



## **BUTCHERBIRD (100%)**

The Butcherbird Manganese and Copper project straddles the Great North Highway approximately 120km south of Newman. Work to date has successfully identified both copper and manganese mineralisation within the Project and work is ongoing to assess the commercial potential of the deposits discovered to date as well as to explore for further discoveries within the province.

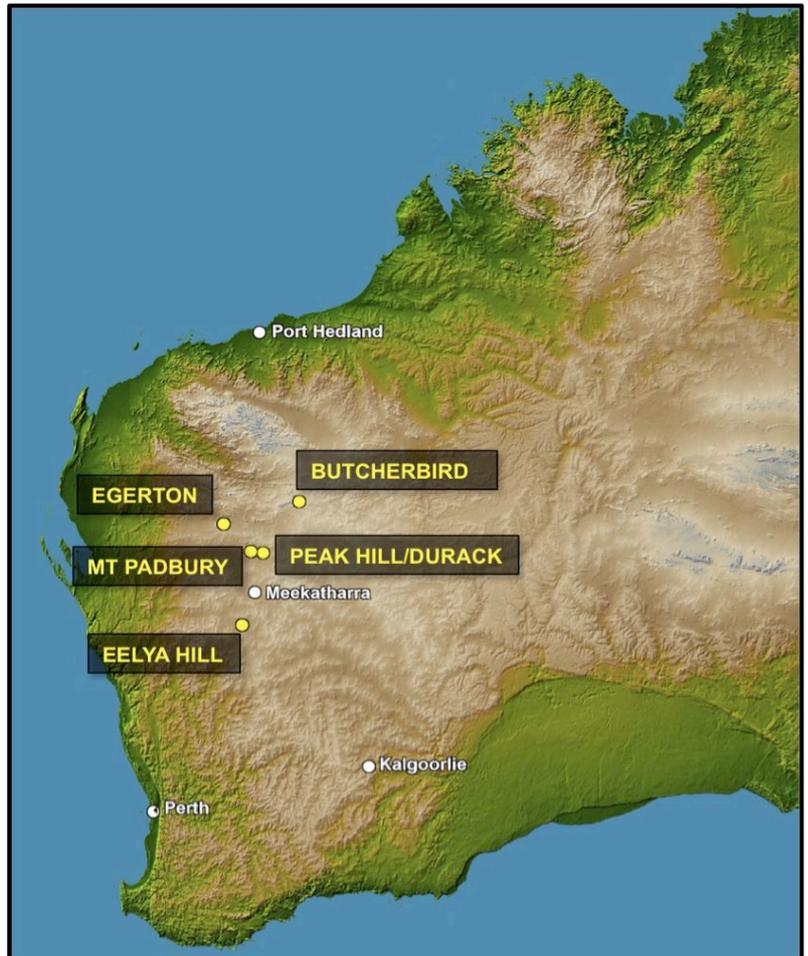
## **BUTCHERBIRD MANGANESE**

The work to date has identified seven primary target areas, with a Maiden Resource Estimate for the first of these at Yanneri Ridge having been completed and announced in the previous Quarterly Report.

With further drilling at the known target areas as well as several high priority exploration targets identified through a regional EM survey completed last year, the Company is of the view that there is good potential for further resource increases and new discoveries.

In addition to this work, commercial studies on the Yanneri Ridge deposit have commenced with the first stage being more detailed metallurgical testwork to confirm the grade/recovery behaviour of the material with conventional beneficiation techniques.

The sulphide copper mineralisation identified within the Project is also a priority with further geophysical testwork and follow up drilling planned for the coming Quarter.



## **Coodamudgi Manganese Discovery**

The Company is pleased to advise that assays received for the maiden drilling programme into the Coodamudgi Manganese Deposit confirm that significant grades and widths of manganese occur coincident with a strongly conductive EM anomaly at this location.

Based on the strong correlation of the EM data and the drillhole intersections, an \*\*Exploration Target has been defined for this discovery of 40-50 million tonnes of mineralisation @ 10-15% Mn.

