

QUARTERLY REPORT

MONTEZUMA MINING COMPANY LTD

PO Box 8535 Perth BC WA 6849
133 - 135 Edward Street Perth WA 6000
Telephone +61 8 9228 4833
Facsimile +61 8 9328 8302
info@montezumamining.com.au
www.montezumamining.com.au
ABN46 119 711 929

Three Months Ending: 30 June 2007

ASX CODE: MZM

ISSUED SHARES: 32.1M

52 WEEK HIGH: \$0.36

52 WEEK LOW: \$0.16

CONTACT:

JUSTIN BROWN

Managing Director

+61 8 9228 4833

BOARD:

Justin Brown: Man. Director

Denis O'Meara: Chairman

Terry Grammer: Non-Exec

Ian Cornelius: Non-Exec

KEY PROJECTS:

ROBINSON RANGE (70%)

Uranium, Gold

CALLAWA (100%)

Copper, Gold

TALGA (90%)

Gold, VMS

WEEBO (80%)

Gold, Nickel

PILGANGOORA (90%)

Gold, Nickel

HIGHLIGHTS

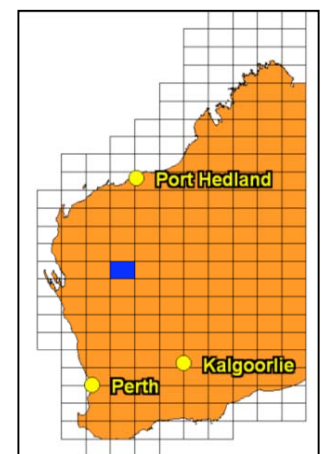
- Follow up work at Robinson Range confirms the potential for both calcrete hosted 'Yeelirrie style' and high grade unconformity related uranium mineralisation with results up to 0.22% uranium.
- Two strong, convergent gold soil anomalies defined at the Talga Project with strike lengths of 1.9km and 1.3km respectively. Drill testing is planned to commence once statutory clearances can be obtained.
- E45/2927 has been granted allowing exploration to commence immediately to test high-grade copper mineralisation up to 29% from surface sampling. Drill testing will commence as soon as statutory clearances can be obtained.
- Montezuma to acquire 90% of the Mt. Padbury Project. Project contains a drill ready gold target at Wood Creek with shallow RAB results including 4m @ 2.95 g/t Au from 3m untested at depth. Drilling planned for the current quarter.
- Montezuma to receive two million fully paid vendor shares in Buxton Resources, with a projected value on listing of \$400,000.

ROBINSON RANGE (MONTEZUMA 70%)

Montezuma is pleased to announce continuing excellent uranium results from its 70% owned Robinson Range Joint Venture with Greater Pacific Gold Limited.

The sampling programmes were designed to follow up previous work by Agip in the 70's and targeted three existing prospects at Billara Bore 2, Billara Bore 4 and Anne.

Work has continued to highlight the project as having excellent potential for both Yeelirrie style calcrete hosted mineralisation as well as high-grade unconformity style uranium mineralisation.



Anne Prospect

Sampling at the Anne Prospect during the quarter returned high-grade uranium mineralisation from a costean dug by previous workers in the region. The costean transects a zone of metasediments near the contact between the gneissic basement and Naracoota Formation.

Significant results (>100ppm uranium) are as follows.

Significantly, the anomalism is associated with a horizon that can be traced at surface for approximately 500m before disappearing under cover. The current genetic model is that the reducing metasedimentary horizon is forming a trap for uranium that has been sourced from the adjacent 'hot' basement gneisses. This geological setting provides excellent encouragement that the Anne Prospect carries potential for high-grade unconformity style ore bodies.

