

# Kihabe Zinc Project

## July 2007

### Presentation to the Botswana Resource Conference

**From Reconnaissance to Resource**

**MOUNT BURGESS MINING N.L.**

# Company Details

*ACN: 009 067 476*

Listed on the Australian Stock Exchange since 1985  
Listing Code MTB

Issued Share Capital 251,707,000 shares

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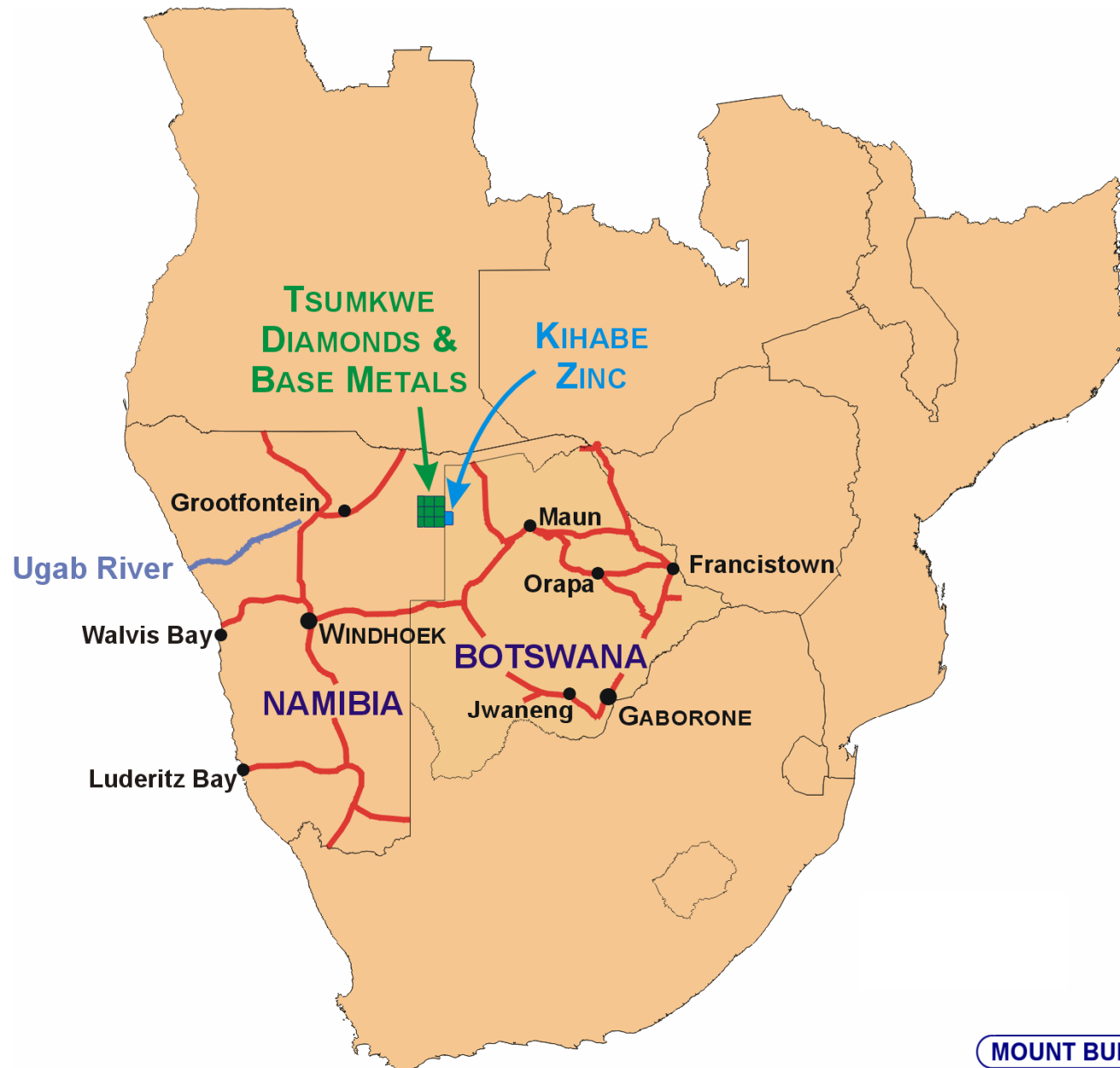
Website: [www.mountburgess.com](http://www.mountburgess.com)

# Forward Looking Statement

This presentation contains forward looking statements in respect of the projects being reported on by the Company. Any statements in respect of mineral reserves, resources and zones of mineralisation may also be deemed to be forward looking statements in that they contain estimates which the Company believes have been based on reasonably probable assumptions in respect of mineralisation that has been found and possibly will be found and ultimately developed and mined. 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, continuity or lack of continuity of projected zones of mineralisation determined from further drilling, uncertainties in interpreting drilling results, uncertainties in interpreting assay results, metallurgical test work and projected metal recoveries therefrom, uncertainties in financial projections and cost estimates, uncertainties in securing and commercially maintaining end product marketing and distribution, uncertainties in completing required financing, uncertainties relative to environmental issues, government approvals, changes in government policy and political instability in the countries in which the Company operates.

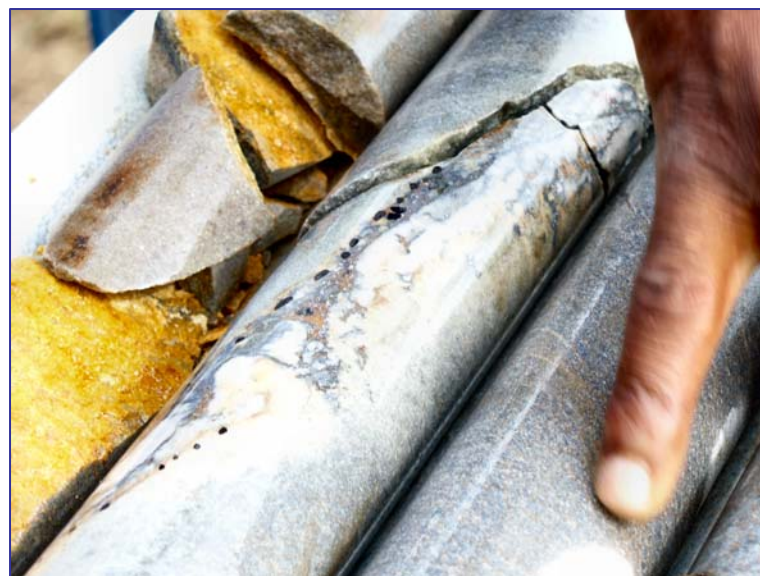
Forward looking statements are based on beliefs, opinions, assessments and estimates of management and/or professional consultants hired by management. These beliefs, opinions, assessments and estimates are based on facts and information available to management and/or professional consultants at the 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. No obligation is assumed by management and/or consultants to amend such forward looking statements in the event of any changes to their beliefs, opinions, assessments and estimates, other than would normally be required of them to do so for the purpose of performing their duties in a responsible manner and keeping the market properly informed.

