

CHAMPION IRON REPORTS FY2020 FOURTH QUARTER AND RECORD ANNUAL PRODUCTION IN YEAR-END RESULTS

New annual records for production, revenue, EBITDA and net cash flow from operations

Montreal, May 19, 2020 - Champion Iron Limited (TSX: CIA) (ASX: CIA) ("Champion" or the "Company") is pleased to report strong operational and financial results for the fourth quarter and fiscal year ended March 31, 2020.

For complete details of the Annual Audited Consolidated Financial Statements and Management's Discussion and Analysis please refer to the Company's filings on SEDAR (www.sedar.com) or the Company's website (www.championiron.com). All amounts are in Canadian dollars unless otherwise indicated.

Conference Call Details

Champion will host a conference call and webcast at 8:30 AM EDT (Montreal Time), on Wednesday, May 20, 2020, at 8:30 AM EST (Montreal Time) / May 20, 2020, at 10:30 PM AEST (Sydney time) to discuss the fourth quarter results of the fiscal year ending March 31, 2020. Call details are outlined at the end of this news release.

1. HIGHLIGHTS

Health and Safety

- No known cases of COVID-19 have been confirmed in the Company;
- In close collaboration with its unionized workforce, its contractors and local communities, the Company has adopted or exceeded the Government guidelines in response to the COVID-19 pandemic;
- Rapidly and diligently implemented measures to mitigate the risks related to the COVID-19 pandemic, including amended work schedules to reduce travel volumes, increased transportation capacity to maintain adequate social distancing, isolation from nearby communities and additional health monitoring and screening; and
- Continuous focus on overall health and safety.

Operations

- Quarterly production of 1,891,800 wet metric tonnes (“wmt”) of high-grade 66.5% Fe iron ore concentrate, compared to 1,802,000 wmt during the same period last year, with an annual production record totalling 7,903,700 wmt, compared to 6,994,500 wmt in the prior year;
- Quarterly recovery rate of 82.3%, compared to a recovery rate of 80.4% during the same period of the prior year, for an annual average recovery rate of 82.6%, compared to a recovery rate of 79.5% in the prior year; and
- Free On Board (“FOB”) Total Cash Cost¹ (“Total Cash Cost” or “Cash Cost”) of \$53.9/dry metric tonne (“dmt”) (C1) for the quarter and of \$52.7/dmt (US\$39.6/dmt) for the year compared to \$48.4/dmt and \$49.4/dmt (US\$37.7/dmt), respectively, in the prior year, attributable to unscheduled downtimes and higher port charges.

Financial

- Record annual financial results, including revenue, EBITDA¹ and net cash flow from operations;
- Revenues of \$175.7M for the quarter and \$785.1M for the year ended March 31, 2020, compared to \$182.2M and \$655.1M respectively, for the comparative periods;
- EBITDA¹ totalling \$61.1M for the quarter and \$348.5M for the year ended March 31, 2020, compared to a quarterly EBITDA¹ of \$86.5M and an annual EBITDA¹ of \$278.2M for the comparative periods;
- Net income of \$18.4M for the quarter and \$121.1M net income (earnings per share of \$0.20) and adjusted net income¹ of \$172.7M (adjusted earnings per share of \$0.32) for the year ended March 31, 2020, compared to a net income of \$28.2M and \$147.6M (earnings per share of \$0.20) for the comparative periods of the year ended March 31, 2019;
- Net cash flow from operations totalling \$84.6M (\$0.18 per share¹) and \$309.6M (\$0.70 per share¹) for the quarter and fiscal year ended March 31, 2020, respectively, compared to \$38.0M (\$0.09 per share¹) and \$176.7M (\$0.42 per share¹), respectively, for the same periods last year; and
- Cash on hand² of \$298.7M as at March 31, 2020, compared to \$187.6M as at December 31, 2019 and \$153.3M as at March 31, 2019.

