

NAME OF UNDERTAKING: BLOCK 103 PROJECT

PROPONENT:

- (i) Name of Corporate Body: Cap-Ex Iron Ore Ltd.
- (ii) Address: 1177 West Hastings Suite 2000, Vancouver, BC, Canada V6E 2K3
- (iii) Chief Executive Officer:
 - Name: Graham Harris
 - Official Title: CEO & Director
 - Address: 1177 West Hastings Suite 2000, Vancouver, BC, Canada, V6E 2K3
 - Telephone No: 604-996-2279
- (iv) Principle Contact Person for Purposes of environmental assessment:
 - Name: Adrian Smith
 - Official Title: Geologist (P.Geol)
 - Address: 1177 West Hastings Suite 2000, Vancouver, BC, Canada, V6E 2K3
 - Telephone No: 604-669-2279

THE UNDERTAKING:

- (i) Name of the Undertaking: Block 103 Exploration Program
- (ii) Purpose/Rationale/Need for the Undertaking: To explore for Iron mineral occurrences in economically viable concentrations.

DESCRIPTION OF THE UNDERTAKING:

(i) Geographical Location:

- Block 103 Property is located approximately 200 km north of Labrador City, Province of Newfoundland and Labrador, and 510 km north of Sept-Iles, Quebec. It is centered at 54°50'N Latitude and 67°15' W Longitude. More specifically the property is 35 km northwest of the town of Schefferville, Quebec, in western Labrador. The claims are located on NTS map sheets 23O03, and 23J14.
- Appendix A includes copy of four maps: Map 1-4, these are maps showing the proposed locations of work on the Block 103 Property for environmental assessment process at the scale of 1:12,500.

(ii) Physical Features:

- The main physical features created during the undertaking (exploration program) will be the access trails required to bring in equipment for Drilling, Trenching and Test Pitting. These access trails will be narrow and will not include excavation or dumping of additional material for a “proper” road (possible due to subdued terrain). All the trails will have skidded equipment with small bull dozer pulling to minimize the overall disturbance. All disturbances will be rehabilitated once the program is finished.
- Trenching will be the most disruptive physical activity, however the program is designed to target only the positive geophysical anomalies. This targeting will allow for control against excavating unnecessary trenches which is cost effective for the company and will reduce the total area of overall disturbance. All disturbances will be rehabilitated upon completion of the program.
- Drilling will have minimal effect, as the surficial foot print of the drill pad is very small and easily rehabilitated. The drill holes if producing water will be plugged to reduce any environmental impacts.
- The rehabilitation will include; bucking and scattering of all trees that were cut into 4ft lengths across the trails, as to allow for maximum contact with the ground in order to speed decomposition processes; any removed surficial material (soil) from the trails and trenches will be spread back over the disturbed surfaces, including infilling of all trenches/excavations to natural contour.
- The access trails will have maximum length of 4.2km, and will be used minimally to reduce disturbance. Following the program, the trails will be rehabilitated (see previous).
- Schefferville experiences a subarctic climate with very long, frigid winters and short, cool to mild summers. Winter conditions usually begin in mid to late-October and can last till late-May during which the mean monthly temperature is -16.7⁰ C with January and February daily means averaging -28.6⁰ C. Record lows during December to February are typically in the -45 to -50⁰ C range. Snowfall during October to late April averages a generally consistent 56 cm per month with a high average of 71 cm in November; over this seven month period snowy days average 17.5 days per month.

(iii) Construction (not applicable)

(iv) Operation

- The undertaking will consist of four phases, mobilization, field work, demobilization, and reclamation. This will consist of mobilizing the equipment to the sites of interest, conducting sampling or RC Drilling, followed by removing equipment and reclaiming all disturbed area.
- The Period of operation will be limited to the work permits which coincide with the year end, Dec 2015.
- The source of pollutants for this undertaking will be from the deisel machinery working on the undertaking. This will consist of an Excavator, and an RC drill. There should be no effective pollutants released into the environment during the course of the undertaking, and in the case of a spill each piece of equipment operating on the undertaking will be fitted with a spill kit.

