



REPORT FOR THE QUARTER ENDED 31 MARCH 2013

KIHABE – NXUU BASE METALS PROJECT

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.

Continuing geochemical soil sampling has now generated a significant number of Zn/Pb anomalies which show up either as extensions of, or run parallel with, the Company's two Zn/Pb resources at Kihabe and Nxuu.

During the quarter close to 800 geochemical soil samples were collected on the Botswana side of the border and analysed on site with the Company's XRF analyser. The collection of samples was restricted during the quarter because of the rainy season.

Since commencing collection of geochemical soil samples in March 2011 and their analysis on site through the Company's XRF machine, a total of nearly 18,000 samples have been collected and analysed. Sample analysis has produced a number of new Zn/Pb geochemical soil anomalies, most of which are situated along strike from the existing Kihabe and Nxuu Zn/Pb resources. Further anomalies show up as running parallel to the existing resources (refer geochemical soil sampling map attached)

Some of the geochemical soil samples taken during the quarter were collected from the Nxuu resource area. The samples were analysed through the Company's onsite XRF machine and the results were then compared with those from the recently delineated anomalies generated since March 2011. Analytical results from samples taken over the Nxuu resource ranged from 25 ppm Zn to 278 ppm Zn which results are within the range of the results generated from the anomalies generated since March 2011.

The original geochemical soil anomalies over what are now the Kihabe and Nxuu resources were generated by previous explorers in the 1980s with samples analysed through independent laboratories.

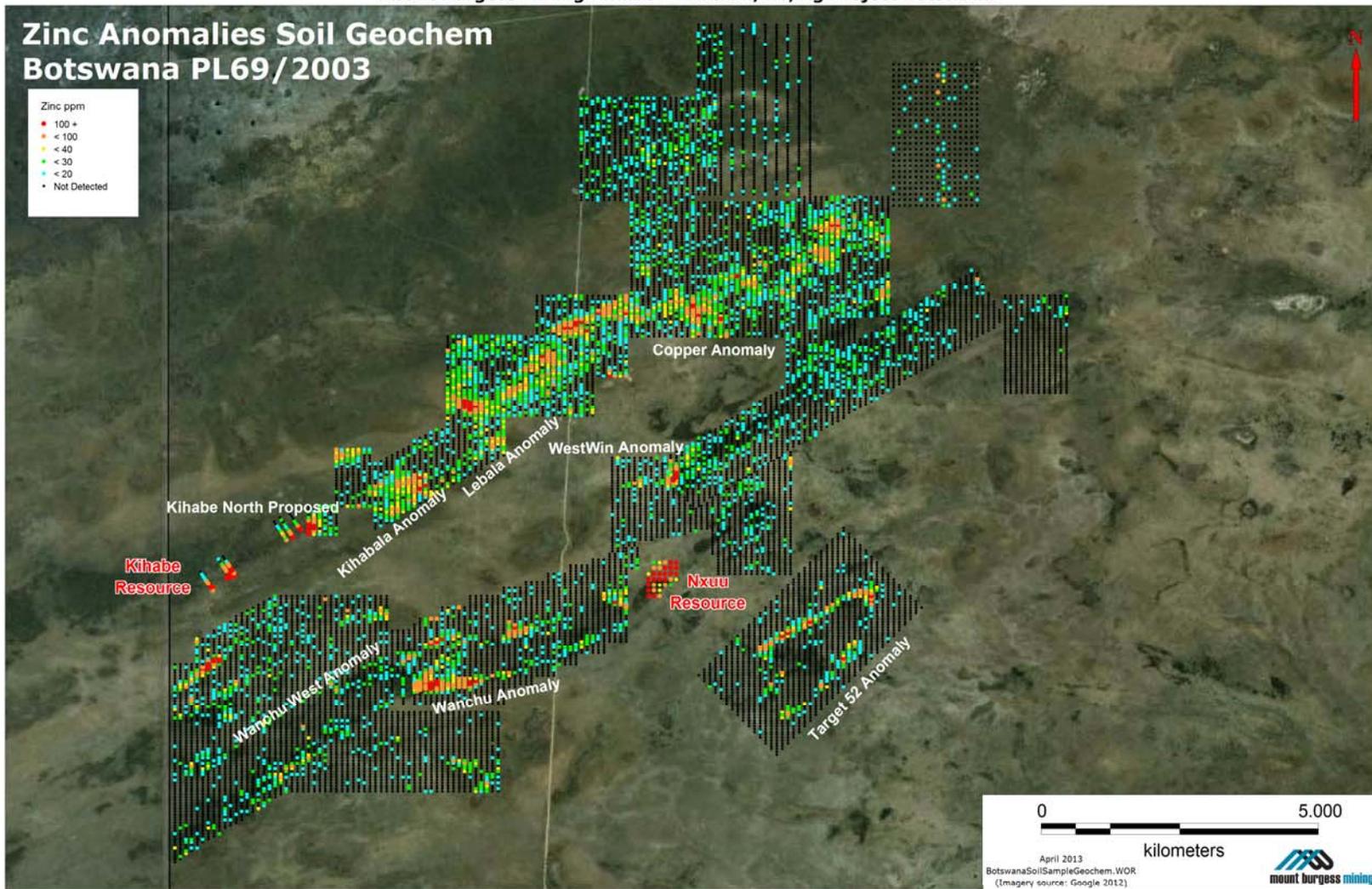
Whilst the new anomalies all require drill testing, the Company believes that they show potential to significantly increase the Company's current 25 million tonne Zn/Pb/Ag (at 3% Zn equivalent) resource base, particularly as they are all part of what has been interpreted to be a SEDEX style mineralised system. In addition, the Company has also generated Cu/Co anomalies on both sides of the Botswana / Namibia border.