Other Developments

- Acquired the remaining 36.8% minority equity interest in the subsidiary operating the Bloom Lake mine’s (“Bloom Lake mine” or “Bloom Lake”), Québec Iron Ore Inc. (“QIO”) for total cash consideration of \$211M;
- Substantial balance sheet improvements resulting in reduction of cost of debt from a weighted average cost ranging from 12.37% to 14.75% to an annualized interest rate of 4.8%, following the refinancing of QIO’s long-term debt with a US\$200M Loan Facility;
- Completed a QIO \$185M preferred share offering with Caisse de dépôt et placement du Québec (“CDPI”);
- Significantly de-risked the construction timeline of the Bloom Lake Phase II expansion project, by deploying \$58M (as of March 31, 2020) of the budgeted \$68M work program detailed in the Phase II feasibility study (“Feasibility Study”), the findings of which were released on June 20, 2019;
- Successfully completed a 132,000 wmt production test of 67.98% Fe iron ore concentrate with a combined silica and alumina content of 2.57%. This custom production test was completed at the request of an important customer and could enable the Company to procure more diverse customers globally if the product meets the specifications and qualifications as Direct Reduction (“DR”) pellet feed material; and
- Termination of the proposal to redomicile the Company from Australia to Canada, by way of a scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth), due to market volatility and global uncertainty associated with the COVID-19 pandemic.

Champion's CEO, Mr. David Cataford, said, "I am grateful for the support received from our workers, partners and communities as our Company implemented measures aligned with government directives to mitigate COVID-19 related risks, and I am pleased to report that we have no known cases confirmed in our organization. Our success is not only measured by our strong production and record financial results, but also by our people's agility to rapidly adapt to unprecedented working and market conditions created by COVID-19. While our commitment remains to safeguard the health and safety of our workers and nearby communities, our Company's balance sheet continues to improve as we continue our evaluation for the Bloom Lake Phase II expansion project."

2. RESPONSE TO THE COVID-19 PANDEMIC

The COVID-19 pandemic has negatively impacted the global economy and created significant economic uncertainty and disruption of financial markets. In light of the COVID-19 pandemic, the health and safety of the Company's employees, partners and communities is a priority for Champion whereby the Company rapidly aligned operations with the government guidelines and worked with local communities to implement measures in the collective effort to contain the COVID-19 pandemic.

On March 24, 2020, the Company announced the ramp down of operations at Bloom Lake, following a directive from the Government of Québec (the "Government"), which required mining activities to be reduced to a minimum within the province. In line with Government issued directives, all discretionary work had been suspended and operations were restricted to a single production line, tailings management, water treatment and overall maintenance. On April 23, 2020, the Company announced it would gradually ramp up operations at Bloom Lake, following an announcement from the Government that effective April 15, 2020, mining activities were to be considered a "priority service" and allowed to resume normal operations, conditional on the implementation of guidelines aiming to contain the risks related to the COVID-19 pandemic.

In line with Government guidelines, Champion has implemented several measures in its efforts to mitigate risks related to the COVID-19 pandemic. Implemented safety precautions include: additional monitoring of employees' health, temperature control prior to travelling and entering Bloom Lake, isolation measures from the nearby communities, additional transportation capacity to enable adequate social distancing, amended work schedules to reduce travel volumes, additional medical support and new disinfection and distancing protocols at the mine site. The current measures in place are monitored and enhanced or revised when required by an executive committee assembled to adapt operations in response to the COVID-19 pandemic.

Despite the economic impact of the COVID-19 pandemic, iron ore prices remain robust, providing our operations an attractive operating margin environment. The Company will continue to monitor and adapt to the rapidly changing global economy impacted by the pandemic. Although we are managing our operations and liquidity to mitigate risks related to the COVID-19 pandemic, the extent to which the COVID-19 pandemic could impact our operations and cash flows will depend on future developments, given the significant uncertainty regarding the ultimate impact that the COVID-19 pandemic will have on the overall economy.

