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The Australian Stock Exchange Limited
Company Announcements Office
10th Floor
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Sydney NSW
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Dear Sir,

**PRESENTATION TO THE WORLD DIAMOND CONFERENCE
PERTH 1 & 2 DECEMBER 2003
by Nigel Forrester, Chairman & Managing Director
"Tsumkwe Diamond Project - Namibia - Results underwrite the ongoing Search"**

In the mid 1970's and 1980's De Beers discovered **two** pyrope garnet anomalies in northeast Namibia, one known as the **Tsumkwe anomaly** situated not far west of the Botswana border, which is now being explored by Mount Burgess and the other known as the **Omatoko anomaly** situated about 150km north-northeast of Tsumkwe which is currently being explored by Motapa/BHP Billiton. As well as these two anomalies, De Beers discovered the Sikereti kimberlites in the Khaudum area through tracking down an ilmenite anomaly about 55 km north of Tsumkwe.

It is reason enough to explore for kimberlites in an anomalous area such as Tsumkwe **especially since all Companies that have explored there** to date, De Beers, RTZ and now Mount Burgess, have found G10 garnets and macrodiamonds **but it has also long been speculated** that **this** area could provide the source for the diamonds found around the mouths of the Ugab and Huab rivers, being feeders for the diamonds found along the Skeleton Coast on the Atlantic coast line of north western Namibia.

These are the reasons why Mount Burgess Mining is exploring for kimberlites in the Tsumkwe area.

Another very important reason why Mount Burgess is exploring in Namibia is because **Namibia is a good country in which to conduct exploration.** It has low sovereign risk **and it has a good workable Mining Act which ensures security of title.** It is a country with good infrastructure and good communications. It is a country which historically has a **mining culture.**

AREA UNDER EXPLORATION

The total area being explored by the Company, with the Hereroland boundary to the south, the Khaudum boundary to the north and the Botswana border to the east amounts to close on 8,000 sq.km.

Exploration by Mount Burgess first commenced in 1999.

Cost of exploration to date AUS\$5.5 million.

GEOLOGICAL ENVIRONMENT/STRATIGRAPHY

The area being explored is to a large extent covered by Tertiary Kalahari Sands. Working from east to west in the project area, the sands range in depths from less than one metre to (in certain areas and particularly the one which we refer to as the Gura Sub-basin in the centre of the area) depths of in excess of 120m. In the centre of the exploration area, at the point of the top of a palaeo scarp face, the depths of the Kalahari Sands are around 5m – 10m, gradually thickening to the west, again to in excess of 50m, as the palaeo slope dips to the west.

The underlying basement rocks range from Damaran “Orogen” carbonate sediments in the southeast, a unit which on the Botswana side has yielded the Company some very encouraging basemetals/silver results, to Damaran “platform type” Nosib quartzites, Grootfontein Complex Metamorphics, early granites and Karoo sandstones in the eastern to central part of the area, through to highly magnetic Karoo volcanics in the western part of the Tsumkwe area.

WORK COMPLETED TO DATE

- Over 2,500 loam samples have been collected over the project area to date, which have effectively highlighted four areas which we classify as high priority targets because of concentrated clusters of pyrope garnets belonging to the Group 9 and diamond inclusion Group 10 type garnets fields.
- Over 30,000 metres of percussion drilling have been conducted to test geophysical targets to see if they are kimberlites and also to sample the base of the Kalahari Sands.

We use drilling as one of our main exploration tools, as the data obtained from sampling the base of the Kalahari is invaluable in constructing a map of the basement geomorphology and geology. Further, in sampling the base of the Kalahari for indicator minerals **we can obtain a much more accurate assessment of the distances which the kimberlitic indicator minerals have travelled**.

With hindsight, since the discovery of the Gura kimberlites, this process has enabled us to build a model of the quality of the surface textures of indicator minerals, acquired from the base of the Kalahari, to more accurately determine the distances these indicator minerals have travelled from their source.

When it comes to examining the surface textures of indicator minerals obtained from **surface** loam sampling, the processes of deflation and bioturbation can make it a lot more difficult to assess the distances those indicator minerals have travelled. This is particularly so where indicator minerals are found in **surface** loam samples, taken from areas where the depth of the Kalahari Sand cover is in the region of 40 – 50m or more. The abrasive processes of deflation and weathering tend to blur a definitive assessment of surface textures. The question is whether surface loam sampling, in these circumstances, necessarily leads one directly to the discovery of kimberlites.

A classic example of this is highlighted by the fact that before we discovered the Gura kimberlite, three drillholes located some 3.5 kms to the west and down palaeo slope from the kimberlite, recovered 26, 22 and 48 garnets respectively from the base of the Kalahari, all of which had very fresh surface textures. We believe that there is a reasonable probability that these garnets came from the Gura kimberlite.

By comparison **nine regional surface loam samples** based on a 500m grid **taken within a kilometre of the kimberlite's location failed to yield a positive result.** Even after the discovery of the kimberlite, a close spaced surface loam sampling programme was conducted over the kimberlite and less than half of the results proved positive.

