NOTICE OF SPECIAL MEETING

AND

INFORMATION CIRCULAR

To be held on Wednesday, June 11, 2025

Dated: May 7, 2025

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the special meeting of shareholders (the "**Meeting**") of **MONTERO MINING AND EXPLORATION LTD.** (the "**Company**") will be held at the offices of Peterson McVicar LLP at 110 Yonge Street, Suite 1601, Toronto, Ontario, on **Wednesday, June 11, 2025,** at **9:30 a.m.** (Eastern Time) for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a special resolution to authorize and approve a proposed reduction in the capital in respect of the common shares of the Company ("**Common Shares**") by an aggregate amount of CAD$15,036,892.50 (the "**Capital Reduction**") to be effected by the distribution by the Company to holders of Common Shares of an amount equal to the Capital Reduction, as more particularly described in the accompanying management information circular (the "**Information Circular**");
2. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice is a Form of Proxy or Voting Instruction Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of the Company (the "**Shareholders**") of record at the close of business on **May 12, 2025**, will be entitled to receive notice of and vote at the Meeting or any adjournments or postponements thereof. All Shareholders may attend the Meeting and are entitled to vote at the Meeting either in person or by proxy. Each Common Share is entitled to one vote on each item of business to be heard at the Meeting.

Registered Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Common Shares will be voted at the Meeting are requested to complete, date and sign the enclosed Form of Proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the Form of Proxy and in the Information Circular.

A "beneficial" or "non-registered" Shareholder will not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Non-registered Shareholders who plan to attend the Meeting must follow the instructions set out in the Form of Proxy or Voting Instruction Form to ensure that their Common Shares will be voted at the Meeting. If you hold your Common Shares in a brokerage account, you are not a registered Shareholder.**

Shareholders are entitled to vote at the Meeting either in person or by proxy in accordance with the procedures described in the Information Circular accompanying this notice. The Company is encouraging all shareholders to vote by proxy in advance of the Meeting. To be effective, the enclosed form of proxy or voting instruction form must be mailed or faxed so as to reach or be deposited with the Odyssey Trust Company, Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8, by email to proxy@odysseytrust.com, by facsimile at (800) 517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international), or by Internet voting at https://vote.odysseytrust.com, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time fixed for the Meeting or any postponements or adjournments thereof.

SHAREHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR BEFORE VOTING.

DATED at Vancouver, British Columbia, this 7th day of May, 2025.

BY ORDER OF THE BOARD OF DIRECTORS:

Signed: "*Antony Harwood*"
DR. ANTONY HARWOOD
President, Chief Executive Officer and Director

LETTER TO SHAREHOLDERS

May 7, 2025

Dear Shareholders

I hope this letter finds you and your loved ones well.

Global markets have remained volatile over the past year, driven by geopolitical tensions, shifting interest rates, and evolving investor sentiment, there are signs of stabilization in certain sectors. Commodity markets, in particular, continue to show resilience, especially in critical minerals such as copper, which is central to the global energy transition. These broader trends underscore the importance of focused, disciplined strategies to preserve and create shareholder value in this environment.

Over the past six years, Montero has focused significant efforts and resources on resolving the expropriation of its Wigu Hill mineral project by the government of Tanzania. In response to this action, Montero filed for arbitration with the International Centre for Settlement of Investment Disputes. On November 24, 2024, we announced a settlement agreement with Tanzania for US$27 million (approximately CAD$38 million).

We are pleased with this outcome, as it avoided the time, expense, and risks of a full arbitration hearing. It also marked the end of a nearly seven-year legal process. After receiving the settlement funds, net of litigation and other related costs, Montero conducted a strategic review to determine the best use of the remaining funds, approximately CAD$18.4 million.

As a result of this review, Montero has decided to return about CAD$15 million of this capital to shareholders. We are now seeking your approval to proceed with this distribution.

