

QUARTERLY REPORT



MONTEZUMA MINING COMPANY LTD

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Three Months Ending: 31 December 2010

ASX CODE: MZM
ISSUED SHARES: 43.05M
52 WEEK HIGH: \$0.95
52 WEEK LOW: \$0.18
CASH ON HAND: \$3.63M

CONTACT:

JUSTIN BROWN
Managing Director
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BOARD:

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

KEY PROJECTS:

BUTCHERBIRD (100%)
Manganese, Copper

PEAK HILL (85-100%)
Gold

DURACK (earning 85%)
Gold, Copper (VMS)

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

KEY SHARE HOLDINGS:

AUVEX RESOURCES LTD
7,500,000 FPO Shares

BUXTON RESOURCES LTD
3,010,000 FPO Shares

*Note: Unless otherwise stated,
all drill intersections are reported
as down-hole widths.*

HIGHLIGHTS

BUTCHERBIRD (MANGANESE):

- Maiden Resource drill-out at Yanneri ridge completed. Strike extended by 400m for a total strike of approximately 3.4km.
- Maiden Inferred Mineral Resource Estimate for Yanneri Ridge:

Cut-off	Tonnes (Mt)	Mn (%)	SiO ₂ (%)	Fe (%)	P ₂ O ₅ (%)	Al ₂ O ₃ (%)
8% Mn	64.7	11.2	44.3	11.5	0.28	10.9
10% Mn	48.8	11.8	43.6	11.6	0.28	10.7

- Best RC drilling results include;
10BB223 23m @ 11.39% Mn from 3m
10BB245 18m @ 11.25% Mn from 8m
10BB320 18m @ 12.18% Mn from 0m
(including 3m @ 15.47% Mn)
10BB339 20m @ 13.37% Mn from 1m
(including 8m @ 17.06% Mn)
- PQ3 Diamond drilling programme has been successfully completed to provide material for metallurgical testwork.
- Distinct high grade manganese layers confirmed.
- XTEM geophysical survey over entire Project completed at 200m line spacing for a total of 919 line km.
- Results clearly map the known manganese and have highlighted new, strongly conductive targets.
- Reconnaissance drilling at anomaly 1 has intersected visual manganese confirming the effectiveness of the programme.

BUTCHERBIRD (COPPER):

- Drilling confirms copper sulphide mineralisation beneath the previously intersected copper oxide zone.
- System is a shear hosted polymetallic deposit with significant cobalt, silver and nickel credits in addition to copper.
- Best results include:
10BBC14 18m @ 0.63% Cu and 859ppm Co from 154m
(including 1m @ 2.43% Cu and 0.55% Co)
10m @ 0.82% Cu and 581ppm Co from 180m
(including 3m @ 1.94% Cu and 0.12% Co)
10BB07 10m @ 0.77% Cu and 167ppm Co from 10m
- Drilling and aeromagnetics indicate a potential strike zone of approximately 4km.

BUTCHERBIRD (100%)

The Butcherbird Manganese and Copper project straddles the Great North Highway approximately 120km south of Newman. Work to date has successfully identified both copper and manganese mineralisation within the Project and work is ongoing to assess the commercial potential of the deposits discovered to date as well as to aggressively explore for further discoveries within the province.

Butcherbird Manganese

The work to date has identified six primary target areas, two of which have been the focus of extensive infill drilling during the coming Quarter.

Further regional exploration has also been undertaken to define additional manganese mineralisation within the Company's tenure.

RC Drilling

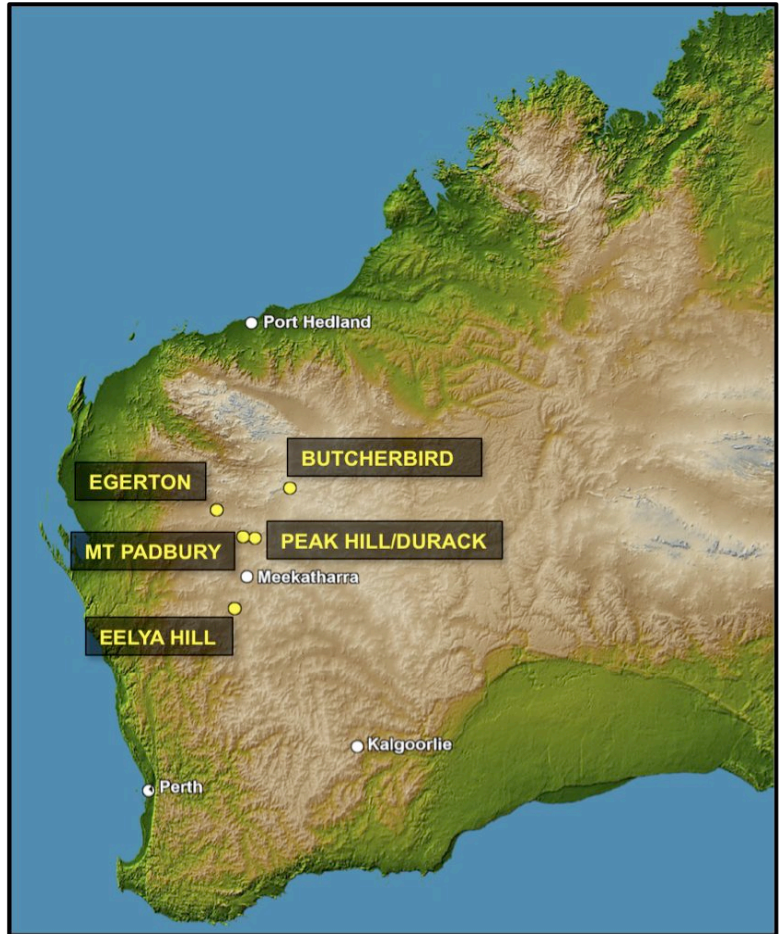
During the Quarter, the drill-out of the Yanneri Ridge target area was successfully completed. A total of 153 holes for 4,074 metres were drilled.

