

MOUNT BURGESS MINING N.L.

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QUARTERLY REPORT

31 March 2004

Highlights

AUSTRALIA

GOLD EXPLORATION, TELFER, WESTERN AUSTRALIA

- Barrick Gold of Australia Limited assumed management of the Telfer Joint Venture.

AFRICA

DIAMOND EXPLORATION, TSUMKWE, NAMIBIA

- The recovery of a macrodiamond 3.5 kms south east of a previously recovered macrodiamond supports the possibility of the occurrence of a diamond bearing kimberlite within the central southern part of the project area.
- The recovery of a number of fresh kimberlitic garnets from drill hole NAM 395, supports the possibility of another local kimberlite source, in the central western part of the project area.

BASE METALS EXPLORATION, TSUMKWE, NAMIBIA

- Soil geochemical sampling has generated an anomaly returning significant values of up to 2718 ppm zinc, 2054 ppm lead and 22 g/t silver over a 300m wide zone, open ended along strike. This anomaly is currently being drilled.

BASE METALS EXPLORATION, KIHABE, BOTSWANA

- Further drilling has now delineated a zone approximately 2km long, containing significant grades of zinc, lead and silver.

MOUNT BURGESS MINING N.L.

REPORT FOR THE QUARTER ENDED 31 MARCH 2004

AUSTRALIA

TELFER GOLD PROJECT

(Mount Burgess Mining N.L. 100%, Barrick Gold of Australia Limited has the right to initially earn 51%)

Barrick Gold of Australia Limited assumed management of the Telfer joint venture during the quarter. Heavy rains prevented field work during the quarter, however office studies including the compilation of historic data has commenced. New project scale geophysical images are currently being produced and updated interpretations are underway.

Subject to the weather, Barrick intends to commence field work on the project in early to mid May.

This section of the report has been approved for release by Barrick Gold of Australia Limited.

AFRICA

DIAMOND EXPLORATION

TSUMKWE, Namibia

EPL's 2012, 2014, 2817, 2818, 2819, 3019 and 3020

(In joint venture between MTB (Namibia) (Proprietary) Ltd 90% and Kimberlite Resources (Pty) Ltd 10%)

EPL's 3021 and 3022

(MTB (Namibia) (Proprietary) Ltd 100%)

Drilling, Heavy Mineral Processing and Binocular Microscopy

A review of all the historical diamond exploration data was undertaken in January/February 2004. This work defined a number of target areas proximal to those areas in which the Company has previously recovered G10 garnets and diamonds. The review also included down-hole geochemistry and structural and geological reinterpretation.

Ongoing loam sampling produced a diamond in the +0.4 to -0.8mm size range (as announced to the Australian Stock Exchange on 30 March 2004) which was found within 3.5 km south east of a previously discovered diamond, in the central southern part of the project (the Delta/Ebony area). **This discovery supports the strong possibility that a diamond bearing kimberlite occurs within this tenement area.**

A number of kimberlitic garnets were found during the quarter, including a cluster of 23 kimberlitic garnets from drill hole NAM 395, drilled some 52 kilometres to the north west of the Delta/Ebony area. Of these, 16 were fresh to fresh-worn garnets. NAM 395 was drilled 12km to the east of drill hole NAM 352 that had previously returned a **diamond and a G10 pyrope garnet**. **The freshness of some of these garnets supports the possibility of another local kimberlite source.**

A number of geophysical targets have been selected for drilling this quarter in both of the above areas.

A total of 63 holes were drilled during the quarter for 1,814 metres.

BASE METALS EXPLORATION

TSUMKWE, NAMIBIA

EPL 3022

(Mount Burgess Mining N.L. 100%)

A regional 100m spaced soil sampling programme on 2km spaced north-south lines returned a significant spread of geochemical anomalies within the Damara Sequence carbonates. Follow-up 50 m sampling on four 100 m spaced north-south lines west of regional line 489000 east, confirmed **significantly high continuous 300 metre wide values averaging 1,472 ppm zinc (against an overall background value of 54ppm zinc) and 720 ppm lead (against an overall background value of 48ppm lead), as shown on the attached plan.**

Significant silver grades were also recorded. Highest values recorded per line were as follows:

Line No.	Location	Zinc (ppm)	Lead (ppm)	Silver (g/t)
1	100 m west of regional line	1,947	1,150	22
2	100 m west of Line 1	2,134	1,651	9
3	100 m west of Line 2	2,718	2,054	8
4	100 m west of Line 3	2,568	950	9

Samples were assayed by AAS method.

Mapping has defined the structures hosting this mineralization and **Reverse Circulation drilling designed to test this anomaly to 120 m vertical depth is currently underway.** The mineralization appears to be stratabound (confined to a specific horizon) and can be traced continuously for a number of kilometres.

Infill soil sampling and geological interpretation is also being undertaken to further define economic targets within this sequence.