While the US$27 million settlement represents about 39% of our original US$70 million claim, it is a strong result when considering that compensation for projects that haven't reached production is typically limited to sunk costs, costs which this settlement far exceeded.

After the return of capital, Montero expects to retain over CAD$3.4 million, some of which will be used to advance our exploration.

I want to sincerely thank our shareholders, Board of Directors, management, and consultants for their ongoing dedication and support. Your commitment continues to guide our progress.

Lastly, I invite you to attend our Special Meeting of Shareholders on June 11, 2025. Our Information Circular provides all the necessary details about participating in the meeting, voting, and how to contact us with any questions.

Sincerely,

Dr. Antony Harwood
President & CEO

MANAGEMENT INFORMATION CIRCULAR

The information contained in this management information circular (the "**Information Circular**"), unless otherwise indicated, is as of **May 7, 2025**.

This Information Circular is furnished by the management of MONTERO MINING AND EXPLORATION LTD. (the "Company" or "Montero" or "MON") to registered and non-registered (or beneficial) holders (collectively, the "**Shareholders**") of common shares in the capital of the Company (the "**Common Shares**") **of record at the close of business on May 12, 2025, which is the date that has been fixed by the directors of the Company as the record date (the "Record Date") to determine the Shareholders who are entitled to receive notice of the meeting.** The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of the Company for use at its special meeting (the "**Meeting**") that is to be held on **Wednesday, June 11, 2025** at **9:30 a.m.** (Eastern Time) at 110 Yonge Street, Suite 1601, Toronto, Ontario M5C 1T4, for the purposes set forth in the enclosed notice of special meeting of Shareholders (the "**Notice of Meeting**"). The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone, e-mail or in person. The cost of solicitation will be borne by the Company.

The Company is not relying on the "Notice and Access" delivery procedures outlined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

The Meeting will be held for the sole purpose of the matters to be voted on, see *"Section 3 – The Business of the Meetin*g", and no corporate update or investor presentation will be provided. As always, the Company encourages Shareholders to vote their Common Shares by proxy. To be effective, the form of proxy must be received by the Company's transfer agent, Odyssey Trust Company ("**Odyssey**") not later than (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof. See "*Section 1 – Voting – Voting by Proxy*" below.

QUORUM

Under Montero's Articles, the quorum for the transaction of business at a Meeting of Shareholders is one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the Meeting.

SECTION 1 – VOTING

WHO CAN VOTE?

If you are a registered Shareholder of the Company as at **May 12, 2025**, you are entitled to notice of and to attend the Meeting and cast a vote for each Common Share registered in your name on all resolutions put before the Meeting. If the Common Shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer's authority should be presented at the Meeting. If you are a registered Shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see "**Voting By Proxy**" below). If your Common Shares are registered in the name of a "nominee" (usually a bank, trust company, securities

dealer, financial institution or other intermediary) you should refer to the section entitled "**Non-Registered Shareholders**" set out below.

It is important that your Common Shares be represented at the Meeting regardless of the number of Common Shares you hold. If you will not be attending the Meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your Common Shares will be represented.

VOTING BY PROXY

If you do not attend the Meeting, you can still vote your Common Shares by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

In order to be valid, you must return the completed form of proxy to the Company's transfer agent, Odyssey Trust Company, Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8, by email to proxy@odysseytrust.com, by facsimile at (800) 517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international), or by Internet voting at https://vote.odysseytrust.com, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time fixed for the Meeting or any adjournments thereof.

What Is A Proxy?

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You may use it to appoint a proxyholder, although you can also use any other legal form of proxy.

Appointing A Proxyholder

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a Shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your Common Shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder (the "**Management Proxyholders**"). Those persons are directors, officers or other authorized representatives of the Company.

Instructing Your Proxy

You may indicate on your form of proxy how you wish your proxyholder to vote your Common Shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your Common Shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your Common Shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your Common Shares IN FAVOUR of each of the items of business being considered at the Meeting.

