



20 JULY 2017

## RECONNAISSANCE NICKEL SULPHIDE, COBALT AND GOLD DRILLING PROGRAMME COMPLETED AT THE PINNACLES PROJECT

- Eight reverse circulation drill holes completed for 1,335m to test multiple target types with **all assays pending**:
  - **Nickel sulphide**: two late time bedrock conductors identified in a recent EM survey, one of which is located beneath a historic sulphide intercept of **2m @2.3% Ni<sup>1</sup>**.
  - **Cobalt**: confirmation drilling of high grade cobalt identified in historic drilling including intercepts of 16m @ 0.27% Co from 18m<sup>2</sup>. Handheld XRF analysis indicates significant **shallow cobalt mineralisation** over about 40m downhole.
  - **Gold**: historic work failed to analyse for gold in almost all drillholes however strong arsenic anomalism is clearly defined over significant strike lengths. Programme tests for gold association within the arsenic enriched rocks.
- Drillhole one tested the southern EM anomaly and;
  - intersected approximately 200m of adcumulate ultramafic with bands of **cloud sulphide with elevated nickel values** measured with handheld XRF analyser.
  - The base of the ultramafics strongly sheared with 30m of sheared, sulphidic quartz in sericite altered basalts which will be assayed specifically for gold and pathfinders.
  - The surface EM anomaly is unexplained, with downhole EM indicating a bedrock conductor beneath the drilling.
- Drillhole four tested the northern anomaly and intersected 53m of strong disseminated to massive sulphide which are not nickel enriched but may be prospective for other metals.
- A number of other drillholes intersected strongly altered rocks with variable levels of sulphide, silica and carbonate alteration plus or minus quartz veining.

Montezuma Mining Company Ltd ("Montezuma" or "Company") is pleased to advise that a reconnaissance drilling programme comprising 8 holes for 1,335m has been completed at the Company's 100% owned Pinnacles Cobalt-Nickel Project.

All samples have been submitted to the laboratory and assays are pending.

<sup>1</sup> See company announcement dated 17 May 2017

<sup>2</sup> See company announcement dated 10 May 2017

## ABOUT MONTEZUMA MINING

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

Montezuma has 100% interests in the Yamarna Gold Project in the Yamarna Greenstone Belt, the Holleaton Gold Project in the Wheat Belt region and the Butcherbird Manganese/Copper Project in the Murchison region, all located in Western Australia.