BASE METALS EXPLORATION

KIHABE, Botswana

PL 69/2003

(Mount Burgess Mining N.L. 100%)

Broad spaced Reverse Circulation drilling was completed (four holes for 441 metres) by mid February, over a NE/SW trending, 2.5 km long zinc and lead soil anomaly. **A mineralised zone approximately 2,000 metres long was defined within the Damara Sequence carbonates and quartzites, some 16 metres wide with an average grade of 3.6% zinc, 1.3% lead and 43.5 g/t silver at the most south western end (defined by previous drilling), increasing to 30 metres with an average grade of 2.2% zinc, 0.8% lead and 12.1 g/t silver at the most north eastern end.** More holes are planned to test the centre of the anomaly and continuity of the mineralisation. A summary of these drill results is listed below together with a plan showing drill hole locations.

A number of untested anomalous zones remain within this tenement.

Mineralised intersections (current drilling)

Hole ID	Depth (m)	Interval (m)	Zinc %	Lead %	Silver g/t
KIH010	38 - 56	18	1.7	1.0	8.3
KIH011	88 - 129	41	2.6	0.6	15.9

Mineralised intersections (previous drilling)

Hole ID	Depth (m)	Interval (m)	Zinc %	Lead %	Silver g/t
KIH001	42 - 47	5	1.3	1.7	21.4
	63 - 80	17	3.1	1.4	36.9
KIH003	106 - 113	7	2.9	1.3	77.7
KIH004	80 - 89	9	3.2	1.6	12.3
	96 - 112	16	4.1	1.2	50.1

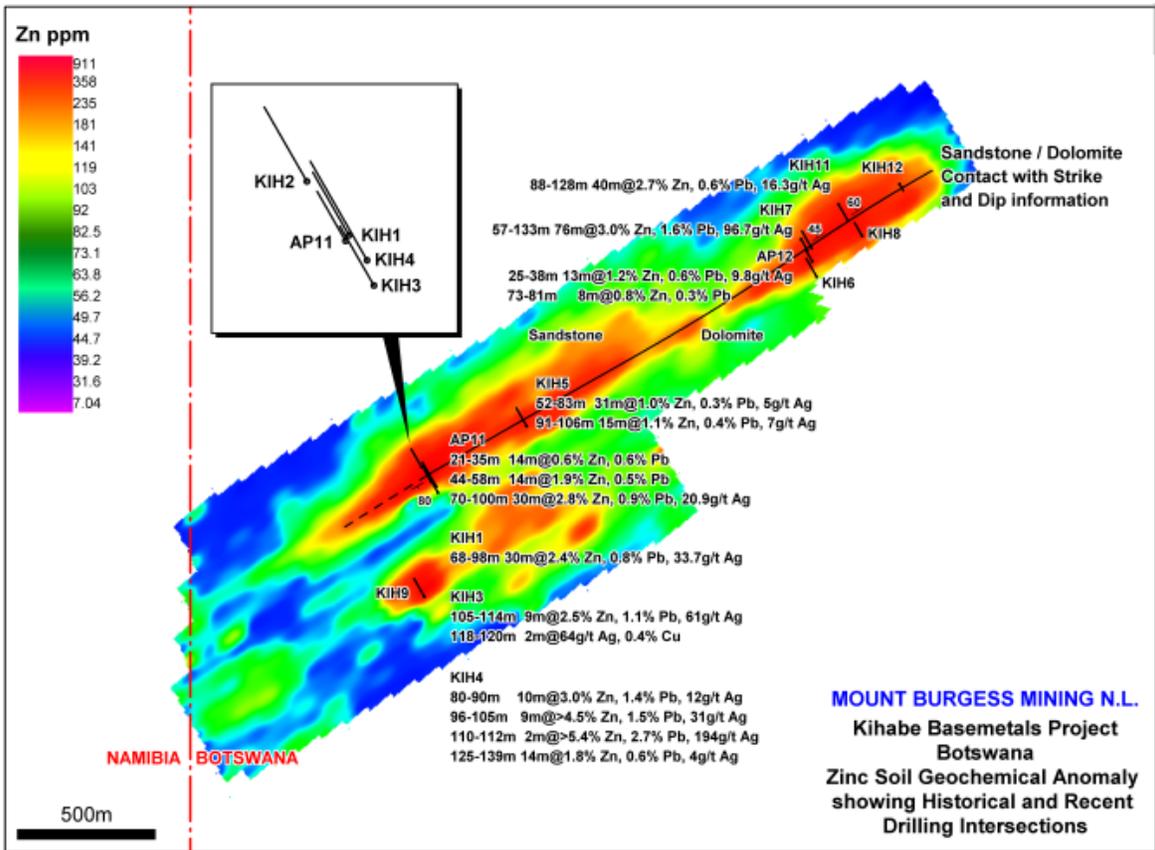
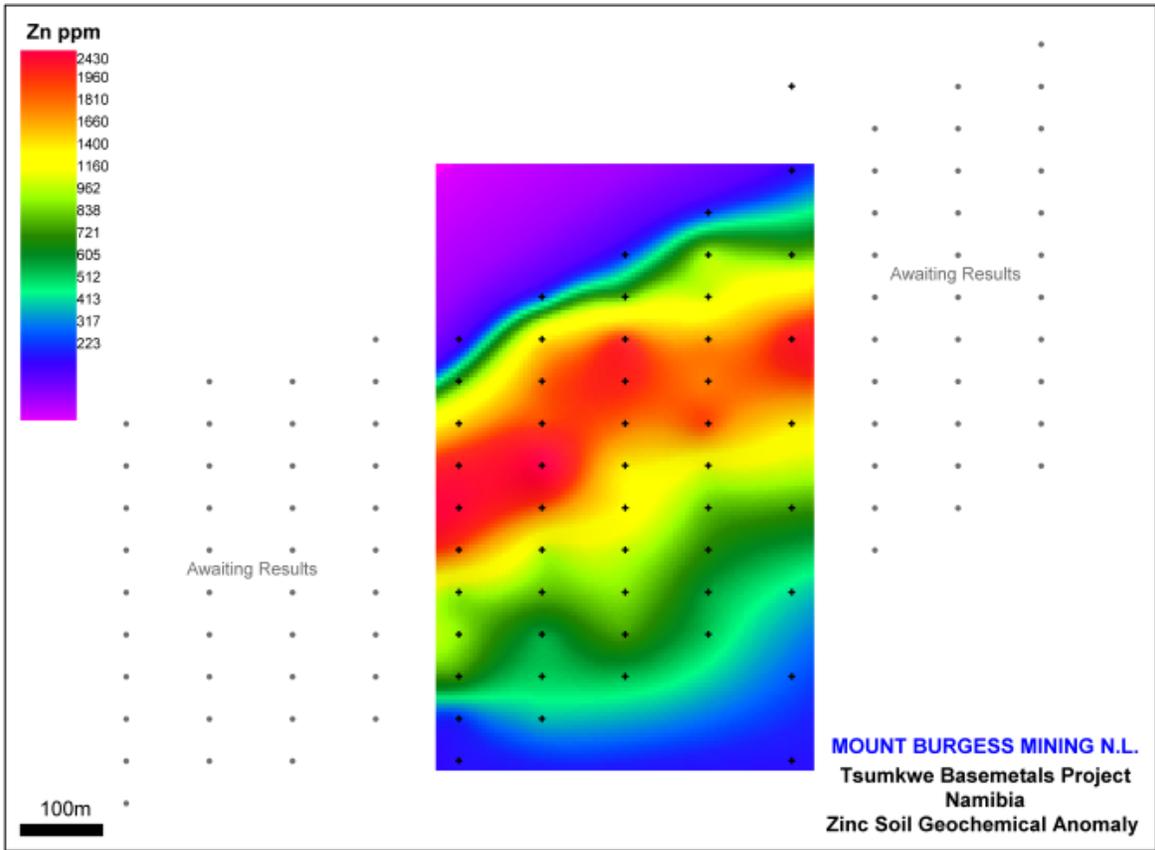
Samples were assayed by AAS method.