This begs the question. How many kimberlites have been missed based on loam sampling alone? **We believe when exploring in areas with tertiary cover in excess of say 30m, drilling must be combined with loam sampling.**

Drilling in the Tsumkwe project about 35km northwest of the Gura kimberlite has recently led to the discovery of a macrodiamond and a G10 garnet within the Kalahari Sand sequence. These are certainly not from the Gura kimberlite as the Gura kimberlite does not contain diamonds.

- Over 1,465 sq.kms of close spaced (80m line spacing) aeromagnetics and ground magnetics have now been conducted over the project area. This data has been combined with the 250m line spaced aeromagnetics conducted by RTZ, previous explorers in this area and the 200m line spaced aeromagnetics recently conducted by the Namibian Mines Department in their national survey, **so that in one form or another we now have complete aeromagnetic coverage of the whole of our 8,000 sq.km area.**

Drilling a magnetic target generated from our detailed aeromagnetic survey led to the discovery of the Gura Kimberlite.

- Over 325 sq.km of ground gravity based on 200m line spacing and 50m spaced stations has now been collected in various individual programmes throughout the exploration area. **The use of gravity has proven to be another effective exploration tool** after generating a gravity “low” anomaly over the previously discovered Gura kimberlite. It assisted in the final discovery of the Nxa – On kimberlite after showing that it also generated a gravity low anomaly.
- Landsat data and air photographs have been acquired over the entire exploration area and used to assist in geomorphological mapping and also to select topographic or vegetation anomalies that may be coincident with geophysical anomalies.

Of interest is the coincidence of vegetation anomalies (Terminalia) and magnetic anomalies at the Sikereti kimberlites which are clearly visible on both Landsat and air photography.

The Gura kimberlites do have a photo and Landsat anomaly. However it would have been impossible to have selected them as targets based on this alone prior to their discovery. Hardly surprising when the kimberlites are covered by 47m of Kalahari sands.

- **Geomorphological interpretation and mapping has more recently outlined high priority search areas for the provenance of kimberlites.** This data has been compiled from results from loam sampling, drilling, air photo and Landsat interpretation, digital terrain modelling, magnetics and gravity.

RESULTS ACHIEVED TO DATE

A significant number of G9 and G10 garnets have been discovered within the Tsumkwe project area. As can be seen from the chemical analysis shown on the garnet plot, **significant numbers of garnets fall within the G10 category.**

Of interest, the garnet plot (based on current information available) from the Nxau Nxau kimberlites in Botswana to the northeast of our project area show possibly only one marginal G10 garnet. Clearly, the Tsumkwe garnets are not of the same population.

In addition, a total of seven macrodiamonds have now been found within the Tsumkwe project area.

At this point in time, two kimberlites, the Gura kimberlite and the Nxa-On kimberlite and one para kimberlite have been found within the project area, though none of these are diamond bearing, nor did they contain G10 garnets. Obviously they are not the source to the diamonds and G10 garnets being found in the Tsumkwe project area. **What is encouraging however, is the fact that the area is prone to kimberlite intrusives.**

WHERE TO FROM HERE

1. Drilling and loam sampling in the past year have indicated that the potential for diamond-bearing kimberlites in the Mount Burgess licence areas remains high.
2. The results of recent electron microprobe studies have shown that clusters of high-priority G10 garnets occur in the west of the project area in what is known as the Panneveld, against a background 'haze' of low-priority garnets .
3. The Digital Terrain Model and geomorphological studies suggest that the catchments of the palaeochannels that carried the G10 garnets to the Panneveld are sourced on the western slopes of two discrete long-lived topographic-high provenance areas. These topographic highs situated in the eastern portion of the Tsumkwe project area are:
 - A major provenance area in the Aha Hills to the southeast and
 - A provenance area to the northeast in the Qangwe area

These provenances represent priority search areas for diamond-bearing kimberlites. Based on the chemistry that we know of the garnets tested from the Nxau Nxau kimberlites drilled over the border in Botswana to the northeast, **we know that we are looking for a different population of kimberlites which we believe are contained within our Tsumkwe exploration area.** Exploration will therefore continue to be focussed on:

- Air photograph and Landsat interpretation of the outcropping and subcropping margin of the Karoo supergroup.
- Drilling and sampling the shallow parts of palaeo channels.
- Bulk sampling as necessary.
- The acquisition of further gravity and high resolution magnetics to fully cover the two provenance areas. Airborne gravity is being considered as an option.
- More concentrated loam sampling to cover the areas of exploration focus.
- Drilling to test primary geophysical targets and to gather data from the base of the Kalahari.

Yours faithfully

N R Forrester
Chairman and Managing Director

All information in this report pertaining to ore reserves, mineral resources and exploration results, together with any related assessments and interpretations, has been approved for release by Mr J J Moore, B (App) Sc., M.Aus.I.M.M., a qualified geologist and full-time employee of the Company, with more than five years experience in the field being reported on.