

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2008

KIHABE ZINC/LEAD PROJECT, BOTSWANA

REVISED RESOURCE ESTIMATES

During the quarter assay results from 1,067m of recent diamond core drilling were incorporated into the resource models for both the main Kihabe deposit and the Nxuu deposit, seven kms east of Kihabe.

The combined Kihabe and Nxuu indicated and inferred potential open cut resources applying a 0.5% zinc equivalent low grade cut are estimated at **27.4 million tonnes @ 2.32% zinc equivalent grade** (16.4 million tonnes indicated and 11 million tonnes inferred).

Within the above combined resources are a range of resources of varying tonnages and grades as follows:

19.5 million tonnes @ 2.9% zinc equivalent grade
18.0 million tonnes @ 3.0% zinc equivalent grade
16.4 million tonnes @ 3.1% zinc equivalent grade
14.9 million tonnes @ 3.3% zinc equivalent grade

Any one of the above range of resources will be appropriately selected for an ongoing scoping study.

The indicated and inferred resource estimates for the main Kihabe deposit (see Attachment 1) were estimated by Mr Byron Dumpleton B.Sc, Member of AIG, of Ravensgate, independent consultants and the initial Nxuu inferred resource (see Attachment 2) was estimated by Mr A M Surtees F.AusIMM an Executive Director of the Company. **Further drilling results from the Nxuu deposit, which are expected shortly, could expand this resource.**

The Company is also waiting for results from 488m of diamond core drilling at the Gossan Anomaly, 10km south of the main Kihabe deposit. **Any significant results from this anomaly could add to the overall resource base.**

Assaying methods used for the assay results incorporated into the resource revisions were OES (multi acid digest) for zinc and lead and MS (multi acid digest) for silver.

SCOPING STUDY

Whilst zinc and lead prices have fallen some 45% and 25% respectively in the last six months, the Company will complete an ongoing scoping study to establish what metal prices determine the break even point of the project. This will include open cut pit designs, to establish stripping ratio estimates, detailed metallurgical test work to determine overall metal recoveries and comminution test work to establish bond work indices. An estimate for this scoping study is in the region of \$70,000.

TSUMKWE BASE METALS PROJECT, NAMIBIA

During the quarter assay results were received from two diamond core holes drilled in the June quarter into a Zn/Pb anomaly, previously defined by the Company, 11km from the Botswana border. No significant results were recorded in either of these two holes.

CORPORATE

SHARE PLACEMENT

During the quarter, the Company raised \$440,000 through the placement of 20,000,000 shares @ \$0.022 per share, as announced to the Australian Securities Exchange on the 22nd July 2008.

SALE OF ROYALTIES

On the 17th of September, the Company announced to the Australian Securities Exchange that it had reached an agreement for the sale of three royalty agreements, in respect of the Red October gold deposit and various exploration ground holdings in the Butcher Well area south of Laverton, in Western Australia. The sale price for these royalties of \$500,000 was settled on the 29th of October 2008.

FUTURE FUNDING

The Company is at an advanced stage of negotiations for the sale of other assets, for the purpose of securing further future funding.

The information in this report that relates to exploration results, together with any related assessments and interpretations, is based on information compiled by Mr Byron Dumpleton B.Sc, Member of AIG and Mr Murray Surtees, B.Sc, MDP, F.Aus.IMM.

Mr Dumpleton is an Independent Consultant and Mr Surtees is an Executive Director of the Company. Both have sufficient experience relevant to the style of mineralisation under consideration and to the activity which they have undertaken to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Both Mr Dumpleton and Mr Surtees consent 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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Mt Burgess - Kihabe Resource Model 17 July 2008
Zinc Equivalent Grade Tonnage In situ Resource JORC Report

