

## ASX RELEASE

## MONTEZUMA MINING COMPANY LTD

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20 January 2010

ASX CODE: MZM

ISSUED SHARES: 42.10M

52 WEEK HIGH: \$0.34

52 WEEK LOW: \$0.06

### CONTACT:

JUSTIN BROWN

Managing Director

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### BOARD:

Denis O'Meara: Chairman

Justin Brown: MD

Ian Cornelius: Non-Exec

### KEY PROJECTS:

PEAK HILL (100%)

Gold

DURACK (earning 85%)

Gold, Copper (VMS)

BUTCHER BIRD (100%)

Manganese, Copper

MT PADBURY (100% of gold)

Gold, Manganese, Iron

### KEY SHARE POSITIONS:

AUVEX RESOURCES LTD

10,000,000 FPO Shares

BUXTON RESOURCES LTD

2,000,000 FPO Shares

## BUTCHER BIRD MANGANESE PROJECT RETURNS GRADES UP TO 45.7% Mn FROM ADDITIONAL ROCK CHIP SAMPLING

- Result up to **45.7% Mn** with only 2.5% Fe from 22 rock chip samples over a **strike of approximately 8km**.
- Eight priority target areas identified for drill testing once tenement is granted (expected in February 2010).
- Tenement also contains Butcher Bird copper prospect with historical grades of up to **20% Cu** with gold and silver credits.

Montezuma is pleased to announce that 22 additional rock chip sampling on of EL 52/2350 "Butcher Bird" has returned further very strong manganese results over priority target areas.

A total of 72 surface rock chip samples have now been collected by Montezuma over three site visits. All samples were analysed by Ultra Trace Pty Ltd using XRF glass beads. The results to date continue to provide a very strong case for the project to be a priority project for drill testing of key target areas.

Prospect	Name	Easting GDA	Northing GDA	Mn (%)	Fe (%)	Al2O3 (%)	SiO2 (%)	TiO2 (%)	LOI (%)
Bindi Bindi Hill	BBG06	765335	7299208	44.2	3.3	3.9	13.1	0.15	10.3
Bindi Bindi Hill	BBG07	765372	7299196	45.4	2.2	3.6	12.5	0.14	10.2
Bindi Bindi Hill	BBG08	765183	7299259	43.8	2.7	4.1	14.1	0.15	9.9
Bindi Bindi Hill	BBG09	765181	7299264	41.2	5.0	4.5	14.5	0.17	10.0
Bindi Bindi Hill	BBG10	765178	7299268	35	9.0	5.4	18.3	0.21	9.6
Bindi Bindi Hill	BBG11	765176	7299274	42.4	3.7	4.6	14.5	0.17	10.0
Bindi Bindi Hill	BBG12	765190	7299260	45.7	2.5	3.7	11.7	0.14	10.5
Bindi Bindi Hill	BBG13	765285	7299006	43.6	3.6	4.0	13.5	0.14	10.0

The manganese at Bindi Bindi Hill is largely manganite recrystallised in fine layers as thin slabs and blocks in a paleochannel environment. These samples are from the Western margin of the mineralised paleochannel, and indicate the manganese mineralisation is continuous from the margins to the centre of the paleochannel.

Prospect	Name	Easting GDA	Northing GDA	Mn (%)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	TiO <sub>2</sub> (%)	LOI (%)
Cadgies Flats	BBG01	765532	7300778	33.4	8.7	5.3	19.2	0.18	9.9
Cadgies Flats	BBG02	765535	7300773	34.3	9.5	5.1	18.1	0.19	9.6
Cadgies Flats	BBG03	765541	7300765	35.3	9.9	4.7	17.1	0.17	9.4
Cadgies Flats	BBG04	765772	7301062	35.4	8.8	4.7	18.2	0.21	10.0
Cadgies Flats	BBG05	765873	7301114	38.4	6.3	5.3	16.4	0.18	10.0

Cadgies Flats is located between Bindi Bindi Hill and Illgararie Hill. The mineralisation occurs as buried paleochannels that have been eroded by present day flat pans. Mineralisation is seen at the surface as scattered zones of thin and platey slabs of recrystallised manganite.

