

23 July 2010

ASX CODE: MZM  
ISSUED SHARES: 42.25M  
52 WEEK HIGH: \$0.40  
52 WEEK LOW: \$0.12

**CONTACT:**

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**BOARD:**

Denis O'Meara: Chairman  
Justin Brown: MD  
John Ribbons: Non-Exec

**KEY PROJECTS:**

PEAK HILL (85-100%)  
Gold

DURACK (earning 85%)  
Gold, Copper

BUTCHERBIRD (100%)  
Manganese, Copper

MT PADBURY (100% of gold)  
Gold, Manganese, Iron

**KEY SHARE POSITIONS:**

AUVEX RESOURCES LTD  
7,500,000 FPO Shares

BUXTON RESOURCES LTD  
3,010,000 FPO Shares

**EXPLORATION UPDATE**

**BUTCHERBIRD MANGANESE:**

- Maiden programme of 90 RC holes completed for 3,132m at Butcherbird over four target areas (**first ever drill program** targeting manganese mineralisation in the region).
- Extensive visual manganese apparent in the drill chips with down-hole **widths of 5-36m from surface over strike length up to 2km.**
- All samples are in the laboratory with **bulk assay grades and associated beneficiation test data** pending.
- Heritage surveys completed to allow drilling to commence on **four additional manganese targets** and the Butcherbird copper target.
- Further rock-chip sampling has identified **two new targets.**

**PEAK HILL GOLD:**

- A total of 39 RC holes completed at Peak Hill for 6,696m, testing seven potential new target areas.
- Best results include:
  - 6m @ 4.16 g/t from 38m
  - 3m @ 14.6 g/t from 8m
  - 8m @ 1.58 g/t from 8m
  - 5m @ 3.37 g/t from 102m
  - 5m @ 2.65 g/t from 53m
  - 3m @ 7.11g/t from 63m



HOLE ID: 10BB067



Figure 1: RC Chip tray showing strongly manganese intersection over 20m down hole from surface (tray intervals labelled in metres).

## BUTCHERBIRD MANGANESE

The Butcherbird Manganese and Copper project comprises one granted exploration lease straddling the Great North Highway approximately 120km south of Newman. Earlier reconnaissance surface sampling highlighted extensive surface manganese enrichment associated with supergene weathering processes. A recently completed RC drilling programme represents the first drill testing of these mineralised areas.



The drilling to date has targeted four initial targets; Bindi Bindi Hill, Mungajerry, Alcoa Hole and Cadgies Flats. At Bindi Bindi Hill, visible manganese mineralisation was observed from surface, to a depth of up to 37m. Average depths of mineralisation appear to be 10-15m from surface. The thickest zone of mineralisation identified to date, as defined by field reconnaissance and drilling, occurs on the down slope area of Bindi Bindi Hill, over an area approximately 2km long by 500m wide.

All samples from the drilling have been submitted for assay to determine bulk grades of the material, and two holes (10BB067 and 10BB054) have been selected for metallurgical/beneficiation testing, with several 10m composites being tested to determine first pass indicative beneficiation parameters. It is envisaged that this work will guide the design of further bulk sample testing.

The manganese mineralisation appears to occur as high grade lump within low grade or non-mineralised clay rich colluvium. This suggests that the material is likely to be amenable to standard beneficiation techniques to yield a marketable and potentially high grade product. The results of the initial beneficiation test work will provide valuable information as to whether Bindi Bindi Hill is a good target area for the first manganese production from the Butcherbird Project.

The majority of the drilling to date has been at Bindi Bindi Hill, however minor work at both Alcoa Hole and Cadgies Flats also intersected significant visible manganese mineralisation confirming the potential for the these two targets. Minor work at Mungajerry has downgraded this target and assays are awaited to determine whether follow up work is warranted.

