ASX Release

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MONTAGUE GOLD NL

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Project Update

The Directors of Montague Gold NL are pleased to announce details of forthcoming work programmes on Montague's main Western Australian and Queensland projects.

De COURCY PROJECT - ASHBURTON REGION W.A.

Airborne Geophysics Report Upgrades Gold Potential At De Courcy

An encouraging report has been received from Southern Geoscience Consultants Pty Ltd ("SGC") concerning interpretation of recently flown aeromagnetic and radiometric data for Montague's De Courcy Project in the Ashburton Region of W.A.

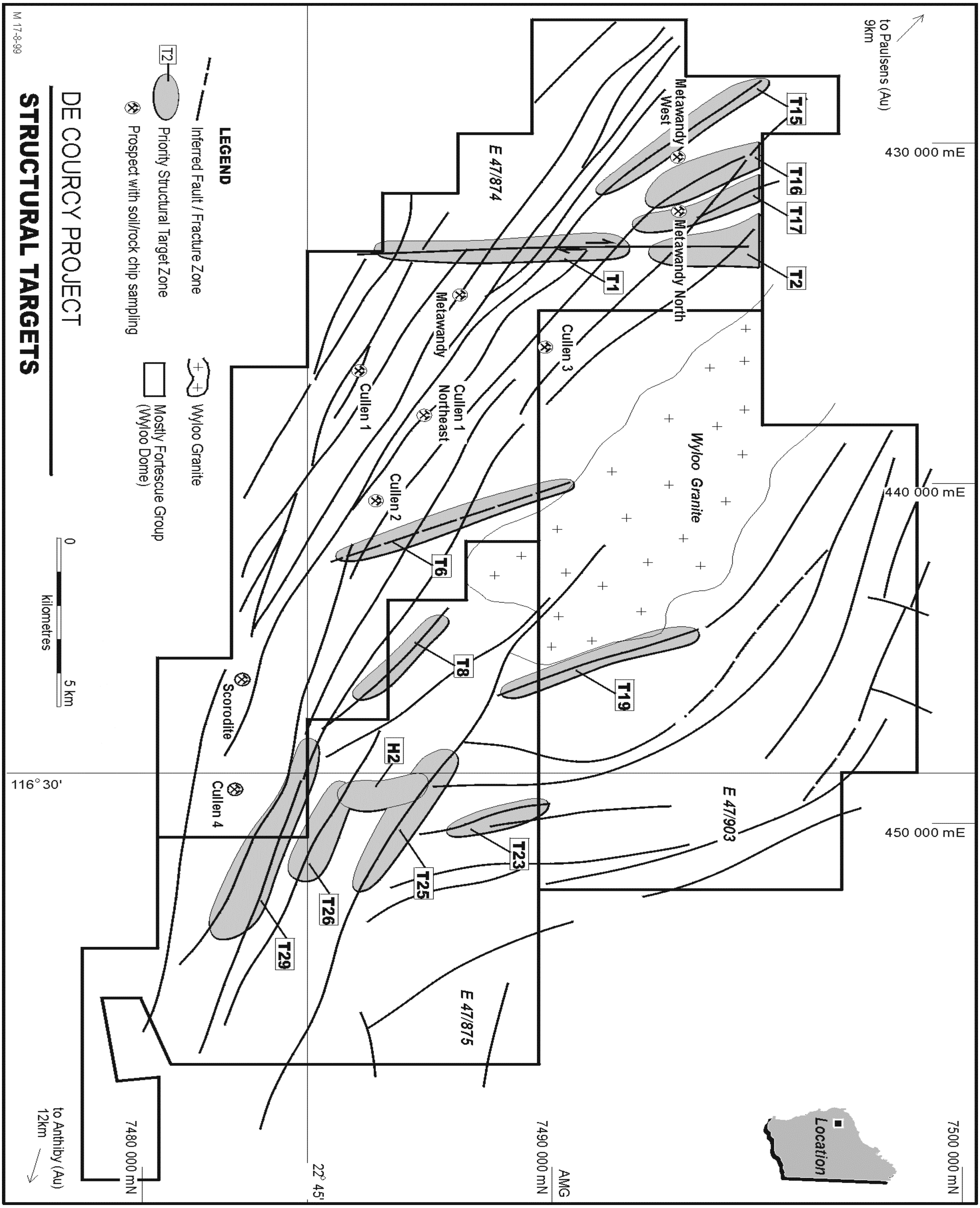
In the report, thirteen priority areas with potential for gold mineralisation are identified from a suite of interpreted target zones. Locations of the main target zones are shown in the accompanying map.