# African Project Locations



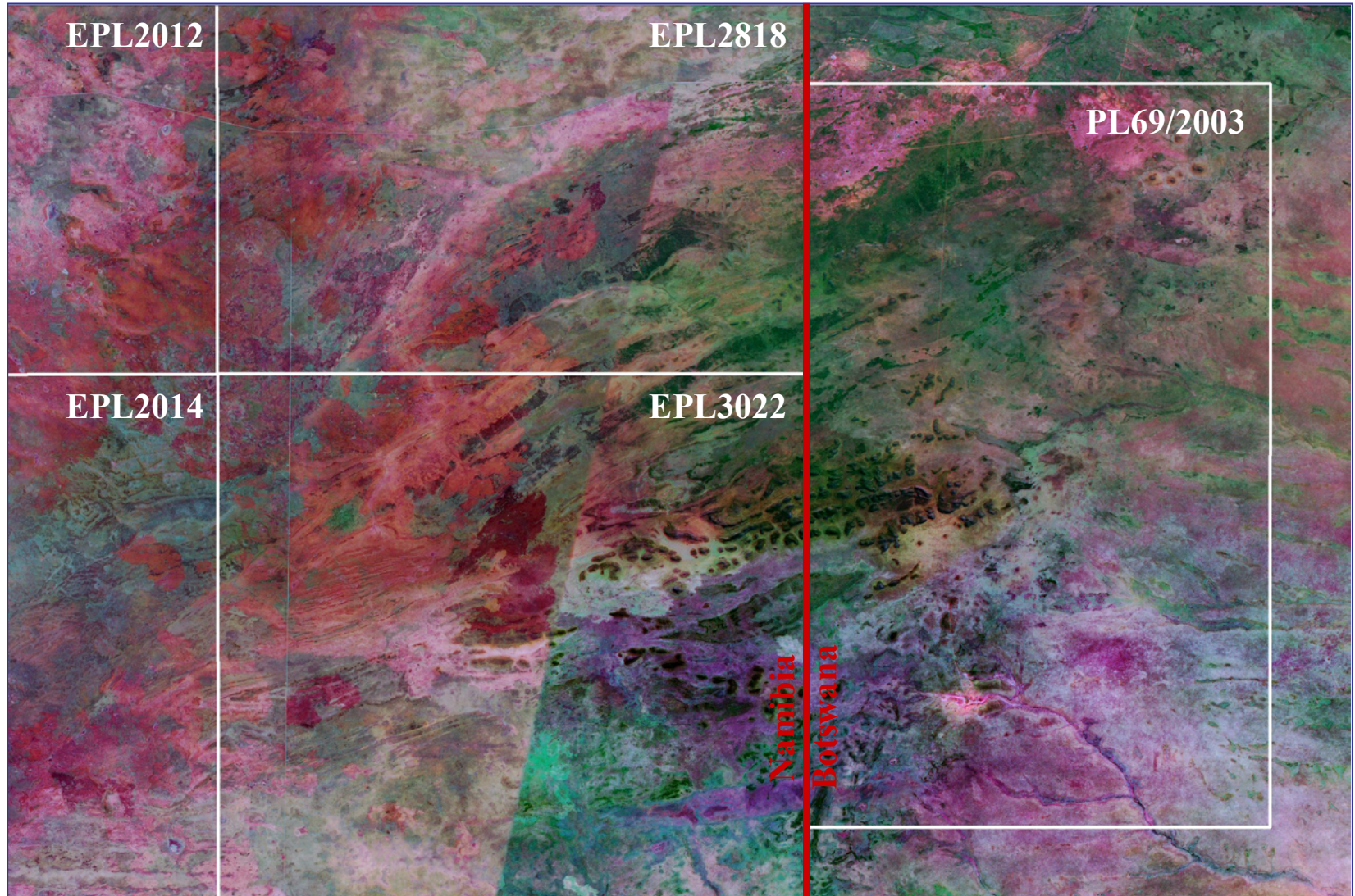
# Key Characteristics of Kihabe

- Hydrothermal, sediment hosted zinc, lead and silver resource, with significant copper and vanadium credits, extending over 2.4 kilometres
- Initial resource compiled by Ravensgate, independent consultants, based only on RC drill results, confirmed 11 million tonnes grading 2.55% zinc equivalent
- 95% + of resource classified as “indicated” compliant with JORC Code
- Subsequent diamond core results show significant increases in grade compared with RC results
- At current metal prices in-ground value of resource stands around US\$1 billion
- Other significant zinc, lead, copper and vanadium anomalies contained within some 3,000km<sup>2</sup> of Proterozoics in both Botswana and Namibia



# Satellite Imagery

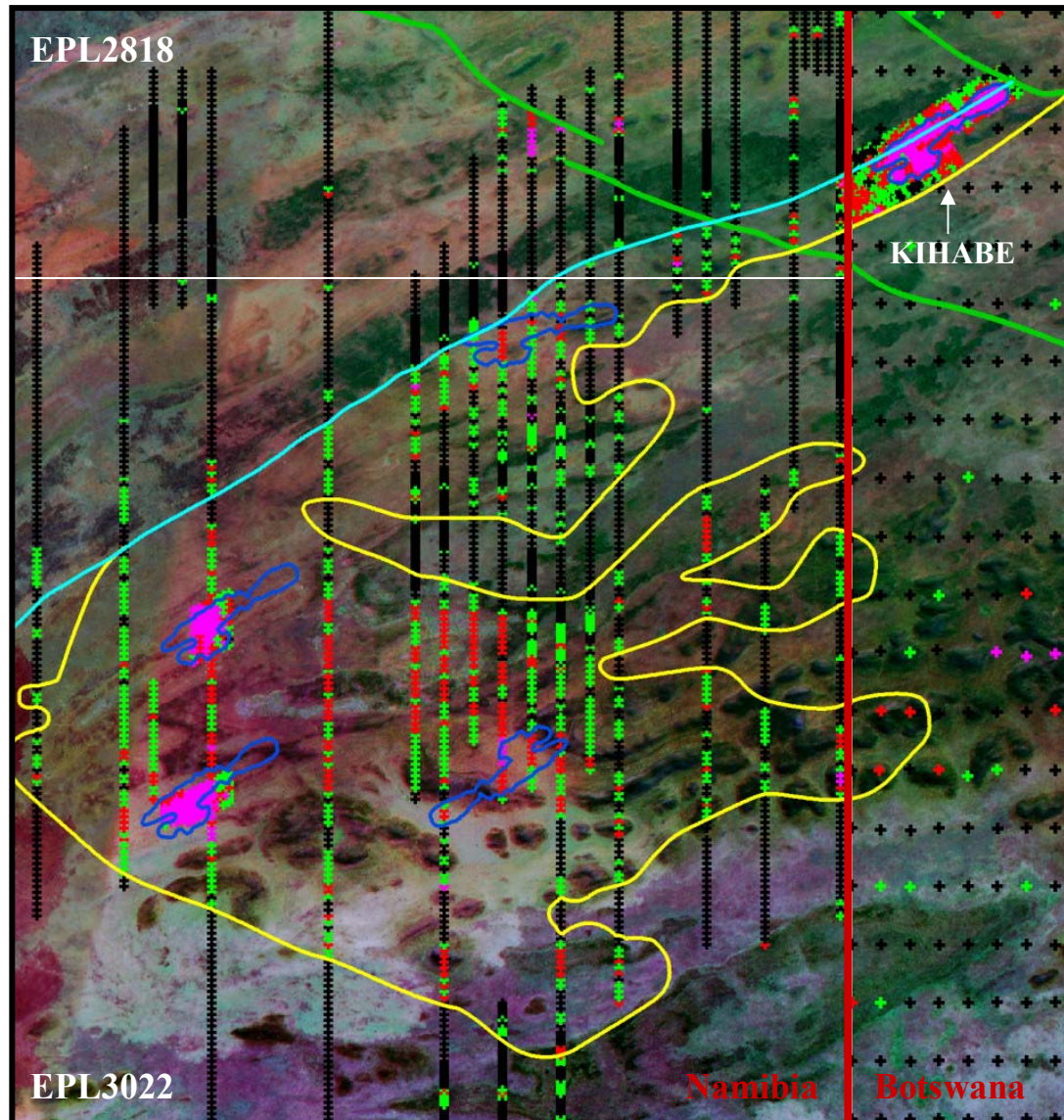
*Landsat Aster 432*



10km

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# Continuation of Kihabe strike into Namibia



