

MOUNT BURGESS MINING N.L.

ACN: 009 067 476

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QUARTERLY REPORT 31 March 2006

Highlights

AUSTRALIA

TELFER, WESTERN AUSTRALIA - GOLD EXPLORATION

Following the withdrawal from the Telfer joint venture by Barrick Gold of Australia, the Company is, in light of the recent rise in the gold price, reviewing all results obtained from previous exploration.

AFRICA

NAMIBIA, TSUMKWE -DIAMOND EXPLORATION

Exceptionally high rainfall during the quarter delayed the commencement of field operations.

BOTSWANA - KIHABE BASE METALS PROJECT

Reverse Circulation infill drilling commenced in March to upgrade the 2.4km long Kihabe zone of zinc, lead and silver mineralisation which also contains copper and vanadium credits, into a JORC compliant resource/reserve. Significant assay results for zinc, lead, silver and vanadium, as detailed in the report, were returned for the first infill drill section completed during the quarter.

REPORT FOR THE QUARTER ENDED 31 MARCH 2006

AUSTRALIA

TELFER GOLD PROJECT

(Mount Burgess Mining N.L 100%)

During the quarter Barrick Gold of Australia withdrew from the Telfer Joint Venture.

All of the data acquired by Barrick, together with all the historical data acquired through work conducted by the Company and other previous Joint Venture Parties, will be reviewed by the Company this quarter. A number of trends of gold mineralisation occur within the Telfer tenements which require further work to determine what is required to upgrade these situations and whether they have potential to be exploited as economic gold resources. An example is the Tim's Dome Prospect, where the Company is currently assessing historical results from drilling conducted along a 2km strike (Figure 4) .

These results, based on a 0.5 g/t Au low grade cut, are outlined as follows:

Drill Hole	Easting	Northing	Orientation (dip/magnetic)	Width (m)	From (m)	To (m)	Au g/t
TDRC 037	404367	7606652	-60°/225°		1 30	31	13.50
TDRC 057	404301	7606463	-60°/315°		16	36 52	0.73
TDAC 001	404265	7606526	-60°/315°		1 12	08 37 49	1.05 1.60
TD 119	404252	7606547	-60°/45°		2	32 34	1.27
TDB 168	404237	7606533	-60°/45°		6	41 47 eoh	1.56
TD 118	404234	7606530	-60°/45°		15	35 50	1.51
TDRC 062	404208	7606557	-60°/315°		4	46 50	1.01
TDRC 053	404207	7606501	-60°/45°		6 3	89 101 104 eoh	1.51 0.72
TDDD001	404190	7606582	-60°/319°		2	53 55	1.18
TDRC034	404186	7606485	-60°/45°		22	102 124	2.25
TDRC061	404184	7606587	-60°/315°		2 7	33 58 65 eoh	1.47 4.89
TDRC 063	404147	7606629	-60°/315°		1 1 6	00 19 46 52	1.12 11.20 1.03
TDDD002	404142	7606639	-63°/318°		5	56 61	4.86
TDRC 059	404134	7606646	-60°/315°		1 12	14 49 61 eoh	1.17 1.28
TDRC 032	403994	7606994	-60°/45°		4	91 95	1.98
TDRC 016	403944	7606877	-80°/310°		5 2	4 57 59	0.83 1.30
					3	65 68	0.70
					2	103 105	1.11
TDRC 029	403889	7606894	-60°/45°		7	72 79	1.03
TD 029	403886	7606904	-60°/45°		17	42 59 eoh	0.72
TDRC015	403795	7607066	-75°/315°		2	49 51	2.84
					1	70 71	4.60

Cont'd

Drill Hole	Easting	Northing	Orientation (dip/magnetic)	Width (m)	From (m)	To (m)	Au g/t
TDR048	403687	7607251	-60°/45°	1	12	13	2.18
TDR025	403677	7607379	-60°/45°	1	120	121	2.68
TDR023	403586	7607923	-60°/45°	3	4	7	0.92
TDR022	403543	7607246	-60°/45°	14	127	141 eoh	2.43
TDR049	403474	7607327	-60°/45°	3	89	92	1.51
TDR005	403412	7607665	-60°/225°	3	42	45	0.96
TDR004	403370	7607621	-60°/225°	3	10	13	1.31
TD 042	403340	7607598	-60°/45°	5	29	34	1.03
TD 008	403166	7607709	-60°/45°	4	23	27	1.53
TDDD005	403015	7607965	-62°/317°	4	23	27	2.55
TDR013	402820	7607934	-60°/45°	2	148	150	1.78

Results have variously been obtained from either AAS or fire assaying. Eoh indicates that the hole was terminated in mineralization.

