Champion Iron to participate in Government Feasibility Study for new Labrador Trough rail line

Sydney, 24 July 2014: The board of Champion Iron Limited (ASX: CIA, TSX: CIA)("Champion" or the "Company")is pleased to advise shareholders that the Company will participate in the Québec Government's feasibility study regarding a new rail link between the Port of Sept-Îles and the Labrador Trough. The rail link is intended to reach ports to service global demand for the region's iron ore and will serve to facilitate and enhance Québec -based miners' ability to service world markets.

This week, the Secrétariat au Plan Nord announced a request for interest to Champion and other mining companies in the region interested in contributing to a feasibility study regarding the new rail link. The Québec government will make a financial contribution for the realization of this study of up to $20 million, as announced last June concurrently with the tabling of the 2014-2015 budget.

The project will be done in cooperation with the Société du Plan Nord, the agency responsible for coordinating economic development of the North.

On confirming the Company's intent to participate in the study, Champion's Chairman Mr Michael O'Keeffe said, "The Québec government has set aside a maximum of $20 million from its Northern Plan Fund to contribute to a study that will consider the concerns of all potential rail link users and in doing so ensure a multi-user system favouring the conclusion of joint investment. Champion Iron intends to be a part of this significant initiative".

In June this year, Champion welcomed the decision by the Ministère des finances du Québec to commit to the funding of a feasibility study to determine the optimum rail option of a new rail link for iron ore miners in the Labrador Trough.

The Company has been a strong advocate of, and an active participant to, the multi-user rail feasibility study and looks forward to proactively supporting the government and the industry in Québec and will express its interest in participating through a formal response to the Secrétariat au Plan Nord by the end of July, 2014.

Michael O'Keeffe
Executive Chairman

For further information please contact:

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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 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) and the risk that the Arrangement may not be completed or, if the Arrangement is completed, uncertainties regarding the

combination of Champion and Mamba and the ability to realize growth opportunities. 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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