

# **MOUNT BURGESS MINING N.L.**

## **Presentation to the Association of Mining Analysts**

**London  
January 2006**

**Presented by:**

**Nigel Forrester**

*Chairman / Managing Director*

**&**

**Jim Hickey**

*ProMet Engineers Pty Ltd.*

# Forward looking statements

This presentation contains forward looking statements in respect of the projects being reported on by the Company. Any statements in respect of mineral reserves, resources and zones of mineralisation may also be deemed to be forward looking statements in that they contain estimates which the Company believes have been based on reasonably probable assumptions in respect of mineralisation that has been found and possibly will be found and ultimately developed and mined. Forward looking statements are not statements of historical fact, they are based on reasonable projections and calculations, the ultimate results or outcomes of which may differ materially from those described or incorporated in the forward looking statements. Such differences or changes in circumstances to those described or incorporated in the forward looking statements may arise as a consequence of the variety of risks, uncertainties and other factors relative to the exploration and mining industry and the particular properties in which the Company has an interest. Such risks, uncertainties and other factors could include but would not necessarily be limited to fluctuations in metals and minerals prices, fluctuations in rates of exchange, continuity or lack of continuity of projected zones of mineralisation determined from further drilling, uncertainties in interpreting drilling results, uncertainties in interpreting assay results, metallurgical test work and projected metal recoveries there from, uncertainties in financial projections and cost estimates, uncertainties in securing and commercially maintaining end product marketing and distribution, uncertainties in completing required financing, uncertainties relative to environmental issues, government approvals, changes in government policy and political instability in the countries in which the Company operates.

Forward looking statements are based on beliefs, opinions, assessments and estimates of management and/or professional consultants hired by management. These beliefs, opinions, assessments and estimates are based on facts and information available to management and/or professional consultants at the time they are formed or made and are, in the opinion of management and/or consultants, applied as reasonably and responsibly as possible as at the time that they are applied. No obligation is assumed by management and/or consultants to amend such forward looking statements in the event of any changes to their beliefs, opinions, assessments and estimates, other than would normally be required of them to do so for the purpose of performing their duties in a responsible manner and keeping the market properly informed.

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**A.C.N. 009 067 476**

**Listed on the Australian Stock Exchange since 1985**

*–Listing Code MTB*

**Issued Share Capital 178,890,000 shares**

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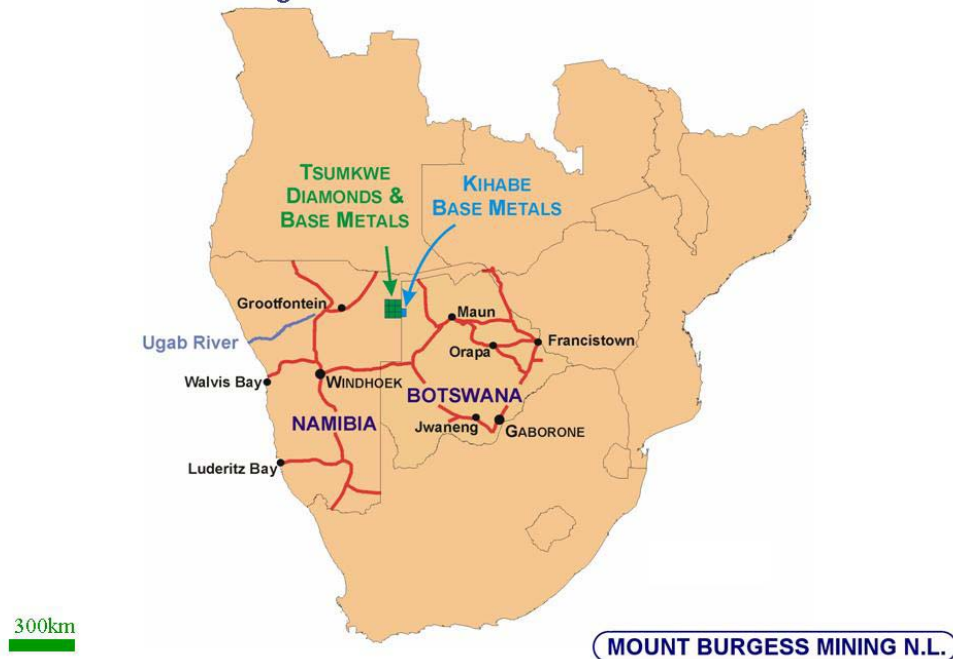
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Mount Burgess currently has two projects in Africa, The Tsumkwe Diamond Exploration Project in Namibia and a Base Metals Project, which covers the same ground at Tsumkwe in Namibia and crosses the border into Botswana where the Company has the large Kihabe Base Metals Project on which ProMet Engineers has recently completed a very positive scoping study.

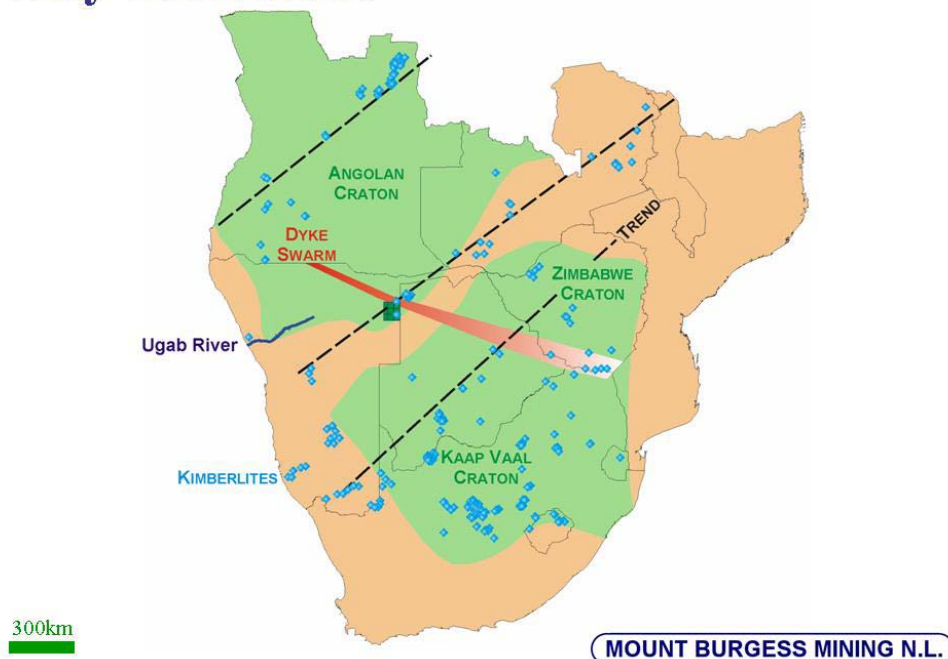
## African Project Locations



Why is Mount Burgess exploring for kimberlites? A review of the current state of the world diamond market will show that whilst exploring for kimberlites can be highly speculative, the next person or Company to find a respectable kimberlite could be well situated for a very long time!

Why does Mount Burgess continue to explore for kimberlites at Tsumkwe ?

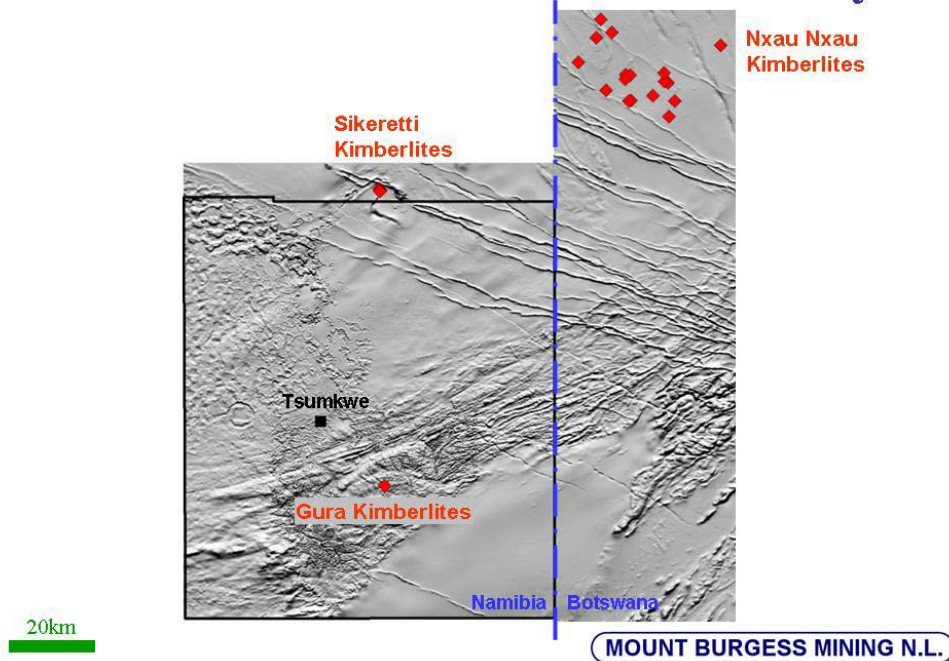
## Why Tsumkwe?



Relative to diamond exploration, Tsumkwe is situated on the highly prospective southern margins of the Angolan craton right on the contact with the Damaran fold belt and its attendant rifting and uplift. The established theory being that if you want to find diamond bearing kimberlites you have to explore on cratons, which are sufficiently deep seated to enable deep tapping kimberlites to access that part of the mantle where diamonds are formed.



