

CHAMPION IRON REPORTS ROBUST FOURTH QUARTER AND FY2022 ANNUAL RESULTS AND DECLARES DIVIDEND

FY2022 EPS of \$1.03, EBITDA of \$926M; Declares a dividend of \$0.10 per ordinary share; Ramping up the Bloom Lake Mine Phase II expansion project and evaluating growth opportunities

Montréal, May 25, 2022 - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("Champion" or the "Company") is pleased to announce operational and financial results for the fourth quarter and fiscal year ended March 31, 2022.

Conference Call Details

Champion will host a conference call and webcast on May 26, 2022 at 8:30 AM (Montréal time) / 10:30 PM (Sydney time) to discuss the fourth quarter and annual results for the fiscal year ended March 31, 2022. Call details are outlined at the end of this press release.

1. Highlights

Health & Safety

- No serious injuries or major environmental issues reported during the period;
- An employee recordable injury frequency rate of 2.98 for the 2022 fiscal year, which is in line with Québec's open pit industry performance;
- COVID-19 testing laboratory and prevention measures maintained in line with the Government of Québec's (the "Government") directives to mitigate risks related to COVID-19 and limit the spread of variants;
- Completed the Company's 2021 Sustainability Report, including Task Force on Climate-Related Financial Disclosure, available on the Company's website at www.championiron.com; and
- Committing to greenhouse gas ("GHG") emissions reduction of 40% by 2030, based on 2014 emission intensity with additional consideration for the targeted nameplate capacity of 15 Mtpa. The Company is also committed to be carbon neutral by 2050.

Financial

- Inaugural dividend of \$0.10 per ordinary share paid on March 1, 2022, in connection with the semi-annual results for the period ended September 30, 2021, and an additional dividend of \$0.10 per ordinary share declared by the Board of Directors in connection with the annual results for the period ended March 31, 2022. Additional details on the dividends and related tax information can be found on the Company's website at www.championiron.com;
- Revenues of \$331.4M and \$1,460.8M for the three-month period and year ended March 31, 2022, respectively, compared to \$396.7M and \$1,281.8M for the same periods in 2021;
- EBITDA¹ of \$197.9M for the three-month period ended March 31, 2022, compared to \$275.8M for the same period in 2021. EBITDA¹ of \$925.8M for the year ended March 31, 2022, compared to \$819.5M for the same period in 2021;

- Net income of \$115.7M for the three-month period ended March 31, 2022 (EPS of \$0.23), compared to \$155.9M for the same period in 2021 (EPS of \$0.32). Net income of \$522.6M for the year ended March 31, 2022 (EPS of \$1.03), compared to \$464.4M for the same period in 2021 (EPS of \$0.97);
- Net cash flow from operating activities of \$4.3M for the three-month period ended March 31, 2022, representing an operating cash flow per share¹ of \$0.01, compared to \$228.6M or \$0.46 for the same period in 2021. Net cash flow from operating activities of \$470.4M for the year ended March 31, 2022, representing an operating cash flow per share¹ of \$0.93, compared to \$624.4M or \$1.30 for the same period in 2021;
- Cash on hand¹ and restricted cash of \$396.4M as at March 31, 2022, compared to \$543.4M as at December 31, 2021 and \$680.5M as at March 31, 2021, reflecting the ongoing construction of the Phase II expansion project, working capital changes and the semi-annual dividend payment on March 1, 2022; and
- US\$400.0M general purpose revolving facility agreement signed on May 24, 2022 (the “Revolving Facility”), which refinanced the previous Phase II credit facility (the “Credit Facility”), providing increased financial flexibility and enabling the Company to lift the restricted cash covenant of \$43.7M, and reduce its cost of capital. The Revolving Facility was underwritten by sophisticated global financiers, including Societe Generale, The Bank of Nova Scotia, The Toronto-Dominion Bank and The Royal Bank of Canada acting as mandated lead arrangers. The Company drew US\$180M on the Revolving Facility, equivalent to the Credit Facility balance as at March 31, 2022.

