

Montero Mining and Exploration Ltd. Announces Share Consolidation and C\$15M Return of Capital

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[Montero Mining and Exploration Ltd.](#) (TSX-V: MON) (OTCPK: MXTRF) ("Montero" or the "Company") announces that it has finalized its planned uses of the net proceeds received from its settlement with the United Republic of Tanzania to resolve the dispute over the expropriation of its Wigu Hill rare earth element project (the "Settlement").

Montero hereby provides notice that it intends to complete a consolidation (the "Consolidation") of its common shares (the "Common Shares") on the basis of six (6) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share. As of the date hereof, there are 50,122,975 Common Shares issued and outstanding. It is expected that the Common Shares reflecting the Consolidation will commence trading on the TSXV on or around May 5, 2025. On a post-Consolidation basis, the Company shall have approximately 8,353,829 Common Shares issued and outstanding.

The Company is also seeking shareholder approval to distribute approximately C\$15 million to shareholders through a reduction in stated capital (the "Distribution"), consisting of a cash distribution of C\$0.30 per Common Share on a pre-Consolidation basis or C\$1.80 on a post-Consolidation basis.

Dr Tony Harwood, President and CEO; *"After careful evaluation of the alternatives, we believe this is the appropriate course of action to deliver immediate value to shareholders who have supported Montero through some very challenging times. The return of capital provides shareholders with meaningful cash compensation for the expropriation of the Wigu Hill Rare Earth Project in Tanzania. Montero will retain approximately C\$3.4 million in cash where further exploration is planned at our Avispa copper gold project and the Company evaluates new opportunities."*

Shareholders will be asked to approve the Distribution at a special meeting of shareholders to be held on June 11, 2025 (the "Meeting"). Further details on the Distribution will be included in the management information circular of the Company pertaining to the Meeting and which is expected to be mailed to Shareholders and made available on the Company's issuer profile on SEDAR+ at www.sedarplus.ca on or around May 21, 2025. Approval of the Distribution will require the approval by at least two-thirds of the votes cast at the Meeting. The board of directors of the Company is unanimously recommending that Shareholders vote in favour of the Distribution. Completion of the Distribution is subject to certain conditions including but not limited to the receipt of all necessary shareholder and regulatory approvals including the approval of the TSX Venture Exchange (the "TSXV").

The Distribution is expected to be completed following the completion of the Consolidation, accordingly, the cash distribution on a per Common Share basis will be adjusted to approximately C\$1.80 per Common Share on a post-Consolidation basis based on the issued and outstanding Common Shares as at the date hereof.

The Company will not be changing its name in connection with the Consolidation. Pursuant to the *Business Corporations Act* (British Columbia) and the articles of the Company, shareholder approval of Consolidation is not required. Completion of the Consolidation is subject to the receipt of all necessary regulatory approvals including the approval of the TSXV.

No fractional Common Shares will be issued as a result of the Consolidation. Any fractional interest in Common Shares that is less than 0.5 of a Common Share resulting from the Consolidation will be rounded down to the nearest whole Common Share, and any fractional interest in Common Shares that is equal to or greater than 0.5 of a Common Share will be rounded up to the nearest whole Common Share.

Registered shareholders will receive a letter of transmittal from the Company's transfer agent, Odyssey Trust Company, providing instructions on how to exchange their share certificates representing pre-Consolidation Common Shares for new share certificates or Direct Registration Advice (DRS) representing post-Consolidation common shares to which they are entitled as a result of the Consolidation. No action is required by non-registered shareholders (shareholders who hold their Common Shares through an intermediary) to affect the Consolidation.

The exercise or conversion price of, and the number of Common Shares issuable under, any convertible securities of the Company will be proportionately adjusted upon the completion of the Consolidation.

Settlement with Tanzania and Cash Position

On November 20, 2024, Montero announced that it had reached a US\$27,000,000 settlement with the United Republic of Tanzania to resolve the dispute over the expropriation of its Wigu Hill rare earth element project. As part of this Settlement, the Company received an initial US\$12,000,000 payment on November 20, 2024, followed by a second payment of US\$8,000,000 on January 31, 2025. The final payment of US\$7,000,000 was received on March 4, 2025, completing the settlement.

Following these payments, Montero now holds approximately C\$18,400,000 in cash, net of litigation funding, legal fees, expenses, and current liabilities. The funds are currently kept in a high-interest bank account, and the Company is maintaining minimal general and administrative expenses to preserve its cash position.

The Company completed a comprehensive strategic review, with the support of an independent financial advisor, Cairn Merchant Partners LP, to explore opportunities from maximizing shareholder value. The board of directors has determined the Distribution is in the best interests of Shareholders. The Company anticipates retaining over C\$3,400,000 of funds following the Distribution which is expected to be used to advance its mineral exploration project in northern Chile and for general corporate and working capital purposes. These shall be kept to a minimum as has been customary in previous years.

About Montero

Montero has successfully concluded a US\$27,000,000 settlement with Tanzania, bringing an end to the dispute over the expropriation of the Wigu Hill rare earth element project. In addition to this settlement, the Company holds the Avispa copper-molybdenum project in northern Chile and is to advance its exploration. Montero's board of directors and management team have a strong track record in discovering and developing precious metal and copper projects. The Company is listed on the TSX Venture Exchange under the trading symbol MON and currently has 50,122,975 shares outstanding.

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.

All figures are in Canadian dollars unless otherwise noted.

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 Distribution and the Consolidation, the amount and timing of the Distribution, the timing of the Consolidation and the Consolidation ratio, statements with respect to the Meeting and matters related thereto and statements with respect to the use of the remaining Settlement proceeds following the Distribution. There can be no assurance the Distribution will be in the amount presently contemplated and*

that the Distribution will be completed at all. 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, the Corporation's deployment of capital, business prospects, strategies, regulatory developments, future commodity prices, exchange rates, satisfactory arrangements for the payment of legal expenses, the ability of the Company to find suitable exploration projects, results of exploration, project development, reclamation and capital costs of Montero's mineral properties, and financial condition and prospects, all of which could differ materially from those currently anticipated in such statements for many reasons such as: failure to obtain regulatory and shareholder approval for the Distribution and Consolidation, as applicable, unanticipated expenses associated with the settlement; accounting review and other factors that may not be known to management of the Company at this time suggest an alternative strategy for the use of the Settlement proceeds; 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.

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