ASX Code: MTB

3 October 2017

UPDATE: KIHABE ZINC LEAD SILVER PROJECT - BOTSWANA

- **Phase 1 Nxuu diamond core drilling (DD) program to commence soon**
- **Recent placement ratified at MTB GM and re-setting of 15% placement capacity**

Consistent with the Company's Strategy (see announcement 21 March 2017), the first phase of diamond drilling of the Nxuu Resource (Table 1) will commence soon. This initial phase consists of HQ size diamond drill holes (Fig 1) within the existing Nxuu Resource with the second phase, subject to funding, drilling out the remainder of the established resource to the northeast and south. The objectives of the entire drilling program are to:

1. Convert the current 2004 JORC compliant Nxuu resource to 2012 JORC standards. Historical RC drilling defined a zinc/lead resource (Table 1) with surface area of approximately 550m x 250m (Figure 2a), starting from 5m below a surface of predominantly free digging Kalahari sand and extending to a maximum depth of 60m below surface. In addition to updating the resource, it is intended that the program will also upgrade a large portion of the resource to Indicated / Measured status.
2. Address the potential grade under-call from previous RC and percussion drilling upon which the Nxuu Resource is predominantly predicated. The Company has previously provided evidence that suggests historical RC and percussion drilling materially under-called the grade of the Kihabe and Nxuu Resources when compared to results from DD (see announcement 5 March 2017). It is anticipated the intended DD program will address this issue conclusively for the Nxuu portion of the project resources.
3. Include potential silver and germanium credits in the planned revision of the Nxuu resource estimate. The existing Nxuu Resource zinc equivalent calculation does not include silver credits although silver is recorded in most holes within the resource envelope. Similarly, the Company wishes to investigate the distribution of germanium in the deposit as this metal also has the potential to enhance the project economics. Germanium is currently trading at US$1,200/kg (*Source: Canadian Financial Post 27 September 2017).* On 28 April 2011 the Company reported an assay result for a single diamond core sample not previously assayed for germanium from within the Nxuu resource envelope as follows:

Hole #	Easting	Northing	Dip	Azimuth	From	To	Length	Ge Grade	Announced
NXDD005	**508,926**	**7,821,827**	**-90**	**0**	**19m**	**25m**	**6m**	**4.98g/t**	**28/04/2011**

It is anticipated that Phase 1 and Phase 2 drilling campaigns combined will provide all the necessary resource drilling results required to progress Nxuu to a feasibility study in 2018.

Mount Burgess has chosen to focus on the Nxuu Resource as it potentially presents as a relatively low risk path to production, achievable within reasonable timeframes. The Company has come to this conclusion because of the following:-

1. **Relatively inexpensive drilling program**. With a maximum depth of 60m (Figure 2b) and anticipated average depth of 48m, drilling vertical drill holes, the investment in HQ diamond core drilling is relatively small given the amount of contained zinc, lead and silver that could be defined.

2. **Near surface, shallow mineralisation.** Mineralisation follows a gentle sloping bowl shape from 5m to 60m below surface. The shallow nature of the mineralization should result in low waste to ore strip ratios and therefore low mine operating costs, together with low risk of geotechnical issues.
3. **Uniform, simple mineral suite.** The Nxuu resource is entirely oxidized (no transitional zones or sulphides) and occurs predominantly as the zinc oxide mineral smithsonite and the lead oxide mineral cerussite. This simple mineral suite removes the complexity of treating considerably different metallurgical domains, which, in turn, should translate to a relatively lower capital requirement for the processing facility.
4. **Potentially simple process flow.** At 75 micron grind size 93% Zn and 93% Pb are recovered in 12 hours through tank acid leaching at 25 ^{0}C. In addition, as the mineralisation occurs in a quartz wacke, as opposed to more commonly carbonate host rocks, acid consumption is relatively low (~30kg/t acid - bench scale test work - Ammtec).
5. **Possibility of metal production on site**. Production of zinc metal from oxides via acid leaching followed by SX/EW is an established process. In addition, recent investigations suggest both lead and silver could be recovered via a similar path. Assuming access to an economic source of power, alternatives for which are currently being investigated, production of metal on site from the Nxuu resource removes the cost of shipping concentrate and by-passes negotiations with smelters and smelting costs. Further investigation of these processing options is also a priority for the Company.