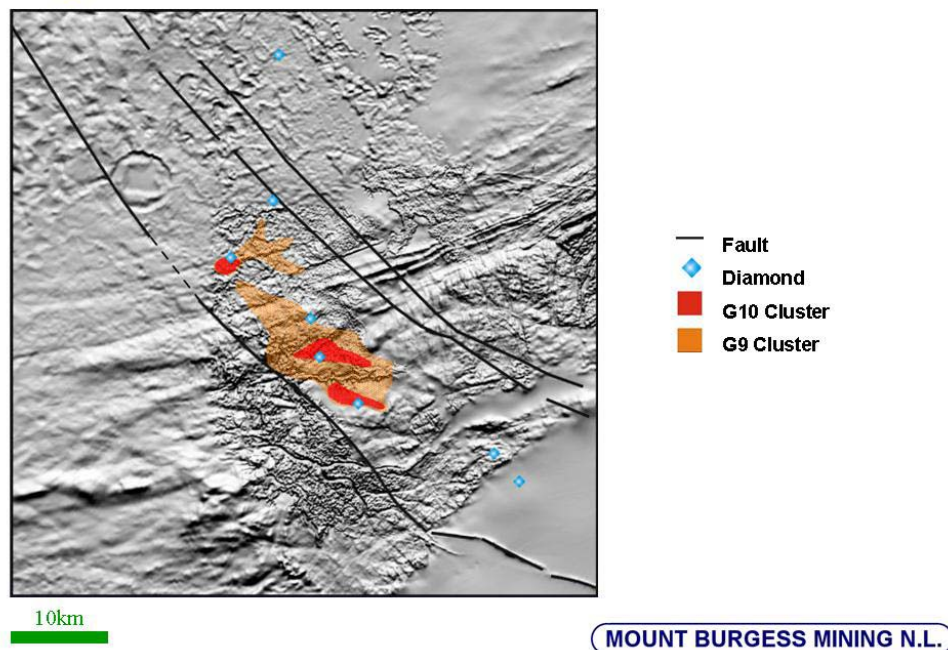
# Kimberlite Discoveries in the Vicinity



The Tsumkwe region is within close proximity to the Nxau Nxau kimberlite field in Botswana – none of which have been found to be commercial – and the Sikeretti kimberlites in Namibia, which have recently been added to by the discovery of a number of kimberlites found by Motapa Diamonds – none of which have been found to be commercial. Within the Tsumkwe area itself, Mount Burgess has found the non diamondiferous Gura kimberlites.

Whilst none of these kimberlites discovered to date have proven to be commercial, it is encouraging to know that we are in a kimberlite province. HOWEVER, what is particularly important about the Tsumkwe area, is that significant clusters of G10 garnets and to date, 8 macro diamonds have been found locally, which Mount Burgess believes have been sourced from a diamond bearing kimberlite or kimberlites, within the Tsumkwe project area. HENCE THE SEARCH CONTINUES!

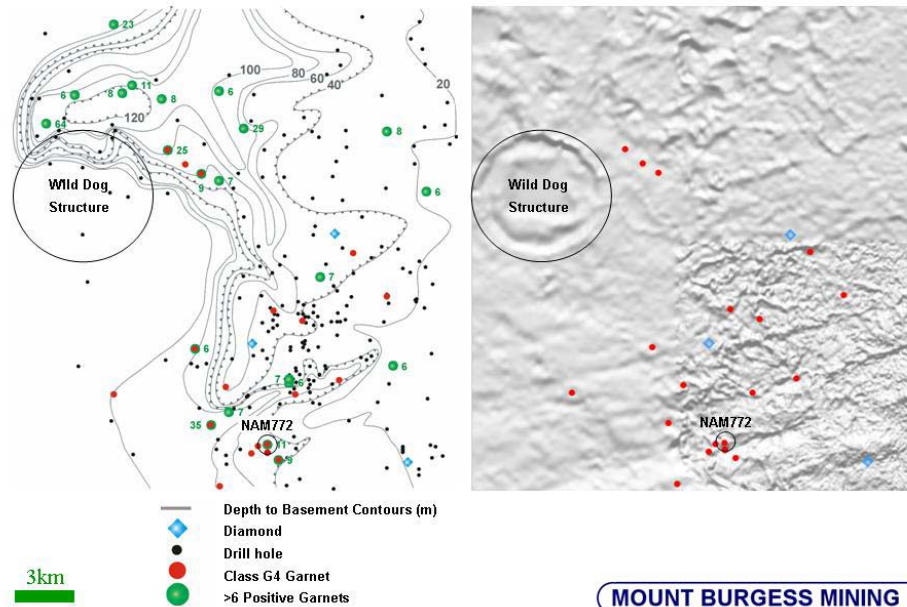
## High Garnet Count Clusters



What makes Mount Burgess so confident that there are more kimberlites to be found in the Tsumkwe area? Drilling, particularly during 2005, has produced an unusually high number of very fresh Class 4 garnets, showing little sign of travel, which together with the recovery of a number of high counts of garnets, from individual drill holes drilled in the western part of the project area, indicate the presence of other local kimberlites.

## Contours of Depth to Basement

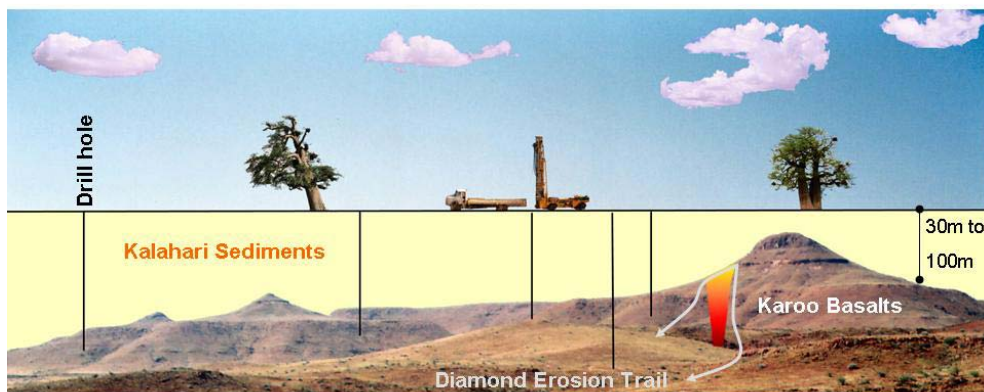
with high kimberlitic garnet counts from drilling with aeromagnetics



This is the area in which we are getting very fresh Class 4 and high counts of garnets. Green points highlight high counts and red points highlight Class 4's.

The challenges relative to the Tsumkwe Project.

## Exploring under a cover of sand!



All of the Tsumkwe area is covered by Kalahari sands/sediments varying in depths from 2 to 3 metres to over 150 metres. This figure shows a typical Karoo basalt profile with a hypothetical overlay of Kalahari sands to typify the current stratigraphic environment that we have to deal with at Tsumkwe. Whilst the majority of our drilling is aimed at select potential kimberlite targets, we also use drilling to sample buried palaeo drainages and to delineate basement topography.

The information gained from this drilling is invaluable in determining follow up work. We use the drill rig as "our eyes to look through the Kalahari sands"

All of our drill hole spoils are subject to heavy media separation and it is from these drill spoils in the western project area that we have, during 2005, been recovering very fresh class 4 kimberlitic garnets, which make up discrete anomalies.



## Class 4 Garnets from NAM772



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These very fresh garnets are found at the base of the Kalahari sands on the top of a very discrete band of basaltic clays known as the Tsumkwe Formation. They are most likely related to their more “worn cousins” which have been subject to constant attrition at surface and found by surface loam sampling within close to medium distances from the fresh basal garnets.

In respect of the Class 4 garnets now being discovered in the western portion of the project, it is believed that the distance they have traveled is very short, therefore somewhere in this area there is another or there are other kimberlites.

## Freshness of Garnets from Source



Class 1 Garnets from Gura Kimberlite



Class 4 Garnets from NAM772



Class 5 Garnet



Class 6 Garnet

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By comparison, the garnets shown in the top left were actually recovered from drilling into the Gura kimberlites.

The Class 4 garnets shown in the top right were found in drill spoil of NAM 772, drilled in the western project area, some 50 kilometres to the west of the Gura kimberlites, showing very sharp unworn surfaces and almost as fresh as those straight out of a kimberlite. These garnets have not traveled far and are certainly not from the Gura kimberlites.

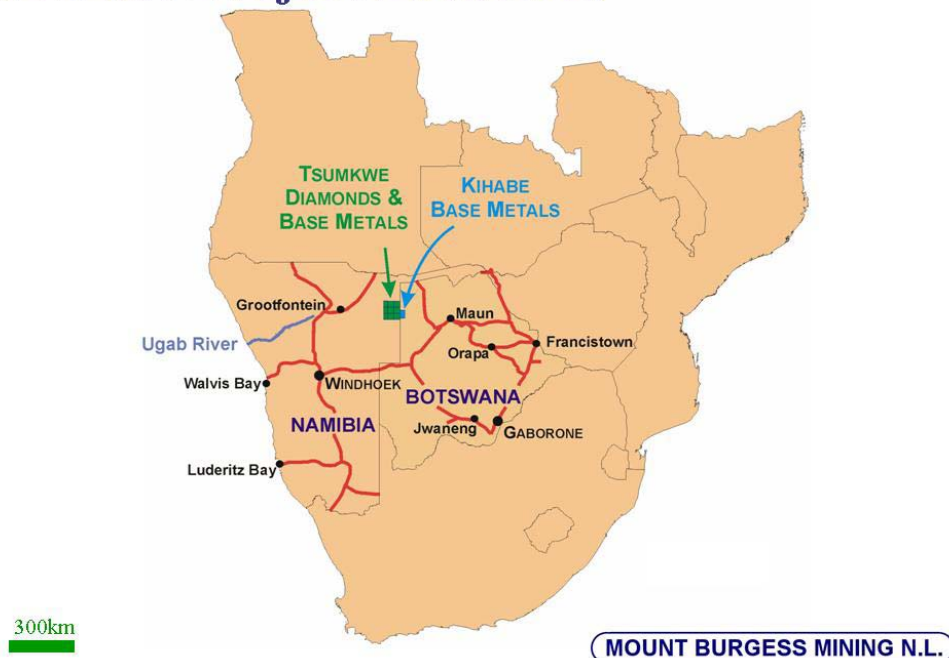
The garnets shown at the bottom are Class 5 garnets (left) and Class 6 garnets (right) recovered from surface loam sampling.

