CHAMPION IRON MINES LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED MARCH 31, 2013

July 2, 2013

TABLE OF CONTENTS

CAUTIONARY STATEMENT

This Annual Information Form (sometimes referred to herein as the "**AIF**") includes certain "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than regarding historical facts, included in this AIF that address activities, events or developments that Champion Iron Mines Limited ("**Champion**" or the "**Corporation**") expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Corporation's businesses, operations, plans and other such matters is forward-looking information.

When used in this AIF, the words "estimate", "plan", "anticipate", "expect", "intend", "believe", "will", "should", "could", "may" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such forward-looking information include information regarding financial results and expectations for fiscal year 2013, such as, but not limited to, the potential of the Corporation's properties, availability of financing, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, metal prices, demand for metals, currency exchange rates, cash operating margins, expenditures on property, plant and equipment, increases and decreases in exploration activity, changes in project parameters, joint venture operations, resources and anticipated grades and recovery rates, are or may be based on assumptions and/or estimates related to future economic, market and other factors and conditions.

Forward-looking information is based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking information is inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Corporation's ability to predict or control. Risks and uncertainties that may affect forward-looking information herein include, but are not limited to, those which relate to:

(a) the nature of mineral exploration and mining;

(b) potential land claims – First Nations groups;

(c) financing risks;

(d) infrastructure;

(e) the absence of significant revenues;

(f) current global financial condition;

(g) dilution and future sales of Common Shares;

(h) Champion is primarily focussed on the Fire Lake North Project;

(i) joint ventures and option agreements;

(j) going concern;

(k) dependence on key personnel;

(l) no assurance of titles;

(m) permits and licences;

(n) fluctuating prices for iron;

(o) estimates of mineral resources;

(p) foreign exchange;

(q) dependence on outside parties;

(r) reduced global demand for steel or interruptions in steel production;

(s) availability of reasonably priced raw materials and mining equipment;

(t) volatility of stock price;

(u) extensive governmental regulation of Champion's activities;

(v) environmental regulations;

(w) conflicts of interest; and

(x) competition.

For more information on risk factors, refer to the heading *"Risk Factors"* below.

Readers of this AIF are cautioned not to put undue reliance on forward-looking information due to its inherent uncertainty. The Corporation disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except in accordance with applicable securities legislation. This forward-looking information should not be relied upon as representing management's views as of any date subsequent to the date of this AIF.

CURRENCY

All references to "$" or "dollars" herein are to Canadian dollars, unless otherwise specified.

GENERAL

Reference is made in this Annual Information Form to Champion's audited financial statements together with the auditor's report thereon (the "**Financial Statements**") and management's discussion and analysis for the fiscal years ended March 31, 2013 and March 31, 2012.

The Financial Statements are available for review under the Corporation's profile on the SEDAR website located at www.sedar.com. All financial information in the AIF is prepared in accordance with Canadian generally accepted accounting principles including international financial reporting standards ("**IFRS**") incorporated therein.

Unless otherwise noted herein, information in the AIF has been presented as at July 2, 2013.

MINERAL DISCLOSURE

In this document, any statement regarding the potential quantity and grade (expressed as ranges) of a potential mineral deposit is conceptual in nature. Historical estimates of mineral resources, if any, referred to in the AIF are not compliant with National Instrument 43-101- *Standards of Disclosure for Mineral Projects* (**"NI 43-101"**) standards, and should therefore not be relied upon. No "qualified person" (as such term is defined in NI 43-101) (a "**Qualified Person**") has done sufficient work to classify such historical estimates as current "mineral resources", as such term is defined in NI 43-101 (hereinafter, "**Mineral Resources**"). The Corporation is not treating any such historical estimates as current Mineral Resources. In this AIF, Mineral Resource estimates have been calculated using 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 and adopted by CIM, as amended.

TECHNICAL INFORMATION

The scientific and technical information contained in this AIF relating to Champion's mineral projects discussed herein is supported by the technical reports indicated below:

- Consolidated Fire Lake North Project: the technical report titled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project, Fermont Area, Québec, Canada", dated February 22, 2013 (effective January 25, 2013), prepared by André Allaire, Eng., M.Eng., Ph.D. and Patrice Live, Eng., BBA Inc., Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo., P&E Mining Consultants Inc., and Martial Major, Eng., Rail Cantech Inc. (the "**Fire Lake North PFS**").

- Oil Can Project: the technical report titled "Technical Report and Mineral Resources Estimate on the Oil Can Deposit of the Consolidated Fire Lake North Property, Fermont Area, Québec, Canada", dated August 17, 2012 (effective July 1, 2012), prepared by Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo. of P&E Mining Consultants Inc. (the "**Oil Can Report**").

- Moire Lake Property: the technical report titled "Technical Report and Mineral Resource Estimate on the Moire Lake Property, Fermont Project Area, Québec, Canada", dated May 11, 2012 (effective March 28, 2012), prepared by Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo. of P&E Mining Consultants Inc. (the "**Moire Lake Report**").

- Fire Lake North Project: the technical report titled "Update of the Preliminary Economic Assessment on the Fire Lake North Project – Amended March 1, 2012, Fermont Area, Québec, Canada", dated March 1, 2012 (effective November 21, 2011), prepared by Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo., P&E Mining Consultants, Stéphane Normandin, Eng. and André Allaire, Eng., M.Eng., Ph.D., BBA Inc. (the "**Fire Lake North Report**").

- Harvey-Tuttle Property: the technical report titled "Technical Report and Resource Estimate on the Harvey-Tuttle Property, Québec, Canada", dated April 13, 2011 (effective February 25, 2011), prepared by Kirstine Malloch, MAusIMM, Tracy Armstrong, P.Geo. and Eugene Puritch, P.Eng., P&E Mining Consultants Inc. (the "**Harvey-Tuttle Report**").

The technical reports referred to above are subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the technical reports, which have been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and are available for review under the Corporation's profile on SEDAR at www.sedar.com. The technical reports are not and shall not be deemed to be incorporated by reference in this AIF.

Where appropriate, certain information contained in this AIF updates information derived from such technical reports. Any updates to the scientific or technical information derived from such technical reports and any other scientific or technical information contained in this AIF was prepared by or under the supervision of Mr. Martin Bourgoin, P. Geo. Mr. Bourgoin, P. Geo. is a "Qualified Person".

The Fire Lake North PFS is the current technical report for the Consolidated Fire North Project, the Corporation's only material property. In addition to those listed above, certain earlier reports are referenced in this AIF under the section entitled "*Description and General Development of the Business Including Three-Year History*".

SELECTED TECHNICAL TERMS

"dmtu"	means dry metric tonne unit.
"IRR"	means internal rate of return.
"Indicated Mineral Resource"	means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from location such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be

	reasonably assumed.
"Inferred Mineral Resource"	means that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
"m"	means metre.
"MRE"	means a Mineral Resource estimate.
"Mtpa"	means million tonnes per annum.
"Measured Mineral Resource"	means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
"Mineral Reserve"	is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.
"Mineral Resource"	means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
"NPV"	means Net Present Value.
"NSR"	means net smelter return, namely, the gross revenue from a resource extraction operation, less transportation, insurance, and processing costs.
"NSR Royalty"	means a defined percentage of the NSR.
"Preliminary Economic Assessment" or "PEA"	means a study, other than a Preliminary Feasibility Study or feasibility study, that includes an economic analysis of the potential viability of Mineral Resources.
"Preliminary Feasibility Study" or "PFS"	means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.
"Probable Mineral Reserve"	means the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
"Proven Mineral	means the economically mineable part of a Measured Mineral Resource demonstrated

Reserve"	by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
"t" or "tonne"	means a measure of weight equal to 1,000 kilograms or 2,204 pounds.
"Total Iron"	means all forms of iron which can be digested by four acid digestion or peroxide fusion methods.
"waste"	means barren rock in a mine, or mineralized material that is too low in grade to be mined and milled at a profit.

METRIC EQUIVALENTS

For ease of reference, the following factors for converting imperial measurements into metric equivalents are provided:

To convert imperial measurement units	To metric measurement units	Divide by
Inches	Centimetres	0.3939
Troy ounces	Grams	0.03215
Acres	Hectares	2.4711
Pounds	Kilograms	2.2046
Miles	Kilometres	0.6214
Feet	Metres	3.2808
Inches	Millimetres	0.03937
Short Tons	Tonnes	1.1023

CORPORATION PROFILE AND CORPORATE STRUCTURE

The full corporate name of the Corporation is Champion Iron Mines Limited. Champion is an exploration corporation focused on discovering and developing significant metal ore resources in eastern Canada, particularly in Québec and Newfoundland and Labrador. The Corporation is one of the largest stakeholders of mineral concessions in the Fermont Iron Ore District of Québec and has significant other interests in iron mineral properties. Management of the Corporation continually reviews opportunities to acquire interests in additional potential mineral resource properties and projects as such opportunities become available to the Corporation.

Head Office and Other Offices

The Corporation's head office, registered office and mailing address is 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6.

The Corporation also has an office at 630 René Lévesque Ouest, Bureau 1850, Montréal, Québec H3B 1S6.

Legal Matters

Champion was originally formed under the *Business Corporations Act* (Ontario) by Articles of Incorporation on April 11, 1985 under the name Champion Natural Health.Com Inc. On November 21, 2000, Champion Natural Health.Com Inc. was amalgamated with Welkin Cohort Trade Inc. pursuant to Articles of Amalgamation and continued under the name Champion Natural Health.Com Inc.

Champion's Articles were amended on October 13, 2006 to change its name from Champion Natural Health.Com Inc. to Champion Minerals Inc. and to: (i) create a single class of shares designated as "Common Shares"; (ii) consolidate the issued and outstanding share capital – both Multiple Voting Shares and Subordinate Voting Shares – on the basis of one post-consolidation share for six outstanding pre-consolidation shares of the same class; and (iii) exchange all of the issued and outstanding post-consolidation Multiple Voting Shares and post-consolidation Subordinate Voting Shares of the Corporation into newly-created Common Shares in the same ratio as

their voting rights. As a result, the Corporation currently has authorized a single class of shares, the Common Shares.

Champion's Articles were amended on August 22, 2012 to change its name from Champion Minerals Inc. to Champion Iron Mines Limited.

The Corporation is a reporting issuer in all Canadian provinces other than Québec.

The Common Shares are listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "CHM", on the OTCQX under the symbol "CPMNF" and on the Frankfurt Stock Exchange under the symbol "P02 (WKN – A0LF1C)".

The Corporation is registered as an extra-provincial corporation to carry on business in the Province of Newfoundland and Labrador and the Province of Québec.

Corporate Structure

The Corporation has no subsidiaries.

DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS INCLUDING THREE-YEAR HISTORY

The Corporation is a Canadian mineral exploration and development corporation focused on the acquisition, exploration and development of metal deposits, particularly iron ore deposits, in North-Eastern Québec and Newfoundland and Labrador. Since its adoption of a business strategy to carry on business as a resource exploration corporation, the Corporation has acquired a number of significant mining exploration properties, primarily in Newfoundland and Labrador and North-Eastern Québec.

The Corporation has interests in numerous mineral property claims located in three distinct areas of Newfoundland and Labrador and North-Eastern Québec referred to herein as follows:

(i) the "Fermont Property Holdings" located in Québec;

(ii) the "Attikamagen Property" located in Labrador and Québec; and

(iii) the "Powderhorn Property" and "Gullbridge Property", each located in Newfoundland.

At this time, the Corporation is focusing much of its resources on certain groupings of claims within the Fermont Property Holdings. The Corporation's wholly-owned Fermont Property Holdings consist of 14 properties, formerly 17 properties, prior to consolidation of 4 of them into one project as described below, covering 747 square kilometres located in the Fermont Iron Ore District (the "**FIOD**") of northeastern Quebec, which is 250 km north of the St. Lawrence port town of Port-Cartier, and ranging from 6 to 80 km southwest of Fermont. In accordance with NI 43-101 technical reporting purposes, the Fermont Property Holdings' Fire Lake North, Oil Can, Bellechasse and Midway properties were consolidated and designated the Consolidated Fire Lake North Property ("**CFLN**"), the Corporation's flagship project and the only one which it considers material. Although two other properties within the Fermont Property Holdings contain NI 43-101 Mineral Resources, namely the Harvey-Tuttle Project and the Moire Lake Project, the Corporation does not consider them to be material. Likewise, the Corporation does not consider its interests in the Attikamagen Property, Powderhorn Property or Gullbridge Property to be material.

The Corporation is not in commercial production on any of its mineral resource properties and, accordingly, the Corporation has no revenues. The Corporation finances its operations by raising capital in the equity markets.

Employees

As at March 31, 2013, the Corporation had four full-time employees and ten consultants primarily working out of Toronto, Ontario and in Montreal and Val D'Or, Québec. As at the date hereof, the Corporation has one full-time employee located in Toronto, two full-time employees located in Montreal, Québec, and eight consultants primarily working out of Toronto, Montreal and Val d'Or. The Corporation's use of consultants is a strategy consistent with that of many mineral exploration and development companies in order to manage costs. Seven of Champion's executive officers are engaged by consulting companies to provide services to Champion.

Champion is dependent on the services of key executives, including the President and Chief Executive Officer and a small number of highly skilled and experienced executives and personnel. See "*Risk Factors – Dependence on Key Personnel*".

Environmental Protection

All phases of Champion's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. These regulations set forth a wide range of sanctions and penalties, both criminal and civil, for violations of the regulations.

To date, applicable environmental legislation has had no material financial or operational effects on Champion. See also "*Risk Factors – Environmental Regulations*".

Competitive Conditions

The mineral exploration and mining industry is intensely competitive in all its phases. The Corporation competes with many other mineral exploration companies which have greater financial resources and experience. The market price of metals and minerals is determined in international markets, is volatile and is beyond the Corporation's control. See "*Risk Factors – Competition*" and "*Risk Factors – Fluctuating Prices*".

Fermont Property Holdings, Québec

On August 31, 2009, Champion entered into a definitive option and joint venture agreement (the "**Fermont Agreement**") with The Sheridan Platinum Group Ltd. ("**Sheridan**") and Fancamp Exploration Ltd. ("**Fancamp**") to acquire up to a 70% interest in 16 iron-rich mineral concessions in the FIOD of North-Eastern Québec, situated 250 km north of the St. Lawrence River port town of Port-Cartier and centered 60 km southwest of Fermont (the "**First Fermont Property**"). The 16 claims covered an area of 384.6 km^2 in the FIOD. In addition, in May, 2009, Champion was granted an option (the "**Penguin Lake Option**") from Sheridan and Fancamp to acquire up to a 70% interest in their Penguin Lake iron property (the "**Penguin Lake Property**") in the FIOD. The Penguin Lake Property consists of 39 claims and covers an area of 20.67 km^2. At the same time, Sheridan and Fancamp granted Champion a first right of refusal (the "**Lamêlée ROFR**") on the 29 claim Lamêlée Lake Iron Property which covers an area of 15.37 km^2 and is located immediately northeast of the Peppler Lake Iron Deposit of Cliffs Natural Resources Inc. (formerly Consolidated Thompson Iron Mines Ltd.). The First Fermont Property, the Penguin Lake Option, together with additional staked claims and additional acquired properties which were subsequently included in the Fermont Agreement (pursuant to the "area of interest" clause in the Fermont Agreement) and the Lamêlée ROFR are hereinafter collectively referred to as the "**Fermont Property Holdings**". The Fermont Agreement also provided a 3% royalty on any iron produced from the Fermont Property Holdings (the "**Royalty**") shared equally by Sheridan and Fancamp.

The option on the First Fermont Property and the Penguin Lake Option were both made subject to the Fermont Agreement. Pursuant to the Fermont Agreement, Champion made option payments totaling $1,000,000, issued 2,900,000 Common Shares, incurred $6,000,000 in exploration expenditures and, accordingly, earned a 65% interest in the Fermont Property Holdings.

In 2010, Champion acquired Sheridan's remaining 17.5% joint venture interest in the Fermont Property Holdings with the payment of $2,000,000 and the issuance of 4,000,000 Common Shares, thereby increasing its ownership in the Fermont Property Holdings to 82.5%.

Pursuant to the terms of an acquisition agreement between Champion and Fancamp dated May 17, 2012 (the "**Acquisition Agreement**"), the Fermont Agreement was terminated and Champion acquired Fancamp's remaining 17.5% joint venture interest in the Fermont Property Holdings (the "**Acquisition**") upon payment of 14,000,000 Common Shares issued at a deemed price of approximately $1.31 per share and 7,000,000 non-transferable warrants to Fancamp. Each warrant entitles Fancamp to purchase one Common Share at $3.00 at any time between November 17, 2014 and May 17, 2015, subject to acceleration in certain circumstances. Pursuant to the terms of a reciprocal rights agreement between Champion and Fancamp dated the same date (the "**Reciprocal Agreement**"), such Common Shares and warrants are subject to a six-year contractual restriction on transfer, subject to the consent of Champion to earlier transfer and certain restrictions after the six-year period.

Immediately following the Acquisition, Fancamp held 12.59% of the Common Shares on a non-diluted basis and Champion owns a 100% interest in the Fermont Property Holdings. However, as a term of the Acquisition, Champion retains the Lamêlée ROFR and Fancamp retains its 50% interest in the Royalty. In connection with the Acquisition, for $2.0 million, Fancamp obtained an irrevocable waiver of Champion's right to buy-down 0.5% of the Royalty from Fancamp. However, Champion retains its right to buy-down 0.5% of the Royalty from Sheridan. In connection with the waiver, Champion invested $2.0 million in Fancamp by acquiring 8,000,000 common shares of Fancamp from treasury at $0.25 per share. In addition, Champion invested an additional $3,000,000 in Fancamp by acquiring 10,000,000 units at $0.30 each. Each unit is comprised of one Fancamp common share and one Fancamp warrant exercisable to purchase one Fancamp common share at $0.60 at any time from November 17, 2014 to May 17, 2015 subject to acceleration in certain circumstances. As a result of regulatory requirements, Champion agreed not to exercise warrants where the shares issuable on exercise would result in a change of control of Fancamp unless approved by the disinterested shareholders of Fancamp. As a result, immediately following the Acquisition, Champion held 16.46% of the issued and outstanding common shares of Fancamp on a non-diluted basis. Pursuant to the Reciprocal Agreement, the Fancamp common shares and warrants held by Champion are subject to a six-year contractual restriction on transfer, subject to the consent of Fancamp to earlier transfer and certain restrictions after the six-year period.

Exploration Program

Fiscal year ended March 31, 2011

Drilling results and other technical and scientific information reported in this section, unless otherwise indicated, were prepared by or under the supervision of, or approved by, one or more Corporation personnel who are Qualified Persons, as set forth in the applicable news release dated the date referred to in the applicable paragraph herein, each of which is available under the Corporation's SEDAR profile at www.sedar.com. All drill core logging and sample preparation from the Fermont Property Holdings diamond drilling was verified by one or more Corporation personnel who are Qualified Persons. Each drill core was split and one half was retained in the core tray as a reference sample while the other half-core samples were individually bagged, tagged, and sealed within large sealed nylon bags and shipped by commercial ground transport for analysis to an independent lab. Certified reference standards and blank samples were inserted regularly for quality assurance and quality control purposes.

On May 4, 2010, Champion announced the first iron assay results from diamond drill holes FL10-01 and FL10-06 of the 11 drill hole winter 2010 drill program on Fire Lake North including an intersection of 38.3% iron over 133.9 m. The iron mineralization is associated with zones of coarse-grained specularite within quartz-specularite and quartz-magnetitie-specularite iron formations, the optimal mineralization in the FIOD.

On May 11, 2010, Champion announced results from the first two drill holes, HT10-07 and HT10-09 from the completed winter 2010 diamond drill campaign at Harvey-Tuttle. HT10-07 intersected 234.0m of sub-massive to massive magnetite iron formation with an average grade of 26.7% Iron, including 168.4m grading 30.3% Iron that also included 93.2m of 35.6% Iron, on the Turtleback Mountain Target of the 25km2 Mammoth Iron Zone.

On May 18, 2010, Champion announced Iron assay results from the remaining diamond drill holes completed during the winter 2010 drill program at Fire Lake North. A total of 4,142m were drilled in 24 holes at a drill hole spacing of 400 meters during the campaign. The East Limb target is comprised of two parallel north-south trending iron formations approximately 300 m apart that extend for several kilometers. The best iron assay interval results were obtained in drill holes FL-10-01, FL-10-04, FL-10-06, FL-10-07, FL-10-08, and FL-10-09. Drill holes FL-10-01

(30.2% iron over 79.1 m) and FL-10-06 (38.3% iron over 133.9 m) were previously announced by Champion on May 4, 2010.

The Southwest target is interpreted to be a wide bowl-shaped iron formation, with drill holes FL-10-21 and FL-10-24 returning significant intersections of iron oxide mineralization. Both target areas host Fermont style quartz specularite-magnetite mineralization, and contain higher grade zones of coarse-grained specularite with up to 3-5mm sized crystals. The most significant iron assay intervals from the East Limb and Southwest targets are located within 1.5 kilometers north of the ArcelorMittal Fire Lake Mine claim boundary.

On August 10, 2010, Champion announced that staking of an additional 290 claims increased the Fermont Property Holdings by 73% from 385 km^2 to 608 km^2. The new claims were primarily staked in Cluster 2, joining the Fire Lake North, Bellechasse, Midway, Oil Can and O'Keefe-Purdy claim blocks into large contiguous claim blocks and adding more than 215 linear-kilometres of magnetic anomalies linked to iron formations. The new claims were incorporated into the Fermont Agreement with Fancamp paying its proportionate share of the staking costs.

On August 18, 2010, Champion issued an updated mineral resource estimate ("**MRE**") for the Fire Lake North Project (the "**2010 MRE**"). This 2010 MRE combined the 2009 and 2010 winter drill campaign results, totaling 31 holes which yielded intersections of up to 171 m grading 36.2% Total Iron (drill hole FL10-21), 134 m of 38.3% Total Iron (FL10-6), and 198 m of 38.3% Total Iron (drill hole FL10-24) covering the East Limb, West Limb and Don Lake target areas. The 2010 MRE was authored by Eugene Puritch, P. Eng., of P&E Mining Consultants Inc. ("**P&E**"). The geological, mineral resource and pit optimization modeling parameters were established by P&E with assistance from Patrice Live, P. Eng. and André Allarie, P. Eng., both of BBA Inc. ("BBA") to complete a Preliminary Economic Assessment (a "**PEA**") (Scoping Study) for the Fire Lake North Project dated effective November 2, 2010 (the "**2010 PEA**") . According to the 2010 MRE, at a 15% Total Iron cut-off grade, there were 388 million tonnes grading 29% Total Iron in the Inferred Mineral Resources category estimated at that time in the Fire Lake North Project.

On August 24, 2010, Champion reported that initial metallurgical tests from 2009 Fire Lake North Project drill core samples produced favourable recoveries using gravity separation at a standard grind size to produce concentrate grading 65% Iron. Significantly, no contaminants report to the iron oxide concentrate outside of typical market specifications.

On September 14, 2010, Champion announced the acquisition of 3 strategic mineral claims located in the O'keefe Purdy and Moire Lake claim blocks through the payment of $25,000 and the issuance of 125,000 Common Shares. These acquired claims were incorporated into the Fermont Agreement with Fancamp paying their proportionate share of the acquisition costs.

