ASX RELEASE

MONTEZUMA
MINING COMPANY LTD

7 December 2011

ASX CODE: MZM
ISSUED SHARES: 67.41M
52 WEEK HIGH: $0.95
52 WEEK LOW: $0.25

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

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
3,760,000 FPO Shares

LITHEX RESOURCES LTD
1,525,000 FPO Shares

EXTERRA RESOURCES LTD
2,000,000 FPO Shares

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144% INCREASE IN BUTCHERBIRD PROJECT GLOBAL MANGANESE RESOURCE TO 119 Mt @ 11.6% Mn

- Mineral Resource Estimates completed for seven additional deposits
- Additional Inferred Resources total **70 million tonnes @ 11.4% Mn** reported at a 10% Mn cut-off.
- Global Inferred Mineral Resources for the Butcherbird Manganese Project now stands at **119 million tonnes @ 11.6% Mn** at a 10% Mn cut-off, with
- A further low grade Mineral Resource of **55.9 million tonnes at 9.3% Mn** calculated for material grading 8-10% Mn.

The Company is pleased to advise that independent consultants Snowden Mining Industry Consultants has completed a series of updated resource estimates for the Butcherbird project. The Mineral Resources have been reported as Inferred in accordance with the JORC Code (JORC, 2004) and associated guidelines (Table 3) for seven additional manganese deposits at the Butcherbird Manganese Project as follows:

Classification	**Inferred Resource**	
Cut-off	**10% Mn**	
Deposit	**Tonnes (Mt)**	**Mn (%)**
Bindi Bindi Hill	8.75	11.09
Budgie Hills	1.03	10.82
Cadgies Flats	0.25	11.08
Coodamudgi	12.9	11.48
Illgararie Ridge	17.0	10.71
Mundawindi	14.2	12.23
Richies Find	16.1	11.56
SUBTOTAL	**70.2**	**11.4**
Yanneri Ridge	*48.8*	*11.8*
GLOBAL TOTAL	***119.0***	***11.6***

Table 1: Inferred Mineral Resource Estimates at the Butcherbird Manganese Project are reported at a 10% Mn cut.

Additional Resources have been estimated at an 8% Mn cut for a beneficiated Mn product grading under 35% Mn. These Resources add another 55.9 Million tonnes @ 9.3% Mn to the global estimate. These additional tonnages are expected to provide additional flexibility with respect to blending during production.

