

14 JANUARY 2016

SECOND TRANCHE OF ASSAYS EXTENDS STRIKE AT JATZ AEROMAGNETIC SURVEY GENERATES MULTIPLE NEW TARGETS

- Second tranche of assays from maiden RC drilling at Jatz yields basement hosted **ore grade gold 400m north** of discovery hole (Figure 1).
- Results augment recently released RC drilling results which returned basement hosted gold values **up to 19.1 g/t¹**.
- Results to date confirm the Jatz structural corridor as a high priority target zone for immediate follow up work.
- Assays released to date relate to the first 16 drillholes, with **results for the remaining 21 holes pending**.

Montezuma Mining Company Ltd ("Montezuma" or "Company") is pleased to announce complete assay results for the first 16 RC drillholes drilled at the Company's 100% owned Yamarna Project which have returned multiple ore grade intercepts including high grades up to 19.1 g/t Au. The remaining 21 holes of the 37 hole programme remain pending.

The results are from two reconnaissance drill traverses across a regional scale soil and aircore geochemical anomaly at the Jatz Prospect. The two traverses represent the first ever RC drilling completed within the Jatz gold corridor which extends over a strike length of approximately 5 km.

The gold occurs in zones of altered greenstones with variable silica, carbonate, pyrite, sericite alteration with quartz veining. The mineralisation has all the hallmarks of a mesothermal shear hosted gold system with potential for significant scale.

The Company has also completed a close spaced aeromagnetic survey at the Yamarna Project which has been instrumental in highlighting a number of additional structural targets with potential to host large scale gold deposits. These target areas will be further explored as part of the activity pipeline planned for 2016.

Executive Director Justin Brown said "To intersect ore grades in both maiden reconnaissance drill traverses at Jatz has exceeded all expectations. Whilst still early days, the fact that every phase of work to date has yielded further success bodes well for the future of the Yamarna Project. The Company looks forward to accelerating the work programmes at Yamarna throughout 2016."

¹ http://www.montezumamining.com.au/images/uploads/151202_Yamarna_RC_Drilling_-_High_Grade_Gold_Confirmed.pdf

ABOUT MONTEZUMA MINING

Listed in 2006, Montezuma Mining Company Ltd (ASX: MZM) is a diversified explorer primarily focused on manganese, copper and gold. The Company's primary objective is to achieve returns for shareholders through selected strategic acquisitions and targeted exploration.

Montezuma Mining has 100% interests in the Yamarna Gold Project in the Yamarna Greenstone Belt, Western Australia and the Butcherbird Manganese/Copper Project in the Murchison region of Western Australia

MARKET DATA

ASX code:	MZM
Share price:	\$0.24
Shares on issue:	70,464,350
Market capitalisation:	\$16.9M
Cash (30 September 2015):	\$6.22M

BOARD AND MANAGEMENT

Chairman	Seamus Cornelius
Executive Director	Justin Brown
Non-Executive Director	John Ribbons
Exploration Manager	Brad Drabsch



Company information, ASX announcements, investor presentations, corporate videos and other investor material on the Company's projects can be viewed at www.montezuma.com.au

