

MOUNT BURGESS MINING N.L.

ACN: 009 067 47

REPORT FOR THE QUARTER ENDED 30 JUNE 2008

HIGHLIGHTS

KIHABE ZINC/LEAD PROJECT, BOTSWANA

NXUU ZINC/LEAD DEPOSIT

During the quarter resource drilling commenced at the Nxuu deposit, 7 kms east of the Kihabe zinc/lead resource. The drilling delineated an area of 220,000m² of the geological basin containing flat lying quartz wacke, host to zinc/lead mineralisation. The quartz wacke is covered by 1 - 6m of Kalahari sands and on average is estimated to be between 30 – 40m thick. Core is currently being cut and results are pending.

KIHABE ZINC/LEAD RESOURCE

Results from 41 diamond core drill holes amounting to 5,380m are currently being incorporated into the Kihabe resource model for the purpose of upgrading the resource estimate

TSUMKWE BASE METALS/DIAMOND PROJECT, NAMIBIA

BASE METALS

Results from two diamond core holes drilled during the quarter into a strong geochemical Zn/Pb anomaly, are pending.

DIAMONDS

One potential kimberlite target was drilled during the quarter.

TELFER

COPPER RESOURCE

The Company has estimated an Inferred Resource of 6 million tonnes @ 0.47% copper to a depth of 130m, using a 0.2% external cut-off, for 28,000 tonnes of contained copper metal, at the Camp Dome deposit Telfer, over which the Company has an Exploration Licence Application.

KIHABE ZINC/LEAD PROJECT, BOTSWANA

THE NXUU DEPOSIT

The Company has completed the first pass of diamond core drilling at the Nxuu deposit for the purpose of delineating further resources, seven kilometers east of its Kihabe resource, in north western Botswana.

Zinc/lead mineralisation at the Nxuu deposit occurs in a shallow flat lying quartz wacke which lies in a dolomite basin and is covered by 1 - 6m of Kalahari sands. The quartz wacke is estimated to have an average width of between 30m – 40m (Figure 1).

To date, eight diamond drill holes in this drilling programme have intersected this quartz wacke, which together with eight RC holes previously drilled by Billiton in the Basin, confirm that this quartz wacke extends over an area of some 220,000 square metres (Figure 2).

Drill core is currently being cut and being submitted for assaying.

Any resource developed at the Nxuu deposit will be shallow, thereby having the potential for an open cut mining operation with a very low waste to ore ratio.

THE KIHABE ZINC, LEAD AND SILVER RESOURCE

Results from 41 diamond core drill holes amounting to 5,380 metres are currently being incorporated into the Kihabe resource model for the purpose of upgrading the resource estimate.

It is anticipated that the diamond core results will increase both the grade and tonnes of the Kihabe resource. An initial resource was estimated at 11 million tonnes at 2.55% zinc equivalent (see resource estimate attached, Figure 3). In excess of 95% of this resource fell within the indicated category. This initial resource was estimated from RC drill results only, which the Company believes under reported the grade. A revised resource estimate will be released to the market once complete.

TSUMKWE DIAMOND AND BASE METALS PROJECT, NAMIBIA

BASE METALS

During the quarter two diamond core holes were drilled into a geochemical Zn/Pb anomaly (peaking over 500ppm Zn and Pb), previously defined by the Company, 11km from the Botswana border, within the same Proterozoic belt as Kihabe. Results from these two holes will be reported on when available.

DIAMONDS

During the quarter a single diamond core hole was drilled into a magnetic anomaly at the Company's Tsumkwe diamond project. This hole drilled through 29.5m of basalt and then into 31.5m of either conglomerate or volcanoclastic breccia deposited in a crater on top of a kimberlite pipe. The hole terminated in what is believed to be a large granite clast. Close to 60% of the conglomerate/breccia is made up of basalt, granite and sandstone clasts. A small sample of the conglomerate/breccia was subject to microscopy and one fresh kimberlitic pyrope garnet was recovered. Further microscopy was conducted to determine whether more kimberlitic garnets could be found to confirm whether this is a volcanoclastic breccia of kimberlitic origin or simply a conglomerate. No further kimberlitic garnets were found. Further deeper drilling needs to be conducted on this target for confirmatory purposes.

