

30 October 2014

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

September 2014 Quarterly Activities Report

- **Preparation of JORC Resource and Reserve Statement on the Consolidated Fire Lake North Project**
- **\$5,598,483 cash on hand at 30 September 2014**
- **Québec government commits to investing up to \$20m for rail feasibility study in Labrador Trough**
- **A limited liability partnership formed to undertake the rail feasibility study**

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.

CONSOLIDATED FIRE LAKE NORTH (CFLN) PROJECT

The Company continued exploration activity on the CFLN Project and spent \$1.9million in the quarter to 30 September 2014.

During the quarter, the Company completed the remainder of 34 backhoe dug test pits and drilled the remaining holes of the 24 hole geotechnical campaign initiated during the previous quarter. The project database was up-dated to include logging and analytical results from the 2014 drilling campaigns. The database was also updated with re-logging of drill intersections to acquire data related to hardness of samples. The QAQC results were evaluated and the database was subject to internal and external audits.

Interpretations of drill sections were up-dated and the 3D geological models were regenerated for each of the West and East deposits. A new block model mineral resource estimate was generated internally by Champion.

Champion contracted the services of P&E Mining Consultants to complete an independent audit of the CFLN project database and produce an updated Mineral Resource Estimate in compliance with JORC and Canadian National Instrument NI43-101 (NI43-101) guidelines.

The Company continued work on preparing a JORC Resource & Reserve Statement. The successful spring 2014 drilling campaign data has been combined with data from the previous resource estimate reported under the NI43-101 to prepare a JORC estimate. The Company reported a JORC Resource & Reserve Statement on 27 October 2014.

OTHER PROJECTS

Champion completed prospecting magnetic anomalies on each of the Casse Lake and Claire Lake properties within the Cluster 2 Fermont Holdings of Champion.

Champion added 6 claims to the Moire Lake Project located in within the Cluster 1 Holdings and added 11 claims to the Casse Lake Project located within the Cluster 2 Holdings.

There were minimal activities at the Company's other projects.

QUÉBEC GOVERNMENT COMMITS UP TO \$20m FOR RAIL FEASIBILITY STUDY

Following the announcement by the Québec Finance Minister In tabling the Budget 2014-2015, the government has set aside a maximum of \$20 million from its Northern Plan Fund to contribute to a study to determine the optimum rail option for iron ore miners in the Labrador Trough region to reach ports to service international markets competitively.

The Government passed the required decree on 1 October 2014 to invest up to \$20 million for the feasibility study which, in Phase 1, will cover a rail spur linking the port of Sept-Îles with the Company's CFLN property.

The Company has previously announced on 24 July 2014 its intention to participate in the feasibility study. During the quarter ended 30 September 2014, the Company formed a limited liability partnership (LLP) with the Government of Québec and co-miner Lac Otelnuuk Mining Inc. (a joint venture between Adriana Resources Inc. and WISCO International Resources Development & Investment Limited) to manage the implementation of the feasibility study.

BOARD AND MANAGEMENT

The Company held its first Annual General Meeting (AGM) on 29 August 2014 as a merged entity following the merger of Mamba Minerals Ltd with Champion Iron Mines Limited (now a wholly-owned subsidiary of the Company). At the conclusion of the AGM, Thomas Larsen, Donald Sheldon and James Wang resigned from the board as they were not up for re-election. The board is now comprised of Michael O'Keeffe as Executive Chairman, Paul Ankcorn, Gary Lawler and Andrew Love. On 3 October 2014, Michael O'Keeffe was appointed as Chief Executive Officer. Alexander S. Horvath and Miles Nagamatsu continue in their role of Chief Operating Officer and Chief Financial Officer respectively.

CASH POSITION

As at 30 September 2014, Champion had \$5.6 million cash in hand. During the quarter ended 30 September 2014, \$3.6 million was spent on exploration and administration activities and the Company received tax refunds of \$3.8 million. Further detail is provided in the attached Appendix 5B.

