Option Plan. No amounts are payable by the recipient of the option. Each option is exercisable at 35 cents. No options were exercised during the year.

F. 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 2013	485,000	4,564	489,564
Additions	573,132	23,078	596,210
Repayment	(17,000)	-	(17,000)
Balance as at 30 June 2014	1,041,132	27,642	1,068,774
Additions	239,750	65,557	305,307
Repayment	(10,000)	-	(10,000)
Balance as at 30 June 2015	1,270,882	93,199	1,364,081

For the details of the loans please refer to Note 11.

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

G. Other transactions with key management personnel

During the year the Company received a loan amounting to NIL (2014: £10,000 equivalent to $16,290) from Exchange Services Limited. Mr A P Stirling is a Director of Exchange Services Limited and a Director of the Company. 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.

During the year the Company received a loan amounting to NIL (2014: $5,000) from Mr Ronald O'Regan, a former director of the Company. Interest is not payable on this loan. There is a repayment of $10,000 (2014: NIL) during the financial year.

During the year the Company received a loan amounting to $239,750 (2014: $568,132) from Nigel and Jan Forrester. Mr Nigel Forrester is a Director of the Company. 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.

H. Voting and comments made at the Company's 2014 Annual General Meeting

Mount Burgess Mining NL received more than 81% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Audited Remuneration Report

Directors Meetings

Thirty-nine Directors' Meetings/Board Updates were held during the year during which Messrs Forrester and Stirling were present. Mr Campbell-Hicks was present at thirty-four of these and B Mosigi was present at seven of these.

Non-Audit Service

There were no amounts paid or payable to the auditors of the Group for non audit services provided during the year.

Auditor's Independence Declaration

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

N R Forrester
CHAIRMAN AND MANAGING DIRECTOR
Perth, 29 September 2015

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PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF MOUNT BURGESS MINING N.L.

As lead auditor of Mount Burgess Mining N.L. for the year ended 30 June 2015, 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 N.L. and the entities it controlled during the period.

Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $
Revenue	5(a)	284	-
Other income	5(b)	5,470	20,625
Administration expenses	5(c)	(630,697)	(770,524)
Finance costs	5(d)	(97,586)	(116,535)
Exploration interests impaired	5(e)	-	(518,300)
Other expenses	5(f)	(2,657)	(5,677)
Loss before tax		(725,186)	(1,390,411)
Income tax benefit / (expense)	6	-	103,531
Loss after tax for the year		(725,186)	(1,286,880)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the owners of Mount Burgess Mining NL		(725,186)	(1,286,880)
Loss per share for the year attributable to the owners of Mount Burgess Mining NL:			
Basic Loss per Share (cents per share)	16	(0.13)	(0.13)
Diluted Loss per Share (cents per share)	16	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	
		2015	2014
		$	$
CURRENT ASSETS			
Cash and cash equivalents	20(a)	15,132	15,545
Trade and other receivables	7	3,173	4,336
TOTAL CURRENT ASSETS		18,305	19,881
NON CURRENT ASSETS			
Plant and equipment	8	408	3,065
Exploration interests	9	-	-
TOTAL NON CURRENT ASSETS		408	3,065
TOTAL ASSETS		18,713	22,946
CURRENT LIABILITIES			
Trade and other payables	10	692,972	439,907
Borrowings	11	2,080,057	1,672,047
Provisions	12	157,936	120,028
TOTAL CURRENT LIABILITIES		2,930,965	2,231,982
TOTAL LIABILITIES		2,930,965	2,231,982
NET LIABILITIES		(2,912,252)	(2,209,036)
EQUITY			
Issued capital	14	42,687,167	42,665,197
Reserves	15	490,017	490,017
Accumulated losses		(46,089,436)	(45,364,250)
TOTAL DEFICIENCY		(2,912,252)	(2,209,036)

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 2013	42,494,667	380,045	109,972	(44,077,370)	(1,092,686)
Loss for the year	-	-	-	(1,286,880)	(1,286,880)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,286,880)	(1,286,880)
Transactions with owners in their capacity as owners:					
Share placement to professional investors	86,530	-	-	-	86,530
Shares issued in lieu of directors fees or salary sacrifice	84,000	-	-	-	84,000
Balance at 30 June 2014	42,665,197	380,045	109,972	(45,364,250)	(2,209,036)
Loss for the year	-	-	-	(725,186)	(725,186)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(725,186)	(725,186)
Transactions with owners in their capacity as owners:					
Share placement to professional investors	21,970	-	-	-	21,970
Balance at 30 June 2015	42,687,167	380,045	109,972	(46,089,436)	(2,912,252)

