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## SIGNIFICANT COBALT ASSAY RESULTS – TSUMKWE BASE METALS PROJECT NAMIBIA (MTB 90%)

The Company is pleased to announce significant cobalt results from drilling currently being conducted on a strong magnetic dipole anomaly. The anomaly is 1.5km northeast of Makuri Vlei, an area where a copper/cobalt soil geochemical anomaly has recently been delineated.

The first open percussion hole into the magnetic anomaly, NAM 917, drilled to a total depth of 110m, was logged as intersecting two highly mineralised zones containing pyrite, chalcopyrite and iron sulphides. The first intersection was a 10m zone from 27m to 37m and the second zone was 14m from 47m to 61m.

Drill chips from this hole have been analysed by the Company on site with the Company's XRF analyser and have produced the following results:

Cobalt Assay results from XRF Analyser in Geochemical Mode								
Drillhole	Northing	Easting	Dip	Az.	From	To	Interval	Co%
NAM917	7,830,904	477,015	90°	0°	10m	81m	71m @	0.38
<i>(Including and and</i>					16m	18m	2m @	0.53
					26m	37m	11m @	0.69
					48m	61m	13m @	0.77

Iron Assay results from XRF Analyser in Mining Mode								
Drillhole	Northing	Easting	Dip	Az.	From	To	Interval	Fe%
NAM917	7,830,904	477,015	90°	0°	26m	38m	12m @	41.10
					47m	61m	14m @	43.22

Note: Samples from 81m to 110m (EOH) have not yet been analysed

### Verification of on-site XRF Analysis Results

The above results need to be verified by independent laboratory testing, which will be reported to the market once available. It is estimated that this process could take up to six weeks.

### Method of Analysis

*Drill chip samples from each single meter were sieved down to 0.18mm and stored in brown paper sample packets containing around 60gms of sample. Individual sample packets were then placed on the base of the lead hooded container, over the eye of the XRF analyser*

*The analysis process for each individual sample packet was triggered and allowed to run for 2 minutes for each sample (as recommended by the manufacturers, Niton).*

All samples from each meter between 48m and 58m were subject to 4 x 2 minute assay tests, turning the sample packets for each 2 minute test. All other samples assayed from this drill hole were subject to 2 x 2 minute assay tests, turning the sample packet for each 2 minute test.

Results reported are the calculated average of the number of tests taken for each sample.

XRF calibration checks were conducted at the commencement of assaying and then after each set of 25 assays completed.

### Ongoing Exploration

Step-out holes 100m N/S/E/W of this drill hole are currently being drilled to determine the extent of the mineralisation of the magnetic anomaly. The strong magnetic dipole anomaly has an inner diameter of some 250m and an outer diameter of some 450m (See attached map).

### Style of Mineralisation

From the limited amount of drilling done to date it is believed that this could be a hydrothermal deposit, possibly a VMS (volcanogenic massive sulphide) deposit, though further drilling, mineralogical and petrographic analysis will be required to determine its genesis.

### Facts about Cobalt

LME cobalt price – 18 July 2011	Cash Buyer: US\$34,000/t (US\$15.43/lb)
	Cash Seller: US\$35,500/t (US\$16.11/lb)
LME warehouse stocks –18 July 2011	257 tons
Main Sources	By-product from nickel production in Russia and copper production in the DRC and Zambia. Other source countries include Australia, Canada, China and Cuba.
Annual world consumption/production:	Currently estimated to be around 62,000 tpa
Estimated demand increase:	10% pa, through to 2015
Cobalt uses:	<p><b>27%</b> Used for improving properties of rechargeable batteries, particularly in hybrid electric vehicles.</p> <p><b>19%</b> Used as an essential high temperature super alloy in casting airfoils and structural parts in jet engines.</p> <p><b>14%</b> Used for hard facing cast components, welding wires, rods and electrodes.</p> <p><b>10%</b> Used as pigments.</p> <p><b>9%</b> Used as a catalyst in de-sulphurising crude oil.</p> <p><b>7%</b> Used in the manufacture of magnets for loud speakers, microphones, oil filters, MRI systems, ABS systems, generators, alternators, motors and rigid magnetic discs for computers. Samarium-Cobalt (rare earth) magnets are used in radar and communication systems, satellites, missiles, military aircraft, tanks, ships and submarines.</p> <p><b>4%</b> Used as a coating to protect against corrosion and oxidation.</p> <p><b>10%</b> Used in organics and other sundry uses</p>

Cobalt is rated as a nationally strategic metal by the US government

## UPDATE ON REE PROJECT – TSUMKWE, NAMIBIA (MTB 85%)

In this current drilling programme the company has also drill tested its REE target at its Tsumkwe Project in Namibia, situated 27 kms to the SW of the Makuri Vlei area.

Four vertical open hole percussion holes have been drilled into the REE target as follows:

NAM 908	to 50m
NAM 909	to 100m
Nam 910	to 50m
Nam 911	to 50m

Drill samples from these holes will be submitted for assaying and petrographic analysis and will be reported on when available.

The information in this report is based on information approved for release by Mr Manfred Marx of Manfred Marx and Associates Pty Ltd, Bsc., Dip Env. Sc., Aus.I.M M., GSSA.

Mr Manfred Marx is a consulting geologist to the Company and is on site supervising the current drilling programme.

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. Giles Rodney Dale of GR Dale and Associates. Mr. Dale is a Fellow of the Australian 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 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. Dale consents to the inclusion in this release of matters based on this information in the form and context to which it appears.

