

CHAMPION IRON ANNOUNCES FINAL APPROVAL OF THE PHASE II EXPANSION PROJECT AND INCREASES ITS SENIOR SECURED CREDIT FACILITY

Bloom Lake Mine Phase II project expected to double production; Credit Facilities Increased from US\$200M to US\$400M

Montréal, November 12, 2020 - Champion Iron Limited (TSX: CIA) (ASX: CIA) ("Champion" or the "Company") is pleased to announce that its subsidiary Québec Iron Ore Inc. ("QIO"), the operator of the Bloom Lake mining complex ("Bloom Lake"), has received commitments from its current credit facility syndicate members to amend and increase its existing credit facilities (the "Credit Facility") from US\$200 million to US\$400 million (the "Refinancing"). Concurrently with this commitment, the Company's Board of Directors (the "Board") has provided final approval to complete the Bloom Lake Phase II expansion project (the "Phase II"), which aims to double the nameplate capacity of Bloom Lake to 15 Mtpa of high-grade iron ore concentrate. The Company expects to fully fund the Phase II project with the additional proceeds from the amended Credit Facility, its \$425.8 million cash on hand¹ and ongoing cash flows from operations.

"Today's announcement is a major milestone for our Company, our employees and the local communities", commented David Cataford, Champion's CEO. "With our high-grade iron ore in rising demand globally, a proven operational team and a conservative financial solution to fund the remaining construction of the Phase II project, our Company is well positioned to double Bloom Lake's nameplate capacity. We are also proud and excited to build on our positive impact to the region with the expected creation of approximately 375 permanent new jobs upon the completion of the Phase II project."

With the Phase II project already benefitting from substantial capital investments, and pursuant to the strong economics outlined in the Phase II Feasibility Study filed on August 2, 2019 (the "Feasibility Study"), the Company's Board, to date, has approved a cumulative budget of \$120 million in order to advance and de-risk the project. To further advance the Phase II construction ahead of the anticipated closing of the amended Credit Facility, the Board approved an additional US\$75 million budget. Based on the amounts detailed in the Feasibility Study, as of September 30, 2020, the remaining capital expenditures required to complete the Phase II project is estimated at \$512.6 million, including contingencies. The Phase II project has a current estimated completion timeline of 18 months.

The amended Credit Facility is committed by Societe Generale (Coordinating Bank, Joint Lead Arranger and Joint Bookrunner), with Toronto-Dominion Bank, Royal Bank of Canada, and The Bank of Nova Scotia (all acting as Joint Lead Arrangers and Joint Bookrunners), with the inclusion of the Bank of China, Fédération des caisses Desjardins du Québec and Investissement Québec ("The Syndicated Group"). Upon completion and execution of the final loan documentation, the Credit Facility will be available by way of a US\$350 million term loan (the "Term Facility") and a US\$50 million revolving facility (the "Revolving Facility"). The Term Facility will mature five years from the closing date and shall be repaid in equal quarterly installments of principal and accrued interest starting on the first quarter following the completion of the Phase II construction. The Revolving Facility will mature three years from closing. The Credit Facility will bear interest at LIBOR plus 4.00% pre-completion, after which the Credit Facility will revert to the original interest rate based on leverage ratios ranging between LIBOR plus 2.85% if the net debt to EBITDA ratio is lower or equal to 1.00x to LIBOR plus 3.75% if the net debt to EBITDA ratio is greater than 2.50x. The Credit Facility will include standard and customary finance terms and conditions, including with respect to fees,

¹ Cash on hand includes cash and cash equivalent and short-term investments as of September 30, 2020

representations, warranties, covenants and conditions precedent to closing. Closing of the transaction is subject to remaining customary due diligence and definitive loan documentation, and is expected before the end of December 2020.

All amounts stated in this news release are in Canadian dollars unless otherwise indicated

Qualified Person and data verification

The Company is not aware of any new information or data that materially affects the information included in the Feasibility Study and confirms that all material assumptions and technical parameters underpinning the estimates in the Feasibility Study continue to apply and have not materially changed.

Mr. François Lavoie (P. Eng.), Technical Marketing Manager at the Company is a “qualified person” as defined by National Instrument 43-101 and has reviewed and verified the scientific and technical information contained in this press release. Mr. Lavoie’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 Feasibility Study.

About Champion Iron Limited

The Company, 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, 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 Bloom Lake Phase I plant has a nameplate capacity of 7.4M tpa and produces a high-grade 66.2% Fe iron ore concentrate with low contaminant levels, which has proven to attract a premium to the Platts IODEX 62% Fe iron ore benchmark. In addition to the partially completed Bloom Lake Phase II expansion project, Champion also controls a portfolio of exploration and development projects in the Labrador Trough, including the Fire Lake North iron ore project, located approximately 40 km south of Bloom Lake. The Company also owns 100% of the Gullbridge-Powderhorn property located in Northern Central Newfoundland. The Company sells its iron ore concentrate globally, including to customers in China, Japan, the Middle East, Europe, South Korea and India.

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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 press 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 press release that address future events, developments or performance that Champion expects to occur, including management’s expectations regarding (i) the completion of the Refinancing and its timing; (ii) the ability to complete the Refinancing on terms acceptable to the Company, or at all; (iii) the increase of

the plant capacity; (iv) the Company's operational improvement; (v) the Phase II expansion of the Bloom Lake Mine and its expected completion, construction timeline, funding and budget, economics and capital expenditures; (vi) the potential impact of the Refinancing and the Phase II construction and completion on the Company's growth; (vii) the Company's ability to advance and to complete the construction of the Phase II expansion project; (viii) the estimated future operation capacity of the Bloom Lake Mine; and (ix) the potential job creation related to the Bloom Lake Mine, 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", "positioned", "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 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 2020 Annual Information Form and the risks and uncertainties discussed in the Company's quarterly activities report and management's discussion and analysis for the year ended March 31, 2020, each 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.