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28 April 2016

ASX Market Announcements
Australian Securities Exchange Limited
Level 4, Exchange Centre
20 Bridge St
Sydney NSW 2000

March 2016 Quarterly Activities Report

- **\$1,663,000 cash on hand at 31 March 2016**
- **Court approval for acquisition of Bloom Lake Mine**

REPORTING CURRENCY

Champion Iron Limited (Champion or the Company) has adopted Canadian Dollars as the reporting currency. Accordingly all financial details are in Canadian Dollars unless otherwise stated.

COURT APPROVAL FOR ACQUISITION OF BLOOM LAKE MINE

During the quarter, the Company continued work relating to the acquisition of Bloom Lake mine and Quinto Claims.

On 11 December 2015, the Company announced that Québec Iron Ore Inc., a wholly-owned subsidiary of the Company, had entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") to acquire Bloom Lake and the Quinto Claims in Québec from the Bloom Lake CCAA Vendors. The Asset Purchase Agreement contained a number of closing conditions, including a requirement to obtain the Approval and Vesting Order, and the obtaining of the approval of shareholders of Champion in connection with a private placement related to the Acquisition.

On 27 January 2016, the Superior Court of Québec granted an "Approval and Vesting Order" authorizing the Bloom Lake CCAA Vendors to proceed with the sale of Bloom Lake and the Quinto Claims to Québec Iron Ore Inc. as part of the Bloom Lake CCAA Vendors' CCAA proceedings.

At an Extraordinary General Meeting on 31 March 2016, shareholders of Champion approved the acquisition and a private placement of shares raising up to \$30 million.

CONSOLIDATED FIRE LAKE NORTH (CFLN) PROJECT

The Company expended \$325,000 on limited exploration activity on the CFLN Project during the quarter ended 31 March 2016 primarily undertaken to maintain current claim holdings.

SOCIÉTÉ FERROVIAIRE DU NORD QUÉBÉCOIS (SFNQ) - RAIL FEASIBILITY STUDY

Champion continues to participate with the Québec government in the advancement of a multi-user railway solution to connect mine developers and producers in the Labrador Trough with the Port of Sept-Ile's new multi-user ship loading facilities at Pointe Noire. This remains Champion's preferred railway and port solution following evaluation and consideration of alternatives including several independent rail options to Pointe Noire and alternatives to access Baie-Comeau.

OTHER PROJECTS

At the Company's other exploration projects, there were minimal activities primarily undertaken to maintain current, significant mineral claim holdings.

CASH POSITION

As at 31 March 2016, Champion had \$1,663,000 cash in hand. During the quarter ended 31 March 2016, \$1,630,000 was spent on exploration, administrative and Bloom Lake related activities. Further detail is provided in the attached Appendix 5B.

MINING TENEMENTS AT 31 MARCH 2016

Through the Company's wholly owned subsidiary Champion Iron Mines Limited, the Company owns a 100% interest in the following properties (each a "Property"), covering 796 square kilometres (collectively, the "Fermont Holdings") located in the Fermont Iron Ore District of north eastern Quebec, which is 350 km north of the St. Lawrence River port town of Sept-Iles, and ranging from 6 to 80 kilometres southwest of Fermont.

| Property-Québec | SNRC | Claims | Hectares |
|------------------------------|--|--------|-----------|
| | 23B06; 23B11; | | |
| Consolidated Fire Lake North | 23B12 | 559 | 28,248.51 |
| Harvey-Tuttle | 23B12; 23B05 | 189 | 9,905.65 |
| Moire Lake | 23B14 | 36 | 1,665.56 |
| O'Keefe-Purdy | 23B11; 23B12 | 201 | 10,518.46 |
| Cassé Lake | 23B05 | 100 | 5,261.40 |
| Claire Lake | 23B06 | 33 | 1,739.67 |
| Hope Lake | 23B06 | 20 | 1,054.12 |
| Aubertin Tougard | 22O13; 23B04 | 17 | 901.47 |
| Jeannine Lake (Note 1) | 22N16 | 21 | 1,117.40 |
| | 23B04; 23C01; | | |
| Round Lake (Notes 1 & 2) | 23N16 | 330 | 17,462.36 |
| Silicate-Brutus | 22O13 | 16 | 849.87 |
| Big Three Lake | 23C01 | 9 | 476.86 |
| Property-Newfoundland | Licences | | |
| Powderhorn | 11346M, 11367M, 15136M, 15137M, 18969M, 19227M | 148 | 3,700.00 |
| Gullbridge | 11956M, 11960M, 16260M, 16261M | 179 | 4,475.00 |

Note 1 – Currently under option to Cartier Iron Corporation

Note 2 – Round Lake property includes Aubrey-Ernie, Black Dan, Penguin Lake and Round Lake project claims. Further detail is provided in the attached Appendix 5B.

Through CIP Magnetite Limited, the Company has an option to purchase the following property:

| Property | Licences | Claims | Hectares |
|----------------|---------------------------------------|--------|----------|
| Snelgrove Lake | 017901M, 018333M, 018334M, 022461M | 424 | 10,600 |

The Company did not enter into farm-in/farm-out arrangements during the quarter.

About Champion

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 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 further information please contact:

Michael O'Keeffe, Chairman on +1 (514)316-4858

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

This Quarterly Activities Report includes certain information that may constitute "forward-looking information" under applicable Australian and 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 ASX and SEDAR (including under the heading "Risk Factors" therein). 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 Quarterly Activities Report 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 Quarterly Activities Report has been prepared by Champion and no regulatory authority has approved or disapproved the information contained herein.

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

31 March 2016

| Cash flows related to operating activities | | Current quarter | Year to date (12 months) |
|---|--|-----------------|-----------------------------|
| | | C\$000's | C\$000's |
| 1.1 | Receipts from product sales and related debtors | 179 | 602 |
| 1.2 | Payments for (a) exploration & evaluation | (325) | (1,482) |
| | (b) development | — | — |
| | (c) production | — | — |
| | (d) administration | (1,006) | (3,299) |
| 1.3 | Dividends received | — | — |
| 1.4 | Interest and other items of a similar nature received | 4 | 107 |
| 1.5 | Interest and other costs of finance paid | — | — |
| 1.6 | Income taxes paid | — | — |
| 1.7 | Other (refundable tax credit on exploration) | — | 1,135 |
| | Other (credit on duties refundable for losses) | — | 3,736 |
| | Other | (482) | (1,652) |
| Net Operating Cash Flows | | (1,630) | (853) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: (a) prospects | — | — |
| | (b) equity investments | — | — |
| | (c) other fixed assets | — | — |
| 1.9 | Proceeds from sale of: (a) prospects | — | — |
| | (b) equity investments | — | — |
| | (c) other fixed assets | — | — |
| 1.10 | Loans to other entities | — | — |
| 1.11 | Loans repaid by other entities | — | — |
| 1.12 | Other (option payment) | — | 50 |
| | Other (acquisition of royalty) | — | (50) |
| | Other (deposit) | — | (600) |
| Net investing cash flows | | — | (600) |
| 1.13 | Total operating and investing cash flows (carried forward) | (1,630) | (1,453) |

+ See chapter 19 for defined terms.

| | | | |
|------|--|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,630) | (1,453) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | — | — |
| 1.15 | Proceeds from sale of forfeited shares | — | — |
| 1.16 | Proceeds from borrowings | — | — |
| 1.17 | Repayment of borrowings | — | — |
| 1.18 | Dividends paid | — | — |
| 1.19 | Other (provide details if material) | — | — |
| | Net financing cash flows | — | — |
| | Net increase (decrease) in cash held | (1,630) | (1,453) |
| 1.20 | Cash at beginning of quarter/year to date | 3,131 | 2,646 |
| 1.21 | Exchange rate adjustments to item 1.20 | 162 | 470 |
| 1.22 | Cash at end of quarter | 1,663 | 1,663 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | |
|------|--|-----------------------------|
| | | Current quarter C\$000's |
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 353 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | — |
| 1.25 | Explanation necessary for an understanding of the transactions | |

Includes payments for salaries, consulting fees, director fees and rent.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

—

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

—

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available C\$000's | Amount used C\$000's |
|---------------------------------|------------------------------|-------------------------|
| 3.1 Loan facilities | — | — |
| 3.2 Credit standby arrangements | — | — |

Estimated cash outflows for next quarter

| | C\$000's |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 417 |
| 4.2 Development | — |
| 4.3 Production | — |
| 4.4 Administration | 675 |
| Total | 1,092 |

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter C\$000's | Previous quarter C\$000's |
|---|-----------------------------|------------------------------|
| 5.1 Cash on hand and at bank | 286 | 231 |
| 5.2 Deposits at call | 1,377 | 2,900 |
| 5.3 Bank overdraft | — | — |
| 5.4 Other (provide details) | — | — |
| Total: cash at end of quarter (item 1.22) | 1,663 | 3,131 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|---|------------------------------|-----------------------|--|-------------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | O'Keeffe-Purdy | Owned | 11,016.02 hectares | 10,518.46 hectares |
| 6.2 Interests in mining tenements acquired or increased | Harvey Tuttle | Owned | 9,748.46 hectares | 9,905.65 hectares |
| | Consolidated Fire Lake North | Owned | 28,196.10 hectares | 28,248.51 hectares |

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) | Amount paid up per security (see note 3) |
|--|---------------------|----------------------|--|---|
| 7.1 Preference ⁺securities <i>(description)</i> | – | – | – | – |
| 7.2 Changes during quarter | | | | |
| (a) Increases through issues | – | – | – | – |
| (b) Decreases through returns of capital, buy-backs, redemptions | – | – | – | – |
| 7.3 ⁺Ordinary securities | 198,319,784 | 198,319,784 | – | Fully Paid |
| 7.4 Changes during quarter | | | | |
| (a) Increases through issues | | | | |
| (i) Placement | – | – | – | – |
| (ii) Conversion of exchangeable shares | – | – | – | – |
| (b) Decreases through cancellation | – | – | – | – |
| 7.5 ⁺Convertible debt securities <i>(description)</i> | – | – | – | – |
| 7.6 Changes during quarter | | | | |
| (a) Increases through issues | – | – | – | – |
| (b) Decreases through securities matured, converted | – | – | – | – |
| 7.7 Options <i>(description and conversion factor)</i> | <i>Total number</i> | | <i>Exercise price</i> | <i>Expiry date</i> |
| | 715,000 | – | \$2.0455 | 09/09/2016 |
| | 1,173,333 | – | \$0.5455 | 20/12/2016 |
| | 661,833 | – | \$1.7728 | 23/12/2016 |
| | 1,000,000 | – | A\$0.50 | 09/04/2017 |
| | 150,000 | – | A\$0.50 | 18/06/2017 |
| | 1,000,000 | – | A\$0.30 | 30/10/2017 |
| | 2,000,000 | – | A\$0.30 | 11/12/2017 |
| | 1,000,000 | – | A\$0.30 | 20/08/2018 |
| | 1,000,000 | – | \$0.45 | 01/09/2018 |
| | 2,300,000 | – | A\$0.50 | 29/11/2018 |
| | – | – | – | – |
| 7.8 Issued during quarter | <i>Total number</i> | | <i>Exercise Price</i> | <i>Expiry Date</i> |
| | – | – | – | – |
| 7.9 Cancelled during quarter | – | – | – | – |
| 7.10 Expired during quarter | 73,333– | – | \$2.9591– | 10/01/2016– |
| 7.11 Performance Shares | <i>Total number</i> | <i>Number quoted</i> | <i>Issue Price</i> | <i>Amount paid up</i> |
| | – | – | – | – |
| 7.12 Exchangeable Shares | <i>Total number</i> | <i>Number quoted</i> | <i>Issue Price</i> | <i>Amount paid up</i> |
| | 114,555 | – | – | – |
| 7.13 Special Voting Share | <i>Total number</i> | <i>Number quoted</i> | <i>Issue Price</i> | <i>Amount paid up</i> |
| | 1 | – | – | – |


+ See chapter 19 for defined terms.

| 7.14 | Warrants | Total number | Number quoted | Exercise Price | Expiry Date |
|------|-------------------------------|--------------|---------------|----------------|-------------|
| | | – | – | – | – |
| 7.15 | Expired during quarter | – | – | – | – |
| 7.16 | Unsecured notes (totals only) | – | – | – | – |

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  . Date: 28th April 2016
(Company Secretary)

Print name: Pradip Devalia

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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