3. BLOOM LAKE MINE OPERATING ACTIVITIES³

| | Three Months Ended March 31, | | Year Ended March 31, | |
|---|---------------------------------|-----------|-------------------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| Operating Data | | | | |
| Waste mined (wmt) | 3,180,100 | 3,481,500 | 13,742,400 | 13,679,900 |
| Ore mined (wmt) | 5,413,100 | 4,975,500 | 20,817,400 | 19,711,700 |
| Strip ratio | 0.6 | 0.7 | 0.7 | 0.7 |
| Ore milled (wmt) | 4,880,000 | 4,754,200 | 19,749,800 | 18,493,800 |
| Head grade Fe (%) | 31.7 | 30.6 | 32.1 | 31.5 |
| Recovery (%) | 82.3 | 80.4 | 82.6 | 79.5 |
| Product Fe (%) | 66.5 | 66.3 | 66.4 | 66.4 |
| Iron ore concentrate produced (wmt) | 1,891,800 | 1,802,000 | 7,903,700 | 6,994,500 |
| Iron ore concentrate sold (dmt) | 1,888,200 | 1,744,000 | 7,577,400 | 7,127,600 |
| Financial Data (in thousands of dollars) | | | | |
| Revenues | 175,702 | 182,164 | 785,086 | 655,129 |
| Cost of sales | 101,721 | 84,431 | 399,368 | 351,946 |
| Other expenses | 12,862 | 11,233 | 37,178 | 25,011 |
| Net finance cost | 5,148 | 19,386 | 85,351 | 50,010 |
| Net income | 18,351 | 28,155 | 121,050 | 147,599 |
| EBITDA ¹ | 61,119 | 86,500 | 348,540 | 278,172 |
| Statistics (in dollars per dmt sold) | | | | |
| Average realized selling price ¹ | 93.1 | 104.4 | 103.6 | 91.9 |
| Total Cash Cost (C1 Cash Cost) ¹ | 53.9 | 48.4 | 52.7 | 49.4 |
| All-in sustaining cost ¹ | 59.8 | 55.4 | 62.7 | 55.8 |
| Cash operating margin ¹ | 33.3 | 49.0 | 40.9 | 36.1 |

Operational Performance

During the three-month period ended March 31, 2020, 8.6 million tonnes of material were mined, an improvement of 2% over the same quarter of the prior year. The increase is mainly due to higher equipment availability, following investments made in the mining equipment rebuild program since the start of operations in February 2018.

The plant processed 4,880,000 tonnes of ore during the fourth quarter of 2020, compared to 4,754,200 tonnes in the comparable prior year period. The increased production reflects improvements and operational innovations implemented during the first half of the fiscal year ended March 31, 2020, as well as a planned 3-day shutdown to replace the inner discharge grates with new ones engineered to sustain a higher throughput. It is anticipated that future discharge grates replacement will occur at the same time as the scheduled bi-annual major shutdowns, during the first and third quarters of Champion's fiscal year ending March 31, 2021.

The Company improved its average recovery rate to 82.3% during the fourth quarter of 2020, compared to a rate of 80.4% in the same period of the prior year. The increase in recovery rate is attributable to better throughput stability, following the operational innovations implemented during the first half of the fiscal year ended March 31, 2020. The 2020 fourth quarter recovery rate was negatively affected by 0.3% due to a successful production test of 132,000 wmt of 67.98% Fe high-grade iron ore (with a combined silica plus alumina content of 2.57%), which impacted ore recovery. This commercial production test, assuming confirmed qualification as Direct Reduction ("DR") concentrate feed, could position the Company to qualify for sales to producers of DR pellets, which can be converted by direct reduced iron ("DRI") producers and utilized in electric arc furnaces, representing a growing subset of global steelmaking capacity. This commercial production test positions the Company to potentially procure new customers and confirm that Bloom Lake is one of the few producing deposits globally that could transition its product offering in response to potential shifts in steelmaking methods in the coming years.

Based on the foregoing, Bloom Lake produced 1,891,800 wmt of 66.5% Fe high-grade iron ore concentrate during the three-month period ended March 31, 2020, an increase of 5% compared to 1,802,000 wmt in the same period of the prior year.

The Company mined 34,559,800 tonnes of material during the year ended March 31, 2020, compared to 33,391,600 tonnes in the prior year. The increase is attributable to the improvement in mining equipment reliability and increased productivity resulting from the mining equipment rebuild program, offset by the lower in-pit crusher availability during the year.

