



MONTEZUMA

MINING COMPANY LTD

Montezuma Mining Company Limited (ASX: MZM) continued to further advance its WA exploration activities during the quarter ended 31 December 2014:

- ◆ **Agreement reached with the Yilka native title claimants allowing Yamarna Project licence applications to proceed to grant.**
- ◆ **Multiple Manganese Drilling Targets Identified by DDIP Survey at Woodie Woodie West.**
- ◆ **Targeted tenement acquisition ongoing in Western Australia.**
- ◆ **Continued review of domestic and overseas acquisition targets.**

Montezuma Mining Company Ltd ("Montezuma") has agreed key exploration and land access agreement terms in respect to Yamarna tenement applications E38/2961, E38/2889 and E38/2999. The agreement was reached at a meeting of the Yilka native title claimants at Cosmo Newberry Community.

A recent Dipole-Dipole Induced Polarisation (DDIP) ground based geophysical program undertaken at the Woodie Woodie West Manganese Project has identified a high priority target to be investigated. A drilling program is expected to be completed during the coming quarter subject to receipt of statutory clearances.

In line with the Company's growth strategy to utilise Montezuma's strong cash position in order to build a diversified resource asset base, a number of potential investment and acquisition opportunities were reviewed during the Quarter.

Additionally, there is a continued effort to actively target tenement acquisition opportunities within Western Australia and selected low risk overseas jurisdictions where compelling geology and early mover advantage presents potential favourable opportunities.

31 DECEMBER 2014 QUARTERLY REPORT

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 programs.

MARKET DATA

ASX code:	MZM
Share price:	\$0.215
Shares on issue:	70,464,350
Market capitalisation:	\$15.149M
Cash as at 31 December 2014:	\$8.018m

BOARD AND MANAGEMENT

Chairman	Seamus Cornelius
Executive Director	Justin Brown
Non-Executive Director	John Ribbons
Chief Executive Officer	Mike Moore



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

Yamarna Gold Project (100%)

The Company is currently working with the Yilka native title claimants' legal representative, Central Desert Native Title Services to satisfy the necessary conditions to gain access to the Project area to enable on ground exploration work to commence.

The first of three tenement applications (E38/2889) in the claim area has been granted however access is still contingent on finalising arrangements with respect to the agreement with the native title claimants and the issue of an Aboriginal reserve lands Mining Access permit which is expected to occur in early 2015.

The Yamarna Belt is historically underexplored and highly prospective for gold mineralisation. Regionally, the belt has reported global Mineral Resources by Gold Road Resources Limited (ASX:GOR) of 5.1 million ounces of gold¹ and has yielded a number of new discoveries from recent exploration campaigns.

The only previous exploration on the Company's priority tenement area E38/2889 has been reported by Western Mining Corporation (WMC) in 1997, and includes 377 soil geochemical samples on a 1,600m x 200m grid with infill to 400m x 200m around areas of gold anomalism.

A total of 36 samples recorded greater than 5ppb Au in soil (anomalously high) and the highest result recorded was noted to be 22ppb. These anomalous results highlight a cluster of five roughly linear zones, overlying granitic intrusives and their respective contact areas. The size and shapes of these clusters are roughly similar in scale to the RAB interface anomalies defined by Gold Road Resources Ltd (GOR) at their Gruyere, Toto and YAM14 Au prospects to the immediate NW of ELA 38/2889¹.

Based on the regional geology and the robust and extensive geochemical anomalism, the Company regards E38/2889 as having potential to host significant gold mineralisation and the intent to commence exploration as soon as necessary permitting and heritage clearances are in place.

The currently planned initial phase of work (subject to heritage clearances) will comprise repeat and infill soil sampling and the acquisition of close spaced aeromagnetic and radiometric survey data to provide a robust data set for drill targeting. Based on the results of this initial phase of work, further infill geochemical sampling may be warranted or it may be possible to proceed directly to drill testing of any defined targets.

