

21 JUNE 2016

YAMARNA GEOCHEMICAL AIRCORE DRILLING RECOMMENCES AT JATZ, LE SNAK, RITZ AND RYVITA

- Recent geochemical blade-refusal aircore programme extended Jatz basement gold anomaly to **over 1.5 km in strike** and it remains open.
- Three additional basement anomalies were also identified at the Ritz, Ryvita and Le Snak targets, with **bottom of hole gold values up to 1.65 g/t**.
- Approximately 4,000-6,000m of aircore drilling designed to extend Jatz to the north before follow up deeper RC drilling.
- Programme will also include step out holes at the three new regional targets to test for mineralisation extensions.

Montezuma Mining Company Ltd ("Montezuma" or "Company") is pleased to announce that follow up drilling has commenced at the Company's 100% owned Yamarna Project.

The recently completed, previously announced phase of aircore drilling successfully extended the basement gold anomaly at the Jatz prospect to over 1.5km in strike. The anomaly is coherent and strikes in a north westerly direction. Mineralisation remains open to the north.

In addition to the Jatz drilling, a broad spaced regional reconnaissance aircore programme tested for basement gold mineralisation within what is now identified as a primary 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.

This regional programme was successful in identifying three new basement targets at the Ritz, Ryvita and Le Snak prospects, where bottom of hole intercepts of **1m @ 1.65 g/t, 11m @ 144ppb and 7m @ 192ppb Au** respectively were returned.

The drill programme which commenced today will comprise between 4,000-6,000m of geochemical aircore drilling which aims to further extend Jatz to the north and to increase the anomaly footprint at Ritz, Ryvita and Le Snak. These newly identified prospects have so far been only superficially tested with very broad space drilling.



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:	70.46M
Market capitalisation:	\$16.9M
Cash (31 March 2016):	\$4.1M
Investments (31 March 2016)	\$2.6M

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

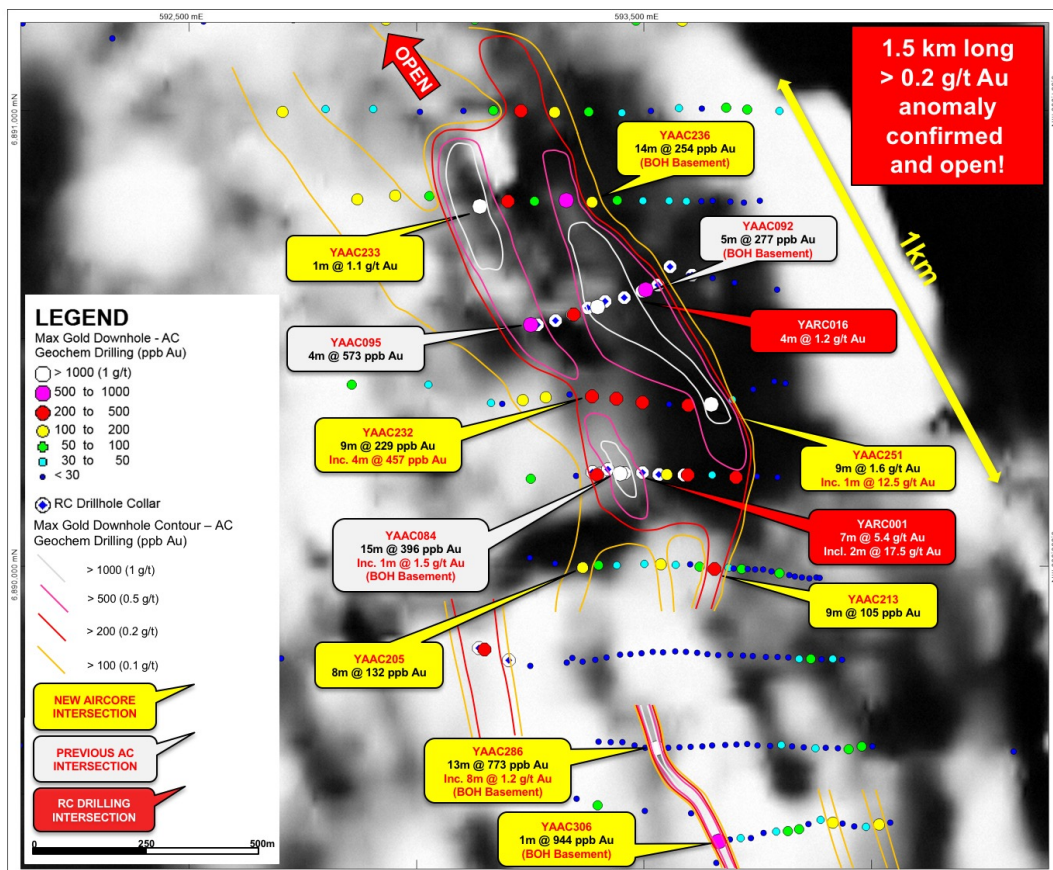


Figure 1: Collar locations over aeromagnetics. Results extend the Jatzi target to over 1.5km in strike length.

