

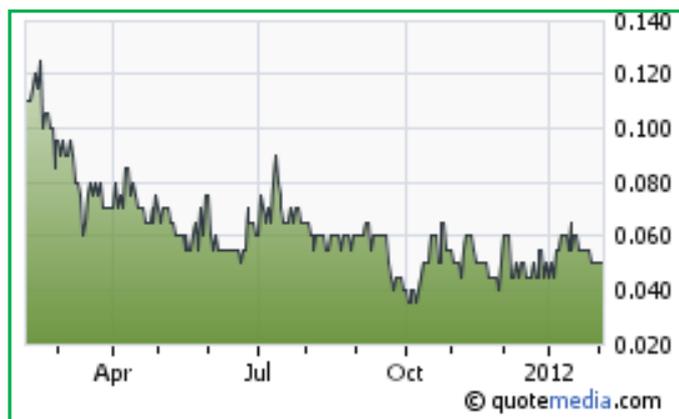
Rare Earth Elements Letter

INTERNATIONAL

the independent information and advice bulletin for Rare Earth Elements and related investments

Special Situation – February 2012

www.montororesources.com



International Montoro Resources Inc. (Cdn\$ 0.05)

TSX.V : IMT
Frankfurt : O4T
OTC : IMTFF.PK

H+L prices (12 months) : Cdn\$ 0.14 – 0.04
Net issued shares : 56.3 million
Fully diluted shares : 66.5 million

Market capitalization : Cdn\$ 6.4 million

First price target: Cdn\$ 0.15

Company profile

International Montoro Resources (“IMT”) is focused on exploration and development of three separate claim blocks in the **Rocky Mountain Rare Metals Belt**, northern **British Columbia**, as well as advancing its 100%-owned **Elliot Lake REE Uranium Project** in northern Ontario.

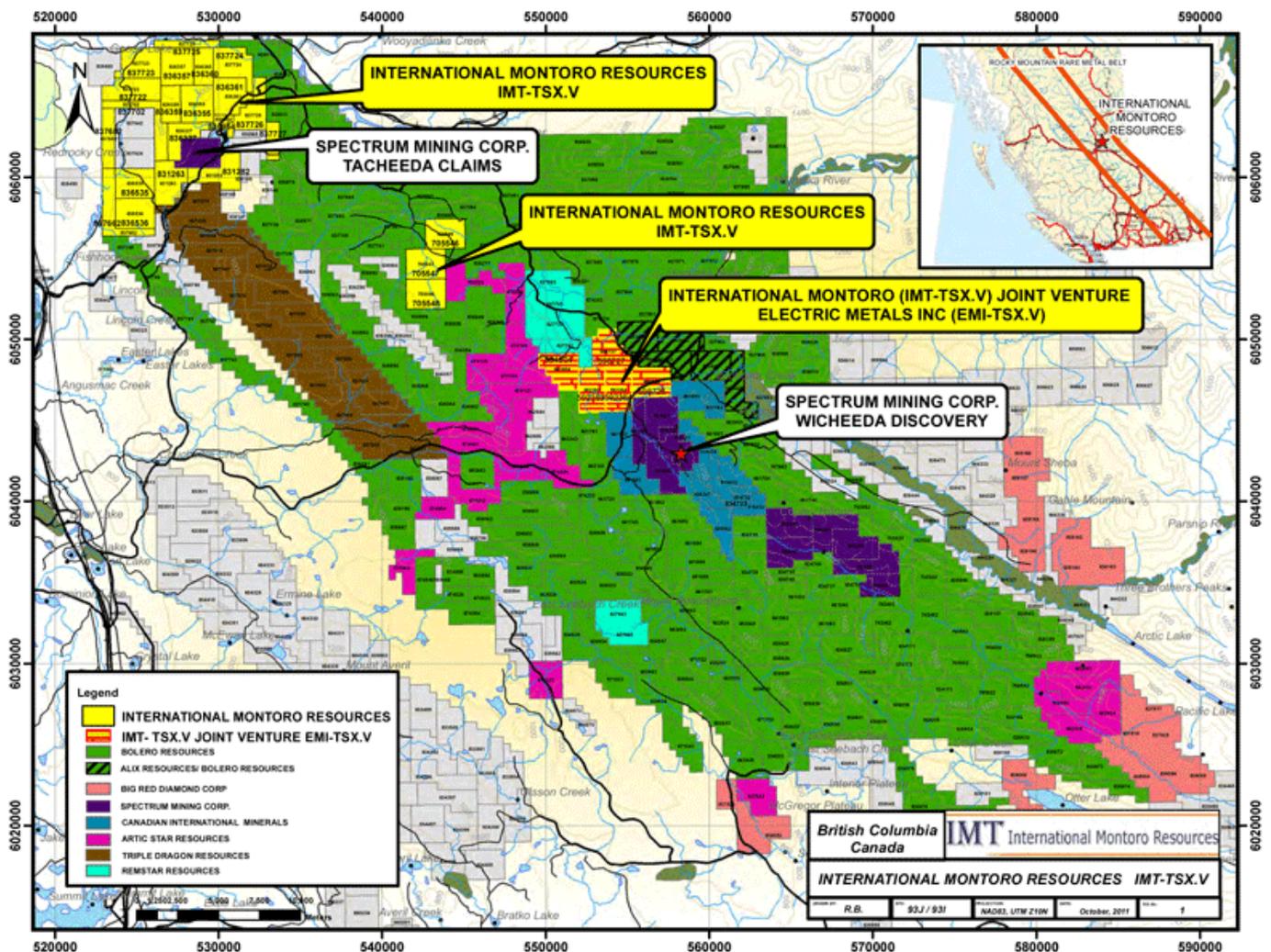
On October 25, 2011, IMT announced the acquisition of a 100% interest in an additional 11 claims covering 4,778.52 hectares (the Rocky Group) adjoining and surrounding its Tacheeda Lake claims in the Rocky Mountain Rare Metals Belt, and surrounding a claim block owned by Spectrum Mining Corp., which ground is believed to cover a buried carbonatite (Cominco 1986, Tacheeda Lake report).