For more information about the matters to be voted on, see *"Section 3 – The Business of the Meeting"*. **The enclosed form of proxy gives your proxyholder the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting**. At the time of printing this

Information Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Revoking Your Proxy

If you want to revoke your proxy after you have delivered it to the Odyssey, you can do so at any time before the Meeting. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date and depositing it with Odyssey at the address provided herein at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to Odyssey at the address provided her in, or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 9:30 a.m. (Eastern Time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another proxy that is deposited with Odyssey before the deadline, you can still vote your Common Shares but to do so you must attend the Meeting in person. **Only registered Shareholders may revoke a proxy. If your Common Shares are not registered in your own name and you wish to change your vote, you must arrange for your nominee to revoke your proxy on your behalf (see below under "Non-Registered Shareholders").**

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Form of Proxy and returning it to the Company's transfer agent Odyssey by mail or personal delivery to the Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8, email the completed Proxy to proxy@odysseytrust.com, facsimile the completed Proxy to (800) 517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international); or to vote your Proxy Online please visit https://vote.odysseytrust.com and click on LOGIN. You will require the CONTROL NUMBER printed with your address to the right on your proxy form. If you vote by Internet, do not mail the proxy.

In all cases, the completed Form of Proxy must be received by Odyssey at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any postponement or adjournment thereof at which the Proxy is to be used.

NON-REGISTERED SHAREHOLDERS

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

(a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; OR

(b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as "**OBOs**".

Pursuant to NI 54-101 of the Canadian Securities Administrators, the Company has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) directly to the NOBOs and to the Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive any materials from the Company. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary's directions on the voting instruction form. In some cases, such Non-Registered Holders may be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Odyssey as described under "*Section 1 – Voting – Voting By Proxy*" above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder's (or such other person's) name in the blank space provided as the proxyholder or, in the case of a voting instruction form, follow the corresponding instructions on the form.

Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the

Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the "**Act**"), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

SECTION 2 – VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the close of business as of the date hereof**,** an aggregate of 8,353,833 Common Shares were issued and outstanding. Each Shareholder entitled to receive notice of and to vote at the Meeting is entitled to one vote for each Common Share registered in his or her name at the close of business on May 12, 2025.

The Common Shares were consolidated on May 5, 2025 with each Common Share consolidated on a six-pre-consolidation Common Share for one-post-consolidation Common Share basis (the "**Consolidation**"). As a result of the Consolidation, the number of issued and outstanding Common Shares was reduced from 50,122,975 to 8,353,833 shares. The Consolidation did not change the proportionate ownership interest of any shareholder or the total equity attributable to the Company's shareholders. All references to Common Shares and per share amounts in this information circular is on a post-Consolidation basis.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder's name on the list of Shareholders as at the Record Date, which is available for inspection during normal business hours at the office of the Company's transfer agent and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, the only persons or corporations that beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as of the date hereof, are:

Shareholder Name	Number of Common Shares Held[(1)(2)]	Percentage of Issued Common Shares[(1)]
Oxy Capital SGOIC, S.A.	Approximately 1,289,374	15.4%

NOTES:

(1) Based on 8,353,833 Common Shares issued and outstanding as of the date hereof.

(2) Information as to Common Shares beneficially owned, not being within our knowledge has been furnished by the respective person, has been extracted from the list of registered Shareholders maintained by the Company's transfer agent, has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders (www.sedi.ca) or has been obtained from early warning report and alternative monthly reports filed by the respective person and available through the Internet at www.sedarplus.ca.