On-site XRF Analysis

All geochemical soil samples have been collected from around 10cm below surface, every 50m along north/south lines spaced 100m apart. The samples are sieved down to – 0.4mm, packeted and then analysed on site under stable and stationary 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.

Mount Burgess Mining Kihabe - Nxuu Zn/Pb/Ag Project Botswana

Zinc Anomalies Soil Geochem Botswana PL69/2003



0 5.000
kilometers

April 2013
BotswanaSoilSampleGeochem.WOR
(Imagery source: Google 2012)

Alternative Metallurgical Processing Routes

As highlighted in the December 2012 quarterly report, the Company is continuing with investigations into potential alternative metallurgical processing routes to determine whether cost savings can be achieved in relation to both potential capital and power costs.

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.

RENEWAL OF PROSPECTING LICENCE 69/2003 BOTSWANA

The Kihabe - Nxuu Resources in Botswana have been developed on Prospecting Licence 69/2003.

On **29 March 2012**, the Company submitted an Application for the Extension of Prospecting Licence 69/2003 for a further two years from 1st July 2012 to 30th June 2014. In the Application for Extension, the Company outlined proposed expenditure of Botswana Pula (BWP) 5 million per annum, totalling BWP 10 million for the two years to 30th June 2014.

On 11 September 2012, the Company received notice from the Geological Survey of Botswana (GS) informing the Company that the provision for expenditure of only BWP 100,000 per annum over the two year period to 30th June 2104, would not be sufficient for the project. The Company responded by informing the GS that it had, in its Application for Extension, made provision for expenditure of BWP 5 million per annum, not BWP100,000 per annum. The Company re-submitted its original Application for Extension, confirming the provision for expenditure of BWP 5 million per annum.

On 17 October 2012 it was announced that as a result of restructuring within the Ministry of Minerals, Energy and Water Resources (MMEWR) the Prospecting Licence Unit at the Department of Geological Survey in Lobatse would be moved to and form part of the Department of Mines in Gaborone effective 5 November 2012

On 23 January 2013, the Company received a further query from MMEWR questioning why it had only conducted geochemical soil sampling during the two year period to 30 June 2012. The Company responded by informing MMEWR that it had done significantly more than just geochemical soil sampling in the two year period. The Company referred MMEWR to the work summaries outlined in the eight quarterly reports filed with GS over the two year period to 30 June 2012. The work included mineralogical test work, metallurgical test work confirming Zn and Pb concentrate and metal recoveries, design of proposed process flow sheets, assaying for gallium and germanium, proposed test work for the recovery of copper, vanadium, silver, gallium and germanium and test work for pre-concentration by dense media separation.

