## RETRANSMISSION: Champion Enters Into Arrangement Agreement With Mamba

TORONTO, ONTARIO–(Marketwired – Dec. 6, 2013) – Champion Iron Limited (TSX:CHM)(FRANKFURT:P02) ("Champion" or the "Company") is pleased to announce that Champion and Mamba Minerals Limited (ASX:MAB) ("Mamba") have entered into a definitive arrangement agreement (the "Agreement") pursuant to which Mamba, together with a wholly-owned Canadian subsidiary of Mamba ("Canco") will acquire, by way of a court-approved plan of arrangement (the "Arrangement"), all of the outstanding common shares of Champion.

The business combination once completed will create a new iron ore company to be named "Champion Iron Limited" with a significant holding in one of the world's leading iron ore regions and a team of management and directors with a track record for attracting strategic investment into major resource projects. The resulting company will continue to be listed on the Australian Stock Exchange ("ASX") and it is a condition of closing of the Arrangement that Mamba's shares be listed for trading on the Toronto Stock Exchange ("TSX") as of the effective date, thereby providing it access to both the North American and Australian markets.

# TRANSACTION HIGHLIGHTS

- Champion shareholders will be entitled to receive 11 ordinary shares of Mamba ("Mamba Shares") in exchange for every 15 common shares of Champion (the "Exchange Ratio")
- Certain Champion shareholders who are Canadian residents will also have the option to receive all or a part of their consideration in the form of exchangeable shares ("Exchangeable Shares") of Canco in place of the Mamba Shares in order to allow such shareholders to defer recognition of capital gains. Each Exchangeable Share will be exchangeable, at no additional consideration, into one Mamba Share
- The offer values Champion at approximately C$0.39 per share or C$59.8 million on a fully diluted in-the-money basis as at December 5, 2013
- Based on the 20 day volume weighted average price ("VWAP") for the period ending December 5, 2013 for Mamba and Champion of A$0.52 and C$0.21, respectively, the offer represents a premium to Champion shareholders of 72%
- Upon completion of the Arrangement, Champion shareholders will own approximately 50.5% of Mamba's pro forma issued share capital on a fully diluted in-the-money basis
- Mamba will undertake an equity financing of at least A$10 million to be completed immediately following the effective date of the Arrangement at a price of no less than A$0.50/share
- The pro forma company will have a cash balance of approximately C$25 million
- Closing of the transaction is subject to regulatory approvals and is expected in April 2014

# CONCURRENT EQUITY FINANCING

Mamba will undertake an equity financing ("Concurrent Financing") based on the combined strengths of Champion and Mamba, which will serve to strengthen the combined company's balance sheet and provide financial flexibility with its development plans. It is a condition to the Arrangement that irrevocable firm commitments acceptable to both parties for at least A$10 million be secured by Mamba prior to the effective date of the Arrangement at no less than A$0.50/share. The Concurrent Financing is intended to close immediately after the effective date of the Arrangement.

Capital Investment Partners has been mandated by Mamba to raise the A$10 million via a private placement to selected strategic institutional investors. Funds raised will assist the company to complete a bankable feasibility study ("BFS") on the Consolidated Fire Lake North Project, which will include additional infill drilling and working capital.

# TRANSACTION BENEFITS FOR CHAMPION SHAREHOLDERS

- Strengthened balance sheet: The Arrangement and concurrent equity raise will strengthen the combined company's balance sheet as well as provide sufficient funding for the completion of the BFS on the Consolidated Fire Lake North Project
- Immediate and significant offer premium: Exchange Ratio implies an offer premium to Champion shareholders of 72% based on 20 day VWAP prices of Mamba and Champion
- Addition of key mining executives and directors with a proven track record:Addition of Michael O'Keeffe as Executive Chairman significantly enhances the combined company's ability to bring in institutional and strategic investors as well as the capital required to advance the Fire Lake North Project through construction and commercial production
- Exploration upside from the Snelgrove Lake Project: The Snelgrove Lake Project is a highly prospective iron ore project located in the Labrador Trough with excellent access to infrastructure and the potential for both a hematite and multi-billion tonne magnetite project
- Broadens investor base: Provides the new company access to a larger base of institutional and retail investors in North America, Australia and Asia

Commenting on the Arrangement, Champion's President, CEO and Chairman, Thomas Larsen, said, "This merger represents an excellent opportunity for Champion shareholders to realize immediate and substantial value by exchanging their Champion shares for Mamba shares and yet retain the opportunity to participate in the development of the Consolidated Fire Lake North project. Mr. O'Keeffe and his team at Mamba have an outstanding track record in developing and financing bulk commodity infrastructure projects, and I am excited at the opportunity to work with Mr. O'Keefe to deliver the significant value and potential that we confirmed in the Consolidated Fire Lake North Project."

