CHAMPION IRON

PRESS RELEASE

CHAMPION IRON PROVIDES AN UPDATE ON A THIRD-PARTY TRAIN DERAILMENT

MONTRÉAL, December 30, 2025 / SYDNEY, December 31, 2025 – Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("Champion" or the "Company") is providing an update regarding a third-party train derailment on the Quebec North Shore and Labrador Railway ("QNSL"), which is utilized to transport high-purity iron ore concentrate from the Company's Bloom Lake mine ("Bloom Lake") to the port of Sept-Îles (the "Railway"). The derailment on the Railway occurred in the evening of December 28, 2025 (Montréal time) (the "Derailment"). According to the Railway operator, there were no related injuries and services should resume within seven to ten days following the Derailment. Assuming Railway services restart as planned, the disruptions are not expected to result in material impacts on operations at Bloom Lake and sales of high-purity iron ore concentrate. Champion is collaborating with QNSL and local partners to mitigate the impact of the Derailment on its operations and sales and expects to provide additional information as the situation evolves.

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 wet metric tonnes 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 the 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 P62 index. 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 holds a 51% equity interest in Kami Iron Mine Partnership, an entity also owned by Nippon Steel Corporation and Sojitz Corporation, which owns the Kami Project. The Kami Project is located near available infrastructure, only 21 kilometres southeast of Bloom Lake. Champion also owns a portfolio of exploration and development projects in the Labrador Trough, including the Cluster II portfolio of properties, located within 60 kilometres south of Bloom Lake.

Cautionary Note Regarding Forward-Looking Statements

This press release includes certain information and statements that may constitute "forward-looking information" or "forward-looking statements" under applicable securities laws ("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 other than statements of historical facts included in this press release that address future events, developments or performance that Champion expects to occur are forward-looking statements. Forward-looking statements include, among other things,

Management's expectations regarding the Railway service disruption, the resumption of normal services on the Railway and its timeline, the impact of the Derailment on the Company's operations and sales and the collaboration with QNSL and local partners to mitigate the impacts of the Derailment.

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 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, 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; and 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 Management's Discussion and Analysis for the financial year ended March 31, 2025, which are available on SEDAR+ at www.sedarplus.ca, 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 statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Additional Updates

All of the forward-looking statements contained in this press release are given as of the date hereof or such other date or dates specified in the forward-looking statements and are 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 the forward-looking statements, 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. Readers should carefully consider the above factors as well as the uncertainties they represent and the risks they entail.

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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 Champion's CEO, David Cataford.