

CHAMPION IRON

CHAMPION ANNOUNCES CLOSING OF FINANCING ARRANGEMENTS FOR APPROXIMATIVELY CDN\$300 MILLION

Montréal (Québec), Canada, October 16, 2017: Champion Iron Limited (ASX: CIA) (TSX: CIA) (the “**Corporation**” or “**Champion**”) is pleased to announce that it has completed a series of previously announced financing arrangements, raising approximately CDN\$300 million towards the restart of the operations of the Bloom Lake iron ore mine located near Fermont, Québec (“**Bloom Lake**”).

Debt Financings

As previously disclosed, the Corporation, through its subsidiary Québec Iron Ore Inc. (“**QIO**”), recently entered into definitive agreements in connection with (i) a 5-year senior secured loan in the aggregate amount of US\$80 million provided by Sprott Private Resource Lending (Collector), LP (“**Sprott**”) and carrying interest at a rate of 7.5% plus the greater of US dollars 3 month LIBOR and 1% per annum; and (ii) a 7-year subordinated loan in the aggregate amount of US\$100 million provided by CDP Investissements Inc., a wholly-owned subsidiary of Caisse de dépôt et placement du Québec (“**Caisse**”) and carrying interest at a rate of 12% for the first year and thereafter at an interest rate linked to the price of iron ore for subsequent years (collectively, the “**Debt Financings**”). As of October 16, 2017, all of the precedent conditions to the funding of the proceeds under the Debt Financings have been met.

In connection with the Debt Financings, the Corporation issued, as of the date hereof, an aggregate of 3,000,000 ordinary share purchase warrants to Sprott and an aggregate of 21,000,000 ordinary share purchase warrants to Caisse, each warrant entitling its holder to purchase one ordinary share of Champion at a price of CA\$1.125, as approved by the shareholders of Champion on August 18, 2017.

Fonds Capital Mines Hydrocarbures (CMH)

Concurrently with the closing of the Debt Financing, the *Fonds Capital Mines Hydrocarbures* (“**CMH**”), managed by Ressources Québec Inc., funded its CDN\$26.2 million equity contribution to QIO.

Subscription Receipt Offering

Further to the previously announced non-brokered sale of a CDN\$31.2 million subordinated unsecured mandatory convertible debenture to Glencore International AG, the completion of the Debt Financing and the funding of the contribution of CMH, the conditions precedent to the release of the net proceeds of the public offering of subscription receipts (the “**Subscription Receipts**”) completed in September 2017 (the “**Offering**”) have been met. Accordingly, the net proceeds of the Offering, in an amount of CDN\$18,312,980.97 have been released to the Corporation and the 21,033,508 Subscription Receipts issued by the Corporation will be automatically exchanged in accordance with their terms on a one-for-one basis for ordinary shares of Champion, effective as of the date hereof. Trading in the Subscription Receipts (TSX: CIA.R) will be halted effective immediately and the Subscription Receipts will be delisted at the close of business today.

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 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.

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For additional information on Champion Iron Limited, please visit our website at 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 release of the net proceeds of the Offering to the Corporation, the expected restart date of Bloom Lake 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 final 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.