CHAMPION IRON

PRESS RELEASE

CHAMPION IRON ENTERS INTO A DEFINITIVE AGREEMENT WITH NIPPON STEEL AND SOJITZ TO FORM A PARTNERSHIP FOR THE KAMI PROJECT

MONTRÉAL, July 21, 2025 / SYDNEY, July 22, 2025 - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("Champion" or the "Company") announces that it has entered into a definitive framework agreement (the "Framework Agreement") with Nippon Steel Corporation ("Nippon Steel") and Sojitz Corporation ("Sojitz", and collectively with Nippon Steel, the "Partners") pursuant to which the Partners have agreed, subject to the terms and conditions set forth therein, to initially contribute $245 million for an aggregate 49% interest in Kami Iron Mine Partnership (the "Partnership"), a new entity formed for the ownership and potential development of the Kamistiatusset iron ore project (the "Kami Project" or the "Project"). The Framework Agreement is entered into to implement the binding agreement between Champion and the Partners previously announced by the Company in December 2024.

Champion's CEO, Mr. David Cataford, said, "The Framework Agreement marks a significant milestone for the Kami Project, establishing a clear structure to advance its evaluation alongside trusted partners who share our long-term vision for the growing demand for high-purity iron ore and our commitment to positively impact the communities where we operate. Supported by anticipated proceeds and the Partners' pro-rata contributions of future expenditures, the Partnership will enable us to advance the Project without impacting our financial liquidity in the foreseeable future. As we move forward, our focus will shift to identifying opportunities to enhance the Project's economics while remaining committed to our disciplined capital allocation strategy."

The Framework Agreement provides that the closing of the transactions set forth therein (collectively, the "Transactions") will occur in two steps.

The completion of the initial closing of the Transactions (the "Initial Closing") is subject to the clearance from the State Administration for Market Regulation of the People's Republic of China, as well as other customary closing conditions. The Initial Closing is expected to occur during the second half of calendar 2025. Upon the Initial Closing, Nippon Steel and Sojitz will make their initial cash contributions to the Partnership in an aggregate amount of $68.6 million, to secure their interests in the Partnership, and are expected to make further contributions on a pro-rata basis for expenses necessary to advance the Kami Project towards a potential interim investment decision ("IID") and, ultimately, a potential final investment decision ("FID"). Such expenses will relate to activities including the advancement of permitting, community engagement and the completion of a definitive feasibility study for the Kami Project (the "DFS"). The DFS is expected to be completed by the end of calendar 2026. Following the Initial Closing, Champion will hold a 51% equity interest in the Partnership and Nippon Steel and Sojitz will hold minority positions of 30% and 19%, respectively.

The completion of the second closing of the Transactions (the "Second Closing") is subject to the Initial Closing having occurred, the completion of the DFS, the making by Champion and the Partners of a positive IID election to pursue work towards a FID, as well as other customary closing conditions. The Second Closing is expected to occur within several months of the completion of the DFS. Upon the Second Closing, Nippon Steel and Sojitz will make subsequent contributions to the Partnership in the aggregate amount of $176.4 million, to finalize securing their interests in the Partnership, and are expected to make further contributions on a pro-rata basis for expenses

necessary to advance the Kami Project towards a potential FID. The Kami Project potential construction period is estimated at 48-months following a positive FID.

At the Initial Closing, Champion and the Partners will, via their wholly-owned subsidiaries, enter into a partnership agreement with respect to the Partnership (the "Partnership Agreement"). Pursuant to the Partnership Agreement, all costs associated with the Kami Project will be shared by Champion and the Partners on pro-rata basis. Nippon Steel and Sojitz will be entitled to an allocation of the iron ore volumes produced from Kami in accordance with their proportional ownership in the Kami Project. Additionally, the Partnership Agreement will provide for potential future payments to Champion based on the Kami Project's financial performance if and when it operates. Champion will retain operatorship of the Kami Project and will oversee its potential development and future operations. In addition to dilution, exit rights, veto rights and other rights and obligations customary for a transaction of such nature, the Partnership Agreement will also include "put options" and "call options" exercisable under certain conditions by the Partners and by Champion, as applicable, in the event any of those parties makes a negative IID or FID election. In the event those "put options" or "call options" are exercised, Champion will have the obligation to acquire the Partnership interest of the relevant Partner in accordance with the terms of the Partnership Agreement, which will take into account several elements, including the expenditures contributed by the Partners.

The Partnership will be governed by a management committee comprised of six members, with Champion and each of the Partners nominating two members.

In recent months, Champion advanced the recently initiated Environmental Impact Statement, as required by the Government of Newfoundland and Labrador. In the near term, the Company will also continue to engage with local stakeholders, including Indigenous groups, to foster collaborative development and to ensure the Kami Project has a positive impact for the region. Additionally, the Company will pursue discussions with governments at various levels, including seeking potential support stemming from the recent addition of high-purity iron ore to the critical minerals lists of the Government of Canada, as well as those of Newfoundland and Labrador and Québec, and evaluate opportunities to improve the Kami Project's economics. Concurrently, the Partnership will work towards completing the DFS.

