TECHNICAL REPORT AND

MINERAL RESOURCE ESTIMATE

ON THE

MOIRE LAKE PROPERTY

FERMONT PROJECT AREA

QUÉBEC, CANADA

NTS MAP-SHEETS 23-B/14
52°46’30” North 67°08’30” West
UTM 625250 E, 5849250 N (NAD83 Zone 19)

FOR

CHAMPION MINERALS INC.

By

P&E Mining Consultants Inc.

NI 43-101 & 43-101F1
TECHNICAL REPORT No. 238

Ms. Tracy Armstrong, P.Geo.
Mr. Antoine Yassa, P.Geo.

Effective Date: March 28, 2012
Signing Date: May 11, 2012

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1.0 SUMMARY

This Report was prepared at the request of Mr. Alexander Horvath, P.Eng., Executive Vice President of Exploration for Champion Minerals Inc. ("Champion"). Champion is a Canadian based publicly held company trading on the TSX Venture Exchange ("TSX.V") under the symbol of CHM. The purpose of this report is to provide an independent, NI 43-101 compliant technical report and mineral resource estimate (the "Report") on the Moire Lake Property in the Fermont project area in the Regional Municipality ("MRC") of Caniapiscau, Québec, Canada (the "Property"). Champion‟s global Fermont Property holdings are comprised of three groups of properties, aptly named, Cluster 1, Cluster 2 and Cluster 3.

The Cluster 1 group contains one property, the Moire Lake Property, which is the subject of this Technical Report.

The Cluster 2 group is comprised of nine properties, some of which are contiguous. The nine properties in Cluster 2 are Claire Lake, Hope Lake, Fire Lake North, Oil Can, Midway, Bellechasse, O'Keefe-Purdy, Harvey-Tuttle and Cassé Lake.

The Cluster 3 group is comprised of seven properties, Aubrey-Ernie Lakes, Penguin Lake, Three Big Lakes, Black Dan, Silicate Brutus Lakes, Lac Jeannine and Aubertin-Tougard Lakes.

The Moire Lake Property is located in the Fermont iron ore district ("FIOD") of north-eastern Québec, approximately four km south-west of the city of Fermont and 250 km north of the Gulf of St. Lawrence port town of Port-Cartier. It is adjacent to the Trans-Québec Labrador Road, Provincial Route 389, which provides year round access.

On September 1, 2009, Champion announced the execution of a definitive option and joint venture agreement (the "Agreement") with Fancamp Exploration Ltd. ("Fancamp") and The Sheridan Platinum Group Ltd. ("Sheridan") in connection with 15 properties optioned pursuant to the Binding Option Agreement between Fancamp, Sheridan and Champion dated May 21, 2008. Under the terms of the final Agreement, Champion could earn an initial 65% interest in the properties at Champion‟s option by spending $6 million in staged exploration and development work on the properties, making cash payments to Fancamp and Sheridan totalling $1 million, and issuing 2.5 million shares to Fancamp and Sheridan, all over a 4-year period. Fancamp and Sheridan would retain a 3% Net Smelter Returns ("NSR") royalty, one third of which may be purchased by Champion for $3 million.

Champion announced in June 2010 the completion of its earn-in of $6 million in work expenditures, the payment of $400,000, and the issuance of 1,500,000 common shares of Champion, equally divided between Fancamp and Sheridan. Champion completed the required work commitment, aggregate cash payments of $1 million, and the share issuance of 2.9 million common shares pursuant to the Fermont Option and JV Agreement dated as of August 31, 2009, earning an undivided 65% right, title, and interest in and to all claims of the Fermont Properties covered in the Agreement. Champion signed an agreement with Sheridan in order to acquire Sheridan‟s 17.5% interest in the JV to increase its ownership to 82.5%.

Under the terms of the Agreement, Champion has issued 4,000,000 shares to Sheridan and has paid $2,000,000 in cash to Sheridan. Both Fancamp and Sheridan retain a 3% NSR royalty of which Champion has the option to purchase one-third (1%) for $3,000,000. As of the effective date of this report, Champion owns an 82.5% joint venture ("JV") interest in the Fermont Properties with Fancamp owning the remaining 17.5% interest.

Additionally, Champion has the option to earn a further 2.5% interest in any individual Fermont Property by issuing 250,000 common shares to Fancamp on a one-time basis and then incurring all necessary expenditures to completion of a positive definitive feasibility study for the respective property. In addition, there is a 10 km area of influence around each property.

Champion and Fancamp have formed a JV reflective of their proportionate ownership interests in the Fermont Properties in order to explore and develop the mineral concessions. Champion retains a right-of-first-refusal on any part or all of Fancamp‟s proportionate interest in the Fermont Properties. If Fancamp elects not to fund their proportionate interest in the JV, their interest would be diluted. When Fancamp‟s interest is reduced below a 10% remaining interest, Fancamp would be left with its half interest of the 3% NSR royalty subject to a buyback clause at Champion‟s option to reduce the NSR royalty to 2% by paying $3 million. Champion would also retain a first-right-of-refusal on the royalty.

Champion also has a right of first refusal on Fancamp‟s Lamêlée Lake Iron Property.

The Moire Lake Property comprises twenty-six (26) claims in the Regional Municipality of Caniapiscau, Québec, Canada.

As of the effective date of this Report (March 28, 2012), the claims were in good standing.

The Moire Lake Property eastern boundary is less than one kilometre southwest of the town of Fermont. The central part of the Property can be accessed by dirt road south from the all-weather Route 389 (the Trans-Québec Labrador Road), which is less than one kilometre from the northern property boundary. The Property is 8 kilometres south of existing rail transport infrastructure.

The FIOD lies within a Paleo-Proterozoic fold and thrust belt known as the Labrador Trough, which hosts some of the most extensive iron formations in the world. The Labrador Trough can be divided into three geological domains; the Southern Domain hosts the FIOD. Metamorphism of the Southern Domain was responsible for the recrystallization of primary iron formation, producing coarse-grained sugary quartz-magnetite-specular hematite schist.

Archean granitic and granodiorite gneiss and migmatite of the Ashuanipi Metamorphic Complex form the basement to most of the FIOD. Unconformably overlying the basement gneiss are the metamorphosed equivalents of the Lower Proterozoic Knob Lake Group that include the iron formations of the FIOD. The Knob Lake Group is a continental margin metasedimentary sequence, consisting of pelitic schist, iron formation, quartzite, dolomitic marble, semi-pelitic gneiss and local mafic volcanic rocks. The Knob Lake Group was deformed and subjected to metamorphism within a northwest-verging ductile fold and thrust belt during the Grenville Orogeny. As a result of folding and transposition, reversals, truncations and repeats that thicken the iron formation are common.

In the Southern Domain, the Knob Lake Group comprises six (6) formations. The Sokoman Formation, also known as the Wabush Iron Formation, is the ore-bearing unit in the Knob Lake Group and is subdivided into Lower Iron Formation ("LIF"), Middle Iron Formation ("MIF") and Upper Iron Formation ("UIF") Members.

The iron in the UIF, MIF and LIF is for the most part in its oxide form, mainly as specular hematite and specularite in its coarse-grained form and to a lesser extent, as magnetite, with some of the iron in iron silicates. The main gangue mineral in the iron deposits is quartz, which constitutes approximately 50% of the mineralization.

The area around Moire Lake is characterized by open to tight, upright and overturned folds that refold early recumbent folds. At least three phases of folding are readily evident from fold-interference patterns. Tectonic repetition and thickening of rock units is common and economically this is the most important structural factor, as it is the thickened, near-surface, synclinal hinges that are most favourable for open pit mining.

The Moire Lake iron deposit is a Lake Superior-type iron formation. Iron formations are classified as chemical sedimentary rock containing greater than 15% iron consisting of iron-rich beds usually interlayered on a centimetre scale with chert, quartz or carbonate. Ore is mainly composed of magnetite and hematite and commonly associated with mature sedimentary rocks. Extensive Lake Superior-type iron formations occur on all continents in areas of relatively stable sedimentary-tectonic systems.

The following is a summary of the mineral resource calculation prepared with respect to the Moire Lake Property. The definition of Measured, Indicated and Inferred Resources is in compliance with the latest CIM Definitions and Standards on Mineral Resources and Mineral Reserves, in effect as of the effective date of this report.

The 2012 Mineral Resource Estimate for the Moire Lake Property utilized conventional statistical analysis, variography and grade interpolation via Gemcom block modelling. Utilizing 4.0 m composites for iron (Fe), the block models, within an interpreted 3D solid domain were coded with the rock codes, bulk density, and classified into the Indicated and Inferred categories.

The Mineral Resources tabulated for the Moire Lake Property (Table 1.1 to Table 1.4) were compiled using a 15% FeT cut-off grade. Sensitivity to incremental cut-off grades and an in-pit optimized resource are also presented. An in-pit resource optimization sensitivity constrained to the Champion Property is presented in Table 1.4.

Based on the mineral resource model, the Mineral Resource Estimate for the Moire Lake deposit at a 15 % FeT cut-off is estimated as indicated below in Table 1.1.

The in-pit resource sensitivity of the Mineral Resource Estimate is presented in Table 1.2.

TABLE 1.1
MOIRE LAKE RESOURCE ESTIMATE AT 15% FeT CUT-OFF(1-3)

Domains	Indicated		Inferred	
	Million Tonnes	FeT %	Million Tonnes	FeT %
High Grade Domains @ 15% FeT Cut-Off	164.0	30.53	417.1	29.35
Low Grade Domains @ 10% FeT Cut-Off	20.9	18.42	119.7	17.68

(1) Mineral Resource estimates were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.

(2) Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The mineral resource estimate may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(3) The quantity and grade of estimated Inferred Resource reported herein are uncertain and there has been insufficient exploration to categorize them as an Indicated or Measured Resource. It is uncertain if further exploration will result in reclassification of Inferred Mineral Resources to the Indicated or Measured Mineral Resource categories.

TABLE 1.2
MOIRE LAKE IN PIT SENSITIVITY TO RESOURCE ESTIMATE[(1)]

Domains	Indicated		Inferred	
	Million Tonnes	FeT %	Million Tonnes	FeT %
High Grade Domains @ 15% FeT Cut-Off	163.9	30.53	416.9	29.35
Low Grade Domains @ 10% FeT Cut-Off	20.9	18.42	119.5	17.68

(1) The Mineral Resource Estimate sensitivity was constrained to the Champion property boundary, however, the waste portion of the pit optimization was allowed to run onto the neighbouring property. See Table 1.4 for a Mineral Resource estimate and pit optimization completely constrained on Champion's property.

The sensitivity of the In Pit Mineral Resource estimate to the FeT cut-off grade is presented in Table 1.3.

TABLE 1.3
MOIRE LAKE IN PIT RESOURCE HIGH GRADE DOMAINS FET% CUT-OFF SENSITIVITY

Cut-Off Grade	Indicated		Inferred	
FeT%	Million Tonnes	FeT %	Million Tonnes	FeT %
25%	157.2	30.85	365.5	30.33
20%	163.2	30.58	408.6	29.58
15%	163.9	30.53	416.9	29.35
10%	163.9	30.53	418.2	29.30

The sensitivity of the In Pit Mineral Resource estimate constrained to the Champion Property is presented in Table 1.4.

TABLE 1.4
MOIRE LAKE IN PIT RESOURCE OPTIMIZATION SENSITIVITY CONSTRAINED TO CHAMPION PROPERTY

Domains	Indicated		Inferred	
	Million Tonnes	FeT %	Million Tonnes	FeT %
High Grade Domains @ 15% FeT Cut-Off	128.4	30.40	305.2	29.07
Low Grade Domains @ 10% FeT Cut-Off	17.6	18.59	95.5	17.78

The following recommendations are made:

1.1.1 Phase 1

- Complete initial metallurgical test work;
- Complete economic evaluation;
- Discuss with ArcelorMittal regarding resources at property boundary/possible JV for development.

Contingent on positive economic evaluation:

Phase 2

- Definition drilling to convert Inferred to M+I;
- Exploration drilling of NE Trend for additional potential Inferred resources;
- Update Mineral Resource Estimate and complete PEA/Prefeasibility.

The estimated costs of the programs are outlined in Table 1.5.

TABLE 1.5
MOIRE LAKE - PROPOSED WORK PROGRAMS & BUDGETS

Phase 1			**Budget**
Metallurgical Testing			$50,000
Scoping Analysis			$50,000
Contingency 10%			$10,000
Subtotal Phase 1			**$110,000**
Phase 2	**Drilling metres**	**Cost / metre**	**Budget**
Definition Drilling (M+I Res) - Moire Lake Deposit	15,000	$550	$8,250,000
Exploration Drilling - NE Trend (Inf Res)	4,000	$550	$2,200,000
Metallurgy			$50,000
Prefeasibility Study			$500,000
Contingency 10%			$1,100,000
Subtotal Phase 2			**$12,100,000**

2.0 INTRODUCTION

2.1 TERMS OF REFERENCE

The following Technical Report (the "Report") presents a Resource Estimate prepared by P&E Mining Consultants Inc. ("P&E") regarding the Moire Lake Property in the Fermont project area in the Regional Municipality ("MRC") of Caniapiscau, Québec, Canada (the "Property"). This Technical Report has been prepared in compliance with the requirements of Canadian National Instrument ("NI") 43-101 and in accordance with the guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions, in effect as of the effective date of this report.

This Report was prepared at the request of Mr. Alexander Horvath, P.Eng., Executive Vice President of Exploration for Champion Minerals Inc. ("Champion"). Champion is a Canadian based publicly held company trading on the TSX Exchange under the symbol of "CHM" with its corporate office at:

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Fax: +1 (416) 361-1333

This Report is considered current as of March 28, 2012.

Moire Lake comprises 26 mineral claims, and covers a surface area of 1146 hectares or 11.46 km^2.

The centre of Moire Lake is located at approximately latitude 52°46‟30" North and longitude 67°08‟30" West having Universal Transverse Mercator (UTM) coordinates 625250 East, 5849250 North in the North American Datum (NAD) 83 Zone 19 coordinate system.

The Moire Lake iron deposit can be classified as a stratiform Lake Superior-type iron formation. Deformation and metamorphism of the principal iron formation unit, the Sokoman Formation, has structurally thickened the iron formation in fold hinges and recrystallized the rock to a medium-grained to locally coarse-grained, quartz-magnetite gneiss with varying amounts of specular hematite.

Champion has accepted that the qualifications, expertise, experience, competence and professional reputation of P&E‟s Principals and Associate Geologists and Engineers are appropriate and relevant for the preparation of this Report. Champion has also accepted that P&E‟s Principals are members of professional bodies that are appropriate and relevant for the preparation of this Report.

The purpose of the current Report is to provide an independent, NI 43-101 compliant, Technical Report and Resource Estimate on the Moire Lake Property. P&E understands that this Report will be used to support the public disclosure of the Champion mineral resource estimate made on

March 29, 2012 (refer to the Champion News Release, dated March 29, 2012). This Report will be filed on SEDAR as required under NI 43-101 disclosure regulations.

2.2 SITE VISITS

A site visit to the Moire Lake Property was carried out on January 17 and 18, 2012 by Ms. Tracy Armstrong, P.Geo., of P&E, a qualified person under the terms of NI 43-101.

2.3 UNITS AND CURRENCY

For reported historical resource estimates, a conversion factor of 0.907 has been used in this Report to convert short tons ("tons") to metric tonnes ("t"). Metal values are reported in percentage ("%"). Costs are reported in Canadian dollars ("$") unless otherwise stated.

Grid coordinates are given in the UTM NAD 83 (Zone 19) and latitude / longitude system; maps are either in UTM coordinates or latitude / longitude system.

2.4 SOURCES OF INFORMATION

This report is based, in part, on internal company technical reports, and maps, published government reports, company letters and memoranda, and public information as listed in the "References", Section 27.0, at the conclusion of this report. Several sections from reports authored by other consultants have been directly quoted or summarized in this report, and are so indicated where appropriate.

2.5 ACKNOWLEDGEMENTS

P&E wishes to thank John Langton and Natalie Pacheco of MRB & Associates for the preparation of the assessment reports on which much of the recent information was based.

2.6 GLOSSARY OF TERMS

Abbreviation	Description
°C	Degrees Celsius
°	Degrees
%	Percent
% Fe (sol)	Percentage of soluble iron
$	Canadian Dollar
<	Less than
>	Greater than
Al_2O_3	Aluminum oxide
ALS Chemex	ALS Laboratory Group
ArcelorMittal	ArcelorMittal Mines Canada
Bellechasse Mining	Bellechasse Mining Corporation Ltd.
CaO	Calcium oxide
Canadian Javelin	Canadian Javelin Ltd.
Champion	Champion Minerals Inc.

Abbreviation	Description
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
cm	Centimetre
Consolidated Thompson	Consolidated Thompson Iron Mines Limited
CRM	Certified reference material
Fancamp	Fancamp Exploration Ltd.
Fe	Iron
Fe_2O_3	Iron (III) oxide, ferric oxide
Fe% (sol)	Percentage of soluble iron
FeT	Total Iron
FIOD	Fermont iron ore district
ft	Foot / feet
Ga	Billion years
Gaspésie	Gaspésie Mining Company Ltd.
ha	Hectare
IF	Iron formation
JV	Joint venture
K_2O	Potassium oxide
Kelly Desmond	Kelly Desmond Mining Corporation Limited
kg	Kilogram
km	Kilometre
km_2	Squared kilometre
Lakefield	Lakefield Research of Canada Ltd.
LIF	Lower Iron Formation Member
LOI	Loss on ignition
m	Metre
MgO	Magnesium oxide
MIF	Middle Iron Formation Member
mm	Millimetre
Mm^3	Millions cubic metres
Mn	Manganese
MnO	Manganese oxide
MRB	MRB & Associates
MRC	Regional County Municipalities (Municipalité Régionale de Comté)
MRNFQ	Ministère des Ressources Naturelles et de la Faune (Québec)
Mt	Million tonnes (metric)
MW	Megawatts
N	North
Na_2O	Sodium oxide

Abbreviation	Description
NI	National Instrument (43-101)
NN	Nearest neighbour
NSR	Net Smelter Royalty
P&E	P&E Mining Consultants Inc.
P_2O_5	Phosphorus oxide
ppm	Parts per million
QA/QC	Quality assurance and quality control
QC	Quality control
QCM	Québec Cartier Mining Company
SCC	Standards Council of Canada
SEDAR	System for Electronic Document Analysis and Retrieval
SG	Specific gravity
Sheridan	Sheridan Platinum Group Ltd.
SiO_2	Silica Dioxide
SW	Southwest
t	Tonnes (metric)
t/m^3	Tonnes per cubic metre
TiO_2	Titanium Dioxide
tons	Short tons
UIF	Upper Iron Formation Member
UTM	Universal Transverse Mercator
W	West
XRF	X-ray fluorescence

3.0 RELIANCE ON OTHER EXPERTS

P&E has assumed, and relied on the fact, that all the information and existing technical documents listed in the References section of this Report are accurate and complete in all material aspects. While we carefully reviewed all the available information presented to us, we cannot guarantee its accuracy and completeness. We reserve the right, but will not be obligated to revise our Report and conclusions if additional information becomes known to us subsequent to the date of this Report.

Although copies of the tenure documents, operating licenses, permits, and work contracts were reviewed, an independent verification of land title and tenure was not performed. P&E has not verified the legality of any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between third parties but has relied on the clients solicitor to have conducted the proper legal due diligence. Information on tenure and permits was obtained from Champion and Gestion SDM, the claims management company responsible for Champion‟s claims.

A draft copy of this Report has been reviewed for factual errors by Champion, and P&E has relied on Champion‟s historical and current knowledge of the Properties in this regard. Any statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

3.1 ACKNOWLEDGEMENTS

P&E wishes to acknowledge MRB & Associates of Val-d‟Or, QC, and in particular Mr. Simon Duchaine for the graphics, and Mr. John Langton, P.Geo. and Ms. Natalie Pacheco, G.I.T. for their contribution to the report sections.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 LOCATION

The global Fermont Project holdings are comprised of three groups of properties, aptly named, Cluster 1, Cluster 2 and Cluster 3, (Figure 4.1 and Figure 4.2).

The Cluster 1 group contains one property, which is Moire Lake.

The Cluster 2 group is comprised of nine properties, some of which are contiguous. The nine properties in Cluster 2 are Claire Lake, Hope Lake, Fire Lake North, Oil Can, Midway, Bellechasse, O'Keefe-Purdy, Harvey-Tuttle and Cassé Lake.

The Cluster 3 group is comprised of seven properties, Aubrey-Ernie Lakes, Penguin Lake, Three Big Lakes, Black Dan, Silicate Brutus Lakes, Lac Jeannine and Aubertin-Tougard Lakes.

This Report is concerned with one of Champion‟s properties, the Moire Lake Property.

Figure 4.1 Location Map of the Fermont Project Area

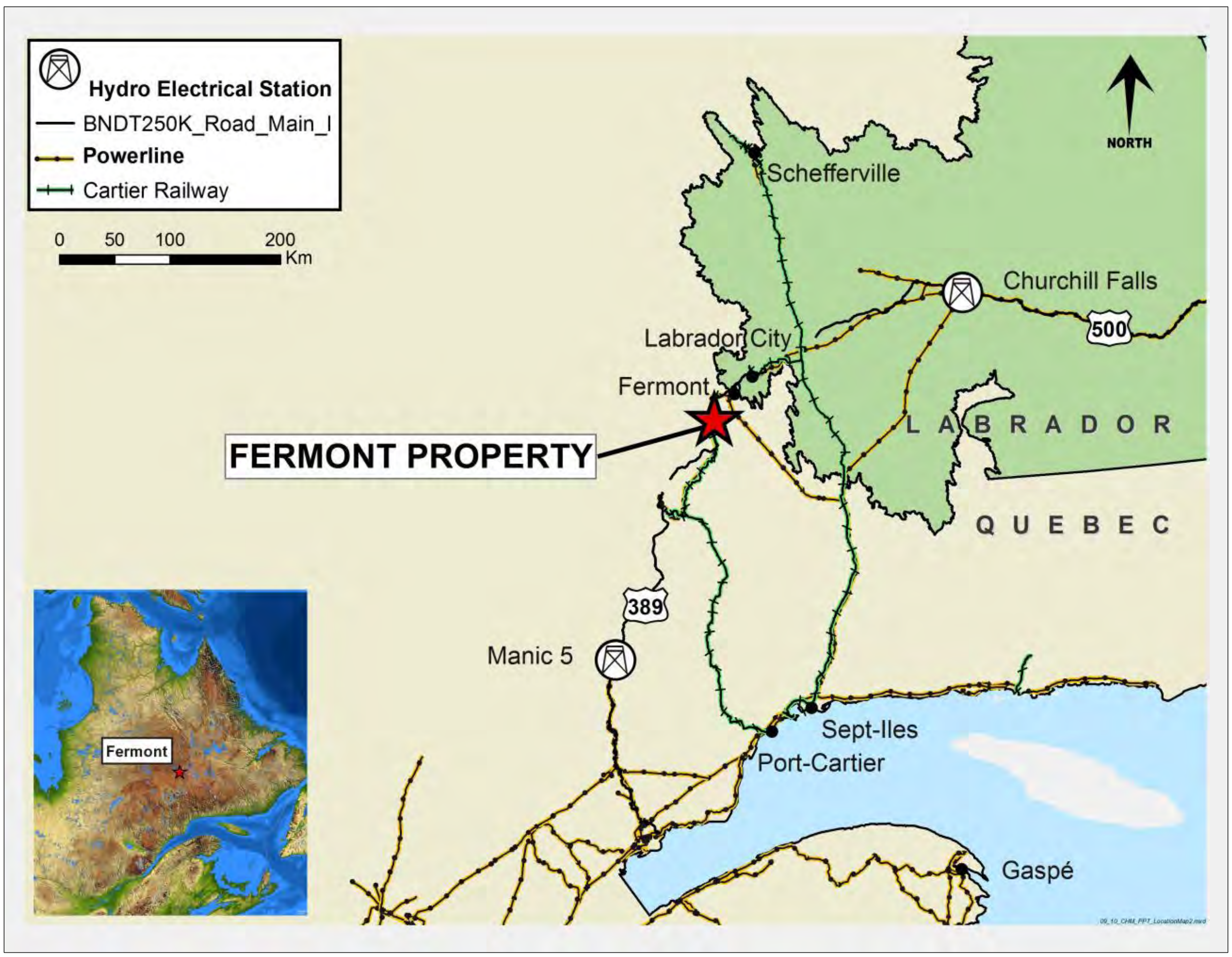
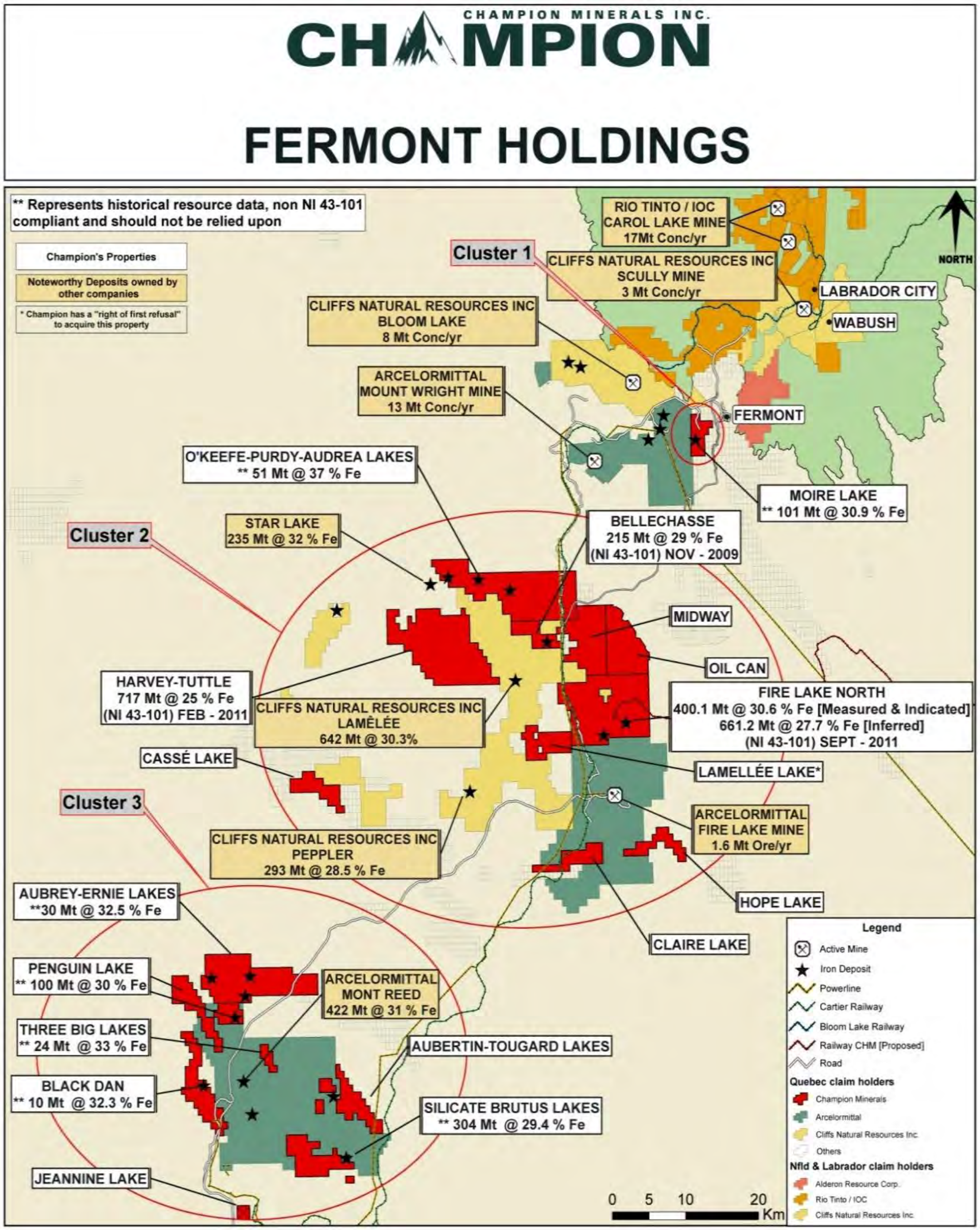