Sample ID	U (ppm)
684697	372
684700	2,220 (0.22%)
684701	291
684702	113
684703	108
684705	176

Billara Bore 2

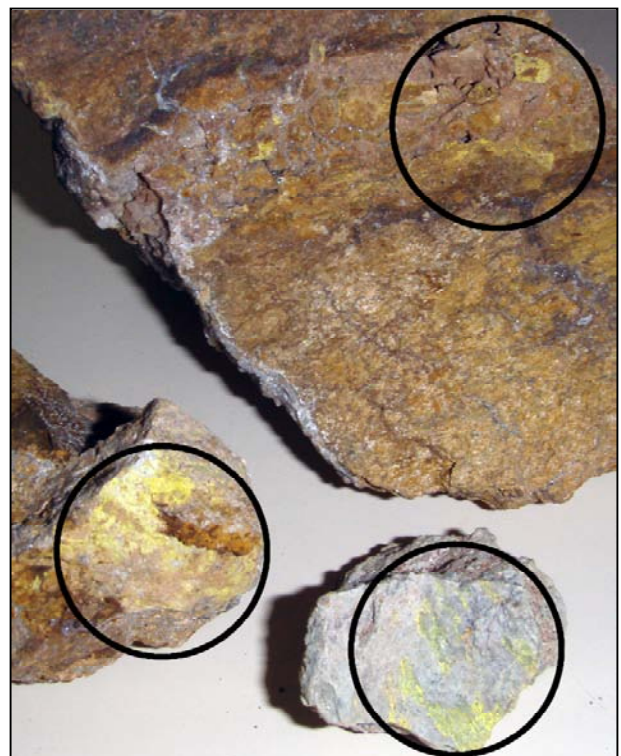
Billara Bore 2 is a calcrete hosted uranium target located within the Naracoota Formation, along the southern margin of the anomalous 'hot' gneissic basement. Uranium is present as carnotite within metavolcanic sequences hosted within calcrete and along carbonate mineralised fractures and fissures. Significant results (>100ppm uranium) are as follows.

Sample ID	U (ppm)
684594	925
684595	644
684596	196

Billara Bore 4

Confirmation results from Billara Bore 4 have returned uranium values up to 0.11% in weathered metasediments of the Naracoota Volcanics near the contact with the uranium bearing basement gneiss.

The mineralisation at Billara Bore 4 appears to be secondary near surface enrichment of uranium due to uranium bearing surface and groundwater draining off the "hot" basement rocks and being deposited in geochemically favourable reducing sequences within the overlying volcanics. This type of mineralisation has the potential to yield large near surface mineralised zones similar to Yeelirrie style calcrete hosted mineralisation for which there is also significant potential within the Joint Venture tenements.



Significant results (>50ppm uranium) of the most recent sampling programme are listed in adjacent table.

Further Work Planned

Montezuma is encouraged by both the style and tenor of uranium grades being consistently returned from this project, and intends to continue to actively explore the ground for economic occurrences.

In addition to the uranium work, continuing data review of historical work has identified several areas with significant gold potential which will be a key focus of future work in tandem with the planned work at the recently acquired gold focussed Mt Padbury Project.

Sample ID	Easting	Northing	U (ppm)
684563	623988	7169726	184
684571	625306	7172097	87
684572	625306	7172097	282
684574	625306	7172097	332
684575	625287	7172083	890
684576	625287	7172083	958
684577	625287	7172083	1070
684579	625262	7172105	762
684580	625273	7172080	736
684581	625273	7172080	408
684583	625193	7172050	371
684587	625191	7172006	50.9
	> 100 ppm uranium		
	> 300 ppm uranium		

