ACN 009 067 476

Half-Year Financial Report

31 December 2013

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 2013 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 2013. 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)
Molatlhegi Benjamin Mosigi
Ronald William O'Regan (Deceased 2 September 2013)
Alfred Patrick Stirling

REVIEW OF OPERATIONS

Overview

(a) The objectives of the consolidated entity are to explore for and in the event of commercial discovery, develop deposits of mineral resources. To this end, the consolidated entity is currently exploring for diamonds at Tsumkwe in Namibia and in Western Ngamiland in Botswana and for base metals at Kihabe in Botswana. The consolidated entity has been developing zinc/lead/silver resources in Botswana, which are currently the subject of litigation in regard to the renewal of Prospecting License PL69/2003, which hosts these resources.

(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 consolidated entity is involved in resource development and exploration at this point in time, any significant commercial discovery could have a significant impact on the capitalisation of the consolidated entity. However, inherent in all exploration are risk factors relative to rates of success. Even beyond exploration at the point of resource development, many risks prevail including but not limited to those relative to prevailing market conditions, fluctuations in commodity prices, potential to access project finance, potential to secure off-take/end-user agreements and political and national policy risk.

Operations and Principal Activities

(a) The main business activity of the consolidated entity during the six months consisted of compiling documentation to the submission of a Notice of Motion and funding Affidavit in the High Court of Botswana. This was submitted on 27 September 2013, seeking reversal of the decision by the Minister for the Ministy of Minerals, Energy and Water Resources Botswana, not to renew PL 69/2003, which contains the Kihabe Nxuu resources.

Funds applied to the various exploration activities were as follows:

	31 Dec 2013 Half year	2013	2012	2011	2010
		$	$	$	$
Exploration for rare earths in Namibia	-	677	51,812	53,836	-
Exploration for diamonds in Namibia and Botswana	13,982	42,391	54,350	66,077	498,140
Resource development for base metals in Namibia and Botswana	2,810	244,256	498,564	370,426	463,016

(b) As the consolidated entity was involved in litigation during the six months there were not any returns to shareholders by way of dividends and increase in shareholder funds. Between 2010 and 2013 the Company's shares traded as follows:

31 Dec 2013 Half year		2013		2012		2011		2010	
Low cents	**High cents**	**Low cents**	**High cents**	**Low cents**	**High cents**	**Low cents**	**High cents**	**Low cents**	**High cents**
0.1	0.1	0.1	0.4	0.2	1.2	0.6	2.7	1.0	1.0

Ongoing resource exploration expenditure for the remainder of the year will be determined by the availability of funds and any outcome in regard to legal proceedings for the renewal of PL69/2003. A further High Court hearing is scheduled on 28 April 2014.

FINANCIAL CONDITIONS

(a) Further resource development and exploration requirements beyond the consolidated entity's current cash resources can only be funded from further capital raisings, securing funding from Directors' loans, incoming joint venture partners, or the sale of ground holdings or equity in the projects.

(b) At the end of the six month period, the consolidated entity had cash resources of $5,127. At the date of this report, relying on bank facilities the consolidated entity has available resources of approximately $25,000.

(c) Other resources available to the consolidated entity, that are not reflected in the consolidated statement of financial position include the Company's ability to raise further funds through the issue of shares, securing funding from Directors' loans, incoming joint venture partners or the sale of ground holdings or equity in projects.

(d) As the consolidated entity was involved in litigation in respect of PL69/2003 during the six months there was not any cash generated from operations.

(e) The financial condition of the consolidated entity 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.

AUDITORS' 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, 13 March 2014

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.

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

N R Forrester
Chairman and Managing Director
Perth, 13 March 2014

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH 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 2013, 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 Mining N.L. and the entities it controlled during the period.