The acquisition more than doubled the Company’s holdings in the area to over 31,000 acres(12,065.73 ha), which includes the **Chuchinka Property**, contiguous to Spectrum Mining’s ‘Wicheeda’ property, where in late October 2009 significant rare earth elements mineralization was reported from drilling.

IMT, together with its joint venture partner Belmont Resources (50/50) will also continue the development of the **Crackingstone-Orbit uranium properties** in the **Uranium City District** in northern **Saskatchewan**.

IMT also holds 2 claim blocks (50/50) with Belmont in the Central Mineral Belt in Labrador, one of which is located in the historical Letitia Lake – Red Wine rare earths metals camp of west-central Labrador.

IMT is now advancing its claim against the BC government for the expropriation of its **Cup Lake / Donen** uranium claims due to a ban on uranium development in British Columbia since October 2009.



Overview of projects

➤ Rocky Mountain Rare Metals Belt properties – British Columbia

On November 15, 2011, IMT announced that it has acquired through staking an additional 4 claims covering 4,500 acres, due west of its previously acquired Carbo group.

IMT now controls over 31,000 acres (12,605.73 ha) consisting of three separate claim blocks as follows:

▶ **Chuchinka – 100 interest in 5,604 acres (2,268 ha)** consisting of 5 claims contiguous to and adjoining the Wicheeda property owned by private company Spectrum Mining. In late October 2009, Spectrum reported a significant discovery where 11 drill holes intersected very encouraging mineralization. The best drill intercepts include 48.64 metres grading 3.55% REEs, 72.0 metres of 2.92% REEs and 144.0 metres of 2.20% REEs.

Electric Metals Inc. (“EMI”) has an option to earn a 75% interest in the Chuchinka claims through cash payments of \$ 340,000 (received \$120,000) and 700,000 (received 250,000) in shares over three years and exploration totalling \$ 425,000 over the same period.

