MONTEZUMA
MINING COMPANY LTD

December 2013 quarter highlights

- **Butcherbird Manganese Project 14 hole diamond drilling program completed**
- **Analyses returned 19.36% to 42.15% Mn with an average grade of 34.5%**
- **Peak Hill option extended to 31 January, 2014 for further consideration of $75k and 2.1m RNI options ex @ $0.20**

Montezuma Mining Company Limited (ASX: MZM) continued to make further progress in relation to its exploration activities during the quarter ended 31 December 2014.

After the December quarter end, the Company received notification that Grosvenor Gold Pty Ltd ("Grosvenor") will exercise its option to acquire 100% of the Peak Hill gold project. Subsequent to this, cash proceeds were received and settlement is scheduled for Friday, 31 January 2014.

Butcherbird (100%)

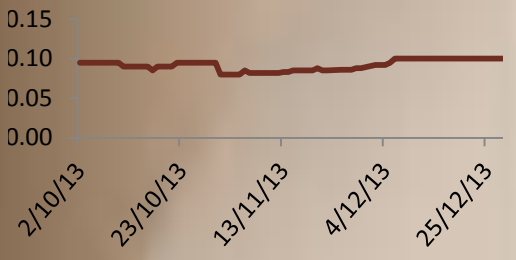
During the December 2013 quarter, a 14 hole, HQ sized (63 mm diameter) diamond drilling program totalling 474 metres (BBDD010 to BBDD023), was completed at Montezuma's 100% owned Butcherbird Manganese Project (see Table 1). The Project is located approximately 120 km south of the township of Newman in Western Australia. Eight manganese deposits have been delineated within Butcherbird with a total inferred resource (JORC 2004) inventory of 119 million tonnes @ 11.6% (i.e. lower cut of 10% Mn) and an additional 55.9 million tonnes @ 9.3% Mn (i.e. within the 8% to 10% Mn range) (Appendix 1). The purpose of the HQ diamond drilling program was to collect core samples for metallurgical studies. Ore Characterisation and preliminary geotechnical logging were also conducted. Subsequent to drilling, the program included detailed geological logging, petrographic and mineralogical studies plus metallurgical test work. Relatively shallow, vertical diamond holes were completed within four of the Project's manganese deposits with the majority drilled into Yanneri Ridge, the largest resource defined to date (Figure 1).

31 December 2013 Quarterly Report

Market data

ASX code:	MZM
Share price:	$0.10
Shares on issue:	70,464,350
Market cap	$7.05m
Cash at 31/12/2013	$5.83m

Share price



Substantial shareholders

Shareholder	Holding	% held
JPMorgan Nominees	5,826,234	8.27
Duketon Mining Ltd	5,382,500	7.64
Ranguta Ltd	5,326,375	7.56
Zero Nominees	4,475,000	6.35
Alpha Boxer Ltd	4,002,500	5.68

Board and management

Chairman	Seamus Cornelius
Executive Director	Justin Brown
Non-Executive Director	John Ribbons
CEO	Mike Moore

An improved geological understanding of ore character and host rocks has already been gained from work completed on selected ore samples. Detailed geological logging indicates the ore is hosted in two geological domains; the Upper Saprolite and the combined Lower Saprolite/Saprock. The ore occurs as manganese rich bands or layers predominantly in the range of 1 to 5cm thick intercalated with clays within the weathering profile of the fine-grained sedimentary host rock. Based on logging of diamond hole BBDD012 the cumulative volume of the high-grade bands within the ore zone is approximately 10%, which is approximately 20% by weight. An initial sampling and analysis exercise of the competent high-grade manganese bands gave the following Ore Characterisations (assays are based on results given in Table 2).