Mamba's Managing Director, Michael O'Keeffe, said, "The Labrador Trough represents one of the world's leading iron ore regions and I am looking forward to building on the success of Mr. Larsen and his team at Champion who have taken the Consolidated Fire Lake North Project through to prefeasibility. Our immediate focus will be on upgrading the 2013 prefeasibility study to a bankable feasibility study, which is expected to be completed within 12 months. At the same time we will be positioning the merged group to be able to access or develop the infrastructure required to fund and put this project into production, and there is a real opportunity here to join the ranks of Canada's existing iron ore producers."

Key Management

Mamba's Chairman Michael O'Keeffe will transition to Executive Chairman of the combined company to help progress the development of the Consolidated Fire Lake North Project. Thomas Larsen, the current President, CEO and Chairman of Champion, will become the CEO of the combined company.

Immediately following completion of the proposed Arrangement, the resulting entity's Board of Directors would comprise of eight directors, which will include five nominees from Champion and three nominees from Mamba. Mamba proposes that key Champion management wishing to continue with the merged company be offered on-going positions.

Michael O'Keeffe (proposed Executive Chairman)

- Mr. O'Keeffe is the Chairman of Mamba and has significant experience in growing mining resources companies
- Executive Chairman of Riversdale Mining Limited ("Riversdale") from 2004 to 2011
- Led the development of Riversdale from a junior with a market cap of A$7 million until it was acquired by Rio Tinto for A$4 billion
- During his period at Riversdale, Mr. O'Keeffe raised approximately A$780 million for Riversdale
- Managing Partner of Glencore Australia (Pty) Limited from 1995 to 2004
- Responsible for Glencore's Australian acquisitions, of which a large component was vended into Xstrata at the time of listing on the LSE
- Increased Glencore's market share in Australia and southeast Asia, growing the turnover from US$100 million to US$2.4 billion
- Held a series of senior operating positions at Mt Isa Mines from 1975 to 1994, rising to the Executive Management level in commercial activities

Thomas Larsen (proposed CEO and Director)

- Mr. Larsen was appointed President and CEO of Champion in 2006 and has considerable experience developing mining companies
- Established Champion and led its development from a junior exploration company with a market cap of approximately C$5 million to build one of the largest iron ore deposits in Canada's Labrador Trough
- Raised substantial financing for Champion to effectively fund its development activity
- Mr. Larsen has over 30 years of experience in the investment industry, specializing in corporate finance and management of junior mining companies, raising in excess of C$150 million to date
- Prior to founding Champion, Mr. Larsen held senior executive positions at a number of junior resource companies, where he was also involved in corporate finance and management activities
- Mr. Larsen is a director of Bear Lake Gold Ltd. and Eloro Resources Ltd.

# TRANSACTION SUMMARY AND MECHANICS

Under the Arrangement, Mamba will acquire 100% of the outstanding common shares of Champion. Champion shareholders will receive 11 Mamba ordinary shares for every 15 Champion common shares they hold. The Arrangement will also provide for the issuance by Mamba of replacement stock options to holders of outstanding Champion options on similar terms as adjusted by the Exchange Ratio.

Subject to requisite shareholder approvals, Mamba will convert the existing 32 million Mamba performance shares into ordinary shares at a rate of 1 for 10.

The Arrangement will be carried out by way of a statutory plan of arrangement pursuant to the Business Corporations Act

(Ontario) and must be approved by the Ontario Superior Court of Justice (Commercial List) and the affirmative vote of Champion's shareholders and optionholders at a special meeting to be called by the Company. At the special meeting, the Arrangement will require approval of (a) Champion shareholders holding at least 66 2/3% of the common shares, voting in person or by proxy; (b) Champion shareholders and optionholders holding at least 66 2/3% of the common shares and options represented at the meeting, voting together in person or by proxy; and (c) a majority of the minority, in accordance with National Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

The directors and senior officers of Champion, holding in aggregate approximately 7.4% of the fully diluted shares of Champion, have entered into voting agreements with Mamba, pursuant to which they have agreed to vote their securities (including options) in favour of the Arrangement.

