

QUARTERLY OPERATIONS REPORT

THREE MONTHS ENDING 31 March 2007

MONTEZUMA
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HIGHLIGHTS

- Montezuma acquires 70% of over 3,000 km² of prospective uranium exploration ground at Robinson Range in Joint Venture with Greater Pacific Gold Limited.
- High grade uranium mineralisation revealed at the Robinson Range JV including **0.3m @ 0.53% and 0.6m @ 0.47% uranium** in surface channel sampling. Three priority prospects defined to date including **primary and secondary calcrete hosted** uranium.
- Montezuma acquires additional uranium ground in the Bangemall Basin and the Officer Basin regions of Western Australia.
- New project acquired in the Cue region at Eelya Hill, with encouraging gold and copper results from previous work, including **3m @ 3.6 g/t gold and 6.8% copper**.
- Soil sampling proceeding at the Talga Project, designed to identify gold and VMS targets for follow up drill testing.
- Letter agreement signed with Trafford Resources over the Pilgangoora Nickel/Gold Project. Montezuma to earn 70% of the nickel rights over Trafford's ground.
- Drilling Programme completed at the Weebo Project.

1. ROBINSON RANGE JOINT VENTURE (MZM 70%)

Montezuma Mining Company Ltd has entered into an agreement with Greater Pacific Gold Limited whereby Montezuma and Greater Pacific will merge their interest in tenements in the Robinson Range Project that have significant potential for economic uranium mineralisation.

The combined tenement portfolio comprises approximately 3,000 km² of tenure including granted tenements and tenement applications covering granitoids, gneiss, schist and metasediments of the Yarlalweelor complex. The project is located approximately 125 km north of Meekathara in Western Australia.

Montezuma will take a controlling interest in the Joint Venture and acquire 70% ownership of the merged tenure by committing to a minimum of \$0.5M exploration expenditure over three years. Greater Pacific Gold will acquire a 30% interest in the merged tenement holdings, free carried to a Bankable Feasibility Study.

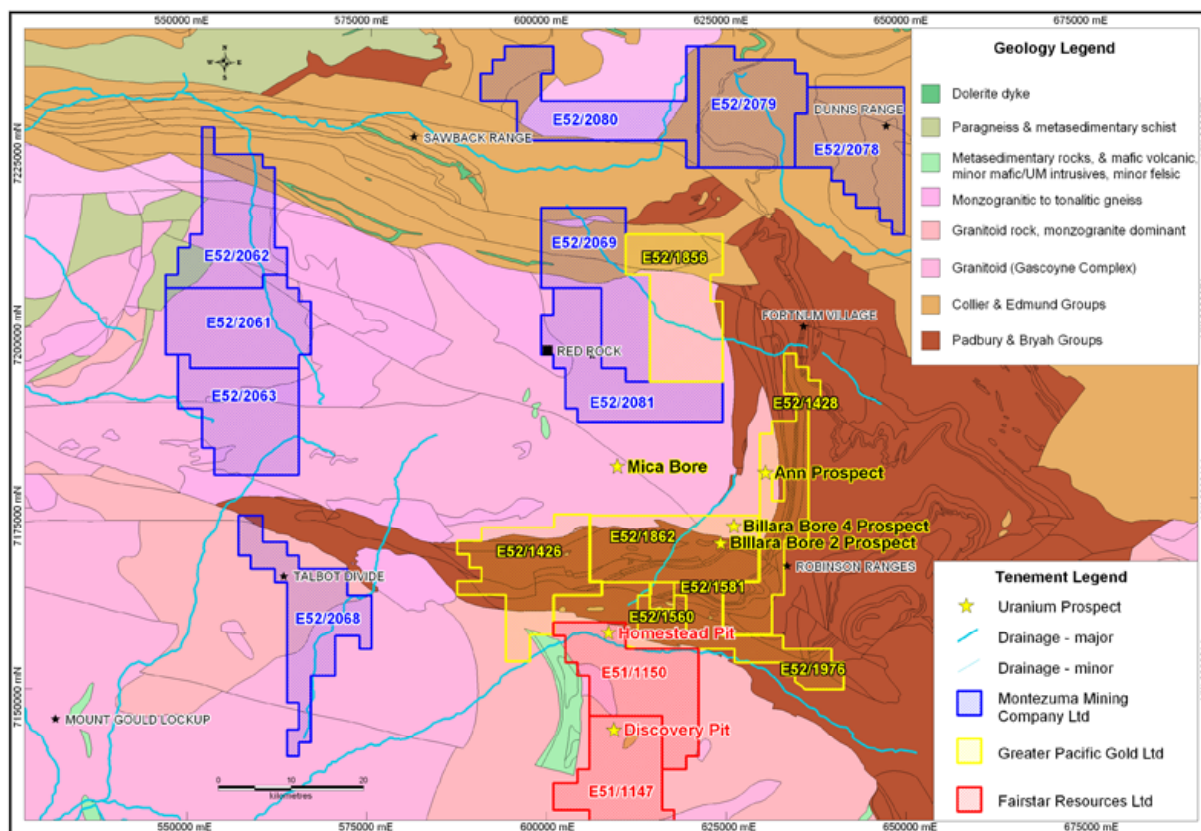
The joint venture covers extensive tracts of Archean granitic gneiss and Proterozoic schists which show significant radiometric anomalism. The project also includes the drainage channels that form the catchment for surface water flow from these uranium enriched basement rocks. This geological environment provides very good potential for secondary calcrete-hosted uranium enrichment in the drainage areas, as well as the potential for economic primary mineralisation within the basement lithologies.

