CHAMPION IRON LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED MARCH 31, 2014

June 27, 2014

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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 Limited and its wholly-owned subsidiary Champion Iron Mines Limited (collectively, "**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 2014, 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 being primarily focussed on the Consolidated Fire Lake North Project;

(i) joint ventures and option agreements;

(j) going concern considerations;

(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, 2014 and March 31, 2013.

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 June 27, 2014.

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**").

The technical report referred to above is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the technical report, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Corporation's profile on SEDAR at www.sedar.com. The technical report is 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 report. Any updates to the scientific or technical information derived from such technical report and any other scientific or technical information contained in this AIF was prepared by or under the supervision of Jean-Luc Chouinard, Eng., M. Sc., who is a "Qualified Person" in accordance with NI 43-101.

The Fire Lake North PFS is the current technical report for the Consolidated Fire North Project, the Corporation's only material property.

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 Reserve"	means the economically mineable part of 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 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 Limited. Champion is an exploration corporation focused on discovering and developing significant iron 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 at its wholly-owned Fermont Property Holdings ("**Fermont Property Holdings**") and has significant other interests in iron mineral properties. The Corporation is focused on developing its Consolidated Fire Lake North Project ("**CFLN**") where a Feasibility Study is currently underway.

Head Office and Other Offices

The Corporation's head office, registered office and mailing address is 91 Evans Street, Rozelle, New South Wales 2039, Australia. The Corporation also has two offices in Canada with one located at 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6 and the other at 630 René Lévesque Ouest, Bureau 1850, Montréal, Québec H3B 1S6.

Legal Matters

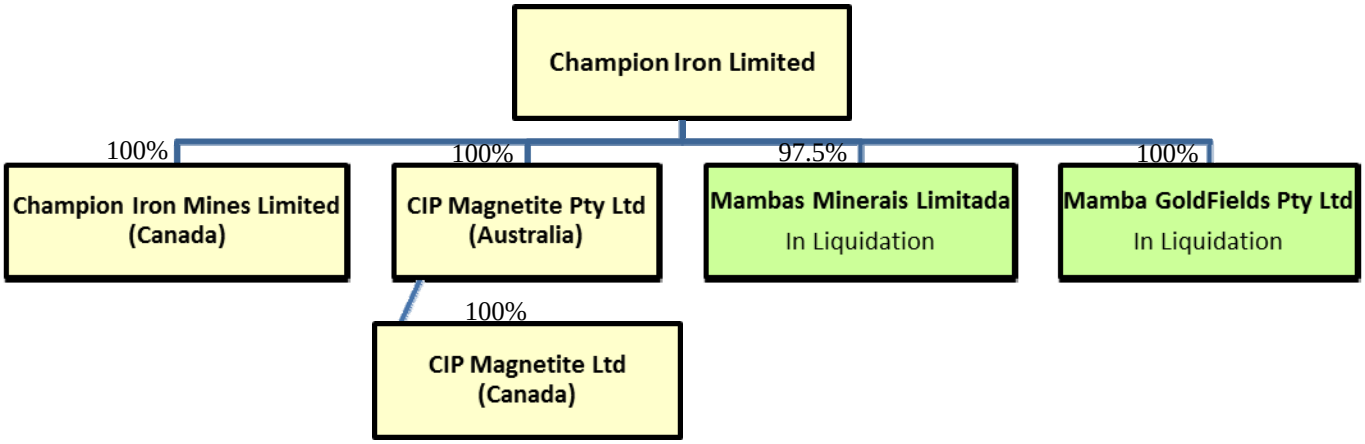
Champion Iron Limited was incorporated in Australia (Australian Company Number – CAN – 119 770 142). Champion Iron Limited is registered in Western Australia under the Companies Act 2001. The Constitution of Champion Iron Limited was amended to comply with the TSX requirements relating to the retirement and re-election of directors at the Corporation's Annual General Meetings.

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

The Ordinary Shares are listed for trading on the Australian Stock Exchange ("**ASX**") and the Toronto Stock Exchange ("**TSX**") under the symbol "CIA".

The Corporation's wholly-owned subsidiary, Champion Iron Mines Limited, 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



Champion Iron Mines Limited is incorporated in Canada under the Business Corporations Act of Ontario. CIP Magnetite Pty Ltd is registered under the Companies Act 2001 in Australia. CIP Magnetite Ltd is incorporated in Canada under the Corporations Act of Newfoundland and Labrador.

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

Three-Year History

During 2011, the Corporation was focused on two projects with gold and nickel potential, the Ennuin Project located in Western Australia and the Mozambique Project, located in Mozambique, Africa.

The Ennuin Project was held by the Corporation's wholly-owned subsidiary, Mamba Goldfields Pty Ltd. It comprises two (2) granted exploration licenses E77/1896 and E77/1897 and two (2) granted prospecting licenses P77/4041 and P77/4042, located 28 kilometres north and 32 kilometres northwest of Bullfinch, Western Australia, respectively. The Ennuin Project was considered prospective for gold and nickel due to its proximity to the Bullfinch Greenstone Belt.

The Mozambique Project was held by the Corporation's 98.5% owned Mozambique subsidiary, Mambas Minerais Limitada, ("**Mambas Minerais**"). Previously, Mambas Minerais held rights to both the Nhamucuarara concession ("**Nhamucuarara**") and the Chua concession ("**Chua**"). However, following the completion of an environmental impact study, Mambas Minerais allowed Nhamucuarara to lapse.

While its other projects were under review in 2012, the Corporation was focused on seeking out and reviewing new projects that would have the potential to build significant long-term shareholder value. On July 30, 2012, the Corporation announced that it had entered into an agreement to acquire the Snelgrove Lake Project ("**CIP Mag Option**")("**Snelgrove**") by acquiring CIP Magnetite, the holder of the option over the Snelgrove Lake Project ("**Altius Option**"), a highly prospective Iron Ore project located in Canada's premier iron ore district, the Labrador Trough in Newfoundland and Labrador. On August 31, 2012, the Corporation lodged a prospectus to raise A$3,150,000 to provide funds towards exploration on the Snelgrove Lake Project. Shareholder approval to the proposed acquisition was received on September 10, 2012.

The Corporation commenced a drilling program at Snelgrove in February 2013 and 8 diamond holes were drilled for a total of 1,861 metres. The program identified hematite mineralisation at the CLC area, with a potential strike length of approximately 2 kilometres and a true width of 150 metres. The prospect has hematite mineralisation from between 15 metres to at least 240 metres below surface and remains open at depth. Assays indicate average Fe of 52% over mineralised intersections, with grades of up to 63% and 65% encountered.