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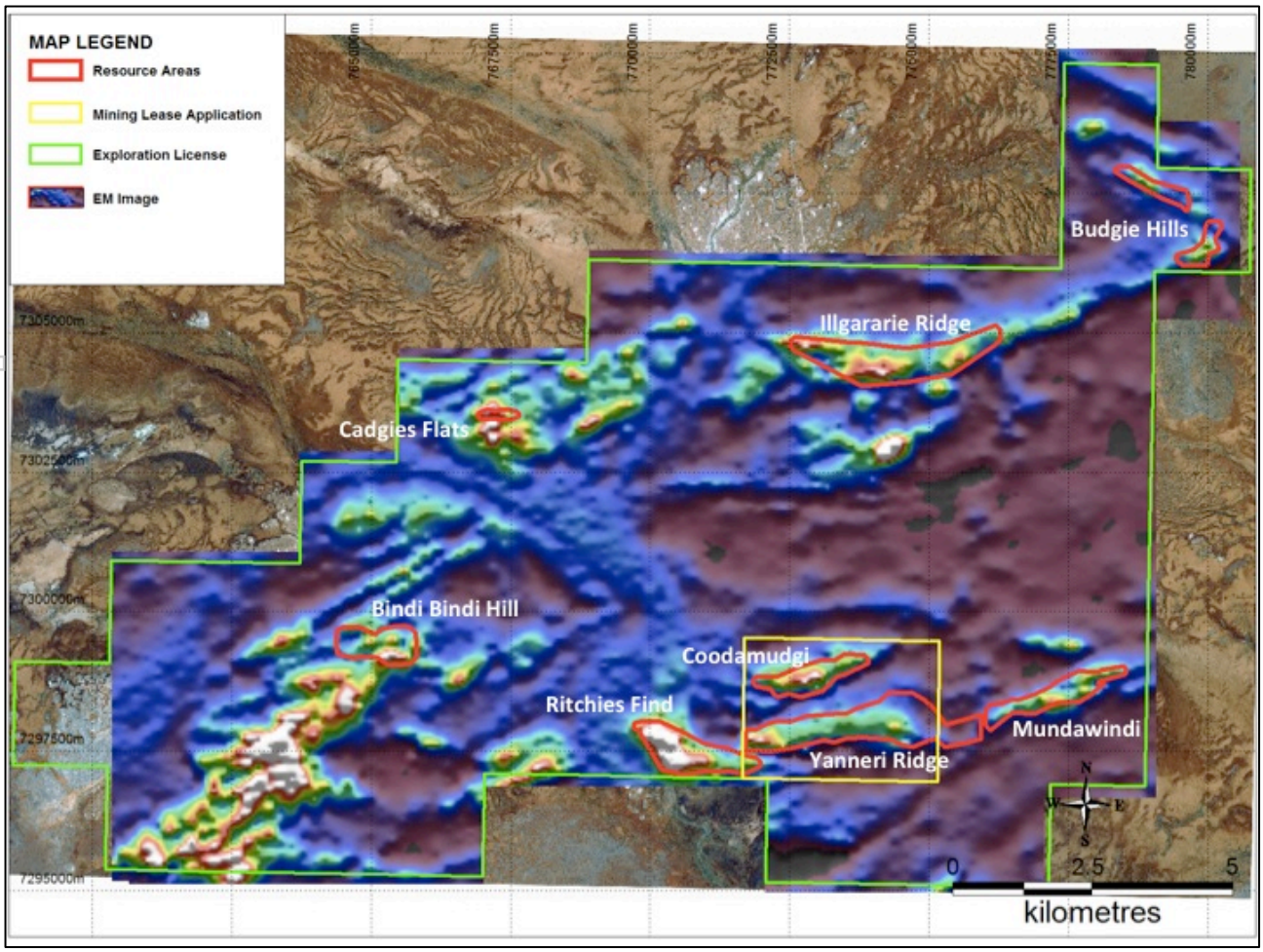
Classification	Inferred Resource	
Cut-off	**8-10% Mn**	
Deposit	**Tonnes (Mt)**	**Mn (%)**
Bindi Bindi Hill	5.7	9.2
Budgie Hills	3.5	8.9
Cadgies Flats	0.2	9.1
Coodamudgi	3.6	9.5
Illgararie Ridge	18.5	9.2
Mundawindi	2.1	9.4
Richies Find	6.6	9.4
SUBTOTAL	**40.1**	**9.3**
Yanneri Ridge*	*15.8*	*9.4*
GLOBAL TOTAL	***55.9***	***9.3***

Table 2: Inferred Mineral Resource Estimates at the Butcherbird Manganese/Copper Project at a 8-10% Mn.

The extrapolated portions of the Inferred Resources in the seven Butcherbird prospects represent approximately between <1% and 30% of the total tonnage except for Cadies Flat which has been extrapolated 38% of the total tonnage. The extrapolated mineralisation has been extrapolated half the drillhole spacing along strike and across strike from the last sample.

The initial metallurgical test results from a diamond and reverse circulation programs, conducted by Montezuma indicates that a saleable product is achievable with the specifications, ≥35% Mn, <0.1% P_2O_5, <18% SiO_2, and <9% Fe, at a 20% yield.

The style of mineralisation at the additional Resource areas is consistent with that seen at the Yanneri Ridge Resource where the Company is currently undertaking a Feasibility Study with a view to producing 0.5Mt – 1Mt of manganese product for export. Based on the geological similarities and preliminary metallurgical test work it is envisaged that these new resources will be amenable to the same mining and beneficiation processes being investigated for Yanneri Ridge and that they therefore represent important long term manganese inventories which enhance the projects overall long term commercial viability.