TELFER

POTENTIAL LARGE TONNAGE - LOW GRADE COPPER/TUNGSTEN PORPHYRY DEPOSIT

The Company has an Exploration Licence Application at its Telfer project, part of which covers the 17 Mile Hill copper/tungsten porphyry deposit on Camp Dome. During the quarter the Company compiled a resource estimate on this deposit.

COPPER

The Company has estimated an Inferred Resource of 6 million tonnes @ 0.47% copper to a depth of 130m, using a 0.2% external cut off, for 28,000 tonnes of contained copper metal.

Data from five drill holes, applying an area of influence with a radius of 150m, were used in the estimate. A sixth drill hole, CSMH213, drilled 373m to the east of the main inferred resource area, which intersected a zone of 5m @ 1.52% Cu from 81m has not been included. This represents an outlier unconnected for reasons of JORC compliance by its distance from the five drill holes used in the estimation and not for any change in geology or mineralization.

The inferred copper resource does not include a large low grade hypogene copper stockwork beneath the resource estimate. "One hole (NSMH 88-1) which penetrated the sulphide zone showed numerous intervals assaying from 0.22 – 0.56% Cu" (Newmont Australia Limited, 1990). Diamond drill hole NSMH 88-1 was drilled vertically to a depth of 568.1m and according to the graphic log was at 540 m depth still in a "strongly mineralised zone, massive veins, disseminated sulphides, veinlets of pyrite, pyrrhotite and chalcopyrite" (Newmont Australia Limited, 1990). This zone, so described, is 90m thick, between 450m and 540m depth. The assay intervals for this zone are not available.

Typically, this style of deposit (the porphyry type), is considerably larger than the resource so far defined. **The Company believes that further drilling will increase this resource.**

TUNGSTEN

Tungsten assay records are only available for one of the drill holes, SMC-9201 drilled to a depth of 300.5m, so a resource for tungsten cannot be estimated. Some of the tungsten (W) grades from SMC-9201, are as follows:

- 17.1m from 19.9m @ 0.28% W
- 2.2m from 99.5m @ 0.62% W
- 0.9m from 156.0m @ 6.57% W

"Anomalous zones of tungsten in the form of ferberite in quartz veins were intersected throughout most of the hole". (Newcrest, 1992).

Note: The copper price is currently around **US\$8,500/t** (US\$85 per each 1%) and the tungsten price is currently around **US\$25,000/t** (US\$250 per each 1%). At the time that the above deposit was last drilled in 1992, the emphasis was on gold exploration. Copper prices were around US\$2,400/t and falling and tungsten prices fell to under US\$9,000/t, forcing many tungsten mines to close.

CORPORATE

CHANGE IN BOARD MEMBERS

Because of other commitments, requiring significant periods overseas, Mr Giles Rodney (Rod) Dale, FRMIT, FAusIMM, Geologist, offered during the quarter to resign from the Board of the Company, as a Non Executive Director. The Company sincerely thanks Rod for the guidance he has given it during his time as a Board Member and wishes him all the best in his various ventures.

During the quarter Mr Murray Surtees, BSc, MDP, FAusIMM, Geologist, accepted the position of Executive Director, Exploration and Resource Development. Murray has many years of geological experience, having managed projects in Africa, South America, Australia and the Near East, exploring for base metals and gold. Latterly he was Exploration Manager, Eastern Africa for Anglo American plc, managing operations in twelve different countries. He has significant experience in the evaluation and assessment of the economic viability of mineral properties and projects, which includes the assessment of a SEDEX deposit similar to the Company's Kihabe Project. The Company welcomes Murray to the Board, particularly at this time of entering the phase of assessing the feasibility of its Kihabe Lead/Zinc Project.

