

MOUNT BURGESS MINING N.L.

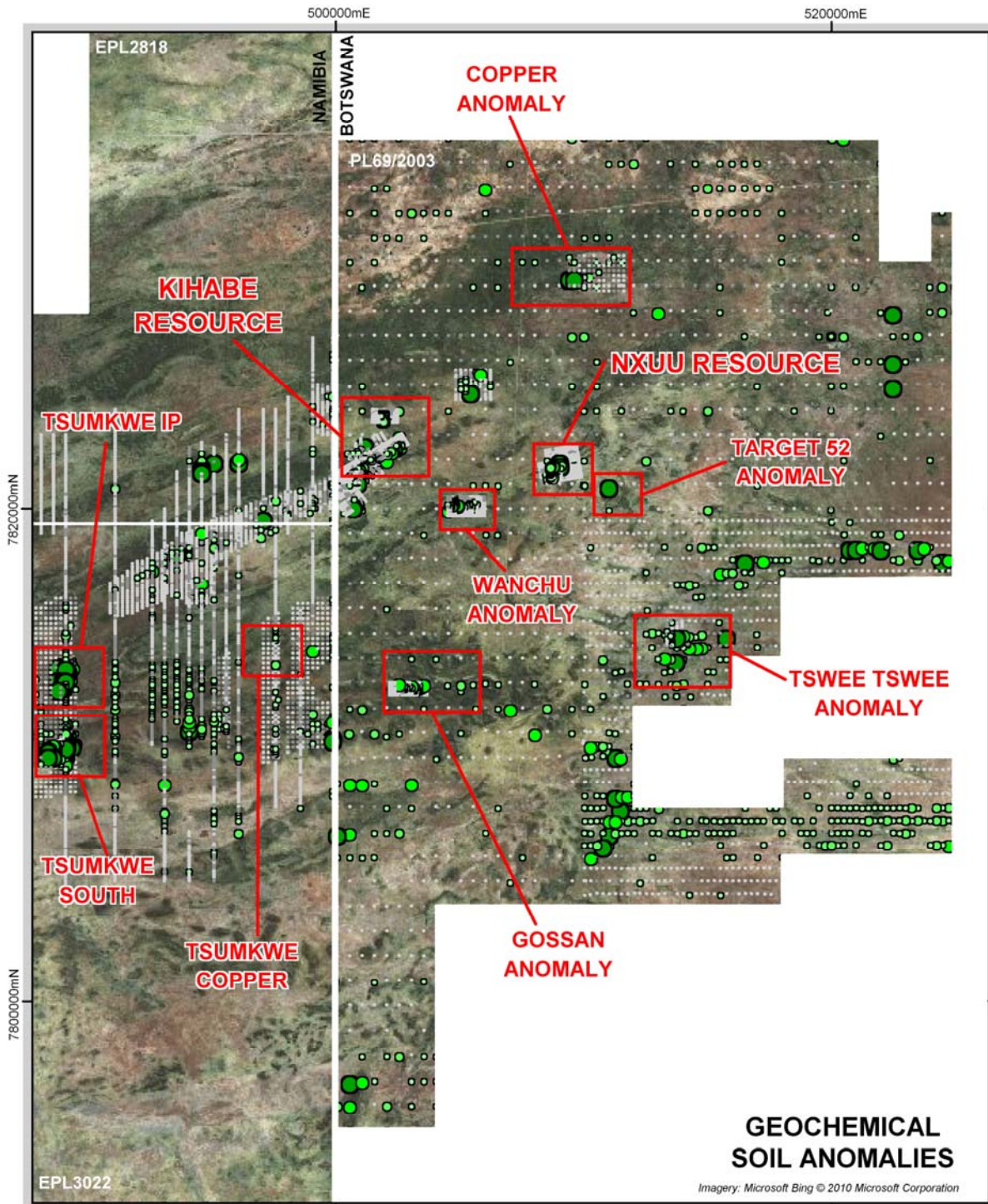
ACN: 009 067 476

REPORT FOR THE QUARTER ENDED 30 JUNE 2010

KIHABE ZINC/LEAD/SILVER PROJECT, WESTERN NGAMILAND, BOTSWANA (MTB 100%)

Regional Exploration/Soil Geochemical Sampling

During the quarter the Company's field operations continued with regional soil geochemical sampling for the purpose of generating further potential resource targets to augment the Company's current resource base.



