



REPORT FOR THE QUARTER ENDED 30 JUNE 2012

KIHABE-NXUU ZN/PB/AG PROJECT BOTSWANA (100%)

Further elevated Zn/Pb Anomalies generated from ongoing Soil Geochemical Sampling

During the quarter, the Company conducted further soil geochemical sampling to the south of the Kihabe resource along a NE trending strike, parallel with the Kihabe resource. This trend has a coincident vegetation (*Terminalia*) anomaly, on the NE extensions of which is situated the Nxuu resource.

A soil geochemical sampling programme was conducted from the previously generated Wanchu Zn/Pb anomaly, in a NE direction for some 3km, to the edge of the Nxuu resource. **This programme has generated further anomalous Zn/Pb zones of mineralisation between the Wanchu anomaly and the Nxuu resource**, coincident with the NE trend, adding to the potential of this area to generate further Zn/Pb resources, (refer soil geochemical sampling map attached).

Soil geochemical sampling is currently being conducted along the same trend, to the SW of the Wanchu anomaly, where consistent and coincident linear zones of elevated Zn/Pb mineralisation have been delineated by earlier, wider-spaced geochemical surveys.

All soil geochemical samples have been collected from around 10cm below surface, every 50m along N/S lines, 100m apart. The samples are sieved down to - 0.4mm, packeted and then analysed on site under stable and stationary conditions with the Company's XRF machine. Quality control samples are sent to an independent laboratory for analysis by conventional methods.

Interest from Independent Parties

The Company is in discussion with parties that have expressed interest in involvement in the Kihabe - Nxuu project.

The information in this release that relates to exploration results, together with any related assessments and interpretations, is based on information approved for release by Mr. Giles Rodney Dale of GR Dale and Associates. Mr. Dale is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Dale has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Dale consents to the inclusion in this release of matters based on this information in the form and context to which it appears.

CORPORATE

Available Funding

During the quarter the Company announced a share placement of 30,000,000 ordinary shares at 0.3 of a cent to raise \$90,000.

As at 30 June 2012 the Company had the following funding available:

Unused loan facilities	\$ 44,000
Overdraft/unused credit standby arrangements	<u>\$ 58,000</u>
TOTAL	<u>\$102,000</u>

On 5 July the Company announced a share placement of 86,000,000 ordinary shares at 0.3 of a cent to raise \$258,000, through Capital 19. To date \$50,000 from this placement has been received.

Director Resignation

During the quarter Mr Godfrey Edward Taylor LL B resigned as a Director of the Company.

Change of Company Registered Office

The lease of the Company's Registered Office expires on 31 July 2012. The Company has now relocated to its new Registered Office as shown below:

**8/800 Albany Highway,
East Victoria Park
Western Australia
6101**

**Tel: +61 (8) 9355 0123
Fax: +61 (8) 9355 1484**

KIHABE- NXUU RESOURCE STATEMENT

Deposit	External Cut %	Indicated M Tonnes %	Inferred M Tonnes %	Total M Tonnes %
Kihabe	1.5%	11.4 @ 2.90%*	3.0 @ 2.60%*	14.4 @ 2.84%*
Nxuu	0.3%	-	10.9 @ 3.20%*	10.9 @ 3.20%*
		11.4 @ 2.90%*	13.9 @ 3.07%*	25.3 @ 3.00%*

*Zinc Equivalent Grade

Kihabe resource calculated on metal Zn US\$1,810/t Pb US\$1,955/t Ag US\$18.75/oz prices as at 17 July 2008:

Grades applied: Zn 1.75% Pb 0.76% Ag 6.93 g/t

Nxuu resource calculated on zinc and lead at US\$ par

Grades applied: Zn 1.8% Pb 1.4%

The information in the resource statement that relates to the Kihabe Resource is compiled by Byron Dumbleton, 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 is a Technical Director of the Company. 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.

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.

