



ASX Code: MTB

QUARTERLY REPORT FOR THE QUARTER TO 31 MARCH 2017

- **Exploration drilling results at anomalies previously untested by drilling confirm the presence of zinc / lead mineralisation**
- **Company to focus on the established Resource at Nxuu as a relatively low risk, low capex path that potentially lends itself to a relatively quick path to production**

Consistent with the Mount Burgess strategy announced September 2016, during the March 2017 Quarter, the Company revealed plans to progress the Nxuu deposit during 2017 and also announced drilling assay results from zinc soil anomalies previously untested by drilling.

Nxuu Deposit – Next steps

In the context of continuing robust zinc prices and positive outlook of the zinc market, Mount Burgess will place greater focus on the development of the Nxuu resource going forward. The established Nxuu resource represents ~40% of the Company's currently established Resource (by tonnes) with ~196kt of contained zinc and ~153kt of contained lead (see Table 1 – Kihabe- Nxuu Resource). The Nxuu mineralisation (Figure 1) occurs as a shallow basin that comprises a relatively uniform, simple mineral suite of entirely oxidised material down to a maximum depth of 60m, with some areas as shallow as 5m below surface.

The first phase of activity, subject to funding, is scheduled to comprise a diamond drilling programme of the Nxuu Resource with the objective of converting the current 2004 JORC compliant resource to 2012 JORC standards and upgrading the resource to Indicated and/or Measured status. It is also anticipated that the program will 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). The Company is also leveraging the planned Nxuu Resource upgrade to consider the inclusion of silver and germanium credits as the current zinc equivalent grade does not take account of either even though both are present in historical drill assay results. Both have the potential to enhance the project equivalent grade and economics.

Mount Burgess has chosen to focus on the Nxuu Resource as it potentially presents a relatively low risk path to modest scale production, achievable within reasonable timeframes. The Company has come to this conclusion because of the shallow nature of the mineralisation, which translates to a relatively inexpensive drill program to define significant contained zinc, lead, silver and germanium and, in turn, potentially translates to appealing mining economics. In addition to its shallow nature,

the Nxuu resource is entirely oxidized (no transitional zones or sulphides) and has a relatively simple mineral suite thus potentially reducing the capital cost and complexity of a processing facility. There is also the possibility of producing metal on site via SX-EW and thereby bypassing shipping of concentrates and smelter costs.