¹Website reference <http://www.goldroad.com.au/reports/GruyereMaidenResourceAugust2014.pdf>

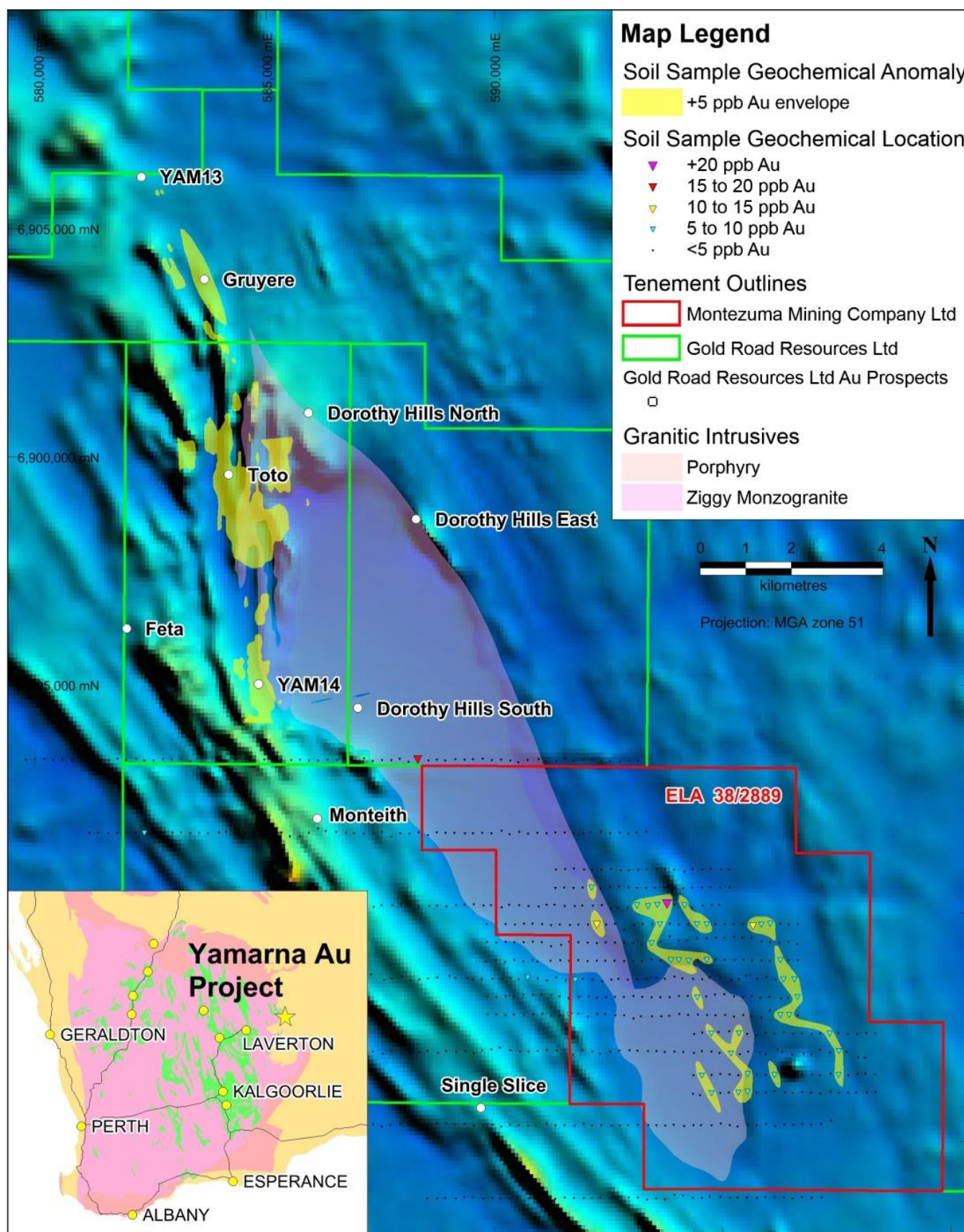


Figure 1: Tenement locations and historic WMC soil geochemistry at the Yamarna Project

Woodie Woodie West (option to acquire 75%)

The Company conducted a Dipole-Dipole Induced Polarisation (DDIP) ground based geophysical program at the Woodie Woodie West Manganese Project and identified a high priority target to be investigated. A drilling program will be completed as soon as practicable and is subject to heritage clearances (see Figure 2).

