QUARTERLY REPORT FOR THE QUARTER TO 30 JUNE 2016

ASSESSING THE WAY FORWARD FOR THE KIHABE – NXUU Zn/Pb/Ag PROJECT, WESTERN NGAMILAND, BOTSWANA

Following the reinstatement of the Company's title to the Kihabe – Nxuu project, which after three years of litigation was secured through the grant of Prospecting Licence PL 43/2016 on 26 January 2016, the Company has since then been in the process of reviewing all previous data in an effort to determine how best to move the project forward from hereon.

This review has included determining the potential to:

- Rely upon additional metal credits other than Zn, Pb and Ag
- Increase the projects resource base in this SEDEX system of mineralisation
- Increase the resource grades through estimating resources based on diamond core drilling (DD) as opposed to RC drilling
- Identify geological and stratigraphic controls, relative to determining continuity of high grade zones of mineralisation
- Rely on the provision of a future economic project power supply

RECENT ASSAY RESULTS SHOW POTENTIAL FOR SIGNIFICANT METAL CREDITS AT THE KIHABE-NXUU PROJECT

- Recent diamond core assays confirm significant Germanium credits attributable to the Kihabe resource
- Germanium currently trading at US $ 2,350/kg (Rotometals online prices 22 July 2016)
- Zinc equivalent grades including Zn, Pb, Ag, Ga and Ge have increased by an average **13.98%** on re-assaying diamond core
- Further assaying required to confirm consistency of Ge credits and metallurgical test work required to confirm Ge recoveries

The Company recently submitted split core samples for assaying from three DD holes from the Kihabe Zn/Pb/Ag resource. Zn, Pb and Ag assays from these holes were previously reported to ASX on 23 August 2007 and 11 March 2008, and were compiled under JORC (2004) guidelines.

These core samples were submitted as part of the Company's ongoing metallurgical investigations to verify credits for Ge and Ga as well as to check assay grades for Zn, Pb and Ag through an alternative assay laboratory, and were reported to the ASX on 5 May 2016 under JORC (2012) guidelines.

Germanium is classified as a strategic metal by the US Department of Homeland Security.

The summary of comparative assay results and polymetallic Zn equivalent grades (see announcement dated 5 May 2016) are presented in the Table Below

Drill Hole	**Interval (m)**	**Metal**	**2007/2008 Assays**	**2016 Assays**	**Increment**
KDD 115	53-61 (8m)	Zn	2.85%	3.06%	
		Pb	1.47%	1.46%	
		Ag	30.63 g/t	33.00 g/t	
		Ga	-	1.54 g/t	
		Ge	-	7.39 g/t	
Zinc Equivalent Grades			**5.11%**	**6.30%**	**23.29%**
KDD 125	**56-61 (5m)**	Zn	2.69%	2.89%	
		Pb	2.25%	1.68%	
		Ag	20.00 g/t	25.40 g/t	
		Ga	-	0.74 g/t	
		Ge	-	5.84 g/t	
Zinc Equivalent Grades			**5.36%**	**5.91%**	**10.26%**
KDD 143	**48-59 (11m)**	Zn	3.96%	3.74%	
		Pb	4.47%	2.71%	
		Ag	49.68 g/t	106.55 g/t	
		Ga	-	0.98 g/t	
		Ge	-	7.82 g/t	
Zinc Equivalent Grades			**9.55%**	**10.35%**	**8.34%**
Average Zn equiv grade increment					**13.98%**

Following a recent site visit the Company has obtained further drill core and this is being submitted for assaying, primarily to determine the consistency of Ge credits.

POTENTIAL FOR THE DISCOVERY OF ADDITIONAL RESOURCES

The 25 million tonnes of resources @ 3% Zn equivalent grade (2004 JORC Code) developed to date at the Kihabe and Nxuu deposits have demonstrated that the Zn/Pb/Ag is contained within a mineralised zone of quartz wacke, at the contact with the regional dolostone.

This consistent geological profile of SEDEX mineralisation within a quartz wacke, right at the contact with the regional dolostone acts as a significant pathfinder for the discovery of additional resources.

