

MONTEZUMA MINING COMPANY LIMITED
ACN 119 711 929

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

20 November 2015

Time of Meeting

10:30 am

Place of Meeting

Ground Floor
20 Kings Park Road
WEST PERTH WA 6005

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

*The **2015 Annual Report** may be viewed on the Company's website at www.montezuma.com.au*

MONTEZUMA MINING COMPANY LIMITED
ACN 119 711 929
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Montezuma Mining Company Limited (**Company**) will be held at Ground Floor, 20 Kings Park Road, West Perth, Western Australia on 20 November 2015 at 10:30 am for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

2015 Financial Statements

To receive the financial statements of the Company for the year ended 30 June 2015, consisting of the annual financial report, the Directors' report and the auditor's report.

Resolution 1 – Re-election of Mr Seamus Cornelius as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Seamus Cornelius, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."

Short Explanation: Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

Resolution 2 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2015 Annual Report be and is hereby adopted."

Short Explanation: Section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company's key management personnel included in the Company's Annual Report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory and neither binds the Company's Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorised the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 3 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Short Explanation: Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM. The 10% Placement Facility is in addition to the Company’s 15% placement capacity under Listing Rule 7.1. Please refer to the Explanatory Memorandum for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Approval of Grant of Options to Mr Justin Brown

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 10.11 of the Listing Rules, section 208 of the Corporations Act and for all other purposes, the issue to Mr Justin Brown, or his nominees, for nil consideration of 1,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 20 November 2020 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure D is hereby approved.”

Short Explanation: Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolution 4 by Mr Brown and any associate of Mr Brown. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 5 – Approval of Grant of Options to Mr John Ribbons

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 10.11 of the Listing Rules, section 208 of the Corporations Act and for all other purposes, the issue to Mr John Ribbons, or his nominees, for nil consideration of 500,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 20 November 2020 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure D is hereby approved.”

Short Explanation: Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolution 5 by Mr Ribbons and any associate of Mr Ribbons. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 6 – Approval of Grant of Options to Mr Seamus Cornelius

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 10.11 of the Listing Rules, section 208 of the Corporations Act and for all other purposes, the issue to Mr Seamus Cornelius, or his nominees, for nil consideration of 500,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 20 November 2020 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure D is hereby approved.”

Short Explanation: Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolution 6 by Mr Cornelius and any associate of Mr Cornelius. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 7 – Ratification of Issue of Options

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 500,000 Options to the parties, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion:

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

Resolution 8 – Replacement of Constitution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

That for the purposes of section 136(2) of the Corporations Act and for all other purposes, the existing constitution of the Company be replaced with the new constitution in the form of the document tabled at the Meeting and signed by the Chairman for the purposes of identification, with effect from the close of the Meeting.”

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company’s Share Registry no later than 10:30 am (WST) on 18 November 2015:

- by post to:
Security Transfer Registrars
PO Box 535
APPLECROSS WA 6953
- by facsimile on +61 8 9315 2233
- by email to registrar@securitytransfer.com.au

By order of the Board



John Ribbons
Company Secretary
Date: 17 September 2015

PROXIES

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00 pm WST on 18 November 2015 will be entitled to attend and vote at the AGM.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Montezuma Mining Company Limited ACN 119 711 929 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Ground Floor, 20 Kings Park Road, West Perth, Western Australia, on 20 November 2015 commencing at 10:30 am.

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- re-electing Mr Seamus Cornelius as a Director;
- adopting the Remuneration Report;
- approving 10% Placement Facility;
- approving grant of options to Mr Justin Brown;
- approving grant of options to Mr John Ribbons;
- approving grant of options to Mr Seamus Cornelius;
- ratification of issue of options; and
- adopting replacement of constitution.

Financial and Other Reports

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2015 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

Resolution 1 – Re-election of Mr Seamus Cornelius as a Director

1.1 Introduction

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr Seamus Cornelius will retire by rotation and, being eligible, offers himself for re-election.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

1.2 Director's Biography

Mr Cornelius brings over 21 years of corporate experience in both legal and commercial negotiations. Mr Cornelius has been based in Shanghai and Beijing since 1993 where he has been living and working as a corporate lawyer.