Operations

- Production of 1,869,000 wmt of high-grade 66.2% Fe concentrate for the three-month period ended March 31, 2022, compared to 2,011,400 wmt of high-grade 66.5% Fe concentrate for the same period in 2021. Production of 7,907,300 wmt of high-grade 66.2% Fe concentrate for the year ended March 31, 2022, compared to 8,001,200 wmt of high-grade 66.4% Fe for the same period in 2021;
- Fe recovery rate of 82.7% and 83.2% for the three-month period and year ended March 31, 2022, respectively, compared to a Fe recovery rate of 82.6% and 83.5%, respectively, for the same periods in 2021; and
- Free on Board (“FOB”) total cash cost¹ of \$60.0/dmt (US\$47.4²/dmt) (C1) and \$58.9/dmt (US\$47.0²/dmt) for the three-month period and year ended March 31, 2022, respectively, compared to \$54.4/dmt (US\$43.0²/dmt) and \$54.2/dmt (US\$41.0²/dmt), respectively, for the same periods in 2021.

Growth and Development

- Ongoing feasibility study evaluating the reprocessing and infrastructure required to commercially produce a 69% Fe Direct Reduction (“DR”) pellet feed product. The study of this proposed project, scaled to convert approximately half of Bloom Lake’s increased nameplate capacity, is expected to be completed in mid-2022;
- Announcement of the entering into an acquisition agreement for the Pointe-Noire Iron Ore Pelletizing Facility located in Sept-Îles, Québec (the “Pellet Plant”) on May 17, 2022, and announcement that the Company had entered into a memorandum of understanding with a major international steelmaking partner to evaluate the recommissioning of the Pellet Plant to produce DR grade pellets; and
- Advancing the Kamistiatusset iron ore project’s (the “Kami Project”) feasibility study, expected to be completed in the second half of calendar 2022, whereby the project is being evaluated for its capability to produce DR grade pellet feed product.

Phase II Milestones

- Phase II commissioning achieved ahead of schedule in late April 2022, despite pandemic-related challenges, positioning the Company to ramp up towards commercial production by the end of calendar 2022;
- Completion of the first rail shipments containing 24,304 wmt of high-grade 66.2% Fe iron ore concentrate from the Phase II project on May 3, 2022; and
- Cumulative investments of \$625.2M, including deposits, deployed on the project as at March 31, 2022.

Champion’s CEO, Mr. David Cataford, said: “Delivering robust operational and financial results for our 2022 fiscal year, while completing our Phase II expansion project is a significant achievement highlighting our team’s professionalism and perseverance. This year we will work to double Bloom Lake’s nameplate capacity and further position our Company’s contributions towards green steelmaking solutions. In addition to ongoing feasibility studies for our DR pellet feed project and the Kami Project, we also partnered with a global leader in the steel industry, in order to evaluate the opportunity to re-commission our recently acquired Pellet Plant in Pointe-Noire and produce DR pellets.”

2. Bloom Lake Phase II Commissioning

During the three-month period ended March 31, 2022, the Company advanced the work required to commission its Phase II project. As such, the Company completed its first rail shipments containing 24,304 wmt of high-grade 66.2% Fe iron ore concentrate from the Phase II project on May 3, 2022. The Company's first saleable Phase II high-grade iron ore concentrate is expected to be shipped from the port of Sept-Îles in the first quarter of the 2023 fiscal year. This significant milestone represents a tangible step towards realizing Bloom Lake's potential to become one of the largest global suppliers of high-purity iron ore.

As the Company anticipates reaching commercial production at Phase II by the end of calendar 2022³, project milestones achieved and related works undertaken during the three-month period ended March 31, 2022 included:

- Water-based commissioning of multiple process systems and all ancillary services at the plant;
- Obtained provincial government approval for future expansion of the tailings facilities to accommodate the full life of mine plan, while awaiting final federal government authorization;
- Continuation of construction works; and
- Commissioning of the plant at the end of April 2022, with first rail shipments completed on May 3, 2022.

3. Decarbonization Initiatives

As part of its ongoing efforts to minimize the environmental impact of its operations, the Company committed to GHG emissions reduction of 40% by 2030, based on 2014 emissions intensity with additional consideration for the targeted nameplate capacity of 15 Mtpa. The Company further committed to be carbon neutral by 2050. This GHG target is in line with the Paris Agreement 2 degrees Celsius scenarios, the Canadian government GHG reduction and the Science Based Targets initiative ("SBTi") frameworks. Towards this effort, the Company implemented a working group mandated to identify emissions reduction initiatives and evaluate resources required to deploy a program to reach its GHG emissions reduction objectives.