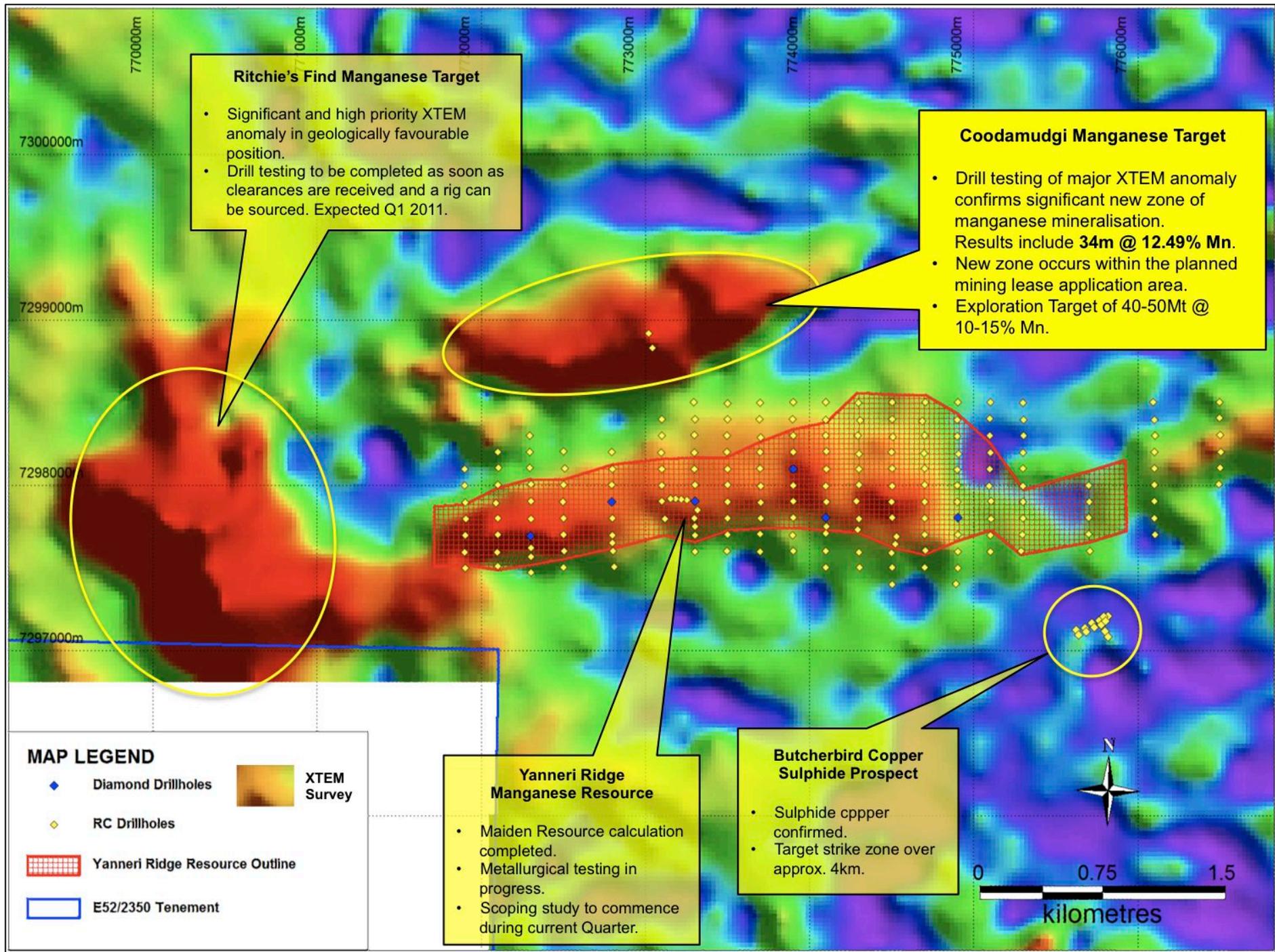
*\*\*It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

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

First pass DMS beneficiation test results have been received for composite material sampled from the Coodamudgi Manganese Deposit have returned very encouraging results, with grades of up to 39.7% Mn achieved using a separation SG of 3.4. Work is ongoing to further investigate and refine the beneficiation behaviour of the material.

This result, in addition to the other deposits discovered to date, confirms the Butcherbird Project area as a new manganese province and underpins the Company's confidence in its commercial potential. There are seven deposits now identified within the Project and numerous targets which the Company intends to test as part of the coming field season.

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.



### Ritchie's Find Manganese Target

- Significant and high priority XTEM anomaly in geologically favourable position.
- Drill testing to be completed as soon as clearances are received and a rig can be sourced. Expected Q1 2011.

### Coodamudji Manganese Target

- Drill testing of major XTEM anomaly confirms significant new zone of manganese mineralisation. Results include **34m @ 12.49% Mn**.
- New zone occurs within the planned mining lease application area.
- Exploration Target of 40-50Mt @ 10-15% Mn.

### Yanneri Ridge Manganese Resource

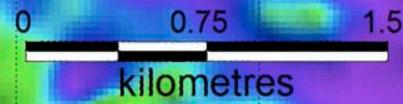
- Maiden Resource calculation completed.
- Metallurgical testing in progress.
- Scoping study to commence during current Quarter.

### Butcherbird Copper Sulphide Prospect

- Sulphide copper confirmed.
- Target strike zone over approx. 4km.

### MAP LEGEND

- ◆ Diamond Drillholes
- ◆ RC Drillholes
- ▤ Yanneri Ridge Resource Outline
- ▭ E52/2350 Tenement
- XTEM Survey