In 2010, EMI completed a 654 line km, AeroTEM helicopter-borne electromagnetic plus radiometric survey covering a 29.4 square km area and was successful in mapping several anomalies, the largest of these measuring 4 km by 1 km.

In 2011, EMI tested four grids spanning 2 square km of highly prospective ground, collecting more than 2,000 soil and grab samples. Geochemical sampling of soils and bedrock, together with ground-based geophysics in the form of precision, magnemeter and scintillometer surveying, were applied to identify the most prospective portion of this and other REE targets in preparation for trenching and drilling. Results are pending.

- ▶ **Carbo Mountain – 100% interest in 2 claim blocks** totalling 6,802 acres (2,752.69 hectare) – consisting of 7 claims located directly northwest of Chuchinka.

These claims are adjoining properties owned by Arctic Star Exploration and Bolero Resources, with both companies having recently completed helicopter air borne surveys. Bolero has also conducted significant ground geophysical, sampling and drilling programs. Results are pending.

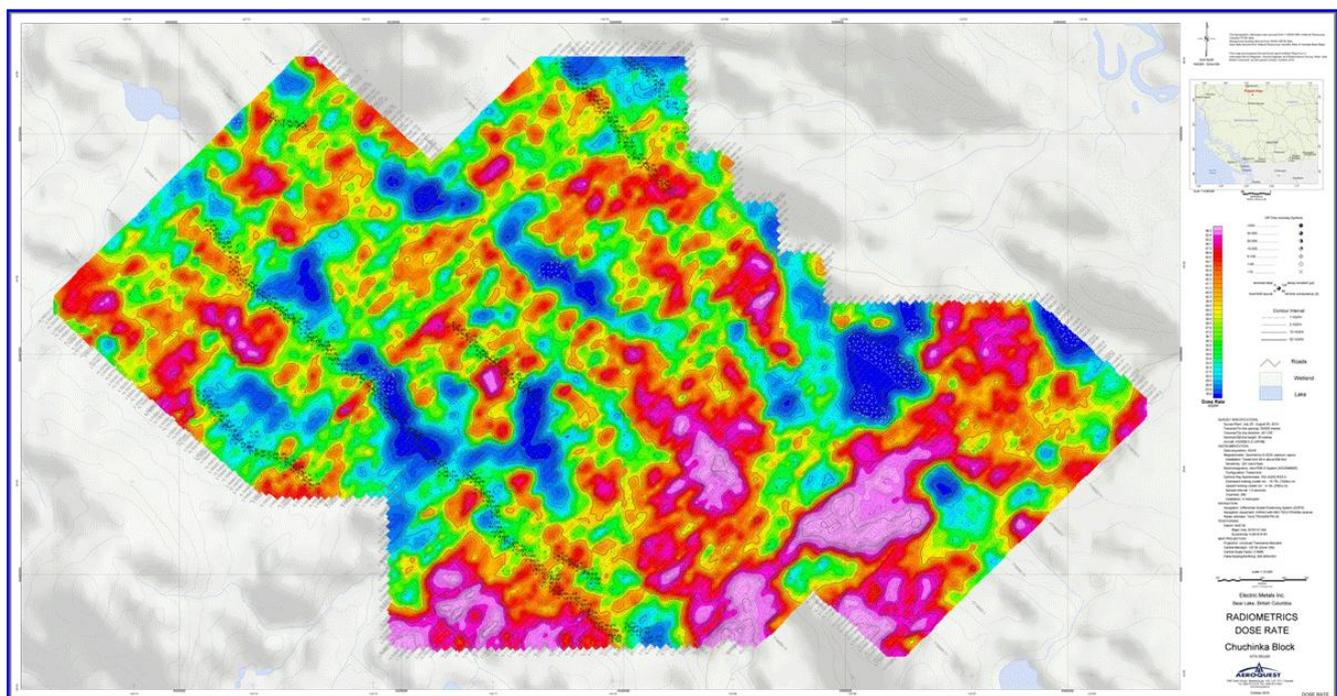
- ▶ **Tacheeda Lake – 100% interest in 18,743 acres** (7,585.04 ha) – consisting of 20 claims and surrounding an additional claim block owned by Spectrum Mining.

