CHAMPION IRON

PRESS RELEASE

CHAMPION IRON REPORTS RECORD REVENUES, EBITDA, NET INCOME AND NET CASH FLOW FROM OPERATIONS FOR ITS FY2021 THIRD QUARTER RESULTS

Net income of $120.8M, EBITDA of $211.9M and net cash flow from operations of $185.3M; Advances work programs on the fully financed Phase II expansion expected to be completed by mid-2022

Montréal, January 27, 2021 - Champion Iron Limited (TSX: CIA) (ASX: CIA) ("Champion" or the "Company") is pleased to announce strong operational and financial results for the third quarter ended December 31, 2020 of the fiscal year ending March 31, 2021.

Conference Call Details
Champion will host a conference call and webcast on Thursday January 28, 2021 at 8:30 AM EST (Montréal Time) / Friday January 29, 2021 at 12:30 AM AEDT (Sydney time) to discuss the FY2021 third quarter results. Call details are outlined at the end of this release (the "document").

1. Highlights

Health and Safety

- Implemented a rapid testing laboratory using a technology approved and certified by Health Canada at the mine site, allowing the screening of employees and contractors to further mitigate COVID-19 related risks;
- Established a contingency plan for each sector of activity in the event of multiple COVID-19 detections; and
- Implemented and continuously reviews measures and protocols in order to minimize the risks related to COVID-19, which are expected to remain in place, in order to safeguard the health and safety of its employees, partners and local communities.

Financial

- Revenues of $329.5M and $885.1M for the three and nine-month periods ended December 31, 2020, respectively, compared to $171.1M and $609.4M, respectively, for the same periods in 2019;
- Record EBITDA[1] of $211.9M for the three-month period ended December 31, 2020, compared to an EBITDA[1] of $57.9M for the same period in 2019. EBITDA[1] of $537.4M for the nine-month period ended December 31, 2020, compared to $287.4M for the same period in 2019;
- Net income of $120.8M for the three-month period ended December 31, 2020 (EPS of $0.25), compared to a net income of $30.2M for the same period in 2019 (EPS of $0.07). Net income of $308.5M for the nine-month period ended December 31, 2020 (EPS of $0.65), compared to a net income of $102.7M for the same period in 2019 (EPS of $0.16);
- Net cash flow from operations of $185.3M for the three-month period ended December 31, 2020, representing operating cash flow per share[1] of $0.39, compared to $28.1M or $0.06 per share[1] for the same period in 2019. Net cash flow from operations of $388.9M for the nine-month period ended December 31, 2020, representing operating cash flow per share[1] of $0.82, compared to $225.0M or $0.52 per share[1] for the same period in 2019; and
- Cash on hand[2] of $507.2M (excluding restricted cash of $44.6M) as at December 31, 2020, compared to cash on hand[2] of $298.7M as at March 31, 2020.

Operations

- Production of 1,922,100 wmt of high-grade 66.4% Iron ore ("Fe") concentrate for the three-month period ended December 31, 2020, compared to 1,832,800 wmt for the same period in 2019. Production of 5,989,700 wmt of high-grade 66.3% Fe concentrate for the nine-month period ended December 31, 2020, compared to 6,011,900 wmt for the same period in 2019;
- Recovery rate of 83.6% and 83.8% for the three and nine-month periods ended December 31, 2020, respectively, compared to a recovery rate of 81.7% and 82.7%, respectively, for the same periods in 2019; and
- Free on Board ("FOB") total cash cost[1] of $56.2/dmt (US$43.1/dmt) ("Total Cash Cost" or "Cash Cost") and $54.1/dmt (US$40.4/dmt) for the three and nine-month periods ended December 31, 2020, respectively, compared to $54.2/dmt (US$41.1/dmt) and $52.3/dmt (US$39.4/dmt), respectively, for the same periods in 2019.

Other Developments

- Received final Board approval on November 12, 2020 to complete the Phase II expansion project ("Phase II") and advanced work programs required to maintain the project completion timeline, scheduled for mid-2022;
- Increased the senior secured Credit Facility from US$200.0M to US$400.0M, providing an additional US$200.0M to finance the Phase II expansion, which remains undrawn as at December 31, 2020. Together with cash on hand[2] and ongoing cash flows from operations, the Company expects to be fully funded to complete the Phase II project;
- Received approval from the Supreme Court of Newfoundland and Labrador for the acquisition of the mining properties of the Kamistiatusset iron ore project (the "Kami Project") located in the Labrador Trough geological belt in southwestern Newfoundland, near the Québec border, and certain related contracts. The acquisition is expected to secure an additional 8 Mtpa of port capacity at the multi-user berth of the port of Sept-Îles and is expected to position the Company for growth opportunities; and
- Entered into a freight contract for one vessel per month, from January 2021 to March 2021, at an agreed upon price of US$17.50 per tonne plus freight commissions.

Champion's CEO, Mr. David Cataford, said "Despite the challenges imposed by the COVID-19 pandemic, Champion achieved several record financial results in the period, benefiting from rising iron ore prices and the support of our employees, partners and communities. Building on this momentum, the Bloom Lake Phase II expansion project is well underway with our Company successfully increasing its senior secured Credit Facility, which together with cash on hand[2] and cash flows from operations, is expected to fully fund the completion of the project and double the nameplate capacity of Bloom Lake to 15 Mtpa of high-grade iron ore concentrate by mid-2022. Additionally, in order to strategically position our Company for growth opportunities, and pursuant to its recently announced acquisition plans, our technical team will be mandated to review and revise the feasibility study of the Kami Project, located only a few kilometers south-east of our current operations. Lastly, I wish to acknowledge that even with our record financial performance and our growth trajectory, our focus remains on the health and safety of our workers who continue to prove their dedication and positively impact our Company."

2. Response to the COVID-19 Pandemic

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

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, including the following:

- Established an executive committee to monitor and adapt to the ongoing challenges created by the COVID-19;
- Adapted work environments and implementation of safety rules and protocols;
    - Established a rapid testing COVID-19 laboratory using technology approved and certified by Health Canada at the mine site, providing the Company with the ability to screen employees and contractors;
    - Established a contingency plan for each sector of activity in the event of multiple COVID-19 detections;
    - Temperature monitoring and control prior to traveling and entering Bloom Lake mine site;
    - Disinfection stations across the mine site and adoption of social distancing protocols;
    - Adoption of isolation measures from the nearby communities and self-isolation for workforce who exhibit symptoms;
    - Additional transportation capacity to allow for adequate social distancing; and
    - Employees' contact register to trace potential infections and to launch disease protocol for suspected cases.
- Mandatory information session for new contractors and employees and communication of updated measures;
- Monitoring of COVID-19 related measures adopted by contractors; and
- Monthly and daily audit to review the effectiveness of the Company's adopted measures.

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

Financial and operational impacts

Despite the economic impact of the COVID-19 pandemic, iron ore prices remained robust throughout the three and nine-month periods ended December 31, 2020. To date, the Company's risk mitigating actions have proven to be successful at minimizing the pandemic's impact, with Bloom Lake operating at full capacity and delivering strong net cash flow from operations.

