

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

Notice is hereby given that the Annual General and Special Meeting (“AGM” or “Meeting”) of Champion Iron Limited (“Company”) will be held at the offices of Ashurst Australia, Level 36, 225 George Street, Sydney NSW, Australia at 10:00 am (Sydney time) on 29 August 2014 for the purposes of transacting the following business.

AGENDA

ORDINARY BUSINESS

Annual Report

To receive and consider the financial report, together with the directors’ report and auditor’s report for the financial period ended 31 March 2014.

Resolution 1 – Remuneration Report

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

“That the Remuneration Report, as set out in the Annual Report for the financial year ended 31 March 2014, be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Company or its Directors.

Voting exclusion: As required by section 250R of the *Corporations Act 2001* (Cth) (the “Corporations Act”), no member of the Company’s key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of any such member of the Company’s management personnel (including a spouse, child, dependent, other family members or any controlled company) may vote on Resolution 1 unless the vote is not cast on behalf of any such member or closely related party of any such member and:

- the person voting votes as a proxy and the proxy form specifies how the person is to vote on Resolution 1; or
- the person voting is the Chair who votes as a proxy and the proxy form does not specify the way the Chair is to vote on Resolution 1 and which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of the key management personnel.

Resolution 2 - Appointment of Director

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

“That, Mr. Michael O’Keeffe, who automatically retires and, being eligible, offers himself for re-election in accordance with ASX Listing Rule 14.4, clause 3.12(c) of the Company’s constitution and for all other purposes, be re-elected as a member of the Company’s Board of Directors.”

Resolution 3 - Appointment of Director

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

“That, Mr. Paul Ankcorn, a director of the Company appointed by the Board and who automatically retires in accordance with clause 3.3 of the Company's constitution and, being eligible, offers himself for election as a director of the Company in accordance with clause 3.4 of the Company's constitution, be elected as a member of the Company's Board of Directors.”

Resolution 4 - Appointment of Director

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

“That, Mr. Gary Lawler, a director of the Company appointed by the Board and who automatically retires in accordance with clause 3.3 of the Company's constitution and, being eligible, offers himself for election as a director of the Company in accordance with clause 3.4 of the Company's constitution, be elected as a member of the Company's Board of Directors.”

Resolution 5- Appointment of Director

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

“That, Mr. Andrew Love, a director of the Company appointed by the Board and who automatically retires in accordance with clause 3.3 of the Company's constitution and, being eligible, offers himself for election as a director of the Company in accordance with clause 3.4 of the Company's constitution, be elected as a member of the Company's Board of Directors.”

SPECIAL BUSINESS

Resolution 6 – Ratification of share 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 ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the allotment and issue of 3,560,448 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by any person who participated in the issue or 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.

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 Resolution 6 unless:

- the person voting votes as a proxy and the proxy form specifies how the person is to vote on Resolution 6; or
- the person voting is the Chair who votes as a proxy and the proxy form does not specify the way the Chair is to vote on Resolution 6 and which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of the key management personnel.

Resolution 7 – Issue of options to Mr. Thomas Larsen

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

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, shareholders approve the grant by the Company to Mr. Thomas Larsen of 1,000,000 options over ordinary shares in the Company, exercisable at C\$0.45 each and expiring on 1 September 2018 in consideration of Mr. Larsen agreeing to provide consultancy services to the Company from 1 September 2014 to 31 August 2015.”

Voting Exclusion: As required by the ASX Listing Rules, the Company will disregard any votes cast on Resolution 7 by Mr. Thomas Larsen, being a person who will receive securities under this resolution, and any associate of Mr. Larsen. However, the Company need not disregard a vote on Resolution 7 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.

NOTE : Resolution 8 is required under the TSX listing rules.

Resolution 8 - Approval of the Share Incentive Plan

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

That for the purposes of the TSX Listing Rules and for all other purposes, the shareholders hereby approve the share incentive plan of the Company, substantially in the form set out in Schedule “B” of the Management Information Circular dated July 22, 2014, as more fully described under “Directors’ Compensation – Share Incentive Plan” in the Management Information Circular.

That any director or officer of the Company be and he or she is hereby authorized and directed, on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution.

Voting Exclusion: Approval of Resolution 8 will require that it be passed by a majority of the votes cast by disinterested shareholders thereon in person and by proxy, and excludes votes from management and directors of the Company. A total of 15,340,559 shares held by directors and executive officers of the Company will be excluded.