With this success, the Corporation decided to withdraw from its involvement in the Ennuin Project in Western Australia and in the Chua concession in Mozambique.

In July 2013, the Corporation confirmed that it had exercised an option to acquire CIP Magnetite with 32 million performance shares to be issued in August 2013. Through the 2013 summer, the Corporation completed extensive airborne and ground gravity surveys as well as an eight-hole 814-metre diamond drilling program at the Snelgrove Lake Project in Labrador, Canada. This work confirmed strike potential of hematite mineralization up to 4km with potential for another 1.5km. Drilling from the summer program has confirmed hematite mineralisation along the strike length tested with the remaining approximate length of 1.5km untested.

On December 6, 2013, the Corporation announced that it had entered into a definitive arrangement agreement to effect a business combination of the Corporation and Champion Iron Mines Limited, a Canadian iron ore developer. On March 31, 2014, the business combination was completed pursuant to which the Corporation and a wholly-owned subsidiary, Champion Exchange Limited, acquired all 137,895,609 outstanding common shares of Champion Iron Mines Limited under a court-approved plan of arrangement (the "**Arrangement**"). Under the Arrangement, each Champion Iron Mines Limited shareholder became entitled to receive 0.7333333 ordinary shares of the Corporation for each Champion Iron Mines Limited common share held (the "**Exchange Ratio**"). Certain eligible Champion Iron Mines Limited shareholders elected to receive all or part of their consideration in the form of exchangeable shares of Champion Exchange Limited. The Arrangement also resulted in the issuance of replacement stock options of the Corporation to holders of outstanding Champion Iron Mines Limited options (as adjusted by the Exchange Ratio).

The Corporation's Ordinary Shares are listed for trading on both the Australian Securities Exchange and the Toronto Stock Exchange.

Champion Iron Mines Limited holds 100% of the Fermont Property Holdings, including its flagship Consolidated Fire Lake North Property, which is located in Canada's major iron ore producing district in the Labrador Trough in the province of Quebec and which is described in detail under "Material Properties".

Concurrent with the closing of the Arrangement, the Corporation closed an A$10 million equity financing at A$0.50 per ordinary share. This financing strengthened the Corporation's balance sheet and provided financial flexibility for its development plans. The net proceeds provided the Corporation with working capital to be applied to fund a bankable feasibility study on its Consolidated Fire Lake North Project, where additional infill drilling is ongoing.

Description of the Business

The Corporation is a mineral exploration and development corporation focused on the acquisition, exploration and development of 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 "Snelgrove" located in Labrador; and

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

At this time, the Corporation is focusing its resources on certain groupings of claims within the Fermont Property Holdings. The Corporation's wholly-owned Fermont Property Holdings consist of 14 properties 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 CFLN, the Corporation's flagship project and the only one which it considers material. Although three other properties within the Fermont Property Holdings contain NI 43-101 Mineral Resources, namely the Harvey-Tuttle Project, the Penguin Lake 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 Snelgrove, Powderhorn Property or Gullbridge Property to be material.

The Fermont Property Holdings are grouped into three clusters from north to south, termed Clusters 1, 2 and 3, as outlined in Map 1.

The Fermont Property Holdings are located in proximity to and locally contiguous to an operating iron mine and a number of former operating iron mines and projects currently being developed for iron mining.

Table 1 sets out the current NI 43-101 compliant In-Pit Mineral Resource Estimates for the Fermont Property Holdings by Property[1]:

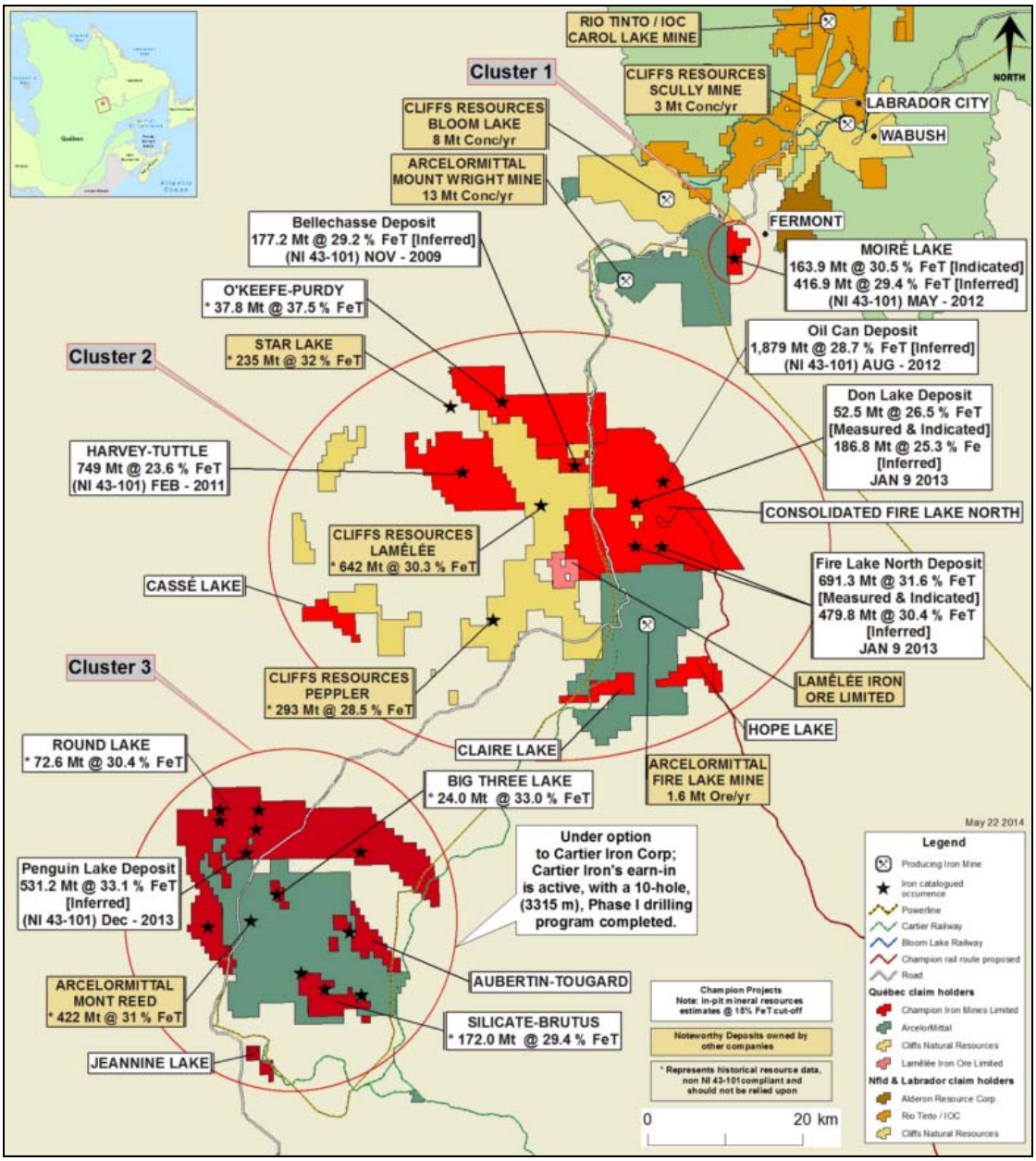
Table 1: In-Pit Mineral Resource Estimates – Fermont Property Holdings

