

# ROADSHOW PRESENTATION

SEPTEMBER 2019



PREMIUM PRODUCT, TIER 1 JURISDICTION,  
HIGH QUALITY INFRASTRUCTURE

**CHAMPION IRON** 

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# DISCLAIMER

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This presentation contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this presentation contains forward-looking information and statements pertaining to Champion Iron Limited including: future development, exploration, development activities, infrastructure build-out and related capital expenditures and the timing thereof, the amount and timing of capital projects, operating cost, the total future capital associated with development of reserves and resources, access to labour and infrastructure, realized price, structural shift in iron ore industry, cost curve assumptions, ability to exceed nameplate capacity, additional training for personnel, accelerated tailings raising and re-vegetation plan. In this presentation, reference is made to the Company's Bloom Lake Iron Mine growth scenario and economic analysis. All information derived therefrom are not estimates or forecasts of metrics that may actually be achieved. Such information reflects internal projections used by management for the purposes of making capital investment decisions and for internal long range planning and budget preparation. Accordingly, undue reliance should not be placed on same. The recovery, reserve and resources estimates of Champion Iron's reserves and resources provided herein are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. In addition, forward-looking statements or information are based on a number of material factors, expectations or assumptions of Champion Iron which have been used to develop such statements and information but which may prove to be incorrect. Although Champion Iron believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Champion Iron can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Champion Iron operates; the timely receipt of any required regulatory approvals; the ability of Champion Iron to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Champion Iron has an interest in to operate the field in a safe, efficient and effective manner; the ability of Champion Iron to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; risks associated with the degree of certainty in resource assessments; future commodity prices; currency, exchange and interest rates; and the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Champion Iron operates. Our objective will be to proactively manage our capital program as it relates to operational success and fluctuating commodity prices with a priority to maintain financial flexibility and achieve our production guidance. Champion Iron will closely monitor the budget and financial situation throughout the year to assess market conditions and will quickly adjust budget levels or pace of development in accordance with commodity prices and available funds from operations. The forward-looking information and statements included in this presentation are not guarantees of future performance and should not be unduly relied upon. 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The historical mineral resources mentioned are strictly historical in nature and are non-compliant to National Instrument 43-101 mineral resources and mineral reserves standards, and should therefore not be relied upon. A qualified person has not done sufficient work to upgrade or classify the historical mineral resources as current National Instrument NI-43-101 compliant.

# CORPORATE OVERVIEW

CHAMPION IRON 

Largest publicly listed pure-play high-grade iron ore producer globally



- Top Tier Jurisdiction
- Established production in region since 50's
- 2<sup>nd</sup> Largest hub of high-grade production globally
- Access to infrastructure



- Nearly US\$4 Billion invested
- 7.4 Mtpa nameplate capacity
- Short-term opportunity to double production
- High Grade 66.2% FE with low impurities
- 20+ years mine life



- Proven management team
- 10%+ insider ownership



- Current realized price → US\$90/t
- Total Cash cost -US\$37/t FOB\*
- C\$782,3M Revenue in last 12 months
- C\$400,1M EBITDA in last 12 months

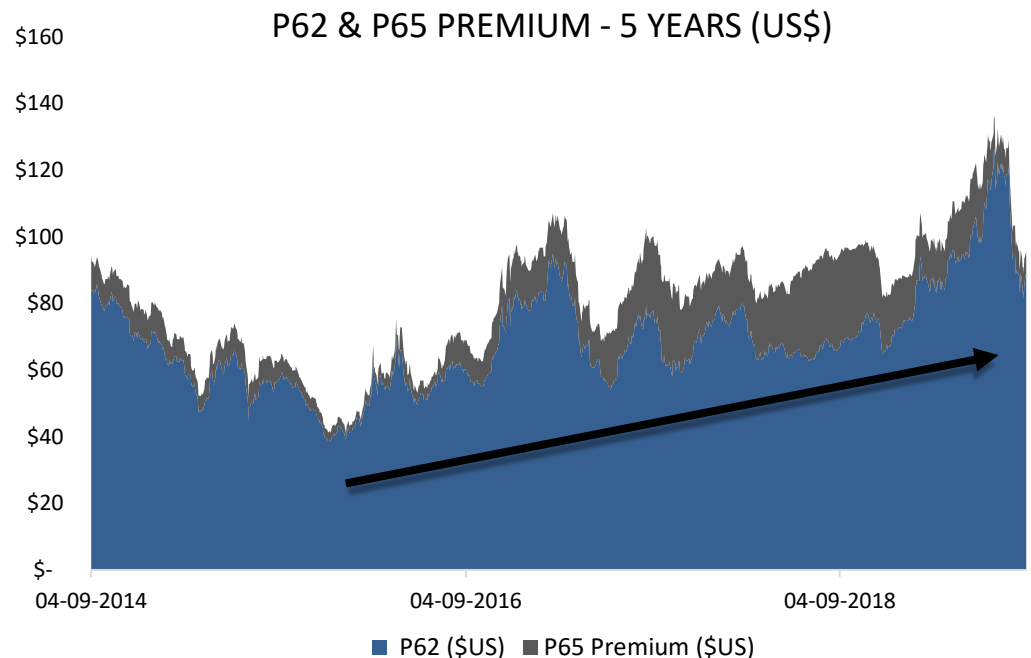
BLOOM LAKE 

# STRUCTURAL SHIFT IN IRON ORE

## HIGH QUALITY & LOW CONTAMINANT IN RISING DEMAND

- > China implemented “Blue-Sky” initiative to reduce emissions
- > More complex steel focus in China and increasing consumption of white goods demanding higher quality input with low impurities
- > Rising contaminant issues in other major hubs globally

✓ **Champion sells based on P65 premium benchmark**



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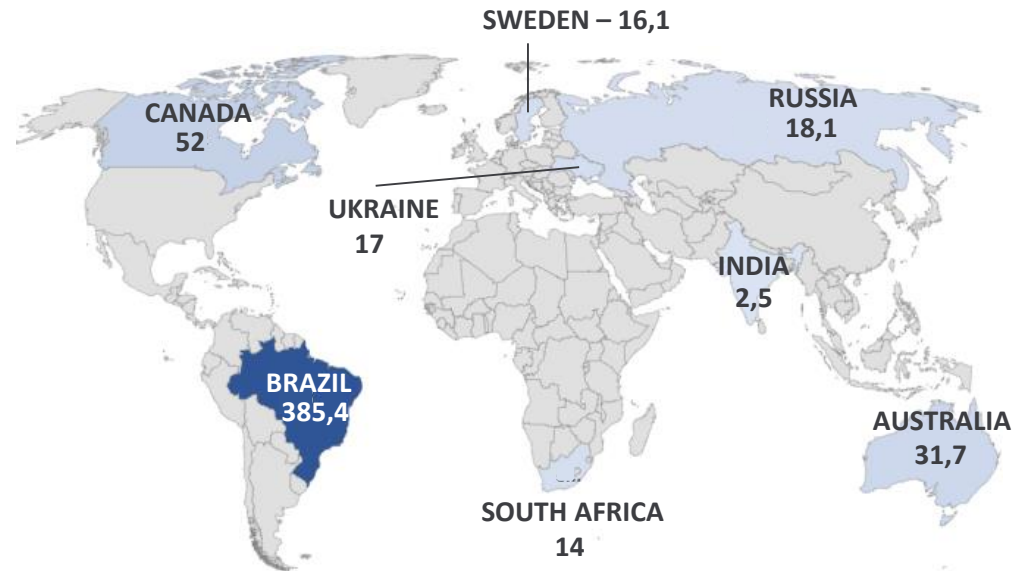
# CANADA 2<sup>ND</sup> LARGEST REGION IN HIGH-GRADE