## MARKET DATA

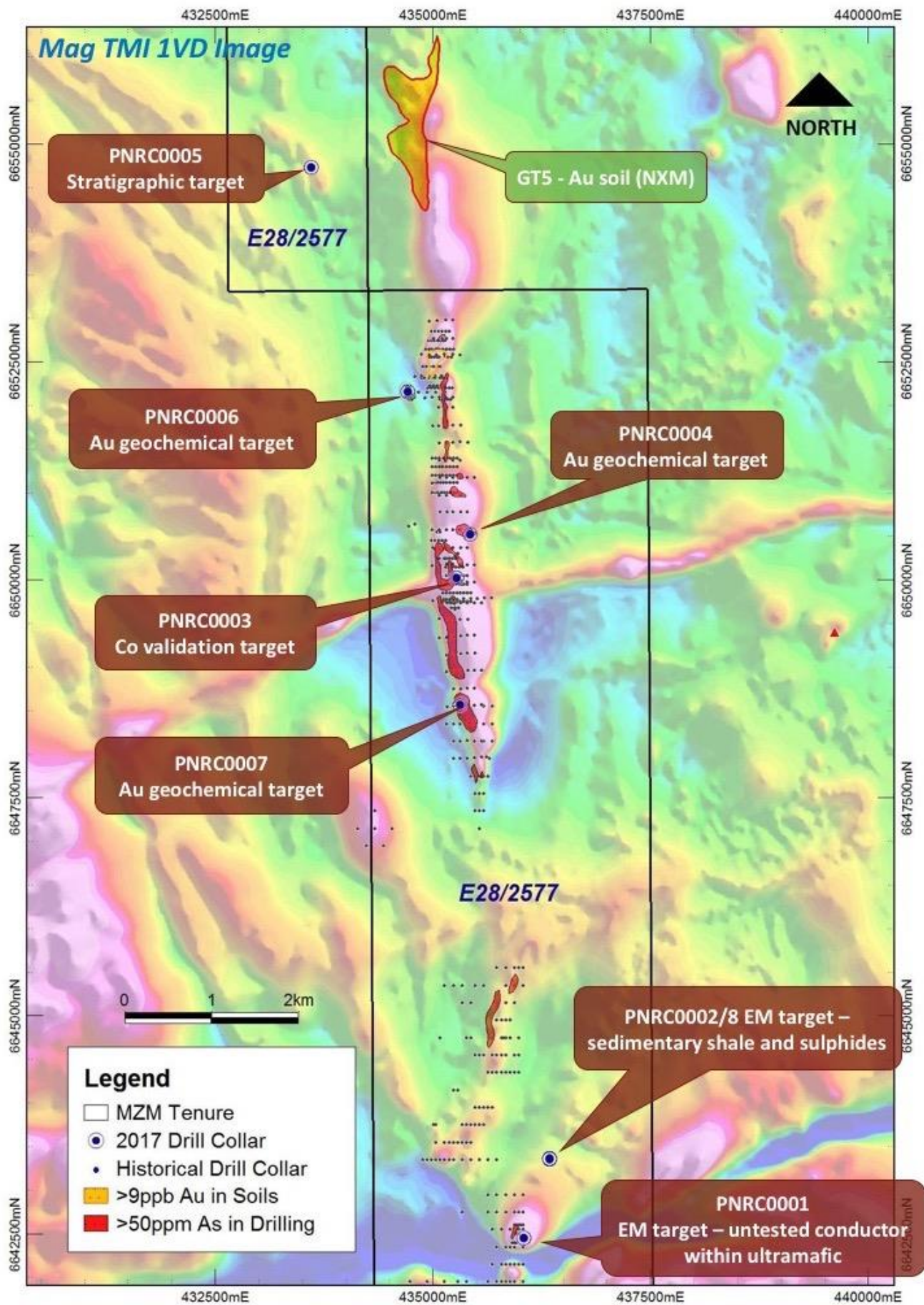
ASX code:	MZM
Share price:	\$0.14
Shares on issue:	83.5M
Market capitalisation:	\$11.7M
Cash (at 31 March):	~\$4.3M
Listed Investments:	~\$6.7M

## BOARD AND MANAGEMENT

Chairman	Seamus Cornelius
Executive Director	Justin Brown
Non-Executive Director	John Ribbons
Exploration Manager	Dave O'Neill

