

CHAMPION IRON

NOTICE OF EXTRAORDINARY GENERAL MEETING CHAMPION IRON LIMITED ABN 34 119 770 142

Notice is hereby given that an Extraordinary General Meeting (“**Meeting**”) of Champion Iron Limited (“**Company**”) will be held at the offices of Ashurst Australia, Level 11, 5 Martin Place, Sydney, Australia at 4:30pm (Sydney time) on Monday, 10 July 2017 for the purposes of transacting the following business.

AGENDA

Resolution 1 – Ratification of securities issues

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the issues of securities set out in the Explanatory Statement accompanying this Notice on the terms set out in that Explanatory Statement.”

Directors’ Recommendation: The Directors recommend that Shareholders vote in favour of the Resolution to ratify the issue of the securities referred to above.

Resolution 2 – Grant of share rights to Michael O’Keeffe

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That approval is given for the Company to grant to its Executive Chairman, Michael O’Keeffe, share rights under the Champion Iron Incentive Plan on the terms set out in the Explanatory Statement accompanying this Notice.”

Directors’ Recommendation

The Directors (excluding Mr. O’Keeffe) recommend that Shareholders vote in favour of Resolution 2 to issue share rights to Mr. O’Keeffe.

Resolution 3 – Grant of Options to Gary Lawler

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That approval is given for the Company to grant to its Non-Executive Director, Gary Lawler, Options under the Champion Iron Incentive Plan on the terms set out in the Explanatory Statement accompanying this Notice."

Directors' Recommendation

The Directors (excluding Mr. Lawler) recommend that Shareholders vote in favour of Resolution 3 to issue Options to Mr. Lawler.

Resolution 4 – Grant of Options to Andrew Love

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That approval is given for the Company to grant to its Non-Executive Director, Andrew Love, Options under the Champion Iron Incentive Plan on the terms set out in the Explanatory Statement accompanying this Notice."

Directors' Recommendation

The Directors (excluding Mr. Love) recommend that Shareholders vote in favour of Resolution 4 to issue Options to Mr. Love.

By order of the Board

Pradip Devalia & Jorge Estepa
Company Secretary, Australia & Canada
6 June 2017

EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Meeting and should be read in conjunction with it

VOTING ENTITLEMENT

In accordance with Corporations Act, the Board has determined that, for the purposes of the Meeting, shares will be taken to be held by the persons who are registered holders as at 7:00 p.m. Sydney time on 7 July 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

APPOINTMENT OF A PROXY

Australian Shareholders:

A member entitled to attend and vote at the Meeting is entitled to appoint up to 2 persons as the member's proxy to attend and vote at the Meeting instead of the member. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If the member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. The proxy does not need to be a member of the Company.

Canadian Shareholders:

A form of proxy is enclosed and, if it is not a member's intention to be present in person at the Meeting, the member is asked to sign, date and return the form of proxy in the envelope provided. The persons named in the enclosed form of proxy are directors or officers of the Company. A member has the right to appoint a person (who need not be a member of the Company), other than the persons designated in the enclosed form of proxy, to attend and vote for and on behalf of the member at the Meeting.

A proxy form accompanies this Notice of Meeting. To vote by proxy, please complete and sign the attached proxy form as soon as possible and either:

In Australia:

- **email** to registrar@securitytransfer.com.au; or
- **fax** to +61 8 9315 2233
- **deliver** to Security Transfer Registrars Pty Ltd, Alexandria House, Suite 1, 770 Canning Highway, Applecross, Western Australia 6153
- **mail** the proxy form to Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, Western Australia 6953.

Australian shareholders can alternatively lodge their proxy vote online securely at www.securitytransfer.com.au by;

- i. logging into the investor centre using their holding details; and
- ii. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area

In Canada:

- **email** to TmxProxySupport@tmx.com
- **fax** to +1.416.595.9593
- **mailed or deposited** to TSX Trust Company, Suite 300, 200 University Avenue, Toronto, ON M5H 4H1, Canada.

Canadian shareholders can also lodge their proxy vote online securely at www.voteproxyonline.com by entering the unique control number located on the form of proxy/voting instruction form.

All members must submit his or her vote by no later than 4.30pm (Sydney time) on 8 July 2017 or 48 hours (excluding Saturdays, Sundays and holidays) before the time and day of any adjourned Meeting.