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

	Notes	2015 $	2014 $
Cash flows from operating activities			
Payments to suppliers and employees		(257,512)	(303,461)
Interest received		284	-
R&D Benefit		-	103,531
Interest and other costs of finance paid		(1,109)	(39,988)
Net cash outflows from operating activities	20(b)	(258,337)	(239,918)
Cash flows from investing activities			
Payment for plant and equipment		-	-
Payments for exploration and evaluation expenditure		-	(51,499)
Proceeds from sale of fixed assets		5,470	20,625
Net cash inflows / (outflows) from investing activities		5,470	(30,874)
Cash flows from financing activities			
Proceeds from issues of equity securities		22,000	78,600
Payment for share issue costs		(30)	(70)
Proceeds from borrowings to fund operations		239,750	206,197
Proceeds from borrowings for repayment of overdraft		-	394,249
Repayment of lease liabilities		(254)	(2,878)
Repayment of borrowings		(10,000)	(17,000)
Net cash inflows from financing activities		251,466	659,098
Net (decrease)/ increase in cash and cash equivalents		(1,401)	388,306
Cash and cash equivalents at the beginning of the financial year		15,545	(372,118)
Effects of exchange rate changes on the balance of cash held in foreign currencies		988	(643)
Cash and cash equivalents at the end of the financial year	20(a)	15,132	15,545

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

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Note Contents

1. GENERAL 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 4.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 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 29 September 2015.

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

2.2 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.

<u>Adoption of new and revised Accounting Standards</u>

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- Interpretation 21 Accounting for Levies
- AASB 2014-1 'Amendments to Australian Accounting Standards'

  The adoption of AASB 2013 -3 has a small impart on the impairment disclosures and AASB 2014-1 has required additional disclosures in our segment note. Other than that, the adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

  The group also elected to adopt the following two standards early:

- Amendments made to Australian Accounting Standards by AASB 2015-01 (Improvements 2012 – 2014 cycle), and
- Amendments made to AASB 101 by AASB 2015-02 (Disclosures initiative)

  As these amendments merely clarify the existing requirements, they do not affect the group's accounting policies or any of the disclosures.

<u>Standards and Interpretation issued not yet adopted</u>

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 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations)	1 January 2016	1 January 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	1 January 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	1 January 2016	1 January 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	1 January 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosures Initiative: Amendments to AASB 101	1 January 2016	1 January 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

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.

2.3 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 $725,186 (2014: $1,390,411) and the Consolidated Entity experienced net cash outflows from operating and investing activities of $252,867 (2014: $270,792) for the year ended 30 June 2015. As at 30 June 2015, the Consolidated Entity had a deficiency of current assets to current liabilities of $2,912,660 (2014: $2,212,101).

As at 29 September 2015, the Consolidated Entity had total funds available of $6,630 and commitments for $5,000 capital raising, totaling $11,630. As at that date the amount owed to creditors (excluding amounts owed to Exchange Services Ltd and the Directors) was $107,312. Of these, $47,515 was agreed to be deferred; $8,000 was covered by security; $7,070 was for current creditors, leaving balance of $44,727 for creditors over due.

These conditions indicate a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern.

The ability of the Consolidated Entity to continue as a going concerns and pay its debts as and when they fall due, given the Consolidated Entity's intended operational plans, assumes the following:

(a) Continued financial support from the Directors and their associated entities, in that they will not call upon the loans to be repaid within the next 12 months, unless sufficient funds are available to do so without affecting the Company's going concern. At the date of this report, the loans outstanding were $2,175,843. The Company has the availability to raise funds through equity issues and sales of assets. Nigel and Jan Forrester have confirmed in writing that under current normal circumstances they will continue to support the Company if needed to continue as a going concern.
(b) Additional funding via capital raisings. Initial discussions have commenced with potential brokers.
(c) Active management of the current level of discretionary expenditure is in line with the funds available to the Company and Consolidated Entity.

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.

Notwithstanding this, as a junior explorer with a dependency on continued support from current financiers and on securing additional funding, should the Consolidated Entity be unable to secure sufficient funding from the above, there is material uncertainty that may cast significant doubt as to whether the Company and Consolidated Entity will be able to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Consolidated Entity may be required to realise it assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Consolidated Entity be unable to continue as a going concent and meet its debts as and when they fall due.

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.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

2.4 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.

2.5 Borrowings

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 profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Cash and cash equivalents

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Earnings per share

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
- By 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.

2.9 Employee Benefits

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 expected 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.

Shared-based payments

Share-based compensation benefits are provided to employees via the Employee Share Option Plan 2010 set out in Note 22.

The fair value of options granted under the share option plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes an market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

2.10 Exploration and evaluation expenditures

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as exploration and evaluation asset 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
- 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 only included in measurement of exploration and evaluation costs when they are related directly to operational activities in a particular area of interest.