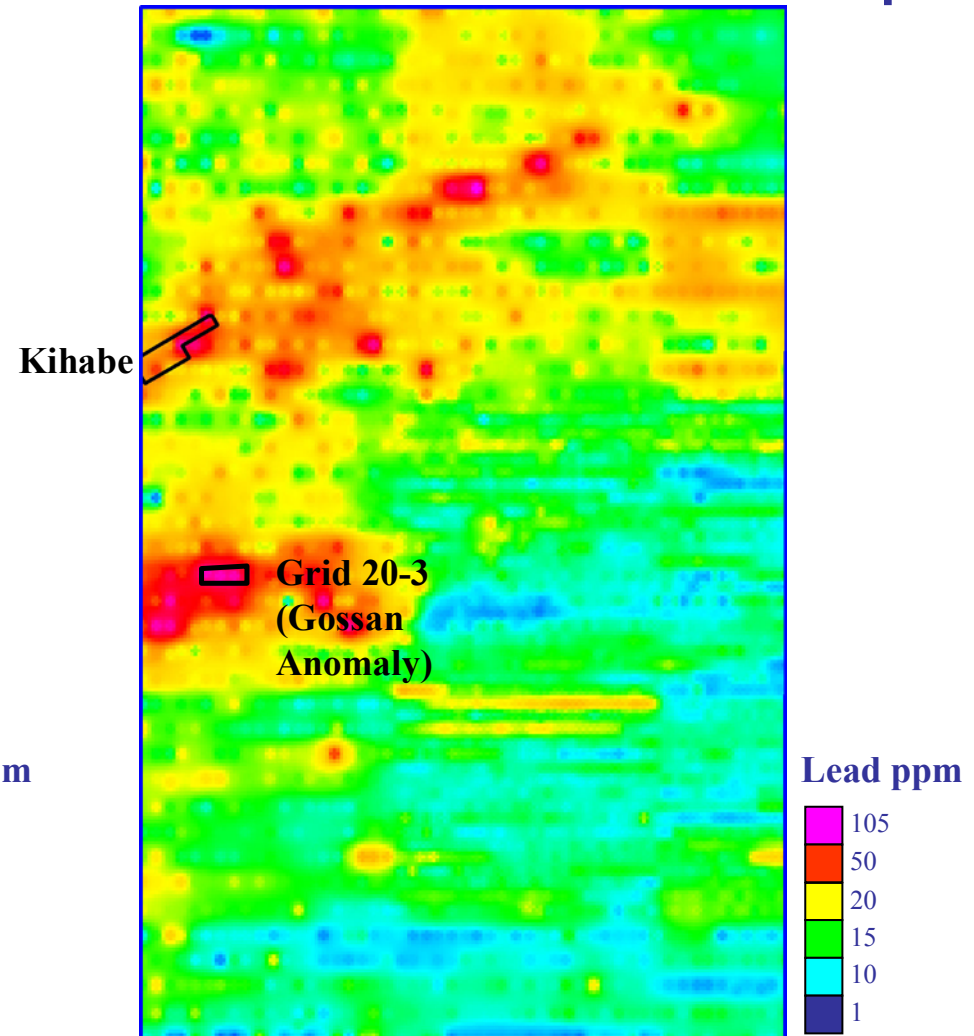
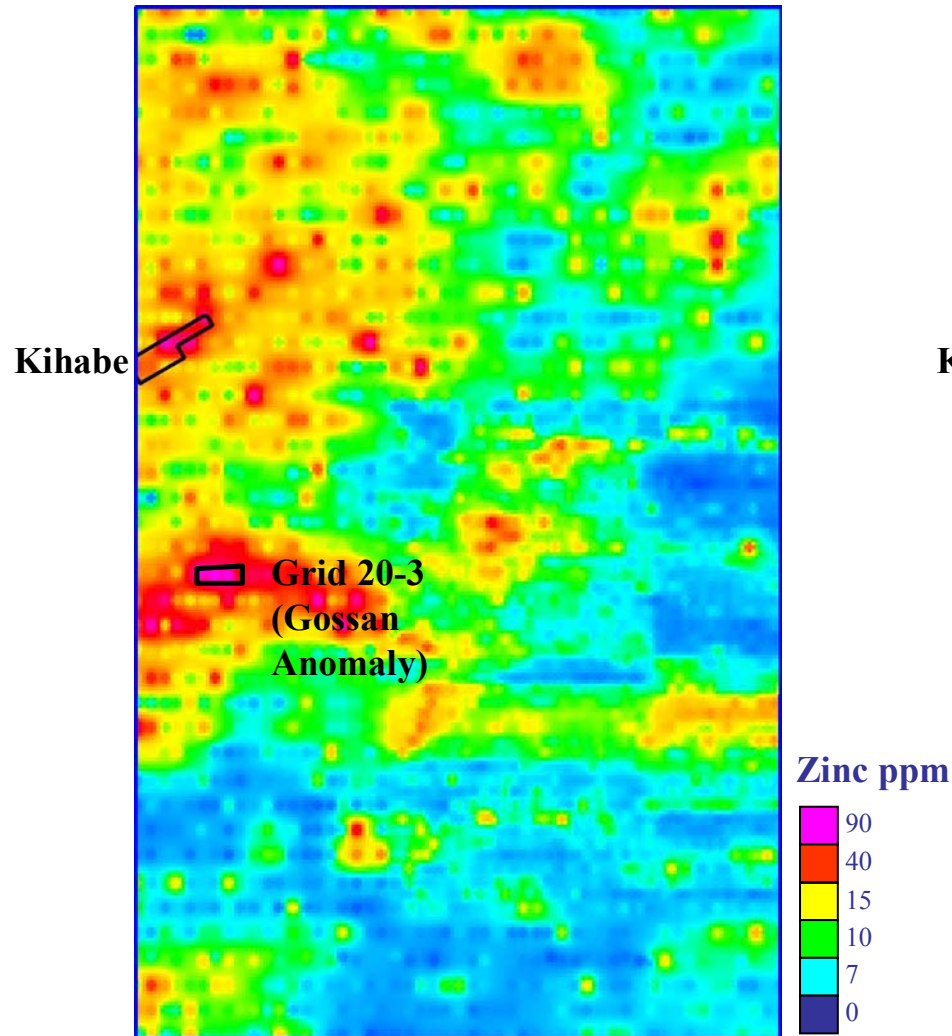
- Dolomite / Quartzite Contact
- Dolerite Dyke
- Kihabe Footprint
- Zinc 30ppm Contour
- ✚ Zinc Soil Sample > 30ppm
- ✚ Zinc Soil Sample 30-50ppm
- ✚ Zinc Soil Sample 50-100ppm
- ✚ Zinc Soil Sample > 100ppm



2km

# Soil Geochemistry

Source Data: Department of Geological Survey Botswana

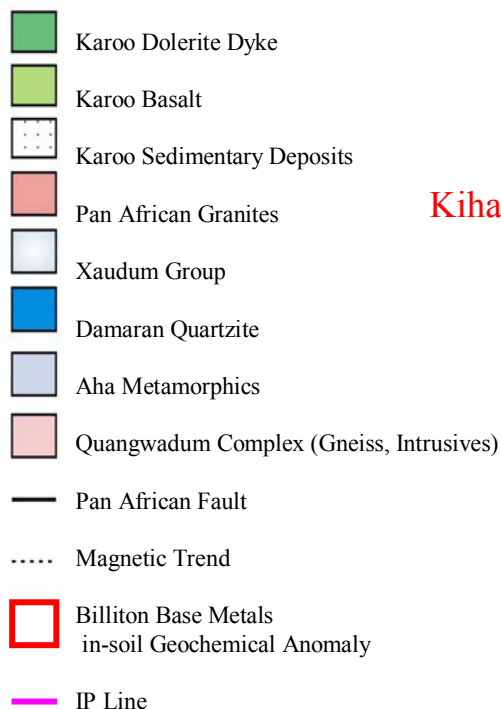


10km

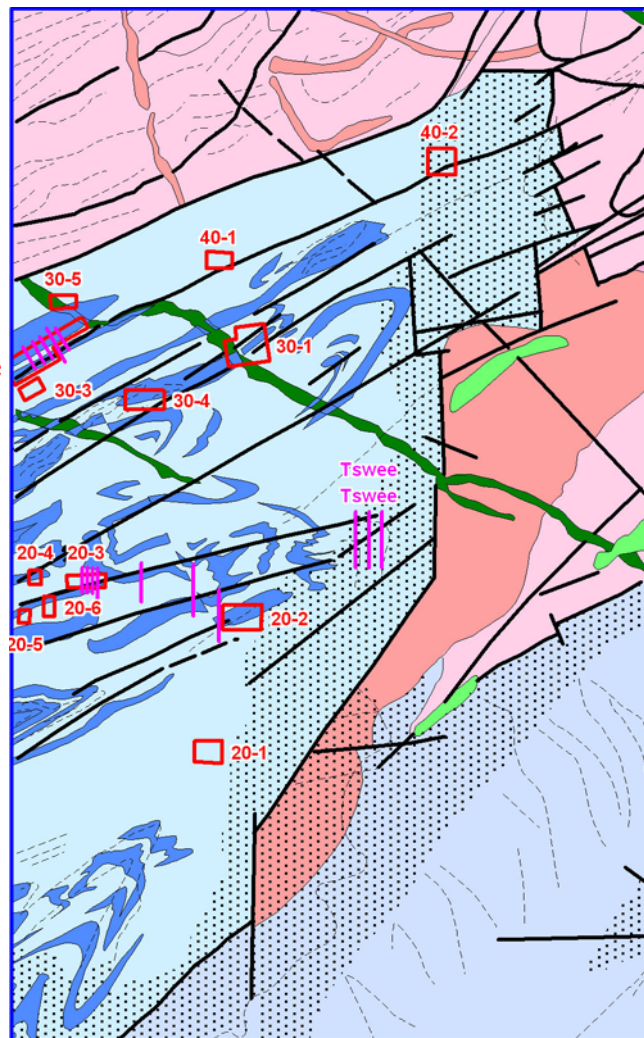
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# Regional Geology