Directing your proxy how to vote

If you want to direct your proxy how to vote on the Resolutions please mark the appropriate box on the Proxy Form. If you mark the abstain box for any of the Resolutions you are directing your proxy not to vote on that Resolution. If you do not mark any box on a Resolution and your proxy is not the Chair, you are directing your proxy to vote as he or she directs, subject to any voting exclusions that may apply to your proxy.

Appointing the Chair of the Meeting acting as your proxy

You may appoint the Chair of the Meeting as your proxy. The Chair of the Meeting will be deemed to be your proxy if you sign a Proxy Form but do not name a proxy or if the person you appoint as proxy does not attend the Meeting.

If you direct the Chair how to vote on a Resolution the Chair must vote in accordance with your direction.

If you have appointed the Chair of the Meeting as your proxy and you do not give any voting instructions for a Resolution, then by signing and returning the Proxy Form you will be expressly authorising the Chair to exercise the proxy as the Chair sees fit in respect of that Resolution.

The Chair intends to vote undirected proxies in favour of all the Resolutions, subject to any voting exclusions that may apply to the proxy.

Corporate Representative

A member that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with section 250D of the Corporations Act. The corporation must provide the appointed person with a written appointment in accordance with the Company's

constitution and the Corporations Act authorising the appointed person to act as the corporation's representative at the Meeting.

VOTING EXCLUSIONS

Resolution 1 – Ratification of securities issues

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue and any associate of those persons. However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 2 – 4 Grant of securities to Directors

Voting Exclusion: In accordance with the ASX Listing Rules, the Company will disregard any votes cast in any capacity on Resolutions 2 - 4 by Mr Love, Mr Lawler and Mr O'Keeffe and any director of the Company who is eligible to participate in the Champion Iron Incentive Plan ("**Plan**") and any of their respective associates. However, the Company will not disregard a vote on Resolutions 2 – 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form, to vote as the proxy decides.

As required by the Corporations Act, no member of the Company's key management personnel or a closely related party of any such member may vote as a proxy on Resolutions 2 - 4 unless:

- (i) a person voting votes as a proxy appointed by writing that specifies how the proxy is to vote on Resolutions 2 – 4; and
- (ii) the person voting is the Chair of the Meeting who votes as a proxy appointed by writing that does not specify the way the Chair is to vote on Resolutions 2 - 4 but which expressly authorises the Chair to vote on Resolutions 2 - 4 even though each of those Resolutions is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

ATTENDING THE MEETING

A member that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the enclosed Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the Meeting to facilitate this registration process.

NOTICE-AND-ACCESS

Applicable securities legislation in Canada allows electronic delivery of meeting materials and/or delivery of meeting materials only to those who request them (“**Notice-and-Access**”). The Company is utilizing the Notice-and-Access mechanism that came into effect on 11 February 2013 under National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) online, via SEDAR at www.sedar.com and one other website, rather than mailing paper copies of such materials to shareholders. The Notice-and-Access provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners will be entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense. The Company will not rely upon the use of 'stratification'.

The Company anticipates that Notice-and-Access will directly benefit the Company through a reduction in both postage and material costs and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. The Company will deliver the Meeting Materials to Beneficial Shareholders on the Canadian Register by posting the Meeting Materials at:

<http://noticeinsite.tsxtrust.com/ChampionIronSM2017>

The Meeting Materials will be available as of 9 June 2017 (Montreal time), and will remain on the website for one full year. The Meeting Materials will also be available on the SEDAR website at [sedar.com](http://www.sedar.com) as of 9 June 2017. The Company intends to pay for the Intermediary to deliver to objecting Non-Registered Shareholders the proxy-related materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary* of NI 54-101.

Shareholders on the Canadian Register will receive paper copies of a notice package (the “**Notice Package**”) via prepaid mail containing a notice with information prescribed by NI 54-101, a letter to Shareholders and a form of proxy (if you are a **Registered Shareholder**) or a voting instruction form (if you are a **Non-Registered Shareholder**).

Shareholders on the Canadian Register may obtain paper copies of this Notice and the Circular to Shareholders free of charge, or more information about the Notice-and-Access mechanism, by contacting the Company's transfer agent, TSX Trust Company (“**TSX Trust**”), by email at TMXEInvestorServices@tmx.com, by telephone at 1-866-600-5869 up to and including the date of the Meeting, including any adjournment of the Meeting. In order to receive paper copies of these materials in time to vote before the Meeting, your request should be received by 28 June 2017. All shareholders are reminded to review the Circular dated 6 June 2017 prior to voting.