The drainage systems within the Joint Venture tenements also cover the catchment areas for surface drainage from Empire Resources Limited's recently announced Yarlalweelor Prospect.

The Board believe that this agreement presents an excellent opportunity to enhance a prospective uranium exploration play within their existing portfolio, and will immediately

implement a comprehensive review of historical uranium exploration data in order to generate targets for follow up work.

Montezuma is pleased to announce on behalf of the Robinson Range Joint Venture partners that significant uranium mineralisation has been outlined at the Robinson Range Project, located approximately 125 km north of Meekathara in Western Australia.



Since entering into the Joint Venture with Greater Pacific Gold Limited, Montezuma has commenced a detailed review of historical work conducted in the area by Agip Australia Pty Ltd in the 1970's and early 1980's.

A first pass review of the available data has identified significant uranium mineralisation at three locations, the Billara Bore 1, Billara Bore 2 and Ann Prospects. Agip conducted several campaigns of uranium exploration over the project and generated a large amount of data before pulling out of the area in the early 1980s.

Data compilation and review is ongoing and there is a good possibility that additional targets will be identified as a part of this effort.

Ann Prospect

At the Ann Prospect, work within E52/1428 comprised surface sampling and costeaning followed by limited percussion drilling of anomalous areas.

Initial assessment indicates that the mineralisation comprises both secondary surficial zones of uranium enrichment with values of up to 5300 ppm uranium (0.53%) as well as primary uraninite mineralization within the basement gneiss and within conglomerates intercalated within the gneissic units. Both provide excellent targets for follow up exploration given the current market conditions.

Key results from the data reviewed to date include:

Grab Sampling			
Sample No.		U (ppm)	Th (ppm)
1103		380	6
1104		4200	4
Channel Sampling			
Sample No.	Width	U (ppm)	Th (ppm)
1108	0.5m	3400	30
1109	0.3m	1550	35
1110	0.2m	720	30
1111	1.0m	340	30
1115	0.4m	340	12
1116	0.6m	540	<4
1117	0.3m	5300	8
1118	0.6m	4650	6
1119	0.6m	400	10
Drilling			
Hole No.	Width	U (ppm)	
A.P.5	3m	130	
A.P.8	1m	390	
A.P.14	3m	380 (incl 1m @ 820)	
A.P.19	6m	428 (incl 1m @ 930)	

