

**BUILDING THE NEXT  
MAJOR IRON ORE MINE  
IN THE LABRADOR TROUGH**



# Forward Looking Statements

Certain information contained herein regarding Champion Iron Limited and its wholly owned subsidiary, Champion Iron Mines Limited, including management's assessment of future plans and operations, may constitute forward looking statements under applicable securities law and necessarily involve risks including, but not limited to, risks associated with mining exploration, operating costs, production costs, volatility of share prices, currency fluctuations, imprecision of resource and reserve estimates, environmental risks and ability to access sufficient capital from internal and external sources.

As a consequence, actual results may differ materially from those anticipated in any forward looking statements. Plans, intentions or expectations disclosed in any forward looking statements or information should not be read as guarantees of future results or events, and will not necessarily be accurate indications of whether or when or by which such results or events will be achieved.

Except as required by law, Champion Iron Mines Limited, expressly disclaims any intention and undertakes no obligation to update any forward looking statements or information as conditions change.

The historical mineral resources mentioned are strictly historical in nature and are non-compliant to National Instrument 43-101 ("NI 43-101") mineral resources and mineral reserves standards, and should therefore not be relied upon. A qualified person has not done sufficient work to upgrade or classify the historical mineral resources as current NI 43-101 compliant.

The technical information in this presentation was reviewed and approved by Mr. Bruce Mitton, P.Geo., Vice-President, Exploration, and Mr. David Cataford, Eng., Vice-President, Engineering, for Champion Iron Mines Limited who are Qualified Persons under NI 43-101.

The Company (or Champion) reported a JORC Resource & Reserve Statement on 27 October 2014. The Company is not aware of any new information or data that materially affects the information included in the JORC report and confirms that all material assumptions and technical parameters underpinning the estimates in the JORC Resource & Reserve statement continue to apply and have not materially changed.

# Champion Iron (ASX: CIA, TSX: CIA)

An iron ore exploration and development company with properties located in the heart of Canada's premier iron ore mining district, the Labrador Trough

<p><b>Shares on Issue</b></p>	<ul style="list-style-type: none"> <li>○ 196.6 million (Includes the future conversion of 1.8 million exchangeable shares).</li> </ul>
<p><b>Total Assets</b></p>	<ul style="list-style-type: none"> <li>○ C\$121.3m (as at 30 June 2014)</li> </ul>
<p><b>Major Project</b></p>	<ul style="list-style-type: none"> <li>○ Located in the Labrador Trough, Champion's Consolidated Fire Lake North is situated in eastern Québec immediately north of ArcelorMittal's Fire Lake Mine, and 60 km south of Cliffs Natural Resources' Bloom Lake Mine.</li> <li>○ A total resource of 3.4 billion tonnes of which 1.2 billion tonnes (total in-pit) outlined in the Fire Lake North East Pit and West Pit are currently in Feasibility Study</li> </ul>
<p><b>Focus: 2015</b></p>	<p><b>Final project feasibility study to be delivered in 4Q 2105 in coordination with the completion of the government sponsored railway feasibility study for the Labrador Trough</b></p>
	<p><i>Immediate term focus of the company is to progress the full project feasibility study, in coordination with the progressing of the government's railway feasibility study , and to move towards delivering this for shareholders by the end of the year.</i></p>
	<p><i>Operationally, during this period the company will continue to further qualify the quality and scope of its major project in tandem with the commencement of initial product marketing.</i></p>

# Achieving major milestones

**Significant progress towards the delivery of the full Feasibility Study**

<b>August 2012</b>	Metallurgical test indicate coarse liberation size of 850 $\mu$ to produce marketable sinter feed concentrate
<b>November 2012</b>	Environmental base study states that the project will not impact water quality
<b>February 2013</b>	Preliminary Feasibility Study on Consolidated Fire Lake North complete
<b>June 2014</b>	Government of Québec announces contribution of C\$20 million to study optimum Labrador Trough rail option
<b>October 2014</b>	Champion becomes founding partner of SFNQ to advance the Labrador Trough rail feasibility study
<b>November 2014</b>	SFNQ executes contract with Canarail to complete Phase One of railway feasibility study
<b>December 2014</b>	<b>Positioning to build the next major iron ore mine in the Labrador Trough</b>

