



15 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

DSO MANGANESE POTENTIAL CONFIRMED AT BUTCHERBIRD MANGANESE PROJECT

- Six potential DSO localities identified with five tested in current programme via bulk sampling using scraping and trenching.
- **Mn grades of +40% Mn achieved** at key, larger tonnage localities.
- Test work emulated simple mining and mobile processing method, with very low capital requirements and operational risk.
- Further work to be undertaken in 2012 to confirm DSO surface deposits size, recoveries and product grades.

The Company is pleased to advise that results have been received for a bulk sampling programme recently completed at the Butcherbird Manganese Project. The programme targeted five of six identified sites with potential for Direct Ship Ore ("DSO") surface mineralisation grading 40% Mn.

The test work was undertaken to determine if these occurrences could complement the global JORC resources by providing early production material with low capital and operational costs with the benefit of minimal processing requirements.

Two sampling techniques were used; scraping, which removed the top 0.1m of material and trenching, which sampled the underlying 0.2-0.3m of material. Summary results are as follows:

Area/Raw Material Type	Exploration Target (t)	Mn Product Type	Est. Yield (%)	Product Grade %Mn
Cadgies Flats / Scrapings	30,000 - 50,000	Lump DSO	57%	40-42
Cadgies Flats / Trench	10,000 - 20,000	Lump DSO	46%	40-42
Bindi Bindi Hill / Scrapings	200,000 - 400,000	Lump DSO	59%	40-42
Bindi Bindi Hill / Trench	50,000 - 100,000	Lump DSO	20%	40-42
Budgie Hill / Scrapings	60,000 - 100,000	Lump DSO	72%	40-42
Illgararie Hill / Scrapings	50,000 - 80,000	Lump DSO	61%	40-42
Illgararie Hill / Trench	10,000 - 30,000	Lump DSO	32%	40-42
TOTAL	410Kt - 780Kt	Lump DSO	55%	40-42%

Table 1: Summary results and Exploration Target estimates for DSO lump manganese products from several surface deposits at Butcherbird.

***It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

The surface detrital manganese deposits are separate to the previously reported JORC resources. The manganese discussed herein occurs as unconsolidated slabs of platy and botryoidal manganese, which have been subjected to tertiary upgrading via surface weathering.

The test work completed on the samples, which were collected in October of 2011, involved screening, washing and crushing only. No gravity separation techniques were applied. These test results are inclusive of both screened natural lump and crushed oversize (+6mm/-32mm) material.

Results to date suggest that a DSO lump product is achievable from these areas via simple surface mining, washing, screening and crushing, yielding the specifications, $\geq 40\%$ Mn, $<0.1\%$ P, $<15\%$ SiO₂, and $<7\%$ Fe. The significant tonnages of DSO ore which could be potentially recovered from these deposits represents important short term manganese inventories which are expected to enhance the projects commercial outcome.

The envisaged production from these areas is in addition to the work currently being completed as part of the Feasibility Study that is looking at long term production of up to 1Mt of manganese ore from the existing JORC resources.

Composite ID	Area Raw Material Type	Mn Product Type	Yield %	Mn %	Fe %	P %	SiO ₂ %
BTD001-3	Cadgies Flats Scrapings	Lump DSO	57%	40.6	6.7	0.08	14.7
BTD004	Cadgies Flats Trench	Lump DSO	46%	41.3	6.0	0.10	14.3
BTD005-7	Bindi Bindi Hill Scrapings	Lump DSO	59%	41.5	6.0	0.05	14.2
BTD008	Bindi Bindi Hill Trench	Lump DSO	20%	40.1	6.6	0.07	15.4
BTD009-12	Budgie Hill Scrapings	Lump DSO	72%	39.6	6.6	0.07	16.2
BTD010	Budgie Hill Trench	Lump DSO	16%	33.4	11.2	0.08	18.2
BTD013	Illgararie Hill Scrapings	Lump DSO	61%	40.6	6.0	0.10	15.7
BTD014	Illgararie Hill Trench	Lump DSO	32%	39.9	7.0	0.10	15.6
BTD015-16	Yanneri Ridge Scrapings	Lump DSO	45%	36.5	8.3	0.11	17.7
<i>*Not Tested</i>	Mungajerry Scrapings	Lump DSO					

Table 2: Detailed assay results for surface DSO manganese bulk sampling programme. Assays are for the natural lump and lump generated through crushing. Assays were undertaken by Nagrom Laboratories using XRF analysis.