Generalised Ore Character of Manganese bands hosted in Upper Saprolite zone:

- Highest grade Manganese bands are hosted in the upper Saprolite (RUS), range of analyses returned ***19.36% to 42.15%*** Mn with an average grade of ***34.5%.***
- Deleterious elements are in an acceptable range returning average grades of ***8.7% Fe, 18.5% SiO2, 5% Al203 and 0.07% P.***
- The highest grade of ***42%Mn*** comes from a shallow near surface band confirming empirical observations that surface and near surface material has undergone several phases of enrichment (i.e. multiple phases of mobilisation and precipitation).

Generalised Ore Character of Mn bands hosted in combined Lower Saprolite and Saprock Zones:

- Composition of bands is approximately ***50% combined Mn + Fe ore*** with the average Mn subordinate to the Fe content.
- Composition of bands is more variable than in the upper saprolite with the following ranges of ***6% to 32% Mn and 11% to 38% Fe***.
- Sample from BBDD012 from 29.02-29.07m shows that not all bands within the lower zones are Fe rich.

Observations are based on a small population of manganese band sampling and further analyses are required to confirm these generalisations. Geological logging shows the Upper Saprolite host domain is thickest, predominantly 20 metre thick and the combined Lower Saprolite/Saprock domain is generally in the order of 5 metre thick (Figure 2).

Metallurgical test work involving scrubbing and screening is currently underway to determine potential beneficiate ore product.

Table 1: Drill Hole Collar Data – HQ Diamond Drill Holes – Butcherbird Project

Prospect	Site ID	MGA East	MGA North	MGA RL	Max Depth	Dip	Azimuth
Yanneri Ridge	BBDD011	774695.210	7298006.410	623.580	20.0	-90	000
Yanneri Ridge	BBDD012	773899.640	7298003.770	635.220	34.4	-90	000
Yanneri Ridge	BBDD013	773302.310	7298004.820	631.460	32.1	-90	000
Yanneri Ridge	BBDD014	773302.360	7298002.300	631.490	31.8	-90	000
Coodamudgi	BBDD015	773851.190	7299099.600	619.900	38.2	-90	000
Coodamudgi	BBDD016	772691.170	7298698.630	619.420	32.1	-90	000
Yanneri Ridge	BBDD017	772500.310	7297999.300	625.110	33.3	-90	000
Yanneri Ridge	BBDD018	772098.330	7297802.380	621.410	32.1	-90	000
Richies Find	BBDD019	771497.910	7297298.580	617.360	33.6	-90	000
Richies Find	BBDD020	770599.540	7297500.520	609.590	34.5	-90	000
Bindi Bindi Hill	BBDD021	764598.720	7299298.010	629.930	35.0	-90	000
Bindi Bindi Hill	BBDD022	765496.200	7299298.670	628.890	23.0	-90	000
Bindi Bindi Hill	BBDD023	765599.170	7299650.440	622.080	35.0	-90	000
Bindi Bindi Hill	BBDD010	765594.980	7299956.830	620.270	59.2	-70	180