The Company implemented best practices in managing its response to the COVID-19 pandemic resulting in direct and incremental operating costs during the three and nine-month periods ended December 31, 2020, which totalled $2.2 million or $1.2/dmt[1] and $9.4 million or $1.7/dmt[1], respectively. Additional indirect operational costs were also incurred since the beginning of the pandemic, including inefficiency-related costs across several areas of the Company's operations. These COVID-19 specific and indirect costs could continue to be incurred in the foreseeable future.

Uncertainties due to COVID-19

Although the Company is managing its operations and liquidity to mitigate risks related to COVID-19, the extent to which the pandemic could impact operations and cash flows in future is uncertain and will depend on future developments given the significant uncertainty regarding the ultimate impact that the COVID-19 pandemic will have on the overall economy and the demand for iron ore concentrate.

3. Bloom Lake Phase II Update

Bloom Lake Feasibility Study (the "Feasibility Study")

On June 20, 2019, the Company announced the findings of the Feasibility Study, prepared pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and Joint Ore Reserves Committee ("JORC") Code (2012 edition) (see press release dated June 20, 2019 available under the Company's filings on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com), including proven and probable mineral reserve estimates of 807.0 Mt (346.0 Mt proven reserves and 461.0 Mt probable reserves) at an average grade of 29.0% Fe. The Phase II project, as detailed in the Feasibility Study, aims to double Bloom Lake's nameplate capacity to 15 Mtpa of 66.2% Fe iron ore concentrate by completing the construction of the second plant which was partially completed by the mine's former owner. Based on the new optimized mine plan, the Bloom Lake mining rate would also be increased to accelerate the supply of ore to the expanded facilities, while maintaining a life of mine ("LoM") of 20 years.

The Feasibility Study proposed a 21-month construction period with estimated capital expenditures of $633.8 million, including $44.0 million in deposits. Project economics, based on a US$83.9/t IODEX 65% Fe CFR China Index ("P65" or "Platts 65") iron price, indicate an after-tax 8% net present value ("NPV") of $2,384 million, combining Phase I & II, and an after-tax internal rate of return ("IRR") of 33.4%. During the LoM, total cash costs[1] are projected to be $46.6/t with an average all-in sustaining cost[1] of $52.3/t.

Financing

Subsequent to the Board's final approval (on November 12, 2020), to complete the Phase II project, the Company increased its Credit Facility on December 23, 2020 by US$200.0 million (to US$400.0 million), which together with cash on hand[2] and ongoing cash flows from operations, are expected to fully fund the project, scheduled for completion by mid-2022.

On December 23, 2020, Champion received a credit approved commitment letter for US$75.0 million, in connection with financing Phase II equipment from Caterpillar Financial Services Limited, subject to the execution of definitive documentation, which is expected to occur in the near term.

As detailed in the Feasibility Study and with the anticipated port related work programs required to support the additional volumes from the Phase II project, the Company and Société du Plan Nord planned to jointly invest $135.0 million in Société Ferrovière du Port de Pointe-Noire ("SFPPN"), of which $85.0 million will be invested by the Company. The Company's contribution will be partially financed for an amount up to $70.0 million by "Fonds du développement économique" ("Term Loan"). The Term Loan will have an 11.5-year maturity and will bear interest at 3.7% and annual repayments of $6.0 million, commencing on April 1, 2022.

Milestones

During the three-month period ended December 31, 2020, $31,949,000 was incurred on the project, and a total of $115,145,000 invested to date, which included $6,010,000 in advance payment to SFPPN. The following work was undertaken and the following milestones were achieved:

- Engineering work 65% complete as at December 31, 2020;
- Installation of the rougher spiral banks;
- Installation of the grinding area conveyors;
- Continuation of electrical work on Z3 substation;
- Completion of the A-Frame conveyor modification and commissioning;
- Completion of the A-Frame dust control work;
- Finalization of the extension shelters of the load-out area;
- Selection of major mine equipment supplier; and
- Commencement of diverse mechanical installations, including pan filters and vacuum pumps.

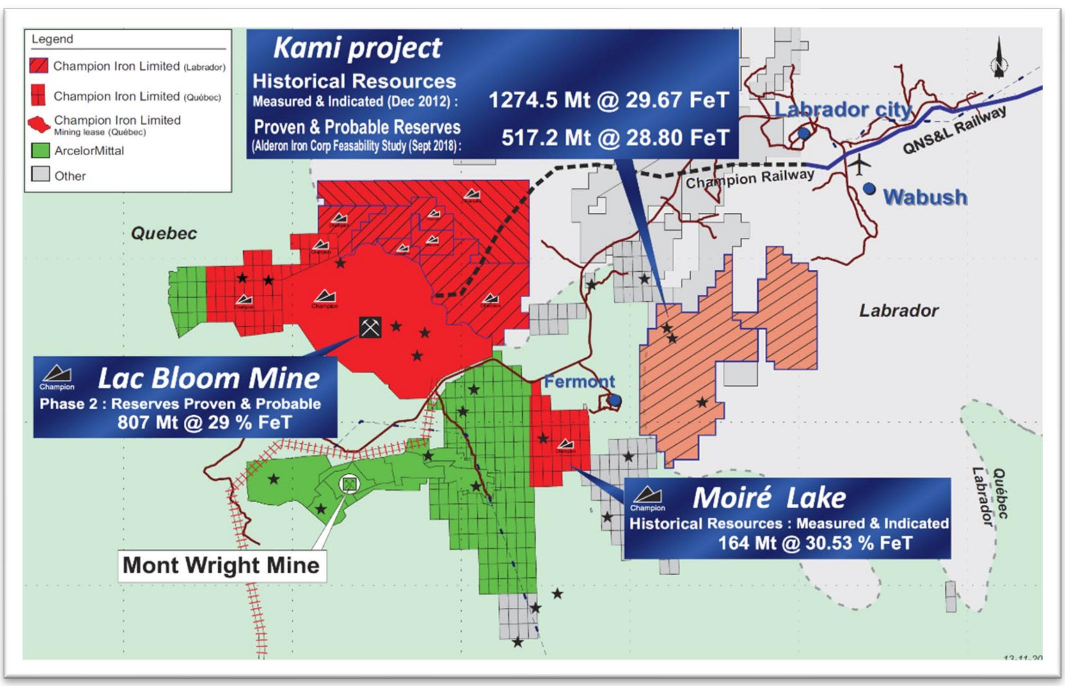
Bloom Lake Phase II reserves and resources are based on the Feasibility Study, prepared by BBA Inc., Soutex and WSP Canada Inc., with an effective date of June 20, 2019 and filed on August 2, 2019. The Company is not aware of any new information or data that materially affects the information included 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, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

4. Acquisition of the Kami Project

On November 13, 2020, the Supreme Court of Newfoundland and Labrador approved the acquisition by the Company and certain of its affiliates of the mining properties of the Kami Project and certain related contracts (the "Acquisition"), from Deloitte Restructuring Inc. (the “Receiver”), as receiver for Alderon Iron Ore Corp. (“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 consists of $15.0 million in cash, the extinguishment of approximately $19.4 million in Alderon secured debt (the "Secured Debt") through the issuance of 4,200,000 Champion's ordinary shares 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. As part of the transaction, Champion also exercised, through an affiliate, an option to purchase the Secured Debt from Sprott Private Resource Lending (Collector), LP (“Sprott”) and became a senior secured creditor of Alderon and its affiliates. Closing of the Acquisition is subject to the consent of the Ministry of Industry, Energy and Technology of Newfoundland and Labrador, as well as other customary closing conditions. At the closing date, as consideration for the Secured Debt, Champion will issue 4,200,000 Champion's ordinary shares to Sprott and Altius Resources Inc. and the Secured Debt will be extinguished as partial consideration for the Kami Project.

