

# Mineral Mountain Acquires New Advanced Stage, Gold Project Near Prolific Homestake Mine in South Dakota, USA

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- **New Holy Terror Project located 60 km southeast of Homestake Mine in same greenstone belt**
- **Six "turn of the century" past producing underground mines situated on property**
- **Only 15 years of intermittent exploration performed in area since 1942**
- **Mining and drilling only performed to shallow depths -open to expansion down plunge and along strike**

VANCOUVER, BRITISH COLUMBIA -- (Marketwire - May 31, 2012) - [Mineral Mountain Resources Ltd.](#) ("Mineral Mountain" or the "Company") (TSX VENTURE:MMV) (OTCQX:MNRLF) is pleased to report that the Company has signed an option agreement (the "Option Agreement") with the Holy Terror Mining Company ("Holy Terror Mining"), a 120-year old privately-held mining company that owns 14 patented mineral claims and 22 unpatented mineral claims totalling 532 acres (215 hectares) located along the Homestake gold belt in the Keystone Mining District in the Black Hills area of South Dakota, U.S.A (the "Property"). The Keystone Mining District and the Homestake Mining District, which hosts the Homestake Gold Mine and is about 35 miles from the Keystone Mining District, are genetically similar in that the gold is contained in quartz-carbonate veins in banded carbonate iron formation (BIF) and sulphide replacement deposits. The Homestake Gold Mine is the oldest, largest deepest mine in the western hemisphere and, over a 125-year continuous span, had produced over 36 million ounces of gold from 143 million short tons of ore milled. Homestake ore zones have variable widths but averaged approximately 5 metres wide. The average grade of the ore mined from the Homestake Gold Mine was 8.57 grams per tonne ("gpt") Au (0.25 ounces per ton ("opt") and the orebody had a 6.5 km down plunge length reaching over 2,400 m below the town of Lead, South Dakota. There is no certainty that further exploration in the Holy Terror Project area will lead to the discovery of gold deposits of the magnitude of the Homestake Mine.

The Property, which hosts six historical gold producers, is located within a belt of rocks consisting of sheared, carbonate iron-formation rich, metamorphosed Precambrian rocks that measures about 5-6 mile (8 km) long and 2,000-3,000 feet (0.60 km) wide. Like the Homestake Gold Mine, this northwest trending belt hosts at least three parallel horizons that contain vein and iron-formation-related gold mineralization. The historic production from the Keystone Mining District was intermittent between 1896-1942 and totalled about 106,000 ounces from 298,865 tons of ore at an average grade of 10.77 gpt Au (0.314 opt). Most of the historical production came from the Keystone and Holy Terror mines which are part of the Property optioned under the Option Agreement. Production was halted because of the implementation of the War Measures Act during the Second World War. Based on mine maps and data, the U.S. Bureau of Mines in U.S. Geological Survey Bulletin 427 (1940), estimated a potential resource for the Keystone District mines of 1.53 million tons ore grading 11.66 gpt Au (0.34 opt) to a maximum depth of 366 m (1,200 feet). This constitutes a historical estimate under National Instrument 43-101 ("NI 43-101"), as such estimate has not been verified as a current mineral resource. In general, given that the historical estimate was prepared by the U.S. Bureau of Mines, Mineral Mountain believes that the historical estimate is a reasonable estimate based on data available at the time. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and Mineral Mountain is not treating the historical estimate as current mineral resources or mineral reserves.

The six former gold producing areas included in the Property and optioned under the Option Agreement are the Holy Terror Mine, one of the oldest gold mines in the Black Hills area, the Keystone Mine, the Egyptian Shaft, the Egyptian Shaft #2, the Ida Florence Shaft and the Juniper Mine are all located on major, crustal-scale braided fault structures that occur within the broad belt of vein and iron-formation related gold mineralization. The five of the six shafts are aligned in a northwest direction for a distance of approximately 1.4 km (see location plan) and the gold mineralization dips steeply to the northeast. The Keystone area is a historic mining district that consists of numerous prospects and several old mines associated with the above braided crustal-scale fault system within metamorphic rocks of the Proterozoic Black Hill uplift. Gold mineralization occurs in sulphide lenses and breccias along faults, as Homestake-style iron formation

replacement mineralization, and in quartz-carbonate veins. Depletion of ore was not a factor at the Holy Terror and Keystone mines.