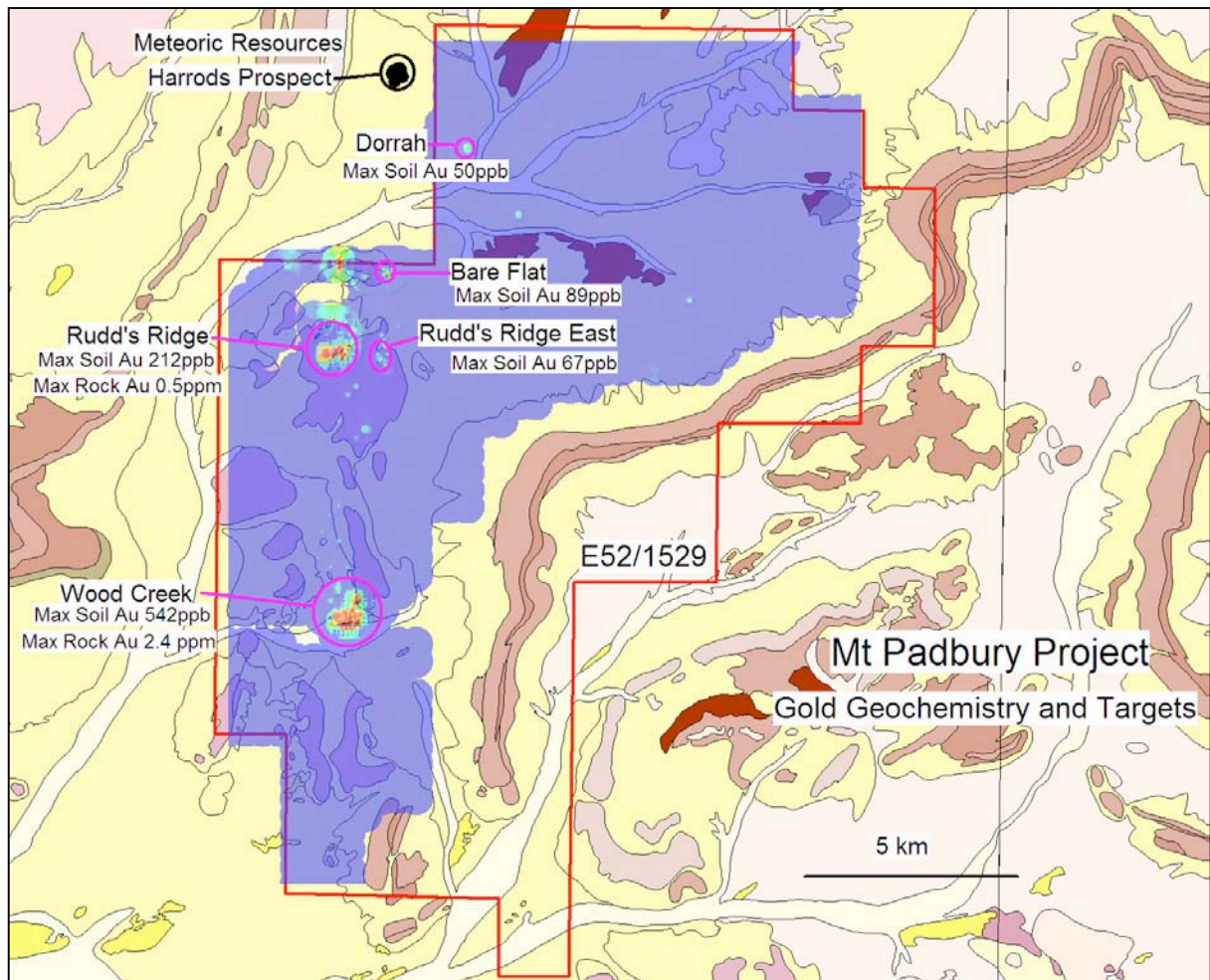
The project is located approximately 125 km north of Meekathara in Western Australia. Montezuma has a controlling interest in the Joint Venture and has acquired 70% ownership of the merged tenure by committing to a minimum of \$0.5M exploration expenditure over three years. Greater Pacific Gold has a 30% interest in the merged tenement holdings, free carried to a Bankable Feasibility Study.

MT PADBURY (MONTEZUMA 90%)

During the quarter the Company successfully negotiated an arrangement with Independence Group NL to acquire a 90% interest in the Mt. Padbury Project by meeting minimum expenditure commitments for two years. Dolphin Resources Pty Ltd will retain a 10% free carried interest.

The project lies approximately 100km north of Meekathara and 30km west of the Peak Hill gold mine in Western Australia. The project abuts the eastern boundary of Montezuma's Robinson Range Uranium JV. The Mt. Padbury Project comprises one exploration licence E52/1529 covering approximately 214 km².