On November 3, 2010, Champion announced the results of the Fire Lake North Project's 2010 PEA completed by Andre Allaire, Ph.D., Eng., and Mr. Patrice Live, Eng., from BBA. The 2010 PEA projected a net present value ("**NPV**") of US$ 1.637 billion at a cash flow discount rate of 5% based on an iron concentrate production rate of 7 million tonnes per year at a grade of 65% iron. The PEA projected an internal rate of return ("**IRR**") for the project of 24.8%.

Based on the 2010 PEA, Management considered the Fire Lake North Project to be a viable project with the 2010 MRE estimating 388 million tonnes grading 29% Total Iron of Inferred Mineral Resources and initiated a feasibility study in 2012 which resulted in the Fire Lake North PFS.

On November 16, 2010, Champion reported additional drill results from the Fire Lake North Project, including that drill hole FL10-21 had increased the core length of mineralization to 361.5 m from the original 171.0 m of 36.3% Total Iron that was drilled during Champion's winter 2010 drill program, as reported May 18, 2010. The expanded interval assay results equates to 336.9 m of 35.4% Total Iron, including 292.5m grading 37.0% Total Iron and 178.1 m of 40.5% Total Iron.

On January 11, 2011, Champion announced the acquisition of two strategically located claims blocks through the payment of $60,000 and the issuance of 80,000 Common Shares. The acquired properties were incorporated into the Fermont Agreement, with one claim group designated the Black Dan Property (the seventeenth property in the Fermont Agreement), while the remaining claims were consolidated into the existing Penguin Property.

On January 13, 2011, Champion released the second set of assay results from the completed 2010 diamond drill campaign at Harvey-Tuttle. Significant assay results included a 168.4 m drill hole interval with 30.3% Total Iron and three other intervals more than 92m long and with over 32% Total Iron. Among 26 drill holes, there were 10 intervals more than 35 m long and with over 30% Total Iron. With all assay results received, Champion announced that it had commenced digital modeling of the iron formation deposits and engaged P&E to develop a NI 43-101-compliant Mineral Resource Estimate for the Harvey-Tuttle Project.

On February 15, 2011, Champion announced the commencement of a 5,000 m drilling campaign on the Moire Lake Project which is adjacent to and contiguous with the eastern border of ArcelorMittal's Mont Wright Mine and Concentrator operations.

On February 28, 2011, Champion announced its NI 43-101 Technical Report entitled "*Technical Report and Resource Estimate on the Harvey-Tuttle Property, Québec, Canada"* authored by P&E dated effective February 25, 2011 (the "**Harvey-Tuttle Report**") which estimated the total Inferred Mineral Resources at Harvey-Tuttle at 717 million tonnes grading 25.0% Total Iron at a 20% cut-off and 947 million tonnes grading 23.2% Total Iron at a 15% cut-off, the same cut-off used for the Fire Lake North Project's PEA. Table 1 presents results of the total Inferred Mineral Resources at incremental cut-off grades as validated by P&E.

Table 1

Total Inferred Mineral Resources		
Iron Cut-off Grade (%)	**Million Tonnes**	**Iron Grade (%)**
20%	717	25.0
15%	947	23.2
10%	1,049	22.3

P&E assumed mining costs of US$1.76/Tonne and US$7.17/Tonne for the processing, general and administrative and freight costs; process recovery of 82% and an iron price of US$1.14/dmtu to complete the pit optimization algorithms to estimate the Inferred Mineral Resources. The results are provided in Table 2 below at the same incremental cut-off grades, and this validates estimates by indicating the portion of the Mineral Resources that may be potentially economically exploited.

Table 2

Total In-Pit Optimized Inferred Mineral Resources		
Iron Cut-off Grade (%)	**Million Tonnes**	**Iron Grade (%)**
20%	581	25.3
15%	749	23.6
10%	793	23.1

On March 7, 2011, Champion announced additional assay results from further drilling at the Fire Lake North Project. Some highlights from drilling at the East and West Limb designed pit areas included drill hole FLN10-34 which intersected 123 m of 34.1% Total Iron, drill hole FLN11-47 which intersected 85.65 m grading 36.4% Total Iron and drill hole FLN 11-47 which intersected 85.65 m grading 36.3% Total Iron with a second intersection further down drill hole of 61.57 m grading 30.1% Total Iron.

The in-fill drilling at each of the East and West Limb designed pit areas enhanced the geological model, confirming the high grade nature of the resource and revealing a highly favourable geometry that could potentially increase resources estimates and significantly reduce strip ratios in the designed open pits that were used for the the 2010 PEA. The 2010 PEA identified that an increase to the in-pit resources, mine life and reduction in strip ratios at Fire Lake North could significantly improve the project economics.

Fiscal year ended March 31, 2012

Drilling results and other technical and scientific information reported in this section, unless otherwise indicated, were prepared by or under the supervision of, or approved by, one or more Corporation personnel who are Qualified Persons, as set forth in the applicable news release dated the date referred to in the applicable paragraph herein, each of which is available under the Corporation's SEDAR profile at www.sedar.com. All drill core logging and sample preparation from the Fermont Property Holdings diamond drilling was verified by one or more Corporation personnel who are Qualified Persons. Each drill core was split and one half was retained in the core tray as a reference sample while the other half-core samples were individually bagged, tagged, and sealed within large sealed nylon bags and shipped by commercial ground transport for analysis to an independent lab. Certified reference standards and blank samples were inserted regularly for quality assurance and quality control purposes.

On April 14, 2011, Champion announced that a drill hole at Fire Lake North intersected 235 m of specular hematite mineralization grading 33.8% Total Iron. Additionally, on April 18, 2011, Champion announced that it had awarded contracts for two railway studies to determine rail options for future production scenarios at the Fire Lake North Project.

On May 19, 2011, Champion announced initial drill results from the first five holes completed at the Moire Lake Project. Following a review of the Moire Lake historical data, the Company re-interpreted the historical Moire Lake geological model and identified areas with favourable magnetic responses where there had been no previous drilling. Drill holes LML11-04 and LM11-05 were targeted at these areas and intersected 130.2 m grading 30.5% Total Iron and 133.5 m grading 28.9% Total Iron, respectively.

The re-interpreted Moire Lake geological model developed by Champion suggested the iron units previously indicated by historic drilling around the perimeter of a semi-circular ring shaped magnetic anomaly converge inward to be within potential mining depths in a much larger "bowl"-like synform. Drill holes LM11-04 and LM11-05 successfully intersected the iron units in the synform in the centre of the semi-circular ring shaped magnetic anomaly. Based on these encouraging results, the Company increased the total drilling program at Moire Lake in order to outline the full extent of the mineral zone.

On June 9, 2011, Champion announced additional assay results from 8 diamond drill holes completed at the Fire Lake North Project further delineating high-grade and coarse-grained, specular hematite-rich mineralization at the Fire Lake North Project with highlights such as FLN11-50 which intersected 120.2 m grading 31% Total Iron and FLN11-52 which intersected 70.9 m grading 38.3% Total Iron. Champion further reported that as at the end of May, 2011, a total of 16,660 m had been drilled at the Fire lake North Project and the revised total drilling program had been increased to 23,000 m.

On August 3, 2011, Champion announced additional assay results for diamond drill holes completed at the Fire Lake North Project. The definition drilling at both the East and West designed pit areas intersected wide intervals of iron formation containing distinct zones of high-grade, coarse-grained, specular hematite-rich mineralization.

Drilling at the East Area of the Fire Lake North Project added 27 holes to the 2010 MRE and 2010 PEA. Drill hole FLN11-61 intersected 262.8 m grading 32.4% Total Iron and is interpreted to have been drilled partially down-dip into the upper (western) limb, and subsequently passed through the thickened fold hinge, of a westward dipping, overturned synform, cored by iron formation. Further south, drill hole FLN11-57 intersected 65.5 m grading 26.3% Total Iron in the upper (western) limb of the same synform. Drill hole FLN11-56, located on the same section, intersected 52.0 m grading 32.1% Total Iron in the lower (eastern) limb of the overturned synform.

At the West Area of the Fire Lake North Project, drill hole FLN11-60 intersected 120.70 m grading 26.3% Total Iron, including an interval of 87.8 m grading 34.6% Total Iron, in the eastern limb of the synform. Geological logging of drill hole FL11-76, completed on the same section, intersected both the upper (eastern) and lower (western) limbs indicating that the synform is overturned to the east.

On September 15, 2011, Champion announced additional assay results for diamond drill holes completed at Moire Lake. Drill hole LM11-09 intersected 358.9 m grading 30.3% Total Iron on the southeast side of the historic Lac Moire Occurrence, confirming the continuity of the iron-rich Sokoman Formation around the southern fold closure.

Drill hole LM11-10, located on the southwest side of the historic Lac Moire Occurrence intersected 249.5 m grading 22.3% Total Iron including an interval of 130.7 m grading 29.1% Total Iron. Results from drill hole LM11-10 intersected 206.1 m grading 24.1% Total Iron including an interval of 143.3m grading 34.1% Total Iron reported for drill hole QE61.

On September 27, 2011, Champion announced assay results received for the remaining diamond drill holes completed in 2011 at the Fire Lake North Project. These results completed the 2011 Phase of Champion's drill program at Fire Lake North where a total of 84 drill holes comprising 26,221 total m were completed since the 2010 MRE and 2010 PEA. Significant results from the final drill holes include three intervals of over 150 m grading 35% Total Iron in holes FL11-64B, FL11-75 and FL11-82. Of note, drill holes, FL11-76, FL11-78 and FL11-80, have intersections ranging from 95 m to 120 m grading 34% to 41% Total Iron.

On October 3, 2011, Champion announced the results of a further updated MRE (the "**2011 MRE**") completed on the Fire Lake North Project authored by P&E dated effective November 17, 2011. The results of the 2011 MRE supported the PEA in the Fire Lake North Report.

On October 6, 2011, Champion announced further assay results from the Moire Lake Project. Drill hole LM11-12 intersected 503.4 metres grading 31.2% Total Iron on the southeast side of the historic Lac Moire Occurrence. Drill hole, LM11-16, located approximately 400 m northeast and along strike of drill hole LM11-12, intersected 390.1 m grading 27.6% Total Iron and included an interval of 237.1 m grading 31.5% Total Iron. Drill hole LM11-09, located approximately 400m northeast of LM11-16, intersected 383.4 m of iron formation grading 30.3% Total Iron. These three drill holes delineate approximately 1 km of iron formation along strike, with down-hole intersections of 383 m to 503 m (core-length), and evidence the continuity of the iron-rich Sokoman Formation around the thickened southeast fold closure.

On October 20, 2011, Champion announced assay results from the first three drill holes at the Oil Can Project, located immediately northeast of and contiguous with the Fire Lake North Project. The first three drill holes intersected magnetite-hematite iron formation from 191 m to 402 m in length with drill hole OC11-02 intersecting 401.5 m grading 30.7% Total Iron including a 213.5 m interval grading 33.1% Total Iron.

On November 21, 2011, Champion announced that its updated NI 43-101 Technical Report entitled "*Update of the Preliminary Economic Assessment on the Fire Lake North Project*", (as amended March 1, 2012 with an effective date of November 21, 2011 and a signing date of March 1, 2012) authored by BBA (the "**Fire Lake North Report**") projected concentrator production averaging 8.7 Mtpa grading 65% iron for the first 25 years of the 40-year mine life; and that the first five years of the financial model were projected to average nearly 10 Mtpa of concentrate production.

The Fire Lake North Report was based on a stand-alone operation at Fire Lake North and does not consider any other adjacent projects in the area. A resource definition drilling program was initiated, designed to support the conversion of the majority of the current Inferred Mineral Resources into the Measured and Indicated Mineral Resources categories for the Preliminary Feasibility Study for both production rate scenarios, i.e., using one or two concentrator production lines.

Results from the Fire Lake North Report indicated Fire Lake North to be a viable and economically robust project for the Base Case production scenario. It was estimated that the additional capital required to increase production with the addition of a second production line would be significantly less than the capital expenditures for the first (Base Case) production line. Other options were to be evaluated in the Preliminary Feasibility Study with a focus on cost reduction. Discussions with strategic partners and stakeholders to evaluate various rail transportation options were also studied.

On November 30, 2011, Champion announced assay results from the fifteen of twenty-three drill holes completed on the O'Keefe Purdy Project, located approximately 20 km northwest of the Fire Lake North Project. Significant results include; drill hole OP11-06, located at the historic Nord-ouest Occurrence which intersected 124 metres of specular hematite-rich iron formation grading 34.1% Total Iron and includes a 109 m interval grading 37% Total Iron, and drill Hole OP11-08, located 200m along-strike of hole OP11-06, which intersected 155.6 m grading 29.7% Total Iron including an 87.4 m interval grading 37.1% Total Iron.

On December 7, 2011, Champion announced the remaining assay results from the Moire Lake Project drilling program. Twenty-one drill holes totalling 9,347 m were completed at Moire Lake in 2011. The initial drill holes tested a newly interpreted geological model that indicated significant upside potential to the historic mineral resource estimate for the Lac Moire Occurrence. Champion increased the drill program metreage following favourable results from this original 5,000 m drilling program.

The last drill hole completed at Moire Lake, LM11-021, intersected 336.4 m of magnetite-hematite rich iron formation grading 27.7% Total Iron that included an interval of 248.1 m grading 31.6% Total Iron. Drill hole LM11-021 was drilled to cross-cut the iron formation intersection of 503.4 m grading 31.2% Total Iron encountered in drill hole LM11-012. Drill holes LM11-012 and LM11-021 were collared over the southeastern part of the historic Lac Moire Occurrence, and demonstrate that the iron formation around the southern fold closure is substantially thickened. Drill hole LM11-017 intersected two iron formation intervals: the first of 156.7 m grading 32.7% Total Iron and the second, 80 m further down-hole, of 82.5 m grading 27.7% Total Iron. The hole was drilled on-section and down-dip of drill holes LM11-002 and LM11-015, which intersected 119.3 m grading 26.6% Total Iron and 217.4 m grading 25.3% Total Iron, respectively. These drill holes were completed on the most northerly section historically drilled at the Lac Moire Occurrence and extend the mineralized zone several hundred metres down-dip from the historic interpretation. Drill holes LM11-18 to LM11-20, inclusive, intersected iron mineralization on progressive 150 m to 200 m step-outs along strike, thereby extending the iron formation mineralization 500 m to the northwest around the northern fold closure and up to the western property boundary. The mineralization is interpreted to continue onto the neighbouring ArcelorMittal Mont Wright Mine property.

On December 13, 2011, Champion announced assay results for three drill holes completed at the Oil Can Project. Significant results included drill hole OC11-08 which intersected 545.7 m grading 33.7% Total Iron including 442.3 m grading 36.4% Total Iron and drill hole OC11-05 which intersected 303.4 m grading 34.7% Total Iron.

On January 23, 2012, Champion announced assay results for ten drill holes completed at the Oil Can Project. Significant results included drill hole OC11-04 from the North Zone, which intersected 328.8 m grading 31.4% Total Iron, including 111.1 m grading 32.8% Total Iron, and 137.4 m grading 27.7% Total Iron, drill hole OC11-10, from the Central Zone, which intersected 472.2 m grading 28.0% Total Iron, including 119.6 m grading 35.2% Total Iron, drill hole OC11-11, from the North Zone, which intersected 573.0 m grading 26.6% Total Iron, including 155.2 m grading 32.5% Total Iron and drill hole OC11-16, from the Central Zone, which intersected 311.4 m grading 27.6% Total Iron, including 269 m grading 29.2% Total Iron.

On March 29, 2012, Champion announced the results of an NI 43-101 Technical Report entitled *"Technical Report and Mineral Resource Estimate on the Moire Lake Property, Fermont Project Area, Québec, Canada"* dated effective March 28, 2012 (the "completed on its Moire Lake Project by P&E (the "**Moire Lake Report**"). Table 3 below sets out the Indicated Mineral Resources and Inferred Mineral Resources in the high and low grade zones as set forth in the Moire Lake Report.

Table 3

Moire Lake Mineral Resource Estimate		
High Grade Zones @ 15% cut-off	**Tonnes '000s**	**FeT%[(1)]**
Indicated Mineral Resources	164,000	30.53
Inferred Mineral Resources	417,127	29.35
Low Grade Zones @ 10% cut-off		
Indicated Mineral Resources	20,889	18.42
Inferred Mineral Resources	119,711	17.68

[(1)] FeT means Total Iron

The Moire Lake Report was calculated using the CIM Standards.

Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The Moire Lake Report may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other issues.

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

For In-Pit optimization calculations, P&E assumed a $1.00 Cdn/US exchange rate, a mining cost of $1.85/Tonne and $9.21/Tonne for the processing, general and administrative, and freight costs. The process recovery, estimated to be 82%, and an Iron ore price of $1.85/dmtu were assumed to complete the Whittle pit optimization with 49 degree overall slopes to estimate the in-situ Mineral Resources. Table 4 below presents the results of the In-Pit Optimized Mineral Resource Estimate at the same cut-off grades for the High and Lower Grade zones and demonstrates the economic sensitivity of the resource estimates by indicating the quantity of the mineral resources that may be potentially economically exploited within the optimized pit shell.

Table 4

In-Pit Optimized Mineral Resource Estimate		
High Grade Zone @ 15% cut-off	**Tonnes '000s**	**FeT%**
Indicated Mineral Resources	163,926	30.53
Inferred Mineral Resources	416,892	29.35
Low Grade Zones @ 10% cut-off		
Indicated Mineral Resources	20,889	18.42
Inferred Mineral Resources	119,517	17.68

Results of the In-Pit Optimization suggest that potentially nearly 100% of such Mineral Resources might be economically exploited.

The global MRE and In-pit Optimized MRE presented in each of Table 3 and Table 4 respectively, include Mineral Resources only within the limits of the Moire Lake property. The Optimized Pit Shell that was generated, however, extends beyond the current western property boundary and includes only overburden and waste rock in this extension.

For comparison purposes, a second In-Pit Optimization was completed constraining not only the resources but the limits of the entire Pit Shell to within the limits of the property. Table 5 presents results of the In-Pit Optimized MRE at the same cut-off grades for the High and Lower Grade Zones within a Pit Shell constrained to the property limits.

Table 5

Constrained In-Pit Optimized Mineral Resource Estimate		
High Grade Zone @ 15% cut-off	**Tonnes '000s**	**FeT%**
Indicated Mineral Resources	128,408	30.40
Inferred Mineral Resources	305,153	29.07
Low Grade Zones @ 10% cut-off		
Indicated Mineral Resources	17,595	18.59
Inferred Mineral Resources	95,549	17.78

The results in Table 5 indicate that a portion of the resource would likely not be exploited if the pit shell is constrained to the property limits. The High Grade Zone resource would be reduced from the 164 MT Indicated Mineral Resources and 417 MT Inferred Mineral Resources to 128 Mt and 305 MT respectively.

Champion did not complete any drilling in 2011 on the 4 kilometre, "Northeast Trend" magnetic anomaly underlying the eastern part of the Moire Lake Project. Outcrops of specular hematite-rich iron formation in exposures up to 40 m across were identified along the Northeast Trend and provide a significant exploration target to potentially delineate additional iron resources.

Fiscal year ended March 31, 2013

Drilling results and other technical and scientific information reported in this section, unless otherwise indicated, were prepared by or under the supervision of, or approved by, one or more Corporation personnel who are Qualified Persons, as set forth in the applicable news release dated the date referred to in the applicable paragraph herein, each of which is available under the Corporation's SEDAR uprofile at www.sedar.com. All drill core logging and sample preparation from the Fermont Property Holdings diamond drilling was verified by one or more Corporation personnel who are Qualified Persons. Each drill core was split and one half was retained in the core tray as a reference sample while the other half-core samples were individually bagged, tagged, and sealed within large sealed nylon bags and shipped by commercial ground transport for analysis to an independent lab. Certified reference standards and blank samples were inserted regularly for quality assurance and quality control purposes.

On April 2, 2012, Champion announced that it entered into a memorandum of understanding with the Takuaikan Uashat Mak Mani-Utenam Innu First Nation ("**ITUM**") of Uashat, Québec, located near the Port of Sept-Îles.

The memorandum of understanding confirms that ITUM has agreed to enter into exclusive discussions with Champion in connection with the potential development of an entirely new multi-user railway and the potential creation of a partnership, the equity of which would be opened to other users, in order to design, build and manage this new railway. The objective of this new railway would be to service the iron ore industry directly linking the Fire Lake North region to the multi-user port facility at Pointe Noire, planned for construction by the Québec provincial government and third parties in Sept-Îles, Québec. The participation of ITUM in this railway project is conditional upon, among other things, the negotiation of definitive agreements between Champion and ITUM.

On April 17, 2012, Champion announced the remaining unreported assay results from the 2011 drilling campaigns completed on the Oil Can, O'Keefe-Purdy, Bellechasse and Midway Projects. Results from the two remaining holes at Oil Can will be incorporated into the MRE of the four amalgamated hematite and magnetite-rich zones on the property. The results for 8 additional holes were also announced for the O'Keefe Purdy Project, where Champion elected to defer an MRE until additional recommended drilling more thoroughly established the full extent of iron mineralization underlying the property. As well, Champion reported two in-fill holes at the Bellechasse Project which substantiated the current interpretation with no material impact to its current MRE. Four holes were reported for the Midway Project with the best result intersecting 136.0 m grading 29.0% Total Iron in drill hole MW11-02.

On June 21, 2012, Champion announced the completion of the Phase I Feasibility Definition Drilling program on the Fire Lake North Project. Over 22,000 m of definition drilling had been completed since early January 2012 in the East and West pit areas. The 2012 drilling was focused within the proposed West area designed pit limits and the East area starter pit as outlined by the Fire Lake North Report.

In the West pit area, over 17,000 m of definition drilling has been completed since the Fire Lake North Report, defining the underlying iron resource within a tight, overturned synform. The synform is gently east-dipping at the south end of the deposit and rotates from east-dipping through a vertical position and into a moderately west-dipping orientation at the north end of the deposit. With the exception of one cross-section, the limbs and fold closure hosting the specular hematite mineralization remain open down-dip along the deposit's entire 3,500 m strike length.

The feasibility drilling program has outlined specular hematite iron mineralization in the West pit area with approximate true widths varying from 100 to 200+ m and beyond the limits of the PEA designed pit. Drill holes FW12-24 and FW12-15 each contained substantial near true width intersections ranging from 30.3% Total Iron over 167 m to 34.2% Total Iron over 226 m, respectively. The near true width intersections indicate the iron formation

dips are shallowing in this area at vertical depths of less than 350 meters and remain open down-dip extending beyond the west wall of the Fire Lake North Report designed pit.

Drill hole FW12-21B cored a 601 m long intersection grading 40.5% Total Iron that ended in high grade specular hematite mineralization at 805 m approximately 650 m vertical below surface and 300 m vertical below the Fire Lake North Report designed pit limits. Drill hole FW12-42B intersected 515 m of specular hematite with assay results pending. The lower half of the mineralized intervals in each of these two holes displays low core angles indicating the holes may have passed through a folded and thickened portion of the mineralized zone. The lower mineralized intervals are located entirely outside the Fire Lake North Report designed pit limits. Champion is currently drilling a cross-cut hole in this area to clarify the geometry and true width of the zones.

Three additional, widely spaced step-out drill holes are in-progress in the West pit area, and two additional holes are planned for the East pit area to help determine both the extents of mineralization beyond the current resource (and Fire Lake North Report designed pit limits), plus the number of additional holes that may be required to further delineate this potential resource in a second phase of feasibility drilling.