INFORMATION ABOUT THE PROPOSED RESOLUTIONS

Resolution 1 - Ratification of securities issues

The Company is in the process of securing debt and equity financing to enable it to recommence iron ore mining operations at the Bloom Lake Iron Mine (“**Bloom Lake**”).

On 18 May 2017 the Company announced that it had arranged a CAD\$40 million bridge financing as the first step in this process. This financing comprised CAD\$26 million in debt raised by Quebec Iron Ore Inc. (“**QIO**”) (the Company's 63.2% owned subsidiary which owns Bloom Lake) and CAD \$14 million in equity consisting of contributions of CAD\$8.8 million and CAD\$5.2 million from QIO's two shareholders, the Company (63.2%) and Ressources Quebec Inc. (36.8%) which are proportionate to their shareholdings in QIO.

The Company has funded its share of the equity in QIO by issuing an unsecured subordinated convertible debenture to Altius Minerals Corporation in exchange for CAD\$10 million which is convertible into ordinary shares in the Company. The principal amount is convertible in whole or part into ordinary shares in the Company at any time at CAD\$1.00 per ordinary share. However, in the event that the Master Financing referred to in the Convertible Debenture and below is not completed by 30 November 2017 the conversion price will be the lesser of CAD\$1.00 per share and the volume weighted average price of ordinary shares in the Company traded over the 5 trading days immediately prior to the conversion date subject to a cap of 50 million ordinary shares, being the maximum number of ordinary shares which may be issued on conversion.

The Company is now in the process of securing the balance of the financing required to facilitate the recommencement of operations at Bloom Lake (“**Master Financing**”). This Master Financing will also comprise a debt component to be raised by QIO and an equity component which will be contributed by QIO's shareholders proportionately. The Company proposes to raise its proportion of the equity component by undertaking a placement of ordinary shares to institutional and sophisticated investors. As explained below, the ASX Listing Rules restrict the Company's ability to issue securities without seeking shareholder approval.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities would exceed 15% of the total shares on issue at the commencement of that period.

ASX Listing Rule 7.4 allows the Company to treat an issue of securities which was made without shareholder approval under ASX Listing Rule 7.1 as being made with such approval (and not being counted towards the 15% threshold), if:

- the issue did not breach ASX Listing Rule 7.1 at the time that it was made; and
- shareholders subsequently approve the issue.

The Company issued the equity securities and other securities with rights of conversion to equity set out below in the 12 months preceding the date of this Meeting. The securities were issued utilising the Company's 15% capacity under ASX Listing Rule 7.1.

The purpose of Resolution 1 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, the issues of securities by the Company during the 12 months preceding the date of this Meeting and so exclude them from counting towards the Company's 15% limit under ASX Listing Rule 7.1.

The effect of such approval will be to refresh the capacity of the Company to issue securities, without the need to seek further shareholder approval, up to the full 15% threshold referred to in Listing Rule 7.1. This will provide the Company with the flexibility to structure the raising of its share of the equity component of the Master Financing by undertaking a placement of its ordinary shares to institutional and sophisticated investors.

The Resolution proposes the ratification and approval of the issue of the securities set out below for the purposes of satisfying the requirements of ASX Listing Rule 7.4. The securities include the CAD\$10 million unsecured subordinated convertible debenture issued to Altius Minerals Corporation. A summary of the material terms of that debenture is set out in Schedule A. The other securities referred to below have been issued pursuant to the Plan. A summary of the material terms of the Plan is set out in Schedule B.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1 to ratify the issue of the securities referred to below.

Convertible Note issued to Altius Minerals Corporation	
Issue Date:	1 June 2017
Face Value of Note:	CAD\$10 million
Terms of Issue:	The material terms of the Convertible Note are summarised in Schedule A
Allottees:	Altius Minerals Corporation
Use of Funds:	To assist in the financing of the recommissioning of the plant at Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum.

