



ASX Code: MTB

21 July 2017

## **ASSESSING A PATH FORWARD FOR THE FUTURE DEVELOPMENT OF THE KIHABE Zn/Pb/Ag PROJECT**

- **Company is focussed on the Nxuu Resource as relatively low risk, low capex project that potentially lends itself to a relatively quick path to production**
- **Metallurgical test work program defined to investigate Nxuu processing pathways**
- **Genser Energy Africa Inc (Genser) to investigate power supply for the Project**

Mount Burgess Mining NL, (the Company) through its wholly owned subsidiary company Mount Burgess (Botswana) (Proprietary) Limited (Subsidiary Company) is in the process of determining a future pathway for the development of its Kihabe Zn/Pb/Ag Project (the Project) in Western Ngamiland, Botswana.

Of the two resources delineated on the Project to date (Kihabe and Nxuu – see Resource Statement attached) the Company believes the most cost effective pathway forward is to initially develop the Nxuu Resource.

The Nxuu Resource presents a low risk development route, being a fully-oxidised shallow basin-shaped deposit with a maximum depth of 60m. With the Zn/Pb mineralisation being fully oxidised the Company plans to produce zinc metal on site through solvent extraction and electro-winning (SX/EW) and is also investigating producing lead metal on site by means of a process shown to be successful in metallurgical testwork. To this end the Company has delivered diamond core from the Nxuu deposit to an Australian laboratory for similar metallurgical testwork.

### **Power**

For the purpose of producing zinc and lead metal on site, the Company will need a commercial and reliable power supply.

The Company needs to be able to determine a future timeframe for the provision of a commercial power supply in order to conduct a Feasibility Study on the Project.

Accordingly, the Company has signed a non-exclusive Letter of Intent with Genser, a company that has built and successfully commissioned LPG plants for several remote mining projects, some of which are not able to access high voltage grid power. In accordance with the Letter of Intent, Genser will assess the potential for the construction at its cost of an LPG power plant, on the basis that it can then provide the Subsidiary Company with the required power at a commercial KW/hr rate.

## Resource Statement for the Kihabe and Nxuu Deposits

Deposit	External Zn-eq Cut %	Indicated M Tonnes %	Inferred M Tonnes %	Total M Tonnes %	Contained Zinc metal (kt)	Contained Lead metal (kt)
Kihabe	1.5%	11.4 @ 2.90%*	3.0 @ 2.60%*	14.4 @ 2.84%*	259kt	115kt
Nxuu	0.3%	-	10.9 @ 3.20%*	10.9 @ 3.20%*	196kt	153kt
		<b>11.4 @ 2.90%*</b>	<b>13.9 @ 3.07%*</b>	<b>25.3 @ 3.00%*</b>	455kt	268kt

*Zinc Equivalent	Zn	Pb	Ag
Kihabe resource calculated on metal prices as at 17/7/2008	US\$1,818/t	US\$1,955/t	US\$18.75/oz
Kihabe Grades	Zn 1.8%	Pb 0.8%	Ag 7.7 g/t
Nxuu resources calculated on zinc and lead par value metal prices			
Nxuu Grades	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
<b>Kihabe</b>					
<b>Oxide Zone</b>					
Acid leaching @40°C 30 kg/t acid	Oxide *	24 hrs	96.9%	91.9%	n/a
<b>Sulphide Zone</b>					
Rougher float	Sulphide	90 seconds	91.9%	84.8%	94%
	Sulphide	15.5 mins	93.8%	88.1%	96.4%
<b>Nxuu</b>					
<b>All Oxide</b>					
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 (Nxuu) and Baileychlorite (Kihabe) and independent test work has confirmed both of these are amenable to acid leaching.

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 for the period in which the resource was developed. 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 regarding Kihabe and Nxuu Resources was first released 8 October 2008 and 20 January 2010 respectively and updated with recovery information 12 April 2012. 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.

#### **Forward Looking Statement:**

This report 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.

## **Other important Information**

**Purpose of document:** This document has been prepared by Mount Burgess Mining NL (MTB). It is intended only for the purpose of providing information on MTB, its project and its proposed operations. This document is neither of an investment advice, a prospectus nor a product disclosure statement. It does not represent an investment disclosure document. It does not purport to contain all the information that a prospective investor may require to make an evaluated investment decision. MTB does not purport to give financial or investment advice.

**Professional advice:** Recipients of this document should consider seeking appropriate professional advice in reviewing this document and should review any other information relative to MTB in the event of considering any investment decision.

**Forward looking statements:** This document contains forward looking statements which should be reviewed and considered as part of the overall disclosure relative to this announcement.

**Disclaimer:** Neither MTB nor any of its officers, employees or advisors make any warranty (express or implied) as to the accuracy, reliability and completeness of the information contained in this document. Nothing in this document can be relied upon as a promise, representation or warranty.

**Proprietary information:** This document and the information contained therein is proprietary to MTB.

ACN: 009 067 476  
8/800 Albany Hwy  
East Victoria Park  
Western Australia 6101  
Tel: (61 8) 9355 0123  
Fax: (61 8) 9355 1484  
mtb@mountburgess.com  
www.mountburgess.com