

**3 October 2007**

ASX CODE: MZM

ISSUED SHARES: 36.9M

52 WEEK HIGH: \$0.36

52 WEEK LOW: \$0.16

**CONTACT:**

Justin Brown

Managing Director

+61 8 9228 4833

**BOARD:**

Denis O'Meara: Chairman

Terry Grammer: Non-Exec

Ian Cornelius: Non-Exec

**KEY PROJECTS:**

PEAK HILL (100%)

Gold

ROBINSON RANGE (70%)

Uranium, Gold

CALLAWA (100%)

Copper, Gold

TALGA (90%)

Gold, VMS

PILGANGOORA (90%)

Gold, Nickel

**RC DRILLING HAS COMMENCED AT THE PEAK HILL GOLD PROJECT**

- An RC drilling rig has arrived on site and commenced drilling to further extend the resources at the Jubilee Prospect.
- Programme to test several existing zones of mineralisation at Jubilee with previously reported results of up to 590 g/t Au over a metre.
- Programme will also target several new target areas.
- On completion of the initial 3,000m programme, the rig will mobilise to test the Wood Creek Prospect at Mt Padbury.

Montezuma is pleased to announce that an RC rig has commenced the first drilling programme at the Peak Hill Project since Montezuma completed the acquisition of the tenements from Barrick and Rio.

The initial 3,000m programme will test extensions to previously defined zones of mineralisation at the Jubilee Prospect including in-ground intersections of up to 590 g/t gold over a metre and composite intersections including 5m @ 201.74 g/t and 10m @ 14.83 g/t.

In addition to the known mineralised areas, the programme will also test several new target areas where previous workers have identified but not followed up on clear drill-ready targets.

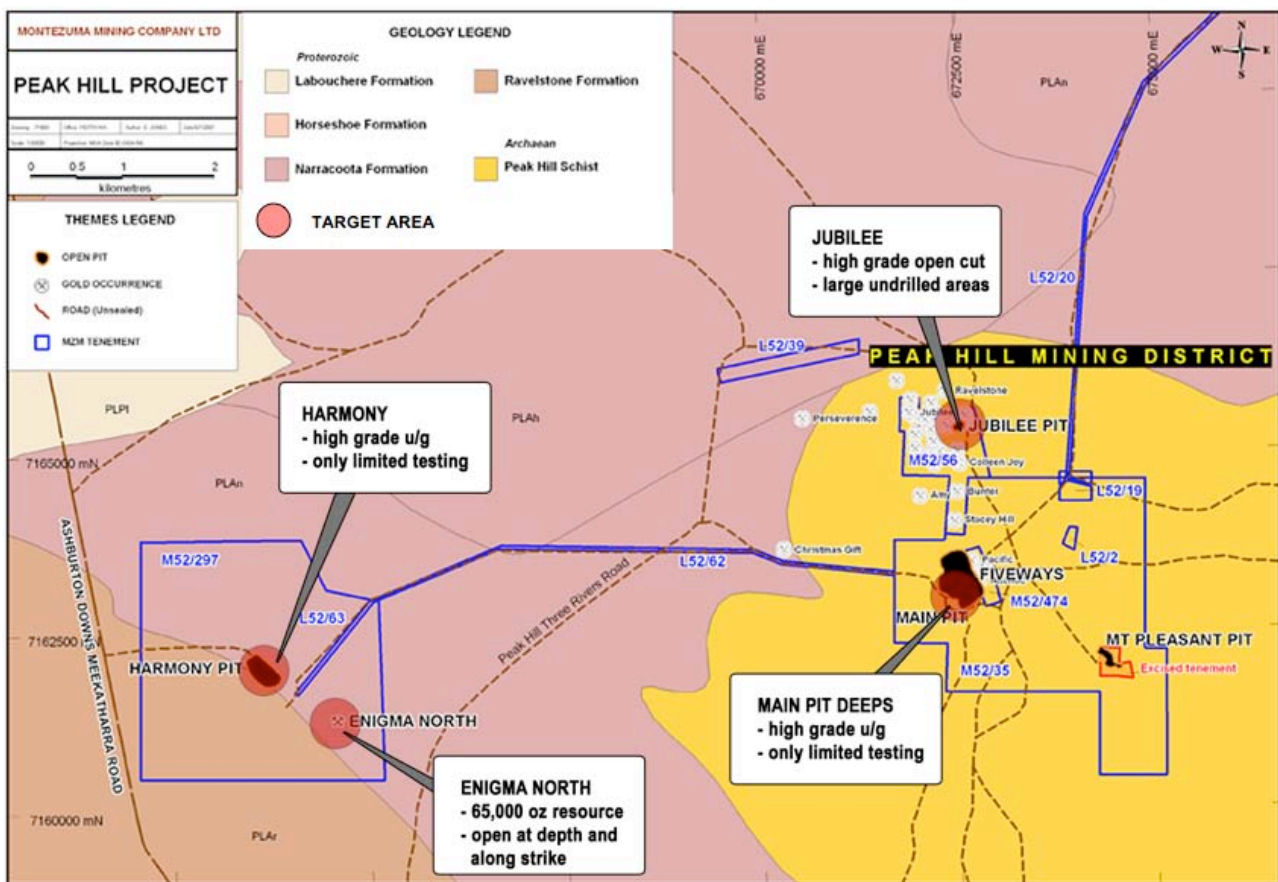
Following the completion of this initial programme at Peak Hill, the rig will move to the Mt Padbury Project approximately 40km to the west of Peak Hill.

At Mt. Padbury, the rig will complete a first pass programme to test the continuity of mineralisation at the Wood Creek Prospect, where previous workers have outlined a significant zone of mineralisation through RAB testing of a gold in soil anomaly.

Work at Wood Creek has only tested the mineralisation to around 30m depth with numerous holes ending in mineralisation. The Prospect has the potential to host a significant gold resource that would add to any future production scenario at Peak Hill.

It is anticipated that these initial programmes will generate significant intersections and that immediate follow up work will be undertaken commensurate with the results achieved. Drilling is also currently being planned at several other Peak Hill target areas including the Main Pit Deeps, the Harmony deposit and the Enigma North resource.

In addition to the work at Peak Hill and Mt. Padbury, negotiations are currently underway to get a drilling rig to undertake first pass testing of the virgin Callawa Prospect in the East Pilbara region of Western Australia. Surface sampling at Callawa has previously returned results of up to 29% copper with significant associated gold and silver anomalism. This target has never been drilled.



**Justin Brown**

**Managing Director**

Montezuma Mining Company Ltd

*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 Mining & Metallurgy. 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.*