CHAMPION IRON

PRESS RELEASE

CHAMPION IRON REPORTS ROBUST FOURTH QUARTER AND FY2023 ANNUAL RESULTS AND DECLARES DIVIDEND

- FY2023 revenue of $1,395M, EBITDA[1] of $493M and EPS of $0.39
- Declares a dividend of $0.10 per ordinary share
- Advances the DRPF project while the Bloom Lake Phase II ramp-up continues

Montréal, May 30, 2023 (Sydney, May 31, 2023) - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("Champion" or the "Company") is pleased to report its operational and financial results for the fourth quarter and financial year ended March 31, 2023.

Conference Call Details

Champion will host a conference call and webcast on May 31, 2023, at 8:30 AM (Montréal time) / 10:30 PM (Sydney time) to discuss the fourth quarter and annual results for the financial year ended March 31, 2023. Call details are outlined at the end of this press release.

Champion's CEO, Mr. David Cataford, said: "Thanks to our team's perseverance and efforts, we delivered another robust financial year as we complete the ramp-up of our Phase II project, enabling us to continue to actively pursue our organic growth projects. The positive impacts that can be measured locally, including through our partnerships with First Nations and our 1000 quality jobs, are extending globally through our products that serve as a leading solution to decarbonize the steelmaking process. Our dedicated team, who successfully recommissioned Bloom Lake and completed the Phase II expansion project, are actively participating in a rare global opportunity to produce direct reduction quality iron ore, enabling steelmaking without the use of coal. In tandem with the benefits from our local investments, including a recent increase to the initial budget to advance our DRPF project, we are proud to declare another dividend for our shareholders."

1. Highlights

Sustainability and Health & Safety

- No serious injuries during the quarter and no major environmental issues reported in the period, or since the recommissioning of Bloom Lake in 2018;
- Fully compliant result following a site inspection by the Québec Ministry of Environment, Fight Against Climate Change, Wildlife and Parks;
- Employee recordable injury frequency rate of 1.53 for the year, down significantly from 2.98 last year and better than Québec's open pit industry performance; and
- Optimized the Company's 2022 Sustainability Report, incorporating industry best practice disclosure frameworks, specifically, the Global Reporting Initiative ("GRI"), Sustainability Accounting Standard Board ("SASB") and Task Force on Climate-Related Financial Disclosure ("TCFD"). The Sustainability Report is available on the Company's website at www.championiron.com.

Operations and Finance

- Record quarterly production of 3.1 million wmt of high-grade 66.1% Fe concentrate for the three-month period ended March 31, 2023, an increase of 4% and 65% compared to the previous quarter and the same period of the previous financial year, respectively. Annual production of 11.2 million wmt of high-grade 66.1% Fe concentrate, up 41% from the previous financial year. This was attributable to the strong performance following Phase II achieving commercial production in December 2022;