SECTION 3 – THE BUSINESS OF THE MEETING

1. Capital Reduction and Return of Capital

Summary

The Company is proposing a reduction in the capital in respect of the Common Shares by an aggregate amount equal to CAD$15,036,892.50 (the "**Capital Reduction**"). Approval of the Capital Reduction enables the Company to distribute the same amount to Company's shareholders, on a *pro rata* basis, as a return of capital by the distribution by the Company to holders of Common Shares of an amount equal to the Capital Reduction (the "**Return of Capital**"). The Company anticipates that the Return of Capital will be carried out through one distribution to Shareholders of record on the date on the close of business on the 7th trading day after the date on which the Company has issued a news release disclosing that the Capital Reduction has been approved by Shareholders and accepted by the TSX Venture Exchange (the "**Return of Capital Record Date**"). The Return of Capital is expected to be paid to such Shareholders within 20 days of the Return of Capital Record Date. Therefore in order to participate in the Return of Capital, any new investors must purchase Common Shares more than two (2) trading days prior to the Return of Capital Record. Thereafter, the Common Shares will trade on an "ex-dividend" basis (i.e. without the right to participate in the Return of Capital).

The Company has appointed Odyssey as its agent to complete the Return of Capital. In the event that Odyssey is unable to contact any holders of Common Shares as of the Return of Capital Record Date then the funds that would otherwise have been distributed to the holders of such shares shall be held by Odyssey. In the event that such funds are not claimed with appropriate supporting documentation within a period of 24 months from the Return of Capital Record Date, the holder's right to receive a portion of the Return of Capital shall terminate and the remaining funds shall be returned to the Company by Odyssey.

Based on the issued and outstanding Company Shares as of the date hereof, the Return of Capital is expected to be approximately $1.80 per Common Share. The expected Return of Capital on a per Common Share basis of $1.80 is calculated on a post-Consolidation basis. The proposed Return of Capital represents an opportunity for the Company to return surplus funds from asset dispositions outside the ordinary course of business to shareholders in a tax-efficient manner, and in particular, to return a portion of the net proceeds equal to the Capital Reduction received from the Company's settlement with the United Republic of Tanzania ("**Tanzania**") to resolve the dispute over the expropriation of its Wigu Hill rare earth element project "**Wigu Hill**"), as further described below.

Section 74(1) of the BCBCA provides that, subject to certain exceptions, a company may reduce its capital if, among other things, it is authorized to do so by a special resolution of its shareholders passed by not less than two-thirds of the votes cast by holders of shares entitled to vote on such resolution. Accordingly, the Capital Reduction Resolution (as defined and set out below) requires the affirmative vote of two-thirds of the votes cast by shareholders present at the Meeting or represented by proxy. Upon receipt of the approval of the Capital Reduction, the Company intends to complete the Return of Capital. If Shareholders do not approve the Capital Reduction Resolution at the Meeting, the Company will not be able to complete the Return of Capital on the terms and on the timing currently proposed. Under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), shareholders are not entitled to exercise dissent rights with respect to the Capital Reduction and Return of Capital.

The Board unanimously recommends that Shareholders vote FOR the Capital Reduction Resolution.

Background

The Company's Wigu Hill mineral project was located in Tanzania. The Company commenced exploration activities on the Wigu Hill project in March 2008 when it was held under Prospecting License. Montero subsequently, on advice from the Mining Commissioner, applied for a Retention License in 2014 and this was granted in 2015 and was valid for a period of 5 years.

In 2017, Tanzania announced amendments to the Mining Act 2010, which, inter alia, abolished the legislative basis for the Retention License classification with no replacement classification. On January 10th, 2018 the Tanzanian government published the Mining (Mineral Rights) Regulations 2018 which under Regulation 21 cancelled all Retention Licenses issued prior to that date, which would cease to have any legal effect. The rights to all areas under Retention Licenses were immediately transferred to the government of Tanzania.

On December 19th 2019, the Mining Commission of Tanzania announced a public invitation to tender for the joint development of areas previously covered by Retention Licenses, including the area of the Wigu Hill Retention License. The abolition of the Wigu Hill Retention License and the removal of the various rights to the minerals conferred by this license constituted an expropriation of the Wigu Hill project (the "**Expropriation**") and rendered the Wigu Hill project valueless to the Company with respect to further exploration and potential development. Therefore, as a direct consequence of the legislative, regulatory and other measures made by the Tanzanian government, the Company lost completely its investment.