Figure 4.2 Location Map of Champion's Fermont Holdings



4.2 FERMONT IRON PROPERTIES AGREEMENT

On September 1, 2009, Champion announced the execution of a definitive option and joint venture agreement (the "Agreement") with Fancamp Exploration Ltd. ("Fancamp") and The Sheridan Platinum Group Ltd. ("Sheridan") in connection with 15 properties optioned pursuant to the Binding Option Agreement between Fancamp, Sheridan and Champion dated May 21, 2008 (refer to the Champion News Releases, dated September 1, 2009 and May 27, 2008), and the optioning of the Penguin Lake iron property and right of first refusal on the Lamêlée Lake iron property (refer to the Champion News Release, dated May 13, 2009).

Under the terms of the final Agreement, Champion could earn an initial 65% interest in the properties at Champion‟s option by spending $6 million in staged exploration and development work on the Properties, making cash payments to Fancamp and Sheridan totalling $1 million, and issuing 2.5 million shares to Fancamp and Sheridan, all over a 4-year period. Fancamp and Sheridan would retain a 3% Net Smelter Returns ("NSR") royalty, one third of which may be purchased by Champion for $3 million.

Champion announced in June 2010 the completion of its earn-in of $6 million in work expenditures, the payment of $400,000, and the issuance of 1,500,000 common shares of Champion, equally divided between Fancamp and Sheridan. Champion completed the required work commitment, aggregate cash payments of $1 million, and the share issuance of 2.9 million common shares pursuant to the Fermont Option and JV Agreement dated as of August 31, 2009, earning an undivided 65% right, title, and interest in and to all claims of the Fermont Properties covered in the Agreement. Champion signed an agreement with Sheridan in order to acquire Sheridan‟s 17.5% interest in the JV to increase its ownership to 82.5%.

Under the terms of the Agreement, Champion has issued 4,000,000 shares to Sheridan and has agreed to pay $2,000,000 in cash ($1,500,000 been paid with the remaining $500,000 payment due in January 2012). Both Fancamp and Sheridan retain a 3% NSR royalty of which Champion has the option to purchase one-third (1%) for $3,000,000. As of the date of this report, Champion owns an 82.5% joint venture ("JV") interest in the Fermont Properties with Fancamp owning the remaining 17.5% interest.

Additionally, Champion has the option to earn an additional 2.5% interest in any individual Fermont Property by issuing 250,000 common shares to Fancamp on a one-time basis and then incurring all necessary expenditures to completion of a positive definitive feasibility study for the respective property. In addition, there is a 10 km area of influence around each property.

Champion and Fancamp have formed a JV reflective of their proportionate ownership interests in the Fermont Properties in order to explore and develop the mineral concessions. Champion retains a right-of-first-refusal on any part or all of Fancamp‟s proportionate interest in the Fermont Properties. If Fancamp elects not to fund their proportionate interest in the JV, their interest would be diluted. When Fancamp‟s interest is reduced below a 10% remaining interest, Fancamp would be left with its half interest of the 3% NSR royalty subject to a buyback clause at Champion‟s option to reduce the NSR royalty to 2% by paying $3 million. Champion would also retain a first-right-of-refusal on the royalty.

Champion also has a right of first refusal on Fancamp‟s Lamêlée Lake Iron Property.

As of the effective date of this Report, the claims were in good standing.

4.3 FERMONT PROPERTY

Champion‟s Fermont group of Properties is located in the FIOD of north-eastern Québec. Collectively, the centroid of the Properties is located approximately 60 km southwest of the city of Fermont and 250 km north of the Gulf of St. Lawrence port town of Port-Cartier, and consist of 17 iron properties (i.e. claim blocks) totalling 717.9 km^2 (Figure 4.3). This report is concerned with one of Champion‟s properties, the Moire Lake Property, which is located approximately only four km from Fermont, Figure 4.3.

4.4 MOIRE LAKE PROPERTY

The Moire Lake Property is situated within National Topographic System (NTS) Map Sheet 23-B/14, centred approximately four km southwest of the town of Fermont (Quebec), in Lislois Township, in the District (County) of Saguenay. The area is also delineated as part of the Regional Municipality of Caniapiscau (Figure 4.3).

The Moire Lake Property comprises 26 mineral claims, and covers a surface area of 1146 hectares or 11.46 km2 (Figure 4.4).

The centre of Moire Lake is located at approximately latitude 52°46‘30” North and longitude 67°08‘30” West having Universal Transverse Mercator (UTM) coordinates 625250 East, 5849250 North in the North American Datum (NAD) 83 Zone 19 coordinate system.

Figure 4.3 Location Map of the Moire Lake Property

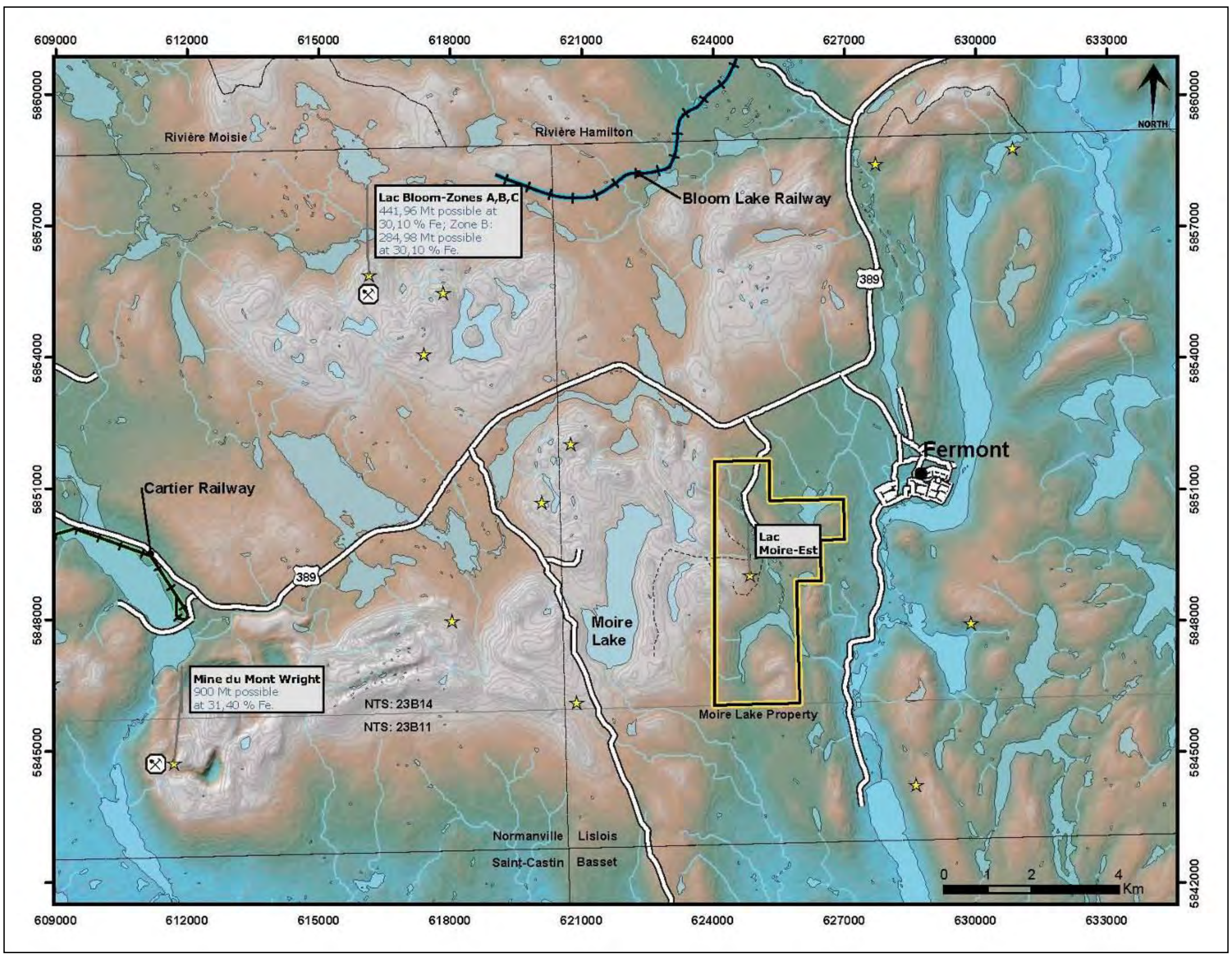
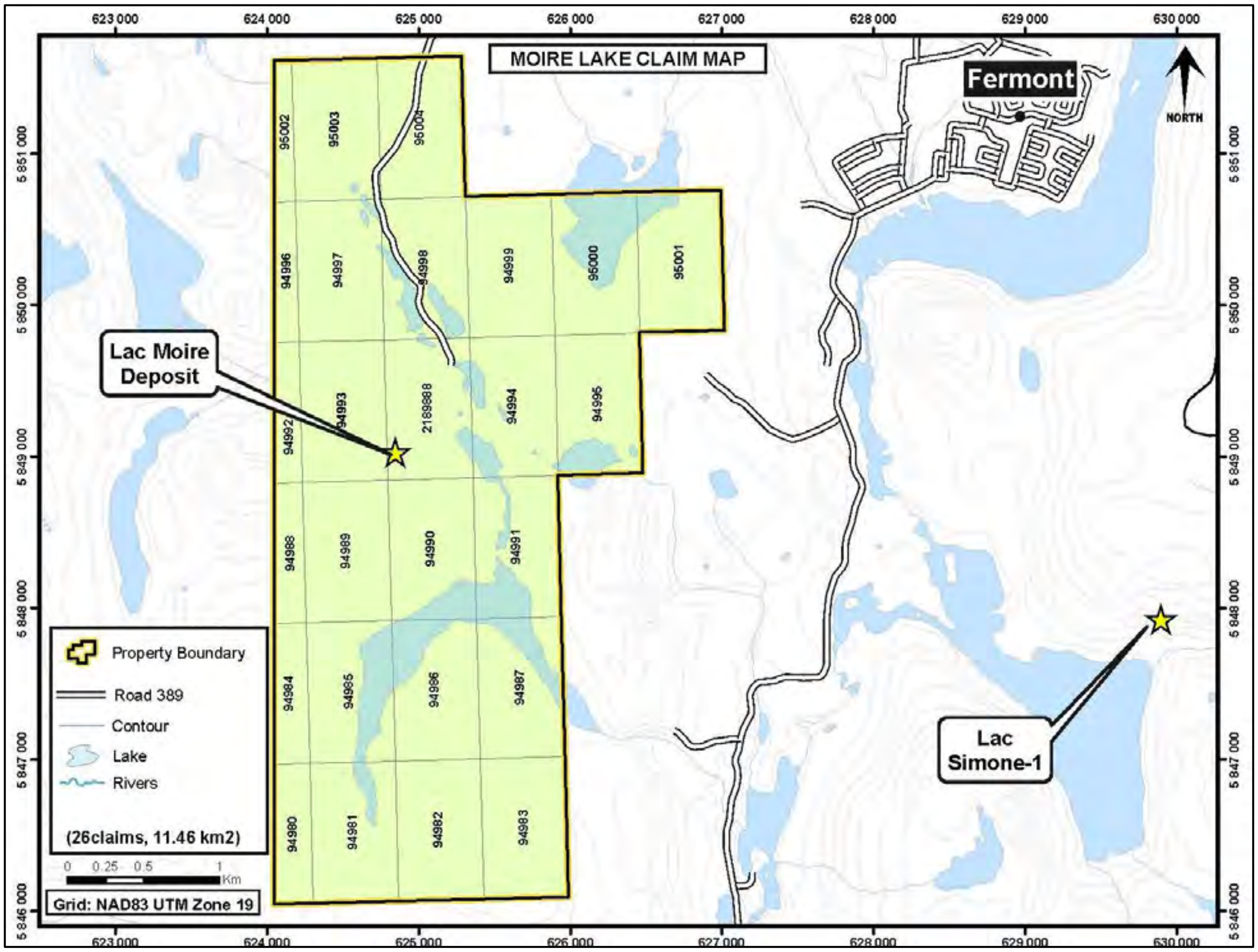


Figure 4.4 Claim Map of the Moire Lake Property



All claims comprising Moire Lake are in good standing. The renewal dates are September, 2013. The rental fee for renewal of the Moire Lake claims is $2,622; the minimum work required by September 26, 2013 is $29,980.00; however, there is $1,812.18 of excess credits currently applied to the claims.

4.5 THE QUÉBEC MINING ACT AND CLAIMS

The Québec Mining Act deals with the management of mineral resources and the granting of exploration rights for mineral substances during the exploration phase. It also deals with the granting of rights pertaining to the use of these substances during the mining phase. The act also establishes the rights and obligations of the holders of mining rights to ensure maximum development of Québec‟s mineral resources.

The claim is the only valid exploration right in Québec. The claim gives the holder an exclusive right to search for mineral substances in the public domain, except sand, gravel, clay and other loose deposits, on the land subjected to the claim. Since November 2000, exploration titles are obtained by map designation over predetermined parcels of land. This approach is quicker and simpler, makes claims indisputable and protects the investments made on a claim.

The term of a claim is two years, from the day the claim is registered and it can be renewed indefinitely providing the holder meets all the conditions set out in the Mining Act, including the obligation to invest a minimum annual amount required in exploration work determined by regulation. The Act includes provisions to allow any amount disbursed to perform work in excess of the prescribed requirements to be applied to subsequent terms of the claim.

To satisfy government assessment requirements and thus maintain the claim(s) in good standing, minimum exploration expenditures must be incurred and filed 60 days prior to the anniversary date(s) of the claim(s). The report of work is due prior to 60 days of the anniversary date. In Québec, the amount of expenditure per claim varies according to the surface area of the claim, location (either north or south of 52° latitude) and the number of terms since its issuance, which escalates according to the following schedules:

Table 4.1 and Table 4.2 show the amount of assessment work to be carried out during each term of a claim.

TABLE 4.1
SOUTH OF 52° OF LATITUDE

Term	Surface Area of Claim		
	< 25 ha	25 – 100 ha	> 100 ha
1 to 3	$500	$1,200	$1,800
4 to 6	$750	$1,800	$2,700
7 or more	$1,000	$2,500	$3,600

TABLE 4.2
NORTH OF 52° OF LATITUDE

Term	Surface Area Of Claim		
	< 25 ha	25 – 45 ha	> 45 ha
1	$48	$120	$135
2	$160	$400	$450
3	$320	$800	$900
4	$480	$1,200	$1,350
5	$640	$1,600	$1,800
6	$750	$1,800	$1,800
7 or more	$1,000	$2,500	$2,500

Assessment work credits from another claim may be applied to the claim to be renewed, providing the renewed claim lies within a radius of 4.5 km from the centre of the claim with the excess work credits. The claim holder may apply amounts spent on work carried out on a mining lease or concession towards the renewal of a claim, provided that the work was performed during the term of the claim and that the amount does not exceed one quarter of the required amount for renewal. If the required work was not performed or was insufficient to cover the renewal of the claim, then the claim holder may pay a sum equivalent to the minimum cost of the work that should have been performed.

The cost of renewal of a claim depends on the surface area of the claim, its location, and the date the application is received. If the application for renewal and fees are received prior to 60 days before the anniversary of the claims(s) the following renewal fees apply for claims north of 52° latitude: less than 25 ha = $26; 25 to 45 ha = $96; 45 to 50 ha = $107; over 50 ha = $120. For claims south of 52° latitude the following renewal fees apply: less than 25 ha = $26; 25 to

100 ha = $52; over 100 ha = $78. These renewal fees double if the application is received within 60 days or less of the anniversary date of the claim(s).

4.6 AREAS OF INTEREST

The Participants agree that any property having the potential of containing reserves or resources of iron ore located wholly or in part within a distance of ten (10) kilometres from the external perimeter of any of the Properties (the "Area of Interest") (as the Properties are increased from time to time by acquisitions in accordance with this Section 4.6 or decreased from time to time by returns from Champion to the Vendors pursuant to Section 4.7 or abandoned pursuant to Section 12) and proposed to be acquired by any of the Participants hereto or any of their respective Affiliates, whether by purchase, staking or otherwise, must first be offered at cost to the other Participants for inclusion as part of the Properties that are the subject of this Agreement at the applicable time.

Prior to the Effective Date, when a Participant offers a property within the Area of Interest for addition to the Properties pursuant to this Section 4.6, either of the other Participants shall have the right, for a period of thirty (30) days from receipt of notice of the proposed acquisition and all information available to the offering Participant in respect of such property, to determine whether or not such property shall be acquired and included in the Properties and shall exercise such right by giving written notice within such 30-day period, failing which the right to acquire such property and include it in the Properties shall be deemed to be waived and released.

On and after the Effective Date, the Management Committee shall have a period of thirty (30) days from receipt of notice of the proposed acquisition (together with the proposed terms of acquisition and all information available in respect of such property) to determine whether or not to acquire such property for the Joint Venture (provided that the members of the Management Committee representing the Participant offering such property within the Area of Interest shall not be permitted to vote against acquiring such property for inclusion in the Properties) and shall exercise such right by giving written notice within such 30-day period, failing which the right to acquire such property and include it in the Properties shall be deemed to be waived and released.

4.7 SURFACE RIGHTS AND PERMITS

Each claim provides access rights to a parcel of land on which exploration work may be performed. However, the claim holder cannot access land that has been granted, alienated or leased by the State for non-mining purposes, or land that is the subject of an exclusive lease to mine surface mineral substances, without first having obtained the permission of the current holder of these rights.

The Mining Act states that a claim holder cannot erect or maintain a construction on lands in the public domain without obtaining, in advance, the permission of the MRNFQ unless such a construction is specifically allowed for by ministerial order. An application is not necessary for temporary shelters that are made of pliable material over rigid supports that can be dismantled and transported.

Exploration work completed between February and October 2011 on the Moire Lake Project was conducted from Champion‟s Labrador City & Wabush facilities.

At the time of this Report, P&E was not aware of any back-in rights, payments or other agreements or encumbrances to which the Moire Lake Property could be subject.

4.8 ENVIRONMENTAL CONSIDERATIONS

An environmental permit request was submitted to the MRNFQ, Direction des forêts de la Côte-Nord along with maps indicating drill hole locations, access roads, and water sources to be used. Approval was granted in Permit 3009730on February 10, 2011.

The path of the road was optimized in the field and utilized existing roads and existing cut grid lines to minimize the amount of trees to be cut. There are no 1:12,500 forestry maps to use for planning as the area is not commercially viable for logging. Follow-up discussions with the MRNFQ took place during the process of obtaining the permit to estimate what stumpage fees should be charged.

The local Fermont snowmobile and all-terrain vehicle clubs were contacted before the 2011 drill program commenced. Approval was granted by each club allowing Champion permission to use their established trail which provided access to part of the Project area. The trails were re-established at the end of the drill program to each clubs‟ satisfaction.

A meeting to discuss Champion‟s exploration program was held with Ernest Grégoire, the Chief of the Uashat-Maliotenam First Nation. Both the Uashat-Maliotenam Community Council and Jonathan Jourdain Genest, who is their legal counsel, were present at the meeting in Sept-Isles on April 1, 2009.

P&E has not investigated any environmental liabilities that may have arisen from previous work, and P&E is not aware of any present environmental related issues affecting the Moire Lake Property.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

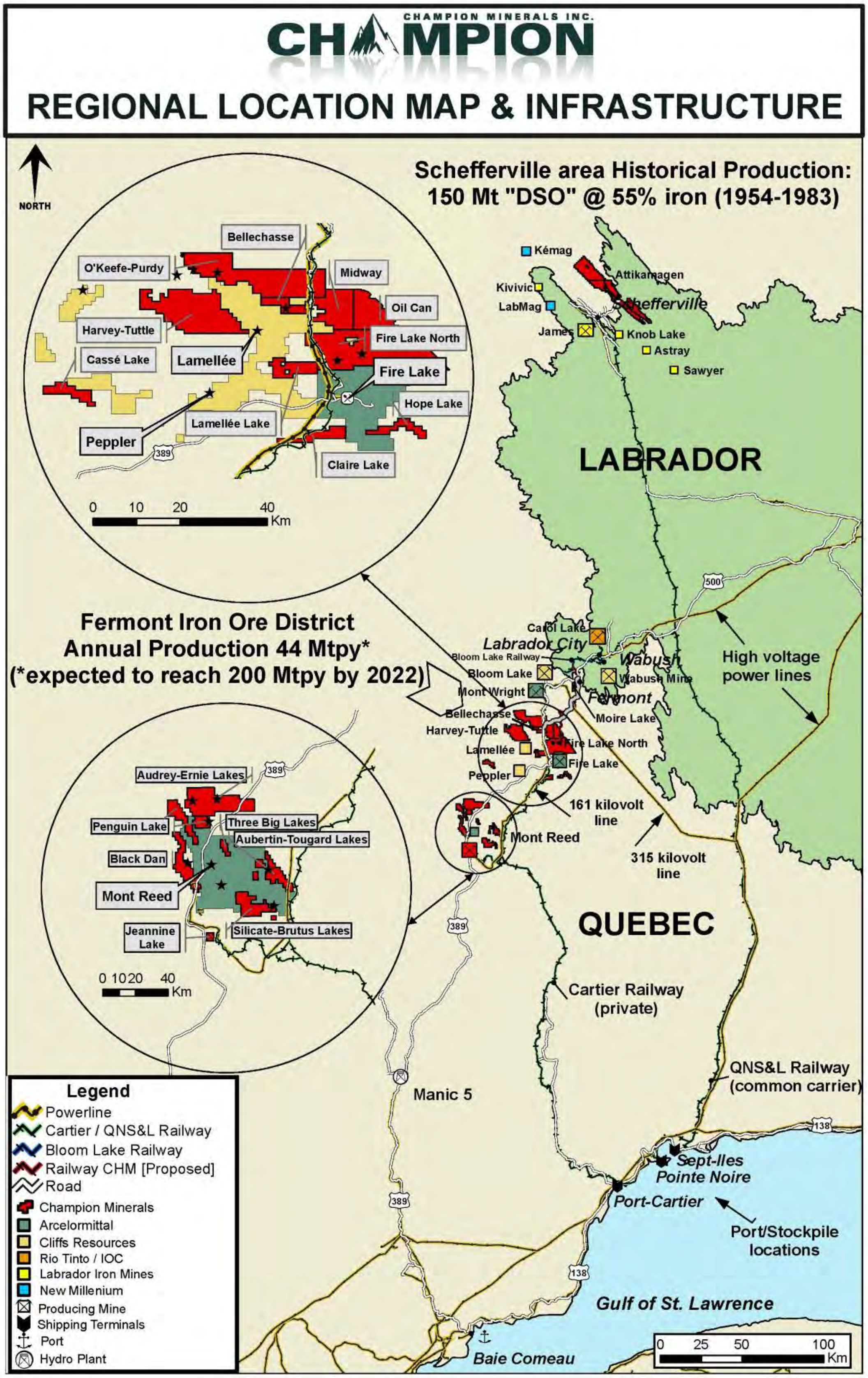
Moire Lake is adjacent to the Trans-Quebec-Labrador Road, which consists of Route #389 in Quebec and Highway #500 in Labrador, and runs from Baie-Comeau (Quebec) to Fermont (Quebec), then Wabush-Labrador City (Newfoundland and Labrador), and eventually Goose Bay (Newfoundland and Labrador), providing year round access to the area. (see Figure 5.1).

