

REPORT FOR THE QUARTER ENDED 31 MARCH 2008

HIGHLIGHTS

MANAGEMENT

Mr Murray Surtees, B.Sc, MDP, F.Aus.IMM, has been engaged to oversee the day to day geological operations and resource development.

KIHABE ZINC/LEAD PROJECT, BOTSWANA

Assay results from 16 diamond drill holes, drilled within the Kihabe Resource, were received during the quarter. **The overall average zinc equivalent grade of the main zones of mineralisation encountered in these drill holes amounts to 4.34% zinc equivalent**, based on LME spot prices for zinc and lead at 31st March 2008.

POTENTIAL TO DEVELOP ADDITIONAL RESOURCES – DRILLING IN JUNE QUARTER

Potential exists to develop additional open cut resources at Kihabe, to the west, the north and the south of the existing resource and also at depth to the 200m RL.

Potential exists to develop, within a short time frame, an open cut resource with a minimal stripping ratio, at the Nxuu Prospect, seven kilometres east of the Kihabe Resource. Significant zinc/lead mineralisation has been intersected in drilling a near surface, flat lying quartz wacke, covering an area of some 216,000 square metres.

DETAILED REPORT

MANAGEMENT

The Company has engaged the services of Mr Murray Surtees, B.Sc, MDP, F.Aus.IMM, to oversee its day to day geological operations and resource development. Mr Surtees is an experienced exploration geologist, having worked in a management capacity for many years in Africa, South America, Australia and the Near East, exploring for base metals and gold. Latterly he was Exploration Manager Eastern Africa, in charge of 12 countries, for Anglo American plc. Additionally, he has worked in large underground mining operations, as well as managing the mining of an exploration adit into a SEDEX deposit, similar to that at Kihabe. He is experienced in the evaluation and assessment of the economic viability of mineral properties and projects.

POTENTIAL OPEN CUT RESOURCE – KIHABE ZINC/LEAD PROJECT, BOTSWANA (Mount Burgess Mining NL. 100%)

During the quarter, final diamond drill core (DD) assay results were received from drilling conducted at the Company's Kihabe Zinc Project in Botswana. These holes were drilled to test for extensions to the Resource, to test the continuity of the mineralisation between previously drilled sections and to test for a grade increment expected from diamond core drill results, over and above the reverse circulation (RC) drill results which were used in the initial resource estimation.

A summary of results from these holes, highlighting the MAIN zones of mineralisation, shown in zinc equivalent grades, is as follows:

