

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Montero Mining and Exploration Ltd.
20 Adelaide Street East, Suite 400,
Toronto Ontario
M5C 2T6

Item 2 Date of Material Change

March 5, 2012

Item 3 News Release

The press release attached as Schedule A was released on March 5, 2012.

Item 4 Summary of Material Change

The material change is described in the press release attached as Schedule A.

Item 5 Full Description of Material Change

The material change is described in the press release attached as Schedule A.

Item 6 Reliance of subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Antonia Chapman
Chief Financial Officer
Montero Mining and Exploration Ltd.
647 998-8730

Item 9 Date of Report

March 5, 2012

SCHEDULE A



Montero produces first samples of Rare Earth saleable products from the Wigu Hill Rare Earth Project in Tanzania.

- Samples of Rare Earth saleable chemicals have been produced for marketing purposes from the Wigu Hill deposit.
 - Mixed Rare Earth Carbonate, Oxalate and Hydroxide have been produced.
 - Cerium Hydroxide has been produced.
- Potential off-take customer evaluations are underway.

Toronto, Ontario (March 5th, 2012): Montero Mining and Exploration Ltd. (TSX.V: MON) ("Montero") is pleased to announce that the first samples of concentrated Rare Earth chemical grade products have been produced from bastnaesite-rich carbonatite material from the Wigu Hill Rare Earth Project in Tanzania. The products produced include a Mixed Rare Earth Carbonate, Oxalate and Hydroxide and importantly an individual Cerium Hydroxide product.

Montero has successfully completed a 3rd phase Hydro-metallurgical testwork at Mintek in South Africa. The aim was to assess the design efficiencies of a multiple leach process and to produce a Mixed Rare Earth product for assessment by potential off-take partners. This process design has been successfully tested on both a laboratory and bulk scale. On the completion of the bulk scale leach, Mintek tested product precipitation processes on the mixed rare earth chloride solutions. The precipitation process tests were successful resulting in the production of the following marketable products;



- Cerium Hydroxide (e.g., $\text{Ce}(\text{OH})_4$)
- Mixed Rare Earth Hydroxide (La+Pr+Nd+Sm+ Heavies)
- Mixed Rare Earth Carbonate (Ce+La+Pr+Nd+Sm + Heavies)
- Mixed Rare Earth Oxalate (Ce+La+Pr+Nd+Sm+ Heavies)

Dr. Tony Harwood, President and Chief Executive Officer of Montero commented, *"The production of samples of Mixed Rare Earth and Cerium chemical products for marketing purposes is a major milestone as it will enable Montero to enter into advance discussions with off-take partners able to assist in the financing of mine and refinery operations. Advancing the hydro-metallurgical flowsheet established by Montero and Mintek puts us on track to de-risk the project and is a significant milestone in achieving early production from the Wigu Hill Project."*

The Cerium hydroxide was produced using standard chemical separation processes and it may be possible to further upgrade the product specification for additional sales value add. **The "up-front" recovery of Cerium from the Leach plant solutions will simplify the down-stream refining process and potentially reduce the refinery capital and operating costs.** Further investigation with Mintek into the production of other value-added products is on-going, including the extraction of a potentially saleable Strontium chemical product.

Montero now has a process route to produce high value rare earth chemical products for potential sale. The production of these basic commercial-level samples represents a major accomplishment in demonstrating a viable hydrometallurgical process route for the extraction of the rare earth chemicals from Wigu Hill.

To view a photograph of the samples produced from the testwork completed by Mintek, please visit:

<http://www.monteromining.com/projects/pdf/rareearthsamples.pdf>

Montero's marketing efforts are headed by Richard Amata who has over 20 years of specialty chemicals and rare earth experience, including positions at Molycorp Minerals, Blue Line Corporation and Rhodia and manages Montero's Technology Development and sales research program to match production with customer requirements. Richard is undertaking discussions with interested off-take groups and customers in Asia, Europe, the Middle East, and the Americas are targeted.

The hydrometallurgical testwork continues to advance with Mintek, including further optimization tests (see News Release dated 5/12/2011) and development work to enhance the work to date and generate high purity Rare Earth products for sale. A report on the results of the Stage 1 Refinery Testwork, which includes results on leaching tests completed to date, is expected in Q2 2012. This report will provide sufficient data to form the Design Basis for a Pre-Feasibility Study.

Qualified Person's Statement

The technical information contained in this press release has been reviewed by Mr. Mike Evans, M.Sc. Pr.Sci.Nat., who is a qualified person for the purpose of National Instrument 43-101 and a consulting geologist to Montero.

About Montero Mining & Exploration

Montero Mining and Exploration Ltd. is a mineral exploration and development company engaged in the identification, acquisition, evaluation and exploration of mineral properties primarily focused on rare earth elements (REE), and with phosphates and uranium assets in Tanzania, South Africa and Quebec, Canada, respectively. Montero is focused on adding value for all shareholders through the acquisition and exploration on properties, which have the highest potential for future discoveries or development of existing mineral resources into mineable reserves. We remain engaged in the development of our flagship Wigu Hill Rare Earth Element Project in Tanzania, which is a high-grade, undeveloped Light Rare Earth Element deposit. The Company's current focus is on updating the initial NI 43-101 Mineral Resource Estimate and advancing the hydro-metallurgical testwork with Mintek. With the rising prices of REEs and China's control over export quotas, it is becoming imperative that the rest of the world develops new rare earth resources to meet the increasing demand from "green" technology and high-tech applications.

Montero's growth strategy is to develop the Wigu Hill Rare Earth Element project and to bring this to account through eventual rare earth production and cash flow, while operating in an environmentally and socially responsible manner. We will continue to add value through the development of our portfolio of properties. Montero trades on the TSX Venture Exchange under the symbol MON.

Signed. **Dr. Tony Harwood** - President and CEO

For more information, contact:

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