Hole ID	Northing (MGA94)	Easting (MGA94)	From	To	Mn (%)	Fe (%)	Al2O3 (%)	Ba (%)	CaO (%)	Cr2O3 (%)	Cu (%)	K2O (%)	MgO (%)	Na2O (%)	P2O5 (%)	Pb (%)	S (%)	SiO2 (%)	TiO2 (%)	Zn (%)
10EM004	7298829	773042	3	4	13.63	12.23	10.19	0.41	0.26	0.015	0.005	2.138	0.53	0.062	0.09	0.007	0.007	40.82	0.374	0.01
	<b>Depth</b>		4	5	8.81	12.11	10.07	0.248	0.53	0.006	0.004	1.869	1.1	0.034	0.03	0.004	0.004	47.11	0.3	0.007
	46m		5	6	8.64	14.19	10.1	0.193	0.41	0.008	0.005	2.008	0.89	0.028	0.05	0.007	0.008	45.68	0.316	0.009
			6	7	9.71	15.98	7.54	0.179	0.55	0.006	0.003	1.933	1.14	0.017	0.07	0.006	0.007	43.94	0.256	0.01
			7	8	2.93	14.96	10.06	0.074	0.5	0.01	0.002	1.739	1.07	0.013	0.02	0.004	0.007	53.69	0.359	0.007
			8	9	10.36	12.65	9.59	0.105	0.27	0.008	0.004	2.657	0.71	0.054	0.04	0.006	0.01	46.38	0.354	0.008
			9	10	16.15	11.79	8.97	0.115	0.18	0.011	0.005	2.965	0.55	0.086	0.1	0.007	0.014	40.17	0.322	0.011
			10	11	6.63	10.01	12.47	0.072	0.14	0.012	0.004	2.994	0.59	0.062	0.26	0.006	0.014	53.22	0.492	0.013
			11	12	6.72	12.1	12.69	0.062	0.12	0.01	0.005	2.957	0.65	0.05	0.31	0.006	0.009	49.99	0.51	0.018
			12	13	15.32	12.25	10.05	0.055	0.19	0.008	0.006	2.976	0.51	0.119	0.25	0.007	0.007	39.5	0.393	0.026
			13	14	9.48	12.42	12.22	0.059	0.16	0.01	0.007	2.965	0.63	0.07	0.22	0.005	0.006	46.17	0.44	0.013
			14	15	11.66	12.47	11.19	0.054	0.16	0.009	0.007	2.647	0.52	0.06	0.22	0.004	0.011	44.37	0.424	0.014
			15	16	13.11	9.79	11.62	0.062	0.19	0.01	0.005	3.135	0.49	0.12	0.27	0.006	0.006	44.55	0.458	0.02
			16	17	11.22	12.57	11.14	0.054	0.2	0.011	0.007	2.967	0.49	0.111	0.25	0.005	0.021	43.71	0.432	0.028
			17	18	15.57	7.54	11.37	0.058	0.26	0.008	0.009	3.338	0.52	0.206	0.21	0.007	0.021	44.68	0.443	0.025
			18	19	14.41	10.23	10.71	0.047	0.22	0.01	0.007	3.115	0.46	0.196	0.19	0.006	0.021	43.37	0.429	0.027
			19	20	8.64	11.06	12.69	0.072	0.19	0.013	0.007	3.351	0.57	0.128	0.22	0.007	0.02	48.86	0.49	0.027
			20	21	18.26	9.01	9.7	0.054	0.25	0.014	0.007	3.123	0.4	0.257	0.28	0.006	0.02	40.05	0.386	0.034
			21	22	7.51	9.79	12.55	0.058	0.24	0.011	0.007	2.622	0.48	0.122	0.41	0.014	0.022	52.37	0.511	0.015
			22	23	17.34	10.33	9.41	0.047	0.36	0.011	0.009	2.553	0.39	0.246	0.3	0.023	0.042	40.7	0.351	0.022
			23	24	14.08	11.74	9.47	0.047	0.63	0.01	0.006	2.273	0.44	0.147	0.61	0.01	0.022	42.23	0.374	0.026
			24	25	12.45	14.75	9.06	0.039	0.85	0.008	0.006	1.635	0.35	0.111	0.74	0.008	0.023	40.67	0.343	0.024
			25	26	15.07	14.24	8.63	0.021	0.84	0.011	0.007	1.575	0.39	0.144	0.69	0.006	0.023	38.08	0.334	0.024
			26	27	11.48	17.81	9.08	0.023	1.58	0.012	0.005	1.411	0.45	0.109	1.38	0.007	0.024	36.72	0.35	0.026
			27	28	16.7	14.72	8.7	0.026	0.79	0.01	0.005	2.541	0.82	0.141	0.66	0.01	0.012	34.06	0.344	0.022
			28	29	16.54	16.43	9.16	0.057	0.55	0.01	0.007	2.948	1.45	0.217	0.41	0.016	0.009	29.29	0.334	0.027
			29	30	13.4	13.52	11.68	0.094	0.46	0.011	0.007	3.204	1.47	0.161	0.4	0.011	0.007	36.14	0.455	0.021
			30	31	13.89	14.43	12.2	0.139	0.4	0.011	0.007	3.447	1.52	0.115	0.33	0.008	0.009	31.95	0.477	0.019
			31	32	18.19	16.67	10.2	0.102	0.32	0.009	0.006	3.601	1.16	0.081	0.37	0.006	0.005	23.84	0.405	0.024
			32	33	20.38	7.77	10.93	0.088	0.3	0.011	0.005	4.093	0.92	0.113	0.33	0.01	0.002	35.12	0.437	0.023
			33	34	8.75	8.54	14.12	0.102	0.51	0.012	0.005	3.278	1.12	0.074	0.4	0.015	0.003	49.34	0.553	0.014