SECTION	DIAMOND DRILL HOLE NO.	MAIN MINERALISED ZONES (Zinc Equivalent Grades)*			
9700E	KDD150	10m @ 5.82%	Zinc equivalent from 79m to 89m		
		12m @ 4.33%	Zinc equivalent from 91m to 103m		
9850E	KDD119 (Within the same zone	25m @ 3.06%	Zinc equivalent from 93m to 118m		
		7m @ 5.37%	Zinc equivalent from 110m to 117m)		
	7m @ 3.60%	Zinc equivalent from 125m to 132m			
	(Within the same zone	1m @ 292.00g/t	(9.39oz/t) Silver from 131m to 132m)		
9950E	KDD122 (Within the same zone	16m @ 3.59%	Zinc equivalent from 12m to 28m		
		13m @ 15.40g/t	(0.50oz/t) Silver from 15m to 28m)		
		50m @ 4.42%	Zinc equivalent from 81m to 131m		
10,050E	KDD124	7m @ 85.60g/t	(2.75oz/t) Silver from 64m to 71m		
		15m @ 2.64%	Zinc equivalent from 71m to 86m		
	(Within the same zone	5m @ 25.00g/t	(0.80oz/t) Silver from 79m to 84m)		
		10m @ 81.10g/t	(2.61oz/t) Silver from 85m to 95m		
	(Within the same zone	3m @ 218.60g/t	(7.03 oz/t) Silver from 92m to 95m)		
	KDD125	31m @ 3.78%	Zinc equivalent from 30m to 61m		
	(Within the same zone	14m @ 101.60g/t	(3.27oz/t) Silver from 47m to 61m)		
		23m @ 4.04%	Zinc equivalent from 64m to 97m		
10,100E	KDD126 (Within the same zone	23m @ 9.08%	Zinc equivalent from 39m to 62m		
		9m @ 15.00%	Zinc only from 44m to 53m)		
		4m @ 448.00g/t	(14.40oz/t) Silver from 98m to 102m		
		9m @ 3.08%	Zinc equivalent from 104m to 113m		
10,150E	KDD127	3m @ 4.13%	Zinc equivalent from 104m to 107m		
		3m @ 6.59%	Zinc equivalent from 162m to 165m		
		14m @ 4.51%	Zinc equivalent from 174m to 188m		
		(Within the same zone	5m @ 7.78%	Zinc equivalent from 183m to 188m)	
10,250E	KDD128	6m @ 2.97%	Zinc equivalent from 42m to 48m		
		13m @ 4.58%	Zinc equivalent from 80m to 93m		
10,350E	KDD130	12m @ 3.59%	Zinc equivalent from 87m to 99m		
		6m @ 3.75%	Zinc equivalent from 158m to 164m		
10,400E	KDD131	24m @ 2.35%	Zinc equivalent from 92m to 116m		
		17m @ 3.31%	Zinc equivalent from 123m to 140m		
10,450E	KDD133	6m @ 4.02%	Zinc equivalent from 109m to 115m		
		23m @ 3.84%	Zinc equivalent from 124m to 147m		
10,900E	KDD136	9m @ 4.14%	Zinc equivalent from 143m to 152m		
11,450E	KDD140	4m @ 3.96%	Zinc equivalent from 97m to 101m		
		4m @ 2.84%	Zinc equivalent from 106m to 110m		
11,500E	KDD142	33m @ 3.79%	Zinc equivalent from 78m to 111m		
		4m @ 4.35%	Zinc equivalent from 117m to 121m		
		3m @ 3.43%	Zinc equivalent from 132m to 135m		
11,600E	KDD143 (Within the same zone	98m @ 5.51%	Zinc equivalent from 28m to 126m		
		12m @ 9.07%	Zinc equivalent from 51m to 63m,		
		13m @ 6.51%	Zinc equivalent from 102m to 115m,		
		3m @ 6.79%	Zinc equivalent from 119m to 122m,		
		and	14m @ 44.34g/t	(1.43oz/t) Silver from 52m to 66m)	
11,770E	KDD146	10m @ 3.17%	Zinc equivalent from 42m to 52m		
		8m @ 3.84%	Zinc equivalent from 62m to 70m		

* In this summary, the zinc equivalent grade comprises zinc and lead grades only. Silver is shown separately. Zinc equivalent grades were calculated on the closing LME spot prices on 31st March 2008, using US\$ 2,302/t for zinc and US\$2,788/t for lead.
Note: zinc equivalent grades will vary on a daily basis according to the change in daily LME spot prices for both zinc and lead.

Initial Company Combined Resource Estimate – April 2007

For preliminary planning purposes, the Company estimated, in April 2007, an initial combined Resource from the Independent Resource Summaries as shown in Figure 4. This initial combined Resource estimate, based only on RC drilling, amounted to 11 million tonnes at a zinc equivalent grade of 2.5%, with 95% of the combined resource estimate within the indicated category.

Observation

The overall average zinc equivalent grade for zinc and lead only of the above diamond drill core intersections, amounts to 4.34%. In contrast, the average zinc equivalent grade estimated from RC drilling only, used for the initial Resource Estimate, which includes silver and copper, was 2.5%. A revised Resource calculation will be necessary to determine any overall increment in Resource grade and tonnes. All diamond drilling results received to date are currently being entered into the resource model.

Assaying Process

Lead and silver values are determined by the process of XRF pressed pellet. Zinc values are determined initially by the process of XRF pressed pellet and secondly by ICP for any values in excess of 1% zinc.

Comparison of Twinned Diamond Core / RC Drill Hole Results

Both KDD131 and KDD143 were drilled to twin the previously drilled RC drill holes, KIH005 and KIH007, respectively, for the purpose of determining whether the diamond drill core results produce a higher grade compared to that from RC drilling.

A comparison between KDD143 and KIH007 showed that KDD143 intersected a 98m zone from 28m to 126m, grading 5.51% zinc equivalent. In contrast the previously drilled RC hole, KIH007, intersected a 126m zone from 27m to 133m, grading 4.35% zinc equivalent, resulting in a 26.7% increase in grade in KDD143. Both KDD143 and KIH007 were drilled down dip of the mineralised zone, which has a true width in the order of 40m.

