

CHAMPION IRON ACQUIRES THE POINTE NOIRE PELLETIZING FACILITY AND ENTERS INTO MOU WITH AN INTERNATIONAL STEELMAKER TO EVALUATE THE PRODUCTION OF DIRECT REDUCTION GRADE PELLETS

Montréal, May 17, 2022 - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) (“Champion” or the “Company”) is pleased to announce that it has entered into a definitive purchase agreement (the “Purchase Agreement”) for the acquisition, via a wholly-owned subsidiary of Champion, of the Pointe Noire Iron Ore Pelletizing Facility located in Sept-Iles, Québec (the “Pellet Plant”). Additionally, Champion announces that it has entered into a Memorandum of Understanding (the “MOU”) with a major international steelmaker (the “FS Partner”) to complete a feasibility study to evaluate the re-commissioning of the Pellet Plant and produce Direct Reduction Grade Pellets (the “Feasibility Study”).

Located directly adjacent to the port facilities that Champion currently uses, the Pellet Plant, which was commissioned in 1965 with an original pelletizing nameplate capacity of 6 million tonnes per annum, was put on care and maintenance in 2013. The Purchase Agreement was entered into by a wholly-owned subsidiary of Champion and provides for the acquisition of the Pellet Plant from Société Ferroviaire et Portuaire de Pointe-Noire S.E.C. (“SFPPN”) for a cash consideration of \$2.5 million, upon satisfaction of certain conditions precedent. In addition to the cash consideration, the SFPPN and the region stand to receive additional economic benefits as Champion considers re-commissioning the Pellet Plant. Benefiting from its industrial site, strategic location adjacent to Pointe Noire’s deep-water berth and train unloading infrastructure, the Pellet Plant could provide a relatively rapid opportunity for commercial production. The Pellet Plant is expected to require significant investments prior to re-commissioning, including structural work, rehabilitation and enhancement of existing equipment, to maximize productivity and energy efficiencies while minimizing its environmental impact.

The MOU sets out a framework for Champion and the FS Partner to collaborate to complete the Feasibility Study, which is expected to be completed in 2023. Subject to positive findings and results of the Feasibility Study, the MOU outlines a framework for a joint venture to produce direct reduction grade iron ore pellets for sale to third parties, including the FS Partner (the “Project”). Pursuant to the Purchase Agreement, Champion is required to comply with various undertakings in connection with the Pellet Plant, including a commitment to design and operate the Project using exclusively green energy sources including electricity, natural gas, biofuels or renewable energy as main power sources. The Feasibility Study will evaluate the investments required to re-commission the Pellet Plant while integrating up to date pelletizing and processing technologies.

Champion's CEO, Mr. David Cataford, said: “The proposed acquisition of the Pellet Plant represents a strategic opportunity for our Company to further deploy its vision to contribute to the green steelmaking supply chain. Our local support, high-purity iron ore products, access to world class infrastructure and operational track record, enabled us to attract a major international steel producer for a potentially significant large-scale project in Québec. This project, together with other opportunities for organic growth, aim to create a positive impact for local communities and represents an additional step to unlock the region’s full potential, including additional product processing and transformation, as demand for high-purity iron ore products rises globally.”

All dollar figures stated herein are expressed in Canadian dollars

About Champion Iron Limited

Champion Iron Limited, through its subsidiary Quebec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex, located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The Bloom Lake Phase I and Phase II plants have a combined nameplate capacity of 15 Mtpa and produce a low contaminant high-grade 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality concentrate. Bloom Lake's high-grade and low contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. The Company ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and sells its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to the Bloom Lake Mining Complex, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset Project located a few kilometres south-east of Bloom Lake, and the Consolidated Fire Lake North iron ore project, located approximately 40 km south of Bloom Lake.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain information and statements that may constitute "forward-looking statements" and "forward-looking information" under applicable securities laws. All statements other than statements of historical facts included in this press release that address future events, developments or performance that Champion expects to occur, including Management's expectations regarding (i) the acquisition of the Pellet Plant, satisfaction of the conditions precedent thereto, expected benefits of the acquisition, completion of the acquisition and its timing; (ii) the Pellet Plant re-commissioning, the Project and their potential, efficiencies, milestones, including completion, commissioning and commercial production, completion schedule and required investments; (iii) the Feasibility Study, its completion, results and expected timeline; (iv) the Company's strategy and organic growth opportunities; (v) the Company's focus on sustainability objectives, social matters and governance; (vi) regional potential and opportunities and (vii) the Company's vision to contribute to the green steelmaking supply chain and minimize environmental impact, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "aims", "targets" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Although Champion believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause the actual results to differ materially from those expressed in forward-looking statements include, without limitation: the results of feasibility studies; changes in the assumptions used to prepare feasibility studies; project delays; continued availability of capital and financing and general economic, market or business conditions; general economic, competitive, political and social uncertainties; future prices of iron ore; future transportation costs, failure of plant, equipment or processes to operate as anticipated; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; the effects of catastrophes and public health crises, including impact of COVID-19 on the global economy, the iron ore market and Champion's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2021 Annual Information Form and the MD&A for the fiscal year ended March 31, 2021, all of which are available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

All of Champion's forward-looking information contained in this press release is given as of the date hereof or such other date or dates specified in such statements and is based upon the opinions and estimates of Champion's Management and information available to

Management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of its forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control.

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

This press release has been authorized for release to the market by the CEO of Champion Iron Limited, David Cataford.