



11 February 2016

Mr Chris Bailey
Graduate, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Mr Bailey,

Mount Burgess Mining NL – Appendix 5B Query

In regard to your letter of 11 February 2016, please find below responses to the four queries raised by ASX.

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

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

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

In answer to Query 2, we confirm that since May 2013, when the Company was informed by the Ministry for Minerals Energy and Water Resources of Botswana (MMEWR) that the Prospecting Licence covering the Company's main Kihabe/Nxuu zinc, lead and silver project would not be renewed, the Company has to a large extent relied upon loan funding from its Directors. Without a project it has been difficult for the Company to raise funds through share issues. None the less, during this period the Company has raised \$158,000 by way of share placements to supportive shareholders.

On 11 November 2015, the Company was invited by MMEWR to apply for a new Prospecting Licence over the Kihabe/Nxuu project, which it did.

Only two weeks ago, on 28 January 2016, the Company announced to the market that it had been granted a new Prospecting Licence, PL 43/2016, over the Kihabe/Nxuu project. Now that the Company has regained title to the project it is in a far more favourable position to be able to raise funds. Expressions of interest have been received from both existing shareholders and other parties willing to help fund the project from hereon.

Since the end of the December quarter the Company has received a further \$25,000 loan funding from Directors and will receive further loan funding support as necessary whilst in the process of planning a capital raising.

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

In answer to Query 3, the Company expects to be able to continue its operations and meet its business objectives on the basis of that outlined in the last two paragraphs of the answer to ASX Query 2.

ASX Query 4. *Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?*

In answer to Query 4, the Company confirms that to the best of its knowledge, it is in compliance with Listing Rule 3.1 and that there isn't any information that should be given to ASX about its financial condition that has not already been released to the market.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Nigel Forrester', with a stylized, scribbled flourish.

Nigel Forrester

CEO

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11 February 2016

Nigel Forrester
Mount Burgess Mining NL
8/800 Albany Highway
East Victoria Park WA 6101

By Email

Dear Mr Forrester

Mount Burgess Mining NL (the “Entity”) – Appendix 5B Query

I refer to the Entity’s quarterly report in the form of Appendix 5B for the period ended 31 December 2015 lodged with ASX Market Announcements Platform on 28 January 2016 (the “Appendix 5B”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$48,000;
- cash at the end of the quarter of \$19,000; and
- estimated cash outflows for the next quarter of \$50,000.

It is possible to conclude on the basis of the information provided in the Appendix 5B that if the Entity were to continue to expend cash at the rate for the quarter (and at the rate estimated for the next quarter) indicated by the Appendix 5B, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?

Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.



When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **5:00 pm WST on Monday 15 February 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

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

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

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

Listing Rule 3.1

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

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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

Trading halt

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

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

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;



- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

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

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

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

Please feel free to contact me if you have any enquiries on the above.

Yours sincerely,

[sent electronically without signature]

Chris Bailey

Graduate, Listings Compliance (Perth)