

Champion Iron Mines Limited
Champion Enters into Arrangement Agreement with Mamba Conference Call
December 9, 2013

Operator: Good day, ladies and gentlemen, and welcome to the Champion Enters into Arrangement Agreement with Mamba Conference Call. As a reminder, today's conference is being recorded.

I would like to turn the conference over to Mr. Tom Larsen. Please go ahead.

Tom Larsen: Great. Hello, everyone. Thank you for joining the call. The main purpose in organizing this conference call is to introduce you to Mr. Michael O'Keeffe, the former Managing Director of Glencore's Australasia Bulk Commodity business, and the recent Executive Chairman of Riversdale Coal that was sold to Rio Tinto in 2011 for over AUD 4.4 billion. He is the current Executive Chairman of Mamba Minerals that has entered into a definitive business plan of arrangement with Champion Iron Mines Limited.

Advising Champion on this transaction is Ocean Equities, represented by Will Slack from London, England, who's currently on the call. Will will be available during question period to answer any questions pertaining to the valuation metrics of the combined company Plan of Arrangement, resulting in a newly listed company called Champion Iron Limited, listed both on the Australian stock exchange and the Toronto stock exchange.

I will now quickly take you through the Plan of Arrangement between Mamba Minerals and Champion Iron Mines to illustrate the true benefits of such a merger, which would result in a world-class finance and mine-building team, complementing some of the best iron ore assets in the Southern Labrador Trough. Together, along with our neighboring iron ore developers, we should collectively be able to unlock the true and inherent value of the Southern Labrador Trough, illustrating the support—the financial strength to move forward with a multi-user rail, government-sponsored, complementing the \$225 million multi-user port being built presently in Pointe Noire.

Transaction Summary: Mamba, together with the wholly owned Canadian subsidiary of Mamba, will acquire by way of Plan of Arrangement 100% of the outstanding securities of Champion. Offer values Champion at approximately CAD 59.8 million on a fully diluted in-the-money basis as of December 5th, 2013. Pro-forma ownership on that FDITM basis of 40.9% Mamba, and 50.5% Champion. Remembering—remaining 8.6% pro-forma FDITM ownership in the new company will be comprised of shares issued in the concurrent financing, which assumes gross proceeds of AUD 10 million and an issue price of AUD 0.50.

The—basically on the—the closing of the arrangement would be subject to regulatory approval—approvals, and is expected in April 2014. Mamba will continue to be listed on the ASX, and it is a condition of closing that Mamba will apply for- and be listed on the TSX. The new company will then be named Champion Iron Limited. Champion shareholders will be entitled to receive 11 ordinary shares of Mamba in exchange for every 15 common shares of Champion. Champion shareholders who are Canadian residents will have the option to receive all or a part of their consideration in the form of exchangeable shares of CanCo (ph) to defer recognition of capital gains. Each exchangeable share will be exchangeable at no additional consideration into one Mamba share.

Right now, we're looking at a 42% premium over Champion's December 5th, 2013 closing price of \$0.275 and a 72% premium calculated on the 20-day volume-weighted average price of the WAP (ph) of each respective company. Subject to requisite shareholder approvals, Mamba will convert the existing 32 million Mamba performance shares into ordinary shares at a rate of 1 for 10, 3.2 million shares. Mamba will undertake an equity financing of at least AUD 10 million to be completed immediately after the effective date of the arrangement, at a price of no less than AUD 0.50 per share. This strengthens the combined companies' balance sheet and provides financial flexibility with its development plans. Obviously, customary non-solicitation covenant subject to normal fiduciary outs right to match. There's a termination breakup fee of CAD 1 million, payable by either party under certain situations. Unanimous support for the transaction and lockup agreements from the Board of Directors and officers of Mamba and Champion in place.

Champion security holder vote approval of at least 66.66 of shares cast plus 66.66 of shares and options cast, voting together and free a majority of the minority. Conditions are that Mamba shareholder vote approval of at least 75% of shareholder votes cast, as well as at least 50% of the number of shareholders voting. Customary—again, customary regulatory exchange and court approvals.

Building this next major iron ore mine in the Labrador Trough is obviously the objective for the Company, for Champion. Our strengthened Management and Board enhances the Company's ability to bring in international institutional and strategic investors, as well as the project capital. Strength in balance sheet with over AUD 26 million in cash expedites the development of the economically robust Consolidated Fire Lake North project. We—obviously we have a huge land position in the trough, 860-plus kilometers, square kilometers. Enhanced capital markets profile with an international institutional investor base with this combination.