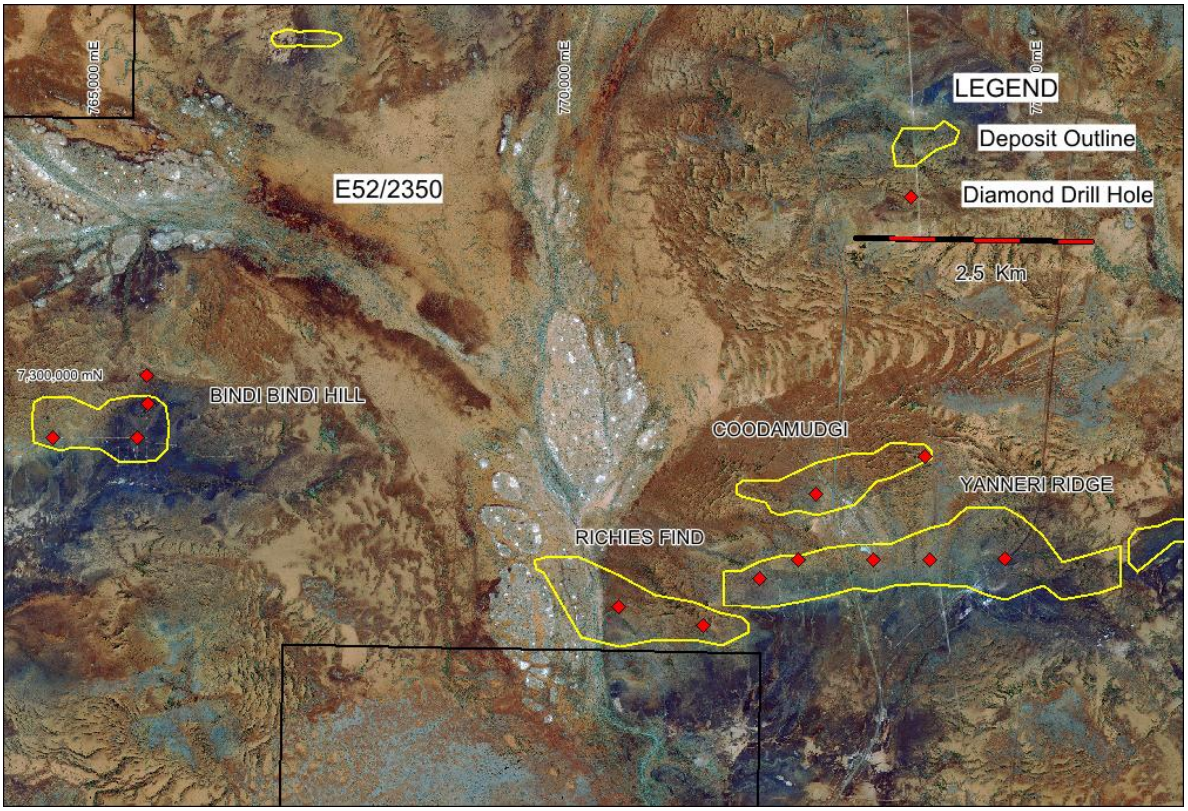


Figure 1: December 2013 Quarter - Diamond Drill Collars - Butcherbird Project

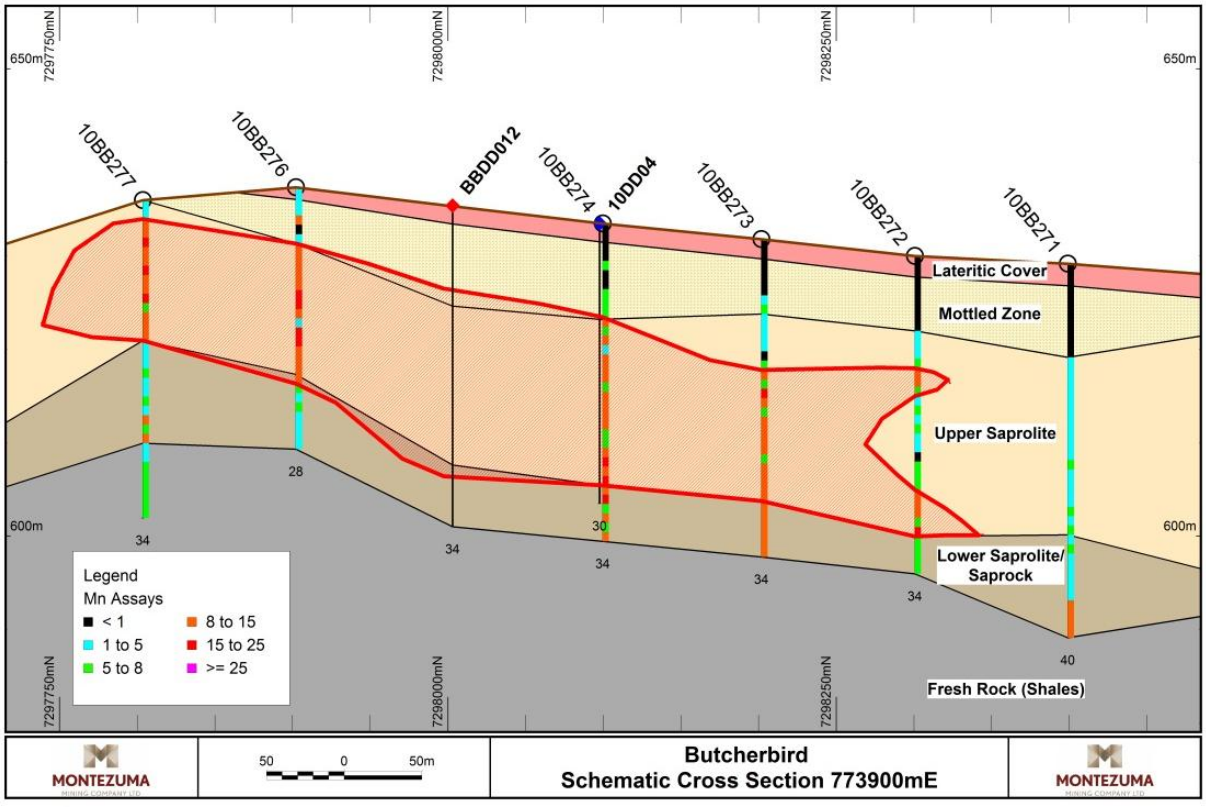


Figure 2: Schematic Cross Section showing the location of recent diamond drill hole BBDD012

Table 2: Analysis of Selective Manganese-rich Bands from Diamond Drill Core

Prospect	Hole ID	Depth From	Depth to	Host Lithology	Mn %	Fe %	SiO2 %	Al2O3 %	P %	LOI 1000C
Richies Find	BBDD020	25.56	25.61	RSR	**17.6**	**24.1**	**22.7**	**5.6**	**0.08**	**9.8**
Richies Find	BBDD020	15.63	15.695	RUS	**36.9**	**8.2**	**17.3**	**4.7**	**0.03**	**9.4**
Bindi Hill	BBDD027	19.36	19.4	RSL	**6.1**	**37.8**	**20.2**	**6.0**	**0.37**	**7.9**
Coodamudgi	BBDD016	5.85	5.9	RUS	**42.2**	**2.9**	**16.3**	**5.0**	**0.10**	**10.8**
Yanneri Ridge	BBDD013	24.8	24.85	RUS	**19.5**	**17.0**	**28.0**	**6.8**	**0.13**	**10.1**
Bindi Hill	BBDD022	5.3	5.33	RUS	**31.7**	**14.5**	**17.4**	**4.5**	**0.06**	**9.6**
