

Highlights:

- Geochemical blade-refusal aircore programme along the Jatz strike corridor returns numerous basement gold intersections with a **peak value of 12.1 g/t gold**.
- Other results include:

YAAC251	9m @ 1.65 g/t Au from 30m
YAAC286	8m @ 1.20 g/t Au from 20m
- Regional scale high-tenor basement gold anomaly at Jatz now extends **over 1 km in strike at over 0.5 g/t gold**.
- Anomaly broadens in width and grade to the north and is open to the north and west.
- Multiple regional coincident magnetic and/or surface geochemical targets have been identified for aircore drill testing.
- Heritage clearance received to extend drill coverage across much of E38/2889.
- Next phase of drilling comprising approximately 7,000 metres of geochemical aircore drilling has commenced.
- Programme designed to extend the kilometre scale, high-tenor (>0.5 g/t Au) geochemical anomaly within the Jatz strike corridor and further north within the broader, approximately 5km X 2km package of Archean greenstones to the west and north of Jatz.



QUARTERLY OPERATIONS REPORT

31 MARCH 2016

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 Project in the Murchison region of Western Australia

MARKET DATA

ASX code:	MZM
Share Price:	\$0.21
Shares on issue:	70,464,350
Market capitalisation:	\$14.8M

BOARD AND MANAGEMENT

Chairman	Seamus Cornelius
Executive Director	Justin Brown
Non-Executive Director	John Ribbons



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

YAMARNA PROJECT: (MZM 100%)

Geochemical Aircore Drilling

Montezuma Mining Company Ltd (“Montezuma” or “Company”) announced during the quarter the results from further geochemical aircore drilling at the Company’s 100% owned Yamarna Project. This work significantly extended the basement gold anomaly at the Jatz Prospect with gold grades **up to 12.1 g/t gold** returned (see figure 1, significant results are presented below in table 1).

The drilling to date at Jatz has tested only a small part of what is now interpreted as a target corridor approximately 5km in strike length and up to 2km in width, containing greenstone rocks with demonstrated potential for high grade Archean gold mineralisation.

The latest programme has extended the high grade basement geochemical signature **to at least 1km in strike at over 0.5 g/t (500ppb) gold**. The anomaly is coherent and strikes in a north westerly direction and appears to be strengthening to the north. Mineralisation is open to the north and west.