**“The Fresher the Garnets the Closer the Kimberlites”**



**Now wait for the  
Base Metals Presentation**

## **African Project Locations**





# History of Kihabe

Late 1970's

- ❖ Geological Survey Botswana conducted soil geochemical surveys within the Precambrian Damara Carbonates and Clastics in the Kihabe project area
- ❖ 13 targets of anomalism containing zinc, lead, silver, copper and vanadium were generated



# History of Kihabe

Early 1980's

- ❖ Billiton conducted further infill geochemical sampling, drilling and trenching
- ❖ Results were successful and included the additional discovery of carnotite
- ❖ The final report for Prospecting Licence 39/80 filed by Billiton Botswana (Pty) Limited dated July 1983 concludes:  
“The drill hole with the most promising mineralisation was stopped while still in high grade mineralisation. There is an extensive on-strike geochemical anomaly and an intersection of oxidised mineralised sandstone occurring two kilometres away at the same horizon suggesting there is potential for a large Zn-Pb deposit”

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# History of Kihabe

1983 to 2003

- ❖ Because of the remoteness of the project within Botswana and the struggle for independence in neighbouring Namibia through the 1980's, the project lay idle



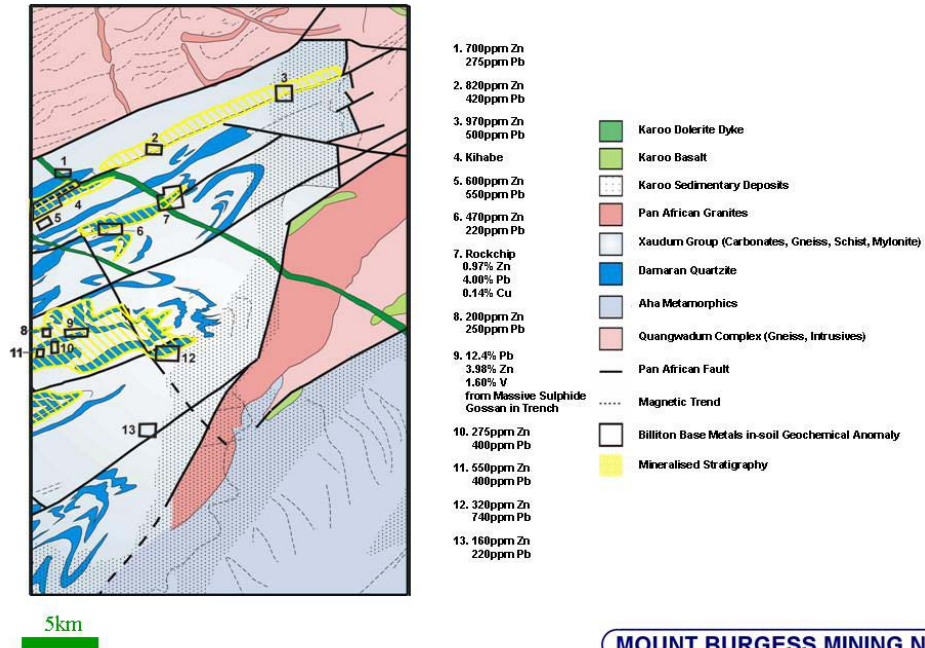
# History of Kihabe

2003

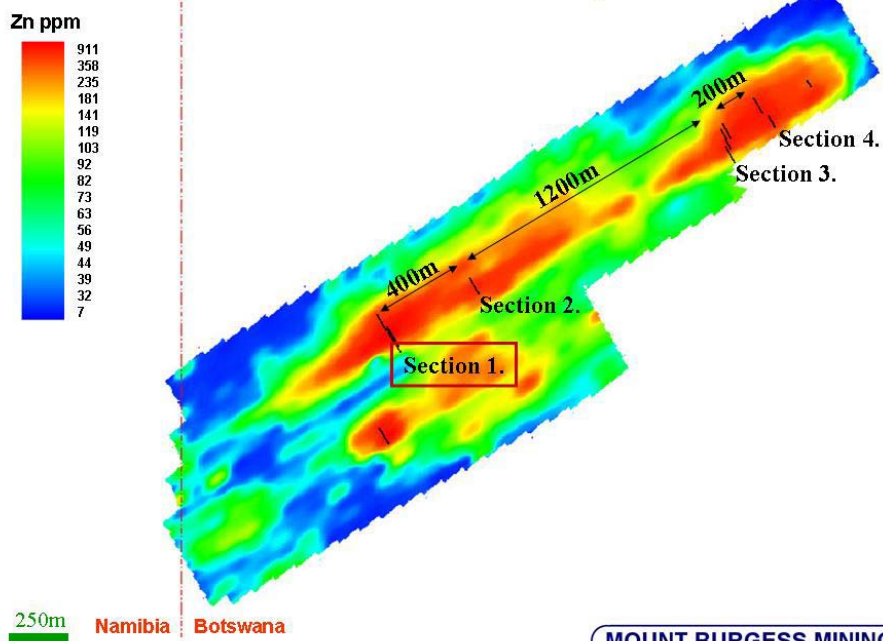
- ❖ Mount Burgess Mining applied for and was granted Prospecting Licence 69/2003 at Kihabe
- ❖ Mount Burgess requested both Namibian and Botswana Governments to open the Dobe Border Gate near Tsumkwe in Namibia
- ❖ Mount Burgess is able to operate the Kihabe Project from Tsumkwe, its base for diamond exploration in Namibia
- ❖ Remoteness of project no longer an issue

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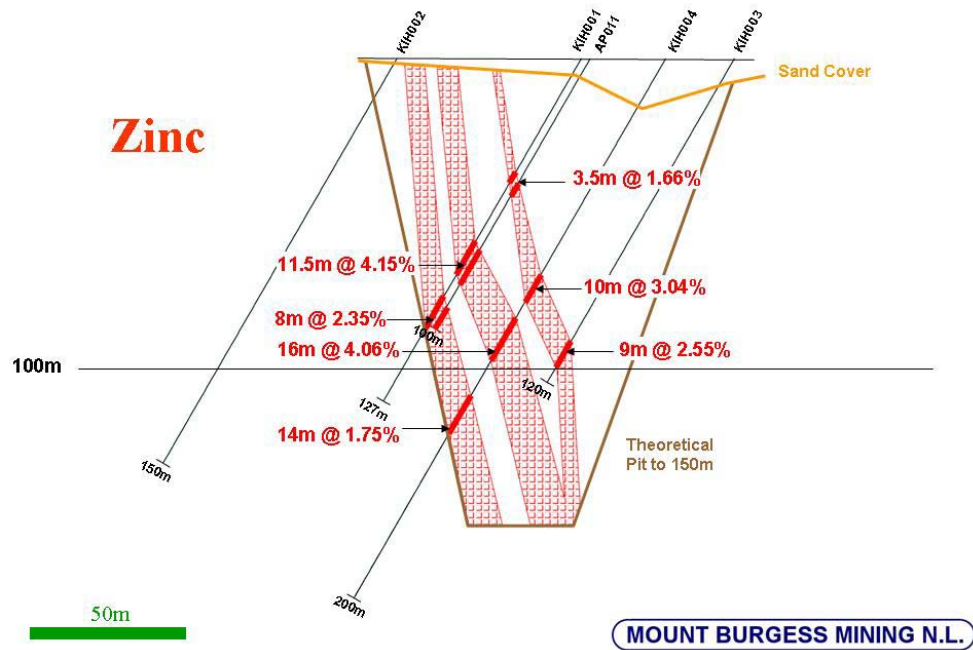
# Anomalies in Botswana



