



ACN 009 067 476

# **Half-Year Financial Report**

## **31 December 2015**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Mount Burgess Mining NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of Mount Burgess Mining N.L. submit herewith the financial report of Mount Burgess Mining N.L. and its subsidiaries (the Group) for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

## DIRECTORS

The following persons were directors of Mount Burgess Mining NL during the whole of the half-year and up to the date of this report:

Nigel Raymond Forrester (Chairman and Managing Director)

Chris Campbell-Hicks

Alfred Patrick Stirling (Deceased as of 17 August 2015)

Karen Clark (Appointed 25 August 2015)

## REVIEW OF OPERATIONS

### Overview

- (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 half year currently involved with the following:

#### Western Ngamiland, Botswana – Base Metals

On 13 May 2013, the Application for Extension of PL 69/2003, submitted fourteen months earlier on 29 March 2012 was rejected by the Ministry for Minerals Energy and Water Resources, Botswana (MMEWR). PL 69/2003 covered the Consolidated Entity's Kihabe-Nxuu Base Metals Project. The Application for Extension was rejected because the Consolidated Entity failed to complete a Feasibility Study on the project as it previously undertook to do, based on assurances that grid power would be available in the project area by the end of 2012. The availability of grid power did not eventuate and as a result the Consolidated Entity could not get a Competent Person to sign off on a Feasibility Study. As a result an impairment of \$7,358,532 was recognised by the Consolidated Entity in the financial year to 30 June 2013. The matter was taken to the High Court of Botswana where based on interlocutories it was then taken to the Appeal Court of Botswana. On 30 July 2015, the Appeal Court ruled that the merits of the case as outlined by the Consolidated Entity could be taken back to the High Court. Prior to High Court proceedings, on 11 November 2015, the Consolidated Entity was invited by MMEWR to apply for a new Prospecting Licence over the Kihabe-Nxuu Project. An Application for a new Prospecting Licence was lodged on 7 December 2015, which was granted by MMEWR on 25 January 2016 under Prospecting Licence PL 43/2016.

- (b) Performance and indicators used by management in carrying out the above objectives include:
- Assessing and reviewing the likeliness of making a discovery through exploration
  - Assessing the risks and rewards relative to the costs of exploration and the values of the minerals being explored for
- (c) As the Group is involved only in exploration and resource development at this stage, any significant commercial discovery or resource upgrade could have a significant impact on the capitalisation of the Group. However, inherent in all exploration are risk factors relative to rates of success. Even beyond exploration at the point of resource development, risks prevail relative to fluctuations in commodity prices, rates of exchange and political risk.

### Operations and Principal Activities

- (a) The main business activity of the consolidated entity during the six months to 31 December 2015 consisted of compiling documentation for submission to the High Court of Botswana. At the invitation of MMEWR, this was then followed by the compilation of documentation for the Application of a new Prospecting License over the Kihabe-Nxuu Project. This Application was granted by MMEWR on 25 January 2016, under PL 43/2016.

Funds applied to the various exploration activities were as follows:

	31 Dec 2015 Half year	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Exploration for rare earths in Namibia	-	-	-	677	51,812

	31 Dec 2015 Half year	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Exploration for diamonds in Namibia and Botswana	-	-	26,407	42,391	54,350
Resource development for base metals in Namibia and Botswana	-	-	-	244,256	498,564

- (b) As the Group was involved in litigation and the Application for a new Prospecting License over the Kihabe-Nxuu Project during the six months to 31 December 2015, there were not any returns to shareholders by way of dividends and increase in shareholder funds. Between 2012 and 2015 the Company's shares traded as follows:

31 Dec 2015 Half year		2015		2014		2013		2012	
Low cents	High cents	Low cents	High cents	Low cents	High cents	Low cents	High cents	Low cents	High cents
0.2	0.5	0.2	0.7	0.1	0.2	0.1	0.4	0.2	1.2

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

#### 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 half-financial year, the Group had cash resources of \$18,635.
- (c) A loan agreement is in place with Exchange Services Ltd, a company controlled by A P Stirling, a Director of the Company for funding up to £255,000 equivalent to \$517,241, funding of \$1,336,682 provided via a loan from Jan and Nigel Forrester, \$32,500 from Ron O'Regan and \$9,000 from Chris Campbell-Hicks. There were no other resources available to the Group that are not reflected in the Statement of Financial Position, other than the availability to raise further funds through the issue of shares, loan funds, the sale or joint venture of equity in projects, 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 only involved in efforts to secure title to the Kihabe-Nxuu Project during the half year to 31 December 2015, 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.

#### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on Page 5 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



**N R Forrester**  
Chairman and Managing Director  
Perth, 14 March 2016

The Directors declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporation Act 2001*, including compliance with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements and giving a true and fair view of the financial position and performance of the consolidated entity.
- c) The attached financial statements and notes thereto comply with the Corporations Act 2001, Australia Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements.

Signed in accordance with a resolution of the Directors made pursuant to s.303 (5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, consisting of a series of overlapping loops and lines, positioned above the printed name of the Chairman and Managing Director.

**N R Forrester**

**Chairman and Managing Director**

Perth, 14 March 2016

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

As lead auditor for the review of Mount Burgess Mining N.L. for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 14 March 2016

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
*For the half-year ended 31 December 2015*

**MOUNT BURGESS MINING N.L.**

	<b>Consolidated</b>	
	<b>Half year Ended 31 Dec 2015 \$</b>	<b>Half year Ended 31 Dec 2014 \$</b>
Revenue	95	-
Other income	-	-
Administration expenses	(235,783)	(323,496)
Finance costs	(56,678)	(45,396)
Exploration interests written off	(313)	-
Other expenses	(178)	(2,158)
Loss before tax	(292,857)	(371,050)
Income tax benefit / (expense)	-	-
<b>Loss after income tax for the half year</b>	<b>(292,857)</b>	<b>(371,050)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the half year attributable to the owners of Mount Burgess Mining NL</b>	<b>(292,857)</b>	<b>(371,050)</b>
Loss per share for the period attributable to the members of Mount Burgess Mining NL:		
Basic Loss per Share (cents per share)	(0.20)	(0.25)
Diluted Loss per Share (cents per share)	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.

As at 31 December 2015

	Note	Consolidated	
		31 Dec 2015	30 June 2015
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		18,635	15,132
Trade and other receivables		2,726	3,173
<b>TOTAL CURRENT ASSETS</b>		<b>21,361</b>	<b>18,305</b>
<b>NON CURRENT ASSETS</b>			
Plant and equipment		230	408
Exploration interests	3	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>230</b>	<b>408</b>
<b>TOTAL ASSETS</b>		<b>21,591</b>	<b>18,713</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		793,494	692,972
Borrowings	4	2,231,458	2,080,057
Provisions		169,748	157,936
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,194,700</b>	<b>2,930,965</b>
<b>TOTAL LIABILITIES</b>		<b>3,194,700</b>	<b>2,930,965</b>
<b>NET LIABILITIES</b>		<b>(3,173,109)</b>	<b>(2,912,252)</b>
<b>EQUITY</b>			
Issued capital	5	42,719,167	42,687,167
Reserves		490,017	490,017
Accumulated losses		(46,382,293)	(46,089,436)
<b>TOTAL DEFICIENCY</b>		<b>(3,173,109)</b>	<b>(2,912,252)</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**MOUNT BURGESS MINING N.L.**
***For the half-year ended 31 December 2015***

	Issued Capital \$	Employee Equity Settled Benefits Reserve \$	Assets Realisation Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2014</b>	42,665,197	380,045	109,972	(45,364,250)	(2,209,036)
Loss for the half year	-	-	-	(371,050)	(371,050)
Other comprehensive income for the half year	-	-	-	-	-
<b>Total comprehensive loss for the half year</b>	-	-	-	(371,050)	(371,050)
<b>Transactions with owners in their capacity as owners:</b>					
Share placement to professional investors	21,970	-	-	-	21,970
<b>Balance at 31 December 2014</b>	42,687,167	380,045	109,972	(45,735,300)	(2,558,116)
<b>Balance at 1 July 2015</b>	42,687,167	380,045	109,972	(46,089,436)	(2,912,252)
Loss for the half year	-	-	-	(292,857)	(292,857)
Other comprehensive income for the half year	-	-	-	-	-
<b>Total comprehensive loss for the half year</b>	-	-	-	(292,857)	(292,857)
<b>Transactions with owners in their capacity as owners:</b>					
Share placement to professional investors	32,000	-	-	-	32,000
<b>Balance at 31 December 2015</b>	42,719,167	380,045	109,972	(46,382,293)	(3,173,109)