AFRICA

NAMIBIA, TSUMKWE – DIAMOND EXPLORATION

EPL's 2012, 2014, 2817, 2818, 2819, 3019 and 3020

(In joint venture between MTB (Namibia) (Proprietary) Ltd 90% and Kimberlite Resources (Pty) Ltd 10%) EPL's 3021 and 3022 MTB (Namibia)(Proprietary) Ltd 100%

Because of abnormally heavy rainfall during the quarter, the Company was not able to conduct any field work on this project.

BOTSWANA, KIHABE – BASE METALS EXPLORATION

PL 69/2003

(Mount Burgess Mining N.L. 100%)

Infill Drilling

Following the positive scoping study conducted by ProMet Engineers, the Company commenced a Reverse Circulation (RC) infill drilling programme in March on its Kihabe base metals project, with the intention of upgrading this zone of mineralisation to a JORC compliant resource/reserve, to support a probable open cut operation to 150m vertical depth.

The Kihabe zone of mineralisation, which currently cannot be categorized as a resource or a reserve, has a strike length of 2.4 km. Based on four wide spaced drill sections ProMet Engineers has produced a base case financial model which includes some 17,500,000 open cut tonnes to 100m depth, with grades of 3% zinc, 1% lead and 28 g/t silver, together with significant credits for copper and vanadium.

If infill drilling confirms the continuity of grades obtained from drilling conducted to date and current metal prices prevail, it is estimated that this project could generate substantial cash flows for the Company.

RC drill holes KRC 013 (102m), KRC 014 (155m) and KRC 015 (181m) were drilled on section to test the mineralisation to -50mRL, -100mRL and 150mRL respectively, (see Figure 1 attached), returning the following results:

KRC 013 - 782527N/500731E -60deg/339deg magnetic

This drill hole was drilled too far west of the main zone of mineralisation, which lies close to the quartzite/dolomite contact and whilst intersecting lower grade zones, “overshot” the zone of significant mineralisation.

KRC 014 - 7821511N/500742E -60deg/336deg magnetic

This drill hole intersected a broad zone of mineralisation between 29m and 80m which returned 61m at an average grade of 1.9% zinc and included:

Zinc

36-47 m	11 m	@ 3.85%
71-90 m	19 m	@ 2.92%

Lead

76-80 m	4 m	@ 0.97%
87-90 m	3 m	@ 1.31%

Silver

53-62 m	9 m	@ 7.7 g/t
71-90 m	19 m	@ 12.92 g/t

Vanadium

37-42 m	5 m	@ 224 ppm
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KRC 015 - 7821474N/500757E -60deg/339deg magnetic

This drill hole intersected a broad zone of mineralisation between 89m and 174m, consisting of seven zones totaling 60m at an average grade of 2.05% zinc and 66m at an average grade of 0.76% lead and included:

Zinc

89 - 93 m	4 m	@ 2.98%
95 - 107 m	12m	@ 2.92%
124 - 127 m	3m	@ 2.81%
166 - 170 m	4m	@ 2.93%

Lead

90 - 92m	2 m	@ 1.08%
103 - 107m	4 m	@ 1.07%
125 - 126m	1 m	@ 1.41%
132 - 133m	1 m	@ 1.28%
140 - 143m	3 m	@ 1.43%
146 - 147m	1 m	@ 1.52%
156 - 158m	2 m	@ 1.50%
167 - 170m	3 m	@ 1.48%
172 - 174m	2 m	@ 1.35%

Silver

125 - 126m	1 m	@ 14.4 g/t
140 - 141m	1 m	@ 42.7 g/t

Assay results from both KRC 014 and KRC 015 which were obtained by ICP-OES, confirm the extension of this wide zone of significant mineralisation a further 100m south west of the most western section previously drilled and together with the previous drill results from Section 1 and Section 2, drilled 100m and 500m north east of this section (see Figure 2 attached), confirm the lateral continuity of this mineralisation further to the south west and also to the north east.

The initial interpretation of this drill section implies that the mineralised body is tightly folded and plunges to the northwest, whilst maintaining a consistently steeply dipping and tabular broad shape.

Drilling is continuing and is currently testing a section 100m northeast of Section 1 (See Figure 1 attached).

The Company is endeavoring to contract a second drill rig to make up delays caused by heavy rainfall during the quarter.

Metallurgical test work to establish the recovery of metals will begin this coming quarter.