Bindi Hill	BBDD022	17.2	17.225	RSL	**12.2**	**27.4**	**23.8**	**7.3**	**0.18**	**9.8**
Yanneri Ridge	BBDD012	30.78	30.8	RSR	**14.5**	**26.1**	**22.4**	**6.9**	**0.35**	**10.2**
Yanneri Ridge	BBDD012	21.050	21.085	RUS	**30.6**	**6.8**	**23.0**	**6.1**	**0.10**	**11.5**
Yanneri Ridge	BBDD012	14.36	14.38	RUS	**31.4**	**11.4**	**18.8**	**4.8**	**0.05**	**10.7**
Yanneri Ridge	BBDD012	29.02	29.07	RSL	**32.3**	**11.0**	**19.6**	**5.0**	**0.12**	**10.1**
Average	***Upper Saprolite***			***RUS***	***34.5***	***8.7***	***18.5***	***5.0***	***0.07***	***10.4***
Average	***Lower Saprolite Saprock***			***RSL & RSR***	***17.0***	***29.5***	***22.8***	***9.1***	***0.20***	***9.6***

Note: Selective manganese-rich bands 2 to 6.5 centimetres thick collected from HQ diamond core drilled through previously defined low-grade manganese ore zones. Analysis by ALS Laboratory, Perth by XRF method.

