

ASX RELEASE



MONTEZUMA MINING COMPANY LTD

PO Box 910 West Perth WA 6872
31 Ventnor Ave, West Perth WA 6005
Telephone +61 8 6315 1400
Facsimile +61 8 9486 7093
info@montezumamining.com.au
www.montezumamining.com.au

14 October 2010

ASX CODE: MZM

ISSUED SHARES: 42.33M

52 WEEK HIGH: \$0.40

52 WEEK LOW: \$0.16

CONTACT:

JUSTIN BROWN

Managing Director

+61 438 745 675

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

FURTHER SIGNIFICANT MANGANESE INTERSECTED AT BUTCHERBIRD EAST

- Drilling at Butcherbird (east) further confirms large tonnages of beneficiable manganese mineralisation.
- Best Results include;
 - 10BBRC185: 19m @ 11.89% Mn from 2m
 - 10BBRC127: 22m @ 12.28% Mn from surface
 - 10BBRC130: 10m @ 14.61% Mn from surface
(including 6m @ 18.58% Mn)
- 9,000m RC and DD drilling programme commencing mid-October to support maiden JORC Resource Estimate.

The Company is pleased to advise complete drilling results have now been received from the phase 2 drilling at the Yanneri Ridge, Budgie Hill, Ilgararie Ridge and Ilgararie Hill manganese Prospects within the Butcherbird manganese/copper project.

The drilling results further confirm the presence of broad areas of beneficiable manganese material starting at surface and extending over significant mineable widths of 5-28m.

All four target areas now represent priority target areas with the potential to yield significant tonnages of manganese ore. In all cases, mineralisation is open along strike and down dip, with cross sections showing very consistent mineralised horizons starting at or near surface.

The consistency of grade, low stripping ratios, positive beneficiation behaviour, excellent infrastructure and large size underpin the Company's strategy to rapidly develop the Project. Drilling will now be accelerated to provide the required data for a scoping study which will investigate the commercial and logistical hurdles to near term development of Butcherbird as a significant manganese producing operation.

RC and Diamond drilling is scheduled to re-commence mid October and will also support more definitive metallurgical testing which is expected to yield better recoveries and potentially higher beneficiation grades than the work completed to date on RC chips. The drilling will also support a maiden JORC Resource Estimate over selected mineralised zones.