On July 4, 2012, Champion announced the completion of a MRE for the Oil Can Project, located within the newly designated CFLN. The MRE was completed by P&E, based on 19 drill holes totaling 8,435 m and is outlined in the following table (Table 6):

Table 6

Inferred Mineral Resource Estimate[(1)] – Oil Can Project

Zone	Cut-Off Grade	Tonnes	Grade
	FeT%	**Millions**	**FeT%**
Total Oxide	20%+	969	33.2
	15%+	**972**	**33.2**
	10%+	1,355	23.8
Total Mixed	20%+	788	25.1
	15%+	**924**	**24.1**
	10%+	1,027	23.0
Total All	**15%+**	**1,896**	**28.7**

[1] 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. Furthermore, the quantity and grade of estimated Inferred Mineral Resource reported herein are uncertain and there has been insufficient exploration to categorize them as an Indicated or Measured Mineral Resource. It is uncertain if further exploration will result in reclassification of Inferred Mineral Resources to the Indicated or Measured Mineral Resource categories. The tonnage numbers are rounded according to NI 43-101 standards. Grades are calculated from Total Fe% ("FeT%") sample assays completed by ALS Minerals using the "High Grade/Ores Method" XRF analysis.

P&E utilized a 1:1 C$-US$ exchange rate, a mining cost of $1.90/Tonne and $7.97/Tonne for the processing, General and Administrative and freight costs. The process recovery, estimated to be 60.0%, and an Iron ore price of $1.77/dmtu were used to complete the Whittle pit optimization with 50 degree overall slopes to estimate the in-situ Mineral Resources. Table 7 presents the results of the In-Pit Optimization at various cut-off grades and demonstrates the economic sensitivity of the resource estimates by indicating the quantity of the Mineral Resources that may be potentially economically exploited within the optimized pit shell.

Table 7

In-Pit Optimization Sensitivity Estimate – Oil Can Project

Zone	Cut-Off Grade	Tonnes	Grade
	FeT%	Millions	FeT%
Total Oxide	20%+	964	33.3
	15%+	**967**	**33.2**
	10%+	967	33.2
Total Mixed	20%+	781	25.1
	15%+	**912**	**24.1**
	10%+	978	23.4
Total All	**15% +**	**1,879**	**28.8**

Champion completed limited preliminary metallurgical test work for indications of grind size, recovery and potential concentrate quality that might be produced from the Oil Can Mineral Resources. Early results from composites tested at SGS Lakefield Laboratories of Lakefield, Ontario, indicated that a relatively coarse grind and primary magnetic separation could yield a commercial grade magnetite sinter-feed concentrate. Further metallurgical test work will focus on the Oxide resource to evaluate the potential to improve recoveries utilizing secondary gravity separation of the magnetic-tails to recover the specular hematite mineralization that occurs in significant concentrations locally within the deposit, most notably in the South, Central and North zones.

On July 4, 2012, Champion also announced that considering the proximity of the Oil Can deposit to the north boundary of the Fire Lake North claim group and only 4 km to 7 km from the proposed development and concentrator facilities for Fire Lake North, and the establishing of a MRE at Oil Can, as well as a reassessment of other relevant factors, the Corporation determined that for NI 43-101 technical reporting purposes, Fire Lake North and Oil Can be consolidated and considered as a single property going forward. Furthermore, as the Bellechasse and Midway properties are contiguous with the Fire Lake North and the Oil Can properties, there exists an increased prospect for exploiting the Bellechasse resource from potential common infrastructure to be developed to serve Fire Lake North and Oil Can. Accordingly, the Corporation determined that, in the current circumstances, the Bellechasse and Midway properties be consolidated with Fire Lake North and Oil Can to form part of the CFLN Project.

On July 18, 2012, the Corporation announced that it had signed a long-term agreement (the "**Port Agreement**") with the Sept-Îles Port Authority related to its planned 50 million tonne per year multi-user port facilities. The Port Agreement had an initial term of 20 years, renewable for up to four additional 5-year terms. The Sept-Îles Port Authority committed to complete its planned port facilities by March 31, 2014. The agreement guaranteed Champion ship-loading capacity at the Port of Sept-Îles for a minimum of 10 million tonnes of iron concentrate per year at preferential rates, using two ship loaders, each with a capacity of 8000 tonnes per hour. The Port Agreement also provided an opportunity to expand Champion's reserved annual tonnage in the event of potential future expansions of iron concentrate production from CFLN.

In order to finance the estimated $220 million cost of the new facility, the Sept-Îles Port Authority required Champion and other potential end-users to make advance payments on account of future shipping, wharfage and equipment fees. Champion's payment commitment was $25,581,000 payable in instalments, with the initial instalment payable on signing and the final payment payable on July 1, 2013. The Corporation paid $1,000,000 on signing of the Agreement and provided the Port Authority with irrevocable guarantees of equivalent value in the form of a deed of hypothec regarding its mining rights, title and interest over Moire Lake and Don Lake. As at March 31, 2013, the Corporation had paid $6,000,000 and the Corporation was committed to pay the remaining amount of $19,581,000 in instalments on May 1, 2013, June 1, 2013 and July 1, 2013. The Corporation did not make the instalments due on May 1, 2013 and June 1, 2013. The Port Agreement also included a sliding-scale fee schedule for shipping, wharfage and equipment fees payable on Champion's iron concentrate shipped through the port facilities and a monthly "take or pay" fee based on 50% of reserved tonnage commencing from the date of completion of the port facilities. On June 28, 2013, the Corporation gave notice to the Port Authority that Champion was terminating the agreement.

On August 1, 2012, Champion announced metallurgical results of test work performed by SGS Lakefield Research and interpreted by BBA Inc. on the Fire Lake North Project. The test work, performed in support of the Fire Lake North PFS, successfully demonstrated that the West Pit and East Pit deposits, which contain predominantly hematite, can be processed using a relatively simple and conventional Autogenous Grinding mill with three-stage gravity spiral beneficiation. Due to the very low magnetite content of both deposits, no magnetic recovery circuit is anticipated. The product generated from both heavy liquid separation testing and a pilot plant has confirmed that an excellent grade and quality of sinter concentrate can be produced from the West Pit and East Pit deposits of the Fire Lake North Project. Champion is focused on the development of the West Pit deposit for the Feasibility Study, with the East Pit deposit possibly serving to supplement the mill feed.

On August 29, 2012, Champion announced the signing of an agreement with Canadian National Railway Company ("**CN**") to participate in the feasibility study of a proposed new multi-user railway that would connect mining projects in the Labrador Trough to the deep water port of Sept-Îles, Quebec. CN's partner in this proposed venture was La Caisse de dépôt et placement du Quebec which, together with a group of iron ore exploration and mining companies, including Champion, were to contribute to the cost of the feasibility study. In February 2013, CN gave notice to Champion that CN was suspending work on the feasibility study.

On November 21, 2012, Champion announced the results of an Environmental Baseline Study completed by Roche Ltd. (Montréal, QC) at CFLN. Results confirm that the West Pit and East Pit Run of Mine ore and waste rocks are not acid generating in nature, nor do they represent a risk during mining operation with respect to heavy metals release.

On December 10, 2012, Champion announced the execution of a definitive agreement with Cartier Iron Corporation ("**Cartier**") (formerly Northfield Metals Inc.) whereby Cartier has been granted an option to earn a 65% interest in seven iron-rich mineral concessions, which Champion calls "Cluster 3", totaling approximately 220 km^2 in the southern Labrador Trough, FIOD (the "**Cluster 3 Option Agreement**").

Under the terms of the agreement, Cartier can earn a 65% interest in the Cluster 3 by expending C$ 6 million in staged exploration and development work expenditures on Cluster 3, making cash payments to Champion totalling C$ 1 million, and issuing Champion 2.5 million common shares - all over a 4-year period.

After Cartier completes its earn-in, Champion and Cartier would form a joint venture reflective of their proportionate ownership interests in Cluster 3 in order to explore and develop the retained mineral concessions. Cartier will retain a right-of-first-refusal on any part or all of Champion's proportionate interest in each of the mineral concessions comprising Cluster 3. There is also a 10 km area of influence around each mineral concession. In the event that a joint venture party's interest is diluted below 10%, it will be converted to a 1% royalty, half of which may be purchased for $3,000,000.

Pursuant to the definitive agreement, Cartier issued 1,000,000 common shares to Champion. In connection with the definitive agreement, Champion also completed a concurrent private placement, purchasing 2,000,000 Cartier common shares at a price of $0.25 per share for cash proceeds of $500,000 and acquiring an additional 568,000 Cartier common shares also at a price of $0.25 per share in settlement of outstanding loans made to Cartier. Following these transactions, Champion held 3,568,000 common shares of Cartier, representing approximately 19.36% of the issued and outstanding shares.

In connection with these transactions, the two companies signed a Pre-emptive Rights Agreement whereby Cartier granted Champion the right to participate in Cartier's private placements over a period of approximately two (2) years expiring December 31, 2014, thereby giving Champion the opportunity to maintain its proportionate interest in outstanding shares of Cartier. Champion also reserved the right and option to participate in Cartier private placements to increase Champion's holdings of Cartier shares up to 38%, which right and option will expire on June 30, 2013 or such later date when Cartier has at least 30,000,000 shares outstanding. The two companies also signed a Board Representation and Standstill Agreement whereby, for a period of approximately five (5) years expiring December 31, 2017, Champion will have the right to nominate one director to Cartier's Board of Directors and will be restricted from voting in certain circumstances, including not voting against the election of any nominee to the Board of Directors proposed by Cartier or against any resolutions supported by Cartier's Board of Directors, subject to certain exceptions. The agreement also provides for restrictions on sales of Cartier shares by Champion without

Cartier's consent for a period of approximately five years expiring December 31, 2017 and then limited monthly sales thereafter.

On January 9, 2013, Champion announced the results from its updated MRE ("**2013 MRE**") for the East and West deposits underlying the CFLN Project. The MRE doubles the combined Measured and Indicated Mineral Resources in the East and West deposits to 693.5 Million tonnes (Mt) grading 31.5% Total Iron. The Inferred Resources have increased by 10% to 521.6 Mt grading 30.1% Total Iron at a 15% Total Iron cut-off grade. Altogether, total resources have increased by 48% in the two deposits. The 2013 MRE supported the Fire Lake North PFS.

The 2013 MRE was calculated by P&E and is summarized below in Table 8.

Table 8
Categorized MRE at 15% Total Iron Cut-Off[(1)]

	West Area		**East Area**		**Total**	
	Tonnes (millions)	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**
Measured	23.6	35.4	3.0	34.2	26.6	35.2
Indicated	404.9	32.6	262.0	29.6	666.9	31.4
Measured + Indicated	428.5	32.7	265.0	29.6	693.5	31.5
Inferred	329.2	30.9	192.4	28.7	521.6	30.1

[1] 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. In addition, the quantity and grade of estimated Inferred Mineral Resources reported herein are uncertain and there has been insufficient exploration to categorize them as an Indicated or Measured Mineral Resource. Furthermore, it is uncertain whether further exploration will result in reclassification of Inferred Mineral Resources to the Indicated or Measured Mineral Resource categories. The tonnage numbers are rounded according to NI 43-101 standards. Core samples were analyzed by ALS Minerals using the "High Grade/Ores XRF Method" to determine total Iron (FeT) percentages.

P&E utilized a 1:1 $CDN:$US exchange rate, a mining cost of $1.84/Tonne, and a charge of $10.03/Tonne for the total processing, General and Administrative, and freight costs. The process recovery, estimated to be 82%, an Iron ore price of $1.77/dmtu, and a 49º overall pit-slope, were used to complete the Whittle pit optimization and estimate the portion of in-situ Mineral Resource within the pit shell. The economic sensitivity of the Mineral Resource Estimates are demonstrated by comparing the proportion of the Mineral Resources that may be economically exploited within the optimized pit shell to the categorized resource. Results of the In-Pit Optimization at a 15% FeT cut-off grade are presented in Table 9.

Table 9

In-Pit Optimization Results at 15% Total Iron Cut-Off

	West Area		East Area		Total	
	Tonnes (millions)	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**
Measured	23.5	35.4	3.0	34.2	26.5	35.2
Indicated	403.6	32.6	261.2	29.6	664.8	31.4
Measured + Indicated	427.1	32.7	264.2	29.6	691.3	31.5
Inferred	301.1	31.2	178.7	29.0	479.8	30.4

The updated Measured and Indicated Mineral Resources delineated at the Fire Lake North deposits are near sufficient to support a second concentrator line in the development scenario. Adding a second concentrator line would double concentrate production to an estimated 20 Mt annually and significantly enhance the economics of the project. With this in mind, Champion would be required to complete additional infill drilling focused primarily within the confines of the proposed East pit, to delineate sufficient Measured and Indicated Mineral Resources from the current Inferred Mineral Resources to support the two-line concentrator scenario for 20 years of production.

With the consolidation of CFLN in July 2012, Table 10 provides the current MRE all at the same 15% Total Iron cut-off grade for the deposits within CFLN.

Table 10

Categorized Mineral Resource Estimate at 15% Total Iron Cut-Off

	Measured		Indicated		Inferred	
Deposit	**Tonnes (millions)**	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**
FLN - West	23.6	35.4	404.9	32.6	329.2	30.9
FLN - East	3.0	34.2	262.0	29.6	192.4	28.7
FLN - Don Lake	0.4	21.4	52.2	26.5	188.2	25.3
Bellechasse					215.1	28.7
Oil Can - Oxide	-	-	-	-	972.0	33.2
Totals	**27.0**	**35.0**	**719.1**	**31.0**	**1,896.9**	**31.1**

On February 7, 2013, Champion announce the results from its Fire Lake North PFS for the West and East deposits of CFLN that was performed by BBA Inc. The study is based on an initial 20 year mine life and produced a Net Present Value ("**NPV**") of $3.295 billion using an 8% discount rate. The financial model shows an Internal Rate of Return ("**IRR**") of 30.9% and a capital payback period of 3.4 years.

Table 11

Summary of Preliminary Feasibility Study Results[(1)]

NPV at 8% discount rate (Pre-tax)	$ 3,295 million
IRR (Pre-tax)	30.9%
Payback Period at 8% discount rate	3.4 years
Pre-production Capital Cost (excluding rail cost)	$ 1,394 million
- Rail capital contribution	$ 213 million
Average Operating Cost (loaded at Port of Sept-Îles including rail capital and debt service costs)	$ 44.05 per tonne of concentrate
FOB Concentrate Selling Price based on CFR China benchmark price at 62 % FeT adjusted for higher CFLN Fe grade @ $5.00 per percent and $20.00/t freight cost Year 1-5 Year 6-20	 $ 115.00 per tonne $ 110.00 per tonne
Mine Life	19.6 years
Concentrate Grade (percent contained Fe)	66%
Process Recovery (Iron)	82%
Weight Recovery	39.9%
Average Annual Concentrate Production	9.3 M Tonnes
In-pit Optimized Measured and Indicated Resources West and East Deposits, CFLN Project (COG of 15 %, 31.5% Total Iron)	 691.3 M Tonnes
Engineered Optimized In-Pit Mineable Reserves West and East Deposits, CFLN Project (COG of 15 %, 32.4% Total Iron)	 464.6 M Tonnes
Projected Concentrator Plant Start-up and Commissioning	Q1 2016
Projected Start of Nominal Production	Q2 2016

. (1) The financial results included in this table are expressed in Canadian dollars and pre-tax (unless otherwise noted).

The iron process recovery of 82% yields an average production of 9.3 million tonnes per year ("Mtpa") of iron concentrate grading 66% Total Iron during a 19.6 years mine life. The current optimized engineered pits yield reserves of 464.6 Mt grading 32.37% Total Iron at a 15% Total Iron cut-off grade with a weight recovery of 39.9%. The first five years of production will average 9.8 Mtpa of concentrate.

Table 12 underneath summarizes the reserves and stripping estimates for both the West and East pit.

Table 12

Consolidated Fire Lake North Table of Reserves	West Pit			East Pit			Both Pits Combined		
	Tonnage (Mt)	Fe Total %	% Weight Recovery	Tonnage (Mt)	Fe Total %	% Weight Recovery	Tonnage (Mt)	Fe Total %	% Weight Recovery
Proven Reserves	20.7	36.2	45.7	3.0	34.2	40.2	23.7	36.0	45.0
Probable Reserves	268.1	33.4	42.2	172.8	30.2	35.6	440.9	32.2	39.6
Total	**288.8**	**33.6**	**42.4**	**175.8**	**30.3**	**35.6**	**464.6**	**32.4**	**39.9**
Overburden	100.8			19.4			120.2		
Waste Rock	616.8			490.7			1,107.6		
Inferred Resources (waste)	29.9			15.9			45.8		
Total of Waste Stripping	**747.6**			**526.0**			**1,273.5**		
Stripping Ratio (Waste Striping/Ore)	2.6			3.0			2.7		
Life of Mine	12.6 years			7.1 years			19.6 years		

The engineered pits recover 67% of the current In-pit Optimized Measured and Indicated Mineral Resources totalling 691.3 Mt grading 31.5% Total Iron. The engineered pits limit the inclusion of In-pit Inferred resources to 45.8 Mt which are categorized as waste**.**

Additional drilling of the 480 Mt grading 30.4% Total Iron current Inferred Resources within the limits and proximal to the Optimized Pit Shells could provide additional Measured and Indicated Mineral Resources required to double production capacity and support a second concentrator line that would produce an estimated 20 Mt of concentrate annually for a mine life of 20 years.

Compared to the result of the 2011 PEA contained in the Fire Lake North Report the following main differences in the capital costs of the project are as follows:

- Rail costs increased from $275.4 million to $1.334 billion, reflecting the estimate for a rail system from the CFLN Project to Point Noire at the Port of Sept-Îles as contained in the Fire Lake North PFS prepared for Champion by Rail Cantech. However, $200 million of upfront costs in this rail scenario are attributed to Champion and $1.134 billion is financed via construction financing and repaid from project cash flows over a 12 year period.
- Concentrator and site infrastructure cost was increased by $145.9 million to support an increased concentrate production capacity to 10 Mtpa and a dual voltage substation.
- Pointe Noire port facilities cost was increased by $109.8 million after consideration to a more suitable storage location which could be expanded at minimal cost.
- Environmental cost increased by $83.4 million due to a cost underestimation in the 2011 PEA.
- All mining equipment is capitalized ($55.4 million) compared to the 2011 PEA contained in the Fire Lake North Report where the mining equipment was leased.

The addition of these significant cost components clarify the project scope with regards to the project schedule and estimated budget. The financial model illustrates the robust economics of the West and East iron ore deposits on their own merit. With the adjacent resources within the CFLN project boundaries, the mid and long term growth profile of this project are exceptional.

The $US exchange rate is assumed to be at par value with the Canadian dollar. Table 13 provides NPV's calculated at various discounted cash flow rates for the Base Case production scenario of 10 Mtpa of iron concentrate. The financial analysis in the Fire Lake North PFS study used a sale price of $115 per tonne of iron concentrate ($/tonne is FOB Sept-Iles) for the first 5 years, and $110 per tonne for years 6 to 20. A sale price of $115 per tonne was used for the 2011 PEA contained in the Fire Lake North Report.

Table 13

CFLN West and East Deposits Preliminary Feasibility Results (Pre-Tax)	
Internal Rate of Return (IRR) (8% Discount Rate)	**30.9%**
Undiscounted Cash Flow	$9.0 billion
Net Present Value @ 5% Discounted Cash Flow	$4.7 billion
Net Present Value @ 8% Discounted Cash Flow	**$3.3 billion**
Net Present Value @ 10% Discounted Cash Flow	$2.6 billion
Payback Period (8% Discount Rate)	**3.4 years**

The Fire Lake North PFS has an accuracy of +15/-10%, which is considered industry standard for capital and operating cost estimates in a feasibility study. The only component that is not at a feasibility study precision level is the multi-user rail infrastructure component. In order to complete the PFS in a timely manner, Champion included the metrics from its Rail Cantech feasibility study completed in August 2012 (see details below). This study is based on a 310 km railway designed for an initial capacity of 20 Mtpa that is located on the east side of the Ste. Marguerite River, starting at the CFLN project loading station and ending in the Pointe Noire area of the Sept-Îles port.

Therefore, the PFS includes an estimated cost of $9.47/tonne of concentrate for rail debt service in addition to 4.80 $/tonne for operations, totalling $14.27/tonne based on 9.3 Mtpa mine-life average production of iron concentrate. This is a higher cost than the initial rates proposed by the CN multi-user rail transportation solution. Nonetheless, it shows that the project economics are strong enough to support the construction of a new 310 km railway on its own.

Excluding the rail transportation capital cost component, the total capital expenditures during the pre-production period were estimated at $1.39 billion of which $227.3 million is allocated to the Pointe Noire concentrate stockyard facilities, as itemized in Table 14. The cost to develop the CFLN concentrator and site facilities near Fermont totals $1.167 billion, which equates to a capital intensity of $125/tonne for the 9.3 million tonnes of annualized production of iron ore concentrate.

This PFS takes into consideration the usage of the Sept-Iles multi-user Port facility project that is currently in construction and planned for completion by Q1 of 2014. The Port Authority communicated in December 2012 that the project is on schedule and on budget.

Table 14

Pre-production Capital Costs	
	C$ million
Mine equipment and pre-stripping	133.8
Site infrastructure	192.0
Concentrator including load out facilities	410.7
Environmental and Tailings Management	85.0
Other Pre-production Costs (rail rolling stock lease)	13.4
Port Facilities: Car dumper, stacker/reclaimer, stockyard	158.3
Railway (Owner's cost for 310 km distance including turnaround loop and sidings)	200.0
Sub Total	1,193.2
Indirect Costs (including Owner's Costs)	300.2
Contingency (10%)	114.6
Grand Total (100% of the project)	1,607.8

Operating costs are outlined in Table 15.

Table 15

Operating Costs	**($/Tonne of Concentrate)**	
Cost Parameters	**Average 20 years**	**Average years 1 to 5**
Mining	18.89	12.76
Concentrator crushing and processing	4.38	3.89
Site Infrastructure Maintenance, & General Administration	4.05	3.66
Environmental Tailings and Management	0.13	0.12
Rail Transport including lease for rolling stock	4.80	5.42
Port facilities	2.34	2.14
Total Direct Operating Cost	34.58	27.99
Railway capital repayment ($1,133.6 million)	6.22	7.40
Railway interest payment ($592.6 million)	3.25	7.29
Total operating cost	44.05	42.68

Optimization of the mine-life production schedule resulted in a strip ratio of 1.56:1 (waste/ore) for the first three years of production, 2.02:1 for the first five years of operation; and a 2.74:1 strip ratio for the current 20 year mine-life.

As in the updated PEA study, the mill flowsheet of this PFS is based on a standard three stage spiral iron beneficiation process. The run-of-mine iron ore is crushed in a 60'' by 89'' gyratory crusher and then ground in a 38' by 21.5' autogenous grinding mill ("**AG Mill**"). The AG Mill diameter and associated horsepower was increased for the PFS in order to optimize the production rate throughput and enhance the economic metrics in comparison to the PEA study. The AG Mill will have two AC variable drive motors totalling 21,450 HP. Larger mills of up to 42' are currently in operation in the mining industry.

The PFS operating costs were reduced by 16% in comparison to the Fire Lake North Report despite a significant cost increase related to the construction of a new railway and associated debt service of $1,133.6 million. Mining costs were reduced by $5.34/tonne of concentrate primarily associated with a reduction in strip ratio ($4.19/tonne) combined with the removal of the mine equipment lease cost ($1.15/tonne). Costs at the Pointe Noire Port facilities were reduced by $1.38/tonne of concentrate following the signing of an agreement with the Port of Sept-Iles Authority. The concentrator, environmental, and general and administration costs were slightly reduced by $0.14/tonne, $0.16/tonne and $0.35/tonne respectively, following a detailed analysis of each cost component by BBA.

