

**MONTEZUMA MINING COMPANY LTD**  
**ABN 46 119 711 929**

**NOTICE OF GENERAL MEETING**

**AND**

**EXPLANATORY MEMORANDUM**

**Date of Meeting**

30 July 2008

**Time of Meeting**

11:00 am

**Place of Meeting**

**Boardroom**

**DWCorporate Pty Ltd**

**Level 3**

**46 Ord Street**

**WEST PERTH WA 6005**

MONTEZUMA MINING COMPANY LTD  
ABN 46 119 711 929  
NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of shareholders of Montezuma Mining Company Ltd ("**Company**") will be held at Level 3, 46 Ord Street, West Perth WA on 30 July 2008 at 11:00 am for the purpose of transacting the following Business.

**ORDINARY BUSINESS**

**Resolution 1 - Ratification of Issue and Allotment of Shares and Options**

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 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the issue and allotment of 4,371,667 fully paid ordinary shares and 1,092,917 options issued on terms and conditions set out in the Explanatory Memorandum accompanying this Notice to persons who are not related parties of the Company."*

**Short Explanation:** Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion Statement**

The Company will in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 1 by any person who participated in the issue and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a 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.

**Resolution 2 - Issue and Allotment of Shares and Options**

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

*"That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX and for all other purposes, approval is given for the Company to be authorised to issue and allot up to 400,000 fully paid ordinary shares and 100,000 options on the terms set out in the Explanatory Memorandum accompanying this Notice."*

**Short Explanation:** Approval is sought under Listing Rule 7.1 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of any such person.

**Resolution 3 - Share Placement Facility**

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

*“That for the purposes of Listing Rule 7.1 of the Listing Rules of ASX and for all other purposes, the directors be authorised to allot and issue up to 25,000,000 ordinary fully paid shares in the capital of the Company at an issue price of not less than 80% of the average market price of the Company’s shares (calculated over the 5 days on which sales of shares were recorded before the day on which the issue is made), with such shares to be issued to such persons as the directors in their absolute discretion may determine and otherwise upon the terms set out in the notice of meeting and explanatory memorandum.”*

**Voting Exclusion Statement**

The Company will in accordance with Listing Rules of the ASX, disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their associates. 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.

By order of the Board



John Ribbons  
Company Secretary  
Date: 24 June 2008

## **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 of his attorney 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 ordinary shares at 5.00 pm Perth time on 28 July 2008 will be entitled to attend and vote at the General Meeting.

## **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 Ltd ABN 46 119 711 929 ("**Company**") in connection with the business to be conducted at the General Meeting of the Company to be held at the offices of DWCorporate Pty Ltd, Level 3, 46 Ord Street, West Perth, Western Australia on 30 July 2008 commencing at 11:00 am.

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.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting:

### **Resolution 1 - Ratification of Allotment and Issue of Shares and Options**

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

Resolution 1 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of Shares and Options. The Company confirms that the issue and allotment of the Shares and Options, the subject of Resolution 1 did not breach ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) 4,371,667 Shares and 1,092,917 Options were issued by the Company;
- (b) the issue price per Share was 15 cents, with a 1 for 4 free attaching option;
- (c) funds raised by the issue were for additional working capital purposes, primarily in relation to ongoing exploration and evaluation of the Company's exploration projects in Australia.
- (d) the Shares and Options were allotted to parties introduced by Kirk Securities and Ocean Partners;
- (e) the Shares rank equally with the existing Shares;
- (f) the terms and conditions of the Options are set out in Annexure A of this Notice;
- (g) \$665,750 (before costs) was raised by this issue; and
- (h) a voting exclusion statement is included in the Notice.

### **Resolution 2 – Issue and Allotment of Shares and Options**

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of the Company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Up to 400,000 Shares and 100,000 Options are proposed to be issued by the Company pursuant to Resolution 2 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

The proposed issue of Shares and Options will be to persons who are not related parties of the Company and is placed before Shareholders to allow the Shares and Options to be excluded from the calculation set out in ASX Listing Rule 7.1.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the maximum number of securities to be issued pursuant to Resolution 2 is 400,000 Shares and 100,000 Options (exercise price 20 cents, expiring 31 August 2011);
- (b) no funds were raised from the issue of Shares and Options, but form the consideration for the acquisition of the 10% interest of Exploration Licence 52/1529;
- (c) it is anticipated that the Shares and Options will be issued and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the listing rules;
- (d) the Shares and Options will be allotted to Dolphin Resources Pty Ltd;
- (e) the Shares rank equally with the existing Shares;
- (f) the terms and conditions of the options are set out in Annexure A of this Notice;
- (g) a voting exclusion statement is included in the Notice.

