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

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ASX CODE: MZM
ISSUED SHARES: 42.03M
52 WEEK HIGH: $0.79
52 WEEK LOW: $0.18

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

BUTCHERBIRD XTEM SURVEY HIGHLIGHTS MULTIPLE PRIORITY EXPLORATION TARGETS

- 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.
- Drilling programme to commence in 2011.

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.

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

The survey was conducted on 200m spaced N-S lines and the results have highlighted several new conductive horizons with no surface outcrop. One target (TEM M1) 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 km^2 located under Mungajerry Lake in addition to targets TEM M2 and TEM M3 which lay between Yanneri Ridge and Mungajerry, and TEM M5 which may be mapping the eastern continuation of the Yanneri Ridge manganese deposit.

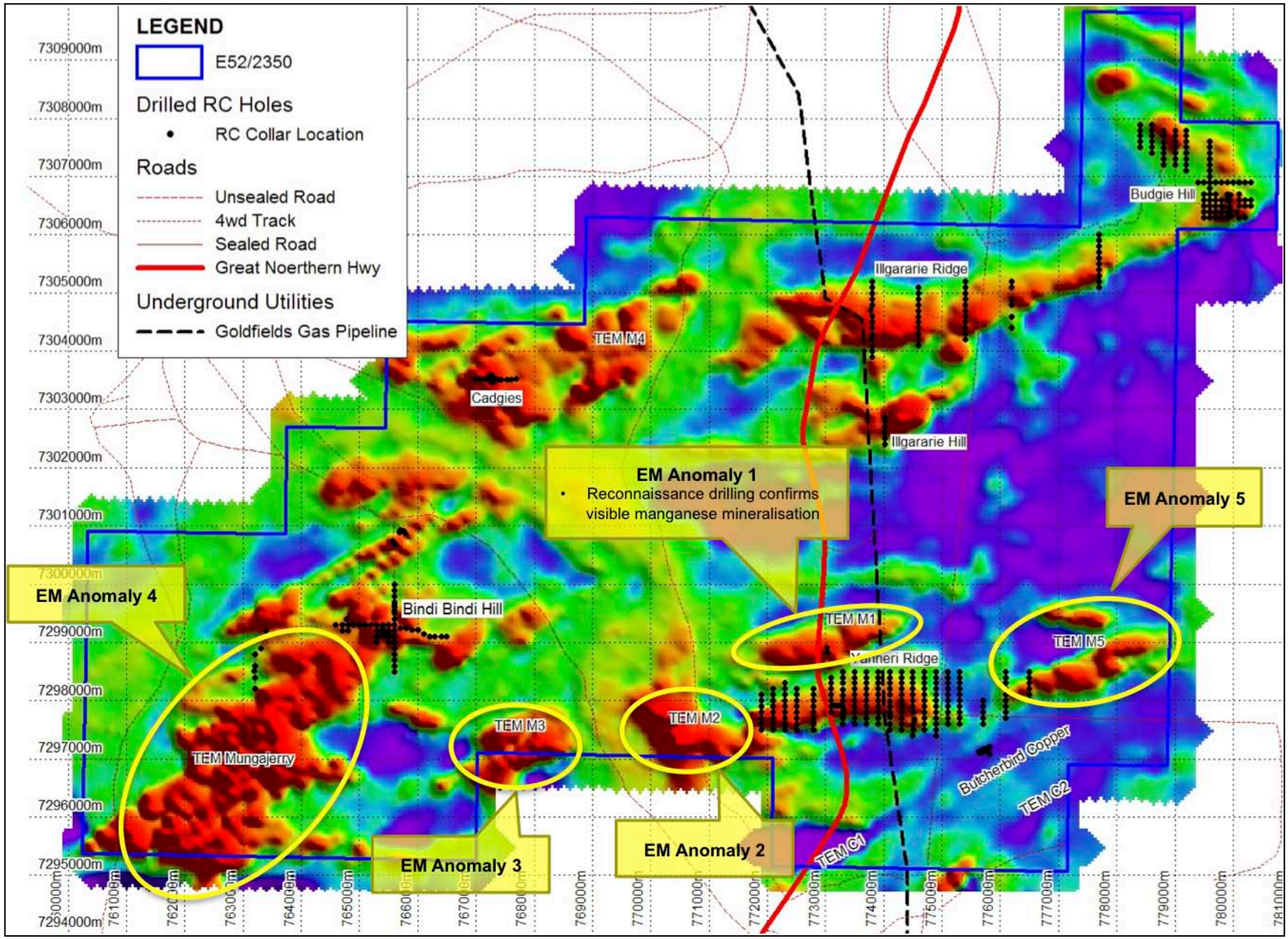

Figure 1: Plan view showing completed RC drillhole locations as well as the channel 15 XTEM data from the recently completed survey.

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 clear success and will provide a valuable additional tool to guide future exploration as the Company progressively unlocks the potential of this new manganese province.

More Information

Justin Brown Phone: +61 (8) 6315 1400
Managing Director 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.