



15 November 2016

KIHABE ZINC / LEAD / SILVER PROJECT DRILLING PROGRAM UPDATE

- **Drilling at all three previously untested zinc anomalies has intercepted the same Quartz wacke / Dolostone contact where the SedEx Zn/Pb/Ag mineralisation is found at the Company's near-by Kihabe and Nxuu deposits.**
- **19 RC holes drilled thus far for a total of ~1000m, across the three zinc soil geochemical anomalies. Two additional anomalies to be drilled within current program.**
- **First tranche of assay results expected in late November.**

Drilling at Mount Burgess' (The Company; ASX:MTB) Kihabe Zinc Project in Botswana (Figure 1) is progressing to schedule. Drilling has been completed at three of the previously untested target anomalies thus far, with the Quartz wacke / Dolostone contact intercepted at each anomaly at depths consistent with the Company's expectations.

Zinc / lead / silver mineralisation at the Company's established near-by deposits of Kihabe and Nxuu is contained within a mineralised zone of Quartz wacke at the contact with regional Dolostone. **This consistent geological profile acts as a significant pathfinder for the discovery of additional resources.** A recent independent geological review conducted by CSA Global supported this view by concluding that "It is obviously a huge system in a known productive basin and a system where it should be possible to develop an effective targeting model". It is therefore encouraging that drilling has intercepted that geological marker at all anomalies drilled in this drilling program thus far.

The Reverse Circulation (RC) program has drilled three targets thus far for a total of 19 holes and approximately 1,000m. (Refer to Figure 2)

- Target 52, is a Zn geochemical soil anomaly identified 2km SE of the Company's Nxuu deposit. The geochemical soil results suggest a possible mineralised strike length of more than 5km, which is more than double that of the combined strike lengths of the Kihabe and Nxuu deposits.
- Wanchu, a Zn geochemical anomaly 4km SW of the Nxuu deposit
- Wanchu West anomaly, a smaller but strong Zn anomaly just 1.5km south of the Kihabe zinc deposit.

Upon completion of drilling at Wanchu West the drill rig will progress to a section of the Lebala zinc anomaly and a Copper /Cobalt soil anomaly 3km NE of Lebala.

The first tranche of RC drilling assay results are expected in late November with the second and final tranche expected in December.

ABOUT THE COMPANY

Mount Burgess is one of a few ASX stocks positioned to leverage the increasingly strong zinc price.

The Company is entirely focussed on the Kihabe Zinc Project which consists of two deposits (Kihabe and Nxuu) and many additional soil anomalies within the ~1000km² licence area. The Kihabe and near-by Nxuu deposits have a combined Resource of 25 million tonnes @ 3% Zn equivalent grade (2004 JORC Code – see Table 1) with mineralisation occurring from 5m to 175m below surface and, as such, the Kihabe Project could potentially be mined by means of open pit mining methods.

Metallurgical test work has generated zinc recoveries of greater than 90% and zinc and lead concentrates of good marketable grade with few deleterious elements. Test work has also suggested the possibility of producing zinc metal on site via SX/EW.

The Company believes methods employed during historic RC drilling /sampling has resulted in assays under-calling the resource grade (see announcement dated 31/8/16 for detail). With additional investigation and validation, it is believed that the magnitude of the under-call of the grade of the existing Resource will be substantiated and, together with the possibility of material Germanium credits recently identified (see ASX announcement dated 5/5/16), there is the potential to substantially increase the overall Zn equivalent resource grade at the Kihabe and Nxuu deposits.