Some 4,000 close spaced soil geochemical samples have been taken in the current programme over three new target areas with a fourth in progress. Two of the areas, known as the **Copper Anomaly** and the **Tswee Tswee Anomaly**, have previously generated anomalous copper responses and the other two areas, known as the **Wanchu Anomaly** and **Target 52 Anomaly** have generated anomalous zinc/lead/silver responses. These samples will be submitted for assaying upon completion of this fourth programme over the Copper Anomaly.

The collation of sample results received from previous wide spaced soil geochemical sampling programmes conducted over the Copper Anomaly show elevated Cu values in some areas, associated with elevated Zn/Pb values.

The Copper Anomaly strikes in a NE direction, coincident with a linear magnetic anomaly 4km in length and is also coincident with an elevated linear horizon defined by a thicker and greener terminalia vegetation anomaly, similar to that defined over the Kihabe deposit.

As well as the close spaced geochemical sampling currently being conducted, the Company intends to conduct trenching and geophysics over the areas with elevated geochemical values.

The Company believes that further success in discovering additional resources in this area will be dependent upon the discovery of further quartz wackes, at the point of contact with the regional dolomite. To date mineralisation at both the Kihabe and Nxuu deposits has been found within quartz wackes at dolomite contact.

Previous drilling on these targets, now the subject of geochemical sampling, intersected quartz wackes. The close spaced geochemical sampling and geophysics currently being conducted is for the purpose of locating quartz wacke and dolomite contact, the zone shown to be the host to mineralisation in the area. The four areas being sampled are all covered with a layer of Kalahari sand cover of between 5m to 15m depth.

Kihabe - Nxuu Zinc/Lead Resource Base

The Kihabe – Nxuu project currently has a potential open cut resource base of 25.3 million tonnes @ 3% Zn metal equivalent, containing some 750,000 tonnes of zinc equivalent metal, subject to a scoping study for a 10 year mine life at 2.5 million tonnes per annum throughput. (Refer to attached Resource Statement).

Mr Ben Mosigi M. Sc, (Leicester University – UK), B.Sc (University of New Brunswick – Canada), Diploma Mining Tech (Haileybury School of Mines – Canada), a member of the Geological Society of South Africa, consents to the inclusion of the matters based on the information in the form and context in which it appears in the above section of this report. Mr Mosigi, a Technical Director of the Company, has sufficient experience relevant to the style of mineralisation under consideration and to the activity to which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code of Reporting of Mineral Resources and Ore Reserves”.

Ongoing Metallurgical/Mineralogical Testwork

To date the Company has, through the supervision of ProMet Engineering, made significant advances in the metal recoveries for zinc and lead, as previously reported, such that bench scale testing has shown metal recoveries in the range of 93%. The Company is currently arranging for test work to be conducted to determine metal recoveries for silver in both the oxide and sulphide zones of the Kihabe deposit. The Nxuu oxide deposit did not return any significant silver assay results.

CORPORATE

Potential Kihabe-Nxuu Project Joint Venture Arrangements

The Company is currently in discussion with a number of parties in relation to acquiring equity in and further funding the Kihabe-Nxuu Zinc/Lead project in Botswana.

Share Placement

During the quarter, the Company agreed to place 22,375,000 shares at an issue price of \$0.008 per share to raise \$179,000. As at the 30th June, \$47,000 of this amount had been received, with the remaining \$132,000 being received in July when the shares were allotted. The receipt of these funds in July cleared the Company's bank overdraft position as at 30th June by all but \$4,000.

Funding Arrangements

For interim funding purposes, Exchange Services Ltd, a UK registered company has offered to make available to the Company, if required, funding of up to £250,000 (estimated at \$440,000). Exchange services Ltd is a company controlled by Mr AP Stirling, a Non-Executive Director of Mount Burgess Mining NL. As at 30th June 2010, £100,000 (A\$163,000) had been drawn down from this funding arrangement, subject to interest, as from the 1st of July 2010 @ 4% above the Australian bank rate, as at 31st March 2010.

In addition the Company has in place available credit facilities with its bankers of up to \$415,000. As at 30th June 2010, the Company's overdraft stood at \$136,000 which was subsequently reduced by \$132,000 of placement funds to \$4,000 overdraft.

TO CONTACT US:

Level 4, 109 St Georges Terrace, Perth, Western Australia, 6000
PO Box Z5301, St Georges Terrace, Perth, Western Australia, 6831
Telephone: (61 8) 9322 6311 Email: mtb@mountburgess.com
Facsimile: (61 8) 9322 4607 Website: www.mountburgess.com

Kihabe-Nxuu Resource Statement

Deposit	External Cut %	Indicated M Tonnes %	Inferred M Tonnes %	Total M Tonnes %
Kihabe	1.5%	11.4 @ 2.90%	3.0 @ 2.60%	14.4 @ 2.84%
Nxuu	0.3%	-	10.9 @ 3.20%	10.9 @ 3.20%
		11.4 @ 2.90%	13.9 @ 3.07%	25.3 @ 3.00%

Zinc Equivalent Grade

Kihabe calculated on metal prices as at 17 July 2008: Zn US\$1,810/t Pb US\$1,955/t Ag US\$18.75/oz
 Grades applied: Zn 1.75% Pb 0.76% Ag 6.93 g/t

Nxuu calculated on zinc and lead at US\$ par

Grades applied: Zn 1.8% Pb 1.4%

The information in the resource statement that relates to the Kihabe Resource is compiled by Byron Dumpleton, B.Sc., a member of the Australasian Institute of Geoscientists. The information that relates to the Nxuu Resource is compiled by Mr Ben Mosigi, M.Sc., (Leicester University – UK), B.Sc., (University of New Brunswick – Canada), Diploma Mining Tech (Haileybury School of Mines – Canada), a member of the Geological Society of South Africa.

Mr Dumpleton is an independent qualified person and Mr Mosigi is a Technical Director of the Company. Both Mr Dumpleton and Mr Mosigi have sufficient experience relevant to the style of mineralisation under consideration and to the activity to which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Mineral Resources and Ore Reserves". Both Mr Dumpleton and Mr Mosigi consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

MOUNT BURGESS MINING N.L.

ABN

31009067476

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(84)	(981)
(b) development	-	-
(c) production	-	-
(d) administration	(213)	(791)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	16
1.5 Interest and other costs of finance paid	(6)	(7)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(302)	(1,763)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	5	5
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	5	4
1.13 Total operating and investing cash flows (carried forward)	(297)	(1,759)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(297)	(1,759)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	47	47
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	50	163
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Lease liability repayments	(1)	(2)
	Net financing cash flows	96	208
	Net (decrease) / increase in cash held	(201)	(1,551)
1.20	Cash at beginning of quarter/year to date	65	1,416
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	Cash at end of quarter	(136)	(136)

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	52
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	N/A	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	N/A
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	N/A

+ See chapter 19 for defined terms.

Financing facilities available

**** The Company maintains a seasonal overdraft facility of \$350,000.**

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	415	204

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	36	35
5.2 Deposits at call	30	30
5.3 Bank overdraft	(202)	-
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	(136)	65

Changes in interest in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted share securities at the end of current quarter

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	320,257,000	320,257,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A * N/A	N/A * N/A		
7.5 +Convertible debt securities <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>Employee Share Plans</i>	2,500,000 2,050,000 800,000 250,000 2,200,000	NIL NIL NIL NIL NIL	25 cents 25 cents 25 cents 25 cents 10 cents	31/12/10 31/12/11 31/12/12 31/12/13 31/12/14
7.8 Issued during quarter	NIL			
7.9 Exercised during quarter	NIL			
7.10 Expired during quarter	NIL			
7.11 Debentures <i>(totals only)</i>	NIL			
7.12 Unsecured notes <i>(totals only)</i>	NIL			

+ See chapter 19 for defined terms.

- * On 24 June 2010, the Company completed a placement of 22,375,000 fully paid shares to raise \$179,000. The placement was at an issue price of \$0.008 cents per share. However shares were not allotted until July 2010.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Serene Chau* . Date: **30 July 2010**
(~~Director~~/Company secretary)

Print name: Serene Chau

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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