

QUARTERLY ACTIVITIES REPORT

CHAMPION IRON REPORTS ITS FY2021 FOURTH QUARTER PRODUCTION

New annual production record of 8,001,200 wet metric tonnes as the Bloom Lake Mine Phase II expansion advances as per expectations

Montréal, April 28, 2021 - 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 the fourth quarter ended March 31, 2021. Detailed operational and financial results are scheduled to be released prior to the Company hosting a conference call and webcast at the end of May 2021.

Conference Call Details

Champion will host a conference call and webcast on May 27, 2021 at 8:30 AM EDT (Montréal Time) / 10:30 PM AEST (Sydney time) to discuss the fourth quarter and annual results for the fiscal year ended March 31, 2021. Call details are outlined at the end of this release.

1. Highlights

Health & Safety

- Expansion of Bloom Lake's COVID-19 laboratory testing capacity, allowing ongoing and uninterrupted operational activities; and
- An employee recordable injury frequency rate of 2.45, which is in line with Québec's open pit industry standards.

Financial

- Cash on hand¹ and restricted cash totaled \$680.5M as at March 31, 2021, compared to \$551.8M as at December 31, 2020 and \$298.7M as at March 31, 2020;
- Available liquidity for the upcoming income and mining taxes payments, totaling approximately \$195M, due in May 2021; and
- Full repayment of the US\$20.0M revolving credit facility (the "Revolving Facility") on March 30, 2021, bringing the total undrawn and available credit facilities ("Credit Facility") to US\$220.0M as at March 31, 2021.

Operations

- Production of 2,011,400 wmt of high-grade 66.5% iron ore ("Fe") concentrate for the three-month period ended March 31, 2021, compared to 1,891,800 wmt for the same period in 2020, contributing to record annual production of 8,001,200 wmt of high-grade 66.4% Fe concentrate for the year ended March 31, 2021, compared to 7,903,700 wmt for the same period in 2020;
- Stable recovery rate of 82.6% for the three-month period ended March 31, 2021, compared to 82.3% for the same period in 2020; and
- Free on Board ("FOB") total cash cost² of \$54.4/dmt (US\$43.0/dmt) ["Total Cash Cost" or "Cash Cost"] for the three-month period ended March 31, 2021, compared to \$53.9/dmt (US\$40.1/dmt) for the same period in 2020.

Growth and Development

- Production of an additional 374,400 wmt of Direct Reduction (“DR”) quality iron ore concentrate, grading 67.6% Fe with a combined silica and alumina content of 2.8%;
- Inclusion in the S&P/ASX 200 Index, Australia's preeminent benchmark index, which measures the performance of the 200 largest index-eligible stocks listed on the ASX; and
- Acquisition of the Kamistatusset iron ore project (the “Kami Project”) and its related mining properties on April 1, 2021, and initiation of work related to revising the Kami Project’s feasibility study, as the Company evaluates growth alternatives within its portfolio.

Phase II Milestones

- Construction work is progressing as planned with more than 200 individuals actively working on the Phase II project, which is expected to be completed by mid-2022;
- Agreement to expand the existing long-term rail contract with Quebec North Shore and Labrador Railway (“QNS&L”) to support the expected Phase II production volumes;
- Receipt and installation of most spirals in the Phase II plant; and
- Ordering of long lead time items, including the stacker reclaimer by Société Ferroviaire et Portuaire de Pointe-Noire (“SFPPN”).

Champion’s CEO, Mr. David Cataford, said: *“Our Company reports another strong year of operating results. The commitment and agility of our workforce, partners and communities enabled us to mitigate the impacts of the pandemic, allowing our Company to capitalize on rising global demand for high-grade iron ore. While our focus remains on providing a safe operating environment, with our prudent liquidity management, we pursued our growth strategy, notably through the recent acquisition of the Kami Project and the ongoing advancement of the Bloom Lake Phase II expansion project, expected to be completed by mid-2022. With our high-grade iron ore concentrate already contributing in reducing emissions in the steel industry, we produced and sold additional DR quality iron ore concentrate during the period, further improving our ability to positively impact emissions for our customers.”*

2. Response to the COVID-19 Pandemic

The COVID-19 pandemic continues to impact the global economy, creating significant economic uncertainty.

