RARE EARTHHS: Exploration, Mining and Refining

TSX.V : MON
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The technical information contained in this presentation 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.
Who We Are: TSX.V : MON

Rare Earths in Tanzania

• Wigu Hill Project – World class REE deposit, high grade REE values, average 7% TREO (from surface samples) and up to 27.3% TREO
• Strong similarities to Molycorp's Mountain Pass mine.
• Targeting LOW Opex and Capex with small mine early production*
• Negotiations with Strategic Partners to complete feasibility study and construct REE Refinery to produce up to 20,000 t/year of fine REE’s for sale

Phosphates in South Africa

• 3 projects near Saldanha Bay port, Western Cape, South Africa
• PEA on Duyker Eiland (April 2012) with NPV of C$126M and IRR of 38%
• JV discussion in progress
• Consolidate further phosphate projects in the region

*forward looking statement based on targets
Worldwide Distribution of REE Projects

Source: Technology Metals Research, LLC
9 Key Factors for Development of a Successful Rare Earth Project

✓ 1. LOCATION – Mining business friendly
✓ 2. INFRASTRUCTURE – Railway / Deep water port
✓ 3. HIGH GRADE & SIZE POTENTIAL – Long life mine
✓ 4. SURFACE MINING – Low cost open pit
✓ 5. MINERALOGY – Principally Bastnaesite
✓ 6. METALLURGY – Similarities to Mountain Pass
✓ 7. REFINERY – Known and proven process route
✓ 8. TEAM – Experienced Management & Board
✓ 9. STRATEGIC PARTNER – Focus to building a REE refinery

Targeting Low Cost of Production & Low Capital costs.
LOCATION
• 170km from seaport Dar es Salaam
• 12km from Tazara railway (rail siding)

INFRASTRUCTURE
• Tanzania, stable, mining friendly country
• Good Infrastructure, rail, port, labor
Carbonatite dikes with large REE Bastnaesite bearing crystals
High purity Bastnaesite concentrate

**Target Resource 2015**

10Mt@ 3-5% TREO >20Mt potential*

*forward looking statement based on targets. The potential quantity and grade is based on drilling completed to date. The potential quantity and grade is conceptual in nature, there has been insufficient exploration to define larger mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

- Bastnaesite Sales
- Montero Refinery & REE Chemical Sales
Phase 1 REFINERY TARGET
5000t/yr* Mixed REE and Ce Products

Phase 2 REFINERY TARGET
20,000t/yr* Individual Refined Products

*forward looking statement based on targets. The potential quantity and grade is based on drilling completed to date. The potential quantity and grade is conceptual in nature, there has been insufficient exploration to define larger mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.
Rare Earth Applications

Electric and hybrid cars can contain about **10 kg of rare earths**, whereas, a typical standard car can have about 5 kg.

- **LCD Screen**
  - Europium
  - Yttrium
  - Cerium

- **UV cut glass**
  - Cerium

- **Glass and mirror polishing powder**
  - Cerium

- **Component Sensors**
  - Yttrium

- **Hybrid NIMH battery**
  - Lanthanum
  - Cerium

- **Hybrid Electric Motor Generator**
  - Neodymium
  - Praseodymium
  - Dysprosium
  - Terbium

- **Headlight glass**
  - Neodymium

- **25+ electric motors throughout vehicle**
  - Neodymium magnets

- **Catalytic Converter**
  - Lanthanum
  - Cerium

- **Fuel Additives**
  - Lanthanum
  - Cerium

- **Ecofriendly tyres**
  - Neodymium
Some Industries/Companies who use REEs

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<th>Motor Industry</th>
<th>Magnets / Batteries</th>
<th>Glass Polishing</th>
<th>Phosphors</th>
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<th>High-Tech / Health Applications</th>
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Highlights and 2014 Milestones

2012/13 Highlights:
- Drilled Resource NI 43-101 REE resource with additional targets
- Develop hydro-metallurgical refinery process with Mintek
- Produced Rare Earth chemical products for marketing
- **Sign MOU’s and non-binding Term Sheet for off-take and Investment**

2014 Milestones:
- Finalize due diligence and agreement with “Strategic Investors” for a major equity investment in the Wigu Hill mine and REE Refinery
- Submit Mining License application on Wigu Hill
- Finalize negotiations on off-take and finance the low capex Wigu Hill mine with near term production of REE’s
- Finalize JV or sale on South African phosphate projects
Thank you

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<< SCAN ME! - 3D Drill Tour of Wigu Hill Rare Earth Project available for view on our Website.