

**MATERIAL CHANGE REPORT
Form 51-102F3**

Section 7.1 of National Instrument 51-102

Item 1. Name and Address of Company

CARTIER IRON CORPORATION
20 Adelaide Street East, Suite 200
Toronto, ON M5C 2T6
Telephone: (416) 360-8006
Facsimile: (416) 361-1333

Item 2. Date of Material Change

May 17, 2016

Item 3. News Release (including date and method of dissemination)

A new release was released through the facilities of Marketwired on May 17, 2016 and subsequently filed on SEDAR.

Item 4. Summary of Material Change

CARTIER IRON CORPORATION (“Cartier Iron”) announced that its Gagnon Holdings Option and Joint Venture Agreement (the “Agreement”) with Champion Iron Mines Limited (“Champion”) has been amended to reflect recent changes to the Company’s land holding position in the southern Labrador Trough and a 10% reduction in the Gagnon Holdings property (“Gagnon Holdings”) earn-in, from a 65% interest to a 55% interest.

Item 5. Full Description of Material Change

Cartier Iron announced that its Agreement with Champion has been amended to reflect recent changes to Cartier Iron’s land holding position in the southern Labrador Trough and a 10% reduction in the Gagnon Holdings earn-in, from a 65% interest to a 55% interest.

In order to reduce land maintenance expenditure commitments, Cartier Iron and Champion collaborated to eliminate claims in the Gagnon Holdings demarcated in the Agreement equating to an approximate 40% reduction in the acreage of the original Gagnon Holdings; not including claims that have been added since the signing of the Agreement. As well, Cartier Iron and Champion have agreed to amend the earn-in interest in the Agreement, whereby Cartier Iron will have the option to acquire a 55% interest in the Gagnon Holdings, versus a 65% interest in the original Agreement. As such, with the reduction in acreage and reduced earn-in interest, Cartier Iron and Champion have agreed to a concomitant reduction in required exploration expenditures, from \$6.0M to \$3.05M, in order for Cartier Iron to fulfil its earn-in obligations, as defined in the Agreement. Cartier Iron has expended sufficient funds to satisfy the revised exploration expenditure requirement in the amended Agreement.

Additionally, a portion of the \$250,000 payment due by Cartier Iron on December 10, 2015 has been deferred such that \$50,000 has been paid and the remaining balance is

due on December 10, 2016, together with the final payment of an additional \$250,000 (\$450,000 in aggregate). On December 10, 2015, Cartier Iron issued the remaining 500,000 shares of the 2.5 million due to Champion pursuant to the terms of the Agreement.

Cartier Iron and Champion also concurrently executed a Term Loan Agreement, whereby the demand loan due from Cartier Iron to Champion in the amount of \$1,284,716 plus accrued interest was converted to a term loan ("Term Loan") repayable on September 30, 2017 having an interest rate of Libor plus 2%. The Agreement was further amended whereby the full repayment of the Term Loan by Cartier Iron to Champion has been added as a condition in order to fully vest its 55% interest in the Gagnon Holdings.

In agreeing to reduce Cartier Iron's required earn-in expenditure obligations, Champion gave consideration to the exploration-target potential that Cartier Iron has added to the Gagnon Holdings portfolio since 2012:

- Cartier Iron recently staked 25 claims covering 13.3 km² in the vicinity of Lac Silicate and Lac Brutus from ground that recently became available. The claims were staked in order to consolidate the Lac Silicate West (Silicate) and Lac Silicate East (Brutus) iron occurrences, which have a combined volumetric mineral resource potential of between 290 - 480 Mt with an average grade of 29.8% FeT, based on volumetric calculation by Cartier Iron using historic¹ (1961) drilling by Quebec Cartier Mining Co. (see GM67715²);
- Cartier Iron staked the Lac Jeannine tailings that host over 125 Mt grading 9% FeT, the re-processing of which could generate significant cash flow.

Item 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Inquiries in respect of the material change referred to herein may be made to:

Jorge Estepa, Vice President and Secretary-Treasurer
(416) 360-8006.

Item 9. Date of Report

This report is dated as of the 26th day of May, 2016.

¹ All historical Mineral Resource estimates outlined in this disclosure are non-compliant to National Instrument ("NI") 43-101 Mineral Resources and Mineral Reserves standards, and should therefore not be relied upon. A Qualified Person has not done sufficient work to upgrade or classify these Historical Mineral Resources as current NI 43-101 compliant Mineral resources.

² GM67715 Cartier Iron Corp. (2013). Assessment Report on the 2013 Exploration Programme: Silicate-Brutus Property.