MONTERO MINING AND EXPLORATION LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2022

1.1 DATE

This Management's Discussion and Analysis ("MD&A") of Montero Mining and Exploration Ltd. ("Montero" or the "Company") has been prepared by management as of May 27, 2022 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. The Company's Board of Directors have reviewed and approved this MD&A.

All amounts in the MD&A, financial statements and related notes are expressed in Canadian dollars unless otherwise noted.

All statements, other than of historical facts included herein, including without limitations, statements regarding potential mineralization, reserves and exploration results and future plans and objectives of the Company are forward looking statement and involve various risks and uncertainties, which are detailed in the Section "Risk Factors" of this MD&A. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

COVID-19 PANDEMIC

The COVID-19 pandemic has made international travel impossible where government imposed self-isolation, fluctuations in currencies and volatile financial markets pose significant challenges in planning, budgeting and carrying out meaningful exploration programs. Further uncertainties arise from the inability of the Company to gauge the duration of the pandemic and the difficulties of operating in Africa. Montero anticipated that the pandemic would lead to a global slowdown in demand for battery metals and has taken advantage of the recent spike in precious metal prices to acquire the Isabella Gold Project. This acquisition was via its network of contacts in Chile at a time when companies are divesting non-core assets. At the same time Montero is reducing its battery metal focus.

RUSSIA MILITARY ACTION AGAINST UKRAINE

Our business, financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action.

In late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including Canada. In response to the military action by Russia, various countries, including Canada, the United States, the United Kingdom and European Union issued broad-ranging economic sanctions against Russia. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets.

While we expect any direct impacts to our business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect our business and may make it more difficult for us to raise equity or debt financing. In addition, the impact of other current macro-economic factors on our business, which may be exacerbated by the war in Ukraine – including inflation, supply chain constraints and geopolitical events – is uncertain.

1.2 OVERALL PERFORMANCE

Corporate and Operational Highlights

On April 12, 2022, Montero announced an update on the arbitration proceedings against the United Republic of Tanzania over the expropriation of the Wigu Hill rare earth element project before International Centre for Settlement of Investment Disputes. The arbitral tribunal President and appointees of Montero and Tanzania held its first session on 17th January 2022, and procedural issues were reached including the timeline and time table of the proceedings. Montero intends to file its Memorial on the merits of the case and a valuation of its claims for damages in May 2022. The arbitration will take place in Washington DC.

On March 14, 2022, Montero announces it has finalized the regulatory process for 200.8 km^2 of exploration concessions that includes the original Avispa and recently awarded Abeja exploration concessions that were registered in 2021. The company is also finalizing the regulatory process to acquire an additional 270.5km^2 of Abeja concessions. The company expects the remaining regulatory processes to be completed during Q2 2022. Once completed the company would hold 100% ownership of a total of 473.3 km^2 of exploration concessions in a well-defined late Paleocene to early Eocene Cu-Mo porphyry belt of northern Chile.

Description of Business

Montero was incorporated on October 5, 2006 under the laws of British Columbia, Canada. The Companyis a public company listed on the TSX Venture Exchange and trades under the symbol *MON.V*. The Company's registered address is 1040 West Georgia Street, Suite 1900, Vancouver, BC, V6E 4H3 and its head office address is Suite 401 - 750 West Pender Street Vancouver, BC V6C 2T7.

The condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2022, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. When further funds are required, they will be financed through a private placement of common shares or by debt instruments.

Management has reduced operating costs including voluntary fee reductions from directors, reduced rentand administrative fees and decreased usage of administrative staff and consultants. Management has focused its exploration efforts on the projects it believes will provide the best value to shareholders. It continues its exploration work programs on projects to advance them and seeks joint venture and otherpartners for other projects where no exploration is currently being conducted.

Management believes that controlling operating expenses, funding from potential funding partners, borrowings from directors and management, and further private placements will generate the required funding to maintain operations. Although management is committed and expects to raise additional funding, the timing and the nature of the financing is uncertain and there can be no assurances that this will occur. Further details on financing alternatives available to the Company are more fully discussed in 1.6/1.7.

The Company is engaged in the identification, evaluation, acquisition, exploration, and development of quality mineral properties. The Company has not yet determined whether its exploration assets contain sufficient mineral reserves, such that their recovery would be economically viable.

As at June 5, 2020 the Company decided, due to the continued decline in battery metal prices, and exacerbated by the COVID-19 pandemic with its effect on global economics, to change its focus to gold exploration Chile. The Company believes its best course of action given the global shut down is to divestof its battery metal projects, reduce its corporate structure while retaining its Tanzanian corporation to defend its investment and rights to the Wigu Hill rare earth project where it has made a substantial investment.

The key performance driver for Montero is to develop mineral deposits to create wealth for shareholdersby joint venture or outright sale. This will be achieved through acquiring and exploring properties which host the highest potential for future discoveries or development of existing mineral resources into mineable reserves. Management works to rationalize all its significant core holdings to maintain percentage ownership, while working with others to share the risk of development of these properties. Management acquires its exploration assets through the issuance of common shares where possible to preserve the Company's cash reserves.

Management has the necessary skills required to achieve success, both in the technical and financial area with experienced exploration and consulting geologists and those with entrepreneurial and financial experience. Shareholders are represented by a strong management and independent Board of Directors, experienced in financing, exploration, development, and mining. The Company has access to consulting geologists, metallurgical/chemical and mining engineers and corporate finance and legal counsel with commodity and country expertise in the countries where current interests are held. Consultants are retained through variable or fixed term consulting contracts.

Chilean Focus

100% Purchase of ChileCo

On August 5, 2020, the Company signed a Binding Purchase and Sale Agreement to acquire a 100% interest in a private Chilean company Minera Joy SpA ("ChileCo"). At signing, ChileCo directly held 100% of the mineral rights to 18 km^2 of exploration mining concessions and two subsidiaries with 49 km^2 under option agreements. No drilling had been carried out at the date of the acquisition of ChileCo.

In Subsidiary 1 Montero holds an 85% equity interest to the Isabella West exploration mining concessions. In Subsidiary 2 Montero was earning an 85% interest in the Isabella East exploitation mining however, due to poor drilling results the Company elected to terminate the earn-in option agreement on the Isabella east concession.

Isabella Gold Silver Project

The Isabella Gold Silver Project (Isabella) is located in the Southern Coastal Range of Chile Isabella is approximately 200 km south of Santiago and has excellent year-round access. The Southern Coastal

Range contains numerous gold and copper occurrences hosted within a package of intermediate intrusive, sedimentary, and volcanic rocks of Mesozoic age.