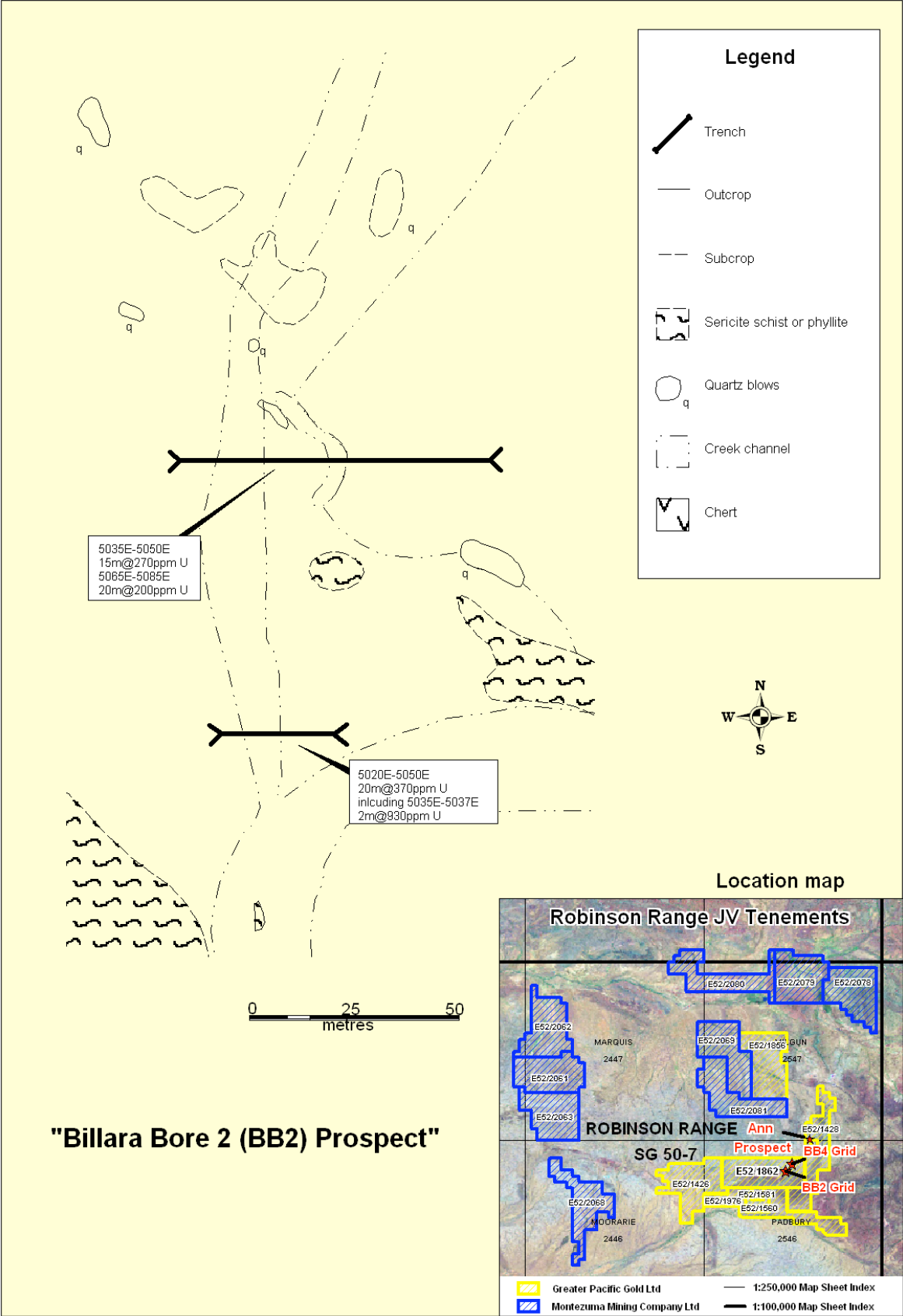
Billara Bore 2 Prospect

The Billara Bore 2 Prospect (see accompanying figure) contains secondary calcrete hosted carnotite mineralization within calcrete in drainage channels over sericite and chlorite schist (as mapped by Agip).

