

MOUNT BURGESS MINING N.L.

ACN: 009 067 476

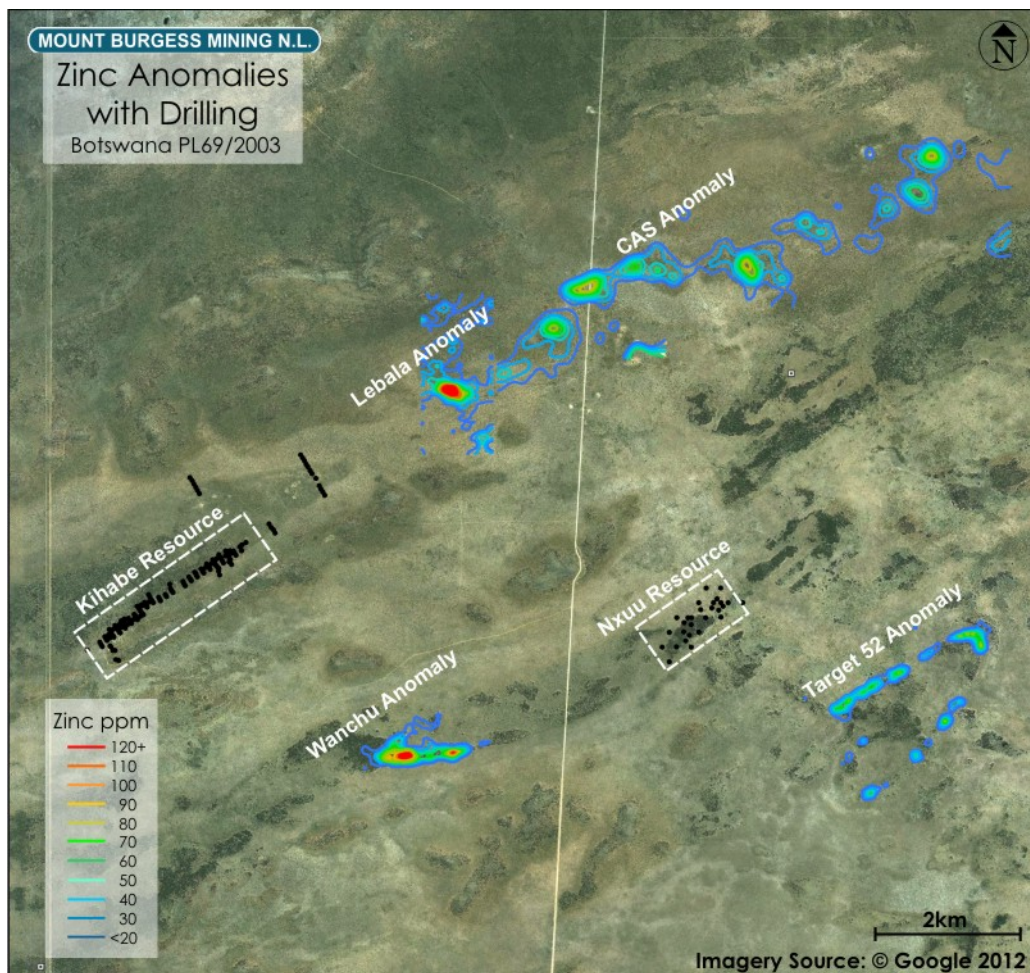
Level 4, 109 St Georges Terrace, Perth, Western Australia, 6000
PO Box Z5301, St Georges Terrace, Perth, Western Australia, 6831
Telephone: (61 8) 9322 6311 Email: mtb@mountburgess.com
Facsimile: (61 8) 9322 4607 Website: www.mountburgess.com

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

KIHABE-NXUU ZN/PB/AG PROJECT BOTSWANA (100%)

Continuing Soil Geochemical Sampling Generates further Zn/Pb Anomalies

During the quarter the Company collected **2,142** soil geochemical samples along strike and to the NE of the Kihabe Zn/Pb/Ag resource. These were analysed through the Company's on-site XRF machine, producing a further group of elevated Zn/Pb anomalies. (See diagram below for geochemical anomalies). In the last nine months, the Company has collected **8,825** soil geochemical samples and delineated six Zn/Pb and one Cu/Co anomaly on the Botswana side of the border, all of which have the potential to increase the Company's resource base. These anomalies are now ready for drill testing.