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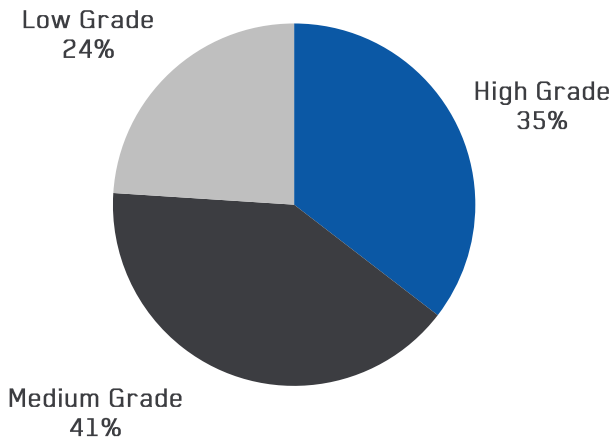
CHAMPION IRON 

- > Champion is neighbored by global majors including Rio Tinto, ArcelorMittal and Tata Steel
- > Quebec ranks Top-10 mining jurisdiction globally as per Fraser Institute
- > VALE dominates the high-grade market with 60%+ market share

## GLOBAL SEABORN HIGH-GRADE MARKET (65%+FE, WMT/YEAR)



## Global Seaborn Iron Ore Market

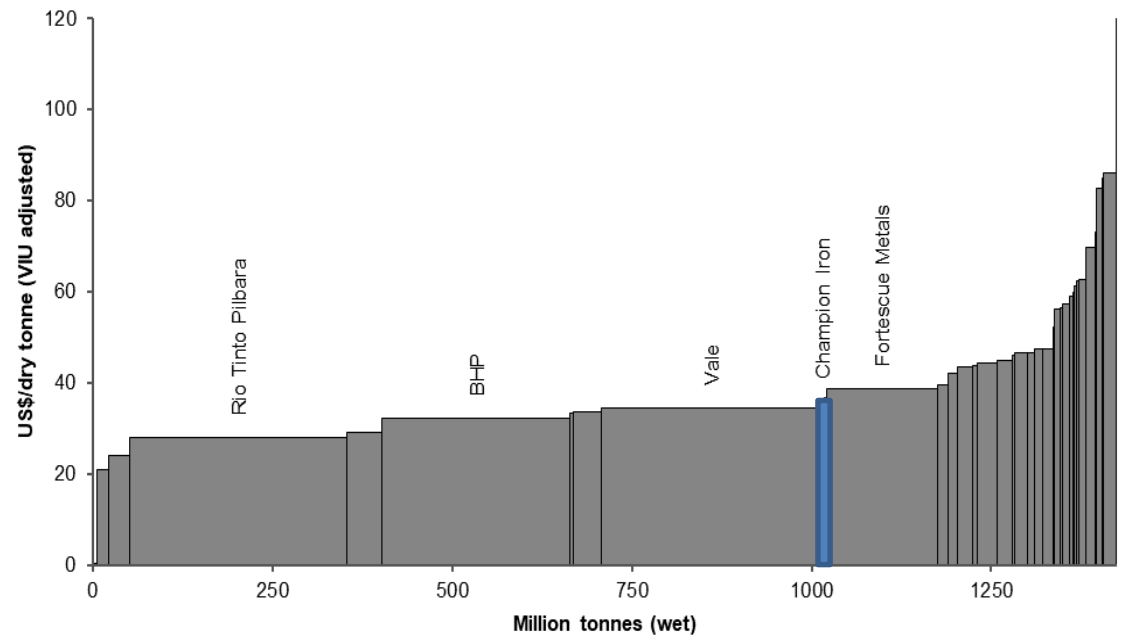


\*Source: Wood Mackenzie data, Bloomberg

# COMPETING ON COST CURVE

- > Bloom Lake has proven cost structure
- > Product quality premium offsets freight differential when compared to Australian operators

**GLOBAL SEABORN COST CURVE (CFR CHINA – ADJUSTED FOR VIU)**



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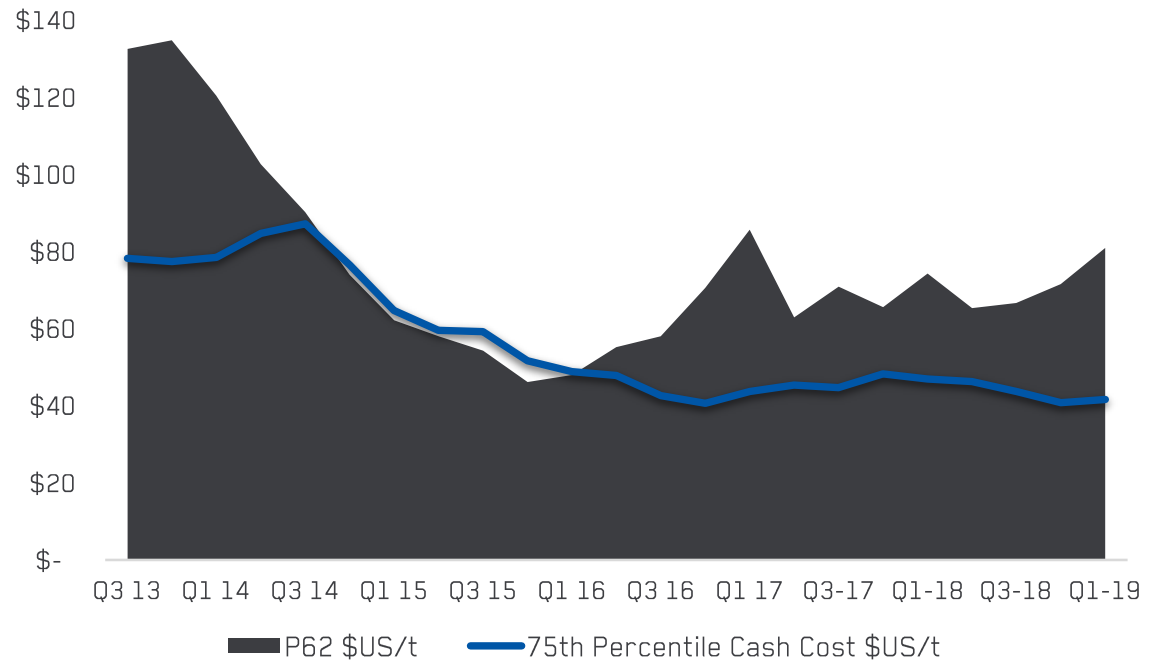
# POSITIONED FOR PROFITABILITY