Source Data: Department of Geological Survey Botswana



Kihabe



## Best Result in Area

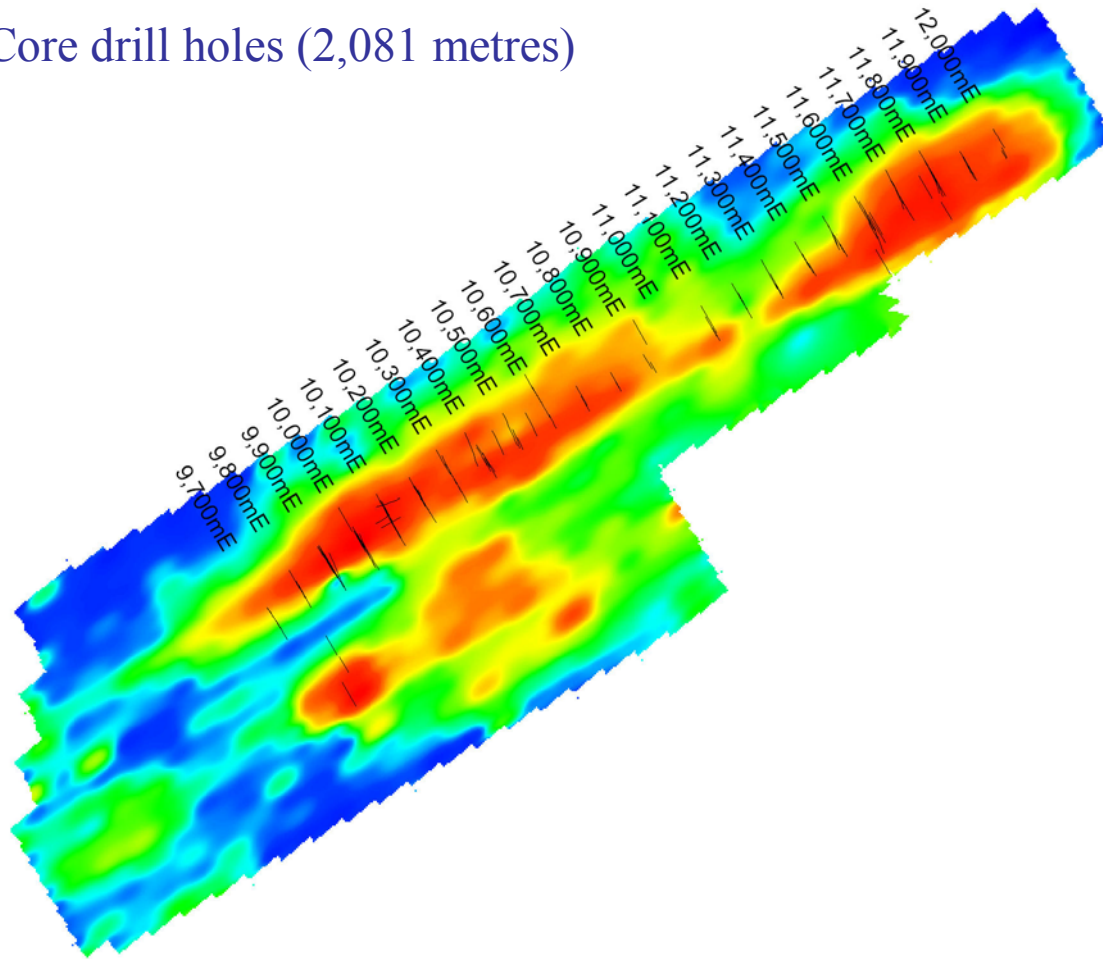
|      |                                                                                               |
|------|-----------------------------------------------------------------------------------------------|
| 40-1 | 840 ppm Zn<br>430 ppm Pb                                                                      |
| 40-2 | 1001 ppm Zn<br>510 ppm Pb                                                                     |
| 30-1 | Rockchip<br>0.97% Zn<br>4.00% Pb<br>0.14% Cu                                                  |
| 30-3 | 690 ppm Zn<br>610 ppm Pb                                                                      |
| 30-4 | 479 ppm Zn<br>226 ppm Pb                                                                      |
| 30-5 | 770 ppm Zn<br>323 ppm Pb                                                                      |
| 20-1 | 179 ppm Zn<br>225 ppm Pb                                                                      |
| 20-2 | 330 ppm Zn<br>790 ppm Pb                                                                      |
| 20-3 | 12.40% Pb<br>3.98% Zn<br>1.60% V<br>3.28 oz/t Ag<br>from massive sulphide<br>gossan in trench |
| 20-4 | 570 ppm Zn<br>750 ppm Pb                                                                      |
| 20-5 | 559 ppm Zn<br>430 ppm Pb                                                                      |
| 20-6 | 293 ppm Zn<br>450 ppm Pb                                                                      |

10km

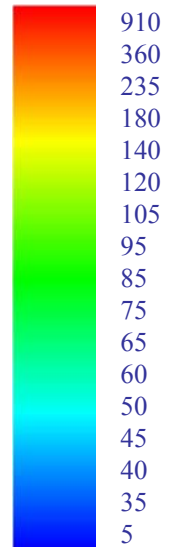
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# Kihabe Grid Drilling

- 104 RC drill holes (12,944 metres)
- 13 Diamond Core drill holes (2,081 metres)



**Billiton Soils  
Zn ppm**



500m

# Increase in Diamond Core Grade

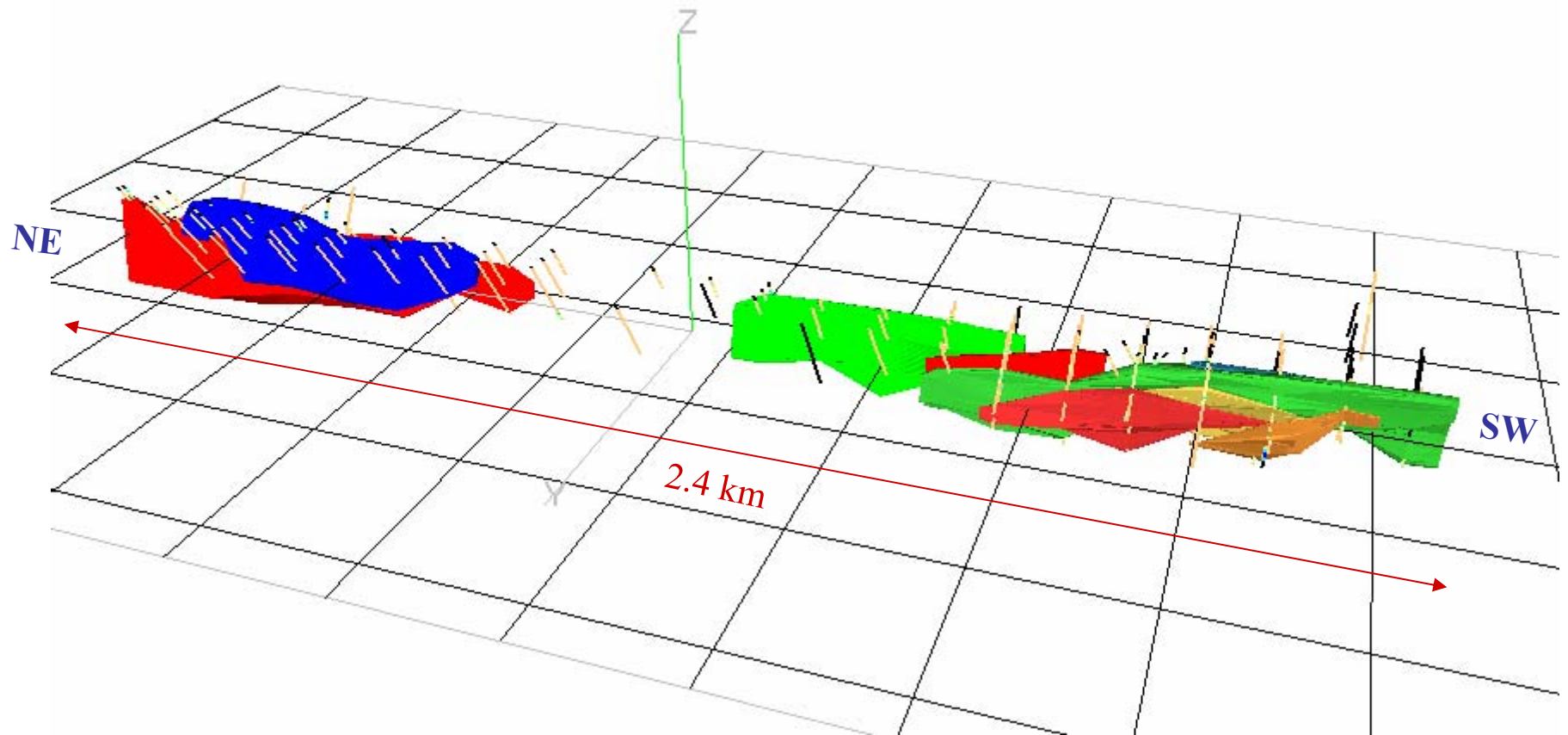
Assay results using AX-OES have been received for core samples from diamond drill holes. Where comparable, it appears that the same zones of mineralisation intersected in both RC and diamond core drilling are yielding higher grade results from diamond core as opposed to RC drill results used for the initial resource calculation and previously released to the market.