- Quarterly record iron ore concentrate sales of 3.1 million dmt for the three-month period ended March 31, 2023, up 15% and 64% from the previous quarter and the same period of the previous financial year, respectively. For the year, a record 10.6 million dmt were sold by the Company, up from 7.7 million dmt in the previous financial year;
- While the Company's facilities reached their designed nameplate capacity on several operating days during the quarter, results were impacted by previously disclosed delays in the delivery and commissioning of mining equipment and locomotives required to service third-party rail capacity in Sept-Îles, limiting mining and haulage capacity. Quarterly production results were also impacted by a longer than expected planned maintenance shutdown of one of Bloom Lake's two crushers. A four-day power outage which impacted third-party infrastructure at the port facility in Sept-Îles impacted the Company's shipments. With the recent delivery and assembly of mining equipment, the progress on third-party infrastructure work programs and near-term anticipated locomotives delivery, the path towards reaching Bloom Lake's expanded nameplate capacity of 15 Mtpa in the near term has significantly improved;
- Revenues of $463.9 million for the three-month period ended March 31, 2023 ($331.4 million for the same period in 2022), net cash flow from operating activities of $167.7 million ($4.3 million for the same period in 2022), EBITDA[1] of $195.7 million ($197.9 million for the same period in 2022) and net income of $88.2 million with EPS of $0.17 ($115.7 million with EPS of $0.23 for the same period in 2022);
- For the year ended March 31, 2023, revenues totalled $1,395.1 million ($1,460.8 million for the same period in 2022), with net cash flow from operating activities of $236.0 million ($470.4 million for the same period in 2022), EBITDA[1] of $493.2 million ($925.8 million for the same period in 2022) and net income of $200.7 million ($522.6 million for the same period in 2022). Revenues, EBITDA[1], net cash flow from operating activities and net income were all impacted by lower cash operating margins[1], driven by lower realized selling prices compared to the previous year, as well as higher operating costs attributable to start-up costs and cost inflation;
- For the three-month period ended March 31, 2023, C1 cash cost[1] was $79.0/dmt (US$58.4/dmt)[2], compared to $60.0/dmt (US$47.4/dmt)[2] for the same period in 2022, due to higher fixed costs required to support nameplate capacity. Cash cost[1] for the fourth quarter was slightly higher than cash cost[1] for the previous quarter of $76.0/dmt (US$56.0/dmt)[2], mainly due to the impact of the change in concentrate inventory valuation;
- C1 cash cost[1] of $73.9/dmt (US$55.9/dmt)[2] for the year ended March 31, 2023, compared to $58.9/dmt (US$47.0/dmt)[2] for the same period in 2022, was negatively impacted by fixed costs incurred to support the infrastructure required to achieve the higher anticipated production prior to achieving nameplate capacity. The Company expects those costs to decrease and to normalize as production gradually ramps up towards Bloom Lake's expanded production nameplate capacity of 15 Mtpa. Cash cost[1] during the year was also impacted by inflationary pressures on fuel, explosives and site-related G&A expenses, additional maintenance costs and a higher reliance on contractors at the mine due to delays in mining equipment deliveries;
- $327.1 million of cash and cash equivalents and short-term investments as at March 31, 2023, compared to $352.7 million at the same time last year. Available liquidity[1], including amounts available on the Company's credit facilities, totalled $673.7 million at year-end, compared to $476.0 million at the end of the previous quarter, an increase of $197.7 million, mostly driven by the level of net free cash flow; and
- Dividend of $0.10 per ordinary share declared on May 30, 2023 (Montréal time) / May 31, 2023 (Sydney time), in connection with the semi-annual results for the period ended March 31, 2023.

Direct Reduction Pellet Feed Project ("DRPF Project") Update

- In connection with the recently announced positive findings of the DRPF Project feasibility study, the Board of Directors approved an increase of $52 million to the initial budget of $10 million announced on January 26, 2023, in order to maintain the DRPF Project's estimated 30-month construction period and a potential commissioning of the project in the second half of the calendar year 2025; and
- The DRPF Project remains on schedule with detailed engineering work advancing as planned.

Other Growth and Development

- The Company continues to evaluate organic growth opportunities, including the Kamistiatusset iron ore project's (the "Kami Project") feasibility study which is evaluating the project's capability to produce a Direct Reduction ("DR") grade pellet feed product, and a feasibility study evaluating the re-commissioning of the Pointe-Noire Iron Ore Pelletizing Facility and its ability to produce DR grade pellets, in collaboration with a major international steelmaking partner. Both feasibility studies are expected to be completed in the second half of calendar year 2023.

2. Bloom Lake Mine Operating Activities

	Three Months Ended March 31, 2023	2022	Variance	Year Ended March 31, 2023	2022	Variance
Operating Data						
Waste mined and hauled (wmt)	**5,023,900**	5,071,700	(1%)	**19,574,300**	20,512,500	(5%)
Ore mined and hauled (wmt)	**9,193,800**	5,388,200	71%	**32,442,000**	22,263,200	46%
Material mined and hauled (wmt)	**14,217,700**	10,459,900	36%	**52,016,300**	42,775,700	22%
Stripping ratio	**0.55**	0.94	(41%)	**0.60**	0.92	(35%)
Ore milled (wmt)	**9,054,600**	4,904,100	85%	**31,682,900**	20,972,100	51%
Head grade Fe (%)	**28.4**	30.3	(6%)	**29.2**	29.9	(2%)
Fe recovery (%)	**78.6**	82.7	(5%)	**79.3**	83.2	(5%)
Product Fe (%)	**66.1**	66.2	—%	**66.1**	66.2	—%
Iron ore concentrate produced (wmt)	**3,084,200**	1,869,000	65%	**11,186,600**	7,907,300	41%
Iron ore concentrate sold (dmt)	**3,092,900**	1,889,900	64%	**10,594,400**	7,650,600	38%

Phase II Commercial Production

During the first quarter of the 2023 financial year, the Company successfully commissioned its second ore processing plant with its first shipment of concentrate railed in May 2022. In the second quarter of the 2023 financial year, the last major on-site Phase II infrastructure work programs were completed, enabling the Company's two crushers to feed both processing facilities and reducing bottlenecks during maintenance periods. With major on-site work programs completed ahead of schedule, Phase II reached commercial production in December 2022 and the Company continued to make improvements to stabilize and optimize operations.