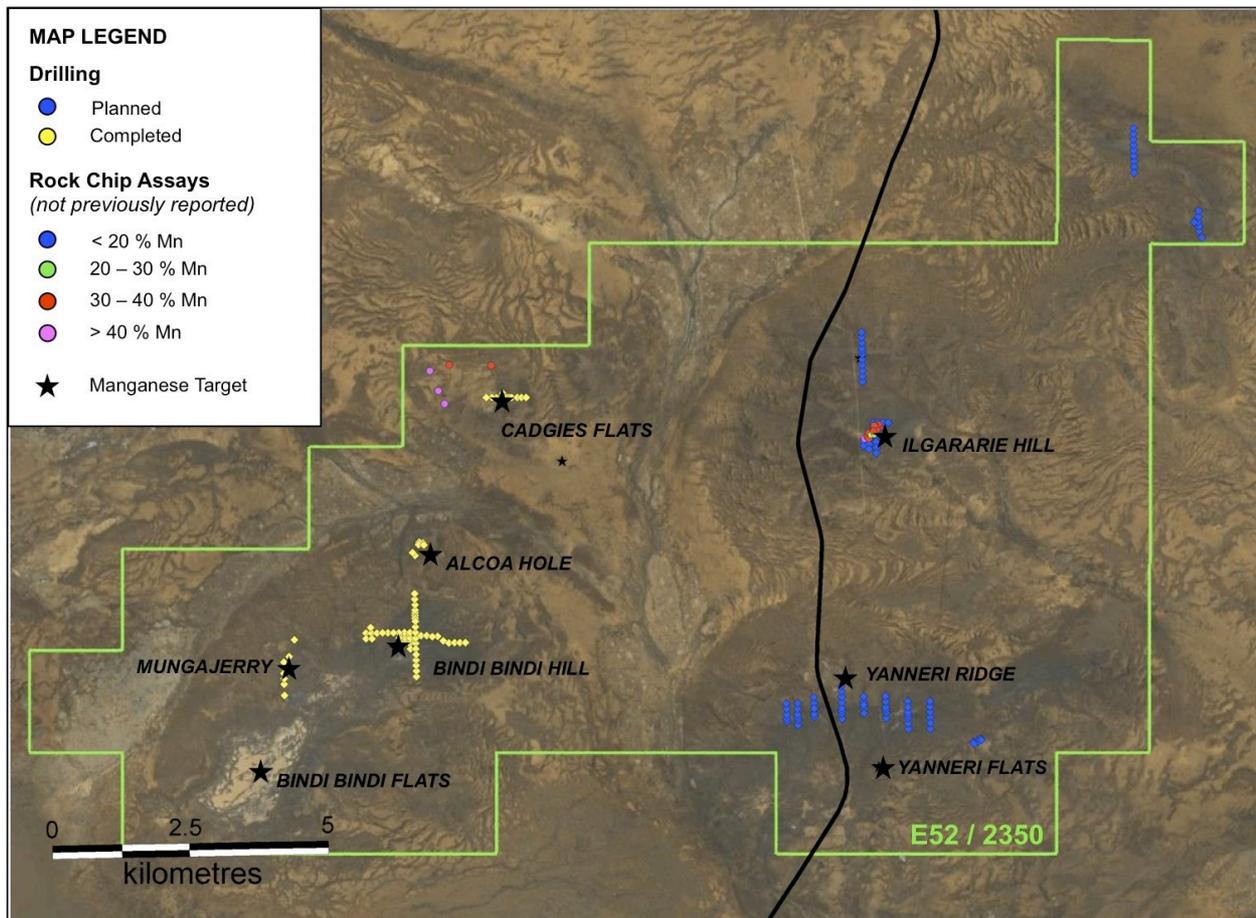
A number of other priority targets were not drilled in the current programme due to access issues, however clearances have now been received and these target areas will be included in the next round of drilling. These target areas include the 2km long Yanneri Ridge, the 1.5km long Illgararie Ridge, the outlying Illgararie Hill, and two areas at Budgie Hill.

In addition to the drilling, further grab samples were also collected from two new areas. Assay results are presented in Table 1 below. The Cadgies samples were from surface supergene material, and were selected from the outer margins of a large, elevated flat pan area beyond the scope of the current drilling programme. The area is host to abundant surficial lateritically enriched manganese that is estimated to be from 0.5m up to 5m thick.

The samples from Illgararie Hill represent an outlying hill with supergene manganese capping and abundant botryoidal supergene enriched manganese formed under the capping. Detrital manganese is observed up to 500m downslope of this hill. Drill holes have been designed to test this area of manganese mineralisation.

