



ASX: CIA

TSX: CIA

Québec Government commits up to \$20m for a Feasibility Study for new Labrador Trough rail line

Sydney, 6 June 2014: The board of Champion Iron Limited (ASX: CIA, TSX: CIA) ("Champion" or "CIA") welcomes the decision by the Ministère des Finances Québec to commit up to \$20 million towards 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 to access global markets.

In tabling the Budget 2014-2015 this week, the Quebec Finance Minister Carlos Leitão announced a series of actions and measures to support mining development in Québec. Among these measures, the government has announced that it will evaluate the need for a new rail link to the Labrador Trough to determine the optimum features of the new infrastructure.

The government has set aside a maximum of \$20 million from its Northern Plan Fund to contribute to a study to determine the optimum rail option for iron ore miners in the Labrador Trough region to reach ports to service international markets competitively.

It is intended that these funds be allocated towards evaluating the anticipated transportation needs between the Labrador Trough and the port of Sept-Îles. The study will consider the concerns of all potential users and in doing so ensure a multi-user system favouring the conclusion of joint investment.

Champion's Chairman Mr Michael O'Keeffe said this is a significant decision that will lead to the creation of jobs and investment. "It will stimulate further investment into the region and help to establish Quebec as a region of international significance for the mining industry".

"At a time of uncertainty in investment markets regarding the outlook for iron ore, this decision will be seen as a defining point in the history of the mining industry in Quebec. The government should be congratulated on its commitment to promote an initiative conducive to increased employment and new investment," Mr O'Keeffe said.

Champion's CEO Mr Thomas Larsen added that the company was very pleased that the Quebec government has taken the initiative to move forward with a feasibility level multi-user rail study.

"This multi-user rail initiative, combined with the financial and operational expertise that Champion has after its recent merger, provides the company with a potentially clearer path towards the eventual delivery of product to the port of Sept-Îles in a competitive and cost efficient manner," Mr Larsen said.

There is a high level of interest in the Labrador Trough as the world's major steel industry groups already see the potential of the region to supply high quality iron ore product, with a range of listed and private iron ore groups active in the region including Champion Iron.

The Labrador Trough hosts one of the world's largest iron ore accumulations, with annual production of some 50 million tonnes. Global majors including Arcelor Mittal and Rio Tinto have assets in the region, and WISCO, Mitsubishi, Posco, Tata Steel, Cliffs Natural Resources, Alderon Iron Ore, China Steel and Hebei Iron & Steel are also involved in joint venture partnerships in the wider region.

The Quebec government's Feasibility Study on a new rail line to reach ports to service global demand will serve to facilitate and enhance Quebec based miners' ability to deliver to world markets.

Michael O'Keeffe
Executive Chairman

For further information please contact:

Michael O'Keeffe, Executive Chairman at Tel: +612 9810 7816
Thomas Larsen, CEO and Director at Tel: (416) 866-2200.

Media & Investor Enquiries, please contact:

Fortbridge +612 9003 0477
Bill Kemmery +61 400 122 449 or bill.kemmery@fortbridge.com

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.. 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.

Champion Iron Limited ABN 34 119 770 142)

First Floor, 91 Evans St, Rozelle NSW 2039

PO Box 881, Rozelle NSW 2039

T: +61 2 9810 7816 F: +61 2 8065 5017 E: enquiries.champion@championiron.com.au