PLACEMENT

During the quarter, the Company raised \$700,000 through the issue of 20 million shares @ 3.5c per share.

The information in this report that relates to exploration results (other than information relative to diamond exploration), together with any related assessments and interpretations, is based on information compiled by Mr Murray Surtees, B.Sc, MDP, F.Aus.IMM. Mr Surtees is a Fellow of The Australasian Institute of Mining and Metallurgy.

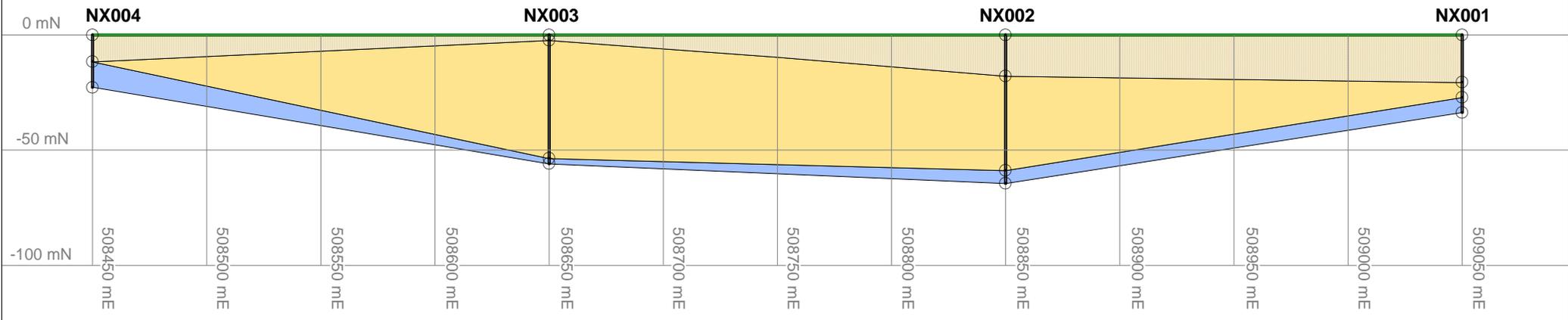
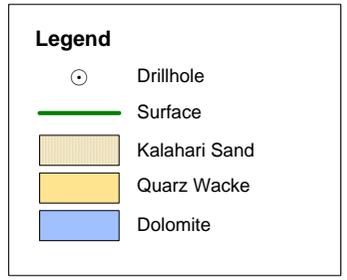
Mr Surtees is an Executive Director of the Company. He has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Surtees consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to diamond exploration is based on information approved by Dr Abraham Janse, PhD, Ch Geol, Ch Eng, FGS, FAusIMM, MIMMM, MCIMM, MGSA, MPDAC.

Dr Abraham Janse is a consulting geologist to the Company. He 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". Dr Janse consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

TO CONTACT US:

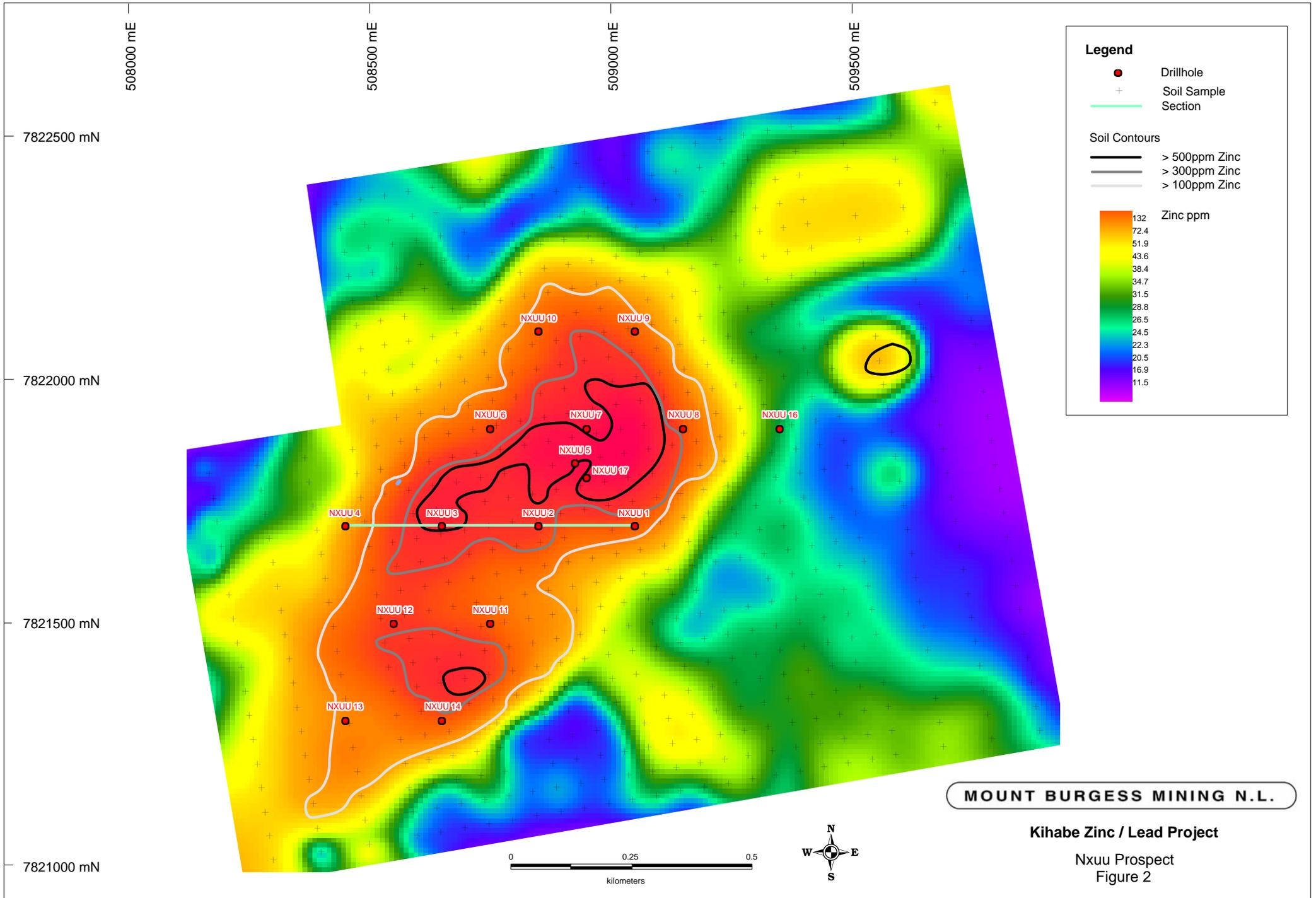
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MOUNT BURGESS MINING N.L.

Kihabe Zinc / Lead Project

Nxuu Prospect
Composite Cross Section
Figure 1



MOUNT BURGESS MINING N.L.

Kihabe Zinc / Lead Project

Initial Independent Resource Estimates

March 2007

Figure 3

The initial zinc, lead and silver Resources, based only on RC drill results were estimated by Ravensgate, independent consultants, in March 2007, applying a range of zinc equivalent low grade cuts, as follows:

KIHABE INDICATED RESOURCE – Reported at various % Zn equivalent* lower cut-offs

Zn Equivalent Lower Cut-Off (%Zn equiv)	Tonnes (t)	Grade				Metal		
		Zn (%)	Pb (%)	Ag (g/t)	Zn equivalent (%)	Zn (t)	Pb (t)	Ag (oz)
0.6	15,913,700	1.5	0.6	8.1	2.0	241,980	91,120	4,168,840
0.8	14,205,100	1.7	0.6	8.8	2.1	234,880	84,260	4,020,750
1.0	12,901,400	1.8	0.6	9.4	2.2	226,540	79,470	3,894,920
1.2	11,606,600	1.9	0.6	10.1	2.4	215,430	75,220	3,756,610
1.4	10,285,800	2.0	0.7	10.9	2.5	201,610	70,740	3,592,190
1.6	8,947,500	2.1	0.7	11.8	2.7	185,060	66,240	3,396,200
1.8	7,705,500	2.2	0.8	12.8	2.8	167,770	61,430	3,174,030
2.0	6,519,700	2.3	0.9	13.9	3.0	149,500	56,100	2,915,640