Isabella hosts numerous structurally controlled quartz veins that have been mapped over an area of approximately 12 km long and 4 km wide. The veins form part of an extensive regional polymetallic Au-Ag vein and breccia system occurring in dilational fractures in the granite and along contacts with older sediments. Prior exploration at Isabella by the previous operator includes surface mapping, rock sampling, trenching, and airborne magnetics.

Montero Verification Sample Program and NI43-101 Technical Report

On September 15, 2020 Montero initiated a program designed to confirm previous assay values obtained from the prior operators of ChileCo. On October 20, 2020 Montero announced results from its verification sampling campaign. Montero's in country Qualified Person (QP) Mr Marcial Vergara collected twenty-two (22) chip samples across selected quartz veins from the priority target areas.

On January 7, 2021 the Company filed on SEDAR the Ni 43-101 "Technical Report for the Isabella Gold Silver Project, Licanten District, Region VII, Chile" prepared by Dr Thomas Henricksen.

Montero Identifies Gold – Silver Vein Targets at Isabella

The Company identified four priority drill target areas (Figure 1) in the Isabella West and Isabella East concessions where a total of 19 drill holes were completed during the inaugural drill phase. Montero has since dropped the option on the Isabella East concessions where targets B, C, D have been drill tested with poor results and returned to the previous owner.

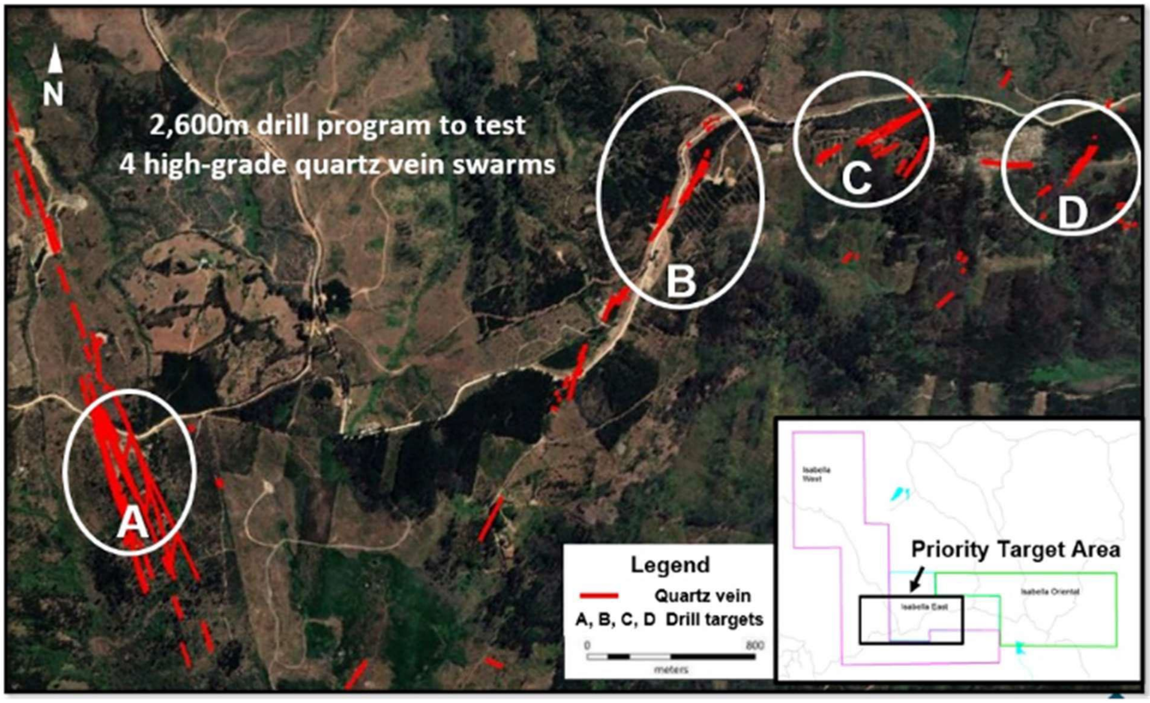

Figure 1: Map showing the location of four drill target areas tested at Isabella.

Isabela West Gold - Silver Target

Drill Target A: Multiple high-grade Au-Ag quartz veins within a 75 m wide zone of altered granite extending 600 m along strike. Surface samples returned assays up to: 8.53 g/t Au, 11.2 g/t Ag and 7.56 g/t Au, 16.8 g/t Ag. Trenches returned: 6.92 g/t Au over 1 m, 2.88 g/t over 2 m, and 1.42 g/t Au over 12 m (incl. 3.53 g/t Au over 3 m). This target was drilled, and results presented in Table 1 below.

Montero Identifies Sediment Hosted Polymetallic Target

Montero contracted John Coggan of Mines Geophysical Services to reinterpret 101-line kilometer of aerial magnetic data completed by the previous owner. This work identified an area of high magnetics within sediments proximal to the granitic contact and a drilling target was identified. Montero was unable to gain access to this target and did not complete the planned 240 m drill hole program.

Montero Drilling Isabella Gold – Silver Targets

On December 2020 to April 2021 the Company completed a 2,088 meters diamond drill program testing Targets A, B, C and D (Figure 1). Pursuant to the drill program Montero dropped the option on targets B, C, D. A summary of the drill hole results from target A are provided in Table 1 below.

Table 1: Compiled significant intersections from Isabella West Target A drill holes.

Drillhole Number	From m	To m	Width m	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
ISB20-01	20.1	27.6	7.5	0.34	NS	200	103	NS
incl.	25.5	26.6	1.0	0.94	NS	NS	262	NS
ISB20-02	32.2	37.9	5.7	0.34	NS	102	535	NS
incl.	34.4	35.6	1.2	0.67	9	233	612	123
ISB20-03	20.1	22.0	1.9	0.55	NS	NS	247	NS
ISB20-04	34.3	35.2	0.9	1.8	6	NS	217	NS
ISB20-06	4.0	7.0	3.0	0.4	NS	NS	NS	NS
ISB20-07	25.5	27.0	1.5	0.56	NS	NS	NS	NS
ISB20-08	76.8	78.8	2.0	0.65	15	296	2,037	60

NS: No significant assay results. No significant assay results in drill holes number ISBN20-05, 09 and 10

On June 24, 2021 the Company announced the assay results from the remaining 9 Drillholes (ISB20-11 to ISB20-19) that tested vein Target Areas B, C and D which did not return any significant intercepts and the option on those areas subsequently terminated.

Drilling Sediment Hosted Polymetallic Target

Montero was unable to gain access to this target and did not complete the planned 240 m drill hole program.

Montero Terminates Isabella East Earn-In Agreement

On February 15, 2021 Montero made a payment of US$50,000 as part of the earn in agreement to the owner of the Isabella East exploitation mining concessions. A further amount of US$100,000 was due to be paid by August 2021 with a remaining US$250,000 to be paid by August, 2022, to acquire and 85% interest in the Isabella East concessions. Due to poor drilling results Montero terminated the earn-in agreement and rights to the Isabella East property on August 31, 2021.

