



MONTEZUMA

MINING COMPANY LTD

Highlights:

YAMARNA

- * Geochemical blade-refusal aircore programme confirms the extent of the Jatz basement gold anomaly at **over 1.5 km in strike**.
- * **Multiple RC drilling traverses** to test for economic gold mineralisation beneath the near surface signature at Jatz to be commenced on receipt of final approvals.
- * Basement anomalies at Ritz, Ryvita and Le Snak extended along strike with a best result of **8m @ 0.38 g/t Au at Le Snak**.

HOLLETON

- * Historic data review at the newly acquired Holleton project identifies **multiple walk-up drill targets**.
- * Priority target identified at Brahma Prospect, where strong >100ppb gold in soil anomaly extends over 2.5km in strike and remains largely untested by deeper drilling.
- * Only three deeper holes (> 50m) over a small part of the anomaly have been drilled. All three holes intersected broad mineralised intervals with **grades up to 7.6 g/t Au**.



QUARTERLY OPERATIONS REPORT

30 JUNE 2016

ABOUT MONTEZUMA MINING

Listed in 2006, Montezuma Mining Company Ltd (ASX: MZM) is a diversified explorer primarily focused on manganese, copper and gold. The Company's primary objective is to achieve returns for shareholders through selected strategic acquisitions and targeted exploration.

Montezuma Mining has 100% interests in the Yamarna Gold Project in the Yamarna Geenstone Belt, Western Australia and the Butcherbird Manganese Project in the Murchison region of Western Australia

MARKET DATA

ASX code:	MZM
Share Price:	\$0.22
Shares on issue:	70,464,350
Market capitalisation:	\$15.5M

BOARD AND MANAGEMENT

Chairman	Seamus Cornelius
Executive Director	Justin Brown
Non-Executive Director	John Ribbons



Company information, ASX announcements, investor presentations, corporate videos and other investor material on the Company's projects can be viewed at <http://www.montezuma.com.au>

YAMARNA PROJECT: (MZM 100%)

Geochemical Aircore Drilling

During the quarter, Montezuma Mining Company Ltd (“Montezuma” or “Company”) completed a follow up geochemical aircore drilling programme at the Company’s 100% owned Yamarna Project that confirmed the northern extent of the basement gold anomaly at the Jatz prospect. Strong, basement anomalism now extends over 1.5km in strike. The anomaly is coherent and strikes in a north westerly direction.

In addition to the ongoing exploration at Jatz, regional reconnaissance aircore drilling during the previous quarter successfully identified three new basement targets at the Ritz, Ryvita and Le Snak prospects, where bottom of hole intercepts of 1m @ 1.65 g/t and 7m @ 190ppb Au, respectively, were returned.

Follow up work as part of the most recent programme has identified strike extensions at all three anomalies, upgrading the potential for significant mineralisation at depth. Further drilling is currently being planned to expand all three anomalies.

Hole ID	Easting (MGA 94 Z51)	Northing (MGA 94 Z51)	Nominal RL (m)	Dip (°)	Azimuth (mag °)	Total Depth (m)	Depth From (m)	Depth To (m)	Intercept Width (m)	Au (ppb)
YAAC330	592870	6890805	400	-60	265	81	46	62	16	102
YAAC331	592953	6890814	400	-60	270	73	36	40	4	59
and							58	62	4	120
YAAC332	593028	6890812	400	-60	270	81	70	74	4	53
YAAC334	592706	6890997	400	-60	265	117	93	96	3	138
YAAC338	593169	6891000	400	-60	270	59	36	42	6	67
YAAC339	593229	6890999	400	-60	270	70	36	43	7	185
and							69	70	1	64
YAAC340	593303	6890996	400	-60	270	78	20	24	4	60
and							72	76	4	133
YAAC341	593378	6890997	400	-60	270	63	42	46	4	73
YAAC347	593727	6891002	400	-60	270	21	19	20	1	97
YAAC358	592729	6891203	400	-60	270	114	113	114	1	77
YAAC359	592933	6891200	400	-60	270	120	84	88	4	113
and							112	120	8	77
YAAC360	593128	6891200	400	-60	270	90	24	28	4	51
YAAC362	593482	6891198	400	-60	270	27	12	16	4	65
YAAC363	593584	6891198	400	-60	270	63	26	33	7	81
YAAC373	592164	6891994	400	-60	270	87	56	60	4	58
and							76	87	11	144
YAAC385	592269	6890393	400	-60	270	102	98	102	4	457
						Incl.	101	102	1	1648 (1.6 g/t)
YAAC386	592471	6890396	400	-60	270	99	24	28	4	68
YAAC388	592858	6890399	400	-60	280	24	15	21	6	59
YAAC408	593367	6888801	400	-90	000	43	36	43	7	192
YAAC417	593845	6891998	400	-60	270	100	88	92	4	51
and							94	100	6	64
YAAC431	592190	6890396	400	-60	270	108	97	101	4	58
YAAC432	592232	6890397	400	-60	270	108	99	103	4	123
YAAC441	592107	6890603	400	-60	270	111	104	105	1	219
YAAC457	591996	6892200	400	-60	270	60	46	50	4	269
and							59	60	1	69
YAAC469	593027	6891197	400	-60	270	84	24	28	4	165
YAAC478	593277	6888978	400	-60	260	51	42	50	8	375
YAAC479	593333	6888985	400	-60	260	51	36	43	7	87
YAAC481	593435	6888998	400	-60	270	30	25	26	1	63
YAAC483	593635	6889005	400	-60	270	45	44	45	1	315
YAAC499	592828	6891202	400	-60	270	108	20	24	4	52
and							96	103	7	64