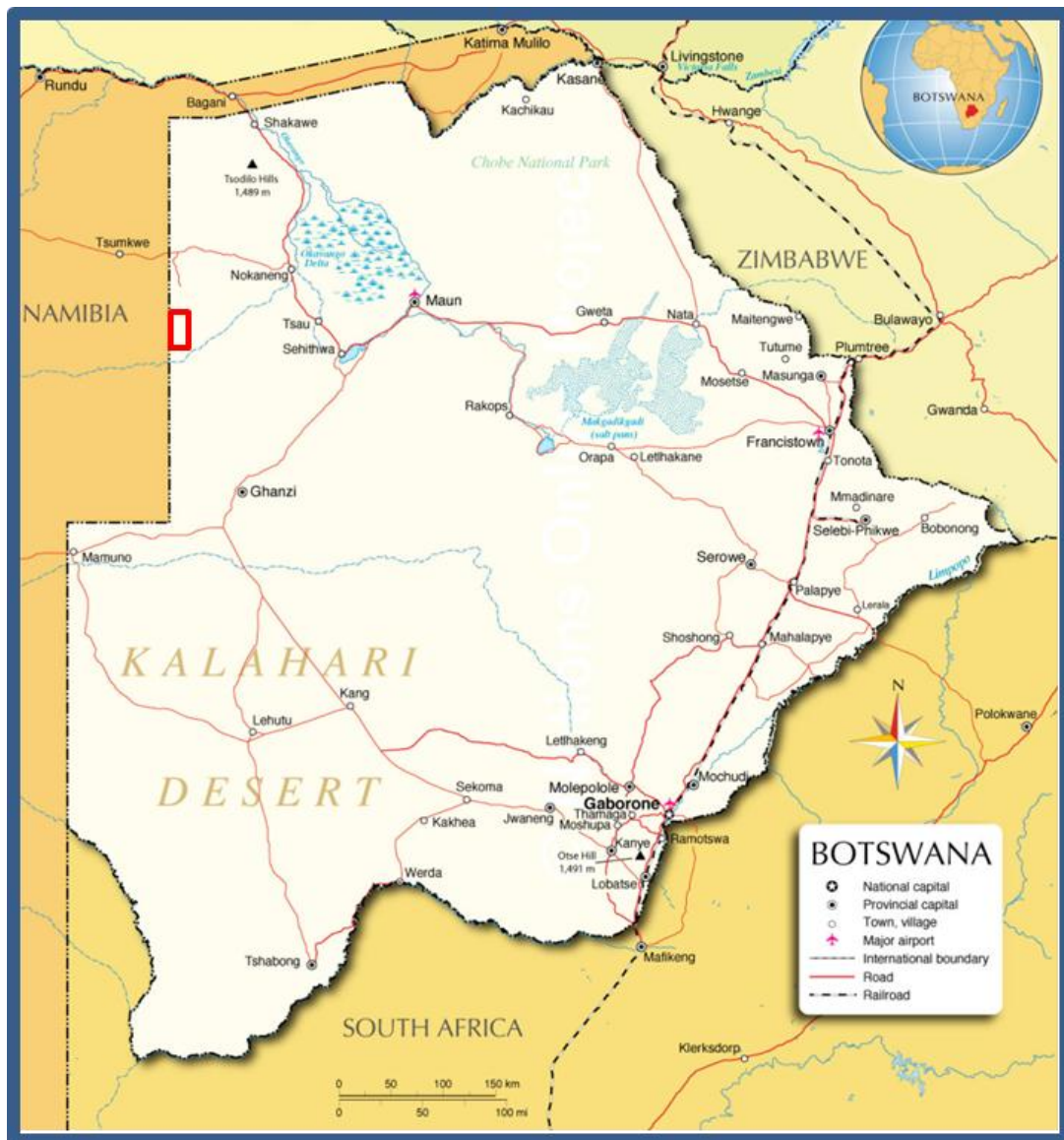


Figure 1: The Kihabe Project (red box) covers 997km² and is located in Botswana near the Namibian Border and border crossing of Dobe. The nearest railhead is 337km west. There is a landing strip on the licence area and an international airport at Maun ~250km east. There is an established camp on the licence area.

