

ASX RELEASE



MONTEZUMA MINING COMPANY LTD

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16 February 2011

ASX CODE: MZM

ISSUED SHARES: 43.05M

52 WEEK HIGH: \$0.95

52 WEEK LOW: \$0.18

CONTACT:

JUSTIN BROWN
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BOARD:

Denis O'Meara: Chairman
Justin Brown: MD
John Ribbons: Non-Exec

KEY PROJECTS:

BUTCHERBIRD (100%)
Manganese, Copper

PEAK HILL (85-100%)
Gold

DURACK (earning 85%)
Gold, Copper

MT PADBURY (100% of gold)
Gold, Manganese, Iron

KEY SHARE POSITIONS:

AUVEX RESOURCES LTD
7,500,000 FPO Shares

BUXTON RESOURCES LTD
3,010,000 FPO Shares

*Note: Unless otherwise stated,
all drill intersections are reported
as down-hole widths.*

COODAMUDGI DMS TEST WORK YIELDS COMMERCIAL MANGANESE GRADES

- First-pass dense media separation (DMS) test work on RC chip samples from the Coodamudgi manganese deposit yields up to **39.7% Mn** in concentrate, using a separation S.G. of 3.4.
- Bulk assays previously released on 7 February 2011 from test hole include:
10EM004 31m @ 12.49% Mn from 3m
including **11m @ 15.41% Mn** from 22m
- Based on the drilling and available geological information, an ****Exploration Target of 30-40 million tonnes @ 10-15% Mn** has been defined for this deposit.
- The successful test confirms the numerous other comparable EM anomalies within the Project as strong candidates for further discoveries.

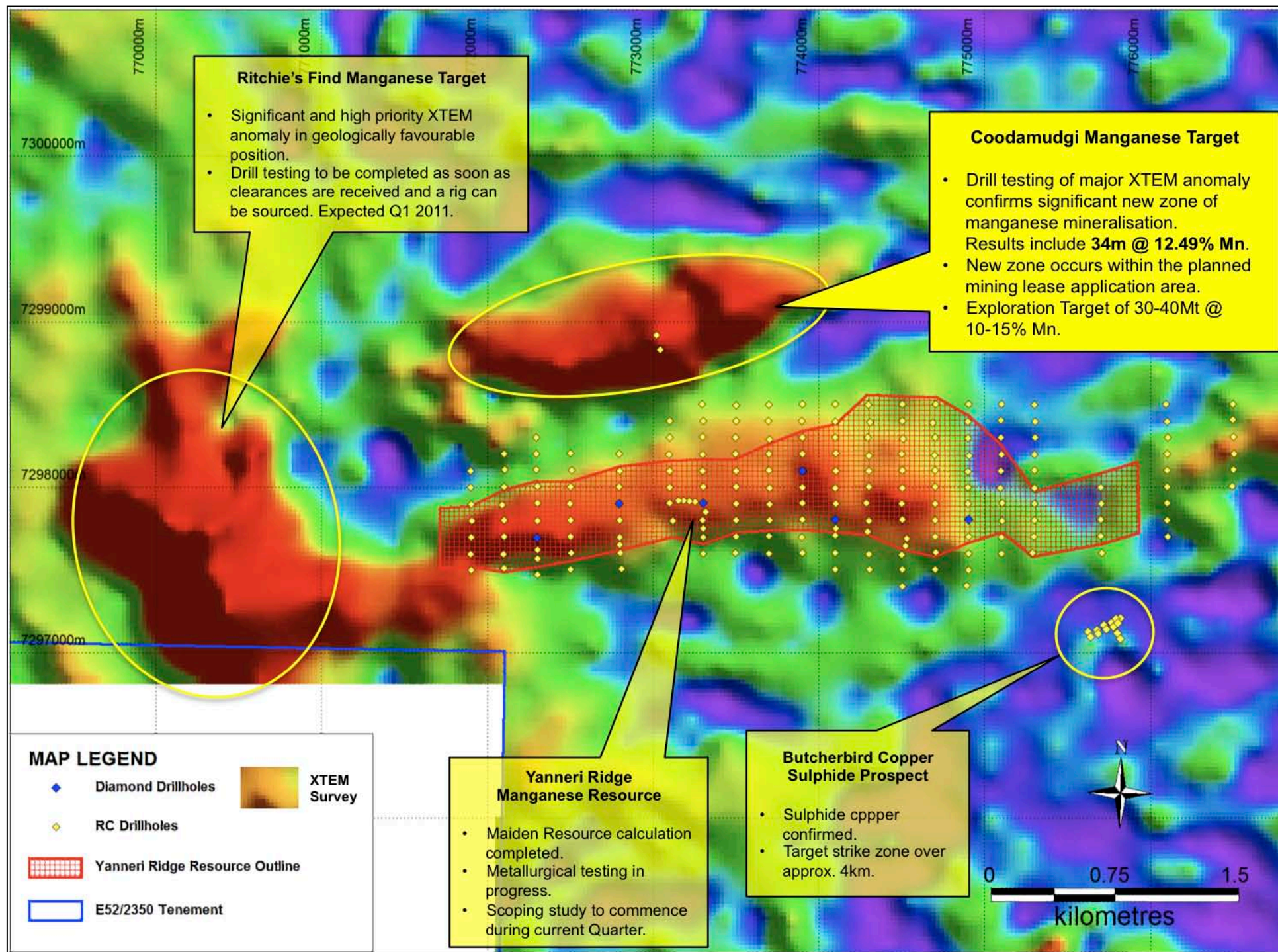
The Company is pleased to advise that very encouraging first pass DMS beneficiation test results have been received for composite material sampled from the recently discovered Coodamudgi Manganese Deposit.