Potential for Additional Discoveries

The Kihabe zone of mineralisation appears to occur on the southern limb of a fold. Structural interpretation and Induced Polarisation have identified the possible (untested) northern limb of this fold (See Figure 3 attached). Soil geochemical sampling will be conducted over the area of this northern limb during the coming quarter to determine the existence of any further mineralisation.

Continuing interpretation of soil geochemical sampling results has also identified a "Kihabe look alike" approximately three kilometers north east and along stratigraphic strike of the Kihabe zone of mineralisation. Also, about ten kilometers north east and along strike, there is a two kilometre diameter circular feature, visible on satellite imagery, which is coincident with a significant copper soil geochemical anomaly, (see Figure 3 attached). These targets will be followed up with soil geochemical sampling and drilling this quarter.

Previous exploration work carried out by Billiton, identified the uranium oxide Carnotite. Consequently the Company applied for and was granted the right to explore for nuclear fuels on this exploration licence. All drill spoil will be tested rapidly and cheaply for the presence of uranium by using a geiger counter/scintollometer. All positive intersections will be submitted for assay.

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.

CORPORATE

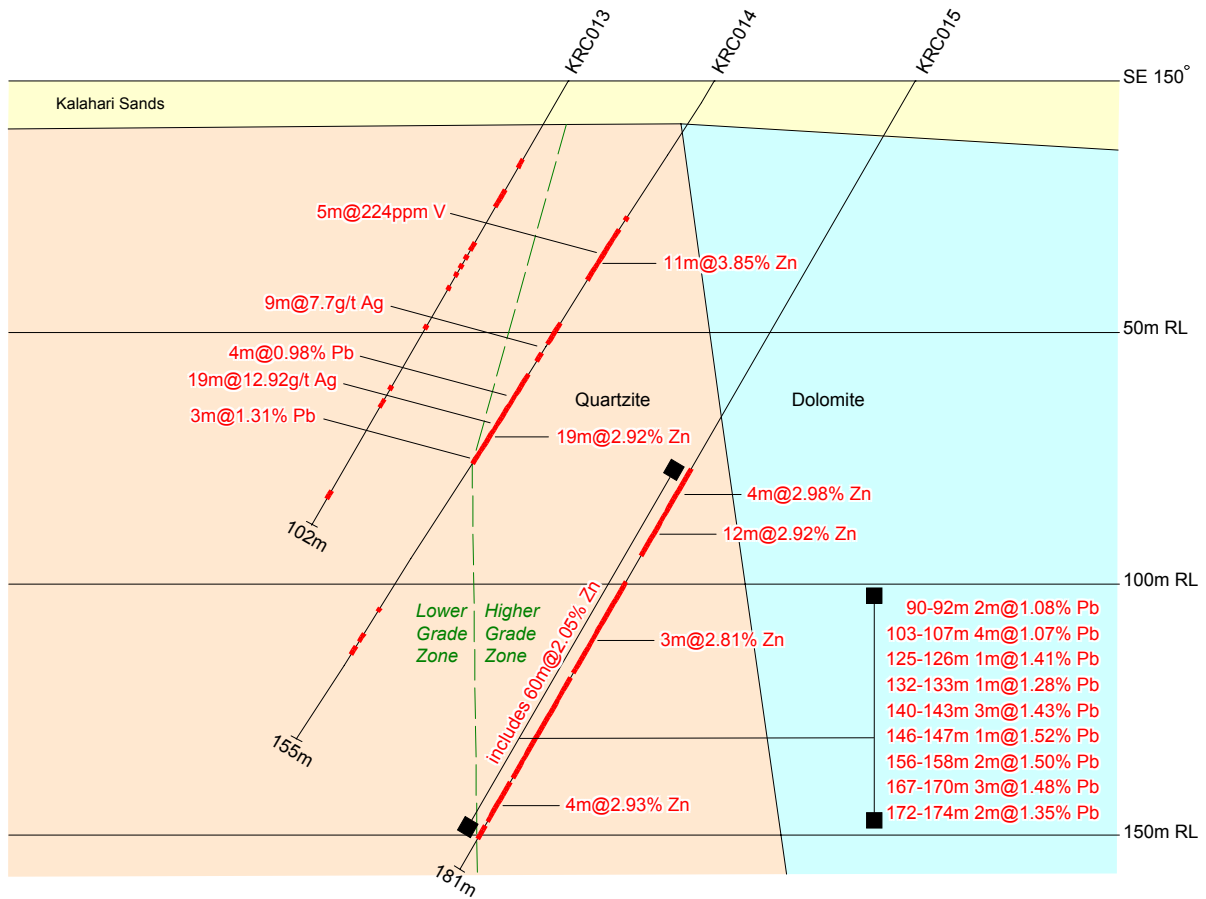
Share Placement

After the quarter the following share placement was made:

10,025,000 shares at A\$0.10 per share as announced on 26 April 2006 to raise an additional A\$1,002,500.