On 17 April 2013 the Company received a further query from MMEWR, questioning whether the Company had carried out work for the two years to 30 June 2012 in accordance with an attached programme. The attached programme, compiled by MMEWR, should have been part of the documents for the renewed Prospecting Licence couriered to Perth in August 2010. The Company immediately responded to MMEWR confirming that the Prospecting Licence documents received in August 2010, did **not** have attached to them the work programme prepared by MMEWR and attached to their letter of 17 April 2013. As the Company had not compiled this programme, it was not previously aware of such a proposed work programme. The Company will none the less respond to MMEWR by 3 May 2013 as requested, outlining the work that was conducted in accordance with MMEWR's programme.

Based on the premise that the Company's Application for Extension will be granted it has, since submitting its Application in March 2012, continued to employ its full complement of staff who have been continuously working on the Kihabe - Nxuu project. This includes two geologists and five field staff in Botswana and three full time staff members here in Australia including GIS and Administration. From March 2012 to 31 March 2013, the Company has spent \$968,000 (BWP 7.6 million) on the project.

To date the Company has NOT been informed that its Application for Extension of PL69/2003 will be refused. As such, the Company is entitled to assume that it still has title thereto.

CORPORATE

Issue of Shares

On 4 February 2013, the Company issued 4 million fully paid ordinary shares to consultants for geological and metallurgical services.

General Meeting 12 April 2013

The Company was granted approval for:

1. The previous issue of 6,149,210 shares to sophisticated and professional investors at an issue price of 0.2 of a cent.
2. The issue of 4 million shares to consultants on 4 February 2013.
3. The proposed issue, if required, of an additional 15% of the Company's issued share capital amounting to 122,675,790 shares, within a three month period to 12 July 2013.

Funding

Since 31 March an additional \$20,000 loan funding has been provided by NR and JE Forrester. Mr Forrester is a Director of the Company. Also an additional \$55,000 overdraft facility has been provided by the Company's bankers, totalling \$405,000.

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 Zn US\$1,810/t Pb US\$1,955/t Ag US\$18.75/oz prices as at 17 July 2008:

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 Baileychlorite and independent test work has confirmed both of these are amenable to acid leaching.

LME¹ ZINC/LEAD/SILVER STOCKS AND PRICES

(as at 29 April 2013)

METAL	Stocks/Ton		Price/Ton (US\$)		Price/oz (US\$)	
	LME 29/04/13	LME 30/01/13	LME 29/04/13	LME 30/01/13	29/04/2013	30/01/13
Zinc	1,074,875	1,211,325	1,862	2,119		
Lead	256,700	292,600	2,021	2,438		
Silver	n/a	n/a			24.41	31.95

¹London Metal Exchange – Source LME

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 March 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(84)	(224)
(b) development	-	-
(c) production	-	-
(d) administration	(121)	(494)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(14)	(41)
1.6 Income taxes refund	-	118
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(219)	(641)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(4)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	12	13
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	12	9
1.13 Total operating and investing cash flows (carried forward)	(207)	(632)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(207)	(632)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	189	485
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	56	190
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Lease liability repayments	(1)	(2)
	Other – Placement fees	(5)	(7)
Net financing cash flows		239	666
Net increase / decrease in cash held		32	34
1.20	Cash at beginning of quarter/year to date	(369)	(370)
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	Cash at end of quarter	(337)	(337)

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	49
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 currently has an overdraft facility of \$400,000.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	828	805
3.2 Credit standby arrangements	415	347

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	10	12
5.2 Deposits at call	-	-
5.3 Bank overdraft	(347)	(381)
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	(337)	(369)

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	817,838,602	817,838,602		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	111,500,000 4,000,000 N/A	111,500,000 4,000,000 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>	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	NIL			
7.11 Debentures <i>(totals only)</i>	NIL			
7.12 Unsecured notes <i>(totals only)</i>	NIL			

+ See chapter 19 for defined terms.