Because of poor correlation between the zones of mineralisation found in drill holes KDD131 and KIH005, an accurate comparison of grade was not possible.

Extensions to the Kihabe Resource (Figure 1)

The final results for KDD150 confirm the discovery of a previously unknown zone of mineralisation. Drilling planned in this forthcoming programme will further test this zone with the potential to extend the known Resource to the west. Drilling is also planned to extend the Resource at depth to 200m RL, as well as testing for extensions to the north, around what may be a much tighter fold closure than previously believed. This zone has generated an IP anomaly similar to that generated within the zone of the main Kihabe Resource. A zinc in soil geochemical anomaly defined to the south of the Kihabe Resource will also be drill tested for additional resources.

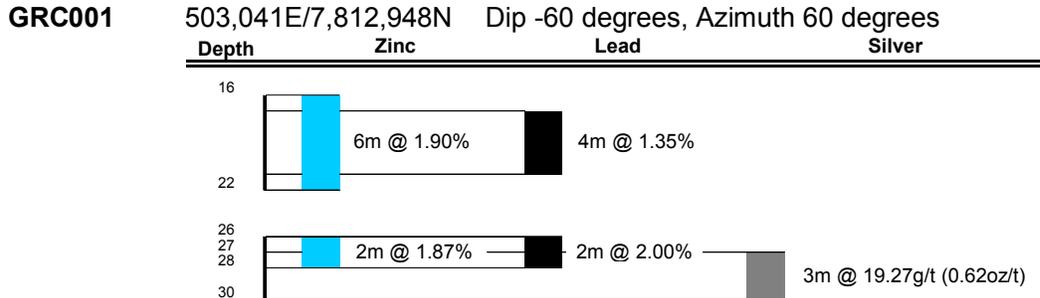
The Nxuu Prospect (Figure 2)

A large zinc soil geochemical anomaly, ranging from 300ppm to over 1,000ppm, defined seven kilometres east of the Kihabe Resource and drilled by Billiton in 1982, returned significant intersections of zinc and lead grades, similar to those encountered in drilling at Kihabe in the same year. **RC drill hole AP0006 returned an intersection of 27m @ 3.19% zinc equivalent, from 17m to 44m.** Mineralisation occurs within a flat lying quartz wacke which overlies a dolomite basin and is estimated to cover an area 800m x 270m or 216,000 square metres. The extent to which this quartz wacke will carry economic grade can only be determined by drilling. Covered by a veneer of Kalahari sands 2m - 5m deep, the mineralised quartz wacke is estimated to have a maximum depth of 50m – 60m in the “low “ of the basin, with an overall average thickness of around 25m. **Any resource generated within this prospect would be shallow, amenable to an open cut operation and would likely have a very low waste to ore ratio (see Figure 3).** The Company will prioritise diamond core drilling this prospect in this forthcoming programme for the purpose of generating a resource as soon as possible.

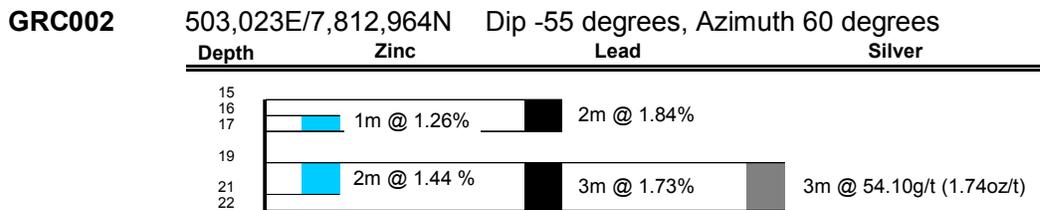
THE GOSSAN ANOMALY

Ten kilometres south of the Kihabe Resource, the Company drilled three RC holes into a gossan containing high zinc, lead and silver grades located by rock grab sampling. The peak grab sample grades were 21.95% zinc, 7.63% lead and 6.6 oz/t silver.