Recent initiatives include a partnership with Tugliq Energy Co. to initiate testing of electric pickup trucks designed for mining operations in Northern climates, which are expected to reduce emissions.

4. Bloom Lake Mine Operating Activities

	Three Months Ended March 31,			Year Ended March 31,		
	2022	2021	Variance	2022	2021	Variance
Operating Data						
Waste mined and hauled (wmt)	5,071,700	3,796,300	34%	20,512,500	15,481,100	33%
Ore mined and hauled (wmt)	5,388,200	5,636,100	(4%)	22,263,200	21,571,700	3%
Material mined and hauled (wmt)	10,459,900	9,432,400	11%	42,775,700	37,052,800	15%
Strip ratio	0.94	0.67	40%	0.92	0.72	28%
Ore milled (wmt)	4,904,100	5,237,800	(6%)	20,972,100	20,598,700	2%
Head grade Fe (%)	30.3	30.7	(1%)	29.9	30.7	(3%)
Fe recovery (%)	82.7	82.6	—%	83.2	83.5	—%
Product Fe (%)	66.2	66.5	—%	66.2	66.4	—%
Iron ore concentrate produced (wmt)	1,869,000	2,011,400	(7%)	7,907,300	8,001,200	(1%)
Iron ore concentrate sold (dmt)	1,889,900	1,971,100	(4%)	7,650,600	7,684,500	—%
Financial Data (in thousands of dollars)						
Revenues	331,376	396,702	(16%)	1,460,806	1,281,815	14%
Cost of sales	116,658	110,299	6%	458,678	428,882	7%
Other expenses	26,648	14,591	83%	84,871	43,693	94%
Net finance costs	2,269	5,430	(58%)	11,045	22,428	(51%)
Net income	115,653	155,934	(26%)	522,585	464,425	13%
EBITDA ¹	197,938	275,764	(28%)	925,817	819,477	13%
Statistics (in dollars per dmt sold)						
Gross average realized selling price ¹	207.1	220.0	(6%)	225.9	182.3	24%
Net average realized selling price ¹	175.3	201.3	(13%)	190.9	166.8	14%
Total cash cost (C1 cash cost) ¹	60.0	54.4	10%	58.9	54.2	9%
All-in sustaining cost ¹	70.5	65.1	8%	73.1	62.8	16%
Cash operating margin ¹	104.8	136.2	(23%)	117.8	104.0	13%

Operational Performance

Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year

In the three-month period ended March 31, 2022, 10,459,900 tonnes of material were mined and hauled, compared to 9,432,400 tonnes during the same period in 2021, an increase of 11%. The current strip ratio is in line with the revised mine plan, which includes preparation for Phase II operations. The increase in material movement was enabled through the utilization of additional operational equipment compared to the same prior-year period, offset by a longer haul cycle as material sourced from different pits, including those that deepened with mining activities over time, contributed to a longer haul cycle year-over-year.

The iron ore head grade for the three-month period ended March 31, 2022 was 30.3%, compared to 30.7% for the same period in 2021. 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 mining plan and the LoM head grade average.

Additionally, the Company's average Fe recovery rate remained stable quarter-over-quarter as a result of a constant recovery circuit.

Bloom Lake produced 1,869,000 wmt of 66.2% Fe high-grade iron ore concentrate during the three-month period ended March 31, 2022, a decrease of 7%, compared to 2,011,400 wmt of 66.5% Fe during the same period in 2021. The slightly lower production is attributable to a lower head grade and lower throughput. The plant processed 4,904,100 tonnes of ore during the three-month period ended March 31, 2022, compared to 5,237,800 for the same prior-year period. The throughput for the period was negatively affected by the operational inefficiencies caused by the COVID-19 Omicron variant, together with minor unplanned maintenances.

2022 Fiscal Year vs 2021 Fiscal Year

On March 24, 2020, the Company announced the ramp-down of its operations following Government directives in response to the COVID-19 pandemic. Operations gradually ramped up following the Government's announcement in April 2020 that mining activities were to be considered a "priority service" in Québec. Early actions implemented by the Company in response to the COVID-19 pandemic minimized its impact on the Company and its operations. Once Government restrictions were lifted, the Company accelerated its mining activities and fully resumed its production capacity.

