

With a New Focus on Iron Ore and the Capital and Expertise In Place to Advance their Three Projects, One in Alaska and Two in Canada, Arrowstar Resources Ltd. is Well Positioned for Future Growth

Resources
Mineral Exploration
(TSX-V: AWS)



Robert L. Card
President and Director

BIO:

Robert L. Card, BA (Econ/Comm) 45 years experience in markets, management and financing of natural resource projects as a Corporate Financial Consultant. Mr. Card has extensive experience in developing projects, taking companies public and creating shareholder value. He is a Director or Officer of a number of private and public companies in the resource sector. Mr. Card holds a Bachelor of Arts degree with a major in economics and commerce, from Simon Fraser University, British Columbia, Canada.

Company Profile:

Arrowstar Resources Ltd. is a TSX-V and FSE listed company that sources, evaluates, negotiates, acquires and develops mineral resources world-

wide. The company has positioned itself on an accelerated pace for strategic acquisitions and further development of its global mineral assets and strongly believes iron-ore presents significant opportunities globally.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Card, you recently changed the company name to Arrowstar Resources Ltd.; why the change?

Mr. Card: We were starting new projects and we switched from coal to iron ore. Therefore, to start our new beginning, we thought a new name would be in order.

CEOCFO: What are the areas of focus today?

Mr. Card: We have changed the company's focus to iron ore to capitalize on the strong demand from Asia. Recently, we acquired three iron ore properties. One is in the state of Alaska, 30 miles southeast of Juneau. We have a second property in the Province of Quebec, in the Ungava Bay Iron Formation. The third one is in the Province of Newfoundland and Labrador, in the Labrador Trough.

CEOCFO: Why the interest in iron and was the spreading out of the project opportunistic or by design?

Mr. Card: The opportunity arose that we could acquire these projects and there has been a big demand for iron ore around the world. In fact, the demand has increased. The price has risen from roughly \$30 a ton five years ago to over \$100 to \$140 a ton

now. There is increasing demand, particularly from Asia, but also from all over the world. Infrastructure projects, such as pipelines and railways are expanding worldwide, requiring more and more iron ore.

CEOCFO: What did Arrowstar like about these particular projects other than the fact that they are iron ore, and what is happening on the ground today?

Mr. Card: With the Alaska project, there is a lot of information that was explored by the US government at one point. In 1969, Marcona Corporation of San Francisco teamed up with Marubini from Japan, and proposed putting the property into production at 5 million tons a year. However, the price of iron ore dropped and the project did not proceed. We are hoping to capitalize on the information that is available and be able to advance the property to the production stage in the near future. The other two projects are basically grassroots projects. They are in areas of other iron ore deposits that are currently being developed by other mining exploration companies.

CEOCFO: What will Arrowstar be doing on the properties?

Mr. Card: We are in the process of designing our work programs for this summer's work. Our target is to start our Phase 1 exploration program in Alaska in May, weather permitting. Initially, the work will be to confirm historical data, perform geophysics and geochem, and then culminate in a 10-hole drill program. Phase 2 is for the 2013 season and will be a larger diamond drill program directed by the results of Phase 1. At the Roberts

Lake property, in Quebec, and at the Rannie Lake property in Labrador, we anticipate commencing work in May/June.

CEOCFO: What are some of the challenges in looking for iron?

Mr. Card: The big challenge with iron ore is that you have to transport it, but this is one of the benefits and the beauty of the Alaska project. This is because this project is located right on tidewater and we can actually bring in large iron ore barges right up to the edge of the property. Assuming that we get to the production state, we are not going to have to build extensive dock facilities or anything like that. We can bring the ships right up close to shore, to our small docks, tie them up and load them from there. In eastern Canada, it is a little different story. In Quebec, there is a proposal to build a port there within about 50 miles of the locations. If that happens, then we would be able to ship the iron ore out of there. It would take a 50 to 70 mile long train ride to bring the ore to the ships. In Labrador, it is a different story again. There is a railway into Labrador, as Labrador has been a provider of iron ore for many years. The railway ends down in Quebec on the St. Lawrence River. There, the ore would be loaded for Great Lakes ports, where iron is made into steel in the United States. The iron for export will go down the St. Lawrence River to world markets.

CEOCFO: What is the availability worldwide in general for iron ore?

Mr. Card: Iron ore is quite abundant all over the world. However, the biggest problem is probably the low grades that have to be beneficiated to a higher quality to be acceptable in blast furnaces. Our iron ore in Alaska

is around 34% iron and it can be beneficiated up to about 60-65% product, which is acceptable in the rest of the world as feed for blast furnaces. The other thing of course is the availability of transport. Iron tends to be located in mountains usually a fair distance from water or any kind of infrastructure, so that makes the job a little more difficult for anybody. Even a very nice iron ore project may have problems with infrastructure availability, and in some cases, very extensive infrastructure has to be constructed. The beauty of our Alaska project is we are 30 miles from Juneau the capital of Alaska. It is basically mild weather in that area. Although there is quite a bit of snow, it is not extremely cold

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like in Eastern Canada. We also have the benefit of being on the ocean and the infrastructure is generally good, so those are some of the positive things we have going for us.

CEOCFO: Is Arrowstar looking at additional projects?

Mr. Card: If we saw a project that met certain criteria we would be interested, but we are not actively looking for additional projects at this point. We have our plate full for this summer, furthering the exploration on these properties.

CEOCFO: What is the financial picture like for Arrowstar Resources today?

Mr. Card: I do not have the final budget on the programs for this summer yet. I estimate that right now there will be somewhere around \$1.5 million. However, we do have over \$2 million in the bank. Therefore, we are

able to get these projects going and have some progress at the end of the summer that will allow us to raise money for the next round, which will come of course in the following exploration season.

CEOCFO: Do you have your team in place?

Mr. Card: Yes. We have a very good team in place, headed up by our recently appointed Vice President of Exploration, an Australian named Phillip Thomas. He has a good track record of developing projects of this nature. We also have a mining engineer on our Board of Directors, who also has experience in developing these types of projects. Therefore, we feel we certainly have the three things we need: the projects, the manpower, and the money.

CEOCFO: Why should investors pay attention to Arrowstar Resources today?

Mr. Card: We are going to be able to advance these properties and add further value because we are well capitalized and have the necessary expertise in place. At the moment we do not have that many shares outstanding and I think that we can put this project together, especially our Alaska project, without massive dilution of the shares. At this point, we do not have a very high market cap and some institutions will wait until we have more news and a higher price and a better market cap. We will keep investors informed with regular updates and news as the projects are further advanced. For investors that are looking for something that can see a good upside, Arrowstar gives them that opportunity here at these levels.

**Arrowstar Resources Ltd.
Suite 212 – 475 Howe Street
Vancouver BC Canada V6C 2B3
Phone: 604-687-7828
www.arrowstarresources.com**