Manpower levels are expected to be 508 employees in Year 1 and peak at 688 in Year 15 when the mine reaches maximum production.

There is potential for the CFLN Project to become a significant low cost iron ore producer with a new concentrator equipped with today's advanced mineral processing technologies. Champion continues to analyze lower cost opportunities.

Results from the PFS indicate that the CFLN Project is a very technically feasible and economically robust project with a Base Case scenario including one production line yielding 9-10 Mtpa of concentrate from 464.6 M tonnes of in-pit reserves processed over a 20 year mine-life. The PFS study is based on a stand-alone operation at CFLN and does not consider the current Mineral Resources identified at other iron deposits located on the CFLN Property. The outstanding mid and long term growth profiles for Champion are evident from mineral resources identified within the CFLN Property.

On February 14, 2013, Champion announced that further to the decision by CN, released on February 12, 2013, to suspend the multi-user railway feasibility study, Champion reported that it considered the CN proposal for an integrated rail line and terminal handling facility to service the entire Quebec/Labrador iron ore range to be one of the Corporation's three rail transport options.

Prior to joining the CN feasibility study process, Champion had commissioned Rail Cantech who successfully completed a feasibility study for a private rail line from the CFLN Project to the Point Noire wharf at the Port of Sept-Îles where Champion has reserved sufficient loading and storage capacity. Champion announced it would re-focus its efforts on a proposed rail line southbound to Point Noire and reactivate discussions with relevant parties that could assist Champion in the construction, financing and operation of this more flexible and highly economic alternative. With CN's termination of the feasibility study, CN was obligated to refund, and did refund, the entire deposit Champion contributed towards the study costs and provide any results and materials generated from the feasibility study.

On February 20, 2013, Champion provided results from remaining drill holes completed in 2012 in the West Deposit area of the CFLN that were received after the announcement of the Fire Lake North PFS.

On June 28, 2013, Champion gave notice to the Sept-Îles Port Authority that Champion was terminating their July 2012 agreement.

Cluster 3 Option to Cartier - Current Financial Period

No Qualified Person engaged by Champion has prepared or supervised or approved the scientific ore technical information issued by Cartier as set out below.

On April 25, 2013, Champion announced that Cartier had reported assay results its inaugural ten-hole Phase I diamond-drilling programme completed on the Penguin Lake Project, which forms part of Champion's Cluster 3 properties currently optioned to Cartier. The ten NQ-diameter drill-holes, totaling 3,315 m, were designed to intersect magnetite/hematite-rich iron formation, coincident with a strong magnetic-response anomaly in the area of the catalogued "Lac Pingouin Zone 1" Occurrence (http://sigeom.mrnf.gouv.qc.ca/ Cogite # 23C/01-0004).

The Phase I drilling campaign intersected a total of 1600 metres of iron formation with an average grade of 29.5% FeT. Selected "best" intervals include: 242 m grading 25.2% FeT from hole PL13-04; 129 m grading 34.4% FeT in hole PL13-05; 112 m of 29.4% FeT encountered in hole PL13-07, and; 300 m grading 33% FeT in hole PL13-10. A list of composite assay results from the drill programme can be found in Cartier's press release dated April 25, 2013, which is available on their corporate website at www.cartieriron.com and it is also posted under Cartier's filings at www.sedar.com.

Cartier further reported that it has commissioned MRB & Associates of Val-d'Or, Québec to complete a NI 43-101 compliant Mineral Resource Estimate for the Penguin Lake Project with results expected by early Q3 2013.

Attikamagen Property, Labrador and Québec

On April 24, 2007, Champion signed a letter agreement to acquire the Attikamagen Lake Iron Prospect (the "**First Attikamagen Property**") consisting of 52 claims in western Labrador, located 15 km E-NE of Schefferville, Québec. The acquisition was completed on July 20, 2007. The Corporation acquired a 100% interest in the First Attikamagen Property from an arm's length vendor (the "**Attikamagen Vendor**") by making cash payments totaling $40,000, and issuing to the Attikamagen Vendor 100,000 Common Shares of the Corporation at a deemed value of $0.30 per share.

Pursuant to an amendment agreement dated February 15, 2008, Champion agreed to pay the Attikamagen Vendor an aggregate royalty of $1.50 per tonne of iron content (reduced from $3.00 per tonne) in any and all iron ore, pellets or other product produced from the Attikamagen Property, calculated at the port when shipped. As consideration for the amendment, Champion issued 150,000 Common Shares of the Corporation to the Attikamagen Vendor. Champion also has the option at any time to purchase such royalty upon payment of $2.5 million.

On March 28, 2008, Champion expanded its property holdings by staking 451 claims contiguous to and partially surrounding the First Attikamagen Property (the "**Extension Claim Block**"). Also, on the Québec side of the Labrador/Québec border, adjacent to the northern portion of the Extension Claim Block, Champion staked an additional 29 claims (the "**Lac Sans Chef Québec Claim Block**").

On June 18, 2008, Champion completed the acquisition of a 100% interest in the Pterodactyl Claims consisting of 16 claims in eastern Labrador, adjacent to its properties in the Attikamagen area. Champion issued to the arm's length vendor 110,000 Common Shares in payment of the purchase price. This claim group hosts the favorable Sokoman Formation that is tightly folded and repeats the favorable horizon four times within a 6 km^2 area and forms an integral part of Champion's Attikamagen exploration program.

On September 3, 2008, Champion announced the acquisition of additional claims along the north-western and western perimeter of the properties described above. An additional 300 claims were staked in Québec, and 98 claims were staked in Labrador.

The additional claims acquired or staked in June and September, 2008, together with the First Attikamagen Property, the Extension Claim Block and the Lac Sans Chef Québec Claim Block are hereinafter referred to as the "**Attikamagen Property**". The Attikamagen Property now consists of 946 claims comprising 310.7 km^2 extending over a 56 km strike length. The provincial boundary is the topographic high separating Québec and Labrador. The Attikamagen Property has a strike length of taconite bearing Sokoman Iron Formation of 34 km in Labrador and 22 km in Québec.

Attikamagen Joint Venture

On May 12, 2008, the Corporation and Labec Century Iron Ore Inc. ("**Labec**") signed a $12,5000,000 definitive option and joint venture agreement, as amended July 9, 2009 and March 25, 2010 (the "**Attikamagen Agreement**") to allow Labec to earn up to a 60% interest in the Attikamagen Property. In order to earn its initial 51% interest,

Labec funded a total of $7,500,000 in exploration expenditures on the Attikamagen Property. Labec increased its interest to 56% by funding an additional $2,500,000 of exploration expenses at the Attikamagen Property and, in order to increase its interest to 60%, Labec must incur a further $3,000,000 of exploration expenses by March 26, 2014 for a total of $13,000,000. Labec gave notice that it had earned an additional 4% interest to increase its holdings to 60% and to further increase its interest (and dilute the Corporation's interest) pursuant to ongoing exploration programs that Labec has been funding without contribution from the Corporation. The Corporation is undertaking its due diligence verification and accounting of those claims. Labec is manager and operator of the Attikamagen Property and the joint venture is reflective of their proportionate ownership interests in the Attikamagen Property.

Exploration Programs

In accordance with the terms of the Attikamagen Agreement, Labec is solely responsible for funding the exploration program on the Attikamagen Agreement.

Fiscal Year ended March 31, 2011

Champion and Labec identified three main taconite or magnetite (hematite) silica iron formation target areas for follow-up work at Hayot Lake, Lac Sans Chef and Jennie Lake. Systematic metallurgical tests were conducted to quantify the efficiency of weight recovery by magnetic and gravity separation on representative composite samples for each area.

Champion and Labec believe that the Attikamagen Property also has very good potential for identifying and building direct shipping ore (or "**DSO**") mineral resources. Locally where the magnetic signature is relatively lower along strike of higher magnetic anomalies there is a good potential for DSO. Typically the DSO is found in low-lying areas where the taconite does not outcrop since it is usually softer and more friable and has been scraped to a lower elevation due to glaciations. The gravity surveys were used help to refine these target areas where a low magnetic response corresponds with a high gravity anomaly. The DSO term was used by previous operators in the Schefferville area to designate "oxidized iron ore" with iron grades in excess of 55%, and is only used here for historical reference and is not intended to imply that a positive economic study has been completed on the Attikamagen Property. A 20 line-kilometre gravity survey over four favorable DSO target areas was initiated and completed.

On October 21, 2010, Champion announced that a 2,000 m drilling program would be conducted at the Attikamagen Property by Labec.

Fiscal Year ended March 31, 2012

No Qualified Person enaged by Champion has prepared or supervised or approved the scientific or the technical information issued by Labec or its parent company as set out below.

On July 6, 2011, Champion reported that Labec had announced assay results from the Attikamagen Property. Highlights from the 2011 Reverse Circulation drilling completed at the Joyce Lake area encountered a potential DSO target, where drill hole JOY11-06 intersected 139.0 m grading 52.8% Total Iron and drill hole JOY11-07 intersected 91.0 m grading 52.5% Total Iron including 42.0 m grading 65.3% Total Iron. As well, diamond drilling at the Hayot Lake area corroborated results for Labec's 2010 drilling, which intersected a taconite iron occurrence. Drill hole HAY11-10 intersected 108.2 m grading 33.2% Total Iron where previously drill hole HAY 10-06 intersected 92.6 m grading 31.6% Total Iron.

On December 8, 2011, Labec announced a second group of assay results from its 2011 exploration program at the Attikamagen Property. A total of 10,884 m of combined diamond and Reverse Circulation drilling was completed during the 2011 drilling program, from April 8 to October 30, 2011. Labec further reported that it was preparing for the next phase of drilling on the Joyce Lake resource.

Fiscal Year ended March 31, 2013 and Current Financial Period

On September 24, 2012 Champion reported that its joint venture partner Labec, through its parent company, Century Iron Mines Corp. ("**Century Iron**") announced drilling and bulk sampling results at the Attikamagen Project. Century Iron reported that the drilling program focused on potential taconite and DSO targets at Joyce Lake. Century Iron indicated that a total of 7,807 m of reverse circulation drilling was completed. Century Iron further reported that the first batch of assay results confirmed a zone of high grade iron mineralization at Joyce Lake with intercepts up to 54 metres with over 60% Total Iron with an average of 6.09% silica.

On September 26, 2012, Champion further reported that Century Iron announced an initial Mineral Resource statement for the Hayot Lake Iron Deposit ("**Hayot Lake**") located on the Attikamagan Project. As reported by Century Iron, **Hayot Lake** is estimated to contain an Inferred Mineral Resource of 1.723 billion tonnes grading an average of 31.25% Total Iron at a cut-off grade of 20% Total Iron. Century Iron reported that the initial Mineral Resource statement had been prepared by SRK Consulting (Canada) Inc.in accordance with NI 43-101. A summary of the Mineral Resource Statement and resource estimation methodology can be found in Century Iron's press release dated September 25, 2012, which is available on their corporate website at www.centuryiron.com and is also posted under Century Iron's filings at www.sedar.com.

On March 8, 2013, Champion reported that Century Iron issued a news release announcing an initial MRE for the Joyce Lake DSO deposit. Century Iron reported that the Joyce Lake Project is estimated to contain Measured and Indicated Mineral Resources of 10.0 million tonnes grading 59.45% Total Iron plus an additional 5.6 million tonnes of Inferred Mineral Resources grading 55.78% Total Iron, at a cut-off grade of 50% Total Iron. Century Iron stated that this initial MRE has been prepared by SGS Canada Inc. - SGS Geostat Group of Blainville, Québec and that the mineral resources were estimated in conformity with generally accepted CIM Estimation of Mineral Resource and Mineral Reserve Best Practices Guidelines.

On May 10, 2013, Champion reported that Century Iron announced the filing on SEDAR of a PEA for the Joyce Lake Project, the findings of which reconciled with those which were previously announced on March 25, 2013. The PEA reported a NPV of $90.4 million (pre-tax) and $51.8 million (after-tax) at an 8% discount rate, an IRR of 37% (pre-tax) and 27.1% (after-tax), with a Pre-Tax Payback estimated at 2.5 years and 2.6 years (after-tax) (years from production start-up). A copy of the PEA, dated May 8, 2013, is available under Century Iron's SEDAR profile at *www.sedar.com* and is also be available on Century Iron's website at *www.centuryiron.com*.

No Qualified Person engaged by Champion has done sufficient work to analyze, interpret, classify or verify Century Iron's statements regarding the MREs or PEA to determine the accuracy of the technical information announced by Century Iron. Accordingly, readers are cautioned against attributing those statements to Champion.

Powderhorn Property and Gullbridge Property, Newfoundland

Champion's first mining acquisition was an option agreement on June 11, 2006, as amended May 5, 2008 and March 26, 2010, (the "**Powderhorn Option Agreement**") entered into with Copper Hill Resources Inc. ("**Copper Hill**") pursuant to which Champion was granted the option to acquire a 70% interest in a mineral exploration property, the Powderhorn Lake Project (the "**Powderhorn Property**") located in Newfoundland. The Powderhorn Property consists of a total of 115 claims covering an area of 29 km^2 situated in the Buchans-Robert's Arm Belt in central Newfoundland. It is approximately 40 km to the northeast of, and on strike with, the renowned Buchans Mine Volcanogenic Massive Sulphide deposits.

Under the Powderhorn Option Agreement, Champion acquired a 70% interest in the Powderhorn Property by paying $50,000 to Copper Hill; incurring exploration expenditures of $1,000,000 on the Powderhorn Property; issuing and delivering to Copper Hill 600,000 Common Shares; and maintaining all mining claims on the Powderhorn Property.

The Powderhorn Property is currently encumbered with a 2.85% Net Smelter Royalty ("**NSR**"), owned by various parties, of which 1.85% can be purchased by the joint venture participants for $2,300,000 to reduce the NSR to 1.0%.

On May 5, 2008, Champion entered into a definitive option and joint venture agreement with Copper Hill (the "**Gullbridge Agreement**"), as amended by an agreement dated May 1, 2012 (the "**Option Amending Agreement**"), to acquire an interest in the Gullbridge Base Metals Property (the "**Gullbridge Property**") in the Buchans Mining Camp in Newfoundland. The Gullbridge Property adjoins the Powderhorn Property to the southeast. The Gullbridge Property consists of a total of 204 claims covering an area of 45 km^2 situated in the Buchans-Robert's Arm Belt in central Newfoundland.

In order to earn an initial 51% interest in the Gullbridge Property, Champion has to date paid $30,000 cash, incurred $400,000 exploration expenditures on the Gullbridge Property and has issued to Copper Hill 300,000 Common Shares. In order to complete its 51% earn-in, Champion was to incur a further $400,000 in exploration expenditures by May 5, 2012 but, in accordance with the terms of the Option Amending Agreement, Champion fulfilled all of its obligations required to vest its initial 51% interest in the Gullbridge Property including the remaining exploration expenditure requirement of $154,000 with the issuance to Copper Hill of 50,000 Common Shares. Champion has the right to increase its interest in the Gullbridge Property to 75% by incurring an additional $700,000 exploration expenditures and issuing an additional 150,000 Common Shares to Copper Hill within two years of earning its 51% interest. Thereafter, Champion is entitled to increase its interest to 85% upon incurring all further expenditures which may be required up to the point of obtaining a positive bankable feasibility study in respect of the Gullbridge Property.

Exploration Programs

Year Ended March 31, 2011

In 2011, Champion completed airborne deep electromagnetic surveying designed specifically for resistive geological terrains and compliment existing magnetic and gravity data on the property. A small number of diamond drill holes were completed on targets enhanced or further derived from the survey. In addition, Champion completed several ground IP geophysical traverses to outline the extent of disseminated copper mineralization encountered in 2009 and earlier drill holes with plans to deepen one or two holes on the refined target area. Diamond drilling was also carried out for the two remaining untested gravity anomalies on the property.

Years Ended March 31, 2012, 2013 and Current Financial Period

In 2011, Fugro Airborne Surveys completed 778 line-kilometres of FugroHelitem deep penetrating airborne electromagnetic and magnetic surveying over the Powderhorn and Gullbridge properties. In addition, Quantec Geoscience Ltd. completed seven lines of Titan-24 DC-IP deep-penetrating geophysical ground surveying totalling 23.4 line-kilometres to further investigate 5 prospective target areas identified from 2010 gravity surveys. In November 2011, Abitibi Geophysics (Val D'Or, QC) completed a compilation of all geophysical data acquired for the Powderhorn and Gullbridge projects.

The Titan IP survey detected chargeability and low-resistivity anomalies over Gravity Targets 1 and 4 with depth to top estimated at 400 metres. Electromagnetic features were also detected over both targets, but appear to be more related to relatively shallow features.

The follow-up work has further indicated prospectivity for blind VMS deposits below the sediment covered basin between the Powderhorn prospect and the location of the historic Gullbridge mine.

Drilling of Gravity Targets 1 and 4 and deepening an existing hole at Gravity Target 3 have been recommended. The program would involve between 3000 and 5000 metres of diamond drilling.

Financing Activities

Fiscal year Ended March 31, 2011

On April 30, 2010, Champion completed a private placement of 10,600,000 units at a price of $1.15 per unit for gross proceeds of $12,190,000. Each such unit consisted of one Common Share and one-half of one Common Share purchase warrant, each whole warrant entitling the holder to purchase one Common Share at a price of $1.50 per share until April 30, 2012. Champion paid a $731,400 cash commission and issued 636,000 broker warrants entitling the holder to purchase 636,000 Common Shares at $1.15 per Common Share until April 30, 2012.

On June 8, 2010 Champion announced that 1,787,500 Common Shares were issued pursuant to the exercise of a series of $0.70 warrants having a June 5, 2010 expiry date. Champion received proceeds of $1,251,250 in connection with the warrant exercise.

On October 7, 2010, Champion completed a $3.0 million private placement of units priced at $0.90 per Unit. Each such unit consisted of one Common Share and one Common Share purchase warrant, with each warrant entitling the holder to purchase one Common Share at a price of $1.20 for the first 24 months and $1.50 thereafter until 36 months after the closing date, when the warrants expire. Swiss-based MRI Advisory AG and associated entities invested $2.0 million pursuant to the private placement.

On November 15, 2010, Champion completed a private placement of 480,769 Common Shares issued on a "flow-through" basis under the *Income Tax Act* (Canada) for proceeds of $625,000.

On February 3, 2011, Champion completed a $30 million bought-deal financing through the issuance of 12,000,000 Common Shares at a price of $2.50 per share. The offering was completed by a syndicate of underwriters led by Canaccord Genuity Corp. and included Paradigm Capital Inc., Jennings Capital Inc., Haywood Securities Inc. and RBC Capital Markets.

For the year ended March 31, 2011, the Company received aggregate proceeds of $6,730,274 in connection with the exercise of warrants at strike prices ranging from $0.40 to $1.50.

Fiscal year Ended March 31, 2012

On March 12, 2012, Champion completed a $30 million bought-deal financing through the issuance of 15,000,000 shares at a price of $2.00 per share. The offering was completed by a syndicate of underwriters led by Macquarie Capital Markets Canada Ltd. and included Canaccord Genuity Corp., Stifel Nicolaus, Paradigm Capital Inc. and Fraser Mackenzie Limited. The offering was qualified in Canada by short-from prospectus filed in all provinces except Québec.

For the year ended March 31, 2012, the Company received aggregate proceeds of $2,464,037 in connection with the exercise of warrants at strike prices ranging from $0.50 to $1.50.

Fiscal year Ended March 31, 2013 and Current Financial Period

During the fiscal year ended March 31, 2013, the Company has received aggregate proceeds of $25,990 from the exercise of warrants at a strike price of $1.15 and $265,500 through the exercise of stock options at a strike price of $0.45.

Champion intends to use the proceeds of the financings and warrant proceeds to fund the exploration and development of its Fermont Property Holdings, as well as for general corporate purposes.

RISK FACTORS

An investment in securities of the Corporation is highly speculative and involves significant risks. If any of the events contemplated in the risk factors described below or in the documents incorporated by reference actually occur, the Corporation's business may be harmed and its financial condition and results of operation may suffer significantly. In that event, the trading price of the Common Shares could decline, and purchasers of Common Shares may lose all or part of their investment. The risks described herein and in the documents incorporated by reference herein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business.

Nature of Mineral Exploration and Mining

At the present time, Champion does not hold any interest in a mining property in production. Champion's viability and potential for success lie in its ability to develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which Champion has an interest will result in a profitable commercial mining operation.

The operations of Champion are subject to all of the hazards and risks normally incidental to exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of Champion may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which Champion has interests. Hazards, such as unusual or unexpected formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While Champion may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which Champion cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of Champion and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in Champion not receiving an adequate return on invested capital.

Potential Land Claims – First Nations Groups

The Corporation conducts its operations in western Labrador in the Province of Newfoundland and Labrador and in north-eastern Québec, which areas are subject to conflicting First Nations land claims. Aboriginal claims to lands, and the conflicting claims to traditional rights between aboriginal groups, may have an impact on Champion's ability to develop its properties. The boundaries of the traditional territorial claims by these groups, if established, may impact the areas which constitute the Corporation's properties. Mining licences and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations.

Pursuant to section 35 of *The Constitution Act of 1982*, the Federal and Provincial Crowns have a duty to consult Aboriginal peoples and, in some circumstances, a duty to accommodate. When development is proposed in an area to which an Aboriginal group asserts Aboriginal rights and titles, and a credible claim to such rights and titles has been made, a developer may be required by the Crown to conduct consultations with Aboriginal groups which may be affected by the project and, in some circumstances, accommodate them.

The development and the operation of the Corporation's properties may require the conclusion of impact and benefit agreements ("**IBAs**") and/or other agreements with the affected First Nations. As a result of the IBAs or of other agreements, the Corporation may incur significant financial or other obligations to affected First Nations. The negotiation of such IBAs may also significantly delay the advancement of the properties. The affected First Nations with respect to the development and the operation of the CFLN Project include the Innu Takuaikan Uashat mak Mani Utenam ("**ITUM**"). The Corporation is currently engaged in ongoing discussions with ITUM with regard to the CFLN Project. There can be no assurance that the Corporation will be successful in reaching an IBA or other agreement with ITUM or other First Nations groups who may assert Aboriginal rights or may have a claim which affects the CFLN Project or any of the Corporation's other projects.

Financing Risks

Champion has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although Champion has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that Champion will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of Champion with the possible dilution or loss of such interests.

Infrastructure

Some of the Corporation's properties are located in relatively remote areas at some distance from existing infrastructure. Active mineral exploitation at any such properties would require building, adding or extending infrastructure, which could add to time and cost required for mine development.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. In order to develop mines on its properties, Champion will need to negotiate and conclude various agreements for various infrastructure requirements, including for rail transportation, power and port access with various industry participants, including external service and utility providers. These are important determinants affecting capital and operating costs. The Corporation has not yet concluded agreements with the relevant rail companies or operators necessary for the transportation and handling of the Corporation's planned production of iron ore and there can be no assurance that agreements on acceptable terms will be concluded. The Corporation is also in ongoing discussions with potential strategic partners to evaluate various rail transportation options (including a multi-user facility) but there can be no assurance that any such agreements will be concluded. The inability to conclude any such agreements – for rail transportation and power – could have a material adverse effect on the Corporation's results of operations and financial condition and on its ability to produce or market any products from the projects.