A little over 565 km long, Route #389 extends north from Baie-Comeau, Quebec and passes by: the Manic-Outardes (the "Manicouagan") Hydro-Quebec reservoir and Hydroelectric Complex; the Groulx Mountains; the site of the former iron-producing Lake Jeannine Mine, which produced approximately 200 million tonnes of iron ore from 1959 to 1975; and, ArcelorMittal‟s Fire Lake Iron Mine, which produces 2.5 million tonnes mined annually @ approximately 30% Fe (located 10 km south of Champion‟s Fire Lake North claim block). The road continues to the Mount Wright Iron Mine. Highway #500 covers 526 km and links North West River to Labrador City. It ends at the Quebec-Labrador border. From east to west, it passes through the towns of Happy Valley, Goose Bay, Churchill Falls, Wabush and Labrador City. Driving distances from Fermont to the major southern towns and cities are listed in Table 5.1.

TABLE 5.1
APPROXIMATE DRIVING DISTANCES FROM FERMONT TO THE MAJOR TOWNS AND CITIES

Town or City	Distance to Fermont, Quebec (km)
Baie-Comeau	565
Chicoutimi	880
Churchill Falls	260
Ottawa	1430
Goose Bay	545
Labrador City	27
Manic 5	350
Montréal	1235
Québec	975
Sept-Îles	795
Toronto	1,780
Trois-Rivières	1,110

Figure 5.1 Area Map Showing Road and Rail Access to Southern Labrador Trough



Wabush Airport (ICAO: CYWK), some two km northeast of Wabush, is the main airport servicing the region. Air Canada Jazz offers daily flights to Wabush from Montreal, Quebec City Sept-Iles plus Goose Bay and St. John"s. Provincial Airlines offer flights from Sept-Iles (Quebec), Goose Bay (Newfoundland and Labrador) and St. Johns (Newfoundland and Labrador). Car and pick-up truck rentals are available at the airport. The airport is classified in the Regional/Local category according to the National Airports Policy. Local air service is also available from the Wabush Water Aerodrome (TC LID CCX5) located adjacent to Wabush on Little Wabush Lake. Flights are offered from June until October.

The Labrador City area is accessible by train through via the Tshiuetin Rail Transportation Inc. railway. The railway tracks link Sept-Iles to Emeril Junction and Schefferville. The Sept-Iles-Emeril Junction trip will take six to eight hours. The passenger train does not travel directly to Labrador City. Passengers travelling to and from Labrador must take highway #500 to Emeril Junction, a 45-minute drive from Labrador City. There are two trains per week for passengers and community freight. The Cartier Railway is a privately owned railway that operates 416 km of track connecting the iron ore mine at Mt. Wright, just west of Fermont with an iron ore processing plant and port at Port-Cartier, on the north shore of the St. Lawrence River. The railway is used solely for iron-ore and freight transport.

There is direct gravel road access to the centre of the Moire Lake Property and Route #389 is approximately one km to the north of the northern claim block boundary, whereas the newly completed Bloom Lake Railway is seven km to the north.

5.2 CLIMATE

The Fermont area has a sub-arctic, continental taiga climate with very severe winters, typical of north central Québec. Winter conditions last six to seven months, with heavy snow from December through to April. The prevailing winds are from the west and average 14 km per hour, based on records at the Wabush Airport. Daily average temperatures exceed 0°C for only five months a year. Daily mean temperatures for Fermont average -24.1°C and -22.6°C in January and February, respectively. Snowfall in November, December, and January generally exceeds 50 cm per month and the wettest summer month is July with an average rainfall of 106.8 mm. Mean daily average temperatures in July and August are respectively, 12.4°C and 11.2°C. Because of its relatively high latitude, extended daylight enhances the summer workday period. Early and late winter conditions are acceptable for ground geophysical surveys and drilling operations.

5.3 LOCAL RESOURCES AND INFRASTRUCTURE

The town of Fermont has a population of approximately 4,000 and is the residential town for ArcelorMittal Mines Canada ("ArcelorMittal", formerly Québec Cartier Mining Company ("QCM")) employees who work at the Mont Wright iron operations. The town was originally built by QCM in the early 1970s. Fermont has schools, a 72-room hotel, municipal and recreational facilities, a hospital and a business and shopping complex. The height-of-land, which determines the border between Québec and Newfoundland and Labrador, is located 10 km east of Fermont.

The twin communities of Labrador City (27 km east of Fermont), and Wabush (35 km east of Fermont) in Newfoundland and Labrador, have a total population of approximately 10,000. Labrador City and Wabush were also developed around the iron-ore mining operations during the last half-century. The twin cities offer services that are complementary to those offered in

Fermont, with a strong industrial base and excellent medical and educational services, and are serviced by a wide variety of retail shops and grocery outlets.

The hydroelectric availability in Labrador comes from Churchill Falls, which generates 5,428 MW of power, 127 MW of which is made available to the Labrador West region for current needs. The region has the lowest average cost for power in the Newfoundland and Labrador; however, the system is being taxed and a second transmission line to service the Labrador West is on the high priority list of requirements for the region.

The area is a mining centre able to provide personnel, contractors, equipment and supplies.

5.4 PHYSIOGRAPHY

The sub-arctic terrain of the Property consists of a rolling glacial peneplain from 500 m to 900 m above sea level, with local relief in the order of 300 m. The area drains southward to the Gulf of St. Lawrence through the Nipissis and Manicouagan River systems. Glaciation left a veneer of moraine boulder till and eskers that cover much of the local bedrock. These glacial deposits dominate the local topography and control most of the surface drainage. Lakes, swamps and grassy meadows fill bedrock and drift depressions. Most of the terrain is thinly forested with a typical mixture of fir and tamarack, with local stands of aspen and yellow birch. Ground cover is generally in the form of grasses, caribou moss, and shrubs; the latter typically comprising willow, arctic birch, alders and Labrador tea.

6.0 HISTORY

6.1 REGIONAL HISTORICAL EXPLORATION

The Fermont project area has been subject to regional assessment by various companies up to the present day.

Société d‟Exploration Minière Mazarin Inc. evaluated a number of properties including a couple that partially covered the present-day Fire Lake North Property (Poisson 1989). Work included mapping, sampling and ground geophysics targeting mainly sulphides associated with the Knob Lake Group.

BHP Minerals Canada Inc. completed a regional heavy-mineral sampling program in north-eastern Québec that included the Fire Lake North Property (St-Pierre 1998). Sampling took place along lines spaced approximately 50 km apart with sample sites at approximately 3 km separation with 1,561 - 25 kg samples collected. Targeted commodities and deposits included diamonds, base-metals associated with massive-sulphide deposits, Broken Hill-type deposits, and gold occurrences associated with massive sulphides and shear zones.

Anglo American Exploration (Canada) Ltd. completed a 12,750 km^2 regional reconnaissance survey exploring for potential Broken Hill and Franklin/Sterling-type zinc deposits in the eastern part of the Gagnon Terrane, south of the city of Fermont (Zuran 2003). Work included regional stream sediment, till and rock sampling at 40 sites in the Gagnon Terrane. The sampling program did not successfully discover the unique mineralogy associated with Franklin / Sterling deposits; however, the report concluded that the region had potential for Broken Hill-type deposits.

6.2 MOIRE LAKE PROPERTY

The GESTIM and E-Sigeom sites allow on-line searching of the Province of Quebec‟s database of Provincial Assessment Reports or "Gestimes Minieres" (GM‟s). The data are accessible online at https://gestim.mines.gouv.qc.ca/ and http://sigeom.mrnf.gouv.qc.ca/

Since the 1950‟s Moire Lake has seen exploration programs completed by various companies. A compilation of all available historic geological, geophysical and drill hole information was completed for Champion in order to help evaluate the economic potential of the claim block. Relevant information was digitized and entered into an ArcGIS project-database. The historical work is summarized below.

GM4838A, GM4838B, GM4838C, GM4838D, GM4838E – United Dominion Mining Co. Ltd. (1948, 1949)

During September 1948, the United Dominion Mining Co. Ltd., of Cleveland (Ohio) initiated reconnaissance geological prospecting throughout the Pekan River Basin and Mount Wright area. Crews covered a region of 160 km x 120 km, from the Harvey-Tuttle Lakes claim block to the Labrador border. Geological interpretation of the Mount Wright deposit, including the iron formations that were described as "... iron-bearing quartzite, fine-to-coarse-grained, distinctly and thinly bedded, with specularite and/or magnetite, or minor iron-rich carbonate, amphibole, or mica..." was given. Reference to the Sokoman (iron) Formation as "quartzite" is important when examining other reports of the time, particularly drill logs, as the poor rock descriptions from the historical drill logs suggest the holes which intersected quartzite are most surely "cherty" iron formation. Because of this mistake, the interpretation of the historical drilling can be problematic, and the stratigraphic location of the drill-holes is often an educated guess. United Dominion geologists concluded that the only significant iron mineralization was located at Mont Wright. The company halted exploration in the area, as they were looking for "direct shipping ore" and none was found; although, a number of samples collected were described as "... high-grade specularite and magnetite ...". Some five (5) drill holes were completed along a cross-section of the Mont Wright deposit area, and 11 drill holes (for 1,480 feet) in the Tuttle Lake vicinity, where "outcrops of iron-bearing quartzite located along the southern shore of Tuttle Lake... present the same characteristics ..." as rocks at Mont Wright.

GM2921A – Bellechasse Mining Corp. (1954)

The report describes a geological investigation carried out by G. Vibert Douglas, of Dalhousie, for Bellechasse Mining Corp., in the areas of Mont Wright and Quartz Lake (also known as Lac Moire or Moire Lake). Drilling was recommended.

GM2921B – Bellechasse Mining Corp. (1954)

Analytical results for diamond drill holes #1 to #3. It contains no indication of down-hole assay intervals or location of drill holes.

GM3604C – Bellechasse Mining Corp. (1955)

Work report for Bellechasse (77 claims on 3,080 acres) stating assay results from samples collected from a gabbro showing pyrite, pyrrhotite and chalcopyrite mineralization. Results included 0.33% to 1.87% Ni and 0.42% to 1.77% Cu. Ni-Cu zone is approximately 200 m by 6 m. Work was focused around a number of gabbroic intrusions.

GM4472 – Bellechasse Mining Corp. (1956)

Airborne magnetic and EM survey over the Quartz Lake area.

GM5295B – The Jones and Laughlin Steel Corp. (1956)

Air photography lineament study and reconnaissance mapping covering 135 mi^2, from the eastern Labrador-Quebec border, to longitude 67°30‘‘ to the west.

GM5714A – Bellechasse Mining Corp. (1957)

Geological maps, magnetic profiles and claim maps of the Quartz Lake area.

GM5714B – Bellechasse Mining Corp. (1956)

Results of magnetic separation and anionic flotation tests of selected samples from the Quartz Lake area.

GM6264 – Bellechasse Mining Corp. (1958)

Airborne magnetic and ground geological surveys, local ground magnetic survey, sampling and metallurgical testing, and diamond drilling. Previous work section of report refers to the W.S.

Moore Co., having drilled 6 holes for 2,615 feet in 1957 at the same time they optioned the property from Bellechasse Mining. The present Moire Lake Property area is referred to as the Eastern Iron property.

GM6618 – Quebec Cartier Mines (1957)

Report contained regional property location maps only.

GM6782B – Canadian Javelin Ltd. (1956)

Geological investigation in south-western Labrador and adjoining Quebec located west of Long Lake, Labrador, and east of Mount Wright after a discovery in the Simone Lake area. Numerous local magnetic surveys were completed. Magnetic profiles present but no location maps attached to report. Also attached are a number of geological cross sections.

GM7229 – Canadian Javelin Ltd. (1957)

Results from a local ground magnetic survey completed over the Javelin Lake anomaly.

GM7903 – Mallen Red Lake Gold Mines (1959)

Detailed magnetic survey with a pace and compass geological survey carried out on 35 claims.

GM8025A – Spartan Air Services Ltd. (1958)

Work consisted of an airborne magnetic survey of the Mt. Wright area.

GM8826 – Canadian Javelin Ltd. (1959)

Revised interpretation of the geology of the Simone-Chance-Javelin Lake area from work completed in 1956.

GM10369A – Bellechasse Mining Co. (1960)

Outline of results of metallurgical testing of samples from the Quartz Lake area. A total of 264 samples were tested from drill holes 7-QL through 10-QL. Holes were drilled by W. S. Moore Co in 1959. Report contains assays (% sol. Fe) for all 4 drill holes.

GM10369B – Bellechasse Mining Co. – (1960)

This report describes results of metallurgical testing from samples of the Quartz Lake area. Samples were tested from drill holes 7-QL to 10-QL. Composite grade calculation and results for Dry and Wet Magnetic and Gravity Concentration are presented.

GM10369C – Bellechasse Mining Co. (1960)

Drill hole location map for QL-1 to QL-10. Holes QL-1 to QL-8 were drilled east of Daigle Lake (around Club Lake). Holes QL-9 and QL-10 were drill into the Moire Lake deposit (all drill holes were surveyed).

GM10377 – Bellechasse Mining Co. (1960)

Report contains drill logs and sections for 7-QL to 10-QL.

GM10536A – Jubilee Iron Corp. (1961)

Report is a ”supplement” to a previous report by J. A. Retty. Work consisted of airborne magnetic survey (6,000 line-miles), ground magnetics and geological mapping, diamond drilling (18 holes totalling 4,944 feet), metallurgical testing and ore reserve calculations on the O'Keefe Lake property. Report discusses 13 properties from Pepplar Lake area to the Wabush area. No maps attached to report.

GM10536B – Jubilee Iron Corp. (1961)

Report is the original report described in GM10536A above.

GM10843A – Bellechasse Mining Corp. (1960)

Sections and plan map for drill holes QL-9 to QL-15.

GM10843B – Bellechasse Mining Corp. (1960)

Drill logs for QL-9 to QL-15 with composite grade calculations.

GM11042 – Bellechasse Mining Corp. (W. S. Moore) (1961)

Metallurgical studies for select composite sections from drill holes #9, #11, #12 and #15, including best gravity methods to concentrate iron from composites.

GM11043 – Bellechasse Mining Corp. (1961)

Microscopic examinations of 6 drill holes (11 thin sections) from Quartz Lake area in the Eastern Iron Deposit. Lithologies consist of quartz, magnetite and/or specularite with minor silicates. The thin sections show the rock consists of a complex arrangement of quartz, silicates, carbonate, iron oxides and various other accessory minerals. Actinolite, grunerite and diopside are common silicates. The carbonate is dolomite with minor calcite. Gabbro examined consists of hornblende (40%), biotite (30%) in a ground mass of quartz and mixed Na-plagioclase, garnet, diopside and various accessory minerals.

GM11690 – Jubilee Iron Corp. (1962)

Outline of results from a geological investigation in the Simone and Eagle Lakes, and Eagle River regions.

GM12018 – Quebec Cartier Mining Co. (1962)

A regional property location map (NTS map-sheet 23B at 1” to 4 miles).

GM12490 – Bellechasse Mining Corp. (1962)

Report on the Quartz Lake property with results from airborne magnetic survey, geological survey, local ground magnetometer and dip-needle surveys, sampling and concentration tests, and diamond drilling in 16 holes for 7,395 feet; additional reporting from the Hope Lake property with dip-needle and magnetometer surveys.

GM13528 – Jubilee Iron Corp. (1963)

Results from the Quebec properties consisting of 10 claim blocks located in northern Quebec between the holdings of Quebec Cartier Mining and Wabush Iron Company across the border in Labrador; basic exploration with substantial diamond drilling on at least two properties, including Javelin Lake, Simone Lake, Pepplar Lake, O‟Keefe Lake, Purdy Lake, Audrea Lake, Star Lake, Harvey Lake, North Lake, Cotton Ball Lake and Cassé Lake, with a brief discussion of resource calculations on some properties.

GM14281 – Jubilee Iron Corp (1963)

Outline of results from properties in the Wabush, Mont Wright and Mont Reed regions.

GM26140 – Roger Sirois (1970)

Outline of iron potential and a summary of known occurrences and deposits covering a 160-km radius around Hydro-Quebec‟s Montagnais substation.

GM28079 – Bellechasse Mining Corp. (1972)

Detailed description of the Quartz Lake property carried out by Attwood Ore Company of Minnesota; in addition to the Western Iron property centred near Daigle and Club Lake, and the Eastern Iron property located north of Fish Hook Lake (the current Moire Lake Claim Block), containing drill logs and sections, assays and concentration test for drill holes #1 to #15.

GM31204 – Bellechasse Mining Corp. (1975)

Drill logs and assays for drill hole QE-55 located on western side of the Moire Lake occurrence.

GM32289 – Bellechasse Mining Corp. (1974)

Assays and drill logs for 48 drill holes (QE- and QW-series).

GM49448 – Société D‟Exploration Minière Mazarin Inc. (1989)

Evaluation of the mineral potential for all of Mazarin‟s properties in the Fermont area, including property PE 864 describing the work completed over the Moire Lake area.

GM50135 – Société D‟Exploration Minière Mazarin (1990)

This GM is an internal memo of Mazarin Inc. discussing the possible location of a tailings pond at Chain Lake.

GM50660, GM51507 – Cambior Inc., Société D‟Exploration Minière Mazarin Inc. (1991, 1993)

Technical Reports for a tailings pond, and the evaluation of any possible mineralization under the proposed tailings pond, mine and concentrator site for the Knife Lake Mine Project

GM52661 – Noveder Inc. (1993)

Report on the geological mapping at 1:5,000 scale and mechanical stripping completed on the Virot Lake property; during the exploration for silica within the quartzite horizons of the Wishart Formation; works also completed on the Petrick Zone located along the southeast end of Daigle Lake, the Crete Zone located near the north end of Moire Lake, the MDC Zone located immediately west of the drilling at Moire Lake, and the Jaegger Zone located 700 m east of the centre of Moire Lake; outline of results from drill core samples from previous drilling; trench maps with sample locations and regional geology maps showing the quartzite.

GM54206 – Geospex Science Inc. (1996)

Work by Ressources Vogue Inc., which included geological mapping and drilling on the Jaegger Zone, east of Moire Lake, while seeking high quality silica; drill logs and sections from 10 drill holes completed on the Crete Zone located north of Moire Lake.

GM56178 – Vogue Resources Inc. (1993)

Study determining the suitability of quartzite for eventual silica production.

GM57129 – Quebec Cartier Mining Co. (1999)

Report on an airborne helicopter magnetic and electromagnetic survey over the Mt. Wright area; a total of 4,250 line-km completed flown at 200-m line spacing immediately west of the Moire Lake claim block.

GM57996 – MRNFQ (1989)

A geological and exploitation assessment of the silica (quartzite) deposits of the Mont Wright - Fermont area, southern Labrador Trough, Quebec by A. A. Petryk, PhD.

GM59085, GM59086 – BHP Diamonds Inc. (1998)

Final Report of the 1998 Heavy Mineral Sampling Program on the Superior Reconnaissance Project, Area 3, Quebec; description of a regional heavy mineral sampling program in glacial till, eskers and drumlins from north eastern Quebec to define areas of increased economic potential in diamonds, base metals in massive sulphides and Broken Hill-type zinc deposits in the Grenville, gold contained within massive sulphides and Archean shear-hosted systems, on line spaced 50 km apart and at 3 km station intervals; 1,561 samples collected; discussion of the analytical techniques used in the regional till sampling with assays.

GM59745 – Paul Blackburn (2002)

Prospecting for quartzite with only two samples collected and assayed.

GM # Pending – GPR Geophysics Report & Survey Data: 2008 Airborne Survey, Fermont Properties (2008)

Between July 15-23 and August 15-28, 2008, GPR Geophysics International Inc. (GPR) of Longueil, Quebec, completed a 3,855 line-km, helicopter-borne, magnetic, gamma-ray spectrometry and EM-VLF geophysical survey for Champion Minerals Inc. over the Fermont Properties (NTS sheets 023/O13, 023/C01, 023/B04, 023/B05, 023/B06, 023/B11, 023/B12 and 023/B14).

The total magnetic field, horizontal magnetic gradient, VLF total field, VLF quadrature and gamma-ray spectrum were measured by the helicopter-borne system. DGPS positioning, magnetic diurnal changes and radar altitude data were also collected.

The iron mineralization is well defined by the magnetic geophysical surveys. Magnetic highs outline magnetite-rich iron formations, whereas magnetic lows tend to be hematite-rich iron formations and zones of secondary iron enrichment that have resulted from near-surface oxidation of the iron formation.

<u>GM #Pending – Fugro Airborne Survey (2011)</u>

FALCONTM Airborne Gravity Gradiometer Survey, Fermont, Québec. This technical report provides details of the airborne gravity survey flown by Fugro Airborne Surveys ("Fugro") over Champion"s Fermont Holdings from May 31 to July 14, 2011, and submitted September 2011 as a separate Assessment Report (Pearson, 2011).

<u>GM64289 – ArcelorMittal Mines Canada (2008)</u>

Quartz Lake Property ground geophysical (magnetic response) survey. This survey overstepped onto Champion"s Moire Lake Property, covering 2.5 km2 over the Moire Lake Occurrence (25% of total survey area). The technical report provides details of the ground survey performed by Geosig Inc. of Quebec, QC. Champion was provided with the portion of the raw data collected, without permission, from its Moire Lake Property.

GM #Pending – Geosig Inc. Survey originally commissioned by ArcelorMittal (2011)

Quartz Lake Property ground geophysical (magnetic response) survey. This in-fill survey follows up on the 2008 survey (GM 64289), again overstepped onto Champion"s Moire Lake Property. The overstepping error was discovered when Champion field personnel noted a newly cut grid and then encountered Geosig survey crews within the Moire Lake Property. With ArcelorMittal"s approval and apologies, Geosig has provided each company with the raw data obtained from their respective properties. The technical report provides details of the ground survey performed by Geosig Inc.

6.3 HISTORICAL RESOURCE ESTIMATES

A search of the MRNF on-line database returned results for one (1) occurrence, in the vicinity of Moire Lake; referred to as Lac Moire (Quartz)-Est. The on-line summary of this occurrence describes the rock-type hosting the mineralization, and lists a historic non NI 43-101 compliant estimate of 101 million tons of probable ore grading 30.75% iron. The description of the occurrence can be viewed on-line at http://sigeom.mrnf.gouv.qc.ca/ (COGITE #23B/14-0014).

This previous resource estimate is not NI 43-101 compliant and should not be relied upon. It has been superseded by the current resource estimate detailed in Section 14 of this Report.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 REGIONAL GEOLOGY

The FIOD lies within a Paleo-Proterozoic fold and thrust belt known as the Labrador Trough, which hosts extensive iron formations (Figure 7.1). The area is underlain chiefly by rocks that form the western, miogeosynclinal part of the Labrador Trough in the Churchill Province of the Canadian Shield. The Labrador Trough, also known as the New Québec Orogen and the Labrador-Québec Fold Belt, extends for more than 1,000 km along the eastern margin of the Superior Craton from Ungava Bay to the Manicouagan impact crater, Québec. The fold and thrust belt is about 100 km wide in its central part and narrows considerably to the north and south. It marks the collision between the Archean Superior Province (circa 3.0 Ga to 2.5 Ga) and the Rae Province of the Hudsonian Orogeny (circa 1.82 Ga to 1.79 Ga). Rocks of the Rae Province were transported westward over the Archean Superior Province basement creating a foreland fold and thrust belt marked by a series of imbricate thrusts (Figure 7.2). Based on stratigraphic juxtapositions, these thrust faults may have stratigraphic throws of several thousand metres.