DDIP has historically proven to be a successful exploration tool to identify manganese mineralisation in the Woodie Woodie corridor and has been successful in defining multiple targets at Woodie Woodie West.

Tenement E45/3548 lies immediately west of the world class high grade Woodie Woodie Manganese Mine in the East Pilbara region of Western Australia. Woodie Woodie has been producing manganese ore since the early 1950's from a series of deposits hosted within the Carawine Dolomite and Pinjin Chert Breccia. The mine produces ore with over 45% contained Mn and has produced in excess of 35Mt of ore to date.²

The Woodie Woodie West Project has been interpreted to have similar geology as that which hosts manganese mineralisation at the adjacent mine. To date the tenement has not been drill tested.

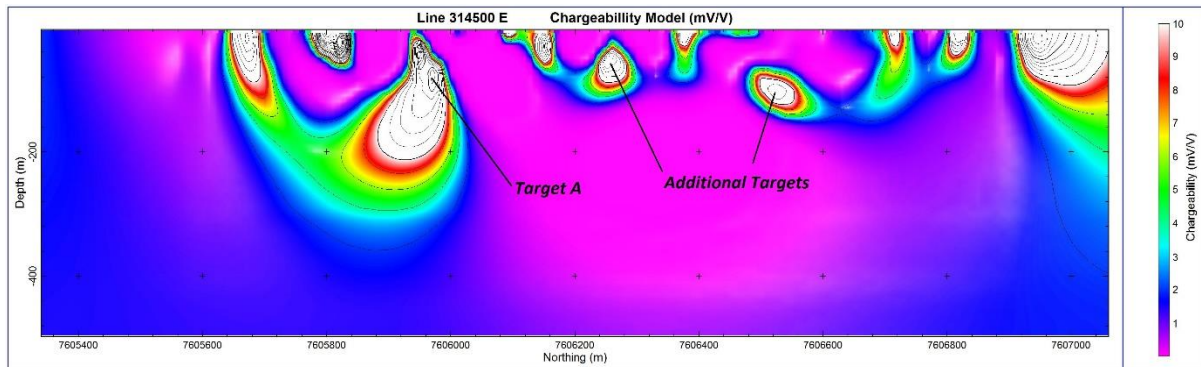


Figure 2. Chargeability model for the DDIP line identifying Target A.

Target A is a strong near surface DDIP chargeability anomaly with a peak chargeability value of in excess of 14 mV/V and is considered very high and potentially indicative of subsurface manganese mineralisation. The anomaly is in the northern central portion of the tenement and lies midway between an interpreted north-east structural trend and an interpreted north-east mineralisation trend. A known deposit of manganese mineralisation lies 1,300m to the east-north-east.

² Jones, Sarah and McNaughton, Neal J. and Grguric, Ben 2013. Structural controls and timing of Fault Hosted manganese at Woodie Woodie, East Pilbara, Western Australia. Ore Geology Reviews. 50: pp. 52-82