Work has included trenching, which was channel sampled over 2m intervals, as well as grab sampling from locations of peak scintillometer readings.

Key results from the data reviewed to date are listed in the following table:

Grab Sampling		
Sample No.	U (ppm)	Th (ppm)
BB2-1	700	<3
BB2-2	230	4
BB2-3	230	4
BB2-4	310	6
Channel Sampling		
Trench No.	Width	U (ppm)
BB2-T1	20m	370
	(Incl 2m @ 930 ppm)	
BB2-T1	15m	270
	20m	200



Billara Bore 4 Prospect

At Billara Bore 4 (see accompanying figure), historical work included surface grab sampling and shallow trenching within uraniferous metasediments.

Results returned assays of up to 1700 ppm uranium (0.17%) indicating good potential for significant uranium mineralisation.

Limited follow up drilling has only been reported with qualitative assay values, and we are still attempting to locate the actual quantitative analyses.

Sample Number	U (ppm)	Th (ppm)
13538-1	1700	15
BB4-3	400	8
BB4-5	1200	25
BB4-6	570	10
BB4-7	1200	11
BB4-12	420	25
BB4-13	430	18
BB4-14	560	17
BB4-16	870	40

Early indications suggest that the mineralization may be only near surface, suggesting that it is probably due to secondary enrichment processes.

Key results from the data reviewed to date are listed in the table to the right. (200ppm uranium cut-off):

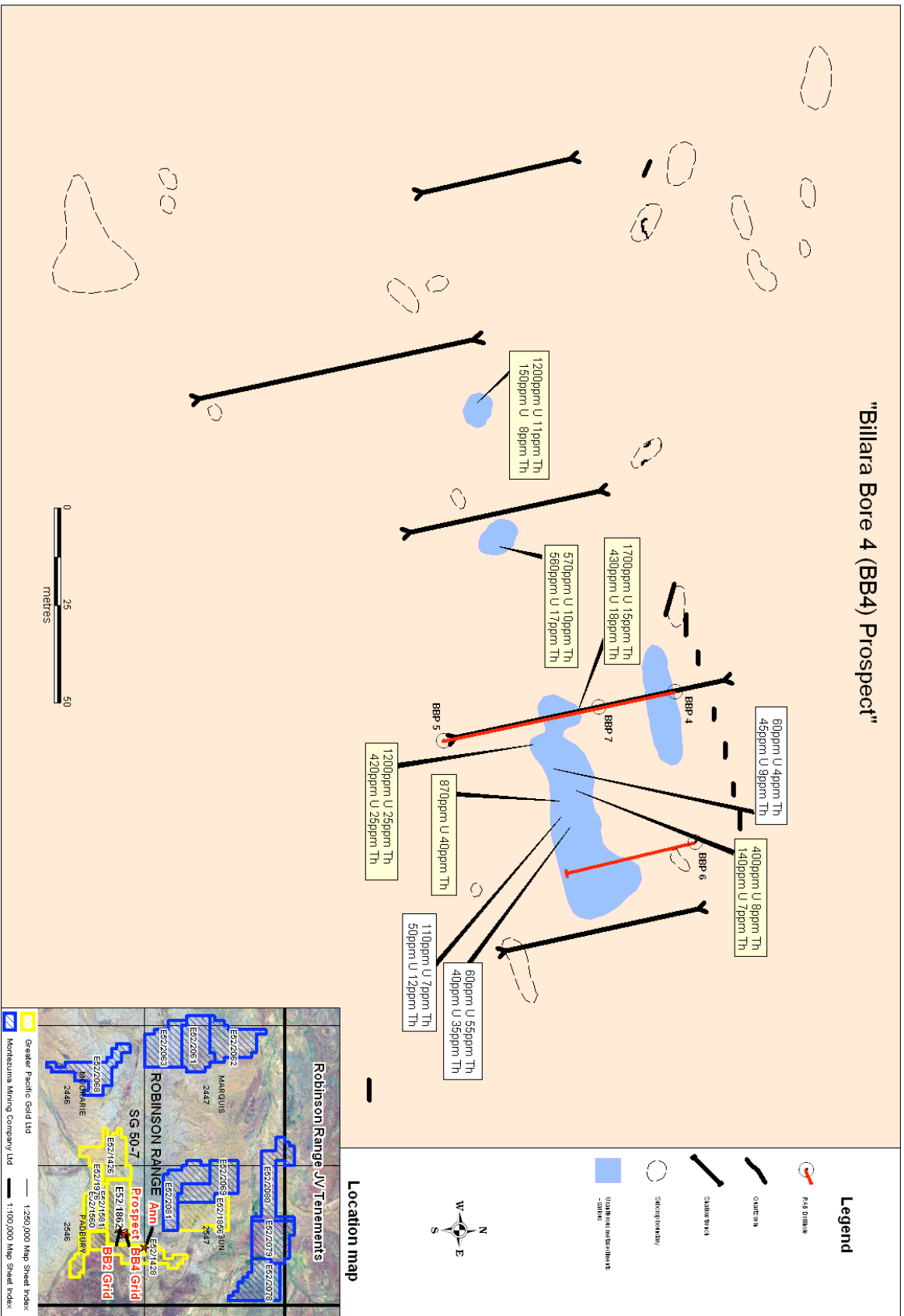
Although confirmation of these results will be established with follow up ground-truthing of the data reported here, these early results clearly confirm the potential for economic uranium mineralisation within the Robinson Range Joint Venture and the Company is looking forward to ongoing work on these areas, and on additional targets defined through further investigations.