My feeling is that this merger represents an excellent opportunity for Champion shareholders to realize immediate and substantial value by exchanging their Champion shares for Mamba, and yet retain the opportunity to participate in the development of the Consolidated Fire Lake North project.

Mr. O'Keeffe and his team at Mamba have an outstanding track record in developing and financing bulk commodity infrastructure projects, and I'm excited at the opportunity to work with Mr. O'Keeffe to deliver the significant value and potential that we confirmed in the Consolidated Fire Lake North project.

As for Mr. O'Keeffe, and he will obviously speak for himself, the quote though we have is that the Labrador Trough represents one of the world's leading iron ore regions, and I'm looking forward to building on the success of Mr. Larson and his team at Champion, who have taken the Consolidated Fire Lake North project through the pre-feasibility. Our immediate focus will be on upgrading the 2013 pre-feasibility study to a bankable feasibility study, which is expected to be completed within twelve months. At the same time, we will be positioning the merge group to be able to access or develop the infrastructure required to fund and put this project into production. And there's a real opportunity here to join the ranks of Canada's existing iron ore producers.

The rationale behind this transaction from the standpoint firstly of the Mamba shareholder. Upside from the Consolidated Fire Lake North project: provides Mamba shareholders an interest in the large-scale and economically robust Consolidated Fire Lake North project. Expands Mamba's interests in the Labrador Trough. Significant upside: the 12 iron ore brownfield projects covering 755 square kilometers in the Fairmont district strengthening balance sheet, arrangement, and concurrent equity raise will strengthen that balance sheet. Enhanced capital markets profile. Mamba shareholders to benefit from Champion's significant research coverage. Greater share liquidity in North American institutional and, more so these days, retail-investor base.

Benefits to Champion shareholders: again, a strengthened balance sheet. Immediate and significant offer premiums. Offer premium to Champion shareholders of 72% based on Mamba and Champion's 20-day view op. Addition of key mining executives and directors with a proven track record. Addition of Michael O'Keeffe as Executive Chairman significantly enhances the ability to bring in international institutional and strategic investors, as well as the capital required to advance the Consolidated Fire Lake North project through to commercial production. Exploration, again, on the Snelgrove Lake project, highly prospective iron ore project, located on the Labrador Trough with excellent access to infrastructure and the potential for hematite and multi-billion ton magnetite deposit. Broadens investor base. Provides the combined

company access to a larger base of institutional and retail investors in North America, Britain, Australia, and Asia.

A little background on Michael O'Keeffe, who is the present Chairman—Executive Chairman of Mamba. Michael was Executive Chairman of Riversdale Mining Limited from 2004 to 2011. He led the development of Riversdale from a junior with a market cap of AUD 7 million until it was acquired by Rio Tinto for AUD 4 billion in 2011. During his period at Riversdale, Mr. O'Keeffe raised approximately AUD 780 million for Riversdale. Also, the managing partner of Glencore Australia Limited from 1995 to 2004, responsible for Glencore's Australian acquisitions, of which a large component was vended into Xstrata at the time of the LSE listing. Increased Glencore's market share in Southeast Asia and Southeast Asia, growing the turnover from \$100 million to \$2.4 billion. Held a series of senior operating positions at Mount Isa mines from '75 to '94, rising to the executive management level in commercial activities.

Then we have myself, and I think everyone's familiar with me. Our team: Paul Ankcorn; Alexander Horvath, our Non-Executive Director along with Paul.

The— Niall F. Lenahan from the Mamba group, who would be new to our Company, the Finance Director and Company Secretary of Mamba, Non-Executive Director for Discovery Metals Limited. Mr. Lenahan has served as a Director and CFO in both ASX- listed and medium-sized organizations involved in mineral resources, construction-engineering, and shipping transport industries both in Australia and overseas. The following are companies that Mr. Lenahan has previously successfully held executive positions at: Riversdale, 2006 to 2011, CFO and Company Secretary; Kingsgate Consolidated Limited, 2003 to 2005, CFO; Orion Gold Gold Fields, 1992 to 2002, CFO and Company Secretary.

Richard Melville Wright, Non-Executive Director, currently a Non-Executive Director of Mamba, engineer with significant expertise in the development and delivery of multi-billion dollar resource projects. Many companies have achieved significant results under his stewardship. Some of those companies include Hancock Prospecting, Project Director for Roy Hill, 2008 to 2011; Decmil Group Limited, 2004-2008, previously Palladio; Founding Executive Chairman and Managing Director, Adrail, 2001-2004; Executive Chairman Fluor Corporation, 1990 to '99; CEO of Fluor Daniel PTY Limited Australia.