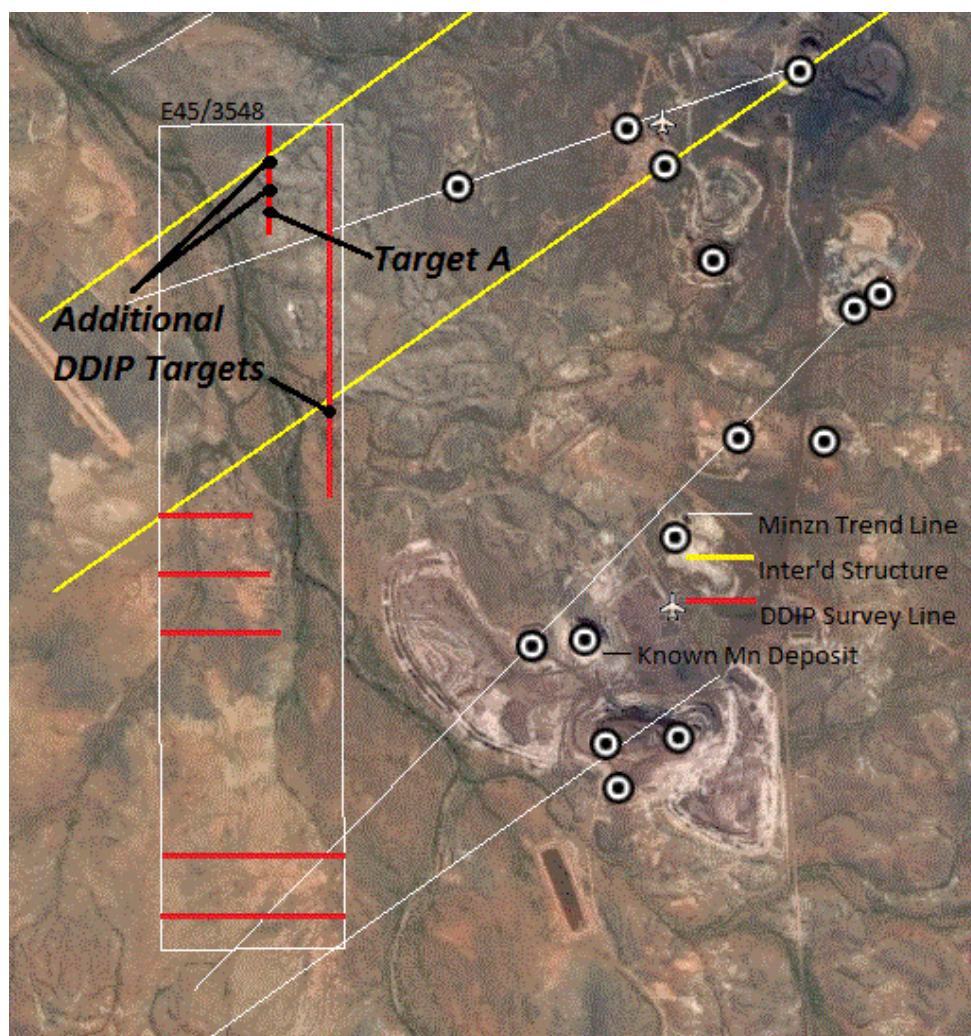


Figure 3. Tenement E45/3548 showing location of Target A in relation to interpreted trend lines.

A number of lower order chargeability anomalies have been identified along the 314500E traverse and are considered prospective and will be drill tested. A reverse circulation (RC) drill program is currently being planned to test a number of targets generated by the recent DDIP program and will include Target A. Several geological targets will also be tested.

FOR MORE INFORMATION...

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The Information in this report that relates to Yamarna exploration results is based on information compiled by Mr Justin Brown, who is a member of the Australian Institute of Mining and Metallurgy. Mr Brown is a geologist who is a full time employee of Montezuma Mining Company Ltd 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 Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to Woodie Woodie West exploration results is based on information compiled by Nat Cull, who is a member of the Australian Institute of Geologists. Mr Cull is a geologist who is a consultant to Montezuma Mining Company Ltd 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 Cull consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1: Tenements and Locations

Montezuma Mining Company Limited ASX Additional Information for Quarterly Report to 31 December 2014