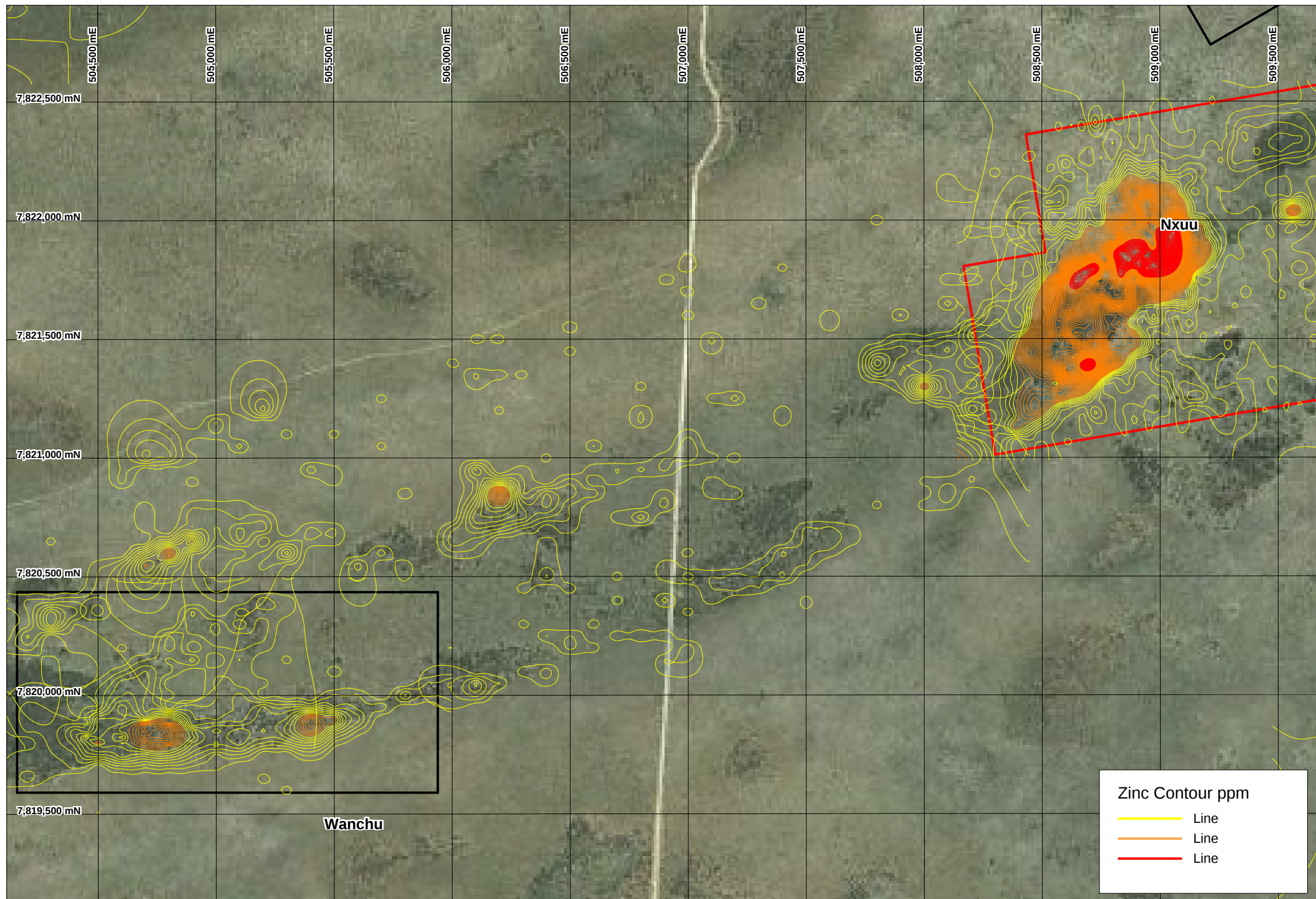
DEPOSIT	Zone	Time	Zinc	Lead	Silver
Kihabe					
Oxide Zone					
Acid leaching @40°C 30 kg/t acid	Oxide *	24 hrs	96.9%	91.9%	n/a
Sulphide Zone					
Rougher flot	Sulphide	90 seconds	91.9%	84.8%	94%
	Sulphide	15.5 mins	93.8%	88.1%	96.4%
Nxuu					
All Oxide					
Acid leaching @25°C 30 kg/t acid	Oxide *	12 hrs	93%	93%	n/a

* Note: Zn mineralisation in the oxidised zones is hosted within Smithsonite and Baileychlore and independent test work has confirmed both of these are amenable to acid leaching.

LME¹ AND SFE² ZINC/LEAD/SILVER STOCKS AND PRICES**(as at 30 July 2012)**

METAL	Stocks/Ton		Price/Ton (US\$)	Price/oz (US\$)
	LME	SFE	LME	
Zinc	1,002,450	319.452	1840	
Lead	327,900	24,081	1909	
Silver	n/a	n/a	-	28.26

¹London Metal Exchange – Source LME²Shanghai Futures Exchange – Source Bloomberg



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

MOUNT BURGESS MINING N.L.

ABN

31009067476

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(80)	(572)
(b) development	-	-
(c) production	-	-
(d) administration	(149)	(703)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(13)	(36)
1.6 Income taxes refund	-	91
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(242)	(1,220)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(5)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	2	2
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(3)	(3)
1.13 Total operating and investing cash flows (carried forward)	(245)	(1,223)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(245)	(1,223)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	90	858
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	70	283
1.17	Repayment of borrowings	-	(63)
1.18	Dividends paid	-	-
1.19	Other – Lease liability repayments	-	(2)
	Other – Placement fees	-	(25)
	Net financing cash flows	160	1,051
	Net increase / decrease in cash held	(85)	(172)
1.20	Cash at beginning of quarter/year to date	(285)	(197)
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	Cash at end of quarter	(370)	(370)

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	52
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

**** The Company currently has an overdraft facility of \$400,000.**

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	639	595
3.2 Credit standby arrangements	465	387

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	15	10
5.2 Deposits at call	-	-
5.3 Bank overdraft	(385)	(295)
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	(370)	(285)

Changes in interest in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted share securities at the end of current quarter

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	573,838,604	573,838,604		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	30,000,000 N/A	30,000,000 N/A		
7.5	*Convertible debt securities (description)	N/A	N/A		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>Employee Share Plans</i>	16,350,000 500,000	NIL NIL	5 cents 5 cents	31/12/15 31/12/16
7.8	Issued during quarter	NIL			
7.9	Exercised during quarter	NIL			
7.10	Expired	NIL			
7.11	Debentures (totals only)	NIL			
7.12	Unsecured notes (totals only)	NIL			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Serene Chau*
 (Director/Company secretary)

Date: 31 July 2012

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 [Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic \(if any\) must be complied with.](#)

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