Champion Iron Ltd. completes C$31.2M private placement with Glencore International AG

Date closed: 10/13/2017

Value: C$31.2 million

On October 13, 2017, Champion Iron Limited (Champion) completed a non-brokered sale of a C$31,200,000 subordinated unsecured mandatory convertible debenture (the Debenture) to Glencore International AG (Glencore) on a private placement basis. The Debenture has a term to maturity of eight years and bears interest at a rate of 12% for the first year and thereafter will bear interest at the same rate as the subordinated debt committed by CDP Investissements Inc., a wholly-owned subsidiary of Caisse de dépôt et placement du Québec (Caisse), as of October 10, 2017. The Debenture will be convertible at the option of Glencore at any time into Champion ordinary shares at a conversion price of CDN$1.125 per share. The Debenture also includes a mandatory conversion clause at a conversion price of CDN$0.85 per share of Champion.

In connection with the closing of the Debenture, Champion's subsidiary, Québec Iron Ore Inc. (QIO), has entered into an off-take agreement with Glencore pursuant to which Glencore secures global off-take rights for life-of-mine of the Bloom Lake iron mine (Bloom Lake) with fixed commercial terms for a 10-year period for all tonnes of future iron ore production at Bloom Lake not sold in Japan under the existing off-take agreement with Sojitz Corporation.

Champion, headquartered in Toronto, Ontario, is an iron ore exploration and development company with major projects in the southern Labrador Trough, Canada's largest iron ore-producing region.

Glencore, headquartered in Baar, Switzerland, is an integrated commodity producer and marketer.

BLG represented Glencorewith a team led by Erik Goldsilver (securities, mining) that included Andrew Powers (securities, mining) and James Mathers (financial services, mining).

For more information, please contact:

Kate Gifford
Borden Ladner Gervais LLP
KGifford@blg.com
416.350.6540

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