(v) Occupations

- Due to the short lived and small nature of the undertaking, the amount of employees will be low. It is estimated that around 10 people would be hired for the temporary work program.
- For the different stages of the project, at least two skilled equipment operators (code 7521) will be required, at least one Geologist (code 2113), and at least one driller and drill helper (code 7372). Further positions may be required that cannot be specified at this point of the planning process.
- The excavation and RC Drilling work will be contracted.
- Employment equity will be determined by contractor.

(vi) Project Related Documents

- The following documents are proposals for the undertakings permitting application process.
 - 1) RC Drilling Permit Application
 - 2) Trenching Permit Application
 - 3) Test Pit Permit Application
- Due to the early stage of exploration, there have been no environmental reports conducted at this point. Further environmental work would be conducted given a discovery of an economically significant Direct Shipment Ore Iron Deposit.

APPROVAL OF THE UNDERTAKING:

The undertaking requires three provincial government permits to be authorized to commence. First the permit required is for Trenching. The second permit required is for RC drilling. The third permit required is for Test Pitting.

SCHEDULE

The earliest Date that the project could commence would be March 01, 2015. The reason for the approximate date is related to the weather and snowpack in the region, whereby access on existing resource roads would be possible once the majority of the snow has melted.

FUNDING

The approximate cost of the program will be from 300 – 400 thousand dollars (CAD).

Date

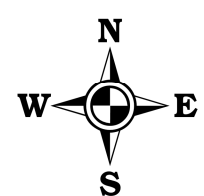
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400m Segment of Trail

2.4km segment of trail

2km segment of trail

320m proposed trench

400m Proposed Trench

300m Proposed Trench

Water Crossing Site










1km segment of trail

350m Proposed Trench

Existing Road

Cap-Ex Iron Ore Ltd.

Environmental Assessment Map 1

-  Cap-Ex Block 103 Property
-  Lakes
-  Contours
-  Existing Roads
-  Proposed Trench
-  Proposed access trail
-  Proposed RC drill site
-  Proposed water extraction sites
-  Proposed Test Pit locations