IMT recently completed a 989 line km magnetic and radiometric air- borne geophysical survey over 3,300 ha of this claim block. The preliminary results have identified several coincident radiometric and magnetic anomalies which are considered to be high priority for follow-up sampling programs. The magnetic component of the survey further defined the strong magnetic anomaly on Spectrum ground, as well as other magnetic features extending from this feature onto the Tacheeda Property. Final results are pending.

The southwest portion of the Tacheeda (the "Rocky" group of claims) was historically explored by Teck Corp. In 1992.93 to cover a sedimentary exhalative target based on results of a regional program which outlined Ag, Pb, Zn and Ba anomalies over a 1.6 km northwest trend.

The northeastern portion of the Property contains a 231 acre (91.41 ha) claim called "Quite the Little Pit". Diamond Limestone mapped and sampled the area and proposed developing the deposit to supply agricultural limestone.

Helicopter-Borne AeroTEM - Radiometrics Survey on Chuchinka Property



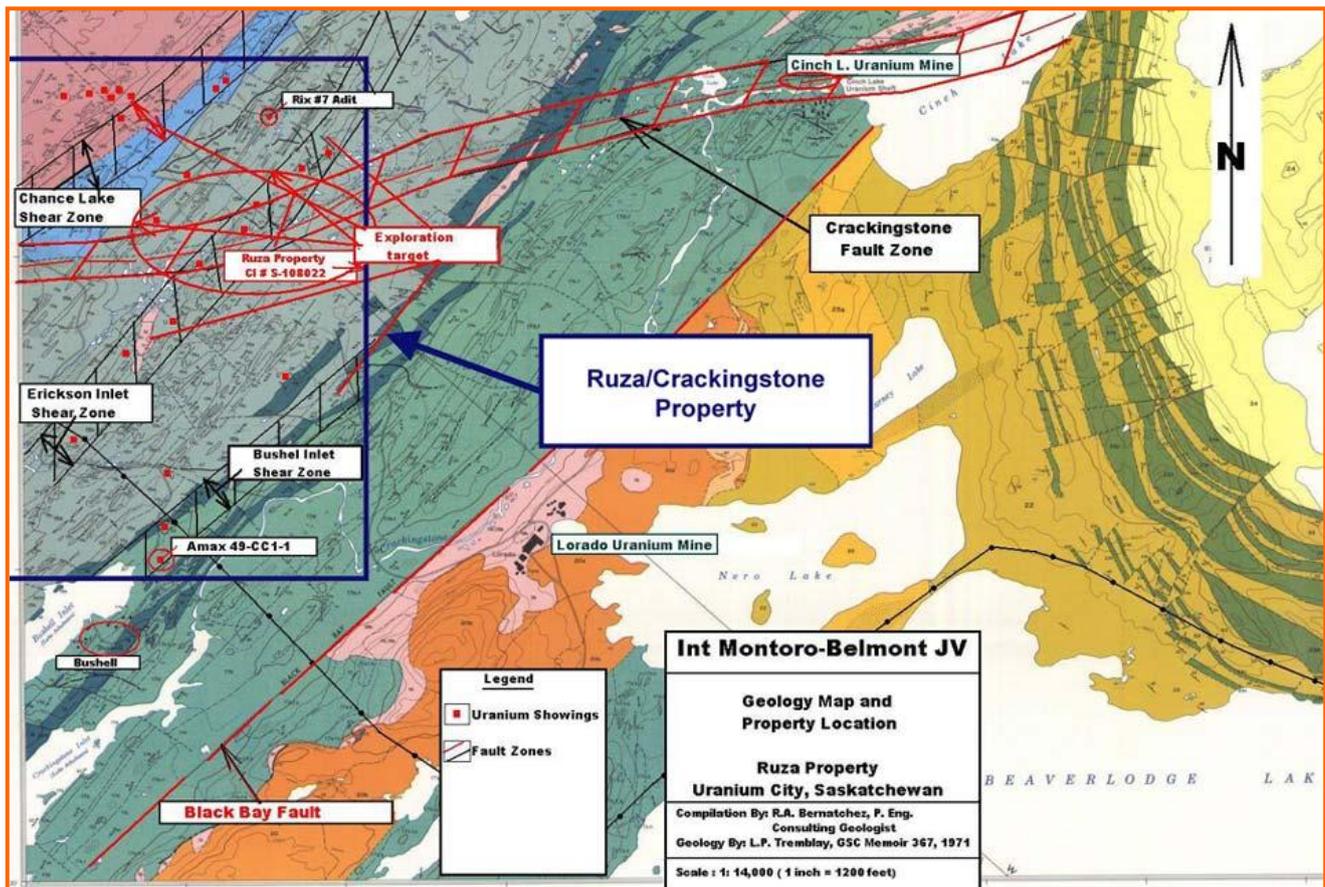
➤ **Orbit- Crackingstone properties, Uranium City, Saskatchewan**