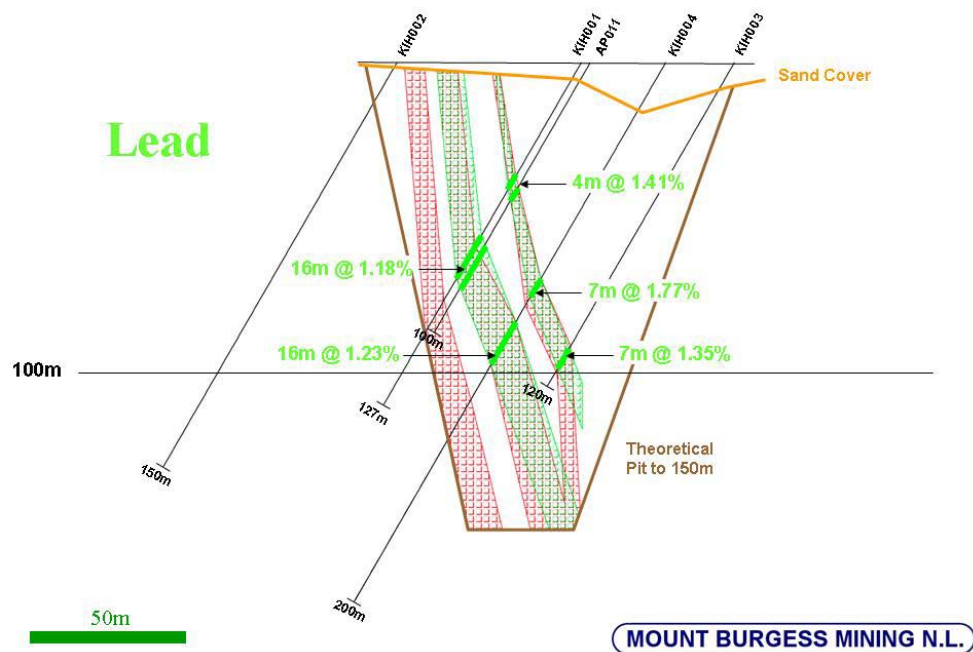
## Kihabe Zinc Soil Anomaly



## Cross Section 1.

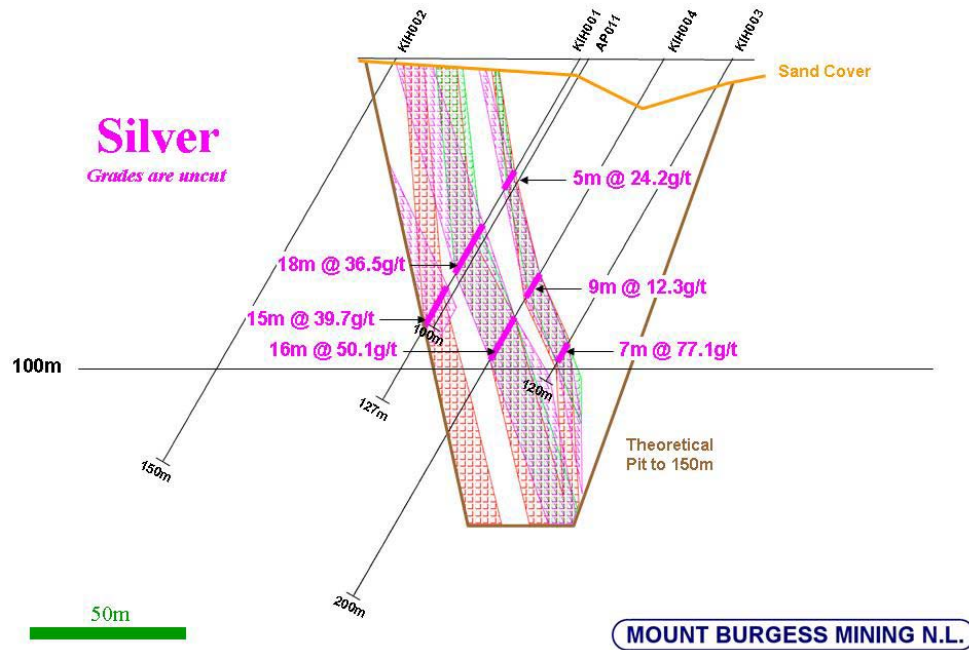


## Cross Section 1.

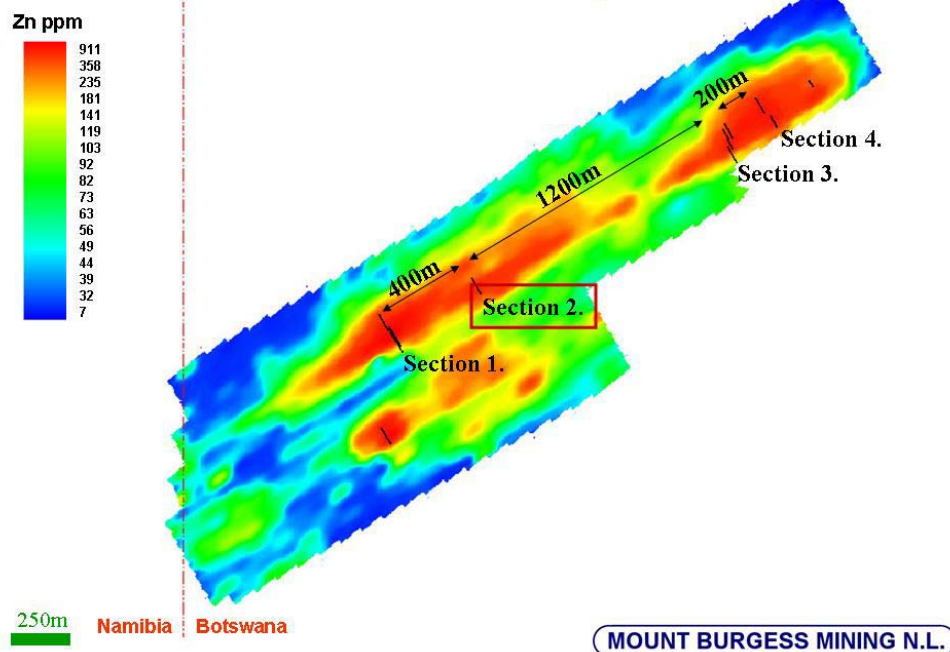




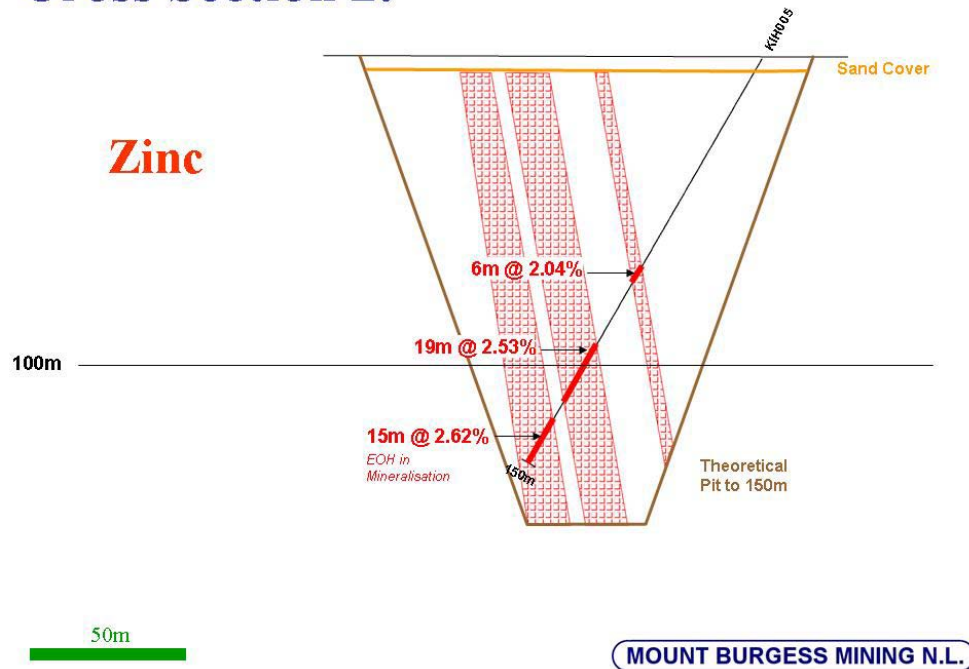
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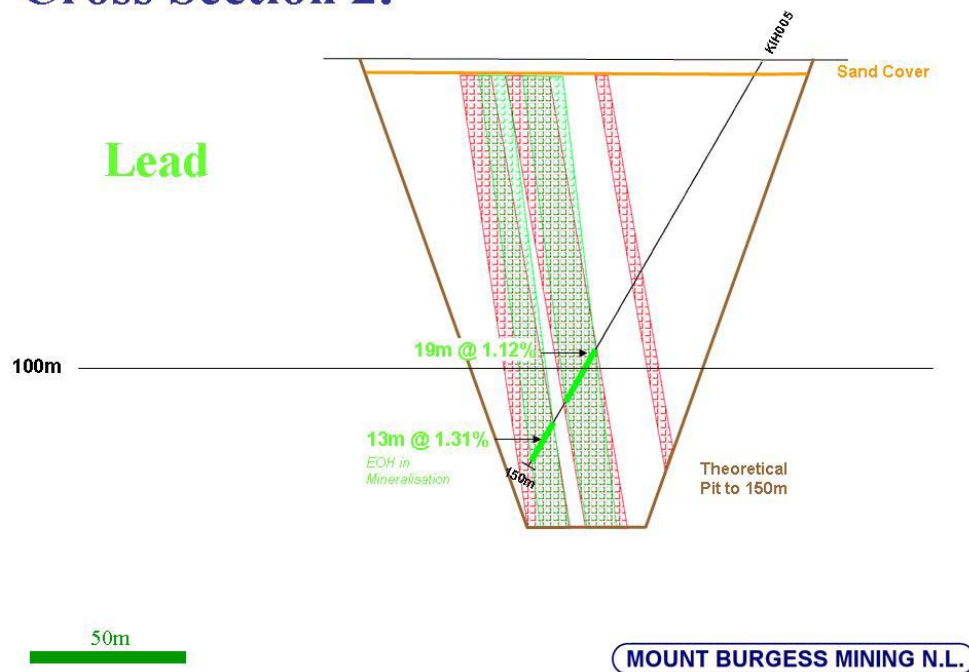
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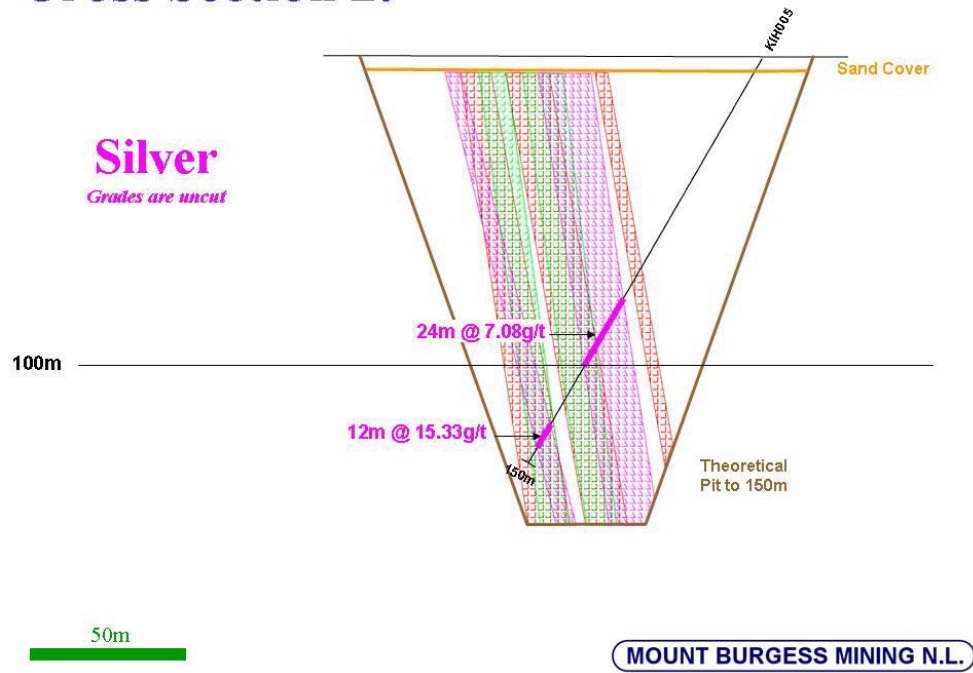
## Cross Section 2.