Model: kihabe_pb_zn_ag_model_17jul08_ag_cut.mdl

Report Based on Zinc Equivalent values

Price: 17-Jul-08

US\$/t Zn \$1,810.00

US\$/t Pb \$1,955.00

US\$/toz Ag \$18.75

| Indicated | | | | | | | | |
|---------------------------|------------|--------|--------|----------|-----------|--------------|--------------|-----------------|
| Cut Off Zn Equivalent (%) | Tonnes (t) | Zn (%) | Pb (%) | Ag (g/t) | Zn Eq (%) | Zn Metal (t) | Pb Metal (t) | Ag Ounces (toz) |
| 0.30 | 16,800,000 | 1.4 | 0.6 | 6.2 | 2.3 | 240,000 | 100,000 | 3,400,000 |
| 0.50 | 16,400,000 | 1.5 | 0.6 | 6.3 | 2.3 | 240,000 | 100,000 | 3,300,000 |
| 0.80 | 15,100,000 | 1.6 | 0.6 | 6.8 | 2.5 | 230,000 | 100,000 | 3,300,000 |
| 1.00 | 14,100,000 | 1.6 | 0.7 | 7.1 | 2.6 | 230,000 | 100,000 | 3,200,000 |
| 1.20 | 13,000,000 | 1.7 | 0.7 | 7.4 | 2.7 | 220,000 | 90,000 | 3,100,000 |
| 1.50 | 11,400,000 | 1.8 | 0.8 | 8.0 | 2.9 | 210,000 | 90,000 | 2,900,000 |
| 2.00 | 8,400,000 | 2.0 | 0.9 | 9.3 | 3.3 | 170,000 | 80,000 | 2,500,000 |
| 3.00 | 4,000,000 | 2.5 | 1.2 | 12.4 | 4.3 | 100,000 | 50,000 | 1,600,000 |
| 5.00 | 800,000 | 3.6 | 1.8 | 20.7 | 6.2 | 27,000 | 14,000 | 500,000 |
| Inferred | | | | | | | | |
| Cut Off Zn Equivalent (%) | Tonnes (t) | Zn (%) | Pb (%) | Ag (g/t) | Zn Eq (%) | Zn Metal (t) | Pb Metal (t) | Ag Ounces (toz) |
| 0.30 | 5,900,000 | 1.0 | 0.5 | 4.5 | 1.8 | 62,000 | 31,000 | 853,000 |
| 0.50 | 5,600,000 | 1.1 | 0.5 | 4.7 | 1.8 | 61,000 | 30,000 | 845,000 |
| 0.80 | 4,700,000 | 1.2 | 0.6 | 5.3 | 2.1 | 58,000 | 28,000 | 808,000 |
| 1.00 | 4,100,000 | 1.4 | 0.6 | 5.9 | 2.2 | 55,000 | 26,000 | 779,000 |
| 1.20 | 3,600,000 | 1.4 | 0.7 | 6.4 | 2.4 | 52,000 | 25,000 | 735,000 |
| 1.50 | 3,000,000 | 1.6 | 0.8 | 7.1 | 2.6 | 46,000 | 23,000 | 677,000 |
| 2.00 | 2,000,000 | 1.8 | 0.9 | 9.0 | 3.1 | 35,000 | 18,000 | 569,000 |
| 3.00 | 730,000 | 2.3 | 1.3 | 13.7 | 4.2 | 17,000 | 9,300 | 322,400 |
| 5.00 | 128,000 | 3.1 | 1.9 | 22.9 | 5.9 | 3,950 | 2,370 | 94,220 |
| Total | | | | | | | | |
| Cut Off Zn Equivalent (%) | Tonnes (t) | Zn (%) | Pb (%) | Ag (g/t) | Zn Eq (%) | Zn Metal (t) | Pb Metal (t) | Ag Ounces (toz) |
| 0.30 | 22,700,000 | 1.3 | 0.6 | 5.8 | 2.1 | 302,000 | 131,000 | 4,253,000 |
| 0.50 | 22,000,000 | 1.4 | 0.6 | 5.9 | 2.2 | 301,000 | 130,000 | 4,145,000 |
| 0.80 | 19,800,000 | 1.5 | 0.6 | 6.5 | 2.4 | 288,000 | 128,000 | 4,108,000 |
| 1.00 | 18,200,000 | 1.6 | 0.7 | 6.8 | 2.5 | 285,000 | 126,000 | 3,979,000 |
| 1.20 | 16,600,000 | 1.6 | 0.7 | 7.2 | 2.6 | 272,000 | 115,000 | 3,835,000 |
| 1.50 | 14,400,000 | 1.8 | 0.8 | 7.7 | 2.8 | 256,000 | 113,000 | 3,577,000 |
| 2.00 | 10,400,000 | 2.0 | 0.9 | 9.2 | 3.3 | 205,000 | 98,000 | 3,069,000 |
| 3.00 | 4,730,000 | 2.5 | 1.3 | 12.6 | 4.2 | 117,000 | 59,300 | 1,922,400 |
| 5.00 | 928,000 | 3.3 | 1.8 | 19.9 | 5.9 | 30,950 | 16,370 | 594,220 |