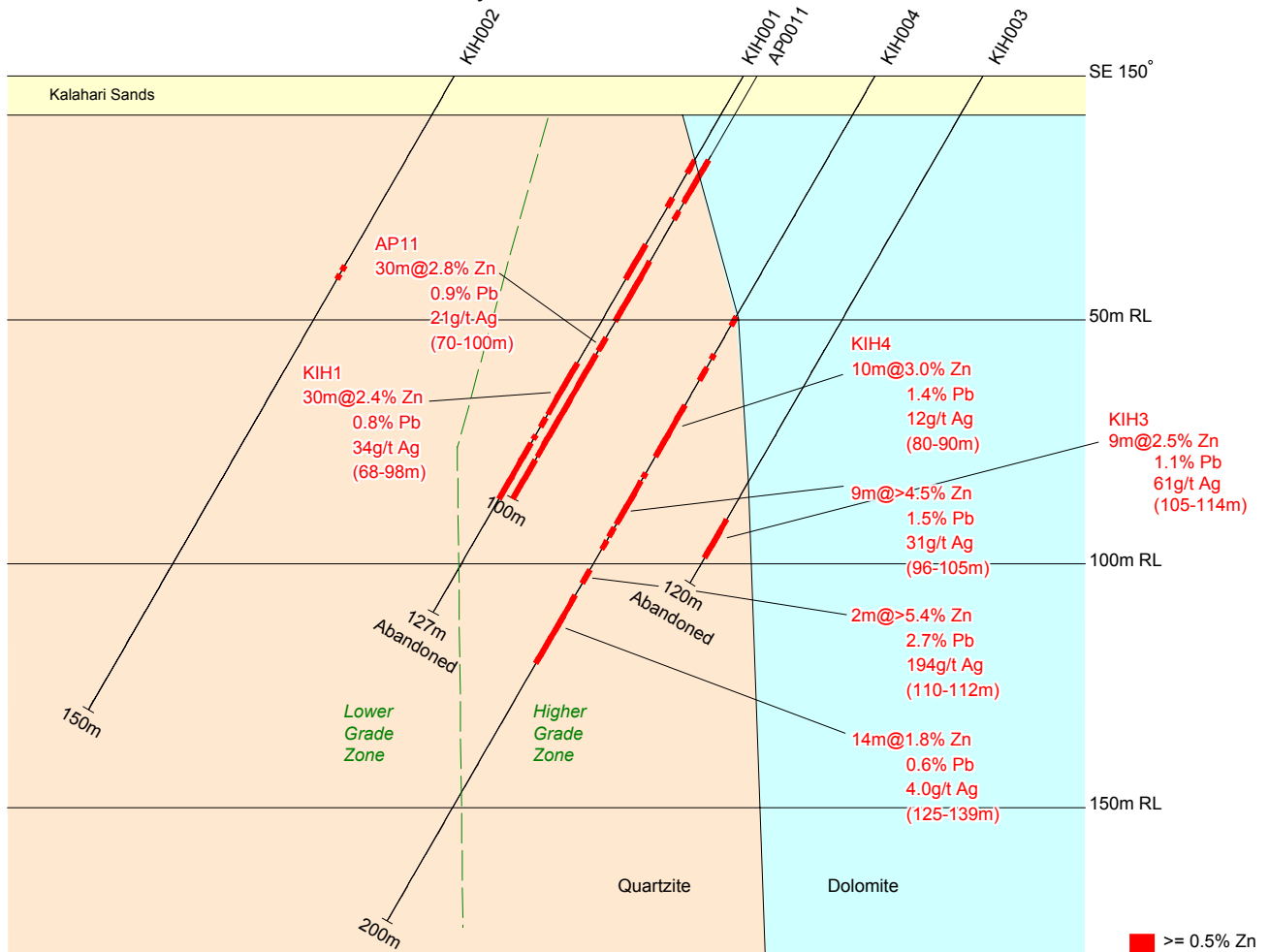
KRC013, KRC014 and KRC015 Section

Drilled 100m SW of Section 1 (See Below)



Section 1

Previously Drilled and Announced



■ $\geq 0.5\%$ Zn

50m

Kihabe Project - Botswana

MOUNT BURGESS MINING N.L.