Figure 7.1 Location Map of the Labrador Trough

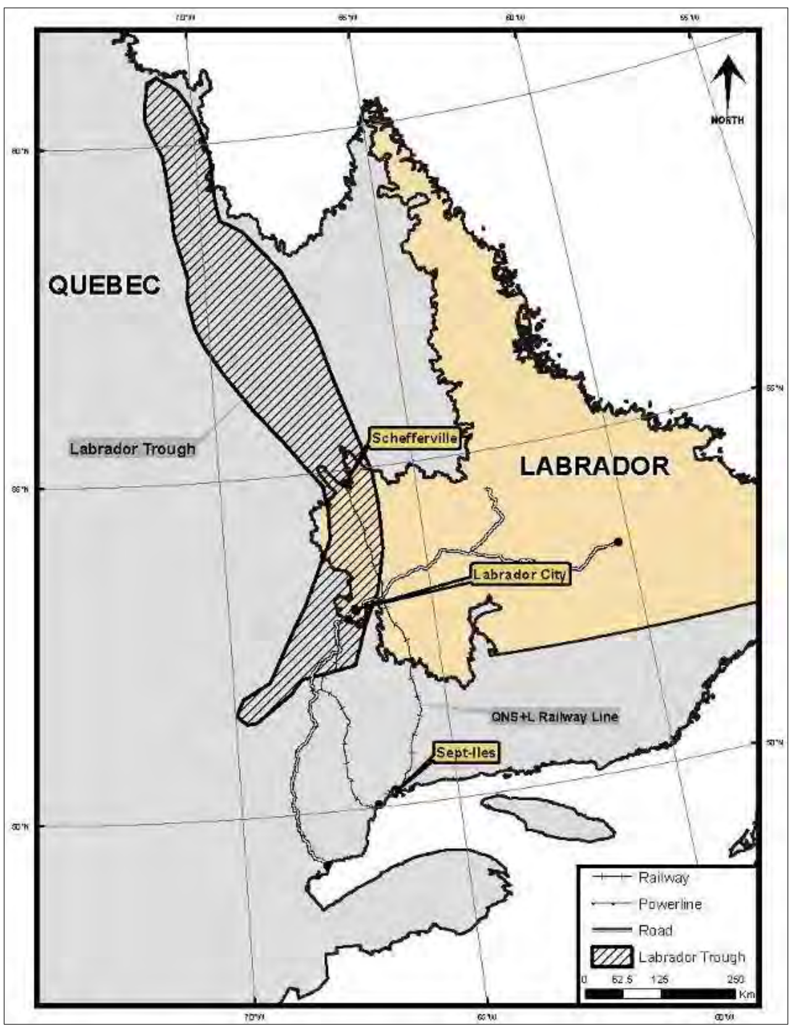
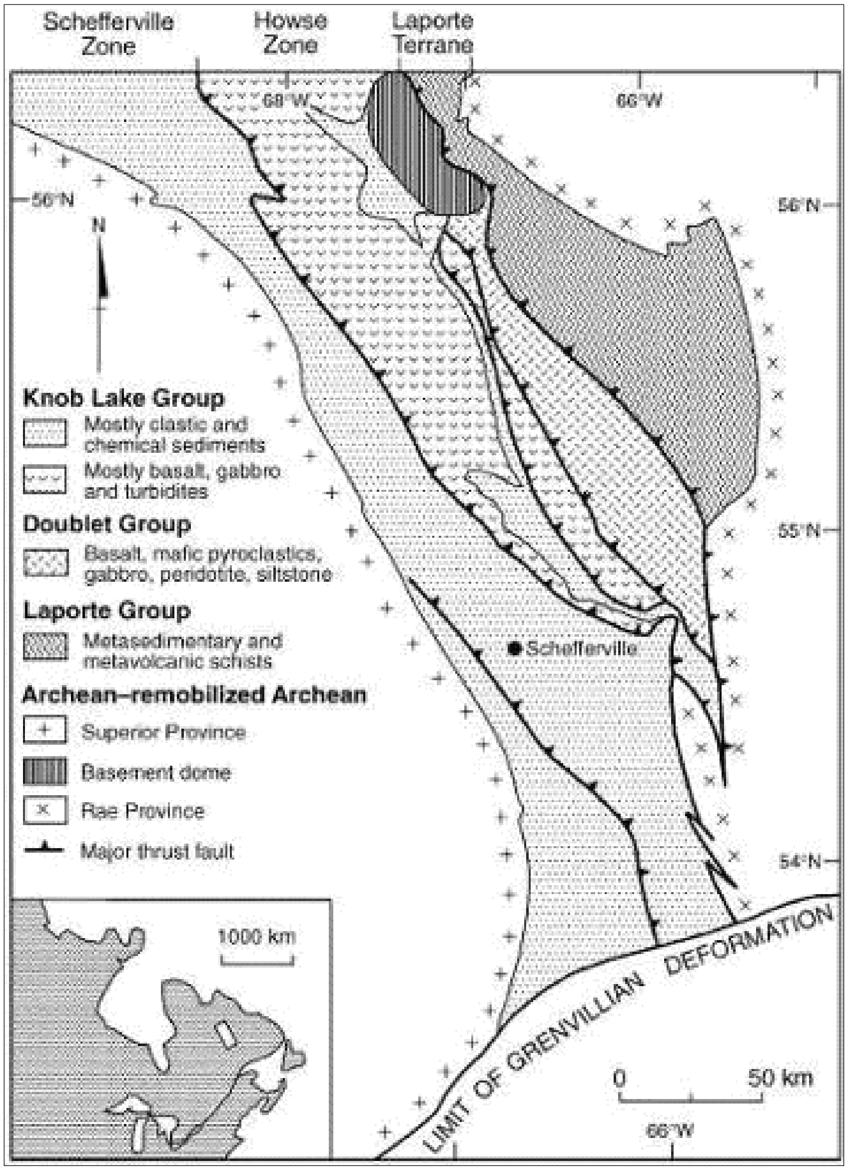


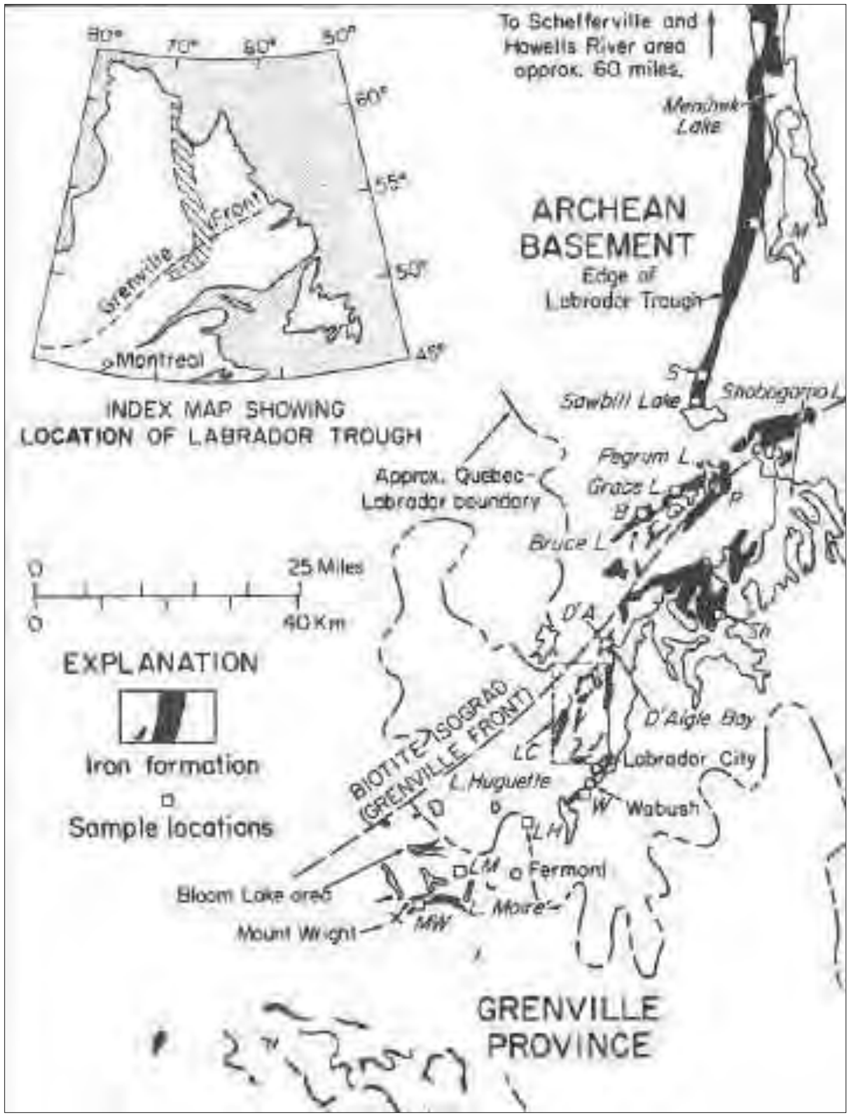
Figure 7.2 Litho-tectonic Subdivisions of the Central Labrador Trough



*(**Source:** From Williams and Schmidt (2004))*

The Labrador Trough can be divided into three geological domains. The Southern Domain is defined by the northern limit of the Grenville Orogenic Belt at approximately 53º24‘00”N Latitude. The biotite metamorphic isograd, which represents the northernmost expression of the Grenville Orogenic Belt (along the Grenville Front), crosses the Labrador Trough trending northeast approximately 35 km northwest of Fermont (Figure 7.3) according to Fahrig (1967) and Klein (1978). The Southern Domain encompasses Labrador Trough rocks that were metamorphosed during the Grenville Orogeny (circa 1.3 Ga to 1.0 Ga), which involved northward thrusting, northeast-southwest folding, abundant gabbro, anorthosite and pegmatite intrusions, and high-grade metamorphism.

Figure 7.3 Simplified Regional Geology Map of the Southern Portion of the Labrador Trough Showing the Position of the Biotite Isograd and Iron Formations



The metamorphism was responsible for the recrystallization of primary iron formations, producing coarse-grained sugary quartz, magnetite, and specular hematite schist (or meta-taconite). This coarser grained Southern Domain hosts the FIOD.

The Central Domain extends northward to approximately 58º30'00"N Latitude, along the west side of Ungava Bay. The Central Domain hosts regionally metamorphosed (greenschist metamorphic facies) iron formation deposits. The Central Domain consists of a sequence of Archaean, mainly sedimentary rocks, including iron formations, volcanic rocks and mafic intrusions, known as the Kaniapiskau Supergroup. The Kaniapiskau Supergroup is subdivided into the Knob Lake Group (western part of the Trough) and the Doublet Group, which is primarily volcanic, in the eastern part. The iron formation, meta-dolomite and quartzite in the Southern Domain are recognized as the metamorphosed equivalents of the Knob Lake Group.

The Northern Domain, north of the Leaf Bay area (58º30'00"N Latitude), comprises regionally metamorphosed rocks (lower amphibolite facies), much like those of the Southern Domain.

There is believed to be only one iron formation assemblage throughout the region. This formation varies in thickness and appears to have underlain the greater part of the original Labrador geosyncline. The economically important succession of quartzite-slate-iron formation, and their metamorphosed equivalents, persists throughout the three Domains.

7.2 FERMONT IRON ORE DISTRICT (FIOD) GEOLOGY

The FIOD, which includes iron formation in the Mont Reed-Fermont-Wabush area, is part of the Gagnon Terrane (Brown et al. 1992) within the Grenville Province of Western Labrador (Figure 7.4). Archean granitic and granodioritic gneiss and migmatite of the Ashuanipi Metamorphic Complex form the basement to most of the FIOD. They comprise white to grey, coarse-grained hornblende-epidote-biotite granitic and tonalitic gneiss. Garnetiferous amphibolites are interlayered with the gneiss in the basement sequence.

Unconformably overlying the basement gneiss are the metamorphosed equivalents of the Lower Proterozoic Knob Lake Group, including crystalline limestone (siliceous dolomite), glassy quartzite, silicate-carbonate quartzite, magnetite-quartz iron formation, specularite-quartz iron formation, silicate-magnetite iron formation, garnet-biotite gneiss and garnet-mica schist. Quartzo-feldspathic and graphite-biotite gneiss overlies the iron formation sequence.

The Knob Lake Group is a continental margin metasedimentary sequence, consisting of pelitic schist, iron formation, quartzite, dolomitic marble, semi-pelitic gneiss and subordinate, local mafic volcanics. The Knob Lake Group was deformed and subjected to metamorphism ranging from greenschist to upper amphibolite facies within a northwest-verging ductile fold and thrust belt, during the Grenville Orogeny (Brown et al. 1992, van Gool et al. 2008). The sequence is best exposed in the region west of Wabush Lake, extending southeast into the province of Québec, and northeast beyond the north end of Shabogamo Lake. The equivalent rock successions of the Southern and Central domains are shown in the comparative list of Formations in Figure 7.5. Intrusive rocks in the FIOD include pegmatites and aplite dykes, granodiorite plutons, amphibolites, gabbros and peridotite bodies.

Figure 7.4 Regional Geology Map of the FIOD

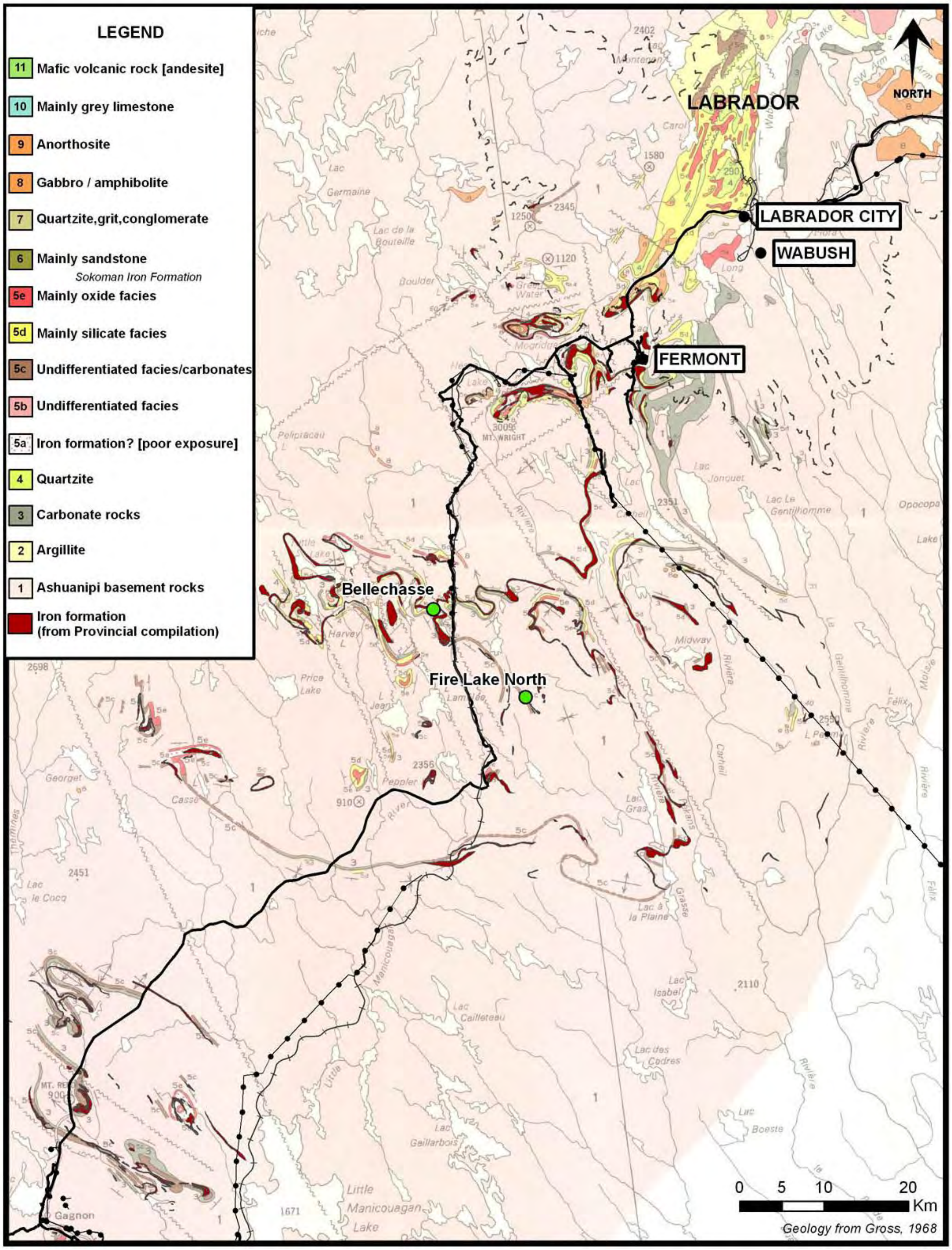


Figure 7.5 Equivalent Rock Successions in the Central and Southern Domains of the Labrador Trough

PROTEROZOIC

Helkian
Shabogamo Group
Gabbro Diabase

--------------------------- Intrusive Contact ---------------------------

	PROTEROZOIC **Aphebian** Kaniapiskau	
Churchill Province		Grenville Province
(Low-Grade Metamorphism) **Knob Lake Group**		**(High-Grade Metamorphism)**
Menihek Formation **Black shale, siltstone**		**Nault Formation** **Graphite, chloritic, and micaceous schist**
Sokoman Formation **Cherty iron formation**		**Wabush Formation** **Quartz magnetite-specularite-carbonate iron formation**
Wishart Formation **Quartzite, siltstone**		**Carol Formation** **Quartzite, quartz-muscovite-garnet schist**
Denault Formation **Dolomite, calcareous siltstone**		**Duley Formation** **Meta-dolomite and calcite marble**
Attikamagen Formation **Gray shale, siltstone**		**Katsao Formation** **Quartz-biotite-feldspar and gneiss**

--------------------------- Unconformity ---------------------------

ARCHEAN

Ashuanipi Complex
Granitic and granodioritic gneiss,
mafic intrusives

Note: The Duley, Carol and Wabush Formations are included in the Gagnon Group.

*(**Source:** Gross, 1968).*

7.3 STRATIGRAPHY

The following sections are summarized from Fahrig (1967), Gross (1968), Dimroth (1970) and Muwais (1974) on the stratigraphy of the Knob Lake Group.

In the Southern Domain of the Labrador Trough, the Knob Lake Group is comprised of six formations. The Attikamagen, Denault, Mackay River, Wishart, Sokoman and Menihek Formations occur along a northeast trending belt, and are briefly described below.

7.3.1 Knob Lake Group

Attikamagen Formation

The Attikamagen Formation is the oldest stratigraphic sedimentary sequence within the Knob Lake Group. The Formation, which can reach 300 m in thickness, unconformably overlies the Archean Ashuanipi Metamorphic Complex, and predominantly consists of brownish to creamy coloured, banded, medium to coarse-grained, quartz-feldspar-biotite-muscovite schist and lesser gneiss. Accessory minerals include chlorite, garnet, kyanite and calcite. The Attikamagen Formation appears to be best preserved in the deeper portions of the continental shelf, east of Wabush and Shabogamo Lakes, where the Formation thickness is greatest. In the extreme northwest, the Formation tapers and disappears, leaving upper units of the Knob Lake stratigraphy in contact with the Archean basement (Gross 1968).

Denault Formation

Conformably overlying the Attikamagen Formation is the Denault Formation. This Formation consists of coarse-grained, banded, dolomitic and calcitic marble up to 75 m thick with minor tremolite, quartz, diopside and phlogopite as accessory minerals. In the Wabush Lake area the Denault Formation has only been identified east and south of the Lake, and represents a transition between the shallow and deeper parts of the continental shelf. Stromatolites have been described to the south of Wabush Mine. Locally, the Formation can be sub-divided into three sub-units consisting of the lower siliceous horizon, the middle low silica (< 5% $SiO2$) horizon and the upper siliceous horizon. Low silica dolomite is mined and added to the iron pellets, and acts as a flux in the smelting process.

Mackay Formation

Overlying the Denault Formation is the Mackay River Formation. It consists of aqueous meta-tuffaceous sediments and conglomerate units. This sequence is not present in the Fermont area and occurs mainly northeast of Shabogamo Lake, northeast of Labrador City.

Wishart Formation

The Wishart Formation conformably overlies the Denault Formation and locally unconformably overlies the Attikamagen Formation. It consists of a 60 m to 90 m thick sequence of white, massive to foliated quartzite, which is typically resistant to weathering and erosion, forming prominent hills in the Wabush Lake Region. The Wishart Formation can be subdivided into the Lower, Middle and the Upper Members based on variation in composition and texture. The Lower Member consists of white to reddish brown, quartz-muscovite schist with varying percentages of garnet and kyanite.

The Middle Member is a coarsely crystalline orthoquartzite that is generally massive to banded. Accessory minerals include carbonate, amphibole (varying from tremolite and / or anthophyllite to grunerite and / or cummingtonite), garnet, mica (muscovite, sericite and biotite) and chlorite. Bands of iron-rich carbonates or their weathered products, limonite and goethite, may also occur.

The Upper Member exhibits a gradational contact with the overlying Sokoman Formation, and generally consists of bands of carbonate alternating with bands of quartzite. The presence of thin layers of muscovite and biotite schist (pelitic layers) is common. Accessory minerals include grunerite, garnet, kyanite and staurolite.

Parts of the Middle Member are locally mined for silica.

Sokoman Formation

The Sokoman Formation, also known as the Wabush Iron Formation, is the ore-bearing unit in the FIOD and is subdivided into Lower, Middle and Upper Members. The Sokoman Formation conformably overlies the Wishart Formation, but also locally shares its basal contact with the Denault, Mackay Lake, and Attikamagen Formations, and the Ashuanipi Metamorphic Complex.

The Lower Member (LIF) consists of a 0 m to 50 m thick sequence of fine to coarse-grained, banded quartz carbonate, and / or quartz carbonate magnetite, and / or quartz carbonate (i.e., siderite, ankerite and ferro-dolomite) silicate (i.e., grunerite, cummingtonite, actinolite, garnet), and / or quartz carbonate silicate magnetite, and / or quartz magnetite specularite sequences. This member generally contains an oxide band up to 10 m thick near the upper part.

The Middle Member (MIF), which forms the principal iron ore sequence, consists of a 45 m to 110 m thick sequence of quartz magnetite, and / or quartz specularite magnetite, and/or quartz specularite magnetite carbonate, and / or quartz specularite magnetite anthophyllite gneiss and schist sequence. Actinolite and grunerite-rich bands may be present in this member, although they are generally attributed to in-folding of the upper member. A vertical zonation is typically present with finer grained quartz magnetite dominated iron formation forming the basal section. Manganese content (rhodochrosite and pyrolucite) ranging from 0.4% to 1.0% Mn is associated with this sequence. Martite may also occur in weathered zones via supergene alteration of magnetite (Wabush Mines, Canning prospect and D"Aigle Bay area). The upper part of the MIF horizon is predominantly comprised of coarser grained quartz specular hematite iron formation.

The Upper Member (UIF) consists of a 45 m to 75 m thick sequence, similar in composition to the LIF, and can generally be differentiated through contact relationships with the overlying and underlying formations and the presence of increased grunerite or actinolite content. A magnetite rich zone may be present in the lower part of this Member.

Hydrous iron oxide (limonite and goethite) have been observed in all members of the Sokoman Formation. Limonite and / or goethite are present in weathered and fractured zones and are derived primarily from alteration of carbonate (Muwais 1974). Pyrolusite (a manganese oxide) may occur in a distinct zone at the base of the MIF but has also been observed in all members of the Sokoman Formation typically associated with surficial or supergene enrichment, extending to depth along and adjacent to structural discontinuities, such as fault and fracture zones.

Menihek Formation

The Menihek Formation consists of a 15 m to 75 m thick sequence of pelitic sediment. The Formation is commonly fine grained, foliated and variably comprised of a quartz-feldspar-mica (biotite-muscovite)-graphite schist. Garnet, epidote, chlorite and carbonate are accessory minerals. This unit is well preserved in the southern region, and within broad synclinal regions in the north.

Shabogamo Intrusive Suite

The Shabogamo Intrusive Suite comprises the youngest Precambrian rocks in the Wabush Lake area. It consists of massive, medium to coarse-grained mafic intrusive (gabbro, olivine gabbro and amphibolite), non-magnetic, sill-like bodies with ophitic to sub-ophitic textures. These sills may be locally discordant and have a tendency to be schistose near the contact with other rock formations. Most of the gabbro sills are composed of plagioclase, pyroxene, olivine and minor amounts of magnetite and ilmenite. The amphibolite equivalents are commonly composed of hornblende, biotite, garnet and chlorite. Pyrite, muscovite, and feldspar are accessory minerals.

Regional Structural Geology

Three stages of deformation are recognized in the Southern Domain. The first stage, associated with the New Québec Orogeny, produced linear belts that trend northwest in the Central Domain. The second stage, developed during the Grenville orogeny, reoriented the northwest trending linear belts to the east and northeast. Thrust faults associated with these two transpressional events are common, but sometimes very difficult to identify. Bedding planes are generally recognizable in the quartzite, dolomite and iron formation.

It is unclear whether the compositional banding in the schist and gneiss reflects original bedding. Asymmetrical, overturned and recumbent folds are common throughout the FIOD. The complex interference patterns evident on geological maps of the area indicate that a third phase of deformation has affected this domain.

As a result of folding and transposition, reversals, truncations, and repeats that thicken the iron formation are common. Late, brittle faults have redistributed the sequences only slightly compared with the influence of folding on the area.