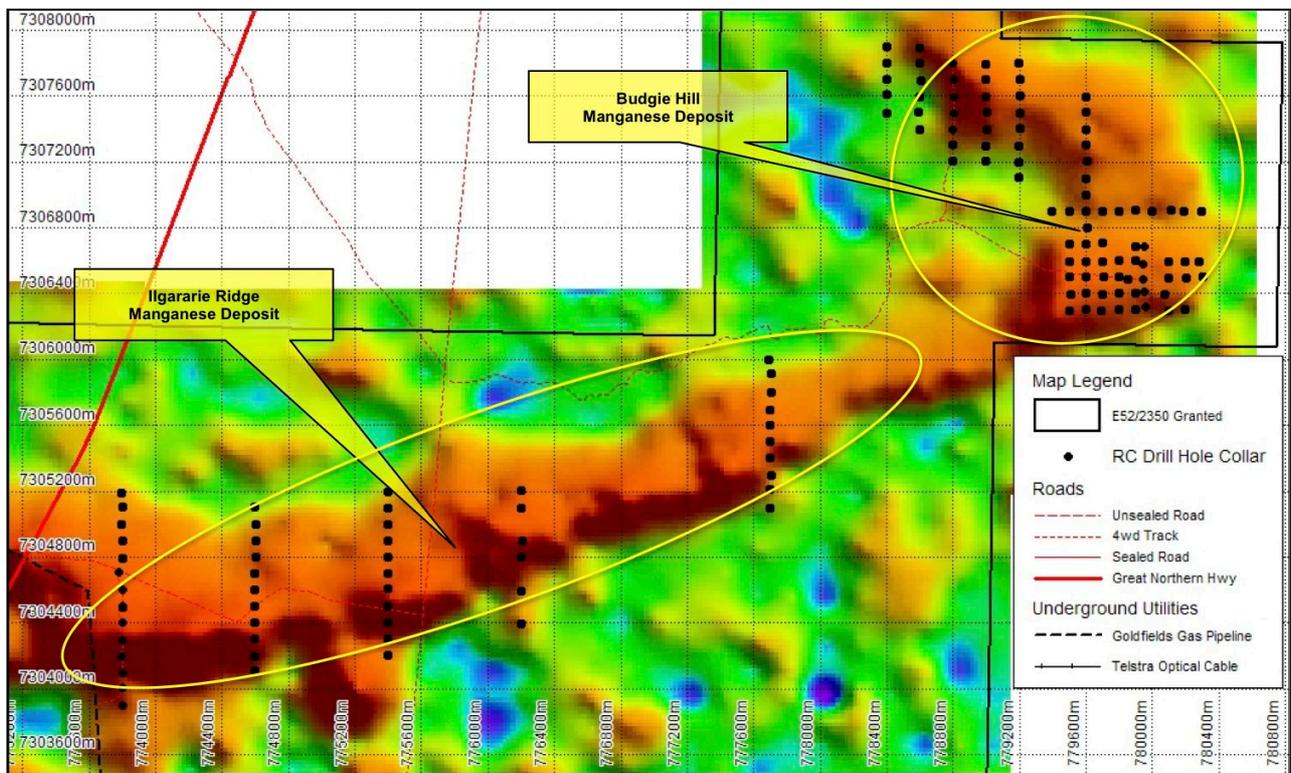
Hole ID	Northing (MGA94)	Easting (MGA94)	From	To	Mn (%)	Fe (%)	Al2O3 (%)	Ba (%)	CaO (%)	Cr2O3 (%)	Cu (%)	K2O (%)	MgO (%)	Na2O (%)	P2O5 (%)	Pb (%)	S (%)	SiO2 (%)	TiO2 (%)	Zn (%)
10EM005	7298920	773019	11	12	1.55	9.23	13.98	0.108	0.17	0.011	0.002	2.996	0.63	0.052	0.09	0.004	0.015	60.43	0.521	0.005
	<b>Depth</b>		12	13	7.26	12.28	11.96	0.195	0.15	0.016	0.005	2.806	0.54	0.05	0.15	0.006	0.013	50.26	0.443	0.009
	40m		13	14	3.59	11.91	12.66	0.126	0.16	0.009	0.004	2.75	0.61	0.023	0.15	0.006	0.013	55.81	0.479	0.01
			14	15	5.47	12.17	12.36	0.16	0.16	0.01	0.004	2.903	0.61	0.046	0.08	0.008	0.014	53.14	0.451	0.012
			15	16	11.12	12.62	10.52	0.109	0.18	0.009	0.005	2.756	0.55	0.075	0.19	0.006	0.014	44.77	0.39	0.015
			16	17	8.07	10.97	11.31	0.067	0.16	0.009	0.005	2.898	0.61	0.071	0.14	0.007	0.007	50.44	0.421	0.014
			17	18	15.19	10.45	9.82	0.054	0.26	0.007	0.006	3.005	0.5	0.166	0.22	0.007	0.008	43.12	0.373	0.013
			18	19	7.01	10.46	12.28	0.054	0.27	0.009	0.005	3.014	0.57	0.067	0.32	0.005	0.005	51.48	0.472	0.009
			19	20	9.74	11.03	11.36	0.058	0.21	0.007	0.005	2.884	0.55	0.082	0.21	0.005	0.006	48.07	0.432	0.012
			20	21	10.5	12.04	11.19	0.067	0.39	0.009	0.006	2.906	0.56	0.101	0.32	0.006	0.006	47.19	0.422	0.014
			21	22	6.03	12.95	12.09	0.055	0.22	0.008	0.007	3.006	0.59	0.06	0.25	0.004	0.008	50.04	0.449	0.008
			22	23	14.47	18.38	8.24	0.186	0.56	0.011	0.007	2.369	0.51	0.112	0.39	0.006	0.01	31.7	0.31	0.015
			23	24	8.44	13.87	11.58	0.052	0.31	0.01	0.007	3.064	0.56	0.092	0.29	0.006	0.014	45.11	0.49	0.011
			24	25	14	11.01	10.74	0.055	0.54	0.009	0.005	3.236	0.54	0.165	0.44	0.006	0.019	42.79	0.415	0.012
			25	26	7.94	15.14	11.49	0.066	0.2	0.04	0.007	2.952	0.55	0.098	0.25	0.006	0.022	46.45	0.427	0.013
			26	27	7.62	12.62	11.66	0.066	0.2	0.011	0.008	2.717	0.52	0.085	0.23	0.008	0.024	48.7	0.44	0.022
			27	28	8.47	11.24	12	0.054	0.19	0.014	0.006	3.043	0.54	0.086	0.24	0.008	0.023	48.75	0.479	0.031
			28	29	5.73	17.36	11.11	0.06	0.19	0.011	0.007	2.671	0.54	0.035	0.26	0.006	0.035	47.4	0.416	0.024
			29	30	13.4	7.71	11.4	0.056	0.4	0.015	0.008	3.657	0.52	0.088	0.28	0.006	0.024	46.19	0.433	0.024
			30	31	8.96	4.16	14.06	0.075	0.16	0.011	0.004	3.746	0.59	0.068	0.14	0.006	0.011	55.79	0.586	0.019
			31	32	17.9	9.34	9.32	0.047	0.12	0.007	0.005	3.012	0.31	0.088	0.27	0.009	0.018	40.9	0.37	0.037
			32	33	12.47	16.24	8.88	0.075	0.11	0.007	0.005	2.348	0.31	0.037	0.35	0.022	0.006	37.99	0.324	0.032
			33	34	6.81	17.41	10.14	0.049	0.14	0.007	0.006	1.922	0.4	0.009	0.5	0.007	0.003	43.33	0.393	0.017
			34	40	12.56	11.51	9.4	0.06	3.31	0.009	0.006	1.609	1.65	0.167	0.23	0.011	0.754	36.94	0.371	0.02

**Table 1.** Selected assays based on geological classification of material deemed amenable to beneficiation. All holes were drilled at -60 degrees to the south. Samples were collected at 1m intervals within the prospective mineralized zones. Assays were completed by Nagrom Laboratories using fused disc XRF analysis with AAS finish. All intersections are quoted as downhole widths.