Shares issued to Gary Lawler	
Issue Date:	5 April 2017
Number of Shares:	500,000 issued on the exercise of Options issued 8 April 2014
Issue Price:	A\$0.50 per share (the exercise price of each Option)
Terms of Issue:	The shares rank equally with existing ordinary shares
Allottees:	Gary Lawler
Use of Funds:	Working Capital

Shares issued to Andrew Love	
Issue Date:	5 April 2017
Number of Shares:	500,000 issued on the exercise of Options issued 8 April 2014
Issue Price:	A\$0.50 per share (the exercise price of each Option)
Terms of Issue:	The shares rank equally with existing ordinary shares
Allottees:	Andrew Love
Use of Funds:	Working Capital

Share Rights issued to David Cataford	
Issue Date:	25 May 2017
Number of Share Rights:	250,000 share rights issued under the Plan
Issue Price:	Nil
Terms of Issue:	The rights will vest and be convertible into 250,000 ordinary shares on the satisfaction of the key performance measures specified below
Key Performance Measures:	The completion of the total financing package required to facilitate the recommissioning of the plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum and the actual recommissioning of the plant at the mine at that capacity
Allottees:	David Cataford
Use of Funds:	The rights have been issued pursuant to the Plan for no consideration

Share Rights issued to Comfortra GmbH (a company associated with Beat Frei)	
Issue Date:	25 May 2017
Number of Share Rights:	1 million share rights issued under the Plan
Issue Price:	Nil
Terms of Issue:	The rights will vest and be convertible into 1 million ordinary shares in Champion on the satisfaction of the key performance measure specified below
Key Performance Measures:	The completion of the total financing package required to facilitate the recommissioning of the plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum
Allottees:	Comfortra GmbH (a company associated with Beat Frei)
Use of Funds:	The rights have been issued pursuant to the Plan for no consideration

Options issued to David Cataford	
Issue Date:	25 May 2017
Number of Options:	500,000
Issue Price:	Nil
Exercise Price:	\$1.00 per Option
Terms of Issue:	The Options have been issued pursuant to the Plan and are exercisable at any time until 25 May 2020
Allottees:	David Cataford
Use of Funds:	The Options have been issued pursuant to the Plan for no consideration

Options issued to Jorge Estepa	
Issue Date:	25 May 2017
Number of Options:	300,000
Issue Price:	Nil
Exercise Price:	\$1.00 per Option
Terms of Issue:	The Options have been issued pursuant to the Plan and once vested are exercisable at any time until 25 May 2020 on the basis that the Options will vest as to 100,000 on 25 May 2017, 100,000 on 25 May 2018 and 100,000 on 25 May 2019
Allottees:	Jorge Estepa
Use of Funds:	The Options have been issued pursuant to the Plan for no consideration

Options issued to Pradip Devalia	
Issue Date:	25 May 2017
Number of Options:	150,000
Issue Price:	Nil
Exercise Price:	\$1.00 per Option
Terms of Issue:	The Options have been issued pursuant to the Plan and once vested are exercisable at any time until 25 May 2020 on the basis that the Options will vest as to 50,000 on 25 May 2017, 50,000 on 25 May 2018 and 50,000 on 25 May 2019
Allottees:	Pradip Devalia
Use of Funds:	The Options have been issued pursuant to the Plan for no consideration

Options issued to Patrick Champagne	
Issue Date:	25 May 2017
Number of Options:	500,000
Issue Price:	Nil
Exercise Price:	\$1.00 per Option
Terms of Issue:	The Options have been issued pursuant to the Plan and once vested are exercisable into 500,000 ordinary shares at any time until 25 May 2020. The Options will vest and be exercisable on the satisfaction of the key performance measure specified below
Key Performance Measures:	The recommissioning of the plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum
Allottees:	Patrick Champagne
Use of Funds:	The rights have been issued pursuant to the Plan for no consideration

Options issued to Guy Bégin	
Issue Date:	25 May 2017
Number of Options:	200,000
Issue Price:	Nil
Exercise Price:	\$1.00 per Option
Terms of Issue:	The Options have been issued pursuant to the Plan and once vested are exercisable into 200,000 ordinary shares at any time until 25 May 2020. The Options will vest and be exercisable on the satisfaction of the key performance measure specified below
Key Performance Measures:	The recommissioning of the plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum
Allottees:	Guy Bégin
Use of Funds:	The rights have been issued pursuant to the Plan for no consideration

Options issued to Wayne Wouters	
Issue Date:	4 November 2016
Number of Options:	500,000
Issue Price:	Nil
Exercise Price:	30c per Option
Terms of Issue:	The Options have been issued pursuant to the Plan and once vested are exercisable at any time until 4 November 2019
Allottees:	Wayne Wouters
Use of Funds:	The Options have been issued pursuant to the Plan for no consideration

Resolution 2 – Grant of share rights to Michael O'Keeffe

Under the terms of his Service Contract with the Company, Mr O'Keeffe is entitled to participate in the Plan. The purpose of the Plan is to provide eligible participants with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer term performance of the Company and its returns to shareholders. Details of the Plan are set out Schedule B.

