



EXTRAORDINARY GENERAL MEETING

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

Chairman's Address at Shareholders Meeting

Sydney, 10:00am Thursday, 31 March, 2016

It gives me great pleasure to welcome you to this Extraordinary General Meeting of the shareholders of Champion Iron Limited ("CIA or the Company").

The reason for today's Extraordinary General Meeting is to allow shareholders to vote on major developments that have the potential to lead to the transformation of the Company into an iron ore miner of global significance.

Further details of the information I am going to discuss with you today regarding the acquisition and financing of the Bloom Lake transaction are disclosed in the Notice of Meeting dated 23 February 2016, and I refer you to this if you require additional background.

I should also draw your attention to the fact that since the despatch of the Notice of Meeting, I am delighted to advise that we have secured Resources Capital Fund, Denver and Wynnchurch Capital, Chicago and Ressources Quebec as anchor investors, and I will cover this in more detail shortly.

At the Annual General Meeting in August 2015, I outlined what we had been able to achieve in the preceding twelve months and the broad plan for the future development of the Company in what has been and continues to be testing times for the sector in general.

The executive team has been continually assessing opportunities for the future growth and positioning of the Company. Despite the significant challenges facing the iron-ore sector, there has never been a better time to harness opportunities for the future.

The Acquisition

Through our regional mining and global market expertise we identified Bloom Lake Mine as a complementary fit for the Company due to its resources being similar to the Company's Fire Lake North properties with the added advantage of the Bloom Lake Mine being a fully operational mine with established rail and port access.

Following an extended period of due diligence we submitted a binding bid for the Bloom Lake Mine and related rail assets (collectively, "Bloom Lake") and the mineral claims referred to as

the Quinto Claims ("Quinto Claims"). I am delighted that the hard work and commitment of the executive team has resulted in the Company being successful in its bid for the assets.

You may have seen the recent press releases by the Company and some of you may have also followed the commentary in various publications regarding the signing of an agreement by the Company to acquire Bloom Lake and the Quinto Claims in Québec from affiliates of Cliffs Natural Resources Inc. ("Cliffs") for cash consideration of CA\$10.5 million, the obligation to replace certain bonds securing obligations of Bloom Lake totalling approximately CA\$1.1 million and the assumption of environmental obligations presently assessed at approximately CA\$41.7 million.

By way of background, Cliffs acquired Bloom Lake and the Quinto Claims in 2011 for approximately US\$5 billion and since the acquisition, Cliffs have invested significant amounts in plant and mine improvements as well as commencing work on a second concentrator, which is currently approximately 70% complete.

The Bloom Lake Mine comprises substantially all mine site infrastructure and mining equipment owned by Cliffs at Bloom Lake and a portion of the Bloom Lake assets comprise approximately 36 km of rail linking the Bloom Lake Mine to the Northern Land Company Railway. The Bloom Lake Mine has access to a fully commissioned and operational land based transport infrastructure which would enable delivery of the ore in the future at a competitive cost.

The Bloom Lake Mine has been on care and maintenance since December 2014, and the Company's plan is to continue to keep the Bloom Lake Mine on care and upgrade until such time that iron ore prices recover sufficiently to warrant the reopening of the mine. During this period the Company will continue to develop a plan to improve production and significantly reduce operating costs when operations recommence.

The Quinto Claims which are adjacent to the Company's existing properties have historic National Instrument 43-101 compliant resources of over 900 million tonnes of iron ore.

Further details of the acquisition are disclosed in the Notice of Meeting dated 23 February 2016.

Financing the acquisition

I now turn to the financing for the acquisition of the assets.

The Bloom Lake Mine and Quinto Claims will be acquired by Québec Iron Ore, a wholly owned Canadian subsidiary of the Company

The Company will, subject to the approval by the shareholders at this meeting, undertake a private placement of the Company's shares to raise CA\$30 million.

In addition to the funds raised by an issue of the Company's shares, a further CA\$20 million will be raised through a direct equity investment of CA\$14 million and a secured loan of CA\$6 million by Ressources Québec (a subsidiary of Investissement Québec) in Québec Iron Ore. Further information regarding the funding is disclosed in the Notice of Meeting dated 23 February 2016.

Since the despatch of the Notice of Meeting, I am delighted to advise that we have secured Resources Capital Funds ("RCF"), Denver and Wynnchurch Capital, Chicago and Ressources Quebec as anchor investors who will collectively provide CA\$23 million. Under the terms of the subscription agreements with Wynnchurch Capital, Resources Capital Fund and Ressources Quebec, so long as each maintains a 10% interest in the Company (on a non-diluted basis), each have the right to nominate one person as director for appointment to the board of directors and, subject to ASX approval, each have the right to consent to and to participate in further fundraisings conducted by the Company so as to maintain their proportionate interest in the Company.

RCF is a mining-focused private equity firm. Founded in 1998, RCF closed its sixth fund in early 2013 with capital commitments of \$2.04B. The organization has grown considerably since its inception and now has over 70 employees based in offices in 5 cities.

Founded in 1999, Wynnchurch Capital is a leading value-oriented, operationally-focused private equity firm that invests in middle-market companies in the United States and Canada. With offices in Illinois, California, Michigan and Ohio, the firm has more than \$2.3 billion in private equity capital under management and has invested in more than 40 companies with combined sales in excess of \$5 billion. The balance of the funding of CA\$7 million will be primarily provided by Andrews Capital and Prospect AG Trading Pty Limited (an entity which I control).

Shareholder Approval

The funding for the acquisition requires shareholder approval and this is included as Resolutions 1 and 2, both of which are inter-conditional.

As I noted in my opening remarks, there has never been a better time to harness opportunities for the future. The acquisition of Bloom Lake and the Quinto Claims presents an opportunity to define the future of the Company.

I thank the shareholders for their continuing support and my team for their efforts and dedication in bringing this opportunity to fruition.

Michael O'Keeffe

Executive Chairman

Sydney, 31 March 2016

ABOUT CHAMPION IRON LIMITED

Champion is an iron exploration and development company with offices in Montreal, Toronto and Australia, and is focused on developing its significant iron resources in the Labrador Trough in the province of Québec. Champion holds a 100% interest in the Fermont Iron Holdings, including its flagship Consolidated Fire Lake North Project, that is located in Canada's major iron ore producing district, in close proximity to producing iron mines, existing transportation and power infrastructure.

Consolidated Fire Lake North is located immediately north of Arcelor Mittal's operating Fire Lake Mine and 60 km south of Cliffs Natural Resources Inc.'s Bloom Lake Mine in northeastern Québec. Champion's management and advisory board includes mining and exploration professionals with the mine development and operations experience to build, commission and operate the future Consolidated Fire Lake North mine.

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.