MOUNT BURGESS MINING N.L.

ACN 009 067 476

ASX RELEASE
16 May 2011

TSUMKWE RARE EARTH ELEMENTS (REE) PROJECT, NAMIBIA

Further mineralogical test work has been conducted on drill chips obtained from holes drilled into the Company's REE target at Tsumkwe in NE Namibia.

X – Ray Diffraction (XRD) analysis conducted on extracted grains from thin section has established that **the predominant mineral that hosts the REEs is synchysite, one of the few REE carbonate minerals.** Synchysite hosts the REEs cerium, lanthanum, neodymium and yttrium etc.

Of significance is the fact that as a carbonate mineral (as opposed to a calcium mineral) synchysite does not contain the same quantities of uranium and thorium as are found in calcium host minerals such as monazite and allenite. This makes the extraction of REEs through concentration and separation less complex. Also, the large particle sizes of synchesite observed in thin section, up to 200 microns with average densities of 4.025, renders them amenable to concentration and heavy media separation for the purpose of extraction.

Also observed in thin section, though the quantity has yet to be defined to determine its significance was **xenotime, the host to the heavy rare earths** (HREEs) dysprosium, erbium, terbium and ytterbium.

The presence of this un-common mineral synchysite suggests a possibility that some of the holes drilled to date in this area have been drilled into fenite, proximal to a carbonatite. With this possibility, the Company has conducted additional mineralogical test work aimed at determining the presence of fenite. Whilst abundant alkali feldspars containing fine haematite together with synchysite have been observed in the drill chips, as expected, observation so far has not detected soda pyriboles and breccia texture, which would also be expected.

Fenites develop as metasomatic halos around carbonatite intrusions, hosts to REEs. Alkali rich fluids migrate away from the crystallising carbonatite magma during the cooling process and penetrate/react with the fractured wall/country rock, converting it to an assemblage of alkali bearing minerals. This process is known as fenitization.

Attached is a TMI magnetic image of the REE target in Namibia showing drill hole locations of holes drilled to date into magnetic highs (observe the black dots in figure 1). If some of these holes were drilled into fenite then there is a possibility that the magnetic low target in the middle could be a carbonatite. The target has a W/E length of between 400 to 450m. This magnetic low target sits right in the hinge or "hair pin" bend of a structural fold which strikes at 80deg to the NE, around the magnetic low, then heads SW at 240deg.

Alternative opinion now is that this magnetic low should also be drilled as a potential kimberlite target as kimberlites can also cause fentization. A number of "fresh" and large (+ 0.8mm) G9 and G10 garnets have been found within close proximity of this target area, including 2 macro diamonds, one 2.5km NNE and another 4km E of this target.

The red cross to the east of the target shows the location of a breccia dyke (observe photograph attached in figure 2) recently discovered by the diamond geologist Mr Manfred Marx, which needs to be drill tested to see if it is covering a kimberlite dyke. The strike of this dyke is at 256deg, heading in a SW direction straight for the bottom of the magnetic low anomaly.

Drilling will be conducted once the Company is able to access the target area. Longer than normal seasonal rains have prohibited access to date, through large areas of muddy black cotton soil. Weekly visits to the area are being made to determine accessibility.

