



ANNUAL GENERAL MEETING 2016

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

Chairman's Address at Shareholders Meeting

Montreal, 5.00pm Thursday 18th August, 2016

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

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

During the year, we continued to work towards identifying and evaluating quality assets to add to the Company's portfolio of assets. At the Extraordinary General Meeting on 31 March 2016, shareholders approved the acquisition of the Bloom Lake mine and related rail assets ("Bloom Lake"), Quinto mineral claims ("Quinto claims") and a Private Placement of shares to fund the acquisition of Bloom Lake and the Quinto claims and to provide ongoing working capital.

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") from affiliates of Cliffs Natural Resources Inc. for cash consideration of \$9.75m.

The Bloom Lake mine is located approximately 13 km north of Fermont, Quebec, in the Labrador Trough and consists of Mining Lease BM877 and 114 mining claims. It is an open pit truck and shovel mine, a concentrator that utilizes single-stage crushing and an autogenous mill and gravity separation to produce iron concentrate. From the site, concentrate can be transported by rail, initially on the Bloom Lake Railway, to a ship loading port in Sept-Îles, Québec.

The Bloom Lake rail assets consist of the provincially regulated short-line railway comprising a 32 km rail spur contained wholly within Newfoundland and Labrador that connects the Bloom Lake mine to the railway owned by Northern Land Company.

In order to fund the acquisition purchase price of Bloom Lake and to provide working capital, on 11 April 2016, the Company completed a private placement of shares for gross proceeds of \$30m. At the same time, the Company's wholly owned subsidiary, QIO, completed a private placement of ordinary shares to Ressources Québec Inc., acting as mandatory for the Government of Québec, for gross proceeds of \$14m following which, the Company's interest in QIO was reduced from 100% to 63.2%.

Review of Operations

Champion Iron recorded a loss of \$7.3m for the period to 31 March 2016 of which \$1.9m is attributable to the impairment of investments and \$2.1m is attributable to transactions costs relating to the acquisition of Bloom Lake, the Quinto claims and the Private Placement of shares.

The Company spent \$682k on exploration and development activity on the Consolidated Fire Lake North ("CFLN") project during the year ended 31 March, 2016 and following the completion of the exploration phase, the camp at the Fire Lake North site was dismantled.

On 25 October 2015 the Company made a final payment of \$250k (total consideration of \$300k) in respect of an arrangement to reduce the net smelter royalty on the Fermont Holdings, including CFLN, from 3% to 1.5%.

I informed shareholders at the last annual general meeting, that the Company is a founding partner in La Société ferroviaire du Nord québécois, société en commandite ("SFNQ"). The other limited partners in SFNQ are the Government of Québec and Lac Otnuk Mining Ltd., a joint arrangement between Adriana Resources Inc. and WISCO International Resources Development & Investment Limited. SFNQ was formed as a partnership of government and industry to complete a feasibility study for the construction of a new multi-user rail link giving mining projects in the Labrador Trough access to the port at Sept-Îles at the lowest possible cost. The Government of Québec has set aside a maximum of \$20m from its Plan Nord Fund to contribute to SFNQ, while the Company's contribution consisted of previously incurred costs of \$5.6m.

Outlook for Champion

The Bloom Lake mine has been under care and maintenance since December 2014 and following its acquisition, the Company has commenced the process of determining the optimum restart strategy to deliver a low cost operating mine. There is much work to be done including the preparation of a technical report under National Instrument 43-101, plant and crusher improvements and the completion of a new mine plan to determine operating and capital expenditures. As I have noted in previous announcements by the Company, the Bloom Lake mine has the potential to become one of the lowest capital cost iron ore mines in the world and 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.

As part of the ongoing maintenance and upgrade, Champion is initiating a dialogue with the local authorities and partners to share our work plan. And when it is time to start hiring, we will look to the local and First Nations community, as well as the mine's former employees. In addition, we intend to obtain supplies from local entrepreneurs to maximize the economic flow-on for the local business communities in the regions in which we operate.

We recognise and appreciate the confidence and support shown by Ressources Québec, Wynnchurch, Resource Capital Fund and all of our other investors. I also acknowledge the effort and contribution of our employees in Australia and Canada 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, 2016

ABOUT CHAMPION IRON LIMITED

Champion has been working on the development of iron ore deposits in the Labrador Trough for more than 10 years through acquisition of tenements, geological evaluation and development of a Feasibility study (Fire Lake North deposit). The management team has a vast experience from geotechnical work to green field development, brown field management including logistics development and financing of all stages in the mining industry.

Prior to the acquisition of Bloom Lake, the main focus of Champion’s activities, holding over 3 billion tons of high quality iron ore resources, was concentrated on the effort to achieve an economical long term access from mine to ship.

Following the acquisition of Bloom Lake the Company’s main focus is to implement upgrades to the mine and processing infrastructure it now owns whilst advancing projects associated with improving access to global markets. This includes progressing rail and port infrastructure initiatives with government and other key industry and community stakeholders.

The Government of Québec has granted CAD \$20 million for the feasibility study of a new rail linking Fire Lake / Bloom Lake area to the port of Sept-Îles. This study is being managed by Champion, and is expected to be finalised in 2016.

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.