

16 January 2008

ASX CODE: MZM

ISSUED SHARES: 36.9M

52 WEEK HIGH: \$0.36

52 WEEK LOW: \$0.16

CONTACT:

JUSTIN BROWN

Managing Director

+61 8 9228 4833

BOARD:

Denis O'Meara: Chairman

Terry Grammer: Non-Exec

Ian Cornelius: Non-Exec

KEY PROJECTS:

PEAK HILL (100%)

Gold

MT PADBURY (90%)

Gold, Manganese

ROBINSON RANGE (70%)

Uranium, Gold

CALLAWA (100%)

Copper, Gold

TALGA (90%)

Gold, VMS

MONTEZUMA TO RAISE \$3M TO FUND PEAK HILL DRILLING

- Underwriting agreement to raise \$3M via Cunningham Securities.
- Funds to be used to accelerate exploration at Montezuma's 100% owned Peak Hill gold mine.
- Capital raising to underpin Montezuma's strategy of increasing the current +200,000 oz resource base to in excess of 500,000 oz.

Montezuma is pleased to announce that it has successfully negotiated an Underwriting Agreement with Perth broker Cunningham Securities to raise between \$2M and \$3M by issuing up to 15 million shares at an issue price of \$0.20 per share with a free attaching option exercisable at \$0.20 for every four shares issued under the placement.

By meeting a minimum subscription of \$2M, Cunningham Securities will receive 1.5M options exercisable at \$0.35 and by raising the full \$3M, Cunningham will receive an additional 1.5M \$0.35 options.

The funds raised, together with existing cash reserves, will underpin an accelerated exploration program at Montezuma's 100% owned Peak Hill gold mine. This will include drilling at all four priority zones where the Company is targeting extensions to the known resources. Montezuma's strategy is to build on the existing +200,000 oz resource base to ultimately recommence production from a gold system that has historically produced in excess of 900,000 oz of gold.

Existing shareholders who are interested in participating in the issue are invited to contact James Middleweek at Cunningham Securities

Justin Brown
Managing Director
Montezuma Mining Company Ltd
+61 8 9228 4833
0438 745 675

James Middleweek
Investment Analyst
Cunningham Securities Pty Ltd
+61 8 9223 2203
0423 975 063

The Information in this report that relates to exploration results is based on information compiled by Liam Cornelius, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cornelius is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Liam Cornelius is acting as a consultant to the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.