# Positioned for Success

## Fire Lake North Project based on Preliminary Feasibility Study, February 2013

<b>Product</b>	<ul style="list-style-type: none"> <li>○ 66% Fe Premier product with low levels of deleterious elements (i.e. alumina and phosphorus) aimed at the sinter market</li> </ul>
<b>Reserve</b>	<ul style="list-style-type: none"> <li>○ 465Mt of Proven and Probable reserves within greater than 1.2 billion tonnes of global in-pit resources</li> </ul>
<b>Size</b>	<ul style="list-style-type: none"> <li>○ Average production forecast at 9.3Mtpa of iron ore concentrate at 66% Fe over LOM of 19.6 years</li> </ul>
<b>NPV</b>	<ul style="list-style-type: none"> <li>○ NPV 8% of C\$3.3b based on C\$44.05/t opex (US\$110/t - \$115/t 62% Fe CFR China)</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>○ Successful track record of developing and funding large tonnage mining and infrastructure projects</li> </ul>
<b>Rail</b>	<ul style="list-style-type: none"> <li>○ Champion is a founding partner of <i>Société ferroviaire du Nord québécois</i> (SFNQ), a limited partnership between Government of Québec and industry, to execute Phase One of feasibility study for rail line connecting the Port of Sept-Îles with the mining region of Fire Lake North</li> <li>○ QNS&amp;L common carrier rail is an alternative transport solution</li> </ul>
<b>Port</b>	<ul style="list-style-type: none"> <li>○ Access to common user port with available capacity at Pointe-Noire (two shiploaders with capacity of 8,000 tonnes per hour load rate)</li> </ul>
<b>Power</b>	<ul style="list-style-type: none"> <li>○ Low-cost hydroelectricity: \$0.045/kwh</li> </ul>

# An Industry and Market-proven Executive Chairman



## Michael O'Keeffe

Michael is the Executive Chairman & CEO of Champion Iron Limited, and Executive Chairman of Riversdale Resources (which recently acquired “Grassy Mountain,” a Canadian coal asset from Consol Energy and Devon). Michael is a metallurgist and has significant experience and achievement in growing mining resources companies. Some companies previously under Michael’s stewardship:

- **Riversdale Mining Limited (2004-2011), Executive Chairman.** Led the development of Riversdale Mining from a junior with a market cap of A\$7 million until it was acquired by Rio Tinto for A\$4 billion. During his period at Riversdale Mining, Michael raised around A\$780 million for the company.
- **Glencore Australia (Pty) Limited (1995-2004), Managing Director.** Responsible for Glencore’s Australian trading acquisitions. Increased Glencore’s market share in Australia and SE Asia, growing the turnover from US\$100 million to US\$2.4 billion.
- **Mt Isa Mines (1975-1994).** At Mt Isa, Michael held a series of senior operating positions, rising to Executive Management level in commercial activities. His achievement among others was undertaking feasibility studies into downstream copper smelting and refining opportunities in Europe, Asia, North and South America.

# Board with Strong Governance and Industry Experience

## Successful track record in developing and funding of large tonnage mining and infrastructure projects

### **Andrew Love, FCA | Non-Executive Director**

- Deputy Chairman of Riversdale Mining Ltd.
- 30 years of experience in finance with banking and corporate recovery
- Established Ferrier Hodgson in Hong Kong (1985)

### **Gary Lawler, LLB, LLM | Non-Executive Director**

- Partner of Ashurst Australia, a leading Australian law firm
- Previously a director with both Dominion Mining Ltd. and Riversdale Mining Ltd.
- Recognized as a leading lawyer in Corporate/M&A by Chambers Global 2011; and M&A and Corporate/Governance by Best Lawyers Australia, 2011

### **Paul Ankorn, CA | Non-Executive Director**

- Former President and Director of Cartier Iron Ore Corporation from 2012 to 2013
- Chief Financial Officer of Tartisan Resources Corp. and Shield Gold Inc. since 2008
- President of Remington Resources Inc. from 2005 to 2010
- Director of ACME Resources Corp., Shield Gold Inc., Tartisan Resources Corp., and Fancamp Exploration Ltd.