Health and Safety of the Company's Employees, Partners and Local Communities

Since the beginning of the pandemic, the Company has consistently and proactively deployed several measures in its efforts to mitigate risks related to COVID-19, in line with or exceeding the Government of Québec's (the "Government") guidelines. Despite the acceleration of COVID-19 vaccination efforts in the Province of Québec, the Company continues to enforce all of its measures.

During the three-month period ended March 31, 2021, the Company expanded its rapid-testing COVID-19 laboratory at the mine site, using technology approved and certified by Health Canada, allowing the Company to screen all employees and contractors in order to prevent outbreaks. In addition, the Company is participating with the establishment of the Côte-Nord Industry Vaccination Center (the "Vaccination Center"), in collaboration with Rio Tinto IOC, ArcelorMittal Mines and Infrastructure Canada and Aluminerie Aloutte. Located in Sept-Îles, the Vaccination Center's operations are expected to begin in May 2021 when vaccination will be available to the general population. The collective effort to establish the Vaccination Center supports the Government's initiative to increase the immunization capacity in the region by providing greater vaccination access for the local communities.

The Company's full COVID-19 plan is available on its website at www.championiron.com.

Financial and Operational Impacts

Despite the economic impact of the COVID-19 pandemic, iron ore prices and demand remained robust throughout the quarter and fiscal year ended March 31, 2021. To date, the Company's risk-mitigating actions have proven successful in minimizing the pandemic's impact, with Bloom Lake operating at full capacity. During the quarter ended March 31, 2021, there were no significant operational disruptions caused by COVID-19.

3. Bloom Lake Phase II Update

As at March 31, 2021, the Company reports total cash on hand¹ and restricted cash of \$680.5M and consequently, did not draw on its available US\$200.0M Credit Facility and it also repaid the US\$20.0M Revolving Facility. The Company currently has a total undrawn Credit Facility of US\$220.0M, which is available to finance the Phase II expansion project, expected to double Bloom Lake's nameplate capacity to 15 Mtpa, upon its scheduled completion by mid-2022.

Milestones

There are currently more than 200 employees, consultants and subcontractors actively working on-site to meet the Bloom Lake Phase II completion objectives and consequently, construction work is progressing as planned. The following work was undertaken and the following milestones were achieved during the three-month period ended March 31, 2021:

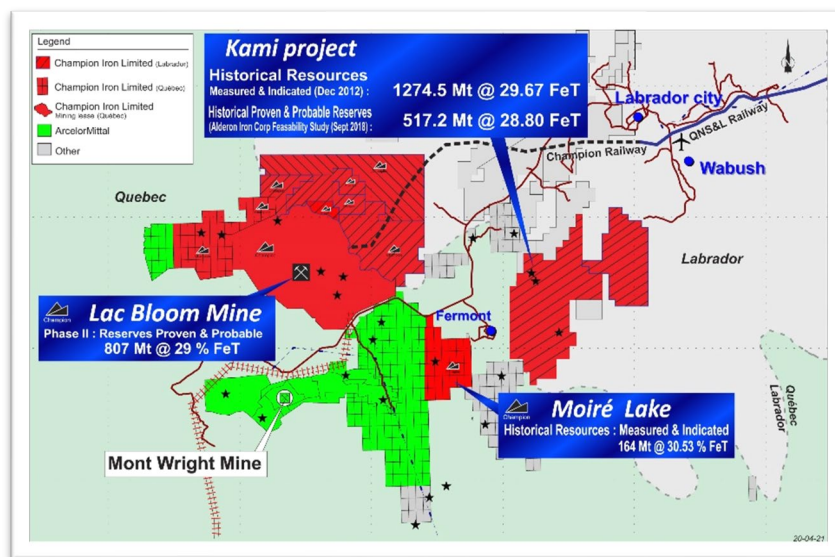
- Agreement to expand the existing long-term rail contract with QNS&L to support the expected Phase II production volumes;
- Stacker reclaimer ordered by SFPPN;
- Receipt and installation of most spirals;
- Purchase of major mining equipment;
- Modifications were made to the loading tower to accommodate Phase II operations; and
- Award of contracts for summer works in the tailing facility.

