FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Montero Mining and Exploration Ltd.
20 Bloorview Place, Suite 1704,
Toronto Ontario
M2J 0A6

Item 2 Date of Material Change

August 20, 2014

Item 3 News Release

The press release attached as Schedule A was released on August 20, 2014.

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

August, 20 2014

SCHEDULE A

Montero Secures Strategic Investor to Develop Phosphate Properties in South Africa

Toronto, Ontario (20 August, 2014): Montero Mining and Exploration Ltd. (TSX.V: MON) has entered into an agreement with Ovation Capital to fund development of Montero's phosphate properties in South Africa. Ovation Capital is a South African based investment firm that is currently developing a portfolio of mineral beneficiation projects focusing on a targeted set of industrial minerals.

Ovation shall earn a 30% interest in Montero's phosphate properties by completing a Pre-Feasibility Study and a Feasibility Study for an integrated phosphate rock and phosphoric acid operation at Saldanha Bay, South Africa. Ovation has mandate agreements with Outotec and Sebata Group to complete these studies within a 2 year period. A definitive agreement is currently being finalized and is subject to legal and technical due diligence, as well as regulatory approvals.

> Dr. Tony Harwood, President and Chief Executive Officer of Montero commented, *"Our partnership with Ovation provides Montero with a strong foundation to develop and advance our South African phosphate assets in order to produce phosphate rock and then further beneficiate these to produce phosphoric acid. Ovation and its partners have a wealth of expertise in the mining, beneficiation and environment studies with mandates with Outotec and Sebata Group to conduct pre-feasibility and feasibility studies."*

In 2012 Montero completed a compliant Preliminary Economic Assessment ("PEA") of the Duyker Eiland project (see news release dated 28/02/2012 and filing of PEA on Sedar on 13/04/2012). Duyker Eiland is the first of Montero's phosphate assets set to be advanced to feasibility.

Qualified Person's Statement

Turgis Consulting, now Royal Haskoning DHV – Mining, is a Johannesburg based engineering consultancy. The PEA team was headed by Sten Johansson (MSAIMM), a Process Engineer and Andrew Pooley (FSAIMM) is a Mining Engineer who covered the mining aspects of the PEA, both are qualified persons for the purpose of National Instrument 43-101. The technical information contained in the PEA and in this press release was 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. These include rare earth elements (REE) in Tanzania and phosphates in South Africa. Montero remains focused on bringing in a strategic investor for the further development of the Wigu Hill Rare Earth Element Project in Tanzania, which is a high-grade, undeveloped Light Rare Earth Element deposit. Montero has entered into an agreement to develop its portfolio of phosphate properties in South Africa with Ovation Capital. 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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