The Kami Project is a high-grade iron ore project situated only a few kilometers south-east of the Company's operating Bloom Lake Mine and near available infrastructure. 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), with such reserves being inclusive of such resources. Alderon completed an updated feasibility study on the Kami Project in September 2018. The Company expects to revise the project's scope and update the feasibility study in the near term. As part of the Acquisition, Champion expects to secure an additional 8 Mtpa of port capacity, including a pre-payment of port related fees, at the multi-user berth of the port of Sept-Îles, currently being used by the Company to export Bloom Lake's iron ore concentrate.



Note: Moiré Lake historical measured and indicated resources of 164.0 Mt (164.0 Mt indicated). The other reserves and resources are historical estimates and, from an Australian perspective, foreign estimates.

The historical mineral reserve and resources mentioned are strictly historical in nature and are non-compliant with NI 43-101 neither the JORC Code (2012 edition) and should therefore not be relied upon. A Qualified Person, as defined in NI 43-101, 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. Such historical estimates are based on the NI 43-101 technical reports: (i) with respect to the Moiré Lake property, 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; and (ii) with respect to the Kami Project, entitled “Updated Feasibility Study of the Kamistiatusset (Kami) Iron Ore Property, Labrador” prepared for Alderon by BBA Inc., Gemtec Ltd., Watts, Griffis and McOuat Ltd. and Golder Associates Ltd. dated October 31, 2018 and having an effective date of September 26, 2018. There is no obligation on Champion Iron Limited to report on these foreign estimates of mineralisation in accordance with ASX Listing Rule 5 since each of the aforementioned pre-feasibility studies and technical reports were prepared for properties adjacent to or near Champion Iron Limited's mining tenements.

5. Bloom Lake Mine Operating Activities

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2020	2019	Variance	**2020**	2019	Variance
Operating Data						
Waste mined (wmt)	**4,957,600**	3,409,200	45 %	**11,684,800**	10,562,300	11 %
Ore mined (wmt)	**5,183,000**	4,905,300	6 %	**15,935,600**	15,404,300	3 %
Material mined (wmt)	**10,140,600**	8,314,500	22 %	**27,620,400**	25,966,600	6 %
Strip ratio	**0.96**	0.70	37 %	**0.73**	0.69	6 %
Ore milled (wmt)	**5,193,700**	4,639,000	12 %	**15,360,900**	14,869,800	3 %
Head grade Fe (%)	**29.7**	32.0	(7 %)	**30.6**	32.3	(5 %)
Recovery (%)	**83.6**	81.7	2 %	**83.8**	82.7	1 %
Product Fe (%)	**66.4**	66.4	— %	**66.3**	66.3	— %
Iron ore concentrate produced (wmt)	**1,922,100**	1,832,800	5 %	**5,989,700**	6,011,900	— %
Iron ore concentrate sold (dmt)	**1,891,300**	1,922,100	(2 %)	**5,713,500**	5,689,200	— %
Financial Data (in thousands of dollars)						
Revenues	**329,545**	171,100	93 %	**885,113**	609,384	45 %
Cost of sales	**106,291**	104,119	2 %	**309,135**	297,647	4 %
Cost of sales - incremental costs related to COVID-19	**2,215**	—	— %	**9,448**	—	— %
Other expenses	**9,135**	9,071	1 %	**29,102**	24,316	20 %
Net finance costs	**8,648**	4,718	83 %	**10,713**	80,203	(87 %)
Net income	**120,771**	30,184	300 %	**308,491**	102,699	200 %
EBITDA[1]	**211,904**	57,910	266 %	**537,428**	287,421	87 %
Statistics (in dollars per dmt sold)						
Gross average realized selling price	**194.8**	140.1	39 %	**169.2**	146.5	15 %
Net average realized selling price[1]	**174.2**	89.0	96 %	**154.9**	107.1	45 %
Total cash cost (C1 cash cost)[1]	**56.2**	54.2	4 %	**54.1**	52.3	3 %
All-in sustaining cost[1]	**65.0**	62.2	5 %	**62.2**	63.7	(2 %)
Cash operating margin[1]	**109.2**	26.8	307 %	**92.7**	43.4	114 %

Operational Performance

On March 24, 2020, the Company announced the ramp down of its operations following directives from the Government in response to the COVID-19 pandemic, which required mining activities to be reduced to a minimum within the province of Québec. As announced by the Company on April 23, 2020, operations gradually ramped up, following the Government's announcement that mining activities were to be considered a "priority service" in Québec. Although the Company was operating at a minimal capacity for a period of time, disrupting mining and operating activities, early actions implemented by Management in response to the COVID-19 pandemic minimized its impacts on the Company and its operations. Despite earlier disruptions to operations, the Company produced nearly 6.0 million wmt of high-grade iron ore concentrate during the nine-month period ended December 31, 2020. In addition, during the three-month period ended December 31, 2020, the Company successfully conducted its second scheduled semi-annual shutdown at the mill.

i. Third Quarter of Fiscal Year 2021 vs Third Quarter of Fiscal Year 2020

During the three-month period ended December 31, 2020, 10,140,600 tonnes of material were mined, compared to 8,314,500 tonnes for the same period in 2019, representing an increase of 22%. This increase in material mined is a direct benefit of the Company's mining equipment rebuild program resulting in higher equipment utilization rate and additional equipment availability.

The increased strip ratio in the three-month period ended December 31, 2020 to 0.96, compared to 0.70 for the same period in 2019, is in line with the annual mine plan and the anticipated strip ratio for the quarter. The strip ratio was also affected 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 negatively impacted by the Government's imposed COVID-19 directives.

The plant processed 5,193,700 tonnes of ore during the three-month period ended December 31, 2020, compared to 4,639,000 tonnes for the same period in 2019, representing an increase of 12%. The higher throughput resulted from higher mined ore availability and a higher mill utilization rate. The improvements and operational innovations implemented during the fiscal year ended March 31, 2020 allowed the Company to increase throughput stability and reach a higher level of mill productivity, despite the inefficiencies created by COVID-19 and the mill scheduled shutdown, which allowed the Company to take advantage of the elevated iron ore price.