In the Neo-proterozoic era, this SEDEX zone of mineralisation was formed by hydrothermal fluids depositing mineralisation in proximity to the contact of a quartz wacke formation overlying the regional seabed/lakebed dolostone. This would have formed a single mineralised unit covering a large area. Over time that unit has been broken up by folding, faulting and erosion into several individual bodies, all within close proximity to one another that now show up as individual geochemical anomalies.

The Kihabe and Nxuu resources cover a **combined strike length of 2.3 km.**

Six Zn and one Cu/Co geochemical soil anomalies delineated to date within this Neo-proterozoic belt contained within PL 43/2016, have a **combined strike length of 13 km**. **This demonstrates the potential to significantly expand the resource base.**

Three of these Zn geochemical soil anomalies and the Cu/Co geochemical soil anomaly are known to exist at the contact zone between a quartz wacke and the regional dolostone, replicating the mineralised Zn/Pb/Ag profile as found in the Kihabe and Nxuu deposits. This has been established through regional exploration drilling, where drill holes have struck quartz wacke within areas of known dolostone basement. Follow up geochemical soil sampling has then delineated strong geochemical soil anomalies, outlining the contact zone between the quartz wacke and the regional dolostone. **The combined strike length of these four anomalies amounts to 10.2 km,** as follows:

- **Target 52** - Zn anomaly delineated through geochemical soil sampling around a fold closure, after drilling into a quartz wacke within a dolostone region. **This anomaly has a strike length of 5.2 km.**
- **Tswee Tswee** - Zn anomaly delineated through geochemical soil sampling, after drilling into a quartz wacke within a dolostone region. **This anomaly has a strike length of 1.5 km.**
- **Wanchu** - Zn anomaly, delineated through geochemical soil sampling, after drilling into a quartz wacke within a dolostone region. Results from this sampling also confirm that the Wanchu anomaly is the SW extension of the fold closure which contains the Nxuu resource to the NE. **This anomaly has a strike length of 1.2 km.**
- **The Cu/Co anomaly** - delineated between a drill hole to the North that hit a quartz wacke and a drill hole to the South, which hit dolostone. **This anomaly has a strike length of 2.3 km.**

The above four anomalies are shown on the attached maps.

POTENTIAL TO INCREASE THE RESOURCE GRADE

The Kihabe Resource

The Kihabe resource has been delineated by means of 111 RC drill holes, drilled over 26 resource drill sections together with 32 DD holes drilled over 24 of the resource drill sections. Six of these DD holes twinned or intersected the same zones of mineralisation as were drilled with RC holes.

The six DD hole assay results gave an average Zn grade of **3.74%,** showing a grade increment of **59.1%** compared to the assays received from the RC holes, which only gave an average Zn grade of **2.35%. (Refer to Attachment headed Increase in Diamond Core Grade).**

To highlight the increase in grade on a broader scale, the Company assessed the average grade within the 0.5% Kihabe resource envelope by comparing the grade estimate based on all drill holes (111 RC drill holes and 32 DD holes) with the grade estimate based on DD only.

The grade estimate based on all of the drill holes yielded an average **2.22% Zn equivalent grade**, whilst the grade estimate based only on the DD holes yielded an average **3.26% Zn equivalent grade**, showing a **47% grade increment.**

A further exercise is planned to determine the increment in grade based only on the DD results that fall within the low cut resource envelopes of 1%, 1.5% and 2%. The current Kihabe resource has been estimated within the 1.5% low cut envelope.

The Nxuu Resource

As the Nxuu resource is contained within a quartz wacke, hosted within a dolomitic basin. All holes drilled into this resource are vertical drill holes. One of the vertical RC drill holes returned a **33m** intersection at **2.72% Zn/Pb** from **11m** depth. A twinning DD hole drilled less than 3m to the east of the RC hole returned a **30m** intersection at **3.79% Zn/Pb** from **12m** depth, showing a grade increment of close to 40%.

To verify the DD grade increments sufficient DD will have to be conducted to allow resources to be estimated entirely on DD results.

GEOLOGICAL AND STRATIGRAPHIC CONTROLS OF MINERALISATION

The Company is in the process of conducting an in-depth review of the current resource data in order to establish whether it can better identify geological and stratigraphic controls relative to known high grade zones of mineralisation. Clearer identification of these high grade zones will better determine the course for future selective drilling.

