

## QUARTERLY REPORT



## MONTEZUMA MINING COMPANY LTD

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### Three Months Ending: 31 March 2011

ASX CODE: MZM  
ISSUED SHARES: 47.77M  
52 WEEK HIGH: \$0.95  
52 WEEK LOW: \$0.24  
CASH ON HAND: \$3.83M

#### 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) – COODAMUDGI DISCOVERY:

- Assays confirm that two RC test holes drilled into the Coodamudgi EM anomaly north of the Yanneri Ridge Resource have successfully identified a new manganese deposit at Butcherbird.
- Results include:  
**10EM004      31m @ 12.49% Mn from 3m**  
including **11m @ 15.41% Mn** from 22m
- Based on the drilling and available geological information, an **\*\*Exploration Target of 40-50 million tonnes @ 10-15% Mn** has been defined for this deposit.
- First-pass dense media separation (DMS) test work on RC chip samples from the Coodamudgi manganese deposit yields up to **39.7% Mn** in concentrate, using a separation S.G. of 3.4.
- The successful test confirms the numerous other comparable EM anomalies within the Project as strong candidates for further discoveries.
- Discovery further confirms the large tonnage potential for the Butcherbird manganese province.

### BUTCHERBIRD (MANGANESE) – RC DRILLING RESULTS:

- Remaining assay results received for the Ilgarie Ridge and Budgie Hill drilling programmes completed during the quarter.
- Best results include:  
**10BB405      10m @ 13.8% Mn from 15m**  
**(including 5m @ 16.47% Mn)**  
**10BB406      10m @ 9.78% Mn from 12m**  
**(including 3m @ 11.92% Mn)**  
**10BB413      10m @ 9.80% Mn from 25m**  
**(including 6m @ 11.09% Mn)**  
**10BB404      13m @ 9.23% Mn from 9m**

*\*\*It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

## **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 explore for further discoveries within the province.

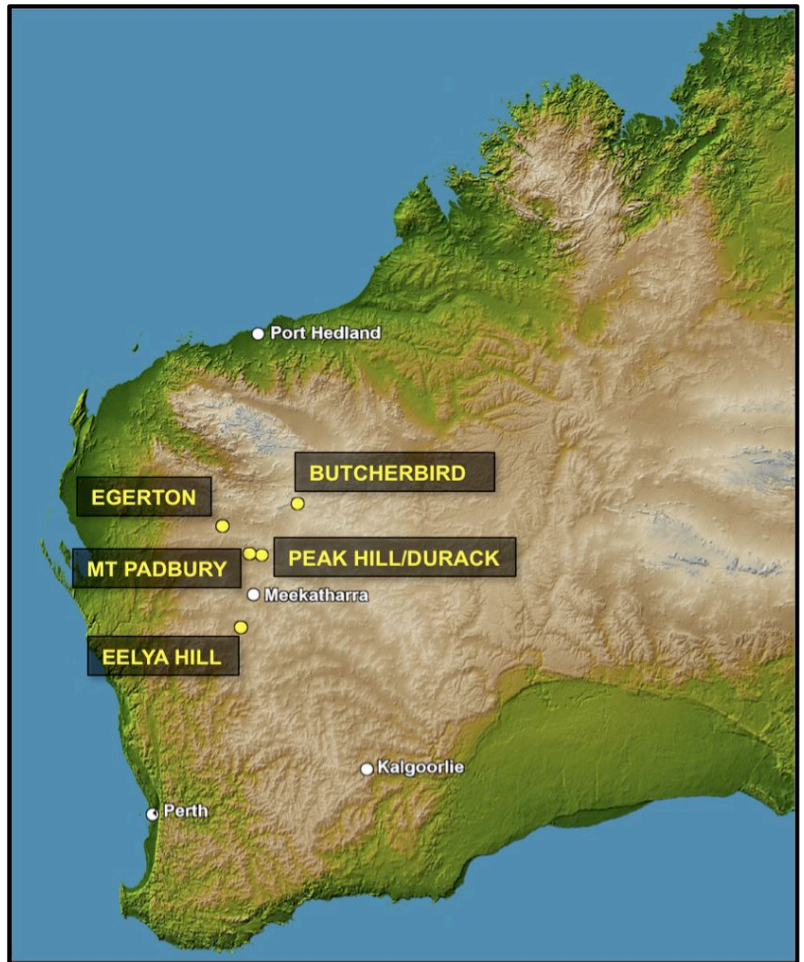
## **BUTCHERBIRD MANGANESE**

The work to date has identified seven primary target areas, with a Maiden Resource Estimate for the first of these at Yanneri Ridge having been completed and announced in the previous Quarterly Report.

With further drilling at the known target areas as well as several high priority exploration targets identified through a regional EM survey completed last year, the Company is of the view that there is good potential for further resource increases and new discoveries.

In addition to this work, commercial studies on the Yanneri Ridge deposit have commenced with the first stage being more detailed metallurgical testwork to confirm the grade/recovery behaviour of the material with conventional beneficiation techniques.

The sulphide copper mineralisation identified within the Project is also a priority with further geophysical testwork and follow up drilling planned for the coming Quarter.



## **Coodamudgi Manganese Discovery**

The Company is pleased to advise that assays received for the maiden drilling programme into the Coodamudgi Manganese Deposit confirm that significant grades and widths of manganese occur coincident with a strongly conductive EM anomaly at this location.

Based on the strong correlation of the EM data and the drillhole intersections, an \*\*Exploration Target has been defined for this discovery of 40-50 million tonnes of mineralisation @ 10-15% Mn.

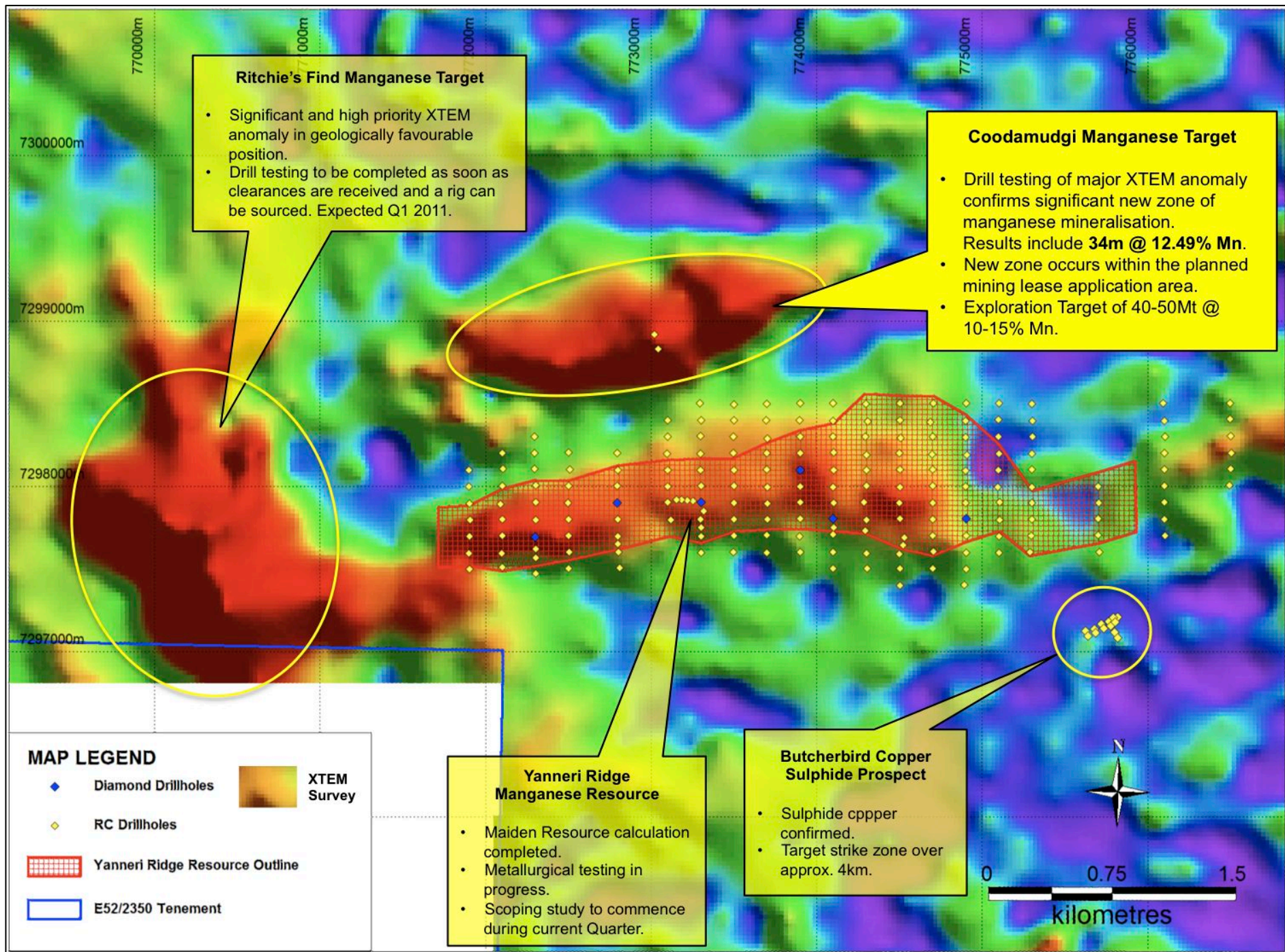
*\*\*It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Importantly, the deposit occurs within the planned outline of the mining lease application currently being processed for the Yanneri Ridge Deposit which means that the Coodamudgi deposit can be brought into the Scoping Studies planned for commencement in the coming Quarter.

