

Champion Announces Early Warning Report on Its Cartier Iron Holdings

MONTREAL and TORONTO (CANADA), October 17, 2014: CHAMPION IRON LIMITED (ASX: CIA, TSX: CIA) announces that on October 17, 2014 its wholly owned subsidiary Champion Iron Mines Limited ("Champion") acquired 6,176,471 units ("Units") of Cartier Iron Corporation ("Cartier Iron") at \$0.17 per Unit pursuant to the conversion of \$1,050,000 of debt owed by Cartier Iron to Champion (the "Debt Conversion") and it also received 1,000,000 common shares of Cartier Iron pursuant to the Gagnon Holdings Option and Joint Venture Agreement executed by both Champion and Cartier Iron on December 10, 2012 (collectively, the "Transactions"). All of the common shares issued by Cartier Iron in the Transactions are subject to a four (4) month hold period.

Pursuant to the Debt Conversion, each Unit of Cartier Iron consists of one common share and one half of one common share purchase warrant with each full warrant exercisable into one common share at an exercise price of \$0.22 subject to an expiry on the earlier of: i) 18 months from the date of issue; or ii) if the average closing price of Cartier Iron's common shares on the Canadian Securities Exchange, or such other stock exchange on which Cartier Iron's common shares are listed and posted for trading, is greater than \$0.40 per common share for a period of 20 consecutive business days (following the expiry of the initial regulatory hold period under National Instrument 45-102 – Resale of Securities), the date which is 10 calendar days (or such longer period as the Issuer may provide) from the date on which written notice is given by Cartier Iron to the warrant holders by ordinary mail by depositing notice thereof in the mail after Cartier Iron has issued a news release in respect of such acceleration.

Early Warning

Champion has acquired the Cartier Iron common shares in the Transactions for investment purposes and has reserved the right to acquire additional securities of Cartier Iron. Depending upon its evaluation of the business, prospects and financial condition of Cartier Iron, the market for Cartier Iron's securities, general economic and tax conditions and other factors, Champion may acquire more securities of Cartier Iron and, subject to certain limitations on transfer, may sell its holdings of Cartier Iron securities. Following these Transactions, Champion holds 11,019,971 common shares of Cartier Iron, representing approximately 37.42% of the issued and outstanding common shares of Cartier Iron. Further details regarding the early warning report may be obtained from the Early Warning Report filed in respect of the Transactions under Cartier Iron's profile on www.sedar.com.

Michael O'Keeffe
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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.

For additional information on Champion Iron Limited, please visit our website at www.championiron.com.

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 Champion'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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