Under ASX Listing Rule 10.14 a director may only acquire securities under an employee incentive scheme, such as the Plan, if the director's participation has been approved by an ordinary resolution of shareholders. Approval from shareholders is being sought in relation to a proposed issue of share rights to Mr O'Keeffe under the Plan in respect of the financial year ending 31 March 2017.

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the share rights which may be granted to Mr O'Keeffe under the Plan:

(a) The maximum number of securities that may be acquired

The maximum number of share rights to be granted to Mr O'Keeffe in respect of the financial year ending 31 March 2017 is one million share rights. Each share right confers the right to acquire one fully paid ordinary share in the Company upon vesting. The one million share rights have been issued to Mr O'Keeffe subject to two key performance measures. The first key performance measure is the finalisation of the total finance package required to facilitate the recommissioning of the Company's plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum. The second key performance measure is the actual recommissioning of the Company's plant at the Bloom Lake iron ore mine at a rated capacity of 7 million tonnes per annum. If both key performance measures are satisfied all of the share rights granted to Mr O'Keeffe will vest and Mr O'Keeffe will be entitled to receive 1 million fully paid ordinary shares in the Company in satisfaction of those share rights.

(b) The price of the securities or the formula for calculating the price of the securities

No payment for the share rights or the Company's shares underlying them is required to be made by Mr O'Keeffe. The ordinary shares which will need to be acquired to satisfy the rights on vesting of the rights will be issued by the Company.

- (c) **The names of all persons referred to in Rule 10.14 who received securities under the Plan since the last approval, the number of securities received and the acquisition price of each security**

The following directors have received Options under the Plan since the last approval of the plan on 29 August 2014:

Name	Number of Options	Acquisition Price	Exercise Price
Michael O'Keeffe	1,000,000	Nil	0.30
	3,000,000	Nil	0.20
Wayne Wouters	500,000	Nil	0.30

- (d) **The names of all persons referred to in Rule 10.14 entitled to participate in the Plan**

All of the directors of the Company are entitled to participate in the Plan. The names of these directors are Michael O'Keeffe, Gary Lawler, Andrew Love, Michelle Cormier and Wayne Wouters.

- (e) **A Voting Exclusion Statement**

A voting exclusion statement is included in this Notice of Extraordinary General Meeting.

- (f) **The terms of any loan in relation to the acquisition**

There is no loan applicable to the acquisition of the share rights or the shares underlying them as no payment for the share rights or the Company's shares underlying them is required to be made by Mr O'Keeffe.

- (g) **The date by which the Company will issue the rights**

The share rights will be granted to Mr O'Keeffe shortly after the Meeting but in any event no later than 12 months after the date of this Meeting.

Directors' Recommendation

The Directors (excluding Mr. O'Keeffe) recommend that Shareholders vote in favour of Resolution 2 to issue share rights to Mr. O'Keeffe.

Resolution 3 – Grant of Options to Gary Lawler

The Company proposes to grant 300,000 Options to Mr Gary Lawler under the terms of the Plan.

Each Option confers a right to acquire one fully paid ordinary share in the Company on the exercise of the Option. The exercise price for each Option is the greater of A\$1.00 per Option and the volume weighted average price of ordinary shares in the Company traded over the five trading days immediately preceding the date of issue of the Options which will be the business day immediately following the date of this Meeting. The Options, once vested, will be exercisable at any time until the third anniversary of the date of their issue. The Options will vest as to 100,000 on the date of issue, 100,000 on the first anniversary of the date of issue and 100,000 on the second anniversary of the date of issue.

The purpose of the issue of the Options is to recognise Mr Lawler's contribution to the Company's success and to incentivise Mr Lawler to continue his involvement with the Company and to improve the longer term performance of the Company through the ownership of shares in the Company.

Shareholder approval of the grant of the Options is being sought for all purposes including under ASX Listing Rule 10.14. Under ASX Listing Rule 10.14 a director may only acquire securities under an employee incentive scheme, such as the Plan, if the director's participation has been approved by an ordinary resolution of the Company's shareholders.

The following information is required to be given under ASX Listing Rule 10.15:

(a) The maximum number of securities that may be acquired

The maximum number of Options that may be acquired by Mr Lawler under the approval is 300,000.