The iron ore head grade in the three-month period ended December 31, 2020 was 29.7%, compared to 32.0% for the same period in 2019. 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 and, which is in line with the mining plan and the LoM head grade average.

The Company achieved an average recovery rate of 83.6% during the three-month period ended December 31, 2020, compared to a recovery rate of 81.7% for the same period in 2019, which is attributable to higher recovery circuit stability.

Based on the foregoing, Bloom Lake produced 1,922,100 wmt of 66.4% Fe high-grade iron ore concentrate during the three-month period ended December 31, 2020, an increase of 5%, compared to 1,832,800 wmt for the same period in 2019. The higher production is mainly a result of higher ore mined and higher throughput, combined with a higher average recovery rate, despite being partially offset by a lower head grade. The variation between iron ore concentrate produced and sold during the quarter is due to the timing of shipments.

ii. First Nine Months of Fiscal Year 2021 vs First Nine Months of Fiscal Year 2020

During the first quarter of the 2021 fiscal year, the COVID-19 pandemic had a negative impact on several of the Company's activities, including: reduced mining activities due to the compliance with the public health directives issued by the Government; reduced equipment maintenance due to COVID-19-related resource limitations, which had adverse repercussions on equipment availability; the arrival of the seasonal workforce, which required integration and training; and the operation of only one of the Company's two production lines for a period of time stemming from the Government's COVID-19-related directives. Once the governmental restrictions were lifted, the Company accelerated its mining activities and fully resumed its production capacity.

The Company mined 27,620,400 tonnes of material during the nine-month period ended December 31, 2020, compared to 25,966,600 tonnes for the same period in 2019, while the plant processed 15,360,900 tonnes of ore during the nine-month period ended December 31, 2020, an increase of 3% over the same period in 2019. These increases are attributable to investments made in the mining equipment rebuild program, along with the improvements and operational innovations accomplished at the plant in the past, which enabled the Company to maximize current productivity, partially offset by the slowdown resulting from the COVID-19 pandemic during the first quarter of the 2021 fiscal year. In addition, the recovery rate improved from 82.7% to 83.8%, in line with the Company’s target. Based on the foregoing, Bloom Lake produced a total of 5,989,700 wmt of Fe 66.3% high-grade iron ore concentrate during the nine-month period ended December 31, 2020, compared to 6,011,900 wmt for the same period in 2019.

During the nine-month period ended December 31, 2020, the Company received confirmation that its initial commercial production test, completed during the fourth quarter of the 2020 fiscal year, qualified as Direct Reduction (“DR”) iron ore concentrate from DR pellet producers and direct reduced iron (“DRI”) plant operators. With this confirmed product specification, the Company produced an additional 207,900 wmt of DR quality iron ore concentrate at 67.8% Fe, with a combined silica and alumina content of 2.68%, at the request of a customer in the Middle East during the first quarter of the Company’s 2021 fiscal year. This second shipment confirmed the ability of the Company to sell its ore to producers of DR pellets, which can be converted by DRI producers and utilized in electric arc furnaces, which represent a growing subset of global steelmaking capacity. This strategically positions the Company to potentially increase its customer base and confirms that Bloom Lake is one of the few producing deposits globally that can transition its product offering in response to potential shifts in steelmaking methods in the coming years.

6. Financial Performance

A. Revenues

During the three-month period ended December 31, 2020, 1,891,300 tonnes of high-grade iron ore concentrate were sold at the CFR China gross average realized price of US$150.3/dmt, before provisional sales adjustments and shipping costs. The gross average realized selling price of US$150.3/dmt represents a premium of 12.4% over the benchmark P62 price, compared to a premium of 3.4% for the previous quarter. The gross average realized selling price reflects the sales at a determined price, as well as the forward price at the expected settlement date for 601,000 tonnes which were in transit at the end of the period. The higher gross average realized selling price of US$150.3/dmt for the recently completed quarter, compared to the average P65 for the quarter of US$146.1/dmt, demonstrates the Company's ability to benefit from its premium high-grade iron ore material pricing over the P62 index reference price, despite the fact that some contracted volumes were sold based on previous months' prices, when P65 prices were significantly lower.

Benefiting from rising pellet premiums and the global economic recovery in the period, the Company reduced or cancelled discounted pricing on some sales to the P65 index, previously required to compete with the pricing of pellets at multi-year lows in previous periods. As such, the Company expects its iron ore concentrate pricing to continue tracking the P65 index in the long-term. In addition, the Company should continue to benefit from the current period prices for its contracted volumes, based on previous month's P65 prices in the upcoming period ending March 31, 2021. Other factors influencing the Company's realized price included the increasing demand in low silica and alumina products due to rising coking coal prices and falling levels of iron ore inventories at Chinese ports, further tightening iron ore availability.

During the third quarter of the Company's 2021 fiscal year, low fuel prices and a greater vessel availability, due to the Chinese ban on Australian coal, contributed to depressed sea freight costs when compared to the same period last year. The freight costs variation relative to the Baltic Exchange C3 index during the period is mainly due to the timing of the vessels' booking and the fact that the Company benefited from a freight contract at a fixed price of US$15.46 per tonne plus freight commissions for one vessel per month until December 2020.

During the three-month period ended December 31, 2020, the final price was established for all of the 1,188,000 tonnes of iron ore that was in transit as at September 30, 2020. Accordingly, during the three-month period ended December 31, 2020, provisional pricing adjustments of $15,376,000 were recorded in additional revenues for the 1,188,000 tonnes, representing a positive impact of US$6.3/dmt.

After taking into account sea freight costs of US$22.1/dmt and the provisional sales adjustment of US$6.3/dmt, the Company obtained a net average realized price of US$134.5/dmt (CA$174.2/dmt) for its high-grade iron ore delivered to the end customer. Revenues totalled $329,545,000 for the three-month period ended December 31, 2020 compared to $171,100,000 for the same period in 2019. The increase is attributable to a higher net average realized selling price[1].

For the nine-month period ended December 31, 2020, the Company sold 5,713,500 tonnes of iron ore concentrate shipped in 33 vessels to customers, whose location included China, Japan, South Korea, Europe and the Middle East. While the high-grade iron ore P65 index price fluctuated between a low of US$96.5/dmt and a high of US$187.9/dmt during the nine-month period ended December 31, 2020, the Company sold its product at a gross average realized selling price of US$127.1/dmt. Combining the gross average realized selling price with the provisional sales adjustment of US$8.8/dmt, the Company sold its high-grade iron ore material at a price of US$135.9/dmt during the nine-month period ended December 31, 2020, which continued to structurally track the P65 high-grade index average of US$128.2/dmt. Deducting sea freight costs of US$19.6/dmt, the Company obtained a net average realized selling price[1] of US$116.3/dmt (CA$154.9/dmt) for its high-grade iron ore. As a result, revenues totalled $885,113,000 for the nine-month period ended December 31, 2020, compared to $609,384,000 for the same period in 2019. Although the sales increase is mainly attributable to the net average realized selling price[1], the slight positive volume impact during the COVID-19 pandemic illustrates the benefit the Company yielded by investing in production reliability and having the ability to increase its throughput capacity when the price of high-grade iron ore is elevated.

