

CHAMPION IRON ANNOUNCES A PARTNERSHIP WITH NIPPON STEEL AND SOJITZ TO ADVANCE THE FEASIBILITY ASSESSMENT AND POTENTIAL DEVELOPMENT OF THE KAMI PROJECT

Montréal, December 18, 2024 [Sydney, December 19, 2024] - Champion Iron Limited (TSX: CIA) [ASX: CIA] [OTCQX: CIAFF] ("Champion" or the "Company") announces that Nippon Steel Corporation ("Nippon") and Sojitz Corporation ("Sojitz", and collectively with Nippon the "Partners"), entered into a binding agreement with Champion to form a partnership (the "Partnership") for the joint ownership and development of the Kamistiatusset Project ("Kami" or the "Project"). The Partners will initially contribute \$245 million for 49% of the interest in the Partnership and Champion may receive future payments based on the Project's financial performance, if and when in operation (the "Transaction"). Should the Company and the Partners make a positive final investment decision ("FID") election following the completion of a definitive feasibility study for the Project (the "DFS"), they will share development and construction costs of the Project in accordance with their respective ownership interests. Through the Transaction and future pro-rata contributions from the Partners, the Project will benefit from up to \$490 million in contributions prior to Champion requiring additional capital funding for its pro-rata share of the Project.

Champion's CEO, Mr. David Cataford, said, *"We are excited to partner with global industry leaders, who share our long-term vision for Kami to produce high-purity iron ore, which was recently recognized as a critical mineral by the Newfoundland and Labrador, Québec and Canadian federal governments. Attracting such industry leaders highlights the rare quality of the Labrador Trough's resources and the region's proven ability in constructing and sustainably operating sizeable high-purity iron ore projects. The financial support and collaboration provided by the Partners mark an important milestone as we work on elements required to optimize the Project towards a potential FID. With the Partners' successful history in the steel industry and Champion's stewardship in operating projects in the region, Kami could stimulate significant economic growth in Labrador West and is an opportunity to contribute in the decarbonization of steelmaking globally. Additionally, a recent announcement detailing collaboration between local provinces to make significant investments in projects to provide renewable power access for decades in the region, highlights Kami's potential as a sustainable project."*

Nippon's Managing Executive Officer, Mr. Ryuichi Nagai, said, *"Securing the supply of direct reduction quality iron ore is a critical strategic advantage for Nippon as we pursue our transition to reduce emissions in steelmaking. Kami benefits from one of the best resources and is one of the most advanced direct reduction quality iron ore projects globally. Accordingly, the Project offers a rare opportunity for our company to optimize its supply chain from a sustainable Project with a long mine life. Our long-term relationship with Sojitz and Champion's proven technical expertise in the Labrador Trough provides a robust foundation to advance the Project as we evaluate its potential development."*

Sojitz's COO, Metals, Mineral Resources & Recycling Division and Executive Officer, Mr. Osamu Matsuura, said, *"Through this Partnership, our company is further aligning itself with the steel industry's accelerating transition to reduce emissions. Sojitz's investment creates an opportunity to procure a critical material for its customers' evolving procurement needs. Through our years of marketing partnership with*

Champion, since the recommissioning of their Bloom Lake mine, their team demonstrated remarkable reliability in building and operating sustainable projects while supplying stable high-quality products for our clients. Our company is excited to partner with such credible groups to potentially develop this Project, which is required to respond to our clients current and future needs."

Closing of the Transaction is subject to the Company and the Partners entering into a framework agreement (the "Framework Agreement") to advance the Project towards a potential interim investment decision ("IID") and, ultimately, a FID, including Project permitting and the completion of a DFS. All Project costs are to be shared by the Partners on pro-rata basis. The DFS is expected to be completed in calendar mid-2026 and the project construction period is estimated at 48-months following FID.

Upon closing, the Transaction will see Champion hold a 51% equity interest in Kami with Nippon and Sojitz holding minority positions of 30% and 19%, respectively. Nippon and Sojitz will be entitled to a production allocation of the iron ore volumes produced from Kami in accordance with their proportional ownership in the Project. The \$245 million contribution from the Partners will be structured as an initial payment from the Partners of \$68.6 million upon closing, followed by a subsequent payment of \$176.4 million upon completion of the DFS, subject to Champion and the Partners making a positive IID election to pursue work towards a FID. Additionally, the Transaction includes potential future payments to Champion based on the Project's financial performance if and when it operates. Champion will retain operatorship of the Project, overseeing the potential development and future operations of the Project. The Transaction is expected to close in the first half of the 2025 calendar year and remains subject to negotiation and entering into definitive agreements, including the Framework Agreement and a partnership agreement which will include dilution, exit rights and other rights and obligations customary for a transaction of such nature (the "Partnership Agreement").