In addition to providing infill data to support a Mineral Resource Estimate the programme has also successfully extended the known mineralisation at Yanneri Ridge by 400m to the west. The total strike extent of the known mineralised zone at Yanneri is now approximately 3.4km.

The programme also comprised a total of 125 holes for 3,806 metres of RC drilling at several other manganese target areas with results pending.

Diamond Drilling

In addition to the RC drilling, a total of 6 PQ3 diamond core holes were completed for a total of 300m to provide material for metallurgical test-work which is currently underway. The core samples are expected to provide more definitive test data than the work completed to date on RC chips samples.



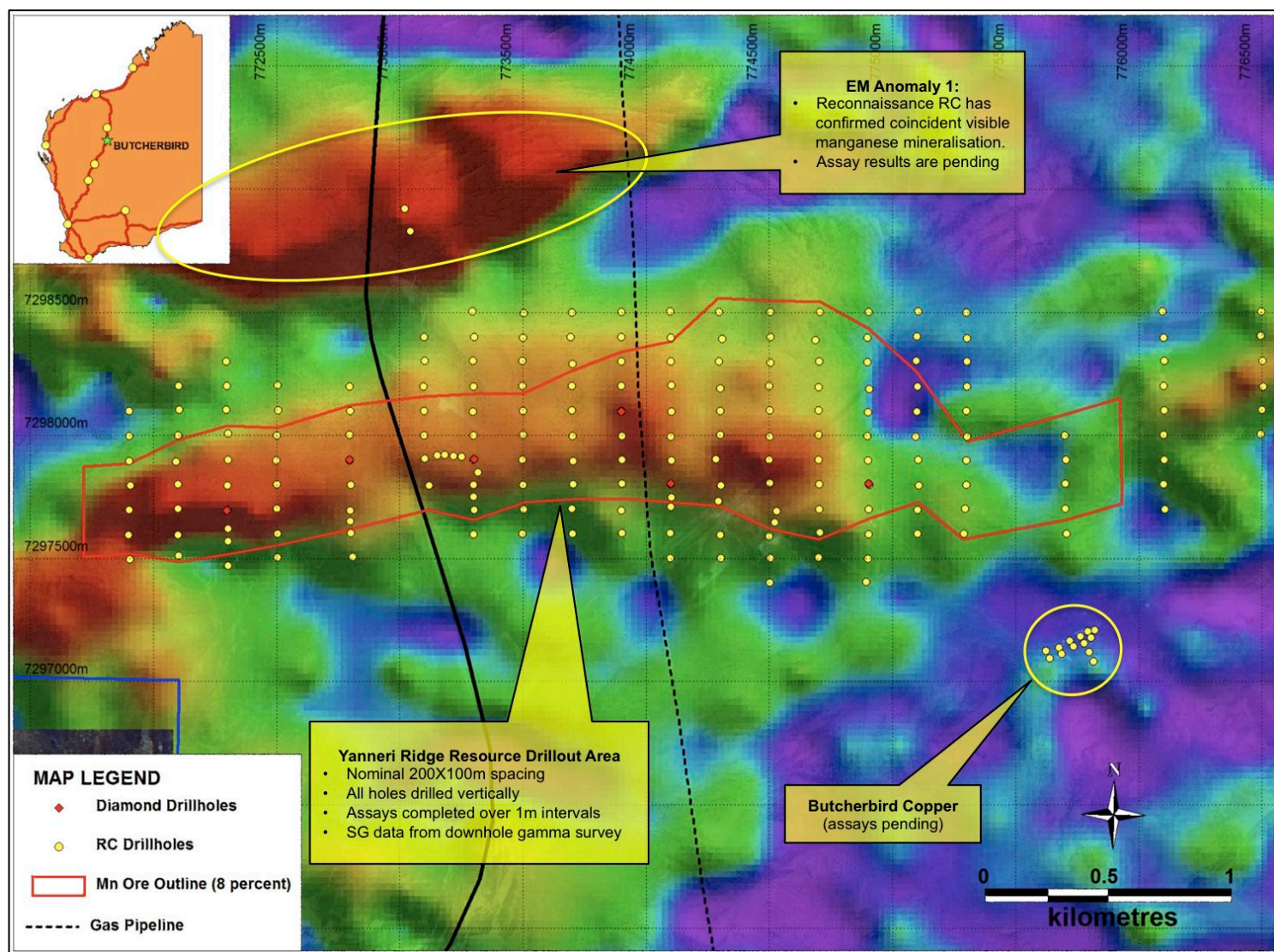


Figure 1. RC and diamond drillhole collar locations for the Yanneri Ridge resource drill-out programme. Collars are shown over the coincident EM data

Mineral Resource Estimate (Yanneri Ridge)

The Company is pleased to advise that Snowden Mining Industry Consultants (“Snowden”) has completed a maiden estimate of the Mineral Resource (classified as an Inferred Resource) for the Yanneri Ridge manganese deposit as follows:

Cut-off	Tonnes (Mt)	Mn (%)	SiO ₂ (%)	Fe (%)	P ₂ O ₅ (%)	Al ₂ O ₃ (%)
8% Mn	64.7	11.2	44.3	11.5	0.28	10.9
10% Mn	48.8	11.8	43.6	11.6	0.28	10.7

The results of preliminary metallurgical test work, as reported previously, indicate a beneficiated manganese product grade in excess of 35% Mn with acceptable levels of Fe, SiO₂, Al₂O₃ and P₂O₅.

Whilst grade continuity and drilling density are adequate to support an Indicated status for the Resource, the Inferred category has been applied due to the preliminary nature of this beneficiation data. It is anticipated that the results from the more detailed metallurgical test-work currently underway on the recently acquired PQ3 diamond core samples, may support the Mineral Resource being upgraded to Indicated status without further drilling.