Additionally, the clearly uraniferous basement rocks provide an excellent source for secondary calcrete mineralization in adjacent drainage, as evidenced by the results at the Billara Bore 2 Prospect.

The Joint Venture tenure covers the two main drainage systems that form the catchment for this area, and once the tenements are granted, immediate follow up work will be initiated to test this potential.

We are continuing to work through the remaining historical data in order to extract all information of value to assist in target definition and programme design for follow up work on this exciting new uranium province.

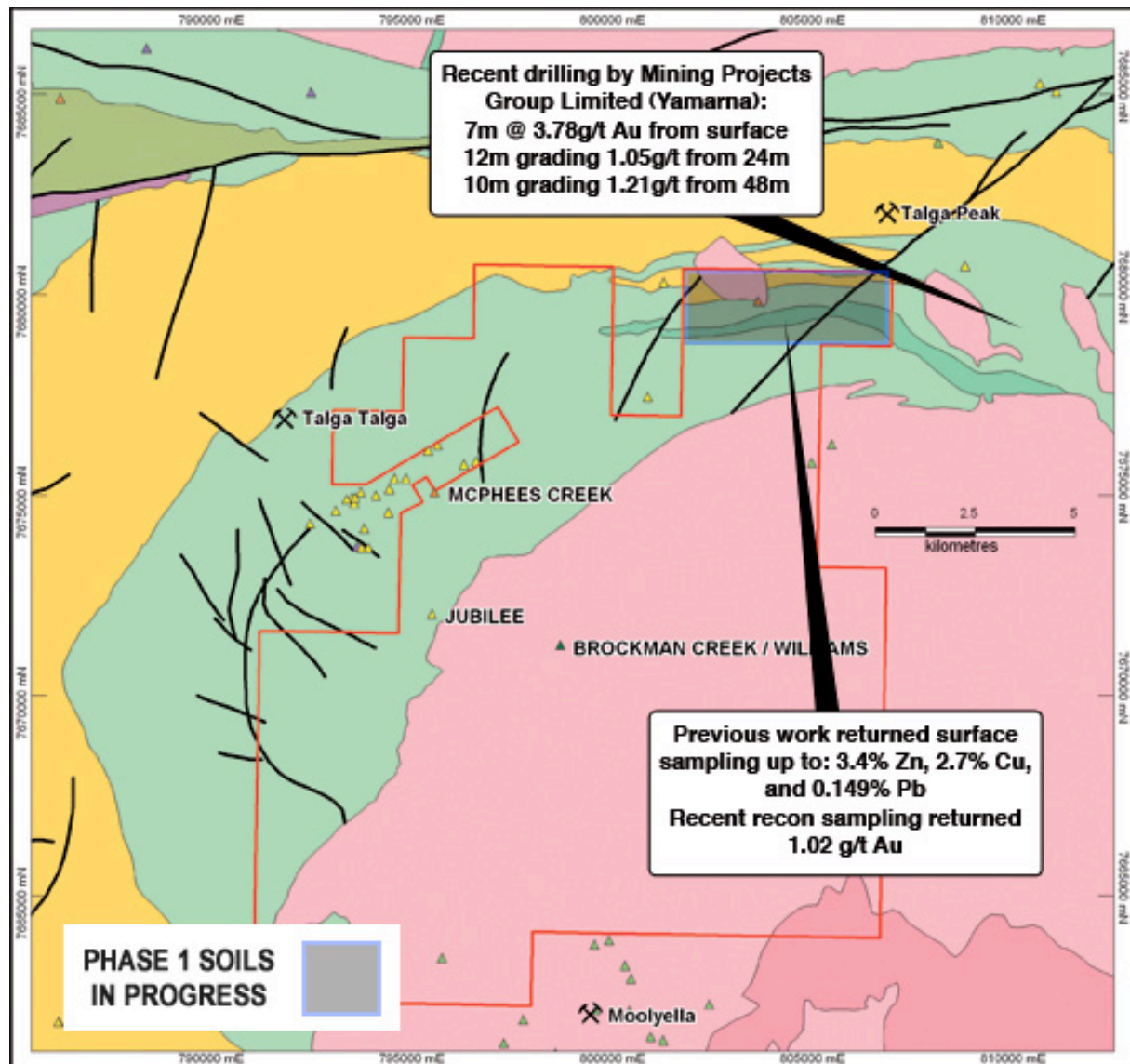
"Billara Bore 4 (BB4) Prospect"



2. TALGA PROJECT – E45/2680 (MZM 90%)

A contractor has been appointed to undertake a regional soil sampling programme on a 160 x 20m grid over the prospective greenstone stratigraphy within the eastern portion of E45/2680.

The target area is prospective for gold and VMS style mineralisation, and in particular is interpreted to contain the strike extension of recently discovered, potentially economic gold mineralisation to the immediate east of the tenement by Mining Projects Group Ltd.



The soil sampling programme has commenced and is intended to define targets for follow up sampling and drill testing in the third quarter of this year. Some delays were experienced due to recent cyclone activity, however sampling has now resumed, and the programme is expected to be completed in the next few weeks.

On receipt of assay results, drilling will be planned to test targets defined by the geochemical programme, potentially within the next quarter.

