

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 along Highway 17 and 25km south along Highway 622.

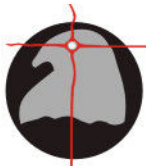
Historical: Iron exploration began in the Bending Lake area in 1933 with mapping by Thompson, Ontario Department of Mines. In 1953-55 and 1963-65, Jalore Mining Company Ltd completed mapping, ground magnetic surveys, drilling and mineralogical testing. In 1967, Algoma Steel Ltd did further mapping, drilling, 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: 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.

Current calculations indicate that a 29 drill-hole program (8,595m) should meet the infill criteria for a NI43-101 Measured Resource of 245 Mt of Iron Ore for the potential Open Pit area at a cost of \$1,670,000 (Canadian). This program will aid in the production of a 3D model of the property in order to produce an independent NI43-101 Inferred Resource. Previous work by Khan (1977) drilled 3 holes into the Northwest Zone and detailed mapping by Raoul (fall, 2010) indicates that this zone is a semi-continuous from the potential Open Pit to



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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.

Production: The Bending Lake Iron Group has acquired the deposit for the purposes of producing Merchant Pig Iron (MPI). We would implore a process known as Ironmaking Technology Mark Three. It is a unique process that produces a high quality iron nugget product that contains essentially pure iron and carbon. This process technology is available from Kobe Steel.

Economic Review: An independent review by Behre Dolbear revealed:

1. 245.5 Mt of 25% Fe ore with \$78.4 M current value.
2. Estimated 61.5 Mt of 70% Fe concentrate.
3. Estimated 43 Mt of MPI at \$400 per ton.
4. Give a gross revenue of \$17 billion dollars.
5. Annual production of 1.2 Mt of MPI @ production cost of \$200 per ton.
6. Yearly Rate of Return of >20%.

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.