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IRONONE INC.

ATTACHMENT B

PROJECT PROPOSAL

MAGUSE RIVER AREA

NUNAVUT

DESCRIPTION OF UNDERTAKING

IronOne Inc. Maguse River Iron Project Overview

The purpose of IronOne's program is to explore for the presence of iron in the rocks found in the Maguse River Iron Project area which is located about 70 kms northwest of Arviat.

All activities proposed for this program are considered grassroots or initial stage exploration activities. The activities will be geophysical surveys, prospecting, mapping, locating and sampling historical drill core, and fresh bedrock sampling by drilling approximately 30-50 diamond drill holes per year.

All exploration activities will take place within the boundaries of the following prospecting permits: 8088-8098 (inclusive). Authorization for work on IOL Type 1 (surface rights) ground will be obtained before any work is carried out in these areas.

All of these activities will be conducted by a crew of about 15 to 22 people housed in a temporary camp (Figure 3). The camp location has been sourced in consultation with local people in Arviat, and checked for suitability by an IronOne helicopter crew in mid-March. The camp will be made up of about 14-17 tents, some for living in and some for working in. The camp will be erected and maintained by Eskimo Point Lumber in Arviat and will consist of 7-10 sleep tents (14' x 16'), 1 kitchen tent (32' x 14'), One core logging tent (14' x 16'), One core cutting tent (14' x 16'), Two dries (14' x 16'), One cook/first aid tent (8' x 10'), One office tent (14' x 16'),Two latrines utilizing Pacto facilities, One generator shack with Spill Kit, One steel shipping container (lockable), One heli-pad, One incinerator, One fuel cache with Spill Kit. According to IronOne's Fuel Spill Contingency Plan (Attachement C) each fuel cache and drill site will be equipped with a spill kit.

All activities including building the camp will be done in a manner that will avoid any worker health and safety risks and limit possible environmental impacts. To ensure this IronOne has taken the best procedures or practises available to the exploration industry and made the following documents:

- IronOne Inc. Spill Contingency Plan (Attachment C)
- IronOne Inc. Field Guide and Safety and Emergency Response Plan (Attachment D)
- IronOne Inc. Abandonment and Restoration Plan (Attachment E)

IronOne insists that all activities on its exploration projects follow the rules set out in these documents.

Two light weight diamond drills (BBS25A) will be used to obtain core samples from the bedrock. Each drill holes will each be about 8 centimeters across and about 200-300 metres long. It is anticipated that approximately 30-50 widely spaced drill holes will be drilled each year throughout the project area. The drill will be moved by helicopter between hole locations. The foot print of each pad the drill sits on will be as small as possible and usually uses an area of about 10 metres by 10 metres. Pad construction will involve the placement of two parallel

wooden timbers (6” x 6” x 10-12’) onto the ground on which the frame of the drill and shack will be placed. The only ground clearing needed for this type of drill set-up will involve the removal of any larger, protruding boulders by hand and/or minor brush clearing. Absorbant matting will be used to collect any oils and lubricants which may be sourced from operating the drill. Drip trays will be used at all fueling and refueling areas. Once drilling at a particular site is completed the timbers will be removed for use at the next drill site. Absorbant matting that works like a sponge will be used to collect any oils and grease which may come from operating the drill. Drip trays will be used at all fueling areas. All used matting, garbage and fuel drums will be flown to Arviat for disposal in an approved disposal facility.

No water used or drill cuttings created by drilling will be allowed to enter any waterbodies. No land based drill holes will be located within 30 metres of the ordinary high water mark of any waterbodies. All drill cuttings, water return and sludge will be disposed of in a properly constructed sump or natural depression no closer than 30 metres from the ordinary high water mark of any waterbody.

If analysis of the geophysical results identify potential drill targets under water bodies, these targets will be drilled after sufficient ice has formed on these waterbodies. Similar to land base drill pads, described above, the drill will be placed and leveled on timbers. Absorbant matting will be used to collect greases and oils and drip trays will also be used at fueling and refueling stations. The drill stem will be cased from the drill rig through the lake water and into bedrock. This is necessary for drilling accuracy and in order to allow for complete recovery of all drilling fluids. As is the case for all land base drilling any additives used in the drill fluids will be biodegradeable environmentally friendly additives. While drilling from the ice all drill fluids will be recirculated from the cutting face to a tank located near the drill on the ice. All drill cuttings collected in this mixing tank will be disposed in a manner identical to that described for land based drilling. Only a limited amount of fuel necessary to support the drill will be located on the ice. This supply will be replenished from the nearest centrally located land based fuel cache on an as needed basis. All ice based holes will be sealed with grout below the lake bottom and all casing between the lake bottom and ice will be removed.

Fuel to be used for this operation will be cached in quantities of up to 100 drums of Jet-A and at camp. This location will be finalized once the drill targets have been identified. Only 2-3 drums of diesel and 3-4 100 pound bottles of propane will be located at the drill (Refer to Fuel Spill Contingency Plan- Attachment C). Drill and camp fuel method of transfer will be gravity feed or by manual pump. Helicopters will use a conventional DC electric barrel pump.

All core recovered from the diamond drilling will be transported to camp, where it will be logged and sampled. The core boxes will then be stored in core racks or cross stack in piles not exceeding 1 metre in height.

All potential environmental impacts resulting from this program are expected to be limited to very small areas and will be addressed by using the safest and most environmentally friendly exploration practises available.