March 28, 2022

NEWSLETTER

CHAMPION IRON



TIER 1 MINING & DEVELOPMENT

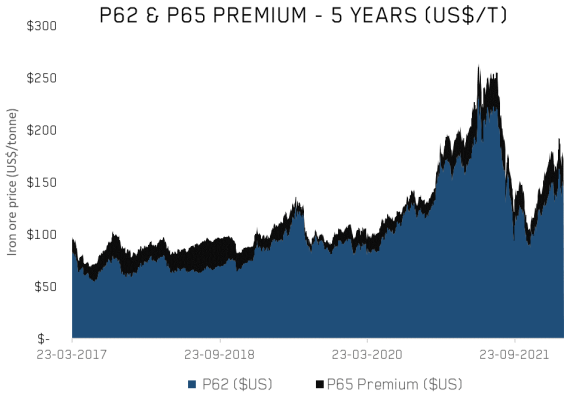
CHAMPION IRON NEWSLETTER

Since our November 29, 2021 newsletter, Champion Iron Limited ("Champion" or the "Company") continued to demonstrate operational stability in its fiscal 2022 third quarter results, which included a record production for a quarter with scheduled maintenance. While mitigating the impacts of the pandemic, our Company announced that the Phase II expansion project (the "Phase II"), expected to double the nameplate capacity at the Bloom Lake mine, was scheduled for commissioning as early as April 2022.

Positioning the Company for additional organic growth considerations beyond Phase II, the Champion team is advancing a feasibility study evaluating the potential to produce a 69% Fe Direct Reduction ("DR") pellet feed product. The results and findings of this study are expected in mid-2022. Furthermore, updating and revisioning the scope of the Kamistiatusset iron ore project's (the "Kami project") feasibility study is expected to be completed in the second half of calendar 2022. The Kami project is strategically located a few kilometres south-east of Bloom Lake. With the Company's continued focus on organic growth opportunities to capitalize on the rising demand for high-purity iron ore products, our Board of Directors declared and paid an inaugural dividend of $0.10 per ordinary share in connection with the semi-annual results for the period ended September 30, 2021.

RECOVERY IN IRON ORE PRICES

As detailed in the November 2021 newsletter, iron ore prices were volatile in the second half of 2021. This volatility was likely attributable to steel output restrictions imposed ahead of China's February 2022 Olympics, designed to control domestic emissions. Additionally, iron ore prices were affected by concerns relating to one of China's largest real estate developers' ability to service debt. Since then, iron ore prices have recovered, including the Platts P65 index used as a benchmark for Champion's 66.2% Fe iron ore concentrate.



Source: Champion Iron Limited, Platts data, Bloomberg

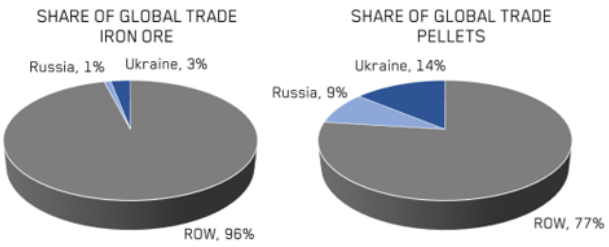
In addition to the impact of the Russia-Ukraine conflict discussed below, recent events continue to demonstrate the fragility of supply required to balance global iron ore demand. Early in the year, global iron ore supply was challenged by heavy rains in Brazil[1] and labour shortages in Australia[2].

In tandem with curtailed supply, several signals from China lead to an improved outlook for iron ore demand. Following weak economic data late in 2021, China pledged to stabilize and stimulate the economy and introduced measures to restore the real estate market including loosening control measures and lowering mortgage rates across key markets [3]. Additionally, China's special purpose bonds, traditionally used to finance infrastructure projects, saw issuances increase by 93% in January year-over-year. Increases in financial support for infrastructure is in line with Beijing's commitment to front-load infrastructure investments to stimulate the economy [4]. While recent outbreaks of COVID-19 in China appear to weigh on economic activity, local officials recently communicated commitments to boost economic activity and minimize the impact of the pandemic on economic development[5].

