ASX Code: MTB

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019

KIHABE-NXUU Zn, Pb, Ag, Ge, V PROJECT, BOTSWANA

The main activities undertaken for the quarter ended 31 December 2019 pertained to the Nxuu Deposit and are listed below:-

- **Sensor sorter test work**
- **Multi-shaft vertical milling test work**
- **Power supply investigation**
- **Assessment of potential route for producing vanadium pentoxide on site**

THE NXUU DEPOSIT SENSOR SORTER TEST WORK

Following the encouraging results the Company received from the STEINERT Sensor Sorter test work conducted on the Nxuu Deposit and reported in the September 2019 quarter, the Company assembled a bulk test work proposal during the December 2019 quarter.

The previously reported STEINERT Sensor Sorter results showed that after crushing (and before milling), the Sensor Sorter process eliminated 45% of all crushed feed over 4mm, as being barren or insignificantly mineralised. This results in only 55% of the crushed feed then being required to be milled and subject to down-stream processing. In addition to the reduced tonnage that requires milling and subsequent down-stream processing, the Sensor Sorter process results in an increase in grade of this reduced tonnage requiring further processing.

With only 55% of the crushed feed requiring milling and further processing, this would also result in:

- Significant reduction in power requirements and hence power costs
- Reduction in down-stream processing costs
- Reduction in required water consumption
- Reduction in the Environmental Footprint

PLANNED BULK SENSOR SORTER TEST WORK ON NXUU DEPOSIT

During the quarter the Company reviewed the availability of representative grade ½ HQ diamond core from the Nxuu Deposit. This core is now planned to be used for a bulk Sensor Sorter test work programme to be conducted by STEINERT, to confirm the encouraging initial test work results reported in the September 2019 quarter.

Some 360 kg of ½ HQ diamond core has been selected for this bulk test work from 10 HQ diamond core holes drilled within the overall mineralised domains of the Nxuu Deposit.

A summary of these samples for this proposed bulk test work was submitted to STEINERT and the Company has received a quote from STEINERT to conduct this bulk test work.

In addition, the Company has received a quote from NAGROM to undertake the associated sample preparation and final analysis for the STEINERT bulk Sensor Sorter test work.

The overall cost of this proposed bulk test work will be approximately Aus $7,000

PLANNED MUTI-SHAFT VERTICAL MILLING TEST WORK FOR NXUU DEPOSIT

Whilst reviewing the availability of ½ HQ diamond core, appropriate for the STEINERT bulk Sensor Sorter test work, the Company also reviewed the availability of representative grade core to be used for Multi-shaft Vertical Milling test work.

Some 1,200 kg of ½ HQ diamond core has now been selected from 14 HQ diamond core holes drilled within the overall mineralised domains of the Nxuu Deposit. These 1,200 kg of ½ HQ diamond core samples are planned to be submitted to Energy and Densification Systems (Pty) Ltd (EDS), based in South Africa.

The plan is for EDS to use this 1,200 kg of core to trial the EDS Multi-shaft Vertical milling process. If this Vertical Milling process works successfully on the Nxuu Deposit core, it will be a far more economic milling process compared to conventional Ball/SAG/ROD milling for the following reasons:

- Improved Energy Efficiency**.** (if effective,The Vertical Mill requires as little as 25% of the power required for a conventional Ball/SAG/ROD mill)
- Reduced Capital Cost
- Smaller Footprint (1m x 2m x 2.5m)
- No civils required for construction (can be placed on skids/trailer)
- Low weight (no heavy crane work required for erection)
- Quick Installation time
- The possibility to not have to run the mill for 24 hrs a day, without requiring excessive power for mill restart.

Because the Nxuu Deposit ore is so oxidised it is believed that the EDS Multi-shaft Vertical milling process could be successful.

PURPOSE OF PLANNED SENSOR SORTER TEST WORK AND MULTISHAFT VERTICAL MILLING TEST WORK

The purpose of conducting the planned Sensor Sorter and Multi-shaft Vertical Milling test work is to better determine what the project's ultimate power requirements will be.

Originally, it was estimated that the Project would require around 20 MW of power in order to run a conventional Ball/SAG/Rod mills to process 100% of all crushed feed.