We then have Don Sheldon, current Director of Champion, and Mr. James Wang, who is the representative for Baotou Chen Hua Investments Limited; Mr. Maw, a strategy investor of Champion's currently.

We have a strong capitalization sheet, which I'll have—will go through at a later date, any questions on that. And then just finally, just once again recapping the, you know, to start where we're sitting with our large-scale feasibility stage project with robust economics, or should I say pre-fease, because of lack of rail at feasibility level. But again, just reminding everyone that we are located in the most established iron ore district in the Labrador Trough, and we are contiguous to ArcelorMittal's operating Fire Lake Mine, located 60 kilometers south of Cliffs Natural Resources Bloom Lake. Fifty-two million tons of concentration—concentrated production capacity in the region annually. Excellent access to infrastructure. Large tonnage. High-quality hematite. Production of high-quality 66% center.

Significant upside to expanded feasibility study, management development plan. I mean, we're very familiar with where Champion sits at its project level. I don't think there's too many complaints from that standpoint. When we're—we would like to take a quick look into the Snelgrove Lake project. It's a hematite multi-billion ton iron ore resource project potential, formerly owned by Altius. It's an earn-in onto the—with Altius at least. They also have excellent access to infrastructure. It's more up in to the Schefferville, the, you know, high-hematite caps with, you know, large taconite deposits that are very you know similar to that—those of the new Millenniums and the Labrador iron mines and the Centuries.

However, the advantages that we see up there, the low cost for cent-per-kilowatt hour of hydropower available from the Menihok Hydropower. A station located 45 kilometers from the project. The exploration was conducted by Altius, who are very capable, between 2009 and 2011, and defined coexisting geophysical anomalies 33 kilometers strike length, 170 meter width that were later successfully drilled. It is a fairly new project, but it has, I believe, big dig potential for creating something—centralizing, you know, projects up in that region. Obviously, at this stage the focus will stay solely on the, you know, on the Consolidated Fire Lake North, but Snelgrove could prove to be very interesting over time.

Basically, that is the update that I have. We can talk about the—obviously, the reason we're mainly here on the phone today is, I think we would like to hear from Mr. O'Keeffe as to being an Australian, why the Labrador Trough when the Pilbara has always seemed to be the, you know, has always caught everyone's attention. So, at this stage, I'd like to bring Michael in, introduce Michael, and we can get his views on the potential opportunity. Thank you, Michael.

Michael O'Keeffe: Well, thanks, Tom, for the opportunity to speak to your shareholders and I (inaudible) I've now got him on the phone from Captain Investment Partners, and Gavin has been a strong supporter of the Labrador Trough and he initially introduced me to that area. Also, I don't have to sing the

praises of the quality of Champion's (inaudible) and benefits. I think all the shareholders wouldn't be there if they didn't understand them and knew there would be a really good upside, and that's being confirmed by my team as well (inaudible) dividends and looking at this originally. Interesting (inaudible) for leaving why the Labrador Trough. I've been interested in iron ore for some time. Most of my background has been in metallurgic and coal. They are the two components you require for steel-making, obviously. Xstrata has been dominating the steel-milling trade, and—or dominated, and we have looked at numerous opportunities in Australia and a bit about the China (inaudible). But every time we've looked at some of these (inaudible), except in the Midwest iron ore opportunities in (inaudible), they seemed too difficult and I've been proven right about it. And unfortunately, for the time being, they will also be proven wrong.

And so, it's been a lesson on how you should be investing in attractive hematite resources, but also in areas where you didn't have the infrastructure and you do not have good government support, access to power, and (inaudible) obviously. But (inaudible) all of the Company (inaudible) this big line going from the distribution of the product from the port all the way to China. And to me, I couldn't understand, you know, what the logic was behind that and how it could possibly compete with the Pilbara iron ore, who is dominated by BHP and (inaudible). And it became obvious to me, after looking at the Labrador Trough, one is I knew that China had been burned. They didn't want the alternative to BHP (inaudible). But when I started looking at the area of the Labrador Trough, it became apparent that the quality is—in the product that they're working on for these (inaudible) and that a lot of the Chinese mills have changed their product mix, and they have a sophisticated mix that really enjoys the blend from the Labrador Trough. And fine (inaudible) and it's really—fits nicely with their current mix.