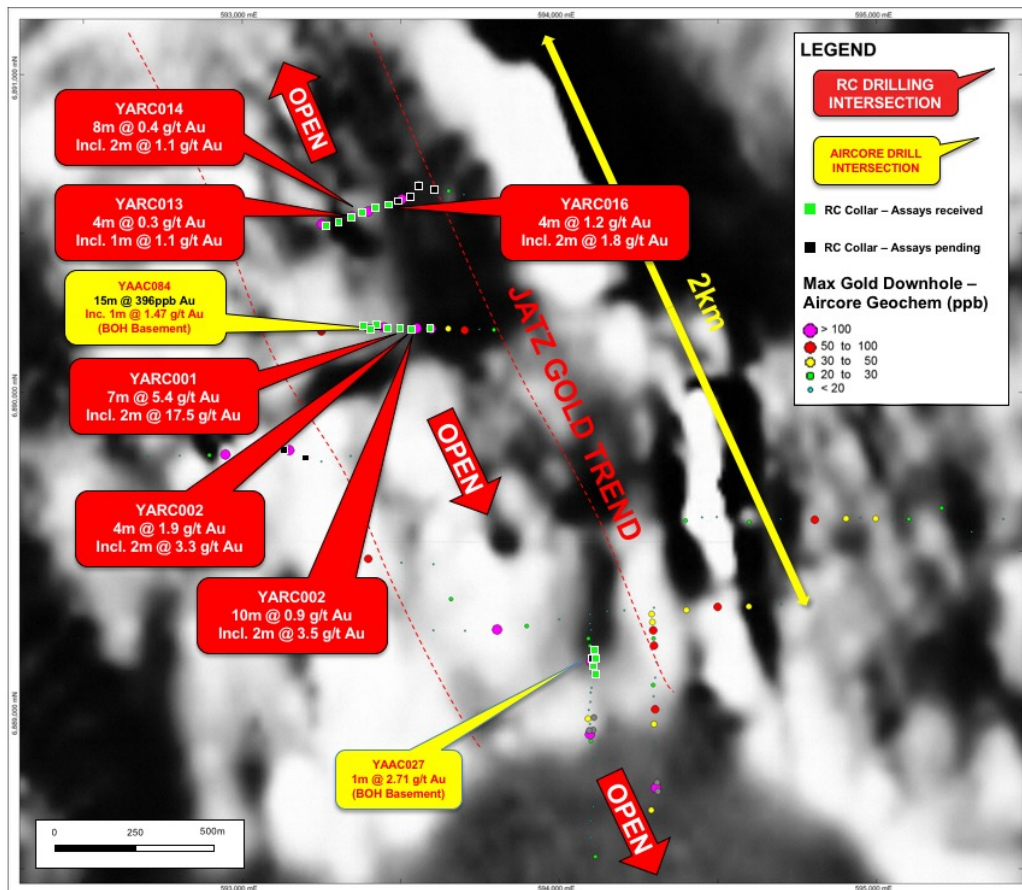


Figure 1: Collar locations over aeromagnetics. Assays from RC drilling are for the first 16 holes of a 37 hole programme.

