Initial Mineral Resource Announced for Champion Iron's Penguin Lake Deposit, Currently Under Option to Cartier Iron in the Southern Labrador Trough

- Cartier Iron Corporation outlines 531.2 million tonnes grading 33.1% total Iron of In-pit Inferred Mineral Resources at the Penguin Lake Project
- Additional exploration target potential estimated to be in excess of a further 800 million tonnes
- Penguin Lake hosts the largest iron resource in the southern Gagnon Terrane

TORONTO, ONTARIO–(Marketwired – Dec. 19, 2013) – CHAMPION IRON MINES LIMITED (TSX:CHM) (FRANKFURT:P02) ("Champion" or the "Company") reports that Cartier Iron Corporation ("Cartier Iron") earlier today announced an initial Mineral Resource Estimate ("MRE") for the Penguin Lake Project ("Penguin Lake") located within what Cartier Iron refers to as the recently consolidated Round Lake Property, one of the Gagnon Holdings referred to by Champion as "Cluster 3". The Gagnon Holdings are currently being explored pursuant to an option agreement with Champion whereby Cartier Iron was granted the right to earn a 65% interest in the iron-rich mineral concession (see Champion's press release dated December 10, 2012).

As reported by Cartier Iron, the MRE reported 531.1 million tonnes grading 33.1% Total Iron ("FeT") of In-pit Inferred Resources at a 15% FeT cut-off grade. The MRE was completed by Abder Ladidi, P. Geo., an independent QP of MRB & Associates ("MRB") of Val-d'Or, Québec, based on 10 drill holes totalling 3,315 m, completed by Cartier Iron between January 16th and February 23rd, 2013. A summary of the Mineral Resource Estimate and resource estimation methodology can be found in Cartier Iron's press release dated December 19, 2013, which is available on their corporate website at www.cartieriron.com and is also be posted under Cartier Iron's filings at www.sedar.com.

The 10 drill holes that define the MRE drilled only the southern portion of the deposit. The deposit occurs in the form of a multiply refolded tightly overturned synform that produces a bowl-like shape of shallow dipping iron formation host rock. No recent drilling has been completed in the northern portion of the deposit however, the strong correlation of magnetic response to where iron formation surfaces and a historic drill hole located in the NW portion of the deposit allow for projection of the modelled iron formation and an estimate of the exploration target potential1. The interpreted 3D model of iron formation includes an additional 700 to 900 million tonnes of similar grade as suggested by the current Inferred Resource, predominantly in the undrilled portion of the deposit to the north and northwest where additional resources might be identified.

Thomas Larsen, Champion's President and C.E.O. commented, "I would like to echo the comments made earlier by Cartier Iron's President John Langton and state that this inaugural drilling campaign was indeed an unqualified success. With the ten-fold increase of the historic resource, the updated resource makes the Penguin Lake deposit the largest iron resource in the southern Gagnon Terrane in the southern Labrador Trough. It is significant to note that the current resource comprises less than half of the modelled bowl-shaped deposit, pointing to a huge upside resource potential in the areas to the north and west, where the iron formation is interpreted to re-surface."

Cartier Iron also reported that additional work in the near-term at Penguin Lake will include metallurgical studies followed by a Preliminary Economic Assessment to establish the parameters required for the future development of the project.

ABOUT CHAMPION IRON LIMITED

Champion is an iron exploration and development company with offices in Montreal and Toronto, and is focused on developing its significant iron resources in the Labrador Trough in the provinces of Québec and Newfoundland & Labrador. Champion holds a 100% interest in the Fermont Iron Holdings located in Quebec.

Champion's Fermont Iron Holdings, including its flagship Consolidated Fire Lake North Project, are located in Canada's major iron ore producing district, in close proximity to five 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.

The technical information in this news release was prepared by John Langton, P. Geo. and a Qualified Person under NI 43-101 standards.

For additional information on Champion, 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 mineral resource estimates and planned operations at the Company's projects, including its Fire Lake North Project. 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 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 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.

1 Exploration Target Potential is not a Mineral Resource. There is insufficient work completed to estimate the quantity and grade or quality of the exploration target on the basis of geological evidence and sampling. There is no guarantee that further exploration will define additional mineral resources from any portion of the exploration target potential.

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