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CHAMPION IRON

PRESS RELEASE

CHAMPION IRON REPORTS STRONG FY2019 FOURTH QUARTER AND YEAR-END RESULTS

Company achieves record production of 6,994,500 wmt of iron ore concentrate at Bloom Lake in its first year of operation, maintains low costs and improves balance sheet

Montreal, June 20, 2019 - Champion Iron Limited (TSX: CIA) (ASX: CIA) ("Champion" or the "Company") is pleased to announce strong operational and financial results for the fourth quarter and fiscal year ended March 31, 2019.

For complete details of the Annual Audited Consolidated Financial Statements and associated Management's Discussion and Analysis please refer to the Company's filings on SEDAR (www.sedar.com) or the Company's website (www.championiron.com). All amounts are in Canadian dollars unless otherwise indicated.

Conference Call Details

Champion will host a conference call and webcast at 8:30 AM EDT (Montreal Time), on Thursday June 20, 2019 to discuss the fourth quarter and fiscal year end results. Call details are outlined at the end of this news release.

1. HIGHLIGHTS

Operations

- Production of 1,802,000 wet metric tonnes ("wmt") of high-grade 66.3% iron ore concentrate at a total cash cost[1] (C1) of $48.4/dry metric tonne ("dmt") and all-in sustaining cost[1] ("AISC") of $55.4/dmt in fourth quarter of operation; and
- Production of 6,994,500 wmt of high-grade 66.4% iron ore concentrate at a total cash cost[1] (C1) of $49.4/dmt and AISC[1] $55.8/dmt in first full year of operation.

Financial

- Net income of $28.2 million in the fourth quarter and $147.6 million for the year ended March 31, 2019;
- Revenues of $182.2 million in the fourth quarter and $655.1 million for the year ended March 31, 2019;
- Operating cash flow[2] totalling $38.0 million in the fourth quarter and $176.7 million for the year ended March 31, 2019;
- EBITDA[1] totalling $86.5 million in the fourth quarter and $278.2 million for the year ended March 31, 2019; and
- Cash on hand[3] of $153.3 million on March 31, 2019, an increase of $128.1 million when compared to $25.2 million on March 31, 2018.

Growth

- On June 20, 2019, the Company announced a positive feasibility study for the Bloom Lake Phase II expansion with an after-tax IRR of 33.4% and a 2.4-year payback on initial capital for an after-tax $NPV_{8\%}$ of $2,384 million combining Phase I & II;
- On May 29, 2019, the Company announced a transaction to acquire Ressources Quebec's ("RQ") 36.8% equity interest in Quebec Iron Ore ("QIO"), operator of the Bloom Lake Mining Complex, for a total cash consideration of $211 million. The acquisition would increase the Company's stake in QIO to 100%; and
- On May 29, 2019, the Company also announced that it has entered into an agreement with Caisse de dépôt et placement du Québec for a preferred share offering for proceeds of $185 million, plus a commitment for a fully underwritten US$200 million credit facility with The Bank of Nova Scotia and Societe Generale.

"We are extremely pleased with the strong performance delivered by the operations team again this quarter and proud to set a new annual production record for Bloom Lake which was first commissioned in 2010", commented David Cataford, Champion's CEO. "As we continuously improve operations, Bloom Lake continues to demonstrate its ability to produce at competitive costs," added Mr. Cataford. "While iron ore prices continue to set multi-year highs, our Company remains unhedged and following our recent announcement to increase our stake in Bloom Lake to 100%, we are well positioned to reap the long-term economic benefits" continued Mr. Cataford.

2. BLOOM LAKE MINE OPERATING ACTIVITIES[4]

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2019	2018	**2019**	2018
Operating Data				
Waste mined (wmt)	3,481,500	2,280,700	13,679,900	4,254,000
Ore mined (wmt)	4,975,500	2,158,700	19,711,700	2,733,500
Strip ratio	0.7	1.1	0.7	1.6
Ore milled (wmt)	4,754,200	1,754,300	18,493,800	1,754,300
Head grade (%)	30.6	29.0	31.5	29.0
Recovery (%)	80.4	76.3	79.5	76.3
% Fe	66.3	66.5	66.4	66.5
Iron ore concentrate produced (wmt)	1,802,000	623,300	6,994,500	623,300
Iron ore concentrate sold (dmt)	**1,744,000**	—	**7,127,600**	—
Financial Data (in thousands of dollars)				
Revenues	**182,164**	—	**655,129**	—
Cost of sales	84,431	—	351,946	—
Other expenses	11,233	20,857	25,011	80,006
Net finance cost	19,386	7,475	50,010	23,081
Net income	28,155	(29,305)	147,599	(107,331)
Earnings per share	**0.02**	(0.05)	**0.20**	(0.19)
EBITDA[1]	**86,500**	(20,858)	**278,172**	(80,006)
Statistics (in dollars per dmt sold)				
Average net realized selling price[1]	**104.4**	—	**91.9**	—
Total cash cost (C1 cash cost)[1]	**48.4**	—	**49.4**	—
All-in sustaining cost[1]	**55.4**	—	**55.8**	—
Cash operating margin[1]	**49.0**	—	**36.1**	—