Grab_ID	E GDA z50	N GDA z50	Mn %	Fe %	Al %	Si %	Ca %	Mg %	S %	P %	Ti %	LOI %	Comment
BBG023	767070	7304104	38.2	6.9	2.9	7.7	0.15	0.13	0.09	0.13	0.09	10.2	Cadgies Botryoidal
BBG024	765959	7304029	40.3	7.6	3.3	4.6	0.06	0.10	0.02	0.07	0.14	12.2	Cadgies Botryoidal
BBG025	766311	7304128	35.6	11.3	2.4	7.1	0.24	0.21	0.05	0.08	0.11	10.4	Cadgies Botryoidal
BBG026	766101	7303664	41.4	3.8	2.5	7.6	0.19	0.21	0.03	0.05	0.11	10.0	Cadgies Botryoidal
BBG027	766213	7303431	42.2	4.2	2.5	7.2	0.14	0.15	0.04	0.07	0.11	10.2	Cadgies Botryoidal
BBG028	774085	7302877	39.0	7.4	2.3	7.4	0.12	0.15	0.03	0.11	0.11	10.5	Illg Hill, Supergene
BBG029	774067	7302915	35.0	9.5	2.2	9.2	0.11	0.19	0.03	0.07	0.12	9.6	Illg Hill, Botryoidal
BBG030	774038	7302878	34.0	11.1	2.5	8.6	0.04	0.07	0.03	0.06	0.12	10.6	Illg Hill, top area
BBG031	774033	7302821	33.4	11.9	2.7	7.9	0.04	0.07	0.02	0.10	0.11	11.3	Illg Hill, top area
BBG032	773990	7302894	31.3	12.7	2.9	8.8	0.04	0.07	0.03	0.06	0.14	10.7	Illg Hill, top area
BBG033	773817	7302668	40.0	7.5	2.8	6.1	0.04	0.06	0.02	0.06	0.10	11.5	Illg Hill, Supergene
BBG034	773860	7302695	38.1	8.9	2.7	7.1	0.05	0.07	0.02	0.07	0.11	10.4	Illg Hill, Supergene
BBG035	773895	7302667	36.6	8.3	2.9	7.9	0.04	0.06	0.02	0.08	0.13	10.9	Illg Hill, Supergene
BBG036	773891	7302763	39.7	8.9	2.0	6.5	0.04	0.04	0.03	0.06	0.10	11.2	Illg Hill, Supergene
BBG037	773932	7302734	29.8	14.1	2.8	8.9	0.03	0.07	0.03	0.10	0.13	10.8	Illg Hill, Supergene
BBG038	773991	7302739	29.1	17.7	2.5	7.1	0.03	0.07	0.03	0.12	0.11	11.8	Illg Hill, Supergene
BBG039	773977	7302804	34.3	12.0	2.4	7.9	0.03	0.07	0.03	0.08	0.10	10.9	Illg Hill, Supergene