Grades of up to 39.7% Mn have been achieved using a separation S.G. of 3.4. Work is ongoing to further investigate and refine the beneficiation behaviour of the material.

Based on the strong correlation of the EM data and the drillhole intersections, an ****Exploration Target** has been defined for this discovery of 30-40 million tonnes of mineralisation @ 10-15% Mn.

Importantly, the deposit occurs within the planned outline of the mining lease application currently being processed for the Yanneri Ridge Deposit. This means the Coodamudgi deposit can be brought into the Scoping Studies planned for commencement during the current Quarter.

***It should be noted that 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.*



Composite	Rock Unit	From (m)	To (m)	Feed Description	Mn (%)	Fe (%)	P2O5 (%)	SiO2 (%)
10EM004_1	Manganese Zone with minor shales	4	8	DMS Concentrate	27.2	14.3	0.14	21.9
				DMS Tail	8.8	18.3	0.11	39.5
				-1.18mm Fines%	6.2	12.1	0.03	48.5
10EM004_2	Manganese Zone Mineralisation	8	12	DMS Concentrate	33.4	11.0	0.23	17.9
				DMS Tail	6.7	22.7	0.34	37.8
				-1.18mm Fines%	8.7	8.8	0.15	50.4
10EM004_3	Manganese Zone Mineralisation	12	19	DMS Concentrate	37.2	7.3	0.13	18.0
				DMS Tail	21.0	17.8	0.30	25.7
				-1.18mm Fines%	6.5	11.2	0.25	50.6
10EM004_4	Manganese Zone Mineralisation	19	26	DMS Concentrate	34.2	9.5	0.41	18.6
				DMS Tail	22.8	12.3	0.46	29.5
				-1.18mm Fines%	7.1	11.3	0.43	51.0
10EM004_5	Clay rich Manganese Zone	26	32	DMS Concentrate	39.7	10.0	0.54	9.3
				DMS Tail	17.3	23.6	0.95	20.9
				-1.18mm Fines%	8.0	16.3	0.71	39.0
Weighted average for zone 8 to 32m					36.32	9.23	0.33	15.98

Table 1: XRF assay values of DMS fractions at 3.4 S.G. Analyses was performed on the >1.18mm fraction. Yield % values for each composite are calculated from mass recoveries. Composites which yielded concentrate grades >30%Mn are shown.

5 drill holes were selected for DMS test work. Each hole was further subdivided into approximately 5m benches, based on geological boundaries. Each bench comprises 1m drilled intervals composited by the test lab.

Each composite was screened at 1.18mm to separate out the fines fraction, which comprises weathered clays and finely pulverised rock material. The composites were then crushed to achieve a grain size of between 1.18mm and 6.7mm.

The feed material was run through the Dense Media Separation Cyclone at a S.G. of 3.4. The DMS Concentrate material comprises rock chips with S.G.'s greater than 3.4, while the DMS Tail constitutes material with S.G.'s lighter than 3.4.

The Concentrate and Tails were analysed using Fused Bead XRF to determine grades as reported. The fines fraction was not assayed due to the high clay contents.

All testwork was undertaken by Nagrom, with specialised equipment suited to this small scale DMS study.

Coupled with the potential for further exploration success both in manganese and copper, the Butcherbird Project will be the key focus over the coming months as the Company advances its goal of making the transition from explorer to large scale miner.

Investor Coverage

Recent investor relations, corporate videos and broker/media coverage on the Company's projects can be viewed on the Company's website at www.montezumamining.com.au.

About Montezuma Mining Company Ltd

Listed in 2006, Montezuma (ASX: MZM) is a diversified explorer primarily focused on manganese, copper and gold. Montezuma has a 100% interest in the Butcherbird Manganese/Copper Project and an 85-100% interest in the Peak Hill and Durack Gold Projects in the Murchison region of Western Australia.

More Information**Justin Brown**

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Managing Director

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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 Australasian 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 appears.