Peak Hill/Durack (85-100%)

Montezuma has an option agreement with Grosvenor Gold Pty Ltd (Grosvenor), a wholly owned subsidiary of Resource and Investment NL (ASX:RNI) ("RNI") whereby Grosvenor may acquire 100% of Montezuma Mining's interest in the Peak Hill Project by the acquisition of Peak Hill Metals Pty Ltd (a wholly owned subsidiary of Montezuma Mining)[1]. The key terms of the agreement are:

- Grosvenor paid an initial option fee for an exclusive option until 29 March 2013, and has subsequently extended the option period to 31 January 2014.
- In consideration for the recent extension, RNI paid Montezuma $75,000 in cash and will also issue Montezuma with 2.1 million RNI options exercisable at $0.20 within three years of the date of issue.
- Grosvenor being able to exercise the option at any time prior to expiry by paying Montezuma Mining $2.8 million in cash, and issuing 8,400,000 fully paid ordinary shares in RNI, and 2.1 million 35 cent options in RNI.
- If the option is exercised, Grosvenor must also grant Montezuma Mining a 1% Gross Royalty, capped at $1 million, on all revenue it receives from production from the Peak Hill Project.
- Grosvenor must meet minimum expenditure commitments on the project during the option period.

[1] After the December 2013 quarter end, Montezuma announced RNI's intention to exercise its option. For further information refer to ASX announcements dated 29 January 2014.

Low-cost gold production pathway for Grosvenor and Peak Hill

RNI announced on 6 November 2013 that updated feasibility studies confirmed the Grosvenor and Peak Hill gold projects in Western Australia's Bryah Basin can generate robust and sustainable financial returns. The updated studies have doubled the mine life to an initial eight years.

Significantly, the studies produced weighted average life-of-mine cash operating costs of $A990/oz, which meets RNI's stated goal of identifying a low-cost and near-term production pathway for Grosvenor and the adjoining Peak Hill project targeting costs of less than $A1,000/oz.

The feasibility studies were undertaken to evaluate the economics of mining various resources within the Grosvenor and Peak Hill projects, which have combined gold resources of approximately two million ounces. Multiple processing options were examined involving the existing 1Mtpa carbon-in-leach (CIL) facility and various leaching options. The studies have concluded that utilising RNI's CIL gold processing plant and heap leaching lower grade Grosvenor and Peak Hill mineralisation gives the best economic outcome.

Key findings include:

- Gold production significantly increased to approximately $850Koz gold over eight years;
- Weighted average cash costs of approximately $A990/oz over the life of mine;
- Life of mine revenues of over $1.1 billion (using a modelled gold price of $A1,400/oz) and net cash flows (pre-tax, post capex and sustaining capex) of over $200 million;
- Net Present Value of $149 million (pre-tax) using an 8% (real) discount rate;
- Two-year payback on pre-production capital expenditure of $40.5 million;
- 82% internal rate of return.