The Corporation's CFLN Project will require access to a sea port which is currently expected to be the Port of Sept-Îles. With increased activity by iron mine developers, short-term shipments at the Port of Sept-Îles are expected to increase significantly in the future. To meet this demand, the Port of Sept-Îles is building and developing a common user facility at Pointe-Noire. However, there is no assurance that this common user facility will be completed, that it will be available to the Corporation or that the Corporation will have access to such facilities or alternative facilities on economically feasible terms.

In addition, there is no certainty that the Corporation will be able to access sources of power on economically feasible terms and this could have a material adverse effect on the Corporation's results of operations and financial condition.

No Significant Revenues

To date, Champion has not recorded any revenues, other than interest and investment income and management fees and it has no dividend record. Champion has not commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that Champion will be profitable in the future. Champion's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment costs associated with advancing exploration, development and commercial production of Champion's properties increase. Champion expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of Champion's properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that Champion will generate any revenues or achieve profitability.

Current Global Financial Condition

Global financial markets experienced extreme and unprecedented volatility and disruption in 2008 and 2009. World economies experienced a significant slowdown in 2008 and 2009 and only slowly began to recover late in 2009, through 2010, 2011, 2012 and into 2013, although the strength of recovery has varied by region and by country. In the latter half of 2011 and 2012, debt crises in certain European countries and other factors adversely affected the recovery. These conditions have resulted and may continue to result in a reduction in demand for various resources

and raw materials. As a result, access to public financing has been negatively impacted. These factors may impact the ability of Champion to obtain equity or debt financing in the future on favourable terms. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market fluctuations continue, Champion's operations could be adversely impacted and the trading price of its Common Shares may be adversely affected.

Dilution and Future Sales of Common Shares

Champion may issue additional shares in the future, which would dilute a shareholder's holdings in Champion. Champion's articles permit, among other things, the issuance of an unlimited number of Common Shares.

Champion is Primarily Focussed on the Fire Lake North Project

The Corporation is focusing much of its resources on developing its CFLN Project. Any adverse development affecting the CFLN Project could have a material adverse effect on the Corporation’s business, prospects, financial performance and results of operations.

Joint Ventures and Option Agreements

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties through options, joint ventures or other structures, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also be the case that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not Champion will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Champion may be exposed and its financial position at that time. In some of those arrangements, failure of a participant to fund its proportionate share of the ongoing costs could result in its proportionate share being diluted and possibly eliminated.

From time to time Champion may enter into option agreements and joint ventures as a means of gaining property interests and raising funds. Any failure of any option or joint venture partner to meet its obligations to Champion or other third parties, or any disputes with respect to third parties’ respective rights and obligations, could have a material adverse affect on such agreements. In addition, Champion may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements.

Going Concern

Values attributed to Champion’s assets may not be realizable. Champion has a limited history and its ability to continue as a going concern depends upon a number of significant variables. The amounts attributed to Champion’s exploration properties in its financial statements represent acquisition and exploration costs and should not be taken to represent realizable value. Further, Champion has no proven history of performance, revenues, earnings or success. As such, Champion’s ability to continue as a going concern is dependent upon the existence of economically recoverable resources, the ability of Champion to obtain the necessary financing to complete the development of its interests and future profitable production or, alternatively, upon Champion's ability to dispose of its interests on a profitable basis.

Dependence on Key Personnel

Champion is dependent on a relatively small number of key employees or consultants, the loss of any of whom could have an adverse effect on its operations. Champion currently does not have key person insurance on these individuals.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time consuming process. Although Champion has taken precautions to ensure that legal title to its property interests is properly recorded in the name of Champion or, where applicable, in the name of its joint venture partners, there can be no assurance that such title will ultimately be

secured. Furthermore, there is no assurance that the interests of Champion in any of its properties may not be challenged or impugned.

Permits and Licenses

The operations of Champion require licenses and permits from various governmental authorities. Champion believes that it presently holds all necessary licenses and permits required to carry on with activities which it is currently conducting under applicable laws and regulations and Champion believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that Champion will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

Fluctuating Prices

Factors beyond the control of Champion may affect the marketability of any iron ore or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond Champion's control. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Champion not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of Champion may result.

Estimates of Mineral Resources

Although the mineral resource estimates included herein have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that any particular level of recovery of iron ore or other minerals will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Estimates of mineral resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short-term factors relating to mineral resources, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in mineral resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral resources are reported as general indicators of mine life. Mineral resources should not be interpreted as assurances of potential mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and corresponding grades. Until ore is actually mined and processed, mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on mineral prices. Any material change in resources or mineral resources, or grades or stripping ratios will affect the economic viability of Champion’s projects.

Foreign Exchange

Iron ore is sold in U.S. dollars thus the Corporation is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the U.S. dollar. To the extent that the Corporation generates revenues upon reaching the production stage on its properties, it will be subject to foreign exchange risks as revenues will be received in U.S. dollars while operating and capital costs will be incurred primarily in Canadian dollars. A decline in the U.S. dollar would result in a decrease in the real value of the Corporation’s revenues and adversely impact the Corporation’s financial performance.

Dependence on Outside Parties

The Corporation has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the

exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Corporation.

Reduced Global Demand for Steel or Interruptions in Steel Production

The global steel manufacturing industry has historically been subject to fluctuations based on a variety of factors, including general economic conditions and interest rates. Fluctuations in the demand for steel can lead to similar fluctuations in iron ore demand. A decrease in economic growth rates could lead to a reduction in demand for iron ore. Any decrease in economic growth or steel consumption could have an adverse effect on the demand for iron ore and consequently on the Corporation's ability to obtain financing, to achieve production and on its financial performance.

Availability of Reasonably Priced Raw Materials and Mining Equipment

The Corporation will require a variety of raw materials in its business as well as a wide variety of mining equipment. To the extent these materials or equipment are unavailable or available only at significantly increased prices, the Corporation's production and financial performance could be adversely affected.

Volatility of Stock Price

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings and that the value of the Common Shares will be affected by such volatility.

Champion's Activities are Subject to Extensive Governmental Regulation

Exploration, development and mining of minerals are subject to extensive federal, provincial and local laws and regulations governing acquisition of mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims of aboriginal peoples and local people, environmental protection and remediation, endangered and protected species, mine safety and other matters.

Environmental Regulations

The operations of Champion are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Champion's operation is subject to environmental regulation primarily by the Department of Environment and Conservation (Newfoundland and Labrador) and Ministère du Développement durable, de l'Environnement et des Parcs (Québec). In addition, the Department of Fisheries & Oceans (Canada) and the Department of the Environment (Canada) have an enforcement role in the event of environmental incidents.

Conflicts of Interest

The directors and officers of Champion may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests

of Champion. In the event that such a conflict of interest arises at a meeting of the directors of Champion, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

Competition

The mineral exploration and mining business is competitive in all of its phases. Champion competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Champion, in the search for and acquisition of attractive mineral properties. The ability of Champion to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that Champion will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

MATERIAL PROPERTIES

TECHNICAL INFORMATION – Consoldiated Fire Lake North Property, Fermont Project Area

Ms. Tracy Armstrong, P. Geo.and Mr. Antoine Yassa, P. Geo., of P&E Mining Consultants Inc. ("**P&E**") and Mr. André Allaire, Eng, M. Eng, Ph.D. and Mr. Patrice, Eng, BBA Inc. ("**BBA**") and Martial Major, Eng, of Rail Cantech) (collectively the "**Fire Lake North PFS Authors**"), prepared the Fire Lake North PFS. Each of the Fire Lake North PFS Authors is a qualified person under NI 43-101 and is independent of Champion. The Fire Lake North PFS was prepared for Champion to provide an independent, NI 43-101 compliant technical report on the Consolidated Fire Lake North Project in the Fermont Project area.

The information in the following section has been derived in part from and based on the assumptions, qualifications and procedures set out in the Fire Lake North PFS. Portions of the following section are extracts of the Fire Lake North PFS and are included herein with the consent of the Fire Lake North PFS Authors. Readers should consult the Fire Lake North PFS to obtain further particulars regarding the Consolidated Fire Lake North Project. Figures or charts referred to in this summary but not reproduced herein may be viewed in the Fire Lake North PFS. Table references are to the tables in the Fire Lake North PFS certain of which are reproduced herein. Technical information in this AIF regarding the Consolidated Fire Lake North Project should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Fire Lake North PFS and the summary provided herein is qualified in its entirety by the Fire Lake North PFS. Capitalized and abbreviated terms appearing in the following summary shall have the meaning ascribed to such terms in the Fire Lake North PFS.

Property Description and Location

Champion's Fermont Project area, comprising the Cluster 1, Cluster 2 and Cluster 3 Projects, is located in the Fermont Iron Ore District (FIOD) of northeastern Québec, approximately 40 km southwest of the town of Fermont and 250 km north of the Gulf of St. Lawrence's port town of Port-Cartier, and consists of 14 iron ore properties totalling 747.2 km^2.

The Consolidated Fire Lake North (CFLN) Property is centred at an approximate Latitude of 52°28'48"N and Longitude of 67°20'19"W.

The CFLN Property boundary has not been legally surveyed, but the perimeter generally follows the Range and Lot lines. The boundary of each claim block was defined using the Ministère des ressources naturelles et de la faune Québec (MRNFQ) website at http://www.mrnfp.gouv.qc.ca/mines/index.jsp, and the MRNFQ GESTIM claim management system.

The Project is divided into three (3) clusters, designated as Cluster 1, Cluster 2 and Cluster 3, which are geographically separated from one another. Within each cluster, the individual properties may or may not be contiguous. Cluster 2 comprises six (6) properties. The claim groups formerly designated as the Fire Lake North, Oil Can, Bellechasse and Midway properties are now collectively termed the CFLN Property.

Fire Lake North was the subject of a 2009 NI 43-101 Technical Report entitled "Technical Report and Resource Estimate on the Bellechasse and Fire Lake North Properties, Fermont Project Area, Québec, Canada" with an

effective date of November 10th, 2009 (Malloch et al., 2009, P&E) and a Preliminary Economic Assessment (PEA) and subsequent PEA update completed on Fire Lake North, entitled "Updated Resource Estimate and Preliminary Economic Assessment on the Fire Lake North Property, Fermont Project Area, Québec Canada", with an effective date of November 23rd, 2010, and "Update of the Preliminary Economic Assessment on the Fire Lake North Project, Fermont Area, Québec, Canada", with an effective date of November 21st, 2011 and amended on March 1st, 2012. These reports all predate the recent NI 43-101 Technical Report entitled, "Technical Report and Mineral Resource Estimate on the Oil Can Deposit of the Consolidated Fire Lake North Property, Fermont Area, Québec, Canada" (the "Technical Report") with an effective date of July 1st, 2012, in which Fire Lake North was a major focus.

Fire Lake North is centred approximately 35 km south-southwest of the town of Fermont, in Gueslis and Bergeron Townships, in the Regional Municipality (MRC) of Caniapiscau, northeastern Québec, at approximately 52°26'57"N Latitude and 67°19'22"W Longitude (UTM NAD83 Zone 19, 613750E and 5811250N) on the National Topographic System map sheet 3-B/06. Fire Lake North comprises 340 contiguous claims covering an area of 173.12 km^2 with all 340 claims held 100% by Champion.

The 340 claims that make up Fire Lake North are in good standing as at the date of this report.

Oil Can is centred approximately 30 km south-southwest of the town of Fermont in Gueslis Township, in the MRC of Caniapiscau, northeastern Québec, at approximately 52°31'32" N Latitude and 67°18'24" W Longitude (UTM NAD83 Zone 19, 615312E and 5820327N) on the National Topographic System map sheet 23-B/11. Oil Can comprises 86 contiguous claims covering an area of 39.65 km^2 with all 86 claims held 100% by Champion.

The 86 claims that make up Oil Can are in good standing as at the date of this report.

Bellechasse is centred approximately 34 km southwest of the town of Fermont in Faber Township, in the MRC of Caniapiscau, northeastern Québec at approximately 52°32'31" N Latitude and 67°29'06" W Longitude (UTM NAD83 Zone 19, 604288E, 5821470N) on the National Topographic System map sheet 23B/11. Bellechasse comprises 27 contiguous claims covering an area of 14.15 km^2 with all 27 claims held 100% by Champion.

The 27 claims that make up Bellechasse are in good standing as at the date of this report.

Midway is centred approximately 30 km south-southwest of the town of Fermont, in Gueslis Township, in the MRC of Caniapiscau, northeastern Québec at approximately 52°32'04" N Latitude and 67°22'44" W Longitude (UTM NAD83 Zone 19, 609448E, 5822041N) on the National Topographic System map sheets 23-B/06 and 23-B/11. Midway comprises 84 contiguous claims covering an area of 44.03 km with all 84 claims held 100% by Champion.

The 84 claims that make up Midway are in good standing as at the date of this report.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The western boundaries of both Fire Lake North and Midway are transected by the Trans-Québec-Labrador Road and Bellechasse, adjacent to and west of the Trans-Québec-Labrador Road (Highway 389 in Québec and Highway #500 in Labrador and Newfoundland), which runs in Québec from Baie-Comeau to Fermont, continuing into Labrador City and Wabush in Newfoundland and Labrador. The highway provides year-round access to the CFLN Property. The western boundary of Oil Can is located 6 km east of the Trans-Québec-Labrador Road.

The airport located at Wabush, Newfoundland and Labrador (NL) is the main airport servicing the region, and offers daily commercial flights to Montréal, Québec City and Sept-Îles in Québec, and Goose Bay and St. Johns in Newfoundland and Labrador via Air Canada and Provincial Airlines. Pascan Aviation Inc. recently commenced commercial flights between Wabush and Bathurst, New Brunswick, in addition to their existing multiple Québec destinations. Local air service is also available from the Wabush Water Aerodrome located adjacent to Wabush on Little Wabush Lake, with charter flights offered from June to October.

The Labrador City area is accessible by train utilizing Tshiuetin Rail Transportation Inc. railway. The railway line links Sept-Îles to Emeril Junction and Schefferville in Québec. There are two (2) trains per week for passengers and community freight. The Cartier Railway is a privately-owned railway company that operates 416 km of track

connecting the ArcelorMittal Mont-Wright iron ore mine to the iron ore processing plant and port, located at Port-Cartier, on the northern shore of the Gulf of St. Lawrence. The Cartier Railway is used solely for ArcelorMittal's iron-ore and freight transportation. The Québec North Shore and Labrador Railway is another regional railway that transports iron ore through northeastern Québec and western Labrador; a distance of 414 km from Labrador City, Labrador to the Port of Sept-Îles, Québec.

The Fermont area has a sub-arctic, continental taiga climate with very severe winters, typical of northern central Québec. Winter conditions last six (6) to seven (7) months, with heavy snow from December through 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 (5) months a year. Daily mean temperatures for Fermont average minus 24.1°C and minus 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 12.4°C and 11.2°C respectively. Extended daylight enhances the summer workday period due to the relatively high latitude. The early and late winter conditions are acceptable for ground geophysical surveys and drilling operations.

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)); whose employees 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 plus 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 northeast of Fermont), and Wabush (35 km northeast of Fermont) in Newfoundland and Labrador, have a total population of approximately 10 000. Labrador City and Wabush were also developed around 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, medical and educational services, plus a variety of retail shops and grocery outlets.

The hydroelectric power supply in Labrador originates from Churchill Falls, Newfoundland and Labrador, which generates 5428 MW of power, 127 MW of which is provided to Labrador's western region for its current needs. The region has the lowest average cost for power in Newfoundland and Labrador; however, the local system is being burdened and a second transmission line to service Labrador West is a high priority for the region.

The Fermont-Labrador City-Wabush area, as a mining centre, is able to provide personnel, contractors, equipment and supplies for mining exploration and development.

The sub-arctic terrain of Fire Lake North 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 has 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.

History

The Fermont project area has been the subject of regional mineral exploration assessment by numerous mineral exploration and mining companies, from mid-century up to the present day. Since they predated NI 43-101, none of these historical assessments led to a categorization of any of the metals or minerals described therein as a Mineral Resource as defined in NI 43-101. There has been insufficient work to define a mineral resource, and it is uncertain whether further exploration will result in a mineral resource being delineated, other than those described in the mineral resource estimates filed by Champion on SEDAR at www.sedar.com.

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

BHP Minerals Canada Inc. completed a regional heavy-mineral sampling program in northeastern Québec that included Fire Lake North (St-Pierre 1998). Sampling took place along lines spaced approximately 50 km apart, with sample sites at approximately 3 km separation with 1561 – 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 town 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.

Fire Lake North

Iron formation was discovered at Fire Lake North in 1955 by QCM geologists during reconnaissance follow-up of an airborne magnetic survey. QCM staked claims in 1955 over known iron occurrences, and mapped the iron formation and general geology of the area southwest of Don Lake. Geologists estimated the iron content at around 30%, and noted the discrete hematite and quartz grains that readily separated on crushing (Ferreira 1957). QCM's property area was further extended with additional staking of claims in 1955 and 1956 that included claims covering the Half Mile Lake area of present-day Fire Lake North. Detailed geological and structural mapping of the Half Mile Lake area was completed in 1957 (Currie, 1957a). The entire area of the magnetic anomaly was mapped at a scale of 200 ft. to the inch (Currie, 1957b). The 1961 field season included detailed mapping and ground geophysics combined with limited exploration diamond-drilling. 17 AX core drill holes totalling approximately 1,300 m were drilled on Fire Lake North to evaluate aeromagnetic anomalies and obtain a preliminary economic evaluation of the deposit. The best intersection of the drill program was 82 m at 30.61% Fe in drill hole 21A-7 (Reeve, 1961).

Since they predated NI 43-101, none of these historical assessments led to a categorization of any of the metals or minerals described therein as a Mineral Resource, as defined in NI 43-101.

An electromagnetic and magnetic survey was flown in 2000 over certain QCM properties, which included parts of present-day Fire Lake North. Several strong magnetic anomalies on QCM's Fire Lake property were thought to indicate the presence of iron formations (St-Hilaire, 2000).

In 2008, GPR Geophysics International Inc. of Longueuil, Québec completed a 3,855 line-km airborne magnetic and electromagnetic (VLF-EM) geophysical survey over all properties held by Champion in the FIOD area. Follow-up work included a helicopter-borne reconnaissance/orientation and prospecting program, completed during five (5) days in October 2008. The purpose of the program was to identify the iron formations, the structural geology, and to sample outcrops in the vicinity of the 2008-defined magnetic anomalies for comparison with type iron formations that host iron in the FIOD. All properties were evaluated from the air for physiographic elements (roads and trails, waterways, rail and power lines), and historical exploration work (line grids, trenches, and drill hole sites). For further information regarding the key observations from this work, refer to the Champion news release dated November 24th, 2008.

Champion staked additional claims in the FIOD following the reconnaissance program in October 2008. Fire Lake North had 31 new claims added (16.28 km^2) and was merged with the former Don Lake Property. The new combined property contains the two kilometric-scale quartz specularite ridges that were partially drill tested during 1956.

Prior to the commencement of Champion's 2009 drill program, a compilation of all previous exploration work was completed. Emphasis was put on historical drill hole information and down-hole assays. This information was

entered into a database to plot cross-sections and plans using MapInfoTM and DiscoverTM GIS and Gemcom 3D software.

Fire Lake North and Bellechasse were selected by Champion as priority drill target areas, since their underlying airborne magnetic anomalies were located within a few kilometres of existing road and rail infrastructure.

The 2009 exploration program was designed as a 4,000 m drilling program to delineate the Fire Lake North (including the Don Lake area) and Bellechasse iron formations, and to quantify a near-surface mineral resource estimate. The secondary goal was to determine the spatial and geological controls on the mineralization to guide future drill programs. Seven (7) holes totalling 1,526.3 m were drilled on the Don and Half Lake (Demi Mille) areas of Fire Lake North.

The 2010 winter drill campaign at Fire Lake North was focused on the East Limb and West Limb target areas. A total of 4,130 m were drilled by Lantech Drilling Services of Dieppe, New Brunswick, in 24 holes at a drill hole spacing of 400 m, from late February to early April, 2010. A total of 503 core samples, totalling 1,844.04 m of core, were collected from the mineralized sections and analyzed.

A geochemistry program of bedrock channel sampling, collected from 32 sites totalling 106 samples (85 samples + 21 QC samples) at Fire Lake North, was completed during October 2010 by MRB and Associates of Val-d'Or, Québec (MRB) and submitted to COREM Laboratories in Québec City, Québec. The average grade of the channel samples was 32.8% Fe, with a low of 12.4% to a high of 64.5% Fe_T.

MRB also completed a bulk sampling program, where 400-600 kg of specular hematite and magnetite mineralization was collected from each of 16 sites on Fire Lake North during October 2010.

Reconnaissance geological bedrock mapping was conducted intermittently by MRB geologists over a two (2) to four (4)-week period during the late summer and early fall of 2010, to verify the dip direction of the hematite-magnetite mineralization in outcrop.

A field visit was made in July 2010 by contract employees of Champion, to the northeast iron formation to evaluate magnetic anomalies that were outlined here by the 2008 airborne survey. Grab samples were taken for Total Iron (Fe_T) assays from the two (2) mineralized outcrops located 2 km northeast of the East Limb, where three (3) historic diamond drill holes (unable to be located by Champion personnel in the field) were completed by QCM (hole #21A-15, 21A-16, 21A-17).

An airborne gravity-magnetic-LIDAR survey was flown by Fugro Airborne Surveys over all the Champion-held FIOD properties from May 31 to July 14, 2011. The survey outlined strong magnetic signatures interpreted as iron formation, and was followed-up by several small local ground gravity surveys conducted during the late summer of 2011 by Abitibi Geophysics of Val- d'Or, Québec.

Champion carried out a diamond drilling program at the Don Lake, East (also referred to as East Pit) and West (also referred to as West Pit) areas of Fire Lake North, from September 2010 to August 2011. 16 new holes were drilled at the Don Lake area for a total of 4,805 m, 29 holes at the East area for a total of 10,642 m, and 31 new holes for a total of 9448 m at the West area. The total number of metres drilled in late 2010 and 2011 was 26,221 m in 84 holes.

Feasibility Definition Drilling commenced at Fire Lake North in mid-November of 2011 and Champion completed Phase I in June of 2012. Drilling was focused within the proposed West area designed pit limits and the East area starter pit as outlined by the November 2011 PEA. More than 22,000 m of definition drilling was completed in both the East and West pit areas, with over 17,000 m of this being carried out in the West pit area.

Drilling of the West Pit area defined a tight, overturned synform, gently dipping towards the east at the south end of the deposit, and rotating along strike so as to dip gently towards the west at the north end, with the deposit remaining open down-dip for the majority of its 3,500 m strike length. Specular hematite iron mineralization was delineated in the West pit area with approximate true widths varying from 100 m to greater than 200 m locally, extending beyond the limits of the PEA designed pit.

A total of 4,900 m of definition drilling was completed in the East Pit area, between February 1st and late April 2012, further delineating the near-surface iron resources of Fire Lake North's planned starter pit. The geometry of the iron formation in the proposed pit area is a steep to gently southwest dipping, tightly-folded synform, which remained open down-dip to specular hematite mineralization for the majority of its 2,400 m strike length.

The November 2011 to August 2012 Feasibility Definition drill program was completed by Nitasi Landdrill I.P. of Moncton, New Brunswick, Logan Drilling Limited of Stewiacke, Nova Scotia and Major Drilling Group International Inc. of Winnipeg, Manitoba. Eight (8) geomechanical drill holes, totalling 3894 m, were completed by the former two (2) drill contracts between November 16th, 2011 and June 25th, 2012.