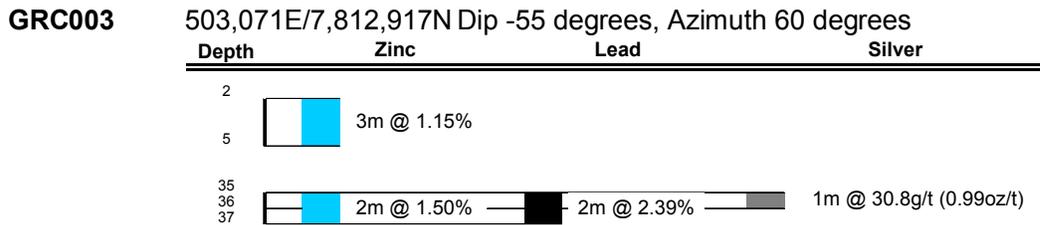
Final results using XRF for silver and lead and ICP for zinc have now been received for the three holes drilled into the eastern gossan and are as follows:



EOH 86m



EOH 76m



EOH 80m

As can be seen from these results, the gossan was intersected at 37m, which is believed to be within a possible depleted zone (which can be seen by comparing these grades with the higher grades at surface). Consequently, it is planned to test this gossan in this forthcoming programme at greater depth with diamond core drilling to determine whether the grade increases at depth.

Trenching is currently being conducted in the gossan area to trace its full extent. This has resulted in more gossan being exposed beneath the Kalahari sand cover around 125m to the south west of where the above drilling took place (see photograph below).



Gossan from end of Trench KT0004

A fourth hole was drilled into another area of gossan outcrop some 400m to the west. This hole, believed to be collared too far from the target, failed to intersect the gossan as planned. This gossan will again be tested with a closer positioned drill hole.

ONGOING DRILLING PROGRAMMES

In summary, the Company will be conducting further diamond core drilling as follows:

At the Kihabe Resource (Figure 1)

- To extend the Resource to the west,
- To drill test the Resource at depth, to 200m RL,
- To drill test what may be a tighter fold closure with a coincident IP anomaly to the north; and
- To drill test a soil geochemical anomaly to the south of the main Kihabe Resource.

At the Nxuu Prospect (Figure 2)