Table 1: Significant gold assays >50ppb from recently completed aircore drilling at the Yamarna Project. All intersections are quoted as downhole widths.

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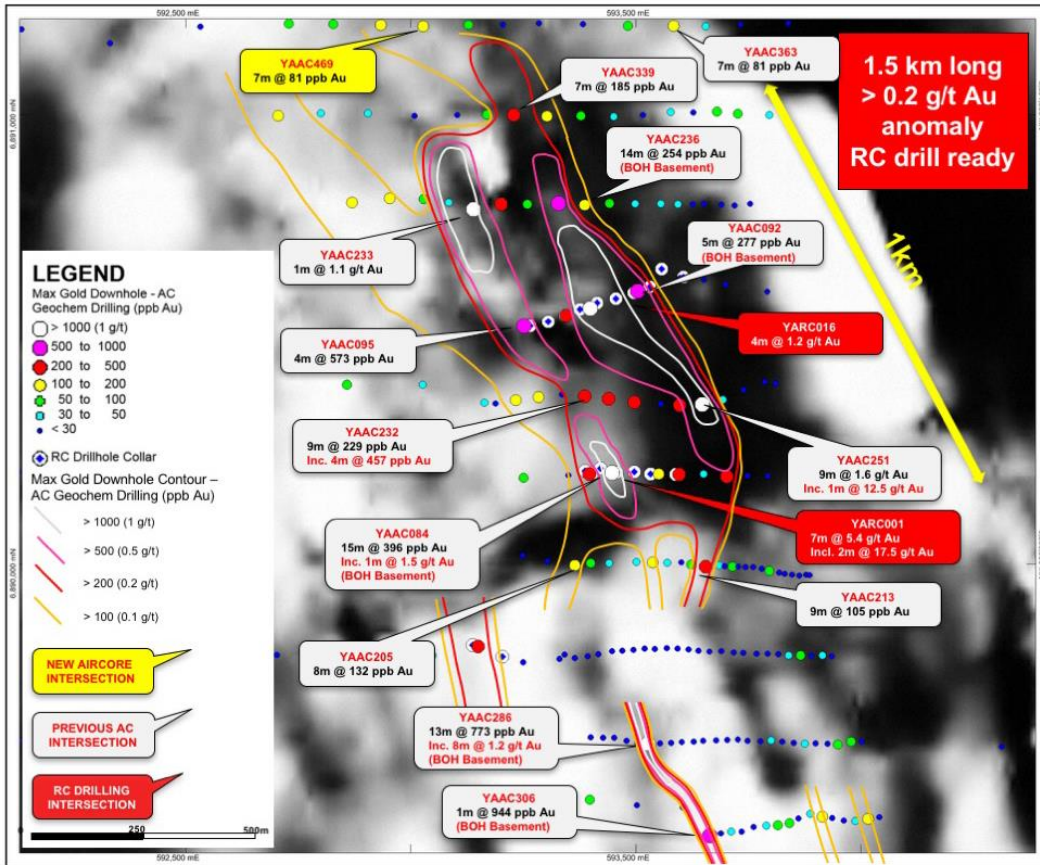


Figure 1: Jatz drillhole collar locations and maximum downhole grades contoured over aeromagnetic base map.