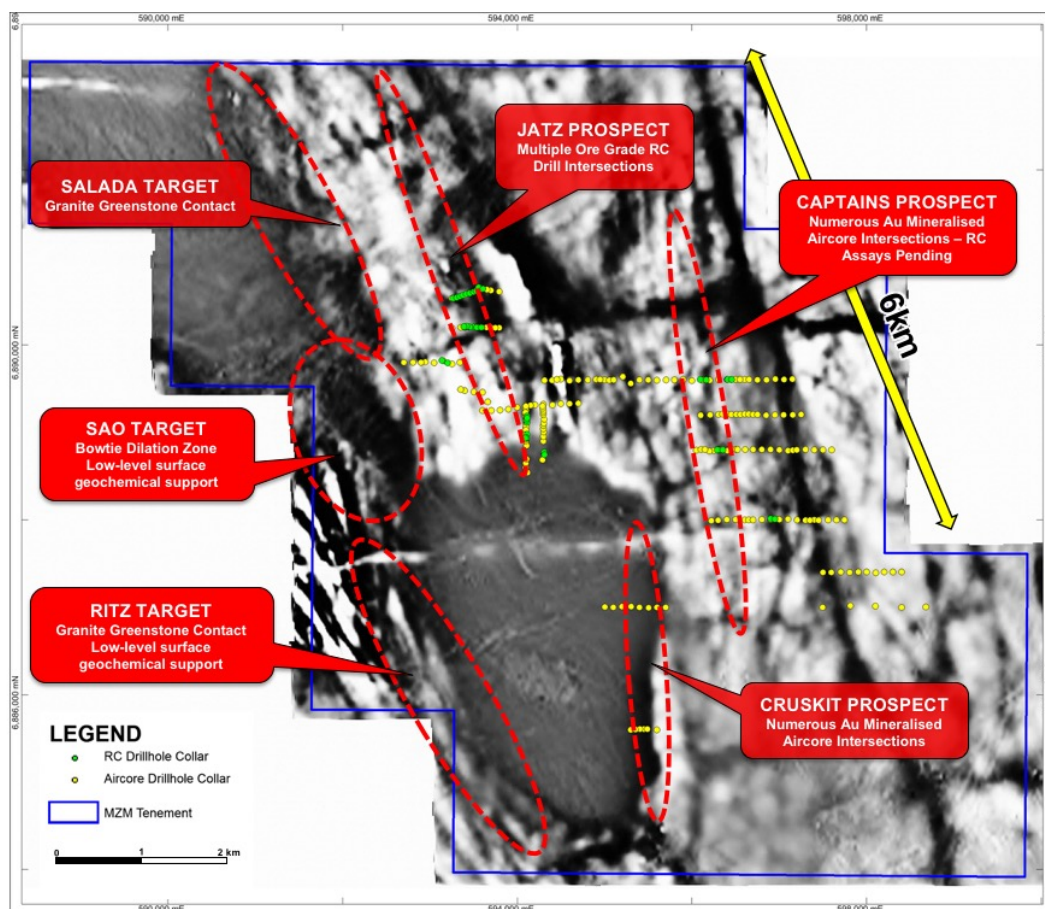


Figure 2: Multiple new targets identified by recently flown close spaced aeromagnetics. Targets shown over 1vD RTP data.

Hole ID	Easting (MGA 94 Z51)	Northing (MGA 94 Z51)	Nominal RL (m)	Dip (°)	Az. (mag °)	Total Depth (m)	Depth From (m)	Depth To (m)	Intercept Width (m)	Au (g/t)
Previously reported aircore results at the Jatz Prospect										
YAAC027	594100	6889153	411	-90	000	14	13	14	1	2.7
YAAC084	593447	6890204	398	-90	000	55	40	55	15	0.4
New RC assay results										
YARC001	593496	6890206	398	-60	270	138	46	56	10	0.9*
						Including	52	54	2	3.5*
							64	71	7	5.4*
						Including	65	67	2	17.5*
YARC002	593532	6890201	398	-60	270	132	119	123	4	1.9*
						Including	120	122	2	3.2*
YARC003	593404	6890204	397	-60	090	120	46	47	1	0.2
							51	52	1	0.1
							79	81	2	0.2
YARC004	593457	6890205	398	-60	270	90	42	47	5	0.2
YARC005	593421	6890213	397	-60	270	96	45	47	2	0.3
YARC006	593387	6890207	397	-60	270	132	70	71	1	0.2
							95	96	1	0.3
							122	123	1	0.2
YARC007	594107	594107	411	-60	180	72	No Significant Assays			
YARC008	594110	594110	411	-60	180	78	No Significant Assays			
YARC009	594107	594107	411	-60	000	60	No Significant Assays			
YARC010	594110	594110	412	-60	000	78	No Significant Assays			
YARC011	593265	6890530	396	-60	250	150	59	65	6	0.1
							74	75	1	0.1
							103	104	1	0.3
							136	138	2	0.2
YARC012	593306	6890539	396	-60	250	120	77	79	2	0.1
YARC013	593344	6890553	395	-60	250	126	73	74	1	0.1
							107	111	4	0.3
						Including	110	111	1	1.1
YARC014	593376	6890567	395	-60	250	120	58	66	8	0.4
						Including	58	60	2	1.1
							71	72	1	0.1
YARC015	593414	6890581	395	-60	250	120	45	46	1	0.1
YARC016	593456	6890590	395	-60	250	192	80	84	4	1.2
						Including	81	83	2	1.8
							110	112	2	0.1
							126	133	7	0.3
							156	165	9	0.3
YARC017	593495	6890604	396	-60	250	215	Assays Pending			
YARC018	593530	6890617	397	-60	250	120	Assays Pending			
YARC019	593557	6890657	398	-60	250	168	Assays Pending			
YARC020	593605	6890639	397	-60	270	210	Assays Pending			
YARC021	593588	6890200	399	-60	270	201	Assays Pending			
YARC022	593203	6889794	399	-60	270	120	Assays Pending			
YARC023	593137	6889820	398	-60	270	126	Assays Pending			
YARC024	594113	6889163	412	-60	270	60	Assays Pending			
YARC025	594109	6888976	414	-60	180	138	Assays Pending			