	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	0%	Acquired	100%
	E20/659	Eelya Hill WA	10%	N/A	10%
	P20/2018	Eelya Hill WA	10%	N/A	10%
	E20/861	Sunday Well WA	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	0%	Acquired	100%
	E28/2514	Judada Rocks	0%	Acquired	100%
	E28/2516	Pinnacles	0%	Acquired	100%
	E36/833	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%
	E46/982	Pilbara WA	100%	N/A	100%
	E47/2817	Hamersley Range WA	100%	N/A	100%
	E47/2818	Hamersley Range WA	100%	N/A	100%
	E47/2819	Hamersley Range WA	100%	N/A	100%
	E51/1622	Telegraph Well 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%
	E52/2647	Little Well South WA	100%	N/A	100%
	E52/2831	Millidie Creek WA	100%	N/A	100%
	E52/2658	Butcherbird South WA	100%	N/A	100%
	E52/2727	Butcherbird East WA	100%	Disposed	100%
	E52/2808	Butcherbird North West WA	100%	N/A	100%
	E52/3082	Mt Padbury WA	100%	N/A	100%
	E52/3082	Mt Padbury WA	100%	N/A	100%
	E53/1834	Mt Keith	0%	Acquired	100%
	E58/469	Wondinong WA	100%	N/A	100%
	E58/470	Challa WA	100%	N/A	100%
	E69/3311	Cunyu WA	100%	N/A	100%

	Tenement reference	Location	Interest at beginning of quarter	Acquired / Disposed	Interest at end of quarter
Beneficial percentage interests held in farm-in or farm-out agreement	E45/2375	Pilgangoora WA	10% (no tin-tantalum- lithium rights)	N/A	10% (no tin-tantalum- lithium rights)

Notes:

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

Appendix 1: JORC Code, 2012 Edition Geophysical results – Woodie Woodie West Project

JORC Code, 2012 Edition – Table 1
Section 1 Sampling Techniques and Data

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"> No sampling is applicable to this announcement
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"> No drilling is applicable to this announcement
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"> No sampling is applicable to this announcement
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 	<ul style="list-style-type: none"> No drilling is applicable to this announcement

Criteria	JORC Code explanation	Commentary
	<p><i>appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	
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"> No sampling is applicable to this announcement
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"> No sampling is applicable to this announcement
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"> No sampling is applicable to this announcement
Location of data points	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> No sampling is applicable to this announcement

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • No sampling is applicable to this announcement
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • No sampling is applicable to this announcement
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • No sampling is applicable to this announcement
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No sampling is applicable to this announcement

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Tenement E45/3548 is located in the East Pilbara region of Western Australia. Montezuma Mining Company Ltd has entered into an option agreement with Ucabs Pty Ltd ("UCABS"), whereby Montezuma may acquire 75% of UCABS's interest in the Woodie Woodie West Project.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • No known exploration conducted by any other parties.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Precambrian rocks within the eastern Pilbara. Manganese mineralisation in this region consists predominantly of hydrothermally altered Carawine Dolomite.

Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<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. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> No known drilling on E45/3548
<i>Data aggregation methods</i>	<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 should be clearly stated. 	<ul style="list-style-type: none"> No sampling is applicable to this announcement
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 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'). 	<ul style="list-style-type: none"> No sampling is applicable to this announcement
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No sampling is applicable to this announcement

Criteria	JORC Code explanation	Commentary
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No sampling is applicable to this announcement
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> A total of 7,730m of Dipole Dipole Induced Polarisation geophysical test work was carried out over two north-south orientated lines and five east-west orientated lines on E45/3548. The two north-south lines identified four areas of interest, of which one is considered prospective in that it has returned a chargeability reading of 16mV/V. The top of the zone of interest has been interpreted to be less than 100m from surface. The remaining geophysical results have been interpreted to have identified deep Permian glacial till that has little prospectivity.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> A Reverse Circulation drilling program is planned to test the four areas of interest identified by the DDIP geophysical program. It is too early, at this stage, to comment on possible extensions and step-out drilling. It is likely that a small number of geological targets will also be drilled during this relatively small campaign.