



## Montero announces closing of \$5.89 Million non-brokered Private Placement

**Toronto, Ontario (August, 3, 2011):** Further to its press releases dated July 5 and July 26, 2011, Montero Mining and Exploration Ltd. (TSX-V: MON) ("**Montero**") is pleased to announce the completion of its previously announced non-brokered private placement for gross proceeds of \$5,892,800 through the sale of 9,821,333 units (the "**Units**") at a price of \$0.60 per Unit (the "**Offering**").

Each Unit consists of one common share in the capital stock of Montero ("**Common Share**") and one-half (½) of one Common Share purchase warrant (each whole such warrant, a "**Warrant**"). Each Warrant entitles the holder to acquire one Common Share for \$0.80 until August 3, 2013. If the volume-weighted average share price of the Common Shares on the TSX Venture Exchange (the "**TSX-V**") is equal or greater than \$1.20 per Common Share for a period of 20 consecutive trading days at any time following the issuance of the Warrants, Montero may accelerate the expiry date of the Warrants by issuing a press release announcing the reduced Warrant term, whereupon the Warrants will expire on the 30<sup>th</sup> calendar day after the date of such press release.

In connection with the Offering, a 7% finder's fee was paid in cash to certain eligible finders and 666,493 finder's warrants ("**Finder's Warrants**") were issued equal to 7% of the number of Units placed by eligible finders pursuant to the Offering. Each Finder's Warrant entitles the holder to acquire one Unit for \$0.60 until August 3, 2013.

Montero intends to use the net proceeds from the Offering to fund continued exploration on Montero's Wigu Hill Rare Earth Project in Tanzania and for general working capital purposes. Trenching and drilling has been completed at the Twiga and Tembo targets at Wigu Hill and has yielded excellent results. A drill program is currently underway at the defined Tumbili target where early reconnaissance sampling confirms the consistent mineralization of the bastnaesite bearing carbonatite and indicates the potential for a sizeable Rare Earth Element ("**REE**") deposit. Exploration to date at Wigu Hill will form the basis of Montero's upcoming National Instrument 43-101 resource estimate.

All securities issued pursuant to the Offering are subject to statutory hold period until December 3, 2011.

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.

### 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 Limited is a mineral exploration and development company focused on the development of our flagship Wigu Hill Rare Earth Element Project in Tanzania. The Wigu Hill project is a high grade undeveloped Light Rare Earth Element deposit where the company's current focus is on reporting an initial NI 43-101 compliant resource on the first two of ten drill target areas tested to date.

Rare Earth Elements (a group of 15 metals) are critical in the advancement and development of emerging "green" technologies and high-tech applications such as electric and hybrid vehicles, wind and hydro power turbines, energy efficient lighting, LCD screens, MRI, X-ray machines and neodymium-based magnets crucial to ear-buds, MP3 Players, microphones, mobile devices and other computing equipment. Currently China produces 97% of world supply of REE's and these are becoming increasingly critical to both 21<sup>st</sup> Century technological progress and environmentally sustainable development. With the rising prices of REE's 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.

Montero's growth strategy is to develop the Wigu Hill Rare Earth Element project and to bring this to account by eventual rare earth production and cash flow. Montero plans to operate in an environmentally and socially responsible manner, adding value to all stakeholders. Montero has 52,187,063 shares outstanding (after closing this financing) and trades on the TSX Venture Exchange under the symbol MON.

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

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

**Montero Mining and Exploration Ltd.**

Tel: +1 416 840 9197 | Fax: +1 866 688 4671

E-mail: [ir@monteromining.com](mailto:ir@monteromining.com)

[www.monteromining.com](http://www.monteromining.com)

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

CAUTIONARY STATEMENT: Neither the 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. This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, Montero's objectives, goals or future plans, and the estimated timing and cost of the exploration of the Wigu Hill Project. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, those risks set out in Montero's public documents filed on SEDAR. Although Montero believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Montero disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.