

REGISTRATION PURSUANT TO

THE ENVIRONMENTAL PROTECTION ACT

FOR

THE BLOCK 103 IRON EXPLORATION PROJECT

**Schefferville Area,
Western Labrador**

**Cap-Ex Ventures Ltd.
Vancouver, BC**

July 11, 2011

REGISTRATION FORM

The Environmental Protection Act

NAME OF UNDERTAKING: Block 103 Iron Exploration Project

PROPONENT:

- (i) Name of Corporate Body: **Cap-Ex Ventures Ltd.**
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1.0 THE UNDERTAKING:

1.1 Nature of the Undertaking

Cap-Ex Ventures Ltd. is the holder of certain Map Staked Mineral Licenses located between 25 and 40 km NW of Schefferville in western Labrador. Cap-Ex is presently drilling and trenching in the Block 103 Project in areas immediately adjacent to existing gravel access roads. This current exploration work has been fully permitted by the Dept. of Natural Resources and is not a required registration undertaking by the Dept. of Environment & Conservation.

Cap-Ex is planning on conducting additional mineral exploration assessment work at the Block 103 Project during the summer of 2011, however there is little to no existing road access to these areas. This work will consist of surficial trenching and diamond drilling in areas that have undergone previous historical exploration work. Cap-Ex is proposing to complete a minimum of 27 drill holes and 16 trenches (each approximately 20 to 50 m in length and from 1 to ~4 m deep) in an area with little to no existing roads or drill trails. Pending positive drill and trench assay results, an additional 18 infill drill holes and 14 additional trenches may be drilled as part of this proposed undertaking. The company is proposing to move the drill and equipment along skidder-drill trails to be constructed while drilling and trenching proceeds this summer; approximately 14.5 km of skidder-drill trail will be utilized. The additional infill drill holes and trenches should not require more than 2 to 3 extra km of skidder trail.

1.2 Purpose/Rationale/Need for the Undertaking:

The Block 103 Project is underlain by the partially mapped and defined Sokoman Formation which is the main host rocks for the large iron ore deposits found throughout the Labrador Trough, including over 125 million tonnes of mined high-grade iron ore in the Schefferville region. The Schefferville area also contains over nine billion tonnes grading ~30% Fe and over 130 million tonnes grading >55% Fe of existing iron ore resources planned for possible future mining on other properties in this region.

The Block 103 Project contains numerous iron ore related geophysical anomalies, including magnetic and gravity anomalies, and historical iron showings. Many of these zones have been trenched and partially drilled during the 1950's to 1980's. The most recent geophysical surveys include an airborne magnetic survey (2008) and an extensive airborne gravity survey (April-May 2011). Both surveys confirmed the very high potential for the Sokoman Fm, within the Block 103 Project, to host both high-grade DSO (direct shipping ore) and lower-grade taconite type iron ores. Recent mapping and prospecting of outcrops have confirmed significant iron showings related to these anomalous zones.

In order to properly determine the location, dimensions and iron grades of the banded iron formations Cap-Ex will need to carry out specific surficial trenching and diamond drilling and/or reverse circulation drilling.

2.0 DESCRIPTION OF THE UNDERTAKING:

2.1 Geographical Location:

The Block 103 Project is located between 25 and 40 km NW of Schefferville in western Labrador (Figure 1). Seasonal gravel roads exist from Schefferville directly to the south, eastern and western sides of the Property providing excellent access (Figure 4).

The Block 103 Project is located on NTS map 23J/14 roughly centered at UTM coordinates 6,093,000N and 613,000E (NAD 1927, Zone 19) and at elevations ~1,600 to 2,600 feet above sea level (Figure 2).

2.2 Physical Features:

The major physical feature of the undertaking will be the drilling of a minimum of 27 and a maximum of 45 drill holes, the digging of approximately 16 trenches to a maximum of 30 trenches adjacent to the drill hole setups and the construction and usage of about 14 to <17 km of drill-skidder trails in order to access the drill & trenching sites with equipment and manpower (see Figure 4 for the proposed drill hole, trench and skidder trail locations).