The RC and diamond core results for the same mineralised zones are outlined below:

|                         | Results from previous RC Drilling |                | Results from DD | % Increase                    |
|-------------------------|-----------------------------------|----------------|-----------------|-------------------------------|
| <b>Section 9,900mE</b>  | KRC015                            | KRC034         | KDD105          |                               |
| Zone from 127mRL        | 28m @ 1.62% Zn                    | 28m @ 1.61% Zn | 28m @ 3.24% Zn  | <b>101%</b>                   |
| <b>Section 10,000mE</b> | KIH001                            | KIH004         | KDD108          |                               |
| Zone 1 from 60mRL       | 12m @ 4.31% Zn                    | 12m @ 2.66% Zn | 12m @ 4.36% Zn  | <b>Avg 25%<br/>64% (KIH4)</b> |
| Zone 2 from 102mRL      | Zone not drilled                  | 14m @ 1.75% Zn | 14m @ 4.18% Zn  | <b>139%</b>                   |
| <b>Section 10,200mE</b> | KRC019                            |                | KDD110          |                               |
| Zone from 125mRL        | 13m @ 3.22% Zn                    |                | 13m @ 4.05% Zn  | <b>26%</b>                    |

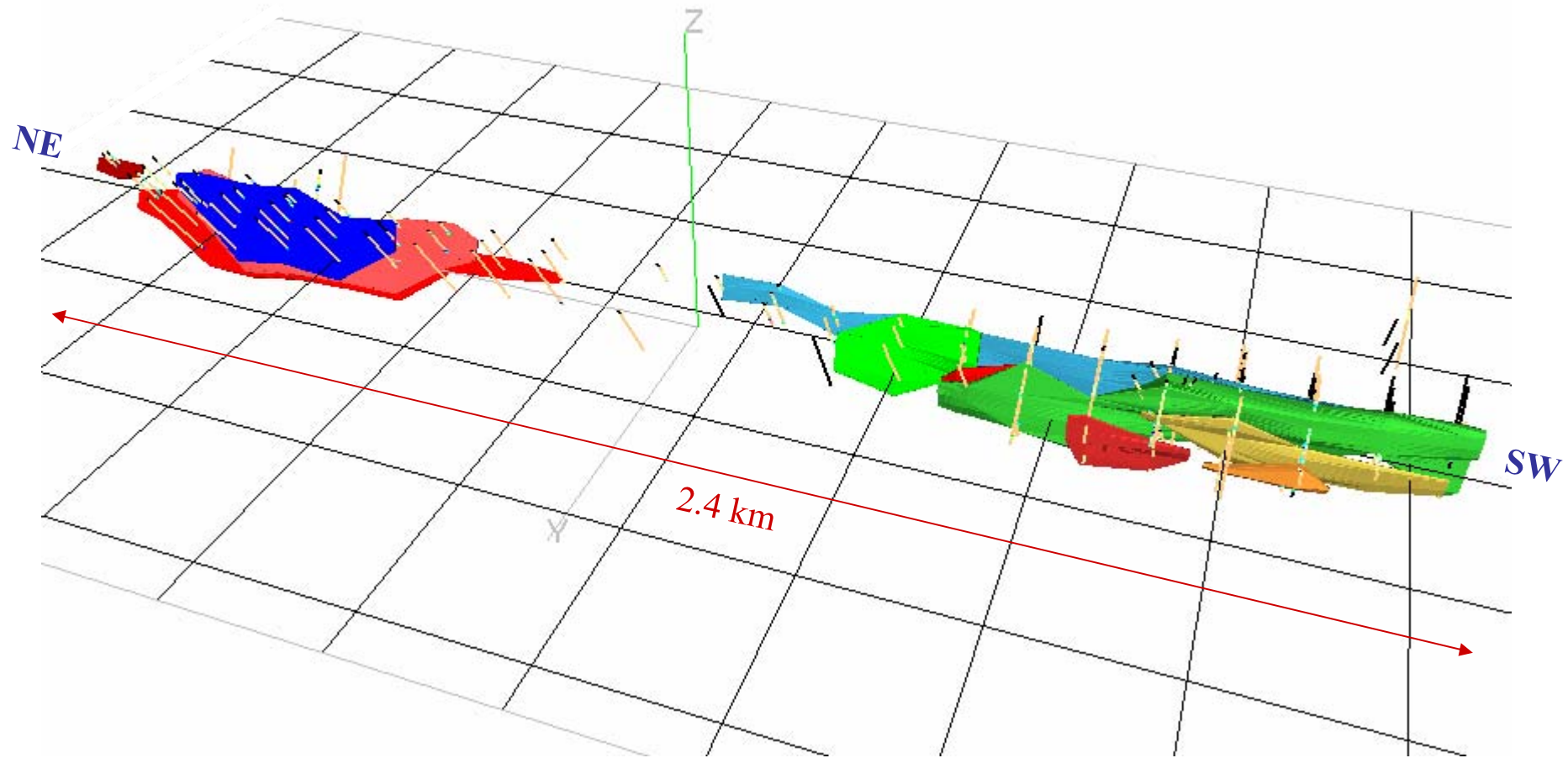
# 3D Wireframe Model Zinc

*Produced by Ravensgate*

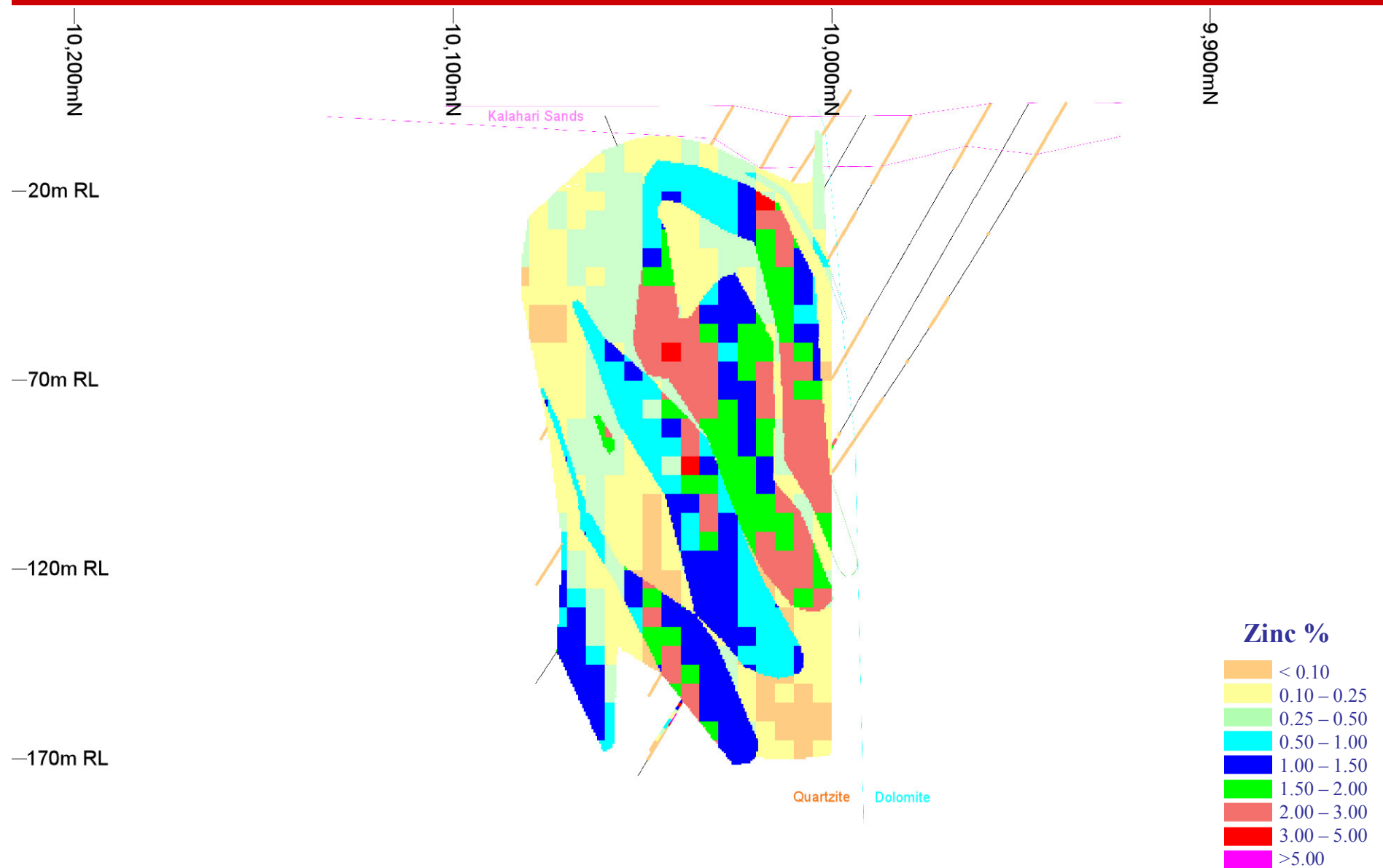


# 3D Wireframe Model Lead

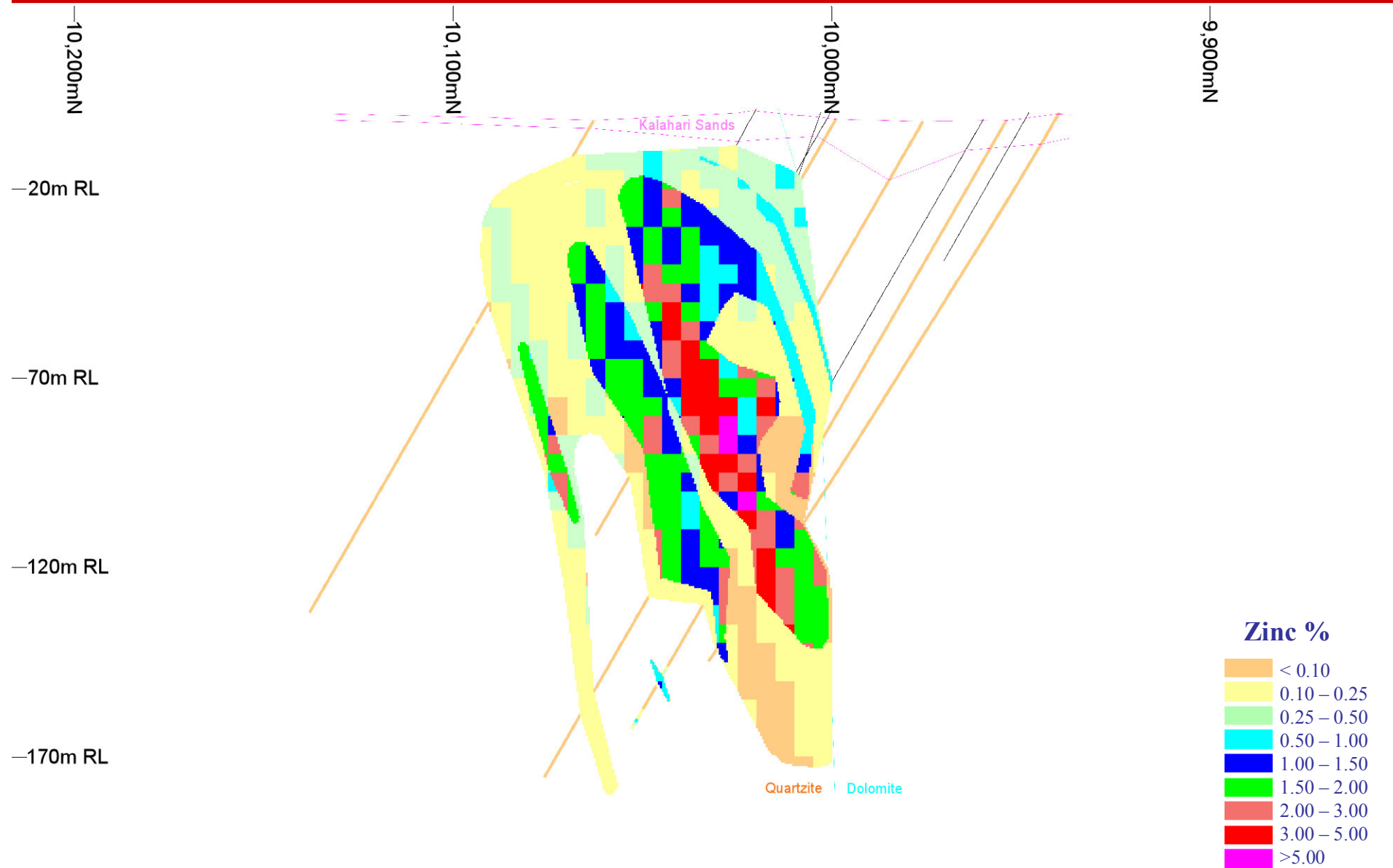
*Produced by Ravensgate*



# Cross Section 9,900mE



# Cross Section 10,000mE

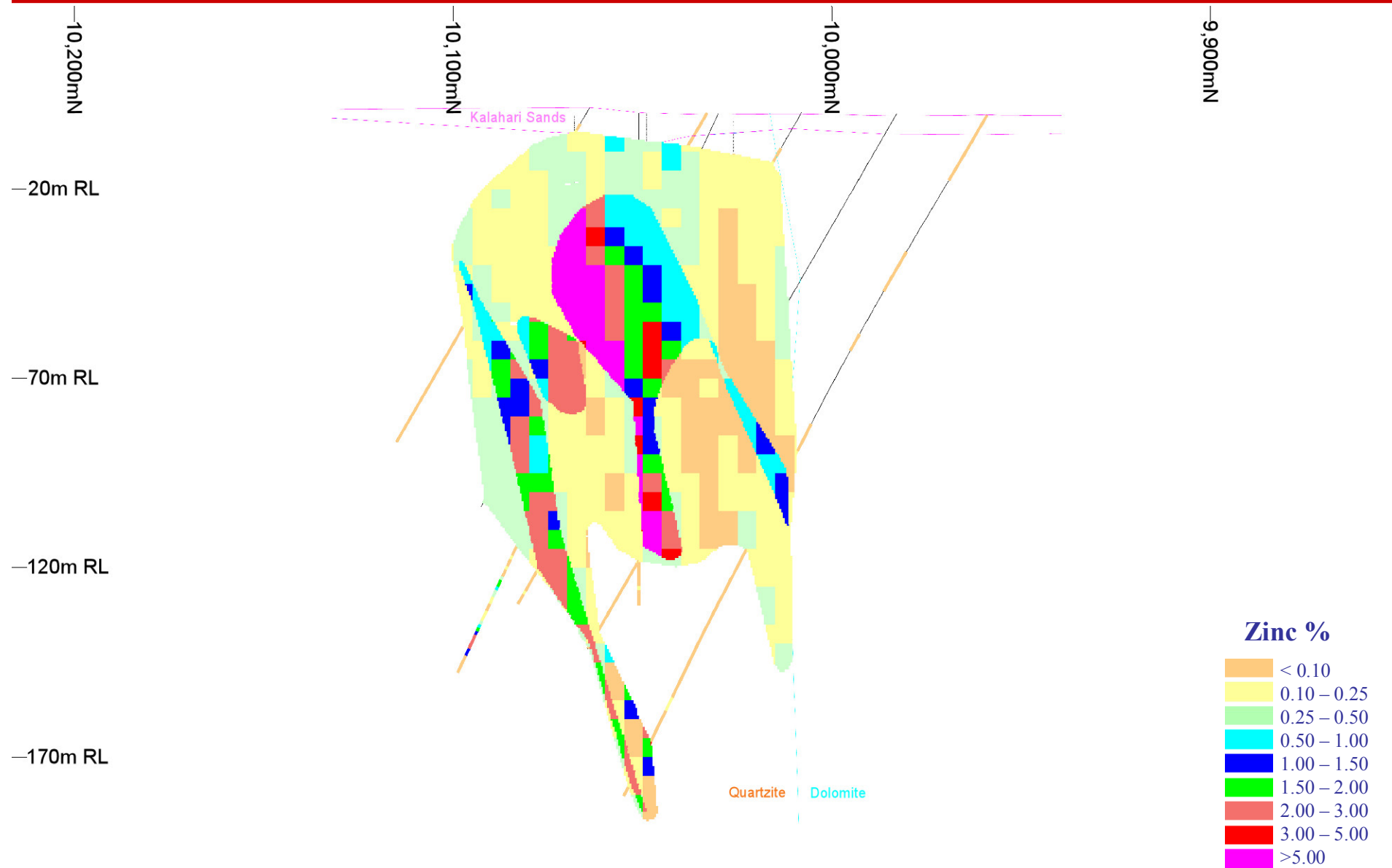


50m

Produced by Ravensgate

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# Cross Section 10,100mE

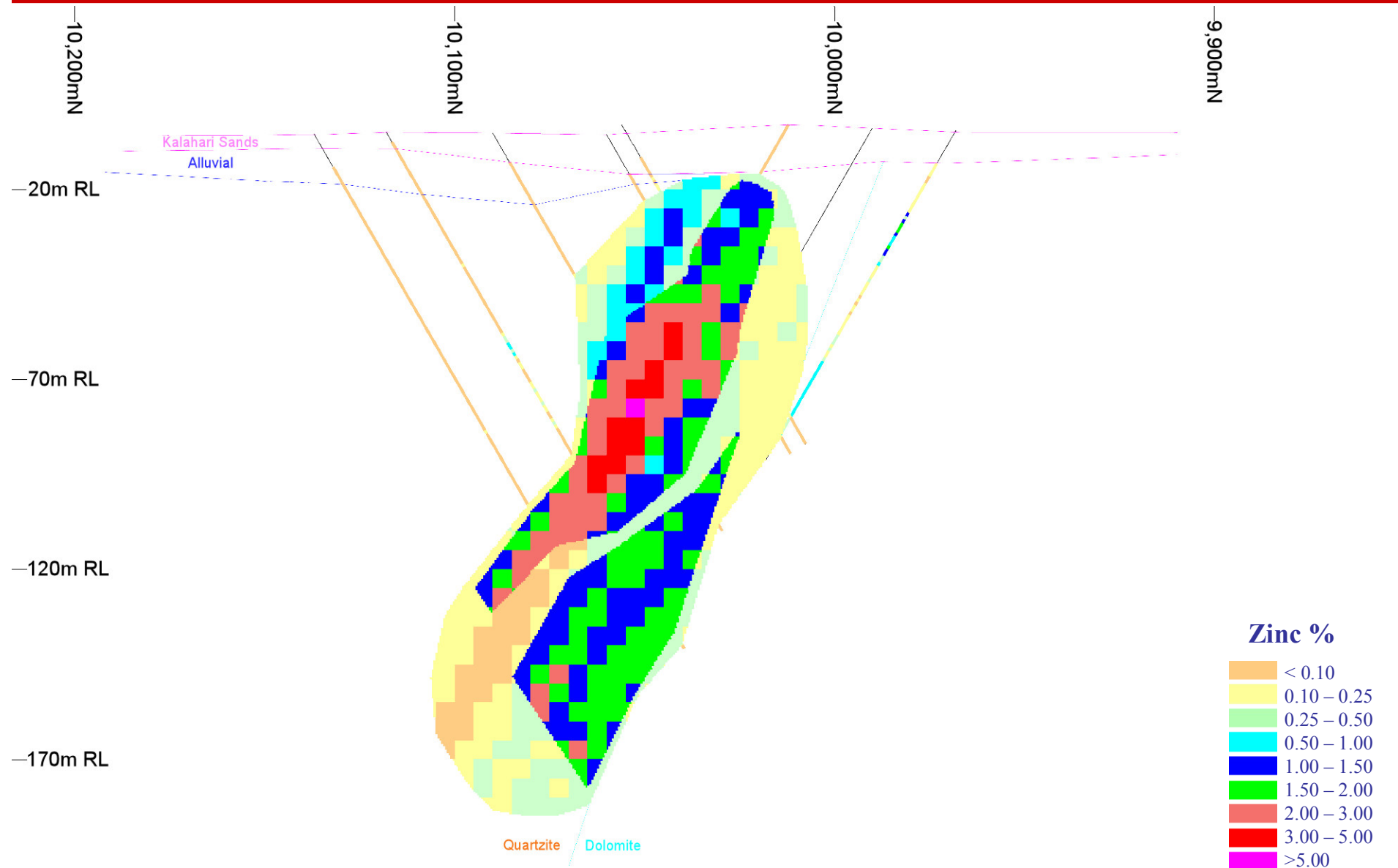


50m

Produced by Ravensgate

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# Cross Section 11,600mE



50m

Produced by Ravensgate

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# Initial Resource Statement

## Mineral Resource Statement 12 April 2007 – Kihabe Base Metals Deposit – **Indicated Resource** Reported at % Zn equivalent lower cut-offs

| Zn Equivalent<br>Lower Cut-Off<br>(%Zn equiv.) | Tonnes (t) | Grade     |           |             |                   | Metal     |           |            |
