

June 27, 2013

Cap-Ex Iron Ore Ltd (TSX-V: CEV) (Frankfurt: X0V) (OTCQX: CPXVF) (“Cap-Ex” or the “Company”) is pleased to announce that it has received the results of the Preliminary Economic Assessment (“PEA”) on the Block 103 Property in western Labrador. The PEA was completed by BBA Inc. (“BBA”) located in Montreal, Québec, and is effective as of June 27, 2013. The complete NI 43-101 Technical Report will be filed on SEDAR and the Cap-Ex website within 45 days of this news release.

Cap-Ex has a current Inferred iron ore resource of **7.8 billion tonnes at 29% total iron (“TFe”)** and 18.4% magnetic iron (“magFe”). The PEA was based on only the first thirty years of production, which will require the processing of only **1.9 billion tonnes at 28.8% TFe** and 18.6% magFe. The mineral resource estimate is based on a cut-off grade (“COG”) of 10% magFe.

Highlights of the PEA Study include:

- Initial Capital disbursement of CAD\$4.185 billion for the construction (leading to the start-up) of the first production line and required infrastructure and Total Capital costs of CAD\$5.979 billion for the construction of the two production lines. This includes CAD\$2.275 billion for the Pellet Plant and excludes closure costs, sustaining capital and leased equipment and facilities.
- Commercial production for the first line commencing in 2018 and the second line commencing in 2019.
- Pellet production rate of 16.6 million tonnes per year of superior quality acid pellets from two production lines at a grade of 67.0% iron.
- Pre-tax IRR of 19.3%.
- NPV (discounted at 8%) of CAD\$7.383 billion.
- Payback period of 7.0 years.
- Total Operating Costs (excluding royalties) of CAD\$62.87 per pellet tonne freight on board at Port of Sept-Iles (averaged over the first thirty years of production).
- Assumes use of existing railway infrastructure, hydropower availability from Nalcor and current Port of Sept-Iles expansion infrastructure for shiploading services.

“We are exceptionally pleased with the results of our PEA, especially since we are basing it on only 25% of our currently defined mineral resource estimate,” says Graham Harris, CEO of Cap-Ex. “We are now able to continue developing the Block 103 Property and further our discussions with potential strategic partners.”

The PEA is preliminary in nature and includes Inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Financial Analysis

Based on assumptions that commercial production would begin in Q1 2018 and would continue for 30 years, the following results were obtained:

IRR = 19.3%	NPV (B\$CAD)	Payback (yrs.)
Discount Rate	(Pre-tax)	
0%	32.807	5.3
5%	12.754	6.2
8%	7.383	7.0
10%	5.067	7.4

The capital disbursement required to bring the first line into production is estimated at CAD\$4.185. The total capital expenditure (including contingency) for the two production lines is estimated at CAD\$5.979 billion. The capital costs estimate excludes closure costs and sustaining capital, which are expected to be in the order of CAD\$80 million and CAD\$818.4 million respectively over the first thirty years of operation.

Mining (Capitalized Pre-Stripping)	35.7
Concentrator and Block 103 Site Infrastructure	3,613.8
Pellet Plant	2,274.9
Block 103 Site Rail Line	54.5
TOTAL	5,979

Operating costs, including annual costs for leasing of equipment and facilities (valued at CAD\$424.9 million, including interest, over the life of the leases), are estimated at CAD\$62.87 per pellet tonne, averaged over the first thirty years of operation.

	CAD\$/Pellet Tonne
Mining	11.59

Concentrator	11.09
Pelletizing	14.44
General Block 103 Site	0.56
General Administration	1.82
Environmental and Tailings Management	2.00
Rail Transportation	16.68
Storage and Shiploading Services	3.82
Railcar and Mining Equipment Leases	0.87
TOTAL	62.87

The PEA assumes an exchange rate of CAD\$1 = US\$1 and a constant pellet selling price over the first thirty years of operation of CAD\$145 per tonne, based on Platts benchmark price for 62% Fe concentrate of \$110 per tonne. The financial analysis also includes applicable royalties payable to 743584 Ontario Inc. and Adriana Resources Inc.

Metallurgical testing results indicate production of superior quality iron pellets, produced with projected concentrate chemical analysis of:

Fe	SiO ₂	Al ₂ O ₃	MgO	CaO	Na ₂ O	K ₂ O	Ti	Mn	P	Cr	S
69.5%	3.36%	0.08%	0.10%	0.11%	0.07%	0.01%	0.02%	0.046%	0.006%	0.020%	< 0.01%

Pellet analysis was projected at 67.0% Fe and 3.5% SiO₂.