Brad McVeigh

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2014

	Consolidated	
	Half year Ended 31 Dec 2013 $	Half year Ended 31 Dec 2012 $
Revenue	-	-
Other income	20,625	882
Administration expenses	(486,832)	(492,521)
Finance costs	(52,203)	(44,024)
Other expenses	(2,838)	(2,680)
Loss before tax	(521,248)	(538,343)
Income tax benefit / (expense)	-	117,638
Loss after income tax for the half year	(521,248)	(420,705)
Other comprehensive income	-	-
Total comprehensive loss for the half year attributable to the owners of Mount Burgess Mining NL	(521,248)	(420,705)
Loss per share for the period attributable to the members of Mount Burgess Mining NL**:**		
Basic Loss per Share (cents per share)	(0.06)	(0.07)
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 2013

	Note	Consolidated 31 Dec 2013 $	Consolidated 30 June 2013 $
CURRENT ASSETS			
Cash and cash equivalents		5,127	14,717
Trade and other receivables		5,988	4,344
Inventories		-	75
TOTAL CURRENT ASSETS		11,115	19,136
NON CURRENT ASSETS			
Plant and equipment		6,216	9,369
Exploration interests	4	505,266	491,893
TOTAL NON CURRENT ASSETS		511,482	501,262
TOTAL ASSETS		522,597	520,398
CURRENT LIABILITIES			
Trade and other payables		313,434	168,179
Borrowings	5	1,577,019	1,358,212
Provisions		105,493	86,439
TOTAL CURRENT LIABILITIES		1,995,946	1,612,830
NON CURRENT LIABILITIES			
Borrowings	5	-	254
TOTAL NON CURRENT LIABILITIES		-	254
TOTAL LIABILITIES		1,995,946	1,613,084
NET LIABILITIES		(1,473,349)	(1,092,686)
EQUITY			
Issued capital	6	42,635,252	42,494,667
Reserves		490,017	490,017
Accumulated losses		(44,598,618)	(44,077,370)
TOTAL DEFICIENCY		(1,473,349)	(1,092,686)

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

	Issued Capital $	Employee Equity Settled Benefits Reserve $	Assets Realisation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2012	41,805,740	380,045	109,972	(28,487,398)	13,808,359
Loss for the half year	-	-	-	(420,705)	(420,705)
Other comprehensive income for the half year	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(420,705)	(420,705)
Total comprehensive loss for the half year					
Share placement to professional investors	329,690	-	-	-	329,690
Shares issued in lieu of directors fees or salary sacrifice	96,000	-	-	-	96,000
Balance at 31 December 2012	42,231,430	380,045	109,972	(28,908,103)	13,813,344
Balance at 1 July 2013	42,494,667	380,045	109,972	(44,077,370)	(1,092,686)
Loss for the half year	-	-	-	(521,248)	(521,248)
Other comprehensive income for the half year	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(521,248)	(521,248)
Transactions with owners in their capacity as owners:					
Share placement to professional investors	56,585	-	-	-	56,585
Shares issued in lieu of directors fees or salary sacrifice	84,000	-	-	-	84,000
Balance at 31 December 2013	42,635,252	380,045	109,972	(44,598,618)	(1,473,349)

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

	Half Year Ended 31 Dec 2013 $	Half Year Ended 31 Dec 2012 $
Cash flows from operating activities		
Payments to suppliers and employees	(158,848)	(373,203)
R&D Tax Benefit	-	117,638
Interest and other costs of finance paid	(31,650)	(26,388)
Net cash used in operating activities	(190,498)	(281,953)
Cash flows from investing activities		
Payment for plant and equipment	-	(4,538)
Payments for exploration and evaluation expenditure	(32,794)	(140,216)
Proceeds from sale of motor vehicles	20,625	882
Net cash used in investing activities	(12,169)	(143,872)
Cash flows from financing activities		
Proceeds from issues of equity securities	48,600	296,500
Payment for share issue costs	(15)	(1,800)
Proceeds from borrowings	126,417	134,268
Repayment of lease liabilities	(1,401)	(1,263)
Repayment of borrowings	(11,000)	-
Net cash provided by financing activities	162,601	427,705
Net increase / (decrease) cash and cash equivalents	(40,066)	1,880
Cash and cash equivalents at the beginning of the half year	(372,118)	(370,109)
Effects of exchange rate changes on the balance of cash held in foreign currencies	133	(545)
Cash and cash equivalents at the end of the half year	(412,051)	(368,774)
Cash and cash equivalents	5,127	12,496
Bank overdraft	(417,178)	(381,270)
	(412,051)	(368,774)

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 2013 annual financial report for the financial year ended 30 June 2013.

(a) Changes in Accounting Policies and Disclosures

Mount Burgess Mining NL had to change some of its accounting policies as a result of new or revised accounting standards which became effective for the annual reporting period commencing on 1 July 2013.

The affected policies and standards are:

- Principles of consolidation – new standards ASSB 10 Consolidated Financial Statements and ASSB 11 Joint arrangements, and
- Accounting for employee benefits – revised ASSB 119 Employee Benefits.

