

ASX RELEASE



27 September 2012

ASX CODE: MZM
ISSUED SHARES: 67.66M
52 WEEK HIGH: \$0.80
52 WEEK LOW: \$0.165

CONTACT:

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BOARD:

Seamus Cornelius: Chairman
Justin Brown: MD
John Ribbons: Non-Exec

KEY PROJECTS:

BUTCHERBIRD (100%)
Manganese, Copper

PEAK HILL (85-100%)
Gold, Copper

DURACK (earning 85%)
Gold, Copper

MT PADBURY (100% of gold)
Gold, Manganese, Iron

KEY SHARE POSITIONS:

AUVEX MANGANESE LTD
3,750,000 FPO Shares

BUXTON RESOURCES LTD
4,762,500 FPO Shares

LITHEX RESOURCES LTD
1,525,000 FPO Shares

EXTERRA RESOURCES LTD
2,000,000 FPO Shares

OPTION DEAL SIGNED FOR PEAK HILL PROJECT

Montezuma Mining Company Ltd ("Montezuma" or "Company") is pleased to advise that it has entered into an option agreement with Grosvenor Gold Pty Ltd ("Grosvenor"), a wholly owned subsidiary of Resource and Investment NL (ASX: RNI) ("RNI") whereby Grosvenor may acquire 100% of Montezuma's interest in the Peak Hill Project by the acquisition of Peak Hill Metals Pty Ltd (a wholly owned subsidiary of Montezuma). The key terms of the agreement are as follows:

- Grosvenor to pay an initial option fee of \$100,000 for an exclusive option until 29 March 2013.
- Grosvenor may exercise the option at any time prior to expiry by paying to the Company \$2.8M in cash and issuing 8,400,000 fully paid ordinary shares and 2.1M 75 cent options in RNI.
- If it exercises the option, Grosvenor must also grant the Company a 1% Gross Royalty, capped at \$1M, on all revenue it receives from production from the Peak Hill Project,.
- Grosvenor must meet minimum expenditure commitments on the project during the option period.
- Grosvenor may extend the option period to 28 June 2013 by paying Montezuma an additional \$50,000.

The combined cash and script structure of the deal will, subject to Grosvenor electing to exercise their option, not only provide an up front return for the Company but will also allow Montezuma to maintain exposure to future upside as RNI realises their ambitions to recommence gold production in the region, centred around their processing plant at Fortnum.

The additional capital provided from the disposal of the Peak Hill asset will support Montezuma's ambition of bringing its 100% owned Butcherbird manganese and copper project into production.

More Information

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