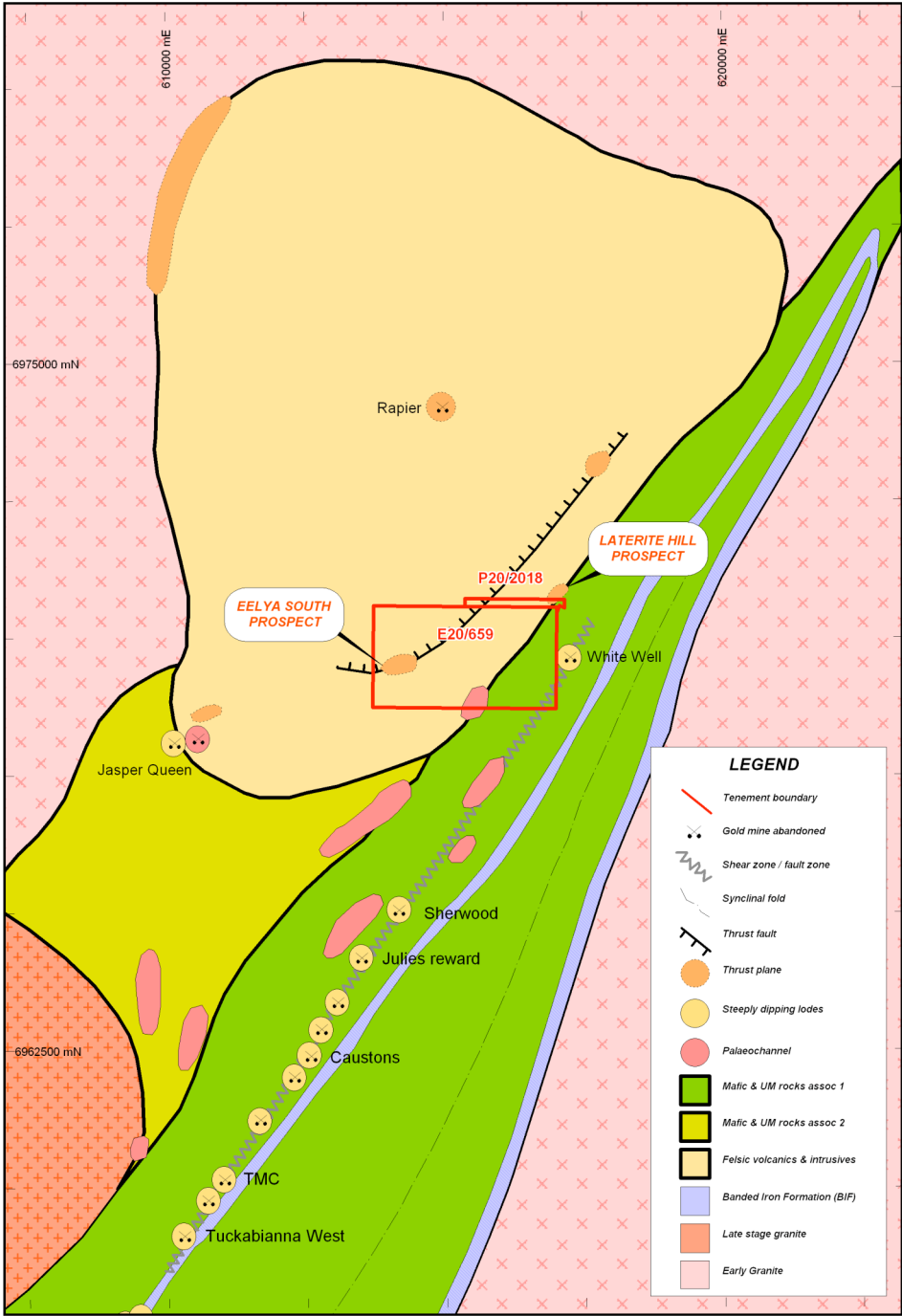
3. EELYA HILL E20/659, P20/2018 (MZM 100%)

Montezuma has applied for two exploration licences in the The Eelya Hill Project, approximately 25 km east of Cue. The tenements contain most of the Eelya South Prospect and the southwestern strike extensions of the Laterite Hill Prospect.

At the Eelya South Prospect, previous drilling of an IP anomaly intersected 3 metres at 3.6 g/t Au and 6.8% copper from 39m. Mineralisation was located on the contact between strongly folded felsic and mafic volcanic units. The drilling was conducted in 1992, and to date, the result has not been followed up at depth or along strike.

The tenement is located within the Eelya Hill Volcanic Complex, lying to the west of the Kurralong Syncline, and comprising a core of recrystallised granodiorite flanked by felsic schists. The schists are composed of muscovite, sericite, quartz, chlorite, biotite and minor pyrite.

The project has good potential for both gold and base metals mineralisation, and the Company is looking at strategies to extract value for shareholders from his project, either through direct exploration, or by finding a suitable partner to accelerate work in the area.