### Previous Work

Modern gold exploration campaigns were carried out by various companies between 1974 and 1996, which included geological mapping and rock sampling, ground geophysical surveys, surface and underground diamond drilling. Total footage drilled during this period amounted to almost 21,031 m (69,000 feet). This resulted in extending known deposits and identifying new satellite gold discoveries. The last meaningful diamond drill program conducted on the Holy Terror property was by Energy Fuels Corporation ("Energy Fuels") between 1993 and 1996. During that period, a total of 76 drill holes testing several gold targets were completed by Energy Fuels.

Energy Fuels then proceeded with planning and permitting for underground development to further explore the Keystone Mine. Subsequently, a permit was obtained to drive a 9 by 12 foot decline and spiral ramp into the Keystone area. This plan was shelved when gold prices dipped significantly in 1996.

The most significant gold intersections from the Energy Fuel drilling are summarized in Table I below.

**Table 1**  
**List of Historic Drill Holes Completed By Energy Fuels Corporation (1993-1996)**  
**Keystone Mine Horizon**

HOLE	FROM (M)	TO (M)	CORE LENGTH (M)	AU G/T	Mine Area tested	
KG94-46		155.25	159.03	3.78	8.13	Bismark /Egyptian
KG94-53		154.03	157.99	3.97	7.30	Bismark /Egyptian
KG94-58		76.56	100.96	24.40	3.84	Bismark /Egyptian
INCL	96.78		99.43	2.65	11.83	
KG94-58		136.64	137.56	0.92	15.74	
KG94-59		79.61	111.33	31.72	3.91	Bismark /Egyptian
INCL	88.76		89.67	0.92	13.82	
AND	93.94		95.16	1.22	12.21	
KN83-4		128.47	140.91	12.44	4.80	Bismark /Egyptian
INCL	129.81		132.58	2.78	14.64	
KN83-5		119.56	128.41	8.85	9.19	Bismark /Egyptian
INCL	123.07		127.49	4.42	16.87	
KN88-13		119.56	133.90	14.34	4.66	Bismark /Egyptian
INCL	125.05		127.19	2.14	8.54	
CK1	7.02		15.56	8.54	0.58	Keystone
INCL	10.98		13.42	2.44	1.54	
CK1	97.60		100.65	3.05	1.20	
CK1	181.93		189.10	7.17	4.49	
INCL	184.22		187.88	3.66	8.26	
CK3	16.47		22.27	5.80	1.85	Keystone
CK3	292.80		297.38	4.58	0.38	
CK3	302.56		313.85	11.29	9.09	
CK3	318.12		319.95	1.83	0.62	
CK6	203.44		240.04	36.60	2.09	Keystone
CK6	205.27		207.10	1.83	0.75	
CK6	212.59		215.33	2.75	0.45	
CK6	217.16		219.91	2.75	0.51	
CK6	220.82		228.45	7.63	0.55	
CK6	228.45		238.21	9.76	5.21	
CK8	70.76		71.98	1.22	1.51	Keystone
CK8	91.50		95.77	4.27	1.23	
CK8	320.86		327.57	6.71	2.02	

*Note: All drillhole widths quoted in Table 1 above are believed to be down-hole core intervals and due to the complex structure are not considered to be true widths.*

### Historic Estimates and Potential Expansion

#### 1. Keystone Mine: (137 m northeast of the Holy Terror Mine)

The Keystone Mine occurs along a sub-parallel northwest trending structure and hosts the largest gold deposit in the Keystone Mining District. Mineral Mountain believes that the deposit offers excellent exploration potential to define a NI 43-101 compliant mineral resource along strike and to depth. The following historical estimate of probable and possible reserves was completed for the Keystone main shoot during the 1993-1996 era by Energy Fuels using historic mine data and diamond drill holes: 292,800 tons grading 10.63 gpt (0.310 opt) of probable reserves and 330,000 tons grading 10.29 gpt (0.300 opt) of possible reserves. This historical estimate has not been verified as a current mineral resource. In general, Mineral Mountain believes that expand the Keystone Deposit through an initial round of exploration drilling and by closer-spaced infill drilling to standards suitable for formal resource estimation. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and Mineral Mountain is not treating the historical estimate as current mineral resources or mineral reserves.