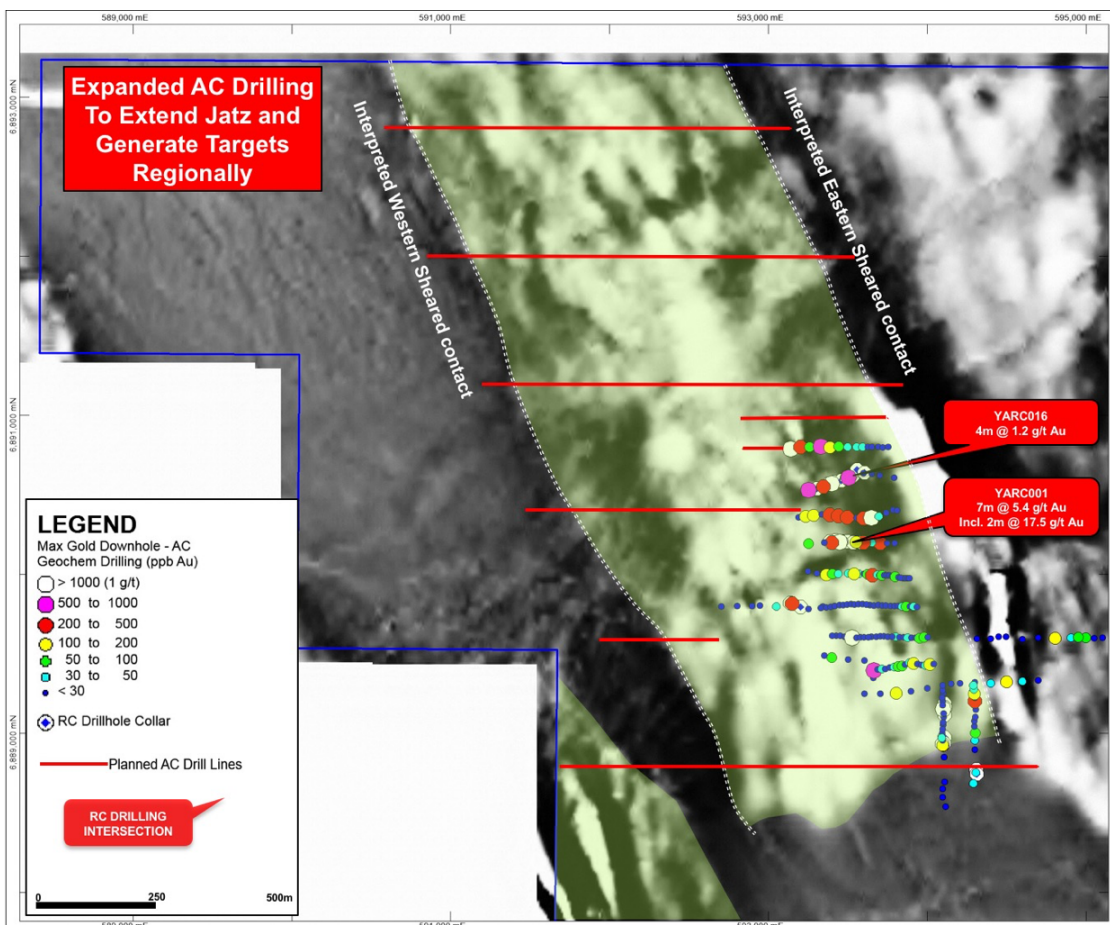
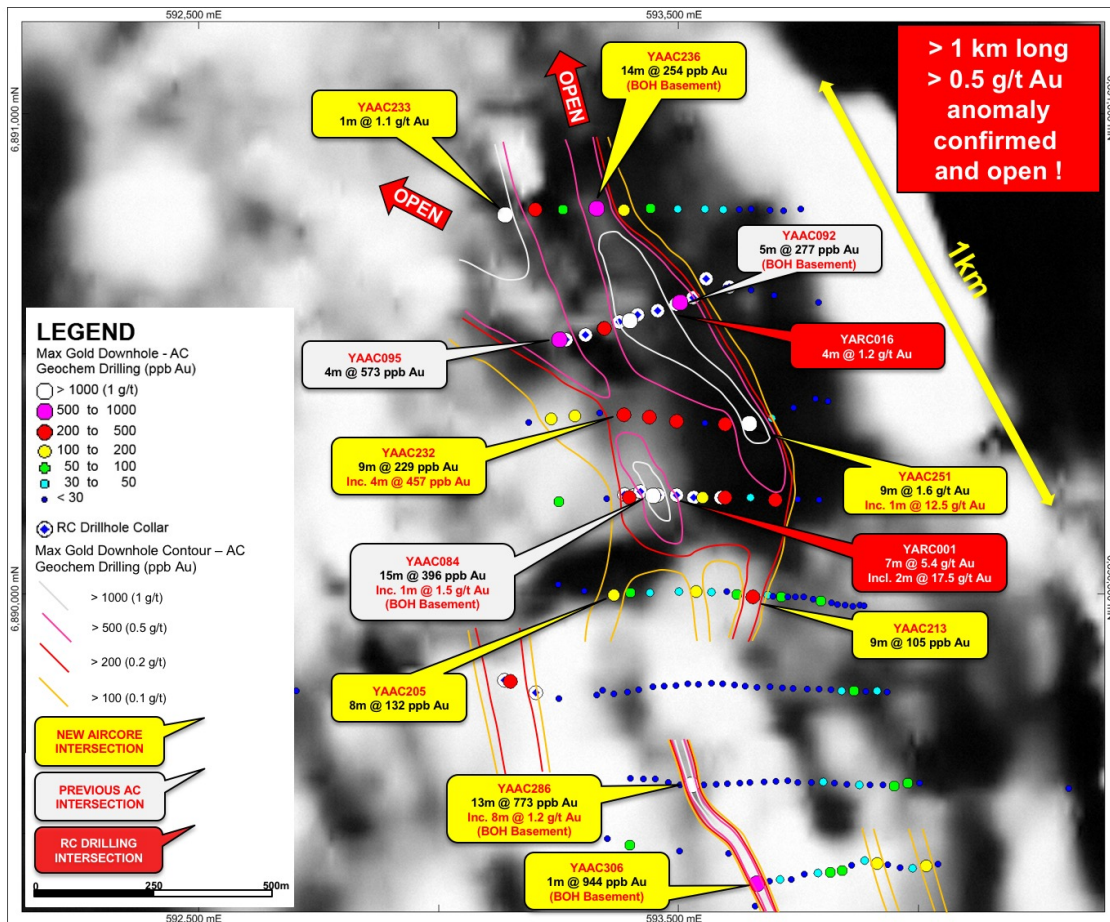
Heritage clearances have been received and drilling to extend the Jatz geochemical anomaly to the north has commenced.