Hole ID	Easting (MGA 94 Z51)	Northing (MGA 94 Z51)	Nominal RL (m)	Dip (°)	Az. (mag °)	Total Depth (m)	Depth From (m)	Depth To (m)	Intercept Width (m)	Au (g/t)
YARC026	594106	6888937	416	-60	180	78	Assays Pending			
YARC027	594094	6888935	416	-60	000	54	Assays Pending			
YARC028	594308	6888771	421	-60	270	120	Assays Pending			
YARC029	594311	6888743	419	-60	270	126	Assays Pending			
YARC030	596094	6889606	411	-60	270	120	Assays Pending			
YARC031	596164	6889599	410	-60	270	120	Assays Pending			
YARC032	596408	6889602	408	-60	270	120	Assays Pending			
YARC033	596452	6889603	408	-60	270	120	Assays Pending			
YARC034	596291	6888801	420	-60	270	120	Assays Pending			
YARC035	596351.4	6888800	420	-60	270	120	Assays Pending			
YARC036	596898	6888011	425	-60	270	120	Assays Pending			
YARC037	596948	6888010	425	-60	270	120	Assays Pending			

Table 1: Significant gold assays >0.1 g/t (max. 2m internal dilution) from recently completed RC drilling at the Yamarna Project. All intersections are quoted as downhole widths. Assays have now been received for the first 16 holes of a 37 hole programme. Assays completed by Aqua Regia digest except where * denotes fire assays.

