



Ambershaw Metallics

AMBERSHAW METALLICS INC

OPERATIONS UPDATE

February 5, 2018

Ambershaw Metallics Inc. (“Ambershaw” or “the Company”) is pleased to report on the progress of its operations at its 100% owned Bending Lake DR-Grade Magnetite Pellet project in Northwestern Ontario.

Advanced Exploration Permitting

During 2017, the Company worked diligently on advancing its engineering designs, metallurgical tests, processing flowsheets, environmental baseline data collection and community relations program, for the initial phase of operations at the Bending Lake project. All these streams of work have generated a wealth of information that will be very valuable for the Company's activities and permitting processes going forward.

At the moment, Ambershaw is focusing on the preparation of an Advanced Exploration Permit application to the Ministry for Northern Development and Mining for a bulk sample program at the Bending Lake project. Upon receiving the bulk sample permit, the company hopes to initiate the mine development and the construction of the necessary facilities to start the production of DR-grade magnetite pellets. The Company expects to apply for this permit during Q2 2018, on the basis of which, it is anticipated that the mine development program would commence during Q3 2018.

Mining Contractors

In parallel to its Advanced Exploration permitting efforts, the Company is working on refining its initial plan of operations and has shortlisted five experienced mining contractors to participate in the bulk sample. A Request for Proposal (“RFP”) process to carry out the bulk sample operations, once the permits are in place, is currently underway. This RFP process is expected to close in February 2018.

“We are impressed and satisfied with the high calibre of participants in this process and look forward to establishing a strong contracting partnership with 1 or 2 of the finally selected participants,” said Mr Saradhi Rajan, MD of Legacy Hill Resources, Ambershaw’s majority shareholder.

Customer Acquisition Effort and DR-Grade Pellet Market

During the third quarter of 2017, the Company, with the support of its Sales Agent, Gardner Dominion LLC, initiated a customer outreach effort to test AMI DR-grade pellet samples at a number of potential end customers in North America. Ambershaw was successful in obtaining significant interest and it has decided to extend the programme to include other potential customers around the Great Lakes area.

The prices for DR grade pellets trended upwards at the end of 2017 and have continued to rise in 2018. This improved market environment reassures Ambershaw’s management of its

decision to pursue the production of DR-grade pellets to satisfy the unsatisfied North-American demand. *“The pellet market is a high value-added supply constrained market with sales taking place on a bespoke basis and hence prices are not consistent across the board however some purchases of DR grade pellets have happened at prices as high as US\$ 300/dmt,”* commented Mr. Saradhi Rajan, Ambershaw’s Chairman. *“We expect to see the demand for our product as a result of the structural supply shortage for DR Grade Pellets to continue for the foreseeable future”*, added Mr. Rajan.

For internal budget purposes, Ambershaw continues to hold its long-term price projection of US\$ 130.00/dmt, which results in an NPV of US\$499 million. The Company is currently reviewing its financial models and anticipates engaging a technical consultancy firm to prepare a bankable feasibility study for its full scale operations.

About Ambershaw Metallics Inc.

Ambershaw Metallics Inc. is a private Canadian Company that is the 100% owner of the Bending Lake Project in North Western Ontario now renamed the AMI Project; it consists of approximately 50 square kilometres of mining patents and claims. The estimated resources of the project indicate 336 million tonnes of 30% Fe as per a NI 43-101 independent technical report completed on November 8, 2011.

The Company aims to produce AMI premium magnetite DR-grade pellets with the following specifications:

Fe	SiO₂+Al₂O₃	Binder
+67.5%	2.1%	<0.5%

The AMI pellets will be produced using a cold binding process which removes the need for large volumes of deleterious binding materials, which generally range from up to 2% Bentonite and up to 13% cement or molasses. As a result AMI briquettes and pellets contain less than 0.5% of harmless organic polymers. Thus, with low energy consumption and no harmful emissions, AMIs briquettes and pellets are a very environmentally friendly range of products.

Interested parties are invited to visit Ambershaw’s website at www.ambershaw.ca.

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