First pass DMS beneficiation test results have been received for composite material sampled from the Coodamudgi Manganese Deposit have returned very encouraging results, with grades of up to 39.7% Mn achieved using a separation SG of 3.4. Work is ongoing to further investigate and refine the beneficiation behaviour of the material.

This result, in addition to the other deposits discovered to date, confirms the Butcherbird Project area as a new manganese province and underpins the Company's confidence in its commercial potential. There are seven deposits now identified within the Project and numerous targets which the Company intends to test as part of the coming field season.

Coupled with the potential for further exploration success both in manganese and copper, the Butcherbird Project will be the key focus over the coming months as the Company advances its goal of making the transition from explorer to large scale miner.



| Hole ID | Northing (MGA94) | Easting (MGA94) | From | To | Mn (%) | Fe (%) | Al2O3 (%) | Ba (%) | CaO (%) | Cr2O 3 (%) | Cu (%) | K2O (%) | MgO (%) | Na2O (%) | P2O5 (%) | Pb (%) | S (%) | SiO2 (%) | TiO2 (%) | Zn (%) |
|---------|------------------|-----------------|------|----|--------|--------|-----------|--------|---------|------------|--------|---------|---------|----------|----------|--------|-------|----------|----------|--------|
| 10EM004 | 7298829          | 773042          | 3    | 4  | 13.63  | 12.23  | 10.19     | 0.41   | 0.26    | 0.015      | 0.005  | 2.138   | 0.53    | 0.062    | 0.09     | 0.007  | 0.007 | 40.82    | 0.374    | 0.01   |
|         | Depth            |                 | 4    | 5  | 8.81   | 12.11  | 10.07     | 0.248  | 0.53    | 0.006      | 0.004  | 1.869   | 1.1     | 0.034    | 0.03     | 0.004  | 0.004 | 47.11    | 0.3      | 0.007  |
|         | 46m              |                 | 5    | 6  | 8.64   | 14.19  | 10.1      | 0.193  | 0.41    | 0.008      | 0.005  | 2.008   | 0.89    | 0.028    | 0.05     | 0.007  | 0.008 | 45.68    | 0.316    | 0.009  |
|         |                  |                 | 6    | 7  | 9.71   | 15.98  | 7.54      | 0.179  | 0.55    | 0.006      | 0.003  | 1.933   | 1.14    | 0.017    | 0.07     | 0.006  | 0.007 | 43.94    | 0.256    | 0.01   |
|         |                  |                 | 7    | 8  | 2.93   | 14.96  | 10.06     | 0.074  | 0.5     | 0.01       | 0.002  | 1.739   | 1.07    | 0.013    | 0.02     | 0.004  | 0.007 | 53.69    | 0.359    | 0.007  |
|         |                  |                 | 8    | 9  | 10.36  | 12.65  | 9.59      | 0.105  | 0.27    | 0.008      | 0.004  | 2.657   | 0.71    | 0.054    | 0.04     | 0.006  | 0.01  | 46.38    | 0.354    | 0.008  |
|         |                  |                 | 9    | 10 | 16.15  | 11.79  | 8.97      | 0.115  | 0.18    | 0.011      | 0.005  | 2.965   | 0.55    | 0.086    | 0.1      | 0.007  | 0.014 | 40.17    | 0.322    | 0.011  |
|         |                  |                 | 10   | 11 | 6.63   | 10.01  | 12.47     | 0.072  | 0.14    | 0.012      | 0.004  | 2.994   | 0.59    | 0.062    | 0.26     | 0.006  | 0.014 | 53.22    | 0.492    | 0.013  |
|         |                  |                 | 11   | 12 | 6.72   | 12.1   | 12.69     | 0.062  | 0.12    | 0.01       | 0.005  | 2.957   | 0.65    | 0.05     | 0.31     | 0.006  | 0.009 | 49.99    | 0.51     | 0.018  |
|         |                  |                 | 12   | 13 | 15.32  | 12.25  | 10.05     | 0.055  | 0.19    | 0.008      | 0.006  | 2.976   | 0.51    | 0.119    | 0.25     | 0.007  | 0.007 | 39.5     | 0.393    | 0.026  |
|         |                  |                 | 13   | 14 | 9.48   | 12.42  | 12.22     | 0.059  | 0.16    | 0.01       | 0.007  | 2.965   | 0.63    | 0.07     | 0.22     | 0.005  | 0.006 | 46.17    | 0.44     | 0.013  |
|         |                  |                 | 14   | 15 | 11.66  | 12.47  | 11.19     | 0.054  | 0.16    | 0.009      | 0.007  | 2.647   | 0.52    | 0.06     | 0.22     | 0.004  | 0.011 | 44.37    | 0.424    | 0.014  |
|         |                  |                 | 15   | 16 | 13.11  | 9.79   | 11.62     | 0.062  | 0.19    | 0.01       | 0.005  | 3.135   | 0.49    | 0.12     | 0.27     | 0.006  | 0.006 | 44.55    | 0.458    | 0.02   |
|         |                  |                 | 16   | 17 | 11.22  | 12.57  | 11.14     | 0.054  | 0.2     | 0.011      | 0.007  | 2.967   | 0.49    | 0.111    | 0.25     | 0.005  | 0.021 | 43.71    | 0.432    | 0.028  |
|         |                  |                 | 17   | 18 | 15.57  | 7.54   | 11.37     | 0.058  | 0.26    | 0.008      | 0.009  | 3.338   | 0.52    | 0.206    | 0.21     | 0.007  | 0.021 | 44.68    | 0.443    | 0.025  |
|         |                  |                 | 18   | 19 | 14.41  | 10.23  | 10.71     | 0.047  | 0.22    | 0.01       | 0.007  | 3.115   | 0.46    | 0.196    | 0.19     | 0.006  | 0.021 | 43.37    | 0.429    | 0.027  |
|         |                  |                 | 19   | 20 | 8.64   | 11.06  | 12.69     | 0.072  | 0.19    | 0.013      | 0.007  | 3.351   | 0.57    | 0.128    | 0.22     | 0.007  | 0.02  | 48.86    | 0.49     | 0.027  |
|         |                  |                 | 20   | 21 | 18.26  | 9.01   | 9.7       | 0.054  | 0.25    | 0.014      | 0.007  | 3.123   | 0.4     | 0.257    | 0.28     | 0.006  | 0.02  | 40.05    | 0.386    | 0.034  |
|         |                  |                 | 21   | 22 | 7.51   | 9.79   | 12.55     | 0.058  | 0.24    | 0.011      | 0.007  | 2.622   | 0.48    | 0.122    | 0.41     | 0.014  | 0.022 | 52.37    | 0.511    | 0.015  |
|         |                  |                 | 22   | 23 | 17.34  | 10.33  | 9.41      | 0.047  | 0.36    | 0.011      | 0.009  | 2.553   | 0.39    | 0.246    | 0.3      | 0.023  | 0.042 | 40.7     | 0.351    | 0.022  |
|         |                  |                 | 23   | 24 | 14.08  | 11.74  | 9.47      | 0.047  | 0.63    | 0.01       | 0.006  | 2.273   | 0.44    | 0.147    | 0.61     | 0.01   | 0.022 | 42.23    | 0.374    | 0.026  |
|         |                  |                 | 24   | 25 | 12.45  | 14.75  | 9.06      | 0.039  | 0.85    | 0.008      | 0.006  | 1.635   | 0.35    | 0.111    | 0.74     | 0.008  | 0.023 | 40.67    | 0.343    | 0.024  |
|         |                  |                 | 25   | 26 | 15.07  | 14.24  | 8.63      | 0.021  | 0.84    | 0.011      | 0.007  | 1.575   | 0.39    | 0.144    | 0.69     | 0.006  | 0.023 | 38.08    | 0.334    | 0.024  |
|         |                  |                 | 26   | 27 | 11.48  | 17.81  | 9.08      | 0.023  | 1.58    | 0.012      | 0.005  | 1.411   | 0.45    | 0.109    | 1.38     | 0.007  | 0.024 | 36.72    | 0.35     | 0.026  |
|         |                  |                 | 27   | 28 | 16.7   | 14.72  | 8.7       | 0.026  | 0.79    | 0.01       | 0.005  | 2.541   | 0.82    | 0.141    | 0.66     | 0.01   | 0.012 | 34.06    | 0.344    | 0.022  |
|         |                  |                 | 28   | 29 | 16.54  | 16.43  | 9.16      | 0.057  | 0.55    | 0.01       | 0.007  | 2.948   | 1.45    | 0.217    | 0.41     | 0.016  | 0.009 | 29.29    | 0.334    | 0.027  |
|         |                  |                 | 29   | 30 | 13.4   | 13.52  | 11.68     | 0.094  | 0.46    | 0.011      | 0.007  | 3.204   | 1.47    | 0.161    | 0.4      | 0.011  | 0.007 | 36.14    | 0.455    | 0.021  |
|         |                  |                 | 30   | 31 | 13.89  | 14.43  | 12.2      | 0.139  | 0.4     | 0.011      | 0.007  | 3.447   | 1.52    | 0.115    | 0.33     | 0.008  | 0.009 | 31.95    | 0.477    | 0.019  |
|         |                  |                 | 31   | 32 | 18.19  | 16.67  | 10.2      | 0.102  | 0.32    | 0.009      | 0.006  | 3.601   | 1.16    | 0.081    | 0.37     | 0.006  | 0.005 | 23.84    | 0.405    | 0.024  |
|         |                  |                 | 32   | 33 | 20.38  | 7.77   | 10.93     | 0.088  | 0.3     | 0.011      | 0.005  | 4.093   | 0.92    | 0.113    | 0.33     | 0.01   | 0.002 | 35.12    | 0.437    | 0.023  |
|         |                  |                 | 33   | 34 | 8.75   | 8.54   | 14.12     | 0.102  | 0.51    | 0.012      | 0.005  | 3.278   | 1.12    | 0.074    | 0.4      | 0.015  | 0.003 | 49.34    | 0.553    | 0.014  |