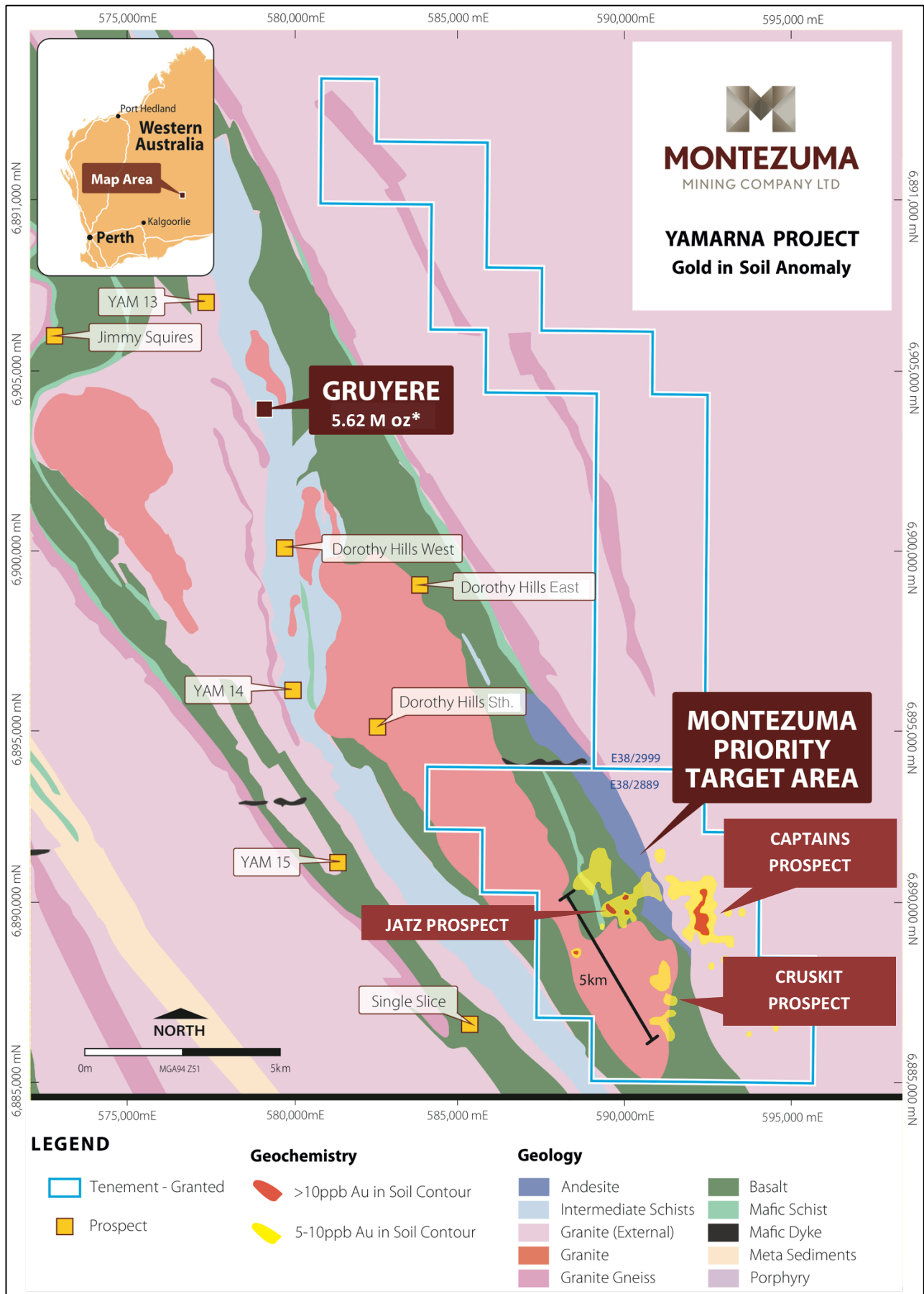


Figure 3: Gold in soil anomalies generated by Montezuma's recently completed soil sampling programme over interpreted basement geology. * <http://www.goldroad.com.au/reports/431bxcg4t7pqdd.pdf>

FOR MORE INFORMATION...

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The information in this report that relates to Exploration Results, Mineral Resources and Mineral Reserves is based on information compiled by Mr Bradley Drabsch who is a member of the Australasian Institute of Geoscientists. At the time that the Exploration Results, Mineral Resources and Mineral Reserves were compiled, Mr Drabsch was an employee of Montezuma Mining Company Ltd. Mr Drabsch is a geologist 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 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Drabsch consents to the inclusion of this information in the form and context in which it appears in this report.

Please note with regard to exploration targets, 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.

JORC Table 1 (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- Reverse circulation (RC) percussion drill chips collected through a cyclone and cone splitter at 1m intervals (except for the first 8m of transported overburden, which is collected from the bulk reject as 4m composite samples). - Spitter is cleaned regularly during drilling. - Splitter is cleaned and levelled at the end of each hole. - Mineralisation determined qualitatively through rock type, sulphide and quartz content and intensity of alteration. - Mineralisation determined quantitatively via assay (50g Fire Assay and AAS determination for gold at 1m intervals or 10g Aqua Regia digest with MS determination for gold). - RC samples pulverized to 75 µm with gold determined by 50g Fire Assay and AAS finish or 10g Aqua Regia digest with an MS finish for Au (and other elements) determination at 1m intervals.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Face sampling Reverse Circulation drilling.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Recoveries qualitatively noted at the time of drilling and recorded in the MZM database. - Sample splitter is cleaned at the end of each rod to ensure no sample hang-ups have occurred. - Wet samples due to excess ground water are noted where present. - No relationship between grade and recovery has yet been established.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	- All samples are logged to a level of detail to support future use in a mineral resource calculation should it be required. - Qualitative: Lithology, alteration, mineralisation. - Quantitative: Vein percentage, assaying for gold and other elements. - All holes for their entire length are logged.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>The total length and percentage of the relevant intersections logged.</i> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	- RC chips cone split, sampled dry where possible and wet when excess ground water could not be prevented. - Sample condition (wet, dry or damp) is recorded at the time of logging. - The entire sample (approx. 2-3kg) has been dried and pulverised to 85% passing 75µm. - Field duplicates have been collected and results are within expected limits. - Sample sizes are considered appropriate for the grainsize of the material sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	- A 10g Aqua-Regia digest followed by an MS finish was used to determine all elemental concentrations. Aqua-regia is an industry standard, partial digest technique that typically approximates a total digest for Au and other metals in the style of deposit targeted. - Fire assay is a total digest technique and is considered appropriate for gold. - Assays were returned for the following elements: Au, Ag, As, Cu, Pb, Zn, Ni, Mo, Bi, Sb, Te and W - Certified Reference Material (Standards and blanks) are submitted with batches (approximately 1 in every 25 samples) and laboratory inserted standards, blanks and duplicates are also reported. The results reported for are all within tolerable limits.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	- All data have been checked internally for correctness by senior MZM geological and corporate staff. - All data is collected via Geobank Mobile software and uploaded into the MZM Geobank Database following validation. - No adjustments have been made to assay data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	- All location points were collected using handheld GPS in MGA 94 – Zone 51. - Downhole surveys are conducted at approximately 30m intervals

