



22 FEBRUARY 2017

LITHIUM POTENTIAL CONFIRMED AT LAKE JOHNSTON

- Lake Johnston region developing as a recognised lithium province.
- Montezuma’s Lake Johnston Project located **along strike from other lithium projects** in the region.
- First pass target generation has identified **significant potential for lithium mineralisation**.
- Historic drilling intersected **downhole thicknesses over 100m logged as pegmatites** with no lithium assays.
- Surface auger geochemistry shows **elevated lithium** proximal to outcropping pegmatites.

Montezuma Mining Company Ltd (“Montezuma” or “Company”) is pleased to advise that recently completed target generation activities have confirmed the potential for lithium mineralisation at the Company’s Lake Johnston Project in Western Australia. The Lake Johnston Project is located approximately 460km east of Perth, and 25km south of the Maggie Hays and Emily Ann nickel deposits, currently held by Poseidon Nickel Ltd (“Poseidon”).

The Lake Johnston area has recently become the focus of intensive lithium exploration (Figure 1), due to known lithium occurrences at Mount Day and Lake Percy, and the recent discovery of the nearby, and potentially world-class, Earl Grey lithium deposit (Kidman Resources Ltd or ‘Kidman’)¹.

The area may also become a lithium processing hub, with Kidman recently signing an agreement to lease Poseidon’s Lake Johnston nickel facility for processing ore from the Earl Grey pegmatite deposit².

¹ http://kidmanresources.com.au/live/wp-content/uploads/2016/12/ASX-Announcement_Earl-Grey-Maiden-Resource-Correction-Announcement.pdf

² http://kidmanresources.com.au/live/wp-content/uploads/2016/11/ASX-Announcement_Option-to-process-Earl-Grey-lithium-ore-at-nearby-POS-plant.pdf

ABOUT MONTEZUMA MINING

Listed in 2006, Montezuma Mining Company Ltd (ASX: MZM) is a diversified explorer primarily focused on gold and manganese. The Company’s primary objective is to achieve returns for shareholders through selected strategic acquisitions and targeted exploration.

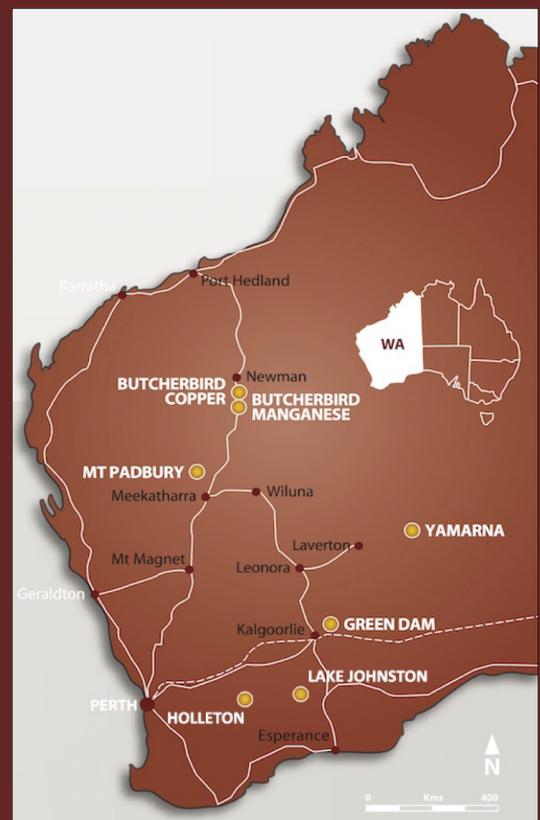
Montezuma has 100% interests in the Yamarna Gold Project in the Yamarna Greenstone Belt, the Holleton Gold Project in the Wheat Belt region and the Butcherbird Manganese/Copper Project in the Murchison region, all located in Western Australia.

MARKET DATA

| | |
|------------------------|---------|
| ASX code: | MZM |
| Share price: | \$0.16 |
| Shares on issue: | 83.5M |
| Market capitalisation: | \$13.4M |
| Cash (at 30 December): | ~\$4.6M |
| Listed Investments: | ~\$7.8M |

BOARD AND MANAGEMENT

| | |
|------------------------|------------------|
| Chairman | Seamus Cornelius |
| Executive Director | Justin Brown |
| Non-Executive Director | John Ribbons |
| Exploration Manager | Dave O’Neill |



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

As announced during December 2016 (ASX release dated 21 December, 2016), Montezuma has purchased the extensive exploration database for the Lake Johnston Project from Hannan's Ltd (ASX:HNR)³. The database includes geochemical, geophysical and drilling data, and has allowed Montezuma to accelerate target definition activities targeting economic accumulations of nickel, gold and lithium.