The Company mined and hauled 42,775,700 tonnes of material during the year ended March 31, 2022, compared to 37,052,800 tonnes for the same period in 2021. This increase in material mined and hauled is attributable to the utilization of additional operational equipment compared to the same prior-year period and the negative impact of the COVID-19 pandemic on several of the Company's other activities early in the comparative period. The strip ratio increased to 0.92 for the year ended March 31, 2022, compared to 0.72 for the same period in 2021. The strip ratio is consistent with the revised mine plan which includes preparation for Phase II operations.

The iron ore head grade of 29.9% for the year ended March 31, 2022 was attributable to different sourcing pits, compared to 30.7% for the same period in 2021 and is consistent with the LoM head grade average.

The plant processed 20,972,100 tonnes of ore during the year ended March 31, 2022, an increase of 2% over the same period in 2021. The iron ore concentrate produced remained stable during the year ended March 31, 2022 despite a lower head grade, compared to the same period in 2021, as a result of continuous improvements and operational innovations allowing the Company to increase throughput stability and reach a higher level of mill productivity.

5. Financial Performance

A. Revenues

Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year

During the three-month period ended March 31, 2022, 1,889,900 tonnes of high-grade iron ore concentrate were sold at the CFR China gross average realized price¹ of US\$164.1/dmt, before freight and other costs and provisional pricing adjustments, compared to US\$173.9/dmt for the same prior-year period. The decrease in gross average realized selling price¹ mainly reflects lower index prices during the three-month period ended March 31, 2022, compared to the same prior-year period. Despite lower index prices, the gross average realized selling price¹ of US\$164.1/dmt represents a premium of 15.9% over the benchmark IODEX 62% Fe CFR China Index ("P62") price for the period, compared to a premium of 4.2% for the same period in 2021.

The gross average realized selling price¹ of US\$164.1/dmt was slightly lower than the IODEX 65% Fe CFR China Index ("P65") average price of US\$169.7/dmt for the period due to the negative impact of sales based on backward-looking iron ore prices, when prices were substantially lower than the P65 index average for the period. The gross average realized selling price¹ also reflects the positive impact of sales at a determined price based on the average forward price of US\$185.7 at the expected settlement date for 691,100 tonnes which were in transit at the end of the period.

The average C3 Baltic Capesize Index ("C3") for the three-month period ended March 31, 2022 was US\$22.9/t compared to US\$18.0/t for the same period in 2021, representing an increase of 27%, which contributed to higher freight costs in the three-month period ended March 31, 2022, compared to the same prior-year period. The freight costs variation relative to the C3 index during the period was mainly due to the timing of the vessels' booking. A dynamic also arose where the lower C3 index during the period, likely due to lower Brazilian shipments, had somewhat disconnected with other bulk freight indices. As a result, vessel operators were not willing to book vessels using the C3 index when prices were low. The Company expects to benefit from the quarter's low freight index in the upcoming period for sales contracts based on fixed backward-looking indexes.

The net average realized selling price¹ of US\$139.1 for the three-month period ended March 31, 2022 was negatively impacted by a higher C3 index. Freight and other costs represented 23% of the gross average realized selling price for the period, compared to 13% for the same period in 2021, which represents a variation of US\$14.2/dmt. Provisional pricing adjustments on previous sales, which were directly correlated to the increase in the P65 index early in the quarter contributed to increasing the net average realized selling price¹. During the three-month period ended March 31, 2022, the final price was established for the 856,200 tonnes of iron ore that were in transit as at December 31, 2021. Accordingly, during the three-month period ended March 31, 2022, net positive provisional pricing adjustments were recorded as an increase in revenues for the 856,200 tonnes, representing a positive impact of US\$12.2/dmt for the period, compared to US\$8.4/dmt for the same period in 2021.

After taking into account sea freight and other costs of US\$37.2/dmt and the positive provisional pricing adjustment of US\$12.2/dmt, the Company obtained a net average realized selling price¹ of US\$139.1/dmt (CA\$175.3/dmt) for its high-grade iron ore delivered to the end customer. Revenues totalled \$331,376,000 for the three-month period ended March 31, 2022 compared to \$396,702,000 for the same period in 2021, reflecting the lower net average realized selling price¹ as well as the negative volume impact attributable to the COVID-19 pandemic.