4. Acquisition of the Kami Project

On April 1, 2021, the Company completed the acquisition of the Kami Project, and certain related contracts (the "Acquisition") pursuant to an asset purchase agreement among certain affiliates of the Company and Deloitte Restructuring Inc. (the "Receiver"), as receiver for Alderon Iron Ore Corp. and certain of its affiliates (collectively, "Alderon"). The Kami Project and the related mining properties are located in the Labrador Trough geological belt in southwestern Newfoundland, near the Québec border.

The consideration for the Acquisition consisted of \$15.0M in cash, the extinguishment of approximately \$19.4M of Alderon's secured debt (the "Secured Debt") and an undertaking in favor of the Receiver to make a finite production payment on a fixed amount of future iron ore concentrate production from the Kami Project. In connection with the Acquisition, Champion purchased the Secured Debt from Sprott Private Resource Lending (Collector), LP ("Sprott"). The Secured Debt was extinguished for an aggregate consideration of 4,200,000 Champion's ordinary shares issued to Sprott and Altius Resources Inc., who held a participation in the Secured Debt.

The Kami Project is a high-grade iron ore project near available infrastructure, situated only a few kilometers south-east of the Company's operating Bloom Lake Mine. Alderon previously disclosed historical resources estimated at 1,274.5 Mt of measured and indicated resources (536.9 Mt measured and 737.6 Mt indicated) and proven and probable reserves of 517.2 Mt (392.7 Mt proven and 124.5 Mt probable). The historical mineral resources and reserves mentioned are strictly historical in nature, are non-compliant with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Joint Ore Reserves Committee ("JORC") Code (2012 edition) and should therefore not be relied upon. A qualified person has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves. Refer to the notes accompanying the figure below. Alderon completed an updated feasibility study on the Kami Project in September 2018. The Company has initiated work to revise the Kami Project's scope and update the feasibility study, as it evaluates its growth alternatives within its property portfolio. As part of the Acquisition, Champion secured an additional 8 Mtpa of port capacity, including a pre-payment of port-related fees, at the multi-user berth at the port of Sept-Îles, currently being used by the Company to export Bloom Lake's iron ore concentrate.



Notes

- The historical Kami Project resource estimates are based on the NI 43-101 technical report entitled "Feasibility Study of the Rose Deposit and Resource Estimate for the Mills Lake Deposit of the Kamistiatuset (Kami) Iron Ore Property, Labrador" prepared for Alderon Iron Ore Corp. by BBA Inc., Stantec and Watts, Griffis and McQuat Ltd. dated January 9, 2013 and having an effective date of December 17, 2012. The historical Kami Project reserve estimates are based on the NI 43-101 technical report entitled "Updated Feasibility Study of the Kamistiatuset (Kami) Iron Ore Property, Labrador" prepared for Alderon Iron Ore Corp. by BBA Inc., Gemtec Ltd., Watts, Griffis and McQuat Ltd. and Golder Associates Ltd. dated October 31, 2018 and having an effective date of September 26, 2018. Kami Project mineral resources include Kami Project mineral reserves. The historical mineral resources and reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralisations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules. As stated above, the Company has initiated work to revise the Kami Project's scope and update the feasibility study.
- The historical Moiré Lake resource estimates are based on the NI 43-101 technical report entitled "Technical Report and Mineral Resource Estimate on the Moiré Lake Property" by P&E Mining Consultants Inc. dated May 11, 2012 and having an effective date of March 28, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralisations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.
- Bloom Lake Phase II reserves are based on the technical report entitled "Bloom Lake Mine – Feasibility Study Phase 2", prepared pursuant to NI 43-101 and JORC Code (2012 edition) by BBA Inc., Soutex and WSP Canada Inc., having an effective date of June 20, 2019 and filed on August 2, 2019 (the "Feasibility Study"). Bloom Lake Phase 2 mineral reserves include Bloom Lake Phase 1 mineral reserves as of the effective date of the mineral reserve estimate reported in the Feasibility Study. 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. The Feasibility Study is available under the Company's filings at www.sedar.com, on the ASX at www.asx.com.au or the Company's website www.championiron.com.
- Certain resources mentioned are foreign estimates from an Australian perspective.