Previous work over the project has included comprehensive surface geochemical sampling and RAB testing of the resulting gold anomalies at Rudd's Ridge, Rudd's Ridge East, Bare Flat and Wood Creek.



The Wood Creek prospect has returned the best results to date, with a surface anomaly extending over 800m X 400m coincident with a northwest trending regional structure. Gold mineralization at Wood Creek has been defined by RAB drilling over a strike length of approximately 400m, open to the southeast and northwest. The mineralized envelope is approximately 200m wide in the central section, suggesting excellent potential for a significant mineralized system.

The Wood Creek Prospect is progressively covered along strike to the southeast by material shedding from the Robinson Ranges, and it is likely that any surface geochemical anomalism is masked in that direction. This means that mineralization could continue beyond the boundary of the current soil anomaly.

RAB Drilling results to date from Wood Creek include:

- WCRB012 4m @ 2.95 g/t Au from 3m (incl. 1m @ 9.2 g/t Au)
- WCAC069 6m @ 1.95 g/t Au from 28m (incl. 2m @ 3.48 g/t Au)
- WCRB014 1m @ 5.11 g/t Au from 8m
5m @ 1.11 g/t Au from 11m
- WCRB018 11m @ 1.36 g/t Au from 8m (incl. 5m @ 2.06 g/t Au)

- WCRB021 2m @ 2.12 g/t Au from 1m
 2m @ 2.41 g/t Au from 19m

Average drilling depth to date is approximately 30m and numerous holes finish in mineralization. Montezuma is of the view that results to date warrant testing at depth and intends to commence an RC programme to further test this target as soon as practicable.

The Company further intends to incorporate this newly acquired project into its exploration programme for uranium on the neighbouring Robinson Range Uranium JV.

TALGA (MONTEZUMA 90%)

Montezuma announced during the quarter encouraging gold in soil results from the Talga Project in the east Pilbara region. Sampling on a 200 X 25m spacing over an initial 8 km² section of tenement E45/2680 has returned highly encouraging gold results with the programme defining two coherent intersecting gold anomalies with a peak value of 306 ppb. Regional background gold levels are less than 5 ppb.