Operational Performance

During the quarter ended March 31, 2019, 8.5 million tonnes of material were mined, representing a decrease of 3% over the previous quarter. The decrease reflects the focus on waste removal during the previous quarter due to a planned major shutdown of the plant. The plant processed 4,754,200 tonnes of ore during the fourth quarter. Although the quarter did not include a major scheduled shutdown, the production was affected by various planned shutdowns totaling 10 days in order to upgrade pumps and change the inner discharge grates and upgrade the conveyor belt to accommodate more daily throughput. During the period, the optimization of the recovery circuit continued, resulting in record monthly recovery of 81.7% in February 2019 from a 31.0% Fe head grade.

Based on the foregoing, Champion produced 1,802,000 wmt of 66.3% high-grade iron ore concentrate during the fourth quarter ended March 31, 2019.

The Company mined 33.4 million tonnes of material during the twelve months ended on March 31, 2019, compare to 7.0 million tonnes in the prior year. The variation is due to the restart of the Bloom Lake Mine in February 2018 which commenced commercial production on June 30, 2018. The plant processed 18,493,800 tonnes of ore during the twelve months ended March 31, 2019. During the year, the recovery circuit continues to be optimized where the Company initially achieved 77.0% when it resumed operations in February of 2018 compared to 80.4% during the last quarter ended March 31, 2019. Overall, the Company achieved an average recovery rate close to 80% for the most recently completed fiscal year. The Company's recovery rate continues to improve with nearly every quarter achieving higher recovery rates as high as 86%. As such, the Company is confident that it will achieve the target recovery rate of 83% once the circuit has been optimized.

Based on the foregoing, Champion produced a total of 6,994,500 wmt of Fe 66.4% in its first full year of operations ending March 31, 2019. These results established a new annual production record for the Bloom Lake Mine as the previous annual record achieved at Bloom Lake by previous operators totalled 5,885,355 in 2013.

3. FINANCIAL PERFORMANCE

The Company entered pre-commercial production in February 2018, shipped its first vessel to China on April 1, 2018 and declared commercial production on June 30, 2018. As a result, there are no comparative production and related financial performance figures for the same periods the year prior.

A. Revenues

During the three-month period ended March 31, 2019, a total of 1,802,000 tonnes of high-grade iron ore concentrate were sold at a CFR China gross realized price of US$98.7/dmt before shipping. The gross sales price of US$98.7/dmt represents a premium of 19% over the benchmark IODEX 62% Fe CFR China Index ("P62") price compared to 28% in the previous quarter as the P62 price strengthened by 16% during the quarter. Deducting sea freight costs of US$21.6/dmt, the Company obtained an average net realized price of US$77.1 per tonne (CA$104.4 per tonne) for its high-grade iron ore delivered to the end customer. As a result, revenues totalled $182,164,000 for the period. The sales increase compared to the prior quarter stems primarily from higher iron ore prices.

For the year ended March 31, 2019, the Company sold over 7.1 million tonnes of iron ore concentrate shipped to end customers located in China, Europe, Japan and the Middle East in 41 Capesize vessels. While, the IODEX 65% Fe CFR China Index ("P65") indicative price of high-grade iron ore fluctuated between US$81.4/dmt to US$107.2/dmt as of March 31, 2019, the Company sold its product at an average gross realized price of US$93.4/dmt before shipping. The gross sales price of US$93.4/dmt represents a premium of 30.6% over the benchmark P62 price. Deducting sea freight costs of US$23.4/dmt, the Company obtained an average realized price of US$70.0 per tonne (CA$91.9 per tonne) for its high-grade iron ore delivered to the end customer. As a result, revenues totalled $655,129,000 for the first full year of production. There are no revenues for the comparative periods as the Company shipped its first vessel of iron ore concentrate on April 1, 2018.