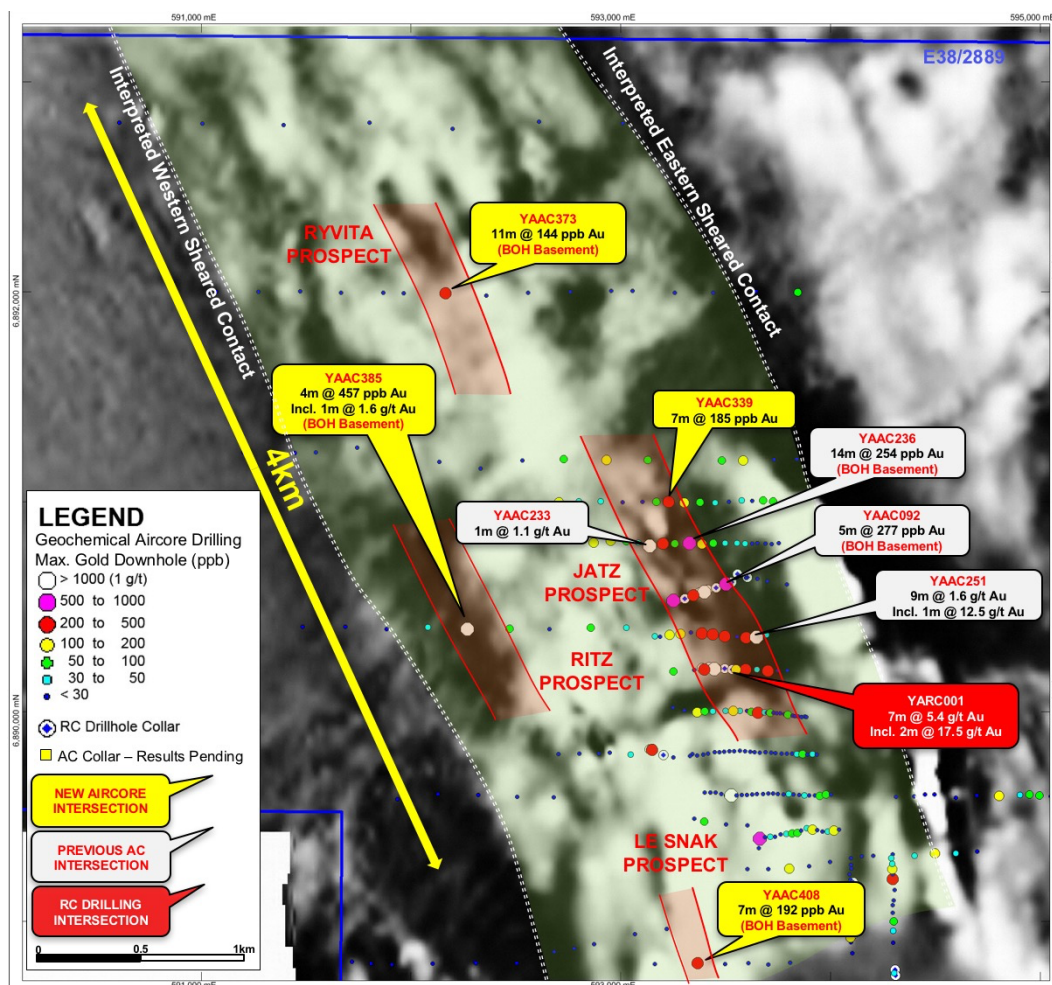


Figure 2: Collar locations over aeromagnetics. New basement gold anomalies identified at Ritz, Ryvita and Le Snak.

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)
YAAC408	593367	6888801	400	-90	000	43	36	43	7	192
YAAC417	593845	6891998	400	-60	270	100	88	92	4	51
and							94	100	6	64

Table 1: Significant gold assays >50ppb from recently completed aircore drilling at the Yamarna Project. All intersections are quoted as downhole widths. Assays are from the remaining 24 holes (total 1,205m) of a 95 hole programme (total of 5,859m). The first 71 holes were previously announced to the market on 25 May 2016¹.