# Experienced Management Team

## Mine Development & Operating Experience

### **Alexander Horvath**, P.Eng. | Chief Operating Officer

- Over 32 years of experience in mineral exploration and mining, including senior operational roles at Asarco Inc. and its associated international subsidiaries in Canada, Portugal and French Guyana
- Experience managing base and precious metals exploration, mineral resource estimates, feasibility studies, reserve audits and acquisition due diligence reviews

### **David Cataford**, Eng. | Champion Iron Mines – Vice President, Engineering

- Held several management positions at Cliffs Natural Resources Inc., including senior roles at their major iron ore mine: Bloom Lake in Québec; part of the management team that increased mining capacity by 80 percent
- Instrumental in delivering the completion of phase-one ramp-up of Bloom Lake Plant
- Experience in ore characterization projects at Bloom Lake and ArcelorMittal's Mont Wright, and in adapting the recovery circuit to meet new customer's demands

### **Barry Knight**, MAusIMM | Technical Director

- Over 25 years of experience as qualified geologist working with Robe River and Fortescue Metals
- Expansive experience in iron ore from early phase exploration, resource estimates and resource strategy, product development and testing, and technical marketing to end-users in Asia

### **Beat Frei** | Champion Iron Mines – Director, Finance

- Over 20 years of experience in senior management positions at Credit Suisse/CSFB, UBS AG, Klöckner & Co. (leading steel distribution company) and OOO Enisey
- Significant experience in steel and metal plants upgrade in the Middle East and CIS countries, as well as in global steel trading

### **Bruce Mitton** | Champion Iron Mines – Vice President, Exploration

- Over 25 years of mineral exploration experience
- Spent 10 years at Noranda Inc. (now part of Glencore Xstrata Plc) and 15 years as geological consultant to several mining and junior mineral exploration companies in Eastern Canada and Ecuador



