REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012

The Company controls 100% of a 3,000 sq km neo-Proterozoic belt prospective for base metals, which spans the border in NE Namibia and NW Botswana

Geochemical soil sampling continues to generate additional Zn/Pb Anomalies

During the quarter the Company collected 4000 geochemical soil samples on the Botswana side of the border despite sampling activities being severely hampered by bush fires within the current soil sampling areas.

As announced on 11 September 2012, a strong Zn/Pb geochemical soil anomaly, Wanchu West Anomaly 1 has been generated about 1.5 km south of the Company's Kihabe Resource.

The north-east trending geochemical soil anomaly currently has a strike length of around 1km, running parallel with the Kihabe resource (refer diagram attached – Wanchu West Anomaly 1). This new geochemical anomaly may represent a parallel repeat of the Kihabe synclinal fold structure in this SEDEX style mineralised area.

Further samples collected and assayed since the above release have generated a second anomaly in this area, Wanchu West Anomaly 2. This second anomaly is situated about 2 km SE of the Wanchu West 1 anomaly, striking in the same NE direction running parallel with the Kihabe resource (refer diagram attached – Wanchu West Anomaly 2). The length of the second anomaly is around 700m.

Further geochemical soil sampling will be conducted in this area, south of the Kihabe resource. Soil sampling will also be extended north-east to join up with a previously sampled area which resulted in the delineation of the geochemical anomaly over what has now been drilled to produce the Nxuu resource, 7km to the east of the Kihabe resource.

On the Botswana side of the border, the Company has two Zn/Pb deposits in the JORC compliant resource category, the Kihabe and Nxuu Resources (Refer to resource summary). Based on geochemical soil sampling results with a threshold value of 40ppm the Company has in the last eighteen months generated nine geochemical soil anomalies for zinc and lead (all within an 8 km radius) as follows:

(i) The Kihabala, Lebala and CAS (made up of two anomalies) are all potential extensions of the Kihabe resource, with a similar strike direction of around 45°. Strike length of the anomalies are roughly as follows:

Kihabala	800m
Lebala	2500m
CAS	400m and 700m

(ii) The Wanchu Anomaly has a strike length of around 1.3 km

(iii) The Wanchu West Anomaly 1 and Wanchu West Anomaly 2 as earlier described.

(iv) Target 52 Anomaly has a strike length of 4.5 km around a fold closure which strikes in a NE direction.

(v) The Westwin Anomaly, north of the Nxuu resource, which covers a strike length of approx. 200m

(vi) The Tswee Tswee Anomaly, which covers an area of approx 1.5 km by 500m, situated about 6 km SSE of the Target 52 Anomaly.

Refer to map on following page to view Anomalies outlined in (i) to (v) above.

A Copper/Cobalt anomaly has also been delineated, 13km NE of the Kihabe Resource.