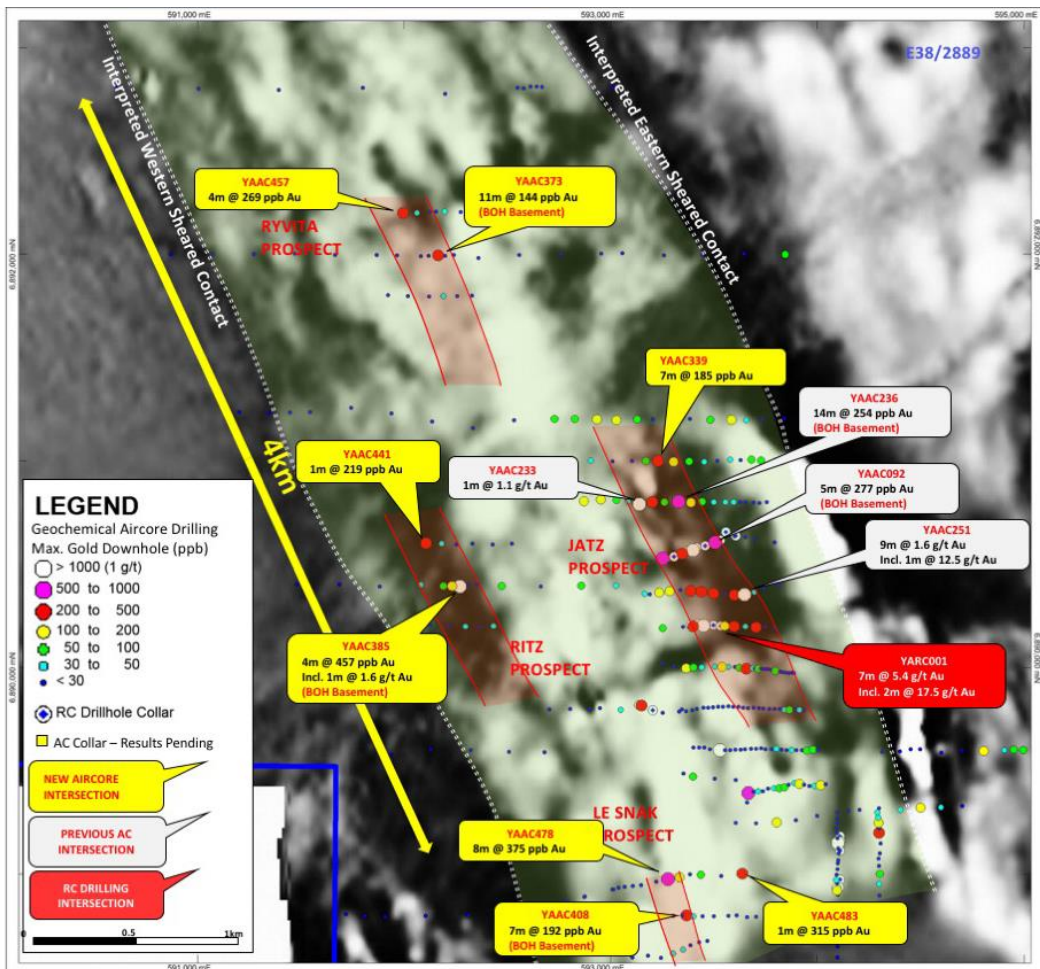


Figure 2: Regional target pipeline developed from reconnaissance aircore geochemical drilling.

Planned RC Drill Testing at Jatz

Following the completion of the latest round of geochemical aircore drilling, the Jatz target is now deemed to be closed off and ready for deeper RC drilling testing to test for economic gold mineralisation beneath the near surface anomalous signature.

Preparations are currently underway and the programme is expected to commence once final approvals have been received from the Traditional Owners.