# The Executive Chairman's Six Months Statement



## Reduced Costs

Brought monthly cash burn down to almost 50 percent



## Culture

Transitioned from exploration to development stage



## Product

Completed initial testing and development work



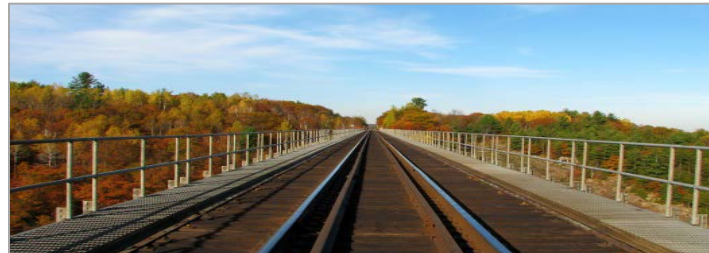
## Market Analysis

Identified strong demand for high Fe and low silica product



## Technical

Performed due diligence on project – no technical fatal flaws



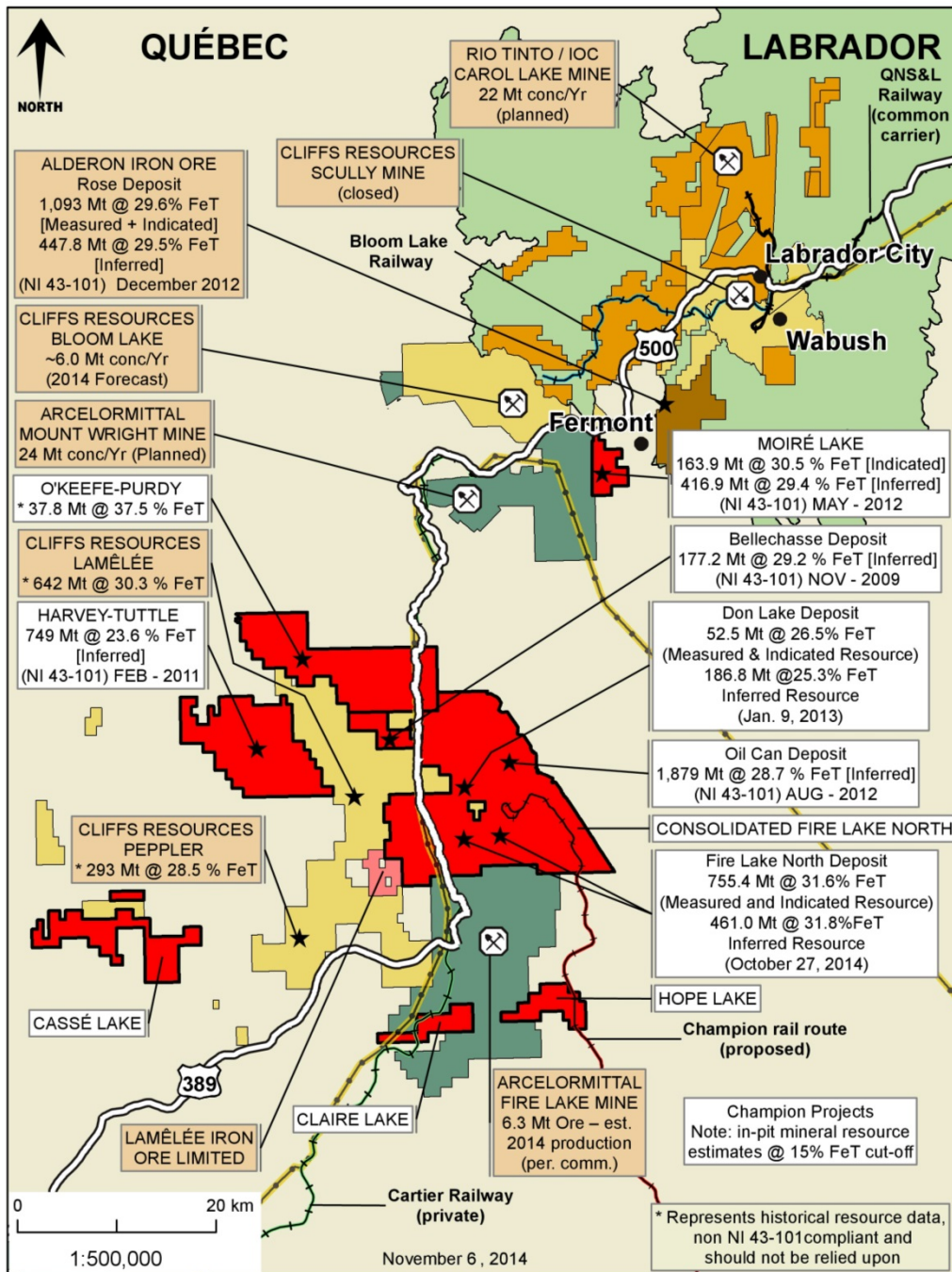
## Infrastructure: “Logistics before dirt”

Champion became a founding partner of Société ferroviaire Nord québécois (SFNQ), a government-industry partnership, to advance the Labrador Trough rail feasibility study to be delivered in Q4 2015



## Resource

Released initial JORC Resource Statement for Consolidated Fire Lake North project



