



30 January 2018

ASX Code: MTB

Ms Isabelle Andrews
Adviser
Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40 Central Park
Perth WA 6000

Dear Ms Andrews,

In regard to your letter of 29 January 2018 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?*

Background

In answer to **Query 2**, MTB confirms that based on the strategy outlined by the Company in regard to the future development of its Kihabe Zinc, Lead and Silver project in Botswana, it has in the last nine months been successful in raising funds amounting to \$938,545.

\$822,092 was raised by way of share placements; \$94,453 was received by way of an R & D grant, specifically related to metallurgical recovery processes being trialled for the project to recover metal on site; \$22,000 was received through the sale of data relative to a surrendered project.

The Way Forward

This funding has enabled the Company to recently conduct a significant HQ diamond core drilling programme on the project, results from which are pending, currently being compiled for release to the market in accordance with JORC 2012 reporting as advised in the Company's Quarterly Report released on 29 January 2018.

MTB has the capacity to conduct further share placements under Listing Rules 7.1 and 7.1A. MTB can also conduct rights issues for the purpose of further funding. MTB has also recently received expressions of interest relative to participation in future capital raisings.

It is only upon release of results from the recent drilling programme (currently being compiled) and with a fully informed market that the Company can embark on any future capital raisings.

In addition MTB is eligible to receive further R & D grants in respect of expenditure currently being applied to metallurgical test work with regard to recovering metal on site. MTB is due to receive approximately \$25,000 from VAT refunds in respect of drilling conducted during October, November and December 2017.

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 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 a project, which based on current metal prices provides a real purpose for pursuing the potential for future production for both an Australian Listed Company and Botswana, a country in need of developing its potential resources.

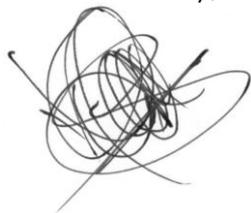
ASX Query 5. *Please confirm that MTB is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.*

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 isn't 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,



Nigel Forrester
CEO

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