



Peak Hill has serious quality says Montezuma

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MONTEZUMA is planning an aggressive exploration program and to establish a resource of over 500,000oz at its newly acquired Peak Hill gold project in Western Australia's Mid-west.

The Perth-based gold explorer completed the acquisition of the project from Rio Tinto and Barrick Gold today, after earlier this month announcing its intention to purchase the discontinued operation for \$1 million.

The project includes previously reported resources of 3.17 million tonnes at 1.8 grams per tonne gold for a total resource of 184,000oz but these figures require verification to determine the resource is JORC-compliant.

Managing director Justin Brown told *MiningNews.net* the project was closed in 1997 for strategic reasons, not because the resource had been exhausted, and as a result the company viewed Peak Hill as an exciting project.

"Systematic regional exploration is very limited," he said. "Operations stopped for strategic reasons, not for geological or technical reasons.

"We've been looking at data as we've been going through the acquisition process and there are no-brainer-type exploration targets.

"There are numerous locations where mineralisation is open at depth, along strike, down plunge.

"One of our board members, Terry Grammer, spent a few years in that area and he'll tell you that for the most part, the operations in the main pit area were limited by the presence of the mill right up on the pit wall.

"The bottom line for us is there are all these reasons why work stopped and none of them relate to the fact that mineralisation stopped.

"Peak Hill, for us, is a brilliant fit for our activities up there; we think the asset has some serious quality.

"We'll get the rigs up there straight away and get in the early numbers.

"Our initial target is half a million ounces and we'll look at various production scenarios along the way."

Montezuma assumes four mining leases and six miscellaneous licenses covering more than 2100 hectares, as well as \$600,000 in environmental bonds.

Shares in Montezuma were unchanged in morning trade today after closing up 0.05c to 0.19c on Monday.

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