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CHAMPION IRON 

- > Iron Ore has traded on 'spot' basis since 2008
- > Producer within 75th percentile of the cost curve have remained profitable in biggest downturn of 2015

P62 IRON ORE VS.  
75TH PERCENTILE CASH COST (CFR CHINA -  
ADJUSTED FOR VIU)



# CORPORATE SNAPSHOT (CIA-TSX; CIA-ASX)

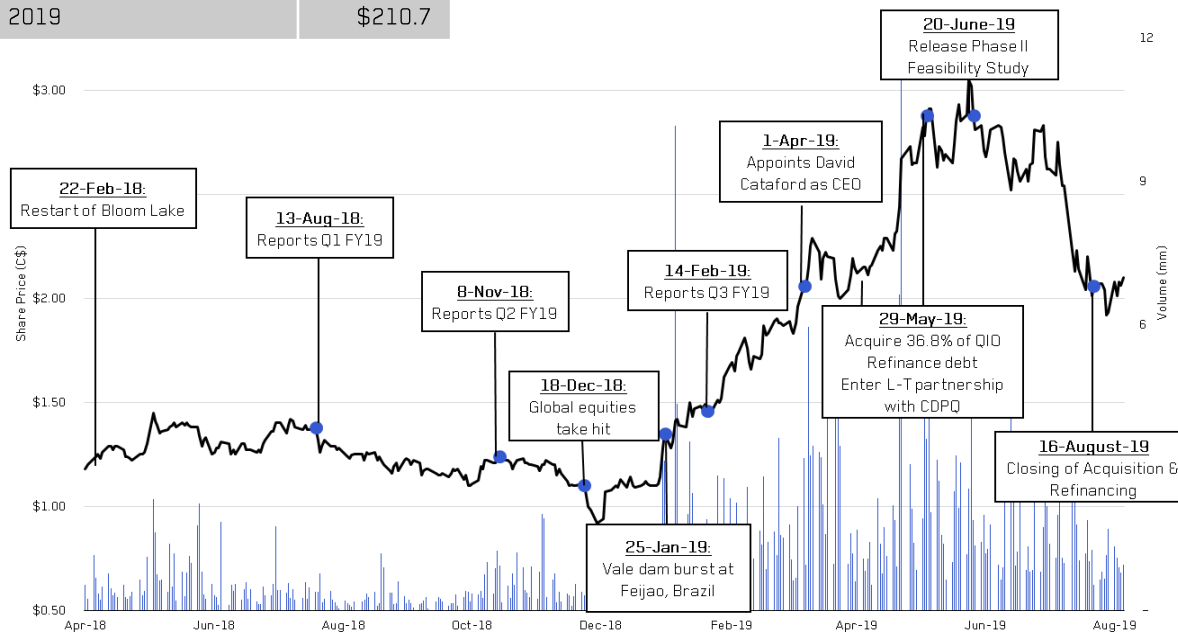
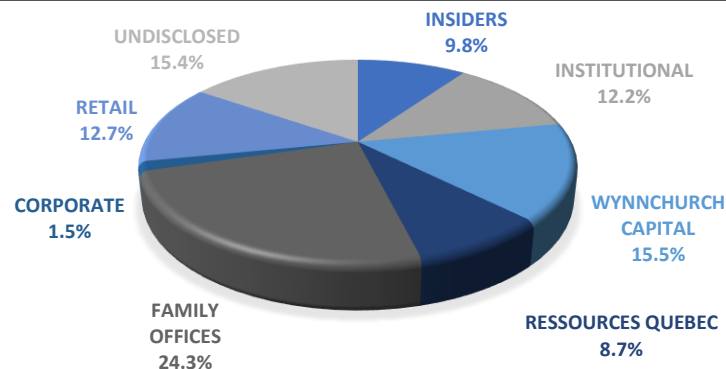
CHAMPION IRON 

## MARKET STATISTICS (C\$M)

(\$C millions, unless otherwise noted)

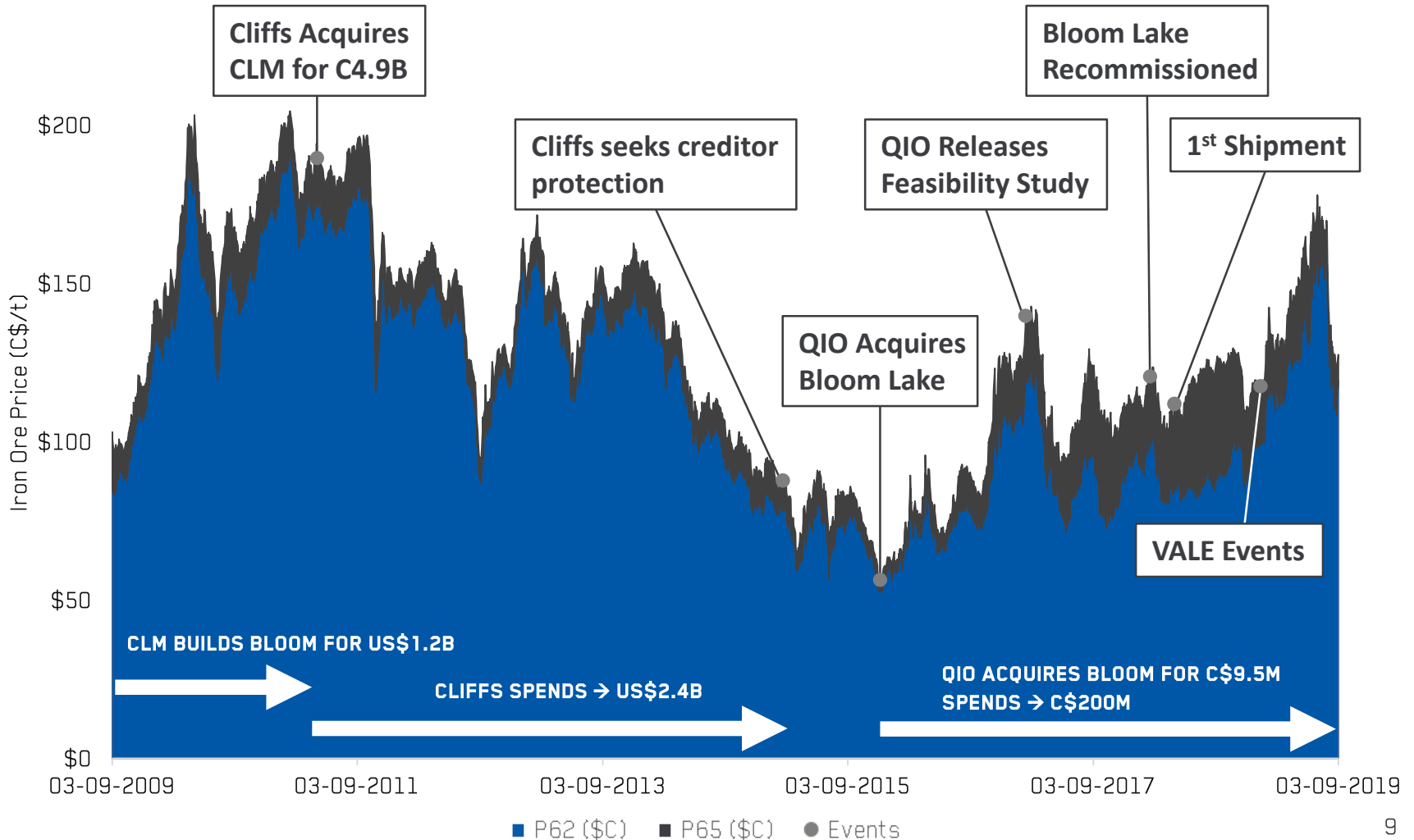
Share Price as at August 30, 2019	\$2,10
52-Week High	\$3,15
52-Week Low	\$0,89
Basic Shares Outstanding	435.2
<b>Market Capitalization</b>	<b>\$876.9</b>
Long-Term Debt as of June 30, 2019	\$264.5
Cash as of June 30, 2019	\$210.7

