

*This Management Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult a professional advisor.*

**MANAGEMENT INFORMATION CIRCULAR  
FOR THE EXTRAORDINARY GENERAL MEETING  
OF THE  
SHAREHOLDERS  
OF  
CHAMPION IRON LIMITED**

**To be held at 4:30 p.m. (Sydney time)  
on Monday, July 10, 2017  
at  
the offices of Ashurst Australia  
Level 11, 5 Martin Place, Sydney, Australia**

**Dated as of June 6, 2017**

**YOUR VOTE AS A SHAREHOLDER IS IMPORTANT**

## PROXY SOLICITATION

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by management of CHAMPION IRON LIMITED (“Champion” or the “Company”) of proxies to be used at the Extraordinary General Meeting (the “Meeting”) of the shareholders of the Company, to be held at the offices of Ashurst Australia, Level 11, 5 Martin Place, Sydney, Australia on Monday, July 10, 2017, at 4:30 p.m. (Sydney time) and at any adjournments thereof, for the purposes set forth in the notice of the Meeting (the “Notice”) and explanatory statement (“Explanatory Statement”) accompanying this Circular.

All costs of this solicitation of proxies by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and certain employees of the Company may solicit proxies personally by telephone or other telecommunication but will not receive additional compensation for doing so.

The information contained herein is given as of June 6, 2017, unless otherwise noted.

This Circular describes the matters to be acted on at the Meeting and the procedures for attending or appointing proxies to vote at the Meeting.

## PART ONE

### VOTING INFORMATION

#### MEETING MATERIALS

The Company has distributed printed copies of this Circular, and the accompanying form of proxy and the Notice, (collectively, the “Meeting Materials”), directly to registered shareholders and to intermediaries for forward distribution to all NOBOs and to all OBOs (as such terms are defined herein). Meeting Materials forwarded to beneficial shareholders (as defined below) will likely not include the Company’s form of proxy but instead an intermediary’s Voting Instruction Form (“VIF”) (see below). Intermediaries are required to deliver these Meeting Materials to beneficial shareholders of the Company and to seek instructions as to how to vote their ordinary shares of the Company (“Ordinary Shares”). Brokers or agents can only vote the Ordinary Shares of the Company if instructed to do so by the beneficial shareholder.

The Company will assume the costs of mailing the Meeting Materials to the NOBOs and to the OBOs.

#### Notice-and-Access

Applicable securities legislation in Canada allows electronic delivery of meeting materials and/or delivery of meeting materials only to those who request them (“Notice-and-Access”). The Company is utilizing the Notice-and-Access mechanism that came into effect on February 11, 2013 under National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) online, via SEDAR at [www.sedar.com](http://www.sedar.com) and one other website, rather than mailing paper copies of such materials to shareholders. The Notice-and-Access provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners will be entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense. The Company will not rely upon the use of 'stratification'.

The Company anticipates that Notice-and-Access will directly benefit the Company through a reduction in both postage and material costs and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

The Company will deliver the Meeting Materials to Beneficial Shareholders on the Canadian Register by posting the Meeting Materials at <http://noticeinsite.tsxtrust.com/ChampionIronSM2017>. The Meeting Materials will be available as of June 9, 2017 (Montreal time), and will remain on the website for one full year. The Meeting Materials will also be available on the SEDAR website at [www.sedar.com](http://www.sedar.com) as of June 9, 2017. The Company intends to pay for the Intermediary to deliver to objecting Non-Registered Shareholders the proxy-related materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary* of NI 54-101.

Shareholders on the Canadian Register will receive paper copies of a notice package (the “**Notice Package**”) via prepaid mail containing a notice with information prescribed by NI 54-101, a letter to Shareholders and a form of proxy (if you are a **Registered Shareholder**) or a voting instruction form (if you are a **Non-Registered Shareholder**).

Shareholders on the Canadian Register may obtain paper copies of the Notice and this Circular free of charge, or more information about the Notice-and-Access mechanism, by contacting the Company’s transfer agent, TSX Trust Company (“**TSX Trust**”), by email at [TMXEInvestorServices@tmx.com](mailto:TMXEInvestorServices@tmx.com), by telephone at 1-866-600-5869 up to and including the date of the Meeting, including any adjournment of the Meeting. In order to receive paper copies of these materials in time to vote before the Meeting, your request should be received by June 28, 2017.

## **APPOINTMENT AND REVOCABILITY OF PROXIES**

### **CANADIAN REGISTERED SHAREHOLDERS**

If you are a Canadian registered shareholder, you can vote your Ordinary Shares at the Meeting in person or by proxy. Your vote can be cast by you in person and counted at the Meeting. If you wish to vote in person at the Meeting, do not complete or return the form of proxy included with this Circular. If you do not wish to attend the Meeting or do not wish to vote in person, complete and deliver a form of proxy in accordance with the instructions given below.

#### **Appointment of Proxy**

A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to sign, date and return the form of proxy in the envelope provided. The persons named in the enclosed form of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the enclosed form of proxy, to attend and vote for and on behalf of the shareholder at the Meeting. Such right may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the person to be appointed or by completing another proper form of proxy. Make sure that the person you appoint is aware that he or she is appointed and attends the Meeting.**

The form of proxy must be executed in writing or by electronic signature by the shareholder or his attorney duly authorized in writing or, if the shareholder is a corporation, by instrument in writing executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation. If the proxy is executed by a duly authorized attorney or authorized signatory of the shareholder, the proxy should reflect such person’s capacity following his or her signature and should be accompanied by the appropriate instrument evidencing such person’s qualifications and authority to act (unless such has been previously filed with the Company or the Company’s registrar and transfer agent, TSX Trust Company).

#### **Depositing, Mailing or Faxing Proxy**

Form of proxies to be exercised at the Meeting must be mailed to or deposited with the Company’s registrar and transfer agent, TSX Trust Company, Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, Attention: Proxy Department, or sent by facsimile to (416) 595-9593, such that they are received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof, in default of which they may be treated as invalid. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

A form of proxy is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

#### **Voting by Internet**

If you are a Canadian registered shareholder, go to [www.voteproxyonline.com](http://www.voteproxyonline.com) and follow the instructions. You will need your control number (located on the form of proxy) to identify yourself to the system. You must submit your vote by no later than 4:30 p.m. (Sydney time) on Thursday, July 6, 2017 or 48 hours (excluding Saturdays, Sundays and holidays) before the time and day of any adjourned meeting. If you vote by Internet, DO NOT mail back the proxy. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

## Voting by Telephone

TSX Trust currently does not offer telephone voting.

