



QUARTERLY ACTIVITIES REPORT

CHAMPION IRON REPORTS FOURTH QUARTER PRODUCTION OF THE 2020 FISCAL YEAR

A new annual production record of 7,903,700 wet metric tonnes established for the Bloom Lake Mine

Montreal, April 28, 2020 - Champion Iron Limited [TSX: CIA] [ASX: CIA] ("Champion" or the "Company") is pleased to report the production results and the mining operation expenditures for the fourth quarter ended March 31, 2020 of the fiscal year ending March 31, 2020, in compliance with the ASX listing rules applicable to mining entities. Detailed operational and financial results, including audited financial statements, management's discussion and analysis and an annual information form, in compliance with Canadian securities and regulatory requirements, are expected to be released on May 20, 2020.

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 the local communities, the Company has adopted or exceeded the Government guidelines in response to COVID-19;
- Rapidly and diligently implemented measures in response to the COVID-19, 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 & safety.

Financial

- Cash on hand¹ of \$298.7 million as of March 31, 2020 including US\$20 million available from the Revolving Facility drawn on March 31, 2020, compared to \$153.3 million as of March 31, 2019;
- No near-term debt maturity from the Company's senior secured credit facility ("Term Facility") totaling US\$180 million maturing on August 16, 2024 with no required capital repayment prior to June 30, 2021;
- Term Facility bearing interest at Libor +2.85%, respecting all covenants; and
- Accruing undeclared dividends on the \$185 million perpetual preferred shares of the Company's operating subsidiary, Québec Iron Ore Inc. ("QIO") outstanding, bearing interest at 9.25%, further improving cash flow flexibility.

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 of 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; and
- Total cash cost² of \$53.9/dry metric tonnes ("dmt") (C1) during the fourth quarter, compared to \$48.4/dmt in the same period of the prior year affected by scheduled downtime and higher port costs.

Corporate Developments

- Termination of the previously announced proposal to redomicile from Australia to Canada by way of a scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) and the liquidation of the Company due to market volatility and global uncertainty associated with the COVID-19 pandemic.

Growth

- \$58 million deployed as of March 31, 2020 from the previously approved \$68 million work program for the Bloom Lake Phase II expansion project, as detailed in the Phase II feasibility study ("Feasibility Study"), the findings of which were released on June 20, 2019;
- The Company had previously communicated its intentions to address the Bloom Lake's Phase II expansion plans by the middle of the current calendar year, but as announced on March 24, 2020, given the uncertainties created by the COVID-19 pandemic, the Company's discretionary capital expenditures in connection with the Phase II expansion project have been delayed and the timeline to communicate further details on the Phase II plans will be postponed to a later time;
- Work programs completed to date have significantly de-risked the construction timeline of the Phase II growth project initially estimated at 21 months. The Phase II growth project has optionality to progress at a reduced pace while the Company generates cash flow from current operations; and
- 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 confirms intended qualifications as Direct Reduction ("DR") pellet feed material.

Champion's CEO, Mr. David Cataford, said, "In the midst of the unprecedented challenges posed by the COVID-19 global pandemic, I am pleased to report that we have no known cases confirmed in our organization. Even prior to the provincial government's directive to ramp down our operations, Champion had implemented measures to mitigate COVID-19 related risks, in keeping with our priority to keep our workforce and communities safe. With the government's decision to allow miners to resume normal operations, conditional on the implementation of COVID-19 risk-containing guidelines, we recently announced the gradual ramp up of Bloom Lake. In connection with our quarterly reporting, today's results announced a new annual production record at Bloom Lake. While we continue to manage the business diligently, including consideration to complete our previously announced Phase II growth project, our cash balance continues to increase, now standing at its highest level in corporate history. Our high-grade iron ore concentrate continues to attract new customers globally and a recent production test confirms that Bloom Lake can produce concentrate which could further expand our customer base."

2. COVID-19 RESPONSE

The health and safety of the Company's employees, partners and communities is a priority for Champion. With a continuous commitment to protect the health and safety for our stakeholders, the Company rapidly collaborated with the government and local communities to implement adaptive actions to participate in the collective effort to contain COVID-19.

On March 24, 2020, the Company announced the ramp down of operations at Bloom Lake, following a directive from the Québec Government (the "Government"), which required mining activities to be reduced to a minimum in the province of Québec, Canada. 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 will gradually ramp up operations at Bloom Lake following a subsequent 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 COVID-19.