			Current Mineral Resources Estimates at 15% Iron Cut-Off					
Property	**Cluster**	**Deposit**	**Measured**		**Indicated**		**Inferred**	
			tonnes	**grade**	**tonnes**	**grade**	**tonnes**	**grade**
			millions	**FeT%**	**millions**	**FeT%**	**millions**	**FeT%**
Moire Lake	1	**Lac Moire**	**-**	**-**	**163.9**	**30.5**	**416.9**	**29.4**
Consolidated Fire Lake North	2	Fire Lake North-West	23.5	35.4	403.6	32.6	301.1	31.2
		Fire Lake North-East	3.0	34.2	261.2	29.6	178.7	29.0
		Fire Lake North-Don Lake	0.4	21.4	52.1	26.5	186.8	25.3
		Subtotal-Fire Lake North	**26.9**	**35.1**	**716.9**	**31.1**	**666.6**	**29.0**
		Oil Can (Oxide)	-	-	-	-	967.0	33.2
		Oil Can (Mixed)					912.0	24.1
		Bellechasse	-	-	-	-	177.2	29.2
		Midway	-	-	-	-	-	-
		Total -CFLN	**26.9**	**35.1**	**716.9**	**31.1**	**2,722.8**	**28.9**
Harvey-Tuttle	2	**Harvey-Tuttle**	**-**	**-**	**-**	**-**	**749.0**	**23.6**
O'Keefe-Purdy	2		-	-	-	-	-	-
Hope Lake	2		-	-	-	-	-	-
Casse Lake	2		-	-	-	-	-	-
Claire Lake	2		-	-	-	-	-	-
Audrey-Ernie [2]	3		-	-	-	-	-	-
Three Big Lakes [2]	3		-	-	-	-	-	-
Aubertin-Tougard Lakes[2]	3		-	-	-	-	-	-
Jeannine Lake [2]	3		-	-	-	-	-	-
Silicate-Brutus Lakes[2]	3		-	-	-	-	-	-
Penguin Lake [2]	3	**Penguin Lake**	-	-	-	-	**531.2**	**33.1**
Black Dan[2]	3		-	-	-	-	-	-
Fermont Property Holdings In-Pit Resource Totals			**26.9**	**35.1**	**880.8**	**31.0**	**4,419.9**	**28.5**

[1] The current Mineral Resource Estimate was calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions. 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 Resource reported herein are uncertain and there has been insufficient exploration to categorize them as an Indicated or Measured Resource. It is uncertain if further exploration will result in reclassification of Inferred Mineral Resources to the Indicated or Measured Mineral Resource categories. The tonnage numbers are rounded according to NI 43-101 standards.

[2] Currently under option to Cartier Iron Corporation.

Map 1 – Fermont Holdings



Copies of the NI 43-101 Mineral Resource Estimate reports for Consolidated Fire Lake North, Moire Lake, Bellechasse and Harvey-Tuttle are available under Champion's filings on SEDAR at www.sedar.com and a copy of the NI 43-101 Mineral Resource Estimate report for Penguin Lake is available under Cartier Iron Corporation's filings on SEDAR.

Consolidated Fire Lake North

CFLN is located adjacent (to the north) of ArcelorMittal's operating Fire Lake Mine and is 60 km to the south of Cliffs Natural Resources Inc.'s operating Bloom Lake Mine in northeastern Quebec. CFLN is situated at the southern end of the Labrador Trough, which is known to contain coarser grained iron deposits due to higher grade metamorphism within the Grenville geological province. The Fermont-Wabush-Labrador City Iron Ore District is a world-renowned iron ore mining camp and is considered to be an optimal location to develop iron ore resource projects.

On February 7, 2013, Champion announced the results from its Fire Lake North PFS for the Fire Lake North West and East deposits of the CFLN project that was performed by BBA Inc. of Montréal, Québec. 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.

The Fire Lake North PFS reports that 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 ("**FeT**") during a 19.6-year mine life. The current optimized engineered pits used in the PFS yield reserves of 464.6 M tonnes grading 32.37% FeT at a 15% FeT cut-off grade with a weight recovery of 39.9%. The first five years of production will average 9.8 Mtpa of concentrate. The engineered pits recover 67% of the current In-pit Optimized Measured and Indicated Resources totalling 691.3 Mt grading 31.5% FeT. The engineered pits limit the inclusion of In-pit Inferred resources to 45.8 Mt which are categorized as waste**.**

The financial model illustrates the robust economics of the Fire Lake North West and East iron ore deposits on their own merit. With the adjacent resources within the CFLN project boundaries, the mid-term and long-term growth profiles of this project are promising.

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. The Fire Lake North PFS study 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 was not at a feasibility study precision level in the Fire Lake North PFS is a proposed multi-user rail infrastructure component.

In order to complete the Fire Lake North PFS in a timely manner, Champion included the metrics from its Rail Cantech feasibility study completed in August 2012. 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 Fire Lake North 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 estimated rates for a 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. 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 Fire Lake North PFS study takes into consideration the usage of the Sept-Iles multi-user Port facility project that is currently in construction and planned for completion in 2014. However, subsequent to the release of the Fire Lake North PFS, on June 28, 2013, Champion terminated its July 2012 agreement related to the multi-user port facilities proposed at Pointe Noire, Sept-Îles, Quebec.