|------------------------------------------------|------------|-----------|-----------|-------------|-------------------|-----------|-----------|------------|
|                                                |            | Zn<br>(%) | Pb<br>(%) | Ag<br>(g/t) | Zn equivalent (%) | Zn<br>(t) | Pb<br>(t) | Ag<br>(oz) |
| 0.6                                            | 15,913,700 | 1.5       | 0.6       | 8.1         | 2.0               | 241,980   | 91,120    | 4,168,840  |
| 0.8                                            | 14,205,100 | 1.7       | 0.6       | 8.8         | 2.1               | 234,880   | 84,260    | 4,020,750  |
| 1.0                                            | 12,901,400 | 1.8       | 0.6       | 9.4         | 2.2               | 226,540   | 79,470    | 3,894,920  |
| 1.2                                            | 11,606,600 | 1.9       | 0.6       | 10.1        | 2.4               | 215,430   | 75,220    | 3,756,610  |
| 1.4                                            | 10,285,800 | 2.0       | 0.7       | 10.9        | 2.5               | 201,610   | 70,740    | 3,592,190  |
| 1.6                                            | 8,947,500  | 2.1       | 0.7       | 11.8        | 2.7               | 185,060   | 66,240    | 3,396,200  |
| 1.8                                            | 7,705,500  | 2.2       | 0.8       | 12.8        | 2.8               | 167,770   | 61,430    | 3,174,030  |
| 2.0                                            | 6,519,700  | 2.3       | 0.9       | 13.9        | 3.0               | 149,500   | 56,100    | 2,915,640  |

## Mineral Resource Statement 12 April 2007 – Kihabe Base Metals Deposit – **Inferred Resource** Reported at % Zn equivalent lower cut-offs

| Zn Equivalent<br>Lower Cut-Off<br>(%Zn equiv.) | Tonnes (t) | Grade     |           |             |                   | Metal     |           |            |
|------------------------------------------------|------------|-----------|-----------|-------------|-------------------|-----------|-----------|------------|
|                                                |            | Zn<br>(%) | Pb<br>(%) | Ag<br>(g/t) | Zn equivalent (%) | Zn<br>(t) | Pb<br>(t) | Ag<br>(oz) |