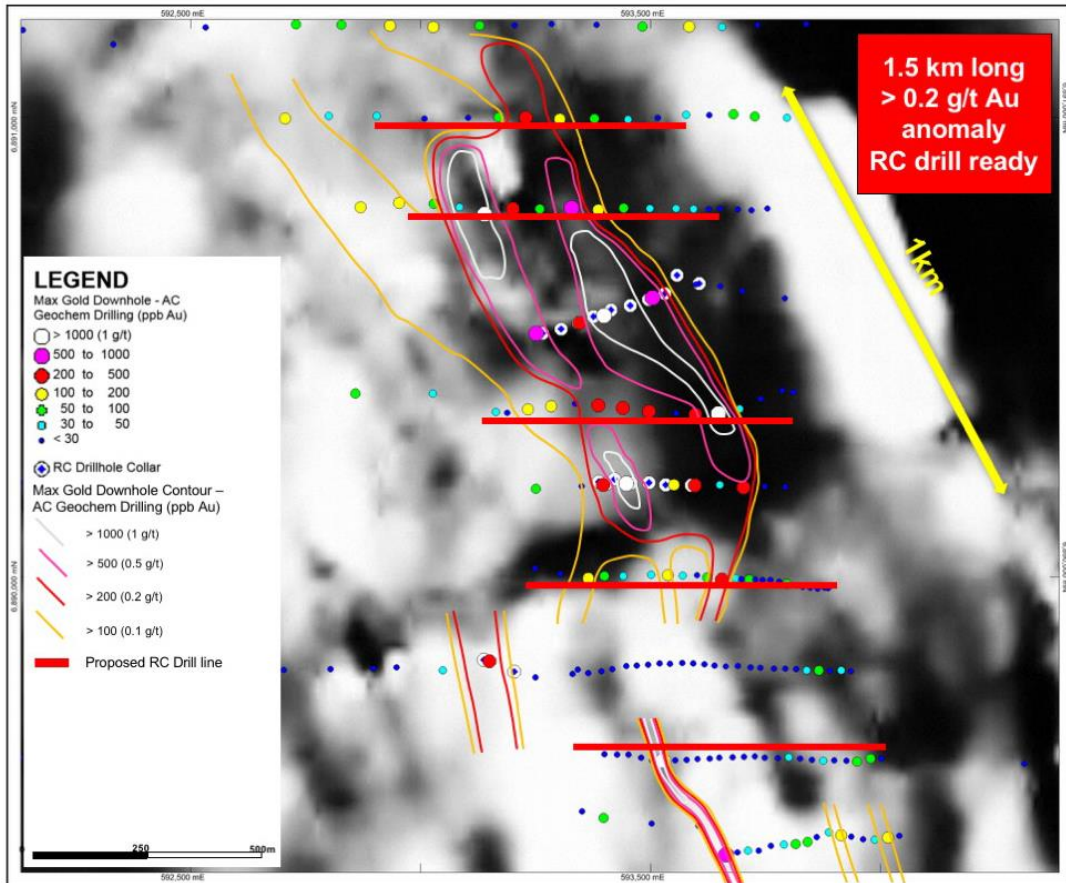


Figure 3: Notional RC Drilling traverses designed to test the 1.5km long Jatz basement gold anomaly.

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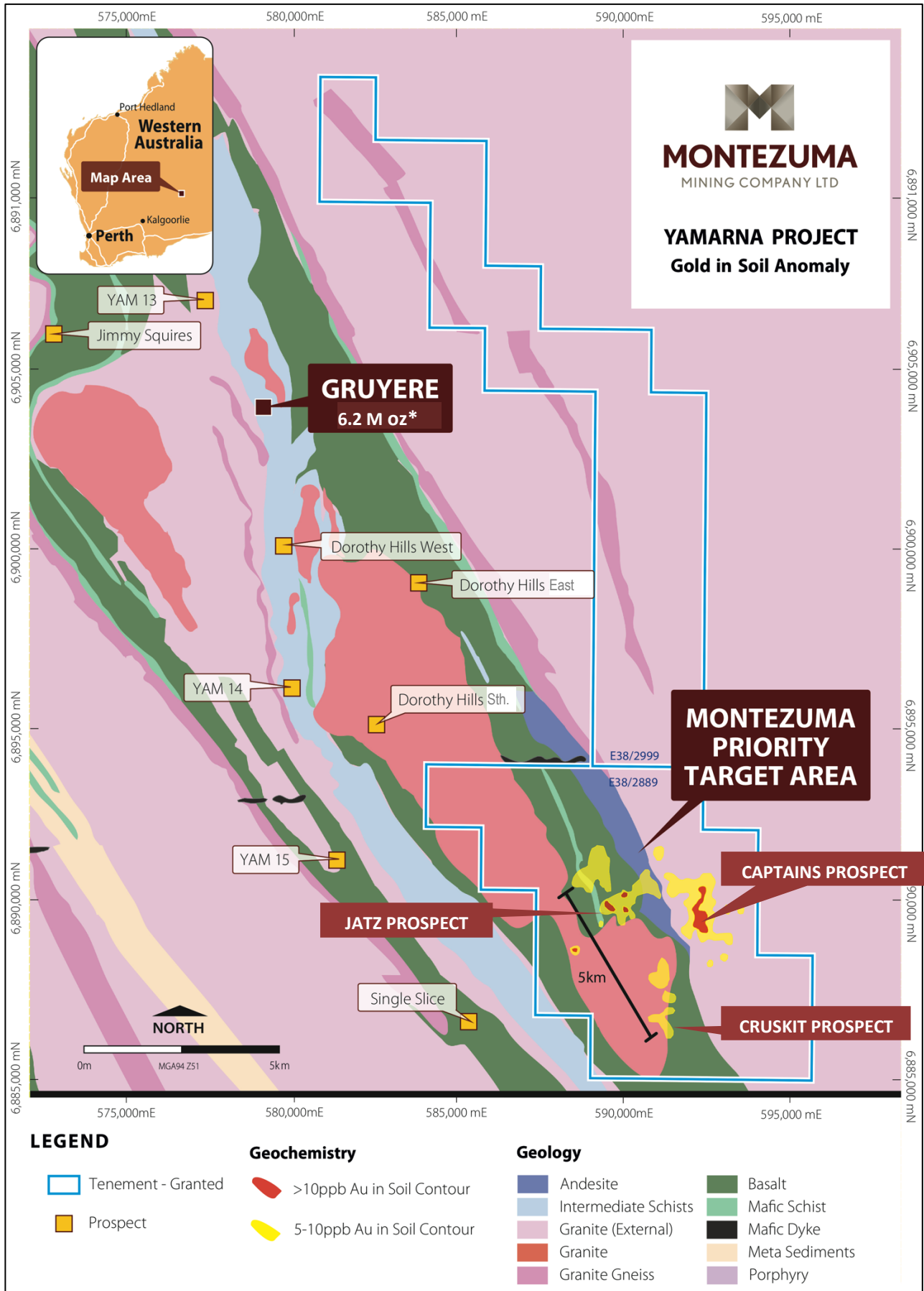


Figure 4: Regional location plan showing the Yamarna Project in context with the Gruyere gold discovery.