## RC Drilling Results

The Company is pleased to advise that remaining assays have now been received for the major RC drilling programme completed late in 2010. The assay data relates to the Illgararie Ridge and Budgie Hill Prospects, two of the seven manganese deposits confirmed to date at the Butcherbird Project. Drilling and Resource data relating to the third area covered by the programme at Yanneri Ridge have been previously released.

Further work to define JORC compliant resources over these deposits will be conducted going forward, in conjunction with testing other Mn and copper targets within the Project area, including several high priority targets identified by the recently completed EM survey.



**Figure 1.** RC drillhole collar locations for the Illgararie Ridge and Budgie Hill deposits. Collars are shown over the coincident EM data

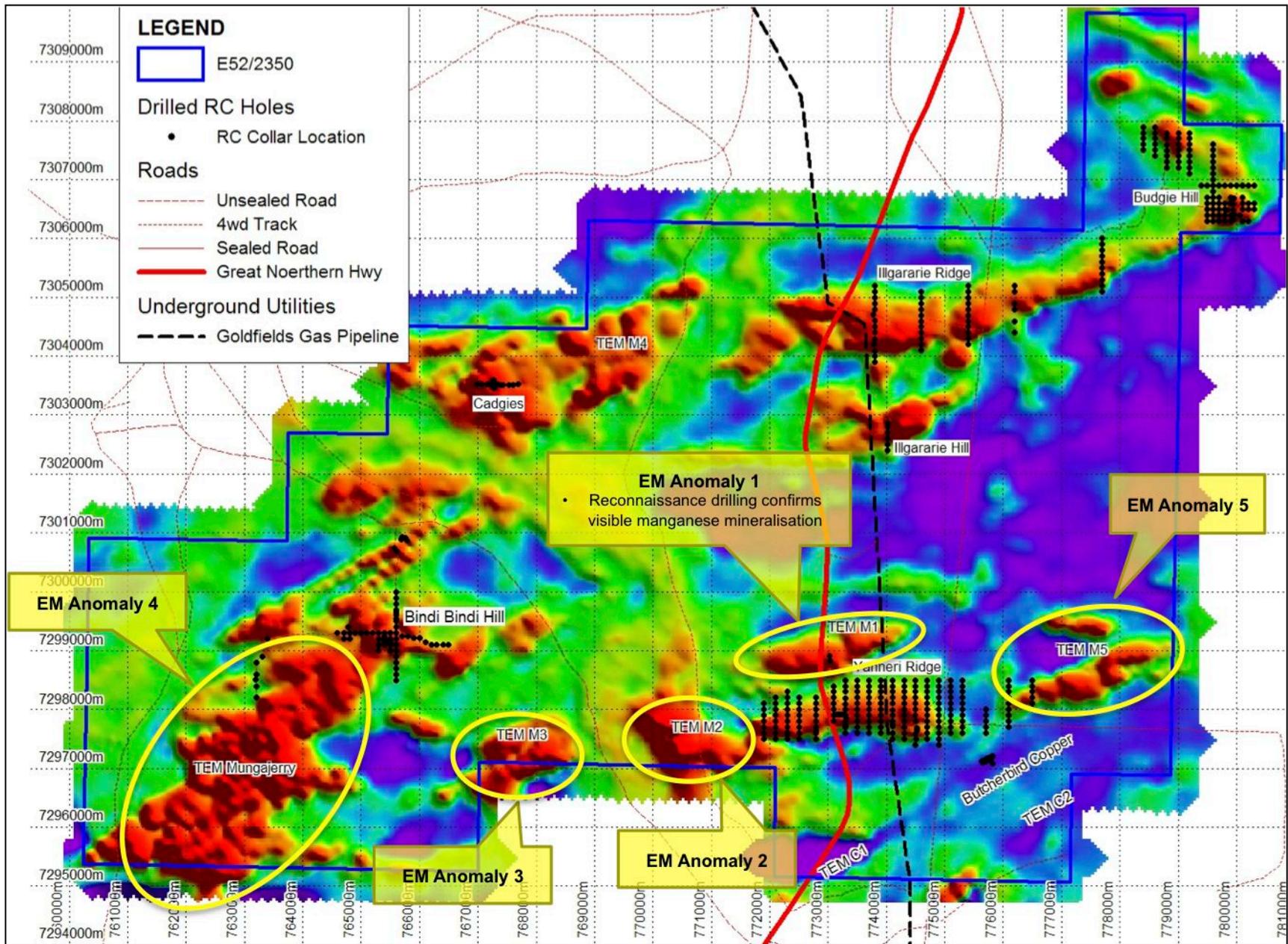
Hole_ID	Prospect	Northing (MGA94)	Easting (MGA94)	Depth	From	To	Interval	Mn (%)	Including	Fe (%)	SiO2 (%)	P2O5 (%)
10BB384	ILLGARARIE RIDGE	7304996	773798	34	9	10	1	9.62		12.00	44.82	0.09
					13	14	1	9.08		8.44	49.42	0.14
10BB385	ILLGARARIE RIDGE	7304900	773803	34	27	28	1	8.69		14.53	43.58	0.38
10BB386	ILLGARARIE RIDGE	7304795	773799	34	25	31	6	8.50	1m @ 15.65	10.88	48.97	0.24
10BB396	ILLGARARIE RIDGE	7304301	774600	34	12	15	3	11.57		11.13	44.88	0.26
					19	24	5	8.90		11.97	47.50	0.28
10BB397	ILLGARARIE RIDGE	7304197	774596	52	16	26	10	8.59	1m @ 14.84	12.94	46.69	0.19
					28	29	1	11.41		13.92	42.33	0.32
					34	37	3	9.81		10.77	48.70	0.18
					38	42	4	9.31	1m @ 14.62	16.47	43.42	0.35
10BB398	ILLGARARIE RIDGE	7304112	774597	46	13	14	1	9.22		9.24	49.36	0.09
					17	18	1	9.72		11.03	46.30	0.13
					34	36	2	9.73		14.45	43.18	0.14
10BB402	ILLGARARIE RIDGE	7304899	775400	34	24	26	2	8.36		12.37	48.43	0.23
					29	34	5	8.07		11.29	40.02	0.28
10BB403	ILLGARARIE RIDGE	7304803	775401	28	13	14	1	9.45		11.32	48.38	0.25
					16	17	1	8.73		12.39	47.53	0.28
					20	23	3	9.73		12.75	46.17	0.29
					24	25	1	9.07		12.62	46.25	0.46
					27	28	1	8.13		7.91	47.10	0.10
10BB404	ILLGARARIE RIDGE	7304701	775400	28	9	22	13	9.23	3m @10.63	12.56	46.81	0.25
					26	28	2	11.99		8.15	39.71	0.36
10BB405	ILLGARARIE RIDGE	7304605	775401	34	7	8	1	9.56		5.69	57.17	0.12
					11	13	2	8.04		11.24	49.50	0.22
					15	25	10	13.28	5m @ 16.47	12.01	43.18	0.32
10BB406	ILLGARARIE RIDGE	7304502	775400	34	0	1	1	11.86		15.21	39.13	0.06
					7	8	1	10.55		10.42	48.07	0.16
					12	22	10	9.78	3m @ 11.92	14.44	44.69	0.37
					26	27	1	14.34		11.24	33.52	0.48
					28	29	1	10.42		12.43	35.55	0.43
10BB407	ILLGARARIE RIDGE	7304402	775399	34	5	8	3	11.01	1m @ 14.04	10.92	46.71	0.14
					14	18	4	10.58	1m @ 14.96	16.56	41.80	0.29
					20	22	2	11.11		13.22	44.77	0.23

