

MOUNT BURGESS MINING N.L.

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26 August 2005

The Australian Stock Exchange Limited
Company Announcements Office
10th Floor
20 Bond Street
Sydney NSW
Australia

Dear Sir,

TSUMKWE DIAMOND EXPLORATION PROJECT NAMIBIA (*Listing Rule 3.1*)
Fresh Kimberlitic Garnets Recovered from Drilling

On 18 April 2005 the Company announced that results from Drill Hole NAM 657 had yielded 35 kimberlitic pyrope garnets, 8 of which had been classified as very fresh Class 4 garnets¹, indicating the possible presence of a kimberlite source within close proximity.

Results from follow-up drilling conducted in this area are now being received. NAM 772 drilled 3km south east of NAM 657 has yielded 11 kimberlitic pyrope garnets, 6 of which have been classified as fresh Class 4 garnets and NAM 767 drilled 2km north-north-east of NAM 657 has yielded 1 very fresh Class 4 garnet (see attached plan). These results indicate that the garnets have travelled only a short distance from their kimberlite source.

A number of G10 garnets² and a diamond have previously been recovered in this area.

Drilling in this area is continuing.

Yours faithfully,

Martin Spence

¹Classification of Indicator Mineral Grains to determine the Distance they have travelled

	<i>Mineral grains with remnants of their original surface</i>	<i>Mineral grains without remnants of their original surface</i>
<i>Grains that do not show any signs of wear indicating that they are either on kimberlite or have travelled only a short distance from a kimberlite source</i>	Class 1	Class 4
<i>Grains that show a slight amount of wear indicating that they have travelled a short to moderate distance from a kimberlite source</i>	Class 2	Class 5
<i>Grains that show moderate to extensive amounts of wear indicating that they could have travelled a moderate to a long distance from a kimberlite source</i>	Class 3	Class 6

²G10 (Group 10) garnets belong to Dawson and Stephens' (1975) diamond-inclusion garnet group. G10 garnets are similar to garnet inclusions often found within diamonds, indicating that G10 garnets are likely to be derived from deep-seated sources within the diamond stability field and have shed from a diamond bearing kimberlite.

The information in this report that relates to exploration results, together with any related assessments and interpretations, is based on information compiled by Martin Spence, B.Sc., who is a Member of The Australasian Institute of Mining and Metallurgy.

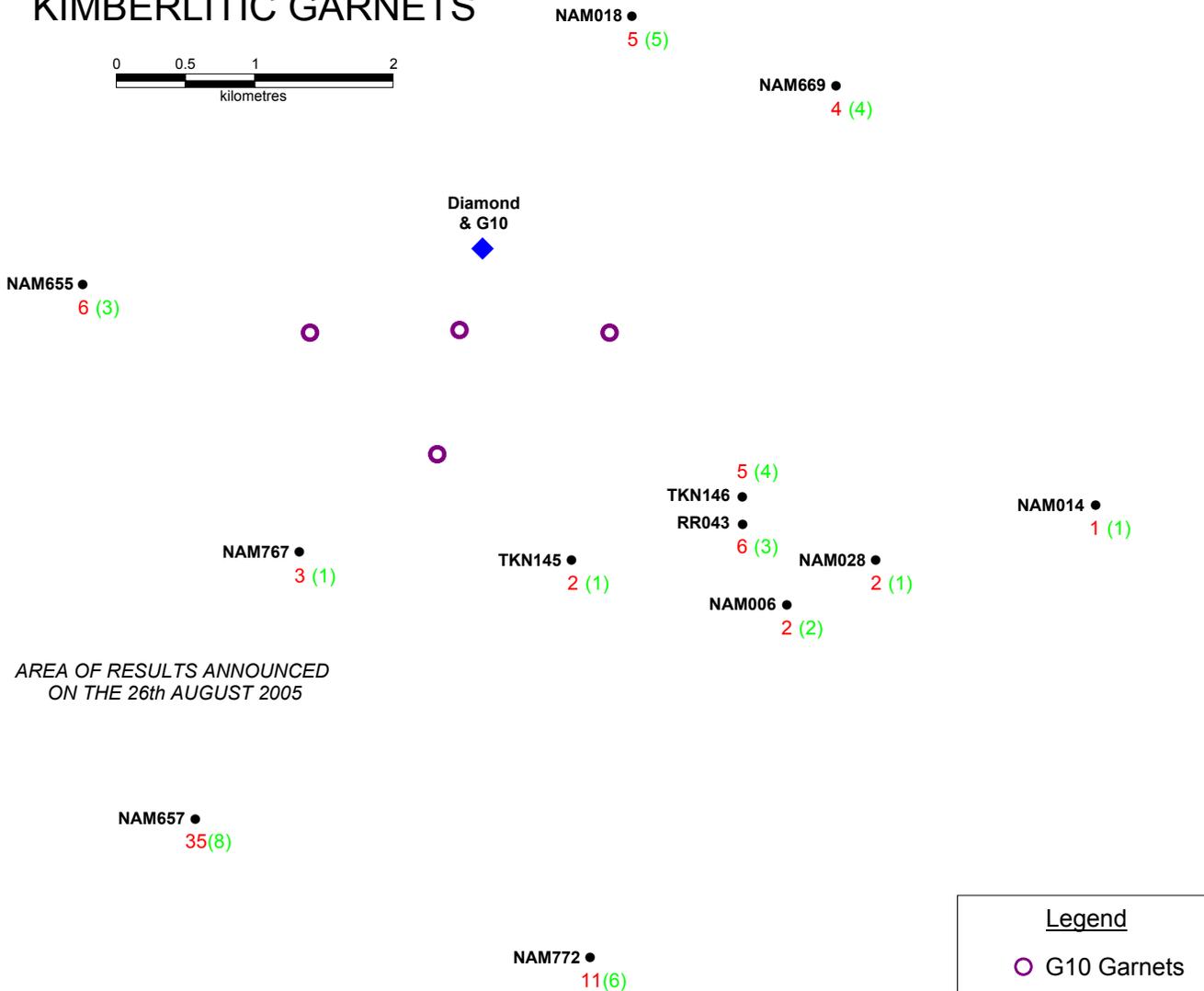
Mr Spence is a full time employee of the Company.

Mr Spence has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking 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 Spence consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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AREA OF FRESH KIMBERLITIC GARNETS



AREA OF RESULTS ANNOUNCED
ON THE 26th AUGUST 2005

Legend

- G10 Garnets
- Drill Hole ID
- Total (Fresh Garnets)
Garnets