

# CHAMPION IRON

## **Champion Iron subsidiary, Quebec Iron Ore Inc., Granted C\$5.2 Million in Financial Assistance from Government of Quebec’s “Green Fund” for Energy Conversion Projects at its Bloom Lake Mine, Fermont, Quebec**

**Montréal (Québec), Canada, June 5, 2017:** Champion Iron Limited (ASX: CIA, TSX: CIA) (“Champion” or the “Company”), is pleased to announce that its subsidiary Quebec Iron Ore Inc. (“QIO”) has been granted C\$5.2 million in financial assistance from the Government of Quebec’s “Green Fund” in connection with two energy conversion projects at its Bloom Lake Iron Mine (“Bloom Lake”), located near Fermont, Quebec. The grant was announced at the Bloom Lake site, earlier today, by Mr. Pierre Arcand, Minister of Energy and Natural Resources, Minister responsible for the Plan Nord and the Minister responsible for the Côte-Nord region. The announcement also included the participation of Mr. Michael O’Keeffe, Chairman and CEO of Champion and QIO, and it was attended by members of the media and Champion and QIO personnel.

Financial assistance from the Green Fund falls within the framework of the Government of Quebec’s *“EcoPerformance Program under the 2013-2020 Action Plan on Climatic Change”*.

The first energy conversion project at Bloom Lake involves the replacement of a steam boiler which had operated utilizing light fuel oil with an electrode steam boiler in the plant's main boiler room. The new boiler will meet a significant portion of the demand for process steam as well as mid-season heating requirements. The switch from fuel oil to electric heating will not only reduce the fuel consumption of the mine, but also reduce the environmental footprint and operating costs.

The second project involves the installation of an overhead conveyor for the transport of iron ore. The mined ore was historically transported by trucks with a 240 tonne capacity to the crusher and then transported on a conveyor to the storage site. The new overhead conveyor will significantly reduce the use of trucks, thus reducing QIO’s diesel consumption by a projected 3,400,000 litres.

Significantly, the two energy conversion projects will reduce Bloom Lake’s greenhouse gas emissions by 19,689.2 tonnes equivalent CO<sub>2</sub> per year, which is equivalent to removing approximately 5,800 light vehicles from roads annually.

Minister of Energy and Natural Resources, Mr. Pierre Arcand, stated: “With the 2030 Energy Policy, our government has set ambitious targets for the use of less harmful energy sources and the efficiency with which we use them. It is by supporting companies such as Quebec Iron Ore, which already participates fully with our energy transition goals, that we will succeed in developing and modernizing Quebec's economy.”

Michael O’Keeffe, Chairman and CEO of Champion and QIO, added: “This announcement is part of a broad plan to make our facilities more streamlined and energy-efficient in order to minimize our environmental footprint. Our goal is to restart the Bloom Lake Mine and realize on the great potential it has for the benefit of local and indigenous communities, while keeping at the forefront

our respect for the environment with the complicity of our first-time partner, the Government of Quebec."

### **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](http://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](http://www.championiron.com)*

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