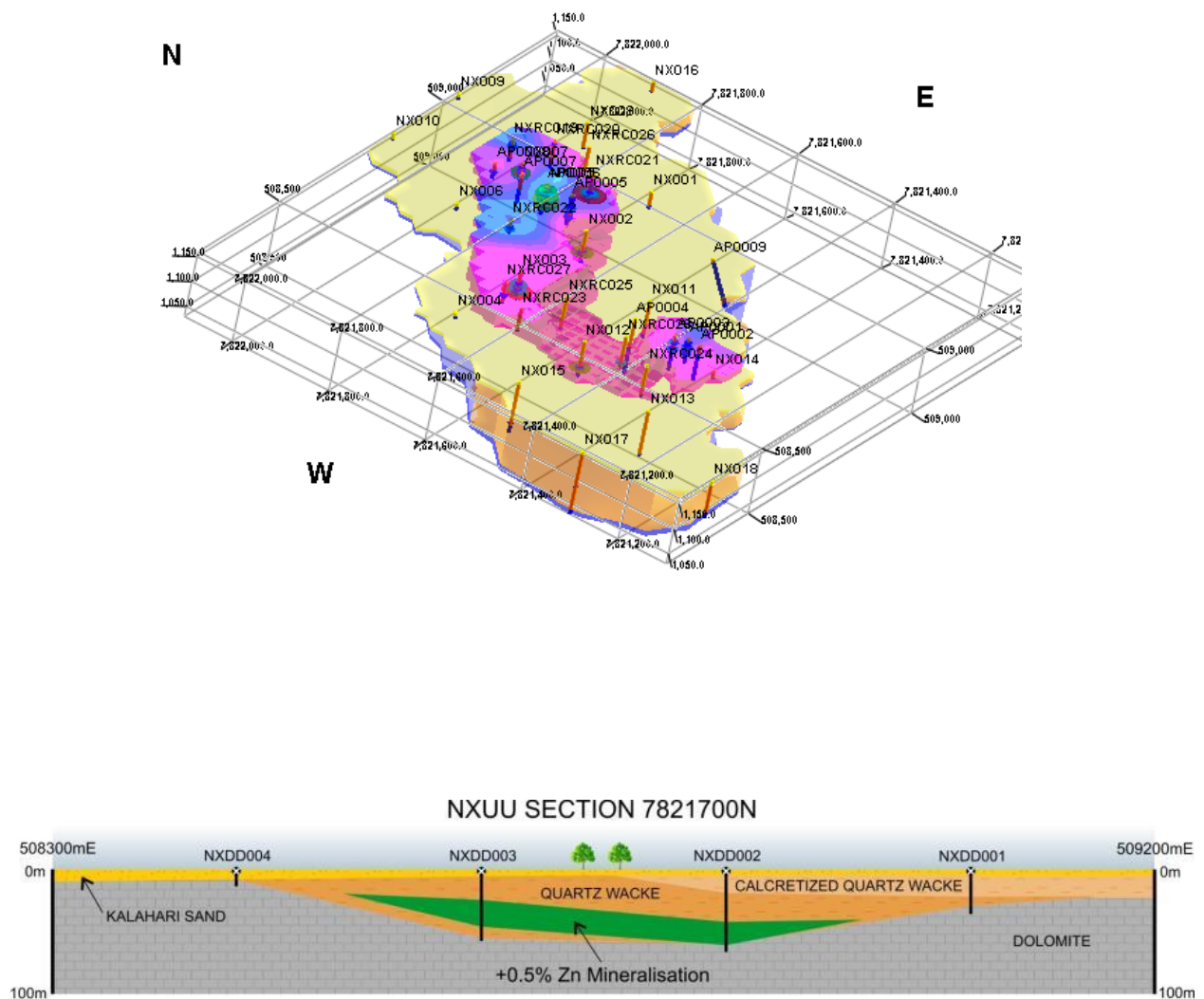


Figure 1a and 1b: The Nxuu mineralisation forms a shallow basin defined by a fold closure.

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	Pb	Ag
US\$1,818/t	US\$1,955/t	US\$18.75/oz
Zn 1.8%	Pb 0.8%	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.

Exploration Results

In late 2016 Mount Burgess conducted a drilling programme (Figure 2) to test four additional Zn/Pb targets and a copper/cobalt anomaly not previously drill tested.

A large portion of the exploratory drilling was directed towards Target 52 and mineralisation was encountered at the fold nose of this target and along both fold limbs. Zinc/lead mineralisation was also encountered at Wanchu and Wanchu West targets. Whilst the grades of the mineralisation recorded in the modest and wide spaced drill program were not of economic interest, the fact that mineralisation occurred in quartz wacke (QW) at or near the dolostone contact is encouraging. Both Kihabe and Nxuu deposits occur around this QW/dolostone contact and this consistent geological profile acts as a significant pathfinder for the discovery of additional resources. The exploration program has indicated the mineralised unit potentially covers an extensive area and therefore there is the possibility of additional targets lying under the Kalahari sand and calcrete cover that occurs throughout the region.

