

CHAMPION IRON

ANNUAL GENERAL MEETING 2017

Champion Iron Limited (ASX: CIA, TSX: CIA)

Chairman's Address at Shareholders Meeting

Montreal, 10.00am Friday 18th August, 2017

Welcome to the Annual General Meeting of Champion Iron Limited, the second meeting of shareholders to be held in Montreal.

Champion Iron Limited ("the Company" or "Champion Iron")

Last year, on 11 April, 2016, the Company, through its wholly-owned subsidiary, Québec Iron Ore Inc. ("QIO"), acquired the Bloom Lake mine and related rail assets ("Bloom Lake") together with the Quinto mineral claims from affiliates of Cliffs Natural Resources Inc. for cash consideration of \$9.75 million.

Since the acquisition, the Company has made considerable progress at Bloom Lake, bringing it closer to its goal of re-starting operations, which would be a major contributor to the local, provincial and national economy.

Toward this goal, on 17 March 2017, the Company completed a National Instrument 43-101 Technical Report on the Bloom Lake Mine Re-Start ("Feasibility Study"). The Feasibility Study demonstrates that recommencing iron ore mining operations at Bloom Lake is financially viable and would be competitive in global iron ore markets with the potential to be one of the region's leading long-life iron ore mines.

Together with the completion of the Feasibility Study, other significant milestones were achieved, including the acquisition on 15 March 2017 of a fleet of 735 specialized iron ore railcars capable of carrying iron ore from Bloom Lake to the port at Sept-Îles. The fleet is operational and ready for deployment and Bloom Lake already has rail loop infrastructure, with access to end markets via rail and port.

Additionally, the Company proudly announced on 12 April 2017 that QIO had signed and entered into an Impact and Benefits Agreement (the "IBA") with the band council, Innu of TakuaiKAN Uashat mak Mani-utenam ("ITUM") with respect to future operations at Bloom Lake. The signing of the IBA demonstrates the ITUM's support for the project and provides for their real participation in Bloom Lake in the form of training, jobs and contract opportunities, and ensures that the ITUM will receive fair and equitable financial and socio-economic benefits. The IBA is a life-of-mine agreement and contains provisions which recognize and support the culture, traditions and values of the ITUM, including recognition of their bond with the natural environment.

Another significant milestone was reached on 18 May 2017 when the Company announced that QIO had signed a Framework Off-Take Agreement with Sojitz Corporation ("Sojitz"), a major trading company based in Tokyo, Japan, pursuant to which Sojitz would purchase up to 3,000,000 DMT per annum from QIO after the re-commencement of commercial operations at Bloom Lake. The agreement is for an initial five-year term from the date that commercial operations commence at Bloom Lake and shall automatically extend for successive terms of five-years. The Company is very pleased to have signed an off-take agreement with an exceptional and highly-reputed partner such as Sojitz, which predominantly serves the Japanese market and selected Asian steel mills.

Champion also announced on 18 May 2017 that in connection with the Bloom Lake restart and in order to beneficially utilize the summer construction season for required upgrades to the Bloom Lake tailings management system and other process plant upgrades and long-lead items, it had arranged, on behalf of QIO, a \$40 million bridge financing, comprised of \$26 million in debt and \$14 million in equity. The debt component consists of a \$20 million loan from Sojitz, together with a \$6 million loan from Ressources Québec Inc. (“Ressources Québec”), a 36.8% equity shareholder in QIO, both of which are *pari-passu* one-year term loans secured against the Bloom Lake fixed assets and large scale mining equipment. The \$14 million equity investment in QIO consists of a proportionate contribution from QIO’s two shareholders, namely Champion, a 63.2% equity shareholder, and the government of Québec, who invested \$8.8 million and \$5.2 million, respectively, into QIO. In connection with its \$8.8 million financing into QIO, Champion completed a non-brokered sale of \$10 million in unsecured subordinated convertible debentures (the “Debentures”) to Altius Minerals Corporation, the terms of which were announced by the Company on 1 June 2017.

On another front, in keeping with the Company’s goals to reduce and minimize its environmental footprint wherever possible, Champion was pleased to announce on 5 June 2017 that QIO has been granted C\$5.2 million in financial assistance from the Government of Quebec’s “Green Fund” in connection with two energy conversion projects at Bloom Lake. The grant was announced at the Bloom Lake site, by Mr. Pierre Arcand, Minister of Energy and Natural Resources, Minister responsible for the Plan Nord and the Minister responsible for the Côte-Nord region. The announcement also included the participation of Mr. Michael O’Keeffe, Chairman and CEO of Champion and QIO, and it was attended by members of the media and Champion and QIO personnel.

Financial assistance from the Green Fund falls within the framework of the Government of Quebec’s “EcoPerformance Program under the 2013-2020 Action Plan on Climatic Change”. Significantly, the two energy conversion projects will reduce Bloom Lake’s greenhouse gas emissions by 19,689.2 tonnes equivalent CO₂ per year, which is equivalent to removing approximately 5,800 light vehicles from roads annually.

With respect to logistical issues the Company was pleased to announce on 20 June 2017 that its subsidiary QIO had entered into a transportation agreement with the Quebec North Shore and Labrador Railway Company, Inc. (“QNS&L”) for the transportation of iron ore concentrate which would be generated from the Bloom Lake mine. The agreement provides that iron ore concentrate from the Bloom Lake property will be carried on the QNS&L railway from the Wabush Lake Junction in Labrador City, Newfoundland & Labrador to the Sept-Iles Junction in Sept-Iles, Quebec, a distance of approximately 400 kilometers. This agreement will ensure long-term access to some of the world’s largest consumers of iron ore for Bloom Lake’s future high quality product. QNS&L is a proven and well-recognized rail transporter.

Following the completion of the C\$40 million bridge financing, the Company and QIO announced on 12 July 2017 that it has obtained further debt financing conditional commitments for up to US\$180 million to partially fund the costs of resuming the operations at Bloom Lake from la Caisse de dépôt et placement du Québec (“Caisse”) and Sprott Resource Lending (“Sprott”).

The terms of the loans will provide for the issuance by Champion of 21 million common share purchase warrants to Caisse, and 3 million common share purchase warrants to Sprott, all at an exercise price to be determined when the Champion equity raise in process is undertaken, and in compliance with the requirements of the ASX and TSX and subject to the approval of Champion’s shareholders at today’s annual meeting. As Champion will be responsible for issuing common share purchase warrants to Sprott and Caisse, it will be compensated by Ressources Québec, commensurate with their 36.8% interest in QIO.

Each of these debt financings is conditional upon the execution of the definitive documentation and the satisfaction of other customary closing conditions.

One of the conditions of the debt financings requires QIO shareholders, Champion and Ressources Québec, to contribute financially to support the resumption of operations at Bloom Lake, which amounts to approximately C\$72 million. The *fonds Capital Mines Hydrocarbures*, managed by Ressources Québec, has issued a Letter of Intent to provide for its 36.8% contribution representing approximately C\$27 million, subject to final approval. Champion intends to conduct other equity offerings to raise approximately C\$45 million to fund its contribution. As previously announced, the Company filed a Preliminary Short Form Prospectus on 1 August 2017 with the securities regulatory authorities in each of the provinces of Canada with respect to a marketed offering for proceeds of approximately C\$50 million.

In another positive development, on 18 July 2017, the Company announced that its subsidiary Champion Iron Mines Limited ("CIML") has entered into a settlement agreement providing for the conditional settlement, without admission, of its dispute with the Port of Sept-Îles concerning the 13 July 2012 agreement entered into between the parties (the "2012 Agreement"). The settlement of the dispute is conditional upon the closing of the financing transactions disclosed by the Company on 12 July 2017. The dispute with the Port of Sept-Îles concerning the 2012 Agreement is disclosed and detailed by the Company in its latest audited financial statements.

The settlement agreement provides for, among other considerations, the immediate payment of a certain sum of money to the Port of Sept-Îles as well as the making by CIML or by QIO, of certain additional payments in tranches to settle in full the Port's original \$19,581,000 claim on account of the buy-in payment under the 2012 Agreement, as well as certain ancillary amounts. Such payments will be advances on QIO's future shipping, wharfage and equipment fees under the 2012 Agreement. The additional tranche payments are, like the settlement itself, conditional to the closing of the financing transactions disclosed by the Company on 12 July 2017.

Review of Operations

Champion recorded a loss of \$34.9 million for the period to 31 March 2017 of which \$26.7 million is attributable to care and maintenance costs following the acquisition of Bloom Lake. Subsequent to the fiscal year end, the Company arranged a completed a \$40 million bridge financing on behalf of its subsidiary QIO and has secured US\$180 million in total debt financing conditional commitments.

Outlook for Champion

Following the preparation and completion of the Feasibility Study, significant work has been undertaken, and continues to proceed in connection with the Bloom Lake re-start. As I have noted in previous announcements by the Company, for us the Bloom Lake mine is one of the lowest capital cost iron ore mines in the world and we are working diligently and expeditiously on our strategy to deliver a low-cost operating mine. I believe that Bloom Lake represents strong upside potential for our shareholders to leverage the significant level of investment in Bloom Lake made by previous owners in addition to the Company's.

As part of the ongoing upgrades in connection with the Bloom Lake re-start, I am proud to know that the Company has developed mutually beneficial relationships with local authorities and partners to share our work plan. With respect to hiring, we look to the local and First Nations community, as well as the mine's former employees. In

addition, we routinely obtain supplies from local entrepreneurs to maximize the economic flow-on for the local business communities in the regions in which we operate.

We continue to recognise and appreciate the confidence and support shown by QIO's equity partner, Ressources Québec, and all of our other investors and lenders. I also acknowledge the effort and contribution of our employees in Canada and Australia and the traditional owners of the land and the local inhabitants for their continuing support of the Company's activities.

I look forward with confidence to the Company's future as we focus on the restart of Bloom Lake. In delivering the above, directors and management remain committed to build shareholder value.

Michael O'Keeffe
Executive Chairman & Chief Executive Officer
Montreal, 18th August, 2017

About Bloom Lake

On April 11, 2016, the Company, through its subsidiary QIO, acquired the Bloom Lake assets from affiliates of Cliffs Natural Resources Inc. that were subject to restructuring proceedings under the Companies' Creditors Arrangement Act (Canada). Québec Iron Ore Inc. is 63.2% owned by the Company, with the remaining 36.8% equity interest owned by Ressources Québec, acting as a mandatory of the Government of Quebec.

The Bloom Lake property is located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Quebec, and 10 km north of the Mount-Wright iron ore mining operation of ArcelorMittal Mines Canada. The Bloom Lake Mine is an open pit truck and shovel operation, with a concentrator. From the site, iron concentrate can be transported by rail, initially on the Bloom Lake Railway, to a ship loading port in Sept-Iles, Québec.

The Bloom Lake Mine has already been authorized for operation under the federal and provincial environmental authorities. The project was subject to an environmental impact assessment process under Section 31.1 of the Québec Environment Quality Act, which led to the first decree issued by the Quebec government in 2008 authorizing mining activities at the Bloom Lake site. An updated positive Feasibility Study on Bloom Lake has been completed and is available under the Company's profile on SEDAR (www.sedar.com). The results of the Feasibility Study were announced by Champion on February 16, 2017 (the "Release") and the report was filed on March 17, 2017. The Company is not aware of any new information or data that materially affects the information included in the Release and confirms that all material assumptions and technical parameters underpinning the estimates in the Release continue to apply and have not materially changed.

About Champion

Champion is an iron development and exploration company, focused on developing its significant iron resources in the south end of the Labrador Trough in the province of Québec. Following the acquisition of its flagship asset, the Bloom Lake iron ore property, the Company's main focus is to implement upgrades to the mine and processing infrastructure it now owns while also advancing projects associated with improving access to global iron markets, including rail and port infrastructure initiatives with government and other key industry and community stakeholders.

Champion's management team includes professionals with mine development and operations expertise who also have vast experience from geotechnical work to green field development, brown field management including logistics development and financing of all stages in the mining industry.

For additional information, please visit our website at www.championiron.com.

This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about planned operations at the Company's projects, including its joint venture projects. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risks identified in Champion's annual information forms, management discussion and analysis and other securities regulatory filings by Champion on SEDAR (including under the heading "Risk Factors" therein) and the risk that the Arrangement may not be completed or, if the Arrangement is completed, uncertainties regarding the combination of Champion and Mamba and the ability to realize growth opportunities. 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 forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. All of Champion's forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of Champion's management and information available to management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of its forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. This press release has been prepared by Champion Iron Limited and no regulatory authority has approved or disapproved the information contained herein.