Table 2 below details the Fire Lake North PFS pre-production capital costs:

Table 2: Pre-production Capital Costs	
	C$ million
Mine equipment and pre-stripping	133.7
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)	1,607.9

Operating costs as per the PFS are outlined in Table 3:

Table 3: 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 [1]	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

[1] Subsequent to the release of the PFS, on June 28, 2013, Champion terminated its July 2012 agreement related to the multi-user port facilities proposed at Pointe Noire, Sept- Îles, Quebec.

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.

Results from the Fire Lake North 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 Fire Lake North 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-term and long-term growth profiles for the Corporation are evident from mineral resources identified within the CFLN Property and surrounding Fermont Property Holdings.

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, 2014, the Corporation had 8 full-time employees and 13 consultants primarily working out of Sydney, Australia, Toronto, Ontario and Montreal, Québec. As at the date hereof, the Corporation has 5 full-time employees located in Sydney, one full-time employee located in Toronto, 2 full-time employees located in Montreal, Québec, and 13 consultants primarily working out of Sydney, Toronto and Montreal. The Corporation's use of consultants is a strategy consistent with that of many mineral exploration and development companies in order to manage costs. Four 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 Executive Chairman 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*".

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, the Corporation does not hold any interest in a mining property in production. The Corporation'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 the Corporation 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 the Corporation may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Corporation 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 the Corporation 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 the Corporation 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 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 the Corporation 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 the Corporation'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

The Corporation 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 the Corporation has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation 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 the Corporation 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, the Corporation has not recorded any revenues, other than interest and investment income and management fees and it has no dividend record. The Corporation 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 the Corporation will be profitable in the future. The Corporation'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 the Corporation's properties increase. The Corporation 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 the Corporation's properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Corporation 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, 2013 and into 2014, although the strength of recovery has varied by region and by country. In the latter half of 2011 and 2012-2013, 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 the Corporation 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, the Corporation's operations could be adversely impacted and the trading price of its Ordinary Shares may be adversely affected.

Dilution and Future Sales of Ordinary Shares

The Corporation may issue additional shares in the future, which would dilute a shareholder's holdings in the Corporation. The Corporation's Constitution permits, among other things, the issuance of an unlimited number of Ordinary Shares.

The Corporation 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 the Corporation 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 the Corporation 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 the Corporation 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 the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on such agreements. In addition, the Corporation 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 the Corporation's assets may not be realizable. The Corporation has a limited history and its ability to continue as a going concern depends upon a number of significant variables. The amounts attributed to the Corporation's exploration properties in its financial statements represent acquisition and exploration costs and should not be taken to represent realizable value. Further, the Corporation has no proven history of performance, revenues, earnings or success. As such, the Corporation's ability to continue as a going concern is dependent upon the existence of economically recoverable resources, the ability of the Corporation to obtain the necessary financing to complete the development of its interests and future profitable production or, alternatively, upon the Corporation`s ability to dispose of its interests on a profitable basis.

Dependence on Key Personnel

The Corporation 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. The Corporation 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 the Corporation has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Corporation 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 the Corporation in any of its properties may not be challenged or impugned.

Permits and Licenses

The operations of the Corporation require licenses and permits from various governmental authorities. The Corporation 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 the Corporation 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 the Corporation 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 the Corporation 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 the Corporation'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 the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation 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 the Corporation’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 Australia 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 Ordinary 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 Ordinary Shares will be affected by such volatility.

The Corporation'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 the Corporation 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.

The Corporation'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 the Corporation 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 the Corporation. In the event that such a conflict of interest arises at a meeting of the directors of the Corporation, a director is required 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. The Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Corporation, in the search for and acquisition of attractive mineral properties. The ability of the Corporation 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 the Corporation 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 Property Holdings

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- 20th 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 55 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 4, and the surface locations are shown in Figure1.

Table 4: 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.

