

MOUNT BURGESS MINING N.L.

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QUARTERLY REPORT 31 March 2007

Highlights

AFRICA

BOTSWANA - KIHABE ZINC PROJECT

Ravensgate, Minerals Industry Consultants compiled an initial resource on the Company's Kihabe Zinc Project in Botswana.

1,792 metres of diamond core drilling was completed during the quarter on the Kihabe Project.

NAMIBIA, TSUMKWE -BASE METALS EXPLORATION

During the quarter the Company continued with ground geochemical sampling in Namibia, along strike from the Kihabe Zinc Project in Botswana.

AUSTRALIA

TELFER, WESTERN AUSTRALIA - GOLD EXPLORATION

Negotiations continue towards a Joint Venture with various interested parties.

BOTSWANA, KIHABE ZINC PROJECT

PL 69/2003

(Mount Burgess Mining N.L. 100%)

Initial Resource

During the quarter, Ravensgate, Minerals Industry Consultants, compiled an initial resource on the Company's Kihabe Zinc Project in Botswana.

In summary, these initial resource statements show that:

- **The Company has indicated and inferred zinc, lead and silver resources in the order of 11 million tonnes**
- **The average zinc equivalent grade amounts to 2.55%**
- **The resources are calculated to a depth of 150m with some extensions to 190m**
- **At current zinc prices (US\$3,500/t) and US\$/Aus\$ exchange rates (Aus\$1 = US\$0.825) the gross in-ground value of the Kihabe Resources is in the order of US\$981 million or Aus\$1,189 million.**

The gross in-ground values shown above are for resource value estimates only and do not represent recoverable values as metallurgical test work has still to be completed to determine metal recoveries.

The initial Indicated and Inferred Resource Model has been compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code-December 2004) based on data from 12,018 meters of Reverse Circulation (RC) drilling along a 2.4km zone of zinc, lead, silver, copper and vanadium mineralisation. From this drilling some 10,100 individual meters were submitted for assaying and from these, 2,060 meters, representing all zinc assays above 0.5%, were submitted for check assay to the internationally accredited Genalysis Laboratory in Perth Western Australia.

A full geostatistical analysis and variography studies were conducted by Ravensgate as a basis for applying interpolation by the ordinary Kriging method, utilising drill hole sample composites of nominal 1m length. Models for zinc, lead and silver were appended and a zinc equivalent(s) field was calculated on the basis of 1% zinc = 1.67% lead and 75g/t silver. In addition, copper mineralisation present in the eastern zone of Kihabe was also modeled. Further drilling and metallurgical test work will be required to establish the significance of any potential contributions from vanadium and cobalt.

The Kihabe project is situated within 1km of the Namibian border and can be accessed either from the Botswana side, via the Trans Kalahari Highway to Nokaneng and then by 120km of gravel road or from the Namibian side via Tsumkwe through the Dobe border gate, 15km north of the project.

The Kihabe Mineral Resource Statements are as follows:

Mineral Resource Statement 12 April 2007 – Kihabe Base Metals Deposit – Indicated Resource – Reported at % Zn equivalent lower cut-offs

Zn Equivalent Lower Cut-Off (%Zn equiv)	Tonnes (t)	Grade				Metal		
		Zn (%)	Pb (%)	Ag (g/t)	Zn equivalent (%)	Zn (t)	Pb (t)	Ag (oz)
0.6	15,913,700	1.5	0.6	8.1	2.0	241,980	91,120	4,168,840
0.8	14,205,100	1.7	0.6	8.8	2.1	234,880	84,260	4,020,750
1.0	12,901,400	1.8	0.6	9.4	2.2	226,540	79,470	3,894,920
1.2	11,606,600	1.9	0.6	10.1	2.4	215,430	75,220	3,756,610
1.4	10,285,800	2.0	0.7	10.9	2.5	201,610	70,740	3,592,190
1.6	8,947,500	2.1	0.7	11.8	2.7	185,060	66,240	3,396,200
1.8	7,705,500	2.2	0.8	12.8	2.8	167,770	61,430	3,174,030
2.0	6,519,700	2.3	0.9	13.9	3.0	149,500	56,100	2,915,640