B. Cost of Sales

Cost of sales represent mining, processing, and mine site-related general and administrative ("G&A") expenses.

During the three-month period ended December 31, 2020, the total cash cost[1] or C1 cash cost[1] per tonne, excluding specific incremental and non-recurring COVID-19 related costs, totalled $56.2/dmt, compared to $54.2/dmt for the same period in 2019. The total cash cost[1] for the period was higher due to lower head grade, combined with a longer planned shutdown at Québec North Shore & Labrador Railway, whereas the Company maximized the shutdown period by advancing work initially planned for the forthcoming periods. The Company is benefiting from its previous and continuous investments in plant innovation and improvements as well as the mining equipment rebuild program, enabling it to maximize productivity during the pandemic period.

For the nine-month period ended December 31, 2020, excluding specific incremental and non-recurring COVID-19 related costs, the Company produced high-grade iron ore at a total cash cost[1] of $54.1/dmt compared to $52.3/dmt for the same period in 2019. The C1 cash cost[1] for the period includes the negative impact of the inefficiencies related to the COVID-19 preventive measures associated with social distancing protocols. In the first quarter of the 2021 fiscal year, in line with the Company's founding values to maintain its beneficial partnership with its workforce, the Company opted to maintain the 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 cost[1] was partially offset by operational productivity.

In the three and nine-month periods ended December 31, 2020, total cash cost[1] was negatively impacted by SFPPN operational costs, which were higher than they were in the comparative periods in 2019. The Company is confident that corrective actions implemented by SFPPN combined with additional volume that will be provided with Phase II will gradually improve their operations and will result in future cost savings per tonne.

C. Cost of Sales - incremental costs related to COVID-19

In line with the Government's directives, the Company implemented several measures in its efforts to mitigate the risks related to the COVID-19 pandemic. The Company incurred direct, incremental and non-recurring operating costs of $2,215,000 or $1.2/dmt[1] and $9,448,000 or $1.7/dmt[1] for the three and nine-month periods ended December 31, 2020, respectively. These specific costs are mainly comprised of premiums paid to employees from adjusted work schedules, incremental transportation costs, on-site COVID-19 testing and laboratory costs and incremental costs for cleaning and disinfecting facilities and do not include the inefficiency costs associated with the COVID-19 pandemic across all areas of the Company's operations. While the work schedules were adapted and related premiums to payroll were paid during the first quarter of the Company's 2021 fiscal year, the Company resumed its normal work schedules at the end of June 2020. Despite the fact that the costs associated with the revised schedules and the related premiums are expected to be not recurring, the Company will continue to deploy measures to mitigate the risks from COVID-19 on site and at the local community level. Accordingly, COVID-19 specific costs could continue to be incurred during fiscal year 2021.

D. Gross Profit

The gross profit for the three-month period ended December 31, 2020 totalled $212,435,000, compared to $62,350,000 for the same period in 2019. The increase in gross profit is mainly attributable to higher revenues, as a result of a higher net average realized selling price[1] of $174.2/dmt for the three-month period ended December 31, 2020, compared to $89.0/dmt for the same period in 2019. The higher revenues are partially offset by the incremental costs related to COVID-19, which totalled $2,215,000 or $1.2/dmt[1] during the period, higher production costs and higher depreciation expenses attributable to previous investments which were made to increase throughput and surpass the mine's nameplate capacity.

The gross profit for the nine-month period ended December 31, 2020 totalled $540,640,000, compared to $298,799,000 for the same period in 2019. The increase is largely driven by the higher net average realized selling price[1] of $154.9/dmt for the nine-month period ended December 31, 2020, compared to $107.1/dmt for the same period in 2019, and higher volumes of iron ore concentrate sold. The higher revenues are partially offset by the incremental costs related to COVID-19, which totalled $9,448,000 or $1.7/dmt[1] during the period, combined with higher depreciation expenses and higher production costs.

E. Other Expenses

The decrease in share-based payments for the three and nine-month periods ended December 31, 2020 mainly reflects lower stock option costs as no stock options were granted during the three and nine-month periods ended December 31, 2020, compared to a total of 534,000 stock options granted during the nine-month period ended December 31, 2019.

The increase in G&A expenses in the three-month period ended December 31, 2020, compared to the same period in 2019, is due to higher salaries and benefits from a higher headcount, partially offset by lower professional fees and lower travel expenses. The increase in G&A expenses in the nine-month period ended December 31, 2020, compared to the same period in 2019, is due to higher headcount, higher professional fees and a higher annual premium for the Company's Directors' and Officers' liability insurance, partially offset by lower travel expenses.

Sustainability and other community expenses are mainly composed of community taxes such as property and school taxes and expenditures related to the Company's Impact and Benefits Agreement with the First Nations ("IBA"). Higher expenses in the nine-month period ended December 31, 2020 reflect the Company's increased focus on sustainability. Sustainability and other community expenses remain stable during the three-month period ended December 31, 2020, compared to the same period in 2019.

F. Net Finance Costs

The main components of the net finance costs include interest on long-term debt, the foreign exchange impact from its accounts receivable, cash on hand[2] and long-term debt, the loss on debt refinancing and the change in the fair value of non-current investments.

Third Quarter of Fiscal Year 2021 vs Third Quarter of Fiscal Year 2020

Net finance costs increased and totalled $8,648,000 for the three-month period ended December 31, 2020, compared to net finance costs of $4,718,000 for the same period in 2019. Higher net finance costs are mainly due to an increase of the realized and unrealized foreign exchange loss and a loss on debt refinancing, partially offset by lower interest on long-term debt and the gain from the change in fair value of non-current investments.

The Company benefits from a natural hedge between its revenues generated in U.S. dollars and its U.S. denominated Credit Facility. The appreciation of the Canadian dollar against the U.S. dollar as of December 31, 2020, compared to September 30, 2020, contributed to an unrealized foreign exchange loss on its accounts receivable and cash on hand[2] denominated in U.S. dollars that is partially offset by the unrealized foreign exchange gain on the Company's long-term debt denominated in U.S. dollars.

Non-current investments in listed common shares are classified as financial assets at fair value through profit or loss. For the three-month period ended December 31, 2020, the net increase in the fair value of non-current investments represented $2,675,000, resulting from a higher stock price of the investments, while in the comparative period of 2019, the net decrease was $214,000.

The loss on debt refinancing resulted from an amendment to the Company's Credit Facility, effective December 23, 2020, which was increased to fund the completion of the Phase II project. The refinancing was determined to be an unsubstantial modification of the terms of the original Credit Facility. A non-cash loss of $1,863,000 was recognized as a result of the modification.

Lower interest on long-term debt is due to a decrease in the interest rate and the capitalization of borrowing costs on qualifying assets during the development period of the Phase II expansion project, which amounted to $645,000 for the three-month period ended December 31, 2020, (2019: nil) and contributed to the decrease in net finance costs when compared to the same period in 2019.