B. Cost of sales

Cost of sales represent mining, processing, and mine site-related general and administrative expenses.

During the three-month period ended March 31, 2019, the total cash cost[1] or C1 cash cost[1] per tonne totalled $48.4/dmt.

For the first twelve months of operations, the Company produced high-grade iron ore at a total cash cost[1] of $49.4/dmt. The C1 cash cost[1] reflects the impacts of the inefficiencies of the ramp-up period, the delays associated with the completion of the first major planned shutdown since the commencement of operations, combined with unplanned shutdowns during the first winter season.

As the Company shipped its first vessel on April 1, 2018, there are no comparative cost of sales for the prior fiscal year ended March 31, 2018.

C. Gross profit (loss)

The gross profit for the three and twelve-month periods ended March 31, 2019 totalled $94,284,000 and $288,632,000, respectively, compared to a gross loss of $972,000 and $4,244,000 for the same periods in the year prior. Each period variation reflects the timing of recommissioning Bloom Lake in February 2018 with first shipment dating April 1, 2018.

D. Other Expenses

Other expenses comprise share-based payment, corporate expenses, as well as sustainability and other community expenses ("CSR expenses"). CSR expenses are composed mainly of community taxes such as property and school taxes and expenditures related to the Impact and Benefits Agreement with the First Nations.

The variance in Other expenses and income for the year ended March 31, 2019 compared to the same period last year is essentially due to the difference in certain costs incurred during the restart phase (2017-2018) compared to costs incurred during the operational phase which began April 1, 2018.

E. Net Finance Costs

Net finance costs totalled $19,386,000 (non-cash finance costs of $13,199,000) for the fourth quarter compared to $7,475,000 (non-cash finance costs of $7,025,000) for the same period in 2018. The increase is attributable mainly to the change in the fair market value of derivative liabilities period over period offset by an unrealized foreign exchange loss and the recognition of a non-cash derivative assets.

The increase in net finance costs for the year ended March 31, 2019, when compared to the same period the year prior, is due to two main factors: the interest on the term facilities fully drawn at the beginning of September 2018 and the change in the fair value of derivatives associated with the financing of the Bloom Lake Mine. The change in the fair value of derivatives liabilities is attributable to the variation of the Company's common share price during the period and is a non-cash item. In compliance with IFRS, the Company also recorded non-cash derivative assets in relation to the existing debt facility. The Company reports in Canadian dollars and benefits from a natural hedge between its revenues generated in U.S. dollars and its U.S. denominated term facilities. Consequently, the unrealized foreign exchange loss included in net finance costs represents a non-cash expenditure associated with the conversion of the term facilities in Canadian dollars. The Company maintains sufficient U.S. dollars on hand to prevent foreign exchange loss upon interest or capital payments. Unrealized loss on investments and accretion costs are non-cash items.

F. Income Taxes

The Company's subsidiaries are subject to tax in Australia and Canada. As a result of accumulated losses before tax, there are no current or deferred income taxes related to the Australian activities. QIO, Champion's operating subsidiary, is subject to mining tax of 16% and income tax in Canada where the statutory rate is 26.68%. During the fiscal year ended March 31, 2019, the Company utilized previously unrecognized tax benefits including the majority of its loss available for carry forwards to reduce its current income tax to nil. However, current mining taxes for the period amounted to $34,059,000 and were paid in May 2019. Deferred income tax expenses relate mainly to the accelerated depreciation available under tax regulations.

G. EBITDA[1] & Net Income (Loss)

During the fourth quarter ended March 31, 2019, the Company generated an EBITDA[1] of $86,500,000 or a margin of 47% and $278,172,000 or a margin of 42% for the year ended March 31, 2019.

The Company's net income for the three-month period ended March 31, 2019 totalled $28,155,000 or earnings per share of $0.02 compared to a loss of $29,305,000 or $0.05 per share for the same period the year prior. The variation is due to the restart of mining activities at the Bloom Lake Mine.

For the year ended March 31, 2019, the Company generated a net income of $147,599,000 translating to earnings per share of $0.20. A net loss of $107,331,000 or $0.19 per share was realized in the year ended March 31, 2018 as the Company completed its Bloom Lake Mine construction in February 2018 and shipped its first vessel of iron ore on April 1, 2018.

