

# CHAMPION IRON

## CHAMPION ANNOUNCES ENTERING INTO DEFINITIVE AGREEMENTS FOR PREVIOUSLY ANNOUNCED FINANCING ARRANGEMENTS

**Montréal (Québec), Canada, October 11, 2017:** Champion Iron Limited (ASX: CIA) (TSX: CIA) (the “**Corporation**” or “**Champion**”) is pleased to announce that it has entered, through its subsidiary Québec Iron Ore Inc. (“**QIO**”), into definitive agreements in connection with its previously announced debt financing by way of secured loans by each of Sprott Private Resource Lending (Collector), LP (“**Sprott**”) and CDP Investissements Inc., a wholly-owned subsidiary of Caisse de dépôt et placement du Québec (“**Caisse**”), for an aggregate amount of US\$180 million (collectively, the “**Debt Financings**”).

The closing of the transactions under each of the definitive Debt Financing agreements, and the funding of the proceeds thereunder, are conditional upon the satisfaction of certain closing conditions, including, with respect to the funding of the initial advance under the Caisse Debt Financing transaction, the contribution by *Fonds Capital Mines Hydrocarbures* (CMH), managed by Ressources Québec Inc., of its CA\$26.2 million equity contribution to QIO, the non-brokered sale to Glencore International AG for the previously announced US\$25 million subordinated unsecured mandatory convertible debenture as well as the release to the Corporation, and further contribution to QIO, of the net proceeds of the subscription receipts public offering (the “**Offering**”) which was completed on September 29, 2017, as previously announced by the Corporation.

The Corporation is now working to expeditiously satisfy such conditions in order to use the proceeds of these financing arrangements as previously disclosed by the Corporation, including, principally, for the restart of the operations of the Bloom Lake iron ore mine located near Fermont, Québec (“**Bloom Lake**”).

### *Debt Financings*

As previously disclosed by the Corporation, the Debt Financings are comprised of (i) a 5-year senior secured loan in the aggregate amount of US\$80 million provided by 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 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.

Under the terms of the definitive Debt Financing agreements, Sprott will be issued a total of 3,000,000 ordinary share purchase warrants of Champion and Caisse will be issued a total of 21,000,000 ordinary share purchase warrants of Champion, each of which will entitle 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.

### **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 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 closing of the Debt Financing transactions, the sale of the Debenture, the contribution by Fonds Capital Mines Hydrocarbures, 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.*