## SHAREHOLDERS





# HISTORY OF BLOOM LAKE VS IRON ORE PRICE (C\$/T)

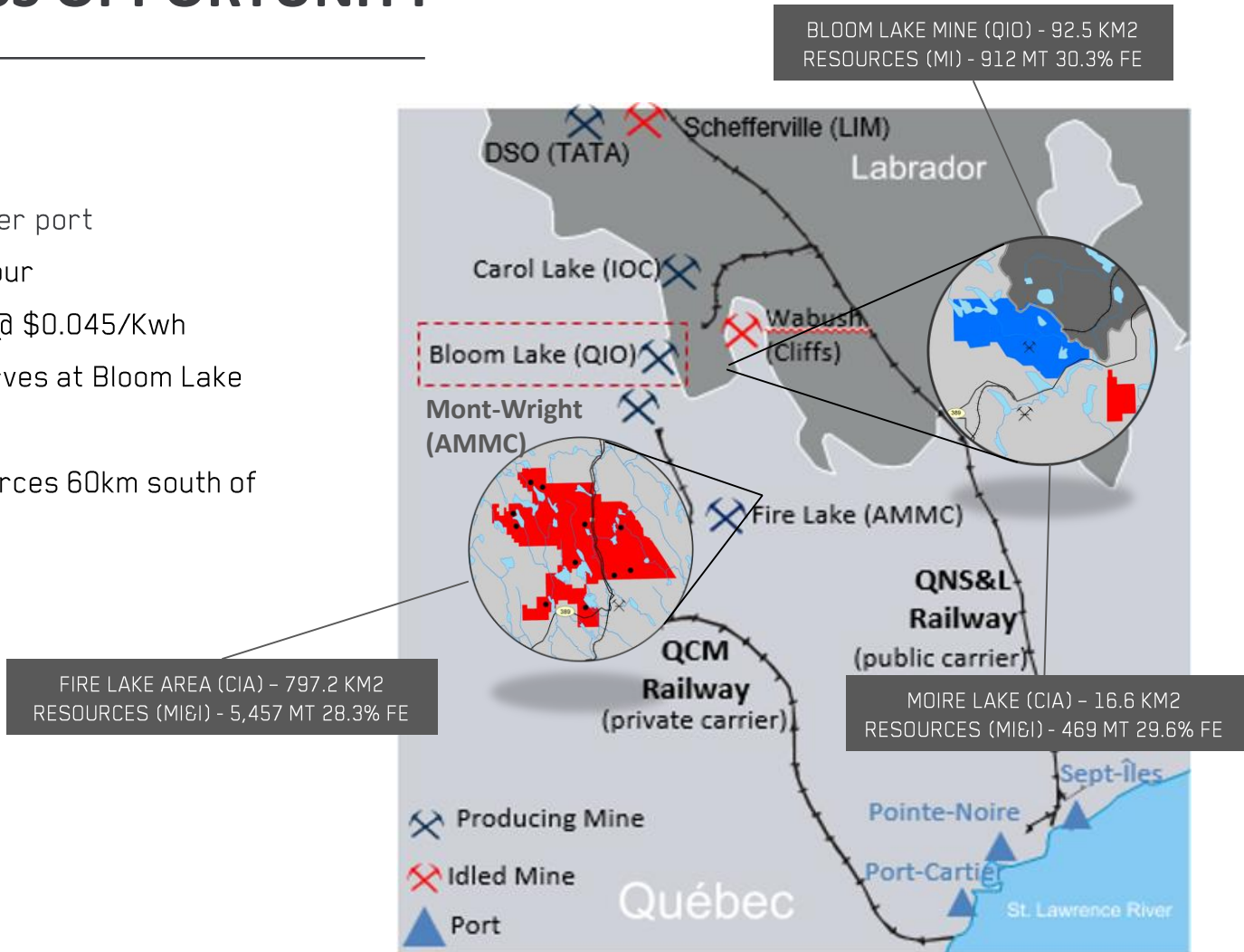


\*P62: Platts TSI IODEX 62% Fe CFR China; P65: Platts IO Fines 65% Fe CFR China

# LABRADOR TROUGH = WORLD-CLASS OPPORTUNITY

- > Access to railway
- > Newly built deep-water port
- > Access to skilled labour
- > Low-cost electricity @ \$0.045/Kwh
- > 383.5M tonnes Reserves at Bloom Lake
- > 20+ years mine life
- > 5.4B tonnes of resources 60km south of Bloom Lake