Figure 1

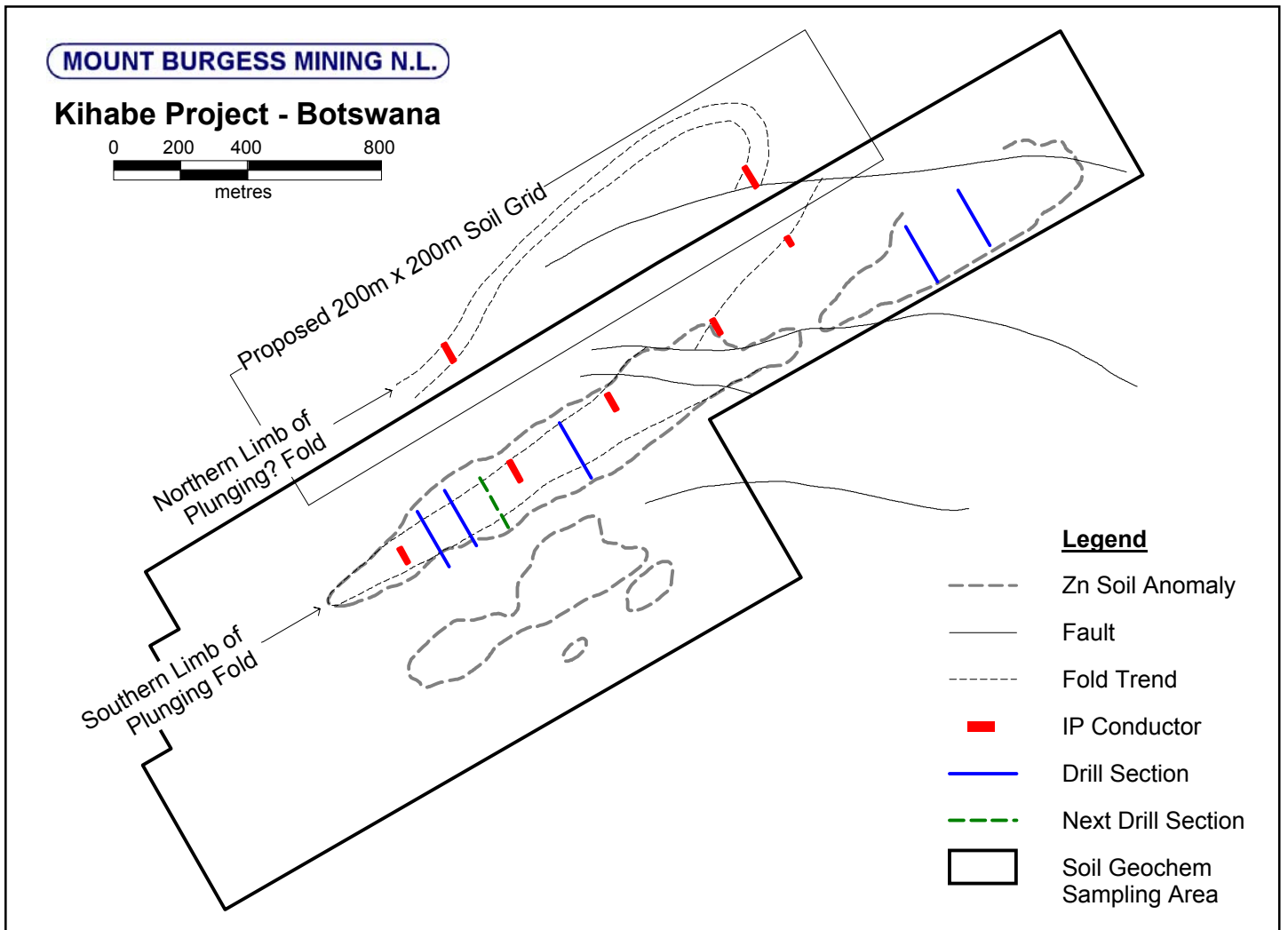


Figure 2