If the STEINERT bulk Sensor Sorter test work confirms the initial test work results and if the Multi-shaft Vertical Milling process to be conducted by EDS proves to be successful, there could be a significant reduction in power requirements. **The originally estimated 20 MW could be as low as 12 to 15 MW.**

RELIANCE ON GRID POWER OR SOLAR/HYBRID POWER

GRID POWER

During the quarter the Company continued discussions with the Botswana Power Corporation (BPC) in regard to the supply of grid power for the Project.

The Company was advised by the BPC that the current Defects Remediation Project for the four X 150 MW mal-functional Morupule B coal fired power units commenced on the first unit in June 2019. It is estimated that this unit will be back in service in September 2020.

The rectification of the remaining three units is estimated to be completed by the end of 2023 or possibly into 2024.

The BPC tariffs are determined by the Energy Regulator and approved by Government. These include a capacity charge and an energy charge in determining a KW/hr rate for the Project.

SOLAR/HYBRID POWER ALTERNATIVE

The Company continued discussions during the quarter with solar/hybrid power providers. One proposal received so far, the hybrid portion of which included excess solar power generation being subject to battery storage, outlined a variety of solar/hybrid power alternatives. It is believed that with further investigation/determination some of these alternatives could be commercial.

Further investigation/determination will include:

- The success of the Sensor Sorter bulk test work to be conducted by STEINERT
- The success of the test work to be conducted by EDS on the Multi-shaft Vertical milling process
- The ability to curtail Multi-shaft Vertical milling during certain night time hours, thereby saving on solar generated power, without the need for excess power required for mill start up.

PROPOSED ROUTE FOR PRODUCING VANADIUM PENTOXIDE ON SITE FROM THE NXUU DEPOSIT

Previous resource estimates conducted under the 2004 JORC Code for both the Nxuu and Kihabe Deposits never included Vanadium results.

With the potential future requirement of world grids needing to rely on significantly increased power storage facilities for recharging electric vehicles, the Company believes it's essential to recognise the potential future contribution Vanadium/Vanadium Pentoxide could make to the Project.

Vanadium Pentoxide is used in the manufacture of Vanadium Redox Flow (VRF) batteries. VRF batteries can store gigawatts of power over long periods of time with little power loss. They can be subjected to huge variation in high/low power storage capacity over short periods of time without impacting on battery deterioration.

Recent mineralogical test work conducted through ALS Laboratories has confirmed that the Vanadium (V) at the Nxuu Deposit is contained within the oxide vanadate DESCLOIZITE. In DESCLOIZITE the volume of Vanadium Pentoxide (V_2O_5) is 1.785 times the volume of V. Recent metallurgical test work conducted by ALS Laboratories has confirmed that 80.4% of V_2O_5 can be recovered on site from the Nxuu Deposit through the simple process of gravity separation, followed by subjecting the tail to flotation using a hydroxamate for recovery.

Further investigation/research during the quarter has shown that as this Vanadium salt mineral is in an oxidised state, it should be suitable for acid dissolution as follows:

1. The associated (oxidised) Zn and Pb carbonates can be dissolved in Methane Sulphonic Acid (MSA), along with any calcium, copper, iron in manganese, should they be present, with the Vanadium remaining in the undissolved residue for separate dissolution in sulphuric acid.

2. The dissolved Vanadium can then be extracted into an organic phase with an appropriate organic solvent.

The above processes need to be confirmed through a test work programme.

Potentially, the Vanadium in the organic phase should then be stripped with either acid or soda ash solution and precipitated. The Vanadium precipitate can then be filtered and dried. The dried precipitate is then, if necessary, calcined in a small furnace to produce a saleable Vanadium product.

With V/V2O5 in the Nxuu Deposit confirmed as being hosted in DESCLOIZITE, **such a recovery process, if confirmed through test work as detailed above, is seen to be far simpler and far less expensive,** compared to the current extraction process of 85% of the world's V2O5 from magnetite deposits.

CURRENT EXTRACTION OF VANADIUM FROM MAGNETITE DEPOSITS

85% of current world production of Vanadium Pentoxide (V2O5) is produced as a co-product during steel making, extracted from Titaniferous Magnetite deposits, mined mainly in South Africa and China.

V2O5 is also produced as a co-product during steel making in Russia.

Extensive resources of Titaniferous Magnetite occur in Australia, China, Russia and South Africa. Other known Magnetite deposits occur in various parts of the world, such as Brazil, Chile, Madagascar, Malaysia, Sweden and Finland.

In China and Russia, iron containing around 1.5% Vanadium (V) is produced from Magnetite in blast furnaces, typically at 900 – 1,300 deg C temperatures and removed as slag containing between 14% to 22% V2O5.