On December 5, 2011, IMT and its 50% joint partner Belmont Resources announced that in September they had returned to the Orbit-Crackingstone properties to conduct a sampling program.

The objective of this first sampling program was to collect channel samples from the strong anomalies identified from air borne radiometric, electromagnetic and magnetic surveys conducted on the properties in 2007-08.

The sampled areas are Orbit Lake, Orbit Bay and Spotlake East.

Previous work at two of the sites (Orbit Bay and Lake areas) are known to contain uranium and pegmatites and it was also the objective of this program to test these pegmatites for their rare elements contents and their control.



A total of 25 samples were taken (24 channels and 1 grab) from three separate radiometric targets. Two targets were selected on the Orbit Property, one near the north end of Orbit Lake and a second target near the north shores of Orbit Bay.

All samples were analysed for uranium, thorium, and light and heavy rare earth elements, multi-elements and for whole rock analysis.

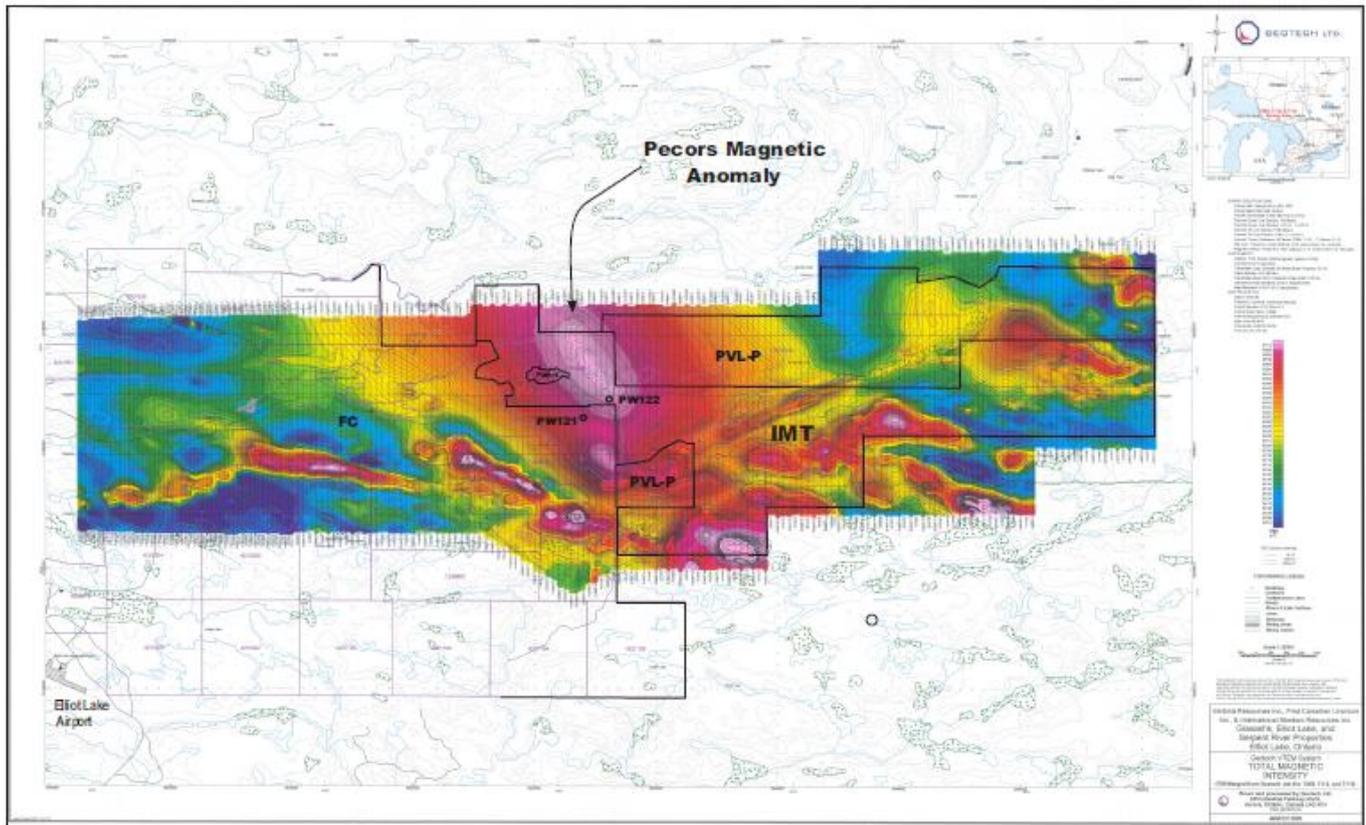
Considering the nature of the program and the random channel sampling, IMT and Belmont believe the results were positive and will be very helpful in pin-pointing where to focus on the next phase of exploration.

3 samples assayed over 1,200 ppm, TREOs (total rare earth oxides). 3 approximately 1 metre trench channel samples assayed 1,424 ppm, 1,252.1 ppm and 1,250.4 ppm TREO.

