Shareholder Update – Feasibility Study

The board of Champion Iron Limited (ASX: CIA, TSX: CIA) ("Champion" or the "Company") is pleased to advise it is continuing to progress work on the Feasibility Study for the Consolidated Fire Lake North Project in the Labrador Trough, Québec, Canada.

The successful delivery of the full Feasibility Study remains a primary focus for Champion, as a first step to fast-tracking the development of a long-life, low-cost operation yielding 9.3Mtpa of concentrate at 66% Fe.

Mr. David Cataford was recently appointed as the Champion's new Vice President, Engineering. In this role, Mr. Cataford is assuming responsibility for delivering the Feasibility Study.

In addition to adding to the technical staff managing the Feasibility Study, the Company has also benefited from the Québec government's announcement of a series of measures to support mining development in Québec.

Among these measures, the government announced that it will evaluate the need for a new rail link to the Labrador Trough, having set aside C$20 million from its Northern Plan Fund.

A partnership of government and industry has since been established and assigned the responsibility of managing the implementation of the study. This group, of which Champion is a part, has already begun to oversee work contributing to the study for the development of a multiuser rail from the port of Sept-Îles to the Fire Lake North region in Québec.

Champion envisages that the delivery of its own Feasibility Study will be aligned to the time-line being established for the study of the new rail link. Given the significance of the government-sponsored rail study, and the potential this will have to impact materially and positively on Champion's own planning, the board is advising shareholders to expect the Company's Feasibility Study to be completed during the final quarter of calendar 2015.

Champion looks forward to providing a more detailed update as the rail study progresses, including a clearer view of the timing of its delivery.

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ABOUT CHAMPION IRON LIMITED

Champion is an iron exploration and development company with offices in Montreal, Toronto and Australia, and is focused on developing its significant iron resources in the Labrador Trough in the province of Québec. Champion holds a 100% interest in the Fermont Iron Holdings, including its flagship Consolidated Fire Lake North Project, that is located in Canada's major iron ore producing district, in close proximity to producing iron mines, existing transportation and power infrastructure.

Consolidated Fire Lake North is located immediately north of Arcelor Mittal's operating Fire Lake Mine and 60 km south of Cliffs Natural Resources Inc.'s Bloom Lake Mine in northeastern Québec. Champion's management and advisory board includes mining and exploration professionals with the mine development and operations experience to build, commission and operate the future Consolidated Fire Lake North mine.

This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about planned operations at the Company's projects, including its joint venture projects. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risks identified in Champion's annual information forms, management discussion and analysis and other securities regulatory filings by Champion on SEDAR (including under the heading "Risk Factors" therein). There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward- looking information. All of Champion's forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of Champion's management and information available to

management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of its forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

This press release has been prepared by Champion Iron Limited and no regulatory authority has approved or disapproved the information contained herein.

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