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

17 August 2011

ASX CODE: MZM
ISSUED SHARES: 54.15M
52 WEEK HIGH: $0.95
52 WEEK LOW: $0.26

CONTACT:
JUSTIN BROWN
Managing Director
+61 438 745 675

BOARD:
Seamus Cornelius: Chairman
Justin Brown: MD
John Ribbons: Non-Exec

KEY PROJECTS:

BUTCHERBIRD (100%)
Manganese, Copper

PEAK HILL (85-100%)
Gold

DURACK (earning 85%)
Gold, Copper

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

KEY SHARE POSITIONS:

AUVEX MANGANESE LTD
3,750,000 FPO Shares

BUXTON RESOURCES LTD
3,010,000 FPO Shares

LITHEX RESOURCES LTD
1,525,000 FPO Shares

EXTERRA RESOURCES LTD
2,000,000 FPO Shares

GROUND IP SURVEY IDENTIFIES MULTIPLE PRIORITY COPPER TARGETS AT BUTCHERBIRD

- Ground IP gradient array survey completed over **6km of strike** along the Butcherbird shear zone.
- Survey identifies **multiple priority targets**, comprising coincident resistivity, chargeability and magnetic anomalies.
- Ground IP dipole-dipole surveys commenced to better define the anomalies.

Montezuma Mining Company Ltd ("Montezuma") is pleased to advise it has completed the first phase of a ground IP survey at the Company's 100% owned Butcherbird Manganese/Copper Project.

The survey was completed to follow up copper sulphide mineralisation intersected in drill testing beneath the Butcherbird copper mine including 18m @ 0.63% Cu and 859ppm Co from 154m (including 1m @ 2.43% Cu and 0.55% Co) and 10m @ 0.82% Cu and 581ppm Co from 180m (including 3m @ 1.94% Cu and 0.12% Co) in hole 10BBC0014.

The survey incorporates two IP methodologies targeting potential copper mineralisation along the Butcherbird shear zone:

a) A first-pass gradient array survey over the projected strike of the host structure to identify prospective zones along the strike length of the shear.
b) Second-pass dipole-dipole lines over anomalies generated in a) to provide better spatial control for drill targeting.

The gradient array survey covers approximately six kilometres of strike along the Butcherbird shear zone, the regional scale structure that hosts the copper mineralisation identified to date. The survey was conducted over an average width of 1km with a 200m line spacing and readings taken every 100m along each line.

The resistivity data (Figure 1) is interpreted to map strong quartz/carbonate alteration known to occur with copper mineralisation within the shear at the Butcherbird copper mine. The previously completed EM survey and aeromagnetic data support this interpretation.

The chargeability component of the IP survey (Figure 3) is a tool for detecting disseminated sulphides, and in this case has identified a number of chargeability anomalies up to 5 times background which occur in geologically favourable positions relative to the interpreted strike extension of the main host structure. In addition, a number of strong chargeability anomalies in positions away from the main target zone have been identified. Both target types will be drill tested in the upcoming programme.

Dipole-dipole IP survey lines are currently being conducted over selected chargeability anomalies to define sectional profiles for geological modeling, to assist in drill hole design.

Several factors provide encouragement going forward; the coincident anomalies generated by the various geophysical targeting tools, the copper sulphide and cobalt mineralisation intersected by the reconnaissance drilling at the Butcherbird mine, the shallow alluvial cover preventing mineralisation outcrop and the lack of any previous exploration. Consequently, Montezuma regards these targets as high priority and intends to conduct an RC drilling programme as soon as practicable on receipt of heritage clearances and statutory approvals.

Independent service provider GPX surveys are undertaking the ground IP geophysical surveys at E52/2350 using a modern GDD 16 channel transmitter, applying a 50Kv charge to the ground.

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 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

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 who is a full time employee of Montezuma Mining Company Ltd. 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.