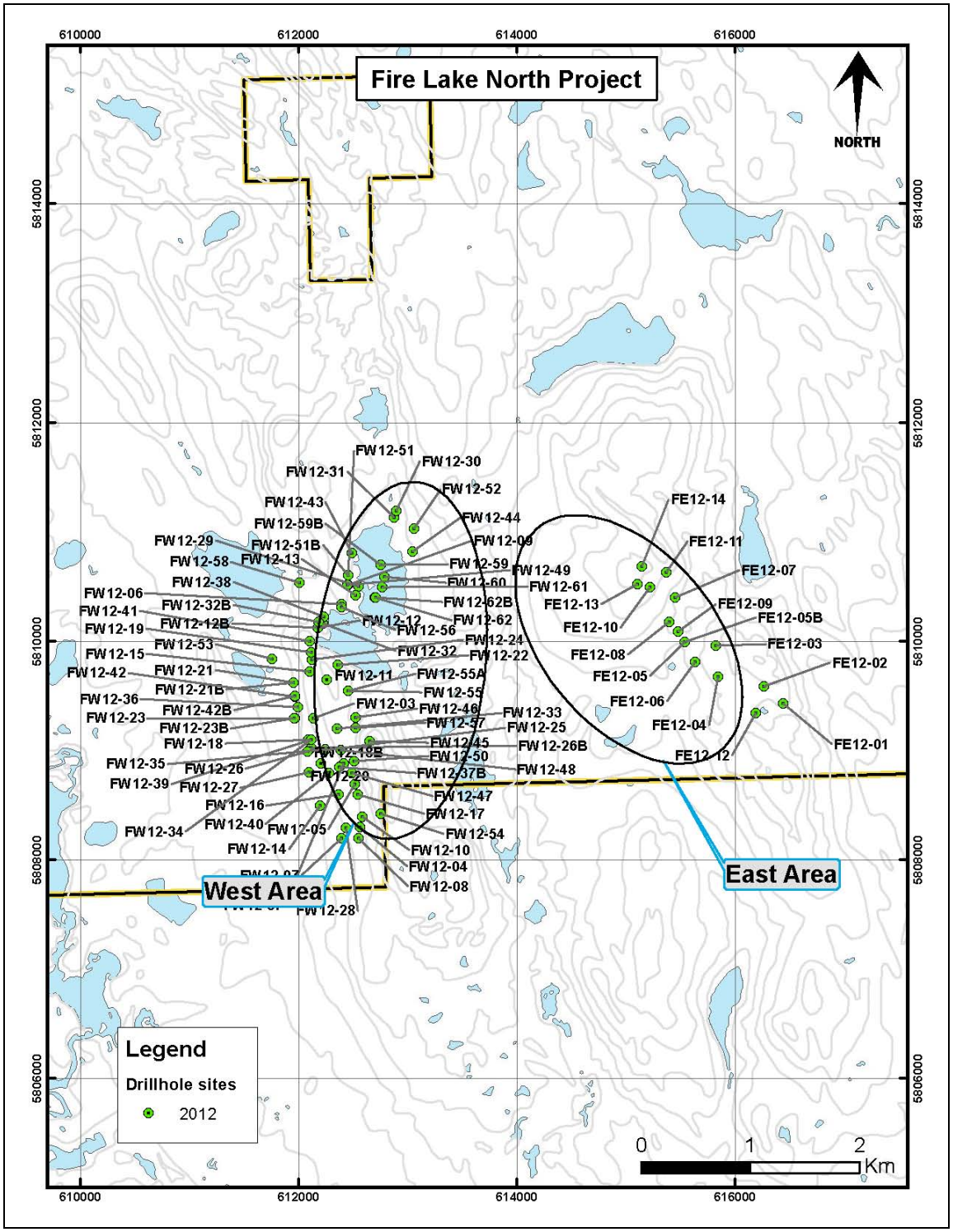


Figure 1: 2012 Drill Holes at Fire Lake North

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 5 – 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 6.

Table 6: 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 7 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 7: 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 8 – 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 Description of the Business, Consolidated Fire Lake North section.

Further Exploration and Development 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.

On February 6, 2014 the Corporation announced that drilling had resumed at the CFLN Property as part of the plan to complete a Feasibility Study for the project. The Corporation in funding its Feasibility Sutdy from its working capital resources. The Corporation is also progressing discussions with various infrastructure providers, including power, rail and port facilities.

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

The Corporation is incorporated under the Corporations Act in Australia ("**Corporations Act**") and is limited by shares. The Corporation currently has two classes of shares on issue, being fully paid shares ("**Ordinary Shares**") and a Special Voting Share ("**Special Voting Share**"). At the date of this Circular, there are 196,508,539 Ordinary Shares and one Special Voting Share on issue. Performance Shares can be converted into Ordinary Shares upon achievement of certain performance hurdles. There are no partly paid shares on issue.

The Corporation does not have an authorised share capital as the requirement for a company to state an authorised share capital was repealed in Australia in 1998. Subject to compliance with the Corporations Act and the ASX

Listing Rules, the legal ability of the Corporation to raise capital and the number of Ordinary Shares that it may issue is unlimited. The rights attaching to Ordinary Shares in the Corporation are set out in the Constitution of the Corporation (the "**Constitution**") and are regulated by the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and laws of general application.

The rights attaching to Ordinary Shares are summarized below. This summary is not exhaustive and does not constitute a definitive statement of the rights attaching to the holders of Ordinary Shares (the "**Ordinary Shareholders**").

Issue of Ordinary Shares

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Corporation's Board may issue and allot Ordinary Shares for such issue prices and on such terms as it determines (including shares with preferential, deferred or special rights, privileges or conditions, or which are liable to be redeemed or are bonus shares). This includes the power to grant options over unissued Ordinary Shares. The Ordinary Shares may be issued to existing Ordinary Shareholders, whether in proportion to their existing shareholdings or otherwise, or to such persons as the Corporation's Directors may determine.

Transfer of Ordinary Shares

Shareholders may transfer Ordinary Shares by way of a written transfer instrument in any usual or common form (or any other form approved by the Corporation's Directors), or by way of a transfer effected under a computerised or electronic system in accordance with the ASX Settlement Operating Rules and requirements of the ASX Listing Rules. The Corporation's Directors may in their discretion refuse to register a transfer of Ordinary Shares in circumstances permitted by the ASX Listing Rules. The Corporaion's Directors must refuse to register a transfer of Ordinary Shares where required to do so by the ASX Listing Rules.

Conversion of Ordinary Shares

Under the Corporations Act, Ordinary Shares may be converted to preference shares provided certain conditions are met. As the Constitution does not prescribe the rights that would attach to preference shares, a conversion of Ordinary Shares to preference shares would, under the Corporations Act, be permitted only if the Shareholder's rights with respect to the following matters are first approved by special resolution: repayment of capital, participation in surplus assets and profits, cumulative and non-cumulative dividends, voting, and priority of payment of capital and dividends in relation to other shares or classes of preference shares.

The requirements as to variation of rights, set out immediately below, would apply to the conversion.

Variation of Rights

The rights attached to Ordinary Shares or Performance Shares may be varied in accordance with the Corporations Act. Under the Corporations Act, rights attached to shares in a class of shares may be varied or cancelled only by both a special resolution of the Company and either a special resolution of the relevant class or with written consent of shareholders with at least 75% of the votes in the class.

If the shareholders in the class do not all agree to the variation or the cancellation (whether by resolution or written consent), the holders of not less than 10% of the votes in the class may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

Dividends

The holders of Ordinary Shares on which any dividend is declared or paid by the Corporation are entitled to participate in that dividend equally, in proportion to the number of Ordinary Shares held. The holder of a partly paid Ordinary Share (of which none are currently on issue) would be permitted to receive a fraction of the dividend declared or paid on a fully paid Ordinary Share (equivalent to the proportion which the amount paid on the share

bears to the issue price). These dividend entitlements are subject to the rights of persons holding shares with special rights as to dividends (of which none are currently on issue).

The Corporation's Board may from time to time by resolution either declare a dividend, or determine that a dividend is payable, out of the profits of the Corporation. The Corporation's Board may fix the amount, time and method of payment of the dividend. In the case of a determination that a dividend is payable, the resolution may be amended or revoked until the time fixed for paying the dividend arrives. The payment of a dividend does not require any confirmation by a general meeting, subject to compliance with the Corporations Act.

Before declaring or determining to pay a dividend, the Corporation's Board may resolve to set aside out of the profits of the Corporation such amounts by way of reserves as they think appropriate. They may also resolve to carry forward any undistributed profits without transferring them to a reserve. The Corporation's Board may resolve that a dividend will be paid wholly or partly by the transfer or distribution of specific assets, in which case the Corporation's Board may deal as they consider expedient with any difficulty which arises in making the transfer or distribution (for example to deal with fractional entitlements), subject to compliance with the Corporations Act.

Winding Up

Subject to the rights of holders of Ordinary Shares issued on special terms and conditions, upon a winding up of the Corporation, the Ordinary Shareholders would be entitled to participate equally in the distribution of any surplus assets in proportion to the number of and amounts paid on the shares held.