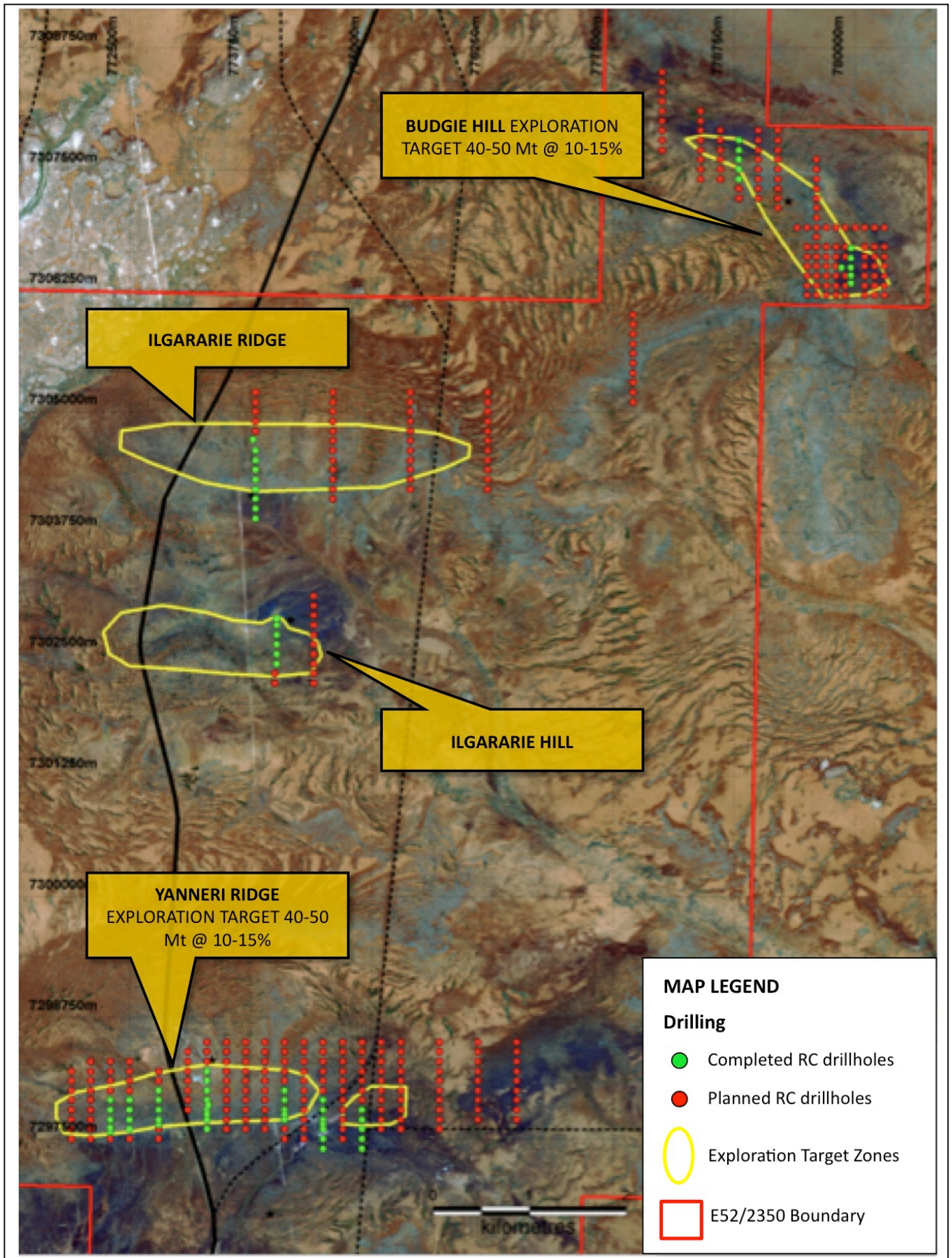


Figure 1: Plan view showing completed drillhole locations, and planned RC collar locations for the upcoming infill drilling programme at Butcherbird (east).

Hole ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
10BB091	Budgie Hill	7307700	778804	0	10	10	9.49	5m@11.15	11.43	45.02	0.28
10BB099	Budgie Hill	7306411	779954	9	16	7	10.34	3m@10.99	15.04	44.4	0.2
10BB098	Budgie Hill	7306321	779955	3	8	5	9.41		10.21	49.59	0.11
10BB100	Budgie Hill	7306487	779941	0	7	7	9.72	2m@12.16	11.54	47.4	0.12
10BB101	Budgie Hill	7306582	779946	0	6	6	9.35		13.07	43.44	0.16
10BB208	Budgie Hill	7306488	779850	1	9	8	13.05	5m@15.54	12.88	41.85	0.13
10BB113	Illgararie Ridge	7304094	773801	5	8	3	9.98		15	44.21	0.09
10BB114	Illgararie Ridge	7304198	773793	1	5	4	10.51		11.69	46.34	0.13
10BB114				12	20	8	11.65		14.24	42.55	0.2
10BB202	Illgararie Ridge	7304297	773799	8	20	12	10.67	2m@15.08	12.9	45.15	0.2
10BB203	Illgararie Ridge	7304401	773799	1	3	2	7.68		8.43	37.06	0.02
10BB203				15	25	8	11.04		12.99	44.23	0.17
10BB204	Illgararie Ridge	7304501	773799	8	25	17	10.46		13.37	44.52	0.17
10BB205	Illgararie Ridge	7304601	773800	7	14	7	9.19	1m@16.17	11.52	48.08	0.11
10BB205				23	31	8	10.19		13.51	42.04	0.17
10BB201	Illgararie Ridge	7304712	773777	7	11	4	12.22	2m@15.97	11.63	43.88	0.09
10BB201				24	25	1	16.56		9.56	41.36	0.08
10BB201				34	38	4	9.8		9.12	42.04	0.08
10BB200	Illgararie_Hill	7302394	774021	3	4	1	14.13		8.98	44.63	0.08
10BB200				16	18	2	10.9		12.29	45.61	0.11
10BB200				24	28	4	11.11		12.91	38.04	0.12
10BB199	Illgararie_Hill	7302496	774016	29	30	1	11.71		11.92	45.36	0.11
10BB199				33	40	7	10.13		9.6	42.92	0.12
10BB198	Illgararie_Hill	7302603	774023	0	14	14	10.22	8m@11.85	13.86	45.6	0.15
10BB197	Illgararie_Hill	7302698	774024	0	9	9	11.16		13.52	44.36	0.14
10BB196	Illgararie_Hill	7302801	774020	0	1	1	20.18		8.61	39.45	0.04
10BB119	Illgararie_Hill	7302864	774021	4	10	6	11.55		13.24	43.48	0.1

