

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Champion Iron Limited

ACN/ARSN 119 770 142

1. Details of substantial holder (1)

Name Ressources Québec Inc.

ACN/ARSN (if applicable) N/A

This notice is given by Ressources Québec Inc. on behalf of itself and each of its associates (**Ressources Québec Group Entities**) named in the list of 1 page annexed to this notice and marked "A".

The holder became a substantial holder on 11/04/2016

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	37,500,000	37,500,000	9.72%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Ressources Québec Inc.	Registered holder pursuant to a Subscription Agreement dated April 11, 2016 of 23 pages, a copy of which is annexed to this notice and marked "B".	37,500,000 ordinary shares
Investissement Québec	Taken under section 608(3) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Ressources Québec Inc.	37,500,000 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Ressources Québec Inc.	Ressources Québec Inc.	Ressources Québec Inc.	37,500,000 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Ressources Québec Inc.	April 11, 2016	CAD 6,000,000	-	37,500,000 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Each Ressources Québec Group Entity	Investissement Québec is a holding company of Ressources Québec Inc.

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Ressources Québec Inc.	600, rue De La Gauchetière Ouest, bureau 1500 Montréal (Québec) H3B 4L8 Canada
Each Ressources Québec Group Entity	As set out in the list of 1 page annexed to this notice and marked "A".

Signature

print name Denis Williams

capacity General Manager

sign here



date 13/April/2016

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A TO FORM 603

This is Annexure A of 1 page referred to in Form 603 in respect of Champion Iron Limited and signed by me and dated:

print name Denis Williams

capacity General Manager

sign here



date 13/April/2016

Ressources Québec Group Entities

The entities listed in the table below are referred to as the "Ressources Québec Group Entities".

Name	Address
Investissement Québec	1200, route de l'Église, bureau 500, Québec (Québec) G1V 5A3 Canada

ANNEXURE B TO FORM 603

This is Annexure B of 23 pages referred to in Form 603 in respect of Champion Iron Limited and signed by me and dated:

print name Denis Williams

capacity General Manager

sign here



date

13/April/2016

Sans intermédiaire

CHAMPION IRON LIMITED
CONVENTION DE SOUSCRIPTION
ACTIONS ORDINAIRES

IMPORTANT

Les points suivants de la présente convention de souscription sont déjà remplis (prière de parapher chaque case applicable) :

TOUS LES SOUSCRIPTEURS :

☐

Remplir et signer la **page de signature et la page suivante** de la convention de souscription (pages 2 et 3);

Un exemplaire rempli et signé de la présente convention de souscription, et les autres documents qui doivent y être joints doivent être envoyés par télécopieur, courrier électronique ou transmis de quelque autre manière à Champion Iron Limited, à l'attention de Jorge Estepa, vice-président et secrétaire par courriel (jestepa@championiron.com) ou par télécopieur (416-361-1333).

CONVENTION DE SOUSCRIPTION

LES TITRES OFFERTS EN VENTE NE PEUVENT ÊTRE SOUSCRITS QUE CONFORMÉMENT AUX DISPENSES OFFERTES AUX TERMES DE LA LÉGISLATION EN VALEURS MOBILIÈRES APPLICABLE.

DESTINATAIRE : Champion Iron Limited (la « société » ou « *Company* »)

Le soussigné (le « **souscripteur** » ou « *Subscriber* »), souscrit irrévocablement et convient de souscrire par les présentes, auprès de la société, le nombre d'actions ordinaires de la société (les « **actions de placement** » ou « *Placement Shares* ») indiqué ci-après, moyennant la contrepartie globale indiquée ci-après, soit un prix de souscription de 0,16 \$ CA par action de placement (le « **prix de souscription** » ou « *Subscription Price* »); aux termes et sous réserve des conditions énoncées dans les « Conditions de souscription d'actions ordinaires de Champion Iron Limited » ou « *Terms and Conditions of Subscription for Ordinary Shares of Champion Iron Limited* » jointes aux présentes (collectivement avec les trois premières pages des présentes et l'annexe, la « **convention de souscription** » ou « *Subscription Agreement* »).

SOUSCRIPTION ET RENSEIGNEMENTS SUR LE SOUSCRIPTEUR

Prière d'inscrire en caractères d'imprimerie (sauf les signatures) tous les renseignements, s'il y a lieu, dans l'espace prévu ci-après

Ressources Québec inc.	Nombre d'actions de placement 37 500 000 x 0,16 \$ CA
(Nom du souscripteur)	
Coordonnées du compte (s'il y a lieu)	
Par 	Coût total de la souscription 6 000 000 \$ CA
Signataire autorisé	(la « valeur de souscription » ou « <i>Subscription Amount</i> »)
Directeur général	
(Titre ou fonction officiel - si le souscripteur n'est pas une personne physique)	Prière de fournir les renseignements suivants s'il s'agit d'une souscription en qualité de mandataire ou de fiduciaire pour le compte d'un mandant (souscripteur véritable) et non pas d'une souscription en tant que fiduciaire ou mandataire pour des comptes entièrement gérés par le fiduciaire ou le mandataire.
Denis Williams	
(Nom de la personne physique dont la signature paraît ci-dessus, s'il est différent du nom du souscripteur inscrit ci-dessus)	(Nom du souscripteur véritable)
600, de La Gauchetière Ouest, bureau 1500 Montréal (Québec) H3B 4L8	
(Adresse du souscripteur, y compris la municipalité et la province)	(Adresse du souscripteur véritable)
	(Coordonnées du compte, s'il y a lieu)

(Numéro de téléphone)	(Adresse courriel)
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(Numéro de téléphone)

<u>Renseignements sur l'immatriculation du compte :</u>
(Maison de courtage)
(Référence du compte, si applicable)

<u>Directives de livraison :</u>
(Nom)
(Coordonnées du compte, s'il y a lieu)
(Adresse)
(Nom de la personne-ressource) (Numéro de téléphone)

<p>Nombre et nature des titres de la société que le souscripteur détient, directement ou indirectement, ou sur lesquels le souscripteur exerce un contrôle ou une emprise (y compris les titres convertibles mais excluant les actions de placement souscrites aux termes des présentes) :</p> <p><input checked="" type="checkbox"/> aucun; ou</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

<p>1. Le souscripteur est-il un initié de la société :</p> <p>Oui <input type="checkbox"/> Non <input checked="" type="checkbox"/></p> <p>2. Le souscripteur est-il un membre d'un Groupe professionnel (Pro Group) :</p> <p>Oui <input type="checkbox"/> Non <input checked="" type="checkbox"/></p> <p>3. Le souscripteur est-il une « personne inscrite » (Registrant) :</p> <p>Oui <input type="checkbox"/> Non <input checked="" type="checkbox"/></p> <p>(Remarque : Une personne inscrite s'entend d'un courtier en valeurs, d'un gestionnaire de portefeuille, d'un gestionnaire de fonds d'investissement, d'une personne désignée responsable ou d'un chef de la conformité au sens de la législation en valeurs mobilières applicable, ou d'une personne (au sens des présentes) inscrite ou par ailleurs tenue d'être inscrite en vertu de la législation en valeurs mobilières applicable.)</p>
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Remarque concernant la livraison des actions de placement. La société se réserve le droit d'émettre tout ou partie des actions de placement en une position inscrite en compte sans certificat créditée à CDS & Co. Le cas échéant, le souscripteur ne recevra pas de certificats définitifs attestant les actions de placement, mais plutôt un avis d'exécution d'un courtier en valeurs inscrit auprès duquel les actions de placement sont souscrites. Si la société décide de ne pas procéder à une émission sans certificat des actions de placement, le souscripteur recevra des certificats définitifs attestant les actions de placement. Tous les souscripteurs doivent donc remplir les renseignements sur l'immatriculation et les directives de livraison ci-dessus.

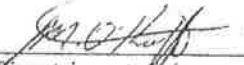
<p align="center"><u>DIRECTIVES À L'INTENTION DES SOUSCRIPTEURS</u></p> <p>Le souscripteur doit :</p> <p>1) Lire la présente convention de souscription;</p> <p>2) Remplir et signer la page titre de la présente convention de souscription;</p> <p>3) Régler le paiement des actions de placement conformément à la clause 5 des « Conditions de souscription d'actions ordinaires de Champion Iron Limited »; et</p> <p>5) Livrer les documents signés conformément à cette clause 5.</p>
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ACCEPTATION : Par les présentes, la société : i) accepte la souscription dont il est question ci-dessus, sous réserve des « Conditions de souscription d'actions ordinaires de Champion Iron Limited » dans la présente convention de souscription; et ii) déclare et garantit au souscripteur que les déclarations qu'elle a formulées et les garanties qu'elle a données sont véridiques et exactes en date des présentes et seront véridiques et exactes à l'heure de clôture (au sens des présentes).

Acceptée et approuvée le 11 avril 2016

CHAMPION IRON LIMITED

Par :



Signataire autorisé

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR
ORDINARY SHARES OF CHAMPION IRON LIMITED**

1. Definitions

Whenever used in this Subscription Agreement, unless otherwise defined herein, the following terms shall have the respective meanings ascribed to them as follows:

"1933 Act" means the United States *Securities Act of 1933*, as amended;

"Acquisition" has the meaning set forth under Section 2(b) hereto;

"Agreement" or **"Subscription Agreement"** means this subscription agreement as the same may be amended, supplemented or restated from time to time;

"Asset Purchase Agreement" means the asset purchase agreement dated December 11, 2015 between, amongst others, the Company, Quebec Iron and Cliffs Quebec Iron Mining ULC pursuant to which Quebec Iron will acquire certain assets related to the iron ore mine and processing facility known as the Bloom Lake Mine and the provincially regulated short-line railway that connects the Bloom Lake Mine to the railway owned by Northern Land Company and certain mineral claims;

"ASX" means the Australian Securities Exchange;

"Business Day" means a day on which Canadian chartered banks are open for the transaction of regular business in the City of Montréal, Québec and the City of Toronto, Ontario;

"C\$" means lawful money of Canada;

"Closing" means the completion of the issue and sale by the Company of the Placement Shares as contemplated by this Subscription Agreement;

"Closing Date" means the date on which each of the Vendors (as such term is defined under the Asset Purchase Agreement) and Quebec Iron, pursuant to the terms of the Asset Purchase Agreement, deliver the Conditions Certificates (as such term is defined under the Asset Purchase Agreement) confirming in writing that the conditions of closing under the Asset Purchase Agreement have been satisfied and/or waived, which date, in any event, shall not be later than April 22, 2016;

"Closing Time" means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company may determine;

"Corporations Act" means the Australian *Corporations Act 2001* (Cth);

"Disclosure Documents" has the meaning set forth under Section 4(j) hereto;

"Exchange" means the Toronto Stock Exchange;

"Governmental Entity" means any (i) international, multinational, federal, provincial, states, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agent or authority of any of the foregoing or (iii) any quasi-governmental or private body, including any tribunal, commission, regulatory agency (including the Securities Regulators) or self-regulatory

organization (including the Exchange), exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“Initial Subscribers” means, collectively, Andrews Capital Ltd. and Prospect AG Trading Pty. Limited;

“Major Shareholders” means, collectively, the Subscriber, WC Strategic Opportunity LP and Resource Capital Fund VI LP;

“Material Adverse Change” means any change, condition, event or development that, when considered individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a material adverse change in the activities, assets, liabilities (absolute, accrued, contingent or otherwise), operations, properties, results of operation, prospects or condition (financial or otherwise) of the Company, its subsidiaries or the Purchased Assets;

“NI 45-106” means collectively or distinctly as the context so requires (i) National Instrument 45-106 *Prospectus Exemptions* as such instrument is in effect on the Closing Date in a Selling Jurisdiction in Canada, other than the province of Québec and (ii) *Regulation 45-106 respecting Prospectus Exemptions* as such regulation is applicable to the Subscriber and in effect on the Closing Date in the Province of Québec;

“Offering” has the meaning set forth under Section 2(b) hereto;

“Ordinary Shares” means the unlimited number of ordinary shares which may be issued by the Company from time to time as constituted on the date hereof;

“Person” means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, a government or an agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

“Purchased Assets” has the meaning ascribed to such term under the Asset Purchase Agreement;

“Quebec Iron” means Quebec Iron Ore Inc. (a wholly-owned subsidiary of the Company);

“Regulation S” means Regulation S under the 1933 Act;

“Securities Laws” means, collectively, all applicable securities legislation of the Selling Jurisdiction and the respective rules and regulations under such laws together with applicable published instruments, policies, notices and orders of the Securities Regulators;

“Securities Regulators” means the securities commissions or other securities regulatory authorities of the Selling Jurisdiction;

“Selling Jurisdiction” means the province of Québec, in which the Subscriber is resident;

“Shareholder Approval” means the Company obtaining such approvals from its shareholders as required by law, including the ASX listing rules and the Exchange listing rules, and as described in the Notice of Extraordinary General Meeting, Explanatory Statement and Management Circular for the extraordinary general meeting of shareholders of the Company to be held on March 31, 2016, in order for the Company to conduct the placement of the Placement Shares as contemplated by this document;

“United States” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and

“U.S. Purchasers” means any person (a) purchasing securities on behalf of, or for the account or benefit of, any person in the United States, (b) who receives or received an offer to acquire the securities while in the United States, and (c) who is in the United States at the time such person's buy order was made or this subscription agreement was executed or delivered.

2. Terms of the Offering

- (a) The Subscriber confirms (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) its irrevocable subscription for and, subject to certain exceptions, agreement to purchase the Placement Shares, which, upon satisfaction or waiver of the conditions herein and upon acceptance by the Company, will constitute a binding agreement of the Subscriber with the Company to purchase from the Company, and, on the part of the Company, to sell to the Subscriber, the Placement Shares subscribed for, on and subject to the terms and conditions set out in this Subscription Agreement, for the Subscription Amount which is payable as described in Section 5 hereto.
- (b) The Placement Shares subscribed hereunder are part of an offering by the Company anticipated to be of up to 187,500,000 Placement Shares for anticipated aggregate gross proceeds of up to C\$30 million (the **“Offering”**) in which Andrews Capital Ltd. and Prospect AG Trading Pty. Limited have agreed to subscribe for an aggregate of 93,750,000 Placement Shares, in equal proportion, subject to their right to arrange for “substituted purchasers” and to assign their rights and obligations with regards to such Placement Shares. The net proceeds from the Offering shall be used on the Closing Date by the Company to fund the acquisition by Quebec Iron of certain assets related to the iron ore mine and processing facility known as the Bloom Lake Mine and the provincially regulated short-line railway that connects the Bloom Lake Mine to the railway owned by Northern Land Company and certain mineral claims (the **“Acquisition”**) and for working capital and general corporate purposes.
- (c) The Subscriber acknowledges that it is responsible for obtaining such legal advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement.

3. Acknowledgements, Representations, Warranties and Covenants of the Subscriber

By executing this Subscription Agreement, the Subscriber acknowledges, represents, warrants and covenants to the Company (and acknowledges that the Company and its counsel are relying thereon) that:

- (a) it is purchasing the Placement Shares directly from the Company;
- (b) it has been independently advised as to restrictions with respect to trading in the Placement Shares imposed by applicable Securities Laws in its Selling Jurisdiction, confirms that no representation has been made to it by or on behalf of the Company with respect thereto, acknowledges that it is aware of the characteristics of the Placement Shares, the risks relating to an investment therein, and that it may not be able to resell the Placement Shares until the expiration of the applicable hold period except in accordance with limited exemptions under applicable Securities Laws and it agrees that any certificates representing the Placement Shares will bear a legend indicating that the sale of such securities is restricted. The Subscriber further acknowledges that it should consult

its own legal counsel in its Selling Jurisdiction for full particulars of applicable resale restrictions;

- (c) it has not received, nor has it requested, nor does it have any need to receive, any prospectus, sales or advertising literature, offering memorandum or any other document describing the business and affairs of the Company which has been prepared for delivery to, and review by, prospective purchasers in order to assist them in making an investment decision in respect of the Placement Shares, and it has not become aware of any advertisement in printed public media, radio, television or telecommunications, including electronic display such as the Internet with respect to the distribution of the Placement Shares;
- (d) it has relied solely upon publicly available information relating to the Company and not upon any verbal or written representation, including any investor presentation delivered to the Subscriber, as to fact or otherwise made by or on behalf of the Company or any of its employees, agents or affiliates or any other person associated therewith except as expressly set forth herein;
- (e) it:
 - (i) is resident in or otherwise subject to the applicable Securities Laws of its Selling Jurisdiction;
 - (ii) is purchasing the Placement Shares as principal for its own account and not for the benefit of any other person or is deemed to be purchasing as principal pursuant to NI 45-106;
- (f) is an "accredited investor" as defined in NI 45-106 by virtue of satisfying the indicated criteria set out in Section 1.1(m) of NI 45-106, was not created or used solely to purchase or hold securities as an accredited investor; as of the date of this Subscription Agreement;
- (g) it acknowledges that:
 - (i) no prospectus has been filed with any Securities Regulator in connection with the Offering and no Securities Regulator has reviewed or passed on the merits of the Placement Shares;
 - (ii) there is no government or other insurance covering the Placement Shares;
 - (iii) there are restrictions on the Subscriber's ability to resell the Placement Shares and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Placement Shares;
 - (iv) the Company has advised the Subscriber that the Company is relying on an exemption from the requirement to provide the Subscriber with a prospectus under the applicable Securities Laws and, as a consequence of acquiring securities pursuant to such an exemption:
 - (1) certain protections, rights and remedies provided by applicable Securities Laws, including statutory rights of rescission or damages, will not be available to the Subscriber;

- (2) the Subscriber may not receive information that would otherwise be required to be given under the Securities Laws of its Selling Jurisdiction, and
 - (3) the Company is relieved from certain obligations that would otherwise apply under the Securities Laws of its Selling Jurisdiction;
- (v) no Person has made any written or oral representation to the Subscriber:
 - (1) that any Person will resell or repurchase the Placement Shares;
 - (2) that any Person will refund the purchase price of the Placement Shares, or
 - (3) as to the future price or value of any Placement Shares or Ordinary Shares;
- (vi) the Company may complete additional financings in the future in order to develop the business of the Company and fund its ongoing development, and such future financings may have a dilutive effect on current shareholders or security holders of the Company, including the Subscriber;
- (vii) the offer, issuance, sale and delivery of the Placement Shares is conditional upon such sale being exempt from the prospectus and registration requirements in connection with the distribution of the Placement Shares under the Securities Laws or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus; and
- (viii) the Company's counsel is acting as counsel to the Company and not as counsel to the Subscriber;
- (h) it is aware that the Placement Shares have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States and that these securities may not be offered or sold in the United States without registration under the 1933 Act or compliance with requirements of an exemption from registration under the 1933 Act and the applicable laws of all applicable states of the United States and acknowledges that the Company has no present intention of filing a registration statement under the 1933 Act in respect of the Placement Shares;
- (i) it:
 - (i) is not, and is not purchasing the Placement Shares on behalf of or for the account or benefit of, a U.S. Purchaser or a person in the United States;
 - (ii) was not offered the Placement Shares in the United States, and the individuals making the order to purchase the Placement Shares and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed or when this Subscription Agreement was executed or delivered;
 - (iii) have no intention to distribute either directly or indirectly any of the Placement Shares in the United States and undertake and agree that it will not offer or sell the Placement Shares in the United States unless such Placement Shares are

registered under the 1933 Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Placement Shares, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;

- (iv) did not receive the offer to purchase the Placement Shares as a result of any directed selling efforts, as defined in Rule 902 of Regulation S under the 1933 Act; and
- (v) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the 1933 Act;
- (j) this Subscription Agreement has been duly and validly authorized, executed and delivered by and, when accepted by the Company, will constitute a legal, valid, binding and enforceable obligation of the Subscriber;
- (k) if it is a company, partnership, unincorporated association or other entity, it has the legal capacity and competence to enter into and be bound by this Subscription Agreement and further certifies that all necessary approvals of directors, shareholders or otherwise have been given and obtained in order for it to enter into and be bound by this Subscription Agreement;
- (l) **IT HAS SUCH KNOWLEDGE IN FINANCIAL AND BUSINESS AFFAIRS AS TO BE CAPABLE OF EVALUATING THE MERITS AND RISKS OF ITS INVESTMENT AND IT IS ABLE TO BEAR THE ECONOMIC RISK OF LOSS OF ITS INVESTMENT;**
- (m) it does not act jointly or in concert with any other subscriber for Placement Shares for the purpose of the acquisition of the Placement Shares;
- (n) if required by applicable Securities Laws, or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Company in filing, such reports, undertakings and other documents with respect to the issue of the Placement Shares;
- (o) the entering into of this Subscription Agreement and the transactions contemplated hereby will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber or any agreement to which the Subscriber is a party or by which it is bound, or, if the Subscriber is not an individual, any of the Subscriber's constating documents;
- (p) the Subscriber has obtained advice with respect to its subscription for these Placement Shares and has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Subscription Agreement. The Subscriber is not relying on the Company, its affiliates or counsel to any of them in this regard;
- (q) it acknowledges that all certificates representing the Placement Shares, if applicable, will bear the following restrictive legend required by applicable Securities Laws:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE <INSERT DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER CLOSING DATE>.”

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE (“TSX”); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON TSX.”

- (r) the funds which will be transferred by the Subscriber to the Company pursuant to Section 5 a) hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “PCMLA”) and the Subscriber acknowledges that the Company may in the future be required by law to disclose the Subscriber’s name and other information relating to this Subscription Agreement and the Subscriber’s subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of the knowledge of the Subscriber, none of the subscription funds to be provided by the Subscriber: (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada or any other jurisdiction; or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber. The Subscriber shall promptly notify the Company if the Subscriber discovers that any of such representations ceases to be true, and will provide the Company with appropriate information in connection therewith;
- (s) none of the funds that the Subscriber is using to purchase the Placement Shares are to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;
- (t) the Subscriber has not received, nor does it expect to receive any financial assistance from the Company, directly or indirectly, in respect of the Subscriber’s purchase of Placement Shares;
- (u) the Subscriber has no knowledge of a “material fact” or “material change” (as those terms are defined in the applicable Securities Laws) in the affairs of the Company that has not been generally disclosed to the public;
- (v) the representations and warranties, acknowledgements and covenants of the Subscriber herein are made with the intent that they be relied upon in determining the suitability of a subscriber of Placement Shares and are true and correct at the date of this Subscription Agreement and will be true and correct at the Closing Time and will survive the completion of the issuance of the Placement Shares. The Subscriber undertakes to immediately notify the Company at Champion Iron Limited, 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6, Attention: Jorge Estepa, Vice President, Corporate Secretary, of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time;
- (w) to the Subscriber’s knowledge, there is no Person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder’s fee;

- (x) the Subscriber agrees to indemnify and hold harmless the Company and its directors, officers, employees, agents, advisers and shareholders (for whom the Company holds such rights in trust) from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Company in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Company in connection herewith.

4. Representations, Warranties and Covenants of the Company

The Company hereby represents, warrants and covenants and agrees to and with the Subscriber (and acknowledges that the Subscriber is relying thereon) at the date of this Subscription Agreement and at the Closing Time that:

- (a) the Company and each of its subsidiaries is a corporation duly incorporated, continued or amalgamated and validly existing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be, has all requisite corporate power and authority and is duly qualified and holds all necessary material permits, licences and authorizations necessary or required to carry on its business as now conducted and to own, lease or operate its properties and assets and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution, winding up, bankruptcy, insolvency, administration or for the appointment of a receiver, administrator, trustee or similar officer of it or any of its assets in any jurisdiction;
- (b) subject to obtaining Shareholder Approval prior to the Closing Time, the Company has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Placement Shares to the Subscriber;
- (c) the Company is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in compliance with all applicable laws, rules and regulations of each such jurisdiction;
- (d) when issued, the Placement Shares will be validly created and issued as fully paid and non-assessable and duly listed on the Exchange;
- (e) subject to obtaining Shareholder Approval prior to the Closing Time, all corporate action on the part of the Company, its directors, and its shareholders necessary for the authorization, execution, delivery, and performance of this Subscription Agreement and the transactions contemplated herein by the Company have been taken. This Subscription Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;

- (f) subject to obtaining Shareholder Approval prior to the Closing Time, all corporate action on the part of the Company, its directors, and its shareholders necessary for the authorization, execution, delivery, and performance of the Asset Purchase Agreement and the transactions contemplated therein by the Company have been taken. The Asset Purchase Agreement has been duly executed and delivered by the Company and Quebec Iron and constitutes a valid and binding obligation for each of the Company and Quebec Iron, enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the enforcement of creditors' rights generally and as limited by laws relating to the availability of equitable remedies;
- (g) the representations and warranties of the Company and Quebec Iron set forth in the Asset Purchase Agreement are true and correct in all material respects (except where already qualified by materiality, in which case they are true and correct in all respects before giving effect to such qualification, and except where such representations are given as of a specific date, in which case this shall be true and accurate as of such date only);
- (h) each of the Company and Quebec Iron will use its commercially reasonable efforts to comply with all covenants of the Company and Quebec Iron set forth in the Asset Purchase Agreement and duly, punctually and faithfully perform all of its obligations under the Asset Purchase Agreement;
- (i) no approval, authorization, consent or other order of, permit, qualification, license, decree, and no filing, registration or recording with, any court or Governmental Entity having jurisdiction over the Company or its subsidiaries is required for the performance by each of the Company and Quebec Iron of their obligations under this Subscription Agreement and the Asset Purchase Agreement, or the consummation of the transactions contemplated hereunder and thereunder, respectively, except as have been or will be obtained or made prior to Closing;
- (j) the Company has filed all forms, reports, documents and information required to be filed by it, whether pursuant to applicable Securities Laws or otherwise, with the Exchange (or one of its predecessors) or the applicable securities commissions since December 31, 2015 (the "**Disclosure Documents**"). As of the time the Disclosure Documents were filed with the applicable Securities Regulators and on SEDAR (System for Electronic Document Analysis and Retrieval) (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) each of the Disclosure Documents complied in all material respects with the requirements of the applicable Securities Laws; and (ii) none of the Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (k) the financial statements of the Company contained in the Disclosure Documents have all been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, accurately reflect the financial position and all material liabilities of the Company as of the date thereof, and no adverse changes in the financial position of the Company have taken place since the date thereof;
- (l) since March 31st, 2015, no Material Adverse Change has occurred with respect to the Company or any of its subsidiaries and, to the knowledge of the Company, there currently exists no actual, alleged or anticipated event, occurrence, condition or act which

may (or would with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a Material Adverse Change for the Company or any of its subsidiaries.

- (m) with respect to information set forth in the Disclosure Documents: (i) information relating to the Company's estimates of mineral resources as at the date they were prepared has been reviewed and verified by the Company or independent consultants to the Company as being consistent with the Company's mineral resource estimates as at the date they were prepared; (ii) the mineral resource estimates have been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") by or under the supervision of a qualified person as defined therein; (iii) the methods used in estimating the Company's mineral resources are in accordance with accepted mineral resource estimation practices; and (iv) the Company has duly filed with the securities commissions in compliance with applicable Securities Laws all technical reports required to be filed with the securities commissions and all such reports comply with the requirements thereof;
- (n) the Company has filed in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due;
- (o) there is no "material fact" or "material change" (as those terms are defined in applicable Securities Laws) in the affairs of the Company or any of its subsidiaries that has not been generally disclosed to the public;
- (p) other than the litigation with the Sept-Îles Port Authority, the Company and each of its subsidiaries is not a party to any actions, suits or proceedings which could affect its business or financial condition, and to the best of the Company's knowledge no such actions, suits or proceedings are contemplated or have been threatened;
- (q) there are no judgments against the Company which are unsatisfied, nor are there any consent, decrees or injunctions to which the Company is subject;
- (r) the Company is a "reporting issuer" (or equivalent) under the applicable Securities Laws of each of the provinces of Canada other than Québec and is not in default of any requirement under applicable Securities Laws; and the Company is not included on a list of defaulting reporting issuers or equivalent list, as applicable, maintained by the securities commissions in the jurisdictions in which such lists are maintained; and no order, ruling or determination having the effect of suspending the sale or ceasing the trading of any securities of the Company has been issued or made by any securities commissions or the Exchange and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the Company's knowledge, contemplated or threatened by any such authority;
- (s) no order ceasing or suspending trading in securities of the Company nor prohibiting the sale of such securities has been issued and remains outstanding against the Company or its directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened;
- (t) the execution and delivery of, and the performance of the terms of, this Subscription Agreement by the Company, including the issue of the Placement Shares to the Subscriber pursuant hereto does not and will not constitute a breach of or default under the constating documents of the Company;

- (u) the certificates evidencing the Placement Shares, if any, will be delivered at the Closing Time;
- (v) the Company and each of its subsidiaries is not in violation of any term of its articles or by-laws or any of its constating documents. Other than the litigation with the Sept-Îles Port Authority, the Company and each of its subsidiaries is not in violation of any term or provision of any material agreement, indenture or other instrument to which it is a party or that is applicable to it;
- (w) the Company shall use the net proceeds from the Offering to fund the Acquisition and for working capital and general corporate purposes;
- (x) the Company and each of its subsidiaries as disclosed in the Disclosure Documents holds all requisite licences, leases, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licences, leases, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects. In particular, without limiting the generality of the foregoing, neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or adverse modification of any material mining or exploration permit, licence or lease, nor have any of them received notice of the revocation or cancellation of, or any intention to revoke or cancel, any mining claims, groups of claims, exploration rights, concessions or leases with respect to any of the resource properties described in the Disclosure Documents where such revocation or cancellation would result in a Material Adverse Change;
- (y) the Company and its subsidiaries hold either freehold title, mining leases, mining concessions, mining rights licenses, mining claims or participating interests or other conventional property or proprietary interests or rights, recognized in the jurisdiction in which a particular property described in the Disclosure Documents is located (collectively, "**Mining Rights**"), in respect of the ore bodies and minerals located in properties in which the Company and its subsidiaries have an interest as described in the Disclosure Documents under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company or the applicable subsidiary to explore, develop or carry on production of, the minerals relating thereto, as applicable; all property, leases or claims in which the Company or any subsidiary has an interest or right have been validly located and recorded in accordance in all material respects with all applicable laws and are valid and subsisting except where the failure to be so would not result in a Material Adverse Change; the Company and its subsidiaries have all necessary surface rights, access rights and other necessary rights and interests relating to the properties in which the Company and its subsidiaries have an interest as described in the Disclosure Documents granting the Company or applicable subsidiary the right and ability to explore for, develop, or carry on production of, as applicable, minerals, ore and metals for such purposes as are appropriate in view of the rights and interest therein of the Company or the applicable subsidiary, with only such exceptions as do not materially interfere with the use made by the Company or the applicable subsidiary of the rights or interest so held; and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of the Company or a subsidiary except where the failure to be so would not result in a Material Adverse Change. The Mining Rights in respect of the Company's properties, as disclosed in the Disclosure Documents, constitute a description of all material Mining Rights held by the Company and its subsidiaries;

- (z) except as disclosed in the Disclosure Documents, the Company and its subsidiaries are the absolute legal and beneficial owners of, or hold a good and valid leasehold or other contractual interest or title to, all of the material property or assets thereof as described in the Disclosure Documents, and no other Mining Rights are necessary for the conduct of the business of the Company or any subsidiary as currently conducted, none of the Company or any subsidiary knows of any claim or the basis for any claim that might or could materially and adversely affect the right thereof to use or otherwise exploit such Mining Rights currently held by the Company and its subsidiaries and, except as disclosed in the Disclosure Documents, none of the Company or any subsidiary has any responsibility or obligation to pay any material commission, royalty, licence fee or similar payment to any person with respect to the Mining Rights thereof;
- (aa) except as disclosed in the Disclosure Documents, there are no claims with respect to native rights currently, or to the best of the knowledge of the Company, pending or threatened with respect to any of the properties of the Company or its subsidiaries;
- (bb) other than for the Acquisition, none of the Company or any subsidiary has approved, is contemplating, has entered into any agreement in respect of, or has any knowledge of: (A) the purchase of any property material to the Company or assets or any interest therein or the sale, transfer or other disposition of any property material to the Company or assets or any interest therein currently owned, directly or indirectly, by the Company or any subsidiary whether by asset sale, transfer of shares or otherwise; or (B) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Company or any subsidiary or otherwise) of the Company or any subsidiary;
- (cc) other than as disclosed in the Disclosure Documents, no acquisitions or dispositions have been made by the Company or any subsidiary in the three most recently completed fiscal years that are "significant acquisitions" or "significant dispositions", or multiple acquisitions that are not otherwise significant or related, and none of the Company or any subsidiary is a party to any contract with respect to any transaction that would constitute a "probable acquisition";
- (dd) the Company and each of its subsidiaries owns or has the right to use under license, sub-license or otherwise all material intellectual property used by the Company and its subsidiaries in its business, including copyrights, industrial designs, trade marks, trade secrets, knowhow and proprietary rights, free and clear of any and all encumbrances;
- (ee) any and all of the agreements and other documents and instruments pursuant to which the Company and its subsidiaries hold the property and assets thereof (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, neither the Company nor any subsidiary is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licences and claims pursuant to which the Company or any subsidiary derives the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or claim;
- (ff) to the best of the knowledge of the Company, none of the properties (or any interest in, or right to earn an interest in, any property) of the Company or its subsidiaries is subject to

any right of first refusal or purchase or acquisition right or subject to restrictions to the conduct of their business; and

- (gg) TMX Equity Transfer Services at its principal offices in the City of Toronto has been duly appointed as registrar and transfer agent for the Ordinary Shares.

5. Closing

- (a) The Subscriber shall complete, sign and deliver to the Company, to the attention of Jorge Estepa, Vice President, Corporate Secretary by email at jestepa@championiron.com or by fax at (416) 361-1333 as soon as possible:

- (i) one completed and executed copy of this Subscription Agreement, provided that if less than a complete copy of this Subscription Agreement is delivered by the Subscriber to the Company, the Company and its advisors are entitled to assume that the Subscriber accepts and agrees to all the terms and conditions of the pages not delivered, unaltered;
- (ii) any other document required by applicable Securities Laws and the Exchange which the Company requests;

and shall deliver as soon as possible payment to McCarthy Tétrault LLP, as escrow agent, in accordance with the payment instructions attached as Exhibit "I", for the aggregate Subscription Amount of the Placement Shares subscribed for under this Subscription Agreement or payment of the same amount in such other manner as is acceptable to the Company provided, however, that no funds shall be released from escrow in favour of the Monitor (as defined in the Asset Purchase Agreement) until all of the conditions set forth in the Asset Purchase Agreement have been satisfied or waived to the satisfaction of the Company and the Subscriber and, in the event that the Asset Purchase Agreement is terminated in accordance with its terms prior to Closing, all funds held by the escrow agent pursuant to this Section 5(a) shall be promptly returned to the Subscriber, in accordance with the escrow agreement entered into, among others, the Subscriber, the Company and McCarthy Tétrault LLP.

- (b) The Subscriber acknowledges that the offer, sale and issuance of the Placement Shares as contemplated by this Subscription Agreement is subject to, among other things, the following conditions being fulfilled or performed on or before the Closing Time, at the entire satisfaction of the Subscriber, acting reasonably:

- (i) the Company obtaining all material approvals, authorizations, consents or other orders of, permits, qualifications, licenses, decrees, filings, registrations or recordings with, any court or Governmental Entity having jurisdiction over the Company or its subsidiaries or the shareholders of the Company, in each case, as is required to complete the offer, sale and issuance of the Placement Shares;
- (ii) the representations and warranties of the Subscriber having been true and correct as of the date of this Subscription Agreement and being true and correct at the Closing Time;
- (iii) prior or concurrent subscriptions for Placement Shares for an amount of \$C14,000,000 having been received and confirmed by the Company;

- (iv) prior or concurrent subscriptions in the capital of Quebec Iron for an amount of \$C38,000,000 (including the subscription by the Subscriber in the capital of Quebec Iron for an amount of \$C14,000,000) having been received and confirmed by the Company and Quebec Iron;
 - (v) customary legal opinions having been received by the Subscriber and its legal counsels; and
 - (vi) Mr. Michael O'Keeffe and the Major Shareholders having entered into an agreement pursuant to which Michael O'Keeffe, its affiliates, assigns and successors, have agreed to provide the Major Shareholders with notice of any proposed secondary sale of Ordinary Shares, and each of the Major Shareholders shall have the right to sell up to its *pro rata* of the total number of Ordinary Shares of the Company held by it at the same time and on the same terms as the sale by Michael O'Keeffe.
- (c) The Subscriber acknowledges and agrees that this Subscription Agreement, the purchase price for the Placement Shares subscribed for hereunder and any other documents delivered in connection herewith will be held in escrow, as applicable, until Closing.
 - (d) The Closing will be held at the offices of the Company's counsel at the Closing Time.
 - (e) The Subscriber acknowledges that the Company may register and issue a non-certificated book position credited to CDS & Co. representing the Placement Shares and in such a case:
 - (i) the Subscriber acknowledges and agrees that the certificates representing such securities will be registered in the name of CDS & Co. notwithstanding the registration instructions provided on the face page of this Subscription Agreement and the Subscriber will receive only a customer confirmation from a registered dealer who is a CDS Clearing and Depository Services Inc. participant and from whom the Placement Shares are purchased against payment of the aggregate subscription proceeds for the Placement Shares; and
 - (ii) registration of interests in and transfers of Placement Shares may be made only through non-certificated book positions, and if so made, the ability of the Subscriber to pledge such securities or otherwise take action with respect to the Subscriber's interest in such securities may be limited due to the lack of a physical certificate.
 - (f) The Subscriber acknowledges that, subject to Section 5(e), the certificates representing the Placement Shares will be available for delivery upon Closing against payment of the aggregate Subscription Amount for the Placement Shares provided that the Subscriber has satisfied all applicable requirements of Section 5(a) hereof and the Company has accepted this Subscription Agreement.
 - (g) The Company shall be entitled to rely on delivery of a facsimile or scanned copy of an executed Subscription Agreement, and acceptance by the Company of such agreement shall be legally effective to create a valid and binding agreement between the Subscriber and the Company in accordance with the terms hereof. Notwithstanding the foregoing, the Subscriber shall deliver originally executed copies of the documents listed in Section 5(a) hereof to the Company at least five Business Days prior to the Closing Date.

In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

6. Restrictions on Further Issuances

The Company hereby agrees not to, directly or indirectly, authorize, issue, sell or grant, or negotiate or enter into any agreement to issue, sell or grant, or agree to announce any intention to issue, sell or grant, any equity or quasi equity securities (including Placement Shares as part of the Offering) for a period of six months after the Closing Date on terms and conditions more favourable than those of the Placement Shares subscribed for hereunder by the Subscriber.

7. Lock Up

The Subscriber will not offer to sell, contract to sell or otherwise sell, dispose of, loan, pledge or grant any rights to, or enter into any hedging arrangements with respect to (collectively, a “**Disposition**”) any Ordinary Shares, any options or warrants to purchase any Ordinary Shares or other securities of the Company or any securities convertible into or exchangeable for Ordinary Shares (collectively, the “**Securities**”), except the undersigned may make a Disposition of Securities: (a) by way of donation of up to 5% of his or her Ordinary Shares to a registered charity; (b) as may be required by reason of the bankruptcy of the Subscriber; (c) by way of pledge or security interest, provided that the pledgee or beneficiary of the security interest has first agreed to be bound by the provisions of this lock-up covenant; (d) pursuant to a bona fide third party take-over bid, merger, plan of arrangement or other similar transaction made to all holders of such Securities, involving a change of control of the Company, or (e) to a wholly-owned corporation provided that the transferee has first agreed to be bound by the provisions of this lock-up covenant.

The foregoing restrictions will terminate after the open of trading of the Ordinary Shares on the 365th day immediately following the closing of the Offering.

8. Privacy Legislation

The Subscriber acknowledges and consents to the fact that the Company is collecting the Subscriber’s personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing the Subscriber’s subscription. The Subscriber acknowledges and consents to the Company retaining the personal information for so long as permitted or required by applicable law or business practices. The Subscriber further acknowledges and consents to the fact that the Company may be required by applicable securities laws, stock exchange rules and/or the Investment Industry Regulatory Organization of Canada rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself.

In addition, the Subscriber agrees and acknowledges that:

- (a) the Company may use and disclose its personal information as follows:
 - (i) for internal use with respect to managing the relationships between and contractual obligations of the Company and the Subscriber,
 - (ii) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings,

- (iii) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure,
 - (iv) disclosure to professional advisers of the Company in connection with the performance of their professional services,
 - (v) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with its prior written consent,
 - (vi) disclosure to a court determining the rights of the parties under this Subscription Agreement, or
 - (vii) for use and disclosure as otherwise required by law;
- (b) the Placement Shares subscribed for hereunder form part of a larger issuance and sale by the Company of Placement Shares as described under Section 2;
 - (c) the Company will deliver certain personal information, including information regarding the name, address, telephone number and amount subscribed for, to the Securities Regulators, and the Exchange;
 - (d) the information is being collected indirectly by the securities regulatory authorities under authority granted to them in Securities Laws;
 - (e) the information is being collected for the purposes of the administration and enforcement of such Securities Laws;
 - (f) the Company may also be required pursuant to applicable Securities Laws to file this Subscription Agreement on SEDAR; and
 - (g) by completing this Subscription Agreement, the Subscriber authorizes the indirect collection of the information described in this Section 8 by all applicable Securities Regulators and consents to the disclosure of such information to the public through (i) the filing of a report of trade with all applicable Securities Regulators and (ii) the filing of this Subscription Agreement on SEDAR.

9. Nature of subscription

This subscription is irrevocable except that the Subscriber reserves the right to withdraw this subscription and to terminate its obligations hereunder at any time before the Closing Time if any of the conditions set forth in Section 5 (b) will not be fulfilled or performed on or before the Closing Time or if any of the conditions providing for the Escrow Agent (as this term is defined in the escrow agreement entered into, among others, the Subscriber, the Company and McCarthy Tétrault LLP) to return the Subscription Amount (included in the Escrow Funds, as defined in such escrow agreement) to the Subscriber.

10. Delivery of Placement Shares

The Subscriber hereby authorizes and directs the Company to deliver certificates representing the Placement Shares either: (a) to the residential or business address indicated on the second page of this Subscription Agreement; (b) to the residential or business address indicated on the third page of this Subscription Agreement; or (c) directly to the Subscriber's account, if any.

11. Conditional upon Approvals

Without limitation, this subscription and the transactions contemplated hereby are conditional upon and subject to the Company receiving Exchange approval and ASX approval of this subscription and the transactions contemplated hereby.

12. Assignment

The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber and the Company and their respective heirs, executors, administrators, successors and assigns. This Subscription Agreement is not transferable or assignable by any party to it.

13. General

- (a) This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein. The Subscriber and the Company each irrevocably attorn to the jurisdiction of the courts of the Province of Québec, district of Montréal.
- (b) Time shall be of the essence hereof.
- (c) This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof between the parties hereto except as stated or referred to herein.
- (d) Each party will from time to time at the request of the other party do such further acts and execute and deliver such further instruments, deeds and documents as reasonably required in order to fully perform and carry out the provisions of this Subscription Agreement. The parties agree to act honestly and in good faith in the performance of their respective obligations hereunder.
- (e) The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Placement Shares to the Subscriber shall be borne by the Company.
- (f) The representations and warranties contained herein shall survive the Closing and continue in full force and effect for (i) no limit of time in the case of the representations and warranties set forth in Sections 4(a), 4(b), 4(c), 4(d), 4(e) and 4(f) and in the case of fraud or intentional misrepresentation, (ii) a period of three (3) months following the expiration of any tax reassessment period pursuant to any applicable tax legislation as of the Closing Time in the case of the representations and warranties set forth in Section 4(n) and (iii) a period of three (3) years for all other representations and warranties, notwithstanding any subsequent disposition or exchange of the Placement Shares.
- (g) The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

- (h) The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof.

EXHIBIT "1"

PAYMENT INSTRUCTIONS

Account Name:

McCarthy Tétrault LLP
1000, De La Gauchetière Street West
Suite 2500
Montreal, Québec H3B 0A2

BANK	TRUST ACCOUNT
National Bank of Canada 1140, Sherbrooke Street West Montreal, Québec H3A 2S1	Bank Code 006 Transit No. 00731 Account No. 02-113-20 Swift Code BNDCCAMM

NOTE: Please ensure that the following information is provided:

Complete Client Name: Champion Iron Limited

Client/Matter reference numbers (12 digits): 210599-470387

Lawyer Name: Charles-Antoine Soulière

Our fax number: (514) 875-6246

NOTE: Please instruct the Bank to notify us immediately upon receipt of funds