| 0.6                                            | 883,600    | 1.1       | 0.3       | 3.8         | 1.3               | 9,310     | 2,940     | 106,920    |
| 0.8                                            | 690,500    | 1.2       | 0.3       | 4.0         | 1.5               | 8,490     | 2,200     | 88,130     |
| 1.0                                            | 547,200    | 1.4       | 0.3       | 4.3         | 1.6               | 7,560     | 1,680     | 75,330     |
| 1.2                                            | 414,200    | 1.6       | 0.3       | 4.7         | 1.8               | 6,520     | 1,070     | 62,840     |
| 1.4                                            | 310,000    | 1.7       | 0.3       | 5.0         | 2.0               | 5,360     | 840       | 49,420     |
| 1.6                                            | 244,000    | 1.8       | 0.3       | 5.2         | 2.1               | 4,490     | 710       | 41,080     |
| 1.8                                            | 154,200    | 2.0       | 0.4       | 5.8         | 2.3               | 3,100     | 560       | 28,810     |
| 2.0                                            | 111,700    | 2.1       | 0.4       | 6.4         | 2.5               | 2,380     | 460       | 22,830     |

# Ongoing / Future Work Programme

- Structural interpretation of diamond core being conducted to determine geometry of higher grade zones within resource to be targeted in next round of drilling
- Further drilling will increase tonnage of initial resource of 11,000,000 tonnes - good possibility of also increasing grade by proving continuity of high grade zones between current drill sections
- Metallurgical test work being conducted to determine recoveries
- Upon completion of metallurgical testwork, initial pit design will be compiled to determine strip ratios, mining costs and commerciality of resource
- Potential commercial resource will lead to pre-feasibility/bankable feasibility studies
- Further regional targets (Gossan Anomaly, Grid 30-1, Copper Anomaly, Tswee Tswee Anomaly) being tested to enhance potential to discover additional resources



Galena

Gossan sample collected from Grid 20-3.

Samples previously collected from this area have assayed 12.4% Pb, 3.98% Zn, 1.60% V and 3.28oz/t Ag.