Cap-Ex plans to drill between 27 and 45 core (BTW or 42 mm in diameter) and/or reverse circulation (RC) drill holes with an overall drill footage of approximately 6,700 m to 11,000 m, depending on the iron grade success of the initial 27 holes. RC drilling has been and continues to be a fairly common drilling technique within the Labrador Trough. It is popular because it is a much faster drilling machine, using very little to no water and overall is much cheaper; in general this method allows a program to be completed faster and cheaper than core drilling. Drill holes will vary generally from 100 to 350 m deep depending on the thickness of iron formation encountered. The drill will be moved from one drill setup to the next by a track-mounted tractor and/or excavator. All drill setup sites will be thoroughly cleaned up and the area around the drill, where necessary, will be scarified with an excavator to encourage quick revegetation.

At least 16 initial trenches, ranging from 20 to 50 m in length, will be dug to bedrock which could range from 1 to 4 m in depth. Depending on the iron grade success of the initial trench sampling, an additional 14 infill trenches could be dug between favorable trenches. Trenches will be dug by a track mounted excavator and will range from 1 to <3 m wide depending on depth to bedrock. Trench length will be determined by the width of the iron formation. Each trench will be washed and chip-channel sampled continuously in order to obtain a representative rock sample for detailed chemical analysis. During trench construction all 'A' and 'B'-horizon soils will be stockpiled adjacent to one side of the trench and the remaining 'C' and 'D'-horizon tills to bedrock will be placed adjacent to the other side of the trench. Once the program is complete in September 2011 all trenches will be backfilled with the C & D tills, capped with the B & A soils, contoured and scarified with the excavators bucket teeth to enhance revegetation.

In order to accomplish the above drilling and trenching, Cap-Ex is proposing to utilize a track-mounted tractor-muskeg and excavator to gain access to each drill site setup and trench. These drill-skidder trails will be simple, one lane trails (<8 m wide) using the track-mounted machine to haul the drill and a skid carrying drill rods, equipment, tools and

fuel. The plan is to keep these trails on 'high and dry' ground where possible. Due to the barren lands nature of the Project area, no tree cutting is anticipated. All personnel will be transported daily to and from the working sites on 4-wheel drive ATV's. The majority of this country is low-vegetation, till-covered rocky barrens. Where ever existing skidder trails or roads are found, we will utilize these where appropriate for access to working sites. We expect a very minimal impact on the ground with our equipment.

A temporary marshalling area for storing drill pipe, tools, equipment and supplies will be placed at the south side of the property on the existing gravel road. This will alleviate the need for continuously hauling such items around to each working drill site.

There will be no personnel accommodations or cook houses at the drill sites; all personnel will be housed in homes in Schefferville which Cap-Ex has rented for the year.

The Block 103 Project area lies within the Canadian Precambrian Shield of eastern Canada. The region is underlain by extensively glaciated terrain with long, rolling hills with scattered small to moderate size ponds, lakes and smaller confined boggy areas. Topographic elevations range from about 1,640 to 2,600 feet above sea level. The Howells River and an extensive NW trending valley occur along the western side of the Property while the higher elevations (i.e. 'height of land') defining the Labrador-Quebec border occurs along the eastern side of the Project (Figures 2 & 3).

The Project area is typical of upland-barrens characterized by open tundra and extensively underlain by thin to thick veneers of glacial till varying from 1 m to 10 m on flattish to rolling ground and probably 15 to 30 m thick in valleys. A very sparse and thin (<0.1 m) vegetation of A and B-horizon soils intermittently covers the predominant C and D-horizon till blanket. Sub-outcrop and outcrop ridges predominate over the boulder strewn glacial plains; sparse low scrub grows in intermittent patches; this type of country makes up probably over 80% of the Project area while moderate size trees of fir and spruce occur mainly in the Howells River Valley.

Within the proposed drilling areas there are only several small ponds and three larger ponds (500 to <1,000 m long) with several brooks, all draining into the Howells River to the west. All proposed drill holes and trenches are over 700 m from these ponds. No significant brooks or streams occur within several hundred metres of any drill sites. It is not known if these ponds and brooks contain trout.

The region is host to black bear and seasonal caribou and sparse amounts of small game birds and animals such as rabbit. Local aboriginals hold historical trap-lines in the region and discussions with these groups have been held regarding possible interference with these trap-lines; this is not expected to be an issue.

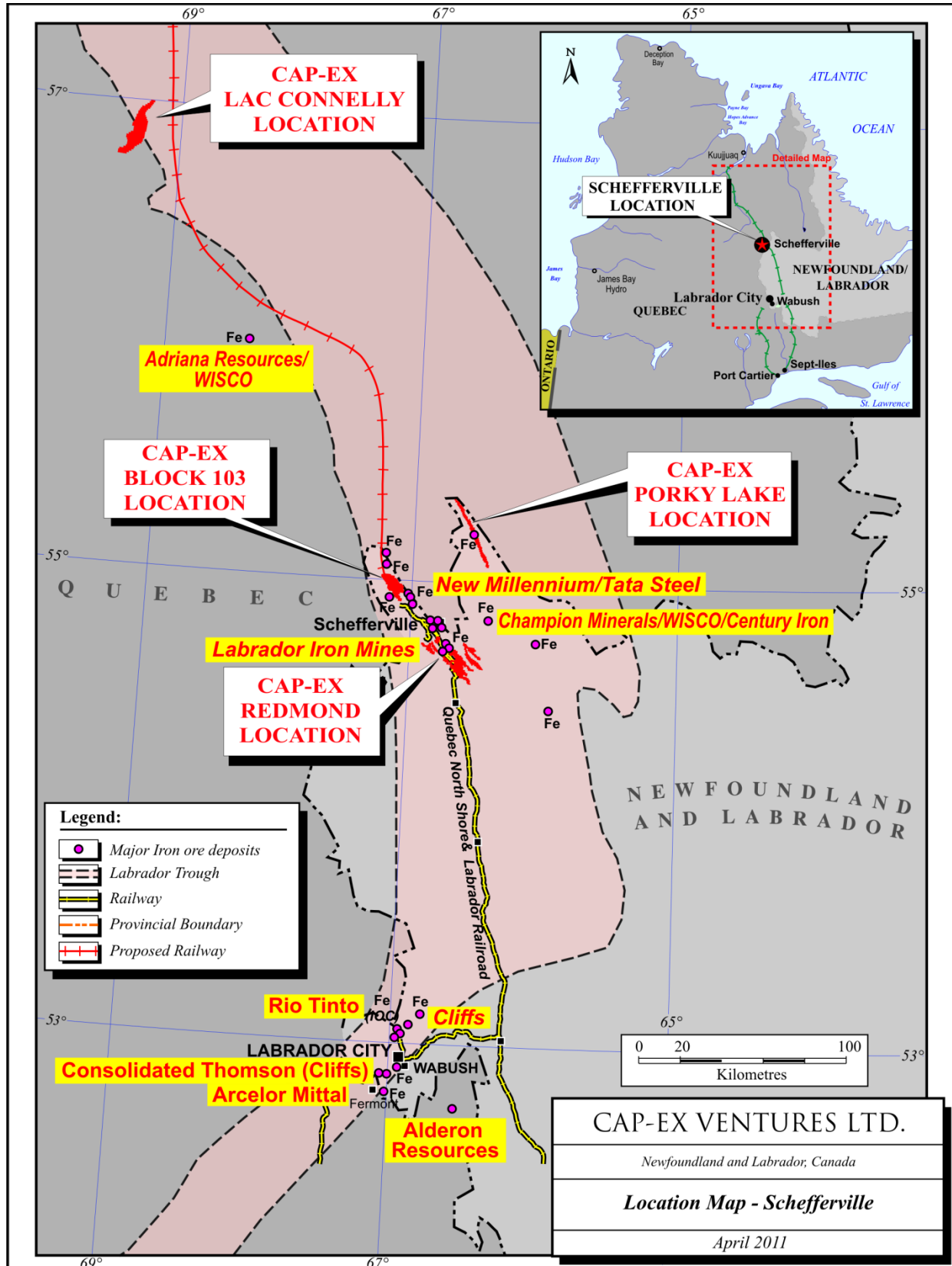


Figure 1: Location map of the Schefferville Project, Western Labrador.

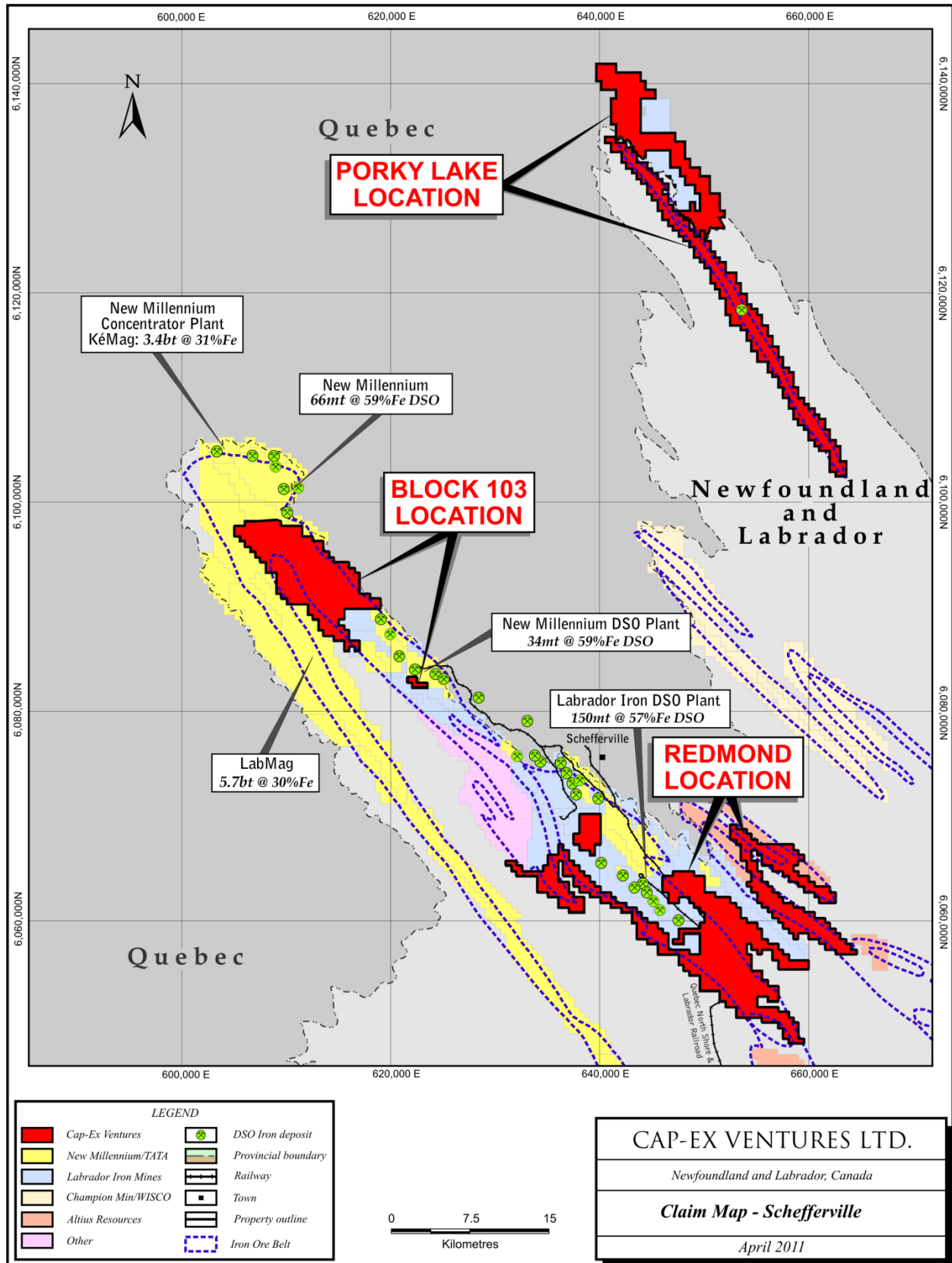


Figure 2: Schefferville Project & Block 103 property map.

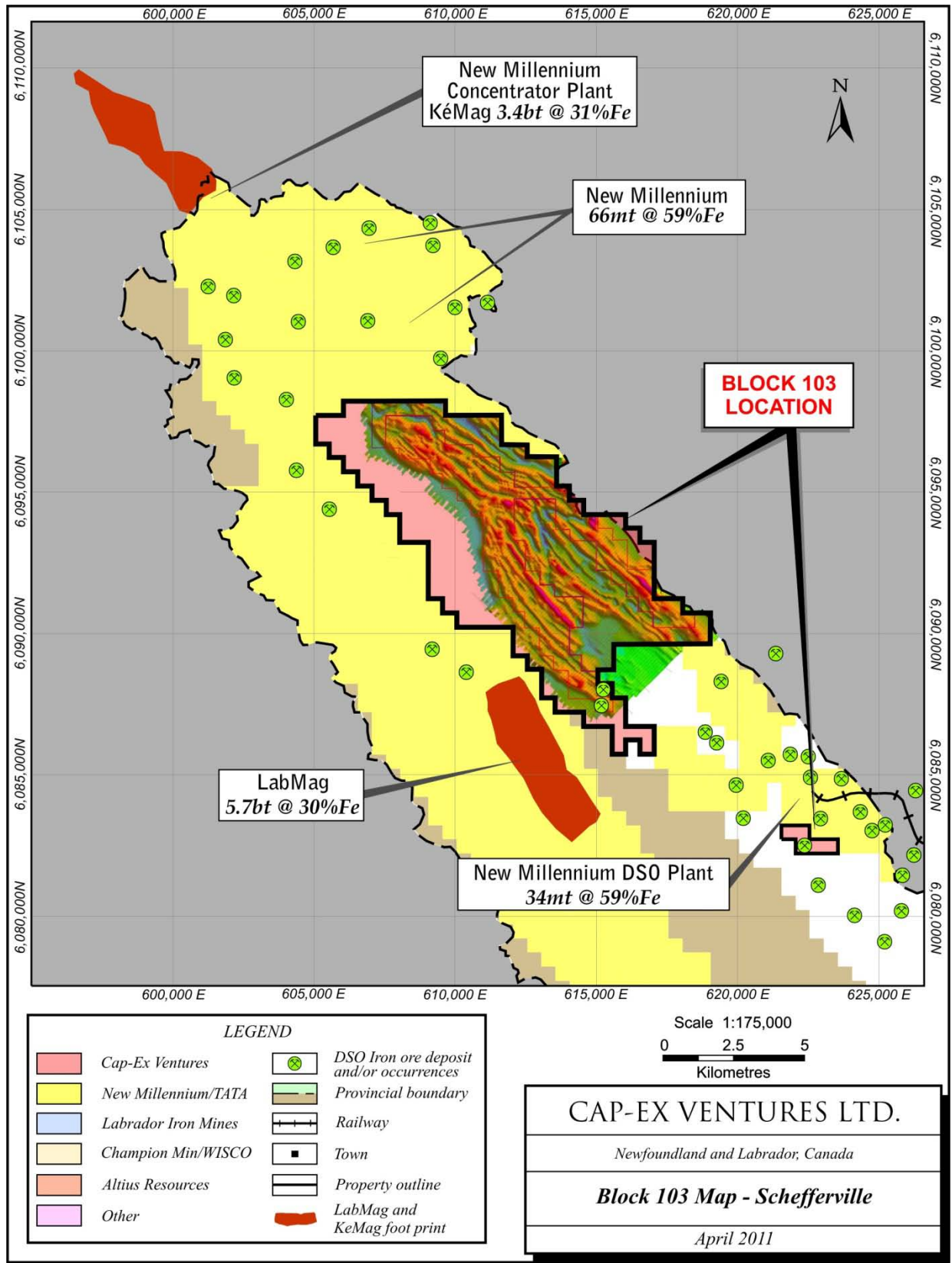


Figure 3: Property & infrastructure map and DDH & trench locations Schefferville Project

2.3 CONSTRUCTION

No buildings or structures will be constructed during the drill-trenching program. Only drill-skidder trails and surficial trenches will be constructed and these will be reclaimed as the program proceeds and finishes up at the end of the 2011 exploration program. As the ~14 km drill-skidder trail will be entirely on gravel-boulder-till covered barrens land, there will be very little ground disturbance. All exploration work will be conducted according to Mineral Exploration Guidelines as posted by the Department of Natural Resources.

2.4 OPERATION

Pending a 'release' of this undertaking registration, the 27 drill holes and 16 trenches as proposed by Cap-Ex (see Figure 4) will start immediately; this date is expected to be near the end of August 2011. As described above (Section 2.2), drilling and trenching will be carried out at specific locations within the favorable Sokoman Fm where coincident geophysical anomalies dictate. Pending favorable iron assay results from these initial 27 drill holes, an additional 18 infill drill holes may be completed to better define potential iron ore resources. Similarly the number of trenches may increase from 16 to 30 trenches pending favorable iron assays from the trench sampling.

These additional holes and trenches will not require significant drill-skidder trails as these drill holes and trenches will likely be located between holes of the initial 27 drill holes. All equipment will be mobilized from an existing gravel road via drill-skidder trails constructed by track mounted equipment.

Trenching is expected to involve approximately 4 to 5 weeks and should be completed, including reclamation work, by early October. Drilling is expected to take approximately 4 to 5 weeks and should also be completed by early to mid October.

As described in Sections 2.2 & 2.3 above, all trenches and drill setup sites will be continuously reclaimed as the exploration work proceeds and as work is complete at each site and specifically towards the end of the 2011 exploration program.

