



Ambershaw Metallics

AMBERSHAW METALLICS INC

OPERATIONS UPDATE

February 18, 2019

Ambershaw Metallics Inc. (“Ambershaw” or “the Company”) reports that it is making good progress towards obtaining an Advanced Exploration Permit for its DR-grade Fe Pellet Project in Ontario – Canada. The permit is expected to be granted in Q2-2019, at which time Ambershaw aims to commence drilling and blasting to recover a 100,000t iron-ore bulk sample.

Corporate Update – COO Recruitment

The Board of Directors has decided to hire Franz-Georg Ostrop as the COO to steer Ambershaw through the developing stage of the Bending Lake project and bring the mine into production. Georg has 27 years of experience in the mining industry and he has worked for some of the leading mining companies including Kinross, Cameco, DBE and Rheinbraun AG, in Canada, Russia, Germany, among other locations.

Element COO, Hans Ola Haavelsrud, will be appointed to the Board of Directors of Ambershaw effective February 2019.

Advanced Exploration Permit – Bulk Sample Program

Since our last update, Ambershaw has continued to progress with its application for an Advanced Exploration Permit. Following the Interagency Panel Briefing in November 2018, the Company has continued its dialogue with the relevant governmental bodies to provide requested documentation and information.

Over the course of Q4-2018 and in early January 2019, various site operations have taken place to finalize the Closure Plan, which is part of the Advanced Exploration permitting process to extract and process the iron-ore bulk sample. These activities included a 10 drill-hole campaign to conduct an updated test of ARD (acid rock drainage), as well as First Nation consultation meetings with the indigenous groups involved with this first phase of the project. The ARD analytic results received from an external lab show very low sulfide contents. The evaluation of the analytic results has commenced and will be completed during the next few weeks. The late arrival of these results has, however, led to a short delay in the permitting process. Management of the Company expects to submit the Closure Plan during March 2019 and the permit to be granted in Q2-2019.

The environmental baseline collection program is according to plan ongoing and will be continued in 2020 to provide a three-year set of data and will form the basis for the full scale mining permit. Ambershaw has also intensified its community engagement efforts with the intention to establish and further foster a stable long-term relationship with the First Nations and Metis.

The bulk sample program contemplated under an Advanced Exploration Permit would allow Ambershaw to improve its beneficiation and pelletising processes and technologies under real operating conditions and thus enable it to offer customers with bespoke/customized test products that are tailored to the internal specifications of their steel furnaces.

Update of Feasibility Study

Ambershaw also received Expressions of Interest by five companies to conduct and produce a new Feasibility Study of the Bending Lake project, which will form the basis for a full scale mining license. This study will provide Ambershaw Metallics with a redefined mine plan for full scale mining that optimizes profitability and with a processing technology that maximizes recovery and minimize technical risks at the lowest cost possible. The completion of this study would mark a major milestone in the development of our project towards full-scale mining.

About Ambershaw Metallics Inc.

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

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

| Fe | SiO₂+Al₂O₃ | Binder |
|-----------|--|---------------|
| +68% | 2.1% | <0.5% |

The 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, the briquettes and pellets contain less than 0.5% of harmless organic polymers. Thus, with low energy consumption and no harmful emissions, the briquettes and pellets are a very environmentally friendly range of products.

For more information, please visit our website at www.ambershaw.ca.

For further information, please contact:

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