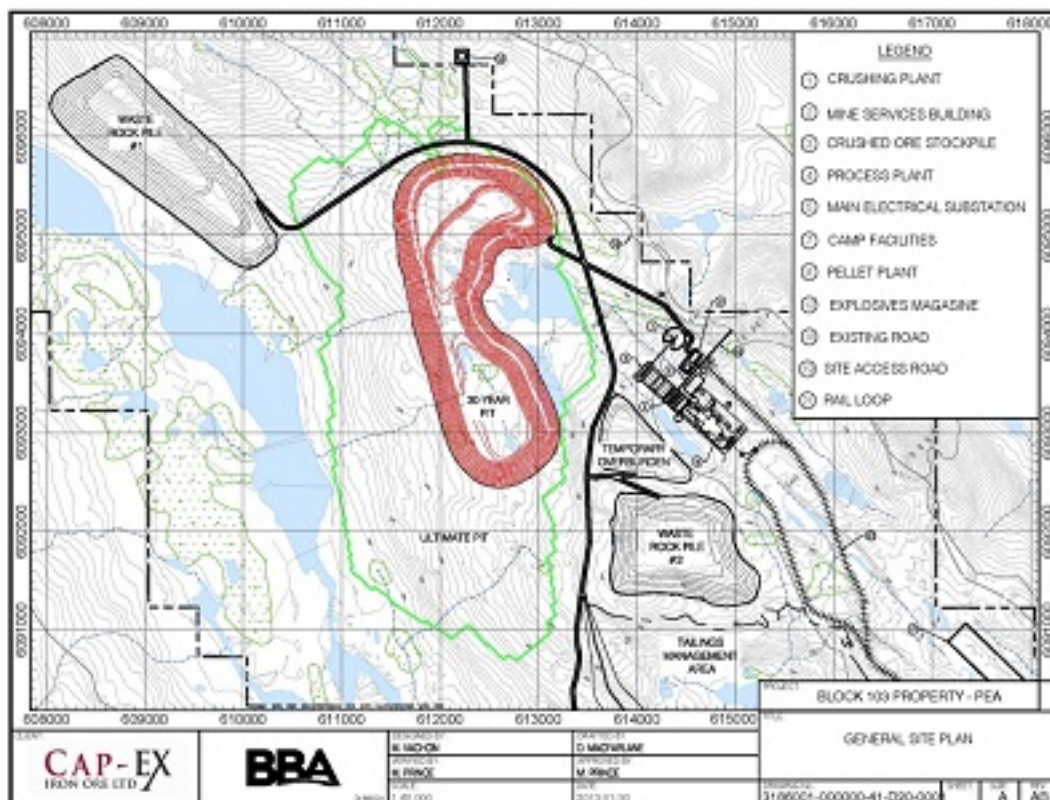
Project Summary

The Block 103 Property is located in western Labrador and is approximately 30 km northwest from the town of Schefferville, Québec. The Property consists of 14 contiguous map-staked licenses totalling 831 mineral claims of 20,775 ha. It is centred at approximately 54°58'N latitude and 67°14'W longitude. The proposed project at the Block 103 site, as stated in the PEA, includes the following components:

- The Block 103 ore deposit and waste disposal areas;
- Processing infrastructure including crushers, grinding and screening, magnetic concentration, pellet plant and tailings dewatering and pumping;
- The tailings management facility and water management installations;
- Ancillary infrastructure to support the mine and processing plant including mine equipment maintenance shop and wash bay, warehouse, offices, employee facilities, pumphouses, electrical substation, conveyors, load-out system, stockpiles, etc.;
- A 450-bed permanent camp;
- A rail loop, service track and railway connecting to a planned, new rail system (which in

turn connects to the Tshuetin Rail Transport system) that will be used by New Millennium.

A preliminary site plan for the Block 103 Property, as prepared by BBA, can be viewed below or at: <http://www.cap-ex.ca/images/maps/Block103SitePlan.pdf>



The following assumptions were also made for the PEA:

- Rail transportation will be provided by Tshuetin Rail Transport (TRT) railway in Schefferville, Québec, Québec North Shore and Labrador (QNS&L) railway and the Chemin de Fer Arnaud (CFA), using existing infrastructure and leading to the Port of Sept-Îles at Pointe-Noire, Québec.
- Cap-Ex will not build any port terminal facilities, however, will pay a fee and share facilities to be built by others.
- Shiploading services will be provided by the Port of Sept-Îles using the common deepwater shiploading facility currently being built.

Technical Report

An NI 43-101 Technical Report will be filed on SEDAR and on the Cap-Ex website within 45 days of the date of this news release. The report will present a summary of the Preliminary

Economic Analysis. The report is being prepared under the supervision of Mr. Angelo Grandillo, P.Eng, of BBA, a Qualified Person as defined by NI 43-101, with contributions from Watts, Griffis and McOuat Ltd.

Qualified Person

The PEA was prepared under the supervision of Mr. Angelo Grandillo, P.Eng, with BBA. Mr. Grandillo is a Qualified Person as defined by NI 43-101 and independent of Cap-Ex. Mr. Grandillo has reviewed and verified the technical information contained in this news release.

Additional information about the Cap-Ex Block 103 Project can be found in the technical report filed on SEDAR at www.sedar.com entitled "Technical Report and Mineral Resource Estimate on the Greenbush Zone, Block 103 Property, Newfoundland and Labrador for Cap-Ex Iron Ore Ltd." dated March 21, 2013.

About Cap-Ex Iron Ore Ltd.

Cap-Ex Iron Ore Ltd. is a Canadian listed company, focused on the development of its wholly owned Block 103 Iron Ore Project in the Labrador Trough, near the mining town of Schefferville, Québec. The Block 103 property is strategically located close to an existing railway that can provide a direct link to a shipping port and is adjacent to Tata Steel-New Millennium Iron Corp. LabMag and KeMag deposits and the Tata-New Millennium oxide deposits to the east.

For additional information please visit the Company's website at www.cap-ex.ca.

CAP-EX IRON ORE LTD.

On behalf of the Board

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Cautionary Note Regarding Forward-looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's Block 103 iron ore property, future exploration plans, future production, future operating and capital costs, the projected IRR, NPV and payback period, details about infrastructure and the expected timing for completion of a feasibility study. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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