The other—the other issue for me when I went there and started looking around, I visited the ports, talked to the (inaudible) people. We went and saw ISC. We talked to the power distributors, and every man we saw up there had something to do with infrastructure because coming out of Mozambique, it was a nightmare for us having to develop around port. The fantastic opportunity here lies with the infrastructure and the quality of the coal that's (inaudible) being iron ore out of the ground if you don't have that quality., number one, and the resource of the (inaudible). So that's a given. Mine access, port access, power, all the things that I need to understand. And it was very nice to go over and hear the governments in Canada there. They started talking to me about, "We're developing infrastructure to support the mining industry." I mean, to hear a government person say that in Australia, I think you'd have a heart attack, but it was refreshing to hear.

Whether it's—and it's the bureaucrats that we spoke to, so they're not looking for votes and they're wanting to ensure that they carry

out the mission of the government. But we're getting power up in that area for two-and-a-half cents, three, four cents per kilowatt-hour, compared to the (inaudible) of twenty cents. So that we're only giving (inaudible) competitiveness of this call, and that is the FOB (ph) costs. So in the Champion's pre-feed, we're talking about \$0.44, \$44.00 per ton delivered to the port. Now, that's (inaudible) if you can do that, you are competitive, and yes, you can talk about China. But there are other areas as well to go to, and (inaudible) Europe, and New York City, USA. There's, for me, the important thing is that you can reach China, and you can be very competitive with that. We have good relationships in India, and that's another (inaudible).

So given all of that, we started to look at some of the (inaudible) that Snelgrove is quite a way off from production, being developed. I'm somewhat impatient with growth and (inaudible) issues I could see got clearly here, was the opportunity for consolidation. They rarely want small companies listed on the TSX. So when we were flying up the (inaudible) I asked the advisor to give me every company and I went through and looked at them all to see where the opportunities lie. We have spoken to other parties as well, but for me, Champion was the standout and that was getting down, I suppose, where the COMPANY is, that they would entertain discussions with us. The—just for them to get some action. The other thing is, aside the (inaudible) location and the quality. So for me, it was the one on the list, and fortunately for us, Tom asked me to call him back in the discussions, and through those discussions, Tom was gaining confidence in myself and many other people that we can actually deliver on this project.

Tom has done a great job to get Champion to where it is, starting in 2006, and to bring it to the state it's in now, where (inaudible) impetus. We don't have to take (inaudible) to get to there, and obviously, he's had detractors and there's also been a few (inaudible) on the, in the (inaudible). But he's managed to get through all that and hopefully we can share together the success of bringing Champion on.

So that's my political speech. If anyone would like to ask questions, I'm happy to answer any questions about my personal background, or how I see this going forward.

Tom Larsen: Great, thanks, Michael. So, I think we could open now—just open up the discussion for—from the standpoint of questions from anyone.

Operator: Thank you. If you would like to ask a question, please signal by pressing star, one on your telephone keypad. If you're using a speakerphone, please make sure that your mute function is turned off to allow your signal to reach our equipment. Again, please press star, one to ask a

question. We'll pause for just a moment to allow everyone an opportunity to signal for questions.

The first question is from Adam Low from Raymond James. Please go ahead.

Adam Low: Hi there, Tom, Michael.

Tom Larsen: Hi, Adam.

Michael O'Keefe: Hello, Adam.

Adam Low: My first question is with regards to the TSX listing of the newly merged Company. What's the expected timing on that? Is it concurrent with the closing of the transaction in April?

Tom Larsen: Yes, I mean, I think there's—there could be one day lapse, but it should—they both will—it will be concurrent within 24 hours of trading from ASX onto TSX. So, you—there's probably a twelve—there could be a one-day lapse.

Adam Low: Okay, all right. And the one thing I'm curious about is, has been mentioned here with the Snelgrove Lake, that it could potentially access hydropower from Menihek. Just wanting—I mean, is Menihek adequate to provide enough power? I think it's a pretty small station, and it has some seasonal limitations in that the town of Schefferville requires quite a bit of the power during much of the season. Just wondered if you could comment on that.

Michael O'Keefe: Adam, I—maybe I could comment on that. What we have done, with Tom discussed originally before the merge of the Company. He asked that we push the Snelgrove project back, and focus on Fire Lake because it was that much closer to production. What Tom also said, we're going to have a certain amount of capital growth, and while we can make claim and bring Snelgrove along at a much slower rate, we'd like to focus on this, so the issues of Snelgrove now have—or will take second place to Fire Lake, and so the issues on power will not—will be—have more time to be resolved.

Adam Low: Okay. And with the—what's going to be the view of the new Company as you're going forward with regards to taking on partners to try and get Fire Lake North developed? It is a larger project, and most of the players within the Labrador Trough have brought in outside joint-venture interests from major steel companies. Is that something that you guys would contemplate here with Fire Lake North?