Other new standards that are applicable for the first time for the December 2013 half-year report are ASSB 13 Fair Value Measurement, AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial liabilities and AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle. These standards have introduced new disclosures for the interim report but did not affect the entity's accounting policies or any of the amounts recognised in the financial statements.

i) Principles of consolidation – subsidiaries and joint arrangements

AASB 10 was issued in August 2011 and replaces guidance on control and consolidations in AASB 127 Consolidated and Separate Financial Statements and in Interpretation 112 Consolidation – Special Purpose Entities. Under the new principles, the group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The group has reviewed its investments in other entities to assess whether the consolidation conclusion in these entities is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Given the group have concluded that they have no joint arrangements the adoption of AASB 11 has not impacted the financial statements.

(b) Financial Assets and Financial Liabilities that are not measured at fair value on a recurring basis

At 31 December 2013 and 30 June 2013, the carrying amounts of trade receivables, trade payables and borrowings are assumed to approximate their fair values due to their short-term nature

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 $521,248 (2012: $420,705), and experienced net cash outflows from operations of $190,498 (2012: $281,953) and net cash outflows from investing activities of $12,169 (2012: $143,872) for the half year ended 31 December 2013. As at 31 December 2013, the Consolidated Entity had a deficiency of current assets to current liabilities of $1,984,831 (2012: $1,354,657) and cash assets of $5,127 (2012: $12,496).

The ability of the Consolidated Entity to continue as a going concern and pay its debts as and when they fall due, given the consolidated entity's intended operational plans, assumes the following:

a) Utilisation of bank facilities of $415,000 as required, approximately $30,000 being available to draw down at the date of this report. As of 1st April 2014 the bank facility of $415,000 will be reduced to NIL and the overdraft will be paid out by NR and JE Forrester and shown as a Director's loan.

b) Continued financial support from Exchange Services Ltd (a company controlled by A.P Stirling, a Director of the Company) in that it will not call upon its loan 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 Consolidated Entity has fully drawn down a GBP255,000 loan facility leaving a balance of AUD $568,356 outstanding at 31 December 2013 being a combination of the principal plus interest.

c) Continued financial support from the Directors of the Company. It has been confirmed that the loan of $564,633 will not called upon to be repaid within the next 12 months unless sufficient funds are available to do so without affecting the Company's going concern.

d) Additional funding via capital raisings or entering into joint venture arrangements upon securing title to PL69/2003, which is currently the subject of litigation.

e) Active management of the current level of discretionary expenditure in line with the funds available to the Consolidated Entity.

Notwithstanding this, as a junior explorer with start-up projects and 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 significant uncertainty whether the consolidated entity will be able to continue as a going concern.
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 ordinary course of business, and at amounts that differ from those stated in the financial statements.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

2. EVENTS OCCURING AFTER REPORTING PERIOD

On 29 January 2014, the Company received an additional loan of $25,000 from N.R Forrester, a Director of the Company.

On 12 February 2014, the Company received an R&D grant amounting to $103,000.

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. CHANGES IN COMPOSITION OF THE CONSOLIDATED ENTITY

There were no changes to the composition of the consolidated entity during the half year.

4. EXPLORATION INTEREST

	Half year ended 31 Dec 2013 $	Full year ended 30 June 2013 $
Exploration expenditure at cost		
Balance as at the start of the financial period	491,893	15,012,887
Additions	13,373	287,324
Write offs	-	(14,808,318)
Balance as at the end of the financial period	505,266	491,893
Total Exploration Interests	505,266	491,893

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. 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 High Court of Botswana for the rejection to be set aside.

5. BORROWINGS

	Half Year Ended 31 Dec 2013 $	Full year ended 30 June 2013 $
Unsecured – at amortised cost		
Loan from a director related company (i)	593,477	478,935
Loan from a director (ii)	42,500	37,500
Loan from a director (iii)	522,133	452,064
	1,158,110	968,499
Secured – at amortised cost		
Bank overdrafts (iv)	417,178	386,835
Finance lease liability (v)	1,731	3,132
	418,909	389,967
	1,577,019	1,358,466
Current	1,577,019	1,358,212
Non-current	-	254