The additional metallurgical information will also aid in further understanding the best pathway to commercialising the deposit including establishing appropriate cut-off grades for a revised Mineral Resource Estimate.

XTEM Survey

The Company is pleased to advise that a regional XTEM survey has been completed over the Butcherbird Project area. The survey was commissioned following the success of the trial XTEM programme completed earlier in the year which tested the geophysical response over several known manganese occurrences within the Project area.

The XTEM system comprises a time domain airborne electromagnetic survey using a transmitter loop and receiver coil slung 30m below a helicopter. The helicopter is flown a nominal 65m above the ground, at a speed of 45 knots. The survey also measures magnetics and ground levels. This XTEM system is well suited to detecting shallow conducting horizons.

At Butcherbird, the survey was conducted on 200m spaced north-south lines and the results have highlighted several new conductive horizons with no surface outcrop. One target (TEM 1) has been drill tested by completing two holes at azimuth 180 and a -60 dip for a total of 86m. This drilling has confirmed the presence of manganese mineralisation under approximately 7m of cover. Assays for this drilling are pending and whilst the grades and commerciality or otherwise is unknown at this stage, it provides strong support for the effectiveness of the XTEM technique as a targeting tool. Hole locations will be provided once survey pick-ups are complete.

Several other priority anomalies have also been defined, and will require drill testing in the next field season. These include a large conductor covering approximately 8 km² located under Mungajerry Lake in addition to targets TEM 2 and TEM 3 which lay between Yanneri Ridge and Mungajerry, and TEM 5 which may be mapping the eastern continuation of the Yanneri Ridge manganese deposit.

In addition to these priority target areas, the survey has identified a number of additional conductive zones, some of which are associated with potential extensions to known mineralisation and others that will need to be further investigated prior to possible drill testing.

The programme has been a success and will provide a valuable additional tool to guide future exploration as the Company progressively unlocks the potential of this new manganese province

19th January 2011

Mr Justin Brown
Managing Director
Montezuma Mining Company Limited
31 Ventnor Avenue
West Perth 6005
Western Australia

Dear Mr Brown

EXECUTIVE SUMMARY

Snowden Mining Industry Consultants ("Snowden") was commissioned by Montezuma Mining Company Limited ("MZM") to complete a resource estimate for the Yanneri Ridge Manganese Deposit within the Butcher Bird Project, is located 120km south of Newman in Western Australia.

The resource estimate (Table 1.1) has been classified in accordance with the JORC (2004) guidelines.

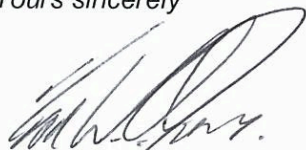
Table 1.1 January 2011 Inferred Mineral Resource Estimate for the Yanneri Ridge Deposit

Cut-off	Tonnes (Mt)	Mn (%)	SiO ₂ (%)	Fe (%)	P ₂ O ₅ (%)	Al ₂ O ₃ (%)
8% Mn	64.7	11.2	44.3	11.5	0.28	10.9
10% Mn	48.8	11.8	43.6	11.6	0.28	10.7

Results of preliminary metallurgy test work have suggested a product can be achieved that is consistent with the specifications of other Australian mines.

The information in this report that related to the Mineral Resource is based on information compiled by Shane Fieldgate under the supervision of Ivor Jones. Mr Fieldgate is a Member of the Australian Institute of Geoscientist (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM) and is full time employee of Snowden Mining Industry Consultants. Mr Jones is a Fellow the Australasian Institute of Mining and Metallurgy (AusIMM), a Chartered Professional (Geology) and is full a time employee of Snowden Mining Industry Consultants. Mr Jones has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that 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 Resource and Ore Reserves".

Yours sincerely



Ivor Jones
Group General Manager - Geosciences
Snowden Mining Industry Consultants Pty Ltd

PROSPECT	HOLE ID	NORTHING	EASTING	RL	FROM	TO	Interval	Ave. Mn (%)	Including
YANNERI RIDGE	10BB212	7297896.56	771901.88	618.61	27	30	3	7.32	
YANNERI RIDGE	10BB213	7297797.64	771905.00	619.89	0	29	29	11.03	5m @ 17.09%
YANNERI RIDGE	10BB214	7297698.41	771900.83	621.05	7 29	26 31	19 2	11.29 11.19	5m @ 14.27
YANNERI RIDGE	10BB215	7297595.99	771898.25	621.57	2	15	13	12.97	6m @ 17.71
YANNERI RIDGE	10BB216	7297497.80	771902.92	621.06	3 17	4 29	1 12	9.77 8.74	
YANNERI RIDGE	10BB221	7297893.56	772090.56	619.96	4 11	5 26	1 15	10.76 10.18	4m @ 12.42
YANNERI RIDGE	10BB222	7297802.61	772099.81	621.48	8	25	17	10.65	1m @ 16.23
YANNERI RIDGE	10BB223	7297701.81	772099.07	623.46	3	26	23	11.39	3m @ 15.8
YANNERI RIDGE	10BB224	7297594.83	772098.40	624.80	2	15	13	13.29	8m @ 15.09
YANNERI RIDGE	10BB225	7297511.70	772101.63	624.42	10	14	4	12.02	
YANNERI RIDGE	10BB227	7298200.79	772296.78	620.83	19	20	1	11.31	
YANNERI RIDGE	10BB229	7298007.46	772302.48	622.00	12 26	13 27	1 1	10.94 13.45	
YANNERI RIDGE	10BB230	7297472.49	772303.65	620.64	0	1	1	16.76	
YANNERI RIDGE	10BB232	7298001.09	772501.61	625.10	16 26	17 30	1 4	11.03 9.37	
YANNERI RIDGE	10BB237	7298099.51	772799.13	624.47	25	28	3	8.95	
YANNERI RIDGE	10BB238	7297603.86	772801.86	626.25	4	12	8	9.33	
YANNERI RIDGE	10BB239	7297505.97	772809.08	621.16	0	2	2	9.70	
YANNERI RIDGE	10BB243	7298100.07	773098.84	628.43	22	27	5	9.03	
YANNERI RIDGE	10BB244	7297999.02	773098.60	628.64	8	22	14	9.52	3m @ 12.27
YANNERI RIDGE	10BB245	7297905.36	773099.98	628.40	8	26	18	11.25	9m @ 13.23
YANNERI RIDGE	10BB246	7297797.66	773117.28	627.99	6	12	6	9.89	3m @ 10.99
YANNERI RIDGE	10BB254	7298099.88	773500.93	630.91	12	26	14	8.34	4m @ 10.15
YANNERI RIDGE	10BB255	7298003.58	773500.69	632.79	6	26	20	10.14	8m @ 12.6
YANNERI RIDGE	10BB256	7297901.63	773498.30	634.91	9	26	17	12.25	4m @ 16.24
YANNERI RIDGE	10BB257	7297800.29	773500.17	634.36	0 4	1 13	1 9	15.65 11.18	4m @ 14.21
YANNERI RIDGE	10BB258	7297700.67	773501.11	626.94	10	11	1	8.62	
YANNERI RIDGE	10BB260	7298498.70	773697.12	627.01	18	19	1	8.36	
YANNERI RIDGE	10BB263	7298201.32	773698.35	630.59	9	12	3	12.87	
					18	27	9	8.91	2m @ 13.05

