

3 February 2009

ASX CODE: MZM

ISSUED SHARES: 41.69M

52 WEEK HIGH: \$0.20

52 WEEK LOW: \$0.02

**CONTACT:**

JUSTIN BROWN

Managing Director

+61 438 745 675

**BOARD:**

Denis O'Meara: Chairman

Justin Brown: MD

Terry Grammer: Non-Exec

Ian Cornelius: Non-Exec

**KEY PROJECTS:**

PEAK HILL (100%)

Gold

MT PADBURY (100% of gold)

Gold, Manganese, Iron

CALLAWA (100%)

Copper, Gold

TALGA (90%)

Gold, VMS

ROBINSON RANGE (100%)

Uranium

**KEY SHARE POSITIONS:**

AUVEX RESOURCES LTD

10,000,000 FPO Shares

BUXTON RESOURCES LTD

2,000,000 FPO Shares

**GRANT OF EXTENSION OF TERM FOR MT PADBURY TRIGGERS  
SECOND CASH PAYMENT OF \$1,000,000 FROM MIDWEST**

Montezuma Mining Company Ltd ("Montezuma") is pleased to announce that the term of the Mt Padbury Project licence E52/1529 has been extended for a two year period, triggering the second **cash payment of \$1M** in relation to the sale of iron ore rights over Mt Padbury to Midwest Corporation Limited ("Midwest").

Under the terms of the agreement, the funds will become available to Montezuma within 15 business days.

As a result of the extension being granted, Midwest will commence exploration as soon as practicable. In the event Midwest defines a JORC Code compliant iron ore resource in excess of 10M tonnes grading over 50% Fe, Midwest will make a third payment of \$4M cash to Montezuma.

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

This milestone is an important step in providing the Company with working capital to fund ongoing acquisition and exploration strategies at the Company's 100% owned Peak Hill Gold Project.

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**More Information**

**Justin Brown**

Managing Director

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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 "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 appears*