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Montero looks to put Tanzania on REE map

Tanzania has established itself as one of Africa's top gold-mining countries, but **Montero Mining** (MON-V) believes the nation could soon be known for mineralization of a different order.

The company controls the Wigu Hill rare earth project, and since listing on the Venture exchange in February, it has been busy proving up the project's value.

The team is headed by Tony Harwood, who has a Ph.D. in economic geology and over 30 years of international exploration and mining experience. Before signing on as Montero's president and chief executive officer in 2009, Harwood served as president and chief executive of **Africo Resources** (ARL-T), and prior to that served as vice-president of Placer Dome.

Since listing in Toronto in February, Harwood has overseen a steady stream of news that began with an early announcement of positive trench results returning an eye-catching 27.25% total rare oxides (TREO) over 1-metre true width.

It also announced that high-grade values were traced across the entire 6.2 km west-east strike of Wigu Hill.

Those strong early results gained investors' attention, as evidenced by Montero closing a financing in early August — just four months after the initial results were released — that raised \$5.9 million by issuing 9.8 million units made

up of a share and a half-warrant. The company has 43 million shares outstanding.

In early September the company announced it had hit a new zone at the property, with a 256-metre intercept grading 0.6% TREO. The assay came from the Tumbili target at Wigu Hill.

Investors were given four days to digest the news before the first mineral resource for the project was announced. That estimate came in with inferred resources of 3.3 million tonnes grading 2.6% light REO. The resource was based on a preliminary drill program of 21 boreholes drilling a total of 2,225 metres.

Harwood is confident that the estimate will grow in size and category. The company is performing infill drilling and metallurgical testing to boost tonnage to the indicated category.

"The results of our initial resource, combined with the potential of the Tumbili and Nyati targets, indicate the potential for a sizeable light rare earth deposit," Harwood said in a statement.

Montero backed up those bullish comments by increasing its interest in Wigu Hill to 70%, from 60% on Oct. 4.

To move up that 10%, the company struck a deal with its joint-venture partner RSR for US\$1.5 million — \$800,000 of which has already been paid.

The remaining amount will come when a mining licence, a development

agreement and a retention licence for the portion of the property not subject to the mining licence are received.

Wigu Hill is located 170 km southwest of the Tanzanian capital Dar es Salaam, and 68 km south of Morogoro, the nearest major regional centre. The licensed area covers 142 sq. km and is accessed by an all-weather road. It is also 7 km from an operating railway line.

Montero describes the project as hosting a light rare earth element-enriched carbonatite with a dolomitic vein system that cuts into Precambrian gneiss.

The deposit is a high-level carbonatite-hosted dyke made up of dolomite, bastnasite and quartz. The mineralized dykes are 1 to 8 metres wide and can be traced intermittently over 700 metres.

The company says mineralization occurs mainly in bastnasite, monazite and synchysite, although parasite and goyazite also bear mineralization.

The carbonatite complex at Wigu Hill was discovered in the 1950s during a geological survey. It was explored by Molycorp Minerals in the early 1970s, but not much was done on the property until Montero entered into an agreement with RSR in 2007 and began mapping and sampling the complex in 2009.

Since listing in February, the company's shares have moved between 40¢ and 89¢. Shares sat at 40¢ on Oct. 6.