

Champion Iron Limited: Announces Final Closing of Prospectus Offering

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MONTREAL, September 29, 2017 - [Champion Iron Limited](#) (ASX: CIA) (TSX: CIA) (the "Corporation", or "Champion") announces that it has closed the balance of its previously announced public offering (the "Offering") of subscription receipts (the "Subscription Receipts"), pursuant to which 8,027,508 additional Subscription Receipts were issued at a price of \$0.90 per Subscription Receipt (the "Offering Price") for additional gross proceeds of \$7,224,757.20.

Together with the partial closing of the Offering which was completed on September 25, 2017, the Corporation has issued 21,033,508 Subscription Receipts for aggregate gross proceeds of \$18,930,157.20.

The Offering was conducted through a syndicate of dealers led by RBC Capital Markets, as sole bookrunner, and Sprott Capital Partners, as co-lead dealer, that includes BMO Capital Markets, National Bank Financial Inc., Scotia Capital Inc., Desjardins Capital Markets and Macquarie Capital Markets Canada Ltd. (collectively, the "Dealers").

The Subscription Receipts will begin trading on the Toronto Stock Exchange under the symbol "CIA.R" on September 29, 2017.

As previously announced on July 12, 2017, August 1, 2017, August 28, 2017, September 7, 2017 and September 25, 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, QIO's equity shareholders, namely 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 proceeds from the non-brokered sale of US\$25 million (approximately \$31 million) principal amount of subordinated unsecured mandatory convertible debenture (the "Debenture") to Glencore International AG, as well as the net proceeds of the Offering to make such capital contribution to QIO, further to which any remaining amount received from the Offering and the sale of the Debenture would be used for general corporate purposes.

The net proceeds of the total Offering will be held in escrow and, upon the satisfaction or waiver of certain conditions (the "Escrow Release 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 conditions precedent which, by their nature, are to be satisfied upon closing of the QIO Debt Financing or upon satisfaction or waiver of the Escrow Release Conditions); 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 October 16, 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.

A "related party" of the Corporation participated in the Offering and purchased 4,444,444 Subscription Receipts. Participation of such "related party" in the Offering constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to such related party nor the consideration being paid by such related party exceeds 25% of the Corporation's market capitalization. None of the Corporation's directors has expressed any contrary views or disagreements with respect to the foregoing. The Corporation did not file a material change report 21 days prior to the closing of the Offering as the details of the participation of related parties had not been confirmed at that time.

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.

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.

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 sale of the Debenture, the satisfaction of the escrow release conditions, the use of proceeds, the expected restart date of Bloom Lake as well as future activities, events, developments or financial performance constitute forward-looking information. The definitive documentation for each of the sale of the Debenture and the QIO Debt Financing has not been finalized, and the terms may be subject to changes, and may differ from the summary terms disclosed in this press release. 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.

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