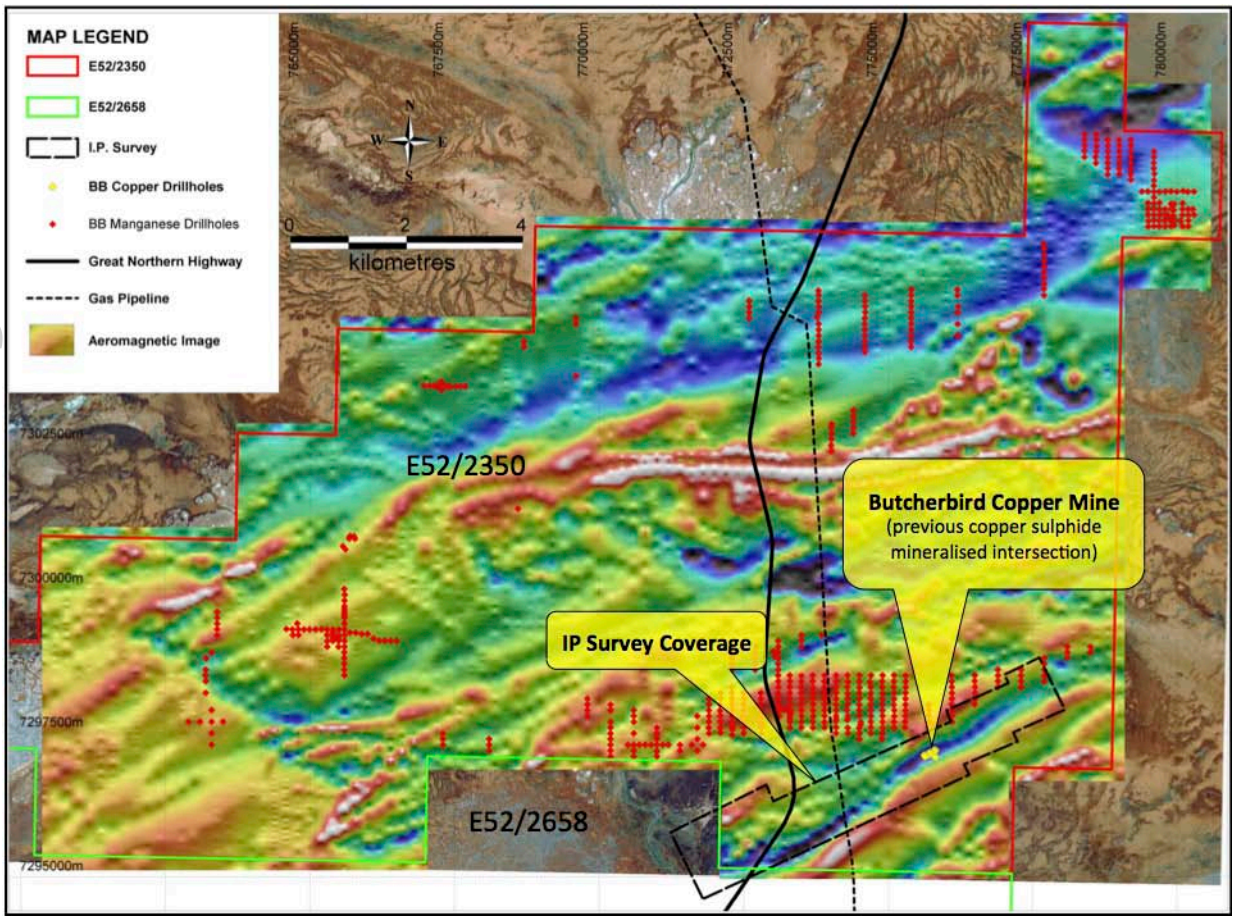

Figure 1: Location plan showing IP survey area over TMI aeromagnetic data.

