

MOUNT BURGESS MINING N.L.

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REPORT FOR THE QUARTER ENDED 30 JUNE 2011

HIGHLIGHTS

- Tsumkwe REE Target, Namibia - **Recently drill tested, awaiting assay results.**
- Makuri Vlei Copper/Cobalt Anomaly, Namibia - Drilling of 4 targets 1.7km to 3km NE of the recently generated Cu/Co anomaly has **intersected significant zones of pyrite, chalcopyrite, galena and iron sulphides - awaiting assay results.**
- Kihabe/Nxuu Base Metals Project, Botswana - Soil geochemical **sampling has delineated another Zn/Pb/Cu anomaly** NE along strike from the Kihabe Zn/Pb/Ag deposit.

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REPORT FOR THE QUARTER ENDED 30 JUNE 2011

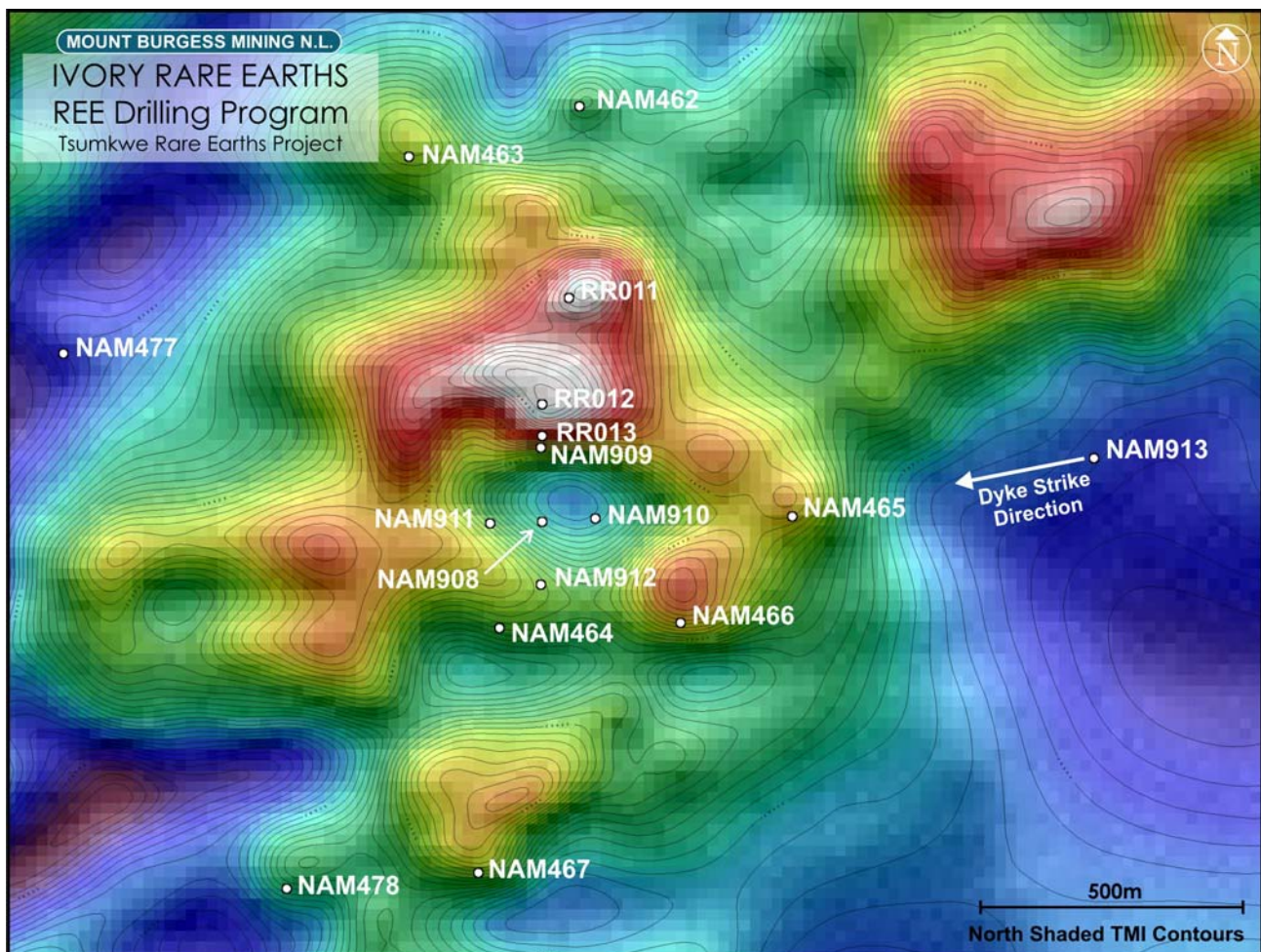
TSUMKWE RARE EARTH ELEMENTS (REE) PROJECT – NAMIBIA (MTB 85%)