4. BANGEMALL BASIN – E52/2082 (MZM 100%)

Montezuma has applied for an exploration licence in the Bangemall Basin area, immediately east of Encounter Resources Tchintaby Well uranium and base metals project.

The tenement contains an area of radiometric anomalism associated with mapped calcrete and is prospective for secondary calcrete hosted uranium mineralization. Work is currently ongoing to define targets for follow up work once the licence has been granted.

5. OFFICER BASIN – E69/2366, E69/2367 (MZM 100%)

Montezuma has applied for two exploration licences covering approximately 600 km² as a result of a review of radiometric data released in February 2007 by the DoIR. The data highlights several areas of radiometric anomalism associated with basin sediments and calcrete drainage systems.

The project is prospective for sandstone hosted and calcrete hosted uranium mineralization. Work is ongoing to define targets for follow up work once the licences have been granted.

6. PILGANGOORA PROJECT – E45/2375 (MZM 90%)

Letter Agreement Signed over Gold and Nickel rights

Trafford Resources Ltd holds 10 prospecting licences and applications for an additional two licenses that cover approximately 10 km of strike of the Iron Stirrup Ultramafic, which is prospective for nickel sulphide mineralisation and which also extends into Montezuma's Pilgangoora tenement. Trafford's leases also cover several of the historic Lynas Find gold deposits previously exploited by Lynas Gold.

Montezuma and Trafford have entered into a split commodity agreement whereby Montezuma can earn a 70% interest in the nickel rights over Trafford's tenements and Trafford can earn a 70% interest in the gold rights over Montezuma's tenement, each by completing a Bankable Feasibility Study within five years.

The agreement is subject to several conditions precedent, but once completed will pave the way for Trafford to increase its gold resource base in the area and increase the potential for the discovery of sufficient resources to move into production, and will give Montezuma access to a significantly increased strike extent of stratigraphy prospective for nickel sulphide mineralisation.

The tenements held by Trafford covered by the agreement include granted licences P45/2557, P45/2562, P45/2566, P45/2558, P45/2563, P45/2567, P45/2559, P45/2564, P45/2560, P45/2565 and applications for P45/2628 and P45/2629.

7. WEEBO – E37/802, E37/833, P37/7053, P37/7054, E37/889, E36/606, E36/607 (MZM 80%)

The Weebo Project is located approximately 80 km north of Leonora within the Yilgarn Craton of Western Australia. The project is approximately 10 km southeast of the Thunderbox gold deposit (2.2M ounces) and north of a gold mineralised region containing the Wonder North and Celtic gold deposits.

During the quarter a programme of aircore (AC) and rotary air blast (RAB) drilling was carried out. The programme was designed to follow up a geochemical anomaly highlighted by historic auger sampling beneath Tertiary transported cover sequences.

Sixty-three AC and five RAB holes were drilled for a total of 3,664m.

Four metre composite samples were collected and sent for multi-element analysis. Only low level gold anomalism was returned, although geochemical anomalies are typically very low order in the target area, and further analysis is required to determine the significance of these results.

Best results are recorded below:

Hole Number	Easting	Northing	Dip/Azimuth	From (m)	Interval (m)	Au (ppb)
	(MGA Zone 51)					
WBAC011	313971	6873934	Vertical	32	8	15
WBAC017	314089	6873825	Vertical	32	4	43
WBAC016	314140	6873887	Vertical	36	4	26

Field logging highlighted a zone of intense K-feldspar, chlorite and mica alteration in the southeast corner of the completed drill programme. Despite the subdued assay results, geological indications are that the potential remains for a large mineralised system.

The assay results and geological information obtained from the programme will be further assessed over coming quarter to determine the need for further work on this target.

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The Information in this report that relates to exploration results is based on information compiled by Liam Cornelius, who is a member of the Australian Institute of Geoscientists. Mr Cornelius 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. Liam Cornelius is an Executive Officer of South Boulder Mines Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.