January 2015
UTM NAD 83 Zone 19

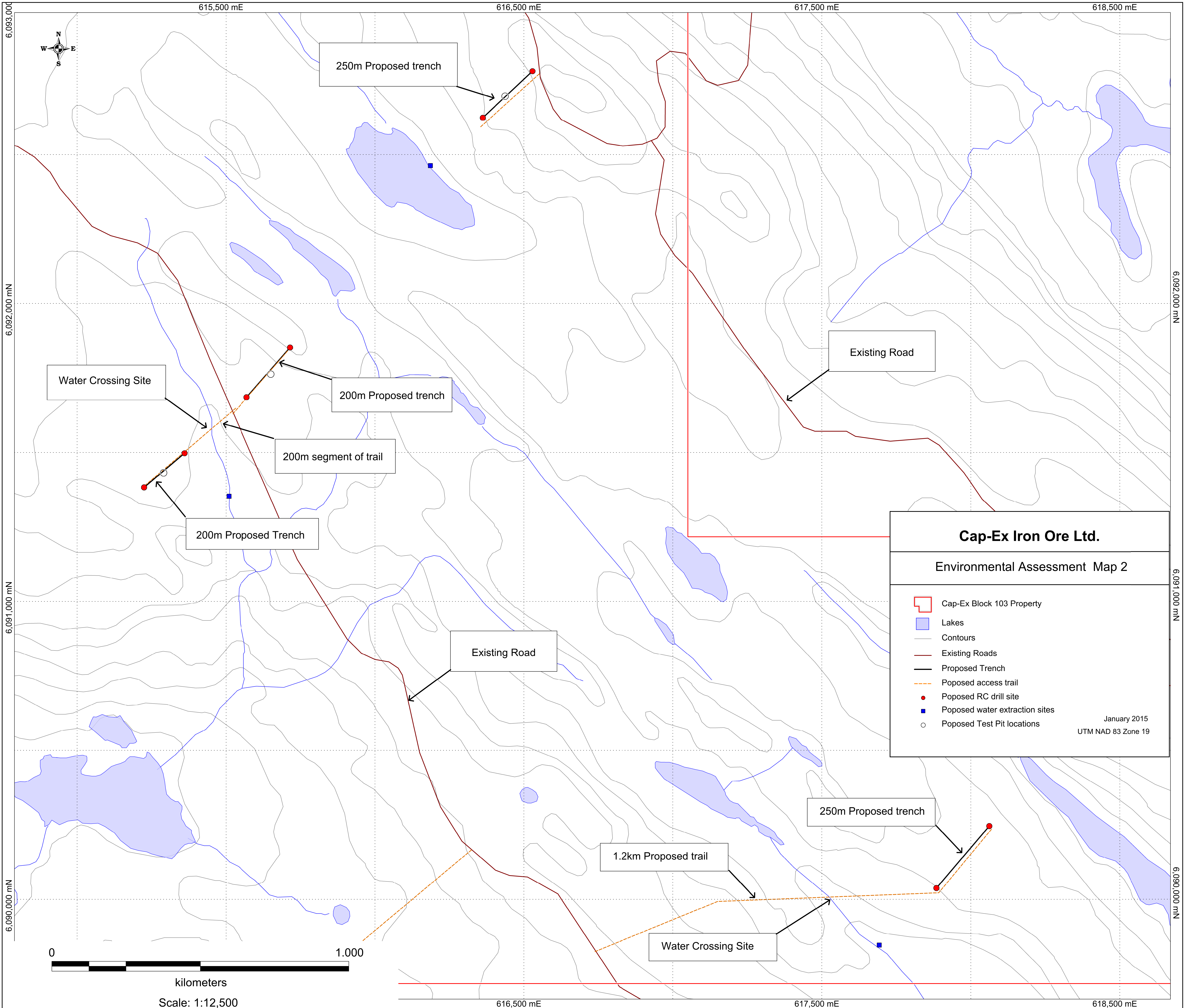


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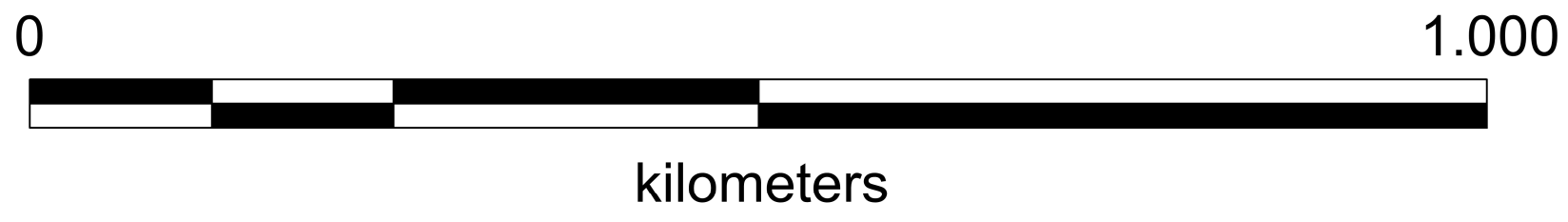


Cap-Ex Iron Ore Ltd.

Environmental Assessment Map 2

	Cap-Ex Block 103 Property
	Lakes
	Contours
	Existing Roads
	Proposed Trench
	Proposed access trail
	Proposed RC drill site
	Proposed water extraction sites
	Proposed Test Pit locations

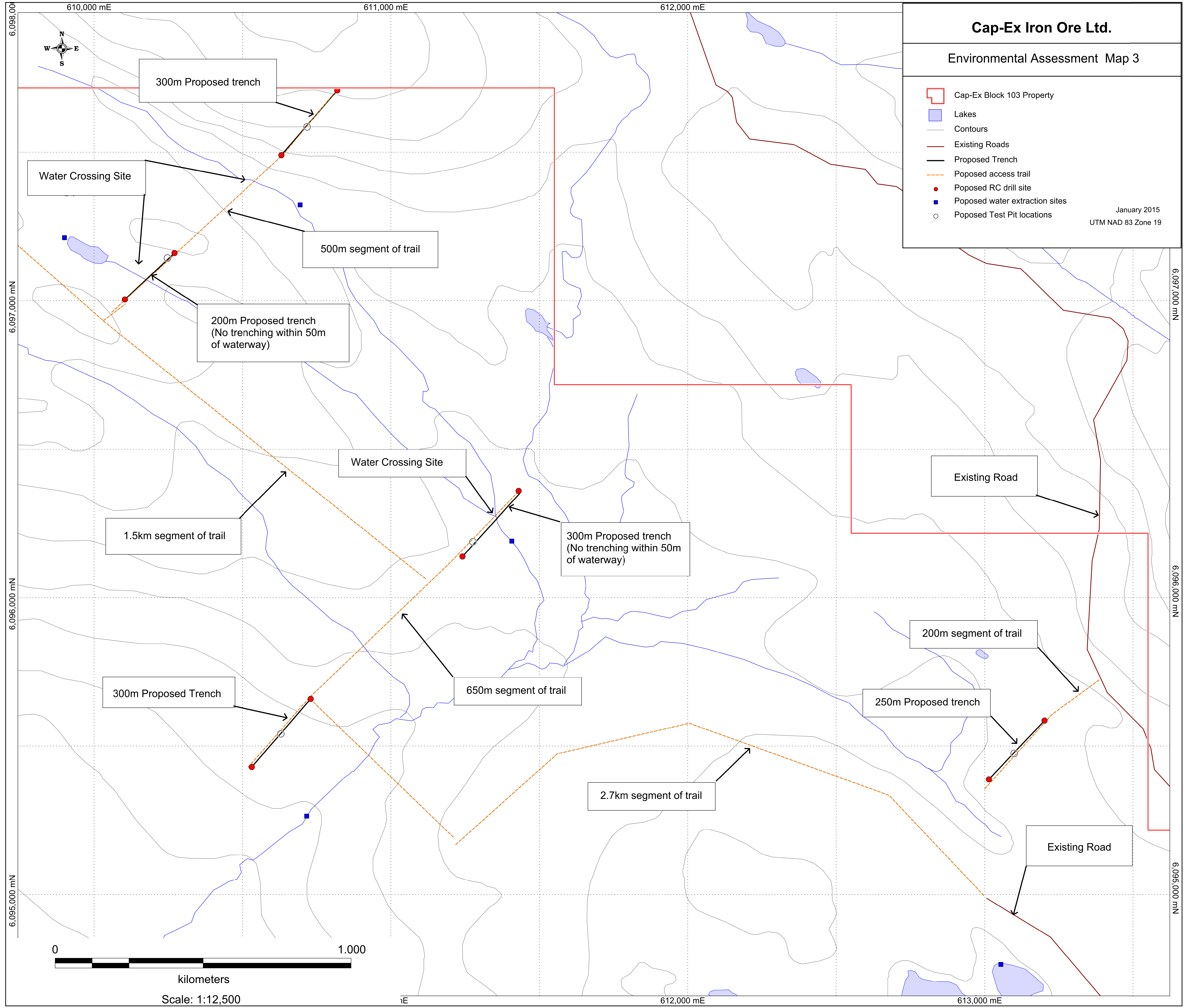
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Scale: 1:12,500

- Cap-Ex Block 103 Property
- Lakes
- Contours
- Existing Roads
- Proposed Trench
- Proposed access trail
- Proposed RC drill site
- Proposed water extraction sites
- Proposed Test Pit locations

January 2015
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1.5km segment of trail

200m Proposed trench
(No trenching within 50m
of waterway)

500m segment of trail

300m Proposed trench

Water Crossing Site

300m Proposed trench
(No trenching within 50m
of waterway)