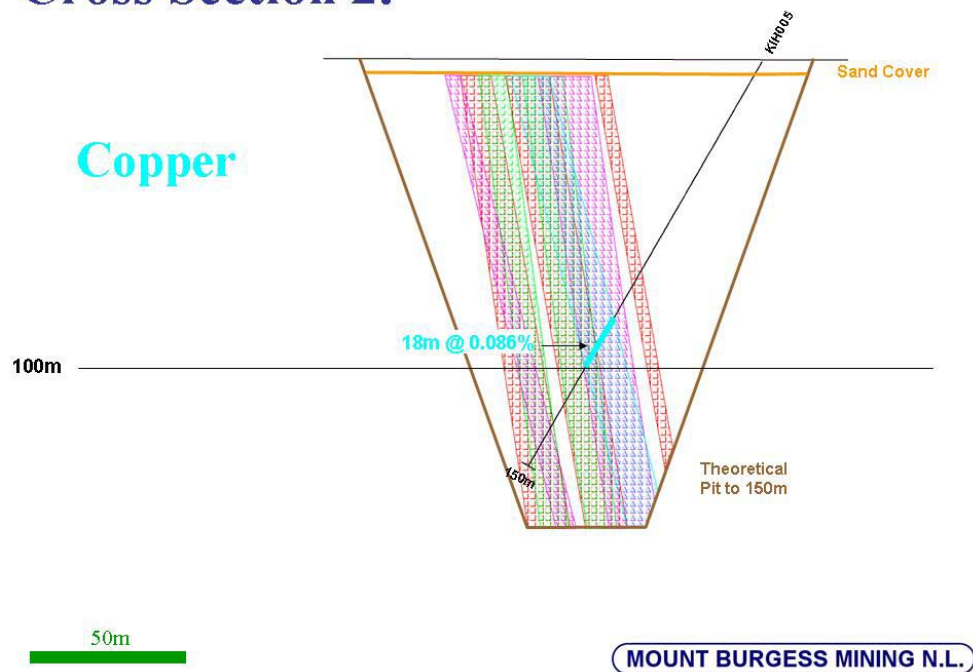
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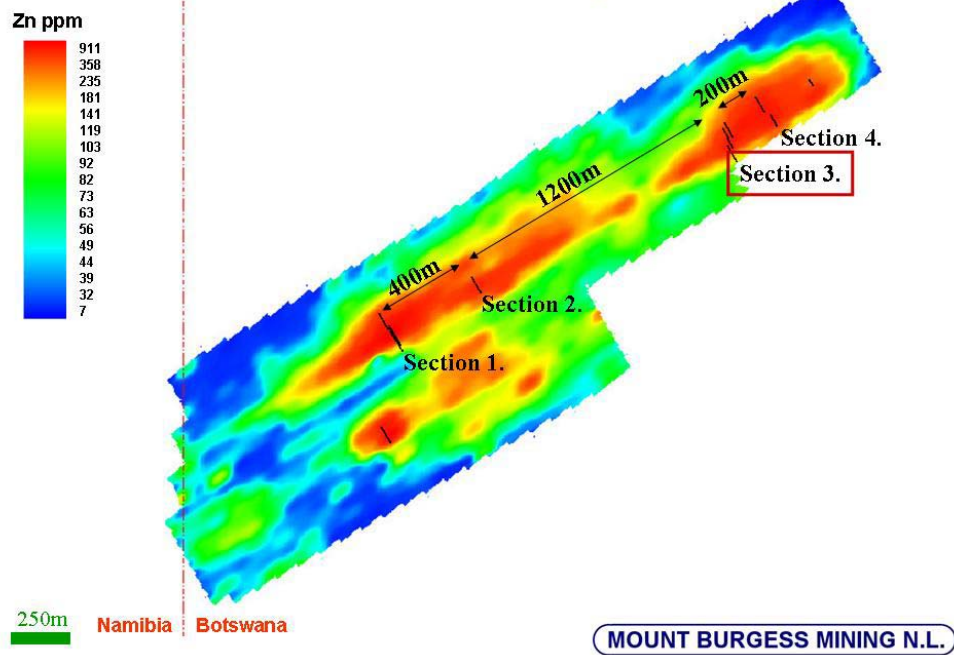


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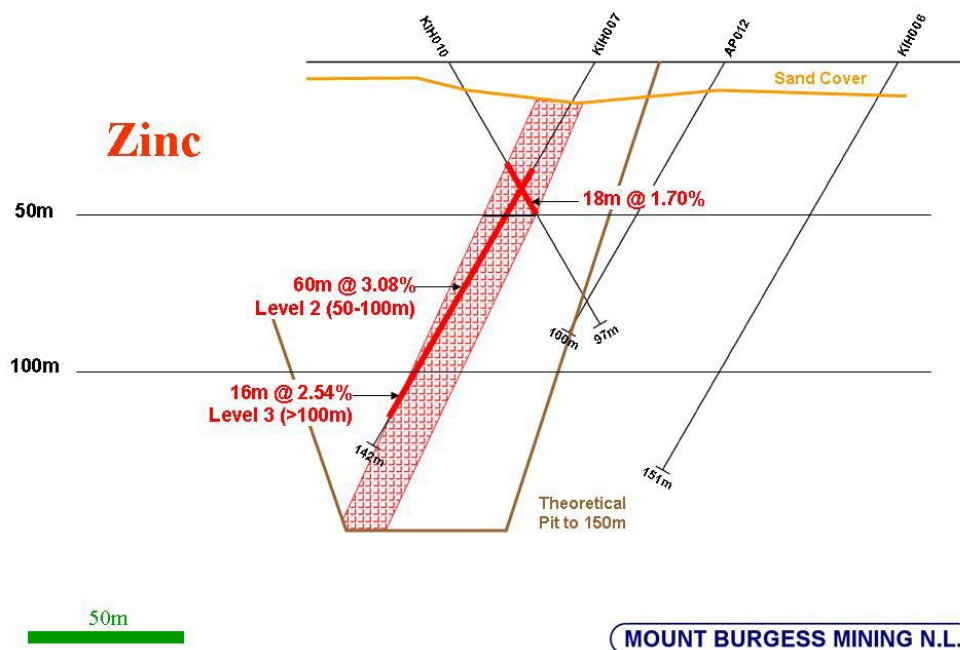