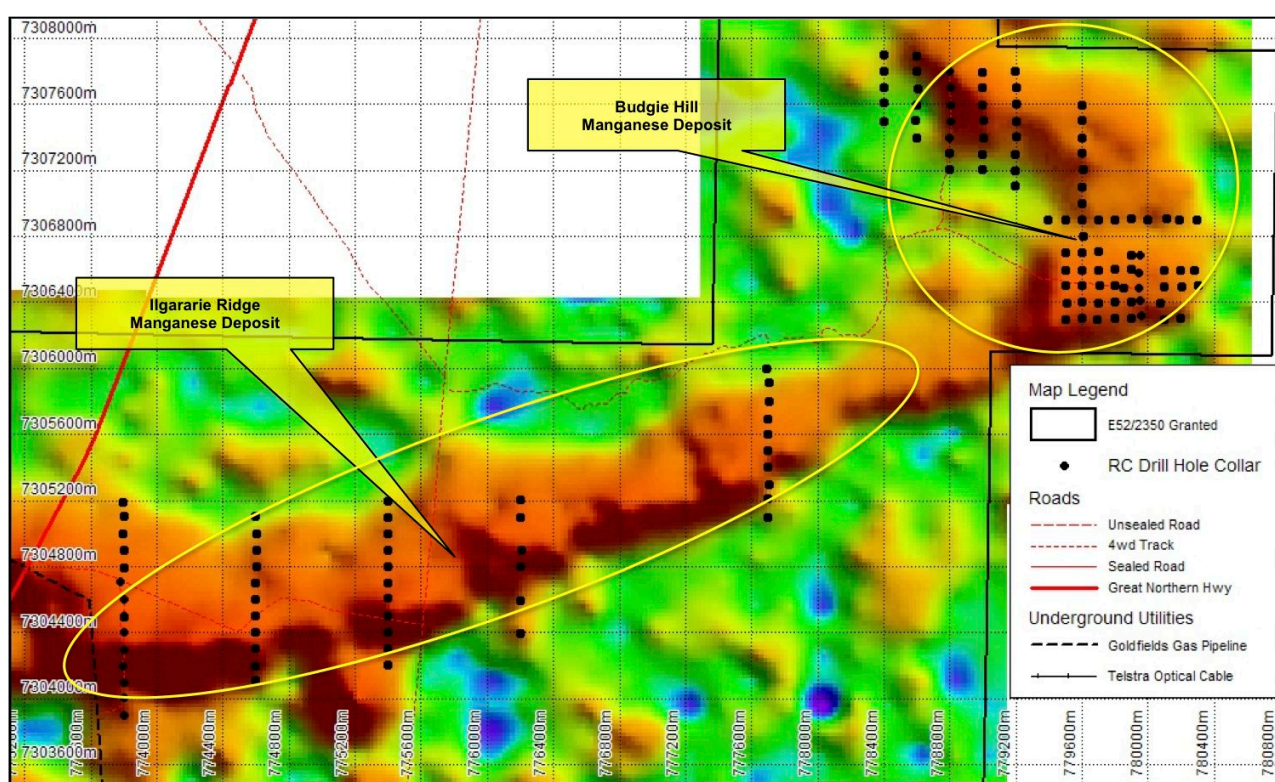
| Hole ID | Northing (MGA94) | Easting (MGA94) | From | To | Mn (%) | Fe (%) | Al2O3 (%) | Ba (%) | CaO (%) | Cr2O 3 (%) | Cu (%) | K2O (%) | MgO (%) | Na2O (%) | P2O5 (%) | Pb (%) | S (%) | SiO2 (%) | TiO2 (%) | Zn (%) |
|---------|------------------|-----------------|------|----|--------|--------|-----------|--------|---------|------------|--------|---------|---------|----------|----------|--------|-------|----------|----------|--------|
| 10EM005 | 7298920          | 773019          | 11   | 12 | 1.55   | 9.23   | 13.98     | 0.108  | 0.17    | 0.011      | 0.002  | 2.996   | 0.63    | 0.052    | 0.09     | 0.004  | 0.015 | 60.43    | 0.521    | 0.005  |
|         | Depth            |                 | 12   | 13 | 7.26   | 12.28  | 11.96     | 0.195  | 0.15    | 0.016      | 0.005  | 2.806   | 0.54    | 0.05     | 0.15     | 0.006  | 0.013 | 50.26    | 0.443    | 0.009  |
|         | 40m              |                 | 13   | 14 | 3.59   | 11.91  | 12.66     | 0.126  | 0.16    | 0.009      | 0.004  | 2.75    | 0.61    | 0.023    | 0.15     | 0.006  | 0.013 | 55.81    | 0.479    | 0.01   |
|         |                  |                 | 14   | 15 | 5.47   | 12.17  | 12.36     | 0.16   | 0.16    | 0.01       | 0.004  | 2.903   | 0.61    | 0.046    | 0.08     | 0.008  | 0.014 | 53.14    | 0.451    | 0.012  |
|         |                  |                 | 15   | 16 | 11.12  | 12.62  | 10.52     | 0.109  | 0.18    | 0.009      | 0.005  | 2.756   | 0.55    | 0.075    | 0.19     | 0.006  | 0.014 | 44.77    | 0.39     | 0.015  |
|         |                  |                 | 16   | 17 | 8.07   | 10.97  | 11.31     | 0.067  | 0.16    | 0.009      | 0.005  | 2.898   | 0.61    | 0.071    | 0.14     | 0.007  | 0.007 | 50.44    | 0.421    | 0.014  |
|         |                  |                 | 17   | 18 | 15.19  | 10.45  | 9.82      | 0.054  | 0.26    | 0.007      | 0.006  | 3.005   | 0.5     | 0.166    | 0.22     | 0.007  | 0.008 | 43.12    | 0.373    | 0.013  |
|         |                  |                 | 18   | 19 | 7.01   | 10.46  | 12.28     | 0.054  | 0.27    | 0.009      | 0.005  | 3.014   | 0.57    | 0.067    | 0.32     | 0.005  | 0.005 | 51.48    | 0.472    | 0.009  |
|         |                  |                 | 19   | 20 | 9.74   | 11.03  | 11.36     | 0.058  | 0.21    | 0.007      | 0.005  | 2.884   | 0.55    | 0.082    | 0.21     | 0.005  | 0.006 | 48.07    | 0.432    | 0.012  |
|         |                  |                 | 20   | 21 | 10.5   | 12.04  | 11.19     | 0.067  | 0.39    | 0.009      | 0.006  | 2.906   | 0.56    | 0.101    | 0.32     | 0.006  | 0.006 | 47.19    | 0.422    | 0.014  |
|         |                  |                 | 21   | 22 | 6.03   | 12.95  | 12.09     | 0.055  | 0.22    | 0.008      | 0.007  | 3.006   | 0.59    | 0.06     | 0.25     | 0.004  | 0.008 | 50.04    | 0.449    | 0.008  |