Montero Holdings in the Isabella Area

On February 9, 2021 received confirmation of the issuance of exploration licenses to the east and contiguous to Montero's Isabella Oriental concession. The awarded 100% owned concession were acquired through staking and provides Montero an additional 7 km of the target granite - sediment contact. This contact area host granite-hosted quartz veins similar to those defined within the Isabella West and previously optioned Isabella East concessions (Figure 2). The Company has conducted further mapping and sampling exploration programs at Isabella West, Isabella Oriental and the newest licensed concession. The Company is reviewing these results and assessing whether further exploration is warranted at Isabella.

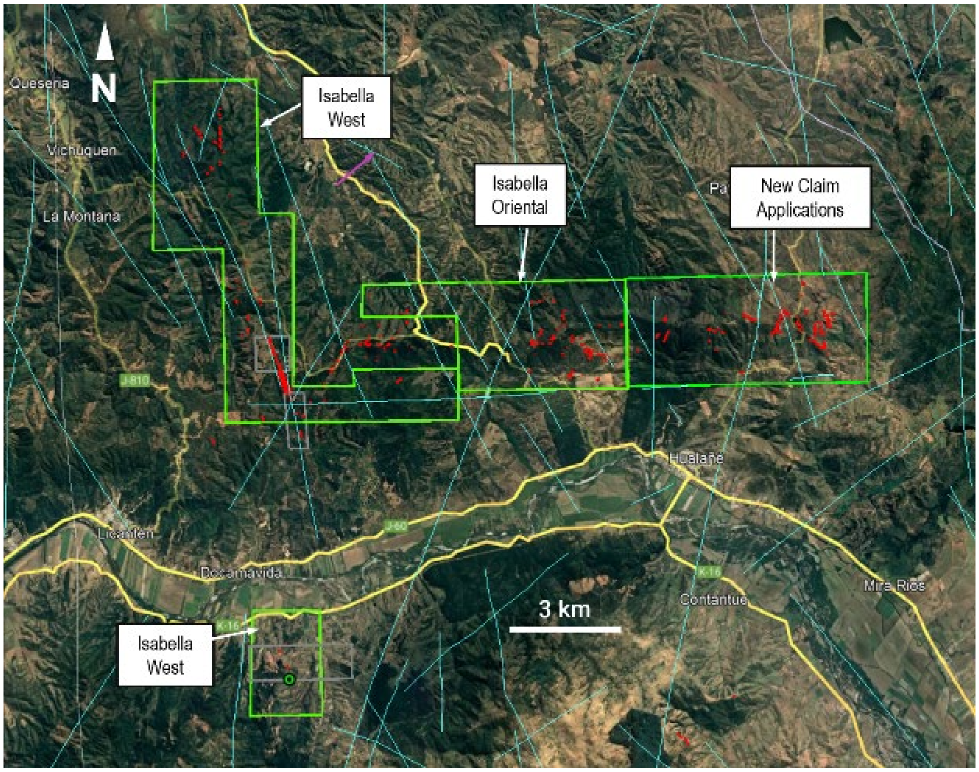

Figure 2: Isabella new claims awarded and held exploration licenses to the east covering the granite-sediment contact hosting quartz veins (shown red).

Avispa Copper Molybdenum Project

At December 31, 2021 the Avispa copper – molybdenum project consists of 17,000 hectares of 100% owned exploration mining concessions located in the Atacama Desert of northern Chile. The project is highly prospective and is situated within the defined north to south trending Palaeocene – Eocene Cu-Mo porphyry belt of northern Chile. Avispa is located 40 km west of the Chuquicamata copper mine, the world's largest open pit copper mine, and 40 km north of BHP's Spence Cu-Mo mine and KGHM's Sierra Gorda Cu-Mo mine (Figures 3).

The Company's intension to increase its footprint in the area by submitting further applications for exploration mining concessions based on its exploration and remote sensing work undertaken in the area.

On November 17, 2021, Montero announced that it had completed reconnaissance exploration on the property and started a detailed field work program. The work has provided a basis for a Phase One field exploration program that will include detailed geological mapping, drill chip sampling at previous drill sites, surface lithological sampling and geophysical surveys that is underway.

As at March 31, 2022, the Company capitalized $240,858 in costs.

On March 14, 2022 Montero announces it has finalized the regulatory process for 200.8 km^2 of exploration concessions that includes the original Avispa and recently awarded Abeja exploration concessions that were registered in 2021. The company is also finalizing the regulatory process on an additional 270.5 km^2 of Abeja concessions. The company expects the remaining regulatory processes to be completed during Q2 2022. Once completed the company would hold 100% ownership of a total of 473.3 km^2 of exploration concessions in a well-defined late Palaeocene to early Eocene Cu-Mo porphyry belt of northern Chile (Figure 4).

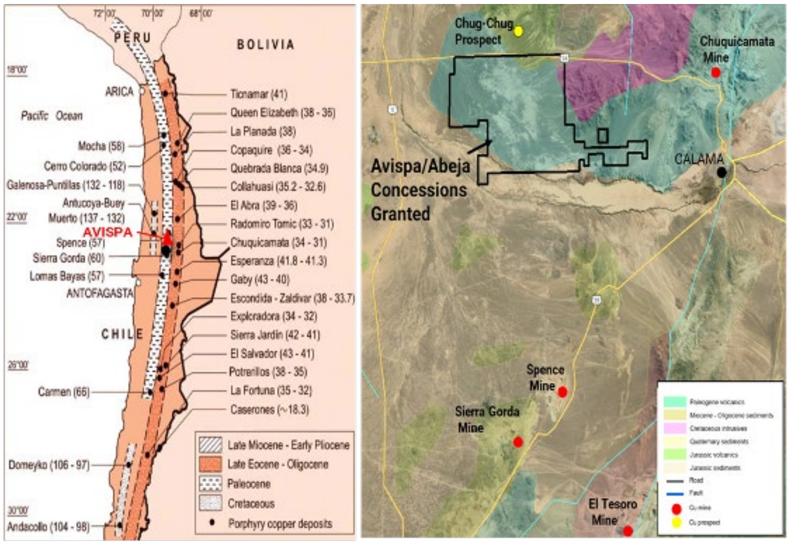

Figure 3. Location of the Avispa Exploration Property Area in northern Chile and major copper mines in northern Chile at different scales.