While Phase II demonstrated its ability to reach the designed nameplate capacity on several operating days since reaching commercial production, production during the fourth quarter of the 2023 financial year was negatively impacted by the longer than expected maintenance shutdown of the Company's newly commissioned crusher due to winter challenges, as well as previously disclosed mining equipment delivery and commissioning delays, which limited mining capacity. This short-term limitation in mining and crushing capacity created some inefficiencies across the site, restricting the ongoing ramp-up during the quarter. With the recent delivery and assembly of mining equipment and current work to increase throughput and the recovery ratio, the path towards Bloom Lake reaching its expanded nameplate capacity of 15 Mtpa in the near term has significantly improved.

Off-site work programs, including third-party infrastructure, continued to advance during the quarter, further positioning the Company to benefit from additional flexibility and capacity in Sept-Îles to handle the Company's full nameplate capacity. During the three-month period ended March 31, 2023, downstream limitations, including locomotive delivery delays and a four-day power outage at the port, negatively impacted the Company's shipments.

While the Company is experiencing a short-term disconnect in upstream and downstream capacity, compared to the completed infrastructure at Bloom Lake, Management is confident that a stable and operational balance state will be reached in the near term. Teams at Bloom Lake are currently working at optimizing and synchronizing the operations and adapting the maintenance practices to achieve the expected reliability, an important step towards achieving nameplate capacity on a consistent basis. Due to third-party delays to increase infrastructure capacity, including locomotive deliveries, the Company anticipates potential sales limitations, compared to its production capacity in the near term.

Operational Performance

Fourth Quarter of the 2023 Financial Year vs Fourth Quarter of the 2022 Financial Year

In the three-month period ended March 31, 2023, 14.2 million tonnes of material were mined and hauled, compared to 10.5 million tonnes during the same period in 2022, an increase of 36%. The increase in material movement was enabled through the utilization of additional equipment. Tonnage mined and hauled for the fourth quarter of the 2023 financial year was lower than anticipated, compared to the initial Phase II ramp-up schedule, due to previously disclosed delivery delays of required mining equipment. With the recent delivery and assembly of equipment required to increase mining capacity towards Phase II's expected nameplate capacity, Management is confident its operations can deliver a stronger performance in the upcoming months.

The stripping ratio for the three-month period ended March 31, 2023, was affected by delivery delays that impacted the number of drills and haul trucks available during the quarter. In order to optimize plant operations in connection with transitional incremental feed requirements during the Phase II ramp-up period, the Company chose to reduce mined waste. The Company intends to gradually recover accumulated waste backlog in future periods as additional mining equipment becomes available.

The plants processed 9.1 million tonnes of ore during the three-month period ended March 31, 2023, compared to 4.9 million tonnes for the same prior-year period. The mining capacity limitations resulting from previously disclosed equipment delivery delays negatively impacted the tonnage processed during the quarter. The plants' performance during the three-month period ended March 31, 2023, was also impacted by a longer than expected maintenance shutdown of one of the Company's two crushers.

The iron ore head grade for the three-month period ended March 31, 2023, was 28.4%, compared to 30.3% for the same period in 2022. The variation in head grade is attributable to the presence of some lower-grade ore being sourced and blended from different pits, which was anticipated and is in line with the mine plan and the LoM head grade average.

The Company's average Fe recovery rate of 78.6% for the three-month period ended March 31, 2023, was negatively impacted by the unstable recoveries of the Phase II concentrator, which were to be expected at this stage of the Phase II commissioning, the limited mining capacity reflecting the unavailability of mining equipment as well as the short-term instability of the crushing systems. The Company remains confident in its ability to reach the average LoM expected Fe recovery rate target of 82.4% in the near term at Bloom Lake, as detailed in the Phase II feasibility study.

Bloom Lake achieved record production of 3.1 million wmt of high-grade iron ore concentrate during the three-month period ended March 31, 2023, an increase of 65%, compared to 1.9 million wmt during the same period in 2022, positively impacted by the ongoing commissioning of the Phase II plant. Management expects to benefit from optimization work programs and recent equipment deliveries, which should result in improved combined production of Bloom Lake's plants in the near term.