From 2000 to 2011, Mr Cornelius was an international partner with one of Australia's leading law firms and specialised in dealing with cross border investments, particularly in the energy and resource sectors. Mr Cornelius has for many years advised large international companies on their investments in China and in recent years advised Chinese state owned entities on their investments in natural resource projects outside China, including Australia. Mr Cornelius is also chairman of Buxton Resources Limited, Duketon Mining Limited and Danakali Limited. Mr Cornelius has not held any former directorships in the last 3 years.

Given Mr Cornelius' extensive legal, commercial and more recently, resource industry experience, the Board considers Mr Cornelius holds relevant experience and skills necessary to assist the Company at its current stage of development.

1.3 Directors' Recommendation

All the Directors except Mr Cornelius recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 – Adoption of Remuneration Report

2.1 Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report, which is part of the 2015 Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the 2015 Annual Report are available by contacting the Company's share registrar or visiting the Company's web site www.montezuma.com.au.

The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2015 AGM and then again at the 2016 AGM, the Company will be required to put a resolution to the 2016 AGM to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2016 AGM. All of the Directors who were in office when the 2016 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains Board policies in relation to the nature and level of remuneration paid to Key Management Personnel, sets out remuneration details for each member of the Key Management Personnel, details any service agreements and sets out the details of any share based compensation.

2.2 Voting on the Remuneration Report

Note that a voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Resolution 3 – Approval of 10% Placement Facility

3.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) below).

As previously disclosed to ASX, the Company continues to advance its 100% owned Butcherbird Project. The Company may use the 10% Placement Facility to advance this goal.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

3.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being listed Shares, unlisted options and unlisted performance rights.

(c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 70,464,350 Shares. At the date of the meeting the Company will have the capacity to issue:

- (i) 9,919,652 Equity Securities under Listing Rule 7.1; and
- (ii) 7,046,435 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) above).

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

3.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

3.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.10 50% decrease in Issue Price	\$0.20 Issue Price	\$0.40 100% increase in Issue Price
Current Variable A 70,464,350 Shares	10% voting dilution	7,046,435 Shares	7,046,435 Shares	7,046,435 Shares
	Funds raised	\$704,643	\$1,409,287	\$2,818,574
50% increase in current Variable A 105,696,525 Shares	10% voting dilution	10,569,652 Shares	10,569,652 Shares	10,569,652 Shares
	Funds raised	\$1,056,965	\$2,113,930	\$4,227,861
100% increase in current Variable A 140,928,700 Shares	10% voting dilution	14,092,870 Shares	14,092,870 Shares	14,092,870 Shares
	Funds raised	\$1,409,287	\$2,818,574	\$5,637,148

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (v) The issue price is \$0.20, being the closing price of the Shares on ASX on 17 September 2015.
- (c) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing its 100% owned Butcherbird Project and/or general working capital; or
 - (ii) non-cash consideration for the acquisition of new assets. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

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- (f) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2014 annual general meeting on 18 November 2014.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this notice of meeting is 3,400,000 representing 3.92% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following equity securities in the 12 months preceding the date of this Notice:

Date of Issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Issued to	Value as determined by Black-Scholes valuation
18/11/2014	1,250,000	Options (Annexure A)	Nil	Nil	Nil	Aradia Ventures Pty Ltd	\$56,000
18/11/2014	750,000	Options (Annexure A)	Nil	Nil	Nil	Kongming Investments Ltd	\$33,600
18/11/2014	750,000	Options (Annexure A)	Nil	Nil	Nil	A Ribbons	\$33,600
6/3/2015	150,000	Options (Annexure B)	Nil	Nil	Nil	Bradley Drabsch <Oceantobush A/C>	\$6,285
15/9/2015	250,000	Options (Annexure C)	Nil	Nil	Nil	Main Ridge Nominees Pty Ltd <Wynnstay A/C>	\$9,125
15/9/2015	250,000	Options (Annexure C)	Nil	Nil	Nil	Inger Bennett	\$9,125

No funds were raised from the issue of these Equity Securities.

- (h) A voting exclusion statement is included in the Notice.
- (i) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Resolution 4 – Approval of Grant of Options to Mr Justin Brown

The Company proposes to grant 1,000,000 Options to Mr Justin Brown, or his nominees, for nil consideration at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.

The full terms of the Options are set out in Annexure D to this Explanatory Memorandum.

The Directors consider that the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.25. On that basis, in the event all the Options are exercised, Mr Brown (or his nominees) will need to pay a total of \$250,000 to the Company.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 4 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed Resolution would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolution 4 will be granted to Mr Brown, or his nominees, within one month of the passing of this Resolution. Mr Brown is a Director of the Company and is therefore classified as a related party.

