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ASX RELEASE  
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## ELEVATED IRON ASSAYS – TSUMKWE BASE METALS PROJECT NAMIBIA (MTB 90%)

The Company is pleased to announce that it has received XRF analytical results containing up to 61.79% Fe from a second drill hole NAM917, drilled into a strong magnetic high anomaly (Target1) at its Tsumkwe base metals project in Namibia (refer to attached image – Target 1). Ten of twelve holes drilled into Target 1 have been logged as containing significant quantities of magnetite. Eight of these holes are awaiting assaying. All holes drilled into Targets 2, 3 and 4 contained magnetite and are awaiting assaying.

Davis Tube Recovery (DTR) tests have been conducted on NAM917 and NAM927 drilled into Target 1 and have returned high magnetic recoveries (ICP/MS/OES analytical results from NAM927 were reported on the 30<sup>th</sup> August 2011).

Vertical open hole percussion drill hole NAM917 was drilled at 7,830,904mN and 477015mE with vertical open hole percussion drill hole NAM927 being drilled at 7,830,937mN and 477,062mE.

Results where head iron grade is greater than 30% are as follows:

Drill Hole	Interval	Width	Fe Head (XRF)	Recovered Mass (DTR)	Conc Fe	Interpreted Mineralogy**
NAM917	10m – 13m	3m	49.21%	28.6%	66.15%	HO, GO, MO
	16m – 18m	2m	36.72%	21.6%	62.00%	HO, GO, MO
	27m - 37m	10m	49.22%	66.4%	68.65%	MO
	47m - 61m	14m	50.94%	69.0%	67.87%	MO
NAM927	12m - 17m	5m	45.94%	19.1%	68.42%*	HO, GO, MO
	41m - 44m	3m	52.31%	72.6%	67.53%	MO
	55m - 57m	2m	49.82%	51.5%	69.80%	MO

### Notes:

*Only those intercepts as shown above for open hole NAM927 were submitted for DTR because of limited amounts of available sample. Routine analyses for Fe show that the above intercepts of greater than 30% iron head grade are minimum lengths. For NAM917, all samples were submitted for DTR with multi-element analysis of head and concentrate samples. The intercept lengths for this open hole are therefore considered to be reasonable estimates.*

\* Based on the three samples where sufficient concentrate was returned for analysis

\*\* MO = Magnetite      HO = Hematite      GO = Goethite

The above DTR results were achieved from a grind size of 90% passing 75 microns that is comparable to the particle size as estimated by mineralogy.

From the more complete suite of analytical and DTR results from NAM917, the relatively deeper magnetite horizons have a cumulative thickness of 24 metres with an average head grade of 50.22% Fe. The DTR concentrate has an average composition of Fe 68.2%, SiO<sub>2</sub> 2.36%, Al<sub>2</sub>O<sub>3</sub> 0.22%, P 0.007%, TiO<sub>2</sub> <0.02%, CaO 0.53%, MgO 1.58%, Na<sub>2</sub>O <0.02%, K<sub>2</sub>O <0.02%, S 0.207% and Loss on Ignition -2.37% with low base metal values. **Such material is comparable to commercially traded iron ores.**

Both NAM917 and NAM927 were logged as intersecting gossans from around 11m to 17m indicating the probable presence of the non magnetic Fe minerals hematite and goethite.

Initial thin section petrographic analysis of drill chips from 45 - 46m depth in drill hole NAM927 has shown that at that depth the dominant Fe mineral is magnetite. The magnetite particle sizes range from 25 microns to in excess of 100 microns and are hosted within a schist. Some of the geochemistry, particularly the purity of the magnetite, is more compatible with a sedimentary origin. This mineralogical work suggests that a sedimentary iron sequence that has been faulted is a more probable explanation than the previously interpreted pipe.

On the attached magnetic image there are two sub parallel linear magnetic high anomalies (Targets 5 and 6) with a combined length of over 6kms that have been interpreted as two limbs of a fold. In 2001, the Company drilled six holes covering a distance of 250m across the southern linear anomaly (Target 5), 6kms to the SW of NAM917 and NAM927. The three northern drill holes which covered an across strike distance of over 100m were all logged as intersecting hematite/magnetite breccia from around 22m depth to the end of the holes, the deepest being 43m. The southern three drill holes were only drilled to 20m depth. None of these holes were analysed for Fe. [Refer to attached image showing the 2001 drilling]