2023 Financial Year vs 2022 Financial Year

The Company mined and hauled 52.0 million tonnes of material during the year ended March 31, 2023, compared to 42.8 million tonnes for the same period in 2022. The increase in volume of material moved at the mine was driven by additional mining equipment in operation. However, total volume moved during the year was negatively impacted by mining equipment delivery delays.

The stripping ratio was 0.60 for the year ended March 31, 2023, compared to 0.92 for the same period in 2022, and was lower than the LoM stripping plan as the Company strategically focused on mining ore due to the restricted availability of mining equipment caused by equipment delivery delays, as previously detailed. The iron ore head grade of 29.2% for the year ended March 31, 2023, was comparable to last year, and is consistent with the LoM head grade average. The lower average Fe recovery rate for the year ended March 31, 2023, was attributable to the commissioning of the Phase II concentrator during the year. The Company is confident to reach LoM recovery rate in the near term.

The two plants processed 31.7 million tonnes of ore during the year ended March 31, 2023, an increase of 51% over the same period in 2022, and produced a record of 11.2 million wmt of high-grade iron ore concentrate, compared to 7.9 million wmt for the same period in 2022, benefiting from the commissioning of the Phase II project during the first quarter of the 2023 financial year.

3. Financial Performance

	Three Months Ended March 31,			**Year Ended March 31,**		
	2023	2022	Variance	**2023**	2022	Variance
Financial Data (in thousands of dollars)						
Revenues	**463,913**	331,376	40%	**1,395,088**	1,460,806	(4%)
Cost of sales	**244,444**	116,658	110%	**822,762**	458,678	79%
Other expenses	**23,748**	26,648	(11%)	**79,972**	84,871	(6%)
Net finance costs	**8,774**	2,269	287%	**25,587**	11,045	132%
Net income	**88,217**	115,653	(24%)	**200,707**	522,585	(62%)
EBITDA[1]	**195,709**	197,938	(1%)	**493,176**	925,817	(47%)
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**183.2**	207.1	(12%)	**174.7**	225.9	(23%)
Net average realized selling price[1]	**150.0**	175.3	(14%)	**131.7**	190.9	(31%)
C1 cash cost[1]	**79.0**	60.0	32%	**73.9**	58.9	25%
AISC[1]	**85.7**	70.5	22%	**86.5**	73.1	18%
Cash operating margin[1]	**64.3**	104.8	(39%)	**45.2**	117.8	(62%)

A. Revenues

Fourth Quarter of the 2023 Financial Year vs Fourth Quarter of the 2022 Financial Year

Revenues totalled $463.9 million for the three-month period ended March 31, 2023, compared to $331.4 million for the same period in 2022, as significantly higher sales volume over the same prior-year period was offset by the lower IODEX 65% Fe CFR China Index ("P65"). Lower index price was mitigated by lower freight and other costs and a weaker Canadian dollar compared to the same period last year.

During the three-month period ended March 31, 2023, the P65 index for high-grade iron ore fluctuated from a low of US$130.0/dmt to a high of US$148.6/dmt. The P65 index average price for the period was US$140.1/dmt, a decrease of 17% from the same quarter last year, and a premium of 11.6% over the IODEX 62% Fe CFR China Index average price of US$125.5/dmt. The gross average realized selling price[1] of US$135.5/dmt was lower than the P65 index average price of US$140.1/dmt for the period due to certain sales contracts using backward-looking iron ore index prices, when prices were significantly lower than the P65 index average for the three-month period ended March 31, 2023. This was partially offset by the 2.0 million tonnes in transit as at March 31, 2023, which were provisionally priced using an average forward price of US$141.1/dmt, which was slightly higher than the P65 index average price for the period.

During the three-month period ended March 31, 2023, 3.1 million tonnes of high-grade iron ore concentrate were sold at a gross average realized price[1] of US$135.5/dmt, before freight and other costs and provisional pricing adjustments, compared to 1.9 million tonnes sold at a gross average realized price[1] of US$164.1/dmt for the same period in 2022. Volume of sales was up 64% over the prior-year period due to incremental production driven by Phase II achieving commercial production in December 2022. Lower gross average realized selling price[1] reflects the lower index prices during the three-month period ended March 31, 2023, compared to the same prior-year period.