PROVISION OF AN ECONOMIC PROJECT POWER SUPPLY

At the Botswana Resources Conference in June 2016 the Botswana Power Corporation (BPC) outlined the planned expansion of Botswana's grid power base. This expansion would mean that by 2020 sufficient power would be available for all National projects, even providing a surplus for export.

The Company has been in discussion with various power providers to assess various alternative power options in the event of having to rely on temporary power supply.

Competent Persons Statement – Re-assay Campaign

The information in this announcement that relates to the Company's re-assay campaign results is based on information compiled by Ms Karen Lloyd, who is a full-time Director at Jorvik Resources and has been engaged as a consultant to the Company. Ms Lloyd is a Member of the Australian Institute of Mining and Metallurgy. Ms Lloyd has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Lloyd consents to the inclusion in this release of the matters based on their information in the form and context as it appears.

Cautionary Statement

Certain statements made in this announcement, including, without limitation, those concerning metallurgical recoveries and metal prices, contain or comprise certain forward-looking statements regarding Mount Burgess strategy and operations. Although Mount Burgess believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking Page statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices, exchange rates and business and operational risk management. Mount Burgess undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

CORPORATE

Funding

The Company has commitments from professional investors to take up a placement of 23,375,000 shares at a price of 0.8 of 1 cent per share to raise $187,000.

Since the end of the quarter Jan and Nigel Forrester have lent the Company $9,700.