All information in this section of the report pertaining to ore reserves, mineral resources and exploration results, together with any related assessments and interpretations, has been approved for release by Mr Martin Spence, B.Sc., M.Aus.I.M.M., a qualified geologist and full-time employee of the Company, with more than five years experience in the field being reported on.

CORPORATE

Share Placement

On 13 February 2004, the Company announced the placement of 7 million shares at 10 cents per share to raise an additional \$700,000.



Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

MOUNT BURGESS MINING N.L.

ABN

31009067476

Quarter ended ("current quarter")

31 March 2004

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(425)	(1,273)
(b) development	-	-
(c) production	-	-
(d) administration	(249)	(747)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	14
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(671)	(2,010)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7)	(8)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	156
(c) other fixed assets	31	31
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	24	179
1.13 Total operating and investing cash flows (carried forward)	(647)	(1,831)

1.13	Total operating and investing cash flows (brought forward)	(647)	(1,831)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	700	1,940
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Lease repayments	(31)	(40)
Net financing cash flows		669	1,900
Net increase (decrease) in cash held		22	69
1.20	Cash at beginning of quarter/year to date	408	361
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	430	430

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

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

N/A

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	121	4

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
Total	150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	12	10
5.2 Deposits at call	418	398
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	430	408

Changes in interests in mining tenements

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

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	125,000,000	125,000,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,000,000 -	7,000,000 -		
7.5 +Convertible debt securities <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options Employee Share Plans	2,250,000 1,250,000 100,000 500,000	Nil Nil Nil Nil	25 cents 25 cents 25 cents 25 cents	<i>Expiry date</i> 31/12/05 31/12/06 31/12/07 31/12/09
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures <i>(totals only)</i>	N/A			
7.12 Unsecured notes <i>(totals only)</i>	N/A			

Compliance statement

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

Sign here: *Dean Scarparolo* Date: 21 April 2004
(Company Secretary)

Print name: DEAN A SCARPAROLO

Notes

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

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