

14 May 2008

ASX CODE: MZM

ISSUED SHARES: 41.29M

52 WEEK HIGH: \$0.36

52 WEEK LOW: \$0.10

**CONTACT:**

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**BOARD:**

Denis O'Meara: Chairman

Terry Grammer: Non-Exec

Ian Cornelius: Non-Exec

**KEY PROJECTS:**

PEAK HILL (100%)

Gold

MT. PADBURY (100%)

Gold, Manganese, Iron Ore

Uranium

ROBINSON RANGE (70%)

Gold, Uranium

CALLAWA (100%)

Copper, Gold

TALGA (90%)

Gold, VMS

**MONTEZUMA SUCCESSFULLY COMPLETES MANGANESE DEAL**

- Montezuma successfully completes the sale of the manganese rights over Mt Padbury to Auvex Metals Limited.
- Montezuma to receive 10M fully paid ordinary shares in Auvex, approximately 12% of the issued capital on listing.
- Montezuma to retain a \$2/DMT royalty on production.
- Auvex holds an extensive portfolio of manganese projects in Australia and expects first production in mid 2009.
- Montezuma shareholders to have a priority right to shares in the Auvex IPO.

Montezuma is pleased to announce that it has successfully negotiated an agreement with Auvex Metals Limited for the sale of the manganese rights over the Mt Padbury licence E52/1529.

In consideration for the sale, Montezuma will receive 10M fully paid ordinary shares in the issued capital of Auvex. On listing, this holding will represent approximately 12% of the issued capital of Auvex. Montezuma retain a \$2/DMT royalty and will nominate one director to the Board of Auvex.

The agreement provides Montezuma with a major equity interest in an emerging manganese producer ideally positioned to capitalise on very strong demand and high prevailing prices currently associated with global manganese markets.

In addition to Mt Padbury and several other projects, Auvex is party to a Joint Venture Agreement over the Sunday Hill and Ant Hill manganese deposits in Western Australia where it has a stated strategic target of first production by July 2009.

Auvex is also currently in negotiations with several other parties to expand on the current portfolio and provide additional resources as the foundation of a long term manganese export business.

Auvex is targeting an initial year 1 production rate of >200,000t pa of lump manganese ore grading over 40%.

Recently reported contract prices have exceeded \$17/dmtu in an environment of strong demand and prevailing conditions should ensure strong returns over the medium term. As a major shareholder in the company, Montezuma will be ideally placed to benefit from the strong revenues projected to flow from the proposed operations.

Work to date at Mt Padbury has highlighted the potential for significant manganese mineralisation with rock-chips consistently grading over 40% Mn as previously reported. The Project fits well within Auvex's existing pipeline of projects and will be the focus of proactive exploration in an effort to define commercial resources that Auvex will then seek to commercialise as part of its ongoing production operations.

Auvex intends to list on the Australian Stock Exchange in early 2009 at a projected IPO price of \$0.50. Montezuma is pleased to be a key partner in this venture and looks forward to sharing in Auvex's success during this period of record manganese prices.

The Board believes that this deal represents a good outcome in terms of maximising the return to shareholders from our manganese assets, and the Company has confidence in the Auvex team's capabilities with respect to the planned production operations.

To maximise the opportunity for shareholders with respect to the Auvex's deal, Montezuma has also negotiated an arrangement whereby Montezuma shareholders will have a priority right to subscribe for a portion of Auvex shares available via their IPO. Full details of this arrangement will be finalised and released to the market closer to the IPO date.

### **More Information**

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### **Media Enquiries**

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*The Information in this report that relates to exploration results is based on information compiled by Liam Cornelius, who is a member of the Australasian Institute of Mining & Metallurgy. Mr Cornelius 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. Liam Cornelius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*