The average C3 Baltic Capesize Index ("C3") for the three-month period ended March 31, 2023, was US$18.1/t compared to US$22.9/t for the same period in 2022, representing a decrease of 21%, which contributed to lower freight costs in the three-month period ended March 31, 2023. When contracting vessels on the spot market, Champion typically books vessels three to five weeks prior to the desired laycan period due to its distance from main shipping hubs. Although this creates a delay between the freight paid and the C3 index, the effect of this delay is eventually reconciled since Champion ships its high-grade iron ore concentrate uniformly throughout the year.

Provisional pricing adjustments on previous quarterly sales, which were impacted by the increase in the P65 index in the quarter, positively impacted the net average realized selling price[1]. During the three-month period ended March 31, 2023, a final price of US$135.6/dmt was established for the 1.7 million tonnes of iron ore that were in transit as at December 31, 2022, and which were previously evaluated using an average expected price of US$129.5/dmt. Accordingly, during the three-month period ended March 31, 2023, net positive provisional pricing adjustments of $14.3 million (US$10.5 million) were recorded, representing a positive impact of US$3.4/dmt over the total volume of 3.1 million dmt sold during the period.

After taking into account sea freight and other costs of US$28.0/dmt and the positive provisional pricing adjustment of US$3.4/dmt, the Company obtained a net average realized selling price[1] of US$110.9/dmt (C$150.0/dmt) for its high-grade iron ore delivered or in transit at the end of the period.

2023 Financial Year vs 2022 Financial Year

For the year ended March 31, 2023, the Company sold 10.6 million tonnes of iron ore concentrate, mainly to customers in China, Japan, South Korea and Europe, compared to 7.7 million tonnes for the same prior-year period. This represents an increase of 38% year-over-year attributable to Phase II achieving commercial production in December 2022. Revenues totalled $1,395.1 million for the year ended March 31, 2023, compared to $1,460.8 million for the same period in 2022, as higher sales volumes were offset by lower net average realized selling price[1].

While the high-grade iron ore P65 index price fluctuated between a low of US$91/dmt and a high of US$185/dmt during the year ended March 31, 2023, it averaged US$131.4/dmt, representing a decrease of 27% from last year. The Company sold its product at a gross average realized selling price[1] of US$132.0/dmt. Benefiting from a premium product at 66.2% Fe, the Company expects its iron ore concentrate pricing to continue tracking the P65 index in the long term. Deducting sea freight and other costs of US$30.6/dmt and the negative provisional pricing adjustments of US$2.0/dmt, the Company obtained a net average realized selling price[1] of US$99.4/dmt (C$131.7/dmt) for its high-grade iron ore concentrate.

B. Cost of Sales and C1 Cash Cost[1]

Fourth Quarter of the 2023 Financial Year vs Fourth Quarter of the 2022 Financial Year

For the three-month period ended March 31, 2023, the cost of sales totalled $244.4 million, compared to $116.7 million for the same period in 2022 for a C1 cash cost[1] per tonne of $79.0/dmt during the period, compared to $60.0/dmt for the same period in 2022.

The C1 cash cost[1] per dmt sold for the three-month period ended March 31, 2023, was negatively impacted by the fixed costs incurred to support the infrastructure required to achieve the higher anticipated production prior to achieving nameplate capacity. The Company expects those costs to decrease and to normalize as production gradually ramps up towards Bloom Lake's expanded nameplate capacity of 15 Mtpa.

Cash cost[1] during the quarter was also affected by higher than expected utilization of contractors at the mine due to the previously disclosed delivery delays in required mining equipment. The C1 cash cost[1] in the three-month period ended March 31, 2023, compared to the same period last year, was also impacted by the higher cost of fuel and explosives used in the Company's mining activities, higher workforce transportation costs and global inflationary pressures that also affected contractors, rail and port operations, and food services. In addition, the longer than expected planned maintenance shutdown of one crusher and longer haul cycle times associated with the current mine plan also contributed to a higher cash cost[1] for the three-month period ended March 31, 2023. Despite factors contributing to higher cash cost[1] per dmt sold in the period, the economic benefits of the Phase II expansion project will continue to accrue as throughput gradually increases and reaches the expected expanded nameplate capacity of 15 Mtpa.

The life of mine stripping ratio used for cost capitalization was revised upward in December 2021 from 0.5 to 0.99, concurrently with the commencement of Phase II operations. During the three-month period ended March 31, 2023, the actual stripping ratio of 0.55 was lower than the life of mine stripping ratio used for cost capitalization; therefore, no mining costs were capitalized during the period. During the prior-year period, the Company capitalized mining costs, contributing to lower cash cost[1] for the three-month period ended March 31, 2022.

