



## Montero's NI 43-101 Preliminary Economic Assessment on the Duyker Eiland Phosphate Project in South Africa filed on SEDAR

**Toronto, Ontario (April 12<sup>th</sup> 2012):** Montero Mining and Exploration Ltd. (TSX.V:MON) ("Montero") has filed its NI 43-101 compliant Preliminary Economic Assessment ("PEA") report for the Duyker Eiland Project in South Africa (see news release dated 28/02/2012) on SEDAR and posted to the Company's website. The project is located in the Western Cape Province in South Africa, approximately 30km north of the Port of Saldanha. The independent PEA was conducted by Turgis Consulting (Pty) Ltd. ("Turgis").

The PEA is preliminary in nature as it includes Inferred Mineral Resources, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as "Mineral Reserves". There is no certainty that the PEA will be realized as Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Dr. Tony Harwood, President and Chief Executive Officer of Montero commented, *"The results of the PEA on the initial Inferred NI 43-101 Mineral Resource at Duyker Eiland continue to present robust economics with a NPV of CAD\$126 million and an IRR of over 38% at a 10% discount rate. Montero recently appointed AltaCorp Capital in Toronto as advisors as we continue to engage with a number of parties interested in commercializing our phosphate assets. Montero remains committed to demonstrating an economic route to early production of rare earths from our flagship Wigu Hill Rare-Earth Project in Tanzania while seeking partners to develop our phosphate assets."*

### Revision to PEA results

In the process of finalising the NI43-101 report, Turgis have revised the operating cost per tonne of product from CAD\$99 to CAD\$109.12 which has had an impact on the previously reported figures. The reviewed figures of NPV, IRR and Capital costs are affected and are presented below with all other factors remaining the same. Capital costs are slightly increased from CAD\$129 million to CAD\$132 million due to the impact of the revised operational cash costs to on-going capital requirements.

### Highlights of PEA:

- A NPV of CAD\$ 126.1 million (at a discount rate of 10%) and an IRR of 38.14%
- Average 4.5 million tonnes per annum rock mined at low stripping ratios of 0.57:1
- Average production of 490,000 tonnes per annum of 33% P<sub>2</sub>O<sub>5</sub> concentrate
- 11 year Life of Mine (based on initial resource estimate)
- Operating cash costs CAD\$ 109 per tonne concentrate Free alongside Ship ("FAS") Port of Saldanha, South Africa
- Capital costs of CAD\$ 132 million

### Qualified Person's Statement

Turgis is a Johannesburg based engineering consultancy, focused on the mining industry, and has over 20 years of experience in engineering projects for mining companies in Africa. The Turgis PEA team is headed by Sten Johansson (MSAIMM), a Process Engineer and a qualified person for the purpose of National Instrument 43-101. Mr. Johansson has firsthand experience operating a phosphate beneficiation plant at a phosphate mine that once operated 25 km from Duyker Eiland. Andrew Pooley (FSAIMM) is a Mining Engineer and a qualified person for the purpose of National Instrument 43-101 and will cover the mining aspects of the PEA. 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 Ltd. Is a mineral exploration and development company engaged in its flagship Rare Earth Elements (REE) Project Wigu Hill in Tanzania and has phosphate assets in South Africa and uranium assets in Tanzania and Quebec, Canada. Montero is focused on adding value through the exploration on properties, which have the highest potential for future discoveries or development of existing mineral resources into mineable reserves. The flagship Wigu Hill REE Project is a high-grade, undeveloped Light Rare Earth Element deposit where the current focus is on updating the initial NI 43-101 Mineral

Resource Estimate and advancing the hydro-metallurgical testwork with Mintek. Montero has a fast-track strategy to advance a portion of the Wigu Hill deposit to the mining and production stage in the short-term while further defining a larger deposit. With 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 and de-risk 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. 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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**Montero Mining and Exploration Ltd.**

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