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.

2.11 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.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

<u>Available-for-sale financial assets</u>

Listed shares held by Group that are traded in an active market are classified as being available-for-sale and are stated at fair value. Fair value is determined by reference to quoted market prices less costs to sell. Gains and losses arising from changes in fair value are recognised in profit or loss and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is classified to profit or loss.

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

<u>Loans and receivables</u>

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.

<u>Impairment of financial assets</u>

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 impartment 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.

2.12 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.

2.13 Foreign currency translation

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 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

(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.

2.15 Government grants

Grants from government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to the costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.16 Impairment of long-lived assets

At the end of each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.17 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests 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 they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all of part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, 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 relate 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 are 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.

2.18 Jointly controlled assets

The proportionate interests in the assets of a joint venture activity have been incorporated in the financial statements under the appropriate headings. Details of the joint venture are set out in Note 18.

2.19 Leased assets

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.

Group as Lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

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.

2.20 Plant and equipment

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

2.21 Provisions

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).

2.22 Revenue Recognition

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

<u>Dividend and interest revenue</u>

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probably that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

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

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocation resources and assessing performance of the operating segments, has been identified as the strategic steering committee.

2.24 Share-based payments

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

2.25 Trade and other payables

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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, 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:

(a) 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 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.

(b) Commitments for exploration and evaluation expenditure not provided for

The Company has expenditure commitments in relation to its various exploration licences and mining leases. 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.

4. SEGMENT INFORMATION

Mount Burgess Mining N.L. operates predominantly in one industry and two geographical segments being the mineral exploration industry in Namibia and Botswana. The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operation decision makers) in assessing the performance and determining the allocation of resources. In Namibia the exploration focus is on diamonds and base metals, including iron ore and rare earths. In Botswana the focus is on base metals and diamond exploration.

As the Company is focused on mineral exploration, the Board monitors the company based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Segment information relating to the reportable segment being mineral exploration in Namibia and Botswana is outlined below:

	External sales		Total	
	2015 $	2014 $	2015 $	2014 $
Reconciliation of segment revenue to total other income before tax				
Namibia	5,470	13,457	5,470	13,457
Botswana	-	7,168	-	7,168
Total of all segments	5,470	20,625	5,470	20,625
Unallocated corporate revenue			284	-
Consolidated total other income			5,754	20,625
Reconciliation of segment result to net loss before tax				
Namibia – Impairment expense			-	(1,153)
Namibia – Gain on disposal			5,470	13,457
Botswana – Impairment expense			-	(517,147)
Botswana – Gain on disposal			-	7,168
Total of all segments			5,470	(497,675)
Unallocated corporate revenue			284	-
Unallocated corporate expenses			(730,940)	(892,736)
Loss before income tax expense			(725,186)	(1,390,411)
Income tax benefit / (expense)			-	103,531
Loss for the year			(725,186)	(1,286,880)

4. SEGMENT INFORMATION (Cont'd)

	Total 2015 $	Total 2014 $
Reconciliation of segment assets to the balance sheet		
Namibia	1,842	1,952
Botswana	1,372	1,567
Total of all segments	3,214	3,519
Unallocated corporate assets	15,499	19,427
Consolidated total assets	18,713	22,946
Reconciliation of segment liabilities to the balance sheet		
Namibia	399	376
Botswana	65,237	57,480
Total of all segments	65,636	57,856
Unallocated corporate liabilities	2,865,329	2,174,126
Consolidated total liabilities	2,930,965	2,231,982
Acquisition of plant and equipment and exploration expenditure		
Namibia	-	-
Botswana	-	26,407
Total of all segments	-	26,407
Unallocated corporate	-	-
Consolidated total	-	26,407
Depreciation/amortisation included in segment result		
Namibia	-	-
Botswana	-	-
Total of all segments	-	-
Unallocated corporate	2,657	5,677
Consolidated total	2,657	5,677

5. LOSS FROM OPERATIONS

Loss from operations before income tax expense includes the following items of revenue and expense:

		2015 $	2014 $
(a)	**Revenue**		
	Interest income	284	-
(b)	**Other**		
	Gain on disposal of fixed assets	5,470	20,625
(c)	**Administration expenses include:**		
	Salaries and wages	334,277	484,874
	Defined contribution plans	26,914	8,877
	Net foreign exchange loss / (gain)	83,953	40,657
(d)	**Finance costs**		
	Interest on bank overdrafts	-	20,794
	Interest on obligations under finance lease	-	171
	Interest on directors' loan	96,477	95,385
	Late payment fees	1,109	185
		97,586	116,535
(e)	**Exploration interests impaired**	-	518,300

In the previous financial year, write offs related to areas which the directors have decided not to renew the right to explore or areas that were required to be reduced in size under the relevant Mining Act.

5. LOSS FROM OPERATIONS (Cont'd)

	2015 $	2014 $
(f) Other expenses		
Depreciation of non-current assets	2,657	3,577
Amortisation of leased assets	-	2,100
	2,657	5,677

6. INCOME TAXES

	2015 $	2014 $
(a) Income tax expense		
Income tax recognised in profit and loss		
Tax expense / (income) comprises:		
R&D Benefit	-	(103,531)
Benefits arising from previously unrecognised tax losses recognised	-	(103,531)
Total tax expense/(income)		
Income tax expense/(income) attributable to loss from continuing operations	-	(103,531)

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

	2015 $	2014 $
Loss from operations	(725,186)	(1,286,880)
Income tax benefit calculated at 30% (2014: 30%)	(217,556)	(386,064)
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Non deductible expenses	1,109	155,490
Share based payments	-	25,200
Tax benefits not recognised	216,447	205,374
R&D benefit	-	(103,531)
Income tax benefit	-	(103,531)

In the last financial year, the income tax R&D benefit received amounting to $103,531 was a cash rebate from Australian Tax Office in respect of research and development expenditure incurred during the year ended 30 June 2014.

(b) Unrecognised Australian deferred tax assets

The following deferred tax assets have not been brought to account as assets:

	2015 $	2014 $
Tax losses at 30%	6,383,445	6,162,632
Temporary differences at 30%	53,283	57,617
	6,436,728	6,220,249

7. TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
VAT/GST recoverable	3,173	4,336

8. PLANT & EQUIPMENT AT COST

	Plant, Equipment and Vehicles $	Leased Equipment and vehicle $	Total $
Gross carrying amount			
Balance as at 1 July 2013	864,713	27,931	892,644
Additions	-	-	-
Disposal	-	-	-
Balance as at 30 June 2014	864,713	27,931	892,644
Additions	-	-	-
Disposal	-	-	-
Balance as at 30 June 2015	864,713	27,931	892,644

8. PLANT & EQUIPMENT AT COST (Cont'd)

	Plant, Equipment and Vehicles	Leased Equipment and vehicle	Total
	$	$	$
Accumulated depreciation/amortisation			
Balance as at 1 July 2013	857,620	25,655	883,275
Depreciation/amortisation expense	4,204	2,100	6,304
Disposal	-	-	-
Balance as at 30 June 2014	861,824	27,755	889,579
Depreciation/amortisation expense	2,481	176	2,657
Disposal	-	-	-
Balance as at 30 June 2015	864,305	27,931	892,236
Net Book Value			
As at 30 June 2014	2,889	176	3,065
As at 30 June 2015	408	-	408

Aggregate depreciation and amortisation allocated during the year

	2015	2014
	$	$
Plant, equipment and vehicles		
Recognised as an expense	2,657	3,577
Capitalised as part of the carrying amount of exploration interests	-	627
Leased equipment and vehicles		
Recognised as an expense	-	2,100
	2,657	6,304

9. EXPLORATION INTEREST

	2015	2014
	$	$
Tenement acquisition at cost		
Balance as at the start of the financial year	-	-
Write offs	-	-
Balance as at the end of the financial year	-	-
Exploration expenditure at cost		
Balance as at the start of the financial year	-	491,893
Additions	-	26,407
Write offs – Note 5(e)	-	(518,300)
Balance as at the end of the financial year	-	-
Total Exploration Interests	-	-

In the previous financial year, the amount spent on the Tsumkwe Diamond and base metals project was written off to reflect the potential non-recoverability of the exploration expenditure.

10. TRADE AND OTHER PAYABLES

	2015	2014
	$	$
Trade payables	124,538	116,313
Accruals	568,434	323,954
	692,972	439,907

Trade payables are non-interest bearing and are normally settled on terms of 30 days from month end. Included in the balance, $47,515 was agreed to be deferred; $8,000 was covered by security; $9,933 was for current creditors, leaving balance of $59,090 for creditors over 30 days.

11. BORROWINGS

	2015 $	2014 $
Unsecured – at amortised cost		
Loan from a director related company (i)	715,976	603,019
Loan from a director (ii)	1,331,581	1,026,274
Loan from a director (iii)	32,500	42,500
	2,080,057	1,671,793
Secured – at amortised cost		
Finance lease liability (iv) (Note 13)	-	254
	-	254
	2,080,057	1,672,047
Current	2,080,057	1,672,047
Non-current (Note 13)	-	-

(i) The loan comprises two parts:

a. Loan from a director related company amounts to £20,618 equivalent to $37,453 (2014: $34,402) to wholly subsidiary Mount Burgess (Botswana) Proprietary Ltd. Interest is not payable on this loan.

b. Loan from a director related company amounts to £255,000 equivalent to $523,614 (2014: $461,538). 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.