The Arrangement is also subject to receipt of court and any necessary regulatory or exchange approvals. The Arrangement is not subject to due diligence.

Mamba shareholder approval will also be required in respect of various aspects of the transaction, including the issuance of Mamba securities pursuant to the Arrangement and the 1 for 10 consolidation of Mamba's performance shares. Mamba directors holding 7% of the undiluted capital of Mamba have confirmed their intention to vote in favour of the necessary shareholder resolutions to support the Arrangement.

The Arrangement is expected to close in April 2014, shortly after receipt of all security holder and court approvals. Pursuant to the terms of the Arrangement, it is expected the shares of Champion will be de-listed from the TSX as at the closing of the Arrangement. As noted above, it is a condition of closing of the Arrangement that Mamba's shares be listed for trading on the TSX as of the effective date of the Arrangement.

Champion shareholders and other interested parties are advised to read the materials relating to the proposed Arrangement that will be filed with or furnished to securities regulatory authorities in Canada when they become available, as they will contain important information. Anyone may obtain copies of these documents when available free of charge under Champion's profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com. This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell the shares of Champion or a solicitation of a proxy.

Each of Champion and Mamba has agreed to non-solicitation provisions, which provide for a "fiduciary-out", subject to a right to match, in the event either Champion or Mamba receives a superior proposal. In addition, in certain circumstances, if one of the parties' boards of directors authorizes it to enter into an agreement with a third party or to complete a transaction with a third party in connection with a superior proposal, a termination fee of C$1,000,000 may be payable by either Champion or Mamba, as applicable, pursuant to the terms of the Agreement.

A special committee of Champion's board of directors comprised of three directors independent of the transaction considered the Arrangement. The special committee received the opinion of its financial advisor, Canaccord Genuity Corp., that the consideration offered under the Arrangement is fair to the shareholders of Champion, from a financial point of view. Following the receipt of such opinion, the special committee determined that the Arrangement is fair to Champion's shareholders and optionholders and is in the best interests of Champion. The special committee recommended that the board of directors of Champion approve the Arrangement and the Champion board of directors, after receiving the recommendation of the special committee and in consultation with its financial and legal advisors, unanimously determined that (i) the Arrangement is fair to Champion's shareholders and optionholders and in the best interests of Champion, and (ii) Champion shareholders and optionholders should vote in favour of the Arrangement at the special meeting to be held to approve the Arrangement.

In addition, the board of directors of Champion has elected to defer the "Separation Time" (as defined in the shareholder rights plan agreement dated June 30, 2011 between Champion and Equity Financial Trust Company (the "Shareholder Rights Plan")) until the earlier of (i) such date as may be determined in good faith by the board of directors prior to the time any person becomes an "Acquiring Person" under the Shareholder Rights Plan or (ii) unless otherwise determined by the board of directors, the day immediately prior to the date on which an "Acquiring Person" becomes such.

# OVERVIEW OF THE SNELGROVE LAKE PROJECT

The Snelgrove Lake Project is a 106 km2 property located in Labrador approximately 55 km southeast of the small community of Schefferville, Quebec and 200 km north of the town of Labrador City. The project location is shown below.

To view the Snelgrove Lake Project Location, please visit the following linkhttp://media3.marketwire.com/docs/chm1205-F1.pdf.