2022 Fiscal Year vs 2021 Fiscal Year

For the year ended March 31, 2022, the Company sold 7,650,600 tonnes of iron ore concentrate, mainly to customers in China, Japan, South Korea and Europe. While the high-grade iron ore P65 index price fluctuated between a low of US\$101.8/dmt and a high of US\$264.2/dmt during the year ended March 31, 2022, the Company sold its product at a gross average realized selling price¹ of US\$181.1/dmt. The gross average realized selling price is comparable to the average P65 high-grade index of US\$179.9/dmt for the period. The Company expects its iron ore concentrate pricing to continue tracking the P65 index in the long term.

Combining the gross average realized selling price¹ with the positive provisional pricing adjustment of US\$7.5/dmt, the Company sold its high-grade iron ore at a price of US\$188.6/dmt during the year ended March 31, 2022, compared to the P65 high-grade index average of US\$179.9/dmt. Deducting sea freight and other costs of US\$35.3/dmt, the Company obtained a net average realized selling price¹ of US\$153.3/dmt (CA\$190.9/dmt) for its high-grade iron ore. The increase in freight and other costs in the year ended March 31, 2022, compared to the same period in 2021, negatively impacted the net average realized selling price¹ for the period by US\$14.8/dmt. As such, revenues totalled \$1,460,806,000 for the year ended March 31, 2022, compared to \$1,281,815,000 for the same period in 2021, mainly as a result of a higher gross average realized selling price¹, partially offset by higher freight and other costs and the negative impact of foreign exchange rates.

B. Cost of Sales

Cost of sales represents mining, processing, and mine site-related G&A expenses as well as rail and port operation costs. It also includes specific and incremental costs related to COVID-19.

For the three-month period ended March 31, 2022, the cost of sales totalled \$116,658,000, compared to \$110,299,000 for the same period in 2021. During the three-month period ended March 31, 2022, the total cash cost¹ or C1 cash cost¹ per tonne, excluding specific and incremental costs related to COVID-19, totalled \$60.0/dmt, compared to \$54.4/dmt for the same period in 2021. The total cash cost¹ for the three-month period ended March 31, 2022 was negatively impacted by fuel price increases, longer haul cycle times associated with the current mine plan, and the utilization of additional operational mining equipment in order to prepare for Phase II. Increased explosives costs also contributed to higher cash costs¹ for the period.

For the year ended March 31, 2022, the Company produced high-grade iron ore at a total cash cost¹ amounting to \$58.9/dmt, compared to \$54.2/dmt for the year ended March 31, 2021. The variation is attributable to the same factors that affected the total cash cost¹ for the three-month period ended March 31, 2022. In addition, minor unplanned maintenances contributed to the higher cash cost¹ for the year ended March 31, 2022.

C. Net Income & EBITDA¹

Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year

For the three-month period ended March 31, 2022, the Company generated net income of \$115,653,000 (EPS of \$0.23), compared to \$155,934,000 (EPS of \$0.32) for the same period in 2021. The net income was mainly affected by lower gross profits associated with a lower P65 index average price and higher sea freight and other costs during the period, as well as by lower volumes of iron ore concentrate sold, compared to the same prior-year period. The decrease in net income is partially offset by lower current income and mining taxes as a result of lower operating earnings.

For the three-month period ended March 31, 2022, the Company generated an EBITDA¹ of \$197,938,000, including non-cash share-based compensation and pre-commercial start-up costs for Phase II totalling \$12,654,000, representing an EBITDA margin¹ of 60%, compared to \$275,764,000, representing an EBITDA margin¹ of 70% for the same period in 2021. The decrease in EBITDA¹ period-over-period is primarily due to lower revenue from lower net average realized selling prices¹.

2022 Fiscal Year vs 2021 Fiscal Year

For the year ended March 31, 2022, the Company generated net income of \$522,585,000 (EPS of \$1.03), compared to \$464,425,000 (EPS of \$0.97) for the same period in 2021. The increase in net income is mainly due to higher gross profits and lower net finance costs mainly attributable to a lower foreign exchange loss for the period. The increase is partially offset by Bloom Lake Phase II start-up costs, higher G&A expenses and higher current income and mining taxes as a result of higher operating earnings.

