

MOUNT BURGESS MINING N.L.

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QUARTERLY REPORT

30 SEPTEMBER 2005

Highlights

AUSTRALIA

TELFER, WESTERN AUSTRALIA - GOLD EXPLORATION

Results from deep diamond core drilling conducted by Barrick Gold of Australia Limited, are now subject to review to determine the future direction of the project.

AFRICA

NAMIBIA, TSUMKWE -DIAMOND EXPLORATION

Very fresh kimberlitic garnets were recovered from follow up percussion drilling conducted over areas which previously yielded high kimberlitic garnet counts in the western portion of the tenements.

BOTSWANA - KIHABE BASE METALS PROJECT

A scoping study commissioned to assess the economic viability of the Kihabe silver, lead, zinc zone of mineralisation shows that the project has the potential to generate significant cash flows. Further infill drilling will be conducted.

MOUNT BURGESS MINING N.L.

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2005

AUSTRALIA

TELFER GOLD PROJECT

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

East Thompsons Dome

Results were received from the final diamond hole (BTDDD004) drilled as part of Barrick's assessment of the Telfer Joint Venture area. Assay results for this hole returned: [1m@11.47g/t](#) from 60-61m and [1m@2.03g/t](#) from 710-711m.

Results obtained from the whole programme of four deep diamond holes are now subject to review to determine the future direction of the project.

AFRICA

Namibia, Tsumkwe - Diamond Exploration

EPL's 2012, 2014, 2817, 2818, 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%

Open Hole Percussion Drilling

During this quarter 34 percussion holes were drilled for 2871 metres in the western area of the project, where previous drilling has yielded either high counts of kimberlitic garnets or very fresh kimberlitic garnets.

From these drill holes, 312 samples were concentrated to the 0.4-0.8mm and 0.8-1.2mm fractions and 72 of these samples returned positive results.

The following RAB drill hole results are significant as they contain either very fresh Class 4 garnets or very high counts of garnets.

Drill Hole Number	Class 4 Garnets¹ <i>(Refer to Garnet Classification Table)</i>	Class 5 Garnets¹ <i>(Refer to Garnet Classification Table)</i>	Class 6 Garnets¹ <i>(Refer to Garnet Classification Table)</i>
NAM 759		1	10
NAM 760		1	7
NAM 761			6
NAM 767	1	1	
NAM 768		3	1
NAM 772	6	4	4
NAM 773	2	3	
NAM 774	2	1	
NAM 775	7	2	
NAM 778		3	3

Drill holes NAM 772 to 775 which contain fresh class 4 kimberlite garnets are grouped in a 9 sq km area that previously returned fresh loam kimberlitic indicator minerals. Drill data and depth to basement is currently being assessed to define a possible local source.

Since the end of this quarter further drilling has been conducted in this area, resulting in two more holes producing very fresh pyrope garnets. NAM 800 produced 2 fresh Class 4 pyrope garnets and NAM 803 produced 3 very fresh Class 4 pyrope garnets.

A number of magnetic targets have been selected for immediate drilling in this area which has previously yielded significant numbers of G10 garnets² and a diamond.

Loam Sampling³

76 loam samples were collected, 54 were concentrated and examined by microscope for kimberlitic indicator minerals during this quarter. Of these 35 samples were positive for kimberlite indicator minerals. Included in this were:

Loam Number	Class 4 Garnets¹ <i>(Refer to Garnet Classification Table)</i>	Class 5 Garnets¹ <i>(Refer to Garnet Classification Table)</i>	Class 6 Garnets¹ <i>(Refer to Garnet Classification Table)</i>
NN3561		1	3
NN3560		1	5
NN3571			7
NN3586		1	2
NN3613			4

Namibia, Tsumkwe - Base Metal Exploration

EPL 3022

(Mount Burgess Mining N.L. 100%)

A further 8 percussion holes were drilled to source the Induced Polarity⁴ (I.P) anomaly in the east Tsumkwe base metal project area. Three of these holes failed to reach the projected target depth; the remaining five were drilled to intersect the I.P response below the modelled depth of approximately 35 metres.

No base metals were intersected nor was there any indication of the cause for this large and very intense I.P response.

A wildcat hole was drilled into a separate base metal soil geochemical target and returned 66 metres of 2.37g/t silver together with minor lead and zinc values.

Kihabe, Botswana – Base Metal Exploration

PL 69/2003

(Mount Burgess Mining N.L. 100%)

The Company has a significant zinc, lead and silver anomaly, with copper and vanadium credits which covers a distance of some 2.4 kilometres, striking in a north east direction at Kihabe in Botswana. (For diagram visit Kihabe under the Projects Section at the Company's website www.mountburgess.com)

As previously announced by the Company this anomaly has been R.C. drill tested by four wide spaced drill sections over the length of the anomaly as follows:

Section 1 was drilled 400 metres north east of the south western end of the anomaly

Section 2 was drilled 400 metres to the north east of Section 1

Section 3 was drilled 1,200 metres to the north east of Section 2 and

Section 4 was drilled 200 metres to the north east of Section 3

The Company must emphasise that the wide-spaced drilling done to date on this project is not sufficient to generate a categorised resource in terms of the JORC Code; however it believes that the drilling results indicate the probability of a significant mineralised system 2,400 metres long and 35 metres wide. Samples from drill holes from the four drill sections, which were subject to mixed acid digestion and analysis by ICP-OES, show average grades of 3% zinc, 1% lead and 28 grammes per tonne of silver. Initial metallurgical testwork conducted on drill chips, and announced to the market of 24 September 2004, shows that recoveries for each of zinc, lead and silver are all in the 90 percentile.

Based on the possibility of future demand generating higher base metal prices in the longer term, during the quarter the Company engaged ProMet Engineers Pty Ltd to conduct a scoping study on the project as it currently stands.

Results from this scoping study have shown to be very encouraging and on the premise that planned infill drilling generates similar results to those achieved from the wide spaced drilling done to date, the Company could have a project capable of generating significant cash flows.

Results from the scoping study, which are released with the consent of Promet Engineers, are as follows:

PROMET ENGINEERS EXECUTIVE SUMMARY, PRELIMINARY SCOPING STUDY, KIHABE BASE METALS PROJECT

Mount Burgess Mining NL (Mt Burgess) is the owner of the Kihabe Base Metals Project in Botswana.

The Project is located on the western border of Botswana and is approximately 385 kilometres east of the Namibian town of Tsumeb.

Mineralisation at Kihabe continues westwards onto Mt Burgess's tenements in Namibia.

Kihabe is a highly prospective mineralized zone, with initial drilling and testwork indicating the potential for the Project to be commercially viable.

Whilst additional drilling and testwork will need to be undertaken to delineate a JORC compliant resource and confirm likely recoveries, the potential for this to occur based on the data reviewed by ProMet appears to be high.

The Kihabe mineralised zone over which drilling has been carried out to date, extends for a distance of approximately 2.4 kilometres.

Six anomalous base metal zones within close proximity of the Kihabe mineralised zone have been defined by drilling and soil sampling, including a massive sulphide gossan yielding 3.9% Zinc, 12.4% Lead, 102 grams per tonne of Silver and 1.6 % Vanadium.

In addition, copper values of > 0.5% have been returned from drilling that has been terminated in mineralisation.

For the purposes of this study ProMet has produced a base case financial model based on an initial open cut tonnage of 17,500,000 tonnes to 100 metres depth with average grades for Zinc of 3%, Lead 1% and Silver at 28 grams per tonne.

Additional models have been produced that include Vanadium at 0.05% and Copper at 0.05% however it must be noted that insufficient drilling and testwork has yet been undertaken to allow for these minerals to be included in the base case model.

The Project economics have been based on mining and processing 2,500,000 tonnes of ore per annum at a stripping ratio of three tonnes of waste for each tonne of ore.

The proposed plant design is based on crushing the run of mine to < 300 mm that will be fed into a sag mill and then into a ball mill with < 45um material undergoing floatation to produce separate lead-silver and zinc concentrates.

Copper and/or Vanadium will also be produced along with the other products by means of selective sequential floatation, this being subject only to sufficient grade being delineated to justify their recovery.

The process plant will have dedicated individual circuits for each concentrate which will be thickened and then pumped to surge tanks prior to filtration.

The filtered concentrate will then be stored undercover and bagged prior to being loaded onto trucks and transported by road to the smelter.

An order of magnitude capital and operating cost estimate has been undertaken based on the above with costs being compiled using ProMet Engineers in-house database.

Please note that ProMet has taken a conservative approach to this study using Australian costs for the mining, plant capital and operating costs plus the associated infrastructure and the transport costs to the smelter.

The mining and road transport costs are based upon using mining and transport contractors for these activities with the capital for their plant and equipment being provided by the contractors based on five year contracts being entered into between the contractors and Mt Burgess.

All other capital expenditure, based on an order of magnitude level of accuracy is USD 100,000,000.

The estimated operating costs are USD 22.28 per tonne delivered to the smelter.

The metal prices used for this model are based on LME forecast pricing as follows:

Zinc	USD 1.358 per tonne
Lead	USD 925 per tonne and
Silver	USD 229.878 per tonne,

which combined yield a total in ground value of USD 40.89 per tonne.

Whilst preliminary testwork undertaken to date has produced recoveries of 94% for Zinc, 93% for Lead and 91% for Silver, ProMet has used the following yields in the financial model:

- Zinc 70%
- Lead 85%
- Silver 70%

Please note at the conclusion of the next scheduled testwork programme the model will be revised to reflect the expected increase in yields.

The base case geared model for the Project is showing an NPV of USD 56.79 million at a 10 % discount and an IRR of 31.9%.

end of ProMet Executive Summary

The Company is currently calling for tenders to infill drill the Kihabe zone of mineralisation and conduct exploration drilling on the other six defined anomalies, which are within a 15 km radius of Kihabe.

GLOSSARY

1. *Classification of Indicator Mineral Grains to determine the Distance they have travelled*

	<i>Mineral grains with remnants of their original surface</i>	<i>Mineral grains without remnants of their original surface</i>
<i>Grains that do not show any signs of wear indicating that they are either on kimberlite or have travelled only a short distance from a kimberlite source</i>	<i>Class 1</i>	<i>Class 4</i>
<i>Grains that show a slight amount of wear indicating that they have travelled a short to moderate distance from a kimberlite source</i>	<i>Class 2</i>	<i>Class 5</i>
<i>Grains that show moderate to extensive amounts of wear indicating that they could have travelled a moderate to a long distance from a kimberlite source</i>	<i>Class 3</i>	<i>Class 6</i>

2. *G10 (Group 10) garnets belong to Dawson and Stephens' (1975) diamond-inclusion garnet group. G10 garnets are similar to garnet inclusions often found within diamonds, indicating that G10 garnets are likely to be derived from deep-seated sources within the diamond stability field and have shed from a diamond bearing kimberlite.*
3. *One of the methods applied in exploring for kimberlites is to collect loam samples from the surface of the ground and determine whether they contain kimberlitic indicator minerals. If loam samples are found to contain kimberlitic indicator minerals, it is possible that a kimberlite could be within or close to the area being sampled.*
4. *Inverse Polarisation Survey*
- A survey to determine the electrical chargeability of underlying rocks. Certain minerals such as sulphides and graphites have a high chargeability which should be detected by such a survey. Certain sulphides can contain gold, nickel, base metal and many other forms of mineralisation.*

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.

CORPORATE

Share Placement

During the quarter the following share placement was made.

7,000,000 shares at A\$0.10 per share as announced on 5 September 2005 to raise an additional A\$700,000.

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. Shareholders wishing to receive an email copy of announcements as they are made can email 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")

30 September 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(421)	(421)
(b) development	-	-
(c) production	-	-
(d) administration	(235)	(235)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(653)	(653)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(4)
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)	-	-
Net investing cash flows	(4)	(4)
1.13 Total operating and investing cash flows (carried forward)	(657)	(657)
1.13 Total operating and investing cash flows (brought forward)	(657)	(657)

+ See chapter 19 for defined terms.

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	700	700
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	(58)	(58)
	Other – Lease repayments	(3)	(3)
Net financing cash flows		639	639
Net increase (decrease) in cash held		(18)	(18)
1.20	Cash at beginning of quarter/year to date	538	538
1.21	Exchange rate adjustments to item 1.20	7	7
1.22	Cash at end of quarter	527	527

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	101
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

Barrick Gold of Australia Limited/Mount Burgess Mining N.L. Telfer Joint Venture
Barrick has spent \$157,542 in the September quarter and \$3,624,811 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	256	249

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
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	38	57
5.2 Deposits at call	489	411
5.3 Bank overdraft	-	-
5.4 Other (cash in transit)	-	70
Total: cash at end of quarter (item 1.22)	527	538

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			

+ See chapter 19 for defined terms.

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 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	171,040,000	171,040,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,000,000	7,000,000		
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options Employee Share Plans	1,750,000 850,000 100,000 2,200,000 3,000,000	Nil Nil Nil Nil Nil	<i>Exercise Price</i> 25 cents 25 cents 25 cents 25 cents	<i>Expiry date</i> 31/12/05 31/12/06 31/12/07 31/12/09 31/12/10
7.8 Issued during quarter	3,000,000	Nil	25 cents	31/12/10
7.9 Exercised during quarter	Nil			
7.10 CANCELLED during quarter	Nil			
7.11 Debentures <i>(totals only)</i>	N/A			
7.12 Unsecured notes <i>(totals only)</i>	N/A			

+ See chapter 19 for defined terms.

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 October 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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