

## Bending Lake Iron Group Limited

### **Bending Lake Iron Deposit, Northwestern Ontario Bending Lake Iron Group Ltd, Thunder Bay, ON**

**Location:** The Bending Lake Iron Deposit is located 280km northwest of Thunder Bay and 49km southwest of Ignace.

**Historical:** Iron exploration began in the Bending Lake area in 1933 with mapping by Thompson, Ontario Department of Mines. In 1953-55 and 1963-65, Jalore Mining Company Ltd completed mapping, ground magnetic surveys, drilling and mineralogical testing. In 1967, Algoma Steel Ltd did further mapping, drilling, mineralogical testing and completed a preliminary feasibility study. In 1975-77, Steep Rock Iron Ore Mines Ltd completed more drilling, environmental surveys, a bulk sample (>300 tons) and a second preliminary feasibility study was completed. They released a historical resource of 249 Mt of 28.19% Fe.

**Geology:** The Bending Lake Iron Deposit is located within the western region of the Wabigoon Subprovince of the Archean Superior Province. The Bending Lake property is located within the 70km long by 30km wide area known as the Stormy – Bending Lake Greenstone Belt. It consists of differentiated mafic to felsic volcanic rocks, that are overlain and interbedded with clastic and chemical metasedimentary rocks with a broad, southwest dipping synform. This package is bounded to the north by the Revell Batholith and to the south by the Irene-Eltrut Batholithic Complex. The folding and thickening event has produced large volumes of iron ore of economic interest.

**Deposit:** The Bending Lake Iron Deposit is a classical Algoma type iron ore deposit. The banded iron formation is blue-grey to black, fine-grained, well-bedded unit of magnetite with minor hematite, specularite, biotite, amphibole, chlorite, garnet, pyrite or pyrrhotite. It is interbedded with quartz-biotite garnet schist. The iron formation average thickness is 90m and has been traced over 9km in outcrop but aerial magnetic surveys show it extends up to 14km. A historical average grade of 28.19% Fe has been located along a 1150m long by 330m wide, thickened zone containing 249 Million tons of iron ore.

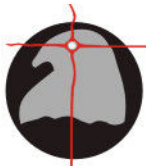
**Current:** In 2008, Fladgate Exploration Consulting Consultants produced a Historical Qualifying Report and was engaged to resample and relog all diamond drilling.

In 2011, Fladgate prepared an Independent Technical Report compliant with national Instrument NI 43-101, companion policy NI 43-101 CP and Form 43-101F. The Resource Estimate report includes 3D model of the ore body and confirmed indicated and inferred resources totalling **336.6 Million Tonnes with an average grade of 29.99%**

#### **Magnetite.**

The 2011 report recommends that Bending Lake complete the following:

- implement an auditable and secure commercial core logging software program,
- in addition to the currently planned along strike drilling, drill fences on section to define the down dip extensions of the ore body and pit bottom,
- continual lab monitoring and QA/QC checks,
- check Satmagan analysis for blanks and standards and that a calibration schedule be designed in conjunction with the lab,



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- perform a 10,000 meter drill program to increase down dip confidence and to further upgrade the block model categorization

Fladgate suggests a budget of approximately CAD\$2.3M to achieve these recommendations.

In 2011, we completed an additional 9 drill holes to confirm historical drill data and infill gaps in the stratigraphical sequence. Those 9 holes were not included in the recent 43-0101 report.

Bending Lake Iron Group is working toward the production of a NI431-01 measured mineral resource. We have completed 8 drill holes to confirm historical drill data and infill gaps in the stratigraphical sequence. Fladgate Exploration produced a Historical Qualifying Report (2008) on the property and was engaged to resample and relog all diamond drilling.

Highway 622; a 4km strike-length with a true width of >60m. We intend to complete drilling program in 2011/2012 to confirm the grade of the Iron formation and bring this meet the drill criteria for a possible NI43-101 Inferred Resource of 210 Mt of Iron Ore for the Northwest Zone at a cost of \$>1,000,000 (Canadian).

Previous work by Jalore (1956) drilled one hole into the Southeast Zone and stripping and mapping by Raoul (2009) indicates that this zone is probably continuous from the potential Open Pit to the southeast. Raoul located a 60m (stripped) section of >20% Fe was located 400m to the southeast of the potential Open Pit. Further work is needed to define this potential resource for the future.

Behre Dolbear produced a preliminary review, evaluation and cash flow projection on the Bending Lake Iron Project (2008). A positive review of the project yielded low to moderate risks in all categories.

We completed a drill program in 2011 to further confirm the grade and extent of the iron formation. Additional drilling is planned for 2012. Our expectation is that this additional drilling will upgrade current tonnage from inferred to indicated to measured status, and will document new additional tonnage at depth and to the Northwest and Southeast of the main reserve body.

**Production:** Since the late-Spring of 2011, our Management Team, with the assistance of international consultants in the iron and steel sectors, spent considerable time evaluating the current and future iron and steel markets, the changing patterns of supply, demand, and international trade for iron ore and steel resulting in greater understanding of the iron market and the present and forecast prices for various iron ore products.

This effort, designed to confirm the 'economic positioning' of Bending Lake against other future producers, reconfirmed the economic viability of our decision to engage in the long-term market opportunity to produce value added iron products. Based on our current market assessment, Bending Lake will be concentrating on the production of pellets.

As you know, until recently the Company focused on a single form of value-added iron product, merchant pig iron. However the market and pricing studies confirmed that the production of pellets would provide a significant financial and operational advantage to Bending Lake.



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Because the process for making pellets is more straightforward, permitting is more streamlined and better understood, and the process has less variables (no coal is required, and the operational process is more mature), the Company is initially planning to produce pellets, targeting production for 2016-17.

**Economic Review:** The Company will produce 4 million tonnes of pellets annually at a cost of approximately US\$50 per tonne.

### **Future:**

1. The Bending Lake Iron Group is focused to bring the Open Pit and Northwest Zones into NI43-101 Measured Resources of near 455 Mt of Fe Ore.
2. Initiate discussions to bring a DRI plant to Northwestern Ontario.
3. Attract increased investment to move the project to the next stage of development.
4. Opportunities exist for developing synergies to look at further resource development for precious and base metals. (Eight weeks of prospecting located 32 showings with highly anomalous Cu and elevated Zn, Ni, Au and Pt.)
5. Through the Mineral Exploration training program, several promising structural targets were identified through geophysics and require further work.