5. Bloom Lake Mine Operating Activities

	Three Months Ended March 31,			Year Ended March 31,		
	2021	2020	Variance	2021	2020	Variance
Operating Data						
Waste mined and hauled (wmt)	3,796,300	3,180,100	19 %	15,481,100	13,742,400	13 %
Ore mined and hauled (wmt)	5,636,100	5,413,100	4 %	21,571,700	20,817,400	4 %
Material mined and hauled (wmt)	9,432,400	8,593,200	10 %	37,052,800	34,559,800	7 %
Strip ratio	0.67	0.59	14 %	0.72	0.66	9 %
Ore milled (wmt)	5,237,800	4,880,000	7 %	20,598,700	19,749,800	4 %
Head grade Fe (%)	30.7	31.7	(3 %)	30.7	32.1	(4 %)
Recovery (%)	82.6	82.3	— %	83.5	82.6	1 %
Product Fe (%)	66.5	66.5	— %	66.4	66.4	— %
Iron ore concentrate produced (wmt)	2,011,400	1,891,800	6 %	8,001,200	7,903,700	1 %
Iron ore concentrate sold (dmt)	1,971,100	1,888,200	4 %	7,684,500	7,577,400	1 %
Statistics (in dollars per dmt sold)						
Total cash cost (C1 cash cost) ²	54.4	53.9	1 %	54.2	52.7	3 %

Operational Performance

Early actions implemented by the Company in response to the COVID-19 pandemic minimized impacts on the Company and its operations. Despite disruptions to operations in the first quarter of the fiscal year ended March 31, 2021, the Company was able to set a new annual record production of 8,001,200 wmt of high-grade iron ore concentrate during the fiscal year ended March 31, 2021.

During the three-month period ended March 31, 2021, 9,432,400 tonnes of material was mined and hauled, compared to 8,593,200 tonnes for the same period in 2020, an increase of 10%. This increase in material mined and hauled is attributable to the Company's ongoing mining equipment rebuild program, which provided a higher equipment utilization rate and additional equipment availability. The higher volume mined is also attributable to the commissioning of an additional haul truck during the year ended March 31, 2021.

The strip ratio increased to 0.67 for the three-month period ended March 31, 2021, compared to 0.59 for the same period in 2020. Although the strip ratio is in line with the annual mine plan, it was negatively impacted by the Company's efforts to recover the waste backlog accumulated during the first quarter of the 2021 fiscal year, when Champion's operations were disrupted by the Government's imposed COVID-19 directives.

The Bloom Lake plant processed 5,237,800 tonnes of ore during the three-month period ended March 31, 2021, compared to 4,880,000 tonnes for the same period in 2020, representing an increase of 7%. The higher throughput resulted from higher mined ore availability and a higher mill utilization rate. The continuous improvements and operational innovations allowed the Company to increase throughput stability and reach a higher level of mill productivity, despite the inefficiencies created by COVID-19, enabling the Company to capitalize on elevated iron ore prices.

The iron ore head grade in the three-month period ended March 31, 2021 was 30.7%, compared to 31.7% for the same period in 2020. The decrease in head grade is attributable to the presence of some lower grade ore being sourced and blended from different pits when compared to the prior year, which is in line with the mining plan and the LoM head grade average.