During the program a temporary fuel cache, with less than ten 45-gallon drums, will be stored at the marshalling area. Daily fuel requirements for all equipment will be supplied from here. This fuel cache will be supplied with drummed fuel from Schefferville on an as-needed basis. Cap-Ex is currently permitted for such a fuel cache under its Exploration Approval Permit recently issued by the Dept. of Natural Resources.

During the program all personnel will travel to and from the working sites on 4-wheel drive ATV's.

Following the drilling and trenching program completion, all drill equipment, materials and supplies will be demobilized from the area, including the temporary marshalling area at the existing gravel road, and brought to Schefferville.

Potential sources of pollution during operations are fuel and hydraulic fluid leakages from equipment and fuel drums. All diesel equipment will be regularly maintained and examined

to prevent fluid leakages and spills of all fluids and fuel. All necessary precautions such as daily inspections of all equipment and fuel storage areas, the placement of spill absorption and cleanup kits around all sites and operating equipment such as excavators , tractors, drills and fuel storage sites will be maintained by Cap-Ex and all contractors.

Noise and diesel air-exhaust emissions from all equipment are a potential source of airborne contaminants. All operating equipment will be properly maintained and fitted with appropriate mufflers to keep emissions and noise to a minimum.

All personnel will be instructed on the prevention and avoidance of potential resource conflicts with wild life and the general environment.

2.5 OCCUPATIONS

During the exploration program Cap-Ex will employ approximately 16 people for a four to six week period on two 10 to 12 hour shifts per day. All workers will be housed and fed in one of three homes which Cap-Ex has rented in Schefferville; no camp will be built on site.