The total assays of various samples were from 246.3 to 1,149.2 ppm **Light Rare Earth Elements (LREE's)** with the highest contents in zirconium (Zr) up to 474 ppm, rubidium (Rb) up to 337 ppm, lanthanum (La), praseodimium (Pr), samarium (Sm) plus up to 652 ppm in thorium (Th) and 620 ppm in vanadium (V).

The total assays of the samples for **Heavy Rare Earth Elements (HREE's) & Yttrium** were from 11.67 to 149.4 ppm with the highest in yttrium (Y) up to 81.3 ppm. The samples are anomalous in gallium (Ga) up to 22.2 ppm, gadolinium (Gd) up to 21.1 ppm, dysprosium (Dy) up to 16.6 ppm, terbium (Tb), europium (Eu), holonium (Ho), erbium (Er) up to 8.53 ppm, ytterbium (Yb).

➤ **Uranium-REE Project, Elliot Lake, northern Ontario**



The Elliot Lake Mining camp, once known as the “uranium capital of the world”, has produced more than 300 million pounds of U₃O₈ from stratigraphically-bound deposits that demonstrated remarkable consistency over an extensive area.

IMT’s Serpent River Lake Property encompasses 1,840 hectares. It is located approximately 13 kilometres east of the town of Elliot Lake and it straddles the unconformity between Archean greenstones and younger Huronian sediments.

In 1977, Rio Algom outlined a historical resource at the Serpent River Property estimating the Pecors East Zone (non NI 43-101 compliant) containing an Indicated resource of 20 million tons grading 0.034% U₃O₈ (14.8 million pounds u₃O₈), with the potential to expand the zone through additional drilling.