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 news release 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 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 and no regulatory authority has approved or disapproved the information contained herein.

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Barry Knight, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Barry Knight is a full-time employee of the company. Mr Barry Knight has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Barry Knight consents to inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Mining exploration entity quarterly report

Name of entity

Quarter ended (“current quarter”)

ABN

30 September 2014

Cash flows related to operating activities

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,303)	(10,346)
	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	(1,303)	(10,346)
1.20	Cash at beginning of quarter/year to date	7,030	16,221
1.21	Exchange rate adjustments to item 1.20	(127)	(275)
1.22	Cash at end of quarter	5,600	5,600

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	1,323
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 exploration and evaluation of \$381,000, 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

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- 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

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+ 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	600
4.2 Development	–
4.3 Production	–
4.4 Administration	1,050
Total	1,650

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	5,600	7,030
5.2 Deposits at call	–	–
5.3 Bank overdraft	–	–
5.4 Other (provide details)	–	–
Total: cash at end of quarter (item 1.22)	5,600	7,030

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	–	–	–	–
6.2 Interests in mining tenements acquired or increased	–	–	–	–

+ 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 (description)	–	–	–	–
7.2 Changes during quarter				
(a) Increases through issues	–	–	–	–
(b) Decreases through returns of capital, buy-backs, redemptions	–	–	–	–
7.3 ⁺Ordinary securities	196,630,710	196,630,710	–	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues				
(i) Placement	–	–	–	–
(ii) Conversion of exchangeable shares	31,238	–	–	–
(b) Decreases through cancellation	–	–	–	–
7.5 ⁺Convertible debt securities (description)	–	–	–	–
7.6 Changes during quarter				
(a) Increases through issues	–	–	–	–
(b) Decreases through securities matured, converted	–	–	–	–
7.7 Options (description and conversion factor)	<i>Total number</i>		<i>Exercise price</i>	<i>Expiry date</i>
	36,667	–	\$0.5523	09/11/2014
	1,008,334	–	\$1.0910	14/01/2015
	36,666	–	\$1.1591	02/02/2015
	256,666	–	\$1.3637	02/03/2015
	17,000,000	–	A\$0.25	08/08/2015
	1,466,667	–	\$1.3637	03/10/2015
	183,333	–	\$1.3637	04/10/2015
	366,667	–	\$2.0455	04/10/2015
	500,000	–	A\$0.50	15/12/2015
	73,333	–	\$2.9591	10/01/2016
	715,000	–	\$2.0455	09/09/2016
	1,173,333	–	\$0.5455	20/12/2016
	676,500	–	\$1.7728	23/12/2016
	1,000,000	–	A\$0.50	09/04/2017
	150,000	–	A\$0.50	18/06/2017
	2,300,000	–	A\$0.50	29/11/2018
	1,000,000	–	\$0.45	01/09/2018
7.8 Issued during quarter	<i>Total number</i>		<i>Exercise Price</i>	<i>Expiry Date</i>
	1,000,000	–	\$0.45	01/09/2018
7.9 Exercised during quarter	–	–	–	–
7.10 Expired during quarter	839,667	–	\$0.4091	16/09/2014
	111,834	–	\$0.4051	24/09/2014
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 31,238 converted to ordinary shares during the quarter	<i>Total number</i>	<i>Number quoted</i>	<i>Issue Price</i>	<i>Amount paid up</i>
	1,803,629	–	–	–
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.

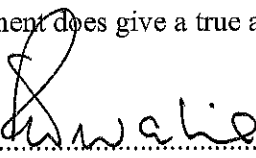
Appendix 5B
Mining exploration entity quarterly report

7.14	Warrants	<i>Total number</i>	<i>Number quoted</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
		5,133,333	—	\$4.0909	17/05/2015
		11,000,000	—	\$0.4091	31/07/2015
7.15	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: 30 October, 2014
(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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