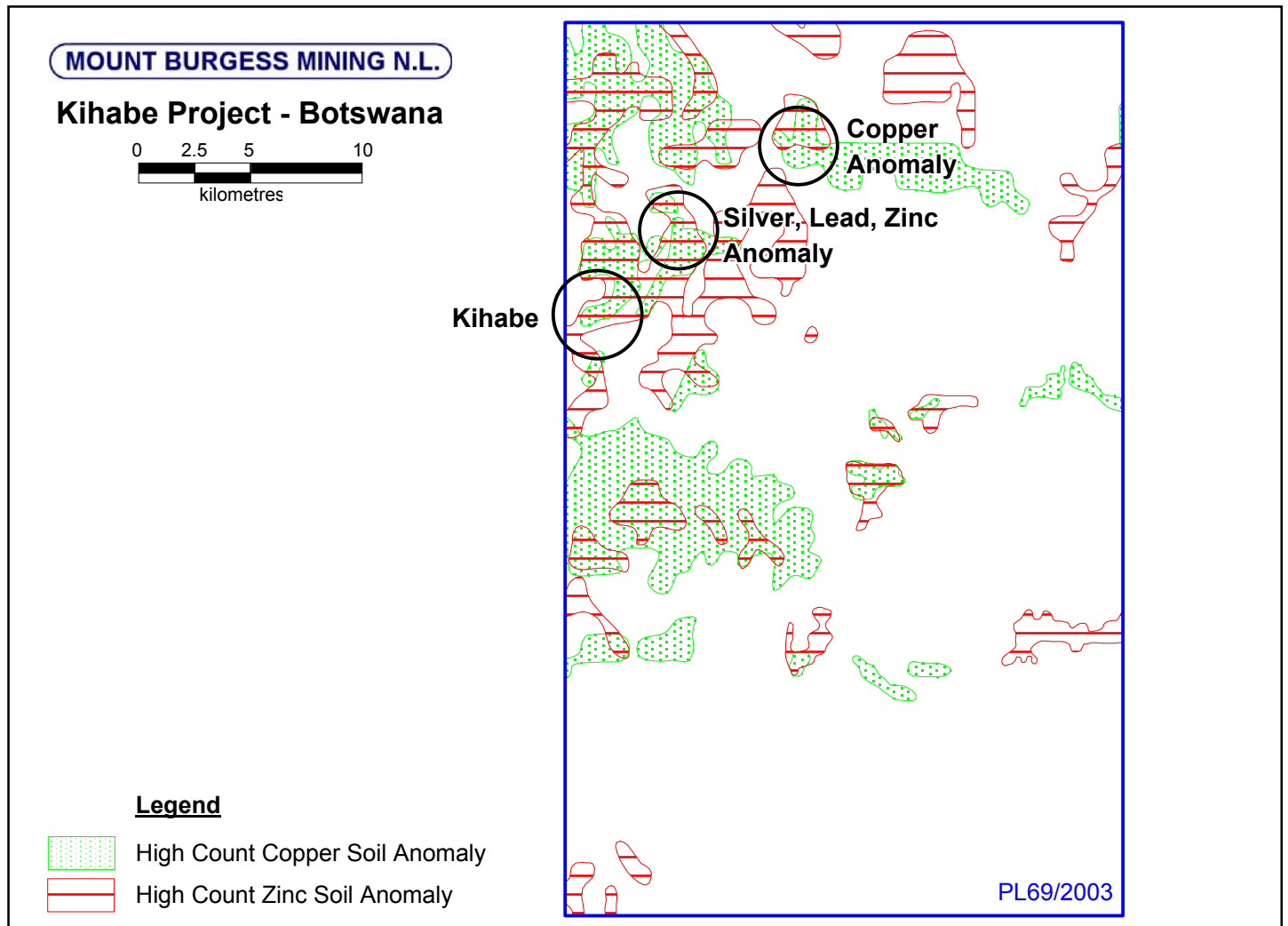
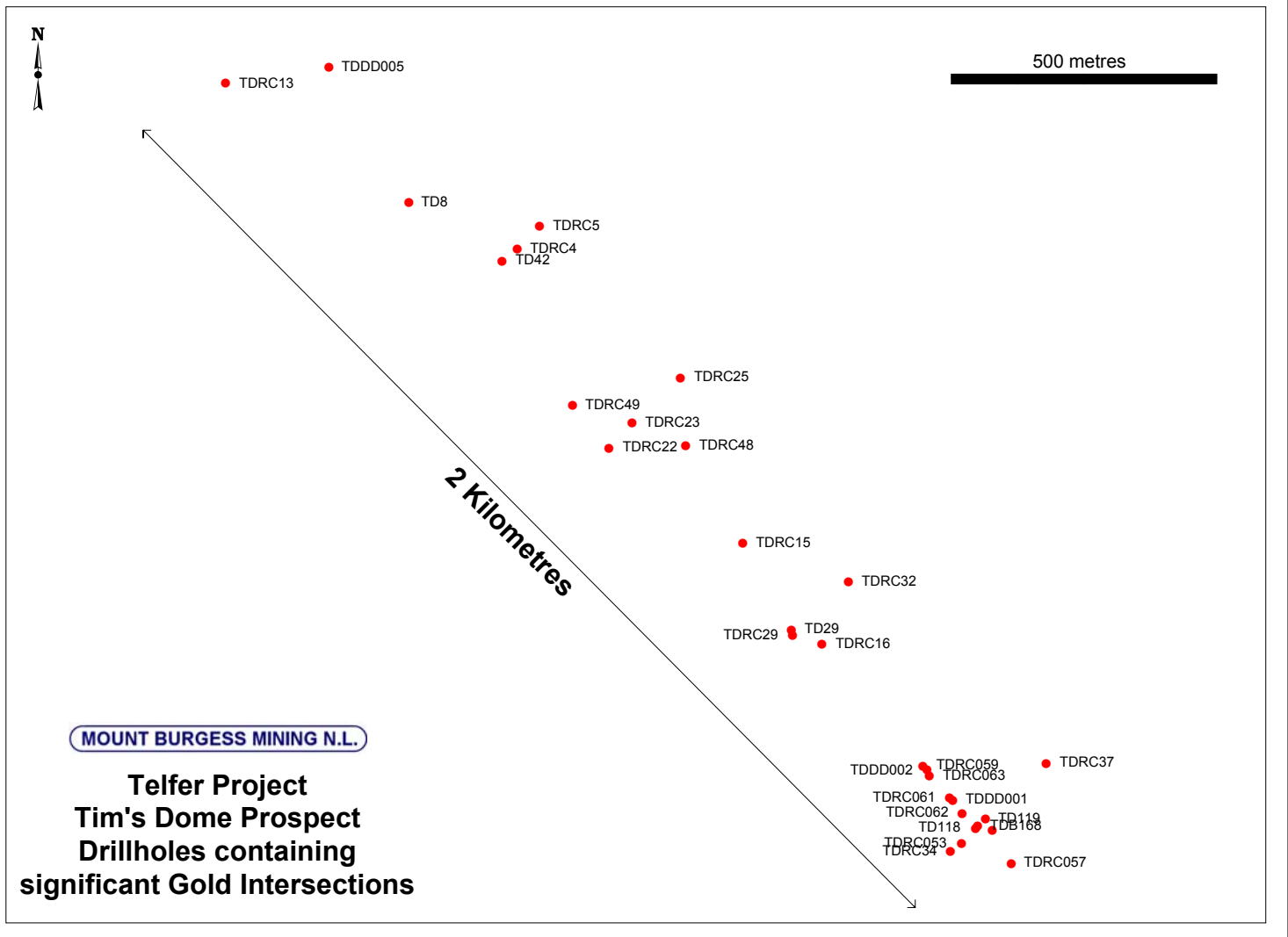