Prospect	Name	Easting GDA	Northing GDA	Mn (%)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	TiO <sub>2</sub> (%)	LOI (%)
Bindi Bindi Flats	BBG14	765281	7298831	23.9	19.7	5.8	18.4	0.2	10.2
Bindi Bindi Flats	BBG15	765239	7298719	39.0	7.0	4.8	14.9	0.18	10.4
Bindi Bindi Flats	BBG16	764568	7298113	20.1	24.7	5.6	18.8	0.25	8.5
Bindi Bindi Flats	BBG17	764048	7298091	25.9	18.1	5.2	18.5	0.17	9.9
Bindi Bindi Flats	BBG18	763762	7297973	6.0	35.8	6.2	22.5	0.26	9.2

Bindi Bindi Flats is located to the south of Bindi Bindi hill and comprises a present day flat pan with buried paleochannel manganese mineralisation. Some outcropping manganiferous rocks were sampled, and returned poor grades, and high Iron and silica values. BBG15 represents manganese rich scree from the eastern side of the flatplan, indicating encouraging potential exists for mineralisation on the eastern margin of Bindi Bindi Flats.

Prospect	Name	Easting GDA	Northing GDA	Mn (%)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	TiO <sub>2</sub> (%)	LOI (%)
Bindi Bindi West	BBG19	763330	7298138	36.6	7.4	5.1	17.9	0.19	10.3
Bindi Bindi West	BBG20	763267	7298205	35.1	8.8	5.9	18.3	0.21	10.3
Bindi Bindi West	BBG21	763255	7298172	36.5	7.3	5.5	18.5	0.2	10.2
Bindi Bindi West	BBG22	763258	7298154	4.2	33.4	8.2	27.2	0.32	7.6

Bindi Bindi West represents a buried manganese rich paleochannel that is exposed by present day gully erosion. The paleochannel strikes roughly NE, and directly along strike from Bindi Bindi Hill. This paleochannel represents one of the tributaries of the Bindi Bindi Hill paleochannel, and provides an exploration target comprising the western margins of the present day Bindi Bindi Flats (approx 4km in strike). BBG19 to 21 are from the paleochannel mineralised zone, and BBG22 is from the margins, confirming the contact is an unconformity.

The Butcher Bird licence application straddles the Great North Highway approximately 120km south of Newman. The land is open with sparse vegetative cover, giving good access to all areas of the licence.

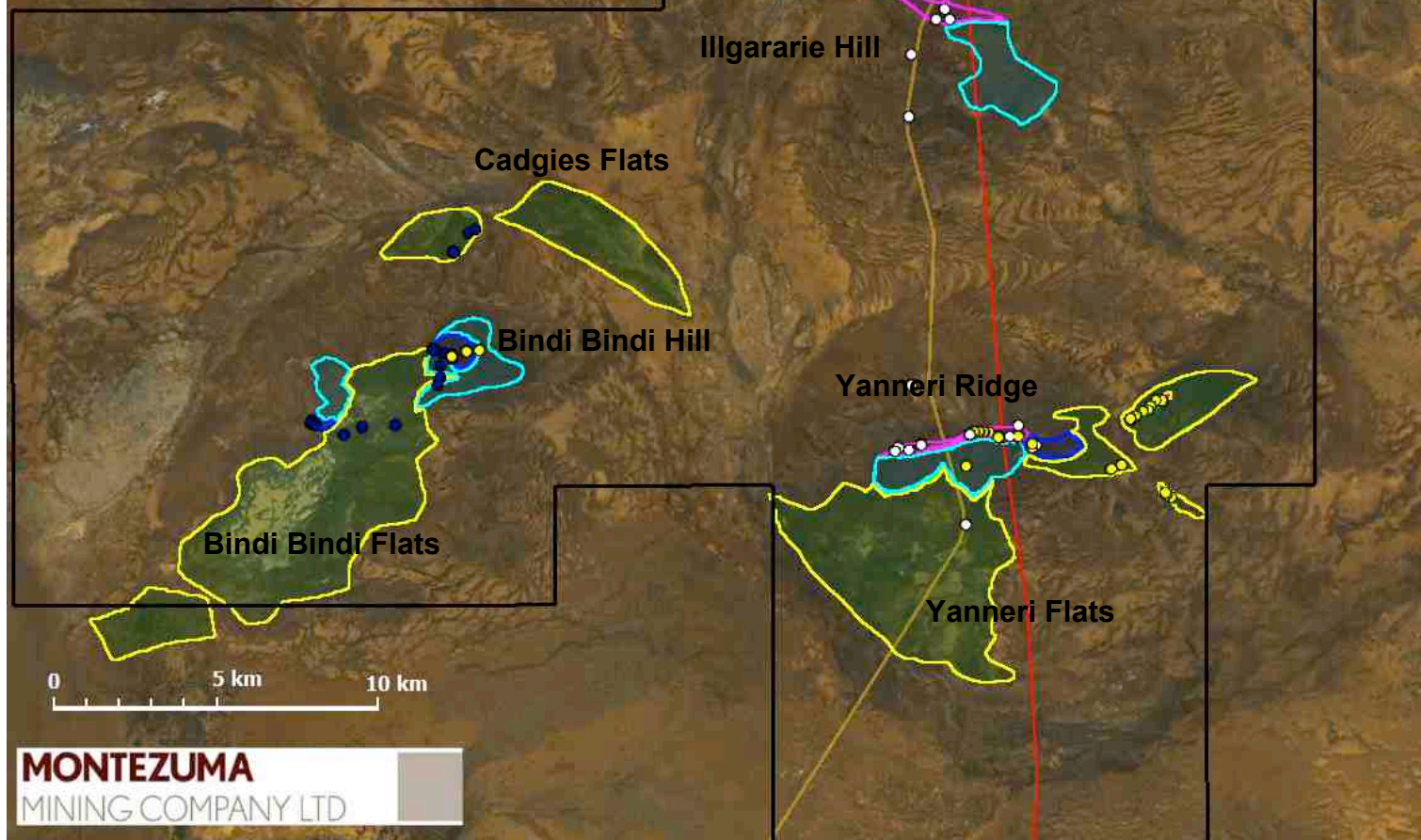
Based on the large regional extent of the surface mineralisation the available outcrop and remote sensing data, Butcher Bird continues to demonstrate excellent potential to host commercial quantities of manganese. Once the tenements have been granted and relevant clearances received, drilling will commence as soon as possible. Exploration targets include:

<b>Prospect</b>	<b>Mineralisation Style</b>	<b>Approx. Area</b>	<b>Approx Tonnes of Manganese (Mt)</b>	<b>Approx. Grade of Manganese</b>
Yanneri Ridge	Supergene Manganese enriched shales	260,000 m2	1.9 – 2.1 Mt	35% to 44%
Yanneri Flats	Manganese bearing scree downslope of richer areas	500,000 m2	0.9 – 1.1 Mt	35% to 40%
Yanneri Flats	Manganese rich paleochannel	250,000 m2	0.4 – 0.6 Mt	35% to 45%
Bindi Bindi Hill	Manganese rich paleochannel	250,000 m2	1.4 – 1.6 Mt	35% to 45%
Bindi Bindi Hill	Manganese bearing scree downslope of richer areas	900,000 m2	0.9 – 1.1 Mt	30% to 40%
Bindi Bindi Flats	Buried Manganese rich paleochannel	1,000,000 m2	0.4 – 0.6 Mt	30% to 35%
Illgararie Hill	Supergene Manganese enriched shales	400,000 m2	0.9 – 1.1 Mt	30% to 35%
Cadgies Flats	Buried Manganese rich paleochannel	500,000 m2	0.4 – 0.6 Mt	30% to 35%

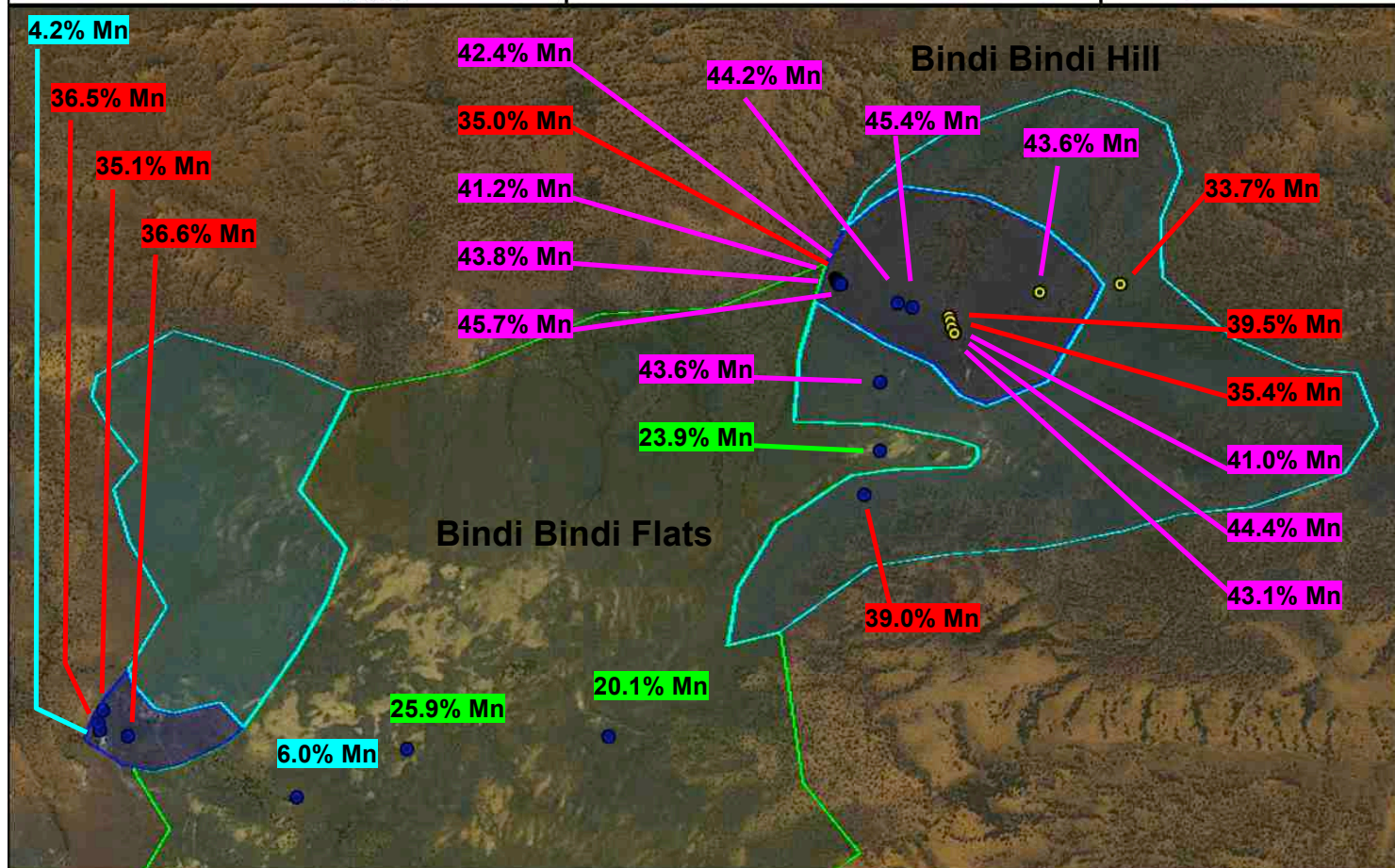
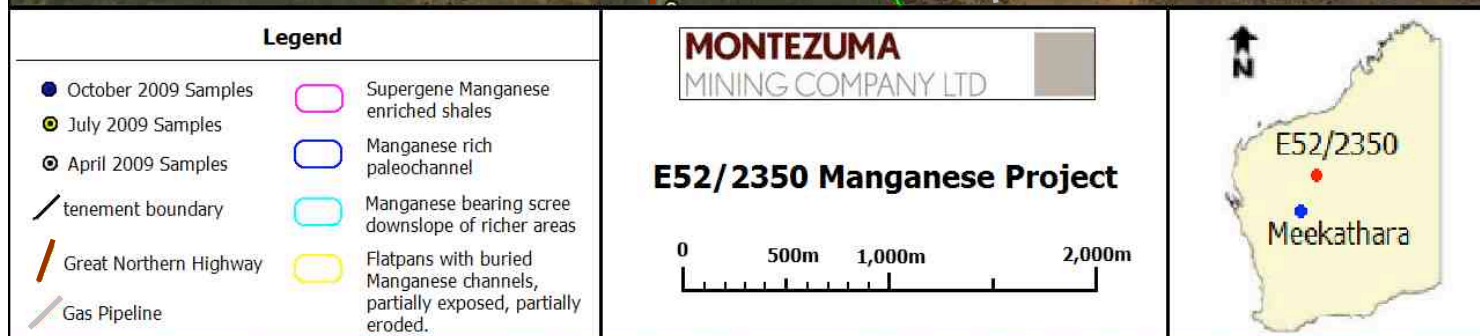
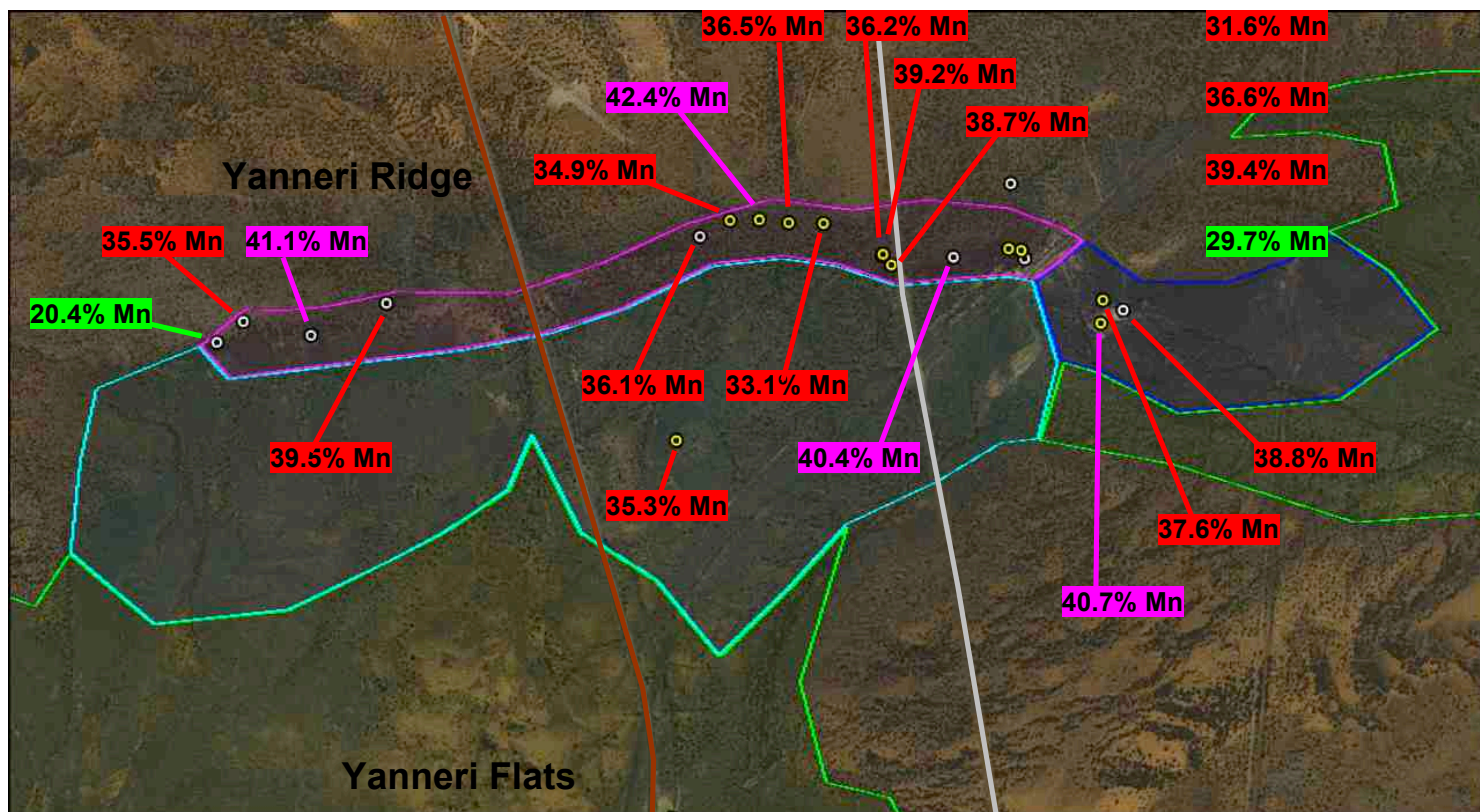
**Table: Estimated manganese Exploration Targets at the Butcher Bird Project**

# Legend

- October 2009 Samples
- July 2009 Samples
- April 2009 Samples
- tenement boundary
- Great Northern Highway
- Gas Pipeline
- Supergene Manganese enriched shales
- Manganese rich paleochannel
- Manganese bearing scree downslope of richer areas
- Flatpans with buried Manganese channels, partially exposed, partially eroded.







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**More Information****Justin Brown**

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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 "Australian 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 appear.