About the Kami Project

On April 1, 2021, the Company acquired the Kami Project mining properties located in the Labrador Trough geological belt in southwestern Newfoundland, near Québec's eastern border. The Kami Project is a Direct Reduction ("DR") grade quality iron ore project situated near available infrastructure, only a few kilometres south-east of the Company's operating Bloom Lake mine. On March 14, 2024, the Company voluntarily filed a technical report with respect to the Kami Project (the "Kami Project Study") prepared pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and Chapter 5 of the ASX Listing Rules and entitled "Pre-Feasibility Study for the Kamistiatusset ("Kami") Iron Ore Property", which evaluated the construction of mining and processing facilities to produce DR grade pellet feed iron ore from the Kami Project. The Kami Project Study details a 25-year life of mine with average annual DR quality iron ore concentrate production of approximately 9.0 million wet metric tonnes per annum grading above 67.5% Fe. The Kami Project benefits from the permitting work completed by its previous owner and has an estimated construction period of approximately 48 months following a FID. As detailed in the Kami Project Study, the capital expenditures were estimated at $3,864 million, resulting in a Net Present Value ("NPV") of $541 million and an Internal Rate of Return ("IRR") of 9.8% after tax, based on conservative pricing dynamics compared to prevailing iron ore prices, or an NPV of $2,195 million and an IRR of 14.8% after tax, based on the three calendar years' average of the P65 index price which preceded the Kami Project Study. The Kami Project Study is available under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and on the Company's website at www.championiron.com.

About Nippon Steel Corporation

Nippon Steel is one of the world's leading steel steelmakers and Japan's largest steelmaker. Nippon Steel has a global crude steel production capacity of approximately 86 million tonnes and employs approximately 136,000 people in the world. Nippon Steel's manufacturing base encompasses more than 15 countries including: Japan United States, India, Thailand, Indonesia, Vietnam, Brazil, Mexico, Sweden and others. As the 'Best Steelmaker with World-Leading Capabilities', Nippon Steel pursues world-leading technologies

and manufacturing capabilities and contributes to society by providing excellent products and services. Nippon Steel has been an active customer of Champion since the recommissioning of the Bloom Lake mine in 2018.

About Sojitz Corporation

Sojitz was formed out the union of Nichimen Corporation and Nissho Iwai Corporation, both companies that boast incredibly long histories. For more than 160 years, our business has helped support the development of countless countries. Today, the Sojitz group consists of approximately 400 subsidiaries and affiliates located in Japan and throughout the world, developing wide-ranging general trading company operations globally. Sojitz has acted as a marketing partner for Champion since the recommissioning of the Bloom Lake mine in 2018.

About Champion Iron Limited

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex located on the south end of the Labrador Trough, approximately 13 kilometres north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentration plants that primarily source energy from renewable hydroelectric power, having a combined nameplate capacity of 15M wmt per year that produce lower contaminant high-grade 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality iron ore concentrate. Benefiting from one of the highest purity resources globally, Champion is investing to upgrade half of Bloom Lake's mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe. Bloom Lake's high-grade and lower contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. Champion ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and has delivered its iron ore concentrate globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kami Project, located a few kilometres south-east of Bloom Lake, and the Cluster II portfolio of properties, located within 60 kilometres south of Bloom Lake.

Forward-Looking Statements

This press release contains certain information and statements which constitute "forward-looking information" within the meaning of applicable securities laws (collectively referred to herein as "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. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control.

Specific Forward-Looking Statements

All statements in this press release, other than statements of historical facts, that address future events, developments or performance that Champion expects to occur are forward-looking statements. These statements may include, but are not limited to, management's expectations regarding: the completion of the transactions contemplated by the Framework Agreement and its timing; the Partnership and Project structure and financing, IID and FID; the completion of the DFS and its timing; the timing and ability of the Partnership to obtain permits and authorizations needed to begin the construction and operations at the Project; the timing and ability to reach a construction decision; the timing and duration of the construction period; the ability of Champion to realize on the benefits of the Transactions; the ability and timing for the parties to fund cash calls to advance the development of the Project; the Kami Project Study, the Project's potential to produce a DR grade product, expected project timeline, economics, capital expenditures, budget and financing, production and financial metrics, technical parameters, permitting and approvals, available and planned infrastructure, efficiencies and economic and other benefits, and opportunities to improve project economics; and the Company's growth and opportunities generally.

Risks

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 in or implied by such forward-looking statements. Factors that could cause the actual results to differ materially from those expressed in or implied by forward-looking statements include, without limitation: future prices of iron ore; future transportation costs; general economic, competitive, political and social uncertainties; continued availability of capital and financing and general economic, market or business conditions; timing and uncertainty of industry shift to electric arc furnaces, impacting demand for high-grade feed; 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 results of feasibility and other studies; changes in the assumptions used to prepare feasibility and other studies; project delays; geopolitical events; the effects of catastrophes and public health crises 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 2025 Annual Report and Annual Information Form, the risks and uncertainties discussed in the Company's management's discussion and analysis for the financial year ended March 31, 2025 and the risks discussed in other reports Champion files with the Canadian Securities Administrators and the Australian Securities Exchange, all of which are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and on 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 statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Additional Updates

The forward-looking statements in this press release are based on assumptions management believes to be reasonable and speak only as of the date of this press release or as of the date or dates specified in such statements. Champion undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein, whether as a result of new information or future events or otherwise, except as may be 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.

Qualified Person

Mr. Vincent Blanchet, P. Eng., Engineer at Quebec Iron Ore Inc., the Company's subsidiary, is a "qualified person" as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this press release and has confirmed that the relevant information is an accurate representation of the available data and studies for the relevant projects. Mr. Blanchet is a member of the *Ordre des ingénieurs du Québec*.

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

All references to dollars expressed in Canadian currency.

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