2023 Financial Year vs 2022 Financial Year

For the year ended March 31, 2023, the Company produced high-grade iron ore at a C1 cash cost[1] of $73.9/dmt, compared to $58.9/dmt for the year ended March 31, 2022. The increase in annual C1 cash cost[1] is due to additional fixed costs incurred to support infrastructure required to achieve the higher anticipated production prior to reaching nameplate capacity with the Phase II project, increased contractors' costs attributable to mining equipment delivery delays, inflationary pressure on the cost of fuel, explosive and workforce transportation costs. Cost of sales was also impacted by longer than expected and unplanned maintenance activities.

C. Net Income & EBITDA[1]

For the three-month period ended March 31, 2023, the Company generated an EBITDA[1] of $195.7 million, representing an EBITDA margin[1] of 42%, compared to $197.9 million, representing an EBITDA margin[1] of 60%, for the same period in 2022. Comparable EBITDA[1] is mainly due to higher sales volume driven by the commissioning of Phase II during the year, offset by a higher cost of sales and lower net average realized selling prices[1].

For the three-month period ended March 31, 2023, the Company generated net income of $88.2 million (EPS of $0.17), compared to $115.7 million (EPS of $0.23) for the same period last year. The year-over-year decrease in net income was mainly affected by lower gross profit as described above.

For the year ended March 31, 2023, the Company generated an EBITDA[1] of $493.2 million, representing an EBITDA margin[1] of 35%, compared to $925.8 million, representing an EBITDA margin[1] of 63%, for the same prior-year period. This year-over-year decrease in EBITDA[1] is mainly attributable to the decrease in the net average realized selling price[1] and higher production costs, partially offset by a higher sales volume following the commissioning of Phase II.

For the year ended March 31, 2023, the Company generated net income of $200.7 million (EPS of $0.39), compared to $522.6 million (EPS of $1.03) for the same prior-year period. The year-over-year decrease in net income is mainly due to lower EBITDA[1] and higher depreciation, partially offset by lower income and mining taxes.

D. All In Sustaining Cost ("AISC")[1] and Cash Operating Margin[1]

During the three-month period ended March 31, 2023, the Company realized an AISC[1] of $85.7/dmt, compared to $70.5/dmt for the same period in 2022. The increase relates to higher C1 cash costs[1], partially offset by lower sustaining capital expenditures and lower G&A expenses per dmt.

The Company generated a cash operating margin[1] of $64.3/dmt for each tonne of high-grade iron ore concentrate sold during the three-month period ended March 31, 2023, compared to $104.8/dmt for the same prior-year period. The variation is mainly due to a combination of higher AISC[1] and a lower net average realized selling price[1] for the period.

During the year ended March 31, 2023, the Company recorded an AISC[1] of $86.5/dmt, compared to $73.1/dmt for the same period in 2022. The variation is mainly due to higher C1 cash costs[1], partially offset by lower sustaining capital expenditures per dmt as well as lower G&A expenses per dmt.

The cash operating margin[1] totalled $45.2/dmt for the year ended March 31, 2023, compared to $117.8/dmt for the same prior-year period. The variation is mainly due to a lower net average realized selling price[1] and higher AISC[1].

4. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on May 31, 2023, at 8:30 AM (Montréal time) / 10:30 PM (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/investors/events-presentations or by dialing toll free +1-888-390-0546 within North America or +1-800-076-068 from Australia.

An online archive of the webcast will be available by accessing the Company's website at www.championiron.com/investors/events-presentations. 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 882582 #.

About Champion Iron Limited

Champion, through its wholly-owned subsidiary Quebec 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. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The two concentrators have a combined nameplate capacity of 15 Mtpa and produce a low contaminant high-grade 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality concentrate. In January 2023, the Company announced the positive findings of a feasibility study evaluating upgrading half of the Bloom Lake mine capacity to a direct reduction quality pellet feed iron ore and approved an initial budget to advance the project. Bloom Lake's high-grade and low contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. The Company ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and has sold its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset Project, located a few kilometres south-east of Bloom Lake, and the Consolidated Fire Lake North iron ore project, located approximately 40 km south of Bloom Lake.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain information and statements that may constitute "forward-looking information" under applicable Canadian securities laws. 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. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control.