Mineral Resource Statement 12 April 2007 – Kihabe Base Metals Deposit – Inferred Resource – Reported at % Zn equivalent lower cut-offs

Zn Equivalent Lower Cut-Off (%Zn equiv)	Tonnes (t)	Grade				Metal		
		Zn (%)	Pb (%)	Ag (g/t)	Zn equivalent (%)	Zn (t)	Pb (t)	Ag (oz)
0.6	883,600	1.1	0.3	3.8	1.3	9,310	2,940	106,920
0.8	690,500	1.2	0.3	4.0	1.5	8,490	2,200	88,130
1.0	547,200	1.4	0.3	4.3	1.6	7,560	1,680	75,330
1.2	414,200	1.6	0.3	4.7	1.8	6,520	1,070	62,840
1.4	310,000	1.7	0.3	5.0	2.0	5,360	840	49,420
1.6	244,000	1.8	0.3	5.2	2.1	4,490	710	41,080
1.8	154,200	2.0	0.4	5.8	2.3	3,100	560	28,810
2.0	111,700	2.1	0.4	6.4	2.5	2,380	460	22,830

Mineral Resource Statement 12 April 2007 – Kihabe Base Metals Deposit – Cu Mineralisation – Inferred Resource – Reported at % Cu lower cut-offs

Lower Cut-Off (%Cu)	Tonnes (t)	Grade Cu (%)	Metal Cu (t)
0.00	3,135,800	0.12	3,610
0.05	2,562,800	0.13	3,400
0.10	1,371,800	0.18	2,520
0.15	616,400	0.26	1,590
0.20	329,900	0.33	1,100
0.25	191,300	0.41	790
0.30	136,400	0.47	640
0.40	92,100	0.53	490
0.60	19,800	0.66	130

The Parameters upon which the above Mineral Resource Statements were compiled and which form part of the Ravensgate Resources Report, are as follows:

Cell models were created in Datamine Studio software filling interpreted solids with parent cells and sub-cells. Individual models were created for zinc, lead, silver, copper and vanadium. The zinc, lead and silver models were combined and a zinc equivalent field calculated. Geological continuity of the zinc, lead and silver mineralisation at Kihabe is good, with reasonable continuity of width and grade.

Item	Details	Comments
Cells Size	25m (X) by 5m (Y) by 5m (Z)	Sub-celled to match solids
Interpolation Method	Ordinary Kriging	Validated by ID2 estimate
Search Radii	Variable by domain	Nominal 115m by 50m by 10m
Nominal Drill hole spacing	100m by 20m	

Surface diamond drill hole collar surveys used differential GPS; downhole surveys used a single shot magnetic instrument; a provisional density database was utilised; there is high assay confidence following systematic QA/QC analysis and re-assaying of samples above 0.5% Zn. An alternate inverse distance squared estimate was made to validate the ordinary kriged resource. A validation of drillholes against block model grades was made.

During the quarter the Company received further assay results, using ICP-OES method from RC Drilling as follows:

Section 11,900E

KRC082 11,894E/10,094N, Dip - 60 deg, Azimuth 159 deg.
 Drilled to test for mineralisation down to 100m RL and also to test for extensions to mineralisation to the north east.

The hanging wall dolomite/quartzite contact was logged at 117m.

From	To	Zinc	Lead	Copper	Vanadium	Silver
85	86	1.23%				
91	92	16m 3.34%	2m 1.85%			3m 20.0g/t 0.64oz/t
92	93					
93	94					
94	95					
95	96				2m 568ppm	
96	97					
97	98					
98	99				951ppm	
99	100					
100	101					
101	102			10m 2.26%		
102	103				0.18%	
103	104					
104	105					
105	106					
106	107		incl 3m 6.69%			10m 45.7g/t 1.47oz/t

End of Hole 120m

NOTE: The results reported above differ from those announced on the 31st January 2007 and reflect check assay results received from Genalysis Laboratories in Perth.