PROSPECT	HOLE ID	NORTHING	EASTING	RL	FROM	TO	Interval	Ave. Mn (%)	Including
YANNERI RIDGE	10BB264	7298101.48	773698.02	632.06	10 20	17 25	7 5	11.65 10.37	3m @ 15.89
YANNERI RIDGE	10BB265	7297997.00	773701.21	633.67	7	27	20	12.09	9m @ 14.21
YANNERI RIDGE	10BB266	7297895.65	773703.29	635.60	0 6	1 22	1 16	11.33 11.82	4m @ 14.26
YANNERI RIDGE	10BB267	7297801.31	773702.86	633.88	2	11	9	11.52	3m @ 16.90
YANNERI RIDGE	10BB268	7297703.65	773697.28	627.70	6	8	2	8.93	
YANNERI RIDGE	10BB272	7298300.55	773899.90	629.99	12	14	2	8.92	
YANNERI RIDGE	10BB272				25	30	5	10.64	
YANNERI RIDGE	10BB273	7298201.79	773898.93	631.78	13	28	15	10.14	2m @ 13.89
YANNERI RIDGE	10BB274	7298099.57	773899.65	633.45	10	28	18	10.35	6m @ 14.77
YANNERI RIDGE	10BB275	7297997.26	773901.72	635.42	5	29	24	12.44	5m @ 15.02
YANNERI RIDGE	10BB276	7297902.16	773901.48	637.32	6	21	15	12.82	7m @ 14.30
YANNERI RIDGE	10BB277	7297803.50	773902.06	635.95	2	15	13	13.07	4m @ 16.32
YANNERI RIDGE	10BB277				23	26	3	8.54	
YANNERI RIDGE	10BB278	7297696.29	773898.06	630.28	8 25	12 26	4 1	9.43 8.49	
YANNERI RIDGE	10BB279	7297604.12	773902.17	626.74	4 10 15	5 11 17	1 1 2	11.89 9.35 9.50	
YANNERI RIDGE	10BB280	7298503.33	774097.07	624.08	7	8	1	10.04	
YANNERI RIDGE	10BB281	7298396.44	774100.50	625.09	3 23	4 24	1 1	8.17 13.14	
YANNERI RIDGE	10BB282	7298300.79	774100.33	626.26	13	22	9	9.72	
YANNERI RIDGE	10BB283	7298203.69	774101.47	627.24	5	20	15	8.92	2m @ 13.24
YANNERI RIDGE	10BB284	7298097.47	774101.86	628.69	4	23	19	11.72	2m @ 15.35
YANNERI RIDGE	10BB285	7297602.89	774097.90	626.76	7 10	8 14	1 4	10.15 8.24	
YANNERI RIDGE	10BB287	7298500.67	774295.50	623.00	4	19	15	11.15	5m @ 13.70
YANNERI RIDGE	10BB288	7298390.97	774307.84	623.80	8	17	9	8.31	
YANNERI RIDGE	10BB289	7298300.01	774294.80	625.27	4	16	12	10.33	2m @ 13.32
YANNERI RIDGE	10BB290	7298191.34	774301.04	627.59	4	22	18	10.69	6m @ 13.62
YANNERI RIDGE	10BB291	7298098.70	774300.58	630.00	3	21	18	13.74	4m @ 17.30
YANNERI RIDGE	10BB292	7298002.75	774301.36	632.17	3	19	16	14.39	6m @ 16.43
YANNERI RIDGE	10BB293	7297904.41	774283.70	634.90	3	16	13	14.85	6m @ 17.12
YANNERI RIDGE	10BB294	7297796.74	774302.24	640.21	4	15	11	13.50	