A geological bulk sample site was prepared on the East Pit area during December 2011. Blasting and sample extraction were completed during February 2012. The approximate 60-75 tonne sample was transported to SGS Laboratory in Kirkland Lake, Ontario for analysis, and results have been discussed in Section 13.6.7 of this report.

Oil Can

Exploration in the region was reported as early as 1948 by United Dominion Mining Co. Ltd., with reconnaissance geological prospecting conducted throughout the Pekan River Basin and Mont-Wright area. A geological map of iron occurrences located at Oil Can Lake was produced in 1950 by QCM and updated in 1955.

In 1956, the Jones and Laughlin Steel Corp. carried out an air photography lineament study as well as reconnaissance mapping, covering 135 square miles from the eastern Labrador- Québec border to longitude 67°30' in the west. In 1961, it was reported by P.J. Clarke that the iron content increases in the iron formations located south of Oil Can Lake.

There are four (4) drill holes reported to have been drilled at Oil Can in 1956 by QCM. The holes, with a maximum depth of 138.7 m, were inclined at 45° toward the west and designed to crosscut the iron formation (GM #05485-B). The report states that the core was split, and samples were sent for analysis, however, no assay results were reported. Since they predated NI 43-101, none of these historical assessments led to a categorization of any of the metals or minerals described therein as a Mineral Resource, as defined in NI 43-101.

Oil Can was inactive from 1957 until recently, even though exploration companies were aware of the iron formation underlying Oil Can. The remoteness of the area and the discovery of other nearby deposits made Oil Can a lower priority target that had essentially remained unexplored.

An airborne survey was carried out over the Fermont Properties for Champion, including Oil Can, in the summer of 2008 by GPR Geophysics International Inc. of Longueuil, Québec. The survey included magnetic, gamma-ray spectrometry and EM-VLF. Iron mineralization was well defined by the magnetic survey, with the magnetite-rich iron formations defined as magnetic high anomalies, and some of the hematite-rich iron formations and zones of secondary iron enrichment resulting from near-surface oxidation, defined by magnetic low anomalies.

The 2011 airborne magnetic-response surveys delineated four (4) zones of strong magnetic anomalies interpreted as iron formations on Oil Can, namely the North, Central, South and East zones (see Figure 7.7). These zones are discussed in Sections 7.6 and 7.10.2.

Champion's 2011 helicopter-supported diamond drill program was the first ground exploration or drilling undertaken on Oil Can since acquiring an interest in May of 2008. Magnetic inversion techniques were used to determine the geometry of the iron formation source, in order to design drillhole targets. Lantech Drilling Services Inc. of Dieppe, New Brunswick and Nitasi Landdrill LP, of Moncton, New Brunswick, were commissioned to carry out drilling to test several magnetic anomalies on Oil Can. Drilling commenced on August 5th, 2011 and was completed on December 9th, 2011.

A total of 19 diamond drill holes (either HQ- or NQ-diameter in size), from hole OC11-01 to OC11-19, were completed over a total length of 8,435.77 m. Eighteen of the 19 holes intersected significant iron mineralization (hole OC11-18 did not reach its intended target and was abandoned after 180.0 m). The drill program tested 5.5 km

of an approximate 6.5 km strike length of favourable magnetic responses on Oil Can. Seven (7) holes were completed at the North Zone, five (5) at the Central Zone, four (4) at the South Zone and three (3) at the East Zone.

Bellechasse

Since they predated NI 43-101, none of the following historical assessments led to a categorization of any of the metals or minerals, described therein, as a Mineral Resource.

Bellechasse Mining Corporation Ltd. (Bellechasse Mining) commissioned a regional aero magnetic survey in 1956 over the area that included Bellechasse. Anomalies identified by the survey were staked by Bellechasse Mining with follow-up dip-needle surveying, geological mapping and preliminary sampling completed during 1956. Stripping and trenching were attempted, but due to extensive overburden, a complete cross section could not be obtained, and sampling of the iron formation was made difficult. The iron formation was noted to be of a quartzite type with magnetite and hematite mineralization. The company also noted that the iron formation strikes northwesterly, with a 55° to 60° northeasterly dip, and lies within a southwestern limb of a fold structure, possibly a syncline (Porter, 1958). Bellechasse Mining undertook detailed local geological mapping and petrographic studies on their Ochre Lake Property (present day Bellechasse), and recommended a detailed magnetometer survey over the mineralization to fully delineate and assess the economic potential of the deposit (Porter, 1960). Mapping traced the outcrop exposure of the iron formation for approximately 800 m on Bellechasse, with an additional 820 m under glacial till. Upon review of Bellechasse in 1962, sampling of the mineralization and concentration testwork, in addition to the magnetometer survey, was recommended (Hogan, 1962).

Canadian Javelin Ltd. (Canadian Javelin) completed an airborne magnetic survey over an area, which included Bellechasse (Canadian Javelin 1959). The survey did not identify any new occurrences of iron, but it accurately located and delineated the iron formation in the survey area.

Jubilee Iron Corporation evaluated their properties in the FIOD; work included airborne and ground magnetic surveys, geological mapping and diamond drilling. Jubilee's North Lake property included part of present-day Bellechasse (Retty, 1960).

Kelly Desmond Mining Corporation Limited (Kelly Desmond) acquired the property by staking 32 claims in 1960. Its 1962 geophysical program included ground magnetic and gravimetric surveys over anomalies on their Gull Lake Property (includes present day Bellechasse) as a follow-up to their 1960 airborne geophysical survey (Christopher, 1962a). Diamond drilling was recommended on the anomalies identified by the geophysical surveys (Christopher, 1962b, Thoday, 1962). A limited drill program of 14 holes totalling approximately 1600 m (Bergmann 1963) was carried out during 1963-1965 on the southeastern part of the geophysical anomaly. All holes were collared and ended in the iron formation, and were sampled. Bergmann (1963) reported an average of 29.9% soluble iron over 313 m of sampled core for the first four (4) holes drilled. Drilling indicated the potential of a large tonnage of iron, with an average grade of approximately 30%, and the feasibility of an open pit operation.

Since they predated NI 43-101, none of these historical assessments led to a categorization of any of the metals or minerals, described therein, as a Mineral Resource.

Metallurgical testwork was undertaken by Lakefield Research of Canada Ltd (Lakefield). Drill logs from this drill program can be found on the MRNFQ E-Sigeom website (http://www.mrnfp.gouv.qc.ca/produits-services/mines.jsp) under the assessment reports GM 13631, GM 16583 and GM 17299.

Gaspésie Mining Company Ltd. (Gaspésie) acquired the 25 claims of Kelly Desmond's Gull Lake Property in 1971. The results of metallurgical testwork reported in Bergmann (1971) are discussed in Section 15.0 of this Report. Gaspésie drilled three (3) holes on Bellechasse in 1972, totalling approximately 450 m. Drill logs from this drill program can be found on the MRNFQE-Sigeom website (http://www.mrnfp.gouv.qc.ca/produits-services/mines.jsp) under the assessment reports GM 28088 and GM 31538.

The most recent historical work on Bellechasse was a government assessment report that evaluated the resources of dolomite between, and partially including, the present-day Bellechasse claims and Highway 389, through a sampling and mapping program (Caron, 2000).

During February and March of 2009, Champion contracted Forages La Virole of Rimouski, Québec to undertake drilling at Bellechasse and Fire Lake North. At Bellechasse, the 11 hole, 2,618.3 m drill program tested a 3 km segment of the 4 km long airborne magnetic anomaly contained within the MIF, where previous work outlined an historic resource estimate. Champion's drilling was conducted at 400 m spacings with the highlights including three (3) mineralized intersections, each greater than 100 m wide, containing iron ranging from 21.9% to 29% Fe_T. These were reported in Champion's news release, dated April 30th, 2009.

Champion completed two (2) in-fill holes totalling 872 m during September 2011 at Bellechasse, to evaluate the iron potential within the southeastern fold hinge area. High-grade iron formation was intersected, thereby substantiating the interpretation generated from the 2009 drilling program.

Midway

Since they predated NI 43-101, none of these historical assessments led to a categorization of any of the metals or minerals, described therein, as a Mineral Resource.

Ministère des richesses naturelles, Québec, completed an airborne regional magnetic survey over a 500 km² area in 1959, including the East Lake Area iron formation, interpreted to be an anticline fold plunging northwest, lying on the east side of a north-plunging synform.

QCM took control of the Midway concessions in 1962.

An airborne survey was carried out over the Fermont Properties for Champion, including Midway, in the summer of 2008 by GPR Geophysics International Inc. of Longueuil, Québec, which included magnetic, gamma-ray spectrometry and EM-VLF. Iron mineralization was well defined by the magnetic survey, with magnetic highs outlining magnetite-rich iron formations and magnetic lows outlining hematite-rich iron formations and zones of secondary iron enrichment, resulting from near-surface oxidation.

The 2011 airborne magnetic-response surveys delineated a dominant, 3 km long, linear, east-southeast striking, central geophysical anomaly (see Figure 7.13). These zones are discussed in Sections 7.9 and 7.10.5.

Champion carried out the first ground-based exploration at Midway in 2011, carrying out a total of 1,096.2 m of diamond-drilling over four (4) holes. The best result was intersected in drill hole MW11-02, and included a 136.0 m interval (89.0 m to 225.0 m) grading 29.0% Fe_T.

Geological Seting and Mineralization

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 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 Orogeny 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. Based on stratigraphic juxtapositions, these thrust faults may have stratigraphic throws of several thousand metres.

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 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, northeastsouthwest folding, abundant gabbro, anorthosite and pegmatite intrusions, and highgrade metamorphism.

The metamorphism was responsible for the recrystallization of primary iron formations, producing coarse-grained sugary textured quartz, magnetite, and specular hematite schists (or meta-taconites). 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 Achaean, mainly sedimentary rocks, including iron formation, 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, metadolomite 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-slateiron formation, and their metamorphosed equivalents, persists throughout the three Domains.

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. Archean granitic and granodioritic gneisses and migmatites 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 gneisses. Garnetiferous amphibolites are interlayered with the gneisses in the basement sequence.

Unconformably overlying the basement gneisses 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 gneisses overlie the iron formation sequence.

The Knob Lake Group is a continental margin metasedimentary sequence, consisting of pelitic schist, iron formations, 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. Intrusive rocks in the FIOD include pegmatites and aplite dykes, granodiorite plutons, amphibolites, gabbros and peridotite bodies.

Fire Lake North Geology

The geology in the northernmost segment of Fire Lake North Property consists of a moderately northeast-dipping, overturned, curvilinear, syncline and it trends northwestsoutheast. It is cored by the LIF and MIF members of the Sokoman Formation, and quartz-biotite-feldspar schist of the Menihek Formation. This 6 km long syncline parallels a ridge of high ground southwest of Don Lake. Drilling during 2009 campaign intersected parasitic folds to the main syncline, the amplitude and frequency of which are poorly defined at this time.

A 2008 airborne magnetic survey completed by Champion indicates the Sokoman Formation is continuous across Fire Lake North. In the southwestern part of Fire Lake North, this structure gradually changes orientation toward the south and then to the south-southeast.

There are four (4) distinct iron formation structures in the central portion of Fire Lake North. Geophysical survey results show that the westernmost structure is continuous with the overturned syncline delineated in the northern part of Fire Lake North. The folded mineralized Sokoman Formation closes near the southwestern boundary of Fire Lake North.

The East area iron formation structure is also a syncline cored by Sokoman Formation iron formation, according to QCM, who drilled the structure in 1961 (Reeve 1961). It trends northwest-southeast, but is re-oriented to north-south at its northern extension. It is interpreted on the MRNFQ geological compilation map to be truncated by faulting at each end. The geophysical signature of this structure is continuous over 6 km and appears to diverge away from the western syncline suggesting that the two structures have been juxtaposed. Most likely, there is a thrust fault separating the two synclines.

Oil Can Geology

Basement gneissic rocks underlie the majority of Oil Can, with marble, quartzite and iron formation of the Denault, Wishart and Sokoman formations snaking through the northern and southeastern parts of the property. The convoluted surface distribution is the result of multiple phases of deformation that have resulted in open to tight, upright and overturned folds that refold early recumbent folds. Bedding dips and schistosity rarely guide stratigraphy, and many units disappear by attenuation rather than faulting. Intense metamorphism associated with the Grenville Orogeny has obliterated and masked most of the earlier structural discontinuities (thrusts and faults).

The most significant structural factor, economically, is the commonly occurring thickening of rock units with the thickened, near-surface, synclinal hinges regarded as the most favourable feature for open pit mining.

A 2011 Fugro gravity-magnetic survey outlined four (4) geophysical anomalies (the North, Central, South and East zones) that have been interpreted as 100 m to 300 m wide iron formations characteristically made up of a series of alternating magnetite- and hematite-rich horizons.

Bellechasse Geology

Bellechasse is underlain by the Sokoman Formation, and older, Knob Lake Group and Ashuanipi Basement Complex rocks. The surface and underground distribution is interpreted as a steeply north-northeast dipping, overturned, curvilinear, doubly-plunging synform, which is approximately 4 km in length, trending in a northwest-southeast direction, and cored by LIF, MIF and UIF members of the Sokoman Formation.

The southeastern end of this synform is tightly refolded into a hook shape near the northern part of North Gull Lake. Airborne magnetic survey data and recent drill results suggest that the plunge of the strongly magnetic iron formation near the east and west Bellechasse claim boundaries is towards the centre of the Bellechasse claim group, forming a synform of iron-rich mineralization.

Midway Geology

Sedimentary rocks and iron formation of the Denault and Sokoman formations underly the north and central part of Midway, created by multiple phases of deformation that have resulted in open to tight, upright and overturned folds that refold early recumbent folds. Intense metamorphism associated with the Grenville Orogeny has obliterated and masked most of the earlier structural discontinuities (thrusts and faults).

A 2011 Fugro airborne magnetic-response survey outlined a dominant, central geophysical anomaly, interpreted to be coincident with Sokoman iron formation and characteristically made up of a series of alternating magnetite and hematite rich horizons capped by silicates and gneiss formations, and underlain by typical quartz, marble, quartz-silicate-carbonate rock and granitic gneiss.

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 northeastern and southwestern 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 1000 km and includes those iron formations in the FIOD that 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 Wares, 2006). The deposits consist of banded sedimentary units composed of bands of iron oxides within quartz (chert)-rich rock.

The principle iron deposits found in the FIOD can be grouped into two (2) 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 (Fe_2O_3) and specularite in its coarse-grained form and to a lesser extent, as magnetite (Fe_3O_4). Some of the iron is contained in iron silicates such as amphibole (grunerite, $Fe_7Si_8O_{22}(OH)_2$) and in carbonate such as ankerite ($Ca[Fe,Mg,Mn][CO_3]_2$). The main gangue mineral in the iron formation deposits is quartz, which constitutes approximately 50% of the formation.

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 formations makes mining and beneficiation easier; however, the additional episode(s) of folding has/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).

Fire Lake North Property Mineralization

During Champion’s 2008 reconnaissance mapping campaign, two outcropping ridges of iron formation on the Fire Lake North Property were deemed prospective for immediate drilling. One of the two ridges, the Don Lake iron formation, has no known historical resource estimates as it was not previously drill tested. This ridge hosts coarse-grained specular hematite mineralization at surface very similar to the quartz-specularite ore from the FIOD. It is located within an airborne magnetic anomaly that is 2 km long and 500 m wide. The magnetic anomaly suggests the presence of magnetite-rich iron formation interbedded with moderately magnetic quartz-specularite iron formation, which has been sampled at surface. Both of these types of iron-formation are common in the FIOD.

Magnetic signatures from the 2008 geophysical survey revealed extensive and complexly folded iron formation horizons. The iron mineralization is linked to specular hematite (with magnetite) and quartz commonly, known as quartz-specularite iron formations, and are visually recognizable from the air, where exposed, by the dark steel grey colour of the quartz-specularite outcrops.

The West Limb target is interpreted to be a wide canoe-shaped iron formation that is considered to be the Southern extension of the iron formation at Don Lake. The East Limb target is comprised of two parallel north-south trending iron formations approximately 300 m apart that extend for several kilometres. The Northeast zone iron formation is essentially composed of specular hematite, magnetite and quartz, and is defined by a series of stacked and concentric magnetic linears over a 5 km combined strike length.

The mineralized zone consists of a quartz-specularite (+/- magnetite) gneiss. The specularite and magnetite occur as 0.5 mm to 2 mm disseminated subhedral to euhedral crystals and as 1 cm to 10 cm wide semi-massive bands in amounts varying from 20 % to 35 %. The majority of the iron mineralization occurs within the MIF of the Sokoman Formation.

Oil Can Property Mineralization

The iron mineralization contained within Champion's Fermont Holdings is hosted by the Wabush Formation (also known as the Sokoman Formation), which comprises a banded sedimentary unit predominantly composed of bands of iron oxides, magnetite and lesser hematite within quartz (chert)-rich rock, with variable amounts of silicate, carbonate and sulphide lithofacies (iron formation). The iron formation is metamorphosed into quartz and magnetite with the amounts of specular hematite varying. Categories of iron mineralization include quartz-specularite; specularite-hematite; magnetite-hematite, and; magnetite-rich.

Oil Can hosts mainly magnetite-hematite-rich iron formations, as indicated by four (4) strong magnetic anomalies that have been classified as four (4) separate zones; namely, the North, Central, South and East Zones. The North Zone is a 3.7 km long "J"-shaped magnetic anomaly (one (1) km of which extends outside the boundaries of Oil Can). The Central Zone is a 1.4 km long magnetic anomaly located in the central region of Oil Can. The South Zone is a 1.4 km long, crescent-shaped magnetic anomaly located south of the Central Zone. The East Zone is a 1.0 km long, crescent-shaped magnetic anomaly located east of the South Zone.

Historic drilling reportedly intersected banded, fine-to coarse-grained, magnetite iron formations at Oil Can, with one (1) hole intersecting an interval of 182.2 m of banded magnetite iron formation. Since this predated NI 43-101, none of these historical assessments led to a categorization of any of the metals or minerals described therein as a Mineral Resource, as defined in NI 43-101. The 2011 drilling undertaken by Champion included drilling of all four (4) zones with a total of 19 holes completed, which intersected predominantly banded and disseminated fine- to medium-grained quartz-silicate-magnetite iron formation with specularite and/or carbonate.

The Mineral Resources of Oil Can comprise a magnetite-rich iron formation and a mixed magnetite-silicate iron formation located within five (5) structurally-defined domains separated by faulting (the South, East, South Extension, Central and North zones).

Iron is present in its oxide form as magnetite (Fe_3O_4) and as specular hematite (Fe_2O_3) (also called specularite in its coarse-grained form). With the iron silicates, iron occurs in actinolite ($Ca_2(Mg, Fe)_5Si_8O_{22}(OH)_2$) and grunerite ($Fe_{2+7}(Si_8O_{22})(OH)_2$), as well as in carbonates such as ankerite ($Ca[Fe,Mg,Mn][CO_3]_2$).

In February of 2012, eight (8) core samples were submitted to Actlabs Geometallurgy- Mineral Liberation Analyser (MLA) Department of Ancaster, Ontario by Champion. Four (4) of the core samples were from Oil Can and the other four (4) from Moire Lake. The samples were evaluated for characterization of the morphology and chemistry of the minerals from the amphibole group in order to verify their non-asbestos character.

A combination of MLA (a quantitative mineralogical technology based on an FEI Quanta600F scanning electron microscope) and X-ray diffraction (XRD) were utilized to identify mineral assemblages (amphiboles and pyroxenes in particular), as well as morphological and chemical characteristics of amphibole group minerals.

Report findings were as follows:

- The following amphibole group minerals were found in the samples: actinolite, grunerite and mangano-cummingtonite;
- The morphology of the amphibole particles varies from platy to prismatic, acicular and needle-like. The particles with needle-like morphology are dominantly grunerite;
- No primary fibrous morphology of particles (which defines the asbestos character of minerals) was observed.

Bellechasse Mineralization

Bellechasse hosts a magnetite-rich iron formation. An interpretation of the Bellechasse iron mineralization and iron content using all historical data (as this predates NI 43-101, none of these historical assessments led to a categorization of any of the metals or minerals described therein as a Mineral Resource) and recent drill results indicate the mineralized zone consists of a curvilinear, re-folded, steeply northeast-dipping, overturned synform of Sokoman Formation trending southeast-northwest. The mineralized zone consists of quartz- magnetite (+- specularite) gneiss, which locally contains accessory actinolite. The magnetite and specularite occur as 0.5 mm to 2 mm disseminated subhedral to euhedral crystals, and as 1 cm to 10 cm wide semi-massive bands in amounts varying from 20% to 45%.

Although the majority of the magnetite occurs within the geological unit interpreted as the MIF of the Sokoman Formation, amounts up to 10% are present in the UIF and the LIF. These three (3) members of the Sokoman Formation contain varying amounts of accessory actinolite. There appears to be a reverse correlation between the amount of actinolite and the magnetite/specularite content.

Midway Mineralization

Midway hosts mainly magnetite-hematite-rich iron formations, in the form of a dominant, 3 km long, linear, east-southeast striking central geophysical anomaly interpreted from the 2011 Fugro airborne magnetic-response survey.

A 1959 ground survey noted silicate and carbonate type iron formations at the northwest end of the anomaly, but no other iron formation exposures over the anomaly and it was believed that the iron formation was buried by 15.2 m to 30.5 m of glacial material. Since this predated NI 43-101, none of these historical assessments led to a categorization of any of the metals or minerals described therein as a Mineral resource.

Mineralization at Midway, as delineated from the 2011 drilling undertaken by Champion (totalling four (4) holes) predominantly takes the form of banded and disseminated fine- to medium-grained quartz-silicate-magnetite iron formation with specularite and/or carbonate and/or minor biotite. Iron silicates are mainly present in the form of actinolite and grunerite.

Exploration

Fire Lake North Exploration

Champion carried out a recent trenching program at Fire Lake North, commencing on July 31st, 2012, and ending on September 20th, 2012. A total of 29 trenches were completed and sampled, over a total strike length of 2.5 km. A total of 508 samples that were obtained from the trenches, along with 149 QA/QC samples, have been sent for XRF analysis at ALS Chemex Laboratory in Sudbury, Ontario.

The geological data from the trenching program have not been incorporated into the modeling solids or surfaces used for the Fire Lake North Resource Estimate, as the trenching program was completed after the July 23rd, 2012 cut-off date for the database used to calculate the latest Fire Lake Mineral Resource Estimate.

No other recent exploration activities have been completed at Fire Lake North, and all previous exploration has been discussed in Section 6.2.2 of the Fire Lake North PFS. Continued Feasibility Definition Drilling from June 2012 to the present time is discussed in Section 10.2.

Oil Can Exploration

There have been no recent exploration activities conducted on Oil Can by Champion. All previous exploration activities at Oil Can were discussed in Section 6.3.2 of the Fire Lake North PFS.

Bellechasse Exploration

There have been no recent exploration activities carried out at Bellechasse by Champion. All previous exploration activities at Bellechasse were discussed in Section 6.4.2 of the Fire Lake North PFS.

Midway Exploration

There have been no recent exploration activities carried out at Midway by Champion. All previous exploration activities at Midway were discussed in Section 6.5.2 of the Fire Lake North PFS.

Drilling

2012 Fire Lake North Drilling Program

Champion continued its Phase I Feasibility Definition Drilling program at Fire Lake North, which commenced in mid-November of 2011 and was previously reported up to June of 2012 with hole FW12-51. Additional drilling has focused within the proposed West area designed pit limits as outlined by the November 2011 PEA.