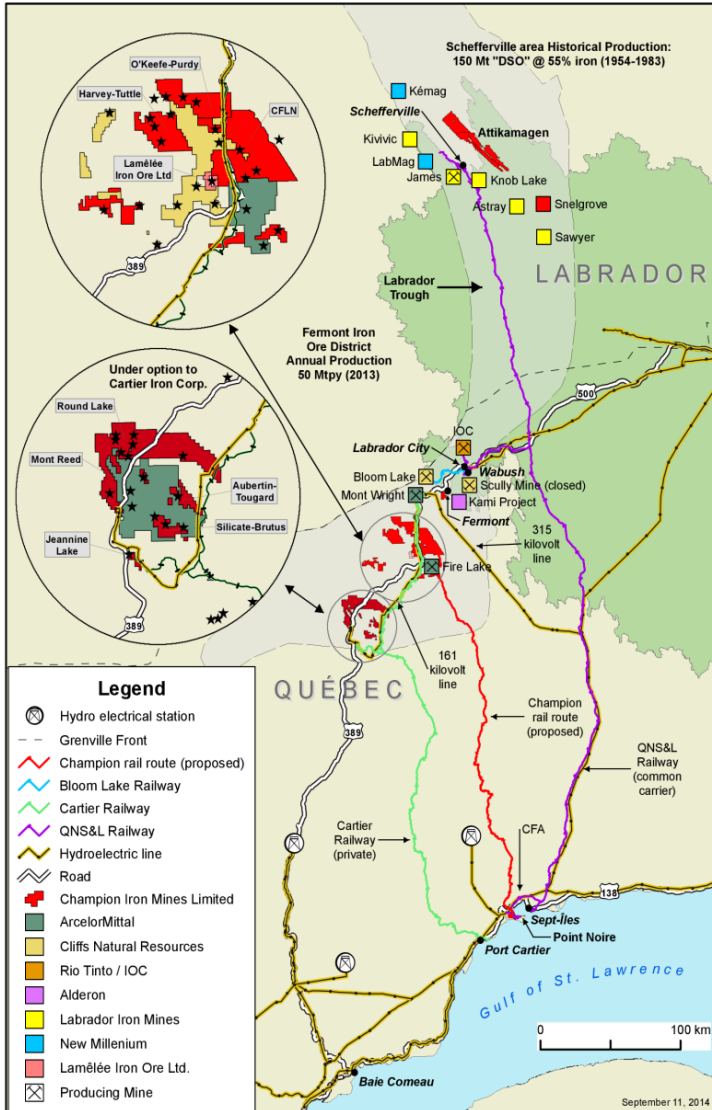
## The Labrador Trough

- Canada is the 5<sup>th</sup> largest exporter (2013)
- Labrador Trough accounts for Canada's nearly total iron ore production estimated at ~50Mt (2013)
- The Labrador Trough is known for its **high grade and low impurities** (i.e. aluminum, phosphorus and silica) iron ore product

## Champion's Québec Holdings

- Lies within the **Fermont Iron Ore District (FIOD)**, a **world-renowned iron mining camp** at the southern end of the Labrador Trough
- Southern iron ore deposits have **coarser grain size**

# Regional Infrastructure Supports Global Exports



Champion is located near existing railways, including QNS&L common carrier railway with available capacity

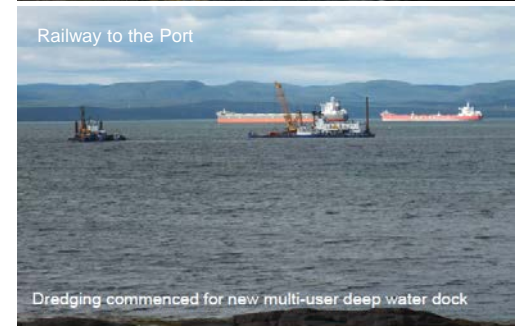
Port of Sept-  les' 50Mtpa expansion is almost complete at Pointe-Noire wharf to construct an open access multiuser deep-water dock with two ship loaders and two conveyor lines

Champion has access to low-cost hydroelectric power as low as C\$0.045/kwh, significantly reducing opex