ASX Additional Information for Quarterly Report to 31 December 2013

	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	E52/2350	Butcher Bird WA	100%	N/A	100%
	P52/1227	Robinson Range WA	100%	N/A	100%
	P52/1233	Robinson Range WA	70%	Disposed	Nil
	E52/1529	Mt Padbury WA	100% (royalty on iron ore and manganese)	N/A	100% (royalty on iron ore and manganese)
	E52/2237	Peak Hill WA	100%	N/A	100%
	E52/2413	Peak Hill WA	100%	N/A	100%
	E52/2471	Peak Hill WA	85%	N/A	85%
	E52/2472	Peak Hill WA	100%	N/A	100%
	M52/35	Peak Hill WA	100%	N/A	100%
	M52/474	Peak Hill WA	100%	N/A	100%
	M52/56	Peak Hill WA	100%	N/A	100%
	M52/297	Peak Hill WA	100%	N/A	100%
	P52/1343	Peak Hill WA	85%	N/A	85%
	P52/1344	Peak Hill WA	85%	N/A	85%
	P52/1345	Peak Hill WA	85%	N/A	85%
	P52/1348	Peak Hill WA	85%	N/A	85%
	P52/1234	Peak Hill WA	100%	N/A	100%
	P52/1189	Peak Hill WA	85%	N/A	85%
	P52/1190	Peak Hill WA	85%	N/A	85%
	P52/1191	Peak Hill WA	85%	N/A	85%
	P52/1192	Peak Hill WA	85%	N/A	85%
	P52/1193	Peak Hill WA	85%	N/A	85%
	M52/801	Peak Hill WA	85%	N/A	85%
	E70/4465	Jubuk WA	100%	N/A	100%

	Tenement reference	Location	Interest at beginning of quarter	Acquired / Disposed	Interest at end of quarter
	E53/1801	Mt Fisher WA	Nil	Acquired	100%
	E38/2889	Malle Hen Point WA	Nil	Acquired	100%
	E39/1781	Tropicanna WA	100%	N/A	100%
	E39/1746	Tropicanna WA	100%	Disposed	Nil
	E28/2302	Green Dam WA	100%	N/A	100%
	E28/2313	Green Dam WA	100%	N/A	100%
	E28/2327	Green Dam WA	100%	N/A	100%
	E57/928	Currans Find WA	100%	N/A	100%
	E20/815	Weld Range WA	100%	N/A	100%
	E52/2647	Little Well South WA	100%	N/A	100%
	E52/2969	Plutonic North WA	100%	N/A	100%
	E52/2831	Millidie Creek WA	100%	N/A	100%
	E51/1622	Telegraph Well WA	Nil	Acquired	100%
	E52/2759	Horseshoe Lights North WA	100%	N/A	100%
	E52/2658	Butcherbird South WA	100%	N/A	100%
	E52/2727	Butcherbird East WA	100%	N/A	100%
	E52/2895	Butcherbird West WA	100%	N/A	100%
	E52/2806	Butcherbird North WA	100%	N/A	100%
	E52/2808	Butcherbird North East WA	100%	N/A	100%
	E52/2809	Woolbunna Bore WA	100%	Disposed	Nil
	E52/2951	Butcherbird North WA	100%	N/A	100%
	E52/2953	Butcherbird North WA	100%	N/A	100%
	E52/2971	Beatty Park South WA	100%	Disposed	Nil
	E20/659	Eelya Hill WA	10%	N/A	10%
	P20/2018	Eelya Hill WA	10%	N/A	10%
	P52/1417	Peak Hill WA	85%	N/A	85%
	P52/1418	Peak Hill WA	85%	N/A	85%
	P52/1419	Peak Hill WA	85%	N/A	85%
	E47/2817	Hamersley Range WA	100%	N/A	100%
	E47/2818	Hamersley Range WA	100%	N/A	100%
	E47/2819	Hamersley Range WA	100%	N/A	100%
	E46/982	Pilbara WA	100%	N/A	100%
	E09/1985	Yalbra WA	15%	N/A	15%
	E37/1147	Leonora WA	100%	N/A	100%
	E37/1176	Leonora WA	Nil	Acquired	100%
	L52/2	Peak Hill WA	100	N/A	100%
	L52/19	Peak Hill WA	100%	N/A	100%
	L52/20	Peak Hill WA	100%	N/A	100%
	L52/39	Peak Hill WA	100%	N/A	100%

	Tenement reference	Location	Interest at beginning of quarter	Acquired / Disposed	Interest at end of quarter
	L52/62	Peak Hill WA	100%	N/A	100%
	L52/63	Peak Hill WA	100%	N/A	100%
Beneficial percentage interests held in farm-in or farm-out agreement	E45/2375	Pilgangoora WA	10% (no tin-tantalum-lithium rights)	N/A	10% (no tin-tantalum-lithium rights)

FOR MORE INFORMATION…

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

About Montezuma Mining

Listed in 2006, Montezuma Mining Company Ltd (ASX: MZM) is a diversified explorer primarily focused on manganese, copper and gold.