# World Zinc Consumption and Production

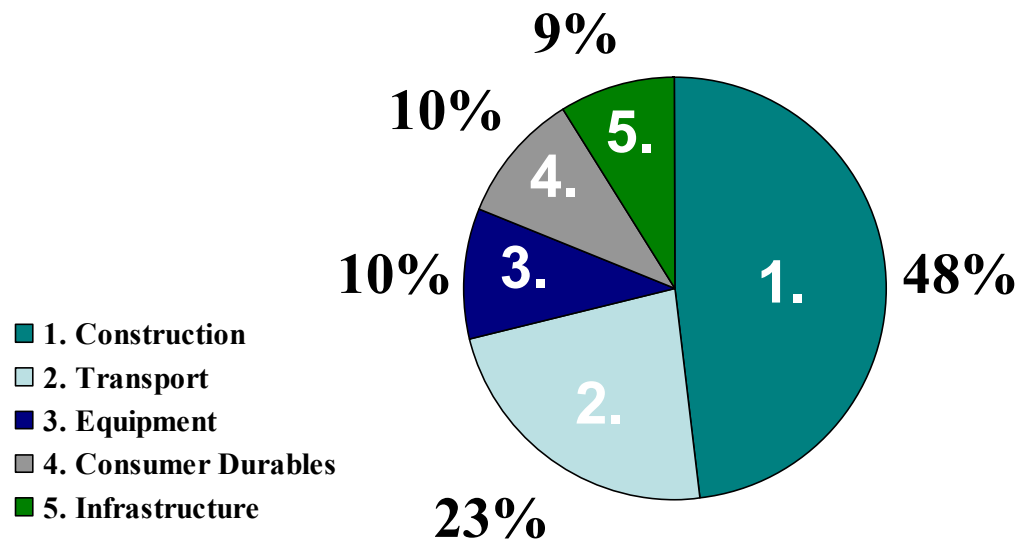
| World Zinc Consumption<br>(000 tonnes)        | 2006       | 2007                 | 2008                 | 2009                 | 2010                 |
|-----------------------------------------------|------------|----------------------|----------------------|----------------------|----------------------|
| China<br>(current increase 325,000 t.p.a.)    | 3,260      | 3,585                | 3,910                | 4,235                | 4,560                |
| <i>(Antaike: to reach 4,800 by 2010)</i>      |            | <i>(3,645)</i>       | <i>(4,030)</i>       | <i>(4,415)</i>       | <i>(4,800)</i>       |
| U.S.A.<br>(current increase 2.5% p.a.)        | 1,155      | 1,184                | 1,215                | 1,245                | 1,275                |
| Rest of World<br>(current increase 2.5% p.a.) | 6,545      | 6,706                | 6,875                | 7,045                | 7,225                |
| Total World                                   | 10,960     | 11,475               | 12,000               | 12,525               | 13,060               |
| <i>(Antaike)</i>                              |            | <i>(11,535)</i>      | <i>(12,120)</i>      | <i>(12,705)</i>      | <i>(13,300)</i>      |
| World refined zinc supply<br>(Est to 2008)    | 10,710     | 11,345               | 12,005               |                      |                      |
| <b>Deficit / Surplus</b>                      | <b>250</b> | <b>130</b>           | <b>5</b>             |                      |                      |
| <i>(Antaike)</i>                              |            | <i>(190) deficit</i> | <i>(115) deficit</i> |                      |                      |
| Required increase in<br>production from 2006  |            |                      |                      | 1,565 / 14%          | 2,100 / 19%          |
| <i>(Antaike)</i>                              |            |                      |                      | <i>(1,745 / 16%)</i> | <i>(2,340 / 21%)</i> |

- The world is currently consuming 32,000 tonnes of zinc per day.

|                             | LME Stocks<br>(000 tonnes) | PCM Stocks<br>(000 tonnes) | World total<br>(000 tonnes) |
|-----------------------------|----------------------------|----------------------------|-----------------------------|
| April 2004<br>(recent peak) | 780                        | 410                        | 1,190                       |
| June 2007                   | 74                         | 410                        | 484                         |

- LME Stocks remain at a critical level of just over 2 days supply.

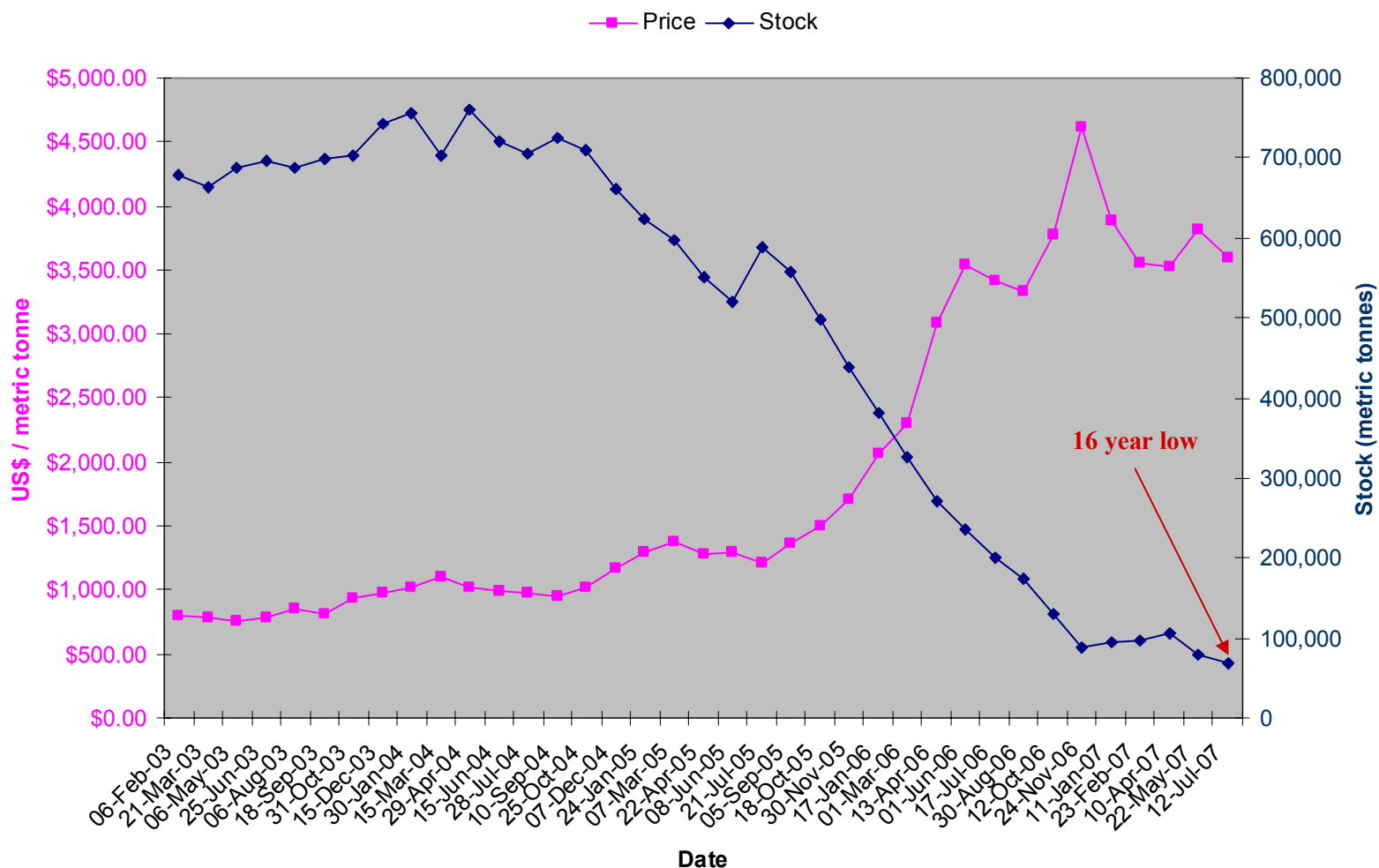
# World Zinc Uses



- China dominates global scene accounting for 30% of world's construction costs. Spending predicted to increase by massive 9.8% p.a. in 2007 and will persist for at least 5 years (AME Mineral Economics). China's steel making capacity has risen in last 5 years by amount equivalent to Japan and South Korea's outputs combined (AME Mineral Economics).
- By 2011 China and India will account for 55% of total worldwide construction costs (AME Mineral Economics).
- "China's galvanizing products output in the first five months (2007) increased to 6.89 million tons with an annual growth of 72.7%. I believe that the galvanizing industries will contribute over 20% of zinc consumption growth to the zinc industry in 2007. China would continue to experience high growth, low inflation, strong export growth, large trade surplus, fast FX reserve accumulation, excess liquidity and attendant asset price inflation for the next few years, I have not changed my forecast of 2010." - China to consume 4.8 million tons of zinc (Fengjuncong, Antaike)
- Vehicle production in China will increase by 15.2% p.a. in 2007-08 and at CAGR of 9.9% through 2007-2011 (AME Mineral Economics)
- India aiming to quadruple turnover of automobile industry to more than 10% of GDP by 2016 (AME Mineral Economics)

# The Zinc Price

Zinc LME Cash Settlement Prices vs. Opening Stocks  
6 February 2003 – 5 July 2007



# The Lead Price

Lead LME Cash Settlement Prices vs. Opening Stocks  
6 February 2003 – 5 July 2007