Hole ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
10BB183	Yaneri Ridge	7297570	772302	0	7	7	14.78		10.55	43.9	0.12
10BB184	Yaneri Ridge	7297621	772304	4	12	8	11.95	1m@15.37	11.67	45.41	0.13
10BB185	Yaneri Ridge	7297697	772299	2	21	19	11.89	2m@14.59	11.68	44.99	0.11
10BB186	Yaneri Ridge	7297797	772301	4	13	9	9.08		11.5	46.89	0.12
10BB186				16	29	13	11.35	2m@18.84	12.84	40.06	0.14
10BB187	Yaneri Ridge	7297902	772302	8	21	13	10.07		12.55	45.05	0.1
10BB125	Yaneri Ridge	7297601	772503	3	8	5	13.52	3m@16.77	9.51	45.81	0.12
10BB125				14	17	3	10.98		10.3	45.96	0.18
10BB127	Yaneri Ridge	7297703	772502	0	22	22	12.28	12m@15.03	11.27	44.83	0.09
10BB128	Yaneri Ridge	7297801	772500	0	23	23	10.6		11.49	0.5	0.11
10BB182	Yaneri Ridge	7297900	772499	7	30	23	9.25		11.22	43.81	0.11
10BB129	Yaneri Ridge	7297651	772799	0	3	3	8.75		15.67	42.3	0.03
10BB130	Yaneri Ridge	7297696	772798	0	10	10	14.61	6m@18.58	11.06	42.22	0.04
10BB131	Yaneri Ridge	7297799	772800	7	19	12	11.38		10.58	46.17	0.11
10BB132	Yaneri Ridge	7297898	772796	7	29	22	11.51	1m@19.58	11.87	44.58	0.11
10BB133	Yaneri Ridge	7298002	772796	10	35	25	9.26		11.37	45.32	0.12
10BB135	Yaneri Ridge	7297698	773301	2	4	2	10.34		9.06	49.06	0.06
10BB136	Yaneri Ridge	7297752	773300	0	2	2	18.39		11.48	36.78	0.07
10BB136				4	6	2	11.77		10.32	47.03	0.12
10BB137	Yaneri Ridge	7297799	773299	0	2	2	11.35		13.65	40.88	0.03
10BB137				6	16	10	10.23	1m@16.51	11.11	47.51	0.13
10BB138	Yaneri Ridge	7297902	773300	7	26	19	11.23	1m@19.17	11.33	45.83	0.13
								1m@18.82			
								1m@22.77			

Hole ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
10BB126	Yaneri Ridge	7297849	773317	0	22	22	9.96	2m@16.06	13.12	44.6	0.1
								3m@15.98			
								2m@17.57			
10BB188	Yaneri Ridge	7298001	773300	8	30	22	10.82	2m@14.20	11.58	43.73	0.12
10BB189	Yaneri Ridge	7298098	773298	15	30	15	9.76		11.18	44.56	0.12
10BB190	Yaneri Ridge	7298198	773298	5	7	2	8.66		7.08	52.54	0.04
10BB145	Yaneri Ridge	7297710	774099	0	5	5	7.11		11.52	50.43	0.04
10BB146	Yaneri Ridge	7297749	774101	0	13	13	8.86	1m@22.07	12.17	47.9	0.07
10BB146				17	21	4	10.98		11.04	45.99	0.1
10BB147	Yaneri Ridge	7297801	774100	0	15	15	12.04	2m@18.42	12.28	44.45	0.08
10BB148	Yaneri Ridge	7297898	774102	5	18	13	12.27	2m@16.80	11.93	43.83	0.13
								3m@15.44			
								1m@19.17			
10BB149	Yaneri Ridge	7297996	774100	0	17	17	11.54		11.72	44.74	0.11
10BB152	Yaneri Ridge	7297592	774498	19	21	2	9		11.9	46.57	0.14
10BB153	Yaneri Ridge	7297646	774522	0	6	6	11.86		10.79	45.23	0.12
10BB154	Yaneri Ridge	7297691	774529	0	9	9	11.44	1m@16.56	13.09	44.1	0.11
10BB155	Yaneri Ridge	7297806	774502	0	4	4	9.4		11.21	49.99	0.13
10BB156	Yaneri Ridge	7297901	774498	0	13	13	13.58	4m@14.58	12.1	41.86	0.12
10BB157	Yaneri Ridge	7297406	774893	0	1	1	8.55		9.76	48.03	0.04
10BB159	Yaneri Ridge	7297598	774903	0	4	4	7.81		8.67	37.56	0.11
10BB160	Yaneri Ridge	7297701	774903	0	4	4	10.87		10.17	42.21	0.11
10BB160				10	12	2	9.33		10.21	36.73	0.1
10BB162	Yaneri Ridge	7297899	774899	0	28	28	10.63	4m@13.18	12.2	43.34	0.14

Table1: RC Drilling results form the Budgie Hill, Yanneri Ridge, Ilgararie Hill and Ilgararie Ridge Prosects within the Butcherbird Project area. Composite results shown from geologically constrained zones and a bottom cut of approximately 6% manganese.

More Information**Justin Brown**

Managing Director

Phone: +61 (8) 6315 1400

Mobile: +61 438 745 675

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.