During the year, unscheduled downtimes affecting the in-pit crusher and the performance of the inner discharge grates negatively impacted production. However, the ingenuity deployed by the operational team to prevent these unscheduled downtimes from reoccurring and the decision to invest in operational improvements yielded positive results, as the plant was able to produce above its nameplate capacity. The plant processed 19,749,800 tonnes of ore during the year ended March 31, 2020, an increase of 7% over the prior year, while the recovery rate improved from 79.5% to 82.6%, in line with the Company's target. Based on the foregoing, Bloom Lake produced a total of 7,903,700 wmt of Fe 66.4% high-grade iron ore concentrate during the year ended March 31, 2020, setting a new historical annual record since Bloom Lake was first commissioned in 2010.

4. FINANCIAL PERFORMANCE

A. Revenues

During the three-month period ended March 31, 2020, a total of 1,888,200 tonnes of high-grade iron ore concentrate were sold at a CFR China gross realized price of US\$96.9/dmt, before provisional sales adjustments and shipping costs. The gross sales price of US\$96.9/dmt represents a premium of 9% over the benchmark Platts IO Fines 62% Fe CFR China ("P62") price, compared to a premium of 18% for the comparative period. The gross sales price reflects the timing of the sales as well as the forward price at the expected settlement date for 654,000 tonnes shipped during the period. The premium variation reflects the shortage of high-grade material in the market in early 2019 as some major producers experienced operational challenges. Despite the variation in the premium, the gross realized price of US\$96.9/dmt remains stable compared to US\$97.2/dmt in the previous year as the world's largest steel making hub, China, retains a strong appetite for seaborne iron ore concentrate as its steel industry's profitability remained resilient during the three-month period ended March 31, 2020.

The variation in sea freight costs during the quarter compared to the same period last year reflects the impact of a major producer's challenges in early 2019 to global freight rates, which lowered the Company's sea freight costs in the last quarter of the fiscal year ended March 31, 2019. The freight costs variation with the C3 index is mainly due to the timing of vessels' bookings as well as to the premium paid during the winter season for vessels travelling to and from the port at Pointe-Noire, Québec.

During the three-months ended March 31, 2020, a final price was established for 533,000 tonnes which were in transit at the end of the third quarter ended December 31, 2019. In addition, 278,000 tonnes shipped prior to December 31, 2019 still remained under pricing evaluation as of March 31, 2020. Accordingly, revenues associated with these 811,000 tonnes, which were accounted for in the third quarter, were reduced by US\$2,581,000. Based on the foregoing, the average net realized FOB price for the fourth quarter ended March 31, 2020 was negatively impacted by US\$1.4/dmt.

Deducting sea freight costs of US\$25.8/dmt together with the provisional sales adjustment of US\$1.4, the Company obtained an average net realized price of US\$69.7 per tonne (CA\$93.1 per tonne) for its high-grade iron ore delivered to the end customer, benefiting from an average foreign exchange rate of CA\$1.3449/US\$. As a result, revenues totalled \$175,702,000 for the period compared to \$182,164,000 in the same prior year period.

For the year ended March 31, 2020, the Company sold over 7,577,400 tonnes of iron ore concentrate shipped in 43 vessels to customers located in China, Europe, Japan, the Middle East, South Korea and India. While the Platts IO Fines 65% Fe CFR China ("P65") indicative price of high-grade iron ore fluctuated between US\$88.4/dmt to a high of US\$135.9/dmt during the year ended March 31, 2020, the Company sold its product at an average gross realized price of US\$107.2/dmt, before shipping and adjustments related to provisional sales. The gross sales price of US\$107.2/dmt represents a premium of 13% over the benchmark P62 price. Deducting sea freight costs of US\$25.7/dmt and the provisional sales adjustment of US\$3.5/dmt, the Company obtained an average realized price of US\$78.0 per tonne (CA\$103.6 per tonne) for its high-grade iron

ore delivered to the customer. As a result, revenues totalled \$785,086,000 for the year ended March 31, 2020, compared to \$655,129,000 for the prior year. Although the sales increase is mainly attributable to the selling price, the volume impact totalling \$41 million illustrates the benefit the Company yielded by investing in production reliability and having the ability to increase its throughput capacity when the price of high-grade iron ore is elevated.

B. Cost of Sales

Cost of sales represent mining, processing, and mine site-related general and administrative expenses.