In line with Government guidelines, Champion has implemented several measures in its efforts to mitigate risks related to COVID-19. 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 the Company's executive team.

3. BLOOM LAKE MINE OPERATING ACTIVITIES

	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
Statistics (in Canadian dollars per dmt sold)				
Total cash cost (C1 cash cost) ²	53.9	48.4	52.7	49.4

Operational Performance

During the three-month period ended March 31, 2020, 8.6 million tonnes of material was mined, an improvement of 2% compared to 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, compared to 4,754,200 tonnes in the comparable prior year period. The increase of 3% is due to the improvement completed during the previous planned shutdown to the inner discharge grates, allowing to sustain a higher plant throughput.

The Company achieved an average recovery of 82.3% during the fourth quarter, compared to 80.4% in the same period of the prior year. The higher recovery rate compared to the prior year is attributable to better throughput stability following the operational innovations implemented during the first half of the fiscal year ended March 31, 2020. The recovery rate of the fourth quarter was negatively affected by 0.3% following the successful production test of 132,000 wmt of 67.87% 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 intended specifications, 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 the global steelmaking capacity. This commercial production test enables the Company to potentially procure new customers and confirm that Bloom Lake is one of 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, compared to 1,802,000 wmt in the same period of the prior year, an increase of 5%.

The Company mined 34.6 million tonnes of material during the twelve months ended March 31, 2020, compared to 33.4 million tonnes of material in the same period of the prior year. The increase is attributable to the improvement in mining equipment reliability and increased productivity resulting from the mining equipment rebuild program.

The decision to invest in operational improvements yielded positive results. The Bloom Lake plant processed 19,749,800 tonnes of ore during the twelve months ended March 31, 2020, an increase of 7% over the same period of 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 66.4% Fe high-grade iron ore concentrate during the fiscal year ended March 31, 2020.

4. MINING OPERATIONS EXPENDITURES

During the three-month period ended March 31, 2020, the total cash cost² or C1 cash cost² per tonne totalled \$53.9/dmt, compared to \$48.4/dmt in the same period of the previous year. The C1 cash-cost² for the period was impacted by various factors including scheduled downtimes, lower truck availability, lower recovery rate associated with the production test of 132,000 wmt of high-grade iron ore with a silica plus alumina content of 2.57% and higher costs from the Société Ferroviaire et Portuaire de Pointe-Noire ("SFPPN") port operations. 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 improvement of the operational efficiency, leading to a negative impact for this quarter compared to the same period last year. As previously announced, the Board of Directors of SFPPN, of which QIO has a representative, elected to strengthen the leadership of SFPPN in order to revamp operational processes, improve asset maintenance, overall availability and efficiency while reducing operational costs. As the newly appointed CEO of SFPPN operations has many years of experience in managing railroad and port facilities, the Company and SFPPN's Board of Directors are confident that SFPPN's operational efficiency will improve. Should SFPPN's corrective actions lower port operation costs, the Company would benefit from such potential cost reductions.

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 EST (Montreal 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 Cash on hand includes cash and cash equivalents and short-term investments.

² Total cash cost or C1 cash cost are non-IFRS financial performance measures with no standard definition under IFRS. Total cash cost includes production costs such as mining, processing, and site administration, and exclude depreciation to arrive at total cash cost per dmt sold. Other companies may calculate this measure differently.

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 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 Bloom Lake.

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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 news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this news release that address future events, developments or performance that Champion expects to occur including management's expectations regarding (i) the Company's growth; (ii) the increase of the plant capacity and reliability; (iii) the expected Phase II construction timeline; (iv) the new product test and its impact on securing new customers; (v) the improvement of SFPPN's operational efficiency and associated reduction in port operation costs; (vi) the effectiveness of measures implemented to mitigate the risk of and contain COVID-19; and (vii) the expected date for the release of the operational and financial results; 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. 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: project delays; changes in the assumptions used to prepare the Feasibility Study; continued availability of capital and financing and general economic, market or business conditions; general

economic, competitive, political and social uncertainties; the effects of catastrophes and public health crises; 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 2019 Annual Information Form and the risks and uncertainties discussed in the Company's MD&A for the year ended March 31, 2019, both available on SEDAR at www.sedar.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. All of Champion's forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of Champion's management and information available to management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of its forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.