X-Ray Diffraction (XRD) analysis conducted during the quarter on drill chips in thin section has established that the predominant mineral that hosts the REE's at the Company's Tsumkwe REE Project, is synchysite.

Synchysite hosts the REE's cerium, lanthanum, neodymium and yttrium. Synchysite contains only low volumes of uranium and thorium thereby reducing complications during the process of extraction of REEs through concentration and separation. Also the large particle sizes of synchysite observed in thin section, up to 200 microns, with average density of 4.025 is beneficial for the purpose of concentration and heavy media separation during the process of extraction.

Assays from previous drilling into this target have shown that total rare earth element (TREE) grades are increasing with depth. The deepest assay so far taken at 39m depth yielded 1,709 ppm TREEs.

A further five holes (NAM908, NAM909, NAM910, NAM911 and NAM912) have recently been drilled into this target to test the REE grades at depths of up to 100m. Assay results from these drill holes will be reported on when available. Petrographic analysis is also being conducted on drill chips from these recent drill holes to determine the rock types intersected.



TMI magnetic image of the REE target at Tsumkwe in Namibia, showing drill hole locations.

TSUMKWE BASE METALS PROJECT, NAMIBIA

Makuri Vlei Copper Cobalt Anomaly

Soil Geochemical Sampling

During the quarter the Company completed an in-fill soil geochemical sampling programme over a recognisable fold closure striking to the NE at its Tsumkwe base metals project in Namibia. Previous sampling programmes conducted in the Makuri Vlei area have delineated zones of copper mineralisation, however assaying for cobalt has not previously been conducted.

A large number of soil samples from the current programme have returned assays with cobalt values in the range of 500 ppm to 690 ppm. The cobalt assays are coincident with a copper anomaly in the range of 120 ppm to 160 ppm, over a strike length of 3 km.

Malachite (copper carbonate) was previously detected in a borrow-pit 2 km to the southwest of the anomaly, which is situated within the same neo-Proterozoic belt that hosts the Company's Kihabe and Nxuu Zn/Pb/Ag deposits in Botswana.

The soil samples were collected from 10cm below surface at sample locations 100 m apart N/S and E/W. Samples were sieved down to 0.18 mm to collect about 60 gm per sample and then stored in standard geochemical soil sampling paper envelopes. Samples were then analysed with an XRF machine, under controlled conditions at the Company's exploration camp.

Open Hole Percussion Drilling

Target 1

Initial open hole percussion drilling into a strong dipole magnetic anomaly (Target 1) 3km NE of the soil geochemical anomaly has returned **significant zones of sulphide mineralisation in four drill holes**, NAM917, NAM922, NAM923 and NAM927, and disseminated sulphides in a further two drill holes, NAM924 and NAM926.

Sulphide minerals so far observed include **chalcopyrite, galena, pyrite and other iron sulphides**.



Massive Sulphide Drill Chips from NAM927

Target 2

NAM928 drilled into a magnetic anomaly (Target 2) 1.3km to the SW of Target 1 has been logged as intersecting magnetic amphibolite which is slightly mineralised with sphalerite at the top. **Spotted chalcopyrite was logged at 36m.**

Target 3

NAM930 drilled into a magnetic anomaly (Target 3) 650 m south of Target 1 and 1 km east of Target 2, has been logged as intersecting dark green amphibolite with **disseminated to semi massive sulphides** at various intervals from 11 m to 65 m. Sulphide minerals so far observed include **chalcopyrite, galena, pyrite and other iron sulphides**.