## 2. Egyptian # 2 Mine: (762 meters northwest of Keystone Mine)

This target consists of Homestake-style mineralization in an iron formation in the area of the Egyptian #2 mine site. The mineralization consists of visible gold associated with arsenopyrite and pyrrhotite in iron formation. The site consists of a 76 m shaft sunk on the Bullion Fault. Several historical drill holes testing the Egyptian #2 Mine horizon intersected wide zones of gold mineralization. The drilling indicates a mineralized zone extending 103.6 m vertically, 30 m along strike and is up to 6.5 m thick. This zone is open along strike and to depth and demonstrates the potential of large scale underground bulk mining.

The best intersections recorded in the historical drilling are summarized as follows:

- i. 11.6 m of 4.32 gpt Au in hole KN-4;
- ii. 6.4 m of 9.19 gpt Au in drill hole KN-5;
- iii. 16.2 m of 5.49 gpt Au in drill hole KG94-46;
- iv. 3.8 m of 8.23 gpt Au, 14.3 m of 3.77 gpt Au in drill hole KG94-58;
- v. 5.6 m of 6.17 gpt Au, 4.1 m of 4.80 gpt Au and, 33.3 m of 3.77 gpt Au in drill hole KG94-59 in multiple zones.

Note: All drillhole widths quoted above are down-hole intervals and due to complex structure not considered to be true widths.

## 3. Holy Terror Mine: (137 metres southwest of the Keystone Mine)

The Holy Terror Mine, the deepest and oldest mine in the Keystone Mining District, was developed from the surface to the 1,200-foot depth on a high grade quartz/gold vein parallel to and 450 feet southwest of the Keystone Mine structure. Historical records indicate that approximately 62,000 ounces of gold were produced (Allsman 1940). The stopes in the upper levels of the mine ranged from 0.46 m to 1.07 m in width with ore grades ranging from 68.57 gpt Au to 198.85 gpt Au (2.00 opt to 5.80 opt). The lower levels stopes ranged from 1.07 m to 1.52 m in width with an ore grade of 34.29 gpt Au. A potential 50 to 100 ounces of gold per vertical foot was estimated from this vein below the 11 level by Akright (1997), a consultant for Energy Fuels. Closed by litigation in July, 1903, the mine has seen no production since. Mineral Mountain considers the Holy Terror Mine, which has never been tested by core drilling, to be an important target for defining mineral resources.

## 4. Ida Florence Mine: (305 m northwest of Egyptian #2 Shaft)

The Ida Florence consists of a 92 m shaft that was sunk on the Bismark Fault with about 610 m of lateral development. Previous sampling along the 60 m level where the Ida Florence "ore" shoot was exposed for 30.5 m assayed an average of 7.54 gpt Au. It appears that only three drill holes (KN-11, KG 94-63 and KG94-64) tested the depth extension of the Ida Florence shoot. The best results came from drill hole KN-11 that intersected 3.9 m of 1.0 gpt Au.

## 5. Juniper Mine: (1 km northwest of Keystone Mine shaft)

The Juniper Mine consists of about linear 162 m (532 feet) of excavation consisting of adits, drifts, crosscuts, open-cuts, winzes and raises sunk on a 18 m shear zone trending northwesterly and dipping 50 degrees to the northeast located on a parallel structure to the Keystone Mine horizon. The shear zone occurs within the Homestake gold belt and carries multiple, mineralized quartz stringers and veins.