Hole_ID	Prospect	Northing (MGA94)	Easting (MGA94)	Depth	From	To	Interval	Mn (%)	Including	Fe (%)	SiO2 (%)	P2O5 (%)
					23	24	1	8.08		11.22	49.26	0.27
10BB408	ILLGARARIE RIDGE	7304300	775395	40	5	7	2	10.90		10.59	47.02	0.19
					9	10	1	9.05		16.12	44.04	0.18
					12	13	1	9.75		15.22	44.56	0.21
					16	19	3	9.63		14.09	44.44	0.24
					20	21	1	8.13		11.27	48.77	0.20
					23	27	4	9.73	1m @ 11.92	10.57	48.22	0.23
10BB411	ILLGARARIE RIDGE	7305098	776199	40	28	31	3	8.97		14.48	43.41	0.29
					32	33	1	8.19		16.23	43.91	0.30
					35	36	1	14.28		16.49	35.73	0.45
10BB413	ILLGARARIE RIDGE	7304902	776209	40	25	35	10	9.80	6m @ 11.09	12.82	47.05	0.40
10BB414	ILLGARARIE RIDGE	7304799	776202	34	27	28	1	8.14		13.30	47.93	0.25
10BB422	ILLGARARIE RIDGE	7305915	777703	34	17	20	3	7.27		11.08	47.92	0.16
10BB424	ILLGARARIE RIDGE	7305696	777699	34	13	14	1	10.86		9.48	45.91	0.17
10BB425	ILLGARARIE RIDGE	7305598	777700	40	27	28	1	11.87		11.58	44.70	0.40
					30	31	1	8.88		10.58	49.92	0.28
10BB426	ILLGARARIE RIDGE	7305502	777696	34	22	28	6	7.72	2m @ 8.32	11.61	49.75	0.26
10BB427	ILLGARARIE RIDGE	7305403	777701	34	10	12	2	9.16		12.67	46.82	0.29
					13	14	1	9.24		20.64	35.60	0.57
					16	18	2	9.90		15.25	42.56	0.32
					21	24	3	10.28	1m @ 13.85	12.37	46.69	0.28
10BB428	ILLGARARIE RIDGE	7305298	777703	28	4	19	15	8.17	3m @10.62	14.49	46.17	0.32
10BB442	BUDGIE HILL	7307901	778397	28	12	21	9	9.21	2m @ 10.12	14.23	43.28	0.34
10BB448	BUDGIE HILL	7307896	778600	16	0	7	7	9.12	1m @ 14.82	13.77	44.56	0.39
					10	11	1	9.33		12.11	46.51	0.27
10BB449	BUDGIE HILL	7307799	778602	22	7	17	10	7.35		12.44	46.25	0.29
10BB458	BUDGIE HILL	7307700	778999	28	0	1	1	9.13		8.72	40.49	0.12
					3	7	4	8.36		11.65	46.69	0.58
10BB459	BUDGIE HILL	7307598	778999	34	13	15	2	10.90		11.24	45.77	0.22
					18	19	1	9.87		12.98	45.06	0.39
					20	25	5	8.93	2m @ 10.30	15.26	44.64	0.47
10BB460	BUDGIE HILL	7307500	779002	40	13	14	1	10.23		9.94	47.71	0.18
					28	29	1	10.16		13.92	43.87	0.33

