

**EARLY WARNING REPORT FILED PURSUANT TO
PART 3 OF NATIONAL INSTRUMENT 62-103**

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Montero Mining and Exploration Ltd. (the “**Issuer**”) reached agreements to settle debt owed to certain creditors in consideration for the issuance of special warrants (“**Special Warrants**”) of the Issuer (the “**Debt Settlement**”). Each eight (8) Special Warrants are exercisable into one (1) common share (a “**Common Share**”) if the Consolidation Condition (as herein defined) is satisfied on or before September 30, 2017.

The Debt Settlement was made pursuant to the grant of a “discretionary waiver” of the TSX Venture Exchange’s (“**TSXV**”) minimum \$0.05 pricing requirement (the “**Waiver**”). With respect to the Waiver, the Issuer intends to conduct a share consolidation of its outstanding Common Shares on the basis of one (1) post-consolidation Common Share for each eight (8) pre-consolidation Common Shares (the “**Consolidation Condition**”) which would result in a post-consolidation conversion price greater than \$0.05 per Common Share (the “**Share Consolidation**”) on or before September 30, 2017 (the “**Consolidation Deadline**”).

If the Consolidation Condition is satisfied on or before the Consolidation Deadline, the Special Warrants shall be deemed to be exercised for no further consideration (without any further action on the part of the Special Warrant holders) at 5:00 p.m. (Toronto time) on the date of the Consolidation Condition. However, if the Consolidation Condition is not satisfied on or before the Consolidation Deadline, the Special Warrants shall be redeemed at the Subscription Price with interest payable at the rate of 10% per annum.

The registered head office of the Issuer is the following:

789 West Pender Street
Suite 1128
Vancouver, British Columbia
V6C 1H2

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Antony Harwood (the “**Acquiror**”) acquired ownership or exercised control or direction or has beneficial interest over an aggregate of 16,557,680 Special Warrants of the Issuer pursuant to the Debt Settlement.

As a result of the Debt Settlement, the number of common shares the Acquiror beneficially will own, or exercise control or direction or have beneficial interest over of the Issuer following the Consolidation Condition being satisfied, has increased by more than 2%.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Antony Harwood
P O Box 154
Bedfordview, Gauteng,
2008, South Africa

Pursuant to the Debt Settlement, Dr. Harwood personally acquired 220,320 Special Warrants. In addition, Global Mining Services Limited and Zander Investing Limited which are companies over which Dr. Harwood has beneficial interest in acquired 8,829,840 Special Warrants and 7,507,520 Special Warrants respectively.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

The Issuer completed the Debt Settlement on July 7, 2017.

As a result of the Debt Settlement and upon the satisfaction of the Consolidation Condition, the Acquiror will have ownership or direction or beneficial interest in or control over 3,323,620 common shares of the Corporation representing approximately 18.09% of the issued and outstanding common shares of the Issuer.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report

and the change in the acquiror's securityholding percentage in the class of securities.

Prior to the Debt Settlement, the Acquiror owned, or exercised control or direction or had beneficial interests over 10,031,277 common shares, representing 11.84% of the issued and outstanding common shares of the Issuer.

The Acquiror acquired ownership or control or direction or had beneficial interest in 16,557,680 Special Warrants of the Issuer pursuant to the Debt Settlement. Following the Debt Settlement and upon the Consolidation Condition being satisfied, the Acquiror will own, or exercise control or direction or have beneficial interest over 3,323,620 common shares, representing 18.09% of the issued and outstanding common shares of the Issuer.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

The Acquiror acquired control or direction or had beneficial interest in 16,557,680 Special Warrants of the Issuer pursuant to the Debt Settlement.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 3.1.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Acquiror acquired 16,557,680 Special Warrants of the Issuer pursuant to the Debt Settlement at a deemed price of CAN\$0.025 per Special Warrant in a Debt Settlement in consideration for the settlement of an aggregate of CAN\$413,942 of debt owed to the Acquiror.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and**

value, in Canadian dollars, of the consideration paid or received by the acquiror.

Please refer to Item 4.1 for details regarding consideration paid by the Acquiror.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

The acquisition of Special Warrants of the Issuer occurred as part of a Debt Settlement.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**

(k) an action similar to any of those enumerated above.

The Special Warrants acquired pursuant to the Debt Settlement which are exercisable into one (1) common share if the Consolidation Condition is satisfied are being held for investment purposes only, however, and depending on market and other conditions, the Acquiror may from time to time in the future increase or decrease his ownership, control or direction over common shares of the Issuer through market transactions, private agreements, or otherwise.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best

knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: July 10, 2017

Per: (signed) "Antony Harwood"
Antony Harwood