RUSSIAN-UKRAINIAN CONFLICT

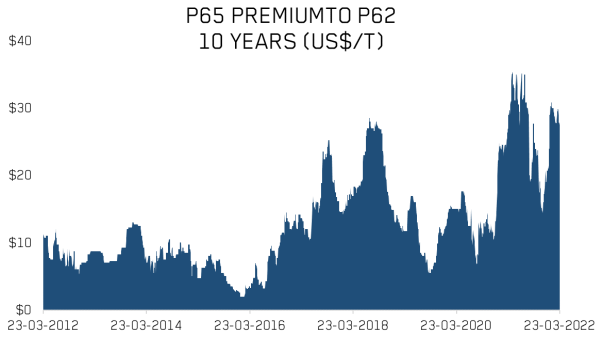
With hopes for a peaceful and prompt resolution to the conflict, our Company structured a donation program to support families in need following the tragic events costing countless lives across Ukraine. This unprecedented conflict created a global supply shock across several commodities, including iron and steel[6]. The military actions, which began on February 24, 2022, caused major rail access and export terminals to be curtailed or shut down across Ukraine, freezing nearly all iron ore and steel exports from the country[7]. The situation highlights the value of operating in a reliable and stable jurisdiction.

Although the combined exports from Russia and Ukraine account for a relatively small share of the global market at approximately 4% (or 68 million tonnes), a much larger share is observed in the high-grade market, including pellets which account for 23% (or 30 million tonnes) of global trade[8].



Source: Champion Iron Limited, Wood Mackenzie data

In light of the ongoing conflict, there is growing concern of a protracted disruption of iron ore supply, which could further support high-grade iron ore premiums[9]. In addition to the supply disruptions, the severe sanctions imposed on Russia, forced several steelmakers to revamp their supply chains for raw materials[10]. While the global trade for iron ore and steel products may be impacted by the ongoing conflict, Champion does not sell any of its material into Russia.



Source: Champion Iron Limited, Platts data, Bloomberg

In the short-term, it can be estimated that the current situation in Ukraine has a quantum impact on the iron ore seaborne market similar to the Brumadinho dam collapse in early 2019, which contributed to a rally in the P65 index, which peaked at over US$250/tonne in 2021. In fact, the nearly 70 million tonnes of combined export capacity at risk from Russia and Ukraine compares closely to the 80 million tonnes impacted following the Brumadinho dam collapse in 2019[11].

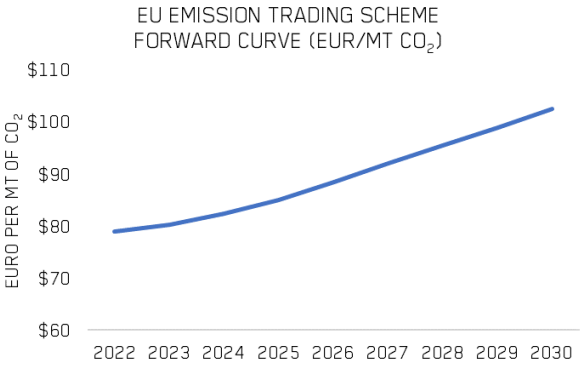
STEEL INDUSTRY TRANSITION ACCELERATING

Despite global uncertainties created by the conflict in Ukraine, the focus on reducing emissions remains a priority in the developed world with the European Union commission agreeing to a new carbon border adjustment mechanism, expected to impact emissions embedded in raw materials including steel[12]. With the steel sector responsible for approximately 8% of global carbon emissions[13], steelmakers are facing increased pressure to reduce their environmental footprint. Following the United Nations Climate Change Conference (COP26) held in November 2021, a momentum shift appears to be unfolding in the steel industry. Although many different steel decarbonization technologies are being studied, the industry's focus on this effort is centered on the acceleration of the transition to electric arc furnaces (EAF), and away from the traditional blast furnace – basic oxygen furnace (BF-BOF) steel making routes.

Several large steel producers including ArcelorMittal, China Baowu Group, Nippon Steel, Posco, Nucor Corporation, and Algoma Steel Inc., have announced additional EAF projects in recent months [14]. Furthermore, China approved the construction of 43 new EAFs in 2021, with total crude steel capacity of nearly 30 million metric tonnes per year[15]. This additional EAF capacity is expected to be commissioned in the coming years, with some as early as 2022[16].