A total length of 5921 m was drilled over 15 holes, commencing with hole FW12-51B on June 4th, 2012 and concluding with hole FW12-62B on August 21st, 2012.

The drill hole coordinates of the completion of Phase I of definition drilling are listed in Table 16, and the surface locations are shown in Figure1.

Table 16: Drill Hole Coordinates for the 2012 Fire Lake North Drill Program

Hole #	Easting	Northing	Final Length (m)	Azimuth º (True North)	Dip º	Zone
FW12-51B	612458.9	5810606.1	422.0	95	-45	West
FW12-52	613059.5	5811029.8	309.0	270	-45	West
FW12-56	612393.6	5810310.3	452.0	120	-55	West
FW12-57	612522.4	5809206.0	435.0	270	-58	West
FW12-54	612756.5	5808422.8	518.4	270	-85	West
FW12-53	611756.0	5809838.0	678.0	100	-75	West
FW12-55	612459.0	5809548.0	529.0	280	-75	West
FW12-55A	612459.0	5809548.0	693.3	280	-75	West
FW12-59	612753.0	5810698.0	30.0	90	-70	West
FW12-59B	612753.0	5810698.0	206.0	90	-86	West
FW12-58	612007.1	5810538.0	720.0	100	-65	West
FW12-60	612790.3	5810590.0	260.0	90	-86	West
FW12-61	612766.0	5810496.0	255.0	90	-86	West
FW12-62	612702.8	5810401.1	150.0	100	-86	West
FW12-62B	612708.6	5810400.0	263.0	100	-85	West
		Total Length (m)	**5,920.7**			

Similar to the trenching program, not all geological data from the June-August 2012 drilling program have been incorporated into the modeling of solids, surfaces or the block model used for the Fire Lake Resource Estimate. Some drill holes and most assay results were not completed before the July 23rd, 2012 cut-off date for the database

used to calculate the latest Fire Lake Mineral Resource Estimate. The lithology data from holes FW12-51B to 59B inclusive were used to assist in solids and surface modeling; however, assay results for grade estimation were only available for holes FW12-52, FW12-55 and FW12-56. Assay results from the remaining holes were not available for inclusion in the Fire Lake Mineral Resource Estimate.

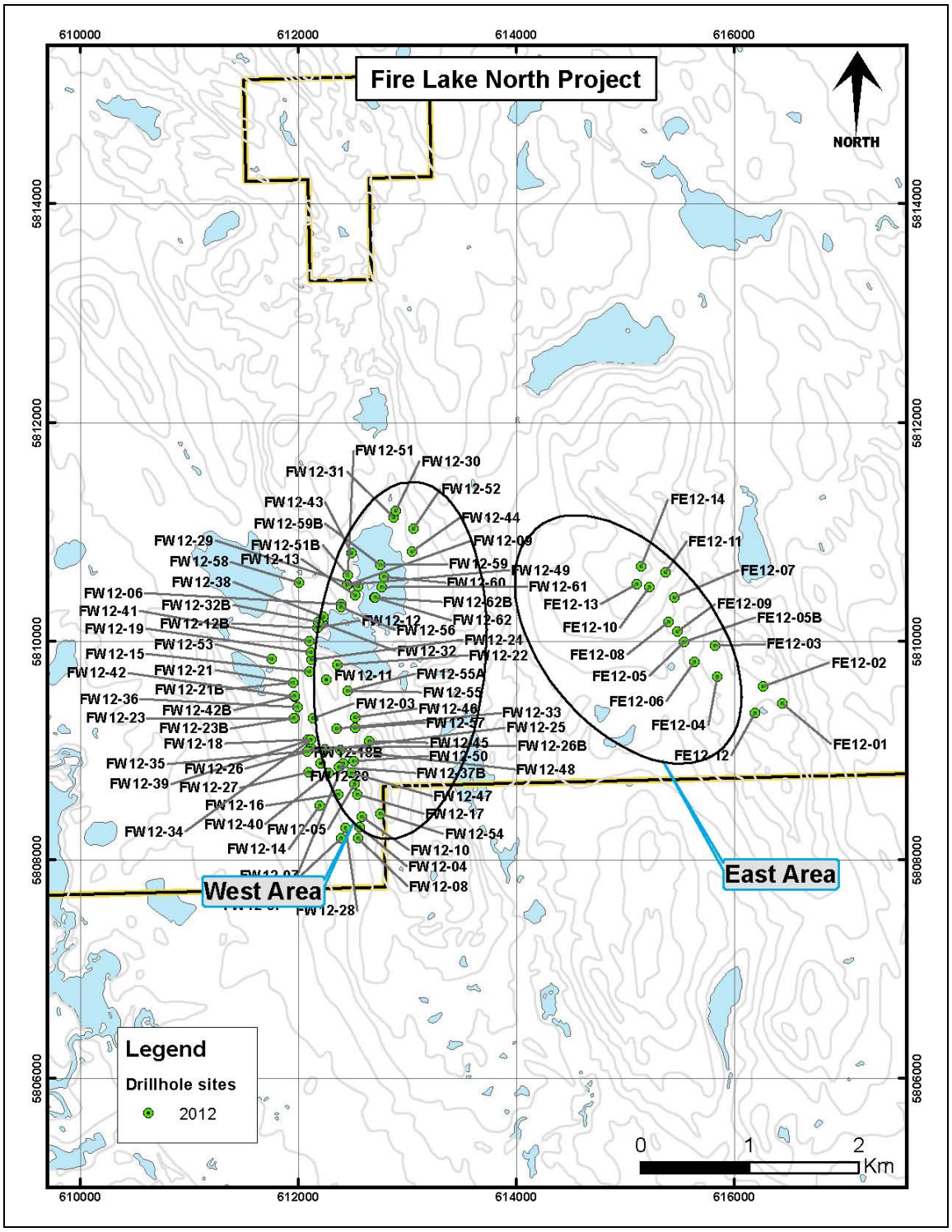

Figure 1: 2012 Drill Holes at Fire Lake North

2011 Oil Can Drilling Program

There has been no recent drilling carried out at Oil Can by Champion. All previous drilling at Oil Can was discussed in Section 6.3.2 of the Fire Lake North PFS.

Bellechasse Drilling

There has been no recent drilling carried out at Bellechasse by Champion. All previous drilling at Bellechasse was discussed in Section 6.4.2 of the Fire Lake North PFS.

Midway Drilling

There has been no recent drilling carried out at Midway by Champion. All previous drilling at Midway was discussed in Section 6.5.2 of the Fire Lake North PFS.

Sampling and Analysis, Security of Samples and Data Verification

Core handling at the drill for all Champion drill programs 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 every 3 m after emptying the wire line drill core tube. Once full, the boxes were secured for shipment to the core shed. Core boxes were sometimes opened at the drill rig, at the request of Champion's geologist, to "quick log" the hole in order to determine if the hole should be ended.

The core was then brought to the base camp, 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 cores.

Sample lengths were typically four (4) meters, however the range of sample lengths may have occasionally varied based on the geology. Any drill core that contained visual Fe mineralization was sampled, and a sample was also taken adjacent to the iron formation, both above and below the mineralized section.

Samples were outlined by Champion's geologists logging the core and split by sampling technicians using a hydraulic rock splitter at the camp. Samples were tagged with a unique tag number, bagged and placed into large nylon bags, ready for transportation to Wabush.

All drill core logging and sample preparation was conducted by qualified Champion personnel, as required by NI 43-101 standards, at Champion's core logging facilities. For the drill program, logging was done at either the Wabush Industrial Park warehouse, the Fire Lake North Camp or the Bellechasse Camp, both of which are located adjacent to Highway 389.

The HQ/NQ/BQ-sized drill core was split in half, and one-half of the drill core was kept in the core tray for reference purposes, while the other half core was individually bagged, tagged, sealed and packed in large nylon bags or plastic pails, which were securely closed. Samples were delivered by Champion personnel to the trucking firm, Hodge Brothers Transport, (a division of Transport Thibodeau) in Wabush, NL, and then shipped to either the COREM laboratory in Québec City, or to the ALS Minerals facility in either Sudbury, Ontario or Val-d'Or, Québec for sample preparation. The ALS pulverized pulp samples were sent from Sudbury or Val-d'Or to their analytical laboratory in Vancouver, BC for analysis.

COREM is a private research consortium that provides competitive laboratory services to its members through research programs and the transfer of technology.

The COREM pyrometallurgical characterization laboratory in Québec City has been certified ISO 9001: 2000 and the analytical laboratory is certified ISO 17025: 2005.

ALS Minerals is an internationally recognized minerals testing laboratory operating in 16 countries and has an ISO 9001:2000 certification. Several of its laboratories have also been accredited to ISO 17025 standards for specific laboratory procedures by the Standards Council of Canada (SCC).

Split core samples were analyzed for a suite of whole rock elements including: SiO_2, TiO_2, Al_2O_3, Fe_2O_3, MnO, MgO, CaO, Na_2O, K_2O, P_2O_5 and loss on ignition (LOI) plus Fe_T. Analysis was done on lithium metaborate fused, or borate fused, pressed pellets by X-ray Fluorescence (XRF) following sample crushing and pulverization. Select core samples were also analyzed for Satmagan and Specific Gravity testing.

Data Verification

The following section reports on the data verification for Fire Lake North, Oil Can and Bellechasse and not Midway, for which there have been no previous resource estimates.

Fire Lake North

Fire Lake North was last visited by Mr. Antoine Yassa, P.Geo., an independent QP, as defined by NI 43-101, from September 4 to 6, 2012. Nine (9) samples were collected from three (3) drill holes. The samples were documented, bagged, and sealed with packing tape, and taken by Mr. Yassa to Purolator Courier, where they were shipped to the offices of P&E in Brampton, Ontario. From there, the samples were sent by courier to AGAT Laboratories in Mississauga, Ontario for analysis. 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.

Oil Can

Oil Can was visited by Ms. Tracy Armstrong, P.Geo., an independent QP, as defined by NI 43-101, from January 17 to 18, 2012. Five (5) samples were collected from five (5) 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, whereby they were shipped directly to AGAT Laboratories in Mississauga, Ontario for analysis. 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.

Bellechasse

Bellechasse and Fire Lake North were visited by Mr. Yassa between September 30 and October 1st, 2009. Twelve samples were collected from two (2) drill holes; one (1) hole drilled at Bellechasse, and the other hole drilled at Fire Lake North. The samples were documented, bagged, and sealed with packing tape, and taken by Mr. Yassa to Purolator Courier where they were shipped to the offices of P&E in Brampton, Ontario. From there, the samples were sent by courier to SGS Mineral Services in Lakefield, Ontario for analysis. Total Fe was analyzed using lithium metaborate fusion-XRF.

SGS Minerals has 1,350 offices and labs throughout the world. Many of the exploration sample processing services at SGS are ISO 17025 accredited by the Standards Council of Canada. Quality Assurance procedures include standard operating procedures for all aspects of the processing, and also include protocols for training and monitoring of staff. ONLINE LIMS is used for detailed worksheets, batch and sample tracking, including weights and labeling for all the products from each sample.

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.

Quality Assurance Quality Control

Fire Lake North and Bellechasse

The QA/QC program evolved from 2009, where certified reference materials (CRM or standards) and blanks were inserted approximately 1 in every 40 samples, to an insertion rate of 1 in 25 samples in 2010 and onward. 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 twenty-fifth sample.

The reference materials used from 2009 through the 2012 programs were certified for total Fe. For the 2009 Bellechasse and Fire Lake North drill programs, the reference material was purchased from BAM (Federal Institute for Materials Research and Testing) in Berlin, Germany. What was believed to be differential settling of the contents of the German reference materials caused it to under report (underestimate) the total Fe, and as such, the reference materials were changed for the 2010 and 2011 drill programs. For subsequent drill programs, the reference materials were purchased from Ore Research and Pty (OREAS) in Australia, and from CANMET in Ottawa, Canada. In mid-2012, one of the standards was no longer available and a replacement was sourced from Geostats Pty in Australia.

The two (2) OREAS standards were developed by Ore Research and Exploration Pty. Ltd., 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 area of Schefferville, Québec, 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.

The GBAP-8 reference material, which was used beginning in April 2012, was purchased from Geostats Pty and was sourced from pulp bauxite.

Performance of Certified Reference Materials 2009
For the 2009 Bellechasse and Fire Lake North drill programs, the reference material under-reported the total Fe content, and as such, the total Fe content of the samples was also under-reported. Because both resource estimates in 2009 were in the Inferred category only, the under-reporting was of no great concern; however, it necessitated a change to different reference materials for subsequent drill programs.

Performance of Certified Reference Materials 2010 – 2011
The Fire Lake North 2010 and 2011 drill programs used the two (2) OREAS standards, and one (1) CANMET standard.

All standard results for the three (3) reference materials were graphed and compared to the warning limits of +/- 2 standard deviations from the mean of the between lab round robin characterization, and the tolerance limits of +/- 3 standard deviations from the mean.

The reference materials for the 2010 and 2011 drilling remained within the warning limits, however, a slight low bias was indicated, with most of the values falling below the mean, yet remaining within – 2 standard deviations.

Performance Certified Reference Materials 2012
The 2012 drill program used the two (2) OREAS standards and one (1) CANMET standard until April, when one of the OREAS standards was no longer available and was replaced by the Geostats standard.

All standard results for the four (4) reference materials were graphed and compared to the warning limits of +/-2 standard deviations from the mean of the between lab round robin characterization and the tolerance limits of +/-3 standard deviations from the mean.

The SCH-1 had 45 data points. A low bias was demonstrated for this standard, 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.

There were 27 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 48 data points. This standard demonstrated a low bias as well, with all but one (1) of the data points falling below the mean, and six (6) points below -3 standard deviations from the mean. The data generally showed good precision with little scatter.

The new standard purchased from Geostats did not fare as well, with most of the 23 data points falling on or slightly below -3 standard deviations from the mean.

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 any of the resource estimates.

Performance of Blanks
The blank material for all drill programs was obtained from barren marble drilled in the Bellechasse area. A blank sample was inserted into the sample stream, where practical, initially from every fortieth sample in 2009 to every twenty-fifth sample in 2010, 2011 and 2012. The mean of the blanks analyzed during the 2012 drill programs was less than 0.5%, demonstrating that contamination was not an issue.

Performance of Duplicates
There were no duplicates produced for the 2009 drill programs. Three (3) types of duplicates were produced; field (1/4 core), coarse reject and pulp for the 2010, 2011 and 2012 drill programs.

All three (3) duplicate types were scatter graphed, and 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.

Oil Can

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

There were three (3) different CRMs used for the Oil Can drill program; OREAS 43P, OREAS 44P and SCH-1.

The two (2) OREAS standards were developed by Ore Research and Exploration Pty. Ltd., 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, Québec 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.

Performance of Certified Reference Materials
There were 28 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 25 data points. This standard demonstrated a low bias as well, with 100% of the data falling below the mean, most often between -2 and -3 standard deviations.

The SCH-1 had 25 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 is slightly under-reporting the iron. There is no impact to the resource.

Performance of Blanks
The blank material was obtained from barren marble drilled in the Bellechasse area. A blank sample was inserted every twenty-fifth sample, where practical, into the stream of core samples. There were 80 blank samples analyzed. The average of the blanks was 0.32% Fe_T, with a standard deviation of 0.03.

Performance of Duplicates
Three (3) types of duplicates were produced; field (1/4 core), coarse reject and pulp. 81 field pairs, 81 coarse reject pairs, and 80 pulp duplicate pairs were analyzed.

All three (3) duplicate types were scatter graphed, and 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.

Mineral Resource and Mineral Reserve Estimates

2012 Mineral Resource Estimate Update – Fire Lake North

The Fire Lake North updated mineral resource estimate consists of the West and East Area block Models. The mineral resource estimate presented herein is reported in accordance with NI 43-101, and has been deemed to be 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.

The resource estimate of the Fire Lake North was performed by Yungang Wu, P.Geo. and Eugene Puritch, P.Eng., under the supervison of Antoine Yassa, P.Geo and Tracy Armstrong, P.Geo. of P&E. The effective date of this mineral resource estimate is July 23, 2012.

Table 17 – Fire Lake North - Categorized Mineral Resource Estimate at 15% Total Iron Cut-Off

	West Area		East Area		Total	
	Tonnes (millions)	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**
Measured	23.6	35.4	3.0	34.2	26.6	35.2
Indicated	404.9	32.6	262.0	29.6	666.9	31.4
Measured + Indicated	428.5	32.7	265.0	29.6	693.5	31.5
Inferred	329.2	30.9	192.4	28.7	521.6	30.1

P&E utilized a 1:1 $CDN:$US exchange rate, a mining cost of $1.84/Tonne, and a charge of $10.03/Tonne for the total processing, G&A, and freight costs. The process recovery, estimated to be 82%, an Iron ore price of $1.77/dmtu, and a 49º overall pit-slope, were used to complete the Whittle pit optimization and estimate the portion of in-situ Mineral Resource within the pit shell. The economic sensitivity of the resource estimates are demonstrated by comparing the proportion of the mineral resources that may be economically exploited within the optimized pit shell to the categorized resource. Results of the In-Pit Optimization at a 15% FeT cut-off grade are presented in Table 18.

Table 18: In-Pit Optimization Results at 15% Total Iron Cut-Off

	West Area		East Area		Total	
	Tonnes (millions)	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**
Measured	23.5	35.4	3.0	34.2	26.5	35.2
Indicated	403.6	32.6	261.2	29.6	664.8	31.4
Measured + Indicated	427.1	32.7	264.2	29.6	691.3	31.5
Inferred	301.1	31.2	178.7	29.0	479.8	30.4

Consolidated Firel Lake North Property – Mineral Resource Estimate

In July 2012, the Fire Lake North claims were consolidated with surrounding claims of the Bellechasse, Midway and Oil Can properties and designated the Consolidated Fire Lake North Property. Preliminary study suggests the deposits located within the new Property limits might potentially be developed using common infrastructure planned for the development of the Fire Lake North - East and West deposits.

Table 19 provides the current Mineral Resource Estimates all at the same 15% total Iron cut-off grade for the deposits within the Consolidated Fire Lake North Property.

Table 19: Consolidated Fire Lake North Property - Categorized Mineral Resource Estimate at 15% Total Iron Cut-Off

	Measured		**Indicated**		**Inferred**	
Deposit	**Tonnes (millions)**	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**	**Tonnes (millions)**	**Grade FeT%**
FLN - West	23.6	35.4	404.9	32.6	329.2	30.9
FLN - East	3.0	34.2	262.0	29.6	192.4	28.7
FLN - Don Lake	0.4	21.4	52.2	26.5	188.2	25.3
Bellechasse					215.1	28.7
Oil Can - Oxide	-	-	-	-	972.0	33.2
Totals	**27.0**	**35.0**	**719.1**	**31.0**	**1,896.9**	**31.1**

Mineral Reserves – Fire Lake North West and East Pit Deposits

The final PFS rock-code block models for the Fire Lake North West and East deposits were provided by P&E on October 4, 2012 and September 10, 2012, respectively. The models were provided as Comma Separated Value files in a UTM NAD83 Zone 19 coordinate system.

The variables in the model include block coordinates, total iron grade (Fe_T), Density, Rock Type, Percent and Class. The density follows a regression curve for mineralized rock, and the waste rock densities are variable depending on different rock types, which are divided between mineralized and non-mineralized rock types. The class item is divided among Measured, Indicated and Inferred mineralized rock categories. Since this Study is a PFS, only Measured and Indicated rock categories will be considered for the economics of the project.

With that in mind, economic pit shell optimization uses the true pit optimizer Lerchs-Grossman 3-D (LG 3D) algorithm in MineSight. The LG 3-D algorithm is based on the graph theory and calculates the net value of each Measured or Indicated block in the model. The net value of each block is calculated using a series of cost and selling parameters including: concentrate selling price (FOB), mining, processing and other costs, and the Fe recovery for each block, pit slopes, and other constraints. The pit optimizer searches for the pit shell with the highest undiscounted cash flow. The chosen selling price used for the chosen pit optimizations (East and West) was $74.82/t concentrate.

The milling cut-off grade ("**COG**") used for this Study to classify material as Mineral Resource or waste is 15% Fe_T. This COG is in line with similar iron ore projects in the region and their historical data.

A pit slope study was performed by Knight-Piésold to develop the engineered pit, using the optimized pit shell at 15% Fe_T COG. The pit slope study incorporated operational and design parameters such as ramp grades, surface constraints, bench angles and other ramp details. Once the operational pit was designed, a yearly mine plan was determined based on specific mining rates and production goals. The Mineral Reserves were determined from the detailed engineered pit design and the real-life mine plan.

Table 20 – Fire Lake North – Prefeasibility Study Mineral Reserves

Fire Lake North - Combined Reserves			
COG 15% Fe_T			
	Tonnage Mt	**Grade Fe_T%**	**W.R Wrec%**
Proven	23.73	35.96	45.00
Probable	440.86	32.17	39.58
Total Reserve	464.59	32.37	39.86
Overburden	120.17		
Waste Rock	1107.55		
Inferred (considered waste)	45.80		
Total Stripping	1273.53		
Stripping Ratio (w/ Overburden)	2.74		

Preliminary Feasibility Study – West and East Pit Deposits - Fire Lake North Property

The PFS and the various parameters and variables used in the study are detailed in the Fire Lake North PFS and summarized in this AIF in the Fermont Property Holdings section in the description of the exploration program for the fiscal year ended March 31, 2013.

Further Exploration at the Consolidated Fire Lake North Property

Based on the results from the exploration work conducted to date by Champion, together with the positive outcome of the Fire Lake North PFS, Champion is proceeding with feasibility work on the property.

DIVIDEND POLICY

To date, the Corporation has not declared or paid any dividends and there is no expectation that it will do so in the foreseeable future. Any future determination to pay dividends will be in the discretion of the Board of Directors and will depend upon results of operations, capital requirements and such other factors as the Board considers relevant.

SHARE CAPITAL DESCRIPTION

Champion is authorized to issue an unlimited number of Common Shares, and no other classes of shares, of which 119,901,465 Common Shares are issued and outstanding as at the date hereof.

Common Shares

Each Common Share entitles the holder thereof to one vote at all meetings of shareholders. Each Common Share entitles the holder thereof, subject to the prior rights of the holders of the all other classes of shares, if any, to receive such dividends as the Board may from time to time declare payable and to the remaining assets of Champion upon liquidation, dissolution or winding-up.

Shareholder Rights Plan

The shareholders approved the adoption by the Corporation of a shareholder rights plan (the "**Rights Plan**") on July 27, 2011. A summary of the Rights Plan is set forth below. This summary is qualified in its entirety by reference to the text of the Rights Plan, which is available under the Corporation's profile on SEDAR at www.sedar.com, or upon request from the Secretary of the Corporation, Jorge Estepa, at (416) 866-2200 or at 20 Adelaide Street East, Suite 301, Toronto, Ontario M5C 2T6. Capitalized terms used in this summary without express definition have the meanings ascribed thereto in the Rights Plan.

Summary of Rights Plan

Issuance of Rights

Pursuant to the Rights Plan, one Right has been issued and has attached to each Common Share of the Corporation outstanding as of 5:00 p.m. (Toronto time) on June 30th, 2011, the date of implementation of the Corporation's Rights Plan, and one Right will continue to be issued in respect of each Common Share issued thereafter prior to the earlier of the Separation Time and the Expiration Time.

