Champion Iron Announces US$25 Million Financing and Off-Take Arrangements with Glencore in Connection with the Bloom Lake Mine Restart and Provides an Update on its Prospectus Offering

Montréal (Québec), Canada, August 28, 2017: Champion Iron Limited (ASX: CIA) (TSX: CIA) (the "Company", or "Champion") is pleased to announce that it has secured a conditional financing commitment of US$25 million (approximately C$31 million) from Glencore International AG ("Glencore") for the non-brokered sale of a subordinated unsecured mandatory convertible debenture (the "Debenture") on a private placement basis. This financing commitment is entered into in connection with the restart of operations at the Bloom Lake Iron Mine ("Bloom Lake") of Champion's subsidiary Québec Iron Ore Inc. ("QIO") located near Fermont, Quebec. The commitment also contemplates that QIO and Glencore will enter into an off-take agreement with fixed terms for 10 years.

As a result, Champion is reducing the expected size of its previously announced public offering of subscription receipts (the "Subscription Receipts") from approximately C$50 million to up to C$20 million (the "Prospectus Offering").

TRANSACTION HIGHLIGHTS

- The Debenture will have a term to maturity of 8 years and bear interest at a rate of 12% for the first year and thereafter will bear interest at the same rate as the subordinated debt expected to be provided by Caisse de dépôt et placement du Québec and previously announced by the Company.
- The Debenture can be converted at any time into ordinary shares of Champion at Glencore's option at a conversion price that reflects a 25% premium above the price of the Subscription Receipts offered under the Prospectus Offering.
- The Debenture will include a mandatory conversion clause at a conversion price of C$0.85 per share which may be triggered by the lenders under the total US$180M previously announced loan facilities of QIO ("Forced Conversion"), provided that such Forced Conversion may not have the effect of causing Glencore to own 20% or more of the ordinary shares of Champion.
- Glencore secures global off-take rights for life-of-mine with fixed commercial terms for a 10-year period for all tonnes of future Bloom Lake iron production not sold in Japan under the existing off-take agreement with Sojitz Corporation. In the event of a Forced Conversion, the off-take terms will apply for the life-of-mine of Phase 1 of Bloom Lake and Glencore will have the option to convert the off-take terms into a FOB-based royalty.
- Glencore will also have the right to nominate one person to the Board of Directors of Champion, subject to shareholder and regulatory approvals.

"We are extremely pleased to have secured the marketing services and financial support from Glencore. This has given our remaining capital raise a significant boost. This financing commitment marks another significant milestone for Bloom Lake and will ensure effective long-term access to markets where Bloom Lake's high quality iron ore is in strong demand", stated Michael O'Keeffe, Champion and QIO Chairman and CEO.

As previously announced on July 13, 2017 and August 1, 2017, QIO has received conditional commitments of US$180 million (the "QIO Debt Financing") to partially fund the costs of resuming the operations of Bloom Lake. One of the conditions of the QIO Debt Financing requires the Company 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 Company intends to use the net proceeds of the sale of the Debenture and the Prospectus Offering to make such capital contribution to QIO, and for general corporate purposes.

The consummation of the US$25 million financing commitment from Glencore and of the off-take agreement with Glencore is conditional upon the execution of definitive documentation and the satisfaction of other customary closing conditions, including regulatory approvals such as the approval of the Toronto Stock Exchange and the Australian Stock Exchange.

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 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 mandatary 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.

ABOUT GLENCORE

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 155,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

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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, including statements relating to the sale of the Debenture, the Prospectus Offering, the QIO Debt Financing, the use of proceeds derived from such financings, the expected restart of Bloom Lake and the proposed off-take agreement, and its terms, constitute forward-looking information. The definitive documentation for each of the sale of the Debenture, the Prospectus Offering, the QIO Debt Financing and the proposed off-take agreement 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 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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