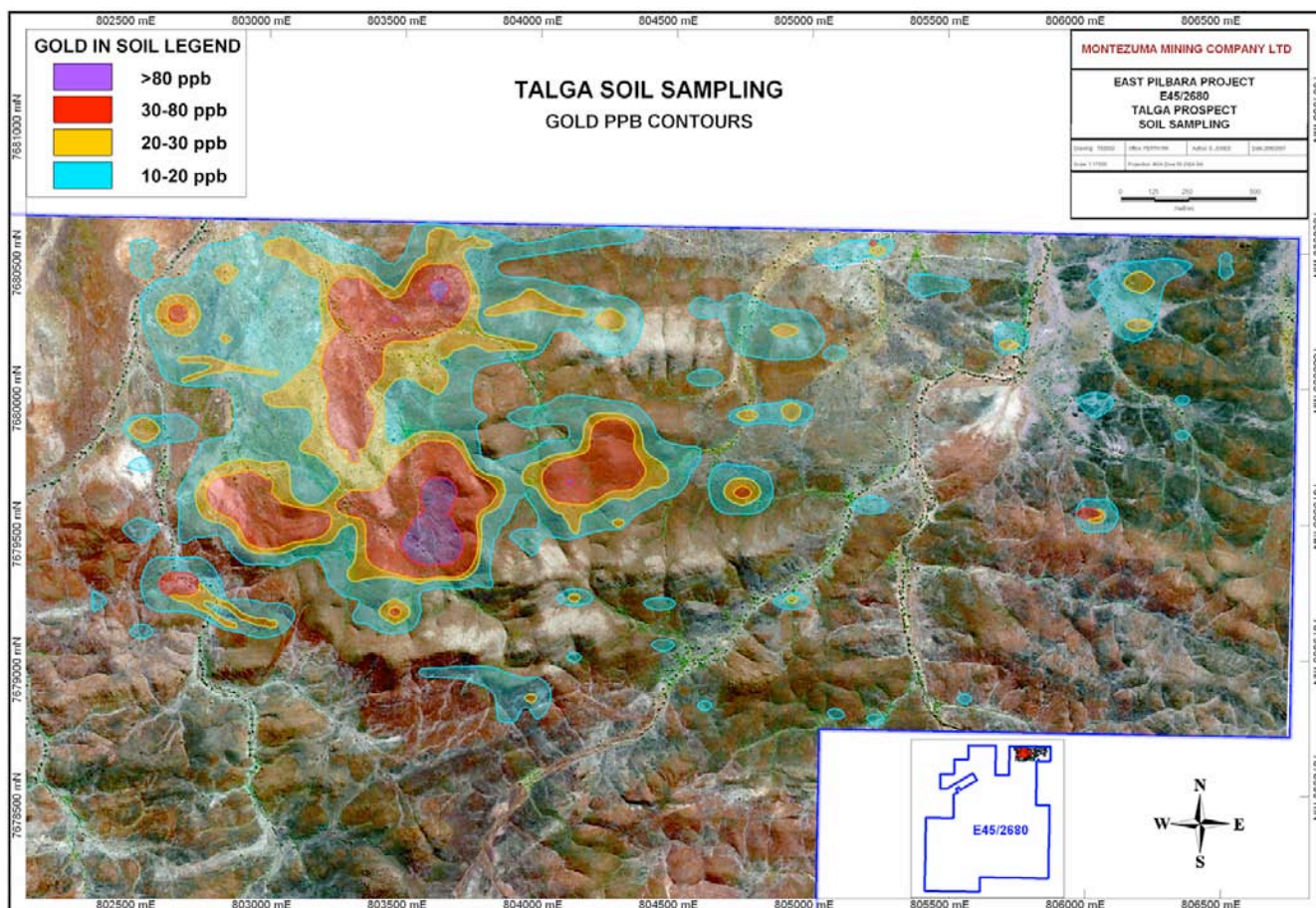
The anomalism overlies a portion of a prospective corridor covering some 15km of strike between the Talga Talga gold mining centre to the immediate west of Montezuma's ground and the high grade drill intercepts announced by Mining Projects Group Ltd from work to the immediate east of the tenement, including 7m @ 3.78 g/t Au from surface.

Montezuma's lease covers some 10 km of strike over this mineralised corridor of which the current programme has tested approximately half. Follow up soils are planned to test the remaining ground within this zone and results will be announced as they become available.

A geological review of the results indicates that the strongest anomalism is associated with the contact between the Archean volcanic and sedimentary stratigraphy and a later granite intrusive. Montezuma believes this to be a very encouraging geological setting with the potential for large scale mineralisation and intends to drill-test these encouraging new targets as soon as practicable.

The following diagram shows the position, scale and tenor of the anomalism.

The Talga Project comprises a single exploration licence E45/2680 covering 224 km² located approximately 23 km east-north-east of Marble Bar in Western Australia. Montezuma holds a 90% beneficial interest in the tenement excluding tin, tantalum and lithium.



CALLAWA (MONTEZUMA 100%)

During the quarter, the Department of Industry and Resources granted exploration licence E45/2927. Montezuma intends to immediately commence work to follow up exciting high grade surface copper results defined from reconnaissance surface sampling. The licence is located approximately 100km northeast of Marble Bar in the East Pilbara region. The area has had no previous exploration.

Previous sampling at the Callawa Project confirmed extensive high grade copper mineralisation over a strike length of at least 100m, with the surrounding extensions of the system masked by a thin layer of transported cover. A total of five samples taken along the exposed interval returned an average 11.1% copper.



The mineralisation occurs near the margin of an ultramafic xenolith within granites of the Warrawagine complex. The surface mineralisation comprises secondary copper dominated by malachite within highly altered quartz mineralised and sheared/brecciated host rock. The degree of alteration observed in the samples is indicative of the potential for this to be a part of a major mineralised system. Further encouragement is provided by the moderate to strong associated gold and silver mineralisation up to 102 ppb and 46 g/t respectively.