|         |                  |                 | 22   | 23 | 14.47  | 18.38  | 8.24      | 0.186  | 0.56    | 0.011      | 0.007  | 2.369   | 0.51    | 0.112    | 0.39     | 0.006  | 0.01  | 31.7     | 0.31     | 0.015  |
|         |                  |                 | 23   | 24 | 8.44   | 13.87  | 11.58     | 0.052  | 0.31    | 0.01       | 0.007  | 3.064   | 0.56    | 0.092    | 0.29     | 0.006  | 0.014 | 45.11    | 0.49     | 0.011  |
|         |                  |                 | 24   | 25 | 14     | 11.01  | 10.74     | 0.055  | 0.54    | 0.009      | 0.005  | 3.236   | 0.54    | 0.165    | 0.44     | 0.006  | 0.019 | 42.79    | 0.415    | 0.012  |
|         |                  |                 | 25   | 26 | 7.94   | 15.14  | 11.49     | 0.066  | 0.2     | 0.04       | 0.007  | 2.952   | 0.55    | 0.098    | 0.25     | 0.006  | 0.022 | 46.45    | 0.427    | 0.013  |
|         |                  |                 | 26   | 27 | 7.62   | 12.62  | 11.66     | 0.066  | 0.2     | 0.011      | 0.008  | 2.717   | 0.52    | 0.085    | 0.23     | 0.008  | 0.024 | 48.7     | 0.44     | 0.022  |
|         |                  |                 | 27   | 28 | 8.47   | 11.24  | 12        | 0.054  | 0.19    | 0.014      | 0.006  | 3.043   | 0.54    | 0.086    | 0.24     | 0.008  | 0.023 | 48.75    | 0.479    | 0.031  |
|         |                  |                 | 28   | 29 | 5.73   | 17.36  | 11.11     | 0.06   | 0.19    | 0.011      | 0.007  | 2.671   | 0.54    | 0.035    | 0.26     | 0.006  | 0.035 | 47.4     | 0.416    | 0.024  |
|         |                  |                 | 29   | 30 | 13.4   | 7.71   | 11.4      | 0.056  | 0.4     | 0.015      | 0.008  | 3.657   | 0.52    | 0.088    | 0.28     | 0.006  | 0.024 | 46.19    | 0.433    | 0.024  |
|         |                  |                 | 30   | 31 | 8.96   | 4.16   | 14.06     | 0.075  | 0.16    | 0.011      | 0.004  | 3.746   | 0.59    | 0.068    | 0.14     | 0.006  | 0.011 | 55.79    | 0.586    | 0.019  |
|         |                  |                 | 31   | 32 | 17.9   | 9.34   | 9.32      | 0.047  | 0.12    | 0.007      | 0.005  | 3.012   | 0.31    | 0.088    | 0.27     | 0.009  | 0.018 | 40.9     | 0.37     | 0.037  |
|         |                  |                 | 32   | 33 | 12.47  | 16.24  | 8.88      | 0.075  | 0.11    | 0.007      | 0.005  | 2.348   | 0.31    | 0.037    | 0.35     | 0.022  | 0.006 | 37.99    | 0.324    | 0.032  |
|         |                  |                 | 33   | 34 | 6.81   | 17.41  | 10.14     | 0.049  | 0.14    | 0.007      | 0.006  | 1.922   | 0.4     | 0.009    | 0.5      | 0.007  | 0.003 | 43.33    | 0.393    | 0.017  |
|         |                  |                 | 34   | 40 | 12.56  | 11.51  | 9.4       | 0.06   | 3.31    | 0.009      | 0.006  | 1.609   | 1.65    | 0.167    | 0.23     | 0.011  | 0.754 | 36.94    | 0.371    | 0.02   |