Target 4

NAM932 drilled into a magnetic anomaly (Target 4), 450m west of Target 1 has been logged as intersecting amphibolite with mineralisation ranging from **weakly disseminated to strongly disseminated/semi massive sulphides** at various intervals from 15m to 80m Sulphide minerals so far observed include **chalcopyrite and pyrite**.

Extent of Mineralisation

The zone of mineralisation in Target 1 appears to be elliptically shaped with a broad zone of up to 35m wide. Drilling to date shows continuity over a strike length of 185m. It appears to strike SW at around 240° - 250° in the direction of Target 2 and the high point of the Cu/Co soil geochemical anomaly 3km to the SW. Possible south western extensions require drill testing.

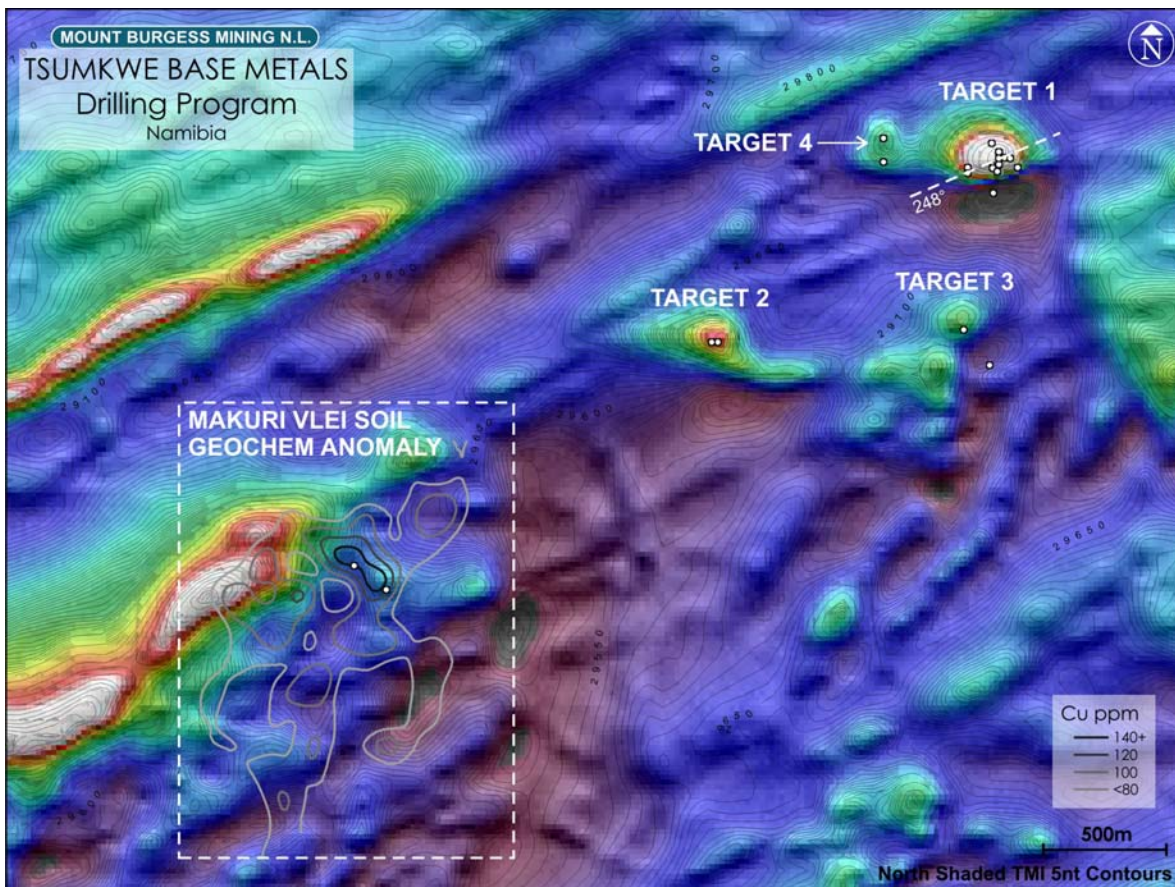
Any association Target 3 may have with either Target 1 or Target 2 has yet to be determined.

The Company believes that the source to the mineralisation causing the copper/cobalt soil geochemical anomaly to the SW has yet to be discovered.