(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 4% above the Bank Bill Rate in Australia, which is currently at 5.95% (30 June 2014: 9.0% pa). The above balance is inclusive of interest.

(iii) The loan was provided by Ron O'Regan. Mr Ron O'Regan was a Director of the Company. Interest is not payable on this loan.

(iv) In the last financial year, finance lease related to a photocopying machine with a lease term of 5 years. Secured by the asset held. The interest rate on finance lease was 10.57% with repayment period of 5 years.

12. CURRENT PROVISIONS

	2015 $	2014 $
Employee entitlements	157,936	120,028

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.

13. OBLIGATIONS UNDER FINANCE LEASE

	2015 $	2014 $
Not later than one year	-	254
Later than one year and not later than five years	-	-
	-	254
Less future finance charges	-	-
Present value of minimum lease payments	-	254
Included in the financial statements are:		
- current borrowings	-	254
- non-current borrowings (Note 11)	-	-

In the last financial year, finance lease related to a photocopying machine with a lease term of 5 years. The Group's obligations under the finance lease are secured by the lessor's title to the lease asset.

14. ISSUED CAPITAL

	2015 $	2014 $
153,227,958 fully paid ordinary shares (2014: 1,045,088,602)	42,687,167	42,665,197

	2015 No.	2015 $	2014 No.	2014 $
Fully paid ordinary share capital				
Balance at beginning of financial year	1,045,088,602	42,665,197	862,838,602	42,494,667
Share placements to professional investors	27,500,000	22,000	98,250,000	86,600
Less costs	-	(30)	-	(70)
Share consolidation (i)	(919,360,644)	-	-	-
Issued of ordinary shares in lieu (ii)	-	-	84,000,000	84,000
	153,227,958	42,687,167	1,045,088,602	42,665,197

(i) Share Consolidation

The resolution for the consolidation of share capital, on a 1 for 7 basis, was approved at the Company's Annual Meeting held on 27 November 2014.

As of 10 December 2014 the official completion of a 1 for 7 share and option consolidation, the Company has on issue the following:

Share Capital 153,227,958 listed ordinary shares and 1,978,579 unlisted options exercisable at 35 cents.

(ii) Issue of ordinary shares in lieu of Directors' fees.

During the last financial year at the General Meeting of shareholders held on 28 November 2013, 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:

	Number of fully paid shares to be issued	
Mr A P Stirling	$24,000 worth at 0.1 cents* =	24,000,000
Mr R W O'Regan	$24,000 worth at 0.1 cents* =	24,000,000
Mr B M Mosigi	$12,000 worth at 0.1 cents* =	12,000,000
Mr N R Forrester	$24,000 worth at 0.1 cents* =	24,000,000
		84,000,000

*The fully paid shares to be issued are at the volume weighted average price ("VWAP") of the shares in the five ASX trading days prior to issue.

The shares were granted for nil cash consideration, and no funds were raised. The shares were allotted on 23 December 2013.

15. RESERVES

	2015 $	2014 $
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 22 to the financial statements.

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

16. LOSS PER SHARE

	2015 Cents per share	2014 Cents per share
Basic loss per share	(0.13)	(0.13)
Diluted basic loss per share	N/A	N/A

16. LOSS PER SHARE (Cont'd)

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

	2015 $	2014 $
Net loss	(725,186)	(1,286,880)
Loss used in calculation of basic and dilutive EPS	(725,186)	(1,286,880)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	554,538,328	979,374,218

The following potential ordinary shares are not dilutive as they would decrease the loss per share and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:

	2015 No.	2014 No.
Employee share options	1,978,579	13,850,000

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.

17. COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments

	2015 $	2014 $
(i) no later than 1 year	10,370	10,370
(ii) 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. The lease agreement contains an option to renew the lease. Refer to Note 13 for finance lease obligations.

18. JOINTLY CONTROLLED ASSETS

In the last financial year, the Company had an interest in Exclusive Prospecting Licence 4619 in Namibia which was held 85% by the Company and 15% by local inhabitants.