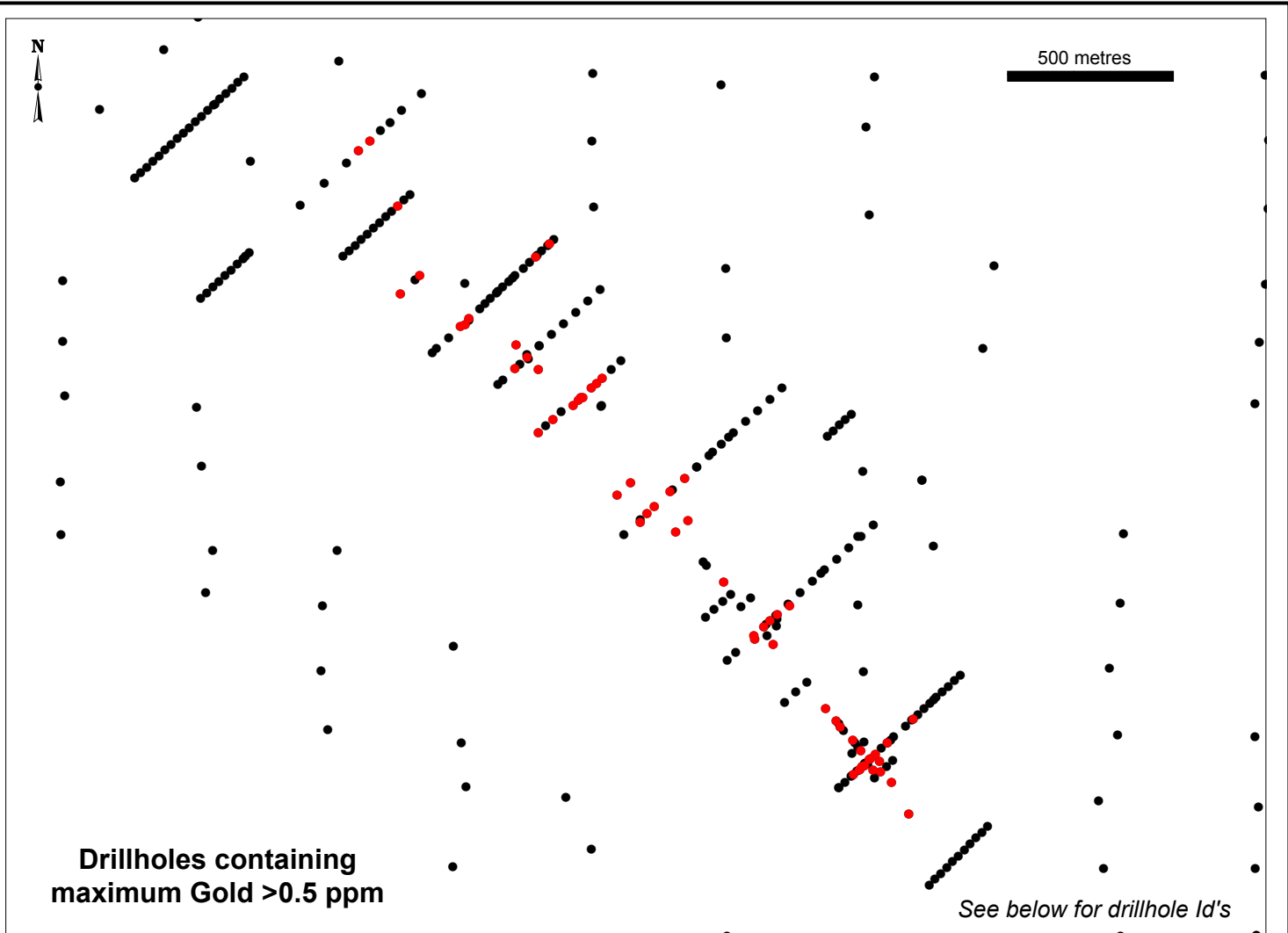