**Table 1.** Selected assays based on geological classification of material deemed amenable to beneficiation. All holes were drilled at -60 degrees to the south. Samples were collected at 1m intervals within the prospective mineralized zones. Assays were completed by Nagrom Laboratories using fused disc XRF analysis with AAS finish. All intersections are quoted as downhole widths.

## RC Drilling Results

The Company is pleased to advise that remaining assays have now been received for the major RC drilling programme completed late in 2010. The assay data relates to the Illgararie Ridge and Budgie Hill Prospects, two of the seven manganese deposits confirmed to date at the Butcherbird Project. Drilling and Resource data relating to the third area covered by the programme at Yanneri Ridge have been previously released.

Further work to define JORC compliant resources over these deposits will be conducted going forward, in conjunction with testing other Mn and copper targets within the Project area, including several high priority targets identified by the recently completed EM survey.



**Figure 1.** RC drillhole collar locations for the Illgararie Ridge and Budgie Hill deposits. Collars are shown over the coincident EM data

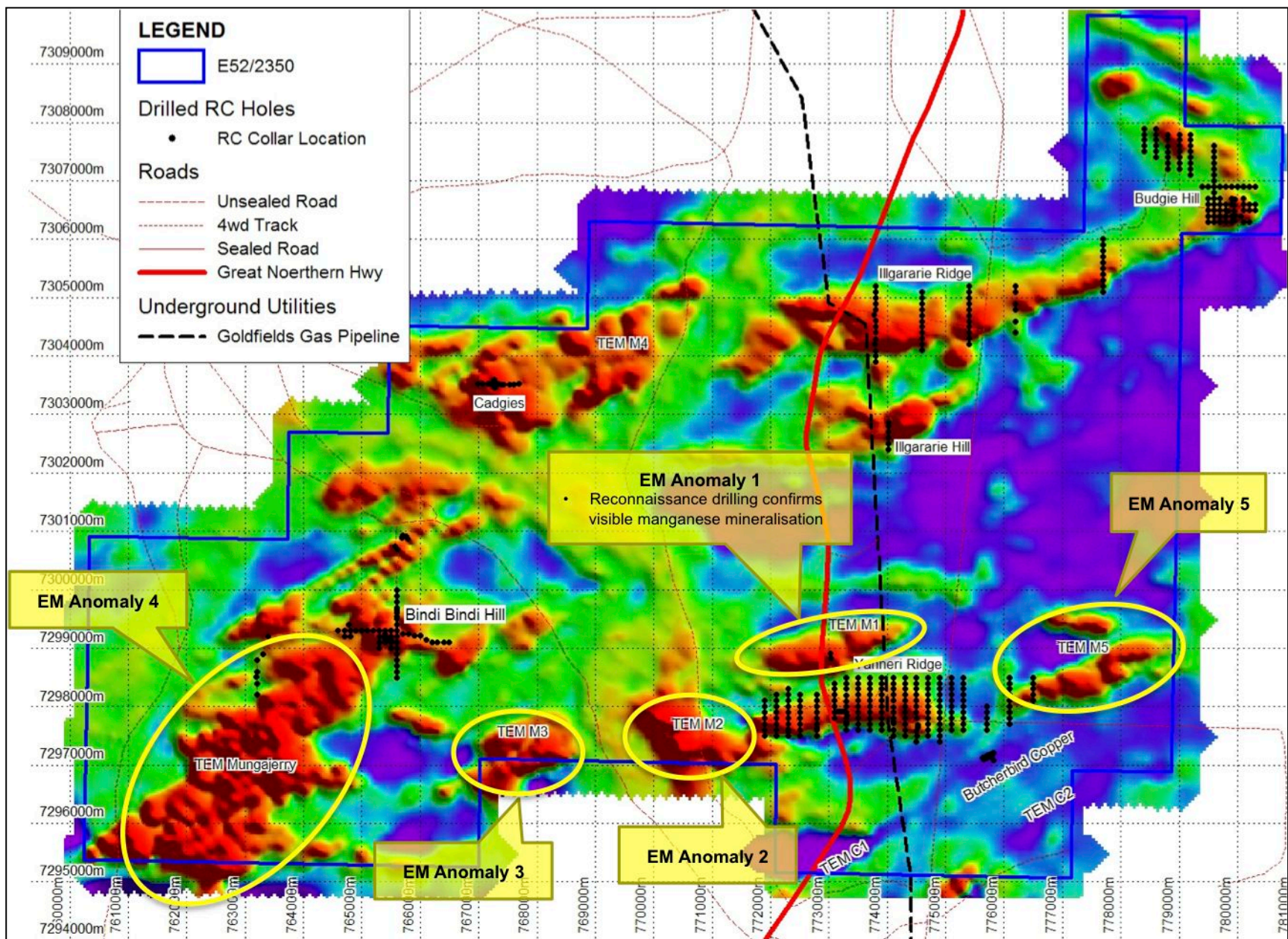
| Hole_ID | Prospect         | Northing<br>(MGA94) | Easting<br>(MGA94) | Depth | From | To | Interval | Mn<br>(%) | Including  | Fe<br>(%) | SiO2<br>(%) | P2O5<br>(%) |
|---------|------------------|---------------------|--------------------|-------|------|----|----------|-----------|------------|-----------|-------------|-------------|
| 10BB384 | ILLGARARIE RIDGE | 7304996             | 773798             | 34    | 9    | 10 | 1        | 9.62      |            | 12.00     | 44.82       | 0.09        |
|         |                  |                     |                    |       | 13   | 14 | 1        | 9.08      |            | 8.44      | 49.42       | 0.14        |
| 10BB385 | ILLGARARIE RIDGE | 7304900             | 773803             | 34    | 27   | 28 | 1        | 8.69      |            | 14.53     | 43.58       | 0.38        |
| 10BB386 | ILLGARARIE RIDGE | 7304795             | 773799             | 34    | 25   | 31 | 6        | 8.50      | 1m @ 15.65 | 10.88     | 48.97       | 0.24        |
| 10BB396 | ILLGARARIE RIDGE | 7304301             | 774600             | 34    | 12   | 15 | 3        | 11.57     |            | 11.13     | 44.88       | 0.26        |
|         |                  |                     |                    |       | 19   | 24 | 5        | 8.90      |            | 11.97     | 47.50       | 0.28        |
| 10BB397 | ILLGARARIE RIDGE | 7304197             | 774596             | 52    | 16   | 26 | 10       | 8.59      | 1m @ 14.84 | 12.94     | 46.69       | 0.19        |
|         |                  |                     |                    |       | 28   | 29 | 1        | 11.41     |            | 13.92     | 42.33       | 0.32        |
|         |                  |                     |                    |       | 34   | 37 | 3        | 9.81      |            | 10.77     | 48.70       | 0.18        |
|         |                  |                     |                    |       | 38   | 42 | 4        | 9.31      | 1m @ 14.62 | 16.47     | 43.42       | 0.35        |
| 10BB398 | ILLGARARIE RIDGE | 7304112             | 774597             | 46    | 13   | 14 | 1        | 9.22      |            | 9.24      | 49.36       | 0.09        |
|         |                  |                     |                    |       | 17   | 18 | 1        | 9.72      |            | 11.03     | 46.30       | 0.13        |
|         |                  |                     |                    |       | 34   | 36 | 2        | 9.73      |            | 14.45     | 43.18       | 0.14        |
| 10BB402 | ILLGARARIE RIDGE | 7304899             | 775400             | 34    | 24   | 26 | 2        | 8.36      |            | 12.37     | 48.43       | 0.23        |
|         |                  |                     |                    |       | 29   | 34 | 5        | 8.07      |            | 11.29     | 40.02       | 0.28        |
| 10BB403 | ILLGARARIE RIDGE | 7304803             | 775401             | 28    | 13   | 14 | 1        | 9.45      |            | 11.32     | 48.38       | 0.25        |
|         |                  |                     |                    |       | 16   | 17 | 1        | 8.73      |            | 12.39     | 47.53       | 0.28        |
|         |                  |                     |                    |       | 20   | 23 | 3        | 9.73      |            | 12.75     | 46.17       | 0.29        |
|         |                  |                     |                    |       | 24   | 25 | 1        | 9.07      |            | 12.62     | 46.25       | 0.46        |
|         |                  |                     |                    |       | 27   | 28 | 1        | 8.13      |            | 7.91      | 47.10       | 0.10        |
| 10BB404 | ILLGARARIE RIDGE | 7304701             | 775400             | 28    | 9    | 22 | 13       | 9.23      | 3m @10.63  | 12.56     | 46.81       | 0.25        |
|         |                  |                     |                    |       | 26   | 28 | 2        | 11.99     |            | 8.15      | 39.71       | 0.36        |
| 10BB405 | ILLGARARIE RIDGE | 7304605             | 775401             | 34    | 7    | 8  | 1        | 9.56      |            | 5.69      | 57.17       | 0.12        |
|         |                  |                     |                    |       | 11   | 13 | 2        | 8.04      |            | 11.24     | 49.50       | 0.22        |
|         |                  |                     |                    |       | 15   | 25 | 10       | 13.28     | 5m @ 16.47 | 12.01     | 43.18       | 0.32        |
| 10BB406 | ILLGARARIE RIDGE | 7304502             | 775400             | 34    | 0    | 1  | 1        | 11.86     |            | 15.21     | 39.13       | 0.06        |
|         |                  |                     |                    |       | 7    | 8  | 1        | 10.55     |            | 10.42     | 48.07       | 0.16        |
|         |                  |                     |                    |       | 12   | 22 | 10       | 9.78      | 3m @ 11.92 | 14.44     | 44.69       | 0.37        |
|         |                  |                     |                    |       | 26   | 27 | 1        | 14.34     |            | 11.24     | 33.52       | 0.48        |
|         |                  |                     |                    |       | 28   | 29 | 1        | 10.42     |            | 12.43     | 35.55       | 0.43        |
| 10BB407 | ILLGARARIE RIDGE | 7304402             | 775399             | 34    | 5    | 8  | 3        | 11.01     | 1m @ 14.04 | 10.92     | 46.71       | 0.14        |
|         |                  |                     |                    |       | 14   | 18 | 4        | 10.58     | 1m @ 14.96 | 16.56     | 41.80       | 0.29        |
|         |                  |                     |                    |       | 20   | 22 | 2        | 11.11     |            | 13.22     | 44.77       | 0.23        |