These results indicate the potential for the current resource to be extended both at depth and further to the east. Further drilling on the northern side of Section 12,000E and East of Section 12,000E will be conducted to test this.

CURRENT WORK PROGRAMME

During the quarter 1,792 metres of diamond core drilling was completed. Diamond drill core is currently being cut and submitted to laboratories in Johannesburg, South Africa and Perth, Western Australia for additional check assaying and metallurgical test work. Once all these check assays and metallurgical testwork results have been received, (which is expected to be within the next three months) a preliminary open-cut mine design will be prepared to evaluate mining economics.

It is believed that results from the diamond drilling programme and further planned RC drilling will show the potential to increase the above initial resource tonnages at depth, between the western and eastern zones and along extensions to the north eastern zone. In addition, further work planned and being conducted on extensions to the Kihabe zone of mineralisation on the Namibian side of the border and other significant anomalies in Botswana, has the potential to generate additional resource tonnes.

NAMIBIA, TSUMKWE - BASE METAL EXPLORATION

During the quarter further base metal soil geochemical sampling was conducted along extensions to the Kihabe zone of mineralisation, within that portion of the Damaran stratigraphy on the Namibian side of the border. Some 225 samples, for which results are still pending, taken at 100m intervals along lines spaced 200m apart, were collected during the quarter.

An in depth review of the Damaran stratigraphy on the Namibian side of the border has revealed two further geological and geochemical signatures coincident with elevated zinc soil geochemical values that are along strike from and look very similar to the main Kihabe zone of mineralisation in Botswana.

AUSTRALIA, TELFER - WESTERN AUSTRALIA - GOLD EXPLORATION

The Company is following up on a number of potential joint venture proposals on its Telfer tenements.

CORPORATE

Share Placements

During the quarter the Company completed the following share placement:

26 February 2006	Issue of 15,000,000 shares at 7 cents per share to raise the Company \$1,050,000
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The information in this report that relates to exploration results, together with any related assessments and interpretations, is based on information compiled by Mr Giles Rodney (Rod) Dale, FRIMT, of GR Dale and Associates, who is a non executive Director of the Company. Mr Dale is a Fellow of The Australasian Institute of Mining and Metallurgy.

Mr Dale 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 Dale consents to the inclusion in the report of the matters based on this 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.

Name of entity

MOUNT BURGESS MINING N.L.

ABN

31009067476

Quarter ended ("current quarter")

31 March 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(567)	(1,901)
(b) development	-	-
(c) production	-	-
(d) administration	(241)	(918)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	14
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	(803)	(2,806)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(16)	(68)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	26
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(16)	(42)
1.13 Total operating and investing cash flows (carried forward)	(819)	(2,848)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(819)	(2,848)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,050	3,258
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	(10)	(56)
	Other – Lease Liability repayments	(1)	(4)
Net financing cash flows		1,039	3,198
Net increase (decrease) in cash held		220	350
1.20	Cash at beginning of quarter/year to date	477	340
1.21	Exchange rate adjustments to item 1.20	2	9
Cash at end of quarter*			
1.22	<i>*Includes cash in transit of \$70,000</i>	699	699

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	85,000
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	205	15

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
Total	300

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	168	53
5.2 Deposits at call	531	424
5.3 Bank overdraft	-	-
5.4 Other (prove details)	-	-
Total: cash at end of quarter (item 1.22)	699	477

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	235,707,000	235,707,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	15,000,000	15,000,000		
7.5 +Convertible debt securities <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter (a) Increases through issues				
7.7 Options Employee Share Plans	50,000 1,350,000 2,500,000 5,300,000	Nil Nil Nil Nil	25 cents 25 cents 25 cents 25 cents	31/12/07 31/12/09 31/12/10 31/12/11
7.8 Issued during quarter	N/A			
7.9 Exercised during quarter	N/A			
7.10 Cancelled during quarter	500,000	NIL	25 cents	31/12/11
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