Hole_ID	Prospect	Northing (MGA94)	Easting (MGA94)	Depth	From	To	Interval	Mn (%)	Including	Fe (%)	SiO2 (%)	P2O5 (%)
10BB485	BUDGIE HILL	7306899	779800	22	4	5	1	10.11		12.11	42.86	0.12
					7	8	1	8.02		8.18	50.94	0.10
					17	18	1	15.75		17.14	31.67	0.21
10BB491	BUDGIE HILL	7306702	779496	40	17	19	2	8.13		8.28	51.72	0.15
					20	21	1	10.41		10.35	46.65	0.19
					27	29	2	7.64		12.74	48.45	0.23
10BB492	BUDGIE HILL	7306598	779496	40	23	25	2	9.21		9.98	49.14	0.32
					33	36	3	9.27		14.77	43.56	0.41
10BB493	BUDGIE HILL	7306501	779499	40	24	25	1	8.91		12.54	46.63	0.33
					32	34	2	9.14		12.23	46.70	0.39
10BB494	BUDGIE HILL	7306394	779504	34	15	17	2	16.52		10.64	38.56	0.16
					25	29	4	8.67	2m @ 10.23	13.09	46.61	0.38
10BB495	BUDGIE HILL	7306295	779500	40	21	24	3	11.26		12.61	43.01	0.26
					28	29	1	9.73		16.21	40.94	0.28
10BB498	BUDGIE HILL	7306302	779599	40	16	19	3	8.43		11.64	48.10	0.25
					21	26	5	10.55	3m @ 11.27	13.13	44.95	0.26
					30	31	1	9.81		12.34	48.60	0.33
10BB499	BUDGIE HILL	7306402	779600	40	14	17	3	7.62		12.18	48.49	0.24
					19	23	4	7.97		14.37	45.76	0.34
10BB501	BUDGIE HILL	7306597	779596	40	14	15	1	10.26		7.09	48.89	0.16
10BB505	BUDGIE HILL	7306499	779703	34	24	25	1	9.14		12.55	47.52	0.22
					30	31	1	12.47		14.68	39.61	0.31
10BB506	BUDGIE HILL	7306400	779695	28	5	6	1	9.38		8.63	49.14	0.20
					18	19	1	9.12		14.91	42.17	0.54
10BB507	BUDGIE HILL	7306299	779692	34	7	14	7	11.77	2m @ 16.52	12.21	43.91	0.31
10BB510	BUDGIE HILL	7306301	779795	28	2	7	5	8.20		12.47	48.10	0.21
					12	13	1	8.17		17.13	43.69	0.43
					14	18	4	8.56		15.46	44.09	0.51
10BB511	BUDGIE HILL	7306401	779794	28	1	5	4	9.68	1m @ 11.72	13.64	45.28	0.31
					7	8	1	10.91		10.09	47.75	0.27
					12	13	1	8.86		13.52	47.09	0.46
					15	19	4	11.55	1m @ 17.45	14.96	41.96	0.44
10BB512	BUDGIE HILL	7306500	779800	34	2	12	10	8.18		12.71	47.94	0.28

Hole_ID	Prospect	Northing (MGA94)	Easting (MGA94)	Depth	From	To	Interval	Mn (%)	Including	Fe (%)	SiO2 (%)	P2O5 (%)
					20	23	3	9.20	1m @ 13.02	10.68	49.50	0.47
10BB516	BUDGIE HILL	7306601	779899	28	1	2	1	10.83		6.77	44.81	0.33
					4	14	10	7.29	2m @ 9.67	11.69	49.18	0.33
					17	19	2	9.78		12.82	44.68	0.47
10BB517	BUDGIE HILL	7306402	779895	22	8	9	1	8.19		16.52	45.08	0.50
					10	11	1	12.44		15.63	38.71	0.86
					12	14	2	7.68		14.54	46.75	0.37
					18	19	1	8.26		11.08	49.30	0.23
10BB520	BUDGIE HILL	7306700	780100	22	5	6	1	8.53		12.59	46.86	0.30
10BB521	BUDGIE HILL	7306597	780098	22	7	11	4	9.94	1m @ 13.49	13.24	44.53	0.45
					13	15	2	8.95		15.72	38.97	0.53
					16	18	2	7.61		15.89	43.68	0.54
10BB522	BUDGIE HILL	7306496	780098	22	3	9	6	9.90	2m @ 11.88	15.71	41.67	0.52
10BB527	BUDGIE HILL	7306598	780195	16	0	1	1	10.51		12.61	45.99	0.24
10BB528	BUDGIE HILL	7306496	780202	16	2	3	1	8.73		13.03	40.53	0.16

**Table 2.** RC Drilling results from the Butcherbird Project area. Composite results shown from geologically constrained zones and a bottom cut of approximately 8% manganese. Assays were completed on 1m splits by Nagrom Laboratories using Fused Bead XRF analysis. All results are quoted as downhole intersections.



**Figure 2.** Plan view showing completed RC drillhole locations (black dots) and the channel 15 XTEM data from the recently completed trial XTEM survey.