Moire Lake Property Geology

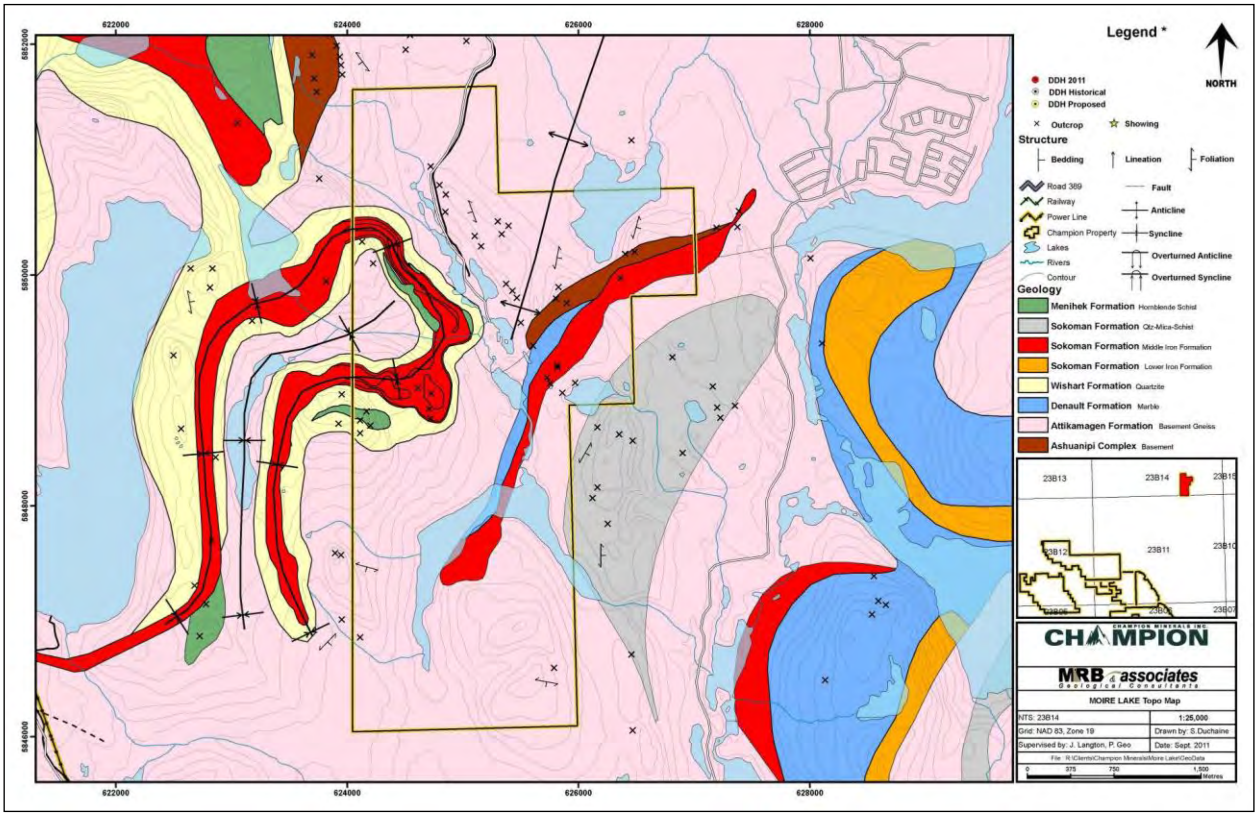
Moire Lake is primarily underlain by Attikamagen Formation rocks. Highly metamorphosed sediments and iron formation (Sokoman Formation) snake through the western part of the claim block, following a complex fold interference pattern (Figure 7.6). The eastern part of the Property hosts a northeast-trending, linear keel of iron formation (Sokoman Formation) that outcrops locally along its surface trace.

The rock formations exposed in this area form part of the same crystalline sequence of metamorphosed Precambrian sediments identified in other parts of the southern district. Like their counterparts they underwent minor alteration following primary deposition and subsequent high-grade regional metamorphism during the Grenville Orogeny.

The rocks around Moire Lake belong to the same sequence as those of the Mt. Wright Mine and the Bloom Lake Mines, located 12 km to the west and 10 km to the northwest respectively. The iron formation consists of alternating magnetite and hematite rich horizons capped by silicates, quartz, marble and gneiss, and underlain by quartz-silicates-carbonate rock and quartz, marble and granitic gneiss.

The Moire Lake claims were staked over strong, magnetic anomalies (Figure 7.7) similar to the strong magnetic anomaly that outline the Mt. Wright and Bloom Lake iron-ore deposits.

Figure 7.6 Moire Lake Property Geology Map



7.4 MOIRE LAKE PROPERTY STRUCTURE

The surface distribution pattern of rocks at Moire Lake is a reflection of the complex interference pattern created by multiple phases of deformation that have affected the local and regional geology. The first phase(s) of deformation were likely related to the transpressional, New Quebec Orogeny, which produced generally northwest-trending, linear fold and thrust belts in areas of the Labrador Trough that were unaffected by the Grenville Orogeny.

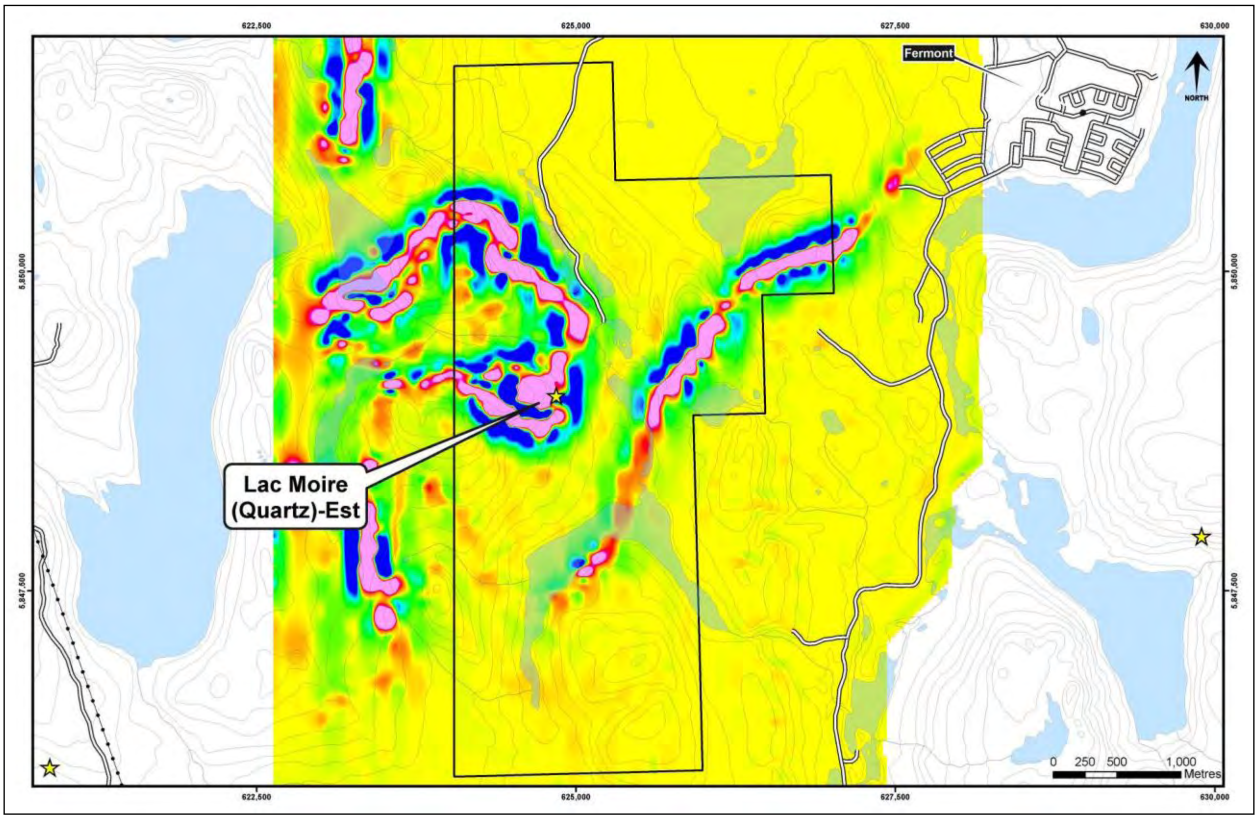
Rocks in the southern Domain, including the FIOD, were affected by the Grenville Orogeny, which refolded and reoriented the linear fold belts. The intense metamorphism associated with the Grenville Orogeny has obliterated and masked most of the earlier structural discontinuities, such as thrusts and faults making structural interpretation of the current geometry somewhat speculative.

The iron formation at Moire Lake is exposed within a series of complex structures that reflect the folding characteristics of the regional structural pattern. The roughly circular, mushroom pattern underlying the western part of the Property reflects a classic, 2-phase, orthogonally oriented fold-interference pattern that are desired exploration targets in the FIOD (Figure 7.6).

The area as a whole is characterized by open to tight, upright and overturned folds that refold early recumbent folds. Dips of bedding and schistosity are rarely a guide to stratigraphic sequence, and many of the units disappear by attenuation rather than faulting. The magnetic signature of the formations that is typically well outlined on geophysical surveys can also be misleading as the anomalies disappear where the host rocks are non-magnetic (e.g., hematite-rich). Tectonic thickening of rock units is common and this is the most important structural factor economically as it is the thickened, near-surface, synclinal hinges that are most favourable for open pit mining.

A few late, brittle faults have been outlined by various mapping programs. They are typically of high angle and small displacement, are later than the main folding events, and appear to have had little effect on the overall distribution of the local rock units.

Figure 7.7 Magnetic Second Vertical Derivative Geophysical Map of the Moire Lake Property



7.5 MINERALIZATION

7.5.1 FIOD Mineralization

Lake Superior-type iron formations form a major part of the succession of folded Proterozoic sedimentary and volcanic rocks that were deposited within an extensive basin, some interconnected, along the north-eastern and south-western craton margins of the Superior Province of the Canadian Shield. The Labrador-Québec fold belt, consisting of sedimentary and volcanic sequences and intrusions deposited in smaller interconnected sub-basins, is the largest continuous stratigraphic-tectonic unit that extends along the eastern margin of the Superior-Ungava Craton.

The principal iron formation unit of the Labrador-Québec fold belt, the Sokoman Formation, extends for more than 1,000 km and includes those iron formations in the FIOD which were subjected to deformation and regional metamorphism associated with the Grenville Orogeny (1.3 Ga to 1.0 Ga). The metamorphic grade ranges from greenschist facies near the Grenville Front to amphibolite-granulite facies farther south. As a result of deformation and metamorphism, the iron formation was structurally thickened in fold hinges and coarsely recrystallized to a quartz specular hematite with varying amounts of magnetite.

The Sokoman Formation occupies a stratigraphic position between shallow-water, high-energy sediments (Wishart) and deep-water, largely lower-energy sediments (Menihek). Stratigraphic relationships indicate that the Sokoman Formation is part of a transgressive sequence (Clark and Warns 2006). The deposits consist of banded sedimentary units composed of bands of iron oxides within quart (chert)-rich rock.

The principle iron deposits found in the FIOD can be grouped into two types: quartz specular hematite and quartz specular hematite-magnetite.

The iron in the UIF, MIF and LIF is for the most part in its oxide form, mainly as specular hematite ($Fe2O3$) and specularite in its coarse-grained form and to a lesser extent, as magnetite ($Fe3O4$). Some of the iron is in iron silicates such as amphibole (grunerite, $Fe7Si8O22(OH)2$) and in carbonate such as ankerite ($Ca[Fe,Mg,Mn][CO3]2$). The main gangue mineral in the iron formation deposits is quartz that constitutes approximately 50% of the rock.

The Sokoman Formation is classified as a Lake Superior-type iron formation (Clark and Wares 2006). This type is composed mainly of magnetite and hematite and is commonly associated with mature sedimentary rocks. Generally little metamorphosed and altered, the Sokoman can be termed „taconite"; however, in the Grenville Province where the FIOD is situated; the iron formation is more strongly metamorphosed and recrystallized.

The increased grain size of the FIOD ores makes mining and beneficiation easier; however, the additional episode(s) of folding have complicated the structural pattern in the FIOD.

Several models to explain the origin of the Sokoman Formation are presented in Clark and Wares (2006) and include an oxidizing shallow-marine paleo-environment for iron deposition (e.g., Dimroth 1975); a volcanic-hydrothermal source (e.g., Gross 1996); and a sea rich in reduced iron that was used up during the accumulation of the sediments (e.g., Kirkham and Roscoe 1993).

7.6 MOIRE LAKE PROPERTY MINERALIZATION

The iron formations underlying the FIOD and the Moire Lake Property are hosted by the Wabush Formation and are classified as Lake Superior-type, but are more specifically a metamorphosed equivalent of the Sokoman Formation, which consists of a banded sedimentary unit composed principally of bands of iron oxides, magnetite and hematite within quartz (chert)-rich rock with variable amounts of silicate, carbonate and sulphide lithofacies. Metamorphic grade ranges from greenschist facies near the Grenville Front to amphibolite-granulite facies farther south. As a result of the tectono-metamorphism, the iron formation has preferentially migrated to, and is structurally thickened in fold hinges. The mineralization is coarsely recrystallized, and the mineral assemblage of the principal iron ores is martite-magnetite-quartz and specular hematite-quartz.

Such iron formations are the principal sources of iron throughout the world (Gross, 1996). In order for the sedimentary rock sequences to be classified as iron formation they must have over 15% Fe content, whereas in order to be classified as ore, the iron content must generally be over 30% Fe.

For iron formation to be mined economically, a minimum iron content is required (generally 30% Fe +/- 2%), but also the iron oxides must be amenable to concentration (beneficiation) and the concentrates produced must be low in manganese and deleterious elements such as silica, aluminium, phosphorus, sulphur and alkalis.

The increased grain size of the FIOD ores makes mining and beneficiation easier; however, the additional episode(s) of folding have complicated the structural pattern in the FIOD.

The principle iron deposits found in the FIOD can be grouped into two types: quartz/specular hematite and quartz/specular hematite-magnetite. Magnetite/meta-taconite occurrences can be beneficial in the pelletizing process in that the magnetite reacts exothermically and this saves on pelletizing energy costs.

Moire Lake hosts a quartz/specular hematite-magnetite formation. The iron formation is essentially a massive to thickly-banded quartz-magnetite rock. About one-quarter of the formation contains a mixture of magnetite and specular hematite, but near the base, a zone of specular hematite over 100-feet thick exists.

8.0 DEPOSIT TYPES

The Moire Lake iron formation is classified as Lake Superior-type. Such iron formations are the principal sources of iron throughout the world. Iron formation deposits in the FIOD include ArcelorMittal‟s Mont Wright and Fire Lake Mines and Mont Reed iron deposit; and Cliffs Resources‟ Bloom Lake and Peppler Lake iron deposits.

8.1 IRON FORMATIONS

Iron formations are classified as chemical sedimentary rock containing greater than 15% iron consisting of iron-rich beds usually interlayered on a centimetre scale with chert, quartz, or carbonate. Ore is mainly composed of magnetite and hematite and commonly associated with mature sedimentary rocks.

Stratiform iron formations are distributed throughout the world in the major tectonic belts of the Precambrian shields and in many Paleozoic and Mesozoic fold belts as well as parts of the present day ocean floor. Gross (2009) noted that the enormous size of some of the Archean and Paleoproterozoic iron formations reflect the unique global tectonic features and depositional environments for iron formation that were distinctive of the time.

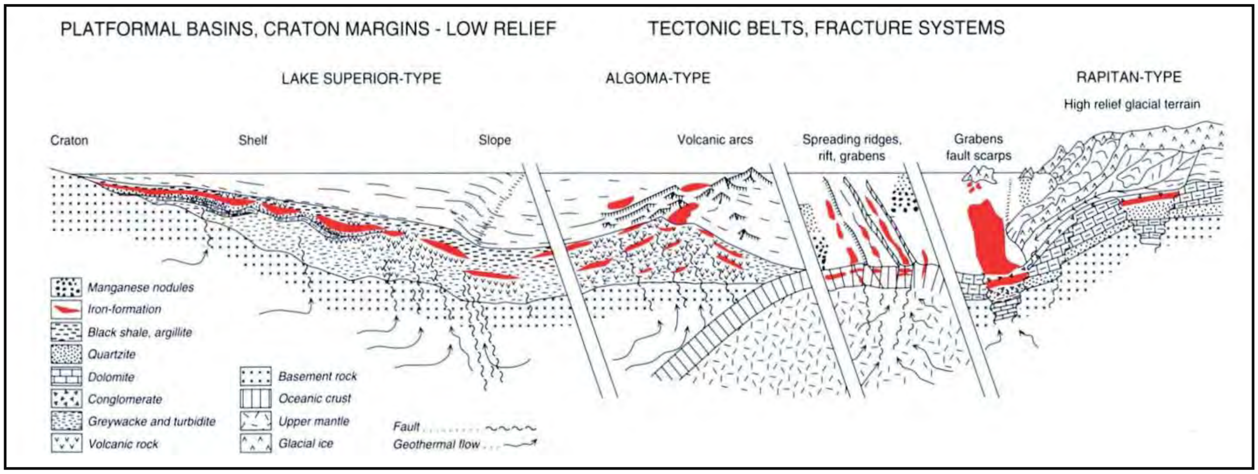
Although various models have been used to explain the deposition of iron formations, current thinking (summarized in Cannon 1992, Gross 1996, Gross 2009) supports the idea of iron formation deposition resulting from the syngenetic precipitation of iron-rich minerals in a marine setting due to hydrothermal exhalative activity on the ocean floor. The iron is thought to have formed in tectonic-sedimentary environments where silica, iron, ferrous and non-ferrous metals were available in abundance, mainly from hydrothermal sources, and where conditions were favourable for their rapid deposition with minimal clastic sediment input.

Hydrothermal processes related to volcanism and major tectonic features are thought to be the principal source of iron and other metals. Deep fractures and crustal dislocations over hot spots and high thermal gradients penetrating the upper mantle enabled convective circulation, alteration and leaching of metals from the upper crust including possible contributions by magmatic fluids. Iron formations are not only important hosts of enriched iron and manganese ore but are also markers for massive sulphide deposits. Deposition of the iron was influenced by the pH and Eh of the ambient water and biogenic anaerobic processes may have also played a role (Gross 1996, Gross 2009).

Post depositional events such as weathering, groundwater circulation and hydrothermal circulation can modify the deposits and the mineralogy is usually recrystallized and coarsened by medium- to high-grade metamorphism. Protracted supergene alteration can be an important economic fact in upgrading the primary iron formation (Gross 1996).

Iron formations can be subdivided into two types, related to two major types of tectonic environments: the Lake Superior-type on continental shelf and marginal basins adjacent to deep seated fault and fracture systems and subduction zones along craton borders; and the Algoma-type along volcanic arcs and rift systems, and other major disruptions of the earth‟s crust (Figure 8.1). Development of Lake Superior-types was related to global tectonic systems that caused the breakup of cratons, shields or plates in the Paleoproterozoic. Rapitan-type have distinctive lithological features being associated with diamictite, and were deposited in grabens and fault scarp basins along rifted margins of continents or ancient cratons in sequences of Late Proterozoic and Early Paleozoic rocks.

Figure 8.1 Tectonic Environment for the Deposition of Iron Formation



*(**Source:** Gross, 1996)*

8.2 LAKE SUPERIOR-TYPE IRON FORMATIONS

Extensive Lake Superior-type iron formations occur on all continents, in parts of relatively stable sedimentary-tectonic systems developed along the margins of cratons or epi-continental platforms. Most of the thicker iron formations were deposited in shallow basins on continental shelves and platforms in neritic environments, interbedded with mature sedimentary deposits (Gross 2009).

The following are definitive characteristics of ore deposits of the Lake Superior-type iron formations (Gross 1996):

- Iron content is 30% or greater;
- Discrete units of oxide lithofacies iron formation are clearly segregated from silicate, carbonate or sulphide facies and other barren rock;
- Iron is uniformly distributed in discrete grains or grain-clusters of hematite, magnetite and goethite in a cherty or granular quartz matrix;
- Iron formations, repeated by folding and faulting, provide thick sections amenable to mining, and;
- Metamorphic enlargement of grain size has improved the quality of the ore for concentration and processing.

Iron formation deposition coincided with volcanism in linear tectonic belts along the continental margins. Most of the sedimentary-tectonic belts in which they were deposited were characterized by extensive volcanic activity that coincided with deepening of the linear basins or trough in the offshore areas and by extrusion and intrusion of mafic and ultramafic rocks throughout the shelf and marginal rift belts near the close or after the main periods of iron formation deposition (Gross 2009).

9.0 EXPLORATION

Exploration activity on the Property by Champion Minerals Inc. has consisted principally of diamond-drilling, the results of which are presented in Section 10. Limited bedrock mapping was conducted over the main iron resource deposit and prospecting was completed over the northeast trending aeromagnetic anomaly underlying the eastern part of the Property.

10.0 DRILLING

10.1 2011 DRILLING

Champion contracted Lantech Drilling Services Inc. of Dieppe, New Brunswick for the drilling, which began in mid-February, 2011.

Magnetic inversion techniques were used to determine the geometry of the iron formation source in order to design drill hole targets.

All hole locations were collared using a hand held GPS unit (a Garmin Rino530HCx) having an accuracy of +/- 5 m. Azimuths for the holes were determined using solar charts due to the strongly magnetic rocks in the area. A Devico Flexit tool was used on the drill rig for downhole orientation surveys.

This section presents the results of the 2011 diamond-drilling exploration program that comprised twenty-three (23) holes (LM11-01 to LM11-21, including two re-drilled holes) totalling 9,341.8 metres.

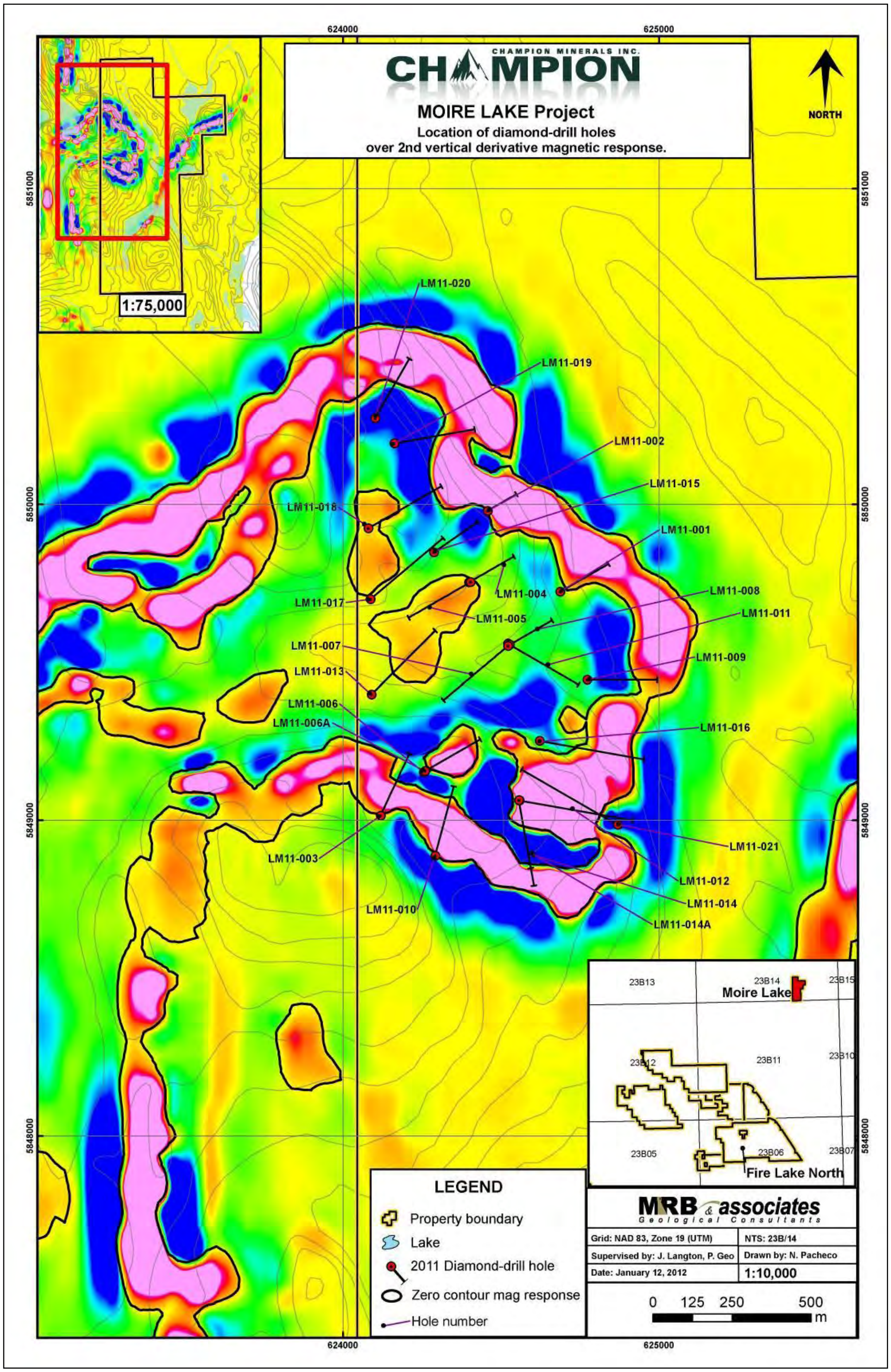
Details of the drill-holes for the 2011 Moire Lake drilling campaign are shown in Table 10.1; whereas a summary of best selected results, presented as composite assay intervals, is presented in Table 10.2.