The upper portion of the Kihabe Resource, 7 km west of Nxuu, is also oxide material. The plan is to delineate the higher grade, near-surface domains at Kihabe as potential high grade supplemental feed in early production years. Drilling in this zone gave some significant intersections of high grade zinc and silver, previously reported as follows:

Hole #	Easting	Northing	Dip	Azimuth	From	To	Length	Zn Grade	Pb Grade	Ag Grade	Announced
KRC016	**500,904**	**7,821,618**	**-60**	**340**	**44m**	**82m**	**38m**	**7.69%**			**30/05/2006**
				including	*57m*	*67m*	*10m*	*22.75%*			
KDD125	**500,865**	**7,821,599**	**-60**	**339**	**30m**	**61m**	**31m**	**1.71%**	**1.71%**		**11/03/2008**
				also	47m	61m	14m			101.6g/t (3.27oz/t)	
					64m	**87m**	**23m**	**2.32%**	**1.42%**		
KDD126	**500,882**	**7,821,669**	**-78**	**159**	**39m**	**62m**	**23m**	**8.03%**	**0.87%**		**11/03/2008**
				including	*44m*	*53m*	*9m*	*15.01%*			
					98m	**102m**	**4m**			**448.2g/t (14.41oz/t)**	
KDD109	**500,907**	**7,821,628**	**-65**	**339**	**73m**	**82m**	**9m**			**318g/t (10.20oz/t)**	**2/07/2007**
				also	75m	81m	6m	2.62%	1.51%		
					91m	**97m**	**6m**	**2.94%**	**3.64%**		

LME Prices	Zn US$/t	Pb US$/t	Ag US$/oz	
29 September 2017	**3,217**	**2,519**	**16.66**	

The Company also wishes to advise that a General Meeting of the Company held on 27 September 2017 ratified the previous issue of shares (see announcement 27/9/17). With the ratification the Company has now re-instated its capacity to place shares in the Company under listing rule 7.1 (15% rule).