H. All-in Sustaining Cost[1] and Cash Operating Margin[1]

The Company believes that the AISC[1] and cash operating margin[1] are measures reflecting the costs associated with producing iron ore and assessing the Company's ability to operate without reliance on additional borrowing or usage of existing cash. The Company defines AISC[1] as the total costs associated with producing iron ore concentrate. The Company's AISC[1] represents the sum of cost of sales, corporate expenditures and sustaining capital expenditures, including stripping activities, all divided by the iron ore concentrate per dmt sold to arrive at a per dmt figure.

During the quarter, the Company realized an AISC[1] of $55.4/dmt which is comparable to previous quarter. During its start-up year, the Company produced high-grade iron concentrate at an AISC[1] of $55.8/dmt.

Deducting the AISC[1] of $55.4/dmt from the realized average selling price[1] of $104.4/dmt, the Company generated a cash operating margin[1] of $49.0 for each tonne of high-grade iron ore concentrate sold during the fourth quarter ended March 31, 2019. Since the Company started to ship iron ore to its end customers it has generated a cash operating margin[1] of $36.1/dmt.

I. Non-controlling Interests

As of March 31, 2019, the Government of the province of Quebec, through RQ held a 36.8% interest in QIO and as such, was considered Champion's non-controlling interest ("NCI"). The net income attributable to the NCI is based on the statutory financial statements of QIO. The variation period over period is associated with the start of the commercialization on April 1, 2018, offset by the change in fair value of derivative liabilities.

4. Events Subsequent to March 31, 2019

On May 29, 2019, the Company announced a transaction to acquire RQ's 36.8% equity interest in QIO for a total cash consideration of $211 million (the "Transaction"). The Transaction would increase Champion's stake in QIO to 100%. Following the closing of this transaction, the entire net income of QIO will be allocated to Champion and there will no longer be any NCIs.

The Company also announced on May 29, 2019, that it has entered into an agreement with Caisse de dépôt et placement du Québec for a preferred share offering for proceeds of $185 million (the "Investment") plus a commitment for a fully underwritten US$200 million credit facility (the "New Credit Facility") with The Bank of Nova Scotia and Societe Generale. Proceeds from the Investment and the New Credit Facility will be used to fund current and future strategic initiatives and repay Champion's existing debt.

For more information on the capital restructuring and the transaction, please refer to the Company's press release dated May 29, 2019, available under the Company's filings on SEDAR at www.sedar.com.

5. Bloom Lake Phase II Feasibility Study Highlights

On June 20, 2019, the Company announced the findings of a positive feasibility study (the "Feasibility Study") for the Bloom Lake Mining Complex, which investigated increasing overall production capacity at the Bloom Lake Mine from 7.4Mtpa to 15Mtpa of 66.2% Fe iron ore concentrate ("Phase II").

The highlights of the Feasibility Study include:

FEASIBILITY STUDY HIGLIGHTS – PHASE II Base case assuming long-term price of US$68.2/t P62 and US$83.9/t P65 iron ore price CFR China		
	CA$	**US$**
NPV	- Pre-tax NPV$_{8\%}$ of $1,532 million - After-tax NPV$_{8\%}$ of $956 million - Pre-tax NPV$_{8\%}$ of $3,762 million combining Phase I & II - After-tax NPV$_{8\%}$ of $2,384 million combining Phase I & II	- Pre-tax NPV$_{8\%}$ of $1,160 million - After-tax NPV$_{8\%}$ of $724 million - Pre-tax NPV$_{8\%}$ of $2,850 million combining Phase I & II - After-tax NPV$_{8\%}$ of $1,806 million combining Phase I & II
IRR	Pre-tax IRR of 42.4% or after-tax IRR of 33.4% with a 2.4 years payback on initial capital	
Iron ore price	Based on $110.7/t P65 iron ore price CFR China	Based on $83.9/t P65 iron ore price CFR China
Initial CAPEX	$589.8 million	$446.8 million
Total cash cost[5]	$46.6/t FOB Sept-Îles	$35.4/t FOB Sept-Îles
Sustaining capital	4.4/t over the LoM	3.3/t over the LoM
All-in sustaining cost[5]	$52.3/t FOB Sept-Îles	$39.7/t FOB Sept-Îles
Production	Estimated average annual production of 15 million tonnes of 66.2% Fe iron ore	
Construction period	21 months	
Mine life	Current study mine life of 20 years	
Mineral reserves	Bloom Lake reserves estimated at 807 million tonnes at an average grade of 29.0% Fe	
Recovery	Average metallurgical recovery of 82.4% relative to average plant feed grade of 29.0% Fe	

