CHAMPION IRON CORPORATE UPDATE: STRONG FY2019 FIRST QUARTER RESULTS AS BLOOM LAKE IRON ORE MINE PRODUCES 2,166,000 TONNES DURING RAMP-UP

Montréal, Québec, August 13, 2018 –Champion Iron Limited (TSX: CIA) (ASX: CIA) ("Champion Iron" or "The Company") is pleased to announce that, with the successful production ramp-up of its Bloom Lake Iron Ore Mine ("Bloom Lake"), it reported strong operational and financial results for the 2019 financial year first quarter ended June 30, 2018 (see Champion Iron's filings on SEDAR dated August 7, 2018)

Q1 FY2019 Highlights (All dollar figures are in Canadian dollars unless otherwise indicated)

- Production of 1,542,859 tonnes of iron ore concentrate in Q1 FY 2019 and 2,166,192 tonnes since the Bloom Lake restart
- Quarterly consolidated iron ore concentrate revenue of $150.7 million at an average realized price of $86.61 per tonne
- Quarterly net income of $20.7 million
- Bloom Lake achieved commercial production on June 30, 2018, ahead of schedule
- Bloom Lake cash operating costs (See "Non-IFRS Financial Performance Measures" in "Forward Looking information" section below) of $56.15 per tonne, which were lower than the ramp-up forecasted cash operating costs
- Cash flow from operating activities (after non-cash working capital changes) of $44.3 million
- Strong cash position of $89.0 million at quarter-end
- Undrawn balance of US$34.7 million from its subsidiary's USD$180.0 million financing debt facility

"The Company delivered strong earnings this quarter, during the production ramp-up at Bloom Lake. Even though it is our first period with revenue, it resulted in a profit which is a major achievement for the Company. Champion Iron demonstrated its ability to significantly improve operational performance at Bloom Lake while generating solid operating cash flows. Management and its team at the mine have achieved their targets set out in the Bloom Lake mine restart Feasibility Study announced on February 16, 2017 and published on March 17, 2017, which is an outstanding result", said Chairman and Chief Executive Officer Michael O'Keeffe.

Currently and going forward, Champion Iron's strategy is to continue with operational improvements at the Bloom Lake mining operation while applying cost and capital discipline. With the mine now generating positive cash flow from operations, the Company is in a position to focus on strengthening its financial position and pursuing growth opportunities.

About Quebec Iron Ore Inc.

Founded in 2016 by the mining development company Champion Iron Limited, Quebec Iron Ore Inc. is a 100% Quebec-based entity managed by experts from Quebec. The company was mandated to direct the relaunch of the Bloom Lake Mine, a Champion Iron flagship project in Fermont, in northern Quebec.

About Champion Iron Limited

Champion is an iron mining, development and exploration company, focused on developing its significant iron resources in the south end of the Labrador Trough in the province of Québec. Following the acquisition of its flagship asset, the Bloom Lake iron ore property, the Company implemented upgrades to the mine and processing infrastructure and has partnered in projects associated with improving access to global iron markets, including rail and port infrastructure initiatives with government and other key industry and community stakeholders. Champion's management team includes professionals with mine development and operations expertise, who also have vast experience from geotechnical work to green field development, brown field management including logistics development and financing of all stages in the mining industry.

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Forward-Looking information and non-IFRS financial performance measures

This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this news release that address the expected restart date of Bloom Lake as well as future activities, events, developments or financial performance constitute forward- looking information. The use of any of the words "will", "expect", "anticipate", "intend", "believe", "plan", "potential", "outlook", "forecast", "estimate" and similar expressions are intended to identify forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ

materially from those expressed or implied by such forward-looking information, including the risks identified in Champion's final short form prospectus relating to a completed equity Offering, annual information form, management's discussion and analysis and other securities regulatory filings made by Champion on SEDAR (including under the heading "Risk Factors" therein). 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 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.

Non-IFRS Financial Performance Measures

The Company has included certain Non-IFRS measures in this document with no standard meaning under International Financial Reporting Standards ("IFRS"). Refer to Non-IFRS Financial Performance Measures in the Company's Q1 FY2019 Management's Discussion and Analysis found under the Company's filings on SEDAR (www.sedar.com) for further information.

The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

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