



QUARTERLY ACTIVITIES REPORT

CHAMPION IRON REPORTS ITS FY2022 FOURTH QUARTER AND ANNUAL PRODUCTION

Robust quarterly production of 1,869,000 wmt and annual production of 7,907,300 wmt as the Bloom Lake Mine Phase II expansion project nears completion

Montréal, April 27, 2022 - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("Champion" or the "Company") is pleased to report its production results and mining operation expenditures for its fiscal fourth quarter ended March 31, 2022. Detailed operational and audited financial results are scheduled to be released prior to the Company hosting a conference call and webcast on May 26, 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 quarterly activities report.

1. Highlights

Health & Safety

- No serious injuries or major environmental issues reported during the period;
- Health and safety awareness campaigns are in place with continuous improvement efforts deployed throughout the organization; and
- COVID-19 testing laboratory and prevention measures maintained in line with the Government of Québec's directives to mitigate risks related to COVID-19 and limit the spread of variants.

Financial

- Inaugural dividend of \$0.10 per ordinary share paid on March 1, 2022 to Champion shareholders at the close of business on February 8, 2022 in connection with the semi-annual results for the period ended September 30, 2021; and
- 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 dividend payment.

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;
- Stable Fe recovery rate of 82.7% for the three-month period ended March 31, 2022, compared to 82.6% for the same period in 2021; and
- Free on Board ("FOB") total cash cost² of \$60.0/dmt (US\$47.4/dmt) (C1) for the three-month period ended March 31, 2022, compared to \$54.4/dmt (US\$43.0/dmt) for the same period in 2021, mainly due to increased fuel and explosives costs.

Phase II Milestones

- Imminent completion of the Bloom Lake Mine's Phase II expansion project with commercial production anticipated by the end of calendar 2022.

Champion's CEO, Mr. David Cataford, said: "Our robust operational quarterly and annual results are an ongoing testament to the commitment and professionalism of our employees and team. Despite the many challenges imposed by the pandemic and increased logistical complexity across the global supply chain, our Phase II expansion project nears completion with commissioning expected shortly. Studies are advancing on additional organic growth opportunities in order to capitalize on the rising demand for the high-purity iron ore products we produce in our sought-after stable operating jurisdiction."

2. Bloom Lake Phase II Update

During the three-month period ended March 31, 2022, the Company advanced the final work programs required to commission the Phase II project. With the project nearing completion, commercial production is anticipated to be reached by the end of calendar 2022. Project milestones that were 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 to expand the tailings facilities to accommodate the full life of mine plan, while awaiting final federal government authorization; and
- Continuation of construction works.

3. 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	—%
Statistics (in dollars per dmt sold)						
Total cash cost (C1 cash cost) ²	60.0	54.4	10%	58.9	54.2	9%

Operational Performance

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, contribute 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.

4. Mining Operating Expenditures

During the three-month period ended March 31, 2022, the total cash cost² or C1 cash cost² 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 cost² 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 costs for the period.

For the year ended March 31, 2022, the Company produced high-grade iron ore at a total cash cost² 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 cost² for the three-month period ended March 31, 2022. In addition, minor unplanned maintenances contributed to the higher cash cost for the year ended March 31, 2022.

5. Exploration Activities

There were no significant changes in exploration activities in the three-month period ended March 31, 2022.

6. 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 Iron Limited, 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 a concentrator that primarily sources energy from renewable hydroelectric power. The Bloom Lake Phase I plant has a nameplate capacity of 7.4 Mtpa and produces a low contaminant high-grade 66.2% Fe iron ore concentrate and proved its ability to produce a 67.5% Fe direct reduction quality concentrate, which has 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 ongoing construction to complete the Bloom Lake Phase II project, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistatusset 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 quarterly activities report includes certain information and statements that may constitute “forward-looking statements” and “forward-looking information” under applicable securities laws. All statements other than statements of historical facts included in this quarterly activities report 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, including completion, commissioning and commercial production timeline and shipping of iron ore concentrate; (ii) the mitigation of risks related to COVID-19 and the limitation of the spread of its variants, including the impact and effect of COVID-19; (iii) the Company’s strategy to evaluate its growth alternatives within its property portfolio; (iv) the Company focus on growth opportunities and building sustainable earnings and cash flows; (v) the Company’s vision to provide market leading high-quality iron ore products that offers a global solution to reduce emissions in the steel making supply chain; (vi) the LoM of the Bloom Lake Mine and related authorizations and approvals; and (vii) the rising demand for higher grade iron ore products. 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 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 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 2021 Annual Information Form and the MD&A for the fiscal 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. 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 quarterly activities report 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. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control.

Abbreviations

Unless otherwise specified, all dollar figures stated herein are expressed in Canadian dollars. The following abbreviations are used throughout this release: US\$ (United States dollar), \$ (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), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex) and Phase II (Phase II expansion project).

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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 Management’s Discussion and Analysis for the year ended March 31, 2022 will be 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) on May 26, 2022.

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- 1 Cash on hand is a non-IFRS financial performance measure with no standard definition under IFRS and might not be comparable to similar financial measures used by other issuers. Cash on hand includes cash and cash equivalents and short-term investments. The Company uses cash on hand to measure its liquidity to meet the requirements of lenders, fund capital expenditures and support operations.
 - 2 Total cash cost is a non-IFRS financial ratio with no standard definition under IFRS and might not be comparable to similar financial measures used by other issuers. Total cash cost is defined as cost of sales before incremental costs related to COVID-19 divided by iron ore concentrate sold in dmt. This metric is an important tool to monitor operating cost performance.