In addition to extending the bedrock gold target at Jatz, the current round of drilling will also provide broad spaced regional baseline geochemical and geological data on an 800m X 100m spacing, with the aim of generating additional targets (see figures 2 and 3).

It is important to note that, to date, the main tool used to generate targets has been regional soil geochemical sampling. A better understanding of the geology at Yamarna from previous phases of work has confirmed multiple additional geological/structural targets which remain untested. The drilling programme now underway will provide a first pass geochemical and geological dataset to assist in the target definition process.

Hole ID	Easting (MGA 94 Z51)	Northing (MGA 94 Z51)	Nominal RL (m)	Dip (°)	Azimuth (mag °)	Total Depth (m)	Depth From (m)	Depth To (m)	Intercept Width (m)	Au (ppb)
YAAC205	593365	6889997	398	-60	267	39	20	28	8	132
YAAC206	593400	6890002	398	-60	272	43	9	10	1	54
YAAC209	593537	6890004	399	-60	273	30	23	30	7	69
YAAC212	593622	6889999	400	-60	274	34	11	12	1	57
and							28	31	3	69
YAAC213	593655	6889994	400	-60	270	29	16	25	9	105
YAAC216	593714	6889994	400	-60	274	15	12	15	3	79
YAAC221	593797	6889985	400	-60	273	22	21	22	1	59
YAAC229	593234	6890365	394	-60	267	61	32	37	5	121
YAAC232	593386	6890373	396	-60	280	68	26	30	4	120
and							48	49	1	194
and							58	67	9	229
						Incl	58	62	4	457
YAAC233	593139	6890790	393	-60	259	71	48	53	5	209
and							65	66	1	1087 (1.08 g/t)
YAAC234	593201	6890801	393	-60	268	67	32	37	5	330
YAAC235	593259	6890801	393	-60	268	84	76	80	4	95
YAAC236	593329	6890803	394	-60	273	62	48	62	14	254
YAAC237	593386	6890799	394	-60	267	60	19	24	5	96
YAAC247	593439	6890368	396	-60	275	66	48	56	8	176
YAAC248	593496	6890360	396	-60	270	60	34	41	7	186
and							44	47	3	66
and							51	52	1	115
YAAC250	593597	6890353	398	-60	270	51	50	51	1	419
YAAC251	593647	6890355	398	-60	265	54	30	39	9	1648 (1.65 g/t)
						Incl	30	31	1	12531* (12.53 g/t)
and							53	54	1	51
YAAC277	593866	6889797	401	-60	270	12	10	11	1	54
YAAC286	593527	6889601	402	-60	270	29	16	29	13	773
						Incl	20	28	8	1201 (1.20 g/t)
YAAC304	593978	6889605	402	-60	270	10	8	10	2	71
YAAC306	593664	6889396	404	-60	270	27	26	27	1	944
YAAC312	593816	6889419	406	-60	270	13	12	13	1	58
YAAC313	593841	6889423	407	-60	270	12	10	12	2	78
YAAC316	593914	6889438	407	-60	270	10	9	10	1	129
YAAC320	594016	6889433	408	-60	270	15	13	15	2	125

Table 1: Significant gold assays >50ppb from recently completed aircore drilling at the Yamarna Project. All intersections are quoted as downhole widths. (Note - * indicates this is a Fire Assay Repeat following an over range result initially.