HOLLETON PROJECT: (MZM 100%)

During the quarter, Montezuma announced that it has added the 100% owned Holleton Gold Project to its growing gold portfolio. The Holleton exploration licence application E77/2334 covers approximately 115 km² of the Holleton Greenstone Belt, location approximately 400km east of Perth.

Previous exploration by Independence Group NL included a broad regional surface geochemical programme that defined numerous gold anomalies across an area of poorly exposed greenstones comprised mostly of meta-basalts with minor schist, pegmatite and granite. Follow-up drilling across these anomalies was typically first-pass in nature with many intersections left open.

The best of the historic results is at the Brahma Prospect ("Brahma") where a >2.5km long, >50ppb Au in soil anomaly (see Figure 5) was defined and subsequently followed up with shallow aircore drilling which confirmed a strong basement anomaly. Three diamond drillholes in a confined area of the anomaly represent the only holes drilled to deeper than 50m. The best intersections at Brahma include **73m @ 0.3 g/t Au** (including **4m @ 1.6 g/t Au** and **1m @ 7.6 g/t Au**) however all three diamond holes returned broad mineralised intervals (Figure 6).

Numerous other intersections greater than 100ppb Au remain open along the length of the soil anomaly and Montezuma plans to re-commence exploration at Holleton upon the granting of E77/2334.

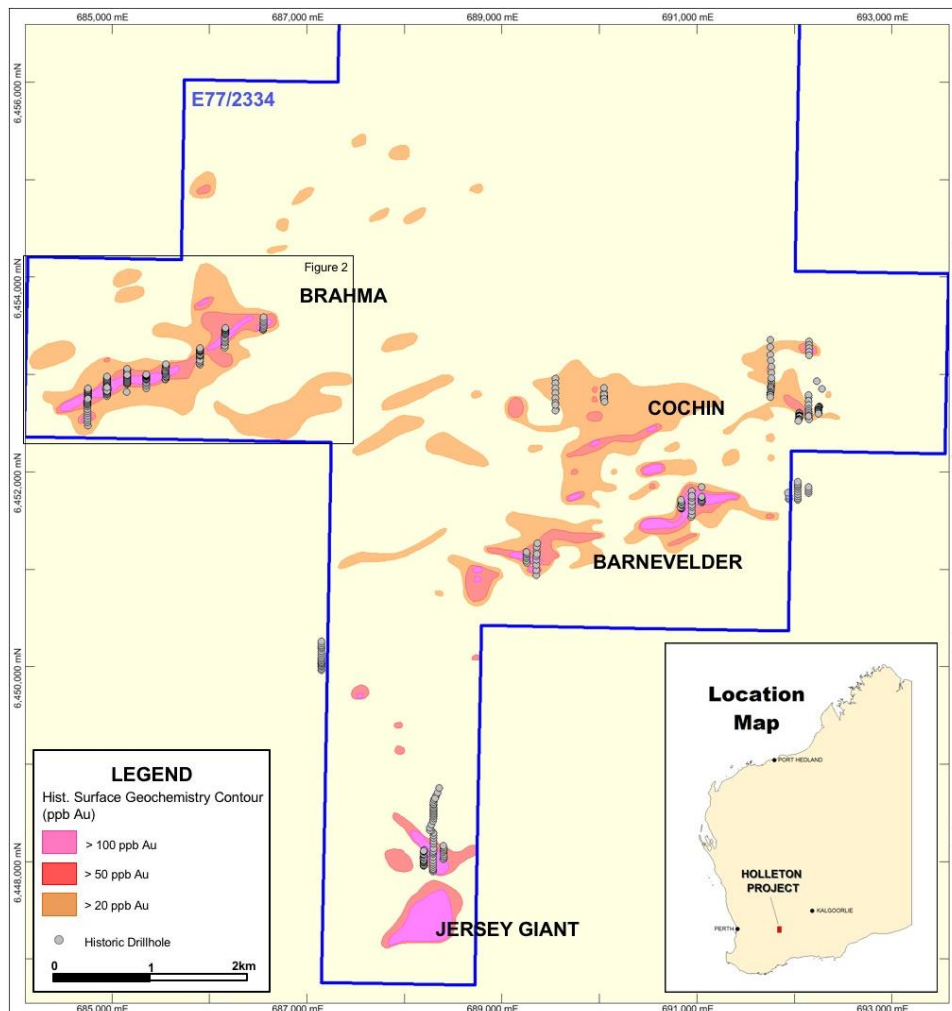


Figure 5: Soil anomalies generated by Independence Group NL exploration between 2008 and 2010¹.