PROSPECT	HOLE ID	NORTHING	EASTING	RL	FROM	TO	Interval	Ave. Mn (%)	Including
YANNERI RIDGE	10BB295	7297733.49	774293.26	640.42	1	3	2	12.13	
					6	9	3	10.29	
					16	19	3	8.41	
YANNERI RIDGE	10BB296	7297595.69	774301.67	626.93	5	7	2	8.68	
					12	13	1	11.33	
YANNERI RIDGE	10BB297	7297502.88	774304.10	624.28	9	11	2	11.04	
YANNERI RIDGE	10BB298	7298501.83	774503.35	621.56	7	9	2	12.91	3m @ 12.12
					13	22	9	9.38	
YANNERI RIDGE	10BB299	7298399.70	774503.04	622.61	5	19	14	9.58	2m @ 12.85
YANNERI RIDGE	10BB300	7298294.37	774505.17	623.22	0	1	1	13.85	3m @ 12.22
					7	14	7	9.65	
YANNERI RIDGE	10BB301	7298200.83	774499.93	624.80	0	17	17	10.04	5m @ 11.81
YANNERI RIDGE	10BB302	7298101.45	774502.49	625.53	3	20	17	10.94	2m @ 16.80
YANNERI RIDGE	10BB303	7297994.77	774502.32	625.85	2	20	18	11.78	5m @ 15.19
YANNERI RIDGE	10BB304	7298501.87	774703.65	619.38	16	20	4	11.15	
YANNERI RIDGE	10BB305	7298387.57	774686.79	620.38	1	16	15	10.79	
YANNERI RIDGE	10BB306	7298299.84	774701.11	620.63	14	16	2	15.64	
YANNERI RIDGE	10BB307	7298195.28	774698.99	621.78	15	20	5	11.82	3m @ 13.14
YANNERI RIDGE	10BB308	7298102.38	774700.94	622.53	0	17	17	13.24	3m @ 16.03
YANNERI RIDGE	10BB309	7298003.06	774700.70	623.75	2	16	14	12.62	6m @ 15.20
YANNERI RIDGE	10BB310	7297901.74	774700.86	624.85	0	11	11	13.44	4m @ 16.09
YANNERI RIDGE	10BB311	7297801.76	774701.36	624.82	1	14	13	13.65	7m @ 16.40
YANNERI RIDGE	10BB312	7297701.41	774701.12	627.02	1	14	13	12.07	2m @ 16.00
YANNERI RIDGE	10BB313	7297606.03	774704.19	623.96	0	1	1	17.53	
					3	4	1	11.83	
					7	10	3	8.99	
YANNERI RIDGE	10BB317	7298297.50	774898.00	618.59	7	8	1	14.57	
					10	11	1	10.16	
					13	16	3	9.01	
YANNERI RIDGE	10BB318	7298189.36	774906.14	619.63	5	11	6	8.97	
YANNERI RIDGE	10BB319	7298095.60	774900.11	619.08	0	10	10	9.43	5m @ 10.48
YANNERI RIDGE	10BB320	7297998.38	774898.35	621.02	0	18	18	12.18	3m @ 15.47
YANNERI RIDGE	10BB324	7298302.15	775096.17	616.62	15	16	1	9.54	
YANNERI RIDGE	10BB325	7298199.31	775100.88	616.89	8	11	3	8.31	
YANNERI RIDGE	10BB326	7298097.05	775099.24	617.28	7	15	8	10.86	3m @ 12.80
YANNERI RIDGE	10BB327	7297995.63	775093.91	618.04	0	1	1	10.15	

PROSPECT	HOLE ID	NORTHING	EASTING	RL	FROM	TO	Interval	Ave. Mn (%)	Including
YANNERI RIDGE	10BB328	7297902.03	775104.94	618.17	0 6	1 18	1 12	11.88 9.26	4m @ 11.85
YANNERI RIDGE	10BB329	7297797.77	775105.28	617.74	0	17	17	12.75	6m @ 14.86
YANNERI RIDGE	10BB332	7298497.72	775299.70	614.52	24	25	1	12.15	
YANNERI RIDGE	10BB334	7298300.47	775303.23	614.91	14	15	1	11.45	
YANNERI RIDGE	10BB338	7297898.72	775300.78	615.18	0 9	1 12	1 3	13.73 8.78	
YANNERI RIDGE	10BB339	7297799.57	775300.75	614.98	1	21	20	13.37	8m @ 17.06
YANNERI RIDGE	10BB340	7297701.92	775294.74	614.70	0	12	12	12.74	2m @ 16.42
YANNERI RIDGE	10BB342	7297912.95	773250.87	631.57	10	28	18	11.38	2m @ 18.12
YANNERI RIDGE	10BB343	7297915.46	773217.48	631.03	8	28	20	11.80	6m @ 14.09
YANNERI RIDGE	10BB344	7297920.16	773182.65	630.35	11	27	16	11.26	2m @ 15.60
YANNERI RIDGE	10BB345	7297917.76	773151.51	629.68	7 24	22 28	15 4	11.30 10.87	4m @ 13.80
YANNERI RIDGE	10BB347	7297999.28	775699.49	611.83	8	10	2	9.29	
YANNERI RIDGE	10BB348	7297900.87	775702.56	611.50	9	11	2	11.73	
YANNERI RIDGE	10BB349	7297805.24	775701.20	611.40	0	10	10	12.75	2m @ 18.72
YANNERI RIDGE	10BB350	7297703.80	775701.98	611.16	2	5	3	11.38	
YANNERI RIDGE	10BB358	7297902.05	776102.51	610.30	4	7	3	8.66	

Table 1. RC Drilling results from the Yanneri Ridge Prospect within the Butcherbird Project area. Composite results shown from geologically constrained zones and a bottom cut of approximately 8% manganese. All intersections are downhole widths. Assays were completed on 1m splits by Nagrom Laboratories using Fused Bead XRF analysis.