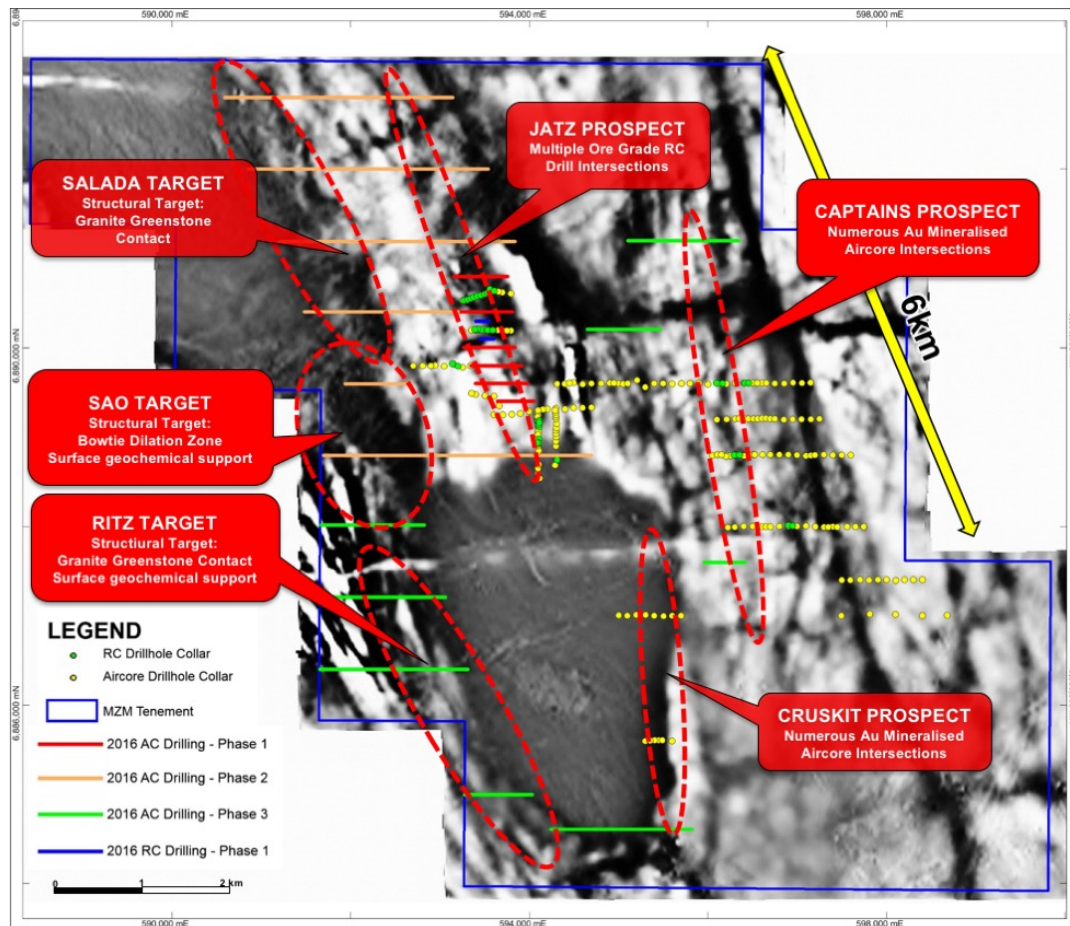


Figure 3: Multiple new targets identified by recently flown close spaced aeromagnetics. Targets shown over 1vD RTP data.

RC Drilling

During the quarter, final assay results were released for the previously completed RC programme. The programme returned multiple ore grade intercepts including high grades up to 19.1 g/t Au. Full results are tabulated below.

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

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)
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	61	62	1	0.1
							111	120	9	0.7
						Including	119	120	1	3.8
							126	127	1	0.1
YARC018	593530	6890617	397	-60	250	120	No Significant Assays			
YARC019	593557	6890657	398	-60	250	168	136	138	2	0.3
YARC020	593605	6890639	397	-60	270	210	61	62	1	0.1
YARC021	593588	6890200	399	-60	270	201	No Significant Assays			
YARC022	593203	6889794	399	-60	270	120	87	88	1	0.2
							101	104	3	0.1
							107	108	1	0.5
							111	112	1	0.3
YARC023	593137	6889820	398	-60	270	126	37	40	3	0.4
							96	97	1	0.1
YARC024	594113	6889163	412	-60	270	60	28	29	1	0.2
YARC025	594109	6888976	414	-60	180	138	No Significant Assays			
YARC026	594106	6888937	416	-60	180	78	No Significant Assays			
YARC027	594094	6888935	416	-60	000	54	No Significant Assays			
YARC028	594308	6888771	421	-60	270	120	75	76	1	0.2
YARC029	594311	6888743	419	-60	270	126	No Significant Assays			
YARC030	596094	6889606	411	-60	270	120	No Significant Assays			
YARC031	596164	6889599	410	-60	270	120	No Significant Assays			
YARC032	596408	6889602	408	-60	270	120	37	38	1	0.1
YARC033	596452	6889603	408	-60	270	120	No Significant Assays			
YARC034	596291	6888801	420	-60	270	120	No Significant Assays			
YARC035	596351	6888800	420	-60	270	120	16	21	5	0.2
							24	25	1	0.2
YARC036	596898	6888011	425	-60	270	120	48	50	2	1.2
YARC037	596948	6888010	425	-60	270	120	50	51	1	0.3