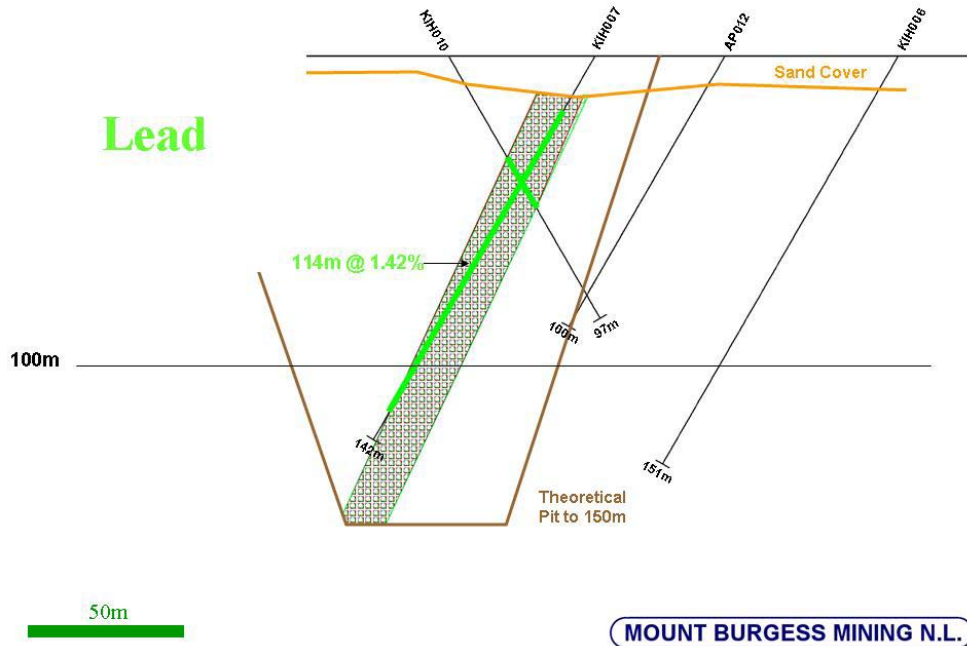
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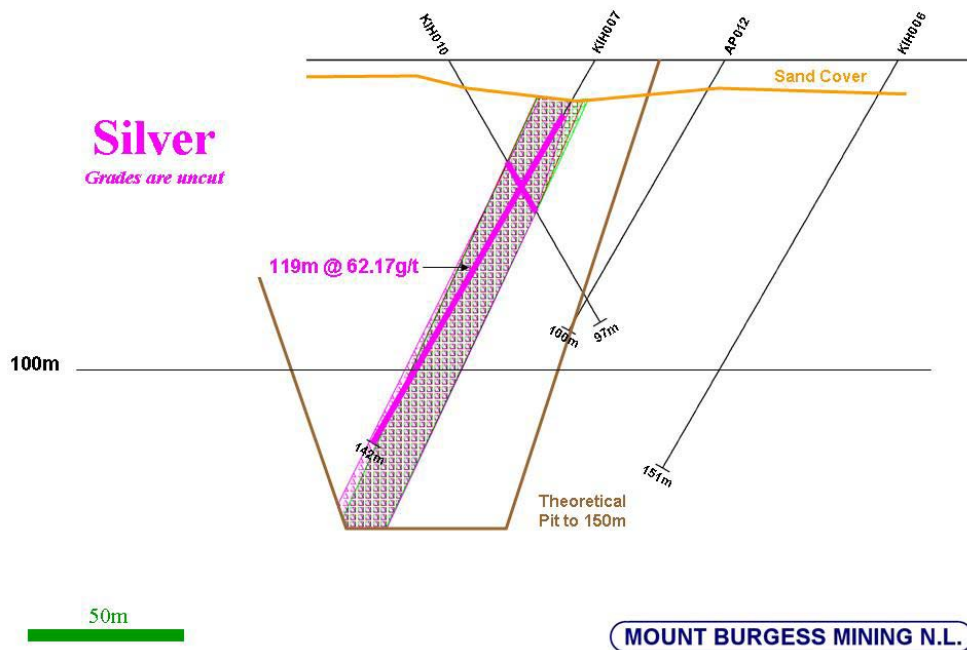
## Cross Section 3.



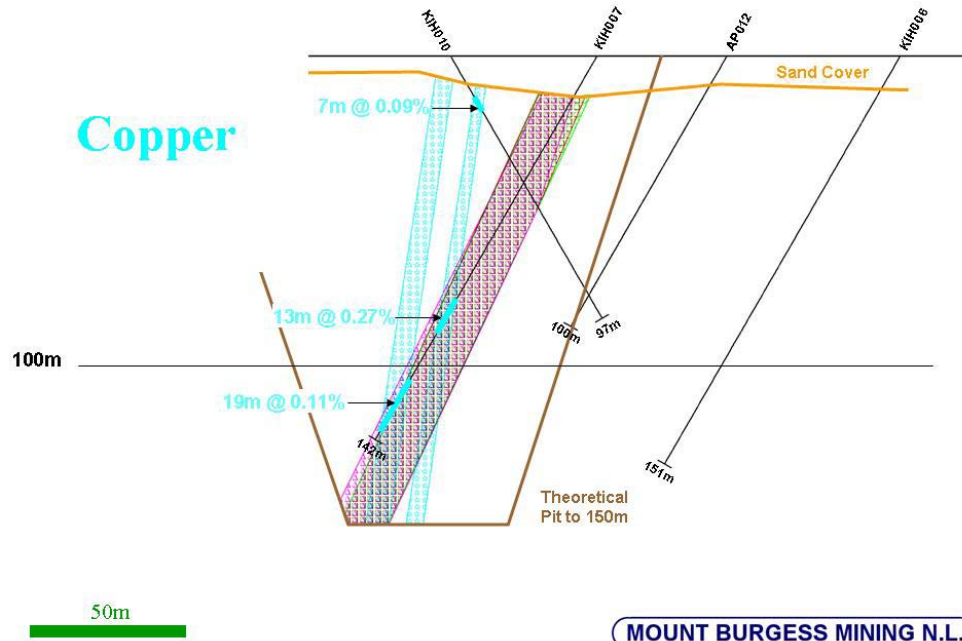
## Cross Section 3.



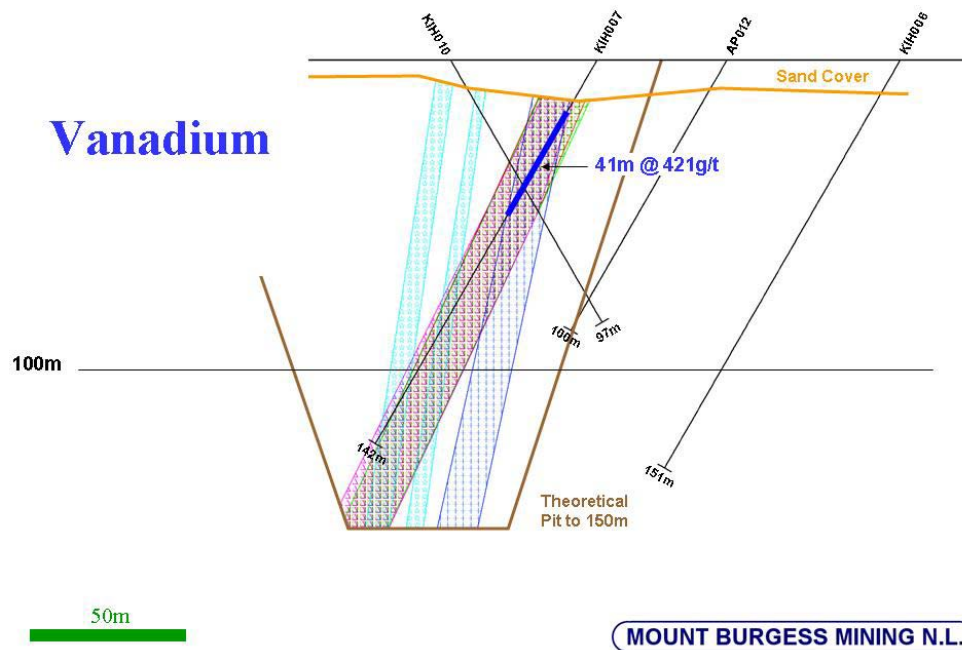
## Cross Section 3.



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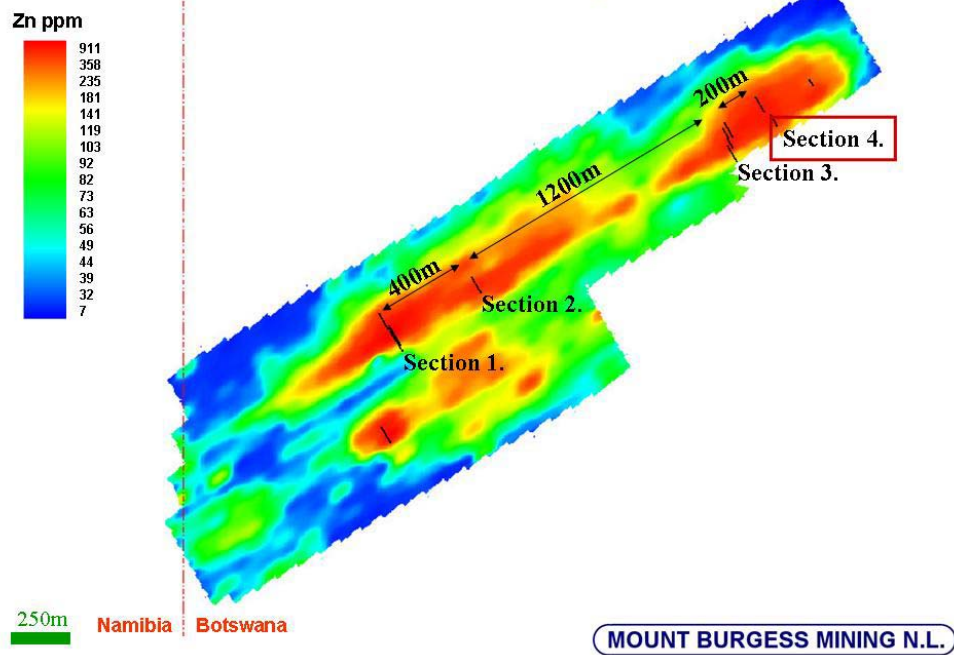