### **Capital Structure of the Company**

The capital structure of the Company following the successful completion of the issue and allotment of Resolution 2 is summarised below:

#### **Details of Number of Shares and Options:**

	<b>Shares</b>	<b>Options</b>
Current	41,293,570	23,000,267
Resolution 2	400,000	100,000
<b>TOTAL</b>	<b>41,693,570</b>	<b>23,100,267</b>

**Resolution 3 - Share Placement Facility**

Resolution 3 seeks the approval of shareholders for a share placement facility of up to 25,000,000 ordinary fully paid shares, which the directors may utilise to raise additional working capital for the Company.

As at the date of this notice of meeting there has been no decision by the directors whether to issue these shares. The directors believe that it is prudent for the Company to have a share placement facility available so that additional equity funds can be raised if considered necessary. If not utilised, the facility would lapse 3 months after the date of the meeting.

ASX Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its issued capital in any 12 month period, without the prior approval of its shareholders (subject to certain exceptions). Accordingly, shareholder approval is being sought under Listing Rule 7.1 for the issue of up to 25,000,000 shares in the Company. In accordance with ASX Listing Rule 7.3 the following information is provided to shareholders:

- a) the maximum number of securities that may be issued under Resolution 3 is 25,000,000 fully paid shares.
- b) any shares issued in accordance with Resolution 3 will be issued and allotted within 3 months from the date of the general meeting (or such later date as approved by ASX).
- c) the shares will be issued at a price which is not less than 80% of the average market price of the Company's shares, calculated over the last 5 days on which sales in the Company's shares were recorded on ASX before the day on which the issue is made.
- d) as at the date of this notice of meeting there has been no decision by the directors to issue any shares. Accordingly, the names of any allottees or proposed allottees are not known.
- e) any shares issued pursuant to Resolution 3 will rank equally in all respects with existing ordinary fully paid shares on issue in the Company.
- f) funds raised by the issue of any shares will be used as additional working capital for the Company, primarily in relation to ongoing exploration and evaluation of the Company's exploration projects in Australia.
- g) as noted above, as at the date of this notice of meeting no decision has been made by the directors on whether to utilise the share placement facility and accordingly, it is not known whether any allotments will occur as a single allotment or will occur progressively. However, it would be likely that any issue of shares will be made as a single allotment.

## **GLOSSARY**

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

<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Company</b>	means Montezuma Mining Company Ltd ABN 46 119 711 929.
<b>Corporations Act</b>	means Corporations Act 2001.
<b>Director</b>	means a director of the Company.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice or Notice of Meeting</b>	means the Notice of General Meeting accompanying this Explanatory Memorandum.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.

ANNEXURE A

TERMS AND CONDITIONS  
OPTIONS EXPIRING 31 AUGUST 2011

The Options to be issued will be 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 Ltd ACN: 119 711 929 ("**Company**") upon the payment of 20 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time on 31 August 2011 ("**Expiry Date**").
4. The Options will be listed for official quotation on the ASX, if the Company issues a class of listed 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. 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 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 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.
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.

**MONTEZUMA MINING COMPANY LTD**  
**ABN 46 119 711 929**  
**PROXY FORM**

The Company Secretary  
 Montezuma Mining Company Ltd  
 C / - Level 3, 46 Ord Street  
 WEST PERTH WA 6005

**Facsimile: 61 8 9483 3599**

I/We (name of shareholder) .....  
 of (address) .....  
 being a member/members of Montezuma Mining Company Ltd HEREBY APPOINT  
 (name) .....  
 of (address) .....  
 and/or failing him (name) .....  
 of (address) .....  
 or failing that person then the Chairperson of the meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held on 30 July 2008 and at any adjournment of the meeting.

**PROXY INSTRUCTIONS**

<p>If you wish to instruct your proxy how to vote, insert "X" in the appropriate column against the item of business set out below.</p> <p>If you do not wish to direct your proxy how to vote please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest. The Chairman has advised that his intention is to vote in favour of the resolutions.</p> <p>If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.</p>	
---	---

*Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:*  
 I/We direct my/our Proxy to vote in the following manner:

RESOLUTION	FOR	AGAINST	ABSTAIN
1 Ratification of Issue and Allotment of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue and Allotment of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Share Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*This Proxy is appointed to represent \_\_\_\_\_ % of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_\_\_% and Proxy 2 represents \_\_\_\_\_% of my total votes. My total voting right is \_\_\_\_\_ shares.*

**SIGNATURE OF SECURITYHOLDERS – PLEASE SIGN HERE**

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>

Sole Director & Sole Company Secretary    Director / Company Secretary    Director

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2008

**INSTRUCTIONS FOR APPOINTMENT OF PROXY**

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint **proxies must be received by the Company no later than** 48 hours before the time appointed for the holding of this General Meeting **that is by 11:00 am on 28 July 2008** by post to Level 3, 46 Ord Street, West Perth WA 6005 or facsimile (61 8 9 483 3599) .
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
  - if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
  - if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
  - if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.