In response to the Expropriation, the Company filed a request for arbitration with the International Centre for Settlement of Investment Disputes ("**ICSID**") on January 8, 2021 in accordance with the Bilateral Investment Treaty between Canada and the United Republic of Tanzania. The Company retained Omni Bridgeway Canada Limited to fund the arbitration proceedings. Arbitration proceeding subsequently commenced with the Company seeking up to CAD$90,000,000 in damages from Tanzania for the Expropriation. On November 24, 2024, the Company announced it had reached a US$27,000,000 settlement (approximately CAD$38,000,000) (the "**Settlement Amount**") with Tanzania for the Expropriation (the "**Settlement**") and the Company and Tanzania sent a joint request to the arbitral tribunal to suspend the ICSID arbitration proceedings. The Settlement avoided the need for a costly and time-consuming hearing, the risk of an adverse award, enforcement efforts, and concluded the near 7-year dispute over the Expropriation. The Settlement Amount was received in three tranches, on November 20, 2024, January 31, 2025 and March 4, 2025. On receipt of the final payment, the Company and Tanzania requested the arbitration tribunal to discontinue the ICSID arbitration in its entirety. Following receipt of the Settlement Amount, which was reduced by litigation funding expenses, legal fees, expenses and current liabilities, and as of the date the Board determined to proceed with the Capital Reduction, the Company held approximately CAD$18,400,000 in cash.

Approvals

The Company's ability to effect the Capital Reduction and the Return of Capital is conditional upon, among other things:

- Approval of the Capital Reduction Resolution (as defined below) by the affirmative vote of two-thirds of the votes cast by shareholders present at the Meeting or represented by proxy;
- Approval of the TSX Venture Exchange; and
- Compliance with applicable legal requirements.

In addition, the Board has reserved the right to modify, reduce, or abandon (but not increase the aggregate amount of) the Capital Reduction and the Return of Capital without further approval from Shareholders.

Section 74(1.1) of the BCBCA provides that a corporation shall not reduce its capital by a special resolution if there are reasonable grounds for believing that the realizable value of the company's assets would, after the reduction, be less than the aggregate of its liabilities. As of the date of this Information Circular, the Company does not have reasonable grounds to believe that, after giving effect to the Capital Reduction and the Return of Capital, the Company's assets would be less than the aggregate of its liabilities.

Board Determination of Return of Capital

Following the Settlement, the Company commenced a comprehensive strategic review, with the support of an independent financial advisor, Cairn Merchant Partners LP, to explore opportunities to maximize shareholder value with the net proceeds of the Settlement Amount, following which, the Board determined the Capital Reduction to be effected through the Return of Capital is in the best interests of Shareholders. The Board determined the amount of the Capital Reduction by distributing a significant portion of the net proceeds of the Settlement Amount while retaining sufficient funds which are expected to be used to advance the Company's mineral exploration project in northern Chile and for general corporate and working capital purposes.

The Board unanimously recommends that Shareholders vote FOR the Capital Reduction Resolution.

Entitlement to Receive the Return of Capital

If the Capital Reduction Resolution is approved by Shareholders at the Meeting, the Return of Capital is proposed to be effected to shareholders of record on the Return of Capital Record Date. The aggregate amount to be paid pursuant to the Return of Capital is equal to CAD$15,036,892.50, representing approximately $1.80 per Common Share based on the number of issued and outstanding Common Shares as of the date hereof.

If the Capital Reduction Resolution is approved by Shareholders at the Meeting, the Board intends to give effect to the Return of Capital, subject to applicable laws and the exercise by the Board of its fiduciary duties. Following receipt of Shareholder approval, it is expected that the Company will issue a press release announcing the Return of Capital Record Date. It is expected that the Return of Capital will be paid within 20 days following the Return of Capital Record Date.