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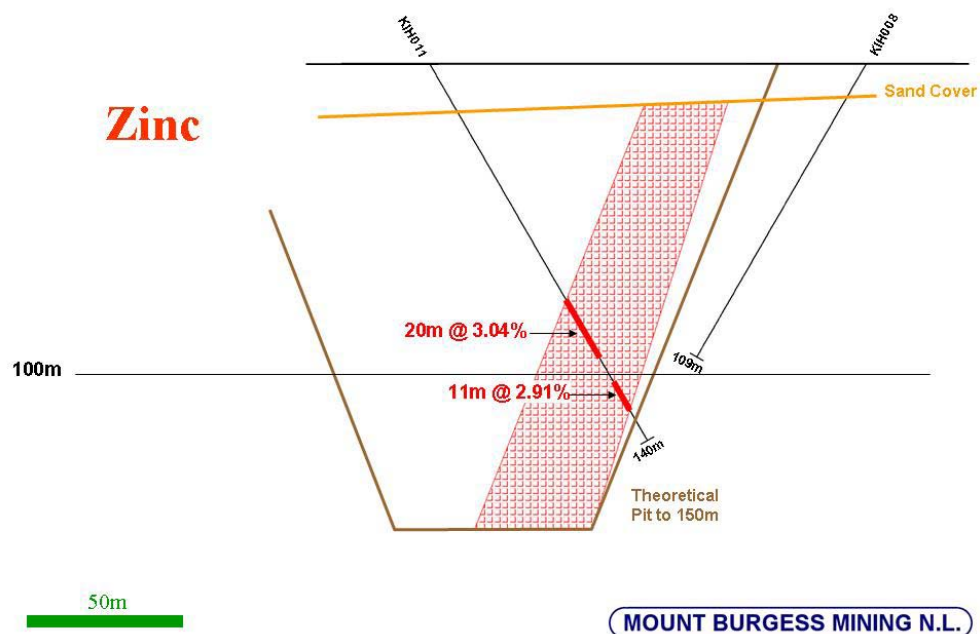




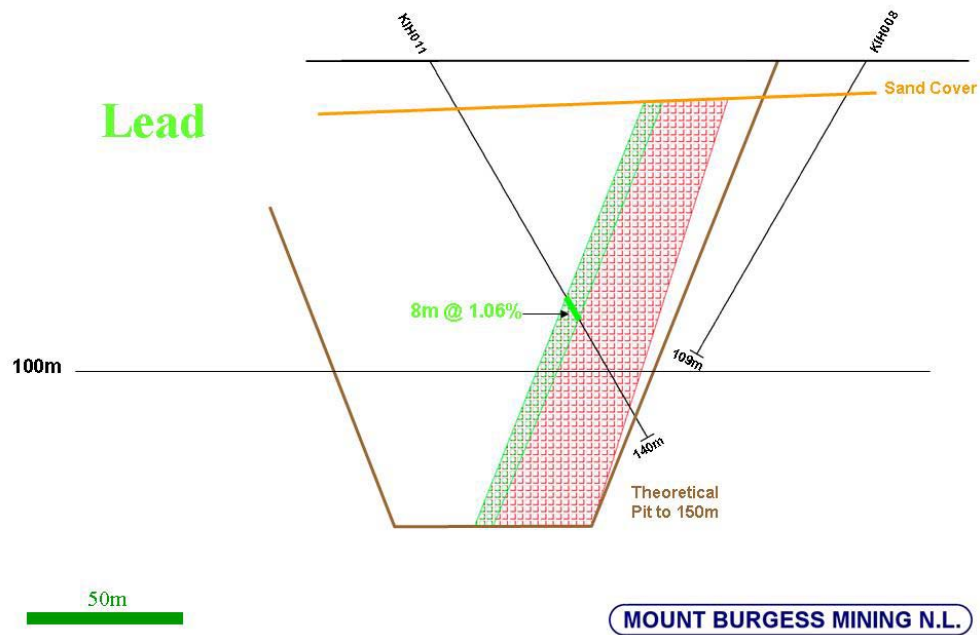
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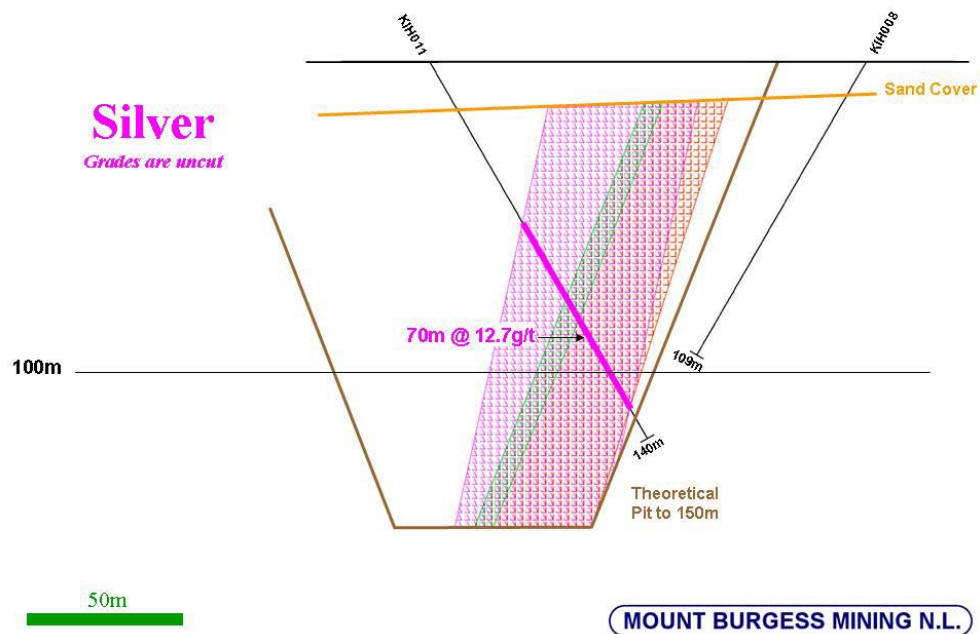
## Cross Section 4.



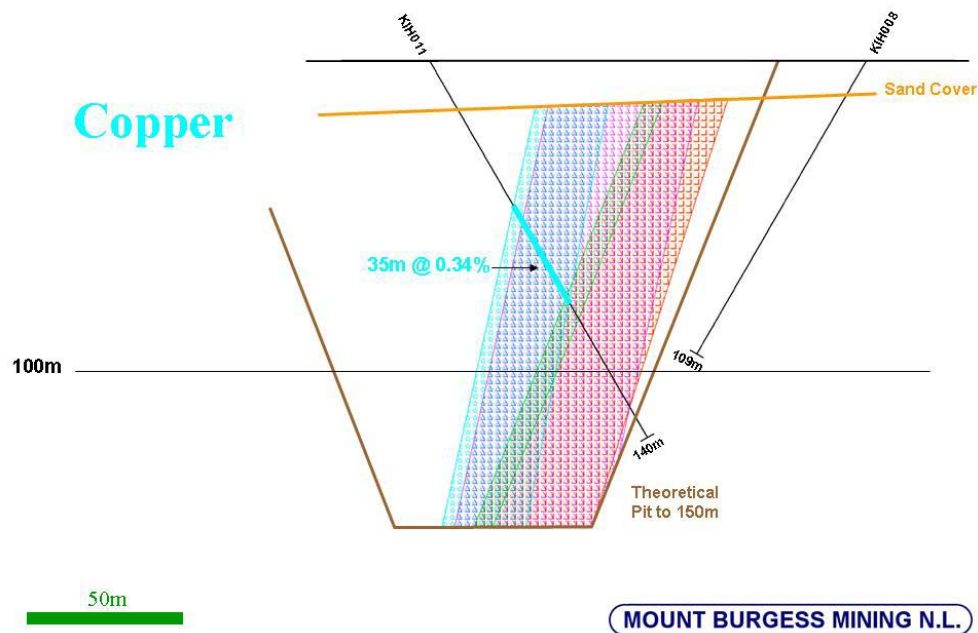
## Cross Section 4.



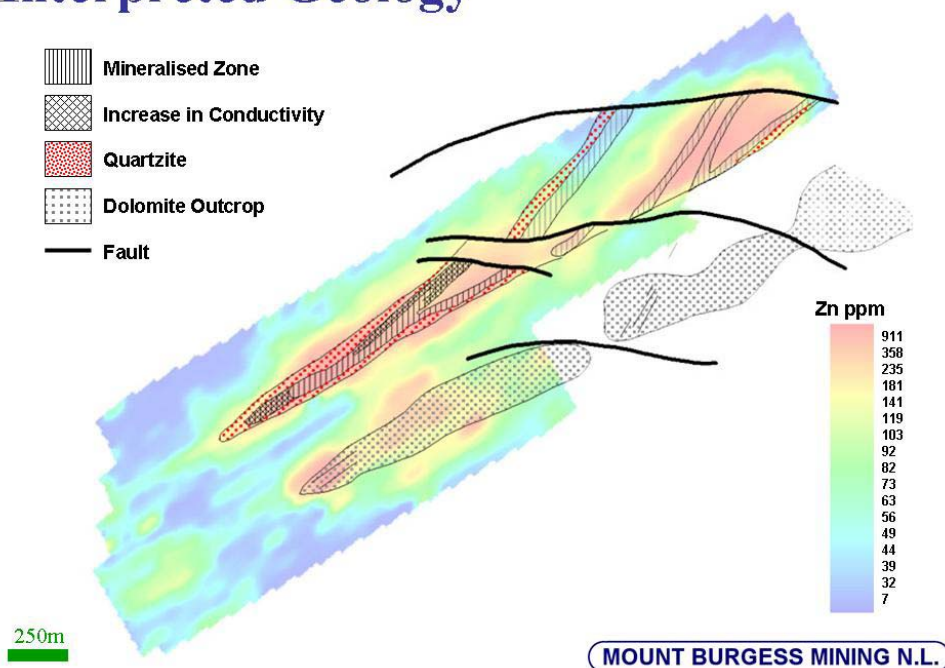
## Cross Section 4.