- To delineate a resource

At the Gossan Anomaly

- To test for higher grade mineralisation at depth

CORPORATE

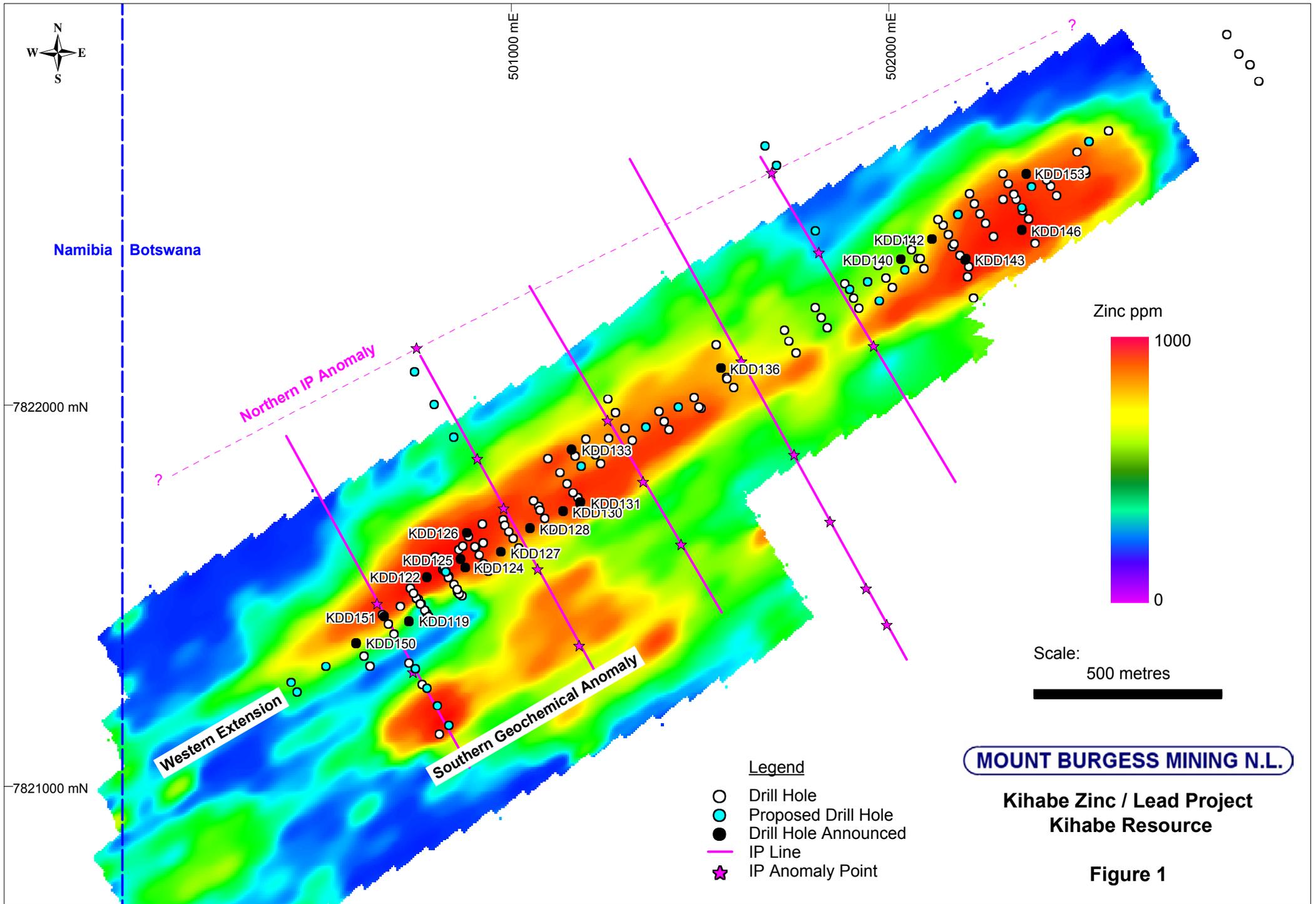
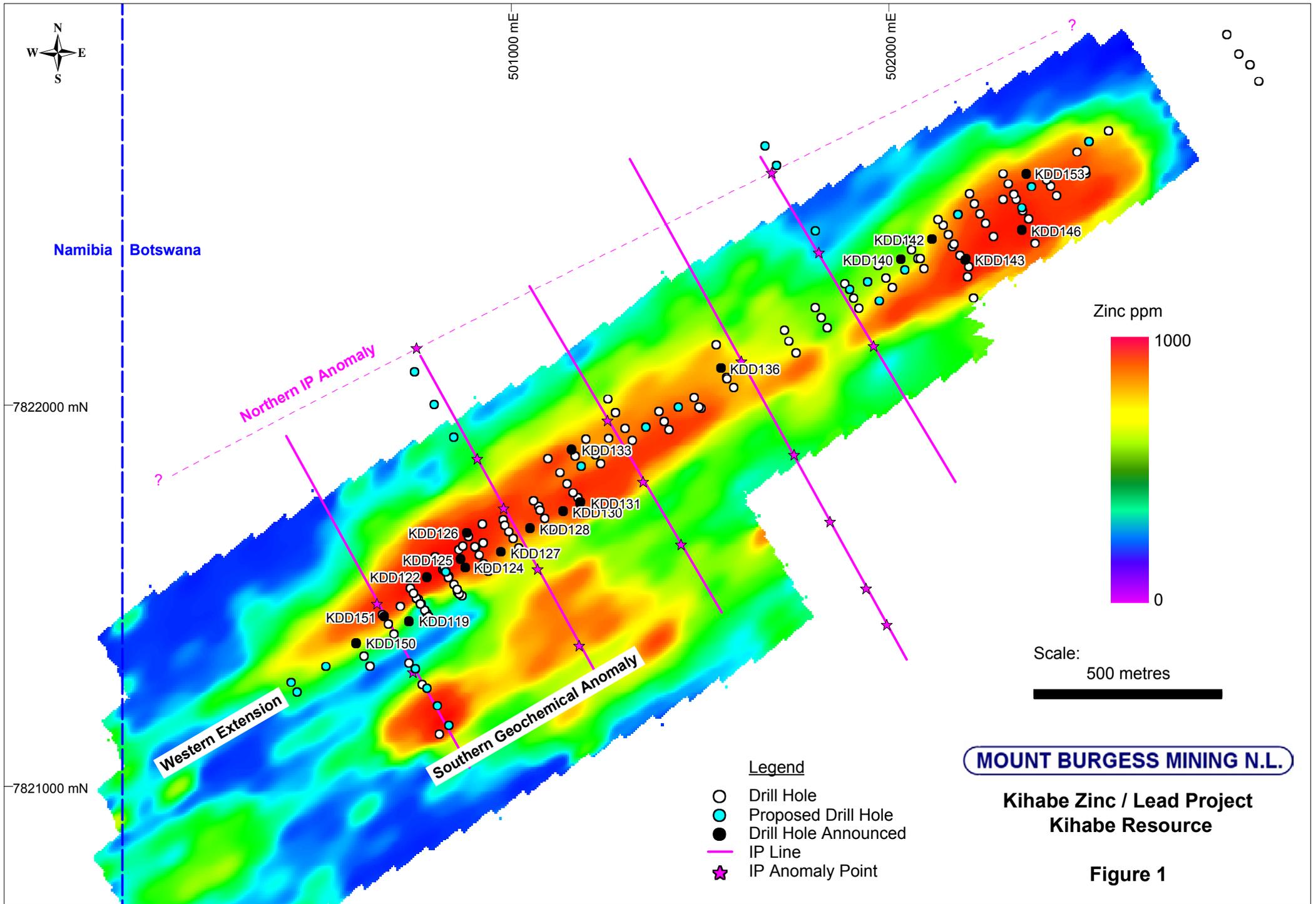
During the quarter, the Company raised \$780,000 through the issue of 13 million shares @ 6c per share.