In South Africa, iron is produced from Magnetite through pre-reduction of the Magnetite with powdered coal in rotary kilns. This is then reduced to a slag in arc furnaces, typically at 2,000 deg C. The slag can contain up to 25% V2O5.

The slags are then roast leached in kilns or multi-hearth furnaces, again at 900 – 1,300 deg C, with sodium carbonate, chloride or sulphate, to produce sodium vanadates. The sodium vanadates are then leached in water, after which ammonia and sulphuric acid are added to produce precipitated ammonium vanadates.

The oxide vanadates are then decomposed in furnaces to produce a V2O5 liquid. The V2O5 liquid is then cast onto a chilling wheel to produce V2O5 powder.

CORPORATE

During the quarter the Company raised $79,000 as follows:

- $30,000 was raised through the issue of 12,000,000 shares at an issue price 0.25 of a cent.
- $49,000 was received by way of an R & D tax incentive claim.

The Company has the ability to raise further funds by way of share placements through the issue of up to 118,032,347 shares as follows:

- 66,019,408 shares are available under Section 7.1 (the 15% rule).
- 52,012,939 shares are available under Section 7.1A (the 10% rule) as approved at the Company's AGM on 28/11/19.

Since the end of the quarter the Company has received commitments from Directors for loan funding of up to $30,000, if required.

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 Person's Statement:

Mr Chris Campbell-Hicks, Metallurgist, FAusIMM (CP Metallurgy), MMICA, Non-Executive Director of the Company, who reviewed the content of the announcement, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code and has consented to the inclusion in respect of the matters based on the information in the form and context in which it appears.

Mr Campbell-Hicks has for a number of years whilst working with Coffey Mining and other consultancies and companies made contributions to numerous Scoping Studies, Pre-feasibility Studies and Feasibility Studies under the 2004 JORC Code, the 2012 JORC Code and the Canadian National Instrument (NI 43-101). As such he qualifies as a Competent Person for reporting on matters pertaining to metallurgy, process engineering and interpretation of test work results and data for the establishment of Design Criteria for such studies.

The following extract from the JORC Code 2012 Table 1 is provided for compliance with the Code requirements for the reporting of drilling results.

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections).

Criteria	JORC code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	**Mount Burgess Mining Diamond Core Holes** HQ Diamond Core was marked and collected in sample trays, visually logged and cut in half. Samples were collected as nominal 1m intervals but based on visible geology with minimum samples of 0.3m and maximum samples of 1.3m. Half of each core was retained on site in core trays and the other half was double bagged and sent to Intertek Genalysis Randburg, South Africa where they were crushed. A portion of each intersection sample was then pulverised to p80 75um and sent to Intertek Genalysis for assaying via ICPMS/OES for Ag/Co/Cu/Ga/Ge/In/Pb/V/Zn. **Mount Burgess Mining Diamond Core Samples submitted to for Metallurgical Test Work** The remainder of the crushed samples were then sent from Intertek Genalysis Randburg to Intertek Genalysis Maddington, Western Australia where they were then collected by the Company for storage. Samples from various intersections from six drill holes NXDD030, NXDD033, NXDD037, NXDD039, NXDD040 and NXDD043, as shown in Figure 1 of the Company's announcement of 28 May 2019 to ASX, were selected by the Company for submission to for sensor sorter metallurgical test work. These samples were chosen to determine if Sighter Test Work developed by STEINERT could be used to pre-concentrate zinc, lead, silver, germanium and vanadium pentoxide mineralization prior to milling and flotation. Results of the +4mm STEINERT Metallurgical Test Work were reported on 20 August 2019.
	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	**Mount Burgess Mining Diamond Core Holes** HQ diameter triple tube was used for diamond core drilling. As all holes drilled into the Nxuu deposit were vertical holes the diamond core was not orientated.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material	**Mount Burgess Mining Diamond Core Holes** Sample recoveries were in general high and no unusual measures were taken to maximise sample recovery other than the use of triple tube core. Mount Burgess believes there is no evidence of sample bias due to preferential loss/gain of fine/coarse material.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	**Mount Burgess Mining Diamond Core Holes** Holes were logged in the field by qualified Geologists on the Company's log sheet template and of sufficient detail to support future mineral resource estimation: Qualitative observations covered Lithology, grain size, colour, alteration, mineralisation, structure. Quantitative logging included vein percent. SG calculations at ~5m intervals were taken in the DD holes. All holes were logged for the entire length of hole. Logs are entered into MTBs GIS database managed by MTB in Perth.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field	**Mount Burgess Mining Diamond Holes** HQ Core was sawn in half on site. Half of each core was retained on site in core trays and the other half was double bagged and labelled noting Hole# and interval both within the bag and on the bag. Sample bags were then placed in larger bags of ~40 individual samples and the larger bag also labelled describing the contents. Field duplicates were inserted at regular intervals.

	duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled	All samples currently being reported on were assayed for Ag/Co/Cu/Ga/Ge/In/Pb/V/Zn.
Quality of assay data and laboratory tests	•The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total •For geophysical tools, spectrometers, hand-held XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation etc. • nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	**All Mount Burgess Samples** All samples, when originally assayed, were sent to Intertek Genalysis Perth, for assaying according to the following standard techniques: (a) Ore grade digest followed by ICP – OES finish for Silver, Lead, Vanadium & Zinc (b) Nitric acid/hydrofluoric acid specific digest for Germanium and Indium (c) Also 4 acid digest for silver, lead, zinc, germanium and gallium followed by AAS All samples submitted for the Steinert Test Work, once separated through the Sensor Sorter process, were then submitted to NAGROM Laboratories for the upgraded concentrates to then be assayed by mixed acid digest with ICP finish for Vanadium, Lead, Zinc and Silver. Mount Burgess quality control procedures include following standard procedures when sampling, including sampling on geological intervals, and reviews of sampling techniques in the field. The current laboratory procedures applied to the Mount Burgess sample preparation include the use of cleaning lab equip. w/ compressed air between samples, quartz flushes between high grade samples, insertion of crusher duplicate QAQC samples, periodic pulverised sample particle size (QAQC) testing and insertion of laboratory pulp duplicates QAQC samples according to Intertek protocols. Intertek inserts QA/QC samples (duplicates, blanks and standards) into the sample series at a rate of approx. 1 in 20. These are tracked and reported on by Mount Burgess for each batch. When issues are noted the laboratory is informed and investigation conducted defining the nature of the discrepancy and whether further check assays are required. The laboratory completes its own QA/QC procedures and these are also tracked and reported on by Mount Burgess. Acceptable overall levels of analytical precision and accuracy are evident from analyses of the routine QAQC data
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	**All Mount Burgess Samples** Assay results for samples were received electronically from Intertek Genalysis and uploaded into MTB's database managed by MTB at its Perth Office. Analytical results for Vanadium (V) from diamond core holes being reported on have now been converted to V2O5 (Vandium Pentoxide) by multiplying the Vanadium grades by 1.785.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	**All Mount Burgess Holes** Drill hole collar locations were recorded at the completion of each hole by hand held Garmin 62S GPS with horizontal accuracy of approx. 5 metres • Positional data was recorded in projection WGS84 UTM Zone 34S. The accuracy provided by the system employed is sufficient for the nature of the exploratory program. Downhole surveys were not conducted.
Data spacing and distribution	Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	**All Mount Burgess Holes** Mount Burgess drilling campaigns were undertaken to validate historical drilling as well as to acquire further data for future resource estimation.. The data spacing and distribution is currently insufficient to establish the degree of geological and grade continuity appropriate for the estimation of Mineral Resources compliant with the 2012 JORC Code. Additional drilling is planned to determine the extent of mineralisation and estimate a Mineral Resource

		compliant with the JORC Code. Sample compositing was conducted on four Nxuu deposit drill holes, following receipt of assays from Intertek Genalysis, for the purpose of mineralogical and metallurgical test work.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	**All Mount Burgess Holes** Mineralisation was typically intersected at -90 degrees at the Nxuu Deposit and the Company believes that unbiased sampling was achieved.
Sample security	The measures taken to ensure sample security.	**All Mount Burgess Holes** Samples were taken by vehicle on the day of collection to MTB's permanent field camp, and stored there until transported by MTB personnel to Maun from where they were transported via regular courier service to laboratories in South Africa.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	**All Mount Burgess Holes** An independent Geologist was engaged to review sampling and logging methods on site at the commencement of the program.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section).