The Information in this report that relates to Exploration Results is based on information compiled by Mr Mark Gunther, who is a member of the Australian Institute of Geoscientists. Mr Gunther is a geologist who is a part- 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gunther consents to the inclusion in the release on the matters based on information in the form and context in which it appears.

Appendix 1: Butcherbird Inferred Resource Estimates (MZM, ASX 7th December 2011)

Classification	Inferred Resource	
Cut-off	10% Mn	
Deposit	Tonnes (Mt)	Mn (%)
Bindi Bindi Hill	8.75	11.09
Budgie Hills	1.03	10.82
Cadgies Flats	0.25	11.08
Coodamudgi	12.9	11.48
Illgararie Ridge	17.0	10.71
Mundawindi	14.2	12.23
Richies Find	16.1	11.56
SUBTOTAL	**70.2**	**11.4**
Yanneri Ridge	*48.8*	*11.8*
GLOBAL TOTAL	***119.0***	***11.6***

Additional Resources estimated with 8% Mn cut for beneficiated product grading under 35% Mn.

Classification	Inferred Resource	
Cut-off	8-10% Mn	
Deposit	Tonnes (Mt)	Mn (%)
Bindi Bindi Hill	5.7	9.2
Budgie Hills	3.5	8.9
Cadgies Flats	0.2	9.1
Coodamudgi	3.6	9.5
Illgararie Ridge	18.5	9.2
Mundawindi	2.1	9.4
Richies Find	6.6	9.4
SUBTOTAL	**40.1**	**9.3**
Yanneri Ridge*	*15.8*	*9.4*
GLOBAL TOTAL	***55.9***	***9.3***

Note: Resource estimate was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC 2012 on the basis that the resource estimate has not materially changed since it was last reported by independent consultants Snowden Mining Industry Consultants announced by Montezuma Mining Company in ASX release 7th December 2011.

Appendix 2 JORC Code, 2012 Edition Compliance – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• 14 HQ3 diameter, diamond holes were drilled at Butcherbird Project for 474.3m. Thirteen holes were drilled vertical to intersect geological horizons at as close to perpendicular as possible. One hole was drilled at 70 degrees to take structural measurements. Sampling was undertaken by selecting potential manganese rich horizons or bands. • Drill hole collars were located using Handheld GPS and subsequently picked up by a licensed surveyor using DGPS. Logging of the drill core included colour, lithology, weathering, texture, structure, alteration, core recovery, RQD's and fracture frequency's. Sampling and QAQC was as per industry best practice protocols. • Diamond core was sampled by selecting Mn-rich bands 2 to 6.5cm thick. The samples were sent to Intertek Genalysis in Perth where they were pulverized to form pulps. The pulps were then assayed using XRF, on a Li borate fused bead, for a Mn suite of elements including Mn, Al_2O_3, BaO, CaO, Cr_2O_3, Cu, Fe_2O_3, K_2O, MgO,Na_2O, P_2O_5, Pb, SiO_2, SO_3, TiO_2, V_2O_5 and LOI's at 350^o, 600^o and 1000^o (Intertex code FB1/XRF25).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The drilling technique used was triple tube HQ diameter diamond coring with hole depths from 20m to 59.2m. One of the fourteen holes drilled at an angle. This hole was oriented using a Reflex digital orientation tool.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond core recoveries were recorded. The majority of recoveries were good and there were minimal recovery problems. • Drilling was slow due to short runs being drilled to maintain recoveries. • There is no observable relationship between recovery and grade, and therefore no sample bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the*	• *Detailed hard copy logging was conducted on all of the drill holes. These have been digitized and are stored in the database.* • *Logging of the drill core included colour, lithology, weathering, texture, structure, alteration, core recovery, RQD's and fracture frequency's. All core was photographed.* • *All holes were logged in full.*