- The Company will disregard any votes cast on Resolution 8 by any director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), and their associates unless: the person voting votes as a proxy and the proxy form specifies how the person is to vote on Resolution 8; or
- the person voting is the Chair who votes as a proxy and the proxy form does not specify the way the Chair is to vote on Resolution 8 and which expressly authorises the Chair to vote on the proxy on a resolution connected with the remuneration of the key management personnel.

By order of the Board

Pradip Devalia
Company Secretary, Australia
25 July 2014

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EXPLANATORY STATEMENT

This Notice should be read in conjunction with the attached Explanatory Statement. The Explanatory Statement forms part of this Notice of Meeting

VOTING ENTITLEMENT

In accordance with *Corporations Act*, the Board has determined that, for the purposes of the AGM, shares will be taken to be held by the persons who are registered holders as at 7:00 p.m. Sydney time on 27 August 2014. 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 AGM, 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 shareholder of the Company), other than the persons designated in the enclosed form of proxy, to attend and vote for and on behalf of the shareholder at the AGM.

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.

In Canada:

- **fax** to +1.416.595.9593
- **mailed or deposited** to TMX Equity Transfer Services Inc., Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, Attention: Proxy Department

All members must submit his or her vote by no later than 10:00 a.m. (Sydney time) on Wednesday, August 27, 2014 or 48 hours (excluding Saturdays, Sundays and holidays) before the time and day of any adjourned AGM.

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.

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 appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

NOTICE-AND-ACCESS

Recent amendments to applicable securities legislation allow 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 February 11, 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.equityfinancialtrust.com/ChampionIronASM2014/>. The Meeting Materials will be available as of July 30, 2014, 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 July 30, 2014. 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.

In accordance with the rules set out in NI 54-101 for the first meeting of shareholders of a reporting issuer for which the Notice-and-Access mechanism is being utilized, the Corporation filed on SEDAR a notification of meeting and record date on June 23, 2014 (and an amendment thereto on July 18, 2014), being at least 25 days before the Record Date for the Meeting.

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**), in each case with a supplemental mail list return box for Shareholders to request that they be included in the Company's supplementary mailing list for receipt of the Company's annual and interim financial statements.

Shareholders on the Canadian Register may obtain paper copies of this Notice, the Circular and the Company's Annual Report to Shareholders free of charge, or more information about the Notice-and-Access mechanism, by contacting the Company's transfer agent, TMX Equity Transfer Services Inc. ("**Equity**"), by email at investor@equityfinancialtrust.com, by telephone at 1-866-393-4891 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 Wednesday, August 20, 2014. All shareholders are reminded to review the Management Information Circular dated July 22, 2014 prior to voting.

INFORMATION ABOUT THE PROPOSED RESOLUTIONS

Annual Report

Section 317 of the *Corporations Act* requires the Financial Report, Directors' Report and Auditor's Report for the past financial year to be tabled before the Annual General Meeting. There is no requirement in the *Corporations Act* or the Company's constitution for members to vote on, approve or adopt such reports. The Annual General Meeting provides a forum for shareholders to ask questions and make comments on the Company's reports and accounts for the financial year ended 31 March 2014 and on the management of the Company.

In addition, shareholders may, at the Meeting, ask questions of the auditor in relation to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company for the preparation of the financial statements and the auditor's independence in relation to the conduct of the audit.

Resolution 1 – Remuneration Report

The Remuneration Report is required to be considered for adoption in accordance with section 250R(2) of the *Corporations Act*. The Remuneration Report, which details the Company's policy on the remuneration of non-executive Directors, executive Directors and senior executives for the financial year ending 31 March 2014, is part of the Director's Report contained in the Company's 2014 Annual Report.

The vote on this Resolution is advisory only and does not bind the Directors of the Company. A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting.

In accordance with Division 9 of Part 2G.2 of the *Corporations Act*, if 25% or more of votes that are cast on the resolution are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution for the purposes of section 250V(1) of the *Corporations Act* (**Spill Resolution**). If more than 50% of shareholders vote in favour for the Spill Resolution, the Company must call another general meeting to be held within 90 days, immediately from the end of which all of the Company's Directors will cease to hold office unless re-elected at that meeting.

