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USD180M debt financing positions Bloom Lake Iron Ore Mine for a production restart

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Montréal, Québec, Canada: Champion Iron Limited (ASX: CIA, TSX: CIA) ("Champion" or the "Company") is pleased to announce that they secured debt financing conditional commitments of USD180 million for its subsidiary Québec Iron Ore Inc. ("QIO") from la Caisse de dépôt et placement du Québec ("Caisse") and Sprott Resource Lending ("Sprott"). This financing is part of the restart of Bloom Lake Iron Ore Mine's operations, located near Fermont, Québec.

With the completion and filing of the Bloom Lake Feasibility Study earlier this year, demonstrating that mining operations at Bloom Lake are financially viable, Champion has focused on securing the financing required for the iron ore mine's restart, potentially as early as Q1 2018. Following the completion of the CAD40 million bridge financing announced in May, which included a CAD20 million loan from Sojitz Corporation, QIO and Champion announces it has obtained further debt financing conditional commitments for up to USD180 million to partially fund the costs of resuming the operations at Bloom Lake.

Champion and QIO Chairman and CEO, Michael O'Keeffe, stated, "We recognize and greatly appreciate the confidence and support shown by Caisse and Sprott in providing a key element of the required financing to restart Bloom Lake. We are pleased to be working with the teams at both Caisse and Sprott and look forward to bringing Bloom Lake back into production, which would benefit not just Champion, QIO and its shareholder and investor base, but also the many local and regional interests as we establish ourselves as a significant player in the Labrador Trough."

Dušan Petković, Principal of Sprott, commented, "As one of the largest investors dedicated to the natural resource sector, Sprott is excited to partner with Champion and la Caisse on the restart of Bloom Lake. Our partnership with the Champion team is consistent with our strategy of providing innovative and flexible capital to maximize the value of exceptional projects."

"The innovative restart strategy put forward by the management team, Sprott's vast mining expertise, the quality of the assets and the current market conditions have all come together to bring this mining project to a new level," says Christian Dubé, Executive Vice-President, Québec, at Caisse de dépôt et placement du Québec. "This transaction is aligned with our mining strategy in Québec, which aims to support businesses in this sector at all stages of development, from mineral exploration to the start of operations."

Bloom Lake USD180 million debt financing conditional commitments

The QIO USD180 million total debt financing conditional commitments are comprised of two tranches:

(1) Senior secured financing

A USD80 million 5-year senior secured loan is to be provided by Sprott Private Resource Lending (Collector) LP ("Sprott"), carrying interest at a rate of 7.5% plus the greater of USD 3 month LIBOR and 1% per annum. The terms of this loan will provide for the issuance by Champion to Sprott of 3 million common share purchase warrants, at an exercise price to be determined when the Champion equity raising referred to below is undertaken and in compliance with the requirements of the ASX and TSX and subject to the approval of Champion's shareholders.

(2) Subordinated financing

A USD100 million 7-year subordinated loan to be provided by Caisse de dépôt et placement du Québec or one of its subsidiaries ("Caisse"), carrying interest at a rate of 12% for the first year thereafter at an interest rate linked to the price of iron ore for subsequent years. Caisse will be issued 21 million common share purchase warrants by Champion, at an exercise price to be determined when the Champion equity raising referred to below is undertaken and in compliance with the requirements of the ASX and TSX and subject to the approval of Champion's shareholders.

Each of these debt financings is conditional upon the execution of the definitive documentation and the satisfaction of other customary closing conditions.

As Champion will be responsible for issuing common share purchase warrants to Sprott and Caisse, it will be compensated by Ressources Québec Inc. ("RQ"), a wholly owned subsidiary of Investissement Québec, commensurate with their 36.8% interest in QIO.

One of the conditions of the debt financings requires QIO shareholders, Champion and RQ, to contribute financially to support the resumption of operations at Bloom Lake, which amounts to approximately CAD72 million. The fonds Capital Mines Hydrocarbures (CMH), managed by Ressources Québec, has issued a Letter of Intent to provide for its 36.8% contribution representing approximately CAD27 million, subject to final approval. Champion intends to conduct other equity offerings to raise approximately CAD45 million to fund its contribution.

Shareholders' Approval

Champion intends to obtain shareholders' approval for the issuance of common share purchase warrants as described above at its forthcoming Annual General Shareholders Meeting scheduled to take place in Montreal on August 18, 2017.

Champion and QIO Chairman and CEO Michael O'Keeffe said that securing conditional commitments for the debt financings and the recent Framework Off-Take Agreement signed with Sojitz Corporation were major achievements for the Company and QIO, providing significant support for the re-commencement of commercial operations at Bloom Lake, potentially as early as Q1 2018.

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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.

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

About Sprott

Sprott is an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the US and Asia, the company is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The company also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad and Vancouver and its common shares are listed on the Toronto Stock Exchange under the symbol (TSX:SII). For more information, please visit www.sprottinc.com.

Sprott Resource Lending is a globally recognized leader in natural resource financing and specializes in providing flexible debt solutions to mining companies. Since joining Sprott, the team has financed more than \$1.0 billion in bespoke private debt investments. For more information, please visit www.sprottlending.com.

About Caisse de dépôt et placement du Québec

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at December 31, 2016, it held \$270.7 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. For more information, visit cdpq.com, follow us on Twitter @LaCDPQ or consult our Facebook or LinkedIn pages.

This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this news release that address future activities, events, developments or financial performance constitute forward-looking information. The use of any of the words "will", "expect", "anticipate", "intend", "believe", "plan", "potential", "outlook", "forecast", "estimate" and similar expressions are intended to identify forward-looking information. 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 form, management's discussion and analysis and other securities regulatory filings made 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.