During the three-month period ended March 31, 2020, the Total Cash Cost¹ or Cash Cost¹ per tonne totalled \$53.9/dmt, compared to \$48.4/dmt in the same period of the previous year. The cash-cost¹ for the quarter was impacted by various factors, including scheduled downtimes and a lower recovery rate associated with the production test of 132,000 wmt of 67.98% Fe high-grade iron ore with a silica plus alumina content of 2.57%. Higher costs from Société ferroviaire et portuaire de Pointe-Noire (“SFPPN”) port operations continue to negatively impact the Cash Cost during the period. Since the beginning of the restart of the SFPPN’s operations in 2018, SFPPN costs have increased beyond the indexation rate and faster than the operational efficiency improvements. Further to the appointment of a new SFPPN CEO, who has many years of experience managing railroad and port facilities, the Company and SFPPN’s Board are confident that SFPPN’s operational efficiency will improve. The Company would benefit from corrective actions implemented by SFPPN that reduce port operations costs.

For the year ended March 31, 2020, the Company produced high-grade iron ore at a Total Cash Cost¹ of \$52.7/dmt compared to \$49.4/dmt for the previous year. The Cash Cost¹ for the year includes the negative impact of the unscheduled downtimes and costs incurred to prevent them from reoccurring. The production cost also encompasses expenditures to deploy initiatives aimed at improving plant reliability and throughput stability. These improvements enabled the Company to surpass its nameplate capacity and maximize operating cash flows during periods of elevated prices, as it led to a positive volume sales impact of \$41 million, year over year.

C. Gross Profit

The gross profit for the three-month period ended March 31, 2020 totalled \$64,918,000 compared to \$94,284,000 for the same period of the prior year. The variation is attributable to higher production costs and investments made to increase throughput and surpass nameplate capacity.

The gross profit for the year ended March 31, 2020 totalled \$363,717,000, compared to \$288,632,000 for the prior year. The increase is largely driven by the 13% increase in the realized price together with the decision made by the Company earlier in the year to invest in maintenance and plant reliability in order to maximize cash flows while the iron ore price is elevated. Accordingly, for the year-ended March 31, 2020, the Company is benefiting from a 39% cash profit margin¹ per tonne, which has remained unchanged from the prior year cash profit margin¹ of 39%.

D. Other Expenses

Other expenses comprise share-based payments, corporate expenses (“G&A expenses”), as well as sustainability and other community expenses (“CSR expenses”). CSR expenses are mainly composed of community taxes such as property and school taxes and expenditures related to the Impact and Benefits Agreement with the First Nations (“IBA”).

The variation of the other expenses and income for the three-month period ended March 31, 2020, compared to the same period the previous year, is essentially due to the completion of the transition from a development company cost structure to an operating organization. In addition, expenses were incurred during the period to deploy the Company’s contingency plan with respect to the COVID-19 pandemic and to progress the Company’s redomiciliation process. Although the Board of directors (the “Board”) has decided to terminate the scheme of arrangement in connection with the redomiciliation, due to market volatility and the global uncertainty associated with the COVID-19 pandemic, the Board may consider redomiciliation from Australia to Canada at a later point. Should this decision be enacted, efforts previously deployed on the terminated transaction could represent future savings. Higher CSR expenses reflect the Company’s increased focus on sustainability. This amount also includes the full impact of the agreement with the First Nations as these expenses were partially incurred in the prior year.

The variation of the other expenses and income for the year ended March 31, 2020, compared to the previous year, is essentially due to restart costs incurred in the first quarter of the prior year, as well as Champion’s transition from a development stage company to an iron ore producer.

The increase in share-based payments reflects the higher stock price, period over period, combined with the issuance of annual equity awards in relation to the performance achieved during the fiscal year ended March 31, 2019.