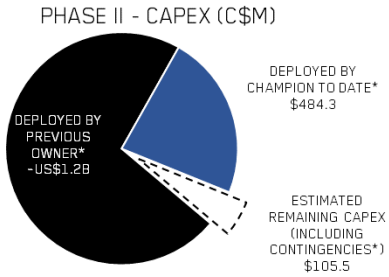
The acceleration towards new EAF capacity will require additional scrap material, a market that is already highly saturated[17]. Consequently, Direct Reduced Iron ("DRI"), a substitute for scrap in EAF steelmaking, is likely to experience demand growth[18]. Despite the visible growth in EAF capacity, there does not appear to be any significant new DR feed projects required for DRI, increasing the visibility for the rising demand of DR feed product. Champion is one of the few iron ore producers globally that can produce a high-purity iron ore qualifying as DR feed. Recent industry-related announcements confirm Champion's vision for the rising demand of DR feed, which strategically positions the Bloom Lake project, with its ability to increase the product quality to a 69% Fe DR pellet feed.

While Champion prides itself on the positive impact of its high-purity iron ore product to materially reduce emissions in the steel making process, there is also an increasing inherent value embedded in our product. Based on the expected Phase II nameplate capacity, our high-purity iron ore reduces approximately 1.9M tonnes of CO_2 equivalent/year when compared to low grade iron ore used in the traditional BF/BOF steel making route[19]. As Champion evaluates transitioning its product to DR feed quality iron ore, the Phase II expected nameplate capacity would provide the ability to contribute towards the reduction of approximately 9.7M tonnes of CO_2 equivalent/year for steelmaking using EAF compared to BF/BOF [20]. As steelmakers become increasingly exposed to carbon taxes, using the assumptions detailed above, in addition to the European Emission Trading Scheme's forward curve as a proxy to evaluate future costs to emit one metric tonne of CO_2, the emission reduction capabilities of Champion's products could represent an additional intrinsic value in the steel making supply chain of as much as 1 billion Euros annually by the end of the decade (US$900M)[21].



POSITIONED FOR GROWTH

The Bloom Lake Mine's Phase II expansion continues to advance with the project expected to be completed as early as April 2022. With $105.5M remaining to be deployed on Phase II and with the Company's robust balance sheet, including a net cash[22] positive position of $110.7M as of December 31, 2021, Champion is well positioned for additional organic growth beyond Phase II.



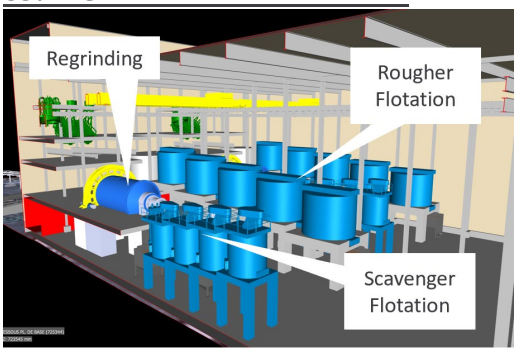
** Previous owner estimated CAPEX US$1.2B based on 1.27 C$ exchange rate; Estimated capex based on Phase II Feasibility Study released on June 20, 2019, Cumulative work programs to date of $484.3M including $47M in advance payments and excluding $50M in deposits; Contingencies of $75.5M and CAPEX is pre-deposits of $44.0M budgeted.*

Champion's approach towards organic growth includes further improving its products in line with our vision of the transformation in the steel industry towards EAFs and additional volume growth opportunities. Accordingly, Champion is advancing a feasibility study to evaluate the reprocessing and infrastructure required to commercially produce a 69% Fe DR feed quality iron ore. This study is expected to be completed in mid-2022, in addition to the update and revision of the Kami project's feasibility study, expected to be completed in the second half of 2022.

THANK YOU TO OUR STAFF

We are thankful for the continuous support received from our partners and proud of the agility of our employees and team in mitigating the impacts of the pandemic, while successfully advancing our Phase II expansion and additional growth opportunities. Recent events highlight how fortunate we are to operate in a stable jurisdiction with partners aligned with our commitment to succeed. The support we receive enables us to deploy our vision to significantly contribute to the fight against climate change, with our high-purity iron ore products and our many organic growth projects.