| Hole_ID | Prospect         | Northing<br>(MGA94) | Easting<br>(MGA94) | Depth | From | To | Interval | Mn<br>(%) | Including  | Fe<br>(%) | SiO2<br>(%) | P2O5<br>(%) |
|---------|------------------|---------------------|--------------------|-------|------|----|----------|-----------|------------|-----------|-------------|-------------|
|         |                  |                     |                    |       | 23   | 24 | 1        | 8.08      |            | 11.22     | 49.26       | 0.27        |
| 10BB408 | ILLGARARIE RIDGE | 7304300             | 775395             | 40    | 5    | 7  | 2        | 10.90     |            | 10.59     | 47.02       | 0.19        |
|         |                  |                     |                    |       | 9    | 10 | 1        | 9.05      |            | 16.12     | 44.04       | 0.18        |
|         |                  |                     |                    |       | 12   | 13 | 1        | 9.75      |            | 15.22     | 44.56       | 0.21        |
|         |                  |                     |                    |       | 16   | 19 | 3        | 9.63      |            | 14.09     | 44.44       | 0.24        |
|         |                  |                     |                    |       | 20   | 21 | 1        | 8.13      |            | 11.27     | 48.77       | 0.20        |
|         |                  |                     |                    |       | 23   | 27 | 4        | 9.73      | 1m @ 11.92 | 10.57     | 48.22       | 0.23        |
| 10BB411 | ILLGARARIE RIDGE | 7305098             | 776199             | 40    | 28   | 31 | 3        | 8.97      |            | 14.48     | 43.41       | 0.29        |
|         |                  |                     |                    |       | 32   | 33 | 1        | 8.19      |            | 16.23     | 43.91       | 0.30        |
|         |                  |                     |                    |       | 35   | 36 | 1        | 14.28     |            | 16.49     | 35.73       | 0.45        |
| 10BB413 | ILLGARARIE RIDGE | 7304902             | 776209             | 40    | 25   | 35 | 10       | 9.80      | 6m @ 11.09 | 12.82     | 47.05       | 0.40        |
| 10BB414 | ILLGARARIE RIDGE | 7304799             | 776202             | 34    | 27   | 28 | 1        | 8.14      |            | 13.30     | 47.93       | 0.25        |
| 10BB422 | ILLGARARIE RIDGE | 7305915             | 777703             | 34    | 17   | 20 | 3        | 7.27      |            | 11.08     | 47.92       | 0.16        |
| 10BB424 | ILLGARARIE RIDGE | 7305696             | 777699             | 34    | 13   | 14 | 1        | 10.86     |            | 9.48      | 45.91       | 0.17        |
| 10BB425 | ILLGARARIE RIDGE | 7305598             | 777700             | 40    | 27   | 28 | 1        | 11.87     |            | 11.58     | 44.70       | 0.40        |
|         |                  |                     |                    |       | 30   | 31 | 1        | 8.88      |            | 10.58     | 49.92       | 0.28        |
| 10BB426 | ILLGARARIE RIDGE | 7305502             | 777696             | 34    | 22   | 28 | 6        | 7.72      | 2m @ 8.32  | 11.61     | 49.75       | 0.26        |
| 10BB427 | ILLGARARIE RIDGE | 7305403             | 777701             | 34    | 10   | 12 | 2        | 9.16      |            | 12.67     | 46.82       | 0.29        |
|         |                  |                     |                    |       | 13   | 14 | 1        | 9.24      |            | 20.64     | 35.60       | 0.57        |
|         |                  |                     |                    |       | 16   | 18 | 2        | 9.90      |            | 15.25     | 42.56       | 0.32        |
|         |                  |                     |                    |       | 21   | 24 | 3        | 10.28     | 1m @ 13.85 | 12.37     | 46.69       | 0.28        |
| 10BB428 | ILLGARARIE RIDGE | 7305298             | 777703             | 28    | 4    | 19 | 15       | 8.17      | 3m @10.62  | 14.49     | 46.17       | 0.32        |
| 10BB442 | BUDGIE HILL      | 7307901             | 778397             | 28    | 12   | 21 | 9        | 9.21      | 2m @ 10.12 | 14.23     | 43.28       | 0.34        |
| 10BB448 | BUDGIE HILL      | 7307896             | 778600             | 16    | 0    | 7  | 7        | 9.12      | 1m @ 14.82 | 13.77     | 44.56       | 0.39        |
|         |                  |                     |                    |       | 10   | 11 | 1        | 9.33      |            | 12.11     | 46.51       | 0.27        |
| 10BB449 | BUDGIE HILL      | 7307799             | 778602             | 22    | 7    | 17 | 10       | 7.35      |            | 12.44     | 46.25       | 0.29        |
| 10BB458 | BUDGIE HILL      | 7307700             | 778999             | 28    | 0    | 1  | 1        | 9.13      |            | 8.72      | 40.49       | 0.12        |
|         |                  |                     |                    |       | 3    | 7  | 4        | 8.36      |            | 11.65     | 46.69       | 0.58        |
| 10BB459 | BUDGIE HILL      | 7307598             | 778999             | 34    | 13   | 15 | 2        | 10.90     |            | 11.24     | 45.77       | 0.22        |
|         |                  |                     |                    |       | 18   | 19 | 1        | 9.87      |            | 12.98     | 45.06       | 0.39        |
|         |                  |                     |                    |       | 20   | 25 | 5        | 8.93      | 2m @ 10.30 | 15.26     | 44.64       | 0.47        |
| 10BB460 | BUDGIE HILL      | 7307500             | 779002             | 40    | 13   | 14 | 1        | 10.23     |            | 9.94      | 47.71       | 0.18        |
|         |                  |                     |                    |       | 28   | 29 | 1        | 10.16     |            | 13.92     | 43.87       | 0.33        |

