

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

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## **QUARTERLY REPORT**

**31 December 2004**

### **Highlights**

#### **AUSTRALIA**

##### **TELFER, WESTERN AUSTRALIA - GOLD EXPLORATION**

The first of four deep diamond drill holes completed. Partial results received.

#### **AFRICA**

##### **TSUMKWE, NAMIBIA - DIAMOND EXPLORATION**

Significant numbers of mineral grains recovered with remnant kimberlite surfaces.

# MOUNT BURGESS MINING N.L.

## REPORT FOR THE QUARTER ENDED 31 DECEMBER 2004

### AUSTRALIA

#### TELFER GOLD PROJECT

(Mount Burgess Mining N.L 100%, Barrick Gold of Australia Limited has the right to initially earn 51%)

The Company has a joint venture agreement with Barrick Gold of Australia Limited (Barrick) to explore its tenements in the Telfer area. Barrick has the right to earn an initial 51% by the expenditure of A\$5 million within five years, at which point the Company can elect to either fund pro-rata its 49% share or be free-carried to a decision to mine with a 25% equity holding. Barrick met the required A\$1 million expenditure by the end of December 2004.

The tenements under joint venture are centred some 15 km to the north and north west along structural and stratigraphic strike of the Telfer Gold Mine.

During the quarter **four RC pre-collars were completed in preparation for diamond coring**, two at Tims Dome and two at East Thompsons Dome. Composite samples of every four metres from the four pre-collars were submitted for assay and the pre-collar from BTRCD 0003 from East Thompsons Dome returned the following:

Hole No.	Co-ordinates		Az°	Dip°	From - To (m)	Width (m)	Grade g/t Au
	Northing	Easting					
BTRCD0003	7607735	414050	190	-66	240-248	8	6.4

Single metre samples from the above two four metre composites were re-assayed and returned the following:

Hole No.	Co-ordinates		Az°	Dip°	From - To (m)	Width (m)	Grade g/t Au
	Northing	Easting					
BTRCD0003	7607735	414050	190	-66	243-246	3	8.04
				(including)	243-244	1	15.31

The diamond drill tail for BTRCD 0003 was terminated at a depth of 1,041.3m. At time of reporting assaying of 420 metres of core from BTRCD0003 had been completed. No significant assays have been reported. Outstanding results should be available during the first quarter 2005.

All of the above results were obtained from fire assay.

Diamond core drilling is currently in progress at Tim's Dome.

## **MOUNT ELVIRE- Gold, Copper, Nickel**

(Mount Burgess Mining N.L. 100%)

The Mount Elvire tenements (E30/256, E30/258, E29/496, E29/498 and E77/1044) cover a combined area of 832.30 sq. kilometres and are centred some 210km north of Southern Cross.

E77/1044

Follow-up sampling returned **8.48g/t Au and 9.28g/t Au** from a historical shaft that had previously produced a 3.6g/t grab sample. This mineralisation has a narrow alteration zone and as such no further work is recommended in this immediate area. A structural interpretation along strike of this gold mineralisation will be undertaken to determine a possible increase in size.

E29/496

Follow up detailed rock chip and channel chip sampling over a previously sampled layered intrusive downgraded the previously returned PGE values. Moderately anomalous nickel and copper values of up to **2400ppm and 900ppm** respectively indicate further selective sampling and interpretation is required.

## **AFRICA**

### **DIAMOND EXPLORATION**

TSUMKWE, Namibia

**EPL's 2012, 2014, 2817, 2819, 3019 and 3020**

(In joint venture between MTB (Namibia) (Proprietary) Ltd 90% and Kimberlite Resources (Pty) Ltd 10%)EPL's 3021 and 3022 MTB (Namibia)(Proprietary) Ltd 100%

### **Drilling, Loaming, Heavy Mineral Processing and Binocular Microscopy**

During this quarter 71 RAB holes were drilled for 3024 metres. 154 loam samples were collected and jigged at the Company's plant site. The concentrates were examined by MTB's Microscopist in Windhoek.

From 248 loam sample concentrates examined, 49 returned kimberlite indicator minerals ranging from 1 to 5 grains of varying freshness.

In addition a single loam sample taken in the central area of the project returned a suite of very fresh kimberlite indicator minerals as follows:

**124 Pyrope Garnets**

**19 Ilmenites**

**5 Chrome Diopsides**

All of the above were recovered from within the 0.4 mm to 0.8 mm fraction and represent the largest number of kimberlite indicator minerals recovered from a loam sample on this project.