In January 2008, an airborne “VTEM” electromagnetic survey (first ever) was flown by IMT in cooperation with neighbours Pele Mountain and Verbina Resources. Preliminary plots of this data have revealed the existence of at least eight conductors underlying the sediments. These are top priority drill targets.

In November 2009, IMT returned for re-assay numerous samples from certain drill intersections and confirmed the presence of elevated rare earth elements (REE) in conjunction with uranium in the quartz pebble conglomerates (QPC).

Six holes spanning an area of about 550 metres by 300 metres returned TREE (total REE plus Y-Yttrium) results as high as 0.3067% shedding another light on the Elliot Lake camp.

Elliot Lake was a global producer of the Yttrium during the 1980s as a by-product of uranium production.

In March 2010, IMT announced that it had reviewed a summary of field work published by the Ontario Geological Survey (“OGS”) on and around its Serpent River Property. The Open File report shines additional light on a strong geophysical anomaly on the Property located in Joubin and Gaiashk townships, Ontario. The area was selected for mapping by the OGS because of renewed uranium exploration in the area and because previous published mapping of Proterozoic rocks in the area dates mainly from the late 1950s and early 1960s.

The OGS comments specifically on a large airborne magnetic anomaly outlined by a Geotech VTEM-electromagnetic survey conducted by IMT, Pele Mountain Resources and Verbina Resources in 2008 and acquired by the OGS in 2009.

A large portion of this magnetic anomaly is contained within IMT’s Serpent claims and is coincident with a regional gravity high. Insert picture of the anomaly here.

In March 2010, IMT announced that diamond drilling commenced on the Serpent River Property for an estimated 15-20 drill holes totalling approximately 3,000 metres.

This second phase drilling was targeted to explore a new style of mineralization not previously recognised in the Elliot Lake area and it is a significant target upon which to focus the Company’s efforts. The drill core was assayed for both the uranium and REE contents.

➤ **Cup Lake / Donen Uranium Deposit, British Columbia**

IMT’s Cup Lake – Donen Uranium Deposit in British Columbia occurs within a northwest trending palaeochannel adjacent to Boss Power’s Blizzard uranium property.

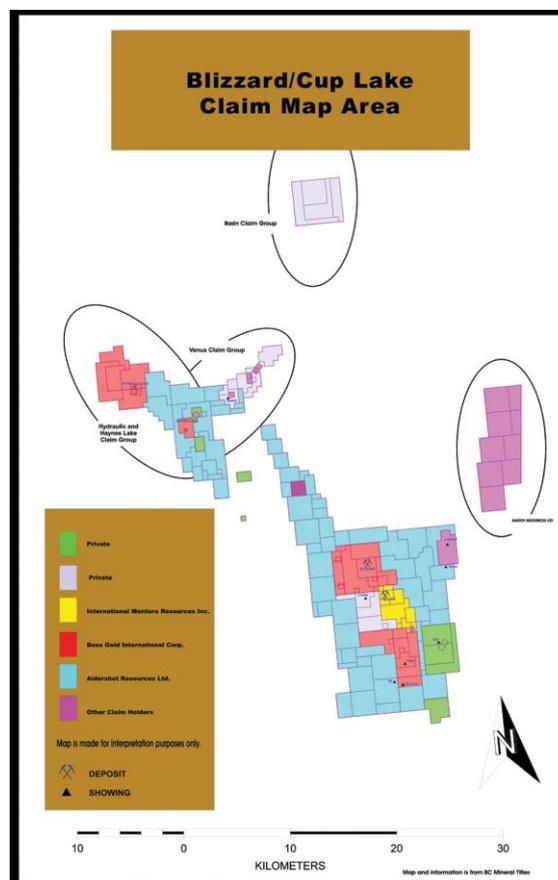
The Blizzard deposit was reported to host a historical resource (non NI 43-101 compliant) of 1.9 million tonnes, grading 0.247% U₃O₈ (10.4 million pounds U₃O₈).