Certain Canadian Federal Income Tax Considerations

The summary below is not intended to be legal or tax advice. Shareholders should consult their own tax advisors as to the tax consequences of the Capital Reduction and the Return of Capital to them with respect to their particular circumstances.

The following summary is, as of the date hereof, a summary of the principal Canadian federal income tax consequences generally applicable under the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") to a holder of Common Shares who, at all relevant times, for the purposes of the Tax Act, holds the Common Shares as capital property and deals at arm's length and is not affiliated with the Company (a "**Holder**"). Generally, the Common Shares will be considered to be capital property to a Holder provided that the Holder does not use or hold the Common Shares in the course of carrying on a business and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Holders who do not hold their Common Shares as capital property should consult their own tax advisors with respect to their own particular circumstances.

This summary is not applicable to a Holder: (i) that is a ''financial institution'' for purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a ''specified financial institution'' (as defined in the Tax Act); (iii) an interest in which is a ''tax shelter investment'' (as defined in the Tax Act); (iv) that reports its ''Canadian tax results'' (as defined in the Tax Act) in a currency other than Canadian currency; or (v) that has entered into or will enter into, with respect to the Common Shares, a ''derivative forward agreement'' or ''synthetic disposition arrangement'' (as those terms are defined in the Tax Act). Such Holders should consult their own tax advisors with respect to an investment in the Common Shares.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by the CRA and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether by way of judicial, legislative or governmental decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder, and no representations concerning the tax consequences to any particular Holder are made. The tax consequences of acquiring, holding and disposing of Common Shares will vary according to the Holder's particular circumstances. Holders should consult their own tax advisors regarding the tax considerations applicable to them having regard to their particular circumstances.

Capital Reduction and Return of Capital

The Capital Reduction will reduce the paid-up capital (as defined in the Tax Act) (the "**PUC**") of the Common Shares by an amount equal to the Capital Reduction. PUC is the aggregate of all amounts received by a corporation upon the issuance of its shares (by class), adjusted in certain circumstances in accordance with the Tax Act. PUC differs from the adjusted cost base ("**ACB**") of shares to any particular shareholder because ACB is calculated based on the amount paid by a shareholder to acquire shares of a corporation, whether on issuance by the corporation or through the marketplace.

The aggregate amounts that will be paid by the Company to its shareholders pursuant to the Return of Capital on the Common Shares will not exceed the reduction in PUC of such shares resulting from the Capital Reduction, and will not be treated as dividends pursuant to subsection 84(4) of the Tax Act, provided that subsection 84(4.1) of the Tax Act applies to the Capital Reduction, as discussed below.

An amount paid by a public corporation to its shareholders on a reduction of PUC in respect of any class of its shares is generally deemed to be a dividend by virtue of subsection 84(4.1) of the Tax Act unless the amount may reasonably be considered to have been derived from proceeds of disposition realized by the corporation, or by a person or partnership in which the corporation had a direct or indirect interest at the time that the proceeds were realized, from a transaction that occurred (i) outside the ordinary course of the business of the corporation or the person or partnership that realized the proceeds, and (ii) within the period that commenced 24 months before the payment.

The amounts to be distributed pursuant to the Return of Capital were derived from the proceeds of the Settlement which resulted due to the disposition of the Wigu Hill project outside the ordinary course of

business and under the Expropriation, as detailed above. Management of the Company is of the view that the Return of Capital can reasonably be considered to have been derived from proceeds of disposition realized by the Company from a transaction that occurred outside the ordinary course of business of the Company and, as a result, subsection 84(4.1) of the Tax Act should apply to the Return of Capital and subsection 84(4) of should not apply to deem the amounts paid to holders of Common Shares pursuant to the Return of Capital to be dividends. This determination is not free from doubt, and no advance tax ruling has been sought or obtained in this regard. If the distributions pursuant to the Return of Capital are deemed to be dividends under the Tax Act, the provisions of the Tax Act regarding taxable dividends from a taxable Canadian corporation would apply and the summary above would not be applicable. It is recommended that all Shareholders should obtain their own advice concerning the tax consequences of the Return of Capital.