During a detailed review of the database, a number of priority lithium targets have been identified within the project area (Figure 2). These targets have been generated with historical mapping and field reconnaissance in areas of outcrop, and historical drilling and auger sampling. The review has highlighted a high volume of pegmatites, both in drilling, and in outcrop, some coincident with elevated levels of lithium (up to 75ppm in lake auger drilling). Significantly, none of the identified pegmatites have been sampled for lithium or associated elements (eg rubidium).

The Company intends to commence follow up work to validate these lithium targets. A field program will be undertaken including further mapping, rock chip sampling and, where possible, re-sampling of historical drilling spoil for lithium and selected pathfinder element assay.

This work will also focus on following-up a number of existing nickel and gold targets, with a particular focus on the Hardcore and Ernest gold prospects where previous workers identified significant near surface gold mineralisation.

Historic drilling intercepts at the Hardcore Prospect include⁴:

- 8m @ 5.09 g/t Au
- 3m @ 17.69 g/t Au
- 2m @ 35.88 g/t Au

³ Company ASX release dated 21 December 2016

⁴ <http://www.hannansreward.com/reports/196-101102-Lake-Johnston-Update.pdf>

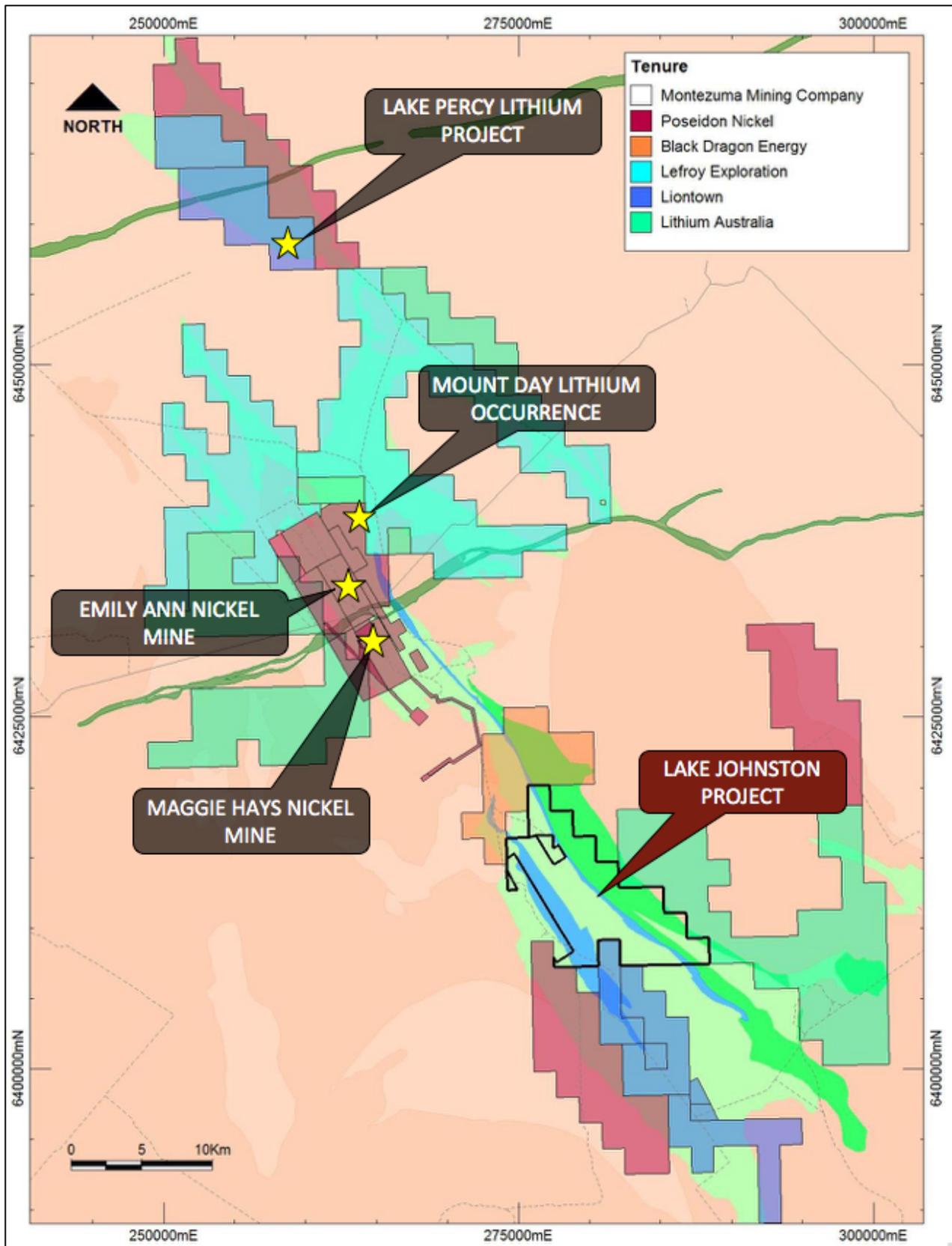


Figure 1: Lake Johnston Project location plan and regional lithium competitor map.