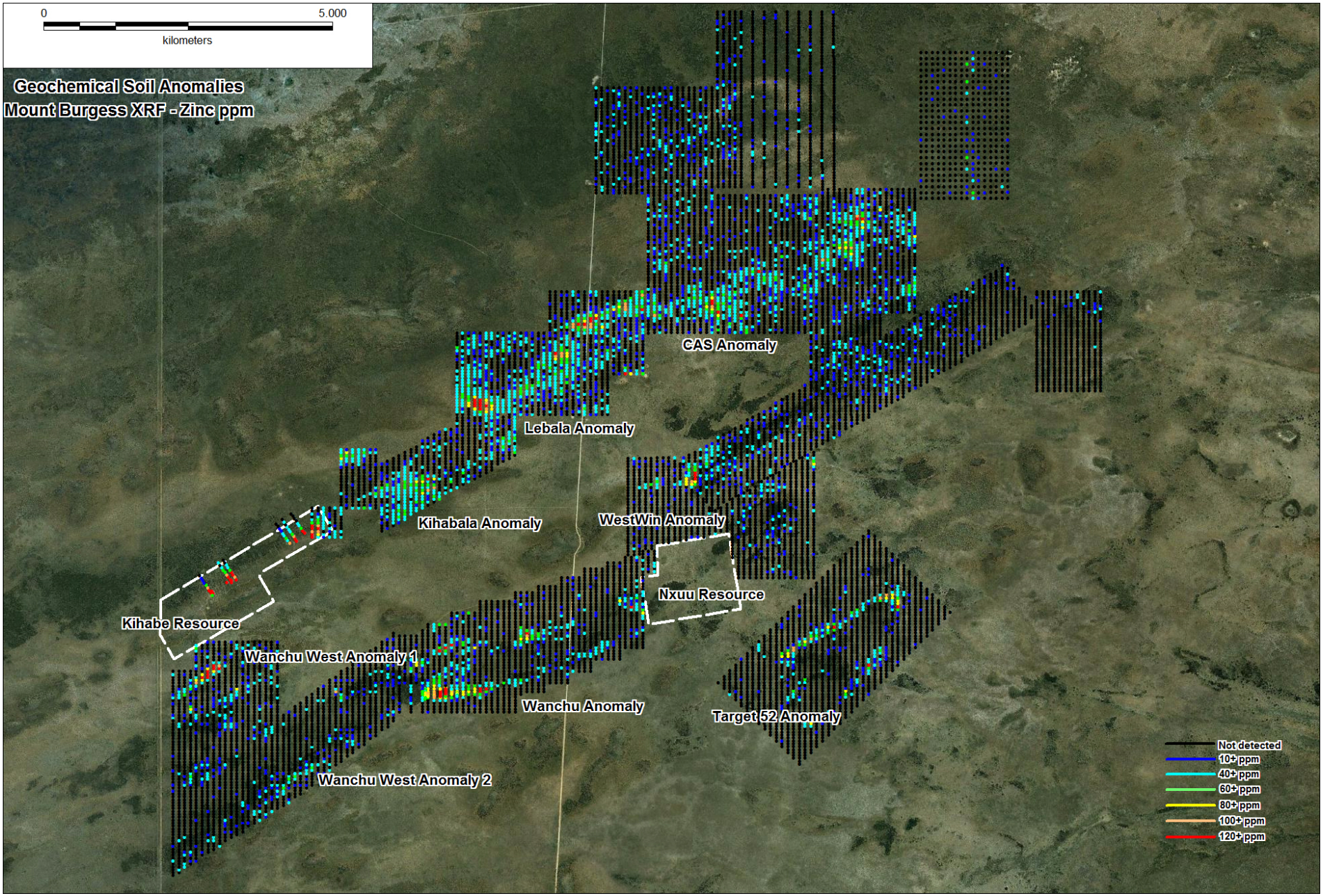
On the Namibian side of the border, the Company has delineated a copper/cobalt anomaly at Makuri Vlei.

All of the anomalies described above need to be drill tested to confirm whether they will generate further resources.

All geochemical soil samples have been collected from around 10cm below surface, every 50m along north/south lines, 100m apart. The samples are sieved down to – 0.4mm, packeted and then analysed on site under stable and stationery conditions with the Company's XRF machine. The XRF machine is calibrated with certified standard samples at commencement of the daily analytical process and from thereon after every 25th sample has been analysed. Quality control samples will be sent to an independent laboratory for analysis by conventional methods.

The following map portrays only those analytical results generated from the Company's on-site XRF machine. The original geochemical soil anomalies for what are now the Kihabe and Nxuu resources were generated by independent laboratory results prior to the Company's involvement in the project.

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.


0
5.000
kilometers
Geochemical Soil Anomalies
Mount Burgess XRF - Zinc ppm
CAS Anomaly
Lebala Anomaly
Kihabala Anomaly
WestWin Anomaly
Nxuu Resource
Kihabe Resource
Wanchu West Anomaly 1
Wanchu Anomaly
Target 52 Anomaly
Wanchu West Anomaly 2
Not detected
10+ ppm
40+ ppm
60+ ppm
80+ ppm
100+ ppm
120+ ppm

Alternative Process Routes – Kihabe-Nxuu Zn/Pb Project

In the interest of seeking to reduce both potential project capital and processing costs which require high electrical power inputs, the Company is currently investigating alternative processing routes, to those designed to date. Information in this regard will be released to the market once satisfactory testwork and design has been completed.