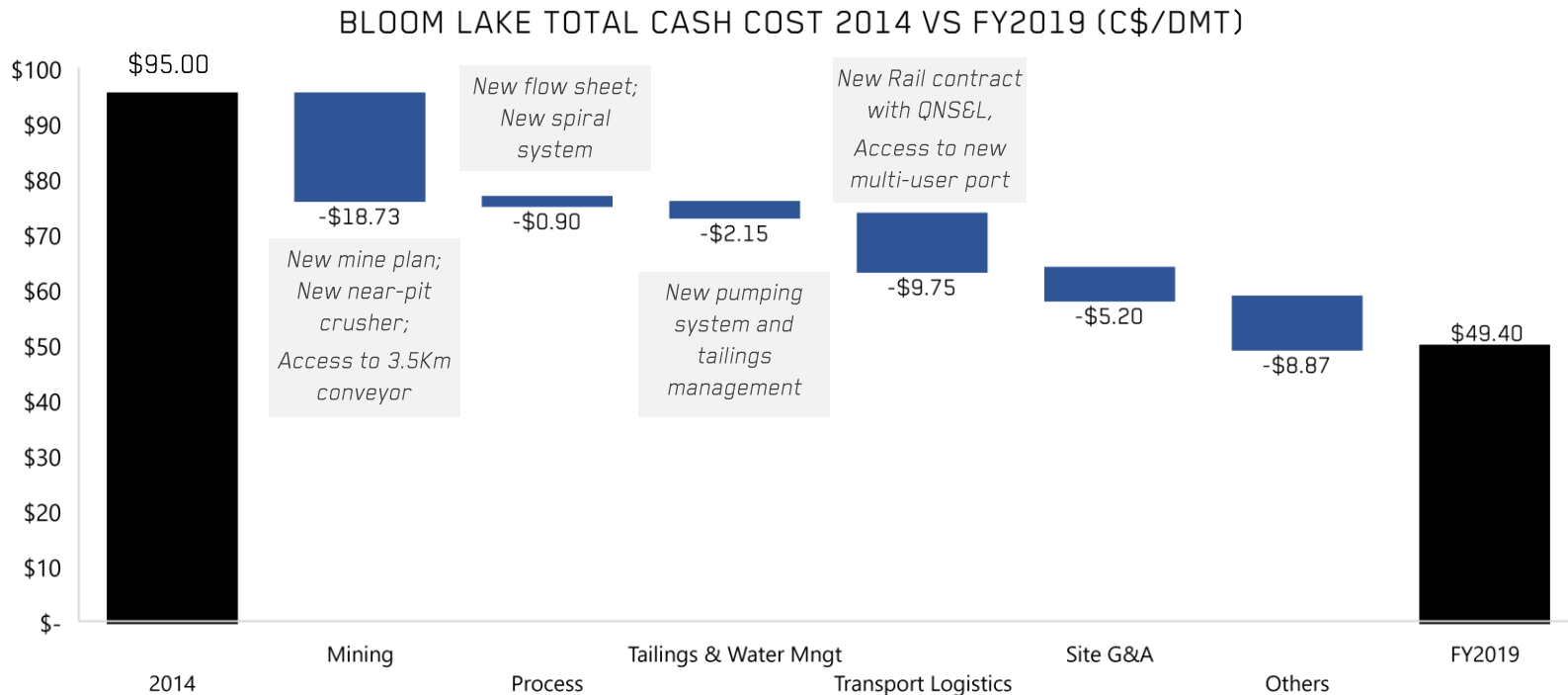
## CHAMPION IRON



\* As of March 31, 2019

# COST STRUCTURE IMPROVEMENT (2014 VS TODAY)

- > Champion reduced operating costs from a peak exceeding C\$100/t under predecessor to C\$49.40/t in its first year of operations (FY2019)

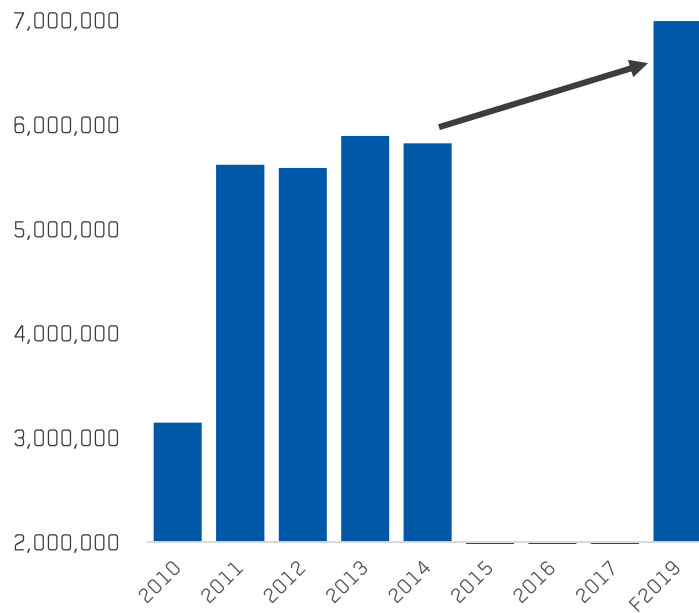


# BLOOM LAKE TODAY

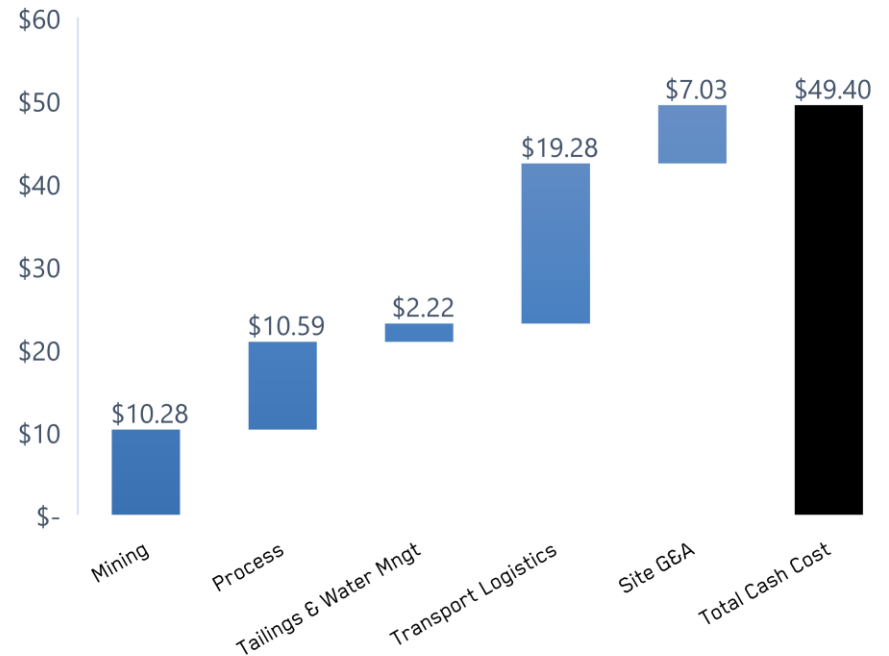
> Achieved highest annual production on record