Figure 3



Appendix 5B Mining exploration entity quarterly report

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

Name of entity

MOUNT BURGESS MINING N.L.

ABN

31009067476

Quarter ended ("current quarter")

31 March 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(142)	(1056)
(b) development	-	-
(c) production	-	-
(d) administration	(264)	(651)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	12
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
Net Operating Cash Flows	(402)	(1,697)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(13)	(18)
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	(13)	(18)
1.13 Total operating and investing cash flows (carried forward)	(415)	(1715)
1.13 Total operating and investing cash flows (brought forward)	(415)	(1715)

+ See chapter 19 for defined terms.

Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1407
1.15	Proceeds from sale of forfeited shares	-
1.16	Proceeds from borrowings	-
1.17	Repayment of borrowings	-
1.18	Dividends paid	
1.19	Other – Placement Fees	(83)
	Other – Lease repayments	(10)
Net financing cash flows		1,314
Net increase (decrease) in cash held		(401)
1.20	Cash at beginning of quarter/year to date	538
1.21	Exchange rate adjustments to item 1.20	27
1.22	Cash at end of quarter *SEE NOTE A	164

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	98
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Expensed Employee Share Options \$72,000

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

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	256	6

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
Total	300

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	137	35
5.2 Deposits at call	27	511
5.3 Bank overdraft	-	-
5.4 Other (cash in transit)	-	27
Total: cash at end of quarter (item 1.22)	164	573

Changes in interests 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.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	178,890,000	178,890,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	NIL NIL			
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options Employee Share Plans	850,000 100,000 2,100,000 3,000,000 2,800,000	Nil Nil Nil Nil Nil	<i>Exercise Price</i> 25 cents 25 cents 25 cents 25 cents	<i>Expiry date</i> 31/12/06 31/12/07 31/12/09 31/12/10 31/12/11
7.8 Issued during quarter	2,800,000	Nil	25 cents	31/12/11
7.9 Exercised during quarter	Nil			
7.10 CANCELLED during quarter	1,750,000 100,000	Nil Nil	25 cents 25 cents	31/12/05 31/12/09
7.11 Debentures <i>(totals only)</i>	N/A			
7.12 Unsecured notes <i>(totals only)</i>	N/A			

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Dean Scarparolo*
(Company Secretary)

Date: 28 April 2006

Print name: DEAN A SCARPAROLO

*** NOTE A**

AS ANNOUNCED TO THE MARKET ON 26 APRIL 2006, THE COMPANY HAS PLACED 10,025,000 SHARES AT AN ISSUE PRICE OF \$0.10 PER SHARE TO RAISE \$1,002,500.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.