

ASX RELEASE



MONTEZUMA MINING COMPANY LTD

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ASX CODE: MZM

ISSUED SHARES: 43.03M

52 WEEK HIGH: \$0.76

52 WEEK LOW: \$0.18

CONTACT:

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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 COPPER SULPHIDE DISCOVERY CLARIFICATION

Further to queries received from the Australian Securities Exchange Limited ("ASX") in relation to the discovery of copper sulphide mineralisation at the 100% owned Butcherbird Project, the Company is pleased to provide the following clarifications:

1. No definitive estimate of the true width of the mineralisation can be made at this stage for the following reasons;
 - a. Currently only one drillhole has been completed through the primary chalcopyrite zone beneath the surface oxide copper mineralisation and consequently there is insufficient information to determine the exact orientation of the mineralised zone and;
 - b. The drillhole that has been completed intersected approximately 40m of veining, alteration and sulphide mineralisation and ended within the host shear zone hence the mineralised zone remains open in all directions.
2. Given the fact that assays have not yet been received and the early stage of exploration at the Butcherbird copper discovery, it is impossible to make any prediction as to whether the mineralisation is likely to be economic. However, several factors provide encouragement for further follow up work to investigate the potential of the discovery including;
 - a. chalcopyrite is one of the main copper ores globally and the discovery of primary copper mineralisation beneath the previously known oxide occurrence significantly upgrades the potential of the system to host commercial mineralisation.
 - b. The width of the alteration and mineralised zone suggests that it is part of a system of significant size which further enhances the potential of the target.
 - c. The primary mineralisation occurs within a structure that can be clearly defined over a strike length of approximately 4km, further supporting the size potential of the host system.

3. Discovery drillhole 10BBC14 was drilled at GMA94 Zone 50 -775818E, 7297088N, azimuth 330° and a dip of -60°.
4. In addition to the copper minerals identified in hand specimen, other sulphide minerals can be seen in smaller concentrations in the drill spoil which provides evidence of multi metal mineralisation however the potential commercial significance of these other sulphides cannot be determined until assays are received.

The Company would further like to reconfirm that it is of the view that this intersection represents a potentially significant new discovery and whilst the commerciality or otherwise of the copper mineralisation at Butcherbird cannot be determined at this early stage, the nature of the mineralisation, associated alteration and the potential scale of the host structure are such that follow up drilling will be undertaken as a matter of priority for the Company.



More Information

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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 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.