

MOUNT BURGESS – KIHABE ZINC LEAD SILVER PROJECT, BOTSWANA

PLACEMENT AND UPDATE

- **Placement to Sophisticated Investors under 7.1A completed**
- **Placement to a Sophisticated investor under 7.1 completed**
- **Company has begun discussions with drilling service providers**

Further to the announcement made 6/4/17 (Proposed Issue of Securities) Mount Burgess Mining NL (the Company) advises that it has issued 21,000,000 ordinary shares by way of a placement to sophisticated investors, in accordance with Listing Rule 7.1A. The issue price of the shares is 0.8 of one cent per share, and has raised the Company \$168,000.

The Company also wishes to advise that it has issued a further 4,636,449 ordinary shares by way of a placement to a sophisticated investor in accordance with Listing Rule 7.1 under the same terms, to raise an additional \$37,091. The placement is to a UK based private fund.

Next Steps

Consistent with the Company's Strategy (see announcement 21/3/17) and subject to funding, the Company has begun discussions with potential providers of drilling services for the intended diamond drilling campaign of the Nxuu Resource (Table 1). The objectives of the drilling program are to:

1. Convert the current 2004 JORC compliant resource to 2012 JORC standards. Historical RC drilling defined a resource with surface area of approximately 550m x 250m (Figure 1a), starting from 5m below a surface of predominantly free digging Kalahari sand and extending to a maximum depth of 60m below surface. In addition to updating the resource, it is intended that the program will also upgrade a large portion of the resource to Indicated status.
2. Address the potential grade under-call from previous RC and percussion drilling. The Company has previously provided evidence that suggests historical RC and percussion drilling materially under-called the grade of the Kihabe and Nxuu Resources (see announcement 5/3/17). It is anticipated the intended HQ diamond drilling program will address this issue conclusively for the Nxuu portion of the project resources.
3. Include potential silver and germanium credits in the revised resource calculation. The existing Nxuu resource zinc equivalent calculation does not include silver credits although silver is recorded in holes within the resource envelope. Similarly, the Company wishes to investigate the distribution of germanium in the deposit as this metal also has the potential to enhance the project economics.

Mount Burgess has chosen to focus on the Nxuu Resource as it potentially presents a relatively low risk path to production, achievable within reasonable timeframes. The Company has come to this conclusion because of the following:-

1. **Relatively inexpensive drilling program.** With a maximum depth of 60m (Figure 1b) and anticipated average depth of 48m, drilling vertical drill holes, the investment in HQ diamond core drilling is relatively small given the amount of contained zinc, lead and silver that could be defined.

2. **Near surface, shallow mineralization.** Mineralisation follows a gentle sloping bowl shape from 5m to 60m below surface. The shallow nature of the mineralization should result in low waste to ore strip ratios and therefore low mine operating costs, together with low risk of geotechnical issues.
3. **Uniform, simple mineral suite.** The Nxuu resource is entirely oxidized (no transitional zones or sulphides) and occurs predominantly as the zinc oxide mineral smithsonite and the lead oxide mineral cerussite. This simple mineralisation removes the complexity of treating considerably different metallurgical domains, which, in turn, should translate to a relatively lower capital requirement for the processing facility.
4. **Potentially simple process flow.** At 75 micron grind size 93% Zn and 93% Pb are recovered in 12 hours through tank acid leaching at 25 °C. In addition, as the mineralisation occurs in a quartz wacke, as opposed to more commonly carbonate host rocks, acid consumption is relatively low (~30kg/t acid - bench scale test work - Ammtec).
5. **Possibility of metal production on site.** Production of zinc metal from oxides via acid leaching followed by SX/EW is an established process. In addition, recent investigations suggest both lead and silver could be recovered via a similar path. Assuming access to an economic source of power, alternatives for which are currently being investigated, production of metal on site from the Nxuu resource removes the cost of shipping concentrate and by-passes negotiations with smelters and smelting costs. Further investigation of these processing options is also a priority for the Company.
6. **The top of the Kihabe Resource is also oxide.** The Kihabe deposit is 7km west of Nxuu and the upper portion of the established resource at Kihabe is also oxide material thus presenting potentially more oxide feed before plant modifications would be required to accommodate the deeper Kihabe transitional and sulphide mineralisation. The Company's current plan includes investigating the potential higher grade, near surface oxide domains at Kihabe as a possible high grade supplemental feed in early production years.