**Table 1: Grab sample results from Cadgies and Illgararie Hill**

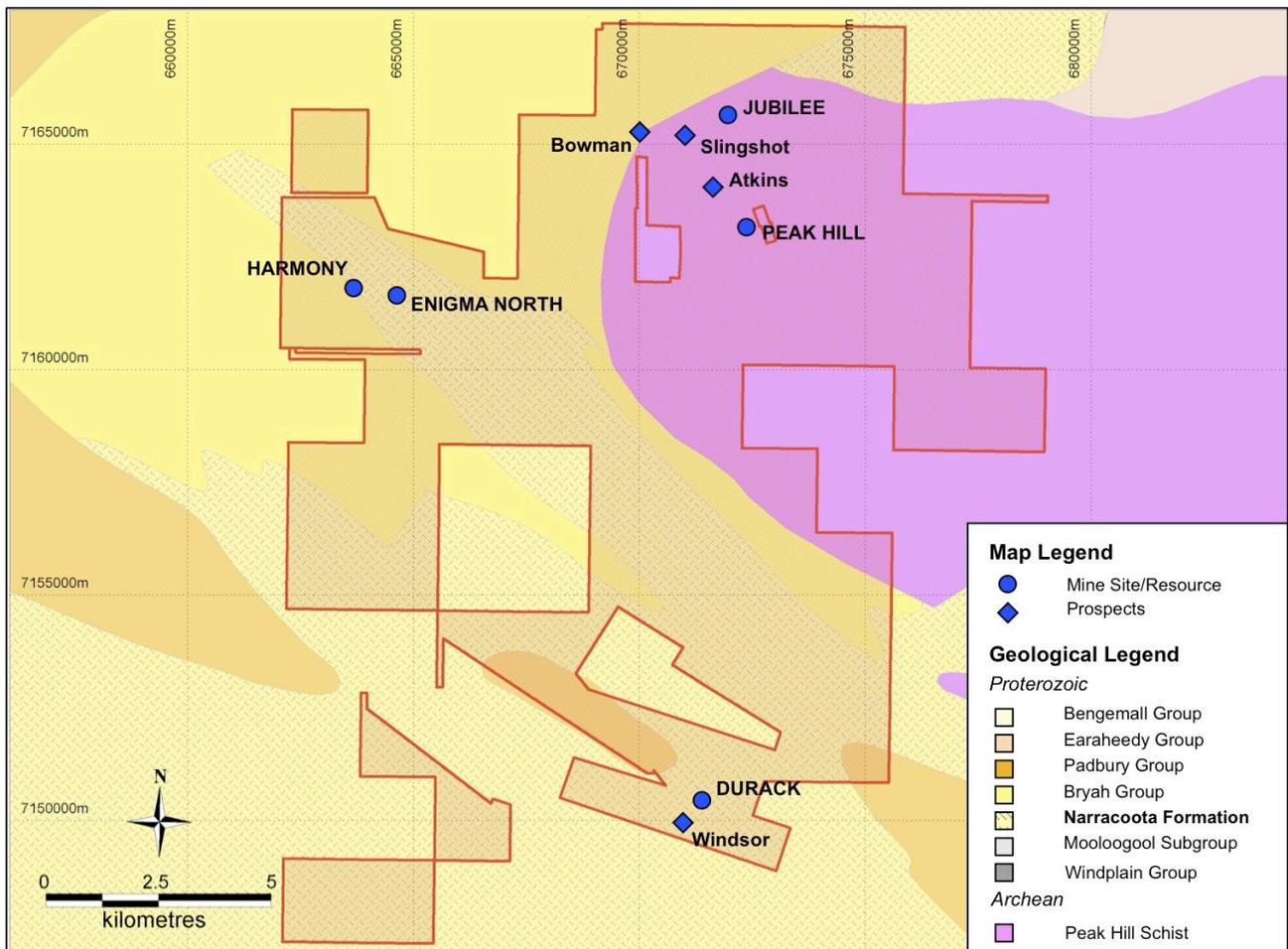


**Figure 2: Drilled holes in yellow, planned holes in blue and recent grab sample locations.**

## PEAK HILL GOLD

Montezuma is pleased to advise that all assay results from RC Drilling at the Peak Hill Gold Project in the Murchison region of WA have been received. This initial phase of work at Peak Hill comprised 39 holes for 6,696 metres. The drilling was to test a number of new targets, and to follow up the recent success at the Windsor Zone within the Durack Project.

The drill programme was based on a number of new targets identified by re-examining the inherited database for zones of strong anomalism as well as areas targeted through structural analysis.



**Figure 2: Montezuma Peak Hill Tenements and Prospect Locations**

All drilling was undertaken by Murchison Exploration and Hire Services. All samples were split at the cyclone and a 2-3kg sample was submitted to Aurum Labs for first-pass Aqua Regia gold analysis. The significant results are displayed in Table 2 below. All intersections are quoted as down hole widths unless otherwise stated.

PROSPECT	HOLE_ID	NORTH (GDA)	EAST (GDA)	AZIM	DIP	DEPTH (m)	FROM (m)	TO (m)	Au (g/t)	COMPOSITE
JUBILEE	10RC001	716524	672043	150	-60	160	8	12	0.59	8m @ 1.58 g/t
							12	16	2.58	
							146	147	1.16	
							147	148	4.3	
							148	149	0.63	
							149	150	3.21	
	10RC002	7165516	671992	150	-60	250	53	54	2.93	5m @ 2.65 g/t
							54	55	0.95	
							55	56	1.05	
							56	57	0.33	
							57	58	7.97	
							105	106	0.91	
							106	107	1.84	
							107	108	1.98	
							108	109	0.56	
							109	110	2.63	
	10RC003	7165251	672137	150	-60	166	71	72	1.62	2m @ 1.14 g/t
							135	136	1.06	
							136	137	1.22	
							143	144	10.57	
163							164	1.91		
10RC004	7165486	672123	150	-60	190	10	11	3.05		
10RC005	7165578	672073	150	-60	286	55	56	4.13	3m @ 14.6 g/t	
						75	76	1.53		
						106	107	10.98		
						107	108	28.2		
						108	109	3.9		
						109	110	0.7		
						120	121	0.53		
						121	122	6.22		
						122	123	11.79		
						123	124	2		
124	125	1.18								
ATKINS	10RC008	7163900	672270	90	-60	262	0	1	1.25	
							82	83	1.22	
							125	126	2.54	
SLINGSHOT	10RC023	7165280	670825	135	-60	124	33	34	1.19	3m @ 7.11g/t
							63	64	0.77	
							64	65	20	
							65	66	0.57	
							69	70	1.29	
							73	74	1.7	
HARMONY	10RC027	7162188	663932	120	-60	124	35	36	1.23	
	10RC028	7162148	663862	120	-60	124	67	68	1.01	
							115	116	0.98	
	10RC029	7162109	663791	120	-60	124	43	44	1.05	2m @ 1.07 g/t
							44	45	1.09	
10RC030	7162324	663855	120	-60	130	108	109	8.04		
10RC031	7162286	663785	120	-60	130	38	39	20.0		
						39	40	0.62		
						40	41	1.15		
						41	42	1.22		