Tom Larsen: Michael, go ahead.

Michael O'Keefe: Well, Tom can discuss this, but when I looked at the size of the project, we're talking probably up to \$1.5 billion of capital cost for a project circa about ten million tons per annum. We require a joint-venture partner. The fortunate thing for me is that I have very good relationships with the Indian and Chinese. Through Mozambique we've had (inaudible) who were coming in with (inaudible) construction to build and develop all the barges (ph) for us. They had been on the (inaudible) property and unfortunately, we had to take (inaudible) out of the plant and toss the whole one out.

We also had Archers, our joint-venture partner, and also ArcelorMittal. We're a shareholder in that company, and I have very good relationships with all those people, so we will be discussing those opportunities, and it's quite obvious that Arcelor will be strategically advantageous to us, and (inaudible) port. However, you know, they may not wish to participate, and there are other opportunities. Tom has also started that process and, Tom, maybe you can comment on your strategic partnering company currently.

Tom Larsen: Well, just that the—we brought in, in the summertime, Baotou, and Mr. Maw, who is very involved in the rare-earth side of things with Bao Gong—the Bao Gong Iron Company. And yes, he's a large shareholder, and yes, he came in at an attractive price, but he has very, very close contacts, having built the largest rare-earth mine in the world. He is a very, very successful builder, lives part-time in West Vancouver, the other part up in Baotou Province. I was fortunate to spend four days with him before going down—heading down to Australia, just to get his, you know, to get his backing on this proposal, which I have.

But he will be meeting with Michael and myself in Vancouver. He's already—has already MOUs that he's working on right now, because he knows that things have to speed up. You know, we can't sit around for another six, eight months, you know, waiting for the government, you know, excuses. We have to move, and he understands that.

Adam Low: Okay. And last question for me, where's the—most of the offices and key executive positions for the new Company going to reside? Will it be here in Canada or in Australia?

Tom Larsen: Well, like I think—I think at this stage it'll be in Canada.

Michael O'Keefe: And it will be going forward.

Adam Low: All right. Thank you very much.

Michael O'Keefe: (Inaudible) to my wife and (inaudible) but she doesn't (inaudible) move to Canada.

Tom Larsen: Not yet.

Michael O'Keefe: You know, sometime in the—

Tom Larsen: Thirty years. Okay, thanks, Adam.

Michael O'Keefe: Thank you very much, Adam.

Operator: Thank you. Again, ladies and gentlemen, if you have a question, please press star, one at this time. And the next question is from Mike Giordano from Stone Asset. Please go ahead.

Michael Giordano: Good afternoon, guys. Just a quick question on the financing. That 10 million financing, is that one of the conditions on closing? Like, what if we don't raise 10 million? Is—

Tom Larsen: Well, right now, Mike, it is a condition. It's a condition before, yeah, before we move forward, that financing has to be in place and has to be sort of, you know, agreed to with Champion—with the Champion Board, acceptable to the Champion Board, those subscribers. Yes, that's part of the—part of the (cross talking).

Michael Giordano: So what are the state of the junior equity markets on the resource side in Australia? Are you confident you'll get that done?

Michael O'Keefe: Well, you—

Tom Larsen: Michael, go ahead.

Michael O'Keefe: No, it's quite strong, its grassroots coming through. A lot of the, Mike, a lot of the support that I've had in the past in Australia and London, and also in the U.S. So for us, it's a fairly quick sample and, you know, I have a lot (inaudible) to put that money in on the basis that they have an opportunity to participate in bigger equity raises going forward. And that's one of the attractive things for investors. I've sung heavily the praise of this project, and I am very confident in us bringing it on, and (inaudible) so I have done that in the past, and the people that follow me are quite happy to invest.

Michael Giordano: Right. Okay. Thank you.

Operator: Thank you. Ladies and gentlemen, as a reminder: if you have a question, please press star, one at this time. There are no further questions at this time. Please continue.

Tom Larsen: Okay, if there are no more questions--well, I don't know. Do you want to go over the—

Michael O'Keefe: That's a wrap, Tom.

Tom Larsen: Pardon?

Michael O'Keefe: I think that's a wrap, isn't it, where we—

Tom Larsen: I think it is, yes. Okay. Well, okay, I think then we'll wrap this up. I just want to thank everyone for listening to us, and it was my privilege introducing Michael O'Keefe to the system. So, thank you very much.

Michael O'Keefe: Thank you, all.

Operator: Ladies and gentlemen, this concludes the conference call for today. We thank you for your participation. You may now disconnect your lines, and have a great day.