



22 May 2013

Ms Elizabeth Harris
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Elizabeth,

With regard to your letter of 16 May 2013 in which you raised various questions relative to the Company's Quarterly Report for the period ended 31 March 2013, I respond to each of those questions as follows:

ASX

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

MTB

Until further funding is available the Company will not be expending cash at the rate for the quarter to 31 March 2013. As released to the market on 15 May 2013, the Application for the Extension of PL 69/2003 at its Kihabe Base Metals Project in Botswana has been rejected.

As a consequence the Company will not be incurring further expenditure on this project until and if its appeal against this rejection is successful. The major portion of the Company's exploration expenditure was previously being applied to this project. Up to eight members of staff could be stood down as a consequence of the rejection.

Other factors to be taken into account are as follows:

- As highlighted in the Appendix 5B for the March 2013 Quarterly Report, the Company had credit standby arrangements of \$68,000 and undrawn loan facilities of \$23,000.

Since lodging its March 2013 Quarterly Report, the Company has negotiated to increase its overdraft facility from \$350,000 to \$405,000, adding an extra \$55,000. This was noted as a subsequent event in our March Quarterly Activities Report released to the market on 30 April 2013.

- Since the release of the Company's Quarterly Report it has confirmation for the remittance of a further \$15,000 by way of loan funding.
- The Company has confirmation for the remittance of a further \$25,000 by way of not yet completed share placements and the availability to issue further shares under Section 7.1 in respect the normal 15% rule. The Company has also been granted the approval to issue an additional 15% of the Company's issued share capital amounting to 122,675,790 shares. This was noted as a subsequent event in the Company's March Quarterly Activities Report released to the market on 30 April 2013.

ASX

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

MTB

MTB is listed on the ASX as an Exploration Company. For as long as the Company is an Exploration Company, without any source of production/retail income, it will have negative operating cash flows. The rate of those cashflows will be governed by the availability of funding from time to time and will not necessarily be similar to the cash flow rate as reported in Appendix 5B for the March 2013 quarter. For the future, the Company will rely upon the available sources of funding as outlined in the answers to Q.1. above.

ASX

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

MTB

As far as continuing with its Kihabe-Nxuu Project is concerned, the Company has had its application for the extension of its prospecting licence rejected. The Application for Extension was submitted on 29 March 2012 and the Company was only informed of this rejection close to 14 months later on 14 May 2013. During this 14 month period the Company has expended in excess of \$1 million on the project. This expenditure was applied on the basis that the Company did not receive any queries from MMEWR in regard to its Application for Extension within the three month prescribed time frame from submittal. For full details refer to the Company's ASX release of 15 May 2013.

The Company has informed the Vice President of Botswana that it intends to appeal against this rejection. In addition the Company has requested the Australian High Commission in South Africa to intervene on the Company's behalf to seek rectification in this regard.

The Company still holds ground in Namibia for diamonds, base metals and precious metals and in Botswana the Company still holds ground for diamonds.

In regard to future funding of these projects the Company has available the options as outlined in MTB's response to ASX Query 1.

ASX

4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

MTB

As far as the Company is aware, it is, under the circumstances, in compliance with the listing rules and in particular listing rule 3.1. The Company is not withholding any information that should have been announced to the market, in respect of any conclusive issues.

ASX

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

MTB

Again, as with Q4, the Company believes that it is in compliance with Listing Rule 12.2 as best as it possibly can be under the circumstances. Any situations relative to the Company's exploration or resource development programmes that have arisen changing the situation from what was advised in the previous quarterly have been announced to the market.

As an Exploration Company it has available for future funding requirements the options as outlined in MTB's response to ASX Query 1. These options are subject to prevailing market conditions and the impact relative to the rejection of the Company's application for the extension of PL69/2003, as announced to the market on 15 May 2003.

Yours sincerely,

A handwritten signature in black ink, consisting of a dense, circular scribble of overlapping lines with several long, sweeping strokes extending outwards from the center.

Nigel Forrester