PROSPECT	HOLE_ID	NORTH (GDA)	EAST (GDA)	AZIM	DIP	DEPTH (m)	FROM (m)	TO (m)	Au (g/t)	COMPOSITE
							42	43	1.18	6m @ 4.16 g/t
							43	44	0.81	
							48	49	2.32	
							118	119	4.08	
ENIGMA NORTH	10RC032	7162838	663616	120	-60	142	115	116	1.45	7m @ 1.03 g/t
							122	123	1.96	
	10RC033	7161825	664268	120	-60	118	98	99	1.58	
	10RC034	7161797	664215	120	-60	124	93	94	2.03	
							94	95	0.56	
							95	96	0.94	
							96	97	1.08	
							97	98	0.24	
							98	99	1.28	
							99	100	1.05	
							102	103	13.42	
							103	104	0.55	
104							105	0.6		
105	106	0.49								
106	107	1.81	5m @ 3.37 g/t							
DURACK	10D001	7150430	671230	220	-60	202	18	19	0.97	
	10D002	7150343	671221	220	-60	142	13	14	1.15	
	10D003	7150331	671078	220	-60	142	128	129	1.47	2m @ 1.02 g/t
							129	130	0.57	
10D004	7150406	671143	220	-60	160	36	37	1.82		
							44	45	1.54	

**Table 2: RC Drilling Collar Locations and Results**

Twelve RC holes were drilled at the Atkins prospect, for a total of 2,610m. These were designed on deep drilling targets that could be extensions to the main/5 ways pit. Deep gold mineralisation is known to extend north from the main/5 ways pit and is still open. The deep holes were to all possible strike variations to the mineralisation. Shallower holes were also designed to test the contacts of the Jubilee dolerite as it extends south. This drilling was unsuccessful.

Seven holes were completed at Jubilee for 1,390m. The target was both contacts of the Jubilee dolerite, where it is seen that mineralisation extends from the previously reported Jubilee Resource. These holes were designed to test the potential for additional along strike mineralisation.

Bowman is an historic RAB anomaly 300m west of the Archers historic shafts. Two holes were designed to confirm the anomaly. Minor mineralisation was observed.

Slingshot is 400m east of Archers, and sporadic RAB and RC drilling by a number of companies has highlighted this area to be prospective for gold mineralisation. A traverse of five holes was drilled to test the prospect, which sits at the contact between the Peak Hill Schist and the Narracoota Formation.

Significant anomalism occurs east of the Harmony open cut as outlined by previous RAB drilling. To test this, five holes over two traverses were completed to confirm the existence of the gold and to determine if follow-up drilling could be justified. The northern line hit 6m @ 4.16 g/t mineralisation from 38m, indicating a north east extension to Harmony mineralisation.

Enigma North mineralisation is known to be open in a number of places, and four holes were designed to test these possible extensions/gaps. Two holes, 10RC033 and 10RC034 were placed to test for signs of displaced mineralisation at the northern end of the main Enigma North lodes. These holes were successful in finding mineralisation at a depth of 93m. Additionally the two northern holes 10RC032 and 10RC035 confirm anomalous gold mineralisation extends further north and provides a target for follow-up programs.

The Windsor discovery south of the Durack gold lodes were tested with four holes to further define and to extend to mineralisation discovered in late 2009. It has been observed that mineralisation in this part of the Narracoota Formation may be associated with a swarm of intrusive granitoids. Confirmation of this hypothesis will lead to more drilling targets in previously under explored areas.

The results from this round of drilling will now be used to refine the Company's targeting model and to design the next phase of drilling.

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## **More Information**

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