



Montero identifies an Inferred Mineral Resource of 32.8 M tonnes grading 7.15% P₂O₅, capable of producing an acid-grade phosphate concentrate of 33% P₂O₅ to 35% P₂O₅ at the Duyker Eiland Project, South Africa

Toronto, Ontario (November 16th, 2011): Montero Mining and Exploration Ltd. (TSX.V: MON) ("Montero") announces the completion of an independent NI 43-101 compliant Mineral Resource Estimate of the sedimentary phosphate deposit at the Duyker Eiland project. The project is located in the Western Cape Province, South Africa, approximately 18km north of Vredenburg and 140km north-northeast of Cape Town. The Port of Saldanha, which has handled cargo in excess of 45 M tonnes annually, is 30km to the south. Local industrial infrastructure is excellent, with activities including transport, manufacturing and communications.

A total Inferred Mineral Resource of 32.8 M tonnes at a grade of 7.15% P₂O₅ has been outlined from the preliminary drilling program of 26 boreholes (613 m). Preliminary metallurgical test work has indicated that an acid-grade phosphate concentrate of 33% P₂O₅ to 35% P₂O₅ (72.1% BPL to 76.5% BPL*) can be produced by flotation. **The phosphate content of concentrate is often expressed as Tricalcium Phosphate and traditionally referred to as BPL or bone phosphate of lime (BPL = P₂O₅ x 2.1853).*

The independent resource estimate was prepared by AMEC Earth & Environmental (UK) Limited (AMEC) and has an effective date of 27th September 2011.

*Dr. Tony Harwood, President and Chief Executive Officer of Montero commented, "We are excited to report an initial Inferred Mineral Resource of **32.8 M tonnes at 7.15% P₂O₅ at Duyker Eiland** and pleased to note that early metallurgical test work indicates that a saleable acid-grade concentrate can be produced by flotation. Our primary focus is the development of our flagship Wigu Hill Rare Earth Project in Tanzania as we focus on bringing this to the mining and production stage, however the phosphate assets were acquired to create value and provide the Company with secondary properties with equally short resource definition profiles to provide cash flow through the production potential of the assets."*

Overview

The Mineral Resource Estimate was estimated by AMEC using assay results from 26 Reverse Circulation (RC) drill holes and is reported according to CIM Definition Standards (2010).

During the 2011 due diligence exploration campaign, Montero drilled 32 holes at the Duyker Eiland Project. Of these, six holes were abandoned due to equipment failure and low recovery issues, and 26 vertical holes, totaling 613m (23.6m average) were drilled on a 400m by 200m grid pattern. Due to difficulties in recovering the unconsolidated sand material, drilling used the dry RC method. The sampling interval was 1m.

Three phosphate-rich horizons, Lower, Middle and Upper Zones have been identified and in general present good continuity within a 2.0km (north-south) by 1.5km (east-west) area, although the horizons are not equally represented. The Middle Zone is present in most of the area, the Upper Zone was identified in the eastern half and in one drilling line in the western half, and the Lower Zone is constrained to a 200m to 500m wide, north-south oriented band on the eastern half of the Property.

No density determinations were conducted, mainly due to the disintegrated nature of the recovered material. For the purposes of resource estimation, a bulk density value of 1.82 g/cm³ was assumed by analogy with a similar deposit located in the Western Cape area.

As a result of very unfavorable geological conditions encountered during drilling (the loose nature of the mineralized sands alternating with hard limestone horizons with dissolution cavities and minor compact sandstone levels), the sample recovery was poor. In spite of efforts to obtain acceptable recoveries, nearly 50% of the samples from mineralized horizons had recoveries lower than 60%. Recoveries were also poor in samples where P₂O₅ values exceeded 5%. Low recovery affected the sample representativity, resulting in potential sampling bias. Due to the lack of density determinations and the poor drilling recovery, the information from the 2011 campaign can be used to only estimate Inferred Mineral Resources.

Inferred Phosphate Mineral Resources, Effective Date 27 September 2011,

María-Angélica González, Senior Mining Engineer, Resource Modeller, R.M. (CMC)

Mineral Zone	Tonnage	Mean Thickness	P ₂ O ₅	MgO	CaO	Accumulation		
						P ₂ O ₅	MgO	CaO
	(Mt)	(m)	(%)	(%)	(%)	(m %)	(m %)	(m %)
Upper Zone	16.1	7.1	7.73	0.21	13.59	54.3	1.5	96.8
Middle Zone	7.5	6.4	3.66	0.08	6.51	23.3	0.6	42.6
Lower Zone	9.2	4.9	9.02	0.21	15.84	44.8	1.0	80.2
Total:	32.8	18.4	7.15	0.18	12.59	44.5	1.2	79.7

Notes to accompany the Inferred Phosphate Mineral Resource tabulation:

1. Blocks of the Middle Zone are classified as Mineral Resources if the blocks of the Lower Zone, located below in the column, qualify as mineral resources
2. Mineral resources are defined as blocks for which there is sufficient phosphate to pay for the stripping of the material column over them and reported at a 3.00% P₂O₅ cut-off grade
3. Mineral resources are reported using concentrate prices of USD\$140/t of phosphate concentrate; a mining recovery of 90%; a metallurgical recovery of 85%; a mining cost of USD\$5/t and a processing cost of USD\$10/t
4. Tonnages are rounded to the nearest 100,000t; grades are rounded to two decimal places and accumulations are rounded to one decimal place
5. Rounding as required by reporting guidelines may result in apparent summation differences between tonnages, grades and accumulations
6. Tonnage, grade and accumulation measurements are in metric units.
7. Accumulation (m%), or Grade Thickness, is the product of the grade (%) and thickness (m)

Metallurgical Testing

Preliminary flotation tests were conducted at the Centre for Mineral Research (Chemical Engineering Department, University of Cape Town), under the supervision of Turgis Consulting (Pty) Ltd.. The tests used a composite of material from the three mineralized zones, prepared from RC material from four holes. Early results indicate that an **acid-grade phosphate concentrate of 33% to 35% P₂O₅ (72.1% BPL to 76.5% BPL) can be produced by flotation**. By optimizing the flotation conditions, fair recoveries, probably in excess of 80%, could be achieved. The U₃O₈ content in flotation products ranged between 20 and 48 ppm.

Mineral Resource Estimate

AMEC estimated phosphoric anhydride (P₂O₅), calcium oxide (CaO) and magnesium oxide (MgO) grades, and also the thickness of the mineralized strata using the Inverse Distance (ID) estimation method. Five zones were modeled. The Upper and Lower Zones are the richest strata; the Middle Zone is a lower-grade stratum. The Overburden and Footwall are considered waste. One single composite per zone and drill hole was prepared, and 87 composites were generated for estimating purposes.

AMEC built a 2-D block model with regular dimensions of 5m x 5m in the eastern and northern directions. The block model extends over an area of 1.4km x 2.2km (3km² approximately). The thickness was interpolated for the five strata, while the grade interpolation was only carried out in the three mineralized strata: Upper, Lower and Middle Zones. Subsequently, accumulation was calculated for the strata, which had interpolated grades.

The inverse-distance squared method (ID²) was applied to estimate the grades, and the inverse-distance to the fourth power method (ID⁴) was used to estimate thickness. The accumulation of P₂O₅, CaO and MgO in mineralized zones was calculated by multiplying the grades by the thicknesses.

Resource Classification

Reasonable prospect of economic extraction was determined by applying an economic filter. The deposit is shallow, and AMEC reviewed which cells have enough phosphate to pay for the removal of the Overburden and Middle Zone waste.

AMEC assumed a phosphate price of USD\$140/t of phosphate concentrate, a mining recovery of 90%, a concentrate grade of 30% P₂O₅ (65.6% PBL), a metallurgical recovery of 85%, a mining cost of USD\$5/t and a processing cost of USD\$10/t. The USD\$140/t price is considered conservative, taking into consideration that the average price during the last five years for 70% BPL phosphate rock has been USD\$152/t (<http://www.indexmundi.com/commodities>). The phosphate cut-off grade calculated from these parameters was 3.00 % P₂O₅.

Risk/opportunity issues

The Property is at an early exploration stage. Key risks and opportunities identified were as follows:

The loose nature of the phosphate-rich material makes it difficult to obtain good recoveries with conventional drilling methods. Future drilling should consider a drilling method able to provide higher sample recoveries in this type of material, such as sonic drilling.

There is an upside potential of increasing the resource base by expanding the drilling program mainly to the north and west, the deposit remains open in those directions. In particular, historical information suggests the presence of significant phosphate mineralization at shallow depths to the north.

Future work programs

Montero plans to commence a Preliminary Economic Assessment in the later part of this year.

Quality Assurance/Quality Control (QA/QC)

The QC program implemented by Montero complied with the most stringent international standards. This program considered every aspect of the exploration process, and ensured the timely assessment of precision, accuracy and possible contamination. The sampling, sub-sampling and analytical precisions and accuracies for P₂O₅, CaO and MgO were within acceptable limits to support an Inferred Mineral Resource estimate. No significant P₂O₅ cross-contamination during sample preparation and assaying was identified. A review of the QA/QC results was completed by AMEC, who concluded that the results for P₂O₅ were acceptable for use in the estimation of an Inferred Mineral Resource. A discussion of the results will be incorporated into the Technical Report to be filed within 45 days.

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.

The independent resource estimate was prepared by AMEC and is reported according to CIM Definition Standards (2010). The Qualified Persons responsible for the preparation of the NI 43-101 technical report were Armando Simón, Ph.D. P.Ge. (AIG), R.P.Ge. (APGO) and María-Angélica González, (R.M. Commission Calificadora de Competencias en Recursos y Reservas Mineras), both employees of AMEC International Ingeniería y Construcción Limitada (Chile) and based in Santiago de Chile. Mrs. González is the Qualified Person responsible for the preparation of the Mineral Resource estimate.

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), phosphates and uranium in Tanzania, South Africa and Quebec, Canada. 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 further exploration drilling to add to our initial NI 43-101 Mineral Resource Estimate. 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

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