

31 August 2016

MOUNT BURGESS READY TO RE-COMMENCE ZINC EXPLORATION AT KIHABE PROJECT

- **Kihabe Exploration Licence recently granted to 2022**
- **Funds raised and Board strengthened**
- **Established Resource at Kihabe / Nxuu project and several additional identified anomalies yet to be drill tested.**
- **On-site exploration anticipated to commence Q4 2016**

With the grant of a new licence over the Company's original Kihabe Project area early in the year and encouraging zinc price sentiment, Mount Burgess (The Company; ASX:MTB) is pleased to announce its intention to return to active exploration of the Kihabe Zinc Project in Botswana (Figure 1).

PREPARATION

The Company's Kihabe licence, covering the original project area, was granted early in 2016 for the standard 3 years with 2 additional extension periods of 2 years each, for a total of 7 years.

The Company's Board has been strengthened with the appointment of two new Directors, bringing the total to 5 Directors with skills and experience across Geology, Engineering, Metallurgy and Australian/international commercial markets, which will prove invaluable as the Kihabe Zinc Project progresses. None of the Directors are drawing Directors fees.

Mount Burgess has recently successfully completed a modest capital raising and has begun planning for on-site exploration activities, which are expected to commence and be completed in Q4 this year.

KIHABE ZINC PROJECT

Mount Burgess is one of few ASX stocks positioned to leverage the increasingly strong Zn price.

The project includes the Kihabe deposit and near-by Nxuu deposit and consists of 25 million tonnes of resources @ 3% Zn equivalent grade (2004 JORC Code – see Table 1) at potential open pit depths ranging from 5m below surface to 175m below surface (Figure 2 and Figure 3). Metallurgical test work on both oxides (predominately baileychlore and smithsonite for zinc and cerrusite for lead) and sulphides (predominately sphalerite for zinc and galena for lead) confirmed recoveries of >90% and zinc and lead concentrates of good marketable grade with few deleterious elements. Test work has also suggested the possibility of producing zinc metal on site via SX/EW.

A disparity between Reverse Circulation (RC) drill hole and Diamond Drill (DD) hole results suggests there is potential to significantly increase the resource grade. The Company believes that poor sample collection methods employed during historic RC drilling /sampling has resulted in assays under-calling the grade. As an example, based on a 0.5% ZnEq resource envelope the existing Kihabe Resource generated a grade of 2.22% Zn equivalent based on all resource definition holes (RC+DD). Based on DD only (20% of holes drilled) the same volume generated a grade of 3.26% Zn equivalent. The spacing of diamond holes does not permit this result to be converted to a Resource. Nevertheless, with additional investigation and validation, the potential under-call of the grade and the possibility of

material Germanium credits recently identified (see ASX announcement dated 5/5/16) has the potential to substantially increase the overall Zn equivalent resource grade.

PRIORITY ANOMALIES

The Kihabe and Nxuu resources comprise SEDEX mineralisation that covers a combined strike length of 2.3km. The mineralisation is contained within a mineralised zone of quartz wacke at the contact with regional dolostone. **This consistent geological profile acts as a significant pathfinder for the discovery of additional resources.** A recent independent geological review conducted by CSA Global supported this view by concluding that “It is obviously a huge system in a known productive basin and a system where it should be possible to develop an effective targeting model”.

Through geochemical soil sampling, the Company has identified six additional zinc geochemical soil anomalies and a copper/cobalt anomaly within the immediate vicinity of the established Resource (Figure 4). The total strike length of these anomalies combined is 13km. Of particular interest is Target 52 (Figure 5), which, at a strike length of 5.2km, is over twice as long as the strike length of Kihabe and Nxuu combined.

NEXT STEPS

The Company has begun the process of identifying drill targets and commenced discussions with local drilling companies with the intention of drilling starting initially at Target 52 early in Q4 this year.