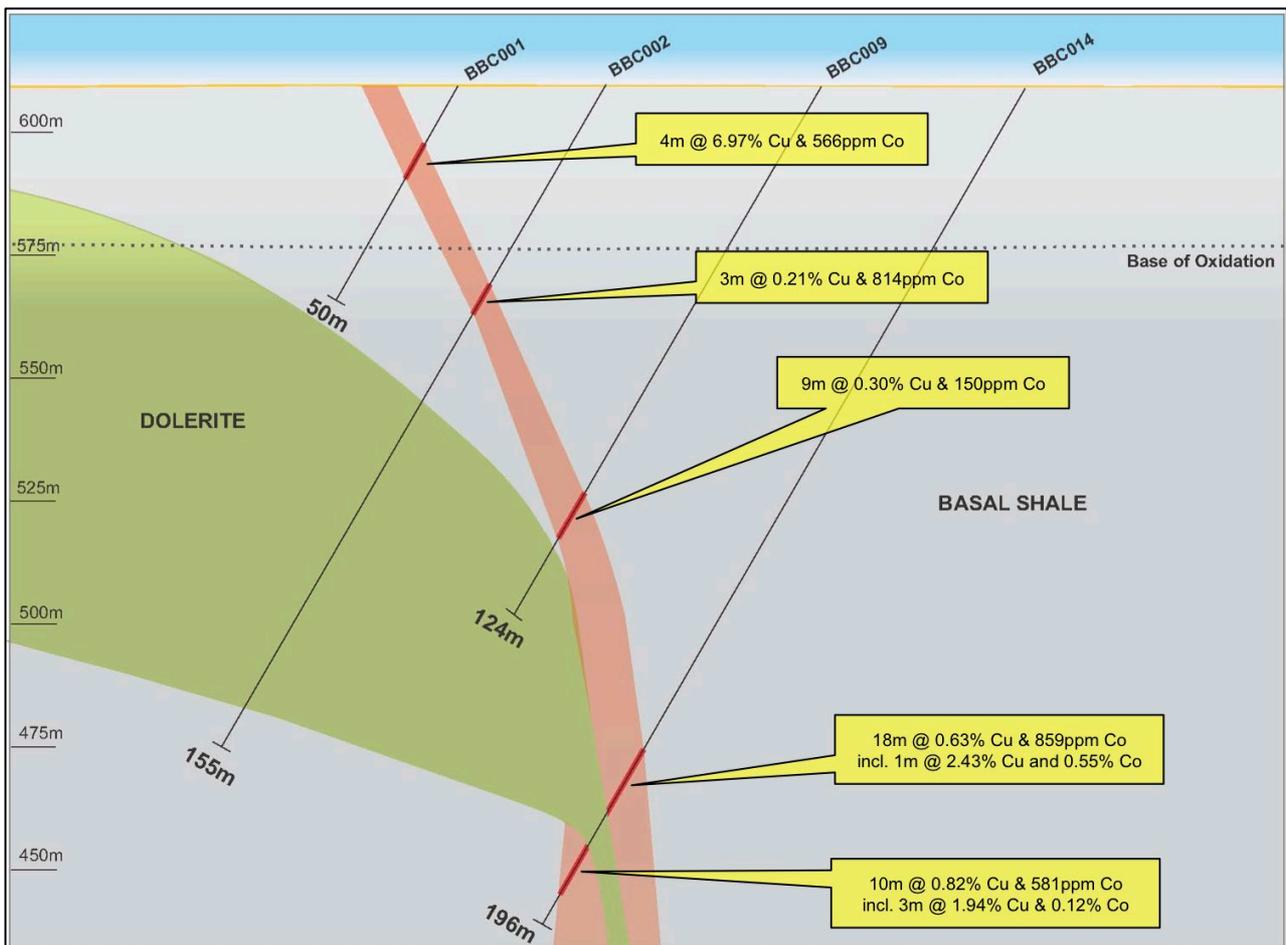
## BUTCHERBIRD COPPER

Assays received during the previous quarter in relation to RC drilling at the Butcherbird Copper Prospect confirmed the presence of significant sulphide copper and strong associated cobalt mineralisation.

Coupled with the projected strike potential of the system of 5km, the Butcherbird Copper Prospect has been confirmed as a priority exploration target.



These latest results further confirm the Butcherbird copper deposit as a potentially significant new discovery with mineralisation open in all directions and follow up work will be undertaken as a matter of priority commencing with a gradient array IP survey to commence in May of 2011.



## WORK PROGRAMME GOING FORWARD

The work programme outlined in the previous Quarterly Report has been progressed largely on schedule and several key milestones have been met, however some delays have been experienced due to higher than expected rainfalls and an unusually long wet season which has hampered efforts to access the Project area.

The metallurgical testwork has also suffered delays but is expected to be completed during the coming Quarter.

The progress to date sees the Company well positioned to complete a scoping study on this Resource in the second Quarter of calendar year 2011 and from there moving to feasibility studies based on the results of the scoping study work.

	2011					
Task	January	February	March	April	May	June
IP Survey					Copper	
RC Drilling					Manganese	Copper
Heritage Clearances						
Environmental Studies	FIRST STAGE COMPLETE					
Detailed Met Tests	COMMENCED					
JORC Resource	COMPLETED					
MLA Applications	COMPLETED					

**Table 3.** Indicative timeline for work at Butcherbird to mid year.

## PEAK HILL (85-100%)

Work at the Company's Peak Hill gold/copper project included ongoing target generation and progress towards a global resource upgrade. A dedicated Project Geologist has been assigned to the Project and at the conclusion of the current phase of work, the Company's strategy going forward with respect to Peak Hill will be reviewed.

## **CORPORATE**

### **Lithex Resources Limited**

The Company is party to an agreement with Lithex Resources Limited (“Lithex”) whereby Montezuma will receive ordinary shares in Lithex on Lithex listing on the ASX.

Lithex has a large strategic tenement holding within the East Pilbara and Gascoyne Geological Provinces of Western Australia including a substantial position within the historical tin and tantalum producing districts of the Achaean Pilbara Craton. The Lithex IPO is a potential opportunity for investors seeking exposure to lithium, tantalum, tin and rare earth metals.

Lithex have advised that they are currently raising funding via an IPO and expect to seek listing on the ASX in the coming weeks.

Interested parties should refer to the Lithex website at [www.lithex.com.au](http://www.lithex.com.au).

### **Exterra Resources Limited**

The Company is party to an agreement with Exterra Resources Limited (“Exterra”) whereby Montezuma will receive ordinary shares in Exterra on Exterra listing on the ASX.

Exterra has a large portfolio of advanced gold projects in the Linden Greenstone Belt (south of Laverton) and in the Egerton region of WA.

Exterra have advised that they are currently raising funding via an IPO and expect to seek listing on the ASX in the coming weeks.

Interested parties should refer to the Exterra website at [www.terreresources.com.au](http://www.terreresources.com.au).

### **Auvex Resources Limited**

Auvex Resources Limited (“Auvex”) have advised that they have entered into a scheme of arrangement with Mineral Resources Limited (“MIN”) to merge their 50% interest in the Mesa Joint Venture Assets to MIN. The scheme is subject to shareholder and statutory approvals and if successfully completed, MIN will distribute 45 million shares to Auvex shareholders on a pro rata basis.

For further details please refer to the Auvex website at [www.auvexresources.com.au](http://www.auvexresources.com.au)

## **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 <http://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.

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### **More Information**

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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.