The nature of, reasons for and basis for the financial benefit

The proposed financial benefit is the grant of 1,000,000 options to Mr Brown, or his nominees, for no issue price. Each Option will allow Mr Brown to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.

The Options form part of Mr Brown's incentive for continuing and future efforts. The issue of Options to Mr Brown is subject to Resolution 4 being passed. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Brown is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Brown to achieve this increase in the Share price, which would result in an increase in Shareholder value.

Directors' recommendation

All directors except Mr Brown recommend Shareholders vote in favour of Resolution 4. Mr Brown does not wish to make a recommendation about the proposed Resolution 4 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Interests of Directors

Mr Brown has noted his interest in the approval of Resolution 4 in relation to the Options.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 1,000,000 Options to Mr Brown, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure D to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Brown, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

Table 1 - Details of Director Options

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Justin Brown	Director	1,000,000	the greater of 20 cents per share or 125% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	20 November 2020	At date of allotment	\$78,500 (i)

Option Valuation details

Details	Input
Share price	\$0.20
Exercise Price	\$0.25
Risk Free Rate	2.27%
Volatility (Annualised)	50%
Start Date	20 November 2015
Expiry Date	20 November 2020
Value per Option	\$0.0785 (i)

- (e) As at the date of this Notice, the issued capital of the Company comprised 70,464,350 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Options
Shares and Options	89,709,350
Options to be granted	1,000,000
New Total	90,709,350
Dilutionary effect	1.11%

- (f) Mr Brown's current interests in securities of the Company are set out in the table below:

Director	Shareholding	Option holding
Justin Brown	4,112,500	6,250,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 12 cents to 27 cents, the most recent closing price prior to the date of this Notice was 20 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Brown currently receives a salary of \$180,000, plus superannuation based on four days per week.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Brown or his nominees pursuant to Resolution 4.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Brown (or his nominees).
- (b) The maximum number of Options to be issued to Mr Brown (or his nominees) is 1,000,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

- (d) The Options will be issued at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.
- (e) The Options will be issued on the terms and conditions outlined in Annexure D.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

Resolution 5 – Approval of Grant of Options to Mr John Ribbons

The Company proposes to grant 500,000 Options to Mr John Ribbons, or his nominees, for nil consideration at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.

The full terms of the Options are set out in Annexure D to this Explanatory Memorandum.

The Directors consider that the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.25. On that basis, in the event all the Options are exercised, Mr Ribbons (or his nominees) will need to pay a total of \$125,000 to the Company.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 5 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed Resolution would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolution 5 will be granted to Mr Ribbons, or his nominees, within one month of the passing of this Resolution. Mr Ribbons is a Director of the Company and is therefore classified as a related party.

The nature of, reasons for and basis for the financial benefit

The proposed financial benefit is the grant of 500,000 options to Mr Ribbons, or his nominees, for no issue price. Each Option will allow Mr Ribbons to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.

The Options form part of Mr Ribbons' incentive for continuing and future efforts. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Ribbons is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Ribbons to achieve this increase in the Share price, which would result in an increase in Shareholder value.

Directors' recommendation

All directors except Mr Ribbons recommend Shareholders vote in favour of Resolution 5. Mr Ribbons does not wish to make a recommendation about the proposed Resolution 5 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Interests of Directors

Mr Ribbons has noted his interest in the approval of Resolution 5 in relation to the Options.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 500,000 Options to Mr Ribbons, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure D to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Ribbons, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

Table 1 - Details of Director Options

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
John Ribbons	Director	500,000	the greater of 20 cents per share or 125% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	20 November 2020	At date of allotment	\$39,250 (i)

Option Valuation details

Details	Input
Share price	\$0.20
Exercise Price	\$0.25
Risk Free Rate	2.27%
Volatility (Annualised)	50%
Start Date	20 November 2015
Expiry Date	20 November 2020
Value per Option	\$0.0785 (i)

- (e) As at the date of this Notice, the issued capital of the Company comprised 70,464,350 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Options
Shares and Options	89,709,350
Options to be granted	500,000
New Total	90,209,350
Dilutionary effect	0.56%

- (f) Mr Ribbons' current interests in securities of the Company are set out in the table below:

Director	Shareholding	Option holding
John Ribbons	500,000	3,500,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 12 cents to 27 cents, the most recent closing price prior to the date of this Notice was 20 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Ribbons currently receives an annual director fee of \$33,600, plus GST.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Ribbons or his nominees pursuant to Resolution 5.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Ribbons (or his nominees).
- (b) The maximum number of Options to be issued to Mr Ribbons (or his nominees) is 500,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Options will be issued at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.
- (e) The Options will be issued on the terms and conditions outlined in Annexure D.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

Resolution 6 – Approval of Grant of Options to Mr Seamus Cornelius

The Company proposes to grant 500,000 Options to Mr Seamus Cornelius, or his nominees, for nil consideration at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.

The full terms of the Options are set out in Annexure D to this Explanatory Memorandum.

The Directors consider that the incentive represented by the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.25. On that basis, in the event all the Options are exercised, Mr Cornelius (or his nominees) will need to pay a total of \$125,000 to the Company.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 6 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed Resolution would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolution 6 will be granted to Mr Cornelius, or his nominees, within one month of the passing of this Resolution. Mr Cornelius is a Director of the Company and is therefore classified as a related party.

The nature of, reasons for and basis for the financial benefit

The proposed financial benefit is the grant of 500,000 options to Mr Cornelius, or his nominees, for no issue price. Each Option will allow Mr Cornelius to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.

The Options form part of Mr Cornelius' incentive for continuing and future efforts. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Cornelius is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Cornelius to achieve this increase in the Share price, which would result in an increase in Shareholder value.

Directors' recommendation

All directors except Mr Cornelius recommend Shareholders vote in favour of Resolution 6. Mr Cornelius does not wish to make a recommendation about the proposed Resolution 6 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Interests of Directors

Mr Cornelius has noted his interest in the approval of Resolution 6 in relation to the Options.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 500,000 Options to Mr Cornelius, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure D to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Cornelius, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

Table 1 - Details of Director Options

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Seamus Cornelius	Director	500,000	the greater of 20 cents per share or 125% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	20 November 2020	At date of allotment	\$39,250 (i)

Option Valuation details

Details	Input
Share price	\$0.20
Exercise Price	\$0.25
Risk Free Rate	2.27%
Volatility (Annualised)	50%
Start Date	20 November 2015
Expiry Date	20 November 2020
Value per Option	\$0.0785 (i)

- (e) As at the date of this Notice, the issued capital of the Company comprised 70,464,350 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Options
Shares and Options	89,709,350
Options to be granted	500,000
New Total	90,209,350
Dilutionary effect	0.56%

- (f) Mr Cornelius' current interests in securities of the Company are set out in the table below:

Director	Shareholding	Option holding
Seamus Cornelius	3,064,225	3,250,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 12 cents to 27 cents, the most recent closing price prior to the date of this Notice was 20 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Cornelius currently receives an annual director fee of \$48,000.

- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Cornelius or his nominees pursuant to Resolution 6.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Cornelius (or his nominees).
- (b) The maximum number of Options to be issued to Mr Cornelius (or his nominees) is 500,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Options will be issued at an exercise price of 20 cents or 125% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 20 November 2020.
- (e) The Options will be issued on the terms and conditions outlined in Annexure D.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

Resolution 7 – Ratification of Issue of Options

General

The Company issued 500,000 Options on 15 September 2015 at no cost under its 15% placement capacity and now seeks, pursuant to Resolution 7 of the Notice, to ratify the allotment and issue of those Options.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

The Company proposes Resolution 7 to ratify a previous issue of Options in accordance with Listing Rule 7.4. The Company confirms that the allotment and issue of the Options the subject of Resolution 7 did not breach Listing Rule 7.1.

Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 500,000 Options were allotted and issued by the Company;
- (b) The Options were issued for no cost;
- (c) The Options allotted were issued in accordance with the terms and conditions detailed in Annexure C;
- (d) The Options were allotted to Main Ridge Nominees Pty Ltd < Wynnstay A/C> and Inger Bennett who are not related parties of the Company;
- (e) No funds were raised from the issue of Options; and
- (f) A voting exclusion statement is included in the Notice.

Directors' Recommendation

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 8 – Replacement of Constitution

General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 seeks Shareholder approval for the replacement of the Company's existing constitution with a new constitution which is up to date with the Corporations Act and the ASX Listing Rules, and reflects usual and appropriate rules to regulate a listed company. The Company's existing constitution was adopted in 2006 and is out of date.