KIHABE INFERRED RESOURCE – Reported at various % Zn equivalent* lower cut-offs

Zn Equivalent Lower Cut-Off (%Zn equiv)	Tonnes (t)	Grade				Metal		
		Zn (%)	Pb (%)	Ag (g/t)	Zn equivalent (%)	Zn (t)	Pb (t)	Ag (oz)
0.6	883,600	1.1	0.3	3.8	1.3	9,310	2,940	106,920
0.8	690,500	1.2	0.3	4.0	1.5	8,490	2,200	88,130
1.0	547,200	1.4	0.3	4.3	1.6	7,560	1,680	75,330
1.2	414,200	1.6	0.3	4.7	1.8	6,520	1,070	62,840
1.4	310,000	1.7	0.3	5.0	2.0	5,360	840	49,420
1.6	244,000	1.8	0.3	5.2	2.1	4,490	710	41,080
1.8	154,200	2.0	0.4	5.8	2.3	3,100	560	28,810
2.0	111,700	2.1	0.4	6.4	2.5	2,380	460	22,830

*Note: In the above Resource estimates, “% zinc equivalent” was calculated as follows: 1.67% lead = 1% zinc, 75g/t silver = 1% zinc

The following metal prices, current in March 2007, were used to calculate the zinc equivalent grade: Zinc US\$3,250/t, Lead US\$1,950/t and Silver US\$13:50/oz.

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")

30 June 2008

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 and evaluation	(350)	(2,003)
(b) development	-	-
(c) production	-	-
(d) administration	(315)	(1,138)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(660)	(3,100)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(5)	(5)
(c) other fixed assets	(5)	(142)
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	(10)	(147)
1.13 Total operating and investing cash flows (carried forward)	(670)	(3,247)

1.13	Total operating and investing cash flows (brought forward)	(670)	(3,247)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	700	2,646
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	(21)	(95)
	Other – Lease liability repayments	-	(5)
	Net financing cash flows	679	2,546
	Net increase (decrease) in cash held	9	(701)
1.20	Cash at beginning of quarter/year to date	329	1,024
1.21	Exchange rate adjustments to item 1.20	(2)	13
1.22	Cash at end of quarter	336	336

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	77
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

The Company maintains a seasonal overdraft facility of \$150,000.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	205	3

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	22	84
5.2 Deposits at call	314	245
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	336	329

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		

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1 + Preference Securities	N/A	0		
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 + Ordinary Securities	300,257,000	300,257,000		
7.4 Changes during quarter				
(a) Increases through issues	20,000,000	20,000,000		
(b) Decreases through returns of capital, buy-backs	N/A	N/A		
7.5 + Convertible Debt Securities	N/A	N/A		
7.6 Changes during quarter				
(a) Increases through issues				
7.7 Options				
Employee Share Plans	950,000	NIL	25 cents	31/12/09
	2,500,000	NIL	25 cents	31/12/10
	5,050,000	NIL	25 cents	31/12/11
	850,000	NIL	25 cents	31/12/12
	1,300,000	NIL	25 cents	31/12/13
7.8 Issued during quarter	1,300,000	NIL	25 cents	31/12/13
7.9 Exercised during quarter	NIL			
7.10 Cancelled during quarter	150,000	NIL	25 cents	31/12/09
	50,000	NIL	25 cents	31/12/12
7.11 Debentures (totals only)	N/A			
7.12 Unsecured notes (totals only)	N/A			

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: **Serene Chau**
(Company Secretary)

Date: 31 July 2008

Print name: SERENE CHAU

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.