For the year ended March 31, 2022, the Company generated an EBITDA¹ of \$925,817,000, representing an EBITDA margin¹ of 63%, compared to \$819,477,000, representing an EBITDA margin¹ of 64% for the same period in 2021. This increase in EBITDA¹ is mainly attributable to the increase in the net average realized selling price¹, partially offset by higher production costs and pre-commercial start-up costs for Phase II.

D. AISC¹ and Cash Operating Margin¹

During the three-month period ended March 31, 2022, the Company realized an AISC¹ of \$70.5/dmt, compared to \$65.1/dmt for the same period in 2021. The variation relates to higher total cash costs¹ and the negative impact of lower volumes of iron ore concentrate sold. Deducting the AISC¹ of \$70.5/dmt from the net average realized selling price¹ of \$175.3/dmt, the Company generated a cash operating margin¹ of \$104.8/dmt for each tonne of high-grade iron ore concentrate sold during the three-month period ended March 31, 2022, compared to \$136.2/dmt for the same prior-year period. The variation is mainly due to a lower net average realized selling price¹ for the period.

During the year ended March 31, 2022, the Company recorded an AISC¹ of \$73.1/dmt, compared to \$62.8/dmt for the same period in 2021. The variation is due to higher total cash costs¹, higher sustaining capital expenditures related to higher stripping and mining activities and higher investments made in tailings lifts associated with preventive and corrective interventions on two specific dikes. The cash operating margin¹ totalled \$117.8/dmt for the year ended March 31, 2022, compared to \$104.0/dmt for the same period in 2021. The variation is mainly due to a higher net average realized selling price¹.

6. Reserves and Resources – As at March 31, 2022

During the 2022 fiscal year, stripping activities commenced, as detailed in the National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Joint Ore Reserves Committee (“JORC”) Code (2012 edition) compliant technical report titled “Bloom Lake Mine – Feasibility Study Phase II” (the “Phase II Feasibility Study”), authored by BBA, Soutex and WSP Canada Inc., and dated June 20, 2019. As such, it is no longer relevant to report reserves and resources separately as Phase I and Phase II.

The Bloom Lake reserves and resources were subject to adjustments for new drilling, operational experience and depletion, due to iron ore being mined as of March 31, 2022. The Phase II Feasibility Study is available under the Company’s filings at www.sedar.com and on the ASX at www.asx.com.au.

The changes in resources and reserves between March 31, 2021 and March 31, 2022 are mostly due to the following:

- Change in the pit design in relation to the Phase II expansion detailed in the Phase II Feasibility Study;
- Adjustment of the geological domains due to the addition of new drill holes to the database;
- Adjustment of the estimation parameters used in modelling through calibration with results from operations; and
- Yearly depletion.

Table 1: Bloom Lake Mineral Resources (million dmt)

Property	Group	Measured	Indicated	Total Measured & Indicated	Inferred
Bloom Lake*	Bloom Lake	219	626	846	129

Table 2: Bloom Lake Mineral Reserves (million dmt)

Property / Group	Proven	Fe (%)	Probable	Fe (%)	Reserves Proven & Probable	Fe (%)
Bloom Lake**	214	30.1	531	28.3	745	28.8

* Bloom Lake mineral resources include Bloom Lake mineral reserves.

** Proven tonnage of 214 Mt includes 1 Mt of stockpiles.

Additional details on other properties mineral resources and reserves can be found in section 11 – Reserves and Resources of the Company’s Management’s Discussion and Analysis (“MD&A”) for the year ended March 31, 2022, available under the Company’s profile on SEDAR at www.sedar.com, on the ASX at www.asx.com.au and the Company’s website at www.championiron.com.

7. Qualified Person and Data Verification

Mr. Vincent Blanchet, P. Eng., Engineer at Quebec Iron Ore Inc., the Company's subsidiary and operator of Bloom Lake, is a "qualified person" as defined by NI 43-101 and has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this press release and has confirmed that the relevant information is an accurate representation of the available data and studies for the relevant projects. Mr. Blanchet's review and approval does not include statements as to the Company's knowledge or awareness of new information or data or any material changes to the material assumptions and technical parameters underpinning the Phase II Feasibility Study. Mr. Blanchet is a member of the *Ordre des ingénieurs du Québec*.

8. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on May 26, 2022 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 919862 #.

About Champion Iron Limited

Champion, through its 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 Bloom Lake Phase I and Phase II plants have a combined nameplate capacity of 15 Mtpa and produce a low contaminant high-grade 66.2% Fe iron ore concentrate with the proven ability to produce a 67.5% Fe direct reduction quality concentrate. 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 sells its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to the Bloom Lake Mining Complex, 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

FORWARD-LOOKING STATEMENTS

This press release includes certain information and statements that may constitute "forward-looking information" under applicable Canadian securities legislation. 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, including Management's expectations regarding:

(i) the Company's Phase II expansion project and its milestones, commissioning and impact on commercial production and on nameplate capacity, mining rate and shipping of iron ore concentrate and production volume; (ii) the development of green steelmaking solutions; (iii) the opportunity to re-commission the Pellet Plant in Pointe-Noire and produce DR pellets; (iv) GHG and CO₂ emission reduction initiatives, objectives, targets and expectations; (v) the mitigation of risks related to COVID-19 and the limitation of the spread of variants; (vi) iron ore prices fluctuations and the correlation of the Company's iron ore concentrate pricing and the P65 index; (vii) the impact of exchange rates on commodity prices and the Company's financial results; (viii) benefits from low freight index; (ix) the future declaration and payment of dividends and the timing thereof; (x) the feasibility study to evaluate the reprocessing and infrastructure required for the commercial production of a 69% Fe DR pellet feed product, including the timing thereof; (xi) the acquisition of the Pointe-Noire Pellet Plant, its completion,

expected benefits and opportunities for commercial production; (xii) the Company's strategy to evaluate its growth alternatives within its property portfolio; (xiii) the revision of the Kami Project scope and related feasibility study, including the timing thereof and potential production capabilities; and (xiv) the Company's growth, potential and opportunities generally are forward-looking statements.

DEEMED FORWARD-LOOKING STATEMENTS

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual reserves and resources may be greater or less than the estimates provided herein.

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:

- the results of feasibility studies;
- changes in the assumptions used to prepare 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;
- future transportation costs, 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;
- 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 2022 Annual Report, Annual Information Form and MD&A for the fiscal year ended March 31, 2022, all of 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 such 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 its 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. Investors and others 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 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), CA\$ (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), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex) and Phase II (Phase II expansion project). IFRS refers to International Financial Reporting Standards. The utilization of "Champion" or the "Company" refers to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable.

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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 MD&A for the year ended March 31, 2022 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).

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 additional information 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.

Non-IFRS and Other Financial Measures	
Non-IFRS Financial Measures	
EBITDA	Earnings before income and mining taxes, net finance costs and depreciation
Adjusted net income	Net income plus incremental costs related to COVID-19 and Phase II start-up costs, less gain on disposal of non-current investments, and the related tax effect of these items
Cash on hand	Cash and cash equivalents plus short-term investments
Non-IFRS Ratios	
EBITDA margin	EBITDA as a percentage of revenues
Adjusted EPS	Adjusted net income per basic weighted average number of ordinary shares outstanding
Total cash cost or C1 cash cost per dmt sold	Cost of sales before incremental costs related to COVID-19 divided by iron ore concentrate sold in dmt
AISC per dmt sold	Cost of sales before incremental costs related to COVID-19 plus sustaining capital expenditures and G&A expenses divided by iron ore concentrate sold in dmt
Cash operating margin	Net average realized selling price less AISC
Gross average realized selling price or gross average realized FOB selling price per dmt sold	Revenues before provisional pricing adjustments and freight and other costs divided by iron ore concentrate sold in dmt
Cash profit margin	Cash operating margin as a percentage of net average realized selling price
Other Financial Measures	
Net average realized selling price or net average realized FOB selling price per dmt sold	Revenues divided by iron ore concentrate sold in dmt
Operating cash flow per share	Net cash flow from (used in) operating activities per basic weighted average number of ordinary shares outstanding

EBITDA and EBITDA Margin

	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
(in thousands of dollars)				
Income before income and mining taxes	181,312	261,047	870,843	761,872
Net finance costs	2,269	5,430	11,045	22,428
Depreciation	14,357	9,287	43,929	35,177
EBITDA	197,938	275,764	925,817	819,477
Revenues	331,376	396,702	1,460,806	1,281,815
EBITDA margin	60%	70%	63%	64%