Each Right entitles the holder thereof to purchase from the Corporation one Common Share at the exercise price equal to Cdn$100 per Common Share, subject to adjustment and certain anti-dilution provisions (the ''Exercise Price''). The Rights are not exercisable until the Separation Time. If a Flip-in Event (defined below) occurs, each Right will entitle the registered holder to receive, upon payment of the Exercise Price, that number of Common Shares of the Corporation, having an aggregate Market Price on the date of the occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price.

The Rights Plan will expire at the termination of the Corporation's annual meeting in 2014, unless earlier terminated or unless extended upon reconfirmation by shareholders at that meeting. Subsequently, the Rights Plan must be reconfirmed by shareholders at every third annual meeting of the Corporation thereafter.

Trading of Rights

Until the occurrence of certain specific events, the Rights will trade with the Common Shares of the Corporation and not be represented by any certificates for such Common Shares. The Rights will separate and trade separately from the Common Shares to which they are attached and will become exercisable from and after the Separation Time.

Separation Time

The Separation Time will occur on the tenth Business Day after the earliest of: (a) the date of public announcement by the Corporation or an Acquiring Person (defined below) of facts indicating that a person has become an Acquiring Person, (b) the date that any person commences or announces an intention to commence a Take-over Bid, and (c) the date on which a Permitted Bid; or in each case a Competing Bid ceases to qualify as such, or such later date as the Board of Directors may determine.

Acquiring Person

In general, an Acquiring Person is a Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares. Excluded from the definition of ''Acquiring Person'' are the Corporation and its Subsidiaries, and any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or more or any combination of Corporate Acquisitions, Permitted Bid Acquisitions, Corporate Distributions, Exempt Acquisitions, or Convertible Security Acquisitions. The definitions of ''Corporate Acquisitions'', ''Permitted Bid Acquisitions'', ''Corporate Distributions'', ''Exempt Acquisitions'', or ''Convertible Security Acquisitions'' are set out in the Rights Plan.

Flip-in Event

If a transaction occurs prior to the Expiration Time pursuant to which any Person becomes an Acquiring Person (a ''Flip-in Event''), then the Corporation must ensure, within 10 trading days of such occurrence or such longer period as may be necessary, that each Right (except for Rights Beneficially Owned by the bidder, its Affiliates or Associates and/or persons acting jointly or in concert with the foregoing) shall thereafter constitute the right to purchase from the Corporation that number of Common Shares of the Corporation having an aggregate Market Price on the date of the consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (subject to anti-dilution adjustments).

Redemption

Prior to the occurrence of a Flip-In Event as to which the Board of Directors has not issued a waiver, the Board of Directors, with the prior consent of the shareholders, may elect to redeem all but not less than all of the then outstanding Rights at a redemption price of Cdn$0.00001 (subject to anti-dilution adjustments) per Right.

Waiver

Prior to the occurrence of a Flip-in Event, the Board of Directors may waive the application of the Rights Plan to a Take-over Bid that is not a Permitted Bid and that is made to all shareholders, but if it does so then it will be deemed to have waived the application of the Rights Plan to all similar bids made prior to the expiry of any bid for which such a waiver was granted.

In addition, subject to the prior consent of the shareholders, prior to the occurrence of a Flip-in Event, the Board of Directors may waive the application of the Rights Plan if such Flip-in Event would occur by reason of an acquisition of Voting Shares other than pursuant to a Take-over Bid.

The Board of Directors may also waive the application of the Rights Plan in the event that the Board of Directors determines that a person became an Acquiring Person by inadvertence and without any intention to do so, provided such person reduces its beneficial ownership of Voting Shares within 30 days after the Board of Directors' determination. The Board of Directors may also waive the application of the Rights Plan in the event of a deliberate acquisition that would trigger the Rights Plan, but only if the Acquiring Person has reduced its beneficial ownership or has entered into an agreement to do so within 15 days so that it is no longer an Acquiring Person (or such earlier or later date as the Board of Directors may determine).

MARKET FOR SECURITIES

Price Range and Trading Volume of Common Shares

To the knowledge of the Corporation, the Common Shares have not been rated by any approved rating organization.

The Common Shares commenced trading on the TSX on September 27, 2010 under the symbol "CHM" and prior to that date, traded on the TSX Venture Exchange under the symbol "CHM". The following table sets forth the volume of trading and price ranges of the Common Shares on the TSX for each month during the fiscal year ended March 31, 2013 (Source: TSX website at www.tsx.com).

Fiscal Year 2013			
Date	**High**	**Low**	**Volume**
	$	**$**	**No. of Shares**
April 2012	1.69	1.29	9,673,769
May 2012	1.55	0.92	5,695,705
June 2012	1.05	0.80	4,558,483
July 2012	1.19	0.86	5,244,866
August 2012	0.95	0.82	3,648,889
September 2012	0.84	0.57	14,316,060
October 2012	0.74	0.57	2,714,071
November 2012	0.63	0.45	7,071,029
December 2012	0.71	0.46	5,859,589

Fiscal Year 2013			
Date	**High**	**Low**	**Volume**
	$	**$**	**No. of Shares**
January 2013	0.81	0.52	14,356,516
February 2013	0.59	0.335	11,590,122
March 2013	0.43	0.32	3,544,333

Prior Sales

No class of securities of the Corporation, other than the Common Shares, are listed for trading on a marketplace. The following are the details of the other securities of Champion which are outstanding as at the date hereof other than the Rights, details of which are set forth above under the heading "*Shareholder Rights Plan*".

Warrants

As at the date of this Annual Information Form, the following warrants to purchase Common Shares were outstanding:

Date of Grant	Exercise Price ($)	Number of Shares	Expiry Date
October 7, 2010	1.20	2,222,222	October 7, 2013
May 17, 2012	3.00	7,000,000	May 17, 2015

Stock Options

As at the date of this Annual Information Form, the following options were outstanding under the Corporation's stock option plan each exercisable to purchase one Common Share:

Date of Grant	Exercise Price ($)	Number of Shares	Expiry Date
September 16, 2009	0.30	1,145,000	September 16, 2014
September 24, 2009	0.33	152,500	September 24, 2014
November 9, 2009	0.405	50,000	November 9, 2014
January 14, 2010	0.80	1,375,000	January 14, 2015
February 2, 2010	0.85	300,000	February 2, 2015
March 2, 2010	1.00	350,000	March 2, 2015
October 1, 2010	1.15	70,000	October 1, 2015
October 3, 2010	1.00	2,150,000	October 3, 2015
October 4, 2010	1.00	250,000	October 4, 2015
October 4, 2010	1.50	500,000	October 4, 2015
October 24, 2010	1.00	100,000	October 24, 2015
November 5, 2010	1.10	50,000	November 5, 2015
January 10, 2011	2.17	150,000	January 10, 2016
September 9, 2011	1.50	1,125,000	September 9, 2016
December 23, 2011	1.30	922,500	December 23, 2016

Convertible Note

On April 30, 2013, the Corporation issued a convertible note for $563,620 in settlement of accounts payable outstanding at March 31, 2013. The terms of the convertible note are as follows:

Maturity date	July 15, 2013
Interest rate	12% per annum
Repayment	3 monthly instalments of $50,000 commencing May 1, 2013 and the balance of $413,620 on July 15, 2013.
Conversion	After the maturity date or upon the occurrence of an event of default, the holder has the option to convert the note into Common Shares of the Corporation based on a conversion price equal to the greater of $0.33 and the volume weighted average trading price for the ten trading days preceding the conversion date.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of Class
Common Shares	14,000,000[(1)]	11.7%
Warrants	7,000,000[(1)]	75.9%

Notes:
[(1)] Subject to contractual restriction on transfer until May 17, 2018, or earlier with the consent of the Corporation.

DIRECTORS AND OFFICERS

Champion's Board of Directors (the **"Board"**) has seven directors. The current term of office of each director will expire on the date of the next annual meeting of shareholders of the corporation or the date his successor is duly elected or appointed pursuant to Champion's by-laws (the "**By-laws**"), unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario) or the By-laws.

The following table sets forth certain information concerning Champion's directors based upon information furnished by them to management.

Name, Province and Country of Residence	Position with Corporation	Principal Occupation During Five Preceding Years	Director Since
Thomas Larsen [(3)] Ontario, Canada	Chief Executive Officer, President and Director	Executive Officer in the mining business: Chairman, Chief Executive Officer and President of the Corporation since 2006, Cartier Iron Corporation (formerly Northfield Metals Inc.) from 1997 to 2012, Eloro Resources Ltd. since 1997, NFX Gold Inc. (renamed Bear Lake Gold Ltd.), and Vice Chairman of Bear Lake Gold Ltd. since 2008 (resource exploration corporations).	2006
Jean Lafleur Québec, Canada	Director	President of 9134-4382 Québec Inc. (a mineral exploration consulting company) since 2003. President and C.E.O. of Fancamp Exploration Ltd. since October 2012. Vice President, Exploration of	2006 – 2011 and May 2012

Name, Province and Country of Residence	Position with Corporation	Principal Occupation During Five Preceding Years	Director Since
		Aurvista Gold Corporation since January 2012. President of Bonaventure Enterprises Inc. from 2007 to 2009. Presently a director of the Corporation, Fancamp Exploration Ltd. Gimus Resources Inc., Pangolin Diamonds Corp. (formerly Key Gold Holding Inc.), Rocmec Mining Inc. (all resource exploration corporations).	to Present
Francis Sauve, [1] [2] Ontario, Canada	Director	Entrepreneur, Director of the Corporation and Director of Cartier Iron Corporation (formerly Northfield Metals Inc.) and Eloro Resources Ltd. (resource exploration corporations); former Director of NFX Gold Inc. (renamed Bear Lake Gold Ltd.).	2007
Alexander Horvath[2] [3] Ontario, Canada	Director	Professional Engineer: President of A.S. Horvath Engineering Inc. (a geological engineering services Corporation); Director and/or officer of the Corporation since 2007 and Director of Bear Lake Gold Ltd. and Eloro Resources Ltd. (resource exploration corporations).	2007
Donald A. Sheldon [3] Ontario, Canada	Director	Executive Officer, director and shareholder of Sheldon Huxtable Professional Corporation (lawyers)	2008
William Harding Ontario, Canada	Director	President and C.E.O. of Vanctor Investments Ltd. a privately held international investment firm.	2013
Paul Ankcorn[1] Ontario, Canada	Director	Executive Officer in the mining business: President and director of the Cartier Iron Corporation since 2012, Chief Financial Officer of Tartisan Resources Corp. and Shield Gold Inc. since 2008, President of Remington Resources Inc. from 2005 to 2010 (all resource exploration corporations).	2006 -2012 and June 2013 to Present

Notes:
[1] Member of the Audit Committee of the Corporation.
[2] Member of the Compensation and Nominating Committee of the Corporation.
[3] Member of the Environmental, Health and Safety Committee of the Corporation.

On March 8, 2013, William Harding was appointed to the Board. On April 2, 2013 Messrs. Jean Depatie, Ashwath Mehra and Joseph Chan resigned as Board members. On June 24, 2013, Paul Ankcorn was appointed to the Board.

The following table sets forth certain information concerning the executive officers of the Corporation, based in part upon information furnished by them to management.

Name, Province and Country of Residence	Position with Corporation	Principal Occupation During Five Preceding Years
Thomas Larsen Ontario, Canada	Chief Executive Officer, President and Director	Chairman, Chief Executive Officer and President of the Corporation since 2006, Cartier Iron Corporation (formerly Northfield Metals Inc.) (from 1997 to 2012), Eloro Resources Ltd. since 1997, NFX Gold Inc., (renamed Bear Lake Gold Ltd.), and Vice Chairman of Bear Lake Gold Ltd. since 2008 (resource exploration corporations).
Miles Nagamatsu Ontario, Canada	Chief Financial Officer	Chief Financial Officer of the Corporation since 2006, Cartier Iron Corporation (formerly Northfield Metals Inc.) and Eloro

Name, Province and Country of Residence	Position with Corporation	Principal Occupation During Five Preceding Years
		Resources Ltd. since 1997, NFX Gold Inc. (renamed Bear Lake Gold Ltd.) from 1997 to 2008, Eloro Resources Ltd. since 1997, Randsburg International Gold Corp. from 2007 to 2009, PC Gold Inc. since 2008, Delta Uranium Inc. from 2008 to 2009, Essex Oil Ltd. since 2008, Forsys Metals Corp. from 2004 to 2008 (all resource exploration corporations).
Jorge Estepa, Ontario, Canada	Vice-President and Secretary-Treasurer	Vice President and Secretary-Treasurer of the Corporation since March 2006, Cartier Iron Corporation (formerly Northfield Metals Inc.) since 1993, NFX Gold Inc. (renamed Bear Lake Gold Inc.) from 1996 to 2008, Eloro Resources Inc. since 1997, and Corporate Secretary of Forsys Metals Corp. since 2004 (resource exploration corporations).
Martin Bourgoin, Québec, Canada	Executive VP, Operations	Professional Geologist. Founder and President of MRB & Associates, a Val d'Or, Québec based geological consulting firm. Executive Vice President of the Corporation since 2008 and Executive Vice President of Eloro Resources Ltd. since 2006 (all resource exploration corporations).
Alexander Horvath Ontario, Canada	Executive VP, Exploration	Professional Engineer: President of A.S. Horvath Engineering Inc. (a geological engineering services Corporation); Executive Vice President and Director of the Corporation and of Bear Lake Gold Ltd., Cartier Iron Corporation and Eloro Resources Ltd.
Jeffrey Hussey Québec, Canada	VP, Corporate Communications	Professional Geologist. Vice President, Corporate Communications of the Corporation since March 2013, Executive Vice President, Development of the Corporation from March 2011 to March 2013, Vice President, Exploration of the Corporation from 2008 to 2011. Vice President, Project Development of Focus Graphite Inc. since May 2013(both resource exploration corporations).
Bruce Mitton Newfoundland & Labrador, Canada	VP, Exploration	Professional Geologist. Vice President, Exploration since March 2011. Senior Project Geologist from 2009 to March 2011. Senior Project Geologist for Laurentian Goldfields in 2009, and Vice President Exploration for Paragon Minerals Corp. in 2008, (all resource exploration corporations)
Jean-Luc Chouinard Quebec, Canada	VP, Project Development	Professional Engineer. Vice President, Project Development of the Corporation since March 2013, Director of Projects of the Corporation from May 2011 to March 2013. Superintendent Mine Engineering for Iamgold Corporation April to October 2009, General Manager, Langlois Mine for Breakwater Resources Ltd. form August 2006 to September 2008.

As at the date hereof, the directors and officers of the Corporation as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 21,640,243 Common Shares representing approximately 18% of the issued and outstanding Common Shares, including 15,025,000 Common Shares representing appromixately 12.5% of the issued and outstanding Common Shares which are owned by Fancamp and are deemed to be controlled or directed by Jean Lafleur, the C.E.O. of Fancamp and a director of the Corporation.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALITIES OR SANCTIONS

To the knowledge of the Corporation, no director or executive officer of the Corporation is, at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity, (a) was the subject of a

cease trade order or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, except for the following:

To the knowledge of the Corporation, no director, executive officer or shareholder of the Corporation holding a sufficient number of shares to affect materially the control of the Corporation, is, as at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

Miles Nagamatsu is a director and officer of Essex Oil Ltd ("**Essex**"). On January 14, 2011, Randsburg International Gold Corp. ("**Randsburg**") purported to appoint an unlicensed privately-appointed receiver over the assets of Essex pursuant to a general security agreement granted to Randsburg in respect of a loan of $125,000 plus accrued interest. On January 28, 2011, Essex advised Randsburg that its attempted appointment of a receiver contravened section 243(4) of the *Bankruptcy and Insolvency Act* (Canada) which provides that only a licensed trustee may be appointed as a receiver pursuant to the terms of a security agreement. On February 10, 2011, Randsburg purported to appoint a licensed trustee as a privately-appointed receiver over the assets of Essex. Essex is taking steps to refute the efforts by Randsburg and Essex continues to retain possession of its assets.

To the knowledge of the Corporation, no director, executive officer or shareholder of the Corporation holding a sufficient number of shares to affect materially the control of the Corporation, and no personal holding company of any of them, has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Corporation, no director, executive officer or shareholder of the Corporation holding a sufficient number of shares to affect materially the control of the Corporation and no personal holding company of any of them,: (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority; or (b) since December 31, 2000, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2001, entered into a settlement agreement with a securities regulatory authority which would likely be important to a reasonable investor in making an investment decision; or (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making investment decision.

CONFLICT OF INTERESTS

To the knowledge of the Corporation, there are no existing or potential conflicts of interest between the Corporation and any director or officer of the Corporation. The directors and officers of Champion may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of Champion. In the event that such a conflict of interest arises at a meeting of the directors of Champion, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the financial year ended March 31, 2013 and during the current financial year, there have been no (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority; (ii) other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into by the Corporation before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three most recently completed financial years or during the current financial year of the Corporation, to the knowledge of the Corporation, no director or executive officer of the Corporation, no shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the securities of the Corporation, and no associate or affiliate of any of them, has or had any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Corporation.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The Corporation's registrar and transfer agent is:

TMX Equity Transfer Services
200 University Avenue, Suite 400
Toronto, Ontario M5H 4H1

The Corporation's auditor is:

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West, Suite 700
Toronto, Ontario
M5H 4C7

MATERIAL CONTRACTS

Other than as described elsewhere in this AIF, the Corporation has not entered into any material contracts since April 1, 2008 and does not have any material contracts entered into since January 1, 2002 which is still in effect, except as follows:

- Powderhorn Option Agreement;
- Gullbridge Agreement;
- Attikamagen Agreement;
- Attikamagen Royalty Agreement;
- Fermont Royalty Agreement;
- Rights Plan;
- Acquisition Agreement;
- Reciprocal Rights Agreement; and
- Cluster 3 Option Agreement.

The particulars of the above listed agreements are set out elsewhere in this AIF.

INTEREST OF EXPERTS

The following persons and companies have prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made by the Corporation under National Instrument 51-102 during, or relating to, the financial years of the Corporation ended March 31, 2013 or to date:

Collins Barrow Toronto LLP, Chartered Accountants

Ms. Tracy Armstrong, P.Geo., and Mr. Antoine Yassa, P.Geo. of P&E Mining Consultants Inc.

Mr. André Allaire, Eng, M. Eng, Ph.D. and Mr. Patrice Live, Eng.,. of BBA Inc.

Martial Major, Eng. of Rail Cantech Inc.

Collins Barrow Toronto LLP, the external auditors of the Corporation, reported on the financial statements for the year-ended March 31, 2013. Collins Barrow advised Champion that it has no registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation. Collins Barrow Toronto LLP has advised Champion that it is independent of the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

P&E Mining Consultants Inc, co-authored the Fire Lake North PFS (see "*Material Properties*") and the Oil Can Report and the Moire Lake Report.

BBA Inc. co-authored the Fire Lake North PFS (see "*Material Properties*").

Rail Cantech Inc. co-authored the Fire Lake North PFS (see "*Material Properties*").

To the knowledge of the Corporation, after reasonable enquiry, none of the foregoing persons, beneficially owns, directly or indirectly, or exercises control or direction over any securities of Champion representing more than 1% of the outstanding Common Shares.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" hereto. The Audit Committee's charter was adopted by the Board effective August 1, 2006.

Composition and Independence of Audit Committee

The Audit Committee is currently composed of two (2) members, Francis Sauve and Paul Ankcorn, none of whom is an executive officer or employee of the Corporation. All of the Audit Committee members are independent as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Financial Literacy

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

All of the members of the Audit Committee are financially literate.

Relevant Education and Experience

Each Audit Committee member possesses certain education and experience which is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, education or experience which provides the member with one or more of the following: an understanding of the accounting principles used by the Corporation to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Paul Ankcorn has obtained significant financial experience and exposure to accounting and financial issues in his current position as Chief Financial Officer of Tartisan Resources Corp. and Shield Gold Inc. (both since 2008) and his past positions as Chief Financial Officer of Richmond Minerals Inc. from March 2006 to October 2006, Terex Resources Inc. from October 2001 to June 2005 and of Cuervo Resources Inc. from April 2005 through 2008. Mr. Ankcorn has been, and is currently, an officer and/or director of a number of publicly traded resource exploration companies.

Francis Sauve owns his own business and in such capacity has experience in the preparation, analysis and/or evaluation of financial statements generally and an understanding of internal control and procedures for financial

reporting. Over the past 18 years, Mr. Sauve has been, and is currently, a director of a number of publicly traded resource exploration companies.

Mandate

The mandate of the Audit Committee is to oversee the Corporation's financial reporting processes and to liaise with the external auditors. In addition to reviewing the financial controls of the Corporation which are its ongoing responsibility, the Audit Committee reviews the annual financial statements, quarterly financial statements, management's discussion and analyses and any other significant financial issues. The Audit Committee must satisfy itself that any mineral reserve and mineral resource reports commissioned by the Corporation are reasonable by conferring with the independent engineers or geoscientists who produced such reports. The Audit Committee is scheduled to meet at least four (4) times a year and otherwise as frequently and at such intervals as it determines is necessary to carry out its duties and responsibilities, including meeting separately with the external auditors.

External Audit Fees

The following table sets forth the fees billed to the Corporation by Collins Barrow Toronto LLP, Chartered Accountants, the external auditors of the Corporation, for services rendered in the last two fiscal years.

Collins Barrow Toronto LLP	**2013**	**2012**
Audit fees	40,000	38,500
Audit-related fees	21,000	Nil
Tax Fees	7,000	6,000
All other fees	Nil	Nil
Total	**68,000**	**44,500**

The Corporation appointed Collins Barrow Toronto LLP (then named Smith Nixon LLP), Chartered Accountants, as auditors on March 27, 2008.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at www.sedar.com. Further, information with respect to the Corporation, including directors' and officers' remuneration and indebtedness, principal holders of securities of the Corporation and securities authorized for issuance under equity compensation plans is contained in the management information circular of the Corporation for its most recent annual meeting of shareholders (the "**Information Circular**") that involved the election of directors. Additional financial information is provided in the comparative consolidated financial statements and the management's discussion and analysis of the Corporation for its most recently completed financial year. A copy of this Annual Information Form, the annual report of the Corporation for the financial year ended March 31, 2012 and the Information Circular may be obtained from SEDAR or upon request from the Secretary of the Corporation.

SCHEDULE A
AUDIT COMMITTEE CHARTER

The Audit Committee is a committee of the Board of Directors of the Corporation to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

(a) review and report to the Board of Directors of the Corporation on the following before they are published:

  (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Corporation; and

  (ii) the auditors report, if any, prepared in relation to those financial statements,

(b) review the Corporation's annual and interim earnings press releases, if any, before the Corporation publicly discloses such information,

(c) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures,

(d) recommend to the Board of Directors:

  (iii) the external auditor to be nominated for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation; and

  (iv) the compensation of the external auditor,

(e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting,

(f) monitor, evaluate and report to the Board of Directors on the integrity of the financial reporting process and the system of internal controls that management and the Board of Directors have established,

(g) monitor the management of the principal risks that could impact the financial reporting of the Corporation,

(h) establish procedures for:

  (v) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

  (vi) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters,

(i) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor, review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation, and

(j) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109.

Composition of the Committee

The committee will be composed of three (3) directors from the Corporation's Board of Directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each independent committee member will have no direct or indirect relationship with the Corporation which, in the view of the Board of Directors, could reasonably interfere with the exercise of such member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

(a) reporting to the Board of Directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled Board meeting, including to make its minutes of meetings and supporting information available to the Board at the request of any director; and

(b) reviewing and reporting to the Board of Directors on its concurrence with the disclosure required by Form 52-110F2 in any management information circular prepared by the Corporation.