Style of Mineralisation

From the limited amount of drilling done on these targets to date it is believed that:

1. They could be hydrothermal deposits, possibly Volcanogenic Massive Sulphides (VMS), though further drilling, mineralogical and petrographic analysis will be required to determine their genesis.
2. At Target 1 mineralisation occurs at a faulted contact of a granitic intrusive body with an amphibolite, which contains sporadic intensive quartz veining. At Target 4 quartz veining was intersected between 60m-65m, indicative of a possible fault zone?



Total Magnetic Intensity Image of Makuri Vlei area showing Drill Targets and Soil Geochemical Anomaly

XRF Analysis

Drill chips from NAM917 (Target 1) have been analysed by the Company on site with the Company's XRF analyser producing the following results:

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

Method of on Site XRF Analysis for NAM 917

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

Verification of on-site XRF Analysis Results

The above results need to be verified by independent laboratory assaying. These results together with assays from all the other holes drilled will be reported to the market once available. Assaying will be conducted for copper, cobalt, zinc, lead, vanadium, gold, silver, gallium, germanium, iron, tin, barium, sulphur, selenium, manganese, cadmium, indium, bismuth and tellurium. It is estimated that this process could take up to six weeks.

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>27% Used for improving properties of rechargeable batteries, particularly in hybrid electric vehicles.</p> <p>19% Used as an essential high temperature super alloy in casting airfoils and structural parts in jet engines.</p> <p>14% Used for hard facing cast components, welding wires, rods and electrodes.</p> <p>10% Used as pigments.</p> <p>9% Used as a catalyst in de-sulphurising crude oil.</p> <p>7% 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>4% Used as a coating to protect against corrosion and oxidation.</p> <p>10% Used in organics and other sundry uses</p>
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Cobalt is rated as a nationally strategic metal by the US government

KIHABE/NXUU BASE METALS PROJECT, WESTERN NGAMILAND, BOTSWANA (MTB 100%)

New Zinc/Lead/Copper Anomaly Delineated NE of Kihabe Deposit

During the quarter the Company conducted detailed soil geochemical sampling along strike from and 4km to the NE of the Kihabe Zn/Pb/Ag deposit in Western Ngamiland, NW Botswana, delineating a significant Zn/Pb/Cu anomaly.

The new "Lebala" anomaly (see diagrams attached) covers an area of around 10 hectares, discretely defined with soil geochemical sample grades of up to 260 ppm Zn, 260 ppm Pb and 58 ppm Cu.

Normal background values for Zn, Pb and Cu in this area are around 10 ppm to 20 ppm.

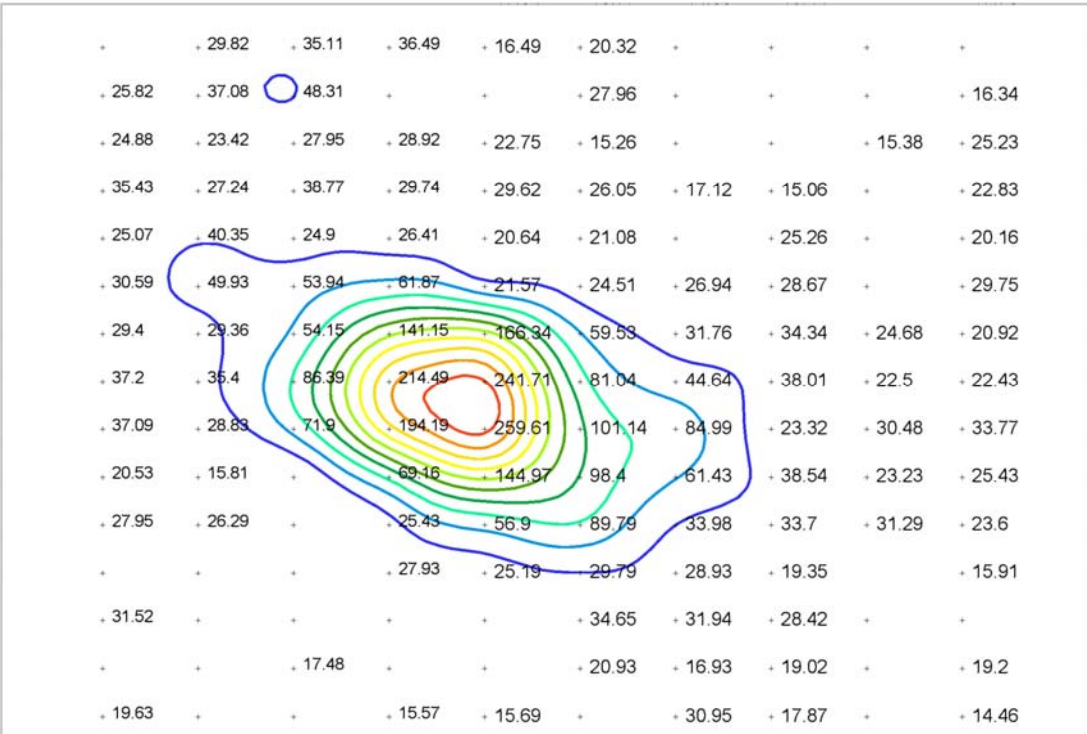
Since the acquisition of an XRF machine in February this year, the Company has analysed around 7,000 soil geochemical samples. These were taken from six prospective target areas within the neo-Proterozoic belt which spans the border between Namibia and Botswana. On the Botswana side five targets have generated significant soil geochemical anomalies as follows:

- Wanchu - (Zn/Pb) 1.2km long anomaly
- Tswee Tswee - (Zn/Pb) 55 hectare anomaly
- Target 52 - (Zn/Pb) 4km long anomaly
- Lebala - (Zn/Pb/Cu) 10 hectare anomaly
- Copper - (Cu/Co) 2.4km long anomaly

Whilst drilling is required to delineate resources from these anomalies the Company believes they show good potential to add to the 25 million tonne 3% Zn/Pb resource base of this project area. See Resource Statement attached.

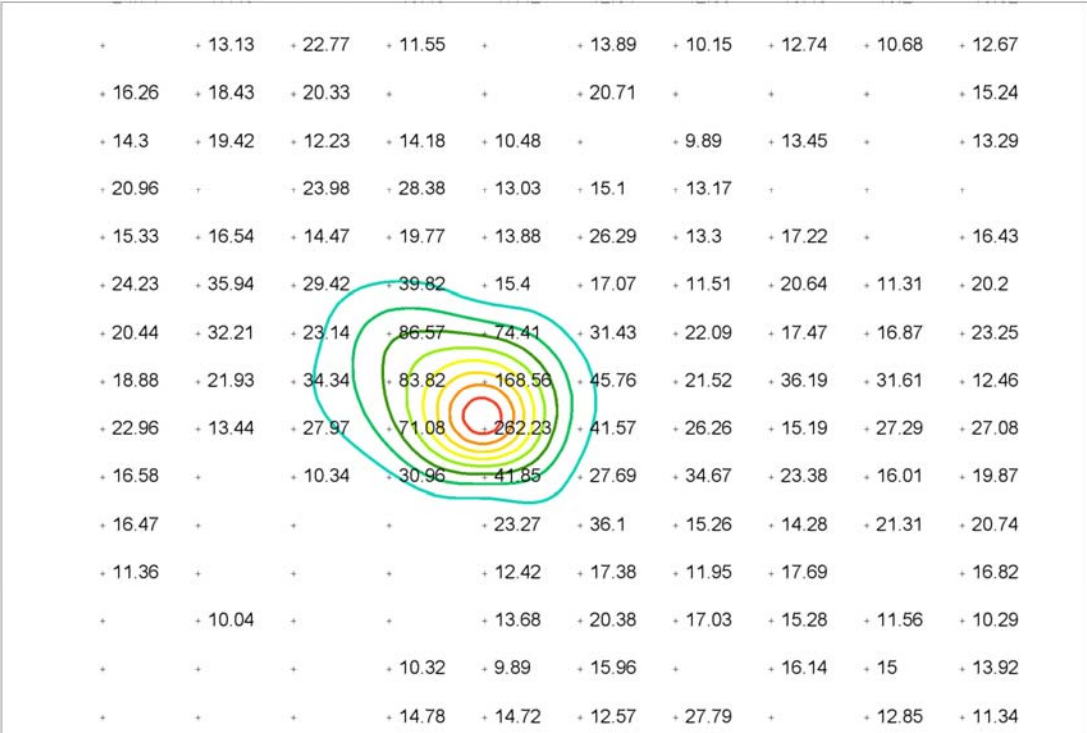
The Company is continuing with soil geochemical sampling over several other prospective areas within its 100% owned 3,000 sq km neo-Proterozoic belt.