If you appoint the Chair of the Meeting as your proxy, you can direct the Chair how to vote on Resolution 1 by marking the appropriate box opposite Resolution 1 on the proxy form. If the Chair of the AGM is your proxy and you do not mark any of the boxes opposite Resolution 1, you are expressly authorising the Chair of the AGM to vote as he determines on Resolution 1. Where permitted to do so, the Chair intends to vote all undirected proxies held by him in favour of Resolution 1.

Directors' Recommendation

Acknowledging that each Director has a personal interest in his or her own remuneration from the Company, as described in the Remuneration Report, the Directors unanimously recommend the adoption of the Remuneration Report.

Resolution 2 – Appointment of Director

In accordance with clause 3.12 of the Company's constitution, for such time as the Company's shares are admitted to the TSX, all directors must retire annually and are eligible for re-election at the general meeting. Mr. Michael O'Keeffe was appointed at the last annual general and retires in accordance with the constitution. Mr. Michael O'Keeffe offers himself for election as Director of the Company in accordance with Clause 3.12(c) of the Company's constitution.

Mr. Michael O'Keeffe

Mr. O'Keeffe commenced work with Mt Isa Mines in 1975. He held a series of senior operating positions, rising to Executive Management level in commercial activities. In 1995 he became Managing Director of Glencore Australia (Pty) Limited and held the position until July 2004. Mr. O'Keeffe was the founder and Executive Chairman of Riversdale Mining Limited and is currently the Chairman of Riversdale Resources Limited. Mr. O'Keeffe has previously held directorships in Anaconda Nickel Limited, Mt Lyell Mining Co Limited and BMA Gold Limited.

Directors' Recommendation

The Directors (save for Mr.O'Keeffe) recommend that Shareholders vote in favour of Resolution 2 to appoint Mr.O'Keeffe as a director of the Company.

Resolutions 3 – Appointment of Director

Mr. Paul Ankorn was appointed as director by the Board on 31 March 2014 following the completion of the takeover of Champion Iron Mines Limited and must retire in accordance with clause 3.3 of the Company's constitution but is eligible for re-election at this Meeting. Mr. Ankorn, offers himself for election as Director of the Company in accordance with Clause 3.4 of the Company's constitution.

Mr.Paul Ankorn

Mr. Ankorn is an Executive Officer in the mining business. He was the President and director of the Cartier Iron Corporation from 2012 to 2013, the Chief Financial Officer of Tartisan Resources Corp. and Shield Gold Inc. since 2008, and President of Remington Resources Inc. from 2005 to 2010 (all resource exploration corporations). He is a director of ACME Resources Corp., Shield Gold Inc.; Tartisan Resources Corp. and Fancamp Exploration Ltd. (resource exploration corporations).

Directors' Recommendation

The Directors (save for Mr. Ankorn) recommend that Shareholders vote in favour of Resolution 3 to appoint Mr. Ankorn as a director of the Company.

Resolutions 4 – Appointment of Director

Mr. Gary Lawler was appointed as director by the Board on 8 April 2014 and must retire in accordance with clause 3.3 of the Company's constitution but is eligible for re-election at this Meeting. Mr. Lawler offers himself for election as Director of the Company in accordance with Clause 3.4 of the Company's constitution.

Mr.Gary Lawler

Mr. Lawler is a leading Australian corporate lawyer who was a partner of Ashurst Australia until 1 July 2014 and continues to be a consultant to Ashurst Australia. Mr. Lawler has acted in the capacity of director previously with Dominion Mining Limited and Riversdale Mining Limited and brings a wealth of experience to the Board.

Directors' Recommendation

The Directors (save for Mr. Lawler) recommend that Shareholders vote in favour of Resolution 4 to appoint Mr. Lawler as a director of the Company.

Resolutions 5– Appointment of Director

Mr. Andrew Love was appointed as director by the Board on 8 April 2014 and must retire in accordance with clause 3.3 of the Company's constitution but is eligible for re-election at this Meeting. Mr. Love offers himself for election as Director of the Company in accordance with Clause 3.4 of the Company's constitution.

Mr. Andrew Love

Mr. Love is a Chartered Accountant and has more than 30 years' experience in corporate recovery and reconstruction in Australia. He has had over 25 years of public company Board experience across a broad range of industry sectors but in particular he has worked in the resources and mining industry. He was previously Deputy Chairman of Riversdale Mining Limited. Mr. Love has been a Director of both public and private companies in the energy and mining industries.