E. Net Finance Costs

Net finance costs totalled \$5,148,000 for the three-month period ended March 31, 2020, compared to \$19,386,000 for the same period in the prior year. The main components of the net finance costs include the interests on long-term debt as well as the foreign exchange on accounts receivable and long-term debt. For the quarter, the decrease in net finance costs is mainly attributable to the positive impact of the refinancing which closed on August 16, 2019. The new credit facility bears an annualized interest rate at 4.8%, compared to a rate of 10% for the previous credit facilities. The previous credit facilities also included embedded derivative instruments which had to be revalued on a quarterly basis. Following the refinancing, these derivatives were extinguished. The Company benefits from a natural hedge between its revenues generated in U.S. dollars and its U.S. denominated term facilities. Due to the fact that the Canadian dollar was significantly depreciated as of March 31, 2020 compared to the U.S. dollar, the Company sustained an unrealized foreign exchange loss on its long-term debt which could not be compensated by the gain on its accounts receivable and U.S. dollar cash on hand. Consequently, the Company recorded a non-cash exchange loss of \$3 million during the current quarter.

The increase in net finance costs for the year ended March 31, 2020, when compared to the prior year, is mainly due to the impact of the repayment of the previous credit facilities on August 16, 2019, representing a loss of \$57,274,000. Most of the \$57,274,000 loss are non-cash items including the write-off of capitalized past transactions fees, the write-off of derivative financial instruments and the write-off of the unamortized book value of the previous credit facilities. Also, higher net finance costs are partially offset by the reduction in interest of \$12,023,000, following the refinancing transaction, which reflects the lower cost of debt. Finally, it is also partially offset by a favourable non-cash change in fair value of derivative financial instruments of \$8,700,000, which were all extinguished as a result of the refinancing.

F. Income Taxes

The Company's subsidiaries are subject to tax in Australia and Canada. As a result of accumulated losses before tax, there are no current or deferred income taxes related to the Australian activities. There is no deferred tax asset recognized in respect of the unused losses in Australia as the Company believes it is not probable that there will be a taxable profit available for which the losses can be used against. QIO, Champion's operating subsidiary, is subject to Québec mining tax at a progressive tax rate ranging from 16% to 28%, for which each rate is applied to a bracket of QIO's mining profit, depending on the mining profit margin for the year. The mining profit margin represents the mining profit, as defined by the Québec Mining Tax Act, divided by revenues. The progressive tax rates based on the mining profit margin are as follows:

| Mining profit margin range | Tax rate |
|---|-----------------|
| Mining profit between 0% to 35% | 16% |
| Incremental mining profit over 35%, up to 50% | 22% |
| Incremental mining profit over 50% | 28% |

In addition, QIO is subject to income taxes in Canada where the combined provincial and federal statutory rate was 26.58% for the year-ended March 31, 2020 (2019: 26.68%).

During the fourth quarter of 2020, current income and mining taxes expenses totalled \$19,027,000, compared to \$8,286,000 for the same period of the comparative year. The deferred income tax expenses totalled \$9,530,000 and \$27,224,000 for the respective periods. The higher current income and mining taxes expenses for the fourth quarter of 2020, compared to the same period last year, is mainly due to higher taxable profit as the Company no longer has available tax losses.

The increase in the total income and mining taxes expenses for the fourth quarter of 2020, compared to the previous quarter ending December 31, 2019 is attributable to a foreign exchange loss on long-term debt amounting to \$21,600,000 recorded in the fourth quarter of 2020, half of which is not tax deductible and the other half gives rise to an unrecognized tax benefit.

During the year ended March 31, 2020, current income tax and mining taxes expenses amounted to \$89,657,000, compared to \$34,017,000 for the prior year. The deferred income and mining taxes expenses amounted to \$30,481,000 and \$31,995,000 for the fiscal years 2020 and 2019,

respectively. The effective tax rate ("ETR") for 2020 was 50% compared to 31% in 2019. The 2020 ETR is higher than the 2019 ETR mainly due to the recognition, in 2019, of unrecognized tax benefits in Q10 further to reaching commercial production. There was no recognition of previously unrecognized tax benefits in 2020. Part of the increase in the 2020 ETR, compared to 2019, is also attributable to higher mining tax arising from higher mining tax profits.

G. Net Income & EBITDA¹

For the three-month period ended March 31, 2020, the Company generated net income of \$18,351,000, entirely attributable to the Company's shareholders. This net income correlates directly with the lower quarterly gross profit. In the comparative prior year period, the Company reported net income of \$28,155,000.