The Company controls 100% of some 3000 sq km of a neo-Proterozoic belt spanning the border between Namibia and Botswana, which is highly prospective for copper, zinc, lead, silver and vanadium mineralisation. To date the Company has delineated the Kihabe and Nxuu Zn/Pb/Ag resources, situated 7kms apart, totaling a combined **25 million tons @ 3% Zn/Pb, together with 3.3 million ozs of silver**. (Refer attached resource statement).

Gravity and Dense Media Separation of Zn Oxide Mineralisation

The Nxuu resource is totally oxidised to the full depth of the resource at 60m. The Kihabe resource is oxidised in the top 35m – 50m. Below this, the resource is in sulphide mineralisation. Metallurgical test work to date has confirmed the following metal recoveries:

Nxuu Resource – totally oxidised

Zn recoveries 93%, Pb recoveries 93% through acid leaching in 12 hours @ 25 deg C.

Kihabe Resource - oxide zone

Zn recoveries 92%, Pb recoveries 92% through acid leaching in 24 hours @ 40 deg C.

Kihabe resource – sulphide zone

Recoveries Zn 94%, Pb 88% and Ag 96% within 15 minutes, through flotation and concentration.

With regard to the oxide zones of mineralisation in both the Nxuu and Kihabe resources, because of the high SGs of the Zn host minerals smithsonite and baileychlorite, the Company is investigating the metallurgical process of an initial up-front concentration by way of gravity separation of these minerals. This pre-concentration could significantly reduce power costs and acid consumption.

Interest from Independent Parties

The Company has recently been approached by a number of parties expressing interest in involvement in the Kihabe - Nxuu project. Discussions are taking place.

TSUMKWE BASE METALS PROJECT NAMIBIA (90%)

In the September quarterly report the Company reported high magnetite recoveries from drilling conducted at its Makuri Vlei Project as follows:

Drill Hole	Interval	Width	Fe Head (XRF)	Recovered Mass (DTR)	Conc Fe	Interpreted Mineralogy**
NAM917	10m – 13m	3m	49.21%	28.6%	66.15%	HO, GO, MO
	16m – 18m	2m	36.72%	21.6%	62.00%	HO, GO, MO
	27m - 37m	10m	49.22%	66.4%	68.65%	MO
	47m - 61m	14m	50.94%	69.0%	67.87%	MO

During December 2011, attempts at further drilling were made some 6km to the SW of the above drilling, into a linear magnetic high anomaly believed to be associated with the magnetic anomaly relative to the above results.

Because of excessive rainfall during December, only a very limited amount of drilling was completed. Four holes for a total of 400m were drilled, however no significant assay or DTR Fe results were returned from this drilling.

The information in this release that relates to exploration results for the Kihabe/Nxuu base metals project in Botswana and the Tsumkwe base metals project in Namibia, 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 Australasian 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.

FUNDING

During the quarter the Company raised \$219,000 through the placement of 36,500,000 shares at 0.6 of 1c per share.

As at 31 December, the Company had available \$157,000 in credit standby arrangements plus \$100,000 in un-used loan facilities.

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")

31 December 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 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	(163)	(360)
(b) development	-	-
(c) production	-	-
(d) administration	(183)	(365)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(13)	(21)
1.6 Income taxes refund	91	91
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(268)	(655)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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	-	-
1.13 Total operating and investing cash flows (carried forward)	(268)	(655)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(268)	(655)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	304	518
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	71	131
1.17	Repayment of borrowings	(23)	(23)
1.18	Dividends paid	-	-
1.19	Other – Lease liability repayments	-	(1)
	Other – Placement fees	(13)	(17)
	Net financing cash flows	339	608
	Net increase / decrease in cash held	71	(47)
1.20	Cash at beginning of quarter/year to date	(316)	(197)
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	Cash at end of quarter	(245)	(245)

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	566	466
3.2 Credit standby arrangements	415	258

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	200

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	13	10
5.2 Deposits at call	-	-
5.3 Bank overdraft	(258)	(326)
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	(245)	(316)

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	502,171,937	502,171,937		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	71,000,000 N/A	71,000,000 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>	16,350,000 500,000	NIL NIL	5 cents 5 cents	31/12/15 31/12/16
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.

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*
 (Director/Company secretary)

Date: 30 January 2011

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.

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