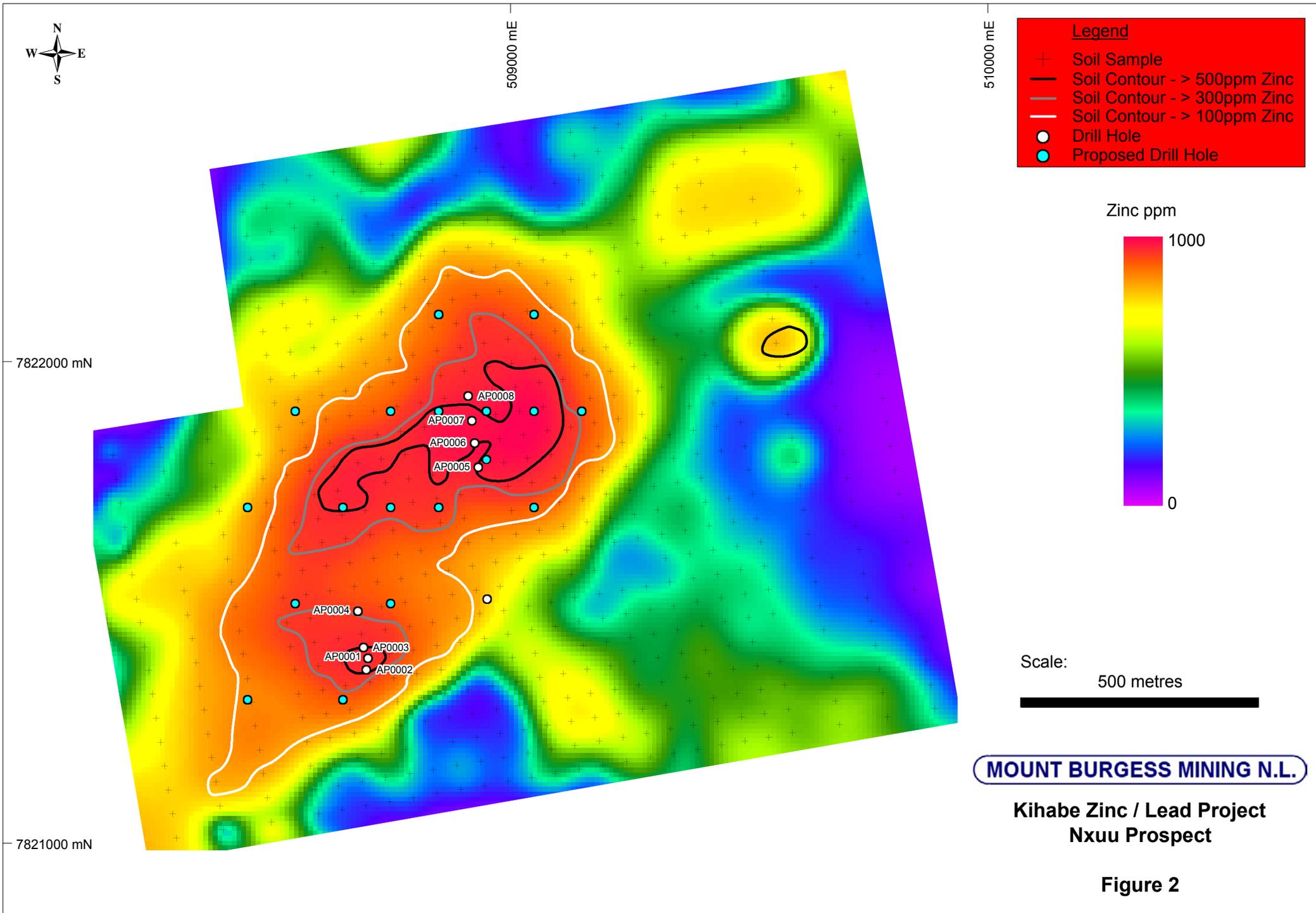
The information in this report that relates to exploration results, together with any related assessments and interpretations, is based on information compiled by Mr Murray Surtees, B.Sc, MDP, F.Aus.IMM. Mr Surtees is a Fellow of The Australasian Institute of Mining and Metallurgy.