Potential Joint Ventures

Discussions with parties in regard to the possible formation of a joint venture on the Company's Kihabe-Nxuu Project are ongoing.

CORPORATE

As at 30 September 2012 the Company had $144,000 available by way of undrawn loan facilities and credit standby arrangements. On 22 October the Company announced a share placement of 25,500,000 shares at 0.3 of one cent to raise a further $76,500.

KIHABE- NXUU 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 resource calculated on metal prices as at 17 July 2008:	Zn US$1,810/t	Pb US$1,955/t	Ag US$18.75/oz
Grades applied:	Zn 1.75%	Pb 0.76%	Ag 6.93 g/t
Nxuu resource calculated on zinc and lead at US$ par			
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.

KIHABE-NXUU METAL RECOVERIES

Independent metallurgical testwork has confirmed the metal recoveries shown in the table below. Accordingly the Company believes these recoveries are achievable. Zinc recovered from acid leaching oxide zones will enable Zn metal to be recovered on site from electro-winning.

DEPOSIT	Zone	Time	Zinc	Lead	Silver
Kihabe					
Oxide Zone					
Acid leaching @40°C 30 kg/t acid	Oxide *	24 hrs	96.9%	91.9%	n/a
Sulphide Zone					
Rougher flot	Sulphide	90 seconds	91.9%	84.8%	94%
	Sulphide	15.5 mins	93.8%	88.1%	96.4%
Nxuu					
All Oxide					
Acid leaching @25°C 30 kg/t acid	Oxide *	12 hrs	93%	93%	n/a

** Note: Zn mineralisation in the oxidised zones is hosted within Smithsonite and Baileychlore and independent test work has confirmed both of these are amenable to acid leaching.*

LME[1] AND SFE[2] ZINC/LEAD/SILVER STOCKS AND PRICES

(as at 26 October 2012)

METAL	Stocks/Ton		Price/Ton (US$)	Price/oz (US$)
	LME	SFE	LME	
Zinc	1,142,900	300,373	1,793	
Lead	310,325	34,785	2,002	
Silver	n/a	n/a		32.10

[1]London Metal Exchange – Source LME

[2] Shanghai Futures Exchange – Source Bloomberg

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

MOUNT BURGESS MINING N.L.

ABN	Quarter ended ("current quarter")
31009067476	30 September 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(77)	(77)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(198)	(198)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(10)	(10)
1.6	Income taxes refund	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(285)	(285)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4)	(4)
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	(4)	(4)
1.13	Total operating and investing cash flows (carried forward)	(289)	(289)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(289)	(289)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	165	165
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	134	134
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Lease liability repayments	-	-
	Other – Placement fees	-	-
	Net financing cash flows	299	299
	Net increase / decrease in cash held	10	10
1.20	Cash at beginning of quarter/year to date	(370)	(370)
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	(360)	(360)

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

Financing facilities available

**** The Company currently has an overdraft facility of $400,000.**

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	821	761
3.2	Credit standby arrangements	465	381

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	19	15
5.2	Deposits at call	-	-
5.3	Bank overdraft	(379)	(385)
5.4	Other (provide details)		-
	Total: cash at end of quarter (item 1.22)	(360)	(370)

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.

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** *(description)*	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	628,838,602	628,838,602		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	54,999,998 N/A	54,999,998 N/A		
7.5	**+Convertible debt securities** (*description)*	N/A	N/A		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *Employee Share Plans*	13,350,000 500,000	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 / Cancelled	3,000,000	NIL	5 cents	31/12/15
7.11	**Debentures** *(totals only)*	NIL			
7.12	**Unsecured notes** *(totals only)*	NIL			

+ See chapter 19 for defined terms.

Compliance statement7

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* Date: 30 Oct 2012
(~~Director~~/Company secretary)

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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