Specific Forward-Looking Statements

All statements other than statements of historical facts included in this press release that address future events, developments or performance that Champion expects to occur are forward-looking statements. Forward-looking statements include, among other things, Management's expectations regarding: (i) the Company's Phase II expansion project, its expected achievement of nameplate capacity, throughput, recovery rates, economic and other benefits, impact on nameplate capacity, milestones and associated costs, and related port capacity; (ii) the project to upgrade the Bloom Lake iron ore concentrate to a higher grade with lower contaminants and to convert approximately half of Bloom Lake's increased nameplate capacity of 15 Mtpa to commercially produce a DR quality pellet feed iron ore, expected project timeline, capital expenditure, budget and financing; (iii) the feasibility study evaluating the re-commissioning of the Pointe-Noire Iron Ore Pelletizing Facility to produce DR grade pellets and its anticipated completion timeline; (iv) the Kami Project's feasibility study, its purpose, including evaluating the potential to produce a DR grade product, and anticipated completion timeline; (v) the shift in steel industry production methods towards reducing emissions and green steel production methods and the Company's participation therein, contribution thereto and positioning in connection therewith; (vi) optimization work programs and their expected results and impact on production; (vii) expected locomotives delivery and potential sales limitations; (viii) production and recovery rate targets and Company's performance; and (ix) the Company's growth and opportunities generally.

Risks

Although Champion believes the expectations expressed 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 expressed in forward-looking statements include, without limitation: (i) the results of feasibility studies; (ii) changes in the assumptions used to prepare feasibility studies; (iii) project delays; (iv) timing and uncertainty of industry shift to green steel and EAF; (v) continued availability of capital and financing and general economic, market or business conditions; (vi) general economic, competitive, political and social uncertainties; (vii) future prices of iron ore; (viii) future transportation costs; (ix) failure of plant, equipment or processes to operate as anticipated; (x) delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; and (xi) the effects of catastrophes and public health crises, including the impact of COVID-19 on the global economy, the iron ore market and Champion's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2023 Annual Report, Annual Information Form and MD&A for the financial year ended March 31, 2023, which are available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com. 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.

Additional Updates

All of Champion's forward-looking information contained in this press release is given as of the date hereof or such other date or dates specified in forward-looking statements 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 the forward-looking information, whether as a result of new information, future events or otherwise, except as 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. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. Readers should carefully consider the above factors as well as the uncertainties they represent and the risks they entail.

Abbreviations

Unless otherwise specified, all dollar figures stated herein are expressed in millions of Canadian dollars, except for: (i) tabular amounts which are in thousands of Canadian dollars; and (ii) per share or per tonne amounts. The following abbreviations and definitions are used throughout this press release: US$ (United States dollar), C$ (Canadian dollar), Fe (iron ore), wmt (wet metric tonnes), dmt (dry metric tonnes), Mtpa (million tonnes per annum), M (million), km (kilometers), LoM (life of mine), G&A (general and administrative), EBITDA (earnings before interest, tax, depreciation and amortization), AISC (all-in sustaining cost), EPS (earnings per share), Management (Champion's management team), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex) and Phase II (Phase II expansion project). The utilization of "Champion" or the "Company" refers to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. "IFRS" refers to International Financial Reporting Standards.

For further information, please contact:

Michael Marcotte, CFA
Senior Vice-President, Corporate Development and Capital Markets
514-316-4858, Ext. 1128
info@championiron.com

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

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

Copies of the Company's audited Consolidated Financial Statements and associated Management's Discussion and Analysis ("MD&A") for the year ended March 31, 2023 are available under the Company's profile on SEDAR (www.sedar.com), on the ASX (www.asx.com.au) and the Company's website (www.championiron.com).

[1] This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the section below - Non-IFRS and Other Financial Measures for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable. Additional details for these non-IFRS and other financial measures, have been incorporated by reference and can be found in section 22 of the Company's MD&A for the year ended March 31, 2023, available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and on the Company's website under the Investors section at www.championiron.com.

[2] See the "Currency" section of the MD&A for the year ended March 31, 2023, included in note 7 - Key Drivers, available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and on the Company's website under the Investors section at www.championiron.com.

[3] See the "Cautionary Note Regarding Forward-Looking Statements" section of this press release.

Non-IFRS and Other Financial Measures

The Company has included certain non-IFRS financial measures, ratios and supplementary financial measures in this press release, as listed in the table below, to provide investors with additional information in order to help them evaluate the underlying performance of the Company. These measures are mainly derived from the financial statements but do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Management believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors with an improved ability to understand the results of the Company's operations. Non-IFRS and other financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The exclusion of certain items from non-IFRS financial measures does not imply that these items are necessarily non-recurring.