Provided that subsection 84(4.1) of the Tax Act applies (as noted above), the Capital Reduction will reduce the PUC of the Common Shares by an amount equal to the Capital Reduction. Such reduction in PUC will generally have no immediate Canadian income tax consequences to a Shareholder provided the Holder has an ACB greater than the amount received on the Return of Capital, but may have an effect in the future, in certain circumstances, including if the Company makes further capital distributions to shareholders or is wound-up, or if the Company redeems, cancels or acquires Common Shares. As a general rule, upon such transactions, the Shareholder will be deemed to have received a dividend to the extent that the amount paid or distributed exceeds the PUC of the Common Shares.

Resident Holders

The following portion of this summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times, is or is deemed to be resident in Canada (a "**Resident Holder**").

Capital Reduction and Return of Capital

Provided that subsection 84(4.1) of the Tax Act applies (as noted above), the amount received by a Resident Holder on the Return of Capital will not be included in computing the Resident Holder's income for tax purposes but will reduce the ACB of the Common Shares held by the Resident Holder. If the amount by which the ACB of the Common Shares is reduced on the Return of Capital were to exceed the Resident Holder's ACB in the Common Shares, such Resident Holder would be deemed to have realized a capital gain equal to such excess.

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Resident Holder in such taxation year. Subject to and in accordance with the rules contained in the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

A Resident Holder that is, throughout the relevant taxation year, a ''Canadian-controlled private corporation'' or a "substantive CCPC" (both as defined in the Tax Act) may also be liable to pay a refundable tax on its ''aggregate investment income'', which is defined under the Tax Act to include an amount in respect of taxable capital gains

Non-Resident Holders

The following portion of this summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times, is not resident or deemed to be resident in Canada and who does not use or hold (and is not deemed to use or hold) the Common Shares in connection with a business carried on in Canada (a "**Non-Resident Holder**"). Special rules, not addressed in this summary, may apply to a non-resident that carries on an insurance business in Canada and elsewhere.

Return of Capital

Provided that subsection 84(4.1) of the Tax Act applies (as noted above), the amount received by a Non-Resident Holder on the Return of Capital will not be subject to Canadian federal income tax (including any non-resident withholding tax under Part XIII of the Tax Act) but will reduce the ACB of the Common Shares held by the Non-Resident Holder. If the amount by which the ACB of the Common Shares is reduced exceeds the Non-Resident Holder's ACB of the Common Shares, such Non-Resident Holder would be deemed to have realized a capital gain in an amount equal to such excess from a disposition of such shares and the Non-Resident Holder's ACB of the Common Shares would then be nil.

A Non-Resident Holder will not be subject to Canadian income tax under the Tax Act on any capital gain realized on any deemed capital gain in respect of the Common Shares that results from the distributions pursuant to the Return of Capital unless such Common Shares constitutes ''taxable Canadian property'' (as defined by the Tax Act) to the Non-Resident Holder. Management expects that the Common Shares will not be "taxable Canadian property" to any Non-Resident Holder.

US and Foreign Shareholder Considerations

The Company has not sought advice from US legal counsel or other foreign legal counsel with respect to the Return of Capital, therefore US resident and other foreign shareholders should consult their own legal and accounting professionals for advice as to the impact of the Return of Capital.

Capital Reduction Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following special resolution approving the Capital Reduction in order to complete the Return of Capital. To be adopted, this resolution is required to be passed by the affirmative vote of a two-thirds of the votes cast at the Meeting.