Further expansion options are available on both rail and port



Railway to the Port



Dredging commenced for new multi-user deep water dock



Artist rendering: Potential new multi-user dock at Port of Sept-  les

## A premium product - ideal as a blending product for steel mills

### Large tonnage, high-quality hematite iron ore deposits.

- Metallurgical coarse grained hematite mineralization that is easy to liberate at 850 $\mu$
- 66% Fe premium product with low levels of alumina, phosphorous and sulphur
- 82% Fe recovery with conventional gravity spiral processing
- Alumina is 0.52% (industry standard of 2%) with circa 5% silica content
- Low alumina to silica ratio - ideal as a blending product for steel mills

**FS Targets: A low silica premium product resulting in higher Fe content of 68% Fe, and greater Fe recovery through modified flow sheet of 85% recovery**



# Multiple Ports and Ship Facilities

## Pointe-Noire: Multiuser wharf

- Phase 1: Capacity of 50Mtpa
  - Near completion, Q4 2014
  - Federal government funding 25% of the project
- Phase 2: Easily expandable to 100Mtpa

## Pointe-Noire: Cliffs

- Two berths with combined 13Mtpa capacity
- Larger ships require transshipping
- Planning and dredging to allow handling of larger ships

## Port of Sept-Îles – IOC/Rio

- Handling IOC and third party ores
- Capacity: Over 25Mtpa

## Port Cartier (Private) – ArcelorMittal

- Approximately 27Mtpa shipped
- Capacity: 30-35Mtpa



# Multiuser Labrador Trough Railway

Québec Liberal Party wins the 2014 provincial election with a **majority government (four-year term)**



Election policy supports **\$33b towards infrastructure development strategy** with key point to promote agreement of co-investment among businesses for the opening up of the Labrador Trough and to advance a rail connection linking the iron ore deposits with the Port of Sept-Îles

Government of Québec announces contribution of **\$20m towards a feasibility study to determine the optimum rail option** linking Port of Sept-Îles and the Labrador Trough



Government of Québec, Champion and Adriana Resources form **Société ferroviaire du Nord québécois (SFNQ)** to advance Labrador Trough rail feasibility

SFNQ signs service contract with **Canarail** for feasibility study of Phase One

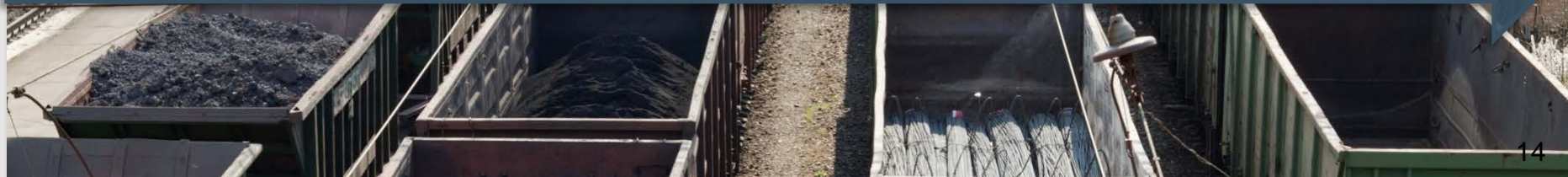


Apr '14

Jun '14

Oct '14

Nov '14



# Strong and Increasing Value Proposition

**CHAMPION: PREMIUM PRODUCT  
WITH LOW IMPURITIES  
INCREASES VALUE-IN-USE**

- The price for premium product is expected to increase
- Consumers are finding ways to increase the load of high-grade concentrate to reduce hot metal/steel cost
- Targeting world-wide producers that require premium raw materials



**The World: Declining ore body quality results in product with higher impurities**

Impurities reduce the value-in-use:

- Higher energy cost
- Transportation cost
- Slag/environmental penalties
- Amortization of blast furnace