During the trenching program approximately 4 people will be employed on site during the day-shift only.

Two diamond drills will be used during this program. During the drilling program approximately 7-8 people will be employed during the day shift and 4-5 people during the night shift. The drill contractor will operate the drills 24 hours per day, employing 2 to 4 people per drill per shift (1 supervisor-maintenance person, 1 driller and 1 to 2 drill helpers on each drill. Required personnel are listed in Table 1 below.

All workers involved in the Cap-Ex exploration program will be contractors, including the supervising geologist, field assistants-laborers and all drilling personnel. Cap-Ex hires competitive contractors based on their ability to safely and efficiently carry out their work requirements and complete the job, irrespective of age and gender. Cap-Ex supports employment equity and diversity opportunities and will require the same from contractors. Cap-Ex believes in hiring locally wherever possible.

Table 1: Workers required during Cap-Ex’s exploration program August to October, 2011

Occupation	Employment Type	Duties	Duration	National Occupational Classification
Trenching				
1 Geologist	contractor	Site supervision & technical	40-50 days	
1 Excavator Operator	contractor	Excavator	30-40 days	
1 Laborer	contractor	Washing trench	30-40 days	
1 Sampler	contractor	Rock sampling	30-40 days	
Drilling (per drill)				
1 Geologist	contractor	Site supervision & technical	40-50 days	
1 drill foreman	contractor	Drill super & maintenance	30-40 days	
2 drillers	contractor	Drilling	30-40 days	
2-4 drill helpers	contractor	Drillers helpers	30-40 days	
1-sampler-laborer	contractor	Cutting core & sampling	40-50 days	