(i) The loan from a director related company amounts to £255,000. Interest will 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.
(ii) Interest is not payable on this loan.
(iii) The loan was provided by NR and JE Forrester and incurs interest at 9.0% pa.
(iv) As at 31 December 2013 the Company had a Visa Credit card facility to the value of $10,000 (2013: $10,000) and an overdraft facility to the value of $415,000 (2013: $405,000). These facilities are secured by a mortgage over a property which belongs to one of the directors of the Company Mr N R Forrester. The interest rate on bank overdraft facility is based on BMI rate plus a margin of 0.33% pa. As of 1st April 2014 the bank facility of $415,000 will be reduced to NIL and the overdraft will be paid out by NR and JE Forrester and shown as a Director's loan.
(v) Secured by the asset held. The interest rate on finance lease is 10.57% with repayment period of 5 years. (2013: 10.57%)

6. ISSUED CAPITAL

	Half Year Ended 31 Dec 2013 $	Half Year Ended 31 Dec 2012 $
1,007,588,602 fully paid ordinary shares (31 Dec 2012: 702,338,602)	42,635,252	42,231,430

	31 Dec 2013 No.	31 Dec 2013 $	31 Dec 2012 No.	31 Dec 2012 $
Fully paid ordinary share capital				
Balance at 1 July	862,838,602	42,494,667	543,838,604	41,805,740
Share placements to professional investors	60,750,000	56,600	110,499,998	331,500
Less costs	-	(15)	-	(1,810)
Issued of ordinary shares in lieu (i)	84,000,000	84,000	48,000,000	96,000
	1,007,588,602	42,635,252	702,338,602	42,231,430

(i) Issue of ordinary shares in lieu of Directors' fees.

At the Annual General Meeting of shareholders held on 21 November 2013, approval was given for the issue of fully paid ordinary shares in the Company in lieu of director fees and for a salary sacrifice as follows:

	Number of fully paid shares to be issued	
Mr A P Stirling	$24,000 worth at 0.1 cents* =	24,000,000
Mr R W O'Regan	$24,000 worth at 0.1 cents* =	24,000,000
Mr B M Mosigi	$12,000 worth at 0.1 cents* =	12,000,000
Mr N R Forrester	$24,000 worth at 0.1 cents* =	24,000,000
		84,000,000

*The fully paid shares to be issued are at the volume weighted average price ("VWAP") of the shares in the five ASX trading days prior to be issued.

The shares were granted for nil cash consideration, and no funds were raised.

7. SEGMENT INFORMATION FOR THE HALF YEAR ENDING 31 DECEMBER 2013

The operating segments are as follows:

Geographical Segments

	Half Year ended 31 Dec 2013 $	Half Year ended 31 Dec 2012 $	Half Year ended 31 Dec 2013 $	Half Year ended 31 Dec 2012 $	Half Year ended 31 Dec 2013 $	Half Year ended 31 Dec 2012 $
Segment Revenues	External sales		Inter -segment Sales		Total	
Australia	-	-	-	-	-	-
Namibia	13,457	-	-	-	13,457	-
Botswana	7,168	882	-	-	7,168	882
Total of all segments	20,625	882	-	-	20,625	882
Unallocated corporate revenue					-	-
Consolidated total revenue					20,625	882
Segment Results						
Australia					-	-
Namibia					13,457	-
Botswana					7,168	882
Total of all segments					20,625	882

7. SEGMENT INFORMATION (Cont'd)

	Half Year ended 31 Dec 2013 $	Half Year ended 31 Dec 2012 $
Unallocated corporate revenue	-	-
Unallocated corporate expenses	(541,873)	(539,225)
Loss before income tax expense	(521,248)	(538,343)
Income tax benefit	-	117,638
Consolidated net loss for the period	(521,248)	(420,705)

8. RELATED PARTIES

During the half-year ended 31 December 2013, the Company received a loan amounting to £10,000 equivalent to $16,294 from Exchange Services Limited. Mr A P Stirling is a Director of Exchange Services Limited and a Director of the Company. Interest will 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.

During the half-year ended 31 December 2013, ordinary shares, with aggregate value of $84,000, were paid to directors as approved by shareholders in the Annual General Meeting on 21 November 2013 in lieu of the payment in cash of Directors fees. Please refer to Note 6.

9. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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 2013, 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 2013 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 2013 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 conclusion, 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 future successful raising of necessary funding through equity, further director loans, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of noncore assets. 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 may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO

Brad McVeigh
Director

Perth, 13 March 2014