TABLE 10.1
DIAMOND DRILL HOLE COORDINATES 2011

Hole #	Easting	Northing	Final Depth (m)	Azimuth (True North)	Dip °
LM11-001	624687.41	5849723.22	277	60	-50
LM11-002	624457.31	5849979.47	278	60	-70
LM11-003	624119.19	5849014.98	295	25	-45
LM11-004	624403.23	5849753.75	508	240	-65
LM11-005	624398.23	5849752.66	405	60	-70
LM11-006	624255.00	5849153.00	35	60	-55
LM11-006A	624259.76	5849155.87	352	60	-55
LM11-007	624527.39	5849555.91	446	230	-55
LM11-008	624521.71	5849551.65	457	60	-70
LM11-009	624772.41	5849444.44	383.5	90	-55
LM11-010	624291.77	5848887.48	456	15	-60
LM11-011	624521.72	5849558.67	451	120	-55
LM11-012	624558.22	5849063.18	515	111	-45
LM11-013	624089.93	5849398.20	572	45	-60
LM11-014	624556.75	5849062.72	307.5	170	-45
LM11-014A	624557.00	5849064.00	389	170	-45
LM11-015	624287.67	5849847.77	403	55	-66
LM11-016	624621.95	5849251.49	474	100	-45
LM11-017	624086.64	5849699.97	602	50	-60
LM11-018	624079.86	5849923.74	535.5	60	-60
LM11-019	624162.25	5850193.00	366	80	-55
LM11-020	624101.69	5850273.14	308.3	30	-45
LM11-021	624869.32	5848985.83	526	300	-50
		Total Metres	**9,341.8**		

TABLE 10.2 SIGNIFICANT INTERSECTIONS FROM MOIRE LAKE				
Hole #	**From (m)**	**To (m)**	**Core Length (m)**	**Composite assay**
LM11-001	72.0	226.1	154.1	30.7% FeT over 154.1 m
includes	120.0	226.1	106.1	32.3% FeT over 106.1 m
LM11-002	11.6	130.9	119.3	26.6% FeT over 119.3 m
includes	23.0	124.9	101.9	28.4% FeT over 101.9 m
LM11-003	78.6	247.0	168.4	17.8% FeT over 168.4 m
includes	78.6	138.0	59.4	27.0% FeT over 59.4 m
and	167.6	239.0	71.4	15.3% FeT over 71.4 m
LM11-004	110.7	144.7	34.0	17.9% FeT over 34.0 m
and	308.5	466.7	158.2	27.9% FeT over 158.2 m
includes	336.5	466.7	130.2	30.5% FeT over 130.2 m
LM11-005	159.5	326.9	167.4	24.9% FeT over 167.4 m
includes	171.5	305.0	133.5	28.9% FeT over 133.5 m
LM11-006A	3.0	95.7	92.7	17.4% FeT over 92.7 m
and	133.0	179.7	46.7	16.8% FeT over 46.7 m
and	197.9	232.2	34.3	18.2% FeT over 34.3 m
LM11-007	164.6	229.4	64.8	19.3% FeT over 64.9 m
LM11-008	333.1	434.3	101.2	28.6% FeT over 101.2 m
including	345.1	434.3	89.2	30.2% FeT over 89.2 m
and	345.1	404.9	59.8	31.5% FeT over 59.8 m
LM11-009	24.5	383.4	358.9	30.3% FeT over 358.9 m
including	31.5	133.0	101.5	35.2% FeT over 101.5 m
including	133.0	383.4	250.4	28.2% FeT over 250.4 m
LM11-010	135.9	385.4	249.5	22.3% FeT over 249.5 m
including	135.9	298.6	162.7	27.1% FeT over 162.7 m
including	135.9	266.6	130.7	29.1% FeT over 130.7 m
LM11-012	3.5	506.9	503.4	31.2% FeT over 503.4 m
including	60.3	490.4	430.1	31.8% FeT over 430.1 m
LM11-013	407.5	572.0	164.5	29.6% FeT over 164.5 m
including	407.5	510.0	102.5	31.4% FeT over 102.5 m
and	527.1	572.0	44.9	32.2% FeT over 44.9 m
LM11-014	2.7	231.5	228.8	29.5% FeT over 228.8 m
including	34.7	231.5	196.8	30.3% FeT over 196.8 m
LM11-014A	288.9	337.2	48.3	28.2% FeT over 48.3 m
LM11-015	143.8	361.2	217.4	25.3% FeT over 217.4 m
including	159.3	236.7	77.4	30.7% FeT over 77.4 m
LM11-016	83.9	474.0	390.1	27.6% FeT over 390.1 m
including	87.9	325.0	237.1	31.53% FeT over 237.1 m
LM11-017	279.9	436.4	156.5	32.7% FeT over 156.5 m
and	516.7	599.2	82.5	27.7% FeT over 82.5 m
LM11-018	5.5	69.0	63.5	18.1% FeT over 63.5m
and	262.9	384.8	121.9	24.4% FeT over 121.9 m
including	278.3	336.7	58.4	29.7% FeT over 58.4 m
and	451.5	498.9	47.4	30.4% FeT over 47.4 m
LM11-019	123.0	244.8	121.8	18.1% FeT over 121.8 m
and	309.5	344.6	35.1	30.7% FeT over 35.1 m
LM11-020	122.1	176.4	54.3	22.1% FeT over 54.3 m
and	212.5	261.5	49.0	31.0% FeT over 49.0 m
LM11-021	100.2	436.6	336.4	27.7% FeT over 336.4 m
including	100.2	348.3	248.1	31.6% FeT over 248.1 m

Figure 10.1 Location of 2011 Diamond Drill Holes



10.2 GEOLOGICAL INTERPRETATION

10.2.1 Moire Lake Occurrence Magnetic Anomaly

The roughly circular shaped magnetic anomaly correlates well with the iron formation units projected to surface from historic diamond-drill holes. The iron units defined by the 2011 drill program show that the inner part of the semi-circular magnetic anomaly is also underlain by iron formation that does not reach surface, forming a larger "bowl-like" synform.

For exploration purposes, the iron formation around the Moire Lake occurrence is divided into four (4) zones; the Western Limb Zone, Eastern Limb Zone, the South Hinge Zone and the Central Zone.

Historic drilling has been conducted in the Western Limb, Eastern Limb and South Hinge zones. The Champion 2011 project included infill and twin drilling of these historic holes in order to validate the assays and to increase the potential tonnage of the historic mineral resource (Table 10.3).

TABLE 10.3
DETAILS OF VALIDATION DRILLING ON THE EASTERN LIMB, WESTERN LIMB AND SOUTH HINGE ZONES

Hole #	Easting (UTM)	Northing (UTM)	Elev (m)	Depth (m)	Az° (TrueN)	Dip°	Validation
East Limb							
LM11-001	624689	5849723	672	277	60	-70	Twin Hole
LM11-002	624457	5849976	713	278	60	-70	Infill
LM11-019	624159	5850188	752	366	80	-55	Infill
LM11-020	624107	5850297	760	308.35	30	-45	Exploration
LM11-021	624871	5848984	684	526	300	-50	Exploration
West Limb							
LM11-003	624119	5849016	764	295	25	-45	Extended Resources
LM11-010	624290	5848893	743	456	15	-60	Infill
South Hinge							
LM11-012	624559	5849065	741	515	55	-65	Twin Hole
LM11-014	624560	5849060	742	307.5	170	-45	Twin Hole
LM11-014A	624557	5849064	742	389	170	-45	Twin Hole
LM11-016	624284	5849846	732	474	100	-45	Infill
LM11-009	624778	5849457	662	386.8	90	-55	Infill

The Central Zone within the ring shaped anomaly showed weak magnetic responses, which had previously been unexplored. The 2011 drill program explored this zone leading to the discovery of a new zone of iron mineralization (Table 10.4). The first drill hole in this zone was LM11-04 followed by LM11-05, leading to re-interpretation; indicating the iron units defined by historic drilling around the perimeter of the semi-circular magnetic anomaly converge inward to be within potential mining depths in a much larger "bowl-like" synform.

Drill holes LM11-04, LM11-05, LM11-07, LM11-08, LM11-13, LM11-15 and LM11-17 successfully intersected the iron units in this interpreted synform in the centre of the semi-circular ring shaped magnetic anomaly.

10.2.2 Rock Units

The iron formation, a massive, thick-banded, quartz-magnetite-hematite rock, can be separated into two main types; 1) rock dominated by Fe-silicate, -carbonate, magnetite composition, and; 2) rock with lower Fe-silicate content, and enriched in magnetite and specularite. The Western Limb Zone is dominated by Type 1, whereas the Central and Eastern Limb zones are mainly underlain by Type 2 rock iron formation.

The South Hinge Zone has a combination of thick units of magnetite and specularite interlayered with iron-silicate rich intervals within the iron formation. The iron formation in the hinge zone has been structurally thickened. A fault zone has been recognized in drill holes LM11-009 and LM11-016, and manifests as gravels, gouges, muddy and brecciated goethite zones. The 2011 drill holes in the South Hinge Zone penetrated iron formation below any historic intersection, thereby increasing the potential mineralized reserves.

Basement rocks consist of quartz-biotite-hornblende gneiss. Quartzite is abundant in the western part of the Property where it envelopes the iron formation. Gabbro lenses are common along the quartzite iron formation contact.

TABLE 10.4
COMPLETED EXPLORATION HOLES IN THE CENTRAL ZONE

Hole #	Easting (UTM)	Northing (UTM)	Elev. (m)	Current/Final Depth (m)	Az° (TrueN)	Dip°
LM11-004	624405	5849750	710	508	60	-70
LM11-005	624394	5849758	710	405	60	-70
LM11-006	624255	5849153	746	35.75	60	-55
LM11-006A	624260	5849157	746	352	60	-55
LM11-007	624525	5849558	682	446	230	-55
LM11-008	624525	5849562	685	457	60	-70
LM11-011	624519	5849562	685	451	170	-45
LM11-013	624090	5849400	720	572	45	-60
LM11-015	624285	5849850	730	403	55	-65
LM11-017	624086	5849699	732	602	50	-60
LM11-018	624079	5849924	749	535.5	300	-50

The Hornblende Biotite Gneiss is dominantly a competent dark green to black medium to coarse grained rock, consisting of hornblende, biotite and feldspar. This rock is relatively homogeneous and marked by a very pronounced foliation, grain size varies widely, and the occurrence of millimetre reddish garnet is observed over core lengths of 10 meters. The gneiss and Iron Formation contacts can be sharp and often a chilled margin is recognized.

The Quartz Mica Schist is a unit-name mainly for the schist sequence at the base of the iron formation in the Western Limb Zone. Biotite is abundant through the basement gneiss, and many transitions into mica schist were noted.

Intrusions of medium-grained gabbro are present as positive-relief features in the western part of the Property. The typical gabbro of this type contains 30% plagioclase with other mafic minerals and a few percent of opaque oxides.

Biotite-rich units recognized within the iron formation sequence are generally related to small intrusions and are highly deformed. These units are up to 1 metre thick and show garnet alteration.

Figure 10.1 Cross Section 5800 N Moire Lake

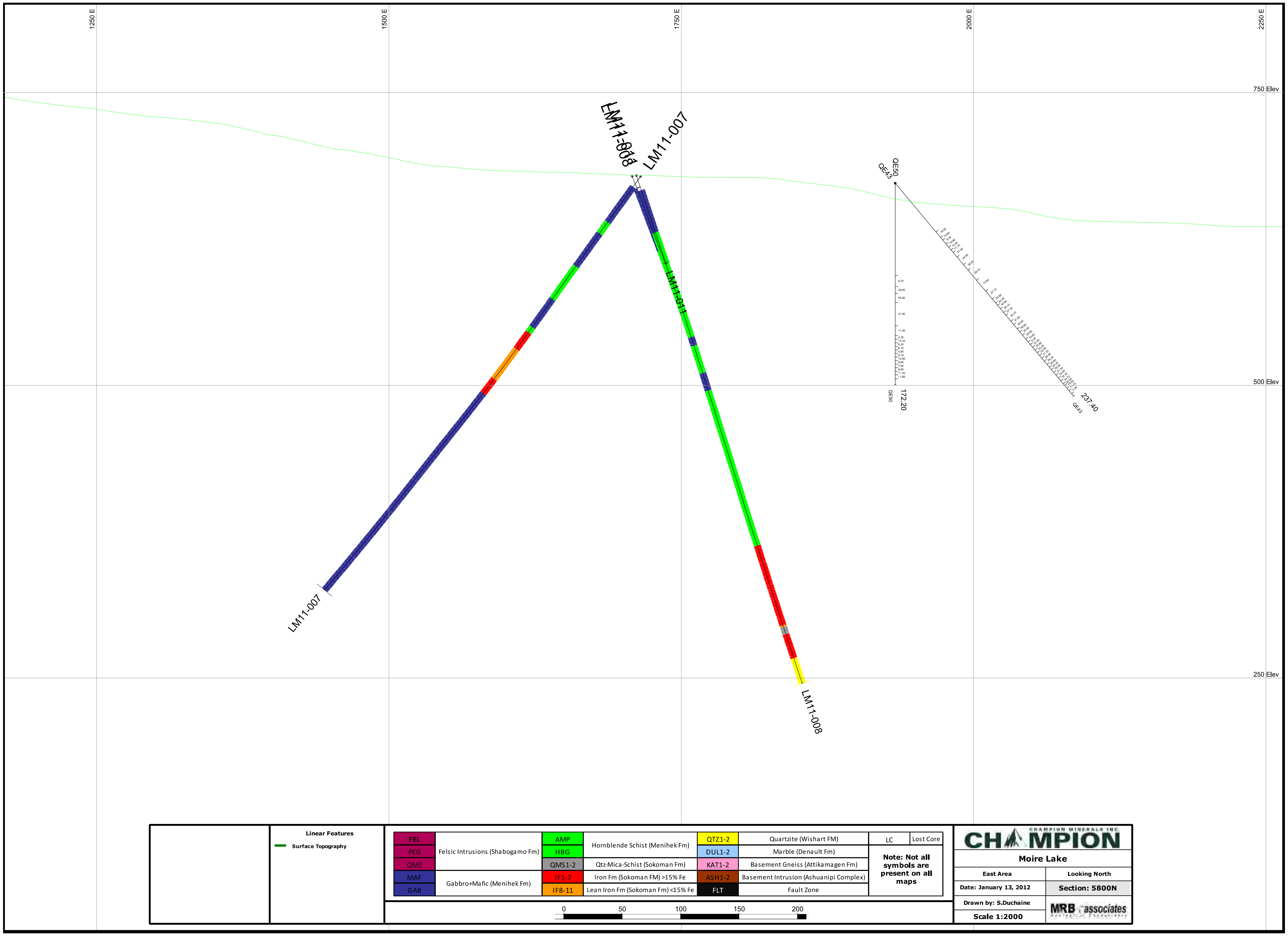
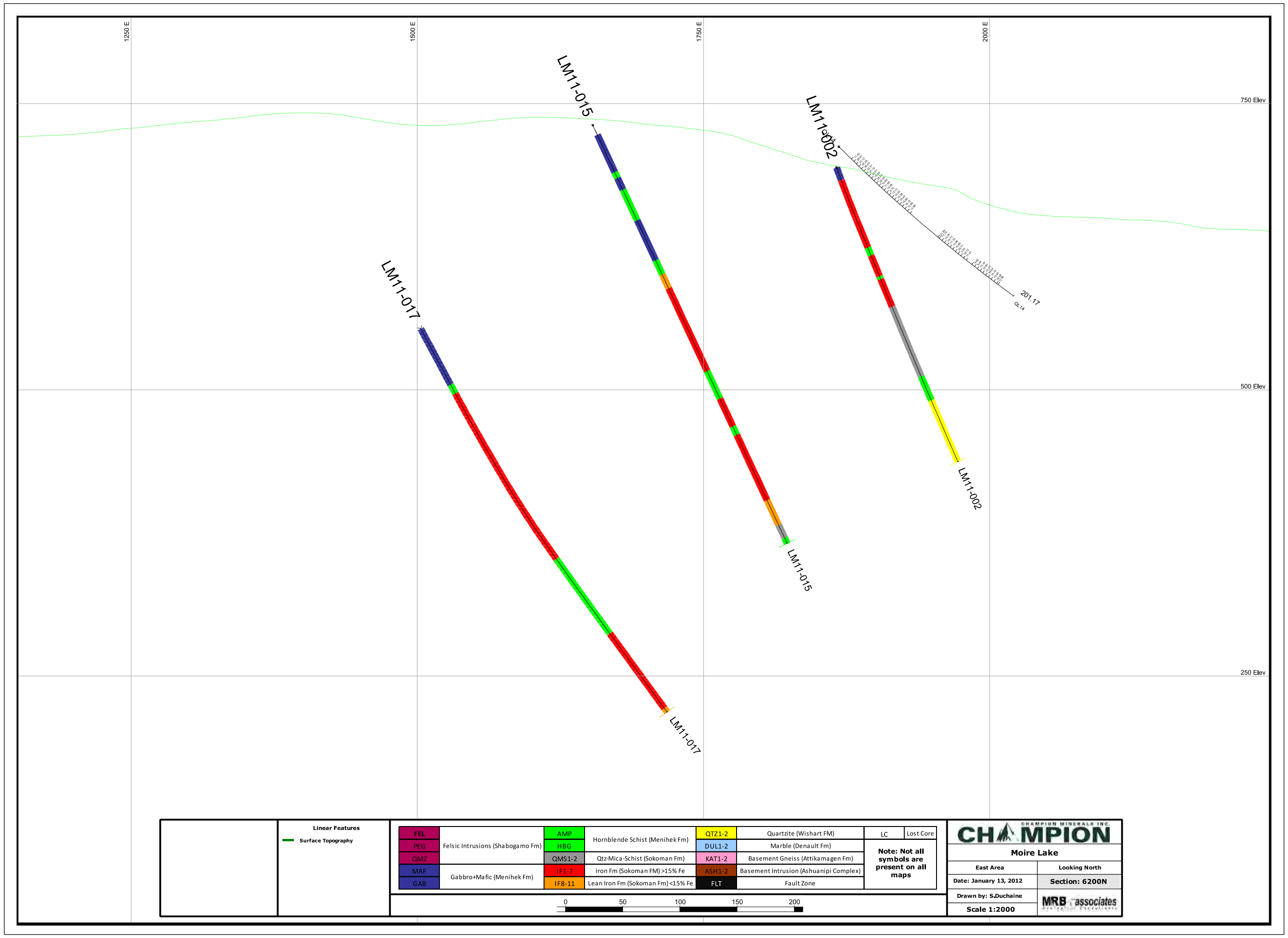


Figure 10.2 Cross Section 6200 N Moire Lake



10.3 SAMPLING METHOD AND APPROACH

Core handling at the drill was controlled by the drill contractor and all drill core was placed into wooden core boxes from the drill core tube. Depth markers were placed after emptying the wire line drill core tube. Once full, the boxes were secured for shipment. Core boxes were sometimes opened at the request of the geologist to "quick log" the hole in order to determine final depth of hole.

The core was then brought to the Wabush core logging facility, where a team of junior and senior geologists, project geologists, and sampling technicians executed the drill campaign, logistics, supervision, logging and sampling of all drill core.

Sample lengths averaged four metres, however the range of sample lengths may have occasionally varied based on geology. Drill core that contained visual Fe mineralization was sampled and a „buffer‟ sample was also taken adjacent to the iron formation both above and below the mineralized section.

Samples were outlined by geologists logging the core and split by sampling technicians using a hydraulic rock splitter at the Wabush core shed. Samples were tagged with a unique tag number, bagged and placed into large plastic bags. Typically two samples were placed into large white nylon bags and taken directly to a national transport company‟s warehouse in the Wabush Industrial Park for shipment to the laboratory by transport truck.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 SAMPLE PREPARATION AND ASSAYING

All core logging, sample selection and sample preparation were conducted by qualified Company personnel, supervised under 43-101 standards at Champion‟s core logging facilities in Wabush, Labrador. Sample intervals were generally selected based on geological contacts, alteration and mineralization. Typical sample intervals were approximately 4.0 m although this varied based in mineralization, alteration and lithology contacts..

For the sampled intervals, the HQ- and NQ-sized core was halved using a hydraulic core splitter. One half of the drill-core has been retained in core boxes at the logging facility, whereas the other half was placed in a plastic bag along with a ticket stating the number of that sample. The bags were then sealed prior to transport to ALS Minerals ("ALS") of Val-d‟Or, Quebec, an ISO/IEC 17025:2005 certified laboratory that routinely performs assaying for junior mining companies. The Val-d'Or facility crushed and pulverized the samples in preparation for analysis at their Vancouver laboratory.

Sample preparation at ALS includes the following procedures and operations:

- Log sample into tracking system;
- Record mass of sample material received;
- Pulverize the sample to a particle size finer than 90% at minus 200 mesh. (excess material is stored for the client as a coarse reject).

Samples from holes LM11-001 to LM11-021 were analysed for Fe (iron) and multi-element content including CaO (calcium oxide), MgO (magnesium oxide), MnO (manganese oxide), P2O5 (phosphorus oxide) and other oxides such as Al2O3 (aluminum oxide). Iron content as well as other elements‟ content (%) was determined by X-ray fluorescence (XRF). For quality control purposes blank, duplicate and analytical control standards were inserted into the sample sequence by ALS as part of an internal QA/QC check.

It is the authors‟ opinion that the sample preparation, analyses and security procedures employed by Champion conform to the accepted industry standards.

12.0 DATA VERIFICATION

12.1 SITE VISIT AND INDEPENDENT SAMPLING

The Moire Lake Property was visited by Ms. Tracy Armstrong, P.Geo., an independent Qualified Person as defined by NI 43-101, on January 17 and 18, 2012. Five samples were collected from five diamond drill holes. The samples were documented, bagged, and sealed with packing tape and taken by Ms. Armstrong to Air Canada Cargo at the Wabush International Airport and shipped directly to AGAT Labs in Mississauga. Total iron was analyzed using sodium peroxide fusion-ICP-OES.

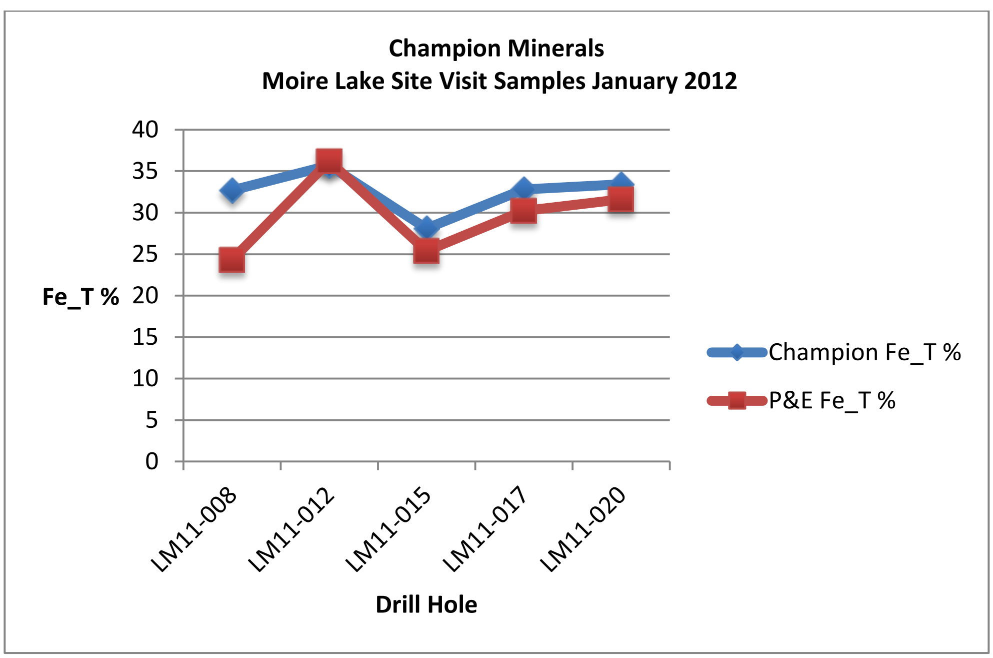
AGAT Laboratories employs a quality assurance system to ensure the precision, accuracy and reliability of all results. The best practices have been documented and are, where appropriate, consistent with:

- The International Organization for Standardization"s ISO/IEC 17025, "General Requirements for the Competence of Testing and Calibration Laboratories" and the ISO 9000 series of Quality Management standards;
- All principles of Total Quality Management (TQM);
- All applicable safety, environmental and legal regulations and guidelines;
- Methodologies published by the ASTM, NIOSH, EPA and other reputable organizations;
- The best practices of other industry leaders.

At no time, prior to the time of sampling, were any employees or other associates of Champion advised as to the location or identification of any of the samples to be collected.

A comparison of the P&E independent sample verification results versus the original assay results for iron can be seen in Figure 12.1.