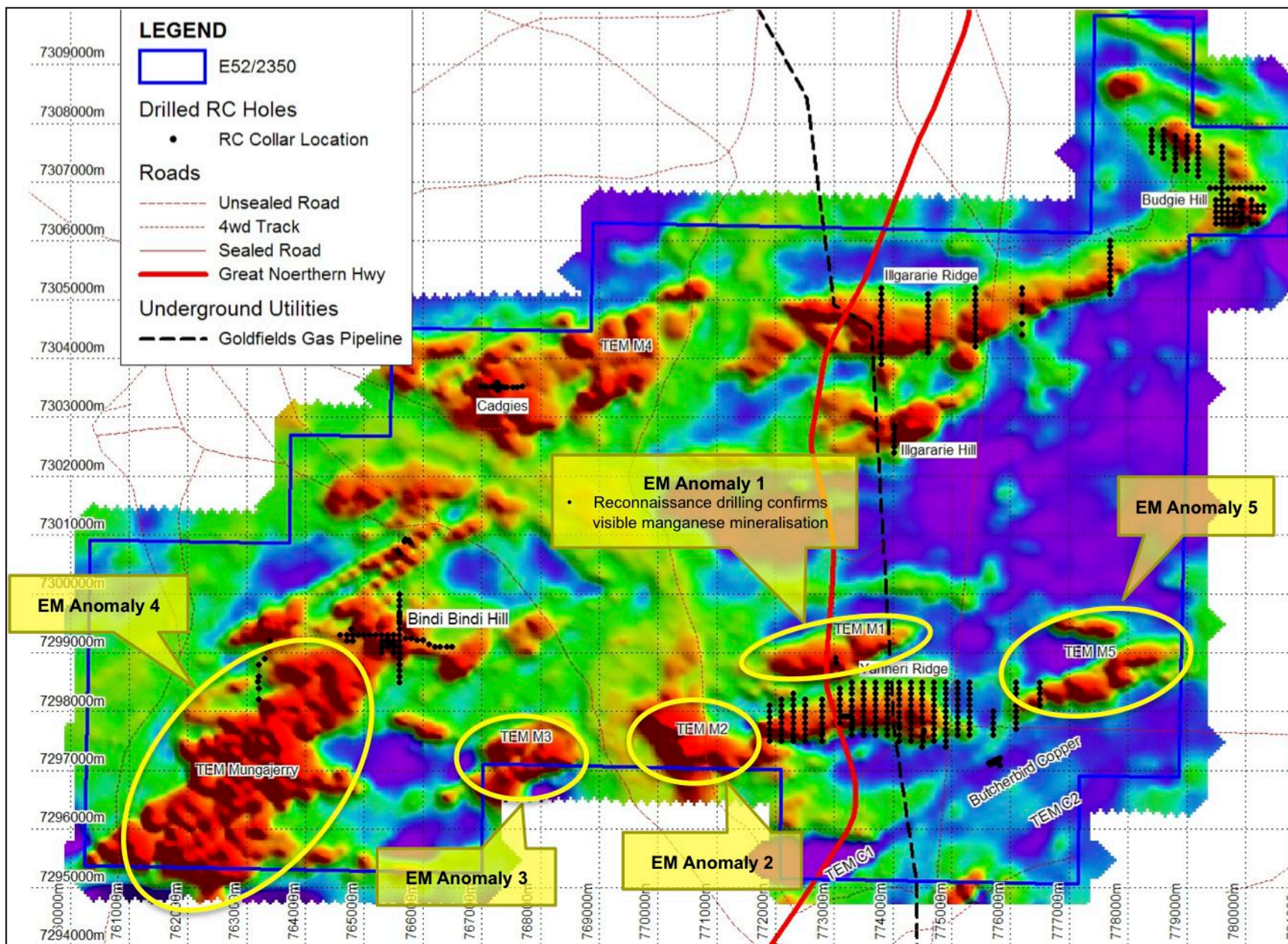


Figure 2. Plan view showing completed RC drillhole locations (black dots) and the channel 15 XTEM data from the recently completed trial XTEM survey.

Butcherbird Copper

Complete assays have now been received for recent RC drilling at the Butcherbird Copper Prospect. The programme comprised 8 holes for a total of 614 metres and was undertaken to test the depth extension of the previously reported downhole intersection of **4m @ 6.97% Cu** and 566ppm Co from 16m in hole 10BBC01.



The best results from the programme were returned from hole 10BBC014 where approximately 38m of alteration and associated copper/cobalt mineralisation was intersected, contained within an alteration envelope comprising pervasive silica replacement of the country rock and associated quartz/carbonate veining. **The alteration continues to the end of the hole** as the rig on site did not have the capacity to drill further with the available equipment.

In addition to the copper, **significant cobalt and silver values** were also returned at levels of significant commercial interest, representing potential credits and confirming the polymetallic nature of the deposit.

As previously reported, GPX Surveys recently completed an airborne EM survey over the Butcherbird Project and whilst the primary focus was identifying manganese mineralisation, **a high priority sulphide target has also been identified**. The anomaly represents a conductive body in a geologically favourable position and will be drilled to test for the presence of massive sulphide mineralisation as soon as possible.

These latest results further confirm the Butcherbird copper deposit as a potentially significant new discovery with mineralisation open in all directions and follow up work will be undertaken as a matter of priority.