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TARGET 52 Zn ANOMALY

500 M

511,000 E

513,000 E

7,821,000 N

7,820,000 N

PROPOSED DRILL LINE 1

PROPOSED DRILL LINE 2

PROPOSED DRILL LINE 3

PROPOSED DRILL LINE 4

PROPOSED DRILL LINE 5

DOLOSTONE

QUARTZ WACKE

BK 33. 18m

QUARTZ WACKE

DOLERITE DYKE

GEOCHEMICAL SOIL SAMPLES
Zn
PPM

- 100 +
- 50 – 100
- 20 - 50
- 10 - 20

TARGET 52 STRIKE LENGTH

2,2 km

200 m

1.7 km

500 m

650 m

TOTAL STRIKE LENGTH 5,25 km

SCALE 1 : 20,000

TSWEE TSWEE ZINC ANOMALY

512,000 E

515,000 E

7,815,000 N

7,814,000 N

DOLOSTONE

DRILL HOLE ENDED IN QUARTZ WACKE

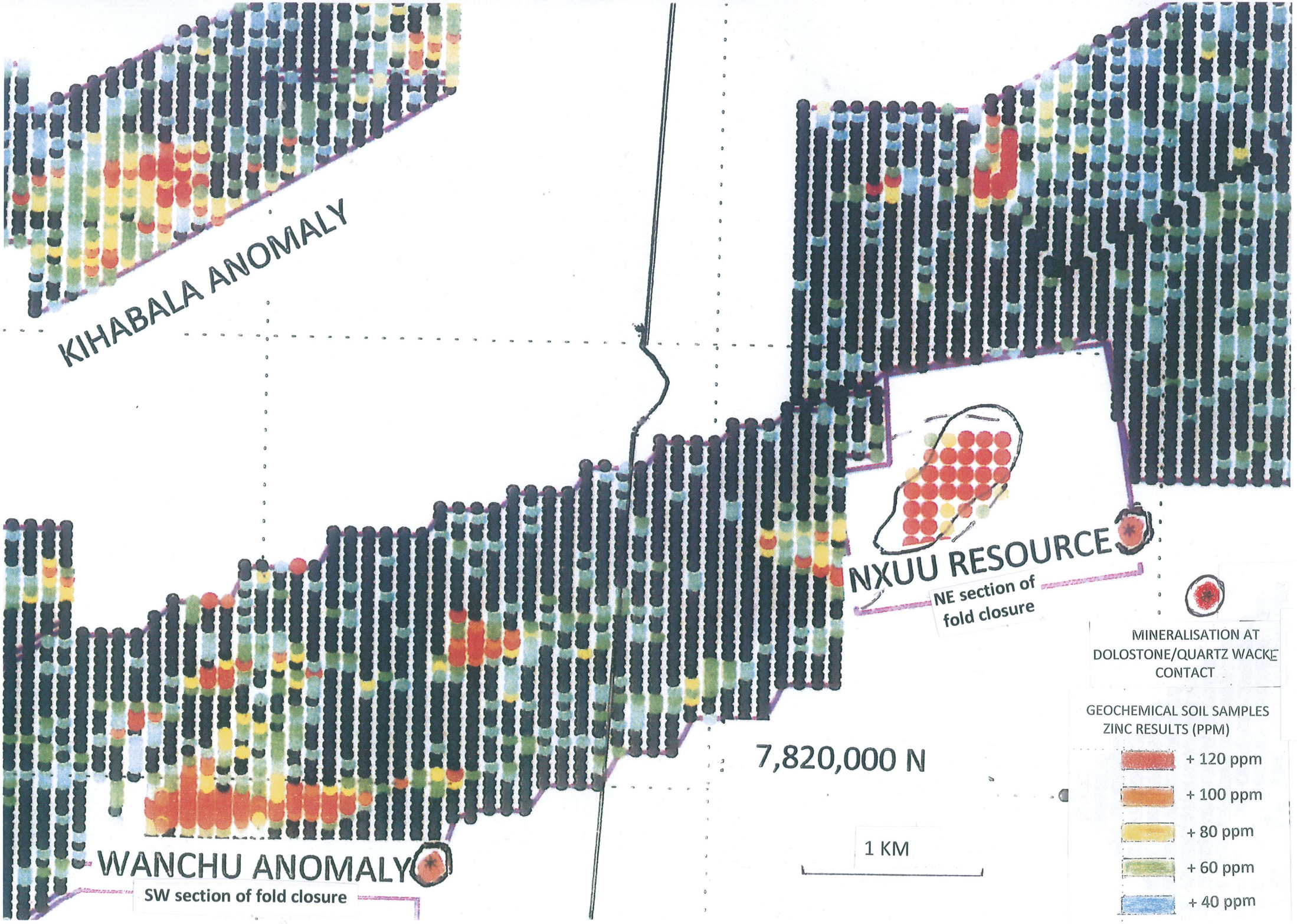
N

GEOCHEMICAL SOIL SAMPLES

Zn
PPM

- 30 +
- 25 – 30
- 20 – 25
- UP TO 20
- OVER 20 PPM

500 M


KIHABALA ANOMALY
NXUU RESOURCE
NE section of fold closure
WANCHU ANOMALY
SW section of fold closure
7,820,000 N
1 KM
MINERALISATION AT DOLOSTONE/QUARTZ WACKE CONTACT
GEOCHEMICAL SOIL SAMPLES ZINC RESULTS (PPM)
+ 120 ppm
+ 100 ppm
+ 80 ppm
+ 60 ppm
+ 40 ppm

COPPER ANOMALY - Cu VALUES

508,000 m E

509,000 m E

510,000 m E

7,830,000 m N

7,829,000 m N

Cu RC 001 QUARTZ WACKE

6m

DOLOSTONE/QUARTZ WACKE CONTACT

PPM

50 +

40 - 50

30 - 40

COINCIDENT COBALT ANOMALY

Cu RC 002 DOLOSTONE

5m

500 m

Increase in Diamond Core Grade

A comparison of diamond core zinc assay results with RC zinc assay results is summarised below, showing the increase in grades returned from diamond core which intersected the same mineralised zones previously intersected in RC drilling used for the initial resource calculation and previously released to the market on 23 July 2008.