**With the confirmation of the above results and the knowledge that this southern linear magnetic high anomaly hosts hematite/magnetite breccia, the Company believes that this structure and the parallel structure to the north have the potential to host a worthwhile iron ore target.**

### **Gallium Assays**

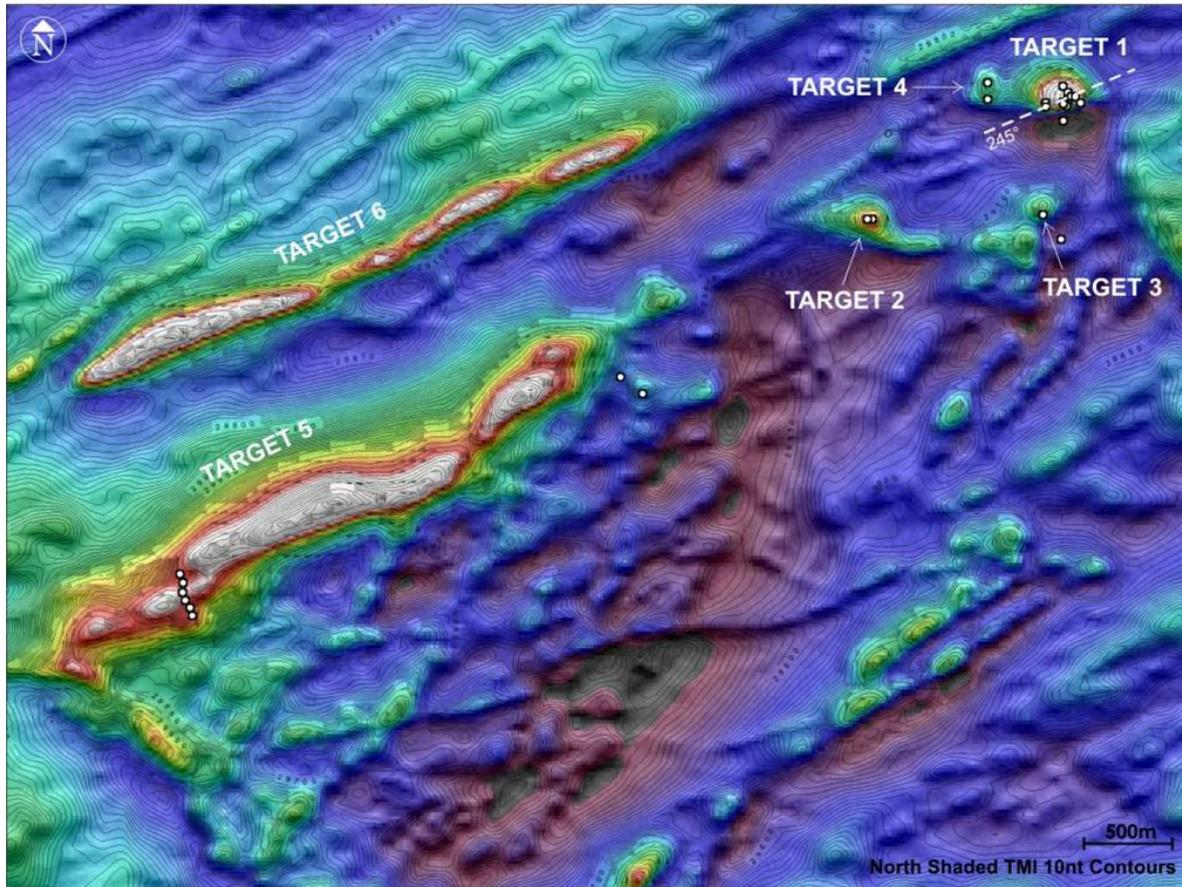
Of interest is the fact that in NAM917 from 37m to 81m Gallium grades averaged 17.11 g/t over the 45m intersection with grades as high as 35 g/t.

### **Current and Proposed Exploration**

An initial drilling programme is being designed to test these linear magnetic anomalies in Namibia. Meanwhile, 25km to the east, the Company is continuing with soil geochemical sampling and on-site XRF analysis at its Kihabe base metals project across the border in Botswana.

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. Martin Reynolds of Mackay & Schnellmann Pty Limited. Mr. Reynolds is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Reynolds 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. Reynolds consents to the inclusion in this release of matters based on this information in the form and context in which it appears.

ATTACHMENT TO ASX ANNOUNCEMENT 5 OCTOBER 2011



Aeromagnetics - Makuri Vlei Targets plus 2001 drilling conducted on Target 5