First Nine Months of Fiscal Year 2021 vs First Nine Months of Fiscal Year 2020

Lower net finance costs for the nine-month period ended December 31, 2020, compared to the same period in 2019, are mainly due to a lower loss on debt refinancing. During the nine-month period ended December 31, 2020, following the amendment to its Credit Facility, the Company incurred a non-cash loss on debt modification of $1,863,000. In comparison, during the nine-month period ended December 31, 2019, the impact of the repayment of the previous credit facilities on August 16, 2019 triggered a loss of $57,274,000. Most of the $57,274,000 loss were non-cash items, including the write-off of capitalized past transaction fees, the write-off of derivative financial instruments and the write-off of the unamortized book value of the previous credit facilities.

Lower net finance costs are also attributable to the reduction in interest, following the refinancing transaction closed on August 16, 2019, which reflects the lower cost of debt, in addition to the capitalization of borrowing costs related to the Phase II expansion project, which amounted to $2,138,000. Moreover, the Company incurred a gain on the change in fair value of its non-current investments, resulting from its equity investments' higher share price.

The decrease in net finance costs is partially offset by higher realized and unrealized foreign exchange losses, due to the revaluation of the net monetary assets denominated in U.S. dollars, following an appreciation of the Canadian dollar against the U.S. dollar as at December 31, 2020, compared to March 31, 2020.

G. Income Taxes

The Company and its 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. There is no deferred tax asset recognized in respect of the unused losses in Australia as the Company believes it is not probable that there will be a taxable profit available against which the losses can be used. Quebec Iron Ore Inc. ("QIO") is subject to Québec mining taxes at a progressive tax rate ranging from 16% to 28%, for which each rate is applied to a bracket of QIO's mining profit, depending on the mining profit margin for the year. The mining profit margin represents the mining profit, as defined by the *Mining Tax Act* (Québec), divided by revenues. The progressive tax rates are based on the mining profit margins as follows:

Mining profit margin range	Tax rate
Mining profit between 0% to 35%	**16 %**
Incremental mining profit over 35%, up to 50%	**22 %**
Incremental mining profit over 50%	**28 %**

In addition, QIO is subject to income taxes in Canada where the combined provincial and federal statutory rate was 26.50% for the three-month period ended December 31, 2020 (2019: 26.68%).

During the three and nine-month periods ended December 31, 2020, current income and mining tax expenses totalled $67,470,000 and $180,217,000, respectively, compared to $2,644,000 and $70,630,000, respectively, for the same periods in 2019. The variation is mainly due to higher taxable profit.

During the three and nine-month periods ended December 31, 2020, deferred income and mining tax expenses totalled $6,411,000 and $12,117,000, respectively, compared to $15,733,000 and $20,951,000, respectively, for the same periods in 2019. The decrease for the three and nine-month periods ended December 31, 2020 is due to lower accelerated depreciation, resulting from increases in the temporary difference in both years but in lower proportion in the current periods.

Combining the provincial, federal statutory tax rate and mining taxes, the Company's effective tax rate ("ETR") was both 38% for the three and nine-month periods ended December 31, 2020, compared to 38% and 47%, respectively, for the same periods in 2019. Higher ETR for the nine-month period ended December 31, 2019 is related to the 2019 early debt repayment, which was not subject to tax recovery. For the three and nine-month periods ended December 31, 2020, the ETR of 38% was higher than anticipated. In fact, the Company's higher mining profit resulted in the application of a higher tax rate of 22%, as per the progressive mining tax rates schedule detailed above.

The Company benefited from the temporary tax relief programs offered by the Federal and Provincial Governments in Canada in response to the COVID-19 pandemic, which allowed the deferral of tax payments until September 30, 2020. The Company paid all of the deferred payments for the fiscal year ended March 31, 2020, as well as monthly installments for the April to September 2020 period, in the second quarter of fiscal year 2021.

During the nine-month period ended December 31, 2020, the Company paid $122,076,000 in income and mining taxes. The Company also recorded income and mining taxes payable of $115,937,000 as at December 31, 2020, which is due in May 2021 and which has contributed to the increase in current liabilities.

H. Net Income & EBITDA[1]

Third Quarter of Fiscal Year 2021 vs Third Quarter of Fiscal Year 2020

For the three-month period ended December 31, 2020, the Company generated record net income of $120,771,000 (EPS of $0.25). In the comparative prior year period, the Company reported net income of $30,184,000 (EPS of $0.07). The variation is due to higher gross profit, partially compensated by higher net finance costs.

For the three-month period ended December 31, 2020, excluding the incremental costs related to COVID-19, which totalled $2,215,000 or $1.2/dmt[1] and the loss on debt refinancing, and their related tax impact, the Company generated adjusted net income[1] of $123,419,000 (adjusted EPS[1] of $0.26).

During the three-month period ended December 31, 2020, the Company generated a record EBITDA[1] of $211,904,000, representing an EBITDA margin[1] of 64%, compared to an EBITDA[1] of $57,910,000, representing an EBITDA margin[1] of 34% for the same period in 2019. The variation period over period is primarily due to the higher net average realized selling price[1], partially offset by lower volume of sales, higher production costs and incremental costs related to COVID-19.

First Nine Months of Fiscal Year 2021 vs First Nine Months of Fiscal Year 2020

For the nine-month period ended December 31, 2020, the Company generated net income of $308,491,000 (EPS of $0.65), compared to net income of $102,699,000 (EPS of $0.16) for the same period in 2019. The variation is due to higher gross profit and lower net finance costs. Lower net finance costs are mainly attributable to the amendment to the Credit Facility, resulting in a non-cash loss on debt modification of $1,863,000 in the nine-month period ended December 31, 2020, compared to the non-cash financing loss of $57,274,000 for the same period in 2019, associated with the write-off of capitalized past transactions fees, the write-off of derivative financial instruments and the write-off of the unamortized book value of the previous credit facilities.

For the nine-month period ended December 31, 2020, excluding the incremental costs related to COVID-19, which totalled $9,448,000 or $1.7/dmt[1] and the non-cash loss on debt refinancing of $1,863,000, and their related tax impact, the Company generated adjusted net income[1] of $315,182,000 (adjusted EPS[1] of $0.67). For the nine-month period ended December 31, 2019, mainly excluding the non-recurring non-cash transactions associated with the repayment of the previous credit facilities on August 16, 2019, the Company would have generated an adjusted net income[1] of $154,340,000 (adjusted EPS[1] of $0.27).

For the nine-month period ended December 31, 2020, the Company generated an EBITDA[1] of $537,428,000, representing an EBITDA margin[1] of 61%, compared to an EBITDA[1] of $287,421,000, representing an EBITDA margin[1] of 47% for the same period in 2019. This increase in EBITDA[1] is mainly attributable to the increase in the net average realized selling price[1], partially offset by higher production costs, incremental costs related to COVID-19 and G&A expenses.

I. All-In Sustaining Cost[1] and Cash Operating Margin[1]

Third Quarter of Fiscal Year 2021 vs Third Quarter of Fiscal Year 2020

During the three-month period ended December 31, 2020, the Company realized an AISC[1] of $65.0/dmt, compared to $62.2/dmt for the same period in 2019. The variation mainly relates to higher cost of sales.