During the fourth quarter ended March 31, 2020, the Company generated an EBITDA¹ of \$61,119,000, representing an EBITDA margin¹ of 35%, compared to an EBITDA¹ of \$86,500,000, representing an EBITDA margin¹ of 47% in the same period of the prior year. The variation period over period is essentially due to the lower average realized selling price and the higher Total Cash Cost per tonne.

For the year ended March 31, 2020, the Company generated an EBITDA¹ of \$348,540,000, representing an EBITDA margin¹ of 44%, compared to an EBITDA¹ of \$278,172,000, representing an EBITDA margin¹ of 42% for the prior year. This increase in EBITDA¹ is mainly attributable to the increase in the average realized selling price.

For the year ended March 31, 2020, the Company generated net income of \$121,050,000 (earnings per share of \$0.20), compared to net income of \$147,599,000 (earnings per share of \$0.20) for the year ended March 31, 2019. The repayment of the previous credit facilities with Sprott and CDPI, concluded in the second quarter of the fiscal year ended March 31, 2020, resulted in non-cash financing costs associated with the write-off of capitalized past transactions fees, the write-off of derivative financial instruments and the write-off of the unamortized book value of the previous credit facilities. Mainly excluding this non-recurring non-cash transactions, the Company would have generated an adjusted net income¹ of \$172,691,000 and an adjusted EPS¹ of \$0.32 for the year ended March 31, 2020.

H. All-In Sustaining Cost¹ and Cash Operating Margin¹

The Company believes that the All-In Sustaining Cost ("AISC")¹ and cash operating margin¹ are measures reflecting the costs associated with producing iron ore and assessing the Company's ability to operate without reliance on additional borrowing or usage of existing cash. The Company defines AISC¹ as the total costs associated with producing iron ore concentrate. The Company's AISC¹ represents the sum of cost of sales, corporate expenditures and sustaining capital expenditures, including stripping activities, all divided by the iron ore concentrate per dmt sold to arrive at a per dmt figure.

During the three-month period ended March 31, 2020, the Company realized an AISC¹ of \$59.8/dmt, compared to \$55.4/dmt in the same period last year. Deducting the AISC¹ of \$59.8/dmt from the average realized selling price¹ of \$93.1/dmt, the Company generated a cash operating margin¹ of \$33.3/dmt for each tonne of high-grade iron ore concentrate sold during the fourth quarter ended March 31, 2020, compared to \$49.0/dmt in the same period of the previous year. The variation relates to higher Cash Cost per tonne sold resulting from scheduled downtime which affected the operations during the quarter.

For the year ended March 31, 2020, the Company realized an AISC¹ of \$62.7/dmt compared to \$55.8/dmt for the previous year. In addition to the Cash Costs¹ increase, the Company made the decision at the beginning of the fiscal year to accelerate tailings containment dam rising construction work, in order to ensure safe tailings deposition. The conservative decision made by the Company to bring forward the tailings investment did not modify the total amount that would have been invested on the tailings facility over the next few years, only its timing. Given the magnitude of the project, the construction period was extended until late fall in order to complete the required works. The accelerated tailings investment project is now complete, and it is anticipated that this will reduce the sustaining capital dedicated to tailings management over the next few years. Additionally, the Company continued investing in its mining equipment rebuilding program, required to increase mining equipment fleet availability and maintain a higher strip ratio, in connection with the Phase II expansion project. Despite a higher AISC¹, the cash operating margin¹ totalled at \$40.9/dmt compared to \$36.1/dmt in the same prior year period, reflecting the ability of the Company's cost structure to take advantage of market fluctuations.

I. Non-Controlling Interest

Following Champion's acquisition of Ressources Québec Inc.'s 36.8% equity interest in QIO, the Company's non-controlling interest ("NCI") no longer exists. The net income attributable to the NCI was based on the financial results of QIO. The NCI attributed to the minority interest during the period was calculated up to the closing date of the acquisition on August 16, 2019.

5. CONFERENCE CALL AND WEBCAST INFORMATION

A webcast and conference call to discuss these results will be held on Wednesday, May 20, 2020, at 8:30 AM EDT (Montreal Time) / May 20, 2020 at 10:30 PM AEST (Sydney time). Listeners may access a live webcast of the conference call from the Investors section of the Company's website at www.championiron.com or by dialing toll free 1-888-390-0546 within North America or +1-888-076-068 from Australia.

