

4 August 2009

ASX CODE: MZM

ISSUED SHARES: 41.69M

52 WEEK HIGH: \$0.20

52 WEEK LOW: \$0.02

CONTACT:

JUSTIN BROWN

Managing Director

+61 438 745 675

BOARD:

Denis O'Meara: Chairman

Justin Brown: MD

Ian Cornelius: Non-Exec

KEY PROJECTS:

PEAK HILL (100%)

Gold

DURACK (earning 85%)

Gold

MT PADBURY (100% of gold)

Gold, Manganese, Iron

BUTCHER BIRD (100%)

Manganese, Copper

KEY SHARE POSITIONS:

AUVEX RESOURCES LTD

10,000,000 FPO Shares

BUXTON RESOURCES LTD

2,000,000 FPO Shares

SINOSTEEL MIDWEST CORPORATION COMMENCES MAJOR IRON ORE DRILLING PROGRAMME AT MT PADBURY

- Maiden 6,000m iron ore RC Drilling programme commences at Mt Padbury.
- Programme targeting iron ore mineralisation over high grade southern portion of approximately 20 total strike kilometres of Banded Iron Formation.
- Montezuma to receive \$4M cash, subject to drilling successfully defining a Resource of over 10Mt in excess of 50% Fe.

Montezuma are pleased to advise that Sinosteel Midwest Corporation Limited ("Sinosteel Midwest") have commenced a maiden 6,000m RC drilling programme at Montezuma's Mt Padbury Project targeting iron ore mineralisation within approximately 20 strike kilometres of Banded Iron Formation outcropping within the Project area.

As previously announced, Sinosteel Midwest has purchased the iron ore rights within the Mt Padbury Project pursuant to a sale agreement completed earlier this year.

Should drilling at Mt Padbury be successful in defining a JORC compliant iron ore resource in excess of 10M tonnes grading over 50% Fe, Montezuma will receive a third payment of \$4M cash under the sales agreement with Sinosteel Midwest.

In addition, Montezuma will receive a 0.5% royalty on the gross proceeds of the sale of all iron ore grading between 30-50% Fe and a 1% royalty on the gross proceeds of the sale of all iron ore grading over 50%, the latter being first subject to the definition of a 10M tonne resource grading over 50% Fe.

This milestone is another important step in providing the Company with working capital to fund ongoing acquisition and exploration strategies at the Peak Hill Gold Project (MZM 100%).

More Information**Justin Brown**

Phone: +61 (8) 9228 4833

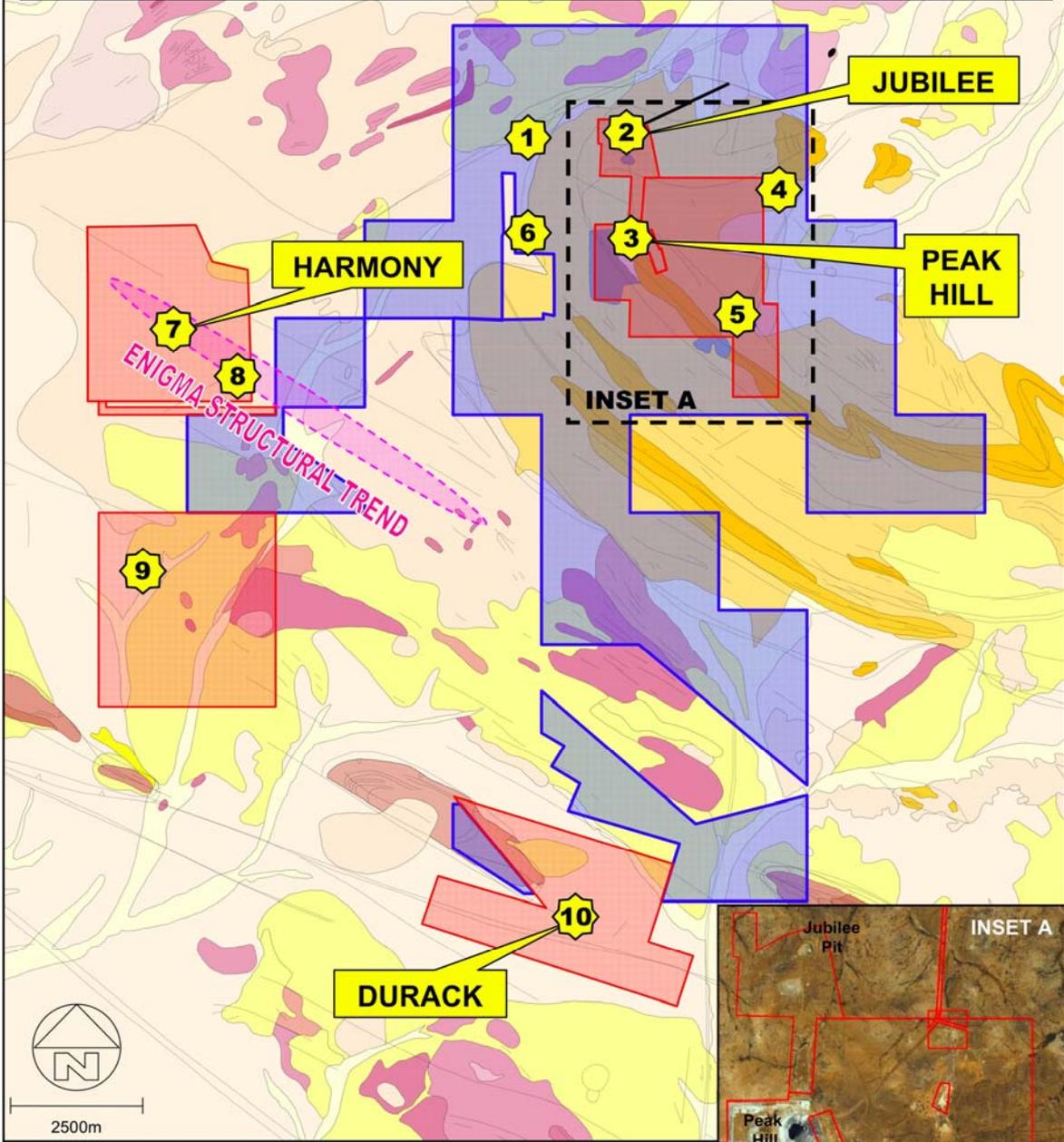
Managing Director

Mobile: 0438 745 675

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 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 "Australian 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 appear.

MONTEZUMA MINING PEAK HILL PROJECT

Priority Target areas



- MONTEZUMA MINING TENEMENT
- NEW TENEMENT APPLICATION

HISTORICAL PRODUCTION

PEAK HILL MINE: 683,787oz
 MT PLEASANT: 14,225oz @ 3.03g/t
 JUBILEE: 6,559oz @ 4.00g/t
 HARMONY: 221,000oz @ 3.24g/t

PRIORITY TARGETS

- 1 ARCHERS
- 2 JUBILEE
- 3 PEAK HILL MINE
- 4 FENCE HILL
- 5 MT PLEASANT
- 6 CHRISTMAS GIFT
- 7 HARMONY
- 8 ENIGMA
- 9 BAXTER'S SOUTH
- 10 DURACK