Table 2: Significant gold assays >0.1 g/t (max. 2m internal dilution) from RC drilling completed in the previous Quarter at the Yamarna Project. All intersections are quoted as downhole widths. Assays completed by Aqua Regia digest except where * denotes fire assays.

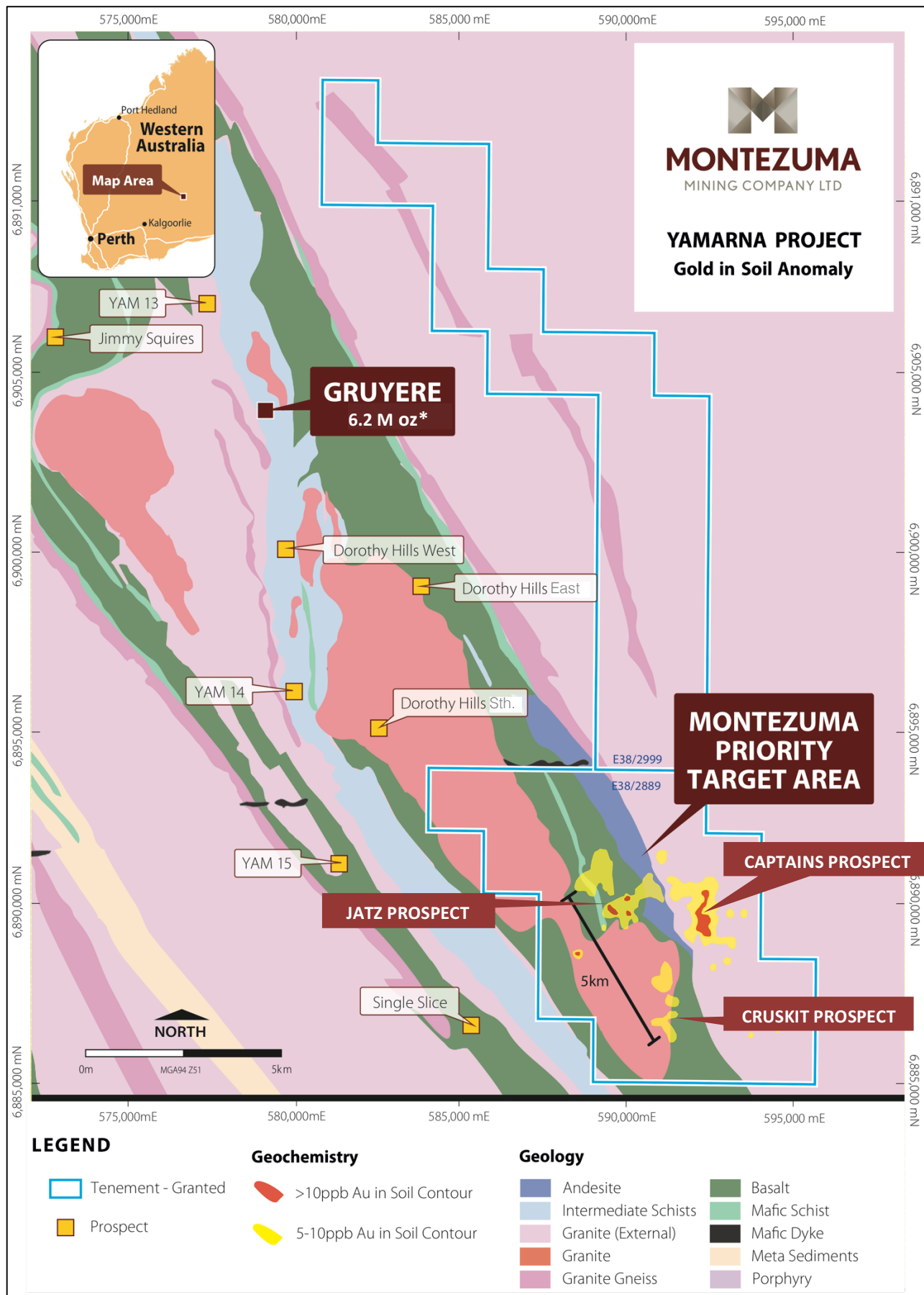


Figure 4: Regional location plan showing the Yamarna Project in context with the Gruyere gold discovery.