## CANADIAN NON-REGISTERED OR BENEFICIAL SHAREHOLDERS

Your Ordinary Shares may not be registered in your name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or stock broker, or a clearing agency in which such an intermediary participates). If Ordinary Shares are listed in an account statement provided to you by a broker, then it is likely that those Ordinary Shares will not be registered in your name, but under the broker's name or under the name of an agent of the broker, such as CDS & Co. (the registration name for The Canadian Depository for Securities Limited), the nominee for many Canadian brokerage firms.

If your Ordinary Shares are registered in the name of an intermediary or a nominee, you are a non-registered or beneficial shareholder (a "**beneficial shareholder**"). Beneficial shareholders should be aware that only shareholders whose names appear on the share register of the Company are entitled to vote in person or by proxy at the Meeting. The purpose of the procedures described below is to permit beneficial shareholders to direct the voting of the Ordinary Shares they beneficially own. There are two categories of beneficial shareholders. Beneficial shareholders who have provided instructions to an intermediary that they do not object to the intermediary disclosing ownership information about them are considered to be Non-Objecting Beneficial Owners ("**NOBOs**"). Beneficial shareholders who have objected to an intermediary providing ownership information are Objecting Beneficial Owners ("**OBOs**").

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

If you have received the Issuers' Voting Instruction Form, you may return it to TSX Trust Company:

1. By regular mail in the return envelope provided,
2. By fax at 416.595.9593
3. By voting online at [www.voteproxyonline.com](http://www.voteproxyonline.com) and entering your control number as instructed on the log on page.

OBOs and other beneficial holders receive a VIF from an Intermediary by way of instruction of their Financial Institution. Detailed instructions of how to submit your vote will be on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Ordinary Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

## VOTING PROCEDURE FOR CANADIAN BENEFICIAL SHAREHOLDERS

Brokers or agents can only vote the Ordinary Shares of the Company if instructed to do so by the beneficial shareholders. Every broker or agent has its own mailing procedure and provides its own instructions. Typically, a beneficial shareholder will be given a VIF which must be completed and signed by the beneficial shareholder in accordance with the instructions provided by the intermediary. The purpose of this VIF is to seek permission from the beneficial shareholder on how to vote on behalf of or otherwise represent the beneficial shareholder. A beneficial shareholder cannot use this VIF to vote or otherwise represent Ordinary Shares in person at the Meeting (but see below for a description of a new simplified procedure for a beneficial shareholder to attend the Meeting). If

you are a beneficial shareholder, you must follow the instructions provided by the intermediary in order to ensure that your Ordinary Shares are voted or otherwise represented at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions (“**Broadridge**”). Broadridge mails the VIF to the beneficial shareholders and asks beneficial shareholders to return the VIF to Broadridge. Broadridge then tabulates the results of all VIFs respecting the Ordinary Shares to be represented at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Ordinary Shares voted or otherwise represented at the Meeting. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

As a result of recent amendments to applicable securities legislation, the process for beneficial shareholders to attend and vote their own securities at the Meeting in person has been simplified. The requirement for beneficial shareholders to be sent a legal proxy upon request has been removed and instead, the Company or the intermediary (as applicable) is required to arrange, without expense to the beneficial shareholder, to appoint the beneficial shareholder or a nominee of the beneficial shareholder as a proxyholder if the beneficial shareholder has instructed the Company or intermediary to do so either by having filled in and submitted a request for voting instructions sent to the beneficial shareholder or by having submitted any other document in writing that requests that the beneficial shareholder or a nominee of the beneficial shareholder be appointed as proxyholder. The Company or intermediary who so appoints a beneficial shareholder as a proxyholder must deposit the proxy not less than 48 hours prior to the commencement of the Meeting, or any adjournment thereof so long as the Company or intermediary obtains the instructions from the beneficial shareholder at least one business day before the termination of that time. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

Occasionally, a beneficial shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Ordinary Shares owned by the non-registered shareholder but is otherwise not completed. This form of proxy does not need to be signed by you. In this case, you can complete and deliver the proxy as described above under the heading “Registered Shareholders”.

#### **Voting by Internet, Telephone or Facsimile**

If you are a beneficial shareholder and have been provided with a VIF from your broker or agent, you may be given the option of voting by telephone or facsimile – follow the instructions on the VIF. You will likely be able to vote by internet by accessing [www.proxyvote.com](http://www.proxyvote.com), the URL or web address as provided in the VIF, entering the control number that appears on the VIF, indicating your vote on each proposal and selecting “final submission”.

Your vote **must be received by** 4:30 p.m. (Sydney time) on Thursday, July 6, 2017 or 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time and day of any adjourned meeting. If you vote by Internet, DO NOT mail back the proxy. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

**Beneficial shareholders should follow the instructions on the forms they receive and contact their intermediaries promptly if they need assistance.**

#### **REVOCATION OF PROXIES AND VOTING INSTRUCTION FORMS FOR CANADIANS**

Any shareholder who executes and returns a proxy may revoke it to the extent it has not been exercised by depositing a written instrument executed by the shareholder or his, her or its attorney duly authorized in writing or by electronic signature or by transmitting by telephonic or electronic means, a revocation that is signed by electronic signature, or, if the shareholder is a corporation, by written instrument executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation:

- (a) with the Company’s registrar and transfer agent, TSX Trust Company, Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, facsimile (416) 595-9593, Attention: Proxy Department, at any time up to the close of business on the last business day prior to the Meeting, or any adjournment thereof;
- (b) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, at any time prior to a vote being taken in reliance on such proxy; or
- (c) in any other manner permitted by law.

A beneficial shareholder may revoke a voting instruction or may revoke a waiver of the right to receive meeting materials or a waiver of the right to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on any such revocation that is not received by the intermediary well in advance of the Meeting. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

## **VOTING AND DISCRETIONARY AUTHORITY**

The proxyholders named in the accompanying form of proxy shall and will vote the Ordinary Shares represented thereby on any ballot in accordance with the shareholder's direction set forth in the proxy. **IN THE ABSENCE OF SUCH DIRECTION, THE SHARES REPRESENTED THEREBY WILL BE VOTED IN FAVOUR OF EACH OF THE RESOLUTIONS FURTHER DESCRIBED IN THIS CIRCULAR.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice and with respect to other matters as may properly come before the Meeting or any adjournments thereof. At the date of this Circular, management of the Company knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. If amendments, variations to matters identified in the Notice or if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matters.

## **TRANSFER AGENTS CONTACT INFORMATION**

### **Investor Inquiries (Canada)**

TSX Trust Company  
200 University Avenue, Suite 300  
Toronto ON M5H 4H1  
By telephone: 1.866.600.5869  
By email to: [TMXEInvestorServices@tmx.com](mailto:TMXEInvestorServices@tmx.com)  
By facsimile to: 416.595.9593

### **Security Transfer Registrars (Australia)**

PO Box 535 Applecross WA 6953  
Australia  
By telephone: (+618) 9315 2333  
By email to: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
By facsimile to: (+618) 9315 2233

## **AUDITORS OF THE COMPANY**

Ernst & Young, auditors to the Company, were first appointed as auditors of the Company on November 26, 2013.

## **RECORD DATE**

The board of directors of the Company (the “Board” or “Board of Directors”) has determined that the holders of Ordinary Shares at 7:00 p.m. (Sydney time) on July 7, 2017 shall be entitled to receive notice of the Meeting and to vote at the Meeting, and any adjournment thereof. Accordingly, only shareholders of record on such record date are entitled to vote at the Meeting.

A simple majority of votes cast are required to approve all ordinary resolutions to be submitted to a vote of shareholders at the Meeting.

If you cannot attend the Meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in accordance with the instructions set out above under the heading ‘Part One’. Information in relation to proxy voting is set out in the following documentation.

## OUTSTANDING VOTING SHARES, VOTING AT MEETINGS AND QUORUM

The capital of the Company consists of an unlimited number of Ordinary Shares. At the date hereof, the Company has 386,934,339 Ordinary Shares outstanding, each of which carries one vote per Ordinary Share. Holders of Ordinary Shares and exchangeable shares of the Company as of the Record Date shall be entitled to vote their Ordinary Shares personally or by proxy at the Meeting. Unless otherwise required by law, every question coming before the Meeting shall be determined by a majority of votes duly cast on the matter.

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the beneficial shareholder with respect to the voting of certain shares or, under applicable regulatory rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such intermediary “non-votes” will, however, be counted in determining whether there is a quorum.

Pursuant to the constitution of the Company (the “**Constitution**”), a quorum for the Meeting is two voting members. Each individual present may only be counted once toward the quorum. If a member has appointed more than one proxy or representative, only one of them may be counted toward a quorum.

## PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Company, as at the date hereof, no person or company beneficially owns, directly or indirectly, controls or directs Ordinary Shares carrying 10% or more of the voting rights attached to the outstanding Ordinary Shares of the Company, except for the following:

Name of Shareholder	Number of Ordinary Shares	% of Issued Capital
WC Strategic Opportunity LP	62,500,000	16.15
Resource Capital Fund VI LP	40,331,250	10.42

As at the date hereof, the directors and officers of the Company as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 39,316,095 Ordinary Shares representing approximately 10.16% of the issued and outstanding Ordinary Shares.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON AND INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, of any proposed nominee for election as a director, any person who is or has been at any time a director or executive officer within the last financial year or any associate or affiliate of any of the foregoing in any matter, other than the election of directors or the appointment of the auditors, to be acted upon at the Meeting, except as disclosed in this Circular. Management is not aware of any material interest, direct or indirect, of any “informed person” of the Company, insider of the Company, proposed director, person who has been a director or executive officer within the last financial year or any associate or affiliate of any of the foregoing, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except as disclosed within this Circular. An “informed person” means, (i) a person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last financial year, (ii) a proposed nominee for director, (iii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, (iv) any person or company who beneficially owns or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, (v) the Company, in the event that it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any such securities and (vi) any associate or affiliate of the foregoing.

## PART TWO

### PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

#### RESOLUTION 1 - Ratification of Securities Issues

The Company is in the process of securing debt and equity financing to enable it to recommence iron ore mining operations at the Bloom Lake Iron Mine ("**Bloom Lake**").

On 18 May 2017 the Company announced that it had arranged a CAD\$40 million bridge financing as the first step in this process. This financing comprised CAD\$26 million in debt raised by Quebec Iron Ore Inc. ("**QIO**") (the Company's 63.2% owned subsidiary which owns Bloom Lake) and CAD \$14 million in equity consisting of contributions of CAD\$8.8 million and CAD\$5.2 million from QIO's two shareholders, the Company (63.2%) and Ressources Quebec Inc. (36.8%) which are proportionate to their shareholdings in QIO.

The Company has funded its share of the equity in QIO by issuing an unsecured subordinated convertible debenture to Altius Minerals Corporation in exchange for CAD\$10 million which is convertible into ordinary shares in the Company. The principal amount is convertible in whole or part into ordinary shares in the Company at any time at CAD\$1.00 per ordinary share. However, in the event that the Master Financing referred to in the Convertible Debenture and below is not completed by 30 November 2017 the conversion price will be the lesser of CAD\$1.00 per share and the volume weighted average price of ordinary shares in the Company traded over the 5 trading days immediately prior to the conversion date subject to a cap of 50 million ordinary shares, being the maximum number of ordinary shares which may be issued on conversion.

The Company is now in the process of securing the balance of the financing required to facilitate the recommencement of operations at Bloom Lake ("**Master Financing**"). This Master Financing will also comprise a debt component to be raised by QIO and an equity component which will be contributed by QIO's shareholders proportionately. The Company proposes to raise its proportion of the equity component by undertaking a placement of ordinary shares to institutional and sophisticated investors. As explained below, the ASX Listing Rules restrict the Company's ability to issue securities without seeking shareholder approval.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities would exceed 15% of the total shares on issue at the commencement of that period.

ASX Listing Rule 7.4 allows the Company to treat an issue of securities which was made without shareholder approval under ASX Listing Rule 7.1 as being made with such approval (and not being counted towards the 15% threshold), if:

- the issue did not breach ASX Listing Rule 7.1 at the time that it was made; and
- shareholders subsequently approve the issue.

The Company issued the equity securities and other securities with rights of conversion to equity set out below in the 12 months preceding the date of this Meeting. The securities were issued utilising the Company's 15% capacity under ASX Listing Rule 7.1.

The purpose of Resolution 1 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, the issues of securities by the Company during the 12 months preceding the date of this Meeting and so exclude them from counting towards the Company's 15% limit under ASX Listing Rule 7.1.

The effect of such approval will be to refresh the capacity of the Company to issue securities, without the need to seek further shareholder approval, up to the full 15% threshold referred to in Listing Rule 7.1. This will provide the Company with the flexibility to structure the raising of its share of the equity component of the Master Financing by undertaking a placement of its ordinary shares to institutional and sophisticated investors.

The Resolution proposes the ratification and approval of the issue of the securities set out below for the purposes of satisfying the requirements of ASX Listing Rule 7.4. The securities include the CAD\$10 million unsecured subordinated convertible debenture issued to Altius Minerals Corporation. A summary of the material terms of that



debenture is set out in Schedule A. The other securities referred to below have been issued pursuant to the Plan. A summary of the material terms of the Plan is set out in Schedule B.

<b>Convertible Note issued to Altius Minerals Corporation</b>	
<b>Issue Date:</b>	1 June 2017
<b>Face Value of Note:</b>	CAD\$10 million
<b>Terms of Issue:</b>	The material terms of the Convertible Note are summarised in Schedule A
<b>Allottees:</b>	Altius Minerals Corporation
<b>Use of Funds:</b>	To assist in the financing of the recommissioning of the plant at Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum.

<b>Shares issued to Gary Lawler</b>	
<b>Issue Date:</b>	5 April 2017
<b>Number of Shares:</b>	500,000 issued on the exercise of Options issued 8 April 2014
<b>Issue Price:</b>	A\$0.50 per share (the exercise price of each Option)
<b>Terms of Issue:</b>	The shares rank equally with existing ordinary shares
<b>Allottees:</b>	Gary Lawler
<b>Use of Funds:</b>	Working Capital

<b>Shares issued to Andrew Love</b>	
<b>Issue Date:</b>	5 April 2017
<b>Number of Shares:</b>	500,000 issued on the exercise of Options issued 8 April 2014
<b>Issue Price:</b>	A\$0.50 per share (the exercise price of each Option)
<b>Terms of Issue:</b>	The shares rank equally with existing ordinary shares
<b>Allottees:</b>	Andrew Love
<b>Use of Funds:</b>	Working Capital

<b>Share Rights issued to David Cataford</b>	
<b>Issue Date:</b>	25 May 2017
<b>Number of Share Rights:</b>	250,000 share rights issued under the Plan
<b>Issue Price:</b>	Nil
<b>Terms of Issue:</b>	The rights will vest and be convertible into 250,000 ordinary shares on the satisfaction of the key performance measures specified below
<b>Key Performance Measures:</b>	The completion of the total financing package required to facilitate the recommissioning of the plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum and the actual recommissioning of the plant at the mine at that capacity
<b>Allottees:</b>	David Cataford
<b>Use of Funds:</b>	The rights have been issued pursuant to the Plan for no consideration

<b>Share Rights issued to Comfortra GmbH (a company associated with Beat Frei)</b>	
<b>Issue Date:</b>	25 May 2017
<b>Number of Share Rights:</b>	1 million share rights issued under the Plan
<b>Issue Price:</b>	Nil
<b>Terms of Issue:</b>	The rights will vest and be convertible into 1 million ordinary shares in Champion on the satisfaction of the key performance measure specified below
<b>Key Performance Measures:</b>	The completion of the total financing package required to facilitate the recommissioning of the plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum
<b>Allottees:</b>	Comfortra GmbH (a company associated with Beat Frei)
<b>Use of Funds:</b>	The rights have been issued pursuant to the Plan for no consideration

Options issued to David Cataford	
<b>Issue Date:</b>	25 May 2017
<b>Number of Options:</b>	500,000
<b>Issue Price:</b>	Nil
<b>Exercise Price:</b>	\$1.00 per Option
<b>Terms of Issue:</b>	The Options have been issued pursuant to the Plan and are exercisable at any time until 25 May 2020
<b>Allottees:</b>	David Cataford
<b>Use of Funds:</b>	The Options have been issued pursuant to the Plan for no consideration

Options issued to Jorge Estepa	
<b>Issue Date:</b>	25 May 2017
<b>Number of Options:</b>	300,000
<b>Issue Price:</b>	Nil
<b>Exercise Price:</b>	\$1.00 per Option
<b>Terms of Issue:</b>	The Options have been issued pursuant to the Plan and once vested are exercisable at any time until 25 May 2020 on the basis that the Options will vest as to 100,000 on 25 May 2017, 100,000 on 25 May 2018 and 100,000 on 25 May 2019
<b>Allottees:</b>	Jorge Estepa
<b>Use of Funds:</b>	The Options have been issued pursuant to the Plan for no consideration

Options issued to Pradip Devalia	
<b>Issue Date:</b>	25 May 2017
<b>Number of Options:</b>	150,000
<b>Issue Price:</b>	Nil
<b>Exercise Price:</b>	\$1.00 per Option
<b>Terms of Issue:</b>	The Options have been issued pursuant to the Plan and once vested are exercisable at any time until 25 May 2020 on the basis that the Options will vest as to 50,000 on 25 May 2017, 50,000 on 25 May 2018 and 50,000 on 25 May 2019
<b>Allottees:</b>	Pradip Devalia
<b>Use of Funds:</b>	The Options have been issued pursuant to the Plan for no consideration

**Options issued to Pradip Devalia****Options issued to Patrick Champagne**

<b>Issue Date:</b>	25 May 2017
<b>Number of Options:</b>	500,000
<b>Issue Price:</b>	Nil
<b>Exercise Price:</b>	\$1.00 per Option
<b>Terms of Issue:</b>	The Options have been issued pursuant to the Plan and once vested are exercisable into 500,000 ordinary shares at any time until 25 May 2020. The Options will vest and be exercisable on the satisfaction of the key performance measure specified below
<b>Key Performance Measures:</b>	The recommissioning of the plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum
<b>Allottees:</b>	Patrick Champagne
<b>Use of Funds:</b>	The rights have been issued pursuant to the Plan for no consideration

**Options issued to Guy Bégin**

<b>Issue Date:</b>	25 May 2017
<b>Number of Options:</b>	200,000
<b>Issue Price:</b>	Nil
<b>Exercise Price:</b>	\$1.00 per Option
<b>Terms of Issue:</b>	The Options have been issued pursuant to the Plan and once vested are exercisable into 200,000 ordinary shares at any time until 25 May 2020. The Options will vest and be exercisable on the satisfaction of the key performance measure specified below
<b>Key Performance Measures:</b>	The recommissioning of the plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum
<b>Allottees:</b>	Guy Bégin
<b>Use of Funds:</b>	The rights have been issued pursuant to the Plan for no consideration

Options issued to Wayne Wouters	
<b>Issue Date:</b>	4 November 2016
<b>Number of Options:</b>	500,000
<b>Issue Price:</b>	Nil
<b>Exercise Price:</b>	30c per Option
<b>Terms of Issue:</b>	The Options have been issued pursuant to the Plan and once vested are exercisable at any time until 4 November 2019
<b>Allottees:</b>	Wayne Wouters
<b>Use of Funds:</b>	The Options have been issued pursuant to the Plan for no consideration

### Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1 to ratify the issue of the securities referred to below.

### Resolution 1 - Ratification of securities issues

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the issues of securities set out in the Explanatory Statement accompanying this Notice on the terms set out in that Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue and any associate of those persons. However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### RESOLUTION 2 – Grant of share rights to Michael O'Keeffe

Under the terms of his Service Contract with the Company, Mr. O'Keeffe is entitled to participate in the Plan. The purpose of the Plan is to provide eligible participants with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer term performance of the Company and its returns to shareholders. Details of the Plan are set out Schedule B.

Under ASX Listing Rule 10.14 a director may only acquire securities under an employee incentive scheme, such as the Plan, if the director's participation has been approved by an ordinary resolution of shareholders. Approval from shareholders is being sought in relation to a proposed issue of share rights to Mr O'Keeffe under the Plan in respect of the financial year ending 31 March 2017.

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the share rights which may be granted to Mr O'Keeffe under the Plan:

(a) **The maximum number of securities that may be acquired**

The maximum number of share rights to be granted to Mr O'Keeffe in respect of the financial year ending 31 March 2017 is one million share rights. Each share right confers the right to acquire one fully paid ordinary share in the Company upon vesting. The one million share rights have been issued to Mr O'Keeffe subject to two key performance measures. The first key performance measure is the finalisation of the total finance package required to facilitate the recommissioning of the Company's plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum. The second key performance measure is the actual recommissioning of the Company's plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum. If both key performance measures are satisfied all of the share rights granted to Mr O'Keeffe will vest and Mr O'Keeffe will be entitled to receive 1 million fully paid ordinary shares in the Company in satisfaction of those share rights.

(b) **The price of the securities or the formula for calculating the price of the securities**

No payment for the share rights or the Company's shares underlying them is required to be made by Mr O'Keeffe. The ordinary shares which will need to be acquired to satisfy the rights on vesting of the rights will be issued by the Company.

(c) **The names of all persons referred to in Rule 10.14 who received securities under the Plan since the last approval, the number of securities received and the acquisition price of each security**

The following directors have received Options under the Plan since the last approval of the plan on 29 August 2014:

Name	Number of Options	Acquisition Price	Exercise Price
Michael O'Keeffe	1,000,000	Nil	0.30
	3,000,000	Nil	0.20
Wayne Wouters	500,000	Nil	0.30

(d) **The names of all persons referred to in Rule 10.14 entitled to participate in the Plan**

All of the directors of the Company are entitled to participate in the Plan. The names of these directors are Michael O'Keeffe, Gary Lawler, Andrew Love, Michelle Cormier and Wayne Wouters.

(e) **A Voting Exclusion Statement**

A voting exclusion statement is included in this Management Information Circular.

(f) **The terms of any loan in relation to the acquisition**

There is no loan applicable to the acquisition of the share rights or the shares underlying them as no payment for the share rights or the Company's shares underlying them is required to be made by Mr O'Keeffe.

(g) **The date by which the Company will issue the rights**

The share rights will be granted to Mr O'Keeffe shortly after the Meeting but in any event no later than 12 months after the date of this Meeting.

### **Directors' Recommendation**

The Directors (excluding Mr. O'Keeffe) recommend that Shareholders vote in favour of Resolution 2 to issue share rights to Mr. O'Keeffe.

### **Resolution 2 – Grant of share rights to Michael O'Keeffe**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That approval is given for the Company to grant to its Executive Chairman, Michael O'Keeffe, share rights under the Champion Iron Incentive Plan on the terms set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion:** In accordance with the ASX Listing Rules, the Company will disregard any votes cast in any capacity on Resolution 2 by Mr O'Keeffe and any director of the Company who is eligible to participate in the Champion Iron Incentive Plan ("**Plan**") and any of their respective associates. However, the Company will not disregard a vote on Resolution 2 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form, to vote as the proxy decides.

As required by the Corporations Act, no member of the Company's key management personnel or a closely related party of any such member may vote as a proxy on Resolution 2 unless:

- (i) a person voting votes as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 2; and
- (ii) the person voting is the Chair of the Meeting who votes as a proxy appointed by writing that does not specify the way the Chair is to vote on Resolution 2 but which expressly authorises the Chair to vote on Resolution 2 even though the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

### **RESOLUTION 3 – Grant of Options to Gary Lawler**

The Company proposes to grant 300,000 Options to Mr Gary Lawler under the terms of the Plan.

Each Option confers a right to acquire one fully paid ordinary share in the Company on the exercise of the Option. The exercise price for each Option is the greater of A\$1.00 per Option and the volume weighted average price of ordinary shares in the Company traded over the five trading days immediately preceding the date of issue of the Options which will be the business day immediately following the date of this Meeting. The Options, once vested, will be exercisable at any time until the third anniversary of the date of their issue. The Options will vest as to 100,000 on the date of issue, 100,000 on the first anniversary of the date of issue and 100,000 on the second anniversary of the date of issue.

The purpose of the issue of the Options is to recognise Mr Lawler's contribution to the Company's success and to incentivise Mr Lawler to continue his involvement with the Company and to improve the longer term performance of the Company through the ownership of shares in the Company.

Shareholder approval of the grant of the Options is being sought for all purposes including under ASX Listing Rule 10.14. Under ASX Listing Rule 10.14 a director may only acquire securities under an employee incentive scheme, such as the Plan, if the director's participation has been approved by an ordinary resolution of the Company's shareholders.

The following information is required to be given under ASX Listing Rule 10.15:

(a) **The maximum number of securities that may be acquired**

The maximum number of Options that may be acquired by Mr Lawler under the approval is 300,000.

(b) **The price of the securities or the formula for calculating the price**

Mr Lawler is not required to pay anything for the grant of the Options. The exercise price for each of the Options is the greater of A\$1.00 per Option and the volume weighted average price of ordinary shares in the Company traded over the five trading days immediately preceding the date of issue of the Options which will be the business day immediately following the date of this meeting.

(c) **The names of all persons referred to in Rule 10.14 who received securities under the Plan since the last approval, the number of securities received and the acquisition price for each security**

The following Directors have been issued Options under the Plan since the last approval of the Plan at the Annual General Meeting on 29 August 2014:

Name	Number of Options	Acquisition Price	Exercise Price
Michael O'Keeffe	1,000,000	Nil	0.30
	3,000,000	Nil	0.20
Wayne Wouters	500,000	Nil	0.30

(d) **The name of all persons referred to in Rule 10.14 entitled to participate in the Plan**

All the Directors of the Company are entitled to participate in the Plan. The names of these Directors are Michael O'Keeffe, Gary Lawler, Andrew Love, Michelle Cormier and Wayne Wouters.

(e) **Voting Exclusion**

A voting exclusion statement is included in this Management Information Circular.

(f) **The terms of any loan in relation to the acquisition**

There is no loan applicable in relation to the acquisition of the Options or the shares which will be issued if the Options are exercised.

(g) **The date by which the Company will issue the Options**

The Options will be issued shortly after the Meeting but in any event no later than 12 months after the date of this Meeting.

**Directors' Recommendation**

The Directors (excluding Mr. Lawler) recommend that Shareholders vote in favour of Resolution 3 to issue Options to Mr. Lawler.



### **Resolution 3 – Grant of Options to Gary Lawler**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That approval is given for the Company to grant to its Non-Executive Director, Gary Lawler, Options under the Champion Iron Incentive Plan on the terms set out in the Explanatory Statement accompanying this Notice.."*

**Voting Exclusion:** In accordance with the ASX Listing Rules, the Company will disregard any votes cast in any capacity on Resolution 3 by Mr Lawler and any director of the Company who is eligible to participate in the Plan and any of their respective associates. However, the Company will not disregard a vote on Resolution 3 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form, to vote as the proxy decides.

As required by the Corporations Act, no member of the Company's key management personnel or a closely related party of any such member may vote as a proxy on Resolution 3 unless:

- (i) a person voting votes as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 3; and
- (ii) the person voting is the Chair of the Meeting who votes as a proxy appointed by writing that does not specify the way the Chair is to vote on Resolution 3 but which expressly authorises the Chair to vote on Resolution 3 even though the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

### **RESOLUTION 4 – Grant of Options to Andrew Love**

The Company proposes to grant 300,000 Options to Mr Andrew Love under the terms of the Plan.

Each Option confers a right to acquire one fully paid ordinary share in the Company on the exercise of the Option. The exercise price for each Option is the greater of A\$1.00 per Option and the volume weighted average price of ordinary shares in the Company traded over the five trading days immediately preceding the date of issue of the Options which will be the business day immediately following the date of this Meeting. The Options, once vested, will be exercisable at any time until the third anniversary of the date of their issue. The Options will vest as to 100,000 on the date of issue, 100,000 on the first anniversary of the date of issue and 100,000 on the second anniversary of the date of issue.

The purpose of the issue of the Options is to recognise Mr Love's contribution to the Company's success and to incentivise him to continue his involvement with the Company and to improve the longer term performance of the Company through the ownership of shares in the Company.

Shareholder approval of the grant of the Options is being sought for all purposes including under ASX Listing Rule 10.14.

Under ASX Listing Rule 10.14 a director may only acquire securities under an employee incentive scheme, such as the Plan, if the director's participation has been approved by an ordinary resolution of the Company's shareholders.

The following information is required to be given under ASX Listing Rule 10.15:

(a) **The maximum number of securities that may be acquired**

The maximum number of Options that may be acquired by Mr Love under the approval is 300,000.

(b) **The price of the securities or the formula for calculating the price**

Mr Love is not required to pay anything for the grant of the Options. The exercise price of the Options is the greater of A\$1.00 per Option and the volume weighted average price of ordinary shares in the Company traded over the five trading days immediately preceding the date of issue of the Options which will be the business day immediately following the date of this Meeting.

(c) **The names of all persons referred to in Rule 10.14 who received securities under the Plan since the last approval, the number of securities received and the acquisition price for each security**

The following Directors have been issued Options under the Plan since the last approval of the Plan at the Annual General Meeting on 29 August 2014:

Name	Number of Options	Acquisition Price	Exercise Price
Michael O'Keeffe	1,000,000	Nil	0.30
	3,000,000	Nil	0.20
Wayne Wouters	500,000	Nil	0.30

(d) **The name of all persons referred to in Rule 10.14 entitled to participate in the Plan**

All the Directors of the Company are entitled to participate in the Plan. The names of these Directors are Michael O'Keeffe, Gary Lawler, Andrew Love, Michelle Cormier and Wayne Wouters.

(e) **Voting Exclusion**

A voting exclusion statement is included in this Management Information Circular.

(f) **The terms of any loan in relation to the acquisition**

There is no loan applicable in relation to the acquisition of the Options or the shares which will be issued if the Options are exercised.

(g) **The date by which the Company will issue the Options**

The Options will be issued shortly after the Meeting but in any event no later than 12 months after the date of this Meeting.

**Directors' Recommendation**

The Directors (excluding Mr. Love) recommend that Shareholders vote in favour of Resolution 4 to issue Options to Mr. Love.

**Resolution 4 – Grant of Options to Andrew Love**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That approval is given for the Company to grant to its Non-Executive Director, Andrew Love, Options under the Champion Iron Incentive Plan on the terms set out in the Explanatory Statement accompanying this Notice.."*

**Voting Exclusion:** In accordance with the ASX Listing Rules, the Company will disregard any votes cast in any capacity on Resolution 4 by Mr Love and any director of the Company who is eligible to participate in the Plan and any of their respective associates. However, the Company will not disregard a vote on Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form, to vote as the proxy decides.

As required by the Corporations Act, no member of the Company's key management personnel or a closely related party of any such member may vote as a proxy on Resolution 4 unless:

- (i) a person voting votes as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 4; and
- (ii) the person voting is the Chair of the Meeting who votes as a proxy appointed by writing that does not specify the way the Chair is to vote on Resolution 4 but which expressly authorises the Chair to vote on Resolution 4 even though the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

## **OTHER BUSINESS**

While management of the Company is not aware of any business other than that mentioned in the Notice to be brought before the Meeting for action by the shareholders, it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, or any adjournments thereof, in accordance with the judgment of the persons authorized to act thereunder.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be obtained from the Company or under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Securityholders may contact the Corporate Secretary (Canada) of the Company, Jorge Estepa, by phone at (416) 866-2200 or by mail at 20 Adelaide Street East, Suite 200, Toronto, ON, M5C 2T6, to request copies of the Company's financial statements and management's discussion and analysis, this Circular and the Company's Annual Information Form.

Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

## **BOARD APPROVAL**

The contents and the sending of this Circular have been approved by the Board of Directors of the Company.

DATED at Toronto, Ontario, as of the 6<sup>th</sup> day of June, 2017.

By Order of the Board of Directors

(signed) "*Michael O'Keeffe*"

Michael O'Keeffe, Chief Executive Officer

SCHEDULE "A"

**SUMMARY OF TERMS OF CONVERTIBLE DEBENTURE**

<b>Issuer:</b>	Champion Iron Limited.
<b>Investors:</b>	Altius Minerals Corporation.
<b>Use of proceeds:</b>	Recommissioning of the Bloom Lake Iron Mine.
<b>Face Value:</b>	CAD\$10 million.
<b>Priority:</b>	Unsecured convertible debenture subordinated in payment to any senior indebtedness of the Company.
<b>Coupon/Interest Rate:</b>	8% per annum calculated and payable in cash quarterly in advance.  Interest on overdue interest is 12% per annum.
<b>Term:</b>	One year.
<b>Early Repayment:</b>	Prepayment in whole may be made on no less than 30 days nor more than 60 days prior written notice. If prepayment is made prior to 30 November 2017 the Company must pay interest for six months.
<b>Conversion:</b>	The principal amount is convertible in whole or part into ordinary shares in the Company at any time at CAD\$1.00 per ordinary share. However, in the event that the Master Financing referred to in the Convertible Debenture is not completed by 30 November 2017 the conversion price will be the lesser of CAD\$1.00 per share and the volume weighted average price of ordinary shares in the Company traded over the 5 trading days immediately prior to the conversion date subject to a cap of 50 million ordinary shares, being the maximum number of ordinary shares which may be issued on conversion. If the 50 million cap on issuing shares is reached but part of the principal amount remains unconverted, Altius Minerals Corporation will be made whole by either (at the Company's election) a cash payment or a royalty entitlement of equivalent value to such unpaid amount.

## SCHEDULE "B"

### **A SUMMARY OF THE MATERIAL TERMS OF THE CHAMPION IRON INCENTIVE PLAN IS SET OUT BELOW**

The purpose of the Champion Iron Incentive Plan is to provide eligible employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the company and its returns to shareholders. The Plan is intended to assist the Company in attracting and retaining skilled and experienced directors and employees and provide them with greater incentive to have a greater involvement with, and to focus on the longer term goals of, the Company.

The terms of the Plan are summarised below. The full terms of the Plan are set out in the Management Circular which was attached to the notice of annual general meeting held on 29 August 2014 (which was released on ASX on 22 July 2014).

The key features of the Plan are as follows:

**1. Participation by Eligible Employees**

The Board may invite "Eligible Employees" to participate in the Plan. Eligible Employees include employees, directors and other persons determined by the Board. The Board will comply with all the ASX and TSX and other regulatory requirements in administering the Plan.

**2. Securities issued under the Plan**

Eligible Employees invited to participate in the Plan are issued such number of share options, share rights and share appreciation rights on terms as determined by the Board.

Share options, share rights and share appreciation rights issued under the Plan are issued for no consideration. The exercise price for a share option must not be less than the market price of an ordinary share at the time of grant of the share option. Share options, share rights and share appreciation rights issued under the Plan do not confer a right to participate in new issues of shares by the Company until ordinary shares are issued on conversion or exercise of the relevant share option, share right or share appreciation right. There is no exercise price payable for share rights or share appreciation rights. The term and vesting period for share options, share rights and share appreciation rights granted under the Plan is determined at the discretion of the Board but in no circumstances will the term exceed five years. Share options, share rights and share appreciation rights issued under the Plan will not be listed on the ASX, TSX or any other exchange.

**3. Maximum number per Eligible Employee**

The maximum number of ordinary shares which may be issued to any one Eligible Employee (and associates) under the Plan in any 12 month period is 5% of the number of ordinary shares outstanding at the date of the issuance (on a non-diluted basis).

**4. Aggregate maximum number under the Plan**

Offers of share options, share rights and share appreciation rights under the Plan must not cause the Company to exceed the 5% threshold set out in ASIC Class Order 03/184 (now Class Order 14/1000) such that the Company would need to prepare and lodge a disclosure document (ie a prospectus). The maximum aggregate number of ordinary shares that may be reserved for issuance under the Plan is 20% of the number of ordinary shares outstanding at the date of the issuance (on a non-diluted basis).

**5. No assignment or granting security**

The share options, share rights and share appreciation rights issued under the Plan cannot be assigned or transferred, with the exception of an assignment made to a personal representative of a deceased participant with the consent of the Board. Eligible Employees are prohibited from granting any security interests over share options, share rights and share appreciation rights issued under the Plan.

**6. Performance Conditions**

The share options, share rights and share appreciation rights issued under the Plan may be subject to

performance conditions set by the Board which must be satisfied or waived in order to become vested. If the performance conditions are not satisfied or waived the relevant share options, share rights and share appreciation rights lapse.

**7. Vesting, exercise and settlement**

If vested share options, share rights and share appreciation rights are exercised, the Company can satisfy the share option, share right or share appreciation right (as applicable) by cash settlement or by issuing or transferring ordinary shares in the Company to the participant under the Plan. Ordinary shares issued on the exercise of share options, share rights and share appreciation rights rank *pari passu* with the existing ordinary shares in the Company.

**8. Change in control**

If the Board considers that a change in control event in respect of the Company will occur, the Board has the discretion to vest unvested share options, share rights and share appreciation rights or lapse or bring forward the exercise date of vested share options, share rights and share appreciation rights. The Board may also give to participants in the Plan a disposal event notice offering to acquire or cancel share options, share rights and share appreciation rights. If a participant does not accept the offer in a disposal event notice, unexercised share options, share rights and share appreciation rights lapse at the expiry of the offer period.

**9. Cessation of employment**

If an Eligible Employee ceases to be employed by the Company due to death or serious injury, disability or illness which prohibits continued employment, involuntary early retirement, retrenchment or redundancy the Board has a discretion to vest some or all of the share options, share rights and share appreciation rights held by the Eligible Employee. If an Eligible Employee ceases to be employed by the Company for a reason other than stated above, any unvested share options, share rights and share appreciation rights held by the Eligible Employee lapse.

**10. Exercise of share options**

Share options may be exercised if the share options have vested. Share options which have vested may be exercised within 6 months following cessation of employment (or by the expiry date of the share options if this period is shorter) where cessation of employment occurs otherwise than as a result of termination for cause.

**11. Adjustments on reorganisations**

There are provisions in the Plan which enable the Board to adjust the exercise price of a share option or the number of underlying shares to which the share option relates in the event of a rights issue, bonus issue or reorganisation of the capital of the Company in order to comply with the ASX Listing Rules applying to reorganisations of capital.

**12. No loans or financial assistance**

The Plan does not provide for financial assistance to participants to facilitate the payment of the purchase price for a share option.

**13. Amendment of the Plan**

Under the rules of the TSX governing security based compensation arrangement, specific shareholder approval is required for any amendment to the amendment provisions of the Plan. The Plan has incorporated amendment provisions requiring shareholder approval for (a) any reduction in the exercise price after an option has been granted, except in the case of an adjustment pursuant to the Plan held by an insider; (b) any extension of the expiry date of an option held by an insider, or any cancellation of such an option, and the substitution of that option with a new option with extended expiration date, except in case of an extension due to a black-out period; (c) any amendment which increases the maximum number of ordinary shares that may be issued under the Plan; (d) any amendment to these amendment provisions; and (e) any other matters that may require shareholder approval under the rules and policies of the TSX.

The Plan has also incorporated the following amendment provisions which may be made at the Board's discretion without shareholder approval for items including, but not limited to, the following: (a) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding its administration; (b) a change to the vesting provisions of the Plan; (c) a change to the provisions governing assignability and the effect of termination of a Participant's employment, contract or office, or cessation of a participant's directorship; and (d) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted.

**14. Approval of the Plan**

In accordance with the requirements of the TSX the Plan must be re-approved by shareholders every three years.

**15. Suspension of the Plan**

The Board of Directors has the right, in its sole discretion, to suspend or terminate the Plan.

# PROXY FORM

**SHARE REGISTRY:**  
TSX TRUST COMPANY  
**All Correspondence to:**  
200 University Avenue, Suite 300,  
Toronto, Ontario M5H 4H1 Canada  
**FOR ALL ENQUIRIES CALL:**  
(within Canada and the US) 1-866-600-5869  
**FACSIMILE:**  
416-595-9593

## SECTION A: Appointment of Proxy

## SECTION B: Voting Directions to your Proxy

**SECTION C: Please Sign Below**

\_\_\_\_\_

\_\_\_\_\_



### Notice-and-Access

The Canadian securities regulators have adopted new rules, effective for meetings held on or after March 1, 2013, which permit the use of notice-and-access for proxy solicitation instead of the traditional physical delivery of material. This new process provides the option to post meeting related materials including management information circulars as well as annual financial statements and management's discussion and analysis, on a website in addition to SEDAR. Under notice-and-access, meeting related materials will be available for viewing for up to 1 year from the date of posting and a paper copy of the material can be requested at any time during this period.

Disclosure regarding each matter or group of matters to be voted on is in the Information Circular in the Section with the same title as each Resolution on the reverse. You should review the Information Circular before voting.

CHAMPION IRON LIMITED has elected to utilize notice-and-access and provide you with the following information:

Meeting materials are available electronically at [www.sedar.com](http://www.sedar.com) and also at <http://noticeinsite.tsxtrust.com/ChampionIronSM2017>

If you wish to receive a paper copy of the Meeting materials or have questions about notice-and-access, please call 1-866-600-5869. In order to receive a paper copy in time to vote before the meeting, your request should be received by June 28, 2017.

### Request for Financial Statements

In accordance with securities regulations, security holders may elect to receive Annual Financial Statements, Interim Financial Statements, and MD&As.

Instead of receiving the financial statements by mail, you may choose to view these documents on SEDAR at [www.sedar.com](http://www.sedar.com).

I am a security holder of the Company, and as such request the following:

☐  
☐

Annual Financial Statements with MD&A

Interim Financial Statements with MD&A

If you are casting your vote online and wish to receive financial statements, please complete the online request for financial statements following your voting instructions.

If the cut-off time has passed, please fax this side to 416-595-9593.

FISCAL YEAR – 2017

## NOTES

### 1. Name and Address

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of the Company.

### 3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry 1-866-600-5869 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

### 5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director may sign alone. Otherwise this form must be signed by a director jointly with either another director or company secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by TSX Trust Company no later than 2:30 am (Montreal time) on July 6, 2017, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

For assistance, please contact TSX Trust Company:

**Mail:** TSX Trust Company  
200 University Avenue, Suite 300  
Toronto, ON M5H 4H1  
Canada  
**Telephone:** (416) 361-0930  
**Facsimile:** (416) 595-9593  
**Email:** [TMXInvestorServices@tmx.com](mailto:TMXInvestorServices@tmx.com)