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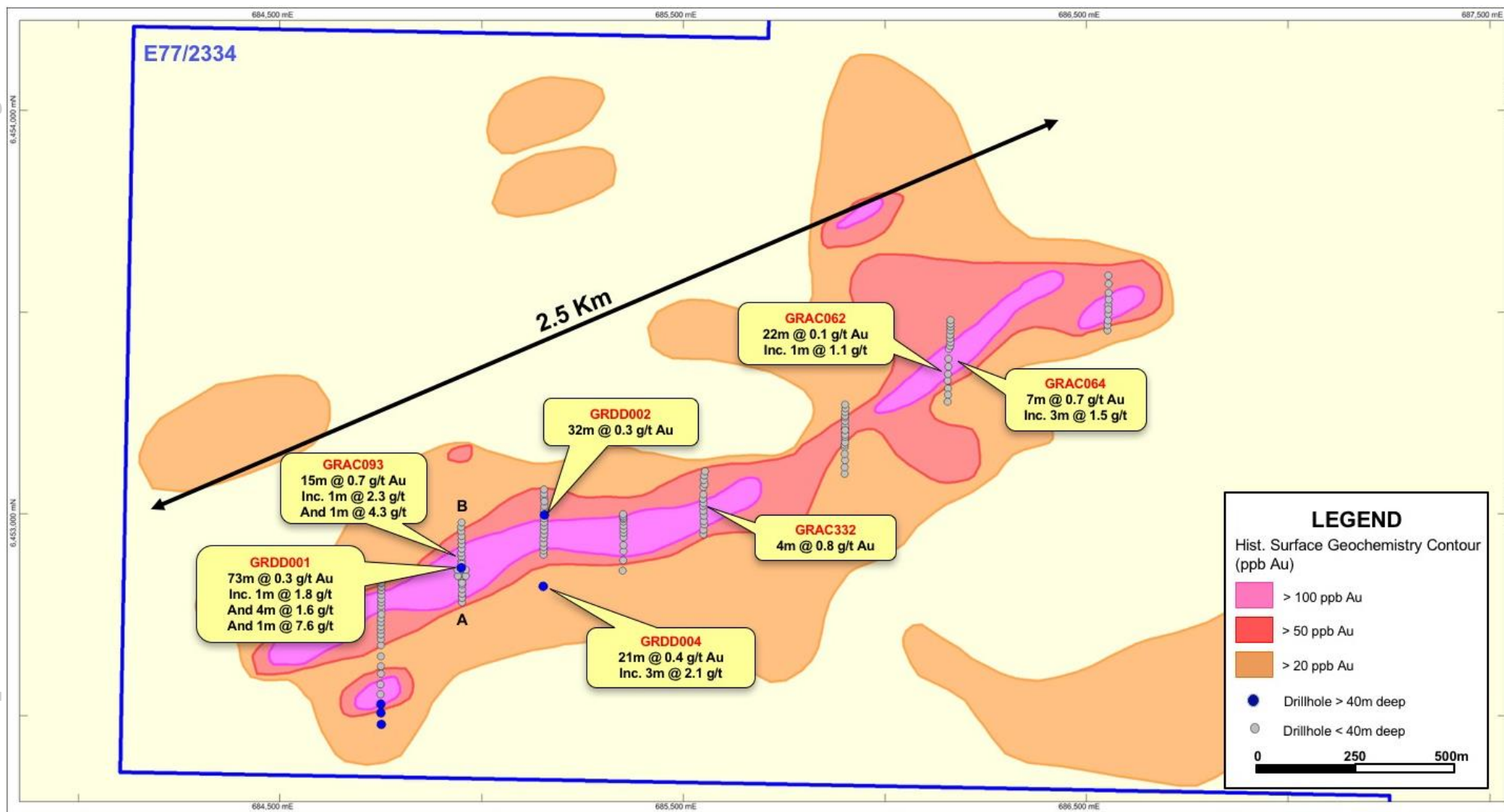


Figure 6: Detailed view of the Independence Group NL generated Brahma soil geochemical anomaly and selected drill results from systematic geochemical aircore drilling and reconnaissance RC and DD drilling¹.