Whilst the strategic plan for 2017 will be influenced by the results derived from the abovementioned exploration program, it is anticipated that major activities will concentrate on exploration of the already identified anomalies, as well as revisiting the Kihabe Resource, with the ultimate objective to review / revise the 2009 Kihabe-Nxuu scoping study.

The Company is one of few ASX listed stocks with exposure to zinc. With encouraging zinc price forecasts and signs of a positive shift in market sentiment, the Company is now strategically well placed and primed to recommence on-ground activity at the Kihabe Zinc Project, including exploratory drill testing of the six identified zinc anomalies that are located within close proximity of the Kihabe and Nxuu Resources.



Figure 1: The Kihabe Project (red box) covers 997km² and is located in Botswana near the Namibian Border and border crossing of Dobe. The nearest railhead is 337km west. There is a landing strip on the licence area and an international airport at Maun ~250km west. There is an established camp on the licence area.

Table 1: Resource Statement for the Kihabe and Nxuu deposits. Reported 15/5/13

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%

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

Grades applied: Zn 1.8% Pb 0.8% Ag 7.7 g/t

Nxuu resource calculated on zinc & lead par value

Grades applied: Zn 1.8% Pb 1.4%

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.

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.

Figure 2a and 2b: The Kihabe mineralisation comprises oxide material above primary sulphides. The resource includes southern and northern zones of wider mineralisation.

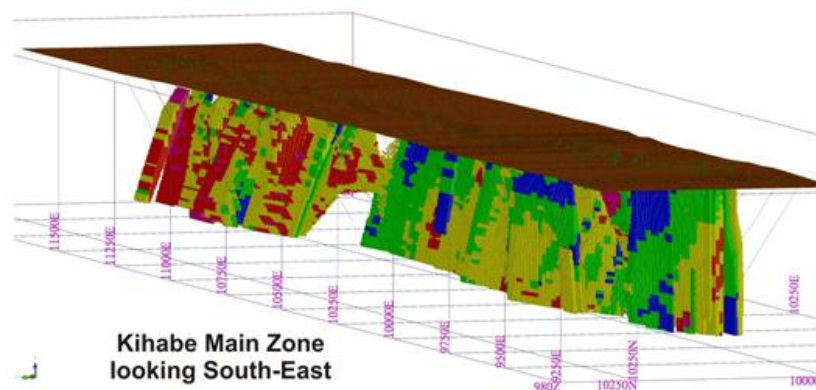
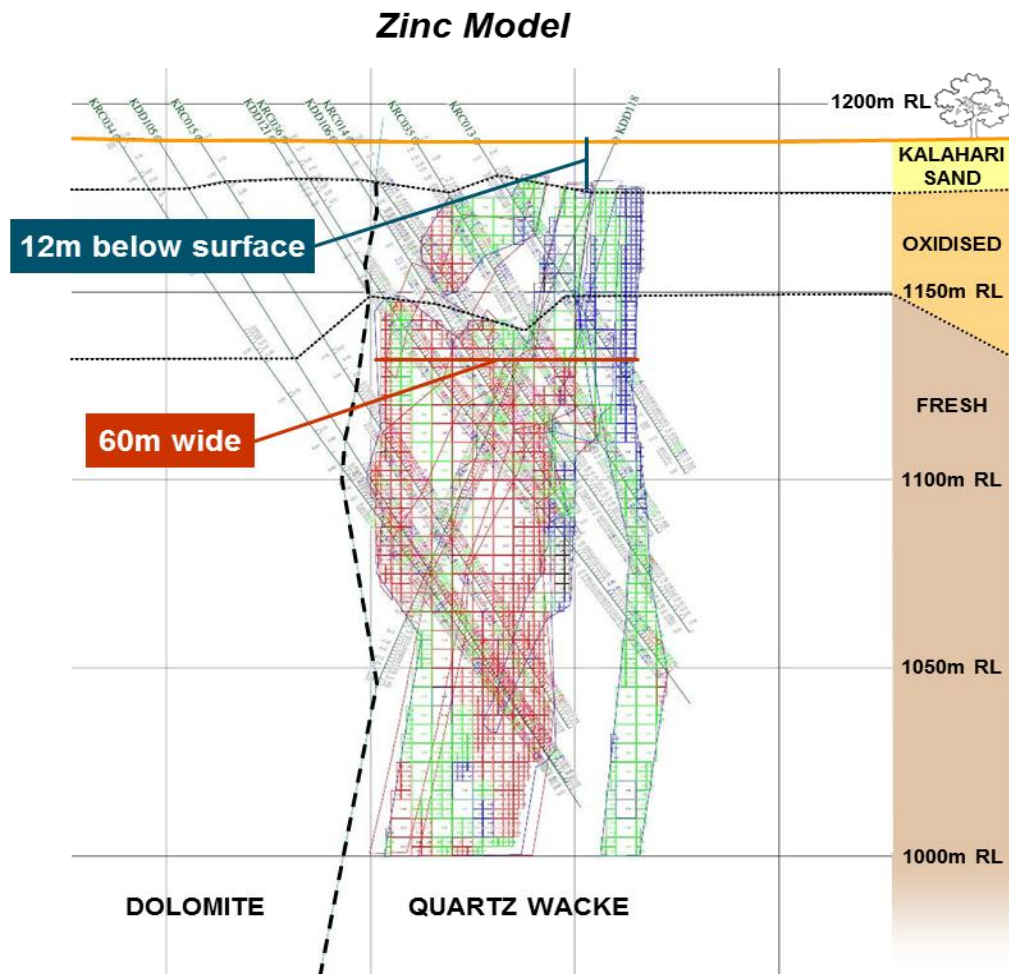