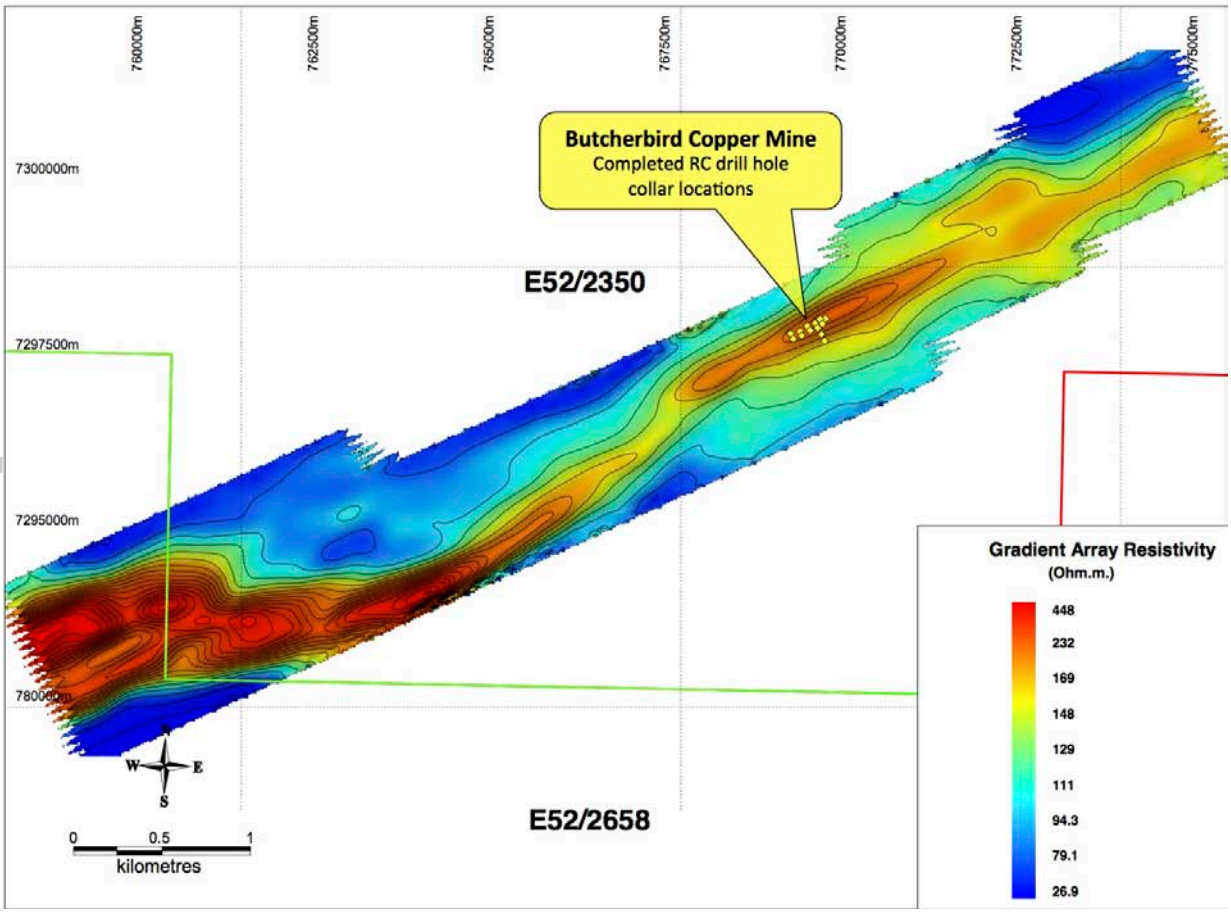

Figure 2: Gridded IP Resistivity data (Ohm.m.) highlighting strong resistivity anomaly coincident with the interpreted strike extension of the Butcherbird shear zone.