	Results from previous RC Drilling		Results from DD	DD % Increase
Section 9,900mE	**KRC015 (-60° inc)**	**KRC034 (-60° inc)**	**KDD105 (-60° inc)**	
Zone from 127mRL	28m @ 1.62% Zn	28m @ 1.61% Zn	28m @ 3.24% Zn	**101%**
Section 10,000mE	**KIH001 (-60° inc)**	**KIH004 (-60° inc)**	**KDD108 (-70° inc)**	
Zone 1 from 60mRL	12m @ 4.31% Zn	12m @ 2.66% Zn	12m @ 4.36% Zn	**Avg 25% 64% (KIH004)**
Zone 2 from 102mRL		14m @ 1.75% Zn	14m @ 4.18% Zn	**139%**
Section 10,200mE	**KRC019 (-60° inc)**		**KDD110 (Vertical)**	
Zone from 125mRL	13m @ 3.22% Zn		13m @ 4.05% Zn	**26%**
Section 11,500mE	**KRC049 (-60° inc)**	**KRC052 (-60° inc)**	**KDD114 (Vertical)**	
Zone from 60-98mRL	45m @ 2.36% Zn		11m @ 3.54% Zn	**50.21%**
Zone from 98-141mRL		20m @ 2.36% Zn	18m @ 2.89% Zn 14m @ 4.15% Zn	**22.46% 75.85%**
Section 11,600mE	**KRC056 (-60° inc)**		**KDD115 (-60° inc)**	
Zone from 110mRL	13m @ 2.07% Zn		7m @ 2.85% Zn	**37.7%**
Section 11,800mE	**KRC076 (-60° inc)**	**KRC067 (-60° inc)**	**KDD116 (-60° inc)**	
Zone from 55mRL	32m @ 2.83% Zn	37m @ 2.34% Zn	24m @ 4.37% Zn	**Avg 70.0%**
Overall Average Grade of above results	**RC Results 2.35% Zn**		**DD Results 3.74% Zn ****	**59.1% ****

***The above increase in zinc grades from diamond drilling results is indicative only, at this stage.*

KIHABE- NXUU RESOURCE STATEMENT REPORTED 15 MAY 2013

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 prices as at 17 July 2008:	Zn US$1,810/t	Pb US$1,955/t	Ag US$18.75/oz
Grades applied:	Zn 1.8%	Pb 0.8%	Ag 7.7 g/t
Nxuu resource calculated on zinc and lead at US$ 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 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 is a Technical Director of the Company. 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.

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.

JORC CODE 2012

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).

Table 4 – Extract of JORC Code 2012 Table 1

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.	Sampling data was derived from historical diamond drilling completed by Mount Burgess in 2008 Quarter core HQ (63.5mm) was derived from Holes KDD115 and KDD143 Quarter core NQ (47.6..) was derived from Hole KDD125 Quarter core samples were collected using a diamond saw with a quarter of the core being dispatched to the laboratory, and a quarter retained. Individual samples were taken one metre intervals. Half of the core was utilized for assaying purposes historically and was not available for sampling.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The core cuts well with little material loss or contamination and is cut perpendicular to the prevailing structure (mostly bedding) observed in the core.

Criteria	JORC Code Explanation	Commentary
	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 1m samples from which 3kg was pulverised to produce a 30g 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.	Cut core samples from the Mount Burgess drilling were dispatched using a reputable local contract courier from site to the laboratory where quarter core was dried, then crushed and pulverised to allow 100% to pass -75 microns. Mount Burgess inserted duplicates, blanks and certified reference materials into sample series collectively at a rate of approximately 1 in 20. Mineralisation is contained in both oxide and sulphide material. Studies and recent observations have shown very low levels of deleterious elements in both material types. Mount Burgess has comprehensive procedures and protocols in place to ensure that 'Industry Standard' sampling processes are employed as a minimum.
Drilling techniques	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).	The diamond drilling was undertaken using non-orientated HQ Standard Tube and NQ Standard Tube diamond drilling techniques.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Core recovery has been logged for all of the Mount Burgess drilling, averaging 95% in both waste and mineralised material. Core blocks are inserted by the drillers at the end of each drilling run, noting the run length, and downhole depth. This data is then compared to the measured recovered core length and recoveries for each run and the entire hole are calculated. Given the nature of the drilling, and the type of mineralisation encountered to date the sampling is judged as being representative.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The core collected by Mount Burgess is largely very competent with routine core run lengths of approximately 1.5m. Run lengths were reduced accordingly in fractured or broken ground.
	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.	There is no evidence of bias exists due to preferential loss/gain of fine/coarse material from the Mount Burgess drill core. Core recovery averages 95% in both waste and mineralised rock.
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.	All Mount Burgess drill holes have been geologically logged on geological intervals recording lithology, grain size and distribution, alteration, mineralisation, veining, structure, oxidation state, colour and geotechnical data noted and stored in the database. All holes were logged to a level of detail sufficient to support future mineral resource estimation, and studies.