# Iron Ore Price History



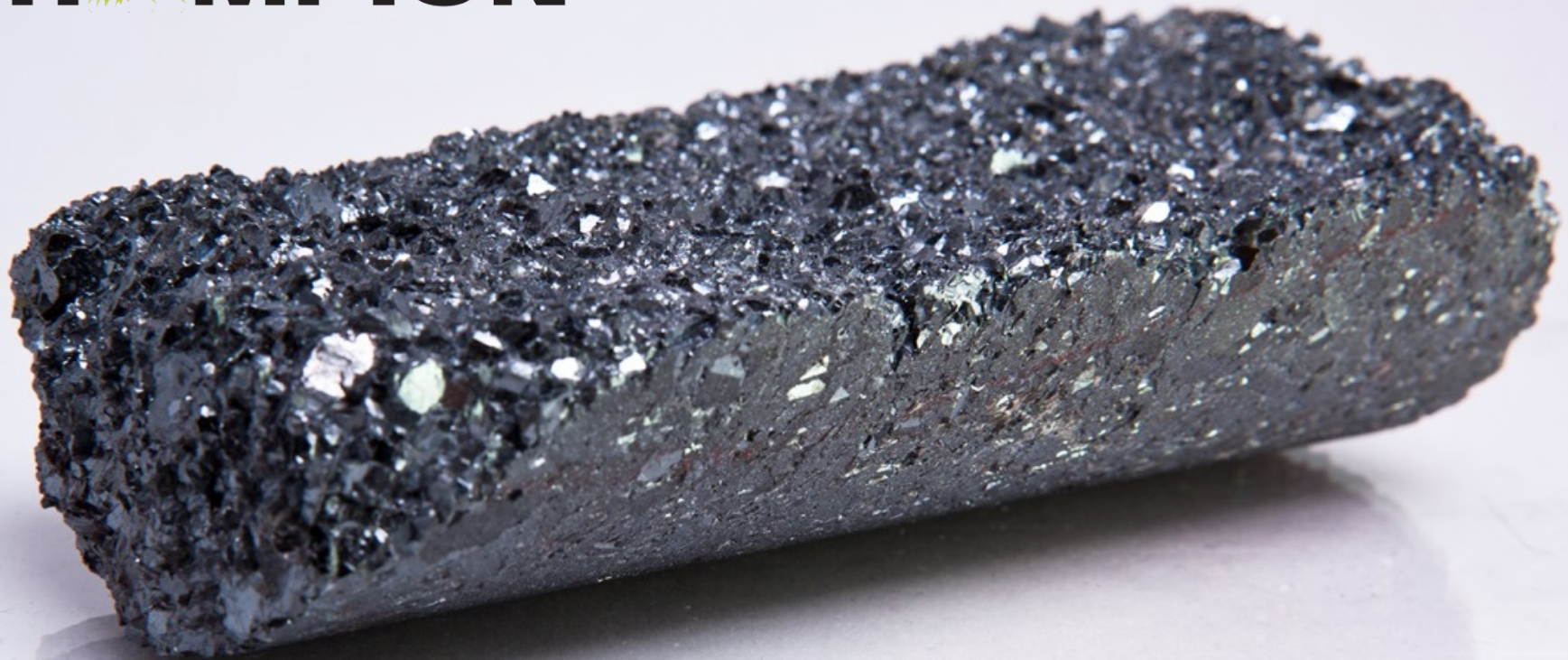
- Price gap between 58% Fe and 62% Fe is significant.
- This price differential is **forecast to widen**, as is the gap between **62% Fe** and **66% Fe**

- The demand for rich iron burden (high Fe content with low impurities) is expected to continue to support this gap

**Iron ore price:  
It's all about  
grade now...**

“A more recent development is the widening gap between different quality fines: 65% fines at Qingdao fetched \$103 while Tianjin 58% goes for \$26 a tonne less. The discount to 62% has doubled from around \$8 at the start of the year to \$16 today.” – **Mining.com (June 2014)**





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