



12 November 2019

**ASX Code: MTB**

Mr Chris Hesford  
Adviser  
Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40 Central Park  
Perth WA 6000

Dear Mr Hesford,

In regard to your letter of 12 November 2019 addressed to the Company Secretary, please find below responses to the six queries raised by ASX.

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

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

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

In answer to **Query 2**. As outlined in the Corporate Section of the Company's Quarterly Report for the quarter ended 30 September 2019 and filed on 31 October, the following was stated:

*"The Company has the capacity to issue 27,131,908 shares under LR 7.1 and 47,587,939 shares under LR7.1A.*

*The Company has recently filed an application for an R & D tax incentive claim for an amount of \$60,000."*

Since filing the September 2019 Quarterly Report with ASX, \$30,000 has so far been committed by way of a share placement to sophisticated investors for the issue of shares at an issue price of 0.25 of a cent per share. Expressions of interest re further capital raising have also been received.

The Company has the ability to conduct rights issues for the purpose of further funding as well as negotiating joint venture opportunities.

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

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

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

In answer to **Query 4**, MTB believes that its financial condition, when taking into account information as outlined in MTB's answers to **ASX Queries 2 and 3**, is adequate to warrant the continued quotation of its securities and its continued listing. In addition, MTB is focussed on developing its Kihabe-Nxuu Project. Encouraging metallurgical test work results, announced to the market in August and summarised in our September Quarterly, show potential for significant treatment cost reductions and provide a real purpose for developing the Project. This would benefit both MTB as an Australian Listed Company and Botswana, a country in need of developing its potential resources.

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

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

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

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

Yours sincerely,

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

**Nigel Forrester**  
**CEO**

ACN: 009 067 476  
8/800 Albany Hwy  
East Victoria Park  
Western Australia 6101  
Tel: (61 8) 9355 0123  
Fax: (61 8) 9355 1484  
mtb@mountburgess.com  
www.mountburgess.com

12 November 2019

**Ms Jan Forrester**

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

By email: [mtb@mountburgess.com](mailto:mtb@mountburgess.com)

Dear Ms Forrester

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

I refer to MTB's Appendix 5B quarterly report for the period ended 30 September 2019 lodged with ASX Market Announcements Platform on 31 October 2019 (the "Appendix 5B").

ASX notes that MTB has reported:

- negative net operating cash flows for the quarter of \$66,000;
- cash at the end of the quarter of \$38,000; and,
- estimated cash outflows for the next quarter of \$34,000; and,
- no planned exploration and evaluation expenditure, "subject to funding".

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

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

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## 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 AWST on Thursday 14 November 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MTB's securities under Listing Rule 17.3.

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

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

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

## Listing Rule 3.1

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

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

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

## Trading halt

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

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

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

We 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.

Kind regards

*[Sent electronically without signature]*

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**Chris Hesford**

Adviser Listings Compliance (Perth)

**T** 08 9224 0003

**E** [chris.hesford@asx.com.au](mailto:chris.hesford@asx.com.au)