Figure 3a and 3b: The Nxuu mineralisation forms a shallow basin defined by a fold closure.

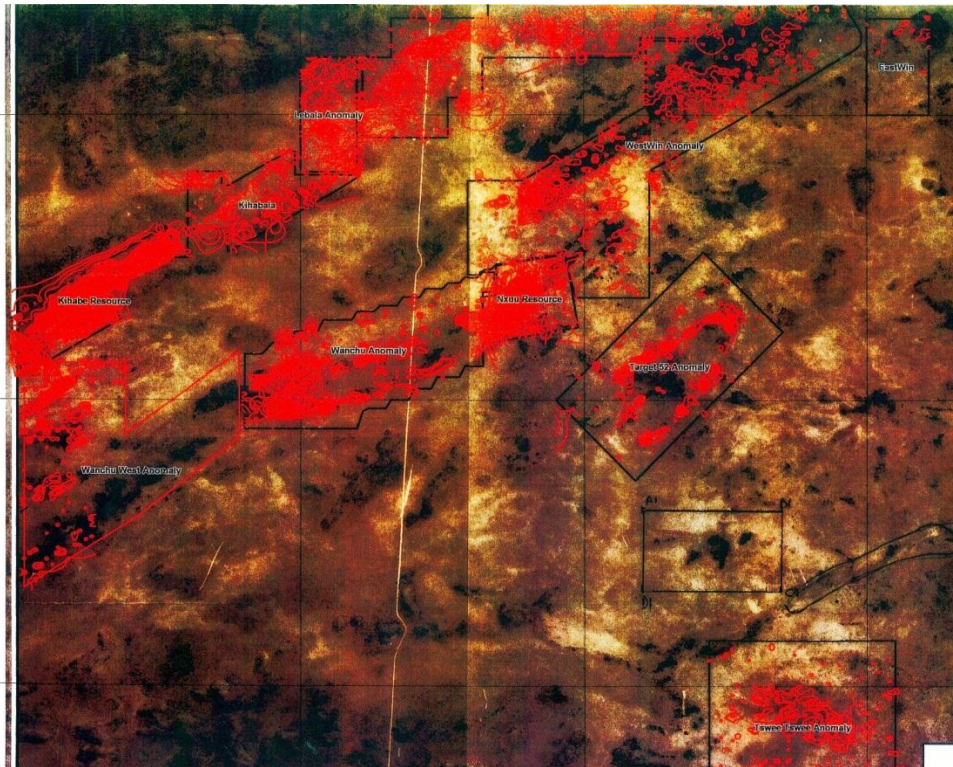
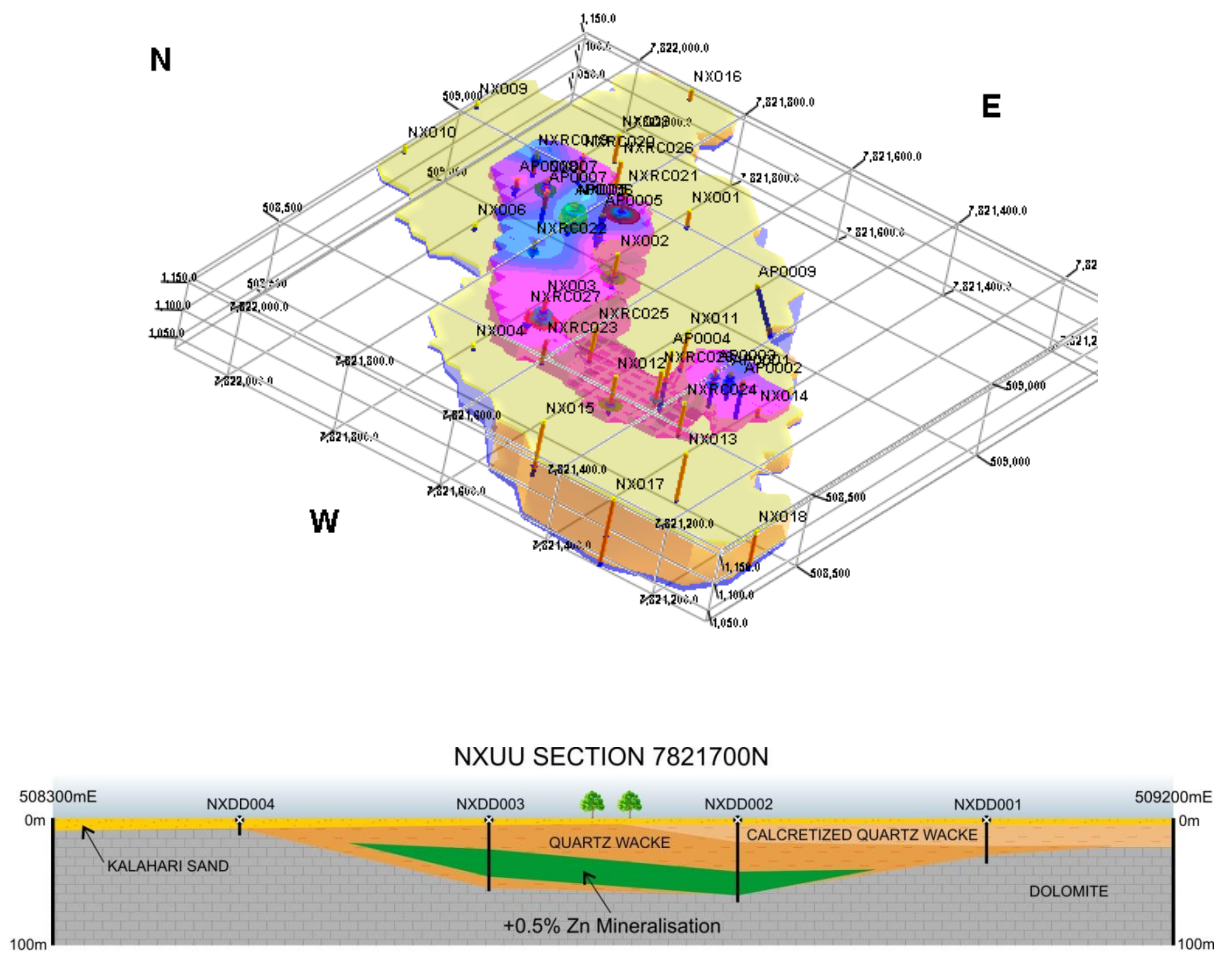


Figure 4: Thus far the Company has identified 6 additional zinc soil anomalies near the boundary of quartz wacke and Dolostone and within the immediate vicinity of the established resource.