Deducting the AISC[1] of $65.0/dmt from the net average realized selling price[1] of $174.2/dmt, the Company generated a cash operating margin[1] of $109.2/dmt for each tonne of high-grade iron ore concentrate sold during the three-month period ended December 31, 2020, compared to $26.8/dmt for the same period in 2019. The variation is essentially attributable to a higher net average realized selling price[1].

First Nine Months of Fiscal Year 2021 vs First Nine Months of Fiscal Year 2020

During the nine-month period ended December 31, 2020, the Company realized an AISC[1] of $62.2/dmt compared to $63.7/dmt for the same period in 2019. The variation is mainly due to lower sustaining capital expenditures in the current period. During the nine-month period ended December 31, 2019, significant sustaining investments were made to accelerate the construction work related to the raising of the tailings containment dams to ensure safe tailings deposition, and considerable amounts were invested in the mining equipment rebuild program to increase mining equipment fleet availability and performance. Ultimately, these past investments allowed the Company to maximize its current operational productivity while managing the challenges related to the COVID-19 pandemic.

The cash operating margin[1] totalled $92.7/dmt for the nine-month period ended December 31, 2020, compared to $43.4/dmt for the same period in 2019. The variation is mainly due to a higher net average realized selling price[1].

J. Non-Controlling Interest

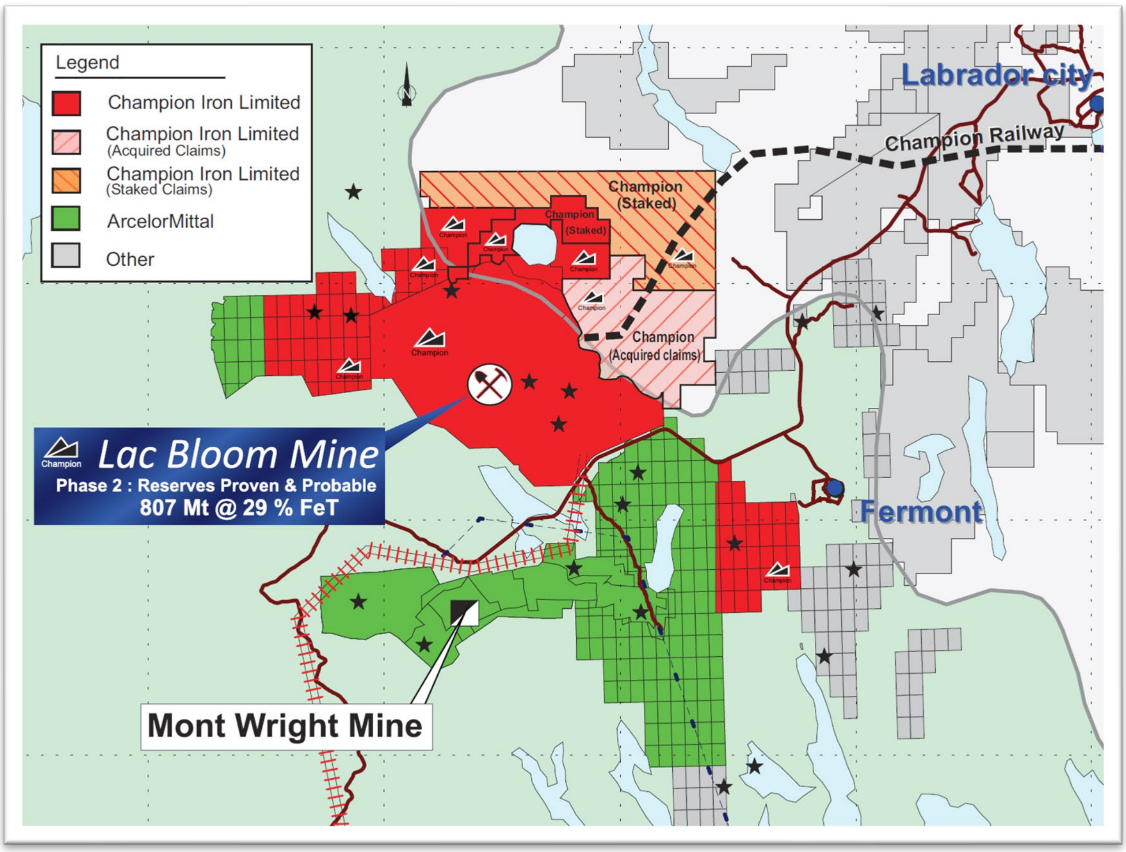
Following Champion's acquisition of Investissement Québec's 36.8% equity interest in QIO on August 16, 2019, the Non-Controlling Interest ("NCI") in QIO no longer exists. Investissement Québec is a successor to Ressources Québec Inc., which held the equity interest in QIO at the time of the transaction.

7. Exploration Activities

During the three and nine-month periods ended December 31, 2020, the Company continued to maintain all of its properties in good standing and did not enter into farm-in/farm-out arrangements. During the three and nine-month periods ended December 31, 2020, \$91,000 and \$355,000 was incurred, respectively, in exploration and evaluation expenditures, compared to \$75,000 and \$502,000, respectively, for the same periods in 2019. The exploration expenditures mainly consist of fees required to maintain the Company's exploration properties. In addition, during the nine-month period ended December 31, 2020, exploration work included drilling and geophysical work at the Company's Gullbridge-Powderhorn property located in Northern Central Newfoundland, and the acquisition costs of staking additional exploration claims.

On April 2, 2020, the Company staked a block of claims covering an area of 31.8 km^2 directly north of QIO's Bloom Lake mining lease and contiguous to its other claims in this area. Furthermore, the Company acquired additional claims totalling 38 km^2, also located directly north of the Bloom Lake operations. Following these transactions, the Company now controls a block of claims totalling 178.2 km^2 situated in the province of Newfoundland and Labrador and in the province of Québec, directly north and west of the Bloom Lake mining lease.

While the current reserves at Bloom Lake are estimated to support mining operations for 20 years, the acquired claims provide the Company with additional opportunities and are in keeping with the Company's strategy to attempt to extend ore deposits in the vicinity of the Bloom Lake operations, where possible.



8. Cash Flows – Purchase of Property, Plant and Equipment

During the three and nine-month periods ended December 31, 2020, the Company invested $49,867,000 and $101,506,000, respectively, in additions to property, plant and equipment, compared to $50,907,000 and $129,632,000, respectively, for the same periods in 2019. The following table summarizes the investments made:

	Three Months Ended December 31,		**Nine Months Ended December 31,**	
	2020	2019	**2020**	2019
(in thousands of dollars)				
Tailings lifts	**423**	6,467	**7,326**	27,361
Stripping and mining activities	**8,440**	3,801	**15,485**	10,064
Mining equipment rebuild	**2,579**	1,150	**6,754**	15,391
Sustaining capital expenditures	**11,442**	11,418	**29,565**	52,816
Phase II	**31,949**	28,582	**51,116**	47,155
Other capital development expenditures at Bloom Lake	**6,476**	10,907	**20,825**	29,661
Purchase of property, plant and equipment as per cash flows	**49,867**	50,907	**101,506**	129,632

The decrease in tailings related investments for the three and nine-month periods ended December 31, 2020, compared to the same periods in 2019, was anticipated. In 2019, the Company announced an accelerated $30.0 million work program for the raising of the tailings containment dam to ensure safe tailings deposition, which was completed on time and on budget. During the nine-month period ended December 31, 2020, the expenditures related to the construction work on the dykes project and the raising of the tailings dam associated with a new coarse tailing line.

