

**Three Months Ending:  
31 March 2009**

ASX CODE: MZM  
ISSUED SHARES: 41.69M  
52 WEEK HIGH: \$0.18  
52 WEEK LOW: \$0.02  
SHARE PRICE: \$0.067  
MARKET CAP: \$2.79M  
CASH ON HAND: \$2.59M

**CONTACT:**

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Managing Director  
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**BOARD:**

Denis O'Meara: Chairman  
Justin Brown: MD  
Ian Cornelius: Non-Exec

**KEY PROJECTS:**

PEAK HILL (100%)  
Gold

MT PADBURY (100%)  
Gold, Manganese, Iron

CALLAWA (100%)  
Copper, Gold

TALGA (90%)  
Gold, VMS

**KEY SHARE POSITIONS:**

AUVEX RESOURCES LTD  
10,000,000 FPO Shares

BUXTON RESOURCES LTD  
2,000,000 FPO Shares

**HIGHLIGHTS**

• **MT PADBURY E52/1529 (100% EXCLUDING Mn AND Fe)**

- Second \$1M cash payment received from the sale of the iron ore rights. Total cash at the end of the Quarter \$2.59M
- Midwest to commence exploration as soon as practicable to prove up 10Mt resource >50% Fe which will trigger third \$4M cash payment.

• **AUVEX RESOURCES LIMITED (MZM 10M SHARES)**

- Assay results were returned from an additional 35 of a total of 96 holes completed at Ant Hill. Two holes pending. Results include:

Hole ID	From	Width	Grade (Mn)
AHRC026	12m	5m	@ 37.44%
AHRC029	9m	5m	@ 36.33%
AHRC035	1m	5m	@ 36.54%
AHRC036	17m	5m	@ 36.54%
AHRC066	3m	9m	@ 41.13%
AHRC076	18m	11m	@ 32.15%
AHRC094	29m	10m	@ 37.64%
AHRC095	26m	10m	@ 38.69%
AHRC096	29m	6m	@ 35.44%

- Ant Hill Manganese Resource increased by over 400% to **4.911Mt @ 20.3% Mn** and 25.4% Fe using a 10% Mn cutoff.
  - Trial mining within the resource at Ant Hill has produced an initial **30,000 t @ 44.75% Mn** and 12.2% Fe, confirming the potential for high grade product.
  - Production target of 300,000t/year @ 44% Mn commencing in second half 2009.
- **PEAK HILL (100%)**
- Resource upgrade process continues on schedule.
  - Exploration drilling to recommence in the coming Quarter

## **PEAK HILL (MZM 100%)**

Receipt of the second payment of \$1M from the sale of the Mt Padbury iron ore rights allows the technical team to resume active exploration and plans are currently in place to recommence drilling at Peak Hill in the coming Quarter.

The development of the gold resources at Peak Hill remains a core component of the Company's overall strategy and the work programme to produce a revised resource estimate for the deposit remains on track.

## **MT PADBURY (100%)**

### **IRON ORE**

The Company is pleased to announce that the term of the Mt Padbury Project licence E52/1529 was extended for a period of two years during the last quarter, triggering the second **cash payment of \$1M** in relation to the sale of iron ore rights over Mt Padbury to Midwest Corporation Limited which was received on schedule.

Now that the extension has been granted, Midwest will commence exploration as soon as practicable. If Midwest defines a JORC compliant iron ore resource in excess of 10M tonnes grading over 50% Fe, Midwest will make a third payment of \$4M cash to Montezuma.

Montezuma will also receive a 0.5% royalty on the gross proceeds of the sale of all iron ore grading between 30-50% Fe and a 1% royalty on the gross proceeds of the sale of all iron ore grading over 50%, the latter being first subject to the definition of a 10M tonne resource grading over 50% Fe.

This milestone is an important step in providing the Company with working capital to fund ongoing acquisition and exploration strategies at the Peak Hill Gold Project (MZM 100%).

## **AUVEX RESOURCES LIMITED (MZM 10M SHARES)**

During the Quarter, the Company was pleased to announce that Auvex Resources Limited ("Auvex") and Hitec Energy Limited ("Mesa Mining Joint Venture") reported a significant increase to the global manganese Resource at the Ant Hill deposit in the Pilbara region of Western Australia.

The new global JORC Resource calculation for the Ant Hill manganese deposit yields a four fold increase to **4.911Mt @ 20.3% Mn** and 25.4% Fe using a 10% Mn cutoff.

It is estimated that the revised Resource figure covers approximately 30% of the known deposit at Ant Hill and excludes the Sunday Hill deposit where there is an **additional JORC Resource of 4.7Mt @ 18.4% Mn.**

Recently completed **trial mining has yielded approximately 30,000 tonnes of high grade product at 44.75% Mn** and 12.2% Fe and 25,000 tonnes of medium grade material from a parcel of 126,500 tonnes mined. The trial confirms the potential for the production of a high grade product stream through low cost crushing and screening of the primary ore.



**Figure: Manganite - MnO(OH) crystals from Sunday Hill**

Auvex are targeting an initial production rate of 300,000t per annum grading 44% Mn over a minimum of five years commencing in the second half of 2009. It is expected that further exploration drilling will extend the potential mine life out beyond this initial target, with only one third of the deposit drilled to date.

The Project is located approximately 70kms southeast of Nullagine in the Pilbara district of Western Australia. The Project also contains the Sunday Hill deposit, which has the potential to add further significant tonnages of manganese ore to the operation

The Company is very pleased with progress to date at Sunday Hill and Ant Hill and have a high level of confidence that Auvex will succeed in developing a long-term commercial manganese operation.

Potential future returns from the Company's Auvex shareholding are expected to provide valuable working capital to fund continued work at Peak Hill, as well as potential future acquisitions, underpinning Company growth and shareholder returns.

## **RESIGNATION OF DIRECTOR**

The Company has received notice from Mr Terry Grammer that he is resigning as a Non-Executive Director of Montezuma Mining Company Ltd effective immediately.

Mr Grammer is a founding Director and shareholder of the Company and has contributed significantly to the Company's success to date. The Board would like to thank Mr Grammer for his significant contribution and wishes him all the best as he pursues other endeavours.

## **More Information**

### **Justin Brown**

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 "Australian 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.*