Mr Surtees 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 Surtees consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

TO CONTACT US:

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MOUNT BURGESS MINING N.L.

**Kihabe Zinc / Lead Project
Nxuu Prospect
Composite Cross Section**

Figure 3

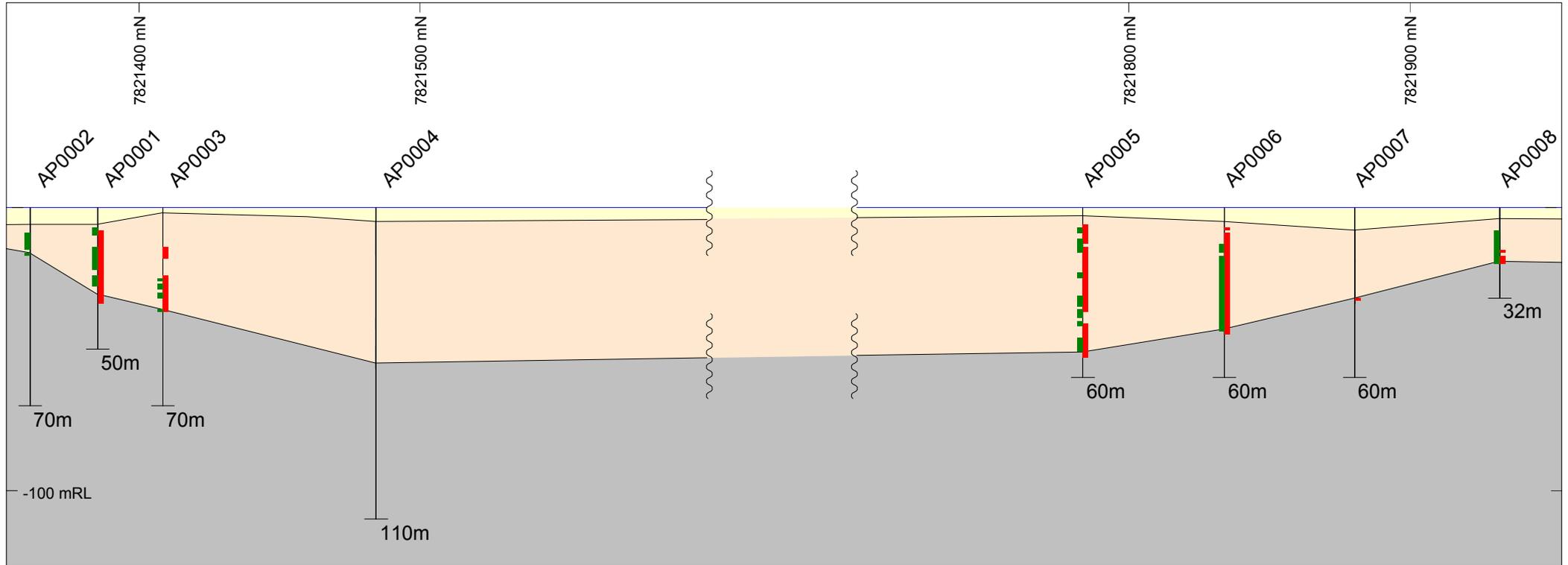
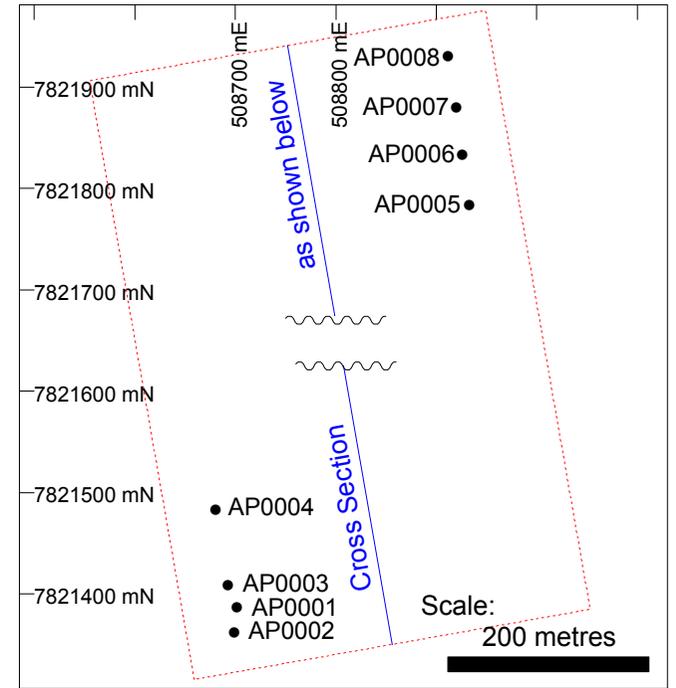
Scale:
100 metres