RESOLVED, as a special resolution of the shareholders of Montero Mining and Exploration Ltd. (the **Company**) pursuant to the *Business Corporations Act* (British Columbia) (the "**Act**") that (the "**Capital Reduction Resolution**"):

1. the capital of the Company attributed to its issued and outstanding common shares without par value (the **Common Shares**) be reduced by CAD$15,036,892.50 (the **Capital Reduction**) in accordance with paragraph 74(1)(b) of the Act and the Capital Reduction be effected by way of a distribution to the holders of record of the Common Shares as of the close of business on the 7th trading day after the date on which the Company has issued a news release disclosing that the Stated Capital Reduction Resolution has been approved by the shareholders and accepted by the TSX Venture Exchange, of an amount equal the Capital Reduction on the date to be determined by the board of directors of the Company (the "**Board**") in its sole discretion (the "**Return of Capital**"), subject to the requirements of the Act and all as more particularly described and set forth in the management information circular of the Company dated May 7, 2025;

2. any one officer or director of the Company be and is hereby authorized, for and in the name of and on behalf of the Company, to execute and deliver all such documents, certificates, and instruments and to take such actions and do such things as such director or officer may, in such director or officer's discretion, determine necessary, advisable or useful to carry out the purpose and intention and of the foregoing resolutions, such determination to be conclusively evidenced by the execution of such document, certificate and instrument or the doing of such act or thing; and

3. notwithstanding the approval by the shareholders of the Company of the foregoing resolutions, the Board is hereby authorized and empowered, without further approval from the shareholders, to modify, reduce, or abandon (but not increase the aggregate amount of) such Capital Reduction, or modify the amount payable in respect of each of the Return of Capital (but not increase the aggregate amount thereof), in each case, if the Board deems it appropriate and in the best interests of the Company.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or instructions FOR the Capital Reduction Resolution. The directors of the Company recommend that Shareholders vote in favour of the Capital Reduction Resolution

2. Other Business

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

SECTION 4 - OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year ended December 31, 2024, and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company for other than "routine indebtedness", as that term is defined by applicable securities legislation; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, ended December 31, 2024, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon.

The Company's directors and officers will, to the extent of their shareholdings, participate in the proposed Capital Reduction and Return of Capital, if approved by Shareholders. The below table summarizes the Common Share holdings of the Company's directors and officers as of the date hereof. Further reference should be made to the disclosure under the heading "*Section 3 – Business of the Meeting*" above,

specifically referring to the subheading "1. *Capital Reduction and Return of Capital*" for further information.

Name	Position with the Company	Number of Common Shares Owned or Controlled (directly or indirectly)
Antony Harwood	President, Chief Executive Officer and Director	777,046
Sheri Rempel	Chief Financial Officer	1,318
Gregory C. Hall	Director	30,517
Andrew Thomson	Director	298,089
Jamie Levy	Director	186,417
Timothy Livesey	Director	Nil

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Applicable securities legislation defines "*informed person*" to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities. Except as otherwise disclosed herein, no informed persons had (or has) any interest in any transaction with the Company since the commencement of our most recently completed financial year ended December 31, 2024, or in any proposed transaction, that has materially affected the Company or is likely to do so.

MANAGEMENT CONTRACTS

The Company has no management agreements or arrangements under which the management functions of the Company are performed other than by the Company's directors and executive officers.

ADDITIONAL INFORMATION

Financial information about the Company is included in the Company's financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2024, which have been electronically filed with regulators and are available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca. Copies may be obtained without charge upon request to the Company at Suite 401 – 750 West Pender Street, Vancouver, British Columbia V6C 2T7, telephone (604) 428-7050; fax (604) 428-7052. You may also access the Company's public disclosure documents through the Internet on SEDAR+ at www.sedarplus.ca.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Directors of the Company.

Dated at Vancouver, British Columbia, this 7th day of May, 2025.

BY ORDER OF THE BOARD

Signed: *"Antony Harwood"*

Dr. Antony Harwood
President and Chief Executive Officer