During the three-month period ended March 31, 2021, the Company produced an additional 374,400 wmt of DR quality iron ore concentrate at 67.6% Fe, with a combined silica and alumina content of 2.8%. This additional production has been sold during the three-month period ended March 31, 2021, demonstrating the Company's ability to adapt to meet demand for higher quality iron ore products.

The Company's average recovery rate of 82.6% remained stable during the three-month period ended March 31, 2021 despite being adversely impacted by the production of low-silica concentrate, compared to a recovery rate of 82.3% for the same period in 2020.

Based on the foregoing, Bloom Lake produced 2,011,400 wmt of 66.5% Fe high-grade iron ore concentrate during the three-month period ended March 31, 2021, an increase of 6%, compared to 1,891,800 wmt for the same period in 2020. The higher production is mainly a result of higher throughput, despite being partially offset by a lower head grade.

6. Mining Operations Expenditures

During the three-month period ended March 31, 2021, the total cash cost² or C1 cash cost² per tonne, excluding specific incremental and non-recurring COVID-19 related costs, totalled \$54.4/dmt, compared to \$53.9/dmt for the same period in 2020. The total cash cost² for the period was higher mainly due to a lower head grade and the negative impact of inefficiencies related to COVID-19 preventive measures involving social distancing protocols.

For the year ended March 31, 2021, the Company produced high-grade iron ore at a total cash cost² of \$54.2/dmt, compared to \$52.7/dmt for the same period in 2020. The C1 cash cost² for the year includes the negative impact of inefficiencies related to COVID-19. In the first quarter of the 2021 fiscal year, in line with the Company's founding values to maintain a mutually beneficial partnership with its workforce, the Company opted to keep its full workforce on its payroll, despite the reduced operating activities imposed in compliance with the Government's public health directives. The increase in total cash cost² was partially offset by higher iron ore concentrate sold, stemming from its operational productivity.

7. Exploration Activities

There were no significant changes in exploration activities in the three-month period ended March 31, 2021.

8. Qualified Person and Data Verification

Mr. Vincent Blanchet (P.Eng.), Engineer for 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 the disclosure of the scientific and technical information related to Bloom Lake contained in this document (the "Bloom Lake Information"). 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 Feasibility Study. Mr. Blanchet is a member of the Ordre des Ingénieurs du Québec. Mr. Blanchet consents to the inclusion in this document of the Bloom Lake Information in the form and context in which it appears. Certain other information contained in this document has been obtained from published sources prepared by third parties and has not been independently verified and no representation or warranty, expressed or implied, is made with respect to, and no undue reliance shall be placed on, the information or opinions contained herein or in any verbal or written communication made in connection with this document.

9. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on May 27, 2021 at 8:30 AM EDT (Montréal Time) / 10:30 PM AEST (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 796831#.

10. Cautionary Note Regarding Forward-Looking Statements

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 publication of detailed operational and financial results; (ii) the update of the feasibility study and revision of the scope of the Kami Project; (iii) the Company’s Phase II expansion project and its expected production, 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 in or implied by 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 management’s discussion and analysis for the year ended March 31, 2020, both 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 news 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.

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 ore 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 7.4 Mtpa 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 Kamistiatusset iron ore project located a few kilometres south east of Bloom Lake, and 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 customers in China, Japan, the Middle East, Europe, South Korea, India and Canada.

Abbreviations

The following abbreviations are used throughout this release: US\$ (United States dollar), \$ (Canadian dollar), wmt (wet metric tonnes), dmt (dry metric tonnes), Mtpa (million tonnes per annum), M (million), km (kilometers), m (meters), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex) and Phase II (Phase II expansion project).

For further information, please contact:

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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 Consolidated Financial Statements and associated Management's Discussion and Analysis for the year ended March 31, 2021, will be available under the Company's filings on SEDAR (www.sedar.com), on the ASX (www.asx.com.au) or the Company's website (www.championiron.com) on May 27, 2021. All amounts are in Canadian dollars unless otherwise indicated.

¹ Cash on hand includes cash and cash equivalents and short-term investments (excluding equity investments) and excludes restricted cash.

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