Figure 12.1 P&E Site Visit Verification Samples for Iron



12.2 QUALITY ASSURANCE AND QUALITY CONTROL (QA/QC)

Certified reference materials (CRM) and blanks were inserted approximately every 25 samples for Quality Assurance and Quality Control, (QA/QC). In addition, field duplicates consisting of ¼ core were collected every 25 samples, and coarse reject and pulp duplicates were prepared at the lab from every 25th sample.

There were three different CRM used for the Moire Lake drill program; OREAS 43P, OREAS 44P and SCH-1.

The two OREAS standards were developed by Ore Research and Pty, Australia and were purchased through a Canadian Supplier. Both are composite standards produced from a range of oxidized materials including Blackwood greywacke (central Victoria), Bulong laterite (Yilgarn, Western Australia), Iron Monarch hematite ore (Whyalla, South Australia) Hilton North gossan and Mount Oxide ferruginous mudstone (Mount Isa region, Queensland). The dominant constituent was obtained from the flank of a mineralised shear zone within Ordovician flysch sediments in the Blackwood area of central Victoria. The sedimentary succession hosting the shear zone consists predominantly of medium-grained greywackes together with subordinate interbedded siltstone and slate. Hydrothermal alteration in the vicinity of the mineralisation is indicated by the development of phyllite. The shear zone is manifested by foliated sericitic and chloritic fault gouge and goethitic quartz veins.

The SCH-1 CRM was purchased from CANMET in Ottawa. The material for reference ore SCH-1 was donated to the C.C.R.M.P. by the Iron Ore Company of Canada in 1973. The ore is from the Schefferville, Quebec, area and is composed of hematite with a mixture of unidentified hydrous oxides of iron, minor magnetite and trace pyrolusite. The gangue consists mainly of quartz with minor amounts of feldspar and traces of biotite, chlorite and amphibole.

12.3 PERFORMANCE OF CERTIFIED REFERENCE MATERIALS

There were 33 data points for Oreas 43P. The data passed the warning limits, however they were clustered around the -2 standard deviation line, showing a low bias.

Oreas 44P had 23 data points. This standard demonstrated a low bias as well with 100% of the data falling below the mean and often between -2 and -3 standard deviations.

The SCH-1 had 20 data points. A low bias was demonstrated for this standard as well, however the standard was characterized by Canmet using a very precise volumetric titration method, and the standards were analyzed during this drill program using fusion-XRF. A difference would not be unexpected.

P&E considers that the standards demonstrate reasonable accuracy, however they seem to indicate that the lab may be under reporting the iron very slightly. There is no impact to the resource.

12.4 PERFORMANCE OF BLANKS

The blank material was obtained from barren marble drilled in the Bellechasse area. A blank sample was inserted, where practical, every 25th sample into the stream of core samples. There were 71 blank samples analyzed. The average of the blanks was 0.30 % Fe_T, with a standard deviation of 0.01.

12.5 PERFORMANCE OF DUPLICATES

Three types of duplicates were produced; field (1/4 core), coarse reject and pulp. Sixty-one field pairs, 60 coarse reject pairs and 55 pulp duplicate pairs were analyzed.

All three duplicate types were scatter graphed and all were found to have excellent precision at all levels. There was essentially no difference between the precision at the field level and the precision at the pulp level.

The authors consider the data to be of good quality and satisfactory for use in a resource estimate.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Champion is currently engaged in metallurgical test work and scoping analysis with SGS Minerals and BBA respectively, however results were not available at the time of this Report.

14.0 MINERAL RESOURCE ESTIMATES

14.1 INTRODUCTION

Champion Minerals Inc. ("Champion") and MRB & Associates ("MRB"), Val-d‟Or, Quebec developed the GEMS v6.2 project drill hole database and 3D geological wireframe models for the Moire Lake Property. Review and confirmation of the Moire Lake 3D geological wireframes and development of the resource estimate block model was carried out by Eugene Puritch, P.Eng., of P&E Mining Consultants Inc. ("P&E") under the supervision of Antoine Yassa, P.Geo., OGQ also of P&E who is an independent Qualified Person in terms of NI 43-101. A draft copy of this report was reviewed by Champion for factual errors.

The effective date of this mineral resource estimate is March 28, 2012.

The mineral resource estimate presented herein is reported in accordance with the Canadian Securities Administrators‟ National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Reported mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into a mineral reserve. The quantity and grade of the reported Inferred Resources may not be realized.

14.2 RELIANCE ON OTHER EXPERTS

Champion provided P&E with the GEMS project database and 3D geological wireframes for the Moire Lake Property. P&E has relied on the data and information supplied by Champion, and no additional validation of the data was completed by P&E with respect to the origin, validity or accuracy of the data used for the Mineral Resource Estimate contained in this report except for the FeT% assays which were validated by P&E against original laboratory certificates of analysis from ALS Minerals of Vancouver, B.C.

14.3 DATA VALIDATION

The GEMS project contained a drill hole database, digital surface topography and property boundary line. In addition to the GEMS project database, a digital surface geology plan and a series of processed airborne magnetic contour maps including total magnetic field, 1st vertical derivative, 2nd vertical derivative and tilt derivative were provided.

Prior to commencing any work on the Moire Lake Property, the GEMS project drill hole database was validated by Champion using the GEMS system database validation routines to check for the most common and critical data errors. Champion reconciled all identified errors with MRB and the original data source and all reported errors were accordingly corrected by Champion.

P&E imported and validated all collar, geology and sampling data into an Access format GEMS database. P&E typically validates a mineral resource database by checking for duplicate entries, interval, length or distance values less than or equal to zero, out-of-sequence intervals, intervals or distances greater than the reported drill hole length, inappropriate collar locations, and missing interval and coordinate fields. No significant errors were noted. P&E additionally independently validated all assay results from original assay laboratory digital files. P&E believes that the supplied databases are suitable for mineral resource estimation.

14.3.1 Moire Lake 2012 Resource estimate

14.3.1.1 Moire Lake Geological Model

The Moire Lake 3D geological model was developed by Champion using a combination of diamond drill hole geology, 2nd vertical derivative airborne magnetic contours, airborne magnetic inversion results, and surface topography to develop a 3D representation of the host iron formation ("IF") units.

The drill hole collar co-ordinates and elevations for twenty three (23) 2011 series drill holes and in the database were combined by Champion with area topography taken from the 1:50,000 National Topographic Database and used to generate a digital topographic surface of the Moire Lake Property.

A bedrock/overburden interface surface was created from the casing depths in the twenty three (23) drill holes.

The 2nd vertical derivative airborne magnetic contour results were found by Champion to correlate reasonably well with the IF surface expression, especially along strike. The thickness of the IF indicated by the zero magnetic contour however often exceeds the actual thickness indicated by the projected drill hole intersections. Magnetic inversion results for the IF domains indicate concentric bowl shaped bodies of varying thickness that extend to depths in excess of 500 metres.

The zero value contour line of the 2nd vertical derivative magnetics was digitized by Champion to produce an initial interpretation of the IF at surface. A series of cross-sections were generated across all drill holes and polylines of the interpreted IF were digitized on each section from surface to depths in excess of 500 m below surface. The resulting cross-sectional interpretation polylines were further constrained within the limits of continuous down-the-hole FeT assay mineralization of 15 % or higher. The surface magnetic contours were then scaled and adjusted to respect the cross-section IF polylines at surface as interpreted from the drill hole results. Successive polylines were connected and 3D wireframes of the interpreted IF domains were generated.

The property boundary was used to clip any portion of the IF domains that occurred outside the limits of the property in order to ensure that no mineral resources would be reported outside the limits of the property.

The total volume of all interpreted IF domains at the Moire Lake Property is on the order of 233 Mm3 and represents a maximum possible volume for mineral resource estimation of the modelled domains.

14.3.2 Moire Lake Rock Types, Rock Codes and Bulk Densities

The bulk density for inclusion in the block model was derived from 100 core samples. The bulk densities this data were the subject of a bulk density vs FeT% regression analysis as shown in Figure 14.1 from which a polynomial equation (in red) was derived to code the density model blocks. The rock codes with average of the derived bulk densities used for resource estimation by domain are listed in Table 14.1.

Figure 14.1 Bulk Density Regression Analysis

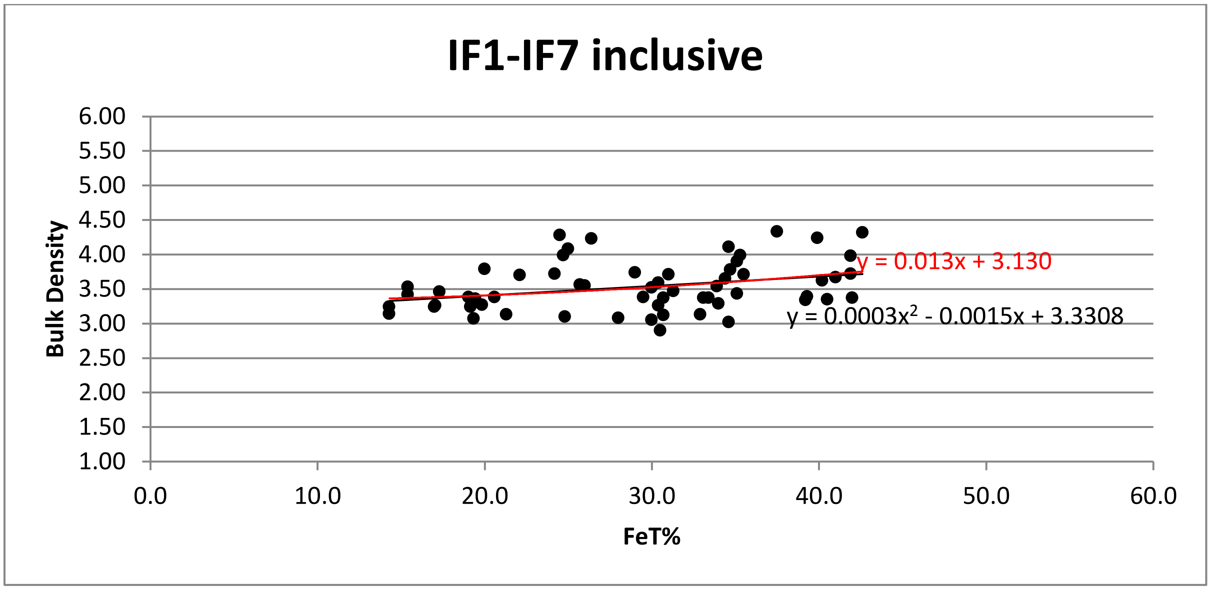


TABLE 14.1 ROCK CODES AND BULK DENSITY VALUES FOR MOIRE LAKE		
Rock Type	**Rock Code**	**Bulk Density t/m^3**
Air	0	0
Overburden	98	1.90
Waste Rock	99	2.80
Iron Formation – High Grade Upper	110	3.48
Iron Formation – High Grade Lower	120	3.50
Iron Formation – Low Grade Upper	210	3.37
Iron Formation – Low Grade Mid Upper	221	3.35
Iron Formation – Low Grade Mid Lower	222	3.39
Iron Formation – Low Grade Lower	230	3.33

14.3.3 Moire Lake Assay Statistics

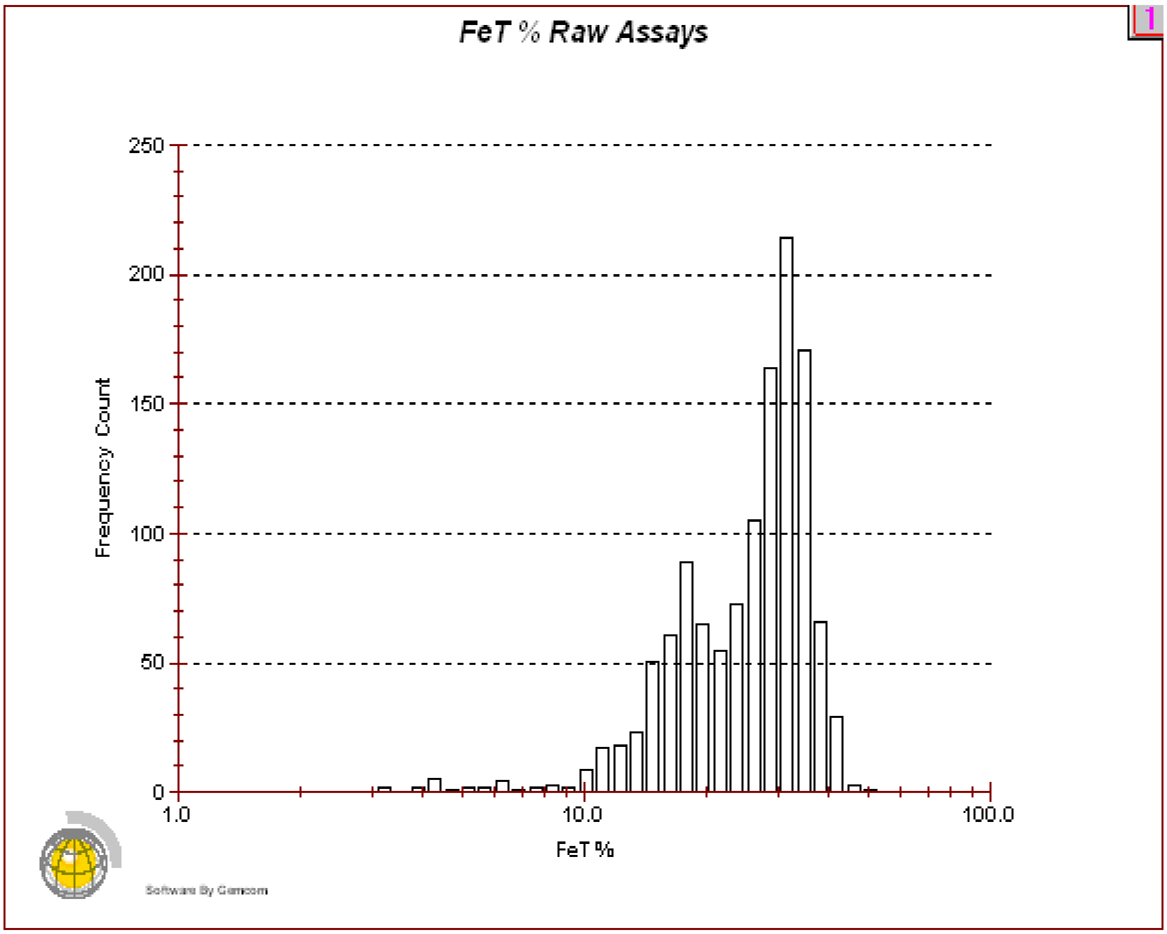
The Moire Lake drill hole database contains a total of 23 drill holes from 2011 by Champion. Historical holes on the property were not utilized in the Moire Lake resource estimate.

Geological logs of the 23 drill holes contain complete records for location, survey, geology and analysis for Fe Total ("FeT") %.

Table 14.2 provides summary statistics calculated for the FeT% raw assay values and composites. Figure 14.2 displays the histogram for the Moire Lake FeT% assay sample population while Figure 14.3 displays the histogram for the FeT% composite population.

TABLE 14.2 SUMMARY STATISTICS FOR MOIRE LAKE FET% RAW ASSAYS AND COMPOSITES		
	Raw Assays	**Composites**
Number of Values	1,239	1,165
Minimum	3.07	3.89
Maximum	53.20	50.86
Mean	26.19	26.52
Median	27.82	28.19
Standard Deviation	8.26	7.66
Coefficient of Variation	0.32	0.29

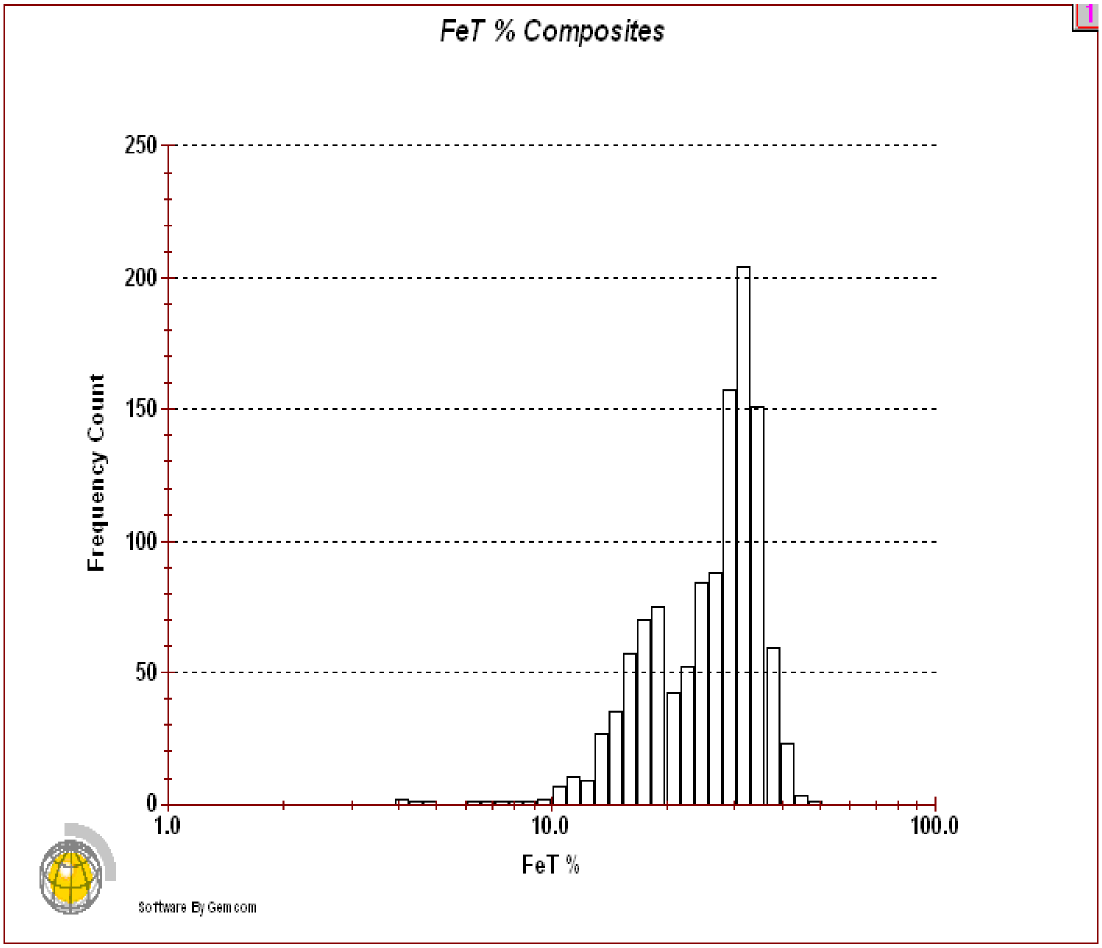
Figure 14.2 Histogram for Moire Lake FeT % Raw Assays



14.3.4 Moire Lake Composites

Drill hole sample lengths were composited to 4.0 m equal interval lengths within the limits of the defining mineralization domains. The compositing process started at the first point of intersection between the drill hole and the domain intersected, and halted upon exit from the domain wireframe. The wireframes that represented the interpreted mineralization domains were also used to back-tag a rock code field into the drill hole workspace. Each assay and composite record was assigned a domain rock code value based on the domain wireframe that the interval midpoint fell within. The composite data were then exported to Gemcom extraction files for grade estimation. Figure 14.3 displays the histogram calculated for the 4.0 m FeT% composite samples within all defined domains.

Figure 14.3 Histogram for Moire Lake FeT% Composites



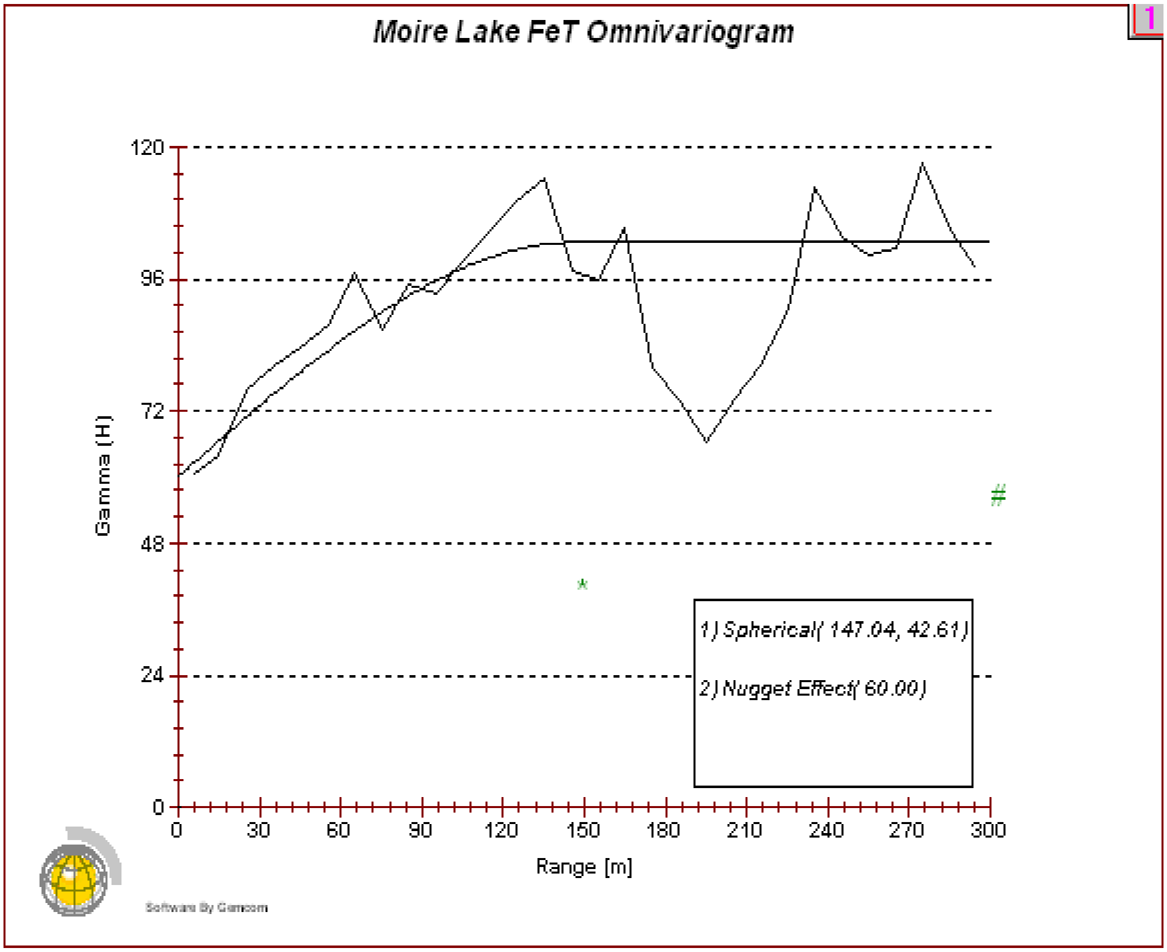
14.3.5 Moire Lake Variography

An omnivariogram was modelled to provide an indication of the expected search ellipsoid range and nugget effect at Moire Lake. Figure 14.4 displays the result of the omnivariogram search calculated for the FeT% 4.0 m composites.

14.3.6 Moire Lake Grade Capping

Grade capping was investigated on the raw assay values in the database within the constraining domains to ensure that the possible influence of erratic high values did not bias the database. An extraction file was created for the constrained FeT% data. From this extraction file a log normal histogram was generated. It was deemed unnecessary to cap FeT% composites.

Figure 14.4 Omnivariogram for Moire Lake 4.0 m FeT % Composites



14.3.7 Moire Lake Model Grade Estimation Parameters

A GEMS block model was developed by P&E as detailed in Table 14.3.

TABLE 14.3 MOIRE LAKE BLOCK MODEL DEFINITIONS			
	Origin	**Blocks**	**Block Size**
X	624,014.79 E	134	20
Y	5,847,646.97 N	145	20
Z	840 m	70	12
Rotation	30° counter clockwise		

The results from the variography were used to define search and estimation ellipses for grade estimation by providing orientations and ranges for the two principal axes of the ellipse. Ranges for the ellipse axes used for estimation as identified from the variography are defined in Table 14.4. Since no directional variography was achieved, the range indicated from the omnivariogram was used for along strike and down dip search ranges. A two pass interpolation approach was taken as indicated in Table 14.4.

Due to the drill hole data at Moire Lake being generally clustered with many samples occurring in the down-hole direction and fewer along strike and down-dip, additional parameters were established in order to de-cluster the data and obtain a representative number of samples within the search ellipse used for grade estimation. These parameters included a minimum and maximum number of samples for estimation and a maximum number of samples per drill hole. The values used are tabulated with all other parameters used for grade estimation in Table 14.5.

TABLE 14.4
MOIRE LAKE SEARCH ELLIPSE DEFINITIONS FOR FET%

	Indicated	Inferred
Major Semi-axis	150 m	300 m
Intermediate Semi-axis	150 m	300 m
Minor Semi-axis	150 m	300 m

TABLE 14.5
MOIRE LAKE GRADE ESTIMATION PARAMETERS

	Indicated	Inferred
Minimum Samples	4	1
Maximum Samples	20	20
Max Samples/Drill Hole	3	3

14.3.8 Moire Lake Block Modeling

For mineral resource estimation, several individual block model attributes were used to store data and facilitate mineral resource estimation.