In the near-term, the Partnership expects to advance the recently initiated Environmental Impact Statement, as required by the Government of Newfoundland and Labrador. The Company and the Partners will also continue to engage with local stakeholders, including First Nations groups, to foster collaborative development and to ensure the 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 critical minerals lists by local provinces' and Canada's governments, and evaluate opportunities to improve the Project's economics. Concurrently, the Partnership will work towards completing the DFS, leveraging the previously completed Pre-Feasibility Study issued in March 2024, prior to considering an IID and, ultimately, a FID. To support these initiatives, the Partnership recently made key hires, including Mr. Kevin Foley as general manager of Kami. Mr. Foley brings extensive experience in developing and managing large projects, including his recent tenure as general manager in oil sands projects in Canada and senior roles at Iron Ore Company of Canada located a few kilometres from the Kami Project.

About the Kami Project

On April 1, 2021, the Company acquired the Kami mining properties located in the Labrador Trough geological belt in southwestern Newfoundland, near Québec's eastern border. Kami 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 filed the 2024 Pre-Feasibility Study (the "Study"), which evaluated the construction of mining and processing facilities to produce DR grade pellet feed iron ore from the Kami Project. The 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. Kami 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 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, as per the first scenario based on conservative pricing dynamics compared to prevailing iron ore prices, or an NPV of \$2,195 million and IRR of 14.8% after tax, as per the second scenario based on the previous three calendar years' average of the P65 index price.

The Company is not aware of any new information or data that materially affects the information included in the Study and confirms that all material assumptions and technical parameters underpinning the estimates in the Study continue to apply and have not materially

changed. The 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 is Japan's largest steelmaker and one of the world's leading steel manufacturers. Nippon has a global crude steel production capacity of approximately 66 million tonnes and employs approximately 110,000 people in the world. Nippon's manufacturing base is in Japan and the company has presence in 15 countries or more worldwide including the United States, India, Thailand, Indonesia, Vietnam, Brazil, Mexico, Sweden, China and others. As the 'Best Steelmaker with World-Leading Capabilities,' Nippon pursues world-leading technologies and manufacturing capabilities and contributes to society by providing excellent products and services. Nippon 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 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The two concentrators have a combined nameplate capacity of 15 Mtpa and produce low 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, the Company is investing to upgrade half of the Bloom Lake mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe. 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 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 km 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 negotiation and entering into of the Framework Agreement, the Partnership Agreement, other Transaction documents as well as the terms thereof; 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 benefit of the Transaction; the ability and timing for the parties to fund cash calls to advance the development of the Project and pursue its development; the 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, expected environmental footprint, efficiencies and economic and other benefits such as stimulating growth in Labrador West and related evaluation of project economics; the shift in steel industry production methods and expected rising demand for higher-grade iron ore products and related market deficit and higher premiums, including using reduction technologies and the Company's participation therein, contribution thereto and vision and positioning in connection therewith and expected benefits thereof; green steel, emission reduction, sustainability and other Environmental, Social and Governance related initiatives, objectives, targets and expectations, expected implications thereof and the Company's positioning in connection therewith; 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: the results of feasibility and other studies; changes in the assumptions used to prepare feasibility and other studies; project delays; timing and uncertainty of industry shift to green steel and electric arc furnaces, impacting demand for high-grade feed; continued availability of capital and financing and general economic, market or business conditions; fluctuations in foreign currency exchange rates; general economic, competitive, political and social uncertainties; market disruptions, including pandemics or significant health hazards, severe weather conditions, natural disasters, terrorist activities, financial crises, political crises, wars and other military conflicts (including the ongoing military conflict between Russia and Ukraine and in the Middle East), or other major events, or the prospect of these events; future prices of iron ore; future transportation costs; increased public concern about the environmental impact of the Company's products or their perceived safety; decreased social acceptance and increased social action to reduce the use of fossil fuels, which may negatively impact consumer perception; cyber events or attacks (including ransomware, state sponsored and other cyberattacks); 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 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 2024 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, 2024 and the risks discussed in other reports Champion files with the Canadian Securities Administrators and the Australian Securities and Investments Commission, 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 NI 43-101 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'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 Study. Mr. Blanchet is a member of the Ordre des ingénieurs du Québec.

For further information, please contact:

Champion Iron Limited

Michael Marcotte, CFA
Senior Vice-President, Corporate Development and Capital Markets
514-316-4858, Ext. 1128
Info@championiron.com

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 Board of Directors of Champion Iron Limited.