An online archive of the webcast will be available by accessing the Company's website at www.championiron.com. A telephone replay will be available for one week after the call by dialing +1-888-390-0541 within North America or +1-416-764-8677 overseas, and entering passcode 989322#.

¹ EBITDA, EBITDA margin, average realized selling price, Total Cash Cost or CI Cash Cost, AISC, cash operating margin, cash profit margin, adjusted net income, adjusted net income attributable to Champion shareholders, adjusted earnings per share and operating cash flow per share are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of Champion Iron's MD&A included in note 19. Adjusted net income, adjusted net income attributable to Champion shareholders and adjusted earnings per share exclude the financial costs related to the refinancing which closed on August 16, 2019.

² Cash on hand includes cash and cash equivalents and short-term investments.

³ The Company considers that pre-commercial production operations at the Bloom Lake mine commenced on April 1, 2018 with the first shipment of high-grade iron ore concentrate and that commercial production was achieved on June 30, 2018.

About Champion Iron Limited

The Company, through its subsidiary Québec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex, located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec, adjacent to established iron ore producers. Bloom Lake is an open-pit truck and shovel operation, with a concentrator, and it ships iron concentrate from the site by rail, initially on the Bloom Lake Railway, to a ship loading port in Sept-Îles, Québec.

The Company acquired the Bloom Lake assets from bankruptcy protection in April 2016 and following the release of a feasibility study on February 16, 2017, the Company recommissioned Bloom Lake in February 2018, and completed its first shipment of iron ore on April 1, 2018. In June 2019, the Company released the findings of a feasibility study for the Phase II expansion which envisions doubling Bloom Lake's overall capacity from 7.4 Mtpa to 15 Mtpa. On August 16, 2019, the Company acquired Ressources Québec's 36.8% equity interest in Québec Iron Ore Inc. and now owns 100% of Québec Iron Ore Inc., which owns and operates Bloom Lake.

For further information please contact:

Michael Marcotte
Vice-President, Investor Relations
514-316-4858, Ext. 128
info@championironmines.com

For additional information on Champion Iron Limited, please visit our website at: www.championiron.com.

This press release has been authorized for release to the market by the CEO of Champion Iron Limited, David Cataford.

Forward-Looking Information

This press release contains certain information and statements, which may be deemed "forward-looking statements" within the meaning of applicable securities laws (collectively referred to herein as "forward-looking statements"). All statements in this press release, other than statements of historical fact, that address future events, developments or performance that Champion expects to occur including management's expectations regarding (i) the recovery rates; (ii) the Company's growth; (iii) the Company's or the SFPPN's operational improvement; (iv) the Phase II expansion of the Bloom Lake mine and its expected capital expenditures; (v) the estimated future operation capacity of the Bloom Lake Mine; (vi) the Company's cash requirements for the next twelve months; (vii) the completion of the construction for a potential expansion of the Bloom Lake Mine; (viii) the fluctuations of the ocean freight costs in connection with the fluctuations of the iron ore price; (ix) the possibility of reconsidering redomiciliation and related future savings; (x) the potential impacts on Champion's business, financial condition and financial results of the outbreak of the COVID-19 pandemic and; (xi) the viable use of the commercial production test as DR concentrate feed and its potential to attract customers are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "aims", "targets", or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved including, without limitation, the results of the feasibility study with regards to the potential expansion of the Bloom Lake Mine. Although Champion believes the expectations expected in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, without limitation: the results of feasibility studies; project delays; continued availability of capital and financing and general economic, market or business conditions; general economic, competitive, political and social uncertainties; future prices of iron ore; failure of plant, equipment or processes to operate as anticipated; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2020 Annual Information Form and those

factors discussed in the section entitled "Risk Factors" of the Company's MD&A for the year ended March 31, 2020, both available on SEDAR at www.sedar.com.

The forward-looking statements in this press release are based on assumptions management believes to be reasonable and speak only as of the date of this press release or as of the date or dates specified in such statements. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control.

The forward-looking statements contained herein are made as of the date hereof, or such other date or dates specified in such statements. Champion undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.