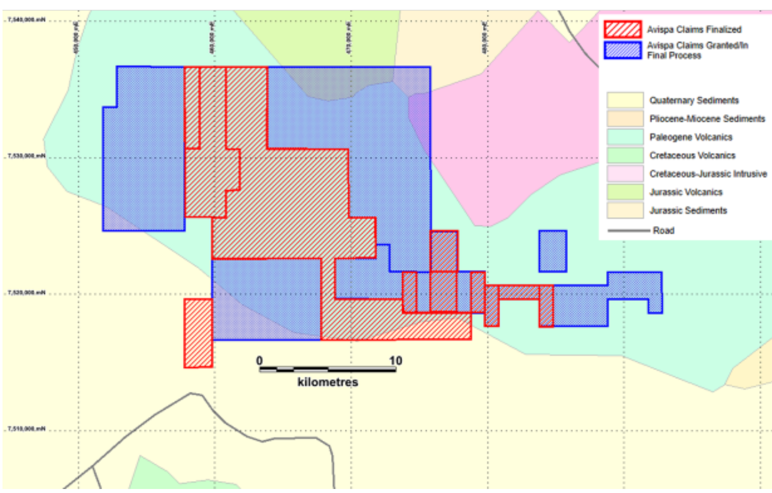

Figure 4. Regional geological map (after SERNAGEOMIN) showing the Avispa Property exploration concession areas that have be granted and also those in the final stages of the regulatory process.

Tanzania

Wigu Hill Intellectual Property Sale and Tanzania Government Dispute

The Wigu Hill rare earth deposit ("Wigu Hill Project") was discovered and developed by Montero. The carbonatite hosted rare earth deposit is located 170 km southwest of Dar es Salaam, Tanzania.

The Company completed and earn-in agreement with a local party between May 26, 2008 to April 27, 2010 whereby the Prospecting Licenses constituting the Wigu Hill Project were transferred to the jointly owned Wigu Hill Mining Company Limited ("WHMC"). In 2015, WHMC was awarded a Retention License over the Wigu Hill Deposit valid for a period of 5 years. Retention Licenses were granted to previous holders of a Prospecting License after a mineral deposit was defined within the Prospecting License area which could not immediately be developed due to technical constraints, adverse market conditions or other economic factors.

In July 2017 the Government of Tanzania ("Tanzania") announced wide-ranging and severe amendments to the Mining Act 2010, which, inter alia, abolished the legislative basis for the Retention License classification with no replacement classification. On January 10, 2018 the Government of Tanzania cancelled all Retention Licenses issued prior to January 10, 2018 at which point they ceased to have any legal effect.

On August 8, 2018 the Company signed a Letter of Intent ("LOI") to sell Montero's holding company that holds 100% of the Intellectual Property ("IP") relating to the Wigu Hill Project to Transocean Group ("Transocean") and Cheetah Resources Pty Ltd. ("Cheetah"). Upon signing, the Company received a non- refundable fee of $100,000. Cheetah agreed to fund a $500,000 development program over six months to complete a legal and technical due diligence of the IP once a Mining License had been awarded. In the event that Cheetah was to acquire all the Company's equity interest and thereby the IP for $1.1 million in the Wigu Hill Project after which Cheetah will grant and register a 1% net smelter return royalty payable to the Company on any production from the IP and future licenses awarded at Wigu Hill. Until such time as the Mining Rights have been granted, the third party has agreed to pay overhead costs of US$7,000 per month. These overhead cost fees have not been received since October 2019. At December 31, 2020 a total of US$84,000 in overhead fees were due to Montero and no fees have been received to 31 December 2021.

On June 26, 2019 an amendment letter to change the terms of the August 8, 2018 agreement LOI was signed between Montero and Cheetah. This amendment letter included the following: an assignment of all of Transocean rights to Cheetah; Montero's Holding company to include any other subsidiary Tanzania companies set up by Montero; a payment or Deposit of $100,000 to be made by Cheetah to Montero which shall be classified as a loan if the Mining License is not awarded, and the agreement is terminated by Cheetah.

On the December 19, 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 Wigu Hill Retention License area. An amended tender document was advertised on December 20, 2019 with changes to the previous tender terms which provided for no compensation to previous Retention License holders.

On January 8, 2021, Montero completed a Litigation Funding Agreement with Omni Bridgeway Canada Limited an affiliate of the Litigation Funder. The Agreement provides funds to be drawn to meet all fees and expenses relating to the pursuit of certain claims against the Tanzanian government for the illegal expropriation and loss of the Wigu Hill Project. This includes all costs associated with legal proceedings and, if necessary, enforcement, of any awards. Montero has retained Mr. Thierry Lauriol and his team at Jeantet AARPI as legal counsel that have extensive experience in international litigation and a track record of success for its clients in Africa. The Company has also retained the services of Dr Neal Rigby of SRK Denver who will perform a valuation of Wigu Hill as an independent technical expert. Dr Rigby has acted in this capacity in many international mining disputes that have been resolved through ICSID arbitrations.

On January 17, 2020, the Company delivered a "Notice of Intent" to Submit a Claim to Arbitration to the Attorney General of Tanzania in accordance with the 2013 Agreement for the Promotion and Reciprocal Protection of Investments in the Bilateral Investment Treaty ("BIT") between Canada and the United Republic of Tanzania. This was necessary in order to preserve the Company's rights to initiate arbitration should a resolution with the Tanzania not be reached on compensation for the expropriation of the property. Montero has thereby formally notified the Tanzania that there exists an investment dispute between Montero and Tanzania.

On May 27, 2021, the Company announced that it had filed a request for arbitration with the International Centre for Settlement of Investment Disputes (ICSID) under the auspices of the World Bank. On the 9 February 2021 the Secretary-General of the ICSID registered Montero's request for the institution of arbitration proceedings against Tanzania for the illegal expropriation and loss of its Wigu Hill Project. Montero and Tanzania (the "Parties") have appointed their respective arbitrator and have to agree on a third arbitrator, who shall be the president of the tribunal at which point ICSID will then request the parties to make a deposit of US$150,000.

On November 29, 2021, the Company announced that the dispute resolution process dealing with the expropriation of the Wigu Hill project is underway. The arbitration tribunal is composed of Dr Achille Ngwanza, president, Mr Eric Teynier, an arbitrator appointed by Montero and Mr Cecil W. M. Abraham, an arbitrator appointed by Tanzania. Each party to the dispute has to make a deposit of US$150,000, after which the procedural calendar for the proceedings will be held within 60 days.

The actions of Tanzania revoking the Wigu Hill Retention License and the removal of the rights to the minerals and land conferred thereunder with no remedy or compensation has rendered the Wigu Hill Project valueless as the Company does not have a license or any process to acquire a license. Thus, as a direct consequence of the legislative, regulatory, and other measures taken by Tanzania, the Company has lost its investment. Montero has written off the value of the Wigu Hill project as a result of Tanzania cancelling the Retention License and transferring the rights there under to the government.