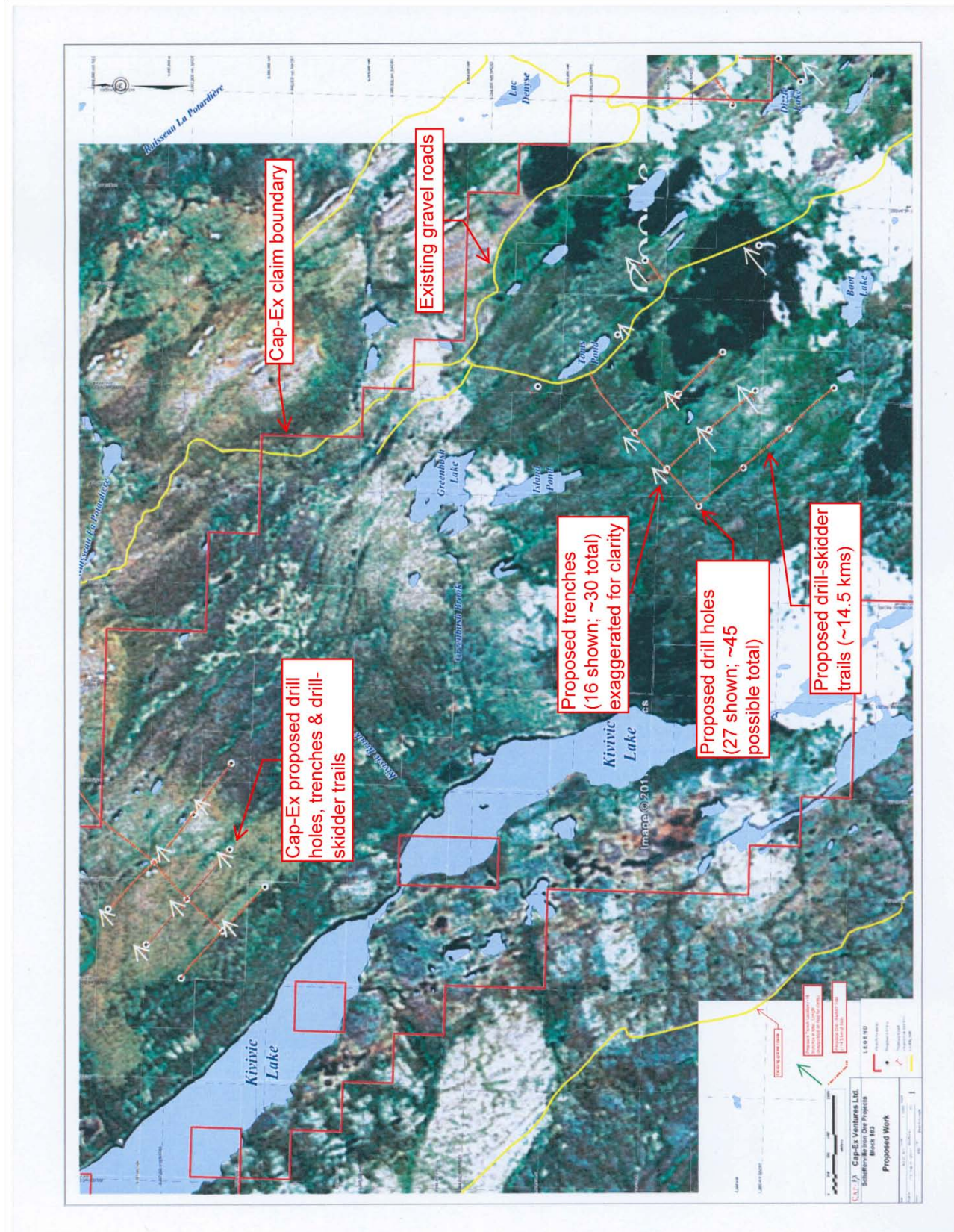


Figure 4: Location of proposed drill holes & trenches, Block 103, Schefferville Project.

2.6 Project-Related Documents

There are three project-related documents already generated by and for Cap-Ex:

- a) Application for Exploration Approval and Notice of Planned Mineral Exploration (to the Dept. of Natural Resources) for Cap-Ex Ventures Ltd. Schefferville Project, western Labrador, submitted April 11, 2011.
- b) File E110128: Exploration Approval (133 DDH, 30 Trenches & ATV use) & Notification Work (Prospecting, Geology & Geochemistry) for Cap-Ex Ventures on the Schefferville Property from the Dept. Natural Resources (Mineral Lands Division). Dated July 6, 2011. *Note:* this Exploration Approval covers the drill holes and trenches in this current Undertaking Registration in addition to other holes and trenches approved on Block 103 and the Redmond Block which were not part of a required Registration by the Dept. of Environment.
- c) Cap-Ex Ventures Ltd. letter to the Director, Environmental Assessment Division, Dept. of Environment & Conservation, File No. 200.20.1895; Re: Drilling Program Schefferville Region, Western Labrador, dated June 16, 2011.

There are no relevant environmental documents or studies related to the Block 103 Project or the immediate area.

3.0 APPROVAL OF UNDERTAKING

Exploration Approval for drilling, trenching, fuel cache and skidder-drill trails for this Schefferville Project (undertaking) has been issued by the Dept. of Natural Resources, Mineral Lands Division as of July 6, 2011. Associated water use permits are in the process of being issued.

4.0 SCHEDULE


The proposed Schefferville exploration program will commence immediately upon this Undertaking being released from further review by the Dept. of Environment & Conservation. This would put the program starting date during the last week of August with a program completion date of approximately early October, 2011. In order to successfully complete the exploration program this field season, it is imperative that drilling and trenching begin before September and be complete by early October due to the likelihood of severe winter conditions arriving at this time in the Schefferville region.

5.0 FUNDING

Cap-Ex Ventures Ltd. is a public company and has more than sufficient funds in its treasury to fund the proposed Undertaking. Program costs for this portion of the 2011 exploration program are estimated at approximately \$2 to 3 million. There is no requirement for a loan or grant from any government agency

JULY 12, 2011

Date



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