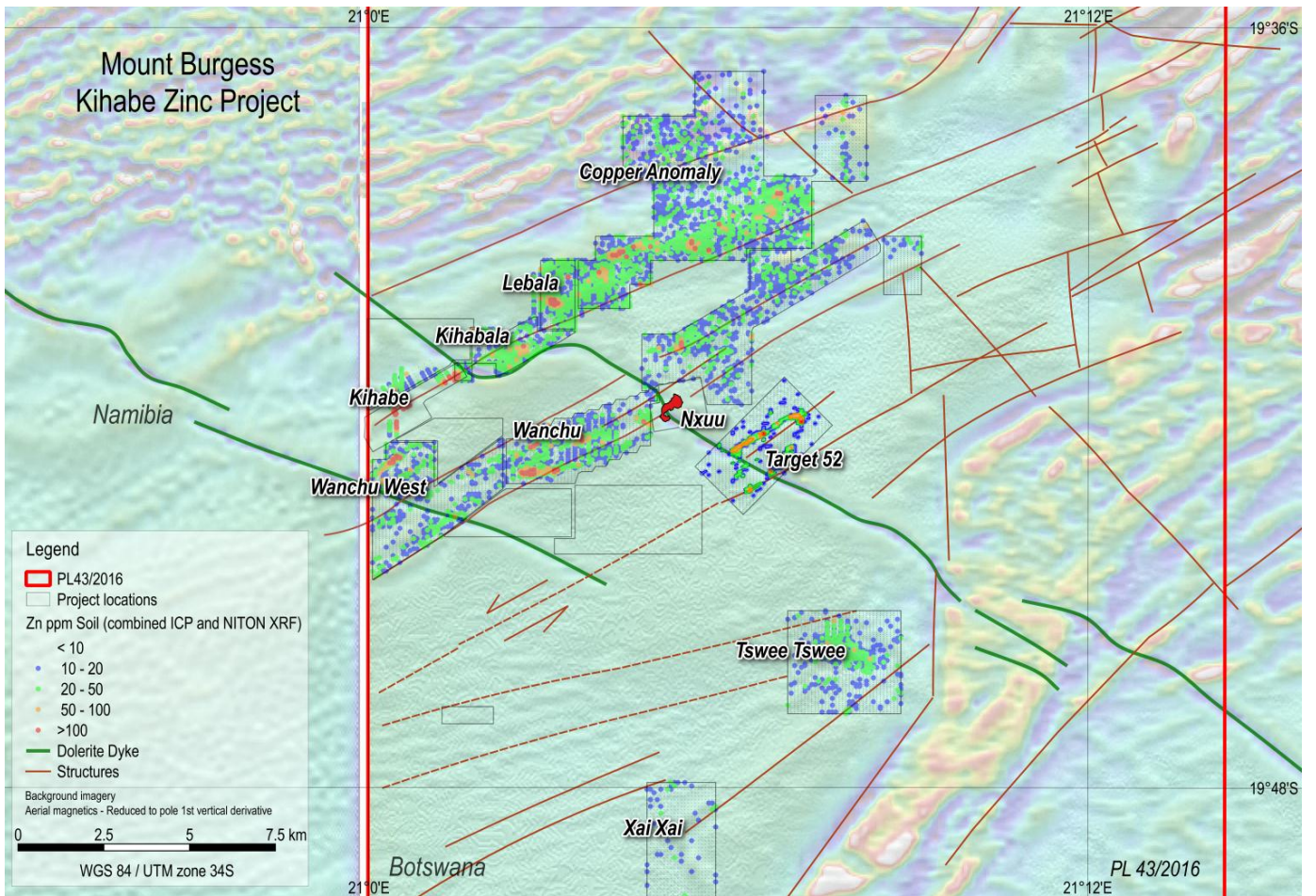


Figure 2: Kihabe Project zinc soil geochemical anomalies and their relative locations.

Table 1: Resource Statement for the Kihabe and Nxuu deposits. Reported 15/5/13

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%

Kihabe resource 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 1.8% Pb 0.8% Ag 7.7 g/t

Nxuu resource calculated on zinc & lead par value
 Grades applied: Zn 1.8% Pb 1.4%

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

KIHABE-NXUU METAL RECOVERIES

Independent metallurgical testwork has confirmed the metal recoveries shown in the table below. Accordingly, the Company believes these recoveries are achievable. Zinc recovered from acid leaching oxide zones will enable Zn metal to be recovered on site from electro-winning.

DEPOSIT	Zone	Time	Zinc	Lead	Silver
Kihabe					
Oxide Zone					
Acid leaching @40°C 30 kg/t acid	Oxide *	24 hrs	96.9%	91.9%	n/a
Sulphide Zone					
Rougher flot	Sulphide	90 seconds	91.9%	84.8%	94%
	Sulphide	15.5 mins	93.8%	88.1%	96.4%
Nxuu					
All Oxide					
Acid leaching @25°C 30 kg/t acid	Oxide *	12 hrs	93%	93%	n/a

* Note: Zn mineralisation in the oxidised zones is hosted within Smithsonite and Baileychlore and independent test work has confirmed both of these are amenable to acid leaching.

Forward Looking Statement:

This presentation contains forward looking statements in respect of the projects being reported on by the Company. Forward looking statements are based on beliefs, opinions, assessments and estimates based on facts and information available to management and/or professional consultants at the time they are formed or made and are, in the opinion of management and/or consultants, applied as reasonably and responsibly as possible as at the time that they are applied.

Any statements in respect of Ore Reserves, Mineral Resources and zones of mineralisation may also be deemed to be forward looking statements in that they contain estimates that the Company believes have been based on reasonable assumptions with respect to the mineralisation that has been found thus far. Exploration targets are conceptual in nature and are formed from projection of the known resource dimensions along strike. The quantity and grade of an exploration target is insufficient to define a Mineral Resource. Forward looking statements are not statements of historical fact, they are based on reasonable projections and calculations, the ultimate results or outcomes of which may differ materially from those described or incorporated in the forward looking statements. Such differences or changes in circumstances to those described or incorporated in the forward looking statements may arise as a consequence of the variety of risks, uncertainties and other factors relative to the exploration and mining industry and the particular properties in which the Company has an interest.

Such risks, uncertainties and other factors could include but would not necessarily be limited to fluctuations in metals and minerals prices, fluctuations in rates of exchange, changes in government policy and political instability in the countries in which the Company operates.

Competent Persons Statement:

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 was a Technical Director of the Company during the period in which the resource was calculated. 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.

The information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.