EBITDA and EBITDA Margin

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	**2023**	2022
(in thousands of dollars)				
Income before income and mining taxes	**144,457**	181,312	**346,545**	870,843
Net finance costs	**8,774**	2,269	**25,587**	11,045
Depreciation	**42,478**	14,357	**121,044**	43,929
EBITDA	**195,709**	197,938	**493,176**	925,817
Revenues	**463,913**	331,376	**1,395,088**	1,460,806
EBITDA margin	**42%**	60%	**35%**	63%

Adjusted Net Income and Adjusted EPS

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	**2023**	2022
(in thousands of dollars except per share)				
Net Income	**88,217**	115,653	**200,707**	522,585
Cash items				
Loss (gain) on disposal of non-current investments	**—**	—	**—**	(176)
Incremental costs related to COVID-19	**—**	3,310	**1,145**	7,843
Bloom Lake Phase II start-up costs	**—**	5,965	**39,159**	17,752
	—	9,275	**40,304**	25,419
Tax effect of adjustments listed above[1]	**—**	(3,617)	**(15,315)**	(10,236)
Adjusted net income	**88,217**	121,311	**225,696**	537,768
Weighted average number of ordinary shares outstanding - Basic	**517,193,000**	511,237,000	**517,046,000**	507,591,000
Adjusted EPS	**0.17**	0.24	**0.44**	1.06

[1] The tax effect of adjustments is calculated using the applicable tax rate.

Available Liquidity

	As at March 31, 2023	As at December 31, 2022
Cash and cash equivalents	**326,806**	165,986
Short-term investments	**312**	312
Undrawn amounts under credit facilities	**346,596**	309,736
Available liquidity	**673,714**	476,034

C1 cash Cost

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	**2023**	2022
Per tonne sold				
Iron ore concentrate sold (dmt)	**3,092,900**	1,889,900	**10,594,400**	7,650,600
(in thousands of dollars except per tonne)				
Cost of sales	**244,444**	116,658	**822,762**	458,678
Less: Incremental costs related to COVID-19	**—**	(3,310)	**(1,145)**	(7,843)
Less: Bloom Lake Phase II start-up costs	**—**	—	**(39,159)**	—
	244,444	113,348	**782,458**	450,835
C1 cash cost (per dmt sold)	**79.0**	60.0	**73.9**	58.9

All-In Sustaining Cost

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	**2023**	2022
Per tonne sold				
Iron ore concentrate sold (dmt)	**3,092,900**	1,889,900	**10,594,400**	7,650,600
(in thousands of dollars except per tonne)				
Cost of sales	**244,444**	116,658	**822,762**	458,678
Less: Incremental costs related to COVID-19	**—**	(3,310)	**(1,145)**	(7,843)
Less: Bloom Lake Phase II start-up costs	**—**	—	**(39,159)**	—
Sustaining capital expenditures	**9,303**	11,743	**91,924**	76,956
G&A expenses	**11,466**	8,094	**41,514**	31,769
	265,213	133,185	**915,896**	559,560
AISC (per dmt sold)	**85.7**	70.5	**86.5**	73.1

Cash Operating Margin and Cash Profit Margin

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	**2023**	2022
Per tonne sold				
Iron ore concentrate sold (dmt)	**3,092,900**	1,889,900	**10,594,400**	7,650,600
(in thousands of dollars except per tonne)				
Revenues	**463,913**	331,376	**1,395,088**	1,460,806
Net average realized selling price (per dmt sold)	**150.0**	175.3	**131.7**	190.9
AISC (per dmt sold)	**85.7**	70.5	**86.5**	73.1
Cash operating margin (per dmt sold)	**64.3**	104.8	**45.2**	117.8
Cash profit margin	**43%**	60%	**34%**	62%

Gross Average Realized Selling Price per dmt Sold

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	**2023**	2022
Per tonne sold				
Iron ore concentrate sold (dmt)	**3,092,900**	1,889,900	**10,594,400**	7,650,600
(in thousands of dollars except per tonne)				
Revenues	**463,913**	331,376	**1,395,088**	1,460,806
Provisional pricing adjustments	**(14,325)**	(28,769)	**27,479**	(70,969)
Freight and other costs	**117,137**	88,757	**428,616**	338,632
Gross revenues	**566,725**	391,364	**1,851,183**	1,728,469
Gross average realized selling price (per dmt sold)	**183.2**	207.1	**174.7**	225.9