| Hole_ID | Prospect    | Northing<br>(MGA94) | Easting<br>(MGA94) | Depth | From | To | Interval | Mn<br>(%) | Including  | Fe<br>(%) | SiO2<br>(%) | P2O5<br>(%) |
|---------|-------------|---------------------|--------------------|-------|------|----|----------|-----------|------------|-----------|-------------|-------------|
| 10BB485 | BUDGIE HILL | 7306899             | 779800             | 22    | 4    | 5  | 1        | 10.11     |            | 12.11     | 42.86       | 0.12        |
|         |             |                     |                    |       | 7    | 8  | 1        | 8.02      |            | 8.18      | 50.94       | 0.10        |
|         |             |                     |                    |       | 17   | 18 | 1        | 15.75     |            | 17.14     | 31.67       | 0.21        |
| 10BB491 | BUDGIE HILL | 7306702             | 779496             | 40    | 17   | 19 | 2        | 8.13      |            | 8.28      | 51.72       | 0.15        |
|         |             |                     |                    |       | 20   | 21 | 1        | 10.41     |            | 10.35     | 46.65       | 0.19        |
|         |             |                     |                    |       | 27   | 29 | 2        | 7.64      |            | 12.74     | 48.45       | 0.23        |
| 10BB492 | BUDGIE HILL | 7306598             | 779496             | 40    | 23   | 25 | 2        | 9.21      |            | 9.98      | 49.14       | 0.32        |
|         |             |                     |                    |       | 33   | 36 | 3        | 9.27      |            | 14.77     | 43.56       | 0.41        |
| 10BB493 | BUDGIE HILL | 7306501             | 779499             | 40    | 24   | 25 | 1        | 8.91      |            | 12.54     | 46.63       | 0.33        |
|         |             |                     |                    |       | 32   | 34 | 2        | 9.14      |            | 12.23     | 46.70       | 0.39        |
| 10BB494 | BUDGIE HILL | 7306394             | 779504             | 34    | 15   | 17 | 2        | 16.52     |            | 10.64     | 38.56       | 0.16        |
|         |             |                     |                    |       | 25   | 29 | 4        | 8.67      | 2m @ 10.23 | 13.09     | 46.61       | 0.38        |
| 10BB495 | BUDGIE HILL | 7306295             | 779500             | 40    | 21   | 24 | 3        | 11.26     |            | 12.61     | 43.01       | 0.26        |
|         |             |                     |                    |       | 28   | 29 | 1        | 9.73      |            | 16.21     | 40.94       | 0.28        |
| 10BB498 | BUDGIE HILL | 7306302             | 779599             | 40    | 16   | 19 | 3        | 8.43      |            | 11.64     | 48.10       | 0.25        |
|         |             |                     |                    |       | 21   | 26 | 5        | 10.55     | 3m @ 11.27 | 13.13     | 44.95       | 0.26        |
|         |             |                     |                    |       | 30   | 31 | 1        | 9.81      |            | 12.34     | 48.60       | 0.33        |
| 10BB499 | BUDGIE HILL | 7306402             | 779600             | 40    | 14   | 17 | 3        | 7.62      |            | 12.18     | 48.49       | 0.24        |
|         |             |                     |                    |       | 19   | 23 | 4        | 7.97      |            | 14.37     | 45.76       | 0.34        |
| 10BB501 | BUDGIE HILL | 7306597             | 779596             | 40    | 14   | 15 | 1        | 10.26     |            | 7.09      | 48.89       | 0.16        |
| 10BB505 | BUDGIE HILL | 7306499             | 779703             | 34    | 24   | 25 | 1        | 9.14      |            | 12.55     | 47.52       | 0.22        |
|         |             |                     |                    |       | 30   | 31 | 1        | 12.47     |            | 14.68     | 39.61       | 0.31        |
| 10BB506 | BUDGIE HILL | 7306400             | 779695             | 28    | 5    | 6  | 1        | 9.38      |            | 8.63      | 49.14       | 0.20        |
|         |             |                     |                    |       | 18   | 19 | 1        | 9.12      |            | 14.91     | 42.17       | 0.54        |
| 10BB507 | BUDGIE HILL | 7306299             | 779692             | 34    | 7    | 14 | 7        | 11.77     | 2m @ 16.52 | 12.21     | 43.91       | 0.31        |
| 10BB510 | BUDGIE HILL | 7306301             | 779795             | 28    | 2    | 7  | 5        | 8.20      |            | 12.47     | 48.10       | 0.21        |
|         |             |                     |                    |       | 12   | 13 | 1        | 8.17      |            | 17.13     | 43.69       | 0.43        |
|         |             |                     |                    |       | 14   | 18 | 4        | 8.56      |            | 15.46     | 44.09       | 0.51        |
| 10BB511 | BUDGIE HILL | 7306401             | 779794             | 28    | 1    | 5  | 4        | 9.68      | 1m @ 11.72 | 13.64     | 45.28       | 0.31        |
|         |             |                     |                    |       | 7    | 8  | 1        | 10.91     |            | 10.09     | 47.75       | 0.27        |
|         |             |                     |                    |       | 12   | 13 | 1        | 8.86      |            | 13.52     | 47.09       | 0.46        |
|         |             |                     |                    |       | 15   | 19 | 4        | 11.55     | 1m @ 17.45 | 14.96     | 41.96       | 0.44        |
| 10BB512 | BUDGIE HILL | 7306500             | 779800             | 34    | 2    | 12 | 10       | 8.18      |            | 12.71     | 47.94       | 0.28        |

| Hole_ID | Prospect    | Northing<br>(MGA94) | Easting<br>(MGA94) | Depth | From | To | Interval | Mn<br>(%) | Including  | Fe<br>(%) | SiO2<br>(%) | P2O5<br>(%) |
|---------|-------------|---------------------|--------------------|-------|------|----|----------|-----------|------------|-----------|-------------|-------------|
|         |             |                     |                    |       | 20   | 23 | 3        | 9.20      | 1m @ 13.02 | 10.68     | 49.50       | 0.47        |
| 10BB516 | BUDGIE HILL | 7306601             | 779899             | 28    | 1    | 2  | 1        | 10.83     |            | 6.77      | 44.81       | 0.33        |
|         |             |                     |                    |       | 4    | 14 | 10       | 7.29      | 2m @ 9.67  | 11.69     | 49.18       | 0.33        |
|         |             |                     |                    |       | 17   | 19 | 2        | 9.78      |            | 12.82     | 44.68       | 0.47        |
| 10BB517 | BUDGIE HILL | 7306402             | 779895             | 22    | 8    | 9  | 1        | 8.19      |            | 16.52     | 45.08       | 0.50        |
|         |             |                     |                    |       | 10   | 11 | 1        | 12.44     |            | 15.63     | 38.71       | 0.86        |
|         |             |                     |                    |       | 12   | 14 | 2        | 7.68      |            | 14.54     | 46.75       | 0.37        |
|         |             |                     |                    |       | 18   | 19 | 1        | 8.26      |            | 11.08     | 49.30       | 0.23        |
| 10BB520 | BUDGIE HILL | 7306700             | 780100             | 22    | 5    | 6  | 1        | 8.53      |            | 12.59     | 46.86       | 0.30        |
| 10BB521 | BUDGIE HILL | 7306597             | 780098             | 22    | 7    | 11 | 4        | 9.94      | 1m @ 13.49 | 13.24     | 44.53       | 0.45        |
|         |             |                     |                    |       | 13   | 15 | 2        | 8.95      |            | 15.72     | 38.97       | 0.53        |
|         |             |                     |                    |       | 16   | 18 | 2        | 7.61      |            | 15.89     | 43.68       | 0.54        |
| 10BB522 | BUDGIE HILL | 7306496             | 780098             | 22    | 3    | 9  | 6        | 9.90      | 2m @ 11.88 | 15.71     | 41.67       | 0.52        |
| 10BB527 | BUDGIE HILL | 7306598             | 780195             | 16    | 0    | 1  | 1        | 10.51     |            | 12.61     | 45.99       | 0.24        |
| 10BB528 | BUDGIE HILL | 7306496             | 780202             | 16    | 2    | 3  | 1        | 8.73      |            | 13.03     | 40.53       | 0.16        |

**Table 2.** RC Drilling results from the Butcherbird Project area. Composite results shown from geologically constrained zones and a bottom cut of approximately 8% manganese. Assays were completed on 1m splits by Nagrom Laboratories using Fused Bead XRF analysis. All results are quoted as downhole intersections.

