

CHAMPION IRON

Champion Iron Completes Sale of \$10 Million Convertible Debenture

Montréal (Québec), Canada, June 1, 2017: Champion Iron Limited (ASX: CIA, TSX: CIA) (“Champion” or the “Company”), is pleased to announce that it has completed the previously announced non-brokered sale of a \$10 million unsecured subordinated convertible debenture (the “Debenture”) to Altius Minerals Corporation (“Altius”). The sale of the Debenture is a component of a CDN\$40 million debt and equity bridge financing which Champion arranged for its subsidiary Quebec Iron Ore Inc. (“QIO”), in connection with the restart of operations at QIO’s Bloom Lake Iron Mine (“Bloom Lake”), located near Fermont, Quebec. Details of the bridge financing were previously disclosed by Champion on May 18, 2017.

The Debenture is convertible at the option of Altius at any time into Champion Ordinary Shares (“Shares”) at a conversion price of \$1.00 per Share. Should Champion and QIO not complete a master financing (“Master Financing”) of a minimum of \$212 million to finance certain Bloom Lake capital expenditures by November 30, 2017, then the conversion price will be adjusted to the lesser of \$1.00 or to the five-day weighted average trading price of the Shares on the TSX determined as of the date of conversion. The maximum number of Shares that may be issued upon conversion of the Debenture is 50,000,000 with the balance of the unconverted principal amount of the Debenture, if any, to be repaid in cash or converted into a proportion of the Royalty (as defined hereinafter) at the option of the Company. If the principal amount is not repaid in full on or before the second anniversary of the Debenture, Altius will have the right to convert the entire outstanding principal amount into a 0.21% gross overriding royalty on the Bloom Lake project (the “Royalty”).

The Debenture has a term to maturity of 12 months and will bear interest at a rate of 8% payable quarterly. Following completion of the Master Financing, the principal amount of the Debenture may be prepaid in whole or in part by the Company subject to a minimum payment representing 6 months of interest.

The Debenture and the Shares that may be issued upon its conversion are subject to a statutory resale restriction until October 2, 2017.

About Bloom Lake

On April 11, 2016, the Company, through its subsidiary QIO, acquired the Bloom Lake assets from affiliates of Cliffs Natural Resources Inc. that were subject to restructuring proceedings under the Companies’ Creditors Arrangement Act (Canada). Québec Iron Ore Inc. is 63.2% owned by the Company, with the remaining 36.8% equity interest owned by Ressources Québec, acting as a mandatory of the Government of Quebec.

The Bloom Lake property is located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Quebec, and 10 km north of the Mount-Wright iron ore mining operation of ArcelorMittal Mines Canada. The Bloom Lake Mine is an open pit truck and shovel operation, with a

concentrator. From the site, iron concentrate can be transported by rail, initially on the Bloom Lake Railway, to a ship loading port in Sept-Iles, Québec.

The Bloom Lake Mine has already been authorized for operation under the federal and provincial environmental authorities. The project was subject to an environmental impact assessment process under Section 31.1 of the Québec Environment Quality Act, which led to the first decree issued by the Quebec government in 2008 authorizing mining activities at the Bloom Lake site. An updated positive Feasibility Study on Bloom Lake has been completed and is available under the Company's profile on SEDAR (www.sedar.com).

The results of the Feasibility Study were announced by Champion on February 16, 2017 (the Release). The Company is not aware of any new information or data that materially affects the information included in the Release and confirms that all material assumptions and technical parameters underpinning the estimates in the Release continue to apply and have not materially changed.

About Champion

Champion is an iron development and exploration company, focused on developing its significant iron resources in the south end of the Labrador Trough in the province of Québec. Following the acquisition of its flagship asset, the Bloom Lake iron ore property, the Company's main focus is to implement upgrades to the mine and processing infrastructure it now owns while also advancing projects associated with improving access to global iron markets, including rail and port infrastructure initiatives with government and other key industry and community stakeholders.

Champion's management team includes professionals with mine development and operations expertise who also have vast experience from geotechnical work to green field development, brown field management including logistics development and financing of all stages in the mining industry.

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For additional information on Champion Iron Limited, please visit our website at www.championiron.com

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