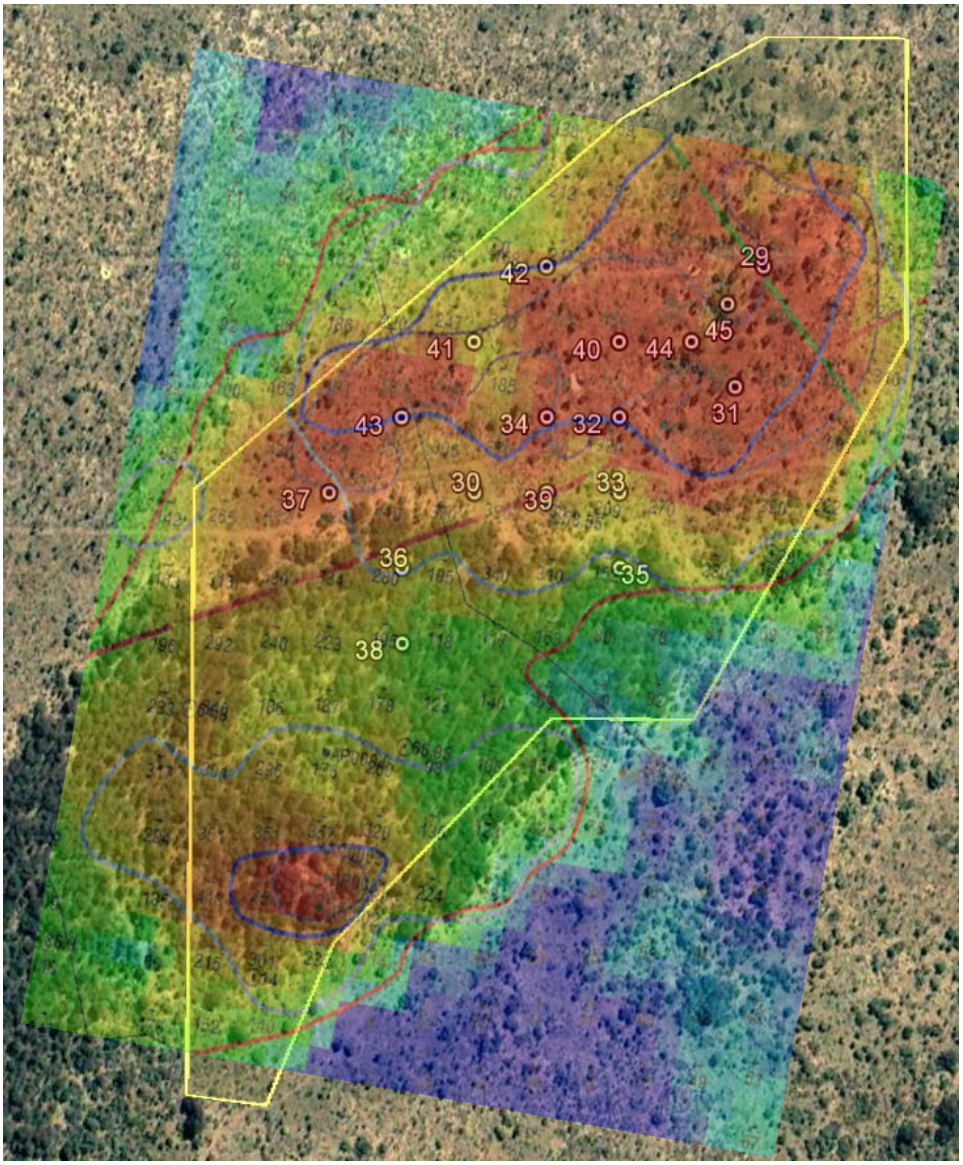

***Figure 1**: Phase 1 proposed drill hole locations over historic soil geochem anomaly and Google Earth image*

***Figure 2a**: The Nxuu mineralisation forms a shallow basin defined by a fold closure.*

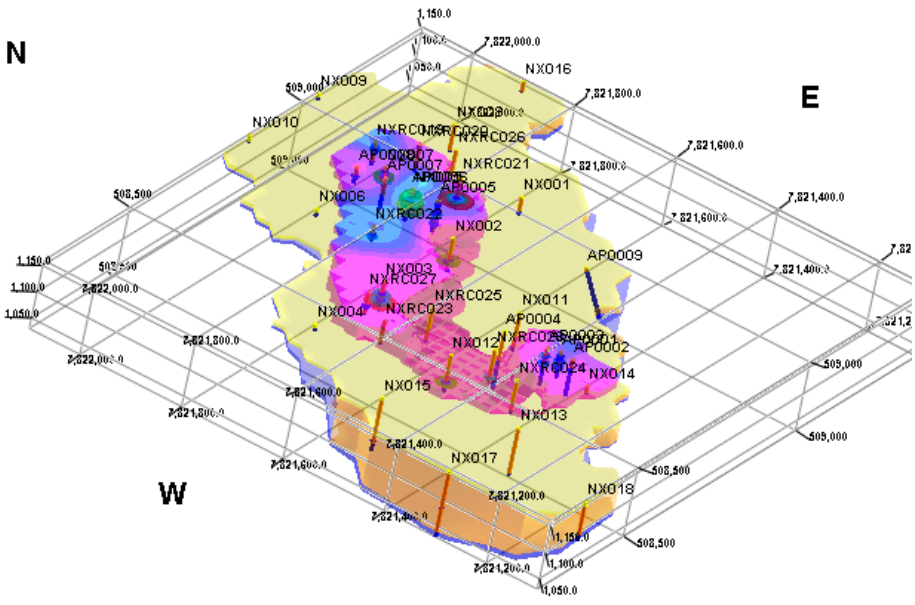

***Figure 2b**: The Nxuu mineralisation forms a shallow basin defined by a fold closure.*

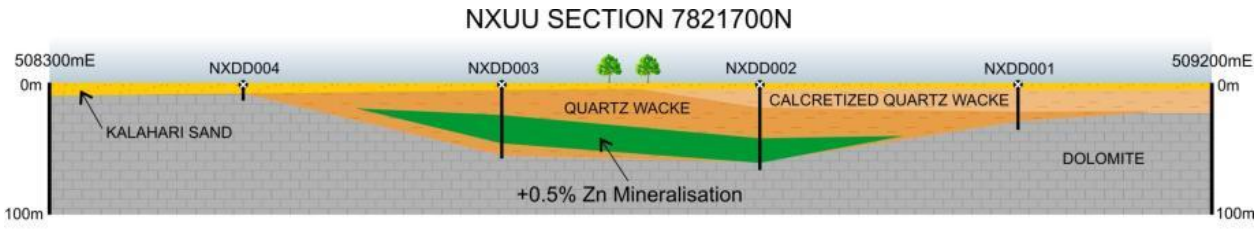

Table 1: Resource Statement for the Kihabe and Nxuu deposits

Deposit	External Zn-eq Cut %	Indicated M Tonnes %	Inferred M Tonnes %	Total M Tonnes %	Contained Zinc metal (kt)	Contained Lead metal (kt)
Kihabe	1.5%	11.4 @ 2.90%*	3.0 @ 2.60%*	14.4 @ 2.84%*	259kt	115kt
Nxuu	0.3%	-	10.9 @ 3.20%*	10.9 @ 3.20%*	196kt	153kt
		11.4 @ 2.90%*	**13.9 @ 3.07%***	**25.3 @ 3.00%***	455kt	268kt

*Zinc Equivalent	Zn	Pb	Ag
Kihabe resource calculated on metal prices as at 17/7/2008	US$1,818/t	US$1,955/t	US$18.75/oz
Kihabe Grades	Zn 1.8%	Pb 0.8%	Ag 7.7 g/t
Nxuu resources calculated on zinc and lead par value metal prices			
Nxuu Grades	Zn 1.8%	Pb 1.4%	

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.

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 float	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 (Nxuu) and Baileychlore (Kihabe) and independent test work has confirmed both of these are amenable to acid leaching.*

Forward Looking Statement:

This report 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.

Other important Information

Purpose of document: This document has been prepared by Mount Burgess Mining NL (MTB). It is intended only for the purpose of providing information on MTB, its project and its proposed operations. This document is neither of an investment advice, a prospectus nor a product disclosure statement. It does not represent an investment disclosure document. It does not purport to contain all the information that a prospective investor may require to make an evaluated investment decision. MTB does not purport to give financial or investment advice.

Professional advice: Recipients of this document should consider seeking appropriate professional advice in reviewing this document and should review any other information relative to MTB in the event of considering any investment decision.

Forward looking statements: This document contains forward looking statements which should be reviewed and considered as part of the overall disclosure relative to this report.