Criteria	JORC Code Explanation	Commentary
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Oxidation, colour, alteration and mineralisation are logged qualitatively. All other values are logged quantitatively. All holes have been photographed and are stored in a database.
	The total length and percentage of the relevant intersections logged.	All drill holes have been logged over their entire length (100%) including any mineralised intersections. To date the average core loss is less than 5%
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	All Mount Burgess core was quarter cut using a table diamond saw, typically producing samples for lab submission of approximately 1kg weight.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No non-core drilling techniques have been employed by Mount Burgess.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	1m sampling intervals were selected for re-assay, the core was then quarter cut and inserted into pre numbered calico bags. Cut core samples were dispatched from site to the laboratory where quarter core was dried, then crushed to -2mm, riffle-split to obtain a 100g sub-sample and pulverised to allow 100% to pass -75µm. The sample preparation technique is deemed appropriate.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Mount Burgess quality control procedures include following standard procedures when sampling, including sampling on geological intervals, and reviews of sampling techniques in the field. Mount Burgess core was typically cut at the maximum angle to the prevailing penetrative structure in the core. The laboratory procedures applied to the Mount Burgess sample preparation included 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. Quality control procedures employed for sub-sampling of the historical drilling are not documented in reports.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	As half of the core was utilized for historical assay purposes, ½ core was available for sampling. As such, no field duplicates were taken. Duplicate sub-samples were derived from riffle splitting in the laboratory from the ¼ core submissions to allow retention of ¼ core in the field .
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The expected sample weight for 1m of quarter core is approximately 1kg. This sample weight should be sufficient to appropriately describe base metal mineralisation grades from mineral particle sizes up to 5mm.

Criteria	JORC Code Explanation	Commentary
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.	The laboratory has used a four acid digestion process that is able to dissolve most minerals; however, although the term "near-total" is used, depending on the sample matrix, all elements may not be quantitatively extracted. The analysis techniques employed are ICP-AES (Atomic Emission Spectroscopy), with ICP-AAS (Atomic Absorption Spectroscopy typically used to quantify higher grade base metal mineralisation. The digestion method and analysis techniques are deemed appropriate for the nature of the mineralisation.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Hand held XRF equipment has been used historically to determine preliminary Zn and Pb concentrations in Mount Burgess core. No geophysical or other tools were used to assess grade concentrations in samples from the re-assayed core results reported here.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Mount Burgess 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.	Significant mineralised intersections from the Mount Burgess drilling have been routinely checked by Mount Burgess personnel, and independent consultants in April 2016.
	The use of twinned holes.	No information from twinned drill holes is reported. The assay results reported are check assays utilizing remnant half core from historical drilling.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All Mount Burgess geological, sampling, and spatial data generated and captured in the field is entered into a field notebook on standard Excel templates. This information is then sent to Mount Burgess's in house database manager for further validation. Once complete and validated the data is then compiled into a Microsoft Access database managed by an external consultant.
	Discuss any adjustment to assay data.	No adjustments or calibrations have been made to any assay data.
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.	Downhole surveys of the Mount Burgess drill holes show no significant down hole deviations. It is therefore assumed that the orientations of the diamond drill holes are adequately defined based on the logged collar orientation data.
	Specification of the grid system used.	Two grid systems are used at Kihabe-Nxuu: 1) WGS 84, Zone 34 South and 2) Local grid 10000E/10000N = WGS 500,835E/7,821,551N bearing 330 degrees All spatial information is reported in both co-ordinate systems to allow data to be easily

Criteria	JORC Code Explanation	Commentary
		utilized in a range of GIS and mine planning software.
	Quality and adequacy of topographic control.	Topographic control was derived using the Digital Ground Penetrating radar technique and was supplied by a local licensed surveyor. The information is of sufficient accuracy to confirm the location of the drill collars.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Drill hole orientation and spacing is non-uniform as samples were selected for re-assay on a representivity basis using metallurgical domaining as a guide for sample selection.
	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.	The data spacing and distribution is not considered sufficient to establish an appropriate degree of geological and grade continuity appropriate for classification of Indicated and Inferred Mineral Resources. Assay results have been used for drill hole planning purposes and metallurgical test work only.
	Whether sample compositing has been applied.	No sample compositing was applied as samples were used for metallurgical test work within discrete domains.
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.	Drilling orientations were chosen to achieve sample representivity on true thickness intervals, normal, or near normal to known geological controls.
	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.	The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias
Sample security	The measures taken to ensure sample security.	Samples from the Mount Burgess drilling are dispatched from the drilling using a single reputable contracted courier service to deliver samples directly to the analytical laboratory where further sample preparation and analysis occurs.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Mount Burgess conducts regularly reviews of sampling techniques and material sampled to ensure any change in geological conditions is adequately accounted for in sample preparation. Reviews of assay results and QA/QC results occur for each batch. 1 in 20 checks on all compiled and entered data are completed by Mount Burgess. Jorvik Resources was retained to undertake a review of the sampling techniques and data in April 2016. Jorvik considers the sampling procedures used by Mount Burgess and resulting data to be appropriate, and aligned with industry standard methodologies