Legend

- Drill Hole
- Zinc > 0.5%
- Lead > 0.5%
- Kalahari Sand
- Quartz Wacke
- Dolomite

NOTE: Hole cross sections projected onto same section lines



MOUNT BURGESS MINING N.L.

Kihabe Zinc / Lead Project Initial Independent Resource Estimates March 2007

Figure 4

The initial zinc, lead and silver Resources, based only on RC drill results were estimated by Ravensgate, independent consultants, in March 2007, applying a range of zinc equivalent low grade cuts, as follows:

KIHABE INDICATED RESOURCE – Reported at various % 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

KIHABE INFERRED RESOURCE – Reported at various % 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

*Note: In the above Resource estimates, "% zinc equivalent" was calculated as follows: 1.67% lead = 1% zinc, 75g/t silver = 1% zinc

The following metal prices, current in March 2007, were used to calculate the zinc equivalent grade: Zinc US\$3,250/t, Lead US\$1,950/t and Silver US\$13:50/oz.

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 2008

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	(447)	(1,653)
(b) development	-	-
(c) production	-	-
(d) administration	(237)	(823)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(679)	(2,440)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(8)	(137)
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	(8)	(137)
1.13 Total operating and investing cash flows (carried forward)	(687)	(2,577)

1.13	Total operating and investing cash flows (brought forward)	(687)	(2,577)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	780	1,946
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	(21)	(74)
	Other – Lease liability repayments	(2)	(5)
Net financing cash flows		757	1,867
Net increase (decrease) in cash held		(70)	(710)
1.20	Cash at beginning of quarter/year to date	247	1,024
1.21	Exchange rate adjustments to item 1.20	12	15
1.22	Cash at end of quarter	329	329

**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	79
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

N/A

Financing facilities available

The Company maintains a seasonal overdraft facility of \$150,000.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	205	7

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	84	140
5.2 Deposits at call	245	107
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	329	247

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

	Total number	Number quoted	Issue price per security (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1 + Preference Securities	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 + Ordinary Securities	280,257,000	280,257,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	13,000,000 N/A	13,000,000 N/A		
7.5 + Convertible Debt Securities	N/A	N/A		
7.6 Changes during quarter (a) Increases through issues				
7.7 Options Employee Share Plans	1,100,000 2,500,000 5,050,000 900,000	NIL NIL NIL NIL	25 cents 25 cents 25 cents 25 cents	31/12/09 31/12/10 31/12/11 31/12/12
7.8 Issued during quarter	NIL			
7.9 Exercised during quarter	NIL			
7.10 Cancelled during quarter	50,000 500,000	NIL NIL	25 cents 25 cents	31/12/07 31/12/12
7.11 Debentures (totals only)	N/A			
7.12 Unsecured notes (totals only)	N/A			

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*
(Company Secretary)

Date: 16 April 2008

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.