Mamba's Reported Highlights of the Snelgrove Lake Project:

- Prominent iron formation with 33 km of indicated strike length and up to 170 m widths with the potential for hematite and a multi-billion tonne magnetite deposit
- Hosted within the Sokoman Formation, which is the main ore bearing horizon within the Labrador West mining district

where a number of iron ore mining companies currently operate
- Samples from the northern half of the Snelgrove Lake Project contain predominately lower grade (30% to 35% Fe) taconite style mineralization, while the Southern part of the property hosts domains of higher-grade iron ore, with grab samples indicating several zones of enriched iron formation in the range of 55 – 64% Fe with the potential to be low-cost hematite similar to Labrador Iron Mines Holdings Limited's adjacent Sawyer Lake Deposit
- Excellent access to infrastructure
- Located 65 km east of a heavy gauge rail connection at Schefferville with available capacity and 565 km from Schefferville to the Port of Sept-Iles
- Low cost hydropower available at C$0.04/kWh from the Menihek Hydropower station located 45 km from the project
- Multiple airborne and ground magnetite and gravity surveys were used to define coexisting geophysical anomalies that were later successfully drilled
- Mamba's winter 2013 three diamond drill holes identified hematite mineralisation in the southern CLC region of the properties to an approximate vertical depth of at least 235 m (Hole MM13-05, 06 and 08) and a true width of 170 m
- Hole MM 13-05 returned an aggregate thickness of 101 m grading at 52% Fe with low alumina and phosphorus
- A 6-hole, 635 m summer 2013 drill campaign intersected hematite mineralisation similar to that identified in hole MM 13-05. Assays are pending
- The summer drill program demonstrated continuous hematite mineralization over 4 km strike length, to at least 100 m deep. A further 1,500 m strike length remains untested
- Polished block mineralogical work currently underway is designed to identify the most probable processing route to market

## OVERVIEW OF THE OPTION AGREEMENT WITH ALTIUS

- Mamba, through its 100% ownership of CIP Magnetite Ltd. ("CIP Mag"), holds an option to acquire Altius' 100% interest in the Snelgrove Lake Project
- As part of the Arrangement, Mamba has negoatiated with Altius to extend the exercise period to acquire a 100% interest in the Snelgrove Lake Project by two years to September 2017
- Exercising the option to acquire a 100% interest in the Snelgrove Lake Project is subject to completion of the following:
- C$6.5 million in exploration spending on the Snelgrove Lake Project by September 2017
- C$6.1 million in exploration expenditures have been incurred by October 31, 2013
- A$5.75 million option payment to Altius to be paid three months following the exercise of the option to acquire the Snelgrove Lake Project
- Granting of a 3% royalty on gross revenues from the Snelgrove Lake Project to Altius

The technical information in this news release pertaining to the Snelgrove Lake Project was reviewed and approved by Mr. Bruce Mitton, P.Geo., Vice-President Exploration for Champion Iron Limited who is a Qualified Person under NI 43-101 standards.

## ADVISORS AND COUNSEL

Champion's financial advisor is Ocean Equities Limited and its legal advisor is Norton Rose Fulbright Canada LLP in Canada and Australia. Canaccord Genuity Corp. is acting as independent financial advisor to the independent special committee of Champion.

Mamba's financial advisor is Capital Investment Partners Pty Ltd. and its legal advisor is Stikeman Elliott LLP in Canada and Ashurst Australia in Australia.

## CONFERENCE CALL INFORMATION

Champion and Mamba will host a joint conference call on Monday, December 9th at 4:00 p.m. Eastern standard time for members of the investment community to discuss the business combination.

The call-in details are as follows:

Local / International: 416-507-9740

North American Toll Free: 1-866-512-0904

Australian Toll Free: 1-800-056435

UK Toll Free: 08-082343489

Switzerland Toll Free: 800345604

Germany Toll Free: 0800-589-4596

Please NOTE that you must enter the PARTICIPANT CODE which is: 7025535#

An updated presentation will be posted to Champion's website atwww.championiron.com immediately prior to the call.

## 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.

## ABOUT MAMBA MINERALS LIMITED

Mamba is an ASX listed company that has recently acquired an option to earn into 100% of the Snelgrove Lake Project, a highly prospective iron ore project located in the Labrador Trough in Newfoundland and Labrador. The Snelgrove Lake Project has excellent access to infrastructure, with potential for both a hematite and multi-billion tonne magnetite project. Initial drilling results reported by Mamba has identified hematite mineralization over a continuous strike length of 4 km, width up to 170 m, vertical depth of 235 m including approximately 100 m averaging 52% Fe and with grades up to 65% Fe.

Mamba has a proven management team led by Michael O'Keefe with significant experience and expertise in bulk material projects comprising former executives of Riversdale Mining Limited and Fortescue Metals Group.

For additional information on Champion Iron Limited, please visit our website atwww.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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