

Element 25 Ltd

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Montezuma Mining Company expands gold discovery area at Yamarna

Fresh assays from the maiden deep drilling campaign at Montezuma Mining Company's (ASX:MZM) Yamarna gold project in Western Australia have extended the strike at a key prospect as survey work added additional drill targets.

New results from the project's Jatz area have confirmed the presence of ore-grade gold 400 metres north of the prospect's discovery hole.

This extends the strike length at Jatz to about 5 kilometres.

Jatz has already delivered gold values up to 19.1 g/t and is now considered a high-priority exploration area as the new data confirm the mineralised nature of the structural corridor.

Gold at the project occurs in zones of altered greenstones with variable silica, carbonate, pyrite and sericite alteration with quartz veining - demonstrating all the hallmarks of a mesothermal shear hosted gold system with potential for significant scale.

The 37-hole program has produced 16 assays to date, with 21 holes pending.

Also, an aeromagnetic survey at the site has produced a number of additional structural targets, which are considered to have potential to host large-scale gold deposits and are planned to be followed up with further exploration in 2016.

Recent encouragement

Montezuma has produced some impressive grades at Yamarna since deeper reverse circulation drilling began late last year to follow up shallow first-pass hits that indicated the presence of widespread anomalism in three regional-scale mineralised corridors.

Intercepts from the first three of these deeper holes included the following:

- 10 metres at 0.9 g/t from 46 metres;
- 7 metres at 5.4 g/t gold from 64 metres, including 2 metres at 17.5 g/t gold; and
- 4 metres at 1.9 g/t gold from 119 metres, including 2 metres at 3.3 g/t gold.

The basement mineralisation intersected also showed a moderate to strong copper, bismuth, molybdenum and tellurium association, a common assemblage in mesothermal gold deposits in the Yilgarn Province.

Price: 0.195

Market Cap: \$17.92 m

1 Year Share Price Graph



Share Information

Code: E25

Listing: ASX

52 week	High	Low
	0.27	0.15

Sector: Rare earths & specialist minerals

Website: www.element25.com.au

Company Synopsis:

Element 25 Ltd's (ASX:E25) wholly-owned Butcherbird Project hosts a very large manganese resource which underpins the company's core strategy of producing high purity Electrolytic Manganese Metal (EMM) and Manganese Sulphate for use in specialty metals and lithium ion battery cathodes.

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Prior reconnaissance exploration results included 11 holes hosting gold values greater than 0.1g/t gold, with individual assays up to 2.7g/t gold.

Analysis

The intersection of more ore-grade gold in early drilling at Yamarna exceeds expectations for the project and reflects the substantial upside of Montezuma's activities on site.

Every phase of work at the project has yielded successes to date, suggesting that the remaining 21 assays and undrilled targets may support Montezuma with important price catalysts.

This success rate has also prompted the company to accelerate its work programs at the project, where a soil sampling program that defined anomalism similar in size and tenor to recent gold discoveries by Gold Road Resources (ASX:GOR) at its 3.8-million-ounce Gruyere deposit

The company is well funded to advance Yamarna through further drilling, with cash of A\$6.2 million at the end of the September quarter and currently marks a market capitalisation of \$17 million.

Montezuma is very tightly held with the top 20 shareholders owning 69.4% of the company, so any strong drill results will see an immediate appreciation in the share price.

The company carries an enterprise valuation of \$12 million for Yamarna and an accompanying WA portfolio of manganese and copper assets at Butcherbird and Green Dam respectively.

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