Item	*Comment*
Database integrity	Snowden carried out the following basic validation checks on the data supplied by Montezuma prior to resource estimation: • Unsurveyed drill hole collar locations. • Drill holes with overlapping sample intervals. • Sample intervals with no assay data. • Duplicate records. • Assay grade ranges. • Collar coordinate ranges. • Valid hole orientation data. No significant errors were identified by the validation.
Drilling Techniques	Reverse circulation drilling is used on the all the prospects at a variable drilling spacing. The drill spacing (XY) for each prospect is summarised below - **Richies Find, Coodamudgi and Munawindi** – 400 m by 100 m. **Ilgarrarie Ridge** – 800 m by 100 m **Budgie Hill** – 100 m by 200 m in the north and 100 x 100 m in the south **Bindi Bindi Hill** – 100 m by 100 m in two drill lines (parallel and perpendicular to the strike). Some infill drilling down to 50 m by 50 m spacing around where the drill lines cross. **Cadgies Flat** – 20 m by 40 m in two drill lines (parallel and perpendicular to the strike)
Geological interpretation	Domaining comprises a series of mineralised lodes within each prospect. The lodes have been interpreted by Montezuma based on a nominal 8% Mn cut-off.
Dimensions	**Richies Find -** The area of mineralisation occurs within a series of lodes which extend over a 2.3 km strike length and average approximately 550 m in width. This area is extended to a known depth of around 9 m from surface. The thickness of the individual zones ranges from less than 1 m up to 15 m. **Coodamudgi** – The mineralisation extends over a 1.3 km strike length and average approximately 600 m in width. Mineralisation extends from 5m below the surface to a depth of 25 m. The thickness of the individual zones ranges from 2 m up to 25 m. **Munawindi** - The area of mineralisation occurs within a series of lodes which extend over a strike length of 2.7 km and a width of 550 m. This area is extended to a known depth of around 33 m from surface. The thickness of the individual zones ranges from 1 m up to 22 m. **Ilgarrarie Ridge** – Mineralisation occurs within a series of lodes which extend over a 3.7 km strike length and average approximately 600 m in width. Mineralisation starts approximately 8m below the surface and extends down to a depth of around 28 m from surface. The thickness of the individual zones ranges from less than 1 m up to 15 m. **Budgie Hill** - The area of mineralisation occurs within a series of lodes which extend over a 1.3 km strike length and average approximately 260 m in width. This area is extended to a known depth of around 32 m from surface. The thickness of the individual zones ranges from 1 m up to 12 m. **Bindi Bindi Hill** - The area of mineralisation occurs within a series of lodes which extend over a 1.3km strike length and average approximately 1.3km in width. This area is extended to a known depth of around 40 m from surface. The thickness of the individual zones ranges from less than 1 m up to 15 m. **Cadgies Flat** - Mineralisation occurs within a series of lodes which extend over a 740 m strike length and average approximately 170 m in width. This area is extended to a known depth of around 11 m from surface. The thickness of the individual zones ranges from 1 m up to 9 m.
Estimation and modelling techniques	Grades for Mn, Fe, Al_2O_3, SiO_2, and P_2O_5 were estimated using ordinary block kriging into parent cells. Parent cells and number of informing samples were determined by KNA, with blocks sub-celled down to 12.5 m by 12.5 m by 0.5 m (YXZ) for all prospects.
Moisture	All tonnages have been estimated as dry tonnages.

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Item	*Comment*
Cut-off parameters	Resource estimate reported at a grade ≥10 % Mn. Low grade material 8 – 10% Mn has also been reported.
Mining factors and assumptions	No mining factors or assumptions have been applied.
Metallurgical factors and assumptions	Metallurgical testwork was completed by Montezuma. The product specification are Mn, <0.1% P_2O_5, <18% SiO_2, and <9% Fe, at a 20% yield.
In situ density	In-situ density set to 2.3 t/m^3 for all zones was applied. Values where provided by Montezuma
Classification	The estimates have been classified as Inferred Mineral Resources based on geological confidence, the integrity of the data, the spatial continuity of the mineralisation as demonstrated by variography, and the quality of the estimation.
Audits and reviews	Snowden has completed an internal peer review of the estimate.
Relative confidence and accuracy	No studies of relative confidence have been carried out.

Table 3: Butcher Bird JORC assessment and reporting criteria for estimation and reporting

Investor Coverage

Recent investor relations, corporate videos and broker/media coverage on the Company's projects can be viewed on the Company's website at www.montezumamining.com.au.

About Montezuma Mining Company Ltd

Listed in 2006, Montezuma (ASX: MZM) is a diversified explorer primarily focused on manganese, copper and gold. Montezuma has a 100% interest in the Butcherbird Manganese/Copper Project and an 85-100% interest in the Peak Hill and Durack Gold Projects in the Murchison region of Western Australia.

More Information

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The Information in this report that relates to exploration results is based on information compiled by Justin Brown, who is a member of the Australian Institute of Mining & Metallurgy. Mr Brown is a geologist who is a full time employee of Montezuma Mining Company Ltd. and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Justin Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report related to the Mineral Resources is based on information compiled by Shane Fieldgate under the supervision of Ivor Jones. Mr Fieldgate is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full time employee of Snowden Mining Industry Consultants. Mr Jones is a Fellow of the Australasian Institute of Mining and metallurgy (AusIMM), a Chartered Professional (Geology) and is a full time employee of Snowden Mining Industry Consultants. Mr Jones has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ivor Jones and Shane Fieldgate consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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