## Cross Section 4.



## Interpreted Geology



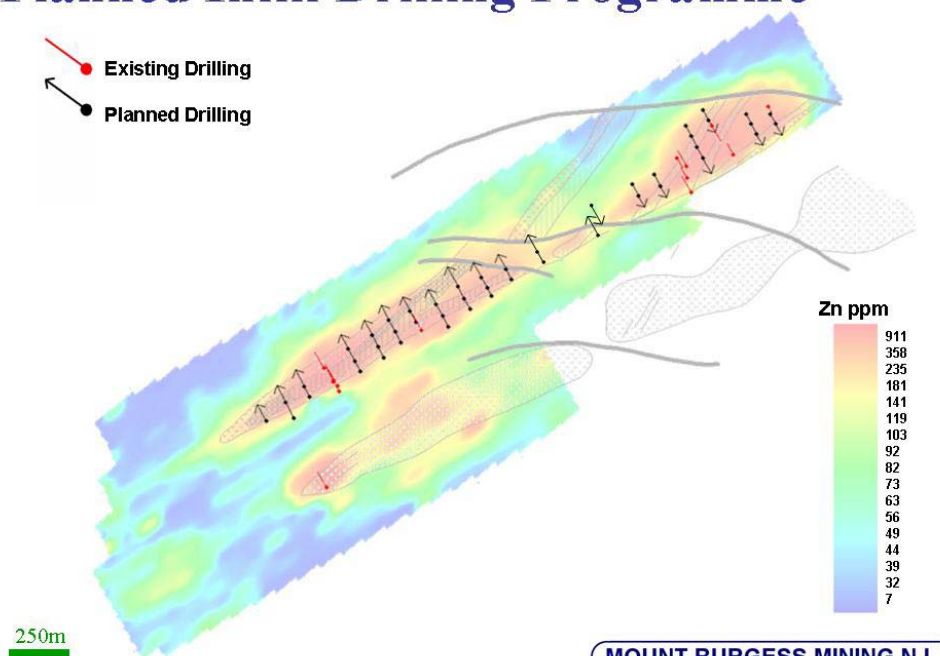


## Planned Project Schedule

- ❖ Infill drilling to upgrade the Kihabe exploration target to a JORC compliant resource/reserve is scheduled to commence in January 2006
- ❖ Metallurgical test work is scheduled to be completed in June 2006
- ❖ A pre-feasibility study based on the drilling and test work results is planned to commence in July 2006 and planned for completion by December 2006
- ❖ Based on a positive result of the pre-feasibility study, a bankable feasibility study should commence in January 2007 and planned for completion in July 2007
- ❖ Based upon a positive bankable feasibility study and approval to commence mining, project finance will be sought for design and construction. Construction will be awarded on the basis that the project will be scheduled to commence production around November 2008

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## Planned Infill Drilling Programme



## Key Characteristics of Kihabe

1. Application of metal recovery percentages obtained from metallurgical test work conducted by Ongopolo Laboratories at Tsumeb in Namibia, as follows:

Zinc 94%

Lead 93%

Silver 91%

2. Estimated operating costs:

US\$ 24.10 per each mineralised tonne delivered to smelter. These costs include a 10% contingency and a 5% government royalty

3. Total smelting costs including treatment costs and an allowance for 8% loss for zinc and 3% loss for lead are estimated at US\$ 12.7 per each mineralised tonne within the exploration target

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## Key Characteristics of Kihabe

4. Based on the LME 15 months forward selling prices quoted on 09/01/06, of US\$ 1,820/tonne for zinc and US\$ 1,005/tonne for lead and the London Brokers average price over the last month of US\$ 8.50/ounce for silver and applying the following rounded down metal prices:

Zinc US\$ 1,800/tonne

Lead US\$ 1,000/tonne

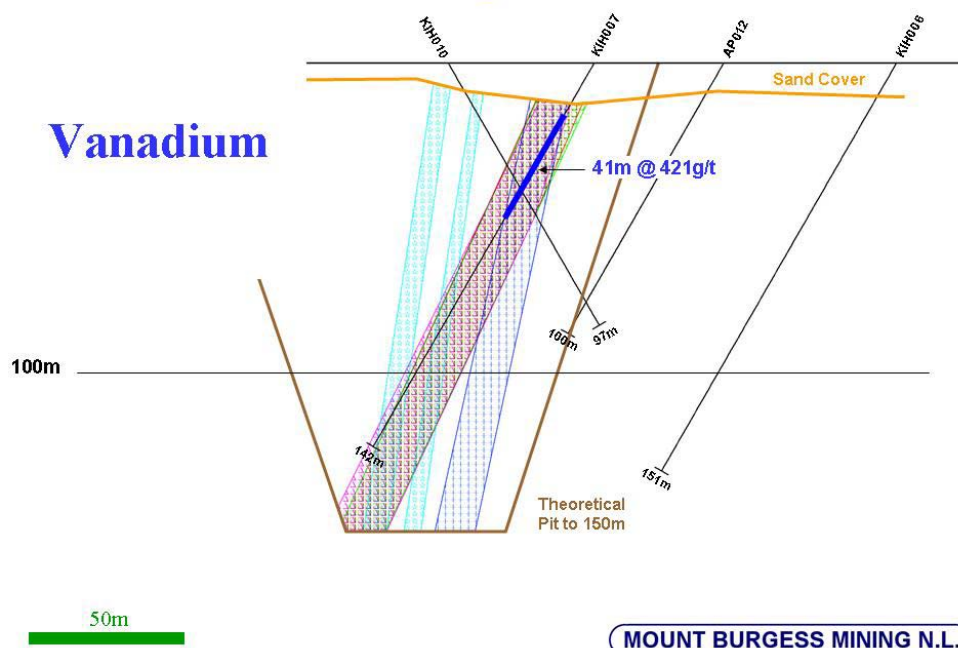
Silver US\$ 8/ounce

and utilising the metal recovery percentages as shown in 1, the combined recoverable value is estimated at US\$ 66.60 per each mineralised tonne, within the exploration target

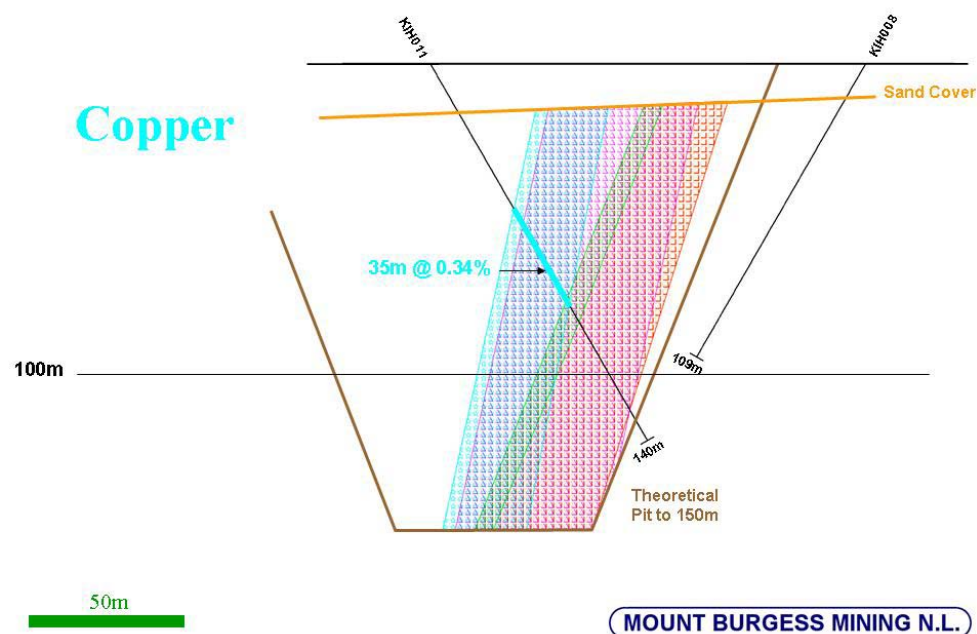
5. Recent data generation has identified significant zones of copper and vanadium mineralisation associated with the mineralised zone. None of these copper or vanadium credits have yet been accounted for in the above estimated value of US\$ 66.60 per each mineralised tonne”

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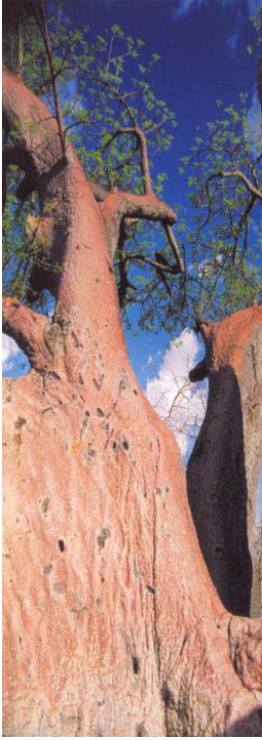
## Intersection showing Vanadium credits



## Intersection showing Copper credits







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**For more information visit**

**[www.mountburgess.com](http://www.mountburgess.com)**

The information in this report that relates to exploration results, together with any related assessments and interpretations, is based on information compiled by Martin Spence, B.Sc., who is a Member of The Australasian Institute of Mining and Metallurgy.

Mr Spence is a full time employee of the Company.

Mr Spence has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Spence consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.