	2015 $	2014 $
Current Assets		
Cash assets	-	246
Receivables	-	1,706
Total Current Assets	-	1,952
Non Current Assets		
Exploration interests	-	-
Plant and equipment	-	-
Total Non Current Assets	-	-
Total Assets	-	1,952

19. CONTROLLED ENTITIES

	Country of Incorporation	Ownership Interest (%) 2015	Ownership Interest (%) 2014
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%

20. 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:

	2015 $	2014 $
Cash and cash equivalents	15,132	15,545

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

	2015 $	2014 $
Loss for the year	(725,186)	(1,286,880)
Depreciation	2,481	3,577
Amortisation	176	2,100
Write off of exploration and development expenditure	-	518,300
Unrealised foreign exchange (gain)/ loss on loan	82,037	43,301
Gain on disposal of Motor Vehicle	(5,470)	(20,625)
Net exchange differences	(988)	643
Equity settled expenses	-	92,000
Changes in operating assets and liabilities:		
Decrease in trade receivables	1,163	291
Increase / (decrease) in trade payables	253,065	297,239
Increase / (decrease) in borrowings costs	96,477	76,547
Increase in provision for employee entitlements	37,908	33,589
Net cash outflows from operations	(258,337)	(239,918)

(c) Non-cash Financing and Investing Activities

There have been no non-cash financing and investing activities for the year ended 30 June 2015 (2014: Nil).

(d) Financing Facilities

As at reporting date the Company had a Visa Card credit facility to the value of $2,000 (2014: $2,000) and an indemnity / guarantee facility of $8,000 (2014: $8,000). At balance date the total amount unused for all facilities was $10,000 (2014: $10,000).

21. FINANCIAL INSTRUMENTS

(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 2 to the financial statements. No financial derivative instruments were in place at year end.

(b) Financial Risk Management Objectives

Note 21 (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.

21. FINANCIAL INSTRUMENTS (Cont'd)

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 continuous basis. The Group does not enter into or trade financial instruments, including derivatives financial instruments, for speculative purposes.

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 %	2015 $	2014 $
Non-interest bearing			
Financial assets	-	5,425	9,635
Financial liabilities	-	185,565	482,407
		190,990	492,042
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities	-	-	1,118,920
		-	1,118,920
Variable rate instruments			
Financial assets	1.87	10,221	10,327
Financial liabilities	5.80	2,126,771	606,373
		2,136,992	616,700

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 2015 would decrease/increase by $3,342 (2014: decrease/increase by $2,793). 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, however at reporting date the Group holds significant amounts of financial assets or liabilities which are exposed to foreign currency risk.

21. FINANCIAL INSTRUMENTS (Cont'd)

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:

	Liabilities		Assets	
	2015	**2014**	**2015**	**2014**
GBP	255,000	255,000	-	-

(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 2015.

	GBP impact	
	2015	**2014**
Profit or loss	52,361	47,398

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 counterparty will default on 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.

(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 2 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:

21. FINANCIAL INSTRUMENTS (Cont'd)

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

	Weighted average effective interest rate %	Less than 1 year $	1-5 years $	Total $
30 June 2015				
Non-interest bearing		185,565	-	185,565
Finance lease liability	-	-	-	-
Variable interest rate instruments	5.80	2,126,771	-	2,126,771
		2,312,336	-	2,312,336
30 June 2014				
Non-interest bearing		482,407	-	482,407
Finance lease liability	10.57	281	-	281
Variable interest rate instruments	8.16	1,725,012	-	1,725,012
		2,207,700	-	2,207,700

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 2015				
Non interest bearing		5,425	-	8,272
Variable rate instruments	2.05	10,221	-	10,221
		15,646	-	15,646
30 June 2014				
Non interest bearing		9,635	-	9,635
Variable rate instruments	2.49	10,327	-	10,327
		19,962	-	19,962

Trade payables are non-interest bearing and are normally settled on terms of 30 days from month end. Included in the balance, $47,515 was agreed to be deferred; $8,000 was covered by security; $9,933 was for current creditors, leaving balance of $59,090 for creditors over 30 days.

(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 activities.

The Group's overall strategy remains unchanged from 2014. 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 15 and 16 respectively. The Group operates in Australia, Namibia and Botswana. None of the Group's companies are subject to externally imposed capital requirements.

22. SHARE-BASED PAYMENTS

Employee Share Option Plan

On 30 July 2010, the Company introduced a new Employee Share Option Plan 2010 as approved by shareholders to reward past services and contributions of Eligible Employees and also to assist in the recruitment, retention, incentive and motivation of Eligible Employees of the Company. Employee share options carry no rights to dividends and no voting rights. In accordance with the terms of the Employee Share Option Plan all options, including any issued during the year ended 30 June 2013, vest in the option holder at the date of their issue and may be exercised at any time from the date of their issue to the date of their expiry. No amounts are paid by the recipient on receipt of the option. Each share option converts to one ordinary share of Mount Burgess Mining N.L. on exercise. The exercise price of the options issued to date is 5 cents.