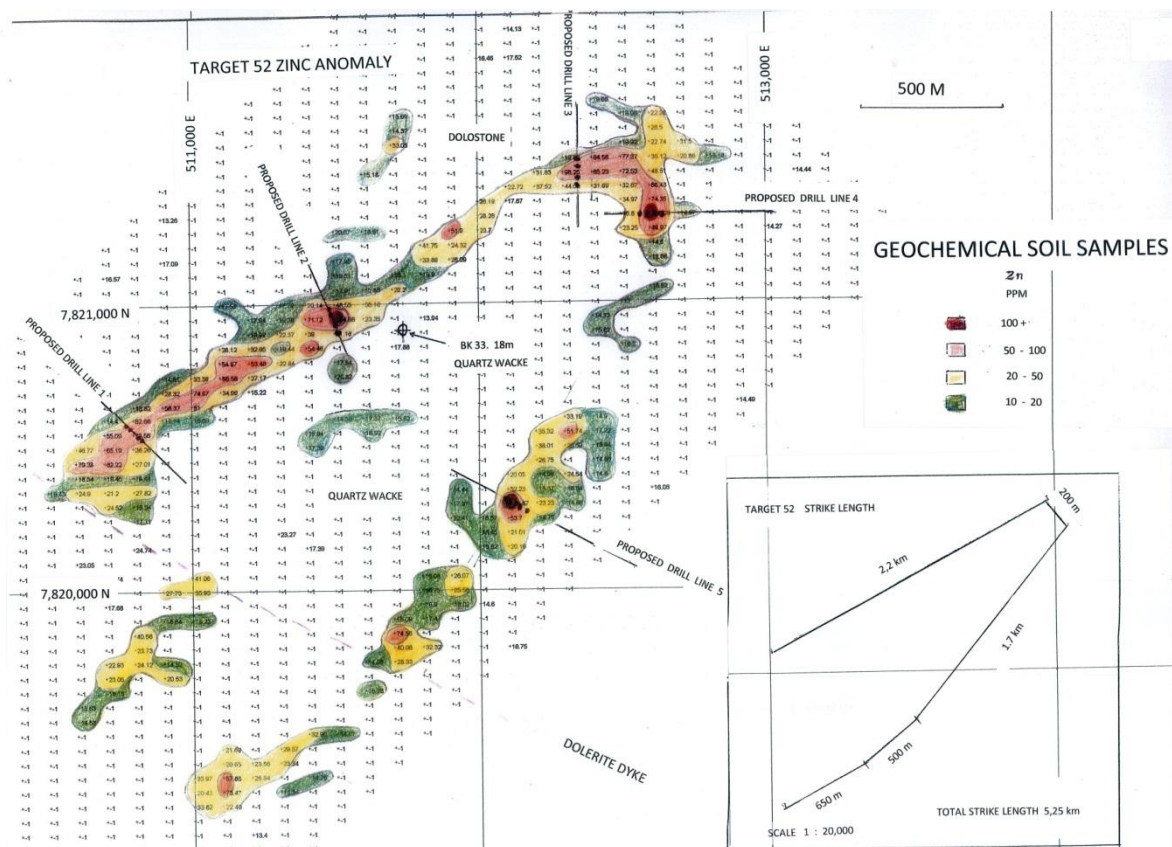


Figure 5: One of the priority geochemical anomalies is target 52.

Forward Looking Statement:

This presentation 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 Statement:

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 was a Technical Director of the Company during the period in which the resource was calculated. 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.

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