



**CHAMPION ANNOUNCES OFFERING OF SUBSCRIPTION RECEIPTS  
AND FILING OF PRELIMINARY SHORT FORM PROSPECTUS**

**Montréal (Québec), Canada, August 1, 2017:** Champion Iron Limited (ASX: CIA) (TSX: CIA) (the "**Corporation**" or "**Champion**") is pleased to announce that it has filed a preliminary short form prospectus with the securities regulatory authorities in each of the provinces of Canada with respect to a marketed offering of approximately \$50 million (the "**Offering**") of subscription receipts of the Corporation (the "**Subscription Receipts**").

As previously announced on July 12, 2017, Québec Iron Ore Inc. ("**QIO**"), a subsidiary of the Corporation, has received conditional commitments of US\$180 million (the "**QIO Debt Financing**") to partially fund the costs of resuming the operations of the Bloom Lake Iron Ore Mine ("**Bloom Lake**"). One of the conditions of the QIO Debt Financing requires the Corporation and QIO to secure all financing requirements for the Bloom Lake restart. In connection therewith, Champion and Ressources Québec Inc. are required to contribute financially to support the resumption of operations at Bloom Lake by making capital contributions to QIO of approximately \$44.8 million and \$26.2 million, respectively. The Corporation intends to use the net proceeds of the Offering to make such capital contribution to QIO, and for general corporate purposes.

The net proceeds of the Offering will be held in escrow and, upon the satisfaction or waiver of certain conditions, being: (a) the execution of definitive documentation in connection with the QIO Debt Financing and the satisfaction or waiver of all conditions precedent to the availability of the funds thereunder (other than such condition precedents that by their nature are to be satisfied upon closing of the QIO Debt Financing); and (b) the funding of the capital contribution of Ressources Québec Inc.; the net proceeds will be released to the Corporation and holders of the Subscription Receipts will be entitled to receive, without payment of additional consideration or taking of further action, one ordinary share of Champion for each Subscription Receipt held. If these conditions have not been satisfied or waived by September 29, 2017 or if any of the parties to the QIO Debt Financing decides not to proceed with the QIO Debt Financing, then the

Subscription Receipts shall be automatically cancelled and the escrow agent shall remit to holders of the Subscription Receipts an amount equal to the original purchase price plus accrued interest.

The underwriting syndicate for the Offering will be led by RBC Capital Markets, which will act as sole bookrunner, and includes Sprott Capital Partners as co-lead underwriter. The Corporation expects to grant the underwriters an option to purchase additional Subscription Receipts to cover over-allotments, if any, and for market stabilization purposes.

The underwriters intend to market the Offering over the next week and the number of Subscription Receipts to be issued and the issue price will be determined by arm's length negotiations between the Corporation and the underwriters. At that time, the Corporation will announce the final terms of the Offering, execute the underwriting agreement and file the final short form prospectus.

The Corporation will apply to list the Subscription Receipts and the ordinary shares underlying the Subscription Receipts (the “**Underlying Shares**”) on the Toronto Stock Exchange. The Corporation will also apply for quotation of the Underlying Shares on the Australian Securities Exchange. The Offering is expected to close in mid-August, 2017 and is subject to receipt of the prior approval of the Offering by the Toronto Stock Exchange and other customary closing conditions. A copy of the preliminary short form prospectus is available under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

The Offering is being made in all the provinces of Canada. Subject to applicable law and the provisions of the underwriting agreement, the underwriters may offer the Subscription Receipts outside of Canada, including in the United States in reliance on applicable private placement exemptions under United States federal and state securities laws.

No securities regulatory authority has either approved or disapproved the contents of this press release. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. Champion's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The Corporation is not required to and does not intend to seek shareholder approval in relation to the proposed issue of Subscription Receipts or the Underlying Shares.

### **About Champion**

Champion is an iron development and exploration company, focused on developing its significant iron resources in the south end of Labrador Through in the province of Québec. Following the acquisition of its flagship asset, the Bloom Lake iron ore property, the Corporation'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 further information please contact:**

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For additional information on Champion Iron Limited, please visit our website at [www.championiron.com](http://www.championiron.com)

### **Forward-Looking information**

*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 the terms of the Offering, the satisfaction of the escrow release conditions, the use of proceeds, the listing of the Subscription Receipts and the Underlying Shares on the Toronto Stock Exchange and the quotation of the Underlying Shares on the Australian Securities Exchange, and the timing for closing of the Offering as well as 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 preliminary short form prospectus relating to the Offering, 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.*