Montero confirms that it is taking all necessary actions to preserve its rights and protect its investment in Tanzania. The Company's desire is for both parties to reach a mutually acceptable outcome but had no alternative but to continue to pursue its claims before an international tribunal and seek full compensation for damages suffered as a result of Tanzania's acts and omissions.

Montero can provide no assurance that Tanzania or ICSID will favour Montero's claims for damages for the expropriation of the defined Wigu Hill Project. The Company can confirm that after many good-faith attempts to settle the dispute there have been no resolution to the Company's request for settlement with the Tanzanian government.

Montero Subsequent Events in 2022

On April 12, 2022 Montero announced an update on the arbitration proceedings against the United Republic of Tanzania over the expropriation of the Wigu Hill rare earth element project before International Centre for Settlement of Investment Disputes. The arbitral tribunal President and appointees of Montero and Tanzania held its first session on 17th January 2022, and procedural issues agreed, including the timeline and timetable of the proceedings. Montero intends to file its Memorial on the merits of the case and a valuation of its claims for damages in May 2022. The arbitration will take place in Washington DC.

Namibia

Soris Lithium Project

On October 10, 2017, the Company entered into a Letter of Intent ("LOI") with Frovio Investment ("Frovio") to acquire an 80 % interest in a newly formed company that will hold the 8 mining claims that make up the Soris Lithium Project (the "Soris"). Montero was granted an 80 % interest in private Namibian company by committing to spending $1 million on the Project over a six-year period. Due to Frovio's inability to obtain a drill permit and the weak lithium market an impairment charge of $224,229 was recorded.

UIS Lithium Tin Tailings Project

On March 5, 2018, the Company entered into a binding Heads of Agreement ("HOA") with Namib Base Minerals CC ("NBM") and Namibia Silica CC ("NBS"), (collectively the "Owners") to acquire a 95% interest in the UIS Lithium Tin Tailings Project. The Company was unable to complete the earn-in payment due to poor market conditions for lithium. The Company capitalized costs of $169,662 on the UIS Lithium Tin Tailings Project. As the agreement is currently in default, the Company has impaired the carrying value of this project.

EPL 6162 Lithium Project

On March 1, 2018, the Company entered into a LOI with Mr. Esegial Xamseb ("Xamseb"), a Namibian national, to acquire an 80% interest in the Exclusive Prospecting License 6162 ("EPL 6162 Lithium Project"). Under the terms of the LOI, Montero can earn an 80% interest in the EPL 6162 Lithium Project by spending $1,000,000 over a six year period. Montero shall pay Xamseb $5,000 on signing of a definitive agreement and make annual payments to him of $10,000 on the anniversary of the effective date. There was a due diligence period of six months provided.

As of December 31, 2019, the Company capitalized costs of $11,023 on the EPL 6162 Lithium Project. As at December 31, 2019, the Company has withdrawn from this project and issued a termination notice and recorded an impairment charge of $11,023. During the year ended December 31, 2021, the Company reversed certain costs relating to this project and recognized a recovery of $22,421.

South Africa

Phosco Project

The licenses comprising the Phosco project, Duyker Eiland and Phillips Krall, expired in February 2019. Management has re-applied for only the rights to the Duyker Elland project area which has not been successful. Phillips Krall area was not re-applied by the Company.

The Company recorded an impairment charge for the year end December 31, 2018 for Phosco totaling $1,362,197 which included $9,393 in reclamation bonds. During the year ended December 31, 2019, the Company incurred costs of $6,648 on the Phosco project which were expensed as project investigation costs.

Risk Factors

Through its operations, the Company is exposed to various business risks outlined below. Additional risks and uncertainties, including those that we are not aware of now or that we currently deem immaterial, may also adversely affect our business.

- Montero has not been profitable since inception and it may continue to incur substantial losses.
- The Company operates in the highly speculative business of mining exploration and developmentand is currently in the exploration stage.
- The Company has not yet determined whether their properties contain enough mineral reserves,such that their recovery would be economically viable.
- The Company is exploring for mineral resources and these commodities are subject to pricing andother risks.
- The Company may not be able to secure adequate financing to support the expenditures requiredto sustain the Company until profitable operations are achieved.
- The Company operates in foreign jurisdictions and although professional advice is obtained toensure the Company meets all the local requirements, there may be deficiencies in some areas.
- The Company is subject to foreign government's policies and regulations and seeks local adviceto assess and comply with local requirements.
- The Company faces currency risks in its operations.
- The Company has limited personnel with various degrees of knowledge concerning their area of expertise and there may be instances where segregation of duties does not exist and reliance must be placed on outside advisors to assist with complex areas.

- The COVID-19 pandemic has initiated travel bans and a global economic crisis whereby the Company is restricted in its ability to finance, operate and plan exploration.
- The Russia military action against Ukraine is negatively impacting general business and financial environment that may restrict the Company's ability to finance, operate and plan exploration.

The Company undertakes its best efforts to mitigate the above risks using the resources at its disposal but believes that uncertainties and risks do exist in its business operations. Further discussions on risks associated with the Company's operations are elaborated below. Readers should review and consider the financial, operational, permitting and environmental risk factors faced by the Company, which are common to junior exploration companies.

Industry and Economic Factors Affecting the Company

The Company's future performance is largely tied to the financial markets related to junior exploration companies, which is often cyclical and is currently very unfavorable. The Company continuously monitors several economic factors including the uncertainty regarding rare earth element and phosphate prices and the availability of equity financing for the purposes of mineral exploration and development. The Company's future performance is largely tied to the development of its current mineral property interests and the overall financial markets. Financial markets relating to commodities are likely to continue to be volatile reflecting ongoing concerns about the global economy and potential sovereign defaults throughout the world. Globally companies have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders.

With continued market volatility expected, the Company's current strategy is to continue to conduct limited exploration work on its properties where required and keep these in good standing until access to capital for junior mining companies becomes more available and to seek out other prospective business opportunities including entering into option arrangements and/or joint ventures. The Company believes that this focused strategy will enable it to maintain momentum on key initiatives. These trends may limit the Company's ability to develop and/or further explore its Chilean properties, and/or other property interests that could be acquired in the future. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in short-term operating and longer-term strategic decisions.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits is a speculative venture involving a high degree of risk. Even a combination of careful evaluation, experience and knowledge may not eliminate such risks. While the discovery of a commercially viable ore body may result in substantial rewards, few mineral properties, which are explored, are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides, and the inability of the Company to obtain suitable machinery, equipment or labor are all risks involved with the execution of exploration programs and the operation of mines. Substantial expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing may be required.

It is impossible to ensure that the exploration or development programs planned by Montero will result in a profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade, metallurgical characteristics, and proximity to infrastructure; (ii) metal prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, permitting, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; (v) availability and cost of additional funding; and (vi) local community and landowner opposition to access mineral rights. The exact effect of these factors cannot be accurately predicted, but one or any combination of these factors may result in Montero not receiving an adequate return on invested capital.