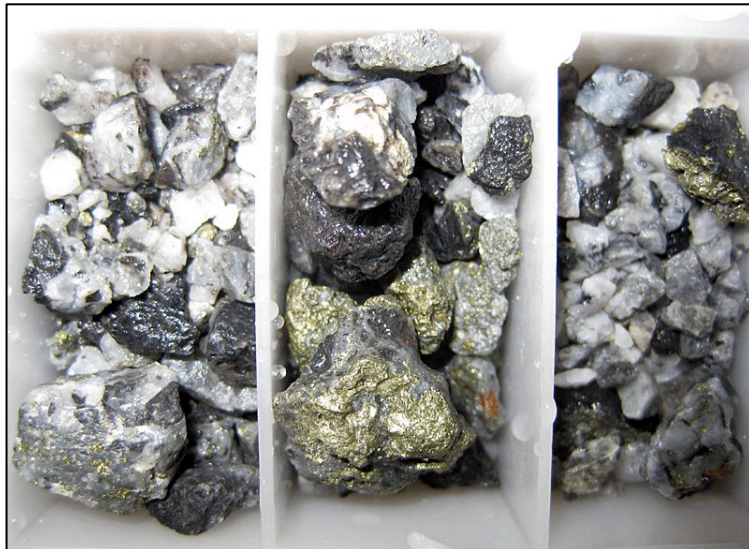


**Figure 2.** Plan view showing completed RC drillhole locations (black dots) and the channel 15 XTEM data from the recently completed trial XTEM survey.

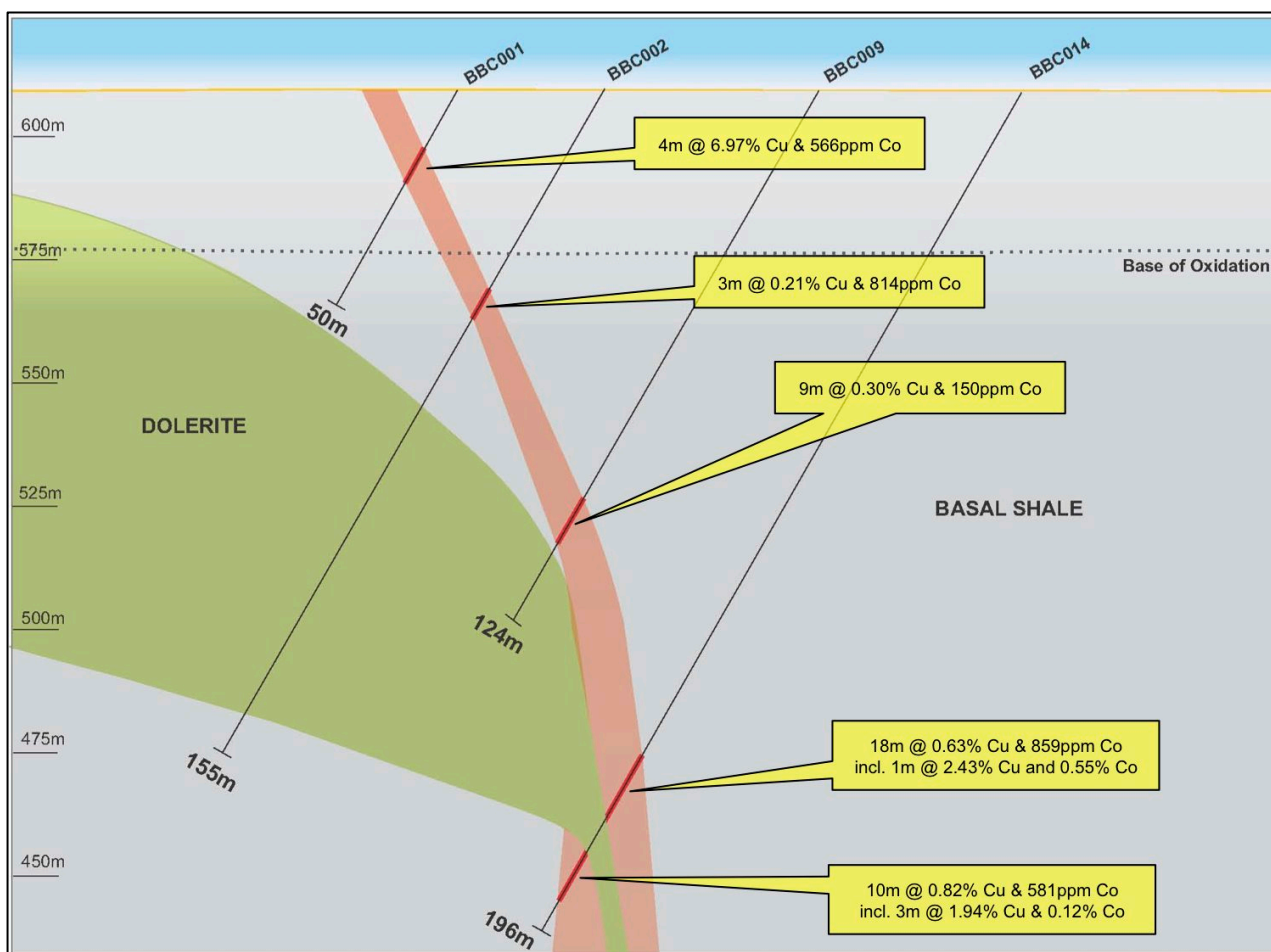
## BUTCHERBIRD COPPER

Assays received during the previous quarter in relation to RC drilling at the Butcherbird Copper Prospect confirmed the presence of significant sulphide copper and strong associated cobalt mineralisation.

Coupled with the projected strike potential of the system of 5km, the Butcherbird Copper Prospect has been confirmed as a priority exploration target.



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 commencing with a gradient array IP survey to commence in May of 2011.



## 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, however some delays have been experienced due to higher than expected rainfalls and an unusually long wet season which has hampered efforts to access the Project area.

The metallurgical testwork has also suffered delays but is expected to be completed during the coming Quarter.

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

|                       | 2011                 |          |       |       |           |        |
|-----------------------|----------------------|----------|-------|-------|-----------|--------|
| Task                  | January              | February | March | April | May       | June   |
| IP Survey             |                      |          |       |       | Copper    |        |
| RC Drilling           |                      |          |       |       | Manganese | Copper |
| Heritage Clearances   |                      |          |       |       |           |        |
| Environmental Studies | FIRST STAGE COMPLETE |          |       |       |           |        |
| Detailed Met Tests    | COMMENCED            |          |       |       |           |        |
| JORC Resource         | COMPLETED            |          |       |       |           |        |
| MLA Applications      | COMPLETED            |          |       |       |           |        |

**Table 3.** Indicative timeline for work at Butcherbird to mid year.

## 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 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.

Lithex have advised that they are currently raising funding via an IPO and expect to seek listing on the ASX in the coming weeks.

Interested parties should refer to the Lithex website at [www.lithex.com.au](http://www.lithex.com.au).

### **Exterra Resources Limited**

The Company is party to an agreement with Exterra Resources Limited (“Exterra”) whereby Montezuma will receive ordinary shares in Exterra on Exterra listing on the ASX.

Exterra has a large portfolio of advanced gold projects in the Linden Greenstone Belt (south of Laverton) and in the Egerton region of WA.

Exterra have advised that they are currently raising funding via an IPO and expect to seek listing on the ASX in the coming weeks.

Interested parties should refer to the Exterra website at [www.terraresources.com.au](http://www.terraresources.com.au).

### **Auvex Resources Limited**

Auvex Resources Limited (“Auvex”) have advised that they have entered into a scheme of arrangement with Mineral Resources Limited (“MIN”) to merge their 50% interest in the Mesa Joint Venture Assets to MIN. The scheme is subject to shareholder and statutory approvals and if successfully completed, MIN will distribute 45 million shares to Auvex shareholders on a pro rata basis.

For further details please refer to the Auvex website at [www.auvexresources.com.au](http://www.auvexresources.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.

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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.