

29 May 2008

ASX CODE: MZM

ISSUED SHARES: 41.29M

52 WEEK HIGH: \$0.36

52 WEEK LOW: \$0.10

CONTACT:

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BOARD:

Denis O'Meara: Chairman

Terry Grammer: Non-Exec

Ian Cornelius: Non-Exec

KEY PROJECTS:

PEAK HILL (100%)

Gold

MT. PADBURY (100%)

Gold, Manganese, Iron Ore

Uranium

ROBINSON RANGE (70%)

Gold, Uranium

CALLAWA (100%)

Copper, Gold

TALGA (90%)

Gold, VMS

ACQUISITION INCREASES GOLD RESOURCES AT PEAK HILL

- Montezuma successfully negotiates the acquisition of the Durack Project adding to the resource base at Peak Hill.
- The acquisition immediately adds **42,659 ounces** to Montezuma's gold inventories in the Peak Hill region.
- The project is located **only 12km south** of Peak Hill and will be included in planned future scoping and feasibility studies in relation to renewed production from the area.

Montezuma is pleased to announce that it has successfully negotiated an agreement with Grange Resources Limited to acquire an 85% interest in the granted mining lease M52/801, which contains the Durack gold deposit.

Montezuma has agreed to spend \$500,000 on exploration and development over the next four years to earn an 85% interest in the licence, which is ideally located to provide satellite resources to any centralised operation at Peak Hill, 12km to the north.

Previous workers have identified an Indicated and Inferred gold Resource at Durack of 567,679t @ 2.34 (1.0g/t cutoff, and top-cut of 25 g/t) for a total of **42,659 oz Au**. Uncut, the resource grade increases to 3.33 g/t with an increase in total ounces to 60,836.

Several exploration targets have been identified within the lease which provide opportunities to add to this additional resource. Montezuma will undertake a detailed internal assessment of these and other target areas before planning the first phase of work to progress the project.

The acquisition adds to Montezuma's existing gold Resources at Peak Hill and is an important step to achieving the Company's stated strategic goal of an initial target gold Resource of 500,000 ounces to underpin its plans to recommence production from the gold field.

The gold mineralisation at Durack is associated with pyrite alteration on the margins of steeply dipping quartz veins within a package of intercalated mafic volcanics and sedimentary rocks. The main mineralised zone is broadly concordant with stratigraphy, trending at 130°, dipping sub-vertically to the north-east.

Highlights from the most recent drilling at Durack, completed in 2003 include:

- 12m @ 15.16g/t Au from 87m (DURC004)
- 8m @ 11.86g/t Au from 14m (DURC005)
- 13m @ 4.68g/t Au from 77m (DURC008)
- 8m @ 2.20g/t Au from 94m (DURC008)

A full breakdown of the existing resources at Durack are outlined in the following table:

**Durack Deposit
November 2004 Resource Estimate 1.0g/t Cutoff**

Type	Indicated			Inferred			Total				
	Tonnes T	Uncut g/t	Cut25 g/t	Tonnes T	Uncut g/t	Cut25 g/t	Tonnes T	Uncut g/t	Cut25 g/t	Uncut Ounces	Cut Ounces
Oxide	159,879	2.67	2.09	86,022	6.08	2.51	245,901	3.86	2.24	30,537	17,700
Transition	226,895	2.97	2.31	94,883	2.82	2.67	321,778	2.93	2.41	30,298	24,959
Total	386,774	2.85	2.22	180,905	4.37	2.59	567,679	3.33	2.34	60,836	42,659

The Board is very pleased with this important step in achieving our strategic vision at Peak Hill and looks forward to keeping the market informed as we continue to build the gold inventories at Peak Hill both through exploration and selective acquisitions.

More Information

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The Information in this report that relates to exploration results is based on information compiled by Justin Brown, who is a member of the Australasian Institute of Mining & Metallurgy. Mr Brown is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Justin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