69% Fe DR PELLET FEED PLANT



KAMI PROJECT



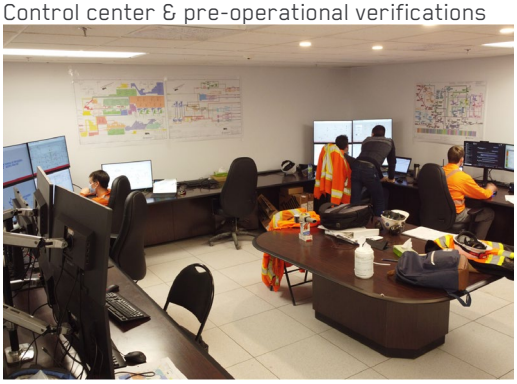
PHASE II – RECENT PROJECT MILESTONES

Taken delivery of the railcars purchased





Control center & pre-operational verifications





David Cataford
Chief Executive Officer



Michael O'Keeffe
Executive Chairman of the Board



Michael Marcotte
Senior Vice-President, Corporate Development and Capital Markets

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FOR ADDITIONAL INFORMATION ON CHAMPION IRON LIMITED, PLEASE VISIT:

Our website at www.championiron.com

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

The information regarding the Phase II expansion of Bloom Lake has been taken from the Phase II Feasibility Study announced on June 20, 2019 and filed on August 2, 2019. Champion is not aware of any new information or data that materially affects the information included in the Phase II Feasibility Study and confirms that all material assumptions and technical parameters underpinning the estimates in the Phase II Feasibility Study continue to apply and have not materially changed. The Phase II Feasibility Study dated August 2, 2019 is available at www.sedar.com.

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Certain information in this newsletter has been obtained from external sources, studies or reports. While Champion believes this information to be reliable, it has not independently verified such information and disclaims any liability in connection with such information or references thereto.

FORWARD-LOOKING INFORMATION

This newsletter includes certain information that may constitute "forward-looking information" under applicable securities legislation. All statements, other than statements of historical facts, included in this newsletter that address future events, developments or performance that Champion expects to occur, including statements regarding: (i) the Phase II expansion project, its impact on nameplate capacity, its completion schedule and remaining capital expenditures; (ii) studies to evaluate the commercial production of a 69% Fe DR pellet feed product and their results and expected timeline; (iii) the Kami project updated feasibility study and its results and expected timeline; (iv) capital return strategies and other organic growth opportunities; (v) shift in the steel industry to reduce emissions, announcements to address elevated emissions embedded in steel, increase in DRI demand and EAF capacities and the Company's positioning in connection therewith; (vi) global macroeconomic conditions and factors that could influence the steel market and iron ore production (including supply, demand and premiums); (vii) Bloom Lake's life of mine; (viii) the Company's cash position; and (ix) the potential developments related to, and economic impact of, the Russia-Ukraine crisis, 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 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 or implied in forward-looking statements include, without limitation: project delays; changes in the assumptions used to prepare feasibility studies; continued availability of capital and financing and general economic, market or business conditions; general economic, competitive, political and social uncertainties and unrest, including the Russia-Ukraine crisis, its development and its impact on the steel and iron ore industries and the global economy; 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; 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 2021 Annual Information Form and the risks and uncertainties discussed in the Company's MD&A for the year ended March 31, 2021, 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. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. 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 newsletter 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. If Champion does update certain forward-looking information or statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements or information. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. The forward-looking statements contained herein are made as of the date hereof or such other date or dates specified in such statements.

*P62: Platts TSI IODEX 62% Fe CFR China; P65: Platts IO Fines 65% Fe CFR China; C3: Freight rate Tubarao-Qingdao

REFERENCES

[1] Bloomberg, January 15, 2022
[2] Reuters, January 27, 2022
[3] Clarksons, February 22, 2022; Bloomberg, March 7, 2022
[4] BMO, February 9, 2022
[5] Bloomberg, February 16, 2022; Bloomberg, March 18, 2022
[6] Wood Mackenzie, February 15, 2022
[7] Bloomberg, February 24, 2022; Daily Mail, February 24, 2022; Platts, February 28, 2022;
[8] Wood Mackenzie, February 28, 2022
[9] Wood Mackenzie, February 28, 2022
[10] Bloomberg, February 24, 2022
[11] Wood Mackenzie data
[12] Bloomberg, March 18, 2022
[13] World Bank data, Wood Mackenzie data
[14] Direct company filings and press releases
[15] Platts, January 11, 2022
[16] Platts, January 11, 2022
[17] Steel Consult International, February 2022
[18] World Bank Organisation, Wood Mackenzie data
[19] Champion Iron Limited, Wood Mackenzie data
[20] Champion Iron Limited, Wood Mackenzie data
[21] Using 9.7Mt of CO2 equivalent multiplied by EU102.49/t
[22] Net cash including cash & short-term investments, restricted cash, working capital and short-term and long-term debt