



MONTEZUMA

MINING COMPANY LTD

30 September 2013 Quarterly Report

Market data

ASX code:	MZM
Share price:	\$0.095
Shares on issue:	70,464,350
Market capitalisation:	\$6.69m
Cash as at 30 September 2013:	\$6.4m

Share price



Substantial shareholders

Shareholder	Holding	% held
JPMorgan Nominees	6,102,862	8.66
Duketon Mining Ltd	5,382,500	7.64
Ranguta Ltd	5,326,375	7.56
Zero Nominees	4,475,000	6.35
Alpha Boxer Ltd	4,002,500	5.68

Board and management

Chairman	Seamus Cornelius
Exec. Director	Justin Brown
Non-exec Director	John Ribbons
CEO	Mike Moore



September 2013 quarter highlights

- ◆ **Current Butcherbird drilling program finalised with drilling work undertaken**
- ◆ **Metallurgical test work ongoing**
- ◆ **Peak Hill gold recoveries and leach kinetics**

Montezuma Mining Company Limited (ASX: MZM) continued to make further progress in relation to its exploration activities during the quarter ended 30 September 2013.

Butcherbird (100%)

During the September 2013 quarter, plans for the current diamond core drilling program were finalised, and drilling commenced following the appointment of drilling contractors TopDrive Drilling. Drilling at the Butcherbird Project, which is located approximately 120 km south of the township of Newman, commenced late in the quarter.

This drilling program was predominantly designed for the collection of HQ sized (i.e. 63 mm diameter) core for metallurgical test work, with both detailed graphical geological and preliminary geotechnical logging having been completed on the core.

By late October 2013, the program was completed with a total of 14 diamond holes and 474.3 metres drilled at four of the eight defined manganese resources within the Butcherbird Project.

With a focus on aiding ore characterisation, observations to date from detailed geological logging are encouraging. The dominant ore type is hosted in the upper saprolite (i.e. near surface weathered horizon) and bimodal, comprising of intercalated flat lying bands of competent manganese oxide and clay. The competent manganese oxide bands generally range from 1cm to 5cm thick, although bands up to 10cm thick have been logged. The intercalated clay or highly weathered shale bedrock is more abundant and occurs in thicker bands. The simple and quite varied properties of this bimodal ore feed bode well for the outcome of metallurgical test work to produce a commercial product via a viable beneficiation process.

Detailed geological logging is expected to be completed early next quarter and will provide more detail on potential ore types and their characteristics. Diamond drill core will also be trucked down from site to ALS Laboratories in Perth for metallurgical test work.

Peak Hill/Durack (85-100%)

Montezuma Mining has an option agreement with Grosvenor Gold Pty Ltd (Grosvenor), a wholly owned subsidiary of Resource and Investment NL (ASX:RNI) (RNI) whereby Grosvenor may acquire 100% of Montezuma Mining's interest in the Peak Hill Project by the acquisition of Peak Hill Metals Pty Ltd (a wholly owned subsidiary of Montezuma Mining). The key terms of the agreement are:

- Grosvenor paid an initial option fee for an exclusive option until 29 March 2013, and has subsequently extended the option period to 29 November 2013.
- Grosvenor being able to exercise the option at any time prior to expiry by paying Montezuma Mining \$2.8 million in cash, and issuing 8,400,000 fully paid ordinary shares in RNI, and 2.1 million 35 cent options in RNI.
- If the option is exercised, Grosvenor must also grant Montezuma Mining a 1% Gross Royalty, capped at \$1 million, on all revenue it receives from production from the Peak Hill Project
- Grosvenor must meet minimum expenditure commitments on the project during the option period.

Heap leaching studies

The latest results from the metallurgical test work conducted by RNI are from oxide and transitional mineralisation at the Peak Hill gold project.

Large scale 7-week column leach tests (1) commissioned on Peak Hill pit mineralisation have returned 91.2% gold recoveries for oxide material and 65.6% for transitional material.

These results follow preliminary results for initial bottle roll (2) test work on mineralisation from the Peak Hill pits released to the ASX by Montezuma Mining on 31 July 2013. Recoveries of 85.2% were reported in transitional material.

These tests have now been finalised and the oxide composites returned recoveries of 93.4% (Table 1).

The latest results (Table 2) continue to exceed RNI's expectations. RNI's internal business case studies assumed heap leach recoveries of around 65% and the initial bottle rolls, and subsequent column leaches, have in every instance exceeded these internal targets.

In May 2013, RNI commissioned Independent Metallurgical Operations (IMO) to conduct metallurgical test work and to estimate capital and operational costs to underpin a heap leach project based at the Grosvenor gold processing plant, 170km north-west of Meekatharra.

This test work also encompasses the Peak Hill gold resources as satellite operations. The processing concept is a primary, low-cost heap leach recovery option, with conventional carbon in leach processing as

an adjunct and parallel processing pathway. The IMO test work is part of RNI’s strategy to examine potential bulk processing and mining options capable of delivering a low cost gold processing and production pathway, targeting costs of less than \$A1,000/oz.

Progress with both pre-feasibility and development studies is at an advanced stage and will be announced when complete.

Domain	Crush Size	Recovery	Duration	Assayed Head	Calculated Head	NaCN Consumption	Lime Consumption
	mm	%	Hours	g/t	g/t	kg/t	kg/t
Montezuma I	25	85.2	192	2.42	2.12	0.2	1.7
Montezuma II	25	93.4	192	1.59	1.24	0.2	1.8

Table 1: Initial results from bottle rolls from composite samples from Peak Hill (Montezuma) pits

Domain	Recovery	Duration	Assayed Head	Calculated Head	NaCN Consumption	Lime Consumption
	%	Hours	g/t	g/t	kg/t	kg/t
Montezuma I	91.2	49	2.42	1.84	0.11	0
Montezuma II	65.6	49	1.59	1.61	0.13	0

Table 2: Results from column tests from composite samples from Peak Hill (Montezuma) pits

FOR MORE INFORMATION...

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

ABOUT MONTEZUMA MINING

Listed in 2006, Montezuma Mining Company Ltd (ASX: MZM) is a diversified explorer primarily focused on manganese, copper and gold. Montezuma Mining 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.

The Information in this report that relates to Exploration Results in respect to the Butcherbird Project is based on information compiled by Mr Mark Gunther, who is a member of the Australian Institute of Geoscientists. Mr Gunther is a geologist who is a part-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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gunther consents to the inclusion in the release dated 31 July 2013 on the matters based on information in the form and context in which it appears.

The information in this ASX release that relates to Exploration Results and Mineral Resources and Geometallurgy in respect to the Peak Hill/Durack project is based on information compiled by Mr Albert Thamm, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Thamm is Technical Director of Resource and Investment NL and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting of Mineral Resources and Ore Reserves. Mr Thamm consents to the inclusion in the release dated 31 July 2013 on the matters based on information in the form and context in which it appears.