Disclaimer: Neither MTB nor any of its officers, employees or advisors make any warranty (express or implied) as to the accuracy, reliability and completeness of the information contained in this document. Nothing in this document can be relied upon as a promise, representation or warranty.

Proprietary information: This document and the information contained therein is proprietary to MTB.

Competent Persons Statements:

Information in this release that relates to Germanium exploration results and results of KDD109 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 Australasian 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 of Reporting of Mineral Resources and Ore Reserves. Mr Dale consents to the inclusion in this release of matters based

on the information in the form and context to which it appears. The information was first released on 28 April 2011 and 2 July2007 respectively. The 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.

The information in this report that relates to Kihabe exploration results, together with any related assessments and interpretations, is based on information compiled by Martin Spence, B.Sc., who is a Member of The Australasian Institute of Mining and Metallurgy and Mr Surtees B.Sc, MDP, F.Aus.IMM a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Spence and Mr Surtees were employees of the Company. Mr Spence and Mr Surtees have sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking 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 Spence and Mr Surtees consent to the inclusion in the report of the matters based on this information in the form and context in which it appears. The information was first released on 30 May 2006 and 11 March 2008 respectively. The information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in the resource statement that relates to the Kihabe Resource is compiled by Mr Byron Dumpleton, 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 Dumpleton is an independent qualified person and Mr Mosigi was a Technical Director of the Company for the period in which the resource was developed. Both Mr Dumpleton 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 Dumpleton 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.

The information regarding Kihabe and Nxuu Resources was first released on 8 October 2008 and 20 January 2010 respectively and updated with recovery information on 12 April 2012. The 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.