Given the very high grade copper values, and the potential for the mineralised zone to be significantly expanded through low cost follow up work, the Company regards the Callawa Project as a high priority component of our tenement portfolio and intend to follow up these results with an aggressive exploration programme as soon as statutory clearances are obtained to commence drilling of the immediate high grade target as well as regional work to look for additional analogues.



BUXTON RESOURCES VENDOR AGREEMENT

The Board is pleased to announce that Montezuma has entered into a vendor agreement with Buxton Resources Pty Ltd. The key terms of the agreement are as follows:

- Montezuma to receive two million fully paid shares in Buxton Resources, with a projected value on listing of \$400,000.
- Montezuma to vend 100% of its 90% interest in the Western Shaw Project and 90% of the wholly owned Eelya Hill Project into Buxton Resources in return for the vendor shares.

Montezuma to retain a 10% interest in the Eelya Hill Project free carried to a BFS. Given the rapid expansion of the Company's tenement portfolio, and our recent entry into the Robinson Range Uranium JV, the Board feels that this vendor arrangement presents the best way to ensure that these projects are adequately explored and that value is generated for Montezuma shareholders.

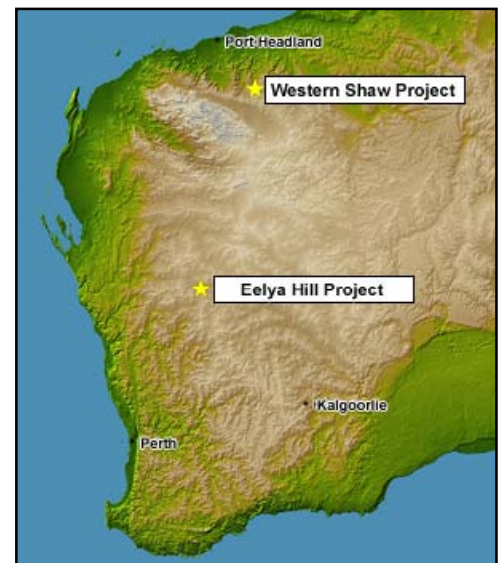
Eelya Hill

The Eelya Hill Project comprises two tenement applications approximately 25km 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.

Western Shaw

The Western Shaw Project The Western Shaw Project comprises a large exploration license covering approximately 178 km² at the southern end of the Soanesville (Strelley) Greenstone Belt approximately 100 kilometres southwest of Marble Bar.



The tenement covers a large area of mafic and ultramafic sequences and is potentially prospective for gold and/or nickel mineralisation.

Buxton Resources

Buxton is headed by a high calibre Board of Directors bringing high level technical expertise and corporate experience to the new venture. The board is as follows:

- **Mike Ivey** - Chairman
- **Ron Smit** – Managing Director
- **Graeme Smith** – Non-executive Director and Company Secretary

Montezuma is pleased to back their expertise in unlocking the potential of the two vended projects, and is looking forward to having exposure to the other projects in their portfolio via our shareholding in the new company.

In addition to the gold and base metals potential of Western Shaw and Eelya Hill, Buxton has an excellent portfolio of projects including a Tropicana analogy at the Dempster Project, and demonstrated potential for nickel mineralisation at the Warrawarda Project.

Buxton has advised that they are intending to list in August 2007 after raising \$5,000,000 by issuing 25,000,000 shares at \$0.20 via their IPO.

The Board encourages Montezuma shareholders to consider subscribing for shares in Buxton to continue their exposure to both the vended projects and the to the potential for multi-commodity mineralisation in the other projects in Buxton's portfolio.

PLACEMENT

The Board has resolved to raise 3 million dollars by issuing 10,000,000 shares at 30 cents pursuant to a prospectus to be lodged on or about July 25 2007. The placement is subject to shareholder approval at an Extraordinary General Meeting on 23 July 2007.

Justin Brown

Managing Director

Montezuma Mining Company Ltd

Phone: +61 8 9228 4833

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.