(b) The price of the securities or the formula for calculating the price

Mr Lawler is not required to pay anything for the grant of the Options. The exercise price for each of the Options is the greater of A\$1.00 per Option and the volume weighted average price of ordinary shares in the Company traded over the five trading days immediately preceding the date of issue of the Options which will be the business day immediately following the date of this meeting.

- (c) **The names of all persons referred to in Rule 10.14 who received securities under the Plan since the last approval, the number of securities received and the acquisition price for each security**

The following Directors have been issued Options under the Plan since the last approval of the Plan at the Annual General Meeting on 29 August 2014:

Name	Number of Options	Acquisition Price	Exercise Price
Michael O'Keeffe	1,000,000	Nil	0.30
	3,000,000	Nil	0.20
Wayne Wouters	500,000	Nil	0.30

- (d) **The name of all persons referred to in Rule 10.14 entitled to participate in the Plan**

All the Directors of the Company are entitled to participate in the Plan. The names of these Directors are Michael O'Keeffe, Gary Lawler, Andrew Love, Michelle Cormier and Wayne Wouters.

- (e) **Voting Exclusion**

A voting exclusion statement is included in this Notice of Extraordinary General Meeting.

- (f) **The terms of any loan in relation to the acquisition**

There is no loan applicable in relation to the acquisition of the Options or the shares which will be issued if the Options are exercised.

- (g) **The date by which the Company will issue the Options**

The Options will be issued shortly after the Meeting but in any event no later than 12 months after the date of this Meeting.

Directors' Recommendation

The Directors (excluding Mr. Lawler) recommend that Shareholders vote in favour of Resolution 3 to issue Options to Mr. Lawler.

Resolution 4 – Grant of Options to Andrew Love

The Company proposes to grant 300,000 Options to Mr Andrew Love under the terms of the Plan.

Each Option confers a right to acquire one fully paid ordinary share in the Company on the exercise of the Option. The exercise price for each Option is the greater of A\$1.00 per Option and the volume weighted average price of ordinary shares in the Company traded over the five trading days immediately preceding the date of issue of the Options which will be the business day immediately following the date of this Meeting. The Options, once vested, will be exercisable at any time until the third anniversary of the date of their issue. The Options will vest as to 100,000 on the date of issue, 100,000 on the first anniversary of the date of issue and 100,000 on the second anniversary of the date of issue.

The purpose of the issue of the Options is to recognise Mr Love's contribution to the Company's success and to incentivise him to continue his involvement with the Company and to improve the longer term performance of the Company through the ownership of shares in the Company.

Shareholder approval of the grant of the Options is being sought for all purposes including under ASX Listing Rule 10.14.

Under ASX Listing Rule 10.14 a director may only acquire securities under an employee incentive scheme, such as the Plan, if the director's participation has been approved by an ordinary resolution of the Company's shareholders.

The following information is required to be given under ASX Listing Rule 10.15:

(a) The maximum number of securities that may be acquired

The maximum number of Options that may be acquired by Mr Love under the approval is 300,000.

(b) The price of the securities or the formula for calculating the price

Mr Love is not required to pay anything for the grant of the Options. The exercise price of the Options is the greater of A\$1.00 per Option and the volume weighted average price of ordinary shares in the Company traded over the five trading days immediately preceding the date of issue of the Options which will be the business day immediately following the date of this Meeting.

- (c) **The names of all persons referred to in Rule 10.14 who received securities under the Plan since the last approval, the number of securities received and the acquisition price for each security**

The following Directors have been issued Options under the Plan since the last approval of the Plan at the Annual General Meeting on 29 August 2014:

Name	Number of Options	Acquisition Price	Exercise Price
Michael O'Keeffe	1,000,000	Nil	0.30
	3,000,000	Nil	0.20
Wayne Wouters	500,000	Nil	0.30

- (d) **The name of all persons referred to in Rule 10.14 entitled to participate in the Plan**

All the Directors of the Company are entitled to participate in the Plan. The names of these Directors are Michael O'Keeffe, Gary Lawler, Andrew Love, Michelle Cormier and Wayne Wouters.

- (e) **Voting Exclusion**

A voting exclusion statement is included in this Notice of Extraordinary General Meeting.

- (f) **The terms of any loan in relation to the acquisition**

There is no loan applicable in relation to the acquisition of the Options or the shares which will be issued if the Options are exercised.

- (g) **The date by which the Company will issue the Options**

The Options will be issued shortly after the Meeting but in any event no later than 12 months after the date of this Meeting.