Additional Capital

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of Montero. The development and exploration of the Company's properties will require substantial additional financing. Such financing can also be sourced by allowing investment groups to obtain equity at the asset level of properties of interest rather than via subscription into the listed Company. Failure to obtain financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of Montero's properties or a loss of a property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional financing is raised by Montero through the issuance of securities from treasury, control of Montero may change, and security holders may suffer additional dilution.

Environmental Risks and Hazards

All phases of Montero's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company’s operations. Environmental hazards may exist on the properties on which Montero holds interests which are unknown to Montero at present and which have been caused by previous or existing owners or operators of the properties or by current or previous surface rights owners. Government and private surface rights property owners approvals and permits have been submitted as required and future approvals will be required in connection with Montero's operations. To the extent such approvals are required and not obtained, Montero may be curtailed or prohibited from continuing its mining operations or from proceeding with the planned exploration or development of the mineral properties in which it has an interest. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of exploration properties may be required to compensate those suffering loss or damage by reason of such parties' activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on Montero and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

Permitting

Montero's current and future operations will require approvals and permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labor standards, health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such approvals and permits for the existing operations or additional approvals or permits for any possible future changes to operations. Prior to any development on any of its properties, Montero must receive permits from appropriate governmental authorities. There can be no assurance that Montero will obtain or continue to hold all permits necessary to develop or continue operating at any particular property.

Title to Exploration, Mining and Retention Licenses and claims

The validity of Exploration, Mining and Retention licenses and claims generally can be contested, and although Montero has taken steps to acquire the necessary title to its licenses, some risk exists that title to such licenses may be defective. In order to maintain these licenses, Montero must pay license and claim fees when due and may need to incur certain minimum exploration expenditures annually or risk forfeiture of the licenses and claims any such expenditure made to such time. The Company is also aware of over staking and bureaucratic errors over licenses and claims which are beyond its control. Governments may also change legislation which can have a severe effect on the Company's tenements. As a result of the enactment of certain legislation by the Tanzanian government, all existing mineral Retention Licenses, including those related to the Wigu Hill Project, have been revoked.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to insure such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of Montero. The Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Montero periodically evaluates the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if Montero becomes subject to environmental liabilities; the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds available to Montero to pay such liabilities and result in bankruptcy. Should Montero be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, and government or other interference in the maintenance or provision of such infrastructure could adversely affect Montero's operations, financial condition and results of operations.

Market Factors and Volatility of Commodity Prices

The marketability of mineralized material, which may be acquired or discovered by Montero, will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations in the prices of minerals sought, which are highly volatile, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, permitting, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but these factors may result in Montero not receiving an adequate return on invested capital. Prices of certain minerals have fluctuated, particularly in recent years, and are affected by numerous factors beyond the control of Montero. Futuremineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by Montero would have a material adverse effect on Montero and could result in the suspension of exploration or development of mining operations by Montero.

Competition

The resource and mining exploration industry is intensely competitive in all of its phases. As a result of this competition, some of which is with large, established mining companies with substantial capabilities and greater financial and technical resources than Montero, the Company may be unable to acquire additional mineral properties on terms it considers acceptable or continue to explore and develop its existing properties.

Exchange Rate Fluctuations

Exchange rate fluctuations may adversely affect Montero's financial position and results. The Company does not currently hedge or otherwise mitigate its foreign currency risks.

Foreign Operations

The Company's property interests are located Chile and are subject to the respective jurisdiction's laws and regulations. The Company is always assessing current developments in policies and regulations and investors should assess the political risks of investing in a foreign country. Variations from the current regulatory, economic and political climate could have an adverse effect on the affairs of the Company.

Key Executives

Montero is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. Montero does not currently carry any key man life insurance on any of its executives.

Conflicts of Interest

Certain of the directors and officers of Montero also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Montero will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders.

Company Objectives and the Year Ahead

The Company's corporate objectives are to create value by focusing the expertise of its management and Board of Directors on exploring, discovery and development of metals and minerals projects. The Company will endeavor to create value from its properties in Chile through exploration and agreements with other partners to advance the projects, or outright sale.

The Company has elected to change its focus away from battery metals due to a contraction of the global economy and the potential for a deep recession due to the corona virus where diminished demand for battery metals may further depress prices. Montero is aggressively reducing its portfolio of battery metals projects as it is difficult to justify exploration. Management has a deep expertise in defining precious metals deposits and the Company has secured a gold asset in Chile in order to add value for shareholders. A gold in Chile focus is underway and the company is reducing the existing portfolio of battery metal assets.

1.3 SELECTED ANNUAL INFORMATION

	Year ended December 31,		
	2021	**2020**	**2019**
Expenses	$	$	$
Consulting, directors', administrative and management fees	237,438	275,907	283,428
Directors' fee	39,500	-	-
Adjustment to receivable balance	-	27,524	-
Depreciation	418	779	1,058
General and administrative	90,067	27,353	46,900
Impairment of exploration and evaluation assets	-	-	375,091
Professional fees	98,713	113,464	58,311
Project investigation costs	5,386	10,124	53,231
Shareholder and regulatory	23,782	30,657	45,247
Stock-based compensation	-	511,648	-
Other operating costs	-	6,374	50,052
Other	(874,221)	(270,664)	(255,761)
Net loss	**(1,369,525)**	**(733,166)**	**(657,557)**
Basic and diluted loss per share	**(0.04)**	**(0.03)**	**(0.03)**

Exploration and evaluation assets	$ 474,835	$ 325,274	$ -
Total assets	$ 771,390	$ 2,082,815	$ 83,056
Total liabilities	$ 438,969	$ 415,869	$ 549,288
Shareholders' equity (deficit)	$ 332,421	$ 1,666,946	$ (466,232)

1.4 RESULTS OPERATIONS

Three months ended March 31, 2022

During the period ended March 31, 2022, the Company was focused on the drill program on the Isabella gold silver project. The Company spent $113,509 on exploration properties in Chile with $52,521 on the Isabella gold silver project and $60,988 on the Avispa copper molybdenum project. The Company spent $11,613 on project investigation costs.

General and administrative costs decreased from $32,216 incurred during the period ended March 31, 2021 to $26,271 incurred during the period ended March 31, 2021. In the prior year the company incurred costs due to incurring investor relation costs updating the website and promotional videos.

The Company's net loss for the period ended March 31, 2022, was $128,333 ($0.00 per share), compared with a net loss of $154,483 ($0.01 per share) for the period ended March 31, 2021.

At March 31, 2022, the Company had cash and cash equivalents of $110,445 compared to $241,178 at December 31, 2021. The Company will require further funds in the future for general working capital and to fund its exploration programs since it currently has no revenue sources.