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Kihabe-Nxuu Project is located in north-western Botswana, adjacent to the border with Namibia. The Project is made up of one granted prospecting licence - PL 43/2016, which covers an area of 1000 sq km. This licence is 100% owned and operated by Mount Burgess. The title is current at the time of release of this report, with a renewal granted to 31 December 2020 with a right to apply for a further two year renewal to 31 December 2022. PL 43/2016 is in an area designated as Communal Grazing Area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The licence is in good standing and no impediments to operating are currently known to exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The Geological Survey of Botswana undertook a program of soil geochemical sampling in 1982. As a result of this program, Billiton was invited to undertake exploration and drilling activities in and around the project area. Mount Burgess first took ownership of the project in 2003 and has undertaken exploration activities on a continual basis since then.
Geology	Deposit type, geological setting and style of mineralisation.	The Kihabe-Nxuu Project lies in the NW part of Botswana at the southern margin of the Congo craton The Gossan Anomaly is centred on an exposed gossan within the project. To the north of the project are granitoids, ironstones, quartzites and mica schists of the Tsodilo Hills Group covered by extensive recent Cainozoic sediments of the Kalahari Group. Below the extensive Kalahari sediments are siliciclastic sediments and igneous rocks of the Karoo Supergroup in fault bounded blocks.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length If the exclusion of this information is justified on the basis that the information is not	Information material to the understanding of the exploration results reported by Mount Burgess is provided in the text of the public announcements released to the ASX. No material information has been excluded from the announcements.

Criteria	JORC Code Explanation	Commentary
	Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	**All Mount Burgess Holes** No data aggregation methods have been used. Vanadium results are reported without a top cut but the Company has used 100 ppm as a bottom cut. Vanadium Pentoxide results are reported by multiplying the Vanadium results by 1.785.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	**All Mount Burgess Holes** The geometry of the mineralisation with respect to the drill hole angle is typically at -90 degrees at the Nxuu Deposit which is considered representative from a geological modelling perspective.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	**Billiton Percussion Holes pre-fixed AP** The Company has no available information for these holes other than collar and survey data and assay results **All Mount Burgess Holes** Appropriate maps, sections and mineralised drill intersection details are provided in public announcements released to the ASX. Refer to the Company's website www.mountburgess.com.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Exploration results reported in Mount Burgess public announcements and this report are comprehensively reported in a balanced manner.
Other Substantive Exploration Data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations,	

Criteria	JORC Code Explanation	Commentary
	geophysical survey results, geochemical survey results, bulk samples – size and method of treatment, metallurgical test results, bulk density, ground water, geotechnical and rock characteristics, potential deleterious or contaminating substances.	
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Further works planned at the Project include additional drilling and surface mapping at the Kihabe-Nxuu Zinc/Lead/Silver/Germanium and Vanadium Project. Further metallurgical test work will be conducted, including bulk testing to be conducted by STEINERT on the sensor sorter process. Bulk test work will also be conducted on the multishaft vertical milling process.

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+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MOUNT BURGESS MINING N.L.

ABN	**Quarter ended ("current quarter")**
31009067476	31 December 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(3)	(9)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(17)	(34)
	(e) administration and corporate costs	(36)	(79)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	49	49
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(7)**	**(73)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	30	100
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	10
3.6	Repayment of borrowings	(12)	(23)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**18**	**87**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	38	35
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7)	(73)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	18	87
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**49**	**49**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	49	38
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**49***	**38**

*The Company has the ability to raise further funds by way of share placements through the issue of up to 118,032,347 shares as follows:

- 66,019,408 shares are available under Section 7.1 (the 15% rule).
- 52,012,939 shares are available under Section 7.1A (the 10% rule) as approved at the Company's AGM on 28/11/19.

Since the end of the quarter the Company has received commitments from Directors for loan funding of up to $30,000, if required.

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	-
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

n/a

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

n/a

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	10	2
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

n/a

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	-*
9.2	Development	-
9.3	Production	-
9.4	Staff costs	17
9.5	Administration and corporate costs	17
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**34**

*Subject to funding

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

- Botswana license PL 43/2016 has been held 100% since January 2016 by Mount Burgess (Botswana) (Proprietary) Ltd, a wholly-owned subsidiary of Mount Burgess Mining.
- As at 31 December 2018 the licence was renewed until 31 December 2020 with a further right to renew to 31 December 2022.
- PL 43/2016 covers an area of 1,000 sq km and is situated in Western Ngamiland, Botswana.
- No tenements were acquired or disposed of during the quarter. No farm-in or farm-out agreements were negotiated during the quarter.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: Serene Chau Date: 31 Jan 2020
(~~Director~~/Company secretary)

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.