Soil samples are collected from 10cm below surface at sample locations 100m apart N/S and E/W. Samples are sieved down to 0.18mm to collect about 60gm per sample and then stored in standard geochemical soil sampling paper envelopes. Samples are then analysed with an XRF machine, under controlled conditions at the Company's exploration camp.



LEBALA SOIL SAMPLING GRID
XRF Zinc Results (ppm)

0 100m



LEBALA SOIL SAMPLING GRID
XRF Lead Results (ppm)

0 100m

Only soil sampling results above XRF level of detection are shown.

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 in Namibia.

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.

CORPORATE

Funding

On 19 April 2011 the Company announced that it had placed 17,528,466 shares to raise \$228,000.

On 17 June 2011 the Company announced that it had placed 25,000,000 shares to raise \$250,000. \$92,000 of this was received by 30 June. The remaining \$158,000 was received in July reducing the overdraft as at 30th June accordingly.

Further funding available to the Company as at 30 June was as follows:

1. Available overdraft facilities and credit standby arrangements amounting to \$376,000
 2. Available loan facilities amounting to \$150,000
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KIHABE RESOURCE STATEMENT

Deposit	External Cut %	Indicated M Tonnes %	Inferred M Tonnes %	Total M Tonnes %
Kihabe	1.5%	11.4 @ 2.90%	3.0 @ 2.60%	14.4 @ 2.84%
Nxuu	0.3%	-	10.9 @ 3.20%	10.9 @ 3.20%
		11.4 @ 2.90%	13.9 @ 3.07%	25.3 @ 3.00%

Zinc Equivalent Grade

Kihabe calculated on metal prices as at 17 July 2008: Zn US\$1,810/t Pb US\$1,955/t Ag US\$18.75/oz

Grades applied: Zn 1.75% Pb 0.76% Ag 6.93 g/t

Nxuu calculated on zinc and lead at US\$ par value

Grades applied: Zn 1.8% Pb 1.4%

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 is a Technical Director of the Company. 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.

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

MOUNT BURGESS MINING N.L.

ABN

31009067476

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(133)	(436)
(b) development	-	-
(c) production	-	-
(d) administration	(170)	(792)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(6)	(23)
1.6 Income taxes refund	-	112
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(309)	(1,139)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(25)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(25)
1.13 Total operating and investing cash flows (carried forward)	(309)	(1,164)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(309)	(1,164)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	320	953
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	279
1.17	Repayment of borrowings	-	(101)
1.18	Dividends paid	-	-
1.19	Other – Lease liability repayments	-	(2)
	Other – Placement fees	(5)	(23)
	Net financing cash flows	315	1,106
	Net increase / decrease in cash held	6	(58)
1.20	Cash at beginning of quarter/year to date	(201)	(136)
1.21	Exchange rate adjustments to item 1.20	(2)	(3)
1.22	Cash at end of quarter	(197)	(197)

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	52
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

** The Company maintains a seasonal overdraft facility of \$350,000.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	150	-
3.2 Credit standby arrangements	415	208

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	70
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	220

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11	38
5.2 Deposits at call	-	-
5.3 Bank overdraft	(208)	(239)
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	(197)	(201)

Changes in interest in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	-	-	-	-
	Interests in mining tenements relinquished, reduced or lapsed			
6.2	-	-	-	-
	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted share securities at the end of current quarter

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	406,381,937	406,381,937		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	24,738,466 N/A	24,738,466 N/A		
7.5 *Convertible debt securities <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>Employee Share Plans</i>	16,350,000	NIL	5 cents	31/12/15
7.8 Issued during quarter	NIL			
7.9 Exercised during quarter	NIL			
7.10 Expired	NIL			
7.11 Debentures <i>(totals only)</i>	NIL			
7.12 Unsecured notes <i>(totals only)</i>	NIL			

+ See chapter 19 for defined terms.