> Achieved lowest cash cost on record

### BLOOM LAKE PRODUCTION HISTORY (WMT/YEAR)



### BLOOM LAKE TOTAL CASH COST (C\$/dmt) - FISCAL 2019



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# DIVERSIFIED CUSTOMER BASE

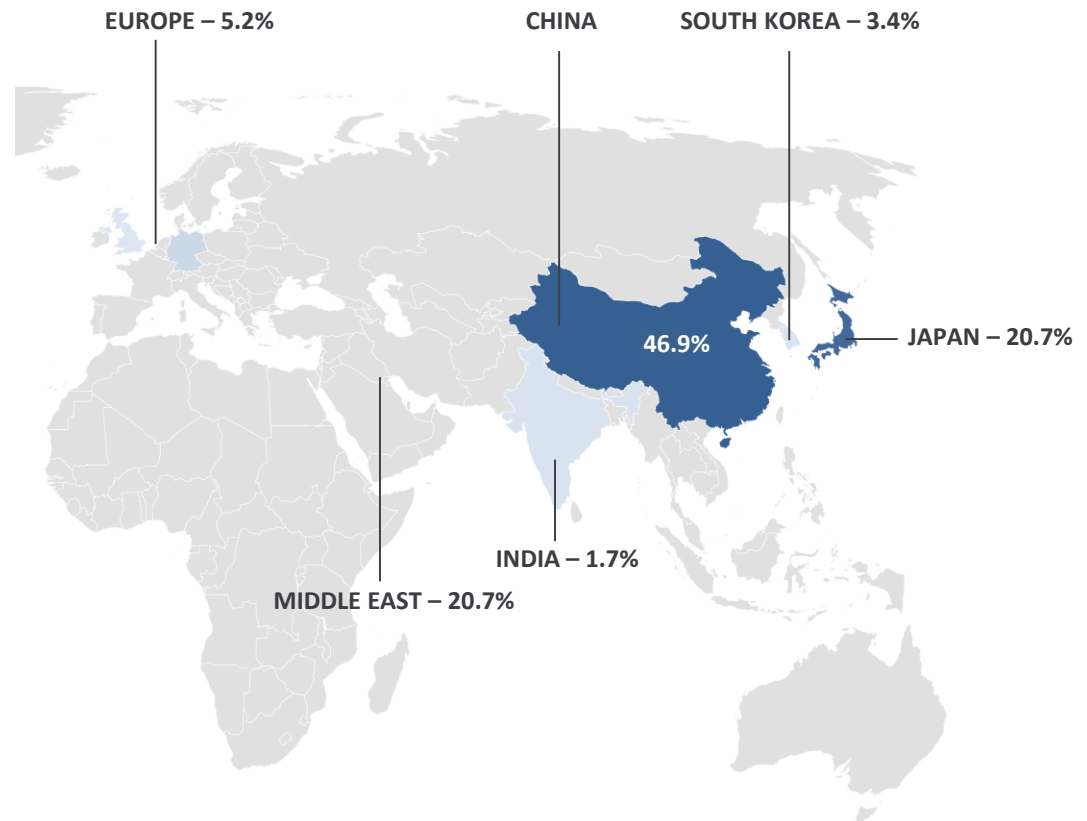
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## Product sold to 16 different customers since 1st shipment

Sojitz & Glencore sells our product on a brokered basis

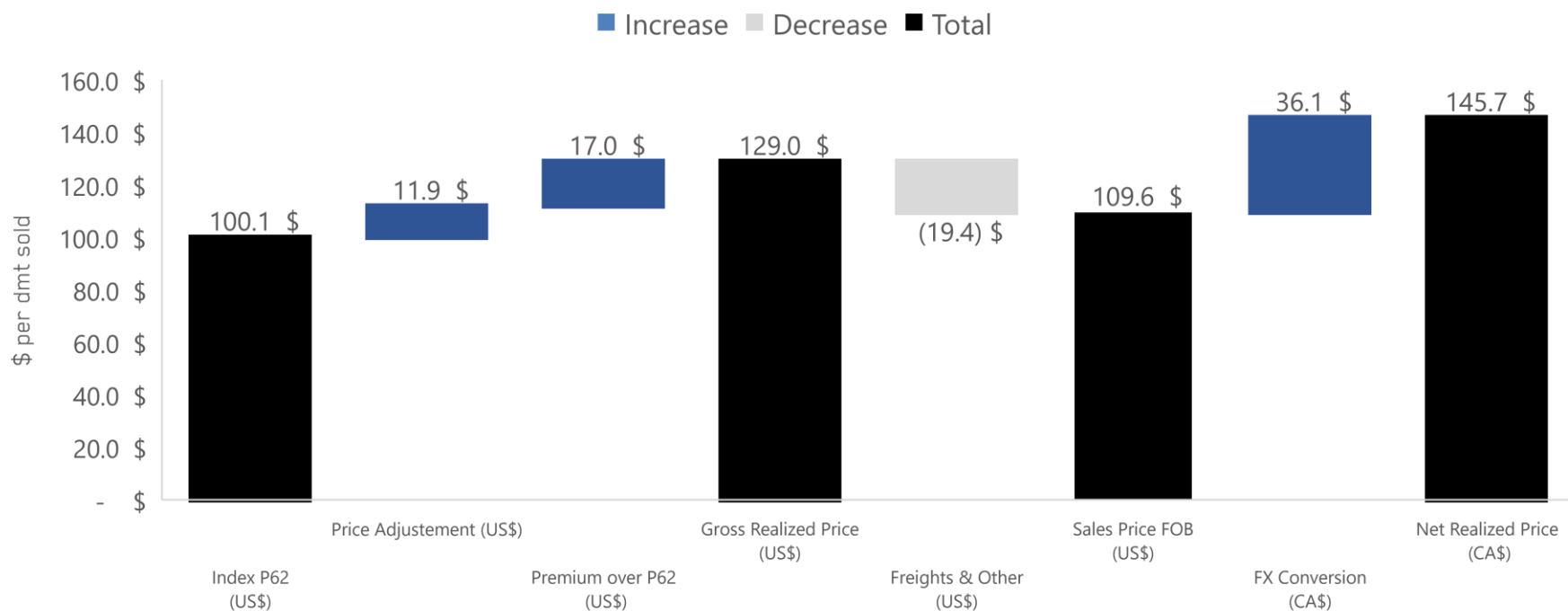
- > Access to larger customer base
- > Reduce execution risk
- > Access to preferential freight