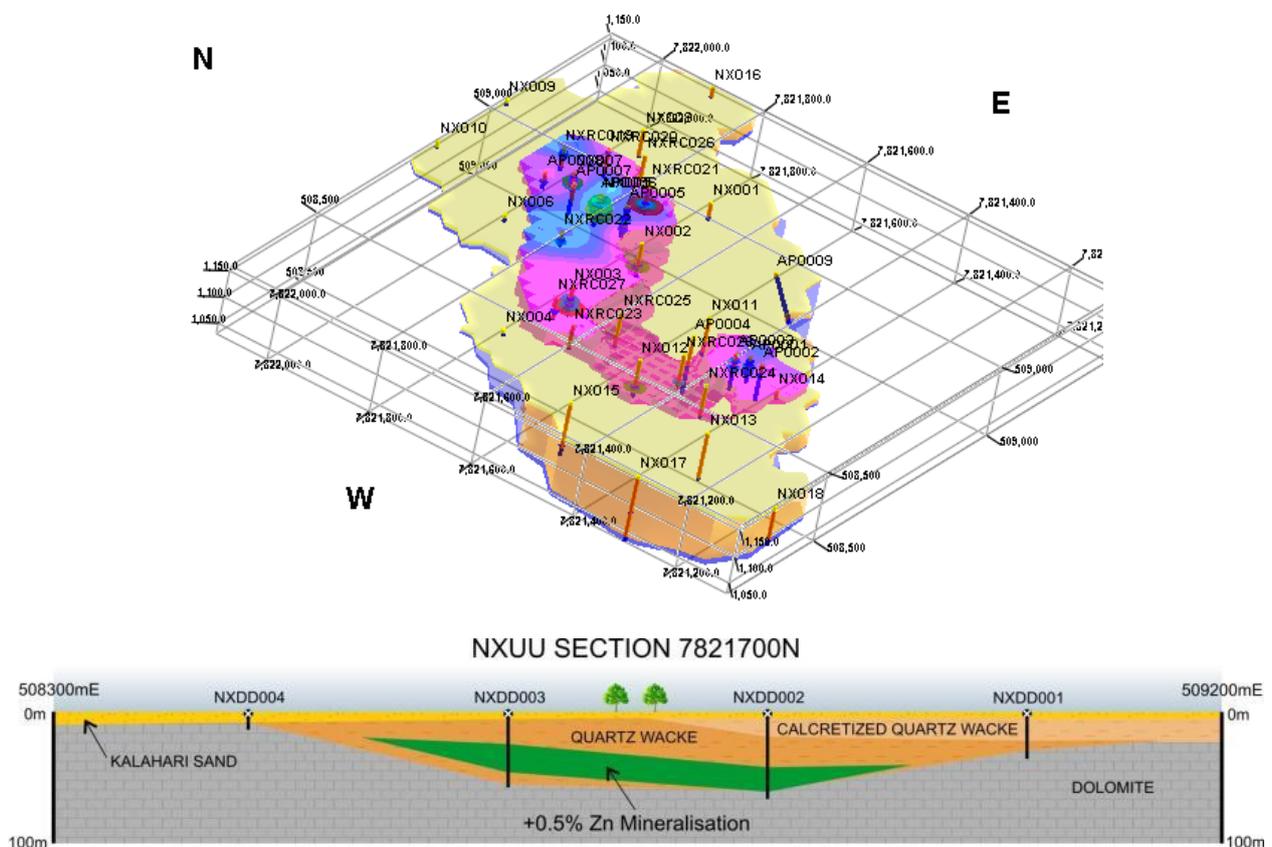


Figure 1a and 1b: The Nxuu mineralisation forms a shallow basin defined by a fold closure.

Table 1: Resource Statement for the Kihabe and Nxuu deposits

Deposit	External Zn-eq Cut %	Indicated M Tonnes %	Inferred M Tonnes %	Total M Tonnes %	Contained Zinc metal (kt)	Contained Lead metal (kt)
Kihabe	1.5%	11.4 @ 2.90%*	3.0 @ 2.60%*	14.4 @ 2.84%*	259kt	115kt
Nxuu	0.3%	-	10.9 @ 3.20%*	10.9 @ 3.20%*	196kt	153kt
		11.4 @ 2.90%*	13.9 @ 3.07%*	25.3 @ 3.00%*	455kt	268kt

*Zinc Equivalent

Kihabe resource calculated on metal prices as at 17/7/2008

Kihabe Grades

Nxuu resources calculated on zinc and lead par value metal prices

Nxuu Grades

Zn

US\$1,818/t

Zn 1.8%

Pb

US\$1,955/t

Pb 0.8%

Ag

US\$18.75/oz

Ag 7.7 g/t

Zn 1.8%

Pb 1.4%

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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 float	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 (Nxuu) and Baileychlorite (Kihabe) and independent test work has confirmed both of these are amenable to acid leaching.

Forward Looking Statement:

This announcement contains forward looking statements in respect of the projects being reported on by the Company. Forward looking statements are based on beliefs, opinions, assessments and estimates based on facts and information available to management and/or professional consultants at the time they are formed or made and are,

in the opinion of management and/or consultants, applied as reasonably and responsibly as possible as at the time that they are applied.

Any statements in respect of Ore Reserves, Mineral Resources and zones of mineralisation may also be deemed to be forward looking statements in that they contain estimates that the Company believes have been based on reasonable assumptions with respect to the mineralisation that has been found thus far. Exploration targets are conceptual in nature and are formed from projection of the known resource dimensions along strike. The quantity and grade of an exploration target is insufficient to define a Mineral Resource. Forward looking statements are not statements of historical fact, they are based on reasonable projections and calculations, the ultimate results or outcomes of which may differ materially from those described or incorporated in the forward looking statements. Such differences or changes in circumstances to those described or incorporated in the forward looking statements may arise as a consequence of the variety of risks, uncertainties and other factors relative to the exploration and mining industry and the particular properties in which the Company has an interest.

Such risks, uncertainties and other factors could include but would not necessarily be limited to fluctuations in metals and minerals prices, fluctuations in rates of exchange, changes in government policy and political instability in the countries in which the Company operates.

Competent Persons Statements:

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 was a Technical Director of the Company for the period in which the resource was developed. 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.

The information regarding Kihabe and Nxuu Resources was first released 8/10/2008 and 20/1/10 respectively and updated with recovery information 12/4/2012. The information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported