

EARLY WARNING REPORT
Made Pursuant to
National Instrument 62-103

RELATING TO THE ACQUISITION OF SECURITIES IN THE CAPITAL OF
CARTIER IRON CORPORATION

1. Name and address of the offeror:

Champion Iron Mines Limited (the “**Offeror**”)
20 Adelaide Street East, Suite 200
Toronto, Ontario M5C 2T6

2. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file this news release, and whether it was ownership or control that was acquired in those circumstances:

The Offeror acquired: i) 1,000,000 common shares of Cartier Iron Corporation (the “**Issuer**”) through the receipt of share option payments pursuant to the Gagnon Holdings Option and joint venture agreement entered into by the Offeror and the Issuer on December 10, 2012 (the “**Option Agreement**”), and ii) 6,176,471 units (“**Units**”) through the conversion of \$1,050,000 of debt owed by the Issuer to the Offeror, at a deemed value of \$0.17 per Unit (the “**Debt Conversion**”) (collectively, the “**Transactions**”). Each Unit consists of one common share of the Issuer 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 the Issuer’s common shares on the Canadian Securities Exchange, or such other stock exchange on which the Issuer’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 the Issuer to the holder by ordinary mail by depositing notice thereof in the mail after the Issuer has issued a news release in respect of such acceleration.

Prior to the Transactions, the Offeror owned 3,843,500 common shares of the Issuer.

3. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file this news release:

Immediately after the Transactions, the Offeror owns 11,019,971 common shares of the Issuer representing approximately 37.42% of the issued and outstanding common shares of the Issuer. Assuming the exercise of the Offeror's common share purchase warrants and no other warrants, the Offeror would acquire an additional 3,088,235 common shares of the Issuer, thereby increasing its holdings to 14,108,206 common shares representing approximately 43.36% of the partially diluted issued and outstanding common shares of the Issuer.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the securities of the class of securities referred to in paragraph 3 over which:

(a) the offeror, either alone or together with any joint actors, has ownership and control:

Following the Transactions, the Offeror has ownership of 11,019,971 common shares of the Issuer representing approximately 37.42% of the issued and outstanding common shares of the Issuer. The Offeror also has ownership of 3,088,235 common share purchase warrants, which if exercised with no other warrants being exercised would increase the Offeror's holdings to 14,108,206 common shares representing approximately 43.36% of the partially diluted issued and outstanding common shares of the Issuer.

(b) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor:

Not applicable

(c) the offeror, either alone or together with joint actors, has exclusive or shares control but does not have ownership:

Not applicable

5. The name of the market in which the transaction or occurrence that gave rise to this news release took place:

Not applicable.

6. The value, in Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:

The consideration for the Units received pursuant to the Debt Conversion was valued at \$0.17 per Unit.

7. The purpose of the Offeror and any joint actors in effecting the transaction or occurrence that gave rise to this report, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:

The Offeror has acquired the Issuer's common shares in the Transactions for investment purposes and has reserved the right to acquire additional securities of the Issuer as described below. Depending upon an evaluation of the business, prospects and financial condition of the Issuer, the market for the Issuer's securities, general economic and tax conditions and other factors, the Offeror and/or any joint actor may acquire more securities of the Issuer and subject to certain limitations may sell holdings of securities of the Issuer.

8. The general nature and material terms of any agreement, other than lending arrangements, with respect to the securities entered into by the offeror or any joint actor, and the issuer of the securities or any other entity in connection with the transaction, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:

On December 10, 2012, the Offeror and the Issuer signed a Board Representation and Standstill Agreement (the "**Agreement**") whereby, for a period of approximately five (5) years expiring December 31, 2017, the Offeror has the right to nominate one director to the Issuer's board of directors ("**Board of Directors**") and will be restricted from voting in certain circumstances, including not voting against the election of any nominee to the Board of Directors proposed by the Issuer or against any resolutions supported by the Board of Directors, subject to certain exceptions. The Agreement also provides for restrictions on sales of the Issuer's common shares by the Offeror without the Issuer's consent expiring December 31, 2017 and then limited monthly sales thereafter.

9. The names of any joint actors in connection with the disclosure required by this report:

Not applicable

10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:

The aggregate consideration paid for 6,176,471 Units issued pursuant to the Debt Conversion was \$1,050,000 which was paid by offset of debt in that amount. The remaining 1,000,000 common shares were issued pursuant to the Option Agreement.

11. If applicable, a description of any change in any material fact set out in a previous report filed by the entity under the early warning requirements in respect of the reporting issuer's securities:

Not applicable

- 12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.**

Not applicable

DATED this 17th day of October, 2014.

Per: [Signed] "Jorge Estepa"
Name: JORGE ESTEPA, Corporate Secretary (Canada)