Directors' Recommendation

The Directors (excluding Mr. Love) recommend that Shareholders vote in favour of Resolution 4 to issue Options to Mr. Love.

SCHEDULE A

SUMMARY OF TERMS OF CONVERTIBLE DEBENTURE

Issuer:	Champion Iron Limited.
Investors:	Altius Minerals Corporation.
Use of proceeds:	Recommissioning of the Bloom Lake Iron Mine.
Face Value:	CAD\$10 million.
Priority:	Unsecured convertible debenture subordinated in payment to any senior indebtedness of the Company.
Coupon/Interest Rate:	8% per annum calculated and payable in cash quarterly in advance. Interest on overdue interest is 12% per annum.
Term:	One year.
Early Repayment:	Prepayment in whole may be made on no less than 30 days nor more than 60 days prior written notice. If prepayment is made prior to 30 November 2017 the Company must pay interest for six months.
Conversion:	The principal amount is convertible in whole or part into ordinary shares in the Company at any time at CAD\$1.00 per ordinary share. However, in the event that the Master Financing referred to in the Convertible Debenture is not completed by 30 November 2017 the conversion price will be the lesser of CAD\$1.00 per share and the volume weighted average price of ordinary shares in the Company traded over the 5 trading days immediately prior to the conversion date subject to a cap of 50 million ordinary shares, being the maximum number of ordinary shares which may be issued on conversion. If the 50 million cap on issuing shares is reached but part of the principal amount remains unconverted, Altius Minerals Corporation will be made whole by either (at the Company's election) a cash payment or a royalty entitlement of equivalent value to such unpaid amount.

SCHEDULE B

A SUMMARY OF THE MATERIAL TERMS OF THE CHAMPION IRON INCENTIVE PLAN IS SET OUT BELOW

The purpose of the Champion Iron Incentive Plan is to provide eligible employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the company and its returns to shareholders. The Plan is intended to assist the Company in attracting and retaining skilled and experienced directors and employees and provide them with greater incentive to have a greater involvement with, and to focus on the longer term goals of, the Company.

The terms of the Plan are summarised below. The full terms of the Plan are set out in the Management Circular which was attached to the notice of annual general meeting held on 29 August 2014 (which was released on ASX on 22 July 2014).

The key features of the Plan are as follows:

1. Participation by Eligible Employees

The Board may invite "Eligible Employees" to participate in the Plan. Eligible Employees include employees, directors and other persons determined by the Board. The Board will comply with all the ASX and TSX and other regulatory requirements in administering the Plan.

2. Securities issued under the Plan

Eligible Employees invited to participate in the Plan are issued such number of share options, share rights and share appreciation rights on terms as determined by the Board. Share options, share rights and share appreciation rights issued under the Plan are issued for no consideration. The exercise price for a share option must not be less than the market price of an ordinary share at the time of grant of the share option. Share options, share rights and share appreciation rights issued under the Plan do not confer a right to participate in new issues of shares by the Company until ordinary shares are issued on conversion or exercise of the relevant share option, share right or share appreciation right. There is no exercise price payable for share rights or share appreciation rights. The term and vesting period for share options, share rights and share appreciation rights granted under the Plan is determined at the discretion of the Board but in no circumstances will the term exceed five years. Share options, share rights and share appreciation rights issued under the Plan will not be listed on the ASX, TSX or any other exchange.

3. Maximum number per Eligible Employee

The maximum number of ordinary shares which may be issued to any one Eligible Employee (and associates) under the Plan in any 12 month period is 5% of the number of ordinary shares outstanding at the date of the issuance (on a non-diluted basis).

4. Aggregate maximum number under the Plan

Offers of share options, share rights and share appreciation rights under the Plan must not cause the Company to exceed the 5% threshold set out in ASIC Class Order 03/184 (now Class Order 14/1000) such that the Company would need to prepare and lodge a disclosure document (ie a prospectus). The maximum aggregate number of ordinary shares that may be reserved for issuance under the Plan is 20% of the number of ordinary shares outstanding at the date of the issuance (on a non-diluted basis).

5. No assignment or granting security

The share options, share rights and share appreciation rights issued under the Plan cannot be assigned or transferred, with the exception of an assignment made to a personal representative of a deceased participant with the consent of the Board. Eligible Employees are prohibited from granting any security interests over share options, share rights and share appreciation rights issued under the Plan.