A liquidator may, with the sanction of a special resolution, divide among the Ordinary Shareholders in kind all or any of the Corporation's assets, and, if there are any different classes of shares on issue, may for that purpose determine how the division is to be carried out between the different classes.

Voting

Subject to any rights or restrictions attaching to any class of shares, every Ordinary Shareholder may vote at a general meeting in person or by proxy, attorney, or, in the case of an Ordinary Shareholder that is a body corporate, by the individual appointed as its representative. On a show of hands, an Ordinary Shareholder is entitled to one vote. Upon a poll, an Ordinary Shareholder has for each fully paid Ordinary Share held, one vote, and for each partly paid Ordinary Share held, a fraction of a vote equivalent to the proportion which the amount paid on the Ordinary Share bears to the total issue price.

In the case of jointly held Ordinary Shares, if two or more joint holders purport to vote, then the vote of the joint holder whose name appears first in the register of Ordinary Shareholders will be accepted to the exclusion of the other joint holder or holders.

A resolution put to the vote at a general meeting is decided on a show of hands, unless a poll is demanded by at least five Ordinary Shareholders entitled to vote on the resolution, or Ordinary Shareholders with at least 5% of the votes that may be cast on the resolution on a poll, or the chairperson of the meeting. A poll may be demanded before a vote is taken, or immediately before or after the result of a vote by show of hands is declared.

In the case of equality of votes on a resolution (by show of hands or poll), the chairperson has a casting vote.

Buy-back of Ordinary Shares and Reduction of Capital

Pursuant to procedures regulated by the Corporations Act, the Corporation may, with the agreement of Ordinary Shareholders, buy-back Ordinary Shares from that Ordinary Shareholder. In certain circumstances (for example, where specified buy-back limits are to be exceeded, or the buy-back is selective), the buy-back would be subject to the approval of the Ordinary Shareholders at a general meeting. Upon registration of the transfer of the Ordinary Shares acquired by the Corporation in a buy-back, the Ordinary Shares would be deemed to be cancelled.

Pursuant to procedures regulated by the Corporations Act, the Corporation may also be permitted to carry out a reduction of capital (such as a return of capital to shareholders, or a cancellation of uncalled capital), provided the reduction is fair and reasonable to the Ordinary Shareholders as a whole, does not materially prejudice the ability to pay creditors, and the approval of shareholders is obtained (by way of ordinary resolution in the case of an equal reduction, or special resolution in the case of a selective reduction).

Sale of Non-Marketable Parcels

The Corporation may sell the Ordinary Shares of any Ordinary Shareholder who has less than a marketable parcel of those Ordinary Shares, provided procedures and conditions prescribed by the Constitution, ASX Listing Rules and ASX Settlement Operating Rules are followed. A "marketable parcel" in relation to Ordinary Shares is a parcel of Ordinary Shares of not less than $500 based on the closing price on a trading platform. Notice is required to be given by the Corporation to the Ordinary Shareholder of the Corporation's intention to sell the Ordinary Shares. During this notice period, the Ordinary Shareholder has the opportunity to advise the Corporation that the Ordinary Shareholder wishes to retain its Ordinary Shares (and, if such notification is given by the shareholder, the Corporation is not permitted to sell the shareholding).

Special Voting Share

The Corporation issued a special voting share in connection with the Arrangement having substantially the rights, privileges, restrictions and conditions described in the Voting and Exchange Trust Agreement (see "Material Contracts")

MARKET FOR SECURITIES

Price Range and Trading Volume of Ordinary Shares

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

The Ordinary Shares commenced trading on the TSX on March 31, 2014 and on the ASX on April 3, 2014 under the symbol "CIA" and prior to that date, traded on the ASX under the symbol "MAB". The following table sets forth the volume of trading and price ranges of the Ordinary Shares on the ASX for each month during the fiscal year ended March 31, 2014.

Fiscal Year 2014			
Date	**High**	**Low**	**Volume**
	A$	**A$**	**No. of Shares**
April 2013	0.98	0.60	4,709,219
May 2013	0.70	0.41	1,735,150
June 2013	0.42	0.27	1,078,621
July 2013	0.40	0.31	834,644
August 2013	0.57	0.40	1,579,722
September 2013	0.57	0.47	983,022
October 2013	0.565	0.46	709,463
November 2013	0.60	0.47	974,445
December 2013	0.69	0.53	1,757,638
January 2014	0.62	0.55	1,112,750
February 2014	0.64	0.50	1,661,863
March 2014	0.59	0.515	719,019

Prior Sales

No class of securities of the Corporation, other than the Ordinary Shares, are listed for trading on a marketplace. The following are the details of the other securities of the Corporation which are outstanding as at the date hereof.

Warrants

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

Date of Grant	Exercise Price ($)	Number of Shares	Expiry Date
July 31, 2013	0.4091	11,000,000	July 31, 2015
May 17, 2012	4.0909	5,133,333	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 Ordinary Share:

Date of Grant	Exercise Price ($)	Number of Shares	Expiry Date
September 16, 2009	0.4091	839,667	September 16, 2014
September 24, 2009	0.4500	111,833	September 24, 2014
November 9, 2009	0.5523	36,667	November 9, 2014
January 14, 2010	1.0909	1,008,333	January 14, 2015
February 2, 2010	1.1591	36,667	February 2, 2015
March 2, 2010	1.3636	256,667	March 2, 2015
August 8, 2012	A$0.25	17,000,000	August 8, 2015
October 3, 2010	1.3636	1,466,667	October 3, 2015
October 4, 2010	1.3636	183,333	October 4, 2015
October 4, 2010	2.0455	366,667	October 4, 2015
December 15, 2012	A$0.50	500,000	December 15, 2015
January 10, 2011	2.9591	73,333	January 10, 2016
September 9, 2011	2.0455	715,000	September 9, 2016
December 23, 2011	1.7727	676,500	December 23, 2016
December 20, 2013	0.5455	1,173,333	December 20, 2016
April 9, 2014	A$0.50	1,000,000	April 9, 2017
June 17, 2014	A$0.50	150,000	June 17, 2017
November 29, 2013	A$0.50	2,300,000	November 29, 2018

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
Ordinary Shares	10,266,666[(1)]	5.2%
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

The Corporation`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 the Corporation's Constitution, unless his office is earlier vacated in accordance with the provisions of the Corporation's Constitution.