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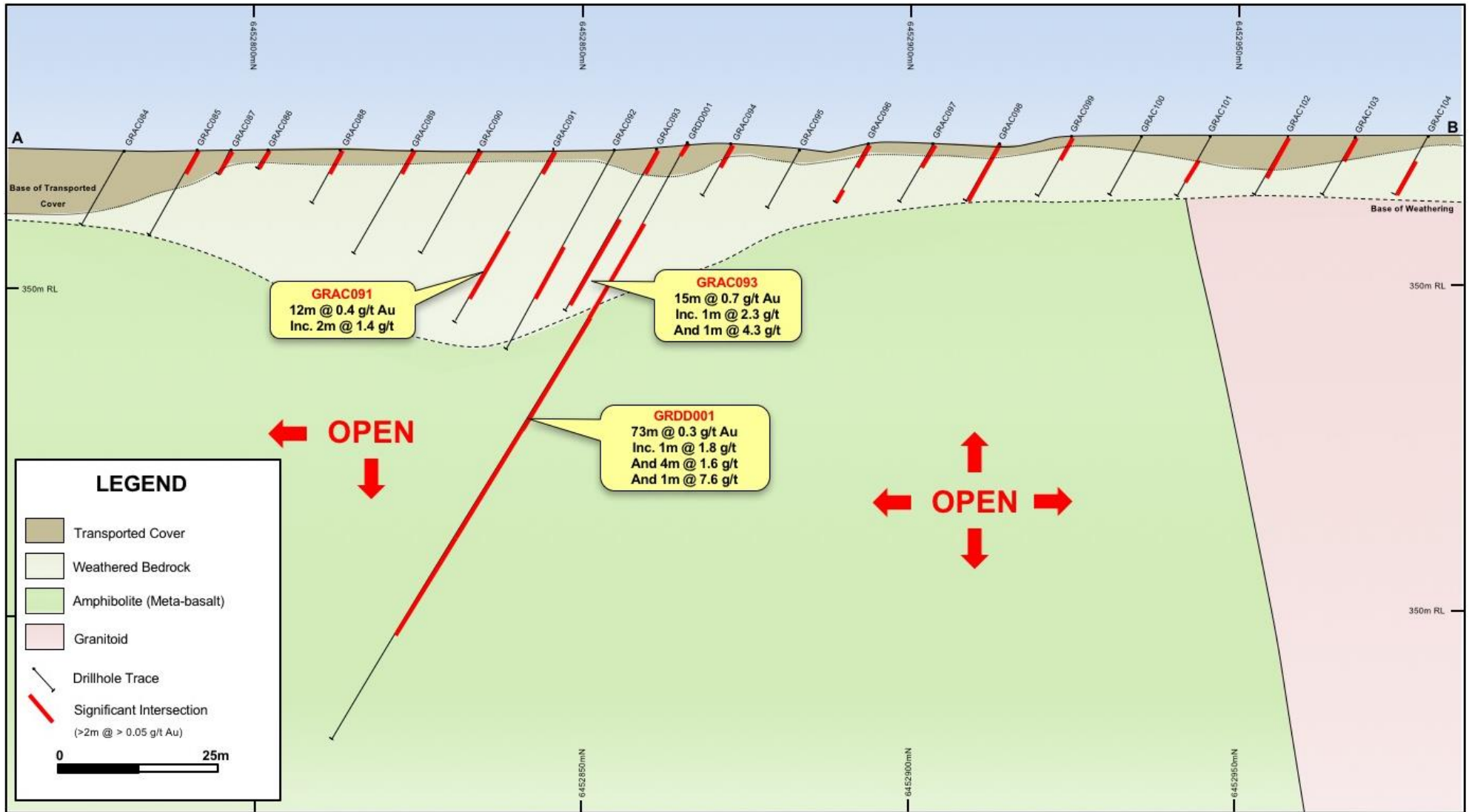


Figure 7: Cross section through the Brahma soil/aircore anomaly showing broad widths of gold mineralisation with associated calc-silicate alteration which may be indicative of a potentially large gold system.

Hole ID	Easting (MGA 94 Z51)	Northing (MGA 94 Z51)	Nominal RL (m)	Dip (°)	Azimuth (mag °)	Total Depth (m)	Depth From (m)	Depth To (m)	Intercept Width (m)	Au (g/t)
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Brahma Prospect

GRDD001	684949	6452866	370	-60	185	105.6	14	87	73	0.3
Incl.							17	18	1	1.8
And							48	52	4	1.6
And							77	78	1	7.6
GRDD002	685155	6452997	372	-60	176	156	30	62	32	0.3
GRDD004	685152	6452820	370	-70	357	138	85	106	21	0.4
Incl.							90	93	3	2.1
GRAC091	684950	6452846	371	-60	180	30	14	26	12	0.4
Incl.							14	16	2	1.4
GRAC092	684950	6452851	371	-60	180	33	15	24	9	0.1
And							31	32	1	1.5
GRAC093	684950	6452861	371	-60	180	28	12	27	15	0.7
Incl.							18	19	1	2.3
And							25	26	1	4.3
GRAC098	684949	6452913	372	-60	180	10	0	10	10	0.2
GRAC102	684949	6452957	373	-60	180	10	0	8	8	0.2
GRAC104	684950	6452979	373	-60	180	10	0	10	10	0.1
GRAC332	685549	6453037	387	-60	000	28	24	28	4	0.8
GRAC064	686157	6453384	383	-60	180	44	13	20	7	0.7
Incl.							13	16	3	1.5
GRAC062	686156	6453346	384	-60	180	40	18	40	22	0.1
Incl.							26	27	1	1.1

Barnevelder Prospect

GRAC176	690949	6451721	430	-60	180	43	38	43	5	1.4
GRAC175	690948	6451680	430	-60	180	38	19	35	16	0.2
GRAC349	691050	6451844	426	-60	180	44	40	44	4	0.4
GRAC184	689356	6451189	436	-60	180	68	62	67	5	0.5
Incl.							62	63	1	1.8

Cochin Prospect

GRAC187	690048	6452771	410	-60	180	61	53	56	3	0.1
GRAC200	689547	6452688	407	-60	000	44	30	39	9	0.1
GRAC215	692147	6452580	433	-60	000	52	12	48	36	0.1

Jersey Giant Prospect

GRAC111	688294	6448014	409	-60	180	32	29	32	3	0.3
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Table 2: Significant intersections greater than 0.1 g/t with up to 2m internal waste. All intersections are downhole widths¹.

BONNEVAL GOLD PROJECT FRANCE (UNDER APPLICATION)

The Bonneval application continues to progress through the approvals process and the market will be advised when any material developments transpire.

¹ http://geodocs.dmp.wa.gov.au/common/searchAPI.do?cabinetId=2301&Report_Ref=A78817
http://geodocs.dmp.wa.gov.au/common/searchAPI.do?cabinetId=2301&Report_Ref=A81028
http://geodocs.dmp.wa.gov.au/common/searchAPI.do?cabinetId=2301&Report_Ref=A86123

FOR MORE INFORMATION...

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The information in this report that relates to Exploration Results, Mineral Resources and Mineral Reserves is based on information compiled by Mr Bradley Drabsch who is a member of the Australasian Institute of Geoscientists. At the time that the Exploration Results, Mineral Resources and Mineral Reserves were compiled, Mr Drabsch was a contract employee of Montezuma Mining Company Ltd. Mr Drabsch 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 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Drabsch or an entity related to or controlled by Mr Drabsch holds options over fully paid shares in the Company at the time of this report. Mr Drabsch consents to the inclusion of this information in the form and context in which it appears in this report.

In accordance with Listing Rule 5.23.2, the Company confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Please note with regard to exploration targets, 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.

Montezuma Mining Company Limited

ASX Additional Information for Quarterly Report to 30 June 2016

	Tenement reference	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
The mining tenements held at the end of the quarter and their location	E15/1447	Lake Lefroy WA	100%	N/A	100%
	E20/659	Eelya Hill WA	10%	N/A	10%
	E20/874	Sunday Well WA	100%	N/A	100%
	E20/880	Yallon Well WA	100%	N/A	100%
	E20/903	Yallon Well WA	0%	Acquired	100%
	E20/904	Sunday Well WA	0%	Acquired	100%
	E28/2313	Green Dam WA	100%	N/A	100%
	E28/2327	Green Dam WA	100%	N/A	100%
	E28/2630	Judada Rock WA	0%	Acquired	100%
	E28/2577	Pinnacles WA	100%	N/A	100%
	E36/843	Leinster WA	100%	N/A	100%
	E37/1176	Leonora WA	100%	N/A	100%
	E38/2889	Malle Hen Point WA	100%	N/A	100%
	E38/2961	Mt Venn WA	100%	N/A	100%
	E38/2999	Malle Hen Point North WA	100%	N/A	100%
	E38/3092	Point Sunday	100%	N/A	100%
E51/1622	Telegraph Well WA	100%	N/A	100%	
E51/1693	Mt Maitland WA	100%	N/A	100%	

	Tenement reference	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
	E52/1529	Mt Padbury WA	100% (Note 1)	N/A	100% (Note 1)
	E52/2350	Butcher Bird WA	100%	N/A	100%
	E52/2831	Millidie Creek WA	100%	N/A	100%
	E52/3082	Mt Padbury WA	100%	N/A	100%
	E52/3083	Mt Padbury WA	100%	N/A	100%
	E52/3337	Butcher Bird North WA	100%	Disposed	0%
	E52/3353	Peak Hill WA	100%	N/A	100%
	E52/3354	Peak Hill WA	100%	N/A	100%
	E52/3355	Peak Hill WA	100%	N/A	100%
	E58/494	Naluthanna Hill WA	100%	N/A	100%
	E58/509	Challa WA	0%	Acquired	100%
	E52/3438	Butcher bird North WA	0%	Acquired	100%
	E59/2143	Twin Peaks WA	100%	N/A	100%
	E59/2184	Twin Peaks WA	0%	Acquired	100%
	E63/1750	Lake Johnston WA	100%	N/A	100%
	E63/1789	Lake Johnston WA	0%	Acquired	100%
	E69/3419	Rainbow Well WA	100%	N/A	100%
	E77/2334	Holleton WA	100%	N/A	100%

Notes:

- 1) 100% interest held in all minerals other than iron ore and manganese.