Rock Type Block Model

All blocks in the rock type block model were initially assigned a waste rock code of 99, corresponding to barren sediments. The bedrock topographic surface was then used to assign rock code 98, corresponding to overburden, to all blocks 50 % or greater above the bedrock surface. Similarly, the surface topography was used to reset all blocks that were 50 % or greater above the surface topography to the default rock code 0, corresponding to air.

Six IF domains were used to select all blocks within the rock block model that contained by volume 1 % or greater IF. These blocks were then assigned their appropriate individual domain rock codes 110, 120, 210, 221, 222 and 230.

Bulk Density

The bulk densities utilized for the resource estimate were as follows:

Overburden	1.9 t/m^3
Waste Rock (Sediments)	2.8 t/m^3
Iron Formation	Variable as per Table 14.1

Percent Block Model

A percent block model was set up to accurately represent the volume and tonnage that was contained by each block within the constraining IF domains. As a result, domain boundaries were properly represented by the percent model‟s capacity to measure infinitely variable inclusion percentages within a specific domain.

Domain Block Model

Due to the highly variable local strike of the IF, a spherical two pass ellipsoidal search was incorporated to code the FeT% grade blocks. In order to facilitate more precise grade estimation along the various trends of the deposit, the six IF domains in Table 14.1 were interpolated separately where local grade interpolations by the search ellipse could be established to best fit the interpreted geology. Figure 14.6 displays a 3D view of the domain-coded IF blocks. The search ellipse orientations defined by the domains are listed in Table 14.4.

Grade Block Models

FeT% grade block models were populated from a series of estimation profiles for each of the domains using the search and estimation parameters as described.

14.3.9 Moire Lake Grade Estimation

Grade estimation was completed by using inverse distance squared linear estimation of composite samples within a search ellipse. Two estimation passes were used to populate each of the FeT% grade models. For the two estimation passes, the search ellipsoids were set to 100% for Indicated and 200 % for Inferred of the maximum ranges defined by the experimental semi-variogram. In addition, the minimum number of samples required to estimate a grade block was set at four for Indicated Resources and one sample for Inferred Resources with a maximum of three samples from one drill hole. Approximately 3% of the Moire Lake IF units were not estimated due to a few gaps between some drill holes.

Figure 14.5 Plan View of the Moire Lake IF Drill Holes

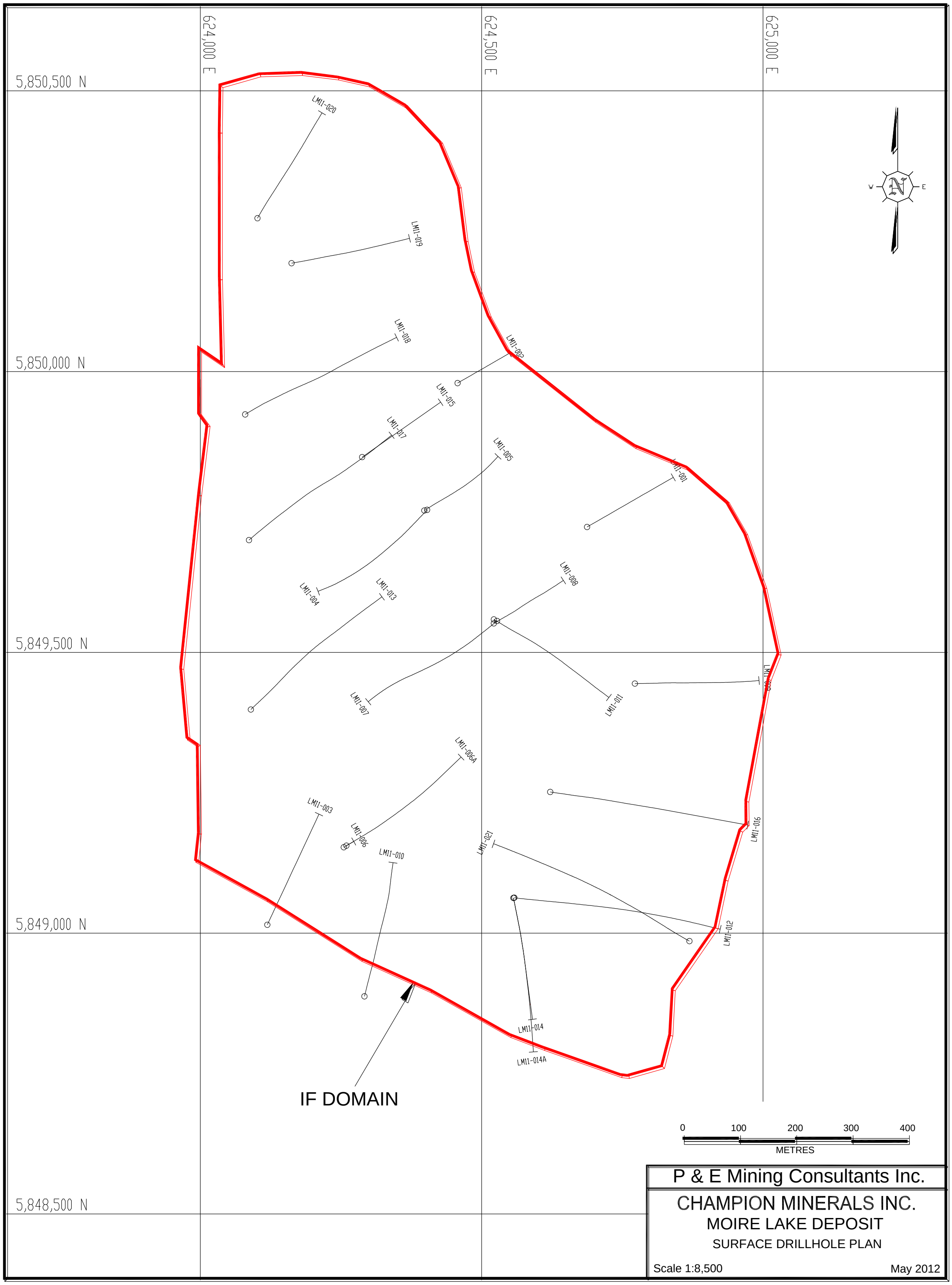
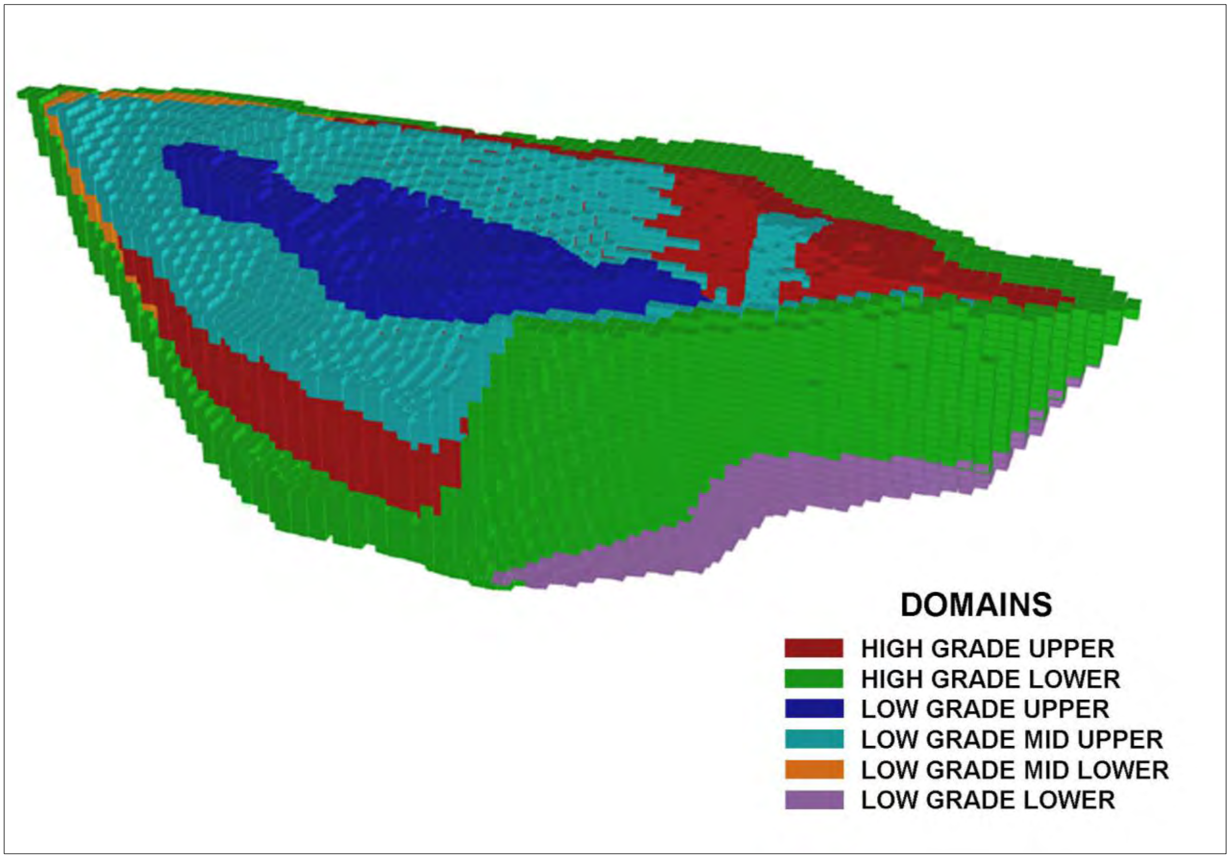


Figure 14.6 3D View of the Moire Lake IF Domain Blocks



14.3.10 Moire Lake Mineral Resource Estimate

Based on the mineral resource model, the Mineral Resource Estimate for the Moire Lake deposit at a 15 % FeT cut-off is estimated as indicated below in Table 14.6.

The in-pit resource sensitivity of the Mineral Resource Estimate is presented in Table 14.7.

TABLE 14.6
MOIRE LAKE RESOURCE ESTIMATE AT 15% FET CUT-OFF(1-3)

Domains	Indicated		Inferred	
	Million Tonnes	FeT %	Million Tonnes	FeT %
High Grade Domains @ 15% FeT Cut-Off	164.0	30.53	417.1	29.35
Low Grade Domains @ 10% FeT Cut-Off	20.9	18.42	119.7	17.68

(1) Mineral Resource estimates were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.

(2) Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The mineral resource estimate may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(3) The quantity and grade of estimated Inferred Resource reported herein are uncertain and there has been insufficient exploration to categorize them as an Indicated or Measured Resource. It is uncertain if further exploration will result in reclassification of Inferred Mineral Resources to the Indicated or Measured Mineral Resource categories.

TABLE 14.7 MOIRE LAKE IN PIT SENSITIVITY TO RESOURCE ESTIMATE(1)				
Domains	Indicated		Inferred	
	Million Tonnes	FeT %	Million Tonnes	FeT %
High Grade Domains @ 15% FeT Cut-Off	163.9	30.53	416.9	29.35
Low Grade Domains @ 10% FeT Cut-Off	20.9	18.42	119.5	17.68

(1) The Mineral Resource Estimate sensitivity was constrained to the Champion property boundary, however, the waste portion of the pit optimization was allowed to run onto the neighbouring property. See Table 14.9 for a Mineral Resource estimate and pit optimization completely constrained on Champion's property.

The sensitivity of the In Pit Mineral Resource estimate to the FeT cut-off grade is presented in Table 14.8.

TABLE 14.8 MOIRE LAKE IN PIT RESOURCE HIGH GRADE DOMAINS FET% CUT-OFF SENSITIVITY				
Cut-Off Grade	Indicated		Inferred	
FeT%	Million Tonnes	FeT %	Million Tonnes	FeT %
25%	157.2	30.85	365.5	30.33
20%	163.2	30.58	408.6	29.58
15%	163.9	30.53	416.9	29.35
10%	163.9	30.53	418.2	29.30

The sensitivity of the In Pit Mineral Resource estimate constrained to the Champion Property is presented in Table 14.9.

TABLE 14.9 MOIRE LAKE IN PIT RESOURCE OPTIMIZATION SENSITIVITY CONSTRAINED TO CHAMPION PROPERTY				
Domains	Indicated		Inferred	
	Million Tonnes	FeT %	Million Tonnes	FeT %
High Grade Domains @ 15% FeT Cut-Off	128.4	30.40	305.2	29.07
Low Grade Domains @ 10% FeT Cut-Off	17.6	18.59	95.5	17.78

14.3.11 Moire Lake Model Validation

P&E confirmed the volumetrics calculations and grade estimate for Moire Lake using two tests to validate the mineral resource model as based on the methodology selected for mineral resource estimation:

- The economic sensitivity of the mineral resource was evaluated by constraining the Inferred Mineral Resource within an optimized pit shell;
- A comparison of estimated block grades at a 0.01% FeT cut-off were compared to length weighted FeT% averages for constrained raw assays and composites (Table 14.11);

P&E examined the economic sensitivity of the mineral resource model by generating optimized a pit shell around the Moire Lake resource area based on the cost parameters listed in Table 14.10. At a cut-off grade of 15 % FeT, within the pit shell, there is a reduction of approximately 3 % to the total reported Moire Lake global tonnage.

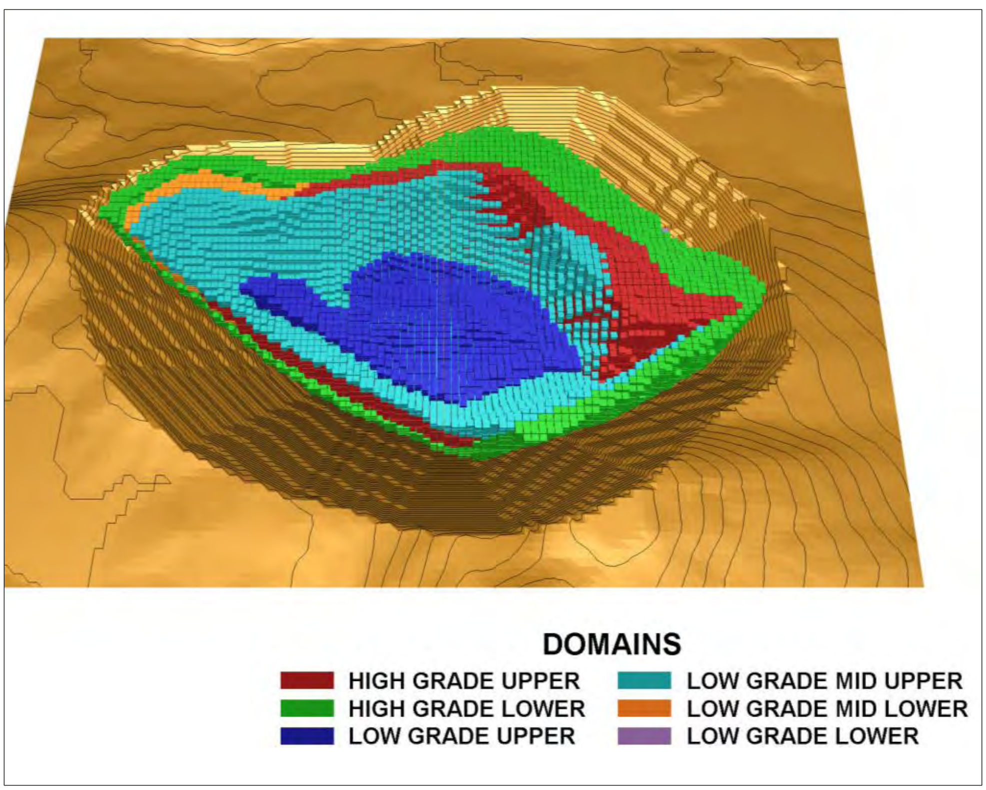
TABLE 14.10
PIT SHELL OPTIMIZATION PARAMETERS

Parameter	Value
FeT Value	$1.85/dmtu
Mining (Ore & Waste)	$1.85/tonne
Processing	$1.69/tonne
Transport & Port	$6.55/tonne
G&A	$0.97/tonne
Process Recovery	82 %
Pit Slopes	49^{o}
US$/CDN$ Exchange Rate	1:1

TABLE 14.11
COMPARISON OF BLOCK GRADES TO RAW ASSAYS AND COMPOSITES

	FeT%
Raw Assays	26.19
Composites	26.52
Blocks	26.52

Figure 14.7 Moire Lake Optimized Pit Shell



15.0 MINERAL RESERVE ESTIMATES

This section does not apply to this Technical Report.

16.0 MINING METHODS

This section does not apply to this Technical Report.

17.0 RECOVERY METHODS

This section does not apply to this Technical Report.

18.0 PROJECT INFRASTRUCTURE

This section does not apply to this Technical Report.

19.0 MARKET STUDIES AND CONTRACTS

This section does not apply to this Technical Report.

20.0 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

This section does not apply to this Technical Report.

21.0 CAPITAL AND OPERATING COSTS

This section does not apply to this Technical Report.

22.0 ECONOMIC ANALYSIS

This section does not apply to this Technical Report.

23.0 ADJACENT PROPERTIES

Champion"s Moire Lake Property is situated immediately east of ArcelorMittal Mines Canada ("ArcelorMittal") Mont Wright Mine, and is 8 kilometres south of existing railway and other infrastructure.

The Mont Wright Mine, extending over 24 square kilometres, has reserves and resources of one billion tonnes of crude ore with an iron content of approximately 30%, (www.arcelormittal.com).

P&E cautions the reader that reserves and resources at ArcelorMittal"s Mont Wright Mine are not necessarily indicative of the mineralization on Champion"s Moire Lake Property. P&E are not aware of any other exploration work currently being carried out on lands surrounding the Moire Lake Property.

24.0 OTHER RELEVANT DATA AND INFORMATION

There are no other data, relevant to this report that are not discussed in this report.

25.0 INTERPRETATION AND CONCLUSIONS

The Moire Lake Property has been historically active to some degree since the late 1940‟s. All exploration companies recognized the complexly deformed iron formation that underlies the area; however the remoteness of the area and the discovery of other nearby deposits made the Moire Lake deposit a lower priority target that has remained essentially unexplored since the early 1970‟s.

Champion Minerals Inc. is in the process of completing an evaluation of all 17 of its claim blocks that constitute its Fermont Holdings to evaluate them for high-quality iron-ore targets. Detailed exploration and drilling is proposed for several of the claim blocks in order to validate the historical work and potentially delineate or increase the historical mineral resources.

Most of the 2011 drilling campaign was focused on the area around the Moire Lake occurrence with the objective of defining a NI 43-101 compliant Resource Estimate.

The Moire Lake Property is in close proximity to the Mont Wright and Lac Bloom Mines and covers two strong geophysical magnetic anomalies coincident with favourable iron-formation-bearing strata. The most favourable area for exploration underlies the west-central part of the Property where a convoluted iron formation hosts significant iron resources. A 4-kilometre long linear iron formation in the eastern part of the Property remains virtually unexplored; however future work has been directed to this area by Champion.

The 2011 campaign completed 23 holes totalling 9,341.85 m drilled in the area of the documented Lac Moire occurrence. The initially proposed 5,000 m drilling program at Moire Lake was increased to 10,240 m as a result of favourable results during the early stages of the 2011 drilling campaign.

Champion‟s 2011 drilling has demonstrated that the inner part of the semi-circular magnetic anomaly is underlain by iron formation that does not reach surface. The iron units defined by historic drilling around the perimeter of the semi-circular Lac Moire anomaly converge inward and are within potential mining depths in a much larger “bowl-like” synform. Drill-holes LM11-04, LM11-05, LM11-07, LM11-08, LM11-13, LM11-15 and LM11-17 successfully intersected the iron units in this interpreted core of the semi-circular ring-shaped magnetic anomaly, and graded more than 30% FeT over intervals from 65 to 217 metres in length. The 2011 drill-holes penetrated iron formation below any historic intersection in the South Hinge Zone.

26.0 RECOMMENDATIONS

The following recommendations are made:

Phase 1

- Complete initial metallurgical test work;
- Complete economic evaluation;
- Discuss with ArcelorMittal regarding resources at property boundary/possible JV for development.

Contingent on positive economic evaluation:

Phase 2

- Definition drilling to convert Inferred to M+I;
- Exploration drilling of NE Trend for additional potential Inferred resources;
- Update Mineral Resource Estimate and complete PEA/Prefeasibility.

The estimated costs of the programs are outlined in Table 26.1.

TABLE 26.1
MOIRE LAKE - PROPOSED WORK PROGRAMS & BUDGETS

Phase 1			Budget
Metallurgical Testing			$50,000
Scoping Analysis			$50,000
Contingency 10%			$10,000
Subtotal Phase 1			**$110,000**
Phase 2	**Drilling metres**	**Cost / metre**	**Budget**
Definition Drilling (M+I Res) - Moire Lake Deposit	15,000	$550	$8,250,000
Exploration Drilling - NE Trend (Inf Res)	4,000	$550	$2,200,000
Metallurgy			$50,000
Prefeasibility Study			$500,000
Contingency 10%			$1,100,000
Subtotal Phase 2			**$12,100,000**

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28.0 CERTIFICATES

CERTIFICATE OF QUALIFIED PERSON

TRACY J. ARMSTRONG, P.GEO.

I, Tracy J. Armstrong, P.Geo., residing at 2007 Chemin Georgeville, res. 22, Magog, QC J1X 0M8, do hereby certify that:

1. I am an independent geological consultant contracted by P&E Mining Consultants Inc.

2. This certificate applies to the technical report titled "Technical Report and Resource Estimate on the Moire Lake Property, Fermont Project Area, Québec, Canada" (the "Technical Report") with an effective date of March 28, 2012.

3. I am a graduate of Queen"s University at Kingston, Ontario with a B.Sc (HONS) in Geological Sciences (1982). I have worked as a geologist for a total of 25 years since obtaining my B.Sc. degree. I am a geological consultant currently licensed by the Order of Geologists of Québec (License No. 566), the Association of Professional Geoscientists of Ontario (License No. 1204) and the Association of Professional Engineers and Geoscientists of British Columbia (License 34027);
   I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101;
   - My relevant experience for the purpose of the Technical Report is:
   - Underground production geologist, Agnico-Eagle Laronde Mine 1988-1993
   - Exploration geologist, Laronde Mine 1993-1995
   - Exploration coordinator, Placer Dome 1995-1997
   - Senior Exploration Geologist, Barrick Exploration 1997-1998
   - Exploration Manager, McWatters Mining 1998-2003
   - Chief Geologist Sigma Mine 2003
   - Consulting Geologist 2003-present.

4. I visited the Moire Lake Property on January 17 and 18, 2012.

5. I am responsible for Sections 1 through 13, 15 - 26 as well as the overall structuring of the Technical Report.

6. I am independent of the Issuer applying the test in Section 1.5 of NI 43-101.

7. I have not had prior involvement with the Moire Lake Property, however I have been co-author on several NI 43-101 reports for Champion on Properties in the same general area.

8. I have read NI 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance therewith.

9. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective date: March 28, 2012
Signing Date: May 11, 2012

{SIGNED AND SEALED}
[Tracy Armstrong]

____
Tracy J. Armstrong, P.Geo.

CERTIFICATE OF QUALIFIED PERSON

ANTOINE R. YASSA, P.GEO.

I, Antoine R. Yassa, P. Geo., residing at 3602 Rang des Cavaliers, Rouyn-Noranda, Quebec, J0Z 1Y2 do hereby certify that:

1. I am an independent geological consultant contracted by P& E Mining Consultants Inc.

2. This certificate applies to the technical report titled "Technical Report and Resource Estimate on the Moire Lake Property Fermont Project Area, Québec, Canada" (the "Technical Report") with an effective date of March 28, 2012.

3. I am a graduate of Ottawa University at Ottawa, Ontario with a B.Sc (HONS) in Geological Sciences (1977). I am currently licensed by the Order of Geologists of Québec (License No 224) and the Association of Professional Geoscientists of Ontario (License No. 1890). I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. This report is based on my personal review of information provided by the Issuer and on discussions with the Issuer‟s representatives. My relevant experience for the purpose of the Technical Report is:
    - Minex Geologist (Val-d‟Or), 3D Modeling (Timmins), Placer Dome 1993-1995
    - Database Manager, Senior Geologist, West Africa, PDX, 1996-1998
    - Senior Geologist, Database Manager, McWatters Mine 1998-2000
    - Database Manager, Gemcom modeling and Resources Evaluation
    - (Kiena Mine) QAQC Manager (Sigma Open pit), McWatters Mines 2001-2003;
    - Database Manager and Resources Evaluation at Julietta Mine,
    - Far-East Russia, Bema Gold Corporation, 2003-2006
    - Consulting Geologist 2006 to present.

4. I have not visited the Moire Lake Property.

5. I am responsible for Section 14 of the Technical Report.

6. I have not had prior involvement with the Moire Lake Property, however I have been co-author on several NI 43-101 reports for Champion on Properties in the same general area.

7. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading;

8. I am independent of the issuer applying the test in Section 1.5 of NI 43-101.

9. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith.

Effective date: March 28, 2012
Signing date: May 11, 2012

{SIGNED AND SEALED}
[Antoine Yassa]

____

Antoine R. Yassa, P.Geo.
OGQ # 224