	2015 No.	Weighted Average exercise price $	2014 No.	Weighted Average exercise price $
Employee share option plan				
Balance at the end of the year	1,978,579	0.35	13,850,000	0.05

(i) Balance at the beginning of the Year

	No.	Grant Date	Expiry Date	Exercise Price $	Fair Value at grant date $
Issued 17 September 2010	10,000,000	17/09/2010	31/12/2015	0.05	0.004
Issued 04 October 2010	3,100,000	04/10/2010	31/12/2015	0.05	0.004
Issued 16 November 2010	250,000	16/11/2010	31/12/2015	0.05	0.012
Issued 1 September 2011	500,000	01/09/2011	31/12/2016	0.05	0.009
	13,850,000				

(ii) Share Consolidation

The resolution for the consolidation of share capital, on a 1 for 7 basis, was approved at the Company's Annual Meeting held on 27 November 2014.

As of 10 December 2014 the official completion of a 1 for 7 share and option consolidation, the Company has on issue the following:

Share Capital 153,227,958 listed ordinary shares and 1,978, 579 unlisted options exercisable at 35 cents.

On 30 July 2010, the Company introduced Employee Share Option Plan (2010) governed by the following terms and conditions:

(a) each option will be issued free of consideration;

(b) the Options shall not be transferred or assigned by the holder provided that the holder shall be at liberty at any time to transfer all or any of his or her Options to his or her wife or husband respectively or to a proprietary limited company all the issued shares of which are beneficially owned by the holder and his or her wife or husband or any other nominee of the Eligible Employee, provided that any such transferee first undertakes to the Company, in a deed, not to transfer or assign such Options until such time as they are exercised;

(c) each Option will entitled the holder to subscribe for one share at an exercise price;

(d) the Options expire at 5.00pm on 31 December of the year five (5) years from the year of grant;

(e) the Options are exercisable wholly or in part by forwarding to the Company an "Option Exercise Form", accompanied by payment of the exercise price;

(f) the Options are exercisable at any time on or prior to the Expiry Date;

(g) there are no participating rights or entitlements inherent in the Options and holders will not participate in any new issue of capital offered to shareholders during the currency of the Options;

(h) shares issued on the exercise of Options will rank pari passu with the then existing ordinary share capital;

(i) an Option's terms must not prevent the Option being reorganised as required by the Listing Rules on a reorganisation of capital;

(j) the Company shall grant the Options and deliver the certificates relating to the Options to the Eligible employee within ten (10) business days of the Application Date.

22. SHARE-BASED PAYMENTS (Cont'd)

Status of the Options

Any options issued under this plan will not be listed on the Australian Securities Exchange Limited for official quotation.

Only upon exercise of the Options issued under the plan will the Company make application to the Australian Securities Exchange Limited for the quotation of the shares issued pursuant to the exercise of the Options.

As of the date of this report 1,978,579 options with an expiry date 31 December 2015 and 31 December 2016 remained on issue. None of these have yet been exercised.

(iii) Balance at the end of the year

	No.	Grant Date	Expiry Date	Exercise Price $	Fair Value at grant date $
Issued 17 September 2010	1,428,575	17/09/2010	31/12/2015	0.35	0.004
Issued 04 October 2010	442,860	04/10/2010	31/12/2015	0.35	0.004
Issued 16 November 2010	35,714	16/11/2010	31/12/2015	0.35	0.012
Issued 1 September 2011	71,430	01/09/2011	31/12/2016	0.35	0.009
	1,978,579				

Share options outstanding at the end of the financial year had an exercise price of $0.35 (2014: $0.05) and a weighted average remaining contractual life of 0.54 years (2014: 1.54 years).

Consideration received on the exercise of employee share options is recognised in contributed equity.

23. RELATED PARTY DISCLOSURES

(a) Equity Interest in Related Parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 19 to the financial statements.

(b) Key Management Personnel Compensation

Remuneration of Directors

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

	2015 $	2014 $
Short term employee benefits (including annual leave accrued)	187,762	189,199
Post employment benefits	16,429	15,997
Other long term benefits – long service leave accrued	6,766	6,651
Share based payment	-	84,000
	210,957	295,847

(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 Nil (2014: £10,000 equivalent to $16,920) from Exchange Services Limited. Mr A P Stirling is a Director of Exchange Services Limited and a Director of the Company. 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.

During the year the Company received a loan amounting to Nil (2014: $5,000) from Mr Ronald O'Regan, a director of the Company. Interest is not payable on this loan.

During the year the Company received a loan amounting to $239,750 (2014: $568,132) from Nigel and Jan Forrester. Mr Nigel Forrester is a Director of the Company. Interest will accrue on the loan at the rate of 4% above the Bank Bill Rate in Australia, which is currently at 5.95% (30 June 2014: 9.0% pa).