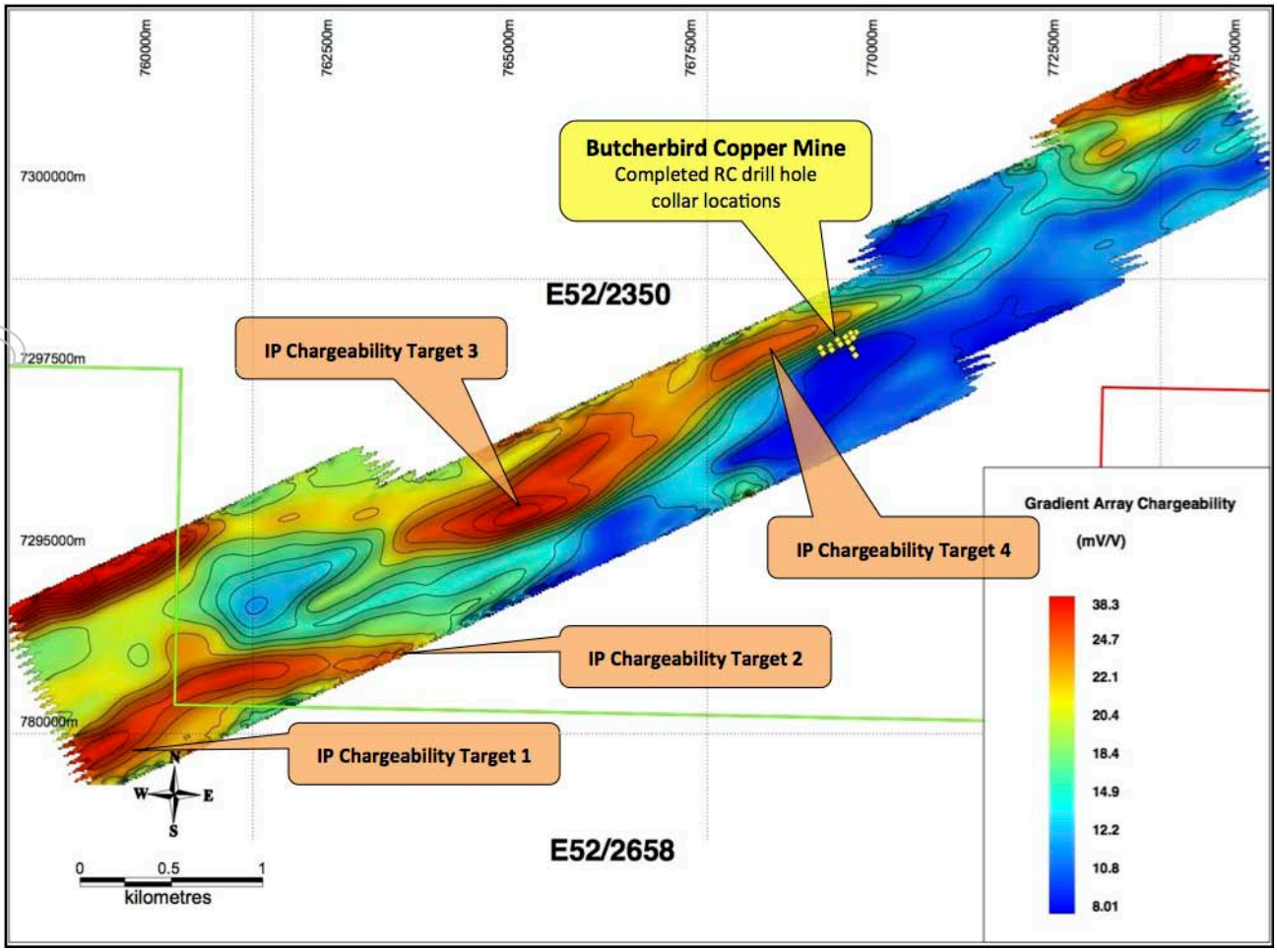

Figure 3: Gridded IP Chargeability data (mV/V) and priority target areas with potential sulphide mineralisation.