Stripping and mining activities were reduced in the first quarter of the 2021 fiscal year, due to the ramp down of operations as mandated by the Government's COVID-19 containment directives, but resumed during the second quarter of the 2021 fiscal year. During the three-month period ended December 31, 2020, the effort to recover the waste mining activities backlog accumulated during the ramp down of the operations contributed to increase the stripping activities which were anticipated to be higher than in the same period of 2019 as a result of the mine plan.

The Company's mining equipment rebuild program reflects the work planned during the three-month period ended December 31, 2020, despite a slowdown during the first quarter of the 2021 fiscal year. Lower investments in the mining equipment rebuild program during the nine-month period ended December 31, 2020, compared to the same period in 2019, is attributable to the Company's decision to invest in capital expenditures to increase mining equipment fleet availability and performance, whereby the required expenditures were greater for the same period in 2019.

Following the Board's final approval on November 12, 2020, to complete the Phase II project, the Company expects the Phase II related expenditure to accelerate over the coming quarters.

During the three and nine-month periods ended December 31, 2020, other capital development expenditures at Bloom Lake totalled $6,476,000 and $20,825,000, respectively. During the nine-month period ended December 31, 2020, the investments consisted of infrastructure upgrades at the mine, the commissioning of new equipment required to maintain a strip ratio in line with the Phase II mine plan, the acquisition of 100 additional used rail cars at a cost of $5,500,000 and a deposit on a production shovel for $1,200,000. During the three and nine-month periods ended December 31, 2019, other capital development expenditures at Bloom Lake totalled $10,907,000 and $29,661,000, respectively, related to the completion of the Feasibility Study, as well as infrastructure upgrades at the mine and service equipment capacity improvements.

9. Qualified Person and Data Verification

Mr. Nabil Tarbouche (P.Geo.), Senior Geologist at QIO 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. Tarbouche'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. Tarbouche is a member of the Ordre des Géologues du Québec. Mr. Tarbouche consents to the inclusion in this document of the Bloom Lake Information in the form and context in which it appears.

10. Conference Call and Webcast information

A webcast and conference call to discuss these results will be held on Thursday, January 28, 2021 at 8:30 AM EST (Montréal Time) / Friday January 29, 2021 at 12:30 AM AEDT (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 096778#.

11. Cautionary Note Regarding Forward-Looking Statements

This document includes certain information and statements that may constitute "forward-looking information" under applicable Canadian securities legislation. All statements other than statements of historical facts, included in this document that address future events, developments or performance that Champion expects to occur, including Management's expectations regarding (i) the Company's ability to advance the Phase II expansion project and its funding, completion timeline, impact on nameplate capacity, expected capital expenditures and project economics; (ii) the US$75.0 million Phase II equipment financing from Caterpillar Financial Services Limited and expected closing date; (iii) the anticipated port related work programs required to support the additional volumes from the Phase II project and the joint investments by the Company and Société du Plan Nord in SFPPN; (iv) the completion of the Acquisition and its anticipated timing; (v) the intent to complete an updated feasibility study and revise the scope of the Kami Project; (vi) additional port capacity expected from the Acquisition; (vii) the impact of iron ore prices fluctuations; (viii) global macroeconomics and iron ore industry conditions; (ix) the fluctuations of the ocean freight costs in connection with the fluctuations of the iron ore prices; (x) the impact of exchange rate fluctuations on the Company and its financial results; (xi) the new product test and its impact on securing new customers and expanding product offering; (xii) the improvement of SFPPN's operational efficiency and associated reduction in port operation costs; (xiii) the Company's growth; (xiv) the Company's operational improvement; (xv) the Company's cash requirements for the next twelve months; (xvi) the LoM of the Bloom Lake Mine; and (xvii) measures, and the effectiveness thereof, implemented or expected to be implemented to mitigate the risk and contain COVID-19 and the potential impacts on Champion's business, financial condition and financial results of the outbreak of the COVID-19 pandemic and the recurrence of the costs associated with revised schedules and the related premiums in relation to the COVID-19 pandemic, are forward-looking statements. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual reserves and resources may be greater or less than the estimates provided herein. 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, obtaining of the consent of the Ministry of Industry, Energy and Technology of Newfoundland and Labrador in connection with the Acquisition. 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 2020 Annual Information Form and the Company's MD&A for the fiscal year ended March 31, 2020, 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 document 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 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. The forward-looking statements contained herein are made as of the date hereof or such other date or dates specified in such statements.

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, 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.

The Phase II expansion project aims to double Bloom Lake's nameplate capacity to 15 Mtpa of 66.2% Fe iron ore concentrate by completing the construction of a second concentrator plant and related infrastructure, in addition to adapting the mine plan to support a 20-year life of mine. On November 12, 2020, the Board provided final approval to complete the Phase II project. On December 23, 2020, the Company completed an increase of its senior secured credit facilities to US$400M, which together with the cash on hand[2] and ongoing cash flows from operations is expected to fully fund the Phase II project, expected to be completed by mid-2022.

In addition to the partially completed Phase II 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 to customers in China, Japan, the Middle East, Europe, South Korea and India.

Abbreviations

The following abbreviations are used throughout this release: USD or US$ (United States dollar), CAD or CA$ (Canadian dollar), t (tonnes), wmt (wet metric tonnes), dmt (dry metric tonnes), Mtpa (million tonnes per annum), M (million), km (kilometers), m (meters), EBITDA (earnings before interest, tax, depreciation and amortization), EPS (earnings per share), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), P62 (IODEX 62% Fe CFR China Index), C3 (C3 Baltic Capesize Index), AISC (all-in sustaining cost), Board (Board of Directors) and Credit Facility (amended credit facilities).

For further information please contact:

Michael Marcotte
Vice-President, Investor Relations
514-316-4858, Ext. 128
info@championironmines.com

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 unaudited Condensed Consolidated Financial Statements and associated Management's Discussion and Analysis for the three and nine-month periods ended December 31, 2020, are available under the Company's filing on SEDAR (www.sedar.com), on the ASX (www.asx.com.au) or the Company's website (www.championiron.com). All amounts are in Canadian dollars unless otherwise indicated.

1 This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section included in note 20 of the Company's Management Discussion and Analysis for the period ended December 31, 2020 (the "MD&A") available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

2 Cash on hand includes cash and cash equivalents and short-term investments and excludes restricted cash.