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http://www.montezuma.com.au/images/uploads/160330_Yamarna_Drilling_Extends_Gold_Mineralisation.pdf

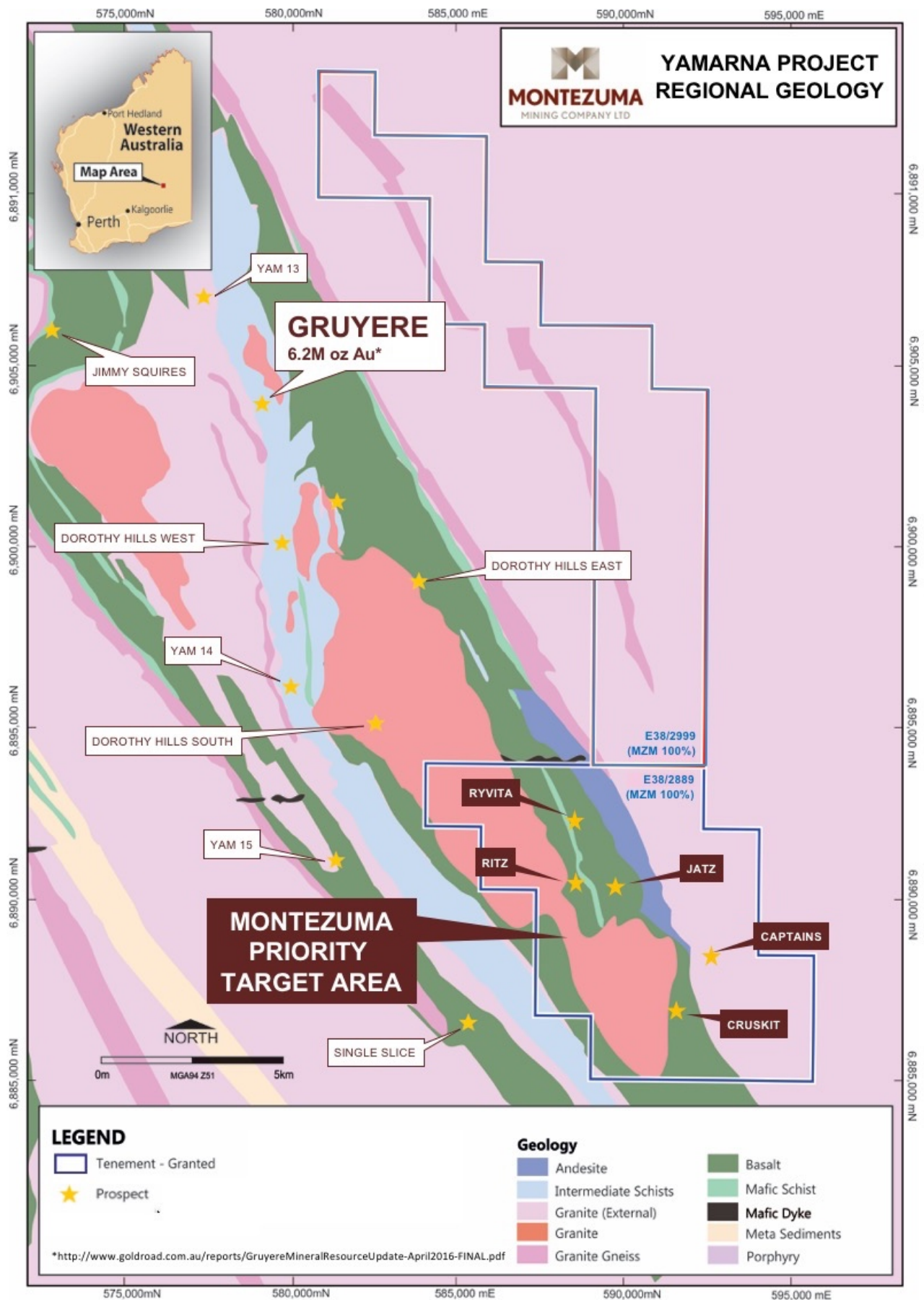


Figure 3: Regional geology highlighting multiple targets on the Compabny's 100% held tenure along strike from the Gruyere discovery by Gold Road Resources Ltd.

FOR MORE INFORMATION...