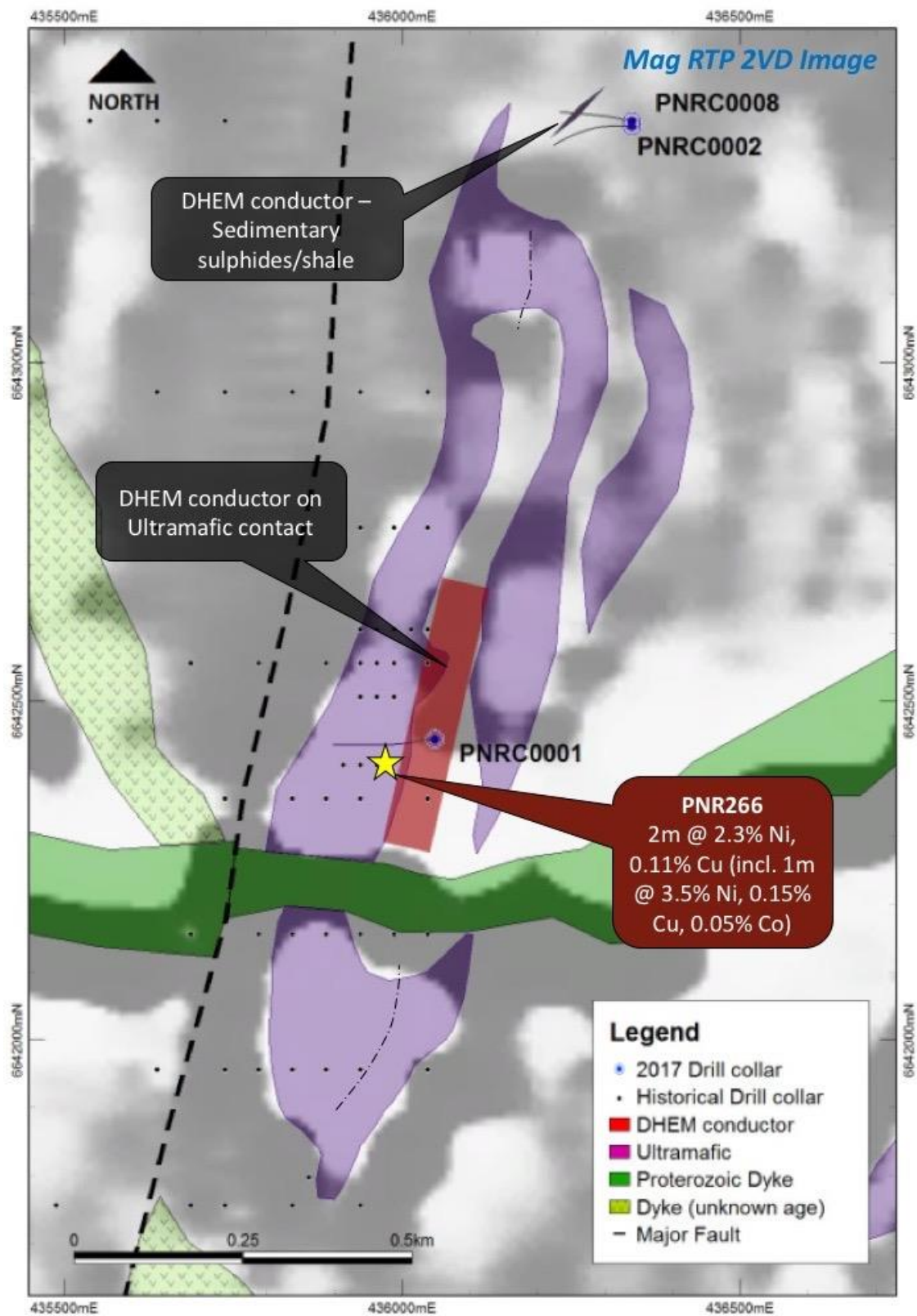


Company information, ASX announcements, investor presentations, corporate videos and other investor material on the Company's projects can be viewed at [www.montezuma.com.au](http://www.montezuma.com.au)