The following table sets forth certain information concerning the Corporation'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
Michael O'Keeffe [(2)] NSW, Australia	Executive Chairman	Executive Director in the mining business: Executive Chairman of the Corporation since 2013 and Chairman of Riversdale Resources Limited since 2012. Founder and Executive Chairman of Riversdale Mining Limited from 2004 to 2011 (all resource exploration and development corporations).	2013
Thomas Larsen Ontario, Canada	Chief Executive Officer and Director	Executive Officer in the mining business: Chief Executive Officer and Director of the Corporation since April 2014. Chairman, Chief Executive Officer and President of the Corporation's wholly-owned subsidiary Champion Iron Mines Limited 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).	2014
Gary Lawler [(1) (2)] NSW, Australia	Non Executive Director	Lawyer. Senior Partner of legal firm Ashurst Australia since 2012. Partner of Gilbert & Tobin from 1999 to 2012.	2014
Andrew J. Love [(1) (2)] NSW, Australia	Non Executive Director	Chartered Accountant. Senior Partner of Australian accounting firm Ferrier Hodgson from 1976 to 2013 and is now a consultant.	2014
Donald A. Sheldon Ontario, Canada	Non Executive Director	Executive Officer, director and shareholder of Sheldon Huxtable Professional Corporation (lawyers)	2014
Paul Ankcorn[(1)] Ontario, Canada	Non Executive Director	Executive Officer in the mining business: Chief Financial Officer of Tartisan Resources Corp. and Great Lakes Graphite since 2008, President and director of Cartier Iron Corporation from 2012 to 2013, President of Remington Resources Inc. from 2005 to 2010 (all resource exploration corporations).	2014
James Wang British Columbia, Canada	Non Executive Director	Entrepreneur, Vice President and Marketing Director of a British Columbia based holding company that oversees various business interests. Director of Champion Iron Mines Limited since 2013.	2014

Notes:
[(1)] Member of the Audit Committee of the Corporation.
[(2)] Member of the Remuneration and Nomination Committee of the Corporation.

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 and Director	Executive Officer in the mining business: Chief Executive Officer and Director of the Corporation since April 2014. Chairman, Chief Executive Officer and President of the Corporation's wholly-owned subsidiary Champion Iron Mines Limited 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. from 2008 to 2014 (resource exploration corporations).
Alexander Horvath Ontario, Canada	Chief Operating Officer	Professional Engineer: Chief Operating Officer of the Corporation since 2014, Executive Vice President and Director of Champion Iron Mines Limited, President of A.S. Horvath Engineering Inc. (a geological engineering services Corporation).
Miles Nagamatsu Ontario, Canada	Chief Financial Officer	Chief Financial Officer of the Corporation since 2014 and of Champion Iron Mines Limited since 2006, Cartier Iron Corporation and Eloro Resources Ltd. since 1997, PC Gold Inc. from 2008 to 2102 and Director and CFO of Essex Oil Ltd. since 2008 (all resource exploration corporations).
Jorge Estepa, Ontario, Canada	Vice-President and Corporate Secretary (Canada)	Vice President and Corporate Secretary (Canada) of the Corporation since 2014 and Vice President and Secretary-Treasurer of Champion Iron Mines Limited since March 2006, Cartier Iron Corporation since 1993, Eloro Resources Inc. since 1997, and Corporate Secretary of Forsys Metals Corp. since 2004 (all resource exploration corporations).
Pradipkumar Devalia NSW, Australia	Company Secretary (Australia)	Company Secretary of the Corporation since June 2014. Consultant in the resources industry from 2010 to 2014. Partner with PwC, Australia from 1997 until 2009.

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 15,340,559 Ordinary Shares representing approximately 7.8% of the issued and outstanding Ordinary Shares.

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.

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 the Corporation 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 the Corporation. In the event that such a conflict of interest arises at a meeting of the directors of the Corporation, a director is required 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, 2014 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 agents are:

Security Transfer Registrars Pty Ltd
Suite 1, Alexandria House
770 Canning Highway
Applecross Western Australia 6153

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

The Corporation's auditor is:

Ernst & Young
680 George Street
Sydney 2000 New South Wales
Australia

MATERIAL CONTRACTS

Other than as described elsewhere in this AIF, the Corporation has not entered into any material contracts, except as follows:

- Fermont Royalty Agreement*;
- Reciprocal Rights Agreement with Fancamp Exploration Ltd.*;
- Cluster 3 Option Agreement with Cartier Iron Corporation*;
- Altius Option Agreement;
- Voting and Exchange Trust Agreement; and
- Subscription agreement* with Baotou Chen Hua Investments Limited.

* signed by the Corporation's wholly-owned subsidiary, Champion Iron Mines Limited.

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, 2014 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.

Ernst & Young, the external auditors of the Corporation, reported on the financial statements for the year ended March 31, 2014. Ernst & Young advised the Corporation that it has no registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation. Ernst & Young has advised the Corporation 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*").

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 the Corporation representing more than 1% of the outstanding Ordinary Shares.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" hereto.

Composition and Independence of Audit Committee

The Audit Committee is currently composed of three (3) members, Andrew J. Love, Gary Lawler 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.

Andrew J. Love has obtained significant financial experience and exposure to accounting and financial issues in his capacity as a Chartered Accountant with more than 30 years experience in corporate recovery and reconstruction in Australia. He was a senior partner of Australian accounting firm Ferrier Hodgson from 1976 to 2013 and is now a consultant. In that time he advised major local and overseas companies and financial institutions in a broad variety of restructuring and formal insolvency assignments. During this time Mr. Love specialized in the Resources Industry. Mr. Love has been an independent company director of a number of companies over a 25-year period in the Resources, Financial Services and Property Industries. This has involved corporate experience in Asia, Africa, Canada, United Kingdom and United States. Mr. Love's previous recent Board positions have included Chairman of ROC Oil Ltd., Deputy Chairman of Riversdale Mining Limited., Director of Charter Hall Office Trust and Chairman of Museum of Contemporary Art.

Gary Lawler has obtained significant financial experience and exposure to accounting and financial issues in his capacity as a leading Australian mergers and acquisitions lawyer who has been involved in some of Australia`s most notable merger and acquisition transactions. Mr Lawler has over 30 years' experience as a practising corporate lawyer and is currently a senior partner of the legal firm Ashurst Australia. Mr Lawler was also previously a director of Riversdale Mining Limited and Dominion Mining Limited. Mr Lawler is also currently a director of Riversdale Resources Limited.