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Executive Director

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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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Aircore (AC) drill chips were collected as composite samples (either 1m, 2m, 3m or 4m samples) from bulk piles laid out next to the drillhole collar using a hand held scoop. Samples were scooped in such a manner as to ensure portions of the whole pile were sampled. This is standard industry practice for this type of early phase drilling. Mineralisation determined qualitatively by geological logging and quantitatively through assaying. Approximately 2kg of sample was collected as a composite. This sample was pulverised to 85% passing 75µm then a 10g sub-sample digested via aqua-regia followed with assay by ICP-OES or ICP-MS methods.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> AC drilling using a face sampling blade or where AC hammer method used, a face sampling bit. Hole diameter nominally 100mm.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Recoveries qualitatively noted at the time of drilling and recorded in the MZM database. The cyclone of the drill rig is cleaned at the end of each 3m rod to ensure sample is not "hung-up" and samples are as clean as possible with as little cross contamination as possible. No relationship between grade and recovery has yet been established.
Logging	<ul style="list-style-type: none"> 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. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All samples were 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	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Aircore (AC) drill chips were collected as composite samples (either 1m, 2m, 3m or 4m samples) from bulk piles laid out next to the drillhole collar using a hand held scoop. Samples were taken at interpreted geological boundaries in order to identify and discriminate between transported and in-situ mineralisation. Sample condition with respect to moisture content is noted on the geological log. The entire composite sample (approx. 2kg) has been dried, pulverised to 85% passing 75µm, a 10g sub-sample split then digested by aqua-regia followed by assay with ICP-MS or ICP-OES for gold and a suite of pathfinder elements. No field duplicates have been processed as yet. Pulp duplicates have been taken at the pulverising stage and selective repeats conducted at the laboratories discretion. Sample sizes are considered appropriate for the grain size of the material sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Samples were assayed using an ICP-MS or ICP-OES finish after being digested with aqua-regia (industry standard technique for low level Au in surface samples). This is considered a partial digest technique however in weathered samples it is considered to approximate a total digest assay. Assays were returned for the following elements: Au, Ag, As, Cu, Pb, Zn, Ni, Sb, Bi, W, Te and Mo. Certified Reference Material (Standards) was submitted with batches (approximately 1 in every 25 samples) and laboratory inserted standards, blanks and duplicates were also reported. Where gold levels were over range for the ICP-MS technique, a separate sample from the pulverised pulp was analysed using a 25g fire assay. The results reported for are all within tolerable limits.
Verification of sampling and assaying	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> 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.

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> • 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. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • All location points were collected using handheld GPS in MGA 94 – Zone 51
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Holes were drilled at various spacing based upon geological observations at the time of drilling. This is typically 100m , 50m or 25m. Drill lines are spaced at approximately 200m - 400m where multiple lines are drilled in an area. • Hole spacing is appropriate for drilling at this early stage in the exploration process. • Sample compositing has been applied. Samples were taken at interpreted geological boundaries in order to identify and discriminate between transported and in-situ mineralisation.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Not enough information has been gathered to adequately define the precise geology in the area as it is largely covered in recent sand.
Drill hole Information	<ul style="list-style-type: none"> 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"> 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. 	<ul style="list-style-type: none"> See appendix to the release.
Data aggregation methods	<ul style="list-style-type: none"> 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 for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values 	<ul style="list-style-type: none"> No top-cuts have been applied when reporting results. First assay from the interval in question is reported (i.e. Au1), except in the cases where the assay repeats or is reported as over range for gold for the instrument being used. In this case, a fire assay repeat is conducted and that value reported. This is noted where this occurs. Aggregate sample assays calculated using a length weighted average Significant grade intervals based on intercepts > 50ppb gold.

Criteria	JORC Code explanation	Commentary
	<i>should be clearly stated.</i>	<ul style="list-style-type: none"> No metal equivalent values have been used for reporting of results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Not enough information has been gathered to adequately define the precise geology in the area as it is largely covered in recent sand.
Diagrams	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Refer to figures in document.
Balanced reporting	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> All drill hole locations are reported and a table of significant intervals is provided in the release text.
Other substantive exploration data	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> All meaningful and material information is reported.
Further work	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Second phase dill planning to follow-up significant intersections is underway and is expected to commence within Q4 2015.

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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"> 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. 	<ul style="list-style-type: none"> See appendix to the release.
Data aggregation methods	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
	<p><i>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Refer to figures in document.
Balanced reporting	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> All drillhole locations are reported and a table of significant intervals is provided in the release text.
Other substantive exploration data	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> All meaningful and material information is reported.
Further work	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Drilling at the Yamarna Project is continuing at the present time.