HOLE ID	NORTHING (MGA94)	EASTING (MGA94)	RL	FROM (m)	TO (m)	Cu (%)	Co (ppm)	Ni (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Sb (ppm)	Fe (%)	Cd (ppm)	COMPOSITE
10BBC07	7297166.19	775718.32	609.8	10	11	0.30	3	7	114	10	2	7	0.56	0.2	10m @ 0.77% Cu and 167ppm Co incl. 3m @ 2.08% Cu and 259ppm Co
				11	12	0.05	4	7	123	11	2	6	0.68	0.1	
				12	13	0.06	14	11	301	19	1	11	4.23	0.1	
				13	14	0.34	93	37	647	41	4	174	10.99	0.2	
				14	15	3.50	356	114	585	131	5	340	17.38	0.9	
				15	16	0.82	103	45	252	54	2	118	7.49	0.2	
				16	17	1.90	318	108	379	91	5	380	12.51	0.6	
				17	18	0.46	294	85	459	79	7	615	24.61	0.6	
				18	19	0.19	279	52	333	72	6	410	10.75	0.2	
				19	20	0.09	210	74	366	61	1	43	7.16	0.2	
10BBC08	7297142.06	775734.78	609.6	47	48	0.22	202	245	30	645	5	195	1.33	3.2	
10BBC09	7297119.43	775798.11	609.3	85	86	0.17	24	58	55	70	3	2.5	5	0.5	
				96	97	0.24	60	109	31	78	2	57	2.6	0.5	9m @ 0.30% Cu & 150ppm Co
				97	98	0.30	72	144	31	101	3	99	2.2	0.5	
				98	99	0.31	87	240	32	164	2	210	2.6	0.5	
				99	100	0.13	52	136	12	81	2	120	1.9	0.5	
				100	101	0.16	72	97	22	76	1	98	2.5	0.5	
				101	102	0.36	462	189	546	117	30	635	6.8	1	
				102	103	0.64	254	252	175	112	8	225	4	1	
				103	104	0.38	164	241	124	134	6	230	3.3	1	
				104	105	0.15	125	160	128	74	4	155	5.1	1	
10BBC10	7297205.51	775791.96	609.5	14	15	0.10	620	77	24	21	1	4	0.89	0.2	
10BBC11	7297179.59	775804.37	609.3	40	41	0.16	145	34	125	60	1	15	0.85	0.2	
				41	42	0.17	241	65	162	135	2	102	3.1	0.5	
				42	43	3.30	102	79	252	287	122	224	10.15	0.8	
				43	44	0.42	24	23	135	75	14	64	1.12	0.3	
				44	45	0.46	25	25	137	73	5	55	0.85	0.3	

HOLE ID	NORTHING (MGA94)	EASTING (MGA94)	RL	FROM (m)	TO (m)	Cu (%)	Co (ppm)	Ni (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Sb (ppm)	Fe (%)	Cd (ppm)	COMPOSITE
				45	46	0.13	16	63	52	66	3	26	0.79	0.3	8m @ 0.6% Cu and 85ppm Co
				46	47	0.10	38	142	30	146	5	19	2.11	0.1	
				47	48	0.10	87	179	12	275	4	7	7.1	1.3	
10BBC14	7297083.19	775816.72	609.2	154	155	1.56	912	656	17	115	2	148	3	2	18m @ 0.63% Cu & 859ppm Co
				155	156	0.57	665	541	27	84	2	42	3.3	1	
				156	157	LNR	LNR	LNR	LNR	LNR	LNR	LNR	LNR	LNR	
				157	158	0.36	935	612	51	42	7	61	4.6	1	
				158	159	0.31	885	653	31	38	3	35	3.2	1	
				159	160	0.49	819	552	26	67	3	25	3.7	1	
				160	161	0.65	316	287	22	70	2	31	3.4	1	
				161	162	0.17	173	216	18	32	1	27	2.5	1	
				162	163	0.24	915	835	21	23	1	33	2.5	1	
				163	164	0.83	1155	1005	31	43	2	60	4	1	
				164	165	0.39	339	408	73	89	1	75	3.1	1	
				165	166	0.23	311	384	16	31	1	33	2.7	1	
				166	167	0.53	380	398	85	136	2	51	2.5	1	
				167	168	2.43	5500	4460	283	110	47	216	9.4	2	
				168	169	0.33	581	508	27	24	3	20	2.7	1	
				169	170	0.14	214	250	13	17	1	27	3.1	1	
				170	171	1.29	353	403	13	10	2	115	3.4	1	
				171	172	0.15	144	191	12	10	1	39	2.2	0.5	18m @ 0.63% Cu & 859ppm Co
				175	176	1.44	731	514	235	54	5	319	4.1	1	
				179	180	0.71	381	443	299	101	2	137	2.7	1	
				180	181	0.15	226	325	197	280	1	53	1.7	1	
				181	182	0.23	263	351	17	24	2	49	1.7	1	
				182	183	0.23	183	286	31	62	3	96	3.4	1	
				183	184	0.23	164	314	42	55	1	183	1.9	1	

HOLE ID	NORTHING (MGA94)	EASTING (MGA94)	RL	FROM (m)	TO (m)	Cu (%)	Co (ppm)	Ni (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Sb (ppm)	Fe (%)	Cd (ppm)	COMPOSITE
				184	185	0.38	622	761	15	22	2	66	1.9	1	10m @ 0.82% Cu & 581ppm Co incl. 3m @ 1.94% Cu and 0.12% Co
				185	186	1.28	1100	1477	35	67	2	484	4.2	1	
				186	187	1.30	1150	1379	99	193	4	855	5.2	1	
				187	188	3.25	1400	1694	61	119	6	725	4.4	1	
				188	189	0.49	319	392	57	33	1	118	3.9	1	
				189	190	0.12	278	127	116	39	3	39	5.3	1	

Table 2. Significant assay results with a nominal lower cut of 0.1% Cu. Note all assays are by mixed acid digest in oxide zones and Aqua Regia in sulphide zones, with AAS readings. All intersections are downhole widths.