Directors' Recommendation

The Directors (save for Mr. Love) recommend that Shareholders vote in favour of Resolution 5 to appoint Mr. Love as a director of the Company.

Resolution 6 – Ratification of share issues

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 shares which was made without shareholder approval under ASX Listing Rule 7.1 as being made with such approval, 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 3,560,448 ordinary shares at A\$0.50 per share to certain employees and consultants of Champion Iron Mines Limited on 31 March 2014 in lieu of payments due to them as a consequence of the change of control of Champion Iron Mines Limited, as described on pages 31 and 32 of the Champion Iron Mines Ltd Information Circular lodged on the Company's ASX platform on 13 February 2014 (**Circular**). The shares were issued utilising the Company's 15% capacity under ASX Listing Rule 7.1. Shareholder approval is sought for the issue of these shares for the purposes of ASX Listing Rule 7.4.

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 15% threshold referred to in Listing Rule 7.1. This affords the Company greater flexibility when seeking further capital.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- the number of Shares issued by the Company on the 31 March 2014 was 3,560,448 Shares. These shares were issued without shareholder consent;
- the Shares have been issued to the following persons, as described in the Circular:
 - Gambier Holdings Corp – 1,167,360 shares at A\$0.50 per share;
 - Marlborough Management Limited – 700,416 shares at A\$0.50 per share;
 - J Estepa Consulting Inc. – 700,416 shares at A\$0.50 per share;
 - Alexander Horvath – 350,208 shares at A\$0.50 per share;
 - Comforta GMBH – 350,208 shares at A\$0.50 per share;
 - DHBache & Company Inc. – 291,840 shares at A\$0.50 per share
- the Shares issued rank equally with the existing fully paid ordinary shares on issue; and
- the Shares were issued in lieu of compensation due to the employees and consultants under their contracts of employment and engagement.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6 to ratify the issue of shares.

Resolution 7 – Issue of options to Mr. Thomas Larsen

Mr. Larsen will retire as Director of the Company at the conclusion of this Meeting but has agreed to remain as a consultant to the Company for the period 1 September 2014 to 31 August 2015. Mr. Larsen's relationship with the major shareholders of the Company, knowledge and experience of the market continues to be relevant and valuable to the Company. The Company proposes to issue 1,000,000 options to Mr. Larson in consideration for his agreement to provide the consultancy services. As Mr. Larsen has been a director of the Company up to the date of the meeting, shareholder approval under Listing Rule 10.11 is required for the issue of options to him. If shareholders approve this resolution under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1.

Mr. Larsen will not be required to pay for the options. If this resolution is approved, it is intended that the options will be issued to Mr. Larsen immediately (and in any event within 1 month of the date of the approval).

Each option is convertible into one fully paid ordinary share in the Company upon payment of the exercise price of C\$0.45. The options will be granted outside the Company's Incentive Plan and will not be subject to any vesting conditions, performance hurdles or milestones and will be immediately exercisable subject only to the approval of

the Company's shareholders in general meeting. The options will expire on 1 September 2018 if not previously exercised.

Funds raised from the exercise of the options are intended to be used for working capital.

Approval of the issuance of options to Mr. Larsen will require that it be passed by a majority of the votes cast by disinterested shareholders thereon in person and by proxy, and excludes votes cast by shareholders and their associates and affiliates benefiting from the Plan including from management and directors of the Company. A total of 15,340,559 shares held by directors and executive officers of the Company will be excluded.

Directors' Recommendation

The Directors (save for Mr. Larsen) recommend that Shareholders vote in favour of Resolution 7 to issue 1,000,000 options to Mr. Larsen.

NOTE : The following resolution is required under the TSX listing rules. The shareholders have previously approved the Share Incentive Plan on 26 November 2013 for the purposes of ASX Listing Rule 7.2 Exception 9.

Resolution 8 – Approval of the Share Incentive Plan

It is a requirement of the TSX that the Company's incentive plan be approved by shareholders at this Meeting..

Approval of the Share Incentive Plan will require that it be passed by a majority of the votes cast by disinterested shareholders thereon in person and by proxy, and excludes votes from management and directors of the Company. A total of 15,340,559 shares held by directors and executive officers of the Company will be excluded. Further details of the share incentive plan are set out in the accompanying Management Information Circular dated July 22, 2014.

Directors' Recommendation

As each of the directors has a personal interest in Resolution 8, it is not appropriate for them to make any recommendation as to how Shareholders should vote on this resolution