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 Great Lakes Graphite (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 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.

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, and provides oversight of the accounting and financial reporting process and any other significant financial issues. The Audit Committee is scheduled to meet at least two (2) 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 Ernst & Young, the external auditors of the Corporation, for services rendered in the last two fiscal years.

Ernst & Young (Australian firm)	**2014**	**2013**
Audit and review of the financial report	61,000	-
Investigating accountant's report	55,300	-
Collins Barrow (Canadian firm)		
Audit and review of the financial report	27,500	45,000
Review of interim financial statements	22,000	22,000
Review of pro-forma consolidated financial statements	12,300	-
Taxation services	13,500	15,500
Total	191,600	82,500

The Corporation appointed Ernst & Young as auditors on November 26, 2013.

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, 2014 and the Information Circular may be obtained from SEDAR or upon request from the Secretary of the Corporation.

SCHEDULE A

AUDIT COMMITTEE CHARTER – CHAMPION IRON LIMITED (the "Company")

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

Membership

Membership will be not less than three non-executive Directors as appointed by the Board.

Overall Purpose

The overall purpose of the Audit Committee is to protect the interests of Champion Iron shareholders and other stakeholders by overseeing:

- On behalf of the Board:
    - The integrity of financial reporting;
    - The adequacy of the control environment and the processes for identifying and managing risk;
    - The internal and external audit functions;
    - Treasury and taxation practises; and
- As requested by the Board:
    - Compliance with applicable legal and regulatory requirements and internal codes of conduct.

The Committee will assist the Board by making appropriate recommendations. The Committee does not make decisions on behalf of the Board unless such authority in respect of any matter is expressly delegated by the Board.

Chairman

The Chairman of the Audit Committee will be appointed by the Board. The Chairman of the Committee shall be independent (ie have no material relationships with Champion other than Board and Committee roles) and shall not be the Chairman of the Board.

The Chairman of the Committee shall:

- Be knowledgeable of Champion's business and financial and auditing processes;
- Oversee planning and conduct of Committee meetings including approval of agendas and minutes;
- Oversee written and verbal reporting to the Board on key matters arising from the Committee, and
- Be involved in the selection of Committee members.

Member Requirements

All members of the Committee will be non-executive Directors and will be independent. Whilst the Chairman of the Board is precluded from chairing the Committee, the Chairman of the Board is not precluded from being a member of the Committee. All Committee members will be financially literate and at least one member will have accounting or related financial expertise.

Meeting Arrangements

The Committee shall meet at least four times a year. Additional meetings may be held if requested by the Committee Chairman. A quorum for Committee meetings will require at least two members.

The Chief Executive Officer and Chief Financial Officer will be present for the entirety of all meetings except when the Committee Chairman requests or consents otherwise. The Chairman may invite other senior management to attend meetings as appropriate.

The external and internal auditor will attend meetings at the invitation of the Chairman. The Committee will regularly meet with external and internal auditors, without management present.

All board members are to be issued an invitation to attend each meeting, including those where the focus of the discussion is period and financial reporting.

Secretarial

The Company Secretary or his designate shall be the secretary of the Committee and will be responsible for the minutes of meetings.

Responsibilities

The Committee shall oversee the external audit function. This oversight will include:

- Reviewing the performance of the external auditor;
- Making recommendations to the Board of Directors regarding the continuation or termination of the external auditor's engagement and/or any material revision to the terms of engagement;
- Evaluating the independence of the external auditor and ensuring that the provision of non-audit services by the external auditor does not adversely impact independence;
- Reviewing the appropriateness of the audit approach, scope and methodology;
- Reviewing the results of the auditor's work with particular emphasis on unresolved or unadjusted issues between auditors and management;
- Providing a direct line of communication between the external auditor and the Board which is independent of management;
- Reviewing all reports to the Board and Committee by the external auditor; and
- Approving external auditor's fees.

The Committee shall assist the Board of Directors in fulfilling its fiduciary responsibilities relating to accounting and reporting practices by:

- Reviewing compliance with Accounting Standards, Financial Reporting Standards, Stock Exchange requirements and other legal requirements;

- Reviewing the position taken by management on significant transactions and accounting issues and any unusual or highly judgemental matters;

- Monitoring the effectiveness of the accounting and internal control systems;

- Reviewing quarterly, half year and full year Financial Statements and making the necessary recommendations to the Board;

- Considering capital management matters, including proposed dividends, prior to consideration by the Board;

- Ensuring that there are no material unresolved issues between management and the external auditor; and

- Reviewing other financial information distributed externally as required.

The Committee will review other key financial processes, in particular the tax and treasury operations, to ensure prudent management practices are in place.

The Committee shall assist the Board with regard to oversight of the Company's risk management processes by:

- Developing an understanding of key risk areas and the consequences of major risk events;

- Gaining assurance as to the adequacy of the Company's policies and processes for integrating risk management into its operations; and

- Reviewing the insurance strategy and determining the extent to which it aligns with the risk exposure of the Company.

The Committee shall oversee the internal audit function. The oversight will include:

- Reviewing the performance of the internal auditor and the approval of the annual internal audit plan;

- Reviewing significant internal audit findings and action by management to address these;

- Facilitating a direct line of communication from the internal auditor which is independent of management; and

- Approving the appointment of the Manager Risk and Internal Auditor.

As requested by the Board, the Committee shall review the processes and internal controls that management have put in place to ensure compliance with laws, regulations and internal codes of conduct.

Reporting Mechanism to the Board

The Committee Chairman will report to the Board after each Committee meeting and will make recommendations to the Board as appropriate.

Access to Information and Independent Advice

The Committee has the authority, subject to the law, to require access to any information, document, report or material in the possession of any employee of the Company or any related body corporate, and all employees must comply with such requests from the Committee.

The Committee may, with prior written approval of the Chairman of the Board, obtain such independent legal, financial, and other advice as it considers necessary, with the cost borne by the Company.

Reliance

Audit Committee members are entitled to rely on employees of the Company or professional advisers or consultants engaged by the Committee or the Company where:

- There are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and

- The reliance was made in good faith and after making an independent assessment of the information.

Review Processes

The Charter, composition and annual agenda for the Committee will be reviewed at least annually. Any changes to this Charter will require the approval of the Board. The Committee will undertake a formal process of self-assessment on an annual basis. The results of this assessment will be communicated to the Board in order to assist the Board in its periodic review of the Committee's effectiveness.