BONNEVAL GOLD PROJECT FRANCE (UNDER APPLICATION)

The Bonneval application continues to progress through the approvals process and the market will be advised when any material developments transpire.

CORPORATE

During the Quarter, the Company continued its ongoing capital management strategy by investing an additional \$1M in Danakali Ltd (“Danakali”) by participating in a recent capital raising undertaken by Danakali to raise approximately \$5.5M at an issue price of \$0.22 per share with a one for two attached option exercisable at \$0.35 with a two year expiry¹.

This increases the Company’s investment in Danakali to approximately 7.5M shares and 2.3M options. The Company believes that the world class Colluli Potash Project has been de-risked through the release of a robust definitive feasibility study late in 2015, is attractively valued at the placement price and is favourably positioned for growth with the potential for strong capital gains in the short to medium term.

FOR MORE INFORMATION...

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Company information, ASX announcements, investor presentations, corporate videos and other investor material on the Company’s projects can be viewed at <http://www.montezuma.com.au>.

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 Mining and Metallurgy. 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 or an entity related to or controlled by Mr Drabsch holds options over fully paid shares in the Company at the time of this report. Mr Drabsch consents to the inclusion of this information in the form and context in which it appears in this report.

In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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.

¹ http://www.danakali.com.au/images/stories/axs-announcements/2016/Danakali_to_raise_5m_to_advance_the_world_class_colluli_potash_project.pdf

	Tenement reference	Location	Interest at beginning of quarter	Acquired / Disposed	Interest at end of quarter
The mining tenements held at the end of the quarter and their location	E09/1985	Yalbra WA	15%	N/A	15%
	E15/1447	Lake Lefroy WA	100%	N/A	100%
	E20/659	Eelya Hill WA	10%	N/A	10%
	E20/874	Sunday Well WA	100%	N/A	100%
	E20/880	Yallon Well	100%	N/A	100%
	E28/2313	Green Dam WA	100%	N/A	100%
	E28/2327	Green Dam WA	100%	N/A	100%
	E28/2504	Manners Flat WA	100%	Disposed	0%
	E28/2577	Pinnacles WA	100%	N/A	100%
	E36/843	Leinster WA	100%	N/A	100%
	E37/1176	Leonora WA	100%	N/A	100%
	E38/2889	Malle Hen Point WA	100%	N/A	100%
	E38/2961	Mt Venn WA	100%	N/A	100%
	E38/2999	Malle Hen Point North WA	100%	N/A	100%
	E38/3092	Point Sunday	100%	N/A	100%
	E46/982	Pilbara WA	100%	Disposed	0%
	E51/1622	Telegraph Well WA	100%	N/A	100%
	E51/1693	Mt Maitland WA	100%	N/A	100%
	E52/1529	Mt Padbury WA	100% (Note 1)	N/A	100% (Note 1)
	E52/2350	Butcher Bird WA	100%	N/A	100%
	E52/2658	Butcherbird South WA	100%	Disposed	0%
	E52/2831	Millidie Creek WA	100%	N/A	100%
	E52/3082	Mt Padbury WA	100%	N/A	100%
	E52/3082	Mt Padbury WA	100%	N/A	100%
	E52/3337	Butcher Bird North WA	100%	N/A	100%
	E52/3353	Peak Hill WA	100%	N/A	100%
	E52/3354	Peak Hill WA	100%	N/A	100%
	E52/3355	Peak Hill WA	100%	N/A	100%
	E58/494	Naluthanna Hill WA	100%	N/A	100%
	E59/2143	Twin Peaks WA	100%	N/A	100%
	E63/1750	Lake Johnston WA	100%	N/A	100%
	E69/3311	Cunyu WA	100%	Disposed	0%
	E69/3419	Rainbow Well WA	0%	Acquired	100%
	E77/2334	Holleton WA	100%	N/A	100%

Notes:

- 1) 100% interest held in all minerals other than iron ore and manganese.