6. Performance Conditions

The share options, share rights and share appreciation rights issued under the Plan may be subject to performance conditions set by the Board which must be satisfied or waived in order to become vested. If the performance conditions are not satisfied or waived the relevant share options, share rights and share appreciation rights lapse.

7. Vesting, exercise and settlement

If vested share options, share rights and share appreciation rights are exercised, the Company can satisfy the share option, share right or share appreciation right (as applicable) by cash settlement or by issuing or transferring ordinary shares in the Company to the participant under the Plan. Ordinary shares issued on the exercise of share options, share rights and share appreciation rights rank *pari passu* with the existing ordinary shares in the Company.

8. Change in control

If the Board considers that a change in control event in respect of the Company will occur, the Board has the discretion to vest unvested share options, share rights and share appreciation rights or lapse or bring forward the exercise date of vested share options, share rights and share appreciation rights. The Board may also give to participants in the Plan a disposal event notice offering to acquire or cancel share options, share rights and share appreciation rights. If a participant does not accept the offer in a disposal event notice, unexercised share options, share rights and share appreciation rights lapse at the expiry of the offer period.

9. Cessation of employment

If an Eligible Employee ceases to be employed by the Company due to death or serious injury, disability or illness which prohibits continued employment, involuntary early retirement, retrenchment or redundancy the Board has a discretion to vest some or all of the share options, share rights and share appreciation rights held by the Eligible Employee. If an Eligible Employee ceases to be employed by the Company for a reason other than stated above, any unvested share options, share rights and share appreciation rights held by the Eligible Employee lapse.

10. Exercise of share options

Share options may be exercised if the share options have vested. Share options which have vested may be exercised within 6 months following cessation of employment (or by the expiry date of the share options if this period is shorter) where cessation of employment occurs otherwise than as a result of termination for cause.

11. Adjustments on reorganisations

There are provisions in the Plan which enable the Board to adjust the exercise price of a share option or the number of underlying shares to which the share option relates in the event of a rights issue, bonus issue or reorganisation of the capital of the Company in order to comply with the ASX Listing Rules applying to reorganisations of capital.

12. No loans or financial assistance

The Plan does not provide for financial assistance to participants to facilitate the payment of the purchase price for a share option.

13. Amendment of the Plan

Under the rules of the TSX governing security based compensation arrangement, specific shareholder approval is required for any amendment to the amendment provisions of the Plan. The Plan has incorporated amendment provisions requiring shareholder approval for (a) any reduction in the exercise price after an option has been granted, except in the case of an adjustment pursuant to the Plan held by an insider; (b) any extension of the expiry date of an option held by an insider, or any cancellation of such an option, and the substitution of that option with a new option with extended expiration date, except in case of an extension due to a black-out period; (c) any amendment which increases the maximum number of ordinary shares that may be issued under the Plan; (d) any amendment to these amendment provisions; and (e) any other matters that may require shareholder approval under the rules and policies of the TSX.

The Plan has also incorporated the following amendment provisions which may be made at the Board's discretion without shareholder approval for items including, but not limited to, the following: (a) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the

definitions in the Plan regarding its administration; (b) a change to the vesting provisions of the Plan; (c) a change to the provisions governing assignability and the effect of termination of a Participant's employment, contract or office, or cessation of a participant's directorship; and (d) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted.

14. Approval of the Plan

In accordance with the requirements of the TSX the Plan must be re-approved by shareholders every three years.

15. Suspension of the Plan

The Board of Directors has the right, in its sole discretion, to suspend or terminate the Plan.

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CHAMPION IRON LIMITED

ACN: 119 770 142

REGISTERED OFFICE:

1ST FLOOR
91 EVANS STREET
ROZELLE NSW 2039



SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

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Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au



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«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

CIA

Holder Number:

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PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Extraordinary General Meeting of the Company to be held at 4:30pm Sydney Time on Monday, 10 July 2017 at Ashurst Australia, Level 11, 5 Martin Place, Sydney NSW, Australia and at any adjournment of that meeting.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting, to exercise my/our proxy in respect of Resolutions 2 - 4 notwithstanding that these resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

Voting restrictions for each of the resolutions are described in the Notice of Meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Ratification of Securities Issues
2. Grant of Share Rights to Michael O'Keeffe
3. Grant of Options to Gary Lawler
4. Grant of Options to Andrew Love

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 4.30pm Sydney Time on Saturday 8 July 2017.



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Name:

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This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

Email registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.