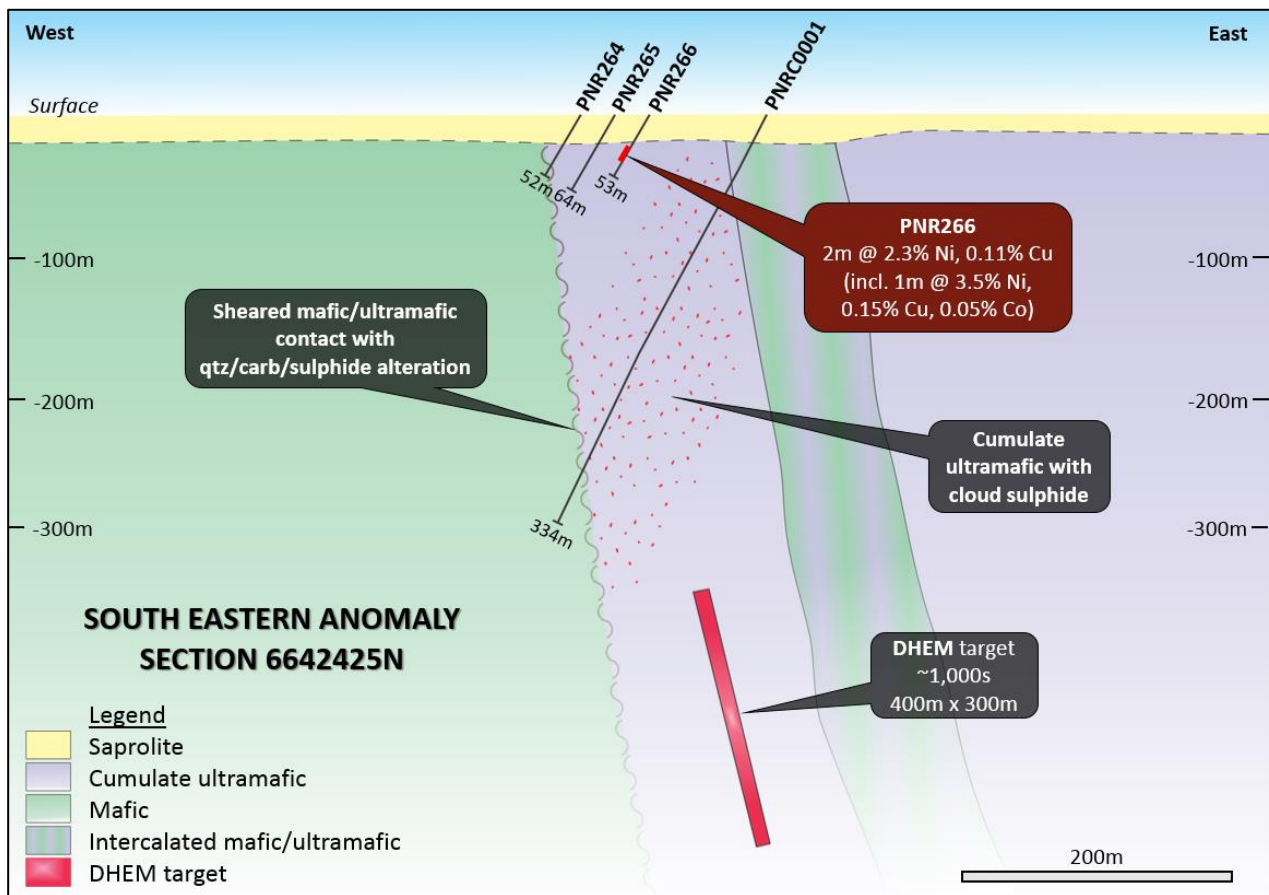


**Figure 1:** Drillhole collar location plan





**Figure 2:** Nickel sulphide target collar location plan and visual drilling results. Northern anomaly explained by sedimentary sulphides and shales. Southern anomaly offhole conductor remains untested. Intercepts are downhole widths.



**Figure 3:** Schematic section along 6642425N showing historical drill holes, interpreted geology of PNRC0001 and untested DHEM conductor. Intercepts are downhole widths.

Hole ID	Easting (MGA 94 Z51)	Northing (MGA 94 Z51)	RL (m)	Dip (°)	Azimuth (mag °)	Total Depth (m)
PNRC0001	436049	6642443	390	-65	270	334
PNRC0002	436340	6643348	393	-65	270	297
PNRC0003	435276	6650012	403	-60	270	100
PNRC0004	435432	6650513	397	-60	225	150
PNRC0005	434716	6652156	401	-60	270	22
PNRC0006	433608	6654725	373	-60	240	142
PNRC0007	435315	6648560	401	-65	270	52
PNRC0008	436340	6643355	398	-65	282	238

**Table 1:** Drillhole collar location details.

**FOR MORE INFORMATION...**

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Email: [jbrown@montezuma.com.au](mailto:jbrown@montezuma.com.au) 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>.

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The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources and Mineral Reserves is based on information compiled by Mr David O'Neill who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results, Exploration Targets, Mineral Resources and Mineral Reserves were compiled, Mr O'Neill was an employee of Montezuma Mining Company Ltd. Mr O'Neill 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 O'Neill 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