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



For the half-year ended 31 December 2015

	Half Year Ended 31 Dec 2015 \$	Half Year Ended 31 Dec 2014 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(134,975)	(134,132)
Interest received	95	-
R&D Tax Benefit	-	-
Interest and other costs of finance paid	(917)	(530)
Net cash outflow from operating activities	(135,797)	(134,662)
<b>Cash flows from investing activities</b>		
Payment for plant and equipment	-	-
Payments for exploration and evaluation expenditure	-	-
Proceeds from sale of motor vehicles	-	-
Net cash outflow from investing activities	-	-
<b>Cash flows from financing activities</b>		
Proceeds from issues of equity securities	32,000	22,000
Payment for share issue costs	-	(30)
Proceeds from borrowings	107,300	121,000
Repayment of lease liabilities	-	(254)
Repayment of borrowings	-	(10,000)
Net cash inflow from financing activities	139,300	132,716
Net increase / (decrease) cash and cash equivalents	3,503	(1,946)
<b>Cash and cash equivalents at the beginning of the half year</b>	15,132	15,545
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	742
<b>Cash and cash equivalents at the end of the half year</b>	18,635	14,341
Cash and cash equivalents	18,635	14,341
Bank overdraft	-	-
	18,635	14,341

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

**1 SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**Basis of preparation**

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2015.

*Adoption of new and revised accounting standards*

In the half year ended 31 December 2015, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to the Company's accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to the Company's accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

**Going Concern**

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 after tax of \$292,857 (31 Dec 2014: \$371,050), and experienced net cash outflows from operations of \$135,797 (31 Dec 2014: \$134,662) and net cash outflows from investing activities of NIL (31 Dec 2014: NIL) for the half year ended 31 December 2015. As at 31 December 2015, the Consolidated Entity had a deficiency of current assets to current liabilities of \$3,173,339 (30 June 2015: \$2,912,660) and cash assets of \$18,635 (30 June 2015: \$15,132).

As at 14 March 2016, the Consolidated Entity had total funds available of \$322. As at that date the amount owed to creditors (excluding amounts owed to Exchange Services Ltd and the Directors) was \$135,379. Of these, \$47,515 was agreed to be deferred; \$8,000 was covered by security; \$7,358 was for current creditors, leaving balance of \$72,506 for creditors overdue.

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 \$2,231,458. 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.

The Consolidated Entity may be required to realise its 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 concern 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.

## 2. EVENTS OCCURRING AFTER REPORTING PERIOD

Since the end of the half year 31 December 2015 the Company has received a total of \$37,500 as loan funding from N R Forrester and J E Forrester, a Director and Company Secretary respectively of the Company.

Since the end of the half year 31 December 2015 the Company has been granted a new Prospecting License PL43/2016 on 25 January 2015 by MMEWR.

No other matters or circumstances of which the directors are aware, other than those referred to in the condensed financial statements or notes thereto, have arisen since the end of the half-year which significantly affect, or may significantly affect the operations, results or state of affairs of the consolidated entity in subsequent financial periods.

## 3. EXPLORATION INTEREST

	Half year ended 31 Dec 2015 \$	Full year ended 30 June 2015 \$
<b>Exploration expenditure at cost</b>		
Balance as at the start of the financial period	-	-
Additions	-	-
Write offs	-	-
Balance as at the end of the financial period	-	-
<b>Total Exploration Interests</b>	-	-

In the 2014 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. In the 2013 financial year an amount of \$7,358,532 had been written off in respect of the Kihabe-Nxuu Base Metals project on Prospecting License 69/2003. The renewal of PL 69/2003 was rejected in May 2013. The Company has lodged a Notice of Motion in the Appeal Court of Botswana for the rejection to be set aside. On 30 July 2015, the Appeal Court ruled that the merits of the case as outlined by the Consolidated Entity could be taken back to the High Court. Prior to High Court proceedings, on 11 November 2015, the Consolidated Entity was invited by MMEWR to apply for a new Prospecting Licence over the Kihabe-Nxuu Project. An Application for a new Prospecting Licence was lodged on 7 December 2015, which was granted by MMEWR on 25 January 2016 under Prospecting Licence PL 43/2016.