Champion retains the right to deal directly with end buyers and arrange shipping



# REALIZED PRICING (FQ1/20)

## Q1/20 NET AVERAGE REALIZED SELLING PRICE

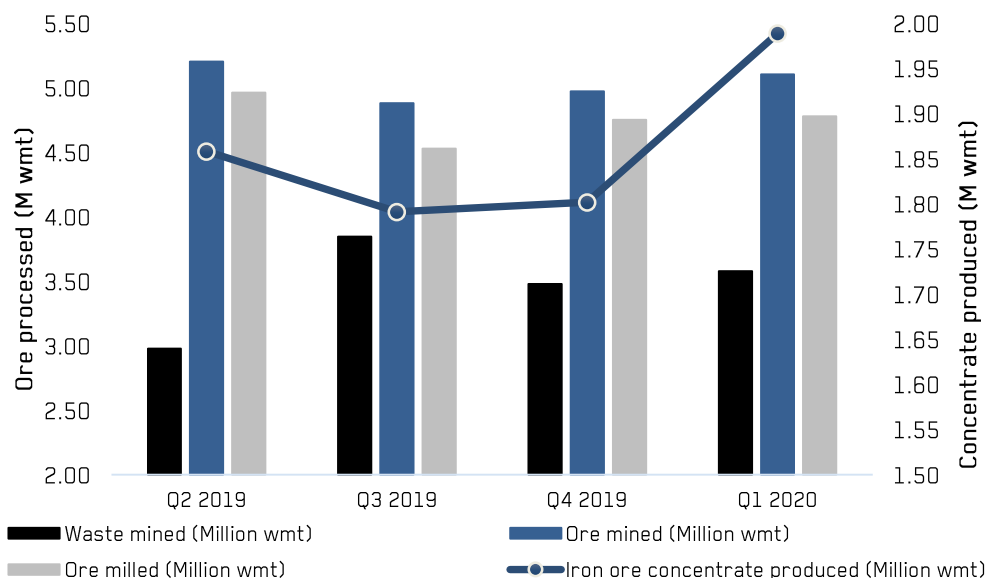


\*P62: Platts TSI IODEX 62% Fe CFR China; P65: Platts IO Fines 65% Fe CFR China

# OPERATIONAL RESULTS

## CHAMPION SETTING HISTORICAL RECORDS AT BLOOM LAKE

- > Proven ability to exceed nameplate capacity
- > Record quarterly production in Bloom Lake's history (FQ1/20)
- > Focus on quality with continuous improvement in ore recovery
- > Recent focus to increase plant reliability to maximize operating cash flows
- > No penalties for contaminants since restart
- > Achieved record monthly recovery of 84.6% in June 2019
- > Successful first winter of operations

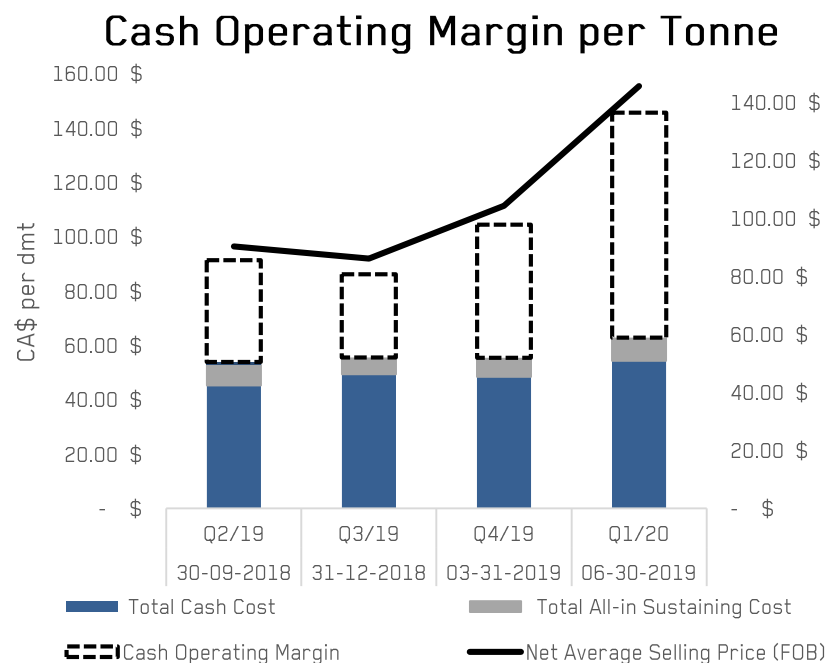


	Q2/19	Q3/19	Q4/19	Q1/20
Iron ore concentrate produced (Million wmt)	1.86	1.79	1.80	1.99
Iron ore concentrate sold (Million dmt)	1.93	1.71	1.74	1.91
Waste mined (Million wmt)	2.98	3.85	3.48	3.58
Ore mined (Million wmt)	5.21	4.88	4.98	5.11
Strip ratio	0.6	0.8	0.7	0.7
Ore milled (Million wmt)	4.96	4.53	4.75	4.78
Head grade Fe (%)	32.0	32.1	30.6	32.5
Recovery (%)	79.6	80.7	80.4	82.1
Fe (%)	66.6	66.4	66.3	66.2

# FINANCIAL RESULTS

- > Generated C\$221.9M of operating cash flow in last 12 months
- > Proven ability to produce at total cash cost below C\$50/t
- > Strong cash operating margin
- > Not incomed by stream or royalties

Financial Results (\$ MILLIONS)	Q2/19	Q3/19	Q4/19	Q1/20
Revenue	174.7	147.5	182.2	277.9
EBITDA	81.3	65.4	86.5	166.9
Operating profit	77.2	62.8	83.1	163.3
Net profit	67.5	31.2	28.2	74.2
Cash flow from operations	2.9	89.1	38.0	91.9
Earnings per share - basic (63.2% basis)	0.10	0.05	0.02	0.09
Average realized selling price (per tonne)	90.4	86.2	104.4	145.7
Total cash cost (per tonne)	45.2	49.4	48.4	54.3
All-in sustaining cost (per tonne)	52.9	55.5	55.4	62.8
Cash operating margin (per tonne)	37.5	30.7	49.0	82.9
Cash operating margin (%)	41.5%	35.6%	46.9%	56.9%





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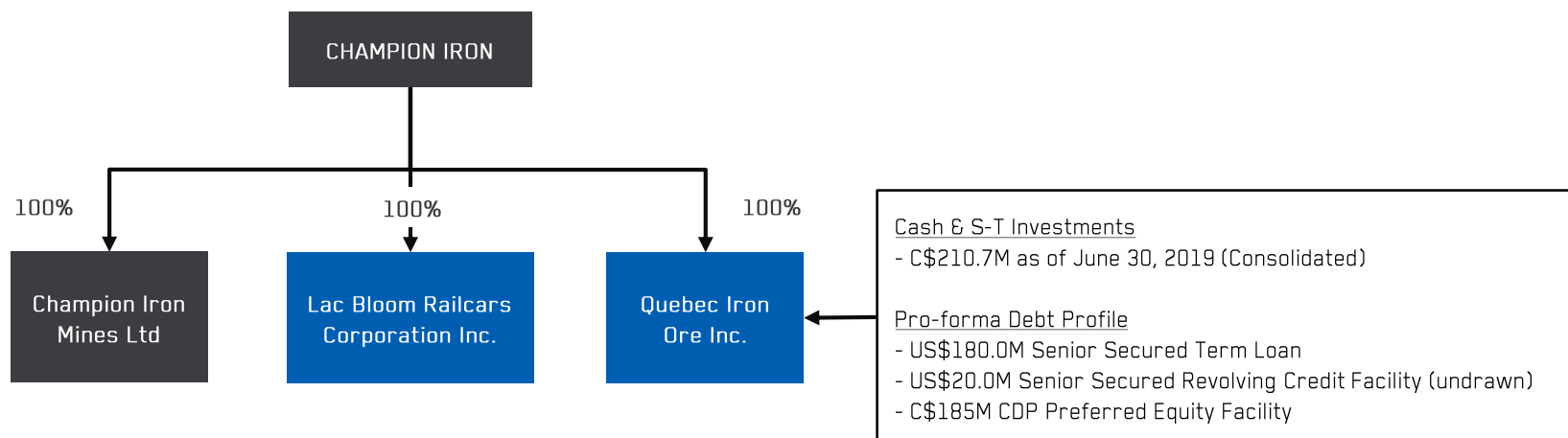
# SIMPLIFIED CORPORATE STRUCTURE FULL UPSIDE TO GROWTH INITIATIVES