(d) Transactions with Subsidiary

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

23. RELATED PARTY DISCLOSURES (Cont'd)

(e) Parent Entity

The parent entity in the Group is Mount Burgess Mining N.L. Equity interests in controlled entities are disclosed in Note 19. During the last financial year, the Company's bank overdraft facility was secured by a property belonging to Nigel Forrester who is a Director of the Company.

24. REMUNERATION OF AUDITORS

	2015 $	2014 $
Auditor of the parent entity		
Auditing of the financial report	30,000	30,000

The auditor of Mount Burgess Mining N.L. is BDO (2014: BDO).

25. SUBSEQUENT EVENTS

Since the end of the financial year the Company has received a total of $5,000 as loan funding from Mr Chris Campbell-Hicks, a Director of the Company.

Since the end of the financial year the Company has received a total of $75,000 as loan funding from N R Forrester and J E Forrester, a Director and Company Secretary respectively of the Company.

On 21 September 2015 the Company received $4,000 through share placements of 2,000,000 shares.

On 23 September 2015 the Company received $3,000 through share placements of 1,500,000 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.

26. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

27. PARENT ENTITY DISCLOSURES

(a) Financial Position

	2015 $	2014 $
Assets		
Current assets	15,091	16,408
Non-current assets	433	3,044
Total assets	15,524	19,452
Liabilities		
Current liabilities	2,865,329	2,174,126
Non-current liabilities	25	25
Total liabilities	2,865,354	2,174,151
Net Liabilities	(2,849,830)	(2,154,699)
Equity		
Issued capital	42,687,167	42,665,197
Reserves	490,017	490,017
Accumulated losses	(46,027,014)	(45,309,913)
Total Deficit	(2,849,830)	(2,154,699)

(b) Financial Performance

	2015 $	2014 $
Loss for the year	(717,101)	(758,629)
Other comprehensive income	-	-
Total comprehensive loss	(717,101)	(758,629)

27. PARENT ENTITY DISCLOSURES (Cont'd)

(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.

(e) Commitments of the Parent Entity

The commitments of the parent entity have been disclosed in Note 17.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 16 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 2015 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 2.1 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

N R Forrester
CHAIRMAN and MANAGING DIRECTOR
Perth, 29 September 2015

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INDEPENDENT AUDITOR'S REPORT

To the members of Mount Burgess Mining N.L.

Report on the Financial Report

We have audited the accompanying financial report of Mount Burgess Mining N.L., which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 2.1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mount Burgess Mining N.L., would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Mount Burgess Mining N.L. is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2.3 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the continued financial support from the directors and their associated entities, additional funding via capital raisings, and active management of the current level of discretionary expenditure. These conditions, along with other matters as set out in Note 2.3, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of Mount Burgess Mining N.L. for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Wayne Basford

Director

Perth, 29 September 2015

The information set out below was applicable as at 25 September 2015.

1. Distribution of Equity Securities and Voting Rights:

(a) Distribution of Shareholders of Ordinary shares:-

	No. of Holders
1 - 1,000	805
1,001 - 5,000	649
5,001 - 10,000	239
10,001 - 100,000	376
100,001 and over	156
Total No. of Shareholders	2225

(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 2,225 shareholders who held less than a marketable parcel of shares.

(d) Substantial Shareholders

Citigroup Nominees 15,366,063 shares representing 10.03 % of the Company

2. Top Twenty Shareholders

	Shareholder Name	**Units Held**	**Percentage of Issued Capital**
1	Citigroup Nominees	15,366,063	10.03
2	Strata Drilling	11,571,430	7.55
3	Cen Pty Ltd	9,342,161	6.10
4	N R Forrester & Associates	7,750,906	5.06
5	Michael Damien Murphy	6,914,652	4.51
6	Alfred Patrick Stirling	6,617,648	4.32
7	W B Nominees	6,347,071	4.14
8	Mrs Jennifer O’Regan & Associates	5,714,287	3.73
9	Jerd Pty Ltd	4,714,286	3.08
10	HSBC Custody Nominees	3,967,145	2.59
11	Ben Mosigi	3,000,000	1.96
12	Vanmali Pty Ltd	2,699,793	1.76
13	J P Morgan Nominees	2,278,181	1.49
14	Running Water Limited	2,000,000	1.31
15	Michael Burke Homes Pty Ltd	1,785,715	1.16
16	Mr Leslie Hall & Associates	1,642,858	1.07
17	City House Ltd	1,571,429	1.03
18	Eldon Australia Pty Ltd	1,428,572	0.93
19	Mrs Eileen Anne English	1,428,572	0.93
20	Mr Vincenzo Brizzi and Mrs Rita Lucia Brizzi	1,416,028	0.92
		97,556,797	**63.67**

Tenement No.	Percentage of Equity
BOTSWANA	
Kihabe	
PL 69/2003	Subject to litigation in the High Court of Botswana