



Montero seeks CAD\$ 90,000,000 in Damages from the Tanzanian Government for Expropriation of the Wigu Hill project

Toronto, Ontario – July 28, 2022 – Montero Mining and Exploration Ltd. (TSX-V: MON) ("**Montero**" or the "**Company**") provides an update on its fully funded arbitration proceedings against the United Republic of Tanzania ("**Tanzania**") over the expropriation of the Wigu Hill Rare Earth Element Project before International Centre for Settlement of Investment Disputes' ("**ICSID**"), part of the World Bank group.

Montero submitted its Memorial on the Merits ("**Memorial**") to the ICSID arbitral tribunal in May 2022 as per the time schedule agreed by the parties and the tribunal. The Memorial contains the basis for compensation to Montero for CAD\$ 90 million including interest up until May 2022, which interest continues to accrue. The damages claimed are for Tanzania's unlawful expropriation and mistreatment of Montero's investment, this is in breach of the Agreement between the Governments of Canada and Tanzania for the Promotion and Reciprocal Protection of Investments ("**BIT**") signed in 2013.

Dr Tony Harwood, President and CEO of Montero commented: *"Montero has submitted a claim to the ICSID for damages of CAD\$ 90 million. The Company has made repeated attempts to work with Tanzanian Government to reach an amicable settlement without success, while the discovery and development of the Wigu Hill project has created significant value for Tanzania. We are committed to pursuing fair treatment of our shareholders and a return on our substantial investment of time and money in Tanzania through a fully funded arbitration process governed by ICSID, a part of the World Bank."*

Background to Claims

Montero commenced exploration activities on the Wigu Hill Rare Earth Element project in March 2008 under a Prospecting License and spent over CAD\$ 15.5 million on discovery and development of the project. In 2015 a five-year Retention License was awarded by the Tanzanian Government on the property. The Wigu Hill Retention License was expropriated by the Tanzanian Government in 2018 when the Mining (Local Content) Regulations 2018, cancelled all previously issued Retention Licenses. Since that time Montero has made repeated attempts to reach an amicable solution with the Government with no success.

Montero filed a request for arbitration with the ICSID on January 8, 2021. On February 9, 2021, ICSID registered Montero's request for the institution of arbitration proceedings to resolve the illegal expropriation matter. The arbitral tribunal was constituted on November 18, 2021, with the appointment of the President, and appointees from Montero and Tanzania.

Montero has retained Mr. Thierry Lauriol of Jeantet AARPI as legal counsel and Dr. Neal Rigby of SRK Consulting (US) Inc. as quantum expert. Mr. Lauriol is highly experienced in international arbitration and has an excellent track record of achieving successful outcomes for clients in Africa. Dr. Rigby has acted in this capacity and as mining and valuation expert in many international mining disputes that have been resolved through ICSID arbitrations. Montero also secured dispute funding from Omni Bridgeway, a leading global dispute funder.

Montero is one of a number of companies that have filed arbitration procedures with ICSID against the Government of Tanzania for the expropriation of Retention Licenses. These include Winshear Gold Corp. with a claim of CAD\$ 124 million (<https://winshear.com>) for the loss of the SMP Gold Project and Indiana Resources Limited with a claim of AUD\$ 127 million for the loss of the Ntaka Hill Nickel Project (<https://indianaresources.com.au>).

Next Steps

According to the arbitral tribunal's Procedural Order No 1 dated February 18, 2022, Tanzania will respond to Montero's Memorial by October 2022, after which a new round of written submissions will follow in Q2 and Q3 2023.

For further information, please see the Montero recent press releases (PR134 dated 12 April 2022, PR132 dated 29 November 2021 and PR119 dated 8 January 2021) and the ICSID website:

(<https://icsid.worldbank.org/services/arbitration/convention/process/overview>).

Qualified Person's Statement

This press release was reviewed and approved by Mr. Mike Evans, M.Sc. Pr.Sci.Nat., a qualified person for the purpose of National Instrument 43-101. It has also been reviewed by Mr Thierry Lauriol, *avocat à la cour* (Paris, France).

About Montero

Montero is a junior exploration company focused on finding, exploring, and advancing globally significant gold, silver, and base metal deposits in Chile. Montero's board of directors and management have an impressive track record of successfully discovering and advancing precious metal and copper projects. Montero trades on the TSX Venture Exchange under the symbol MON and has 38,647,485 shares outstanding.

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