Note: Due to Rounding numbers may not sum correctly

Figures quoted are based on a nominal 0.5% Zn outline for Zinc and a 0.5% Pb for Lead geological model, Silver is based on material within the Zinc resource outline.

Zinc equivalent cut offs are based on the following unit price: Zinc=US\$1810.00/t, Lead=US\$1955.00/t and Silver=US\$18.75/oz

Density measurements applied to the resource are based on the water immersion principle on diamond drill core.

The average density applied to Fresh ore is 2.7t/m³ and for Transitional ore the average density applied was 2.5 t/m³.

Byron Dumpleton BSc, Member of the AIG (Member No 1598) - Competent person as per the JORC Code.

Byron Dumpleton has over 5 years of relevant experience for Kihabe Pd/Zn/Ag style of mineralisation.

MOUNT BURGESS MINING N.L.

ACN: 009 067 476

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31 October 2008

RESOURCE ESTIMATE OF THE NXUU LEAD-ZINC DEPOSIT, BOTSWANA

The Inferred Resource of the Nxuu Pb-Zn deposit in northwestern Botswana is estimated at:

| Drill Section External Cut-off | Tonnes (millions) | Zn Grade (%) | Pb Grade (%) | Equivalent Zinc Grade (%) |
|-----------------------------------|----------------------|--------------|--------------|------------------------------|
| 0.5% Zn | 5.4 | 1.80 | 0.93 | 2.81 |
| 1.0% Zn | 4.5 | 2.08 | 1.00 | 3.16 |
| 1.5% Zn | 3.7 | 2.36 | 1.11 | 3.56 |

The Equivalent Zinc Grade is calculated using the refined metal prices ruling on 17th July 2008, namely Zn at US\$1,810/t and Pb at US\$1,955/t. These are the figures used by Ravensgate for their "Mt Burgess - Kihabe Resource Model 17 July 2008". Density values applied to the resource are based on specific gravity measurements taken at 1- 1.5 m intervals throughout the core.

This resource is estimated by Albert Murray Surtees, F.AusIMM, who has over 5 years relevant experience in the Kihabe and Nxuu style of Pb-Zn mineralization.

A M Surtees
F.AusIMM

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 September 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 | (683) | (683) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (227) | (227) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 2 | 2 |
| 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 | (908) | (908) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | (5) | (5) |
| 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 | (5) | (5) |
| 1.13 Total operating and investing cash flows (carried forward) | (913) | (913) |

| | | | |
|---|--|---------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (913) | (913) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 440 | 440 |
| 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 | (3) | (3) |
| | Other – Lease liability repayments | - | - |
| | Net financing cash flows | 437 | 437 |
| | Net increase (decrease) in cash held | (476) | (476) |
| 1.20 | Cash at beginning of quarter/year to date | 336 | 336 |
| 1.21 | Exchange rate adjustments to item 1.20 | 3 | 3 |
| 1.22 | Cash at end of quarter | (137)* | (137) |

***Note: On 29th October 2008 the Company received \$500,000 for the sale of royalties.**

**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 | 78 |
| 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 \$350,000.

+ See chapter 19 for defined terms.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | 415 | 301 |

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 | (167) | 22 |
| 5.2 Deposits at call | 30 | 319 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | (137) | 336 |

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 | 320,257,000 | 320,257,000 | | |
| 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 | NIL | | | |
| 7.9 Exercised during quarter | NIL | | | |
| 7.10 Cancelled during quarter | NIL | | | |
| 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 October 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.