For the half year ended 31 December 2015

## 4. BORROWINGS

	Half Year Ended 31 Dec 2015 \$	Full year ended 30 June 2015 \$
<b>Unsecured – at amortised cost</b>		
Loan from a director related company (i)	720,749	715,976
Loan from a director (ii)	1,468,997	1,331,581
Loan from a director (iii)	32,500	32,500
Loan from a director (iv)	9,212	-
	<b>2,231,458</b>	<b>2,080,057</b>
Current	2,231,458	2,080,057
Non-current	-	-

- (i) The loan comprises two parts:
- Loan from a director related company amounts to £20,618 equivalents to \$34,859 (30 June 2015: \$37,453) to wholly subsidiary Mount Burgess (Botswana) Proprietary Ltd. Interest is not payable on this loan.
  - Loan from a director related company amounts to £255,000 equivalent to \$517,241 (30 June 2015: \$523,614). Interest will be 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 6.20% (30 June 2015: 5.95%). The above balance is inclusive of interest.
- (iii) The loan was provided by Chris Campbell-Hicks. Mr C Campbell-Hicks 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 6.20% (30 June 2015: NIL). The above balance is inclusive of interest.
- (iv) 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.

## 5. ISSUED CAPITAL

	Half Year Ended 31 Dec 2015 \$	Half Year Ended 31 Dec 2014 \$
169,227,958 fully paid ordinary shares (31 Dec 2014: 153,227,958 )	42,719,167	42,687,167

	31 Dec 2015 No.	31 Dec 2015 \$	31 Dec 2014 No.	31 Dec 2014 \$
<b>Fully paid ordinary share capital</b>				
Balance at 1 July	153,227,958	42,687,167	1,045,088,602	42,665,197
Share placements to professional investors	16,000,000	32,000	27,500,000	22,000
Less costs	-	-	-	(30)
Share consolidation (i)	-	-	(919,360,644)	-
	<b>169,227,958</b>	<b>42,719,167</b>	<b>153,227,958</b>	<b>42,687,167</b>

## (i) Share Consolidation

In the last financial year, 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.

For the half year ended 31 December 2015

**6. SEGMENT INFORMATION FOR THE HALF YEAR ENDING 31 DECEMBER 2015**

The operating segments are as follows:

**Geographical Segments**

	External Sales		Total	
	Half year ended 31 Dec 2015	Half year ended 31 Dec 2014	Half year ended 31 Dec 2015	Half year ended 31 Dec 2014
	\$	\$	\$	\$
<b>Reconciliation of segment revenue to total other income before tax</b>				
Namibia	-	-	-	-
Botswana	-	-	-	-
Total of all segments	-	-	-	-
Unallocated corporate revenue			95	-
Consolidated total revenue			95	-
<b>Reconciliation of segment result to net loss before tax</b>				
Namibia – Gain on disposal			-	-
Botswana			-	-
Total of all segments			-	-
Unallocated corporate revenue			95	-
Unallocated corporate expenses			(292,952)	(371,050)
Loss before income tax expense			(292,857)	(371,050)
Income tax benefit			-	-
Consolidated net loss for the period			(292,857)	(371,050)
<b>Reconciliation of segment assets to the balance sheet</b>				
<b>Segment Assets</b>				
Namibia			1,579	1,842
Botswana			227	1,372
Total of all segments			1,806	3,214
Unallocated corporate assets			19,785	15,499
Consolidated total assets			21,591	18,731
<b>Reconciliation of segment liabilities to the balance sheet</b>				
Namibia			330	399
Botswana			60,719	65,237
Total of all segments			61,049	65,636
Unallocated corporate liabilities			3,133,651	2,865,329
Consolidated total liabilities			3,194,700	2,930,965

**7. RELATED PARTIES**

During the half-year ended 31 December 2015, the Company received a loan amounting to \$98,300 (30 June 2015: \$239,750) from NR & 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 6.20% (30 June 2015: 5.95% pa).

During the half-year ended 31 December 2015, the Company received a loan amounting to \$9,000 (30 June 2015: NIL) from Chris Campbell-Hicks. Mr Campbell-Hicks 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 6.20% (30 June 2015: NIL).

**8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

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

**9. COMMITMENTS FOR EXPENDITURE**

As at reporting date there were no changes from 30 June 2015 financial report.

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mount Burgess Mining N.L.

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mount Burgess Mining N.L, which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mount Burgess Mining N.L, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, 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 review report.



## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mount Burgess Mining N.L is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the continued support of the Directors and their associate entities of the company and the future successful raising of necessary funding. These conditions, along with other matters as set out in Note 1, 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's may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Wayne Basford', is written over a faint, stylized 'BDO' logo.

Wayne Basford

Director

Perth, 14 March 2016