Three months ended March 31, 2022

The Company's operating expenses during the three months ended March 31, 2022 were lower compared to the same period of comparative year. Significant changes in the Company's expenses are outlined below.

Consulting, directors', administrative and management fees decreased to $88,946 during the three months ended March 31, 2022 compared to $113,296 incurred during the same period of the comparative year due to decreased management and directors' fees charged.

Professional fees decreased from $32,867 for the prior comparative period ended March 31, 2021 to $25,919 for the current period ending March 31, 2021 due to reduced accounting fees.

General and administrative costs decreased from $32,216 for the prior comparative period ended March 31, 2021 to $26,271 for the current period ending March 31, 2022 due to incurring investor relation costs updating the website and promotional videos in the prior period.

The Company's net loss for the three months ended March 31, 2022 was $128,333, compared with a net loss of $154,483 for the three months ended March 31, 2021.

Commitments and Contingencies

The Company has no lease commitments. The Company has option commitments relating to its exploration and evaluation projects as outlined in Note 7 in the Company's financial statements.

On January 8, 2021, Montero completed a Litigation Funding Agreement (the "Agreement") with Omni Bridgeway Canada Limited ("Omni Bridgeway") in the amount of US$2.32M. The Agreement provides for funds to be drawn from a financing facility to meet all fees and expenses relating to the pursuit of certain claims against the Government of Tanzania for the illegal expropriation and loss of the Wigu Hill Project, including all costs associated with legal proceedings and, if necessary, enforcement, of any awards. Montero has initiated international arbitration proceedings in accordance with the BIT between Canada and the United Republic of Tanzania. Compensation being sought for expropriation of the Wigu Hill rare earth element Project may include, but will not be limited to, the value of the historic investment made by Montero in Tanzania, the value of the project at the time that tenure was expropriated and damages the Company has suffered as a result of Tanzania's acts and omissions.

Segmented Information

The Company has one business segment being the exploration and evaluation of mineral resources. The Company is organized by geographic area and as such, its reportable operating segments are located in Namibia and Chile.

1.5 SUMMARY OF QUARTERLY RESULTS

	2022	2021		
	Q1	Q4	Q3	Q2
	$	$	$	$
Consulting, administrative and management fee	79,071	9,474	50,930	63,136
Directors' fee	9,875	10,250	9,500	9,875
Professional fees	25,919	32,272	9,875	23,699
Other expenses	13,769	84,403	8,694	26,242
Writing off payables	-	(55,259)	(7,052)	-
Impairment of exploration and evaluation assets	-	1,018,964	-	-
Gain on winding up of subsidiaries	-	(71,240)	-	-
Stock-based compensation	-	-	-	-
Interest expense and other	301	(6,410)	(1,286)	(1,025)
Net loss	**(128,333)**	**(1,022,454)**	**(70,661)**	**(121,927)**
Basic and diluted loss per share	**(0.00)**	**(0.01)**	**(0.01)**	**(0.01)**
Exploration and evaluation assets	588,344	474,835	1,376,140	1,221,453
Total assets	753,446	771,390	1,847,379	1,897,677
Total liabilities	549,358	438,969	487,314	477,854
Shareholders' equity	204,088	332,421	1,360,065	1,419,823

	2021	2020		
	Q1	Q4	Q3	Q2
	$	$	$	$
Consulting, administrative and management fee	129,145	129,145	76,709	79,946
Professional fees	41,816	41,816	50,096	7,350
Other expenses	1,032	1,032	405	2,148
Writing off payables	-	-	-	(256,956)
Stock-based compensation	511,648	511,648	-	-
Interest expense and other	16,766	16,766	635	1,233
Net loss	**(700,407)**	**(700,407)**	**(127,845)**	**(166,279)**
Basic and diluted loss per share	**(0.03)**	**(0.03)**	**(0.02)**	**(0.01)**
Exploration and evaluation assets	325,274	325,274	140,444	58,282
Total assets	2,082,815	2,082,815	325,875	130,665
Total liabilities	415,869	415,869	794,132	671,690
Shareholders' equity	1,666,946	1,666,946	(468,257)	(541,025)

Note: Income (Loss) per share amounts disclosed above on a quarterly basis may not necessarily equal the cumulative amounts disclosed in the Company's annual financial statements, due to the timing of changes in the weighted average number of shares throughout the year versus the weighted average number of shares throughout the quarter.

1.6 /1.7 LIQUIDITY AND CAPITAL RESOURCES

The Company held cash and cash equivalents of $110,445 as at March 31, 2022 compared to $241,178 as at December 31, 2021.

The Company changes in cash of $3,407 in its operations during the period ended March 31, 2022 compared to cash used of $43,699 in its operations during the period ended March 31, 2021. The Company used cash of $134,140 in its investing activities during the period ended March 31, 2022, compared to cash of $665,435 used in its investing activities during the period ended March 31, 2021. The Company generated $Nil cash from its financing activities during the period ended March 31, 2022 and $35,000 during the period ended March 31, 2021.

The Company has no operating lease commitments. The Company has capital commitments relating to its exploration and evaluation assets as outlined in 1.2 OVERALL PERFORMANCE, Our Exploration Results for the period and the audited consolidated financial statements for the year ended December 31, 2021.

The Company is dependent upon its ability to raise additional funds to support its operations and it does require additional financing since it is an exploration stage company with no current sources of revenue. Funding options available to the Company are outlined below.

Montero is a publicly traded corporation listed on the TSX Venture Exchange and plans to utilize the public market to raise the additional funds it requires, either through brokered or non-brokered private placements. The Company issues shares where possible for mineral property acquisitions as well as for debt settlements when practicable. In addition, the Company negotiates favorable funding terms for its mineral property payments where possible and amends the agreements, if required, to coincide with the Company's cash funds available. Montero works with its other exploration partners in exploring for its mineral properties to share the costs and risks in exploring them. The Company has also obtained loan financing from related parties when required.

Management has reduced operating costs including voluntary fee reductions from directors, reduced rent and administrative fees and decreased usage of administrative staff and consultants. Management has focused its exploration efforts on the projects it believes will provide the best value to shareholders. It continues its exploration work programs on projects to advance them and seeks joint venture and other partners for other projects where no exploration is currently being conducted.

Management believes that reduction in operating expenses, funding from potential funding partners, borrowings from directors and management, and further private placements will generate the required funding to maintain operations. Although management is committed and expects to raise additional funding, the timing and the nature of the financing is uncertain and there can be no assurances that this will occur.