## JORC Code, 2012 Edition – Table 1 – Pinnacles Project

### Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Reverse circulation (RC) percussion drill chips are collected through a cyclone and cone splitter at 1m intervals.</li> <li>The spitter is cleaned at regular intervals during drilling.</li> <li>The splitter is cleaned and levelled at the end of each hole.</li> <li>Mineralisation is determined qualitatively through rock type, sulphide and quartz content and intensity of alteration.</li> <li>Mineralisation is determined quantitatively via assay</li> <li>RC samples are pulverized to 75 µm, with elements determined by Fire Assay and MS finish, Aqua Regia and Multi Acid Digest</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li><i>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).</i></li> </ul>	<ul style="list-style-type: none"> <li>A Reverse Circulation (RC) Percussion Drilling Rig was used for the reported program, using a truck mounted KWL 700 Rig and 4.5" drill rods.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure</i></li> </ul>	<ul style="list-style-type: none"> <li>Recoveries are noted at the time of drilling and recorded in the MZM database.</li> <li>The sample splitter is cleaned at the end of each rod.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>representative nature of the samples.</i></p> <ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Wet samples due to excess ground water are noted where present.</li> <li>No relationship between grade and recovery has yet been established.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>All samples have been logged to a level of detail to support future use in a mineral resource calculation should it be required.</li> <li>Qualitative: Lithology, alteration, mineralisation.</li> <li>Quantitative: Vein percentage and sample assays.</li> <li>The entire length of the hole is geologically logged.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><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></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>RC chips are cone split and sampled dry where possible, and wet when excess ground water could not be prevented.</li> <li>Sample condition (wet, dry or damp) is recorded at the time of logging.</li> <li>Each 1m sample (approx. 2-3kg) is dried and pulverised to 85% passing 75µm in the laboratory.</li> <li>Field duplicates are collected at a minimum spacing of every 50m, and additionally where required.</li> <li>Sample sizes are considered appropriate for the nature of the targeted mineralisation.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><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></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether</i></li> </ul>	<ul style="list-style-type: none"> <li>A portable XRF unit was used to aid logging and to provide early assessment of potential mineralisation.</li> <li>The portable XRF machine used is a Innov-X Delta unit, with the Soil (ppm detection level) and Mining Plus (%) functions used for element determination.</li> <li>QAQC sampling procedures are used and include the use of duplicates (every 50m), standards and blanks.</li> <li>The Down Hole Electro-Magnetic (DHEM) survey was completed using a SmartTEM receiver and Digital Atlantis 3 component</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<p>probe.</p> <ul style="list-style-type: none"> <li>The DHEM data was captured at 10m intervals with 5m infill on any anomalies.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> </ul>	<ul style="list-style-type: none"> <li>All data has been checked internally for accuracy by senior MZM geological staff.</li> <li>All data is collected via Geobank Mobile software and uploaded into the MZM Geobank Database following validation.</li> <li>No adjustments have been made to assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><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></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>All collar coordinates were collected using handheld GPS in MGA 94 – Zone 51.</li> <li>Downhole surveys are conducted at approximately 30m intervals using industry standard downhole survey tools.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><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></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Drill hole collars are not spaced at regular intervals, but have been located to intersect specific targets.</li> <li>Hole spacing is appropriate for drilling at this early stage in the exploration process.</li> <li>No sample compositing has been applied</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><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></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>The orientation of structures is not known with but drilling was planned with appropriate orientations for the interpreted targets.</li> <li>Bias introduced by drill orientation with respect to structures is not known.</li> <li>More detailed interpretation will be required to assess this further.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody of the samples is 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. The bags are delivered directly to MinAnalytical in Canning Vale, WA who are NATA accredited for compliance with ISO/IEC17025:2005.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>The data and sampling techniques are regularly reviewed internally. No external audits have taken place.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Pinnacles Project consists of a single granted exploration license - E28/2577.</li> <li>The tenure is 100% owned by Montezuma Mining Corporation Ltd.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The historical exploration data has been collected by various parties and has been reported to high standards.</li> <li>The methods of exploration and techniques used are considered appropriate for the deposit types sought (Ni, Co)</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The majority of the historical exploration within the project area has been focused on the discovery of Archean ultramafic derived lateritic nickel and cobalt mineralisation.</li> <li>The current exploration program is focused on the discovery of komatiitic style nickel sulphide mineralisation, and Archean lateritic and gold lode style mineralisation.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Refer to document and associated table.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul>	
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• No top-cuts have been applied when reporting results.</li> <li>• Aggregate sample assays calculated using a length weighted average.</li> <li>• No metal equivalent values have been used for reporting of results.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• 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').</li> </ul>	<ul style="list-style-type: none"> <li>• Only downhole lengths are reported.</li> <li>• However, due to the nature of the mineralisation and deposit type, these widths are believed to be close to true widths.</li> <li>• Further work is required to determine exact orientations.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to document.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• The historic data presented is selective to illustrate trends only.</li> </ul>
<b>Other substantive exploration</b>	<ul style="list-style-type: none"> <li>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to document.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>data</b>	<i>samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>Future work will include further compilation and detailed interrogation of the recent and historical data and the planning of future exploration programs.</li> <li>Follow-up exploration will likely incorporate further drilling, surface geophysics (Electro-Magnetics) and geochemical surveys.</li> </ul>