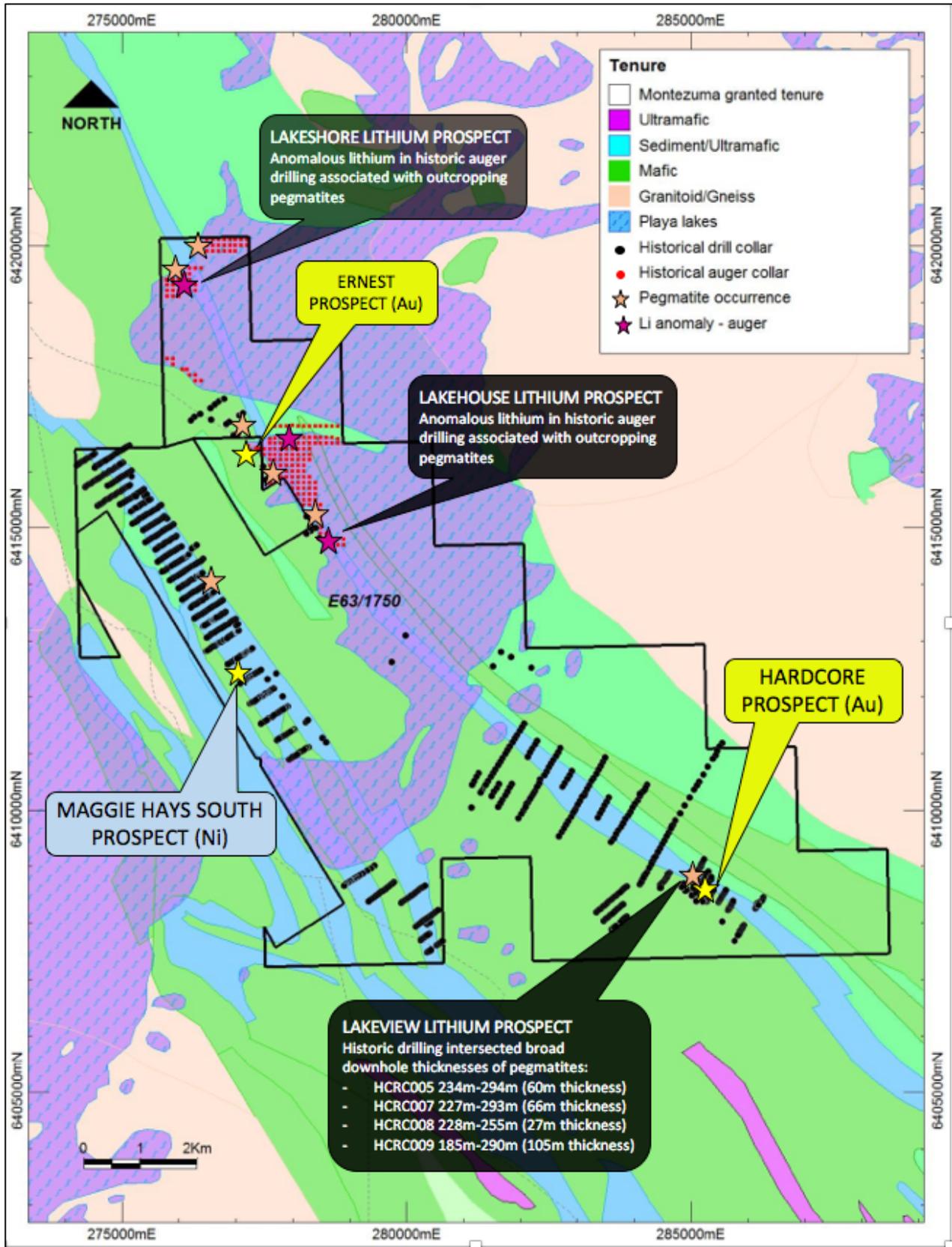


Figure 2: Detailed geological map showing historical auger and drilling locations, and the known pegmatite occurrences and lake auger lithium anomalies.

FOR MORE INFORMATION...

Justin Brown

Executive Director

Phone: +61 8 6315 1400

Email: jbrown@montezuma.com.au Company information, ASX announcements, investor presentations, corporate videos and other investor material on the Company's projects can be viewed at <http://www.montezuma.com.au>.

The information in this report that relates to Exploration Results, Mineral Resources and Mineral Reserves is based on information compiled by Mr Justin Brown who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results, Mineral Resources and Mineral Reserves were compiled, Mr Brown was an employee of Montezuma Mining Company Ltd. 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 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brown 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.