Existing Road

200m segment of trail

650m segment of trail

300m Proposed Trench

250m Proposed trench

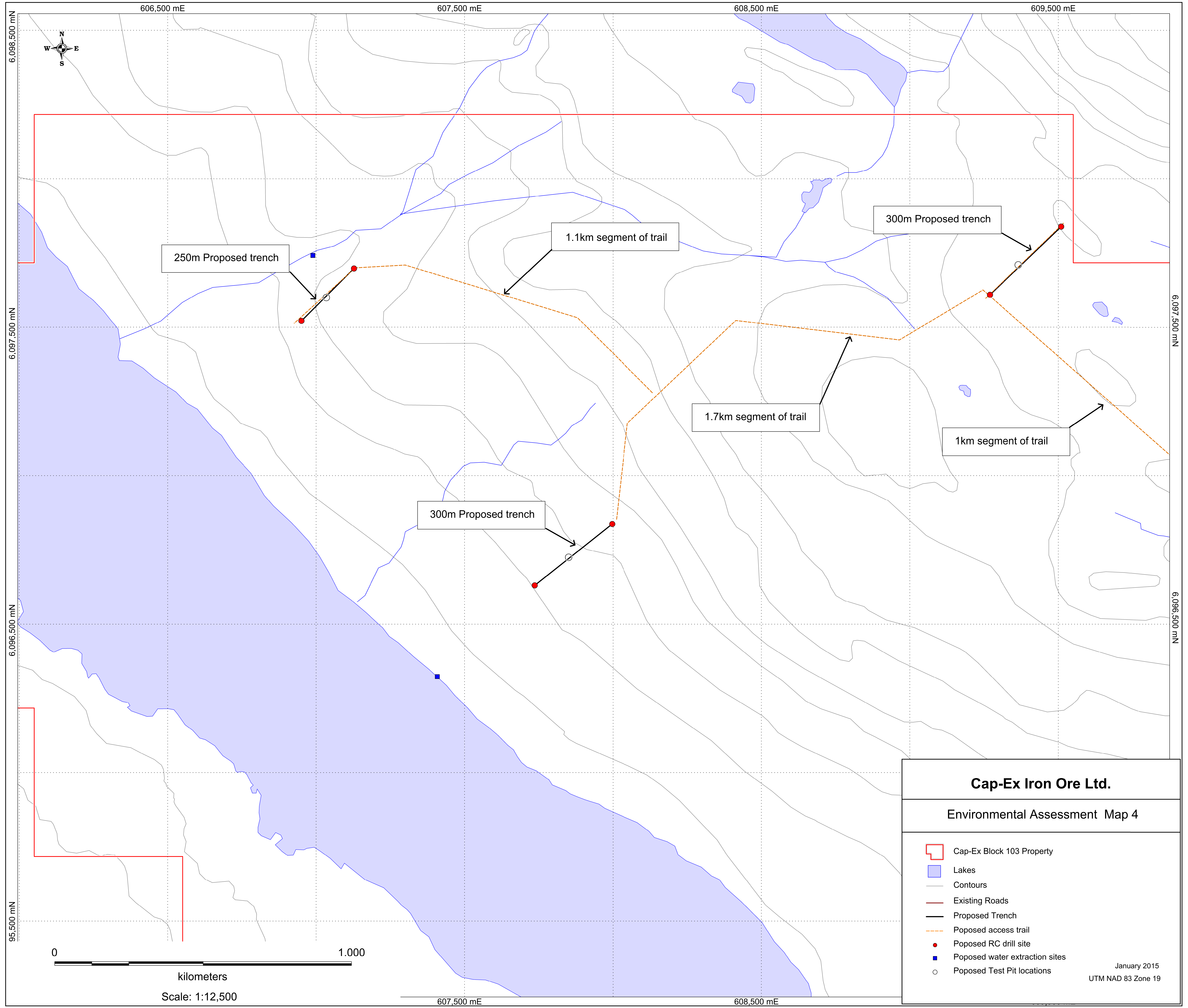
2.7km segment of trail

Existing Road








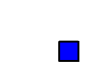
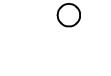


kilometers

Scale: 1:12,500



Cap-Ex Iron Ore Ltd.

Environmental Assessment Map 4

	Cap-Ex Block 103 Property
	Lakes
	Contours
	Existing Roads
	Proposed Trench
	Proposed access trail
	Proposed RC drill site
	Proposed water extraction sites
	Proposed Test Pit locations

January 2015
UTM NAD 83 Zone 19