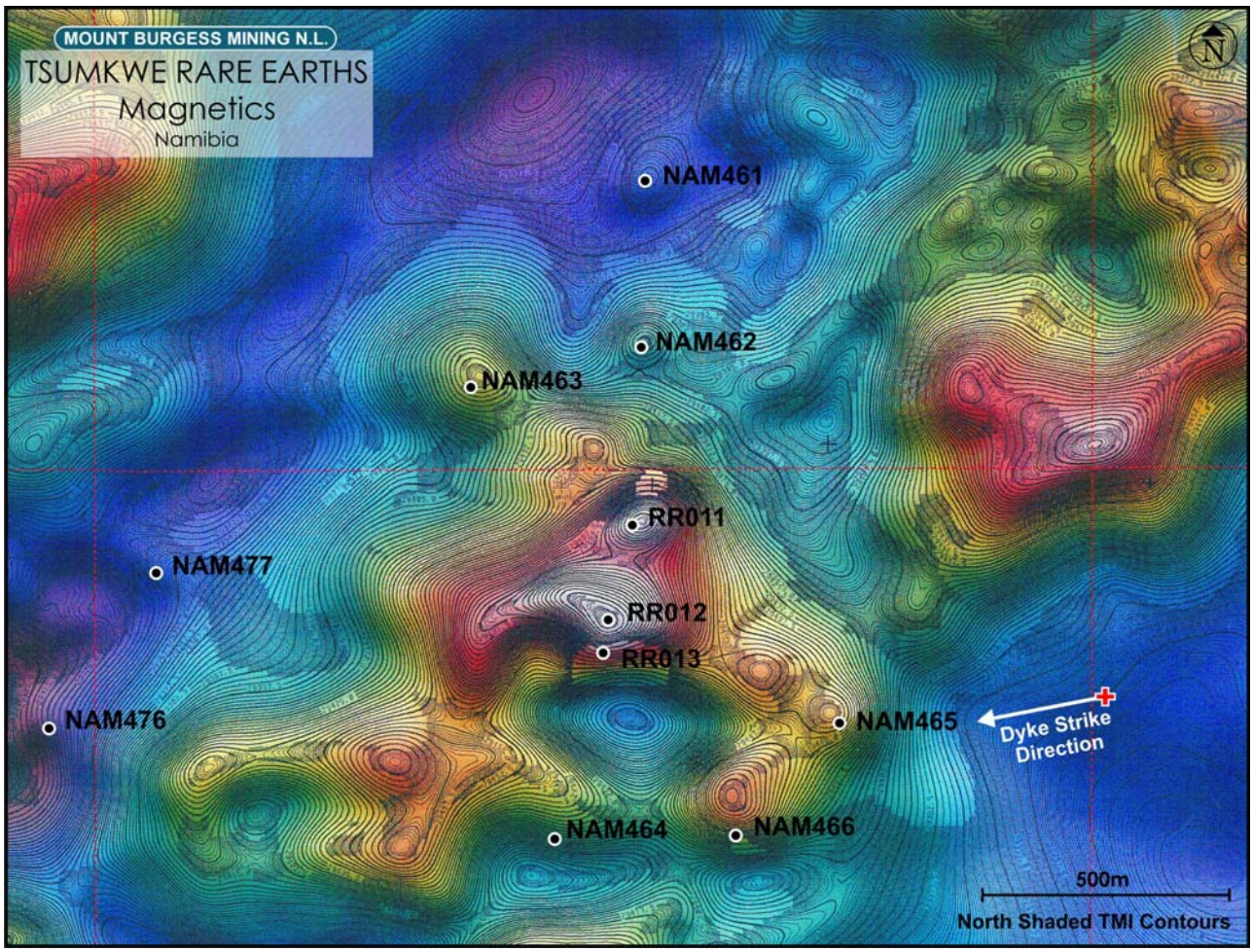

Figure 1: TMI magnetic image of the REE target in Namibia.

Figure 2: Above photo of Breccia Dyke recently discovered by Mr Manfred Marx.

The information in this release that relates to exploration results, together with any related assessments and interpretations, is based on information approved for release by Mr. Manfred R Marx. Mr. Marx is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Marx has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he has undertaken 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. Marx consents to the inclusion in this release of matters based on this information in the form and context to which it appears.

About Mount Burgess Mining N.L.

Mount Burgess Mining N.L. is an established and experienced Australian exploration company with interests focused *in southern Africa. The Company's primary asset is the zinc, lead and silver resource currently being developed at Kihabe-Nxuu in North Western Botswana. The Company has tenements covering the entire proterozoic meta-sedimentary belt between Botswana and Namibia. The area has excellent potential for hosting Kimberlites, rare earth elements and base metals, the focus for continuing exploration. Perth based Mount Burgess has been listed on the Australian Stock Exchange since 1985 and has local asset status in Botswana.*

Level 4, 109 St Georges Terrace, Perth, Western Australia, 6000
PO Box Z5301, St Georges Terrace, Perth, Western Australia, 6831
Telephone: (61 8) 9322 6311 Email: mtb@mountburgess.com
Facsimile: (61 8) 9322 4607 Website: www.mountburgess.com