Highest ranked areas are targets H2, T23, T25, T26 and T29. They are located in the poorly exposed south-eastern area where a major WNW trending deformation corridor (south west of the Wyloo Granite) intersects a complex eastern fold closure of the Wyloo Dome. The SGC report states that three of these targets (H2, T25 and T26) show structural and stratigraphic similarities to Taipan Resources NL's Paulsens gold deposit setting located 9km NW of the De Courcy tenements.

In western De Courcy, T1 and T2 target zones with possible veining and alteration, are inferred along a poorly outcropping major N-S-trending fracture zone. West of T2 are high priority structural targets T15, T16 and T17 which are interpreted to be NW and NNW trending sheared anticlines and/or dilation zones. (Dilation zones are where an initial fissure is widened during later deformation.)

Priority target areas in central De Courcy include T6 (NNW dyke/fracture zone), T8 (NW fault/anticline axis) and T19 (NNW fault on granite margin).

These results, together with Montague's geological and geochemical database provide an excellent focus for the next phase of exploration. Field work is underway within target areas, many of which have not been explored in detail previously. The programme includes infil stream sediment sampling, with followup soil gridding and geochemical RAB drilling.



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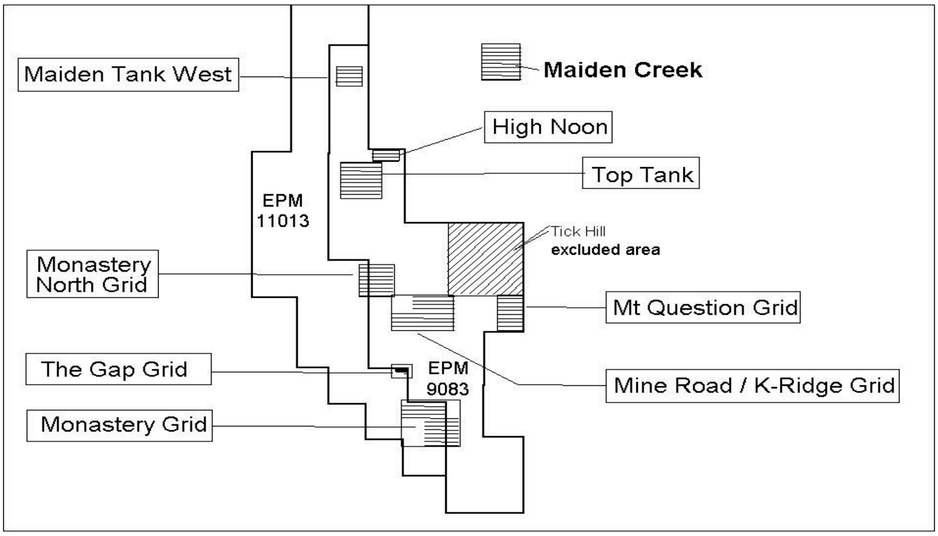
TICK HILL JOINT VENTURE, QLD. (MIM, Montague earning up to 70% interest)

Montague to Commence RC Drilling at Tick Hill



RC percussion drilling of "Tick Hill style" gold anomalies is planned to commence 1 September 1999. Coincident gold anomalies in prospective structural sites have been generated at Top Tank and The Gap. Further sampling at the High Noon prospect (NE of Top Tank) is in progress to develop drill targets in similar structural settings to Top Tank.

Copper-gold anomalies in prospective structural intersections at the Monastery Creek prospect will also be drilled.

Approximately 1,500m of RC drilling is planned for the initial testing of these anomalies. Further detailed soil sampling is also in progress to define prospective targets at Monastery North and Maiden Tank West.

Renegotiation of Joint Venture Terms

In response to recent falls in the gold price, Montague has successfully renegotiated the terms of its Joint Venture with MIMEX so that Montague's earn-in commitments conform more closely with revised Mines Department minimum expenditures. For example, the minimum current year's expenditure under the revised terms has been reduced from $700,000 to $350,000. These revised terms will allow greater flexibility in managing the Tick Hill exploration expenditure for the remainder of the year (and beyond) thus enabling the company to direct expenditures to the most prospective targets in the project area.

Directors believe that the new terms are more favourable to Montague, and provide for the Company to earn a 30% equity interest upon spending a total of $1.5 million calculated from inception to December 2002. Total expenditure to 30 June 1999 is approximately $800,000 and current year expenditure is approximately $250,000.

Full details of the new terms will be contained in the September 1999 Quarterly Report.

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