Adjusted Net Income and Adjusted EPS

	Three Months Ended March 31, 2022		Year Ended March 31, 2022	
	Net Income	EPS	Net Income	EPS
(in thousands of dollars, except per share)				
Unadjusted	115,653	0.23	522,585	1.03
Cash items				
Gain on disposal of non-current investments	—	—	(176)	—
Incremental costs related to COVID-19	3,310	0.01	7,843	0.02
Bloom Lake Phase II start-up costs	5,965	0.01	17,752	0.03
	9,275	0.02	25,419	0.05
Tax effect of adjustments listed above ¹	(3,617)	(0.01)	(10,236)	(0.02)
Adjusted	121,311	0.24	537,768	1.06

	Three Months Ended March 31, 2021		Year Ended March 31, 2021	
		EPS		EPS
(in thousands of dollars, except per share)				
Unadjusted	155,934	0.32	464,425	0.97
Non-cash item				
Loss on debt refinancing	—	—	1,863	—
Cash items				
Gain on disposal of non-current investments	(2,332)	(0.01)	(2,332)	(0.01)
Incremental costs related to COVID-19	3,162	0.01	12,610	0.03
	830	—	10,278	0.02
Tax effect of adjustments listed above ¹	(1,265)	(0.01)	(5,885)	(0.01)
Adjusted	155,499	0.31	470,681	0.98

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

Cash on Hand

	As at March 31, 2022	As at March 31, 2021
(in thousands of dollars)		
Cash and cash equivalents	321,892	609,316
Short-term investments	30,777	27,200
Cash on hand	352,669	636,516

Total Cash Cost

	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Per tonne sold				
Iron ore concentrate sold (dmt)	1,889,900	1,971,100	7,650,600	7,684,500
(in thousands of dollars except per tonne)				
Cost of sales	116,658	110,299	458,678	428,882
Less: Incremental costs related to COVID-19	(3,310)	(3,162)	(7,843)	(12,610)
	113,348	107,137	450,835	416,272
Total cash cost (per dmt sold)	60.0	54.4	58.9	54.2

All-In Sustaining Cost

	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Per tonne sold				
Iron ore concentrate sold (dmt)	1,889,900	1,971,100	7,650,600	7,684,500
(in thousands of dollars except per tonne)				
Cost of sales	116,658	110,299	458,678	428,882
Less: Incremental costs related to COVID-19	(3,310)	(3,162)	(7,843)	(12,610)
Sustaining capital expenditures	11,743	13,193	76,956	42,758
G&A expenses	8,094	7,905	31,769	23,594
	133,185	128,235	559,560	482,624
AISC (per dmt sold)	70.5	65.1	73.1	62.8

Cash Operating Margin and Cash Profit Margin

	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Per tonne sold				
Iron ore concentrate sold (dmt)	1,889,900	1,971,100	7,650,600	7,684,500
(in thousands of dollars except per tonne)				
Revenues	331,376	396,702	1,460,806	1,281,815
Net average realized selling price (per dmt sold)	175.3	201.3	190.9	166.8
AISC (per dmt sold)	70.5	65.1	73.1	62.8
Cash operating margin (per dmt sold)	104.8	136.2	117.8	104.0
Cash profit margin	60%	68%	62%	62%

Gross Average Realized Selling Price per dmt Sold

	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Per tonne sold				
Iron ore concentrate sold (dmt)	1,889,900	1,971,100	7,650,600	7,684,500
(in thousands of dollars except per tonne)				
Revenues	331,376	396,702	1,460,806	1,281,815
Provisional pricing adjustments	(28,769)	(20,449)	(70,969)	(87,940)
Freight and other costs	88,753	57,456	338,632	206,816
Gross revenues	391,360	433,709	1,728,469	1,400,691
Gross average realized selling price (per dmt sold)	207.1	220.0	225.9	182.3

¹This 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 above - Non-IFRS and Other Financial Measures for definitions of these metrics and reconciliations to the most comparable IFRS measures 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 three-month period and year ended March 31, 2022, 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 included in note 8 - 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.