The Cup Lake – Donen deposit was estimated to contain a historical resource (non NI 43/101 compliant) of 2.25 million tonnes, grading 0.037% U₃O₈ (16.8 million pounds U₃O₈) - as reported in BC Government-Minfiles and Assessment Report # 8105).

In March 2009, the BC Government issued an order in Council prohibiting the Chief Mines Inspector from issuing work permits in respect of uranium and thorium development - a ban.

On October 21, 2011, Boss Power announced the material terms of a settlement with the government of the province of British Columbia in the amount of Cdn\$ 30 million plus costs and disbursements in return for the surrender of the transfer of the Blizzard mineral claims to the province.

IMT is now advancing its claim against the BC government for the expropriation of its Cup Lake/Donen uranium claims.



➤ **Other properties**

On February 7, 2012, IMT and Belmont Resources announced that they have entered into an agreement to sell their 100% interest in two claim groups located in the East Bay area, Red Lake, Ontario to Premier Gold Mines.

The two claims comprise 21.525 hectares (approximately 53 acres).

IMT and Belmont have not completed any exploration on the claims which they have held since 2004. Premier will pay to IMT and Belmont an aggregate of Cdn\$ 20,000 cash and issue 5,000 shares of Premier.

Management

Gary Musil, President/CEO/Director, has more than 30 years of management and financial consulting experience and has served as an officer and director on numerous public companies since 1988. This experience has resulted in his overseeing the financial aspects and expenditures on exploration projects in Peru, Chile, Eastern Europe (Slovak Republic), and British Columbia, Ontario, Quebec and New Brunswick (Canada). Prior to this, he was employed for 15 years with Dickenson Mines and Kam-Kotia Mines as a Controller for the producing silver/lead/zinc mine in the interior of British Columbia Canada. Mr. Musil currently serves as an Officer/Director on several TSX Venture Exchange public companies.

Brent Griffin, CFO/Director, BSc. Geo, is a graduate of U.B.C. with a BSc. in geology. He has worked with Noranda Exploration, The Geological Survey of Canada and Similkameen Mining in various exploration related positions.

Bruce Bried, Director, P.Eng, has over thirty years of management responsibilities and experience in the mining industry in various capacities in Engineering, Reclamation and Operations. His significant experience in the last ten years has been VP Operations for Endeavour Silver, General Manager of Kinross Gold USA, Lupin Mine, Homestake Mining as General Manager of the Lead Mine in South Dakota and the Snip Mine in British Columbia. Prior to that he was the Mine Superintendent at Eskay Creek in British Columbia and Chief Engineer and Mine Superintendent at Teck-Corona (Homestake) Operating Corporation's David Bell Mine in Marathon, Ontario.

Roger Agyagos, Secretary/Director, has a Diploma in Management Systems from BCIT. Since 1995 he has provided office management and financial consulting services to various private and public companies. Mr. Agyagos has been a director of Montoro since January 1998.

Investment recommendation:

IMT is focusing on advancing its three **REE** claim blocks in the Rocky Mountain Rare Metals Belt in north-eastern British Columbia and its 100%-owned **Elliot Lake Uranium Project** in northern Ontario, where in November 2009 also the presence of rare earth elements (**REE**) was confirmed.

In addition, the Company is continuing development with Belmont Resources (50/50) of its Orbit-Crackingstone uranium properties in the Uranium City District in northern Saskatchewan.

IMT also holds 100% interest in the Cup Lake / Donen Uranium Project in south-central British Columbia on which exists a development ban since March 2009 and the Company is now advancing its claim against the BC government.

In January and February 2010, the Company acquired a total land package of 2,268 hectares (**Chuchinka Properly**) in British Columbia, contiguous to Spectrum Mining's Wicheeda Project, where in late October 2009 significant rare earth element mineralization was reported.

Particularly considering the promising prospects of its REE projects in the Rocky Mountain Rare Metals Belt, at a current depressed market capitalization of just Cdn\$ 6.4 million, in our view, the shares of IMT offer a significant speculative investment potential.

Our first price objective is Cdn\$ 0.15.