*Note: *Not tested indicated wet weather restricted access at time of testwork.*

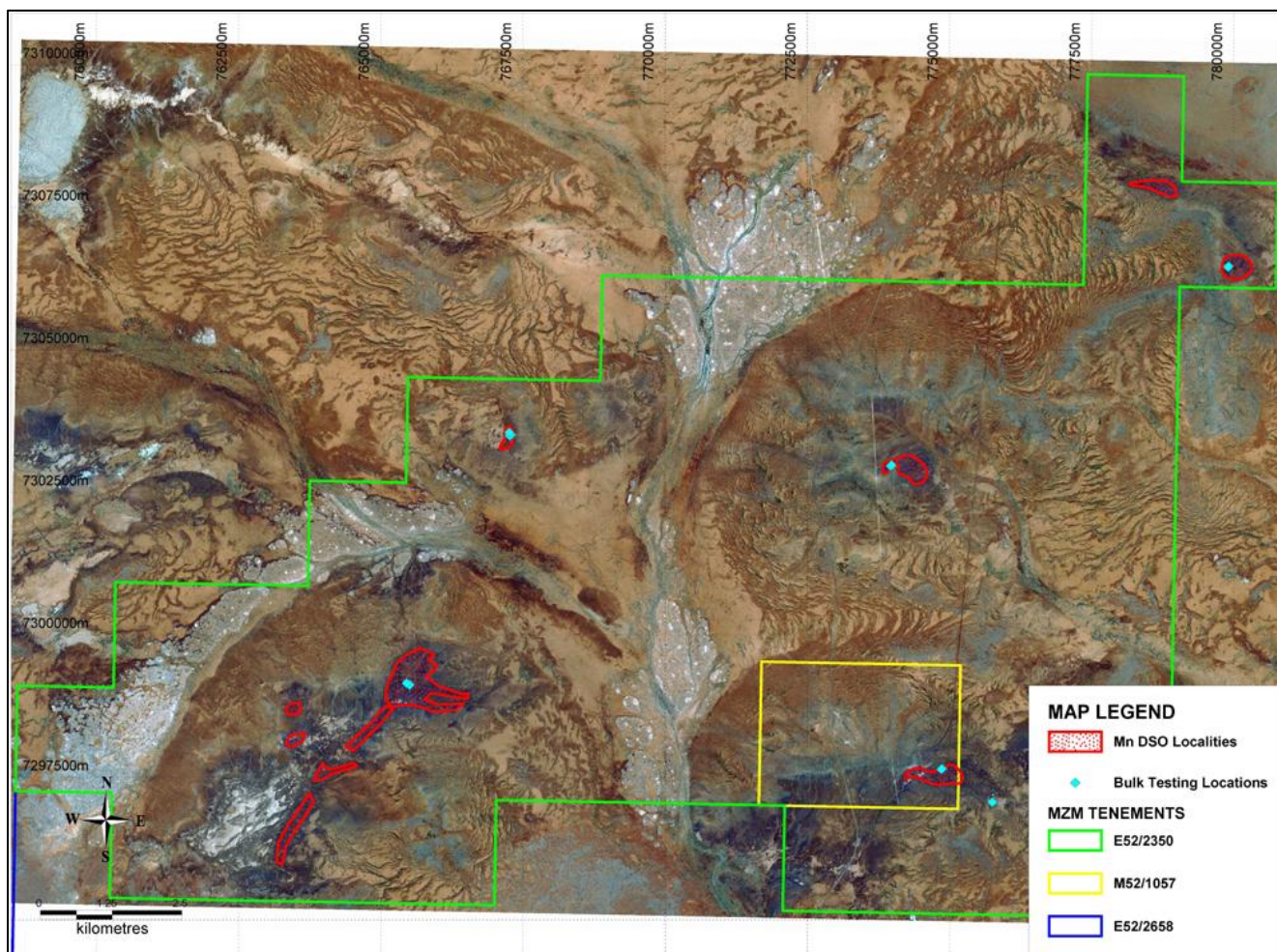


Figure 1: Potential DSO manganese occurrences at Butcherbird Manganese Project.

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.