Under the Corporations Act, it is open to the Company to amend its constitution by special resolution, or to replace it in its entirety. The Directors considered that it was more expedient to update the constitution in its entirety to ensure the Company follows best practice today without reference to an outdated document containing references to superseded organisations and practices in relation to administration of securities. The proposed new constitution is compliant with the ASX Listing Rules and has been approved by the ASX. It contains a number of minor differences to the existing constitution from an administrative and regulatory perspective, aligned with changes to the ASX Listing Rules, but it continues to reflect the more material aspects of the Company's existing constitution, such as the required number of Directors and the circumstances when the Chairman is entitled to cast a casting or second vote to break deadlock at meetings of Directors. There are no fundamental differences between the proposed new constitution and the existing constitution.

A copy of the Company's existing Constitution and the proposed Constitution can be found on the Company's website at www.montezuma.com.au and at the office of the Company. A copy of the proposed Constitution can also be sent to Shareholders upon request to the Company Secretary by phoning 9389 2111. Shareholders are invited to contact the Company if they have any queries or concerns.

Directors' recommendation

The Board unanimously recommends the adoption of the new Constitution.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

AGM	means an Annual General Meeting.
Annual Report	means the Directors' report, the annual financial report and auditor's report in respect of the financial year ended 30 June 2015.
Associate	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	has the same meaning as defined in Section 9 of the Corporations Act.
Company	means Montezuma Mining Company Limited ACN 119 711 929.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Proxy Form	means the proxy form attached to this Notice.
Remuneration Report	means the remuneration report of the Company included in the Annual Report.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share.

ANNEXURE A

TERMS AND CONDITIONS
OPTIONS EXPIRING 18 NOVEMBER 2019

The Options are issued on the following terms:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company ACN: 119 711 929 ("**Company**") upon the payment of 21.5 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time on 18 November 2019 ("**Expiry Date**").
4. The Options are not transferable and application will not be made to the ASX for Official Quotation of the Options.
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Options to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

ANNEXURE B

TERMS AND CONDITIONS
OPTIONS EXPIRING 31 JANUARY 2018

The Options are issued on the following terms:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company ACN: 119 711 929 ("**Company**") upon the payment of 34 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time on 31 January 2018 ("**Expiry Date**").
4. The Options are not transferable and application will not be made to the ASX for Official Quotation of the Options.
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Options to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
12. The issue of Options are conditional on the continued engagement between the Option holder and the Company. If continued engagement ceases to exist the Options lapse.

ANNEXURE C

TERMS AND CONDITIONS
OPTIONS EXPIRING 15 SEPTEMBER 2017

The Options are issued on the following terms:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company ACN: 119 711 929 ("**Company**") upon the payment of 27.5 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time on 15 September 2017 ("**Expiry Date**").
4. The Options are not transferable and application will not be made to the ASX for Official Quotation of the Options.
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Options to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

ANNEXURE D

TERMS AND CONDITIONS
OPTIONS EXPIRING 20 NOVEMBER 2020

The Options will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option will be the greater of 20 cents per share or 125% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of meeting ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company Limited ABN 46 119 711 929 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm, Western Standard Time on 20 November 2020 ("**Expiry Date**").
5. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before closing date to exercise the Options.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

«EFT_REFERENCE_NUMBER»

MONTEZUMA MINING COMPANY LTD

ACN: 119 711 929

REGISTERED OFFICE:
GROUND FLOOR
20 KINGS PARK ROAD
WEST PERTH WA 6005

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

Code:

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE	Lodge your proxy vote securely at www.securitytransfer.com.au	<input type="text" value="«ONLINE»"/>
	<ol style="list-style-type: none"> Log into the Investor Centre using your holding details. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area. 	

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:30am WST on Friday 20 November 2015 at Ground Floor, 20 Kings Park Road, West Perth WA 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain
1. Re-election of Mr Seamus Cornelius as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Grant of Options to Mr Justin Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of Grant of Options to Mr John Ribbons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of Grant of Options to Mr Seamus Cornelius	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratification of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder	Security Holder 2	Security Holder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director & Sole Company Secretary	Director	Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:30am WST on Wednesday 18 November 2015.



My/Our contact details in case of enquiries are:

Name:

Number:

()

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