The Feasibility Study conducted by BBA Inc. evaluated the life-of-mine ("LoM") option for expanded mining and processing to maximize the value of the mineral resource at Bloom Lake. The Feasibility Study evaluates the combined Phase I and II mining plan, current concentrator plant at Phase I and completion of the Phase II concentrator plant. Results of the Study recommend an expansion of Bloom Lake, resulting in a LoM production averaging 15 Mtpa of 66.2% Fe iron ore concentrate. Based on the new optimized mine plan, the mining rate at Bloom Lake would also be increased to accelerate the supply of ore to the expanded facilities, while maintaining a LoM of 20 years. Pursuant to the strong economics outlined in the Feasibility Study, the Company's board of directors has approved an initial budget of $68 million to advance the project during the remainder of 2019, which is expected to meet the timetable detailed in the Feasibility Study. The approved budget will be funded from cash on hand and existing debt facilities. Finalization of additional funding sources for the project is expected to be completed before mid-2020.

The base case economic assumption utilizes a conservative blended average gross realized price at 66.2% Fe CFR China of US$84.1/t for the LoM. The P65 analyst consensus was utilized for years 1 to 3. For the remaining LoM, the iron price at 66.2% is based on the average of the P65 analyst long-term consensus and the P62 3-year trailing average with a 15% premium. These price assumptions compare with a spot price at P65 of US$124.7/t as of June 13, 2019, of which Bloom Lake's 66.2% Fe material receives a premium. Other assumptions include total cash cost of CA$46.6/dmt or US$35.4/dmt and process recovery of 82.4% and an average exchange rate between the US$ and the CA$ of 0.758.

More information on the Feasibility Study can be found in the Company's June 20, 2019, press release available under the Company's filings on SEDAR at www.sedar.com and on the Company's website at www.championiron.com. The National Instrument 43-101 Standards of Disclosure for Mineral projects technical report will be filed on SEDAR within the 45 days of the June 20, 2019 news release.

6. CONFERENCE CALL AND WEBCAST INFORMATION

A webcast and conference call to discuss these results will be held on Thursday, June 20, 2019, at 8:30 AM EDT (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 564607 #.

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[1] EBITDA, average realized selling price, total cash cost or C1 cash cost, AISC and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

[2] Operating cash flow includes change in non-cash operating working capital.

[3] Cash on hand includes cash and cash equivalents and short-term investments.

[4] The Company considers that pre-commercial production operations at the Bloom Lake mine commenced on April 1, 2018 with the first shipment of high-grade iron ore concentrate and that commercial production began on June 30, 2018. Accordingly, there are no comparative figures for the same period the year prior.

[5] Cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. The Company provides them as supplementary information that management believes may be useful to investors to explain the Company's financial results.

About Champion Iron Limited

Champion is a producing iron development and exploration company, focused on developing its significant iron resources in the south end of the Labrador Trough in the province of Quebec. Following the acquisition of its flagship asset, the Bloom Lake iron ore property, the Company implemented upgrades to the mine and processing infrastructure and has partnered in projects associated with improving access to global iron markets, including rail and port infrastructure initiatives with government and other key industry and community stakeholders. Champion's management team includes professionals with mine development and operations expertise, who also have vast experience from geotechnical work to green field development, brown field management including logistics development and financing of all stages in the mining industry.

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*For additional information on Champion Iron Limited, please visit our website at: **www.championiron.com***

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 recovery rate (ii) the Company's growth (iii) the anticipated closing of the Transaction, the Investment and the New Credit Facility (iv) the potential expansion of the operations at Champion's flagship asset the Bloom Lake mine; (v) the use of proceeds from the Investment and the New Credit Facility (vi) the economic assumptions relied upon for the Feasibility Study (vii) the findings of the feasibility study including, but not limited to, the expected NPV, IRR, iron ore prices, initial CAPEX, total cash cost, sustaining capital, AISC, production, construction period, LoM, mineral reserves and recovery (viii) the timing of final board approval to proceed with the finalization of the project and the type of financing (ix) the estimated date of publication of the feasibility study; 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 including, without limitation, the results of the feasibility study with regards to the potential expansion of the Bloom Lake mine. 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: the accuracy of the feasibility study; 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; 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 2018 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.