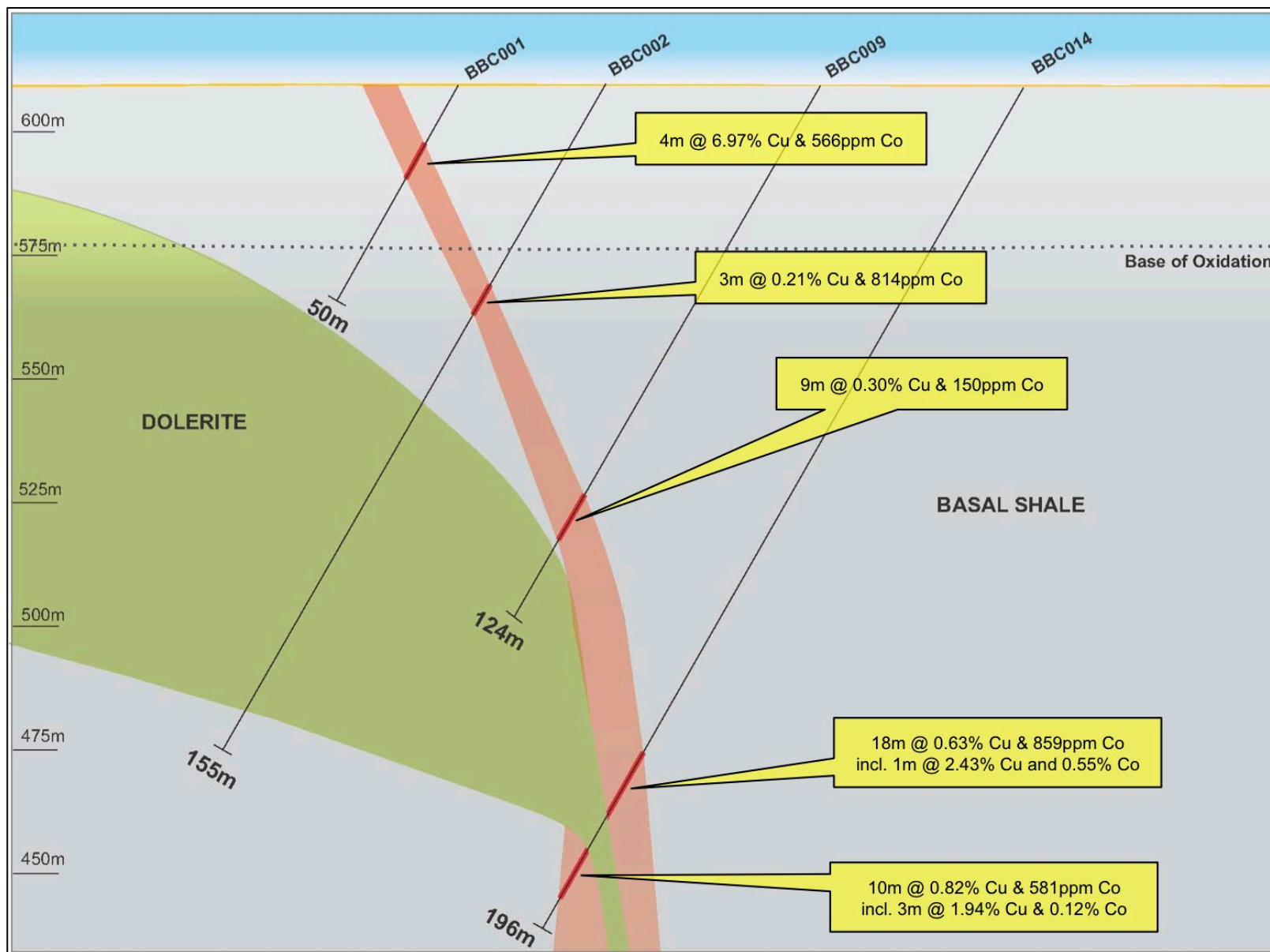


Figure 3. Cross section through Butcherbird Copper Prospect. Composite values calculated using a nominal lower cut of 0.1% copper. All intervals quoted as downhole intersections.

WORK PROGRAMME GOING FORWARD

The work programme outlined in the previous Quarterly Report has been progressed largely on schedule and several key milestones have been met. These include the completion of geophysical surveys over the project, the RC and diamond resource drill-out programme at Yanneri Ridge and the publication of the maiden JORC Mineral Resource Estimate for this deposit.

The progress to date sees the Company well positioned to complete a scoping study on this Resource in the first Quarter of calendar year 2011 and from there moving to feasibility studies based on the results of the scoping study work.

	2010			2011		
Task	October	November	December	January	February	March
EM Survey	COMPLETED					
RC Drilling	COMPLETED					
DD Drilling		COMPLETED				
Detailed Met Tests				COMMENCED		
JORC Resource			COMPLETED			
MLA Applications						
Scoping Study						

Table 1. Indicative timeline for work at Butcherbird over the next two quarters.

PEAK HILL (85-100%)

Work at the Company's Peak Hill gold/copper project included ongoing target generation and progress towards a global resource upgrade. A dedicated Project Geologist has been assigned to the Project and at the conclusion of the current phase of work, the Company's strategy going forward with respect to Peak Hill will be reviewed.

CORPORATE

Lithex Resources Limited

The Company is party to an agreement with Lithex Resources Limited ("Lithex") whereby Montezuma will receive ordinary shares in Lithex on Lithex listing on the ASX. Lithex has advised their Prospectus will be lodged with ASIC shortly.

Lithex has a large strategic tenement holding within the East Pilbara and Gascoyne Geological Provinces of Western Australia including a substantial position within the historical tin and tantalum producing districts of the Achaean Pilbara Craton. The Lithex IPO is a potential opportunity for investors seeking exposure to lithium, tantalum, tin and rare earth metals.

Interested parties should refer to the Lithex website at www.lithex.com.au.

Investor Coverage

Recent investor relations, corporate videos and broker/media coverage on the Company's projects can be viewed on the Company's website at <http://www.montezumamining.com.au>.

About Montezuma Mining Company Ltd

Listed in 2006, Montezuma (ASX: MZM) is a diversified explorer primarily focused on manganese, copper and gold. Montezuma has a 100% interest in the Butcherbird Manganese/Copper Project and an 85-100% interest in the Peak Hill and Durack Gold Projects in the Murchison region of Western Australia.

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.

The information in this report related to the Mineral Resource is based on information compiled by Shane Fieldgate under the supervision of Ivor Jones. Mr Fieldgate is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full time employee of Snowden Mining Industry Consultants. Mr Jones is a Fellow of the Australasian Institute of Mining and metallurgy (AusIMM), a Chartered Professional (Geology) and is a full time employee of Snowden Mining Industry Consultants. Mr Jones has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that 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". Ivor Jones and Shane Fieldgate consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.