

MOUNT BURGESS MINING N.L.

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8th December 2005

The Australian Stock Exchange Limited,
Company Announcements Office,
10th Floor,
20 Bond Street,
Sydney, NW,
Australia.

Dear Sir,

The Company is pleased to announce that it has reached agreements to place 7,850,000 shares with professional investors at an issue price of \$0.09 per share to raise \$706,500.

Funds from this placement will be applied to working capital and geophysical programmes and drilling on the Company's diamond and base metals projects in Namibia and Botswana.

The Company plans to commence an infill drilling programme in January 2006 at its Kihabe base metals project in Botswana, to bring this large 2.4km long zone of zinc, lead, silver and vanadium mineralization into a JORC compliant resource/reserve.

A scoping study recently completed by ProMet Engineers Pty Ltd, concluded that based on the initial wide spaced drilling and metallurgical testwork conducted to date, the Kihabe project is a highly prospective mineralized zone with the potential to be commercially viable. Whilst additional drilling and testwork will need to be undertaken to delineate a JORC compliant resource and confirm likely recoveries, the potential for this to confirm a commercially viable resource, based on the data reviewed by ProMet, appears to be high. An initial (non JORC compliant) estimate of a potential tonnage of 17,500,000 tonnes down to 100m depth with a stripping ratio of 3 to 1 and average grades of 3% zinc, 1% lead and 28 g/t silver, shows that this project has the potential to generate significant cash flows for the Company.

Yours Faithfully,

Nigel Forrester
Chairman & Managing Director