**The surfaces of many of the above kimberlite mineral grains have remnant kimberlite attached, indicating that they have been sourced from a kimberlite within very close proximity.**

The area from which this loam sample was taken is covered by about 15 m of Kalahari sands and based on previous positive results, was targeted as an area likely to host a kimberlite.

Microprobing will be undertaken to determine the diamond affinity of the indicator mineral grains. Repeat and grid loam sampling is currently being conducted and a ground gravity crew has been mobilised to the area.

Other positive drill results from drilling include:

NAM 589	8 pyrope garnets
NAM 583	6 pyrope garnets
NAM 587	3 pyrope garnets

## **BASE METAL EXPLORATION**

### **KIHABE, BOTSWANA**

PL 69/2003

(Mount Burgess Mining N.L. 100%)

Mapping and line clearing were conducted during this quarter over a known gossanous area that had previously returned rock chip values up to 12.4% lead, 3.98% zinc 102g/t silver and 1.6% vanadium.

A ground geophysical (IP) programme is to be undertaken in February 2005 and has been designed to cover the anomalous base metal areas in both Botswana and Namibia. Drill testing will be dependant on these results.

All information in this report pertaining to ore reserves, mineral resources and exploration results, together with any related assessments and interpretations, has been approved for release by Mr Martin Spence, B.Sc., M.Aus.I.M.M., a qualified geologist and full-time employee of the Company, with more than five years experience in the field being reported on.

## **CORPORATE**

### **Share Placement**

During the quarter the Company placed 4,240,000 shares at A\$0.135 per share as announced to the ASX on 24 November 2004 to raise an additional A\$572,400.

## **Share Registry Investor Website**

The Company's Share Registry, Advanced Share Registry Services, now has investor information available for the Company's security holders. Shareholders can access the site from the direct link from the Company's website, [www.mountburgess.com](http://www.mountburgess.com) or at [www.asrshareholders.com](http://www.asrshareholders.com)

## **Company Website/Email announcements**

As soon as any Company announcements are made and then released to the market via the ASX, they are placed on the Company's Website at [www.mountburgess.com](http://www.mountburgess.com). Shareholders wishing to receive an email copy of announcements as they are made can email [mtb@mountburgess.com](mailto:mtb@mountburgess.com) with a request to be put on the Company's mailing list.

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

MOUNT BURGESS MINING N.L.

ABN

31009067476

Quarter ended ("current quarter")

31 December 2004

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(423)	(814)
(b) development	-	-
(c) production	-	-
(d) administration	(209)	(475)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	6
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(630)</b>	<b>(1284)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(630)</b>	<b>(1284)</b>

1.13	Total operating and investing cash flows (brought forward)	(630)	(1284)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	684	1552
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Placement Fees	(18)	(32)
	Other – Lease repayments	(2)	(4)
<b>Net financing cash flows</b>		<b>664</b>	<b>1516</b>
<b>Net increase (decrease) in cash held</b>		<b>34</b>	<b>232</b>
1.20	Cash at beginning of quarter/year to date	291	93
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>325</b>	<b>325</b>

**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	107
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**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

Barrick Gold of Australia Limited/Mount Burgess Mining N.L.Telfer Joint Venture  
Barrick has spent \$748,400 in the December quarter and \$1,541,400 in total as per their obligation in the JV Agreement

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	221	8

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
<b>Total</b>	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	7	99
5.2 Deposits at call	318	190
5.3 Bank overdraft	-	-
5.4 Other (cash in transit)		112
<b>Total: cash at end of quarter</b> (item 1.22)	325	401

**Changes in interests 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			



### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <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 <b>+Ordinary securities</b>	147,040,000	147,040,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,240,000 -	4,240,000 -		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> Employee Share Plans	200,000 1,750,000 1,100,000 100,000 2,400,000	Nil Nil Nil Nil Nil	<i>Exercise Price</i> 25 cents 25 cents 25 cents 25 cents	<i>Expiry date</i> 31/12/04 31/12/05 31/12/06 31/12/07 31/12/09
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 <b>Expired</b> during quarter	200,000		25 cents	31/12/04
7.11 <b>Debentures</b> <i>(totals only)</i>	N/A			

7.12	<b>Unsecured notes</b> ( <i>totals only</i> )	N/A	
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## 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: *Dean Scarparolo*  
(Company Secretary)

Date: 28 January 2005

Print name: DEAN A SCARPAROLO

## 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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