The Company grants stock options to promote the profitability and growth of the Company by facilitating the efforts to attract and retain its directors, officers and consultants. As of March 31, 2022 there were 3,280,000 stock options outstanding at a weighted average exercise price of $0.30 per share. 1,707,500 of the stock options expire on May 14, 2023 and 1,572,500 expire on December 21, 2023. In addition, there were 8,333,333 warrants outstanding at an exercise price of $0.25 and expire December 11, 2022.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

Montero does not utilize off-balance sheet arrangements.

1.9 TRANSACTIONS WITH RELATED PARTIES

The Company incurred the following transactions with management, directors, officers, or companies which have directors in common, or in which the directors have significant influence and interests.

	Three months ended March 31	
	2022	**2021**
	$	$
Consulting and management	46,424	46,225
Directors' fee	9,875	9,875
General and administrative	1,155	2,966
Total remuneration of directors and key management personnel	**57,454**	**59,066**

The following amounts due to related parties are included in trade and other payables:

	March 31, 2022	**December 31, 2021**
	$	$
Due to related parties	252,544	199,800
Promissory note	100,616	99,999
Total	**353,160**	**299,799**

1.10 FOURTH QUARTER

Please see 1.4 SUMMARY OF QUARTERLY RESULTS for information on the fourth quarter of 2021.

1.11 CRITICAL ACCOUNTING ESTIMATES

Not applicable as the Company is a venture issuer.

1.12 CHANGES IN ACCOUNTING POLICIES AND INITIAL ADOPTION

There were no changes to the Company's accounting policies during the year or the adoption of new accounting standards. Refer to Note 4 of the Company's annual financial statements.

1.13 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT, INCLUDING MANAGEMENT OF CAPITAL

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern, while supporting the Company's business and maximizing the return to its stakeholders. The Company's capital structure is adjusted based on management's decisions to issue debt or equity instruments to fund expenditures. In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of equity attributable to owners of the parent comprised of share capital, stock options and warrants.

The Company's principal assets are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. In order to facilitate the management of capital and exploration of its mineral properties, the Company needs to raise capital as and when required to complete its projects and for working capital. The sources of future funds presently available to the Company are through the issuance of new share capital, through the exercise of stock options and/or warrants or through divestiture of certain assets. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions, as well as the business performance of the Company.There can be no assurances that the Company will be successful in its efforts to arrange additional financing, when required, on terms satisfactory to the Company.

Management prepares operating budgets to forecast its financing requirements in advance and they review their capital management approach on an ongoing basis and believes that this approach is reasonable, given the relative size of the Company. The Company's investment policy is to hold cash in interest-bearing accounts at high credit quality financial institutions to minimize risk and maximize liquidity.

The Company's overall strategy remains unchanged from the prior period. The Company is not subject to any externally imposed capital requirements.

Risk Management and Financial Instruments

The Company operates in the mining industry and faces a number of risks that could adversely affect the Company's operations. These risks include industry risk, credit risk, liquidity risk, interest rate risk, foreign currency risk, and commodity price risk. Management reviews and develops policies for managing each of these risks which are summarized below.

Industry Risk
The Company is engaged primarily in the mineral exploration field, which is subject to inherent risks of success as well as compliance with environmental, political and regulatory requirements. The Company is potentially at risk for environmental reclamation obligations associated with resource property interests. As well, the Company operates in foreign countries and is subject to local political risks, as well as local regulatory requirements regarding ownership and maintenance of mineral licenses. Management is of the opinion that they have the expertise to address these risks and makes all efforts to conduct their business in compliance with local industry standards, however

environmental and local industry laws and practices are complex, and there is no certainty that all exposure to liability or costs have been mitigated.

Credit Risk
Credit risk is the risk of loss associated with a counter-party's ability to fulfil its payment obligations. The Company's primary exposure to credit risk is attributable to its cash and cash equivalents, as well as other receivables. This risk relating to cash and cash equivalents is considered low since the Company only invests its cash in major banks which are high credit quality financial institutions. The other receivables primarily comprise local sales tax refunds due from governmental agencies and other sundry amounts, as such, management considers the risk with their collection minimal. The cash and cash equivalents are invested in short-term investment certificates for periods less than 90 days. The other receivables are due in less than 90 days.

Liquidity Risk
Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash in order to meet its liquidity requirements and to develop budgets to forecast cash requirements in advance of their requirements. As discussed previously, the Company currently does not have a source of operating cash flow and must raise funds for its exploration and evaluation programs and for general working capital. There are risks associated with raising the funds required, and there can be no assurances that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. The Company's trade and other payables are generally due within 90 days, with all amounts due within twelve months.

Interest Rate Risk
Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents which represent excess cash invested in short-term investments and these accrue interest at variable market rates. The Company monitors these investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. The effect of changes in interest rates is not significant to the Company.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in Canada, Chile, Namibia, South Africa and Tanzania and portions of its expenditures are incurred in US dollars, South African Rand and Tanzanian Shillings. The Company's presentation currency is the Canadian dollar, the Chilean and Tanzanian subsidiaries' functional currency is the United States dollar and the South African and Namibian subsidiaries' functional currency is the Canadian dollar. The value of financial assets and liabilities denominated in currencies other than the functional currency of the entity to which they relate is not significant.

Commodity Price Risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value of its exploration and evaluation assets, due to commodity price movements and volatilities. The Company monitors commodity prices (primarily lithium, and rare earth elements) to determine the appropriate course of action to be taken by the Company.

COVID-19
Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from coronavirus (COVID-19). The Company continues to operate its business and move its exploration activity forward at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020.

Our business, financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action.

In late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including Canada. In response to the military action by Russia, various countries, including Canada, the United States, the United Kingdom and European Union issued broad-ranging economic sanctions against Russia. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets.

While we expect any direct impacts to our business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect our business and may make it more difficult for us to raise equity or debt financing.

1.14 OTHER MD&A REQUIREMENTS

DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The information required on the Company's exploration and evaluation assets are readily available from the Company's audited consolidated financial statements for the year ended December 31, 2021, and therefore are not required to be repeated here.

DISCLOSURE OF OUTSTANDING SHARE DATA

The information on the Company's share capital including numbers of shares outstanding, details of any conversion features, number of shares issuable on conversion of stock options and warrants, etc. are detailed in the Company's consolidated financial statements for the year ended December 31, 2021. The number of common shares outstanding as of the date of this report on May 27, 2022 is 38,647,485 shares.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Montero, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation.

Forward-looking information estimates and statements that Montero's future plans, objectives and goals, including words to the effect that Montero or management expects a stated condition or result to occur. 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 statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Since forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; the uncertainty of conducting activities within a joint venture structure; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; the ability to anticipate and counteract the effects of COVID-19 pandemic on the business of the Company, including without limitation the effects of COVID-19 on the capital markets, commodity prices, supply chain disruptions, restrictions on labor and workplace attendance and local and international travel and uncertain political and economic environments. Although management of Montero has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.