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CHAMPION IRON 

✓ Closed on August 16, 2019

- Acquired 36.8% of QIO from Ressources Quebec for C\$211M, resulting in 100% ownership
- Underwritten credit facility with Scotiabank and SocGen for US\$200M
- Issuance of preferred shares by QIO to Caisse de Depot du Quebec (CDP) for C\$185M
- Repaid all previous debt facilities of US\$203M



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# RAPIDLY IMPROVING BALANCE SHEET

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CHAMPION IRON 



\$210.7 Million Cash & S-T Investments



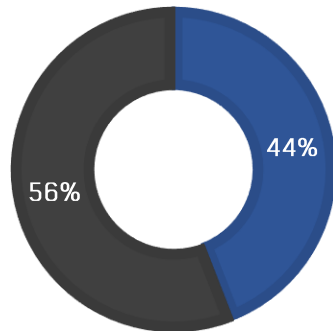
\$264.5 Long-Term Debt (Face Value)\*



Net improvement of \$74.1 million since March 31, 2019

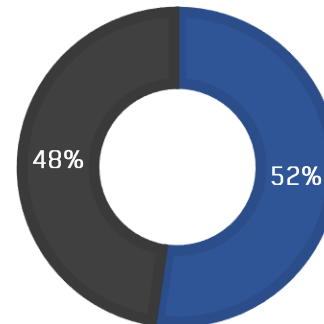
Q4/19

■ Cash & Working Capital ■ LTD Face value\*



Q1/20

■ Cash & Working Capital ■ LTD Face value\*

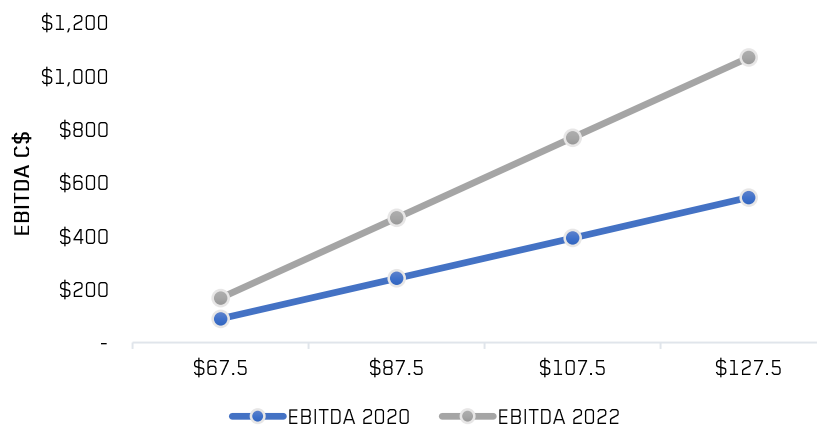


\* Consistent FX of CA\$0.7725

# STRONG LEVERAGE TO COMMODITY PRICE

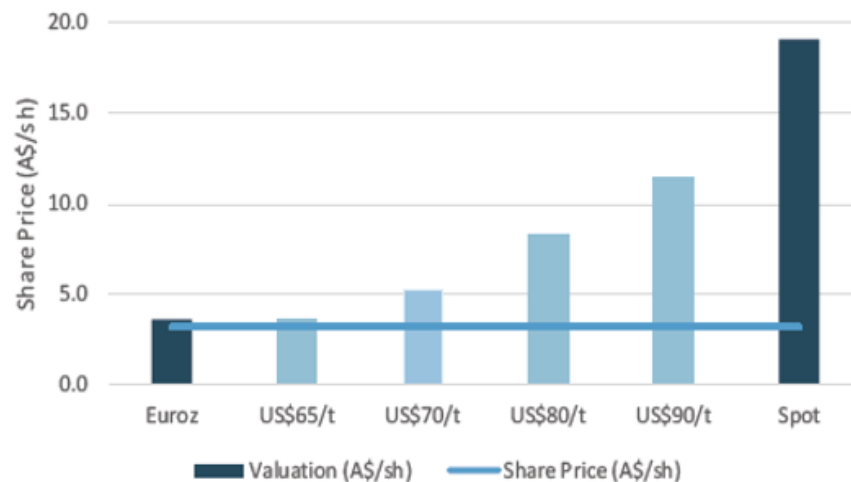
- > Well positioned for downturn with cost competing with global majors and substantial cash operating margin
- > Strong leverage to higher commodity price

EBITDA Sensivity to Realized Price (US\$/t)



\*Source : Cormark Securities, August 1, 2019

CIA Leverage to Price



\*Source : EUROZ Securities, July 31, 2019

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# BLOOM LAKE PHASE 1

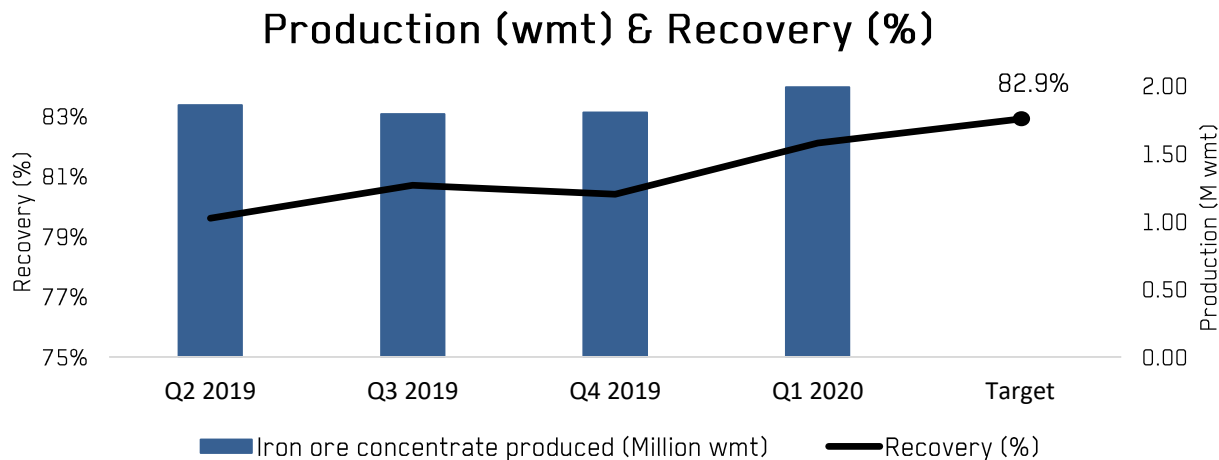
## 7.4MTPA

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Phase 1 positions Champion as a strong free cash flow generator with 20+ years mine life

- > Focus on quality with continuous improvement in ore recovery
- > Achieved Nameplate Capacity within 4-months
- > Completed two planned semi-annual shut downs; Proven ability to operate in all seasons
- > Record quarterly production in Bloom Lake history of 1.99M wmt in Q1/20
- > Record quarterly recovery of 82.1% in FQ1/2020
- > Work programs in place to achieve target recovery of 82.9%