Criteria	JORC Code explanation	Commentary
	<i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	using industry standard downhole survey tools.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- Drillhole collars are spaced at approximately 40m intervals across zones of interest. - Hole spacing is appropriate for drilling at this early stage in the exploration process. - Sample compositing has been applied for only the top 8m of each hole in transported overburden, the remainder being sampled at 1m intervals.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	- The orientation of structures is not known with certainty but drilling was conducted using appropriate orientations for interpreted structures. - Bias introduced by drill orientation with respect to structures is not known.
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of custody was managed by company representatives and is considered appropriate. All samples are bagged in a tied numbered calico bag, grouped into larger polyweave bags and cable tied. Polyweave bags are placed into larger bulky bags with a sample submission sheet and tied shut. Consignment note and delivery address details are written on the side of the bag and delivered to Toll in Laverton. The bags are delivered directly to MinAnalytical in Canning Vale, WA who are NATA accredited for compliance with ISO/IEC17025:2005.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No external audits or reviews have been conducted apart from internal company review.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- E38/2889 is 100% owned by Montezuma Mining Company Limited and is in good standing and there are no known impediments to maintaining a licence to operate in the area. - The land on which E38/2889 is situated within Aboriginal Reserve 20396. Montezuma Mining Company Limited has obtained "Mining Entry Permits" to operate within the licence area.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Very little exploration has been undertaken in the area of E38/2889 previously. The most detailed work was carried out by WMC during the mid-1990's where they collected -75um soil samples on a regional scale. WMC did not follow-up the low tenor anomalies they defined in the current work area at the time.
Geology	Deposit type, geological setting and style of mineralisation.	- Not enough information has been gathered to adequately define the precise geology in the area as it is largely covered in recent sand. - Early observations indicate that the mineralisation present at Yamarna appears to be part of a typical Yilgarn Craton, Archaean, shear hosted, meso-thermal style system.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length.	See appendix to the release.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used	- No top-cuts have been applied when reporting results. - First assay from the interval in question is reported (i.e. Au1). - Aggregate sample assays calculated using a length weighted average.

Criteria	JORC Code explanation	Commentary
	<i>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	- Significant grade intervals based on intercepts > 0.1 g/t gold. - No metal equivalent values have been used for reporting of results.
Relationship between mineralisation widths and intercept lengths	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	- Not enough information has been gathered to adequately define the precise geology in the area as it is largely covered in recent sand. - True widths are not known, however, initial observations indicate the drilling is appropriate to the interpreted orientation of mineralising structures and downhole widths will approximate true widths.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to figures in document.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All drillhole locations are reported and a table of significant intervals is provided in the release text.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	All meaningful and material information is reported.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Drilling at the Yamarna Project is continuing at the present time.