



## Montero Announces Proposed Private Placement, Share Consolidation and Debt Settlement

*NOT FOR DISSEMINATION IN THE UNITED STATES OR OVER UNITED STATES NEWSWIRE SERVICES*

**Toronto, Ontario – May 12, 2017** – Montero Mining and Exploration Ltd. (TSX-V: MON) (“**Montero**” or the “**Corporation**”) is pleased to announce that it intends to complete a non-brokered private placement of up to 20,000,000 special warrants (the “**Special Warrants**”) at a price of \$0.025 per Special Warrant (the “**Subscription Price**”) for gross proceeds to the Corporation of up to \$500,000 (the “**Offering**”). Each eight (8) Special Warrants are exercisable into one (1) common share (a “**Common Share**”) if the Consolidation Condition (as herein defined) is satisfied on or before September 30, 2017. The Offering is expected to close on or before May 31, 2017. All amounts represented as “\$” are Canadian Dollars.

The Offering is being made pursuant to the grant of a “discretionary waiver” of the TSX Venture Exchange’s (“**TSXV**”) minimum \$0.05 pricing requirement (the “**Waiver**”) and is subject to acceptance by the TSXV. With respect to the Waiver, the Corporation intends to conduct a share consolidation of its outstanding Common Shares on the basis of a minimum of one (1) post-consolidation Common Share for each eight (8) pre-consolidation Common Shares (the “**Share Consolidation**”), or such other ratio as may be agreed in writing by the Corporation and the subscribers to the Offering (the “**Consolidation Condition**”) which would result in a post-consolidation conversion price equal to or greater than \$0.05 per Common Share on or before September 30, 2017 (the “**Consolidation Deadline**”).

If the Consolidation Condition is satisfied on or before the Consolidation Deadline, the Special Warrants shall be deemed to be exercised for no further consideration (without any further action on the part of the Special Warrant holders) at 5:00 p.m. (Toronto time) on the date of the Consolidation Condition. However, if the Consolidation Condition is not satisfied on or before the Consolidation Deadline, the Special Warrants shall be redeemed at the Subscription Price with interest payable at the rate of 10% per annum.

Montero intends to use the net proceeds from the Offering for general working capital purposes.

Completion of the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including shareholder approval of the Share Consolidation at the annual and special meeting of shareholders to be held on June 30, 2017 (the “**Meeting**”) and the approval of the TSXV and the securities regulatory authorities. The securities issued and issuable pursuant to the Offering will be subject to a four month and one day statutory hold period.

### **Debt Settlement**

The Corporation announces that it intends to complete a debt settlement transaction (the “**Debt Settlement**”) with certain creditors (“**Creditors**”), including Creditors who are related parties of the Corporation, providing for the settlement of approximately \$821,436 of its outstanding debts, which will be settled through the issuance of an aggregate of 32,857,440 Special Warrants of the Corporation at a deemed issue price of \$0.025 per Special Warrant. The Debt Settlement is subject to regulatory approval. The Corporation expects to complete the Debt Settlement shortly after such approvals are obtained.

Certain Creditors who are related parties of the Corporation will participate in the Debt Settlement. Global Mining Services Ltd., a corporation in which Antony Harwood, the President, Chief Executive Officer, and a director of the Corporation has beneficial interests, will settle \$64,777 in debt in exchange for 2,591,080 Special Warrants; Criss Cross Inc., a corporation of which Antonia J. Chapman, the CFO, Corporate Secretary, and a director of the Corporation, is a director and 100% beneficial owner, will settle approximately \$29,162 in debt in exchange for 1,166,480 Special Warrants.

Pursuant to the Debt Settlement, the Corporation will also settle loans in the amount of \$537,413 with accrued interest payable in the amount of \$108,545, representing an aggregate amount of \$645,958. The loans are unsecured, and bear an interest at 12% per annum. Global Mining Services Ltd. will settle \$155,969 in debt in exchange for 6,238,760 Special Warrants; Zander Investing Limited, a corporation in which Dr. Harwood has beneficial interests will settle \$187,688 in

debt in exchange for 7,507,520 Special Warrants; Dr. Harwood will personally settle \$5,508 in debt in exchange for 220,320 Special Warrants; and Andrew Thomson, a director of the Corporation will personally settle \$20,000 in debt in exchange for 800,000 Special Warrants (Global Mining Services Ltd., Criss Cross Inc., Zander Investing Limited, Mr. Thomson, Ms. Chapman and Dr. Harwood, the “**Related Creditors**”). The Corporation will also settle \$276,793 in debt in exchange for 11,071,720 Special Warrants to a non-related party.

The participation in the Debt Settlement by the Related Creditors constitutes a “related party transaction” as such terms are defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), requiring the Corporation, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the “related party transaction”. The Corporation is relying on an exemption from the formal valuation requirements of MI 61-101 available because no securities of the Corporation are listed on specified markets, including the TSX, the New York Stock Exchange, the American Stock Exchange, the NASDAQ or any stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. The Corporation is also relying on the exemption from minority shareholder approval requirements set out in MI 61-101 as the fair market value of the participation in the Debt Settlement by the Related Creditors does not exceed 25% of the market capitalization of the Corporation, as determined in accordance with MI 61-101.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

#### **About Montero**

Montero is a mineral exploration and development company engaged in the identification, acquisition, evaluation and exploration of mineral properties in Africa. Currently these include phosphates in South Africa and rare earth elements (REE) in Tanzania. Montero has entered into agreement to develop its portfolio of phosphate properties with Ovation Capital in South Africa and remains focused on attracting a strategic investor for the further development of the Wigu Hill Rare Earth Element Project in Tanzania. Montero is reviewing and evaluating other opportunities from its operating base in South Africa. Montero trades on the TSX Venture Exchange under the symbol MON.

#### **For more information, contact:**

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

*CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain “forward-looking information” within the meaning of applicable Canadian securities laws. Forward looking information includes, but is not limited to, statements, projections and estimates with respect to the Debt Settlement. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Such information is based on information currently available to Montero and Montero provides no assurance that actual results will meet management’s expectations. Forward-looking information by its very nature involves inherent risks and uncertainties that may cause the actual results, level of activity, performance, or achievements of Montero to be materially different from those expressed or implied by such forward-looking information. Actual results relating to, among other things, approval and completion of the Debt Settlement, results of exploration, project development, reclamation and capital costs of Montero’s mineral properties, and Montero’s financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as: changes in general economic conditions and conditions in the financial markets; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with Montero’s activities; and other matters discussed in this news release and in filings made with securities regulators. This list is not exhaustive of the factors that may affect any of Montero’s forward-looking statements. These and other factors should be considered carefully and accordingly, readers should not place undue reliance on forward-looking information. Montero does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*