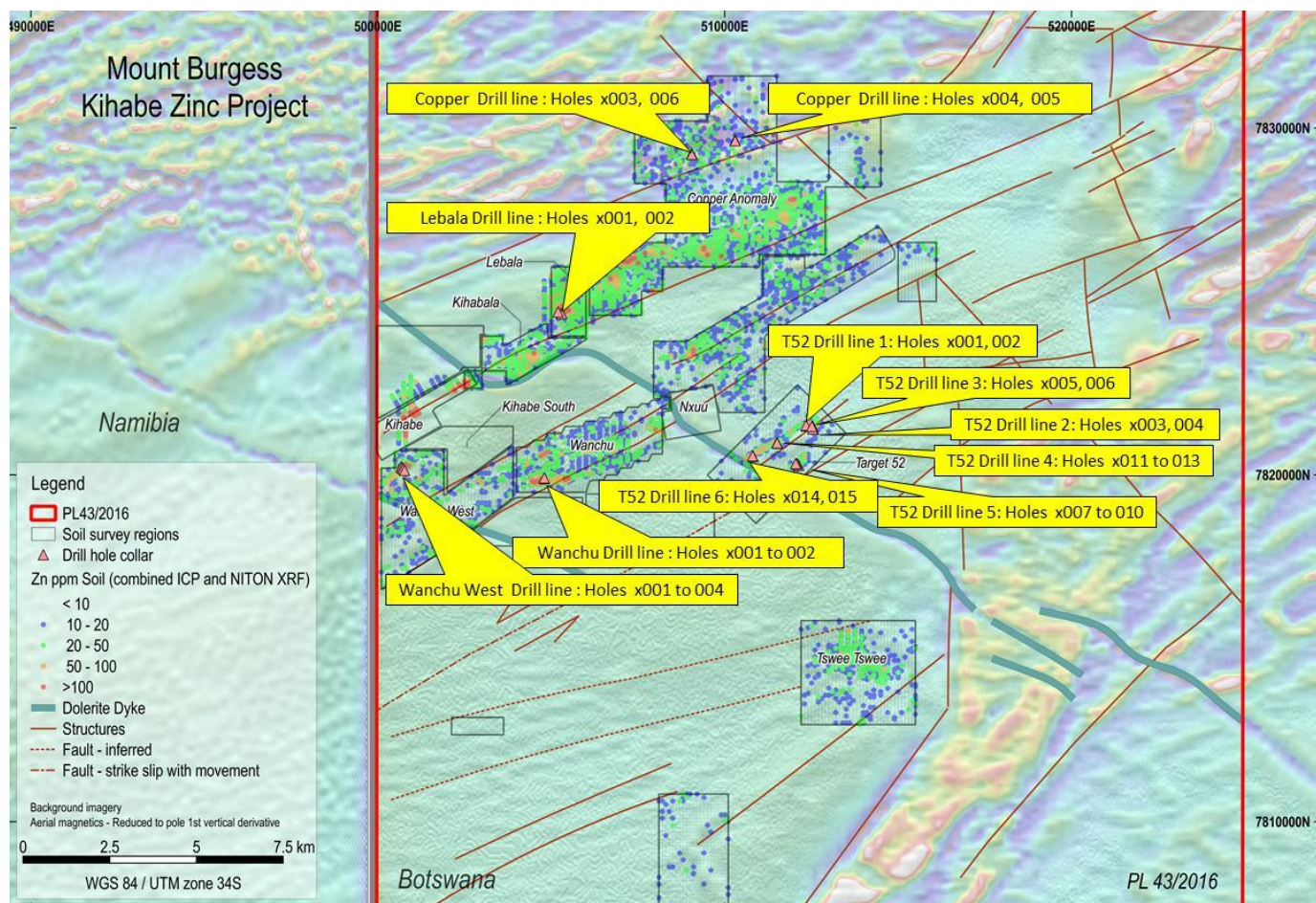


Figure 2: Kihabe Project regional map showing drill line locations over previously announced soil geochemical anomalies.

Corporate Activity

Shortly after the close of the quarter the Company announced verbal commitment for the placement of 21,000,000 ordinary shares at an issue price of 0.8 of one cent per share to sophisticated investors in accordance with Listing Rule 7.1A for a total of \$168,000.

Forward Looking Statement:

This report 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:

Information in this document that relates to 2016 exploration activity and results is extracted from the Australian Securities Exchange (ASX) Announcement titled "Kihabe Zinc, Lead, Silver Project Drilling Update" released on 5 February 2017 and is available to review on the Company's website www.mountburgess.com. The Company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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 Dumbleton 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 Dumbleton 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 Dumbleton 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.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MOUNT BURGESS MINING N.L.

ABN

31009067476

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(175)	(343)
(b) development	-	-
(c) production	-	-
(d) staff costs	(9)	(26)
(e) administration and corporate costs	(25)	(159)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(209)	(530)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	634
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	10
3.6 Repayment of borrowings	(11)	(65)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(11)	579

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	285	16
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(209)	(530)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(11)	579
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	65	65

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	65	285
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	65	285

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	30
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

n/a

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

n/a

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	10	2
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

n/a

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	10
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	110

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: *Serene Chau* Date: 27 Apr 2017
(~~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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.