



ASX: CIA

TSX: CIA

NEWS RELEASE

CHAMPION BUYS BACK 1.5% NET SMELTER ROYALTY ON FERMONT PROPERTY HOLDINGS AND FLAGSHIP CONSOLIDATED FIRE LAKE NORTH PROJECT

- **Champion also acquires strategic claims enhancing its Fermont Holdings**

MONTREAL, QUEBEC. June 29, 2015. Champion Iron Limited (ASX:CIA, TSX:CIA) ("Champion" or the "Company") is pleased to provide an update of developments on its flagship Consolidated Fire Lake North ("CFLN") project located in the Fermont Iron Ore District of Québec.

Champion is pleased to announce that, through its wholly-owned subsidiary Champion Iron Mines Limited, it has repurchased from Fancamp Exploration Ltd. ("**Fancamp**") a 1.5% net smelter royalty ("**NSR**") interest, representing half of a total 3% NSR on production from the Fermont property holdings, including Champion's flagship CFLN project. Under the terms of the original Option/Joint Venture agreement from which Champion acquired its interest in the Fermont property holdings, a 3% NSR was payable 50% to each of The Sheridan Platinum Group Ltd. ("**Sheridan**") and Fancamp with a provision for repurchasing 1% of the total 3% NSR for \$3.0 million, subsequently amended to repurchase 0.5% of the total 3% NSR for \$1.5 million. Fancamp recently acquired Sheridan's 50% interest in the 3% NSR (ie. 1.5%) with Champion waiving its right of first refusal in order to enable completion of the transaction. Subsequently, Champion closed a separate agreement with Fancamp to purchase from Fancamp the same 1.5% NSR acquired from Sheridan for total consideration of \$300,000. The consideration was paid as \$50,000 in cash plus the issue of a promissory note for \$250,000 on closing June 25th. The promissory note is due and payable 4 months from the closing date of the transaction.

In a further development, Champion has acquired 4 claims located in the center of the original Fire Lake North claim group while also acquiring 10 additional claims in the central portion of the O'keefe-Purdy claim group. The claims were acquired by staking when Quinto Mining (a subsidiary company of Cliffs Natural Resources Inc.) allowed the claims to expire. The 4 claims located within the Fire Lake North claim group will provide significant flexibility in the design of overburden, rock and tailings waste dumps by reducing transport distance from the proposed mine and/or process plant.

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-Île'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.

The CFLN project hosts sufficient resources to potentially support production in excess of 20 million tonnes per annum ("Mtpa") of iron concentrate. However, Champion remains focused on an initial 10 Mtpa operation for the Feasibility Study expected to be completed by year end. Certain provisions might be considered in the Feasibility Study for potential down-stream expansion of production.

About Champion Iron Limited

Champion is an iron exploration and development company with offices in Montréal, Toronto and Sydney, 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 ArcelorMittal's operating Fire Lake Mine and 60 km south of Cliffs Natural Resources Inc.'s Bloom Lake Mine in northeastern Québec. Champion's management team 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, Executive Chairman and CEO at Tel. +1 514-316-4858

*For additional information on Champion Iron Limited, 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). 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.