Nelson Baker, President and CEO of Mineral Mountain comments: "For the first time in the 130+year exploration and development history of the Keystone Mining District, our partners, Holy Terror Mining, have consolidated ownership on several highly prospective land packages that host high grade gold mineralization over robust mining widths. With the potential of defining a significant gold mineral resource and significant

room for further growth, Mineral Mountain believes that its Holy Terror project is set to become a very compelling exploration story."

### **Terms of the Option**

Holy Terror Mining Company has granted Mineral Mountain the exclusive working right and option to acquire up to 75% interest in the Property on the following terms:

#### **First Option:**

To exercise its right to earn a 60% interest in the Property, Mineral Mountain shall:

i. make the following cash payments to Holy Terror Mining:

- a. \$250,000 US within three business days after the TSX Venture Exchange ("TSXV") has issued its final approval for the transaction;
- b. \$250,000 US on or before the first anniversary of the date of the Option Agreement;
- c. \$250,000 US on or before the second anniversary of the date of the Option Agreement; and;
- d. \$250,000 US on or before the third anniversary of the date of the Option Agreement, for an aggregate of \$1,000,000 US on or before the third anniversary of the date of the Option Agreement.

ii. issue Mineral Mountain common shares to Holy Terror Mining as follows:

- a. 2,500,000 common shares within three Business Days after the TSXV has issued its final approval for the transaction;
- b. 2,500,000 common shares on or before the first anniversary of the date of the Option Agreement;
- c. 2,500,000 common shares on or before the second anniversary of the date of the Option Agreement; and
- d. 2,500,000 common shares on or before the third anniversary of the date of the Option Agreement, for an aggregate of 10,000,000 common shares on or before the third anniversary of the date of the Option Agreement.

iii. incur the following exploration expenditures in respect of the Property:

- a. \$1,500,000 US on or before the first anniversary of the date of the Option Agreement;
- b. \$2,500,000 US on or before the second anniversary of the date of the Option Agreement; and;
- c. \$3,500,000 US on or before the third anniversary of the date of the Option Agreement, for an aggregate of \$7,500,000 US in exploration expenditures on or before the third anniversary of the date of the Option Agreement.

#### **Second Option:**

To exercise its option to acquire an additional 15% interest in the Property, for a 75% interest in aggregate, Mineral Mountain shall incur additional exploration expenditures of \$12,500,000 US on or before the fourth anniversary of the date of the Option Agreement.

Once Mineral Mountain has earned its interest in the Property, Mineral Mountain and Holy Terror Mining will form a joint venture (the "Joint Venture"). Mineral Mountain will then be responsible for up to the first \$25,000,000 US of expenditures on the Property. Upon the formation of the Joint Venture and, until all financial obligations are met and a total of \$25,000,000 US has been incurred by Mineral Mountain, a further cash payment of \$250,000 US per year will be paid to Holy Terror Mining.

Holy Terror Mining has also been granted a 3% net smelter return royalty.

In connection with this transaction, the Company is to pay a finder's fee of 200,000 common shares to an

arm's length finder once the TSXV has issued its final acceptance of this transaction.

### Qualified Persons

The Holy Terror gold project is managed by Kevin Leonard, a Professional Geologist with greater than 30 years of exploration experience. Wally Rayner (P.Geo.), the Company's VP of Exploration, has verified the contents of this press release and is the Qualified Person for this project.

On Behalf of the Board of Directors [Mineral Mountain Resources Ltd.](#)

Nelson W. Baker  
President and CEO

### Reader Advisory

*This release includes certain statements that may be deemed to be "forward-looking information" under Canadian securities laws. All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, constitute forward looking-information. Forward looking information consists of statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking information are based on reasonable assumptions, such information does not constitute guarantees of future performance and actual results may differ materially from those in forward-looking information. Factors that cause the actual results to differ materially from those in forward-looking information include gold prices, results of exploration and development activities, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, continued availability of capital and financing and general economic, market or business conditions. The Company cautions the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking information should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Please see the public filings of the Company at [www.sedar.com](http://www.sedar.com) for further information.*

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