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. This licence is100% owned and operated by Mount Burgess. The title is current at the time of release of this report.
	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 1998. 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 Base Metal prospect lies in the NW part of Botswana at the southern margin of the Congo craton The Kihabe prospect is centred on the sedimentary rocks of the Xaudum Group. To the north of Kihabe 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. The mineralization in the Kihabe project is hosted in feldsparthic quartzites and grey wacke sedimentary sequences with minor mineralization in the hanging wall dolomites and cherts and is thought to be of hydrothermal origin. The mineralized zone is typically extensively altered to both sericite and chlorite with sulphides found parallel to shear zones and foliation/bedding. There has been remobilization along late shears and quartz veins; however the mineralization along these late structures is minor. The lithological units display a strong complex bedding/foliation trending on average NE-SW with minor trends to the ESE-WSW, NNE-SSE, and NW-SE and with steep and shallow dips indicating tight to isoclinal folding of geological units in the region.
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:	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.

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td></td><td>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 Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td></td></tr>
<tr><td>Data aggregation methods</td><td>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.</td><td>No weighted average techniques were employed in the reporting of assay results.

Laboratory lower and top cut detection limited were:

<table>
<tr><th>Element</th><th>Lower Detection Limit (ppm)</th><th>Upper Detection Limit (ppm)</th></tr>
<tr><td>Ag</td><td>5</td><td>500</td></tr>
<tr><td>Pb</td><td>25</td><td>25000</td></tr>
<tr><td>V</td><td>5</td><td>50000</td></tr>
<tr><td>Zn</td><td>25</td><td>50000</td></tr>
<tr><td>Ga</td><td>0.2</td><td>1000</td></tr>
<tr><td>Hg</td><td>0.1</td><td>1000</td></tr>
<tr><td>Ge</td><td>0.5</td><td>1000</td></tr>
<tr><td>In</td><td>0.5</td><td>1000</td></tr>
</table>

Metal equivalent grades have been reported using the following prices:

LME Base Metals Prices at 29 April 2016 used to calculate Zn equivalent grades (Zn US$ 1,943 /t and Pb US$ 1,795 /t

Precious Metals prices at 29 April 2016 used to calculate Zn equivalent grades (Ag US$ 17.82 /oz)</td></tr>
</table>

Criteria	JORC Code Explanation	Commentary
		Rotometals online Minor Metals Prices 29 April 2016 used to calculate Zn equivalent grades: (Ge (99.99%) US $ 2,350 / Kg (US $ 2.35 / gram/ppm)), (Ga (99.99%) US$ 339 / kg (US $ 0.34 / gram/ppm))
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').	The geometry of the mineralisation with respect to the drill hole angle is typically between 60 and 80 degrees
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.	Appropriate maps, sections and mineralised drill intersection details are provided in public announcements released to the ASX. Similar diagrams accompany this report.
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 balance manner.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Metallurgical testwork has been initiated by Mount Burgess with results from this work expected to be reported by the metallurgical lab on a periodic basis Bulk density measurements have been completed on quarter core samples of from the Mount Burgess drilling. The measurements were completed at a commercial laboratory facility using an industry standard methodology measuring sample weights in air and suspended in water, and calculating bulk density values using the following equation: $\text{Specific Gravity} = \frac{\text{Weight of sample(g)}}{\text{Weight in air (g)} - \text{Weight in water (g)}}$
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out	Further works planned at the Project include a diamond drilling program to re-estimate the mineral resource under JORC (2012) guidelines.

Criteria	JORC Code Explanation	Commentary
	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.	