

12 October 2009

ASX CODE: MZM
ISSUED SHARES: 41.69M
52 WEEK HIGH: \$0.24
52 WEEK LOW: \$0.02

CONTACT:

JUSTIN BROWN
Managing Director
+61 438 745 675

BOARD:

Denis O'Meara: Chairman
Justin Brown: MD
Ian Cornelius: Non-Exec

KEY PROJECTS:

PEAK HILL (100%)
Gold
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

MT PADBURY (E52/1529) IRON ORE EXPLORATION UPDATE

- 76 hole RC drilling programme completed for 6,958m at the Jabiru Prospect targeting **1.5 strike kilometres of BIF**.
- **Haematite and goethite iron ore mineralisation** intersected within the folded BIF units. Assays are pending.
- Inferred Mineral Resource Estimate slated for first half of 2010.
- Further geophysical surveys have identified **a number of new targets** within the Mt Padbury licence.

Montezuma is pleased to announce that Sinosteel Midwest Corporation Limited ("SMC") have reported positive initial results from work to date at the Mt Padbury Project.

As part of the initial drill testing of the Jabiru Prospect, SMC completed a 76 hole RC drilling programme for a total of 6,958 metres and all samples have been submitted for assay.

The drilling targeted 1.5km strike of complexly folded BIF and shale sequences previously mapped at Jabiru by SMC. The drilling intersected both **hematite and goethite iron ore mineralisation** within the folded BIF.

SMC proposes to complete an **initial Inferred Mineral Resource estimate** during the first half of calendar year 2010. Infill and extensional drilling may be proposed for Jabiru pending results of the Mineral Resource estimation.

SMC has also continued to assess the regional potential for iron ore mineralisation at Mt Padbury completing a detailed geophysical interpretation of aeromagnetic data over the broader Robinson Range area (which includes Mt Padbury) and **a number of new targets were identified within E52/1529**.

Regional helicopter supported mapping and sampling of the Robinson Range area was also undertaken during late August 2009 targeting the BIF ridges inside E52/1529. Detailed ground gravity geophysics were being completed late in the quarter, including over areas of demagnetised BIF within E52/1529

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Per the terms of the sale of the iron ore rights at Mt Padbury to SMC, if SMC defines a JORC compliant iron ore resource in excess of 10M tonnes grading over 50% Fe, a third cash payment of \$4M becomes payable to Montezuma.

Montezuma will also receive a 0.5% royalty on the gross proceeds of the sale of all iron ore grading between 30-50% Fe and a 1% royalty on the gross proceeds of the sale of all iron ore grading over 50%, the latter being first subject to the definition of a 10M tonne resource grading over 50% Fe.



FIGURE 1: PROJECT LOCATIONS

More Information

Justin Brown
Managing Director

Phone: +61 (8) 9228 4833
Mobile: 0438 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 "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.