	relevant intersections logged.	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Selective whole core taken for analysis and metallurgical test work. Some quarter core was taken for analysis.* • *Not applicable.* • *The sample preparation followed industry best practice standards. This involved oven drying and then pulverization of the entire sample in a LM5 or equivalent pulverizing mill to 85% passing 75 micron.* • *Due to the small number of samples and their nature QC involves the review of laboratory supplied certified reference material. These QC results are reported by the laboratory with the final assay results.* *Anomalous samples were checked against logging and field observations, Selected samples were reanalyzed to confirm anomalous results.* • *As whole core was used, field duplicates were not taken.* • *The samples sizes are considered more than adequate to ensure there are no particle size effects.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *The samples were sent to Intertek Genalysis in Perth where the complete samples were pulverized to form pulps. The pulps were then assayed using XRF, on a Li borate fused bead, for a Mn suite of elements including Mn, Al2O3, BaO, CaO, Cr2O3, Cu, Fe2O3, K2O, MgO,Na2O, P2O5, Pb, SiO2, SO3, TiO2, V2O5 and LOI's at 350^o, 600^o and 1000^o (Intertex code FB1/XRF25). This is considered a total sample analysis.* • *No geophysical or portable analysis tools were used to determine assay values stored in the database.* • *Internal laboratory control procedures involve duplicate assaying of randomly selected pulps as well as internal laboratory standards. All of this data is reported to the company and analysed for consistency and any discrepancies.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *The Company Exploration Manager visually inspected and verified the significant drill intersections.* • *Previous RC drilling was twinned by this diamond program along with one twinned diamond holes for display purposes.* • *Graphical hardcopy logs were used for field logging and these were then digitized for storage in the database.* • *No adjustments or calibrations have been made to any data.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Drill hole locations have been identified using DGPS by a licensed surveyor.* • *MGA_GDA94 Zone 50* • *The topographic surface was generated from surveyed drill collar locations and digital terrain models.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of*	• *The drill hole spacing was variable.* • *Not applicable* • *Not applicable*

	geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Holes were drilled perpendicular to the resource. Angle hole was drilled outside the current defined resource.* • *No sampling biased is believed to have been introduced.*
Sample security	• *The measures taken to ensure sample security.*	• *Sample security is managed by the company. After preparation and logging in the field the core, in core trays, was packed onto pallets for shipping back to Perth. The core trays were transported by a private contractor directly to ALS Metallurgical Laboratories. The laboratory unloaded and conducted an audit on the core delivered and reported back to the company. The company has inspected the core at the Laboratory. No discrepancies were found.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *No reviews of sampling techniques have been carried out. Occasionally the company conducts its own internal data audits.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The drilling was conducted on Montezuma Mining's wholly owned E52/2350 exploration tenement. • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration identified some anomalism and identified mineral occurrences but the manganese deposits have been defined by Montezuma.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geological setting consists of Proterozoic, fine grained, sedimentary host rocks of the Ilgarari Bed formation. The style of mineralization is that of supergene enrichment of relatively flat lying manganiferous beds within the near surface saprolite weathering zones. Overall low grade deposits comprising of thin (1-5cm), moderate to high grade, manganese bands.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the*	• Refer to Tables 1 and 2 in text above.

	following information for all Material drill holes: ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Due to the flat lying nature of the ore intercepts are near true width. No cuts have been applied. • Not applicable. • Not applicable.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No definite relationships between mineralization widths and intercept lengths are known from this drilling as only selective sampling of high grade manganese bands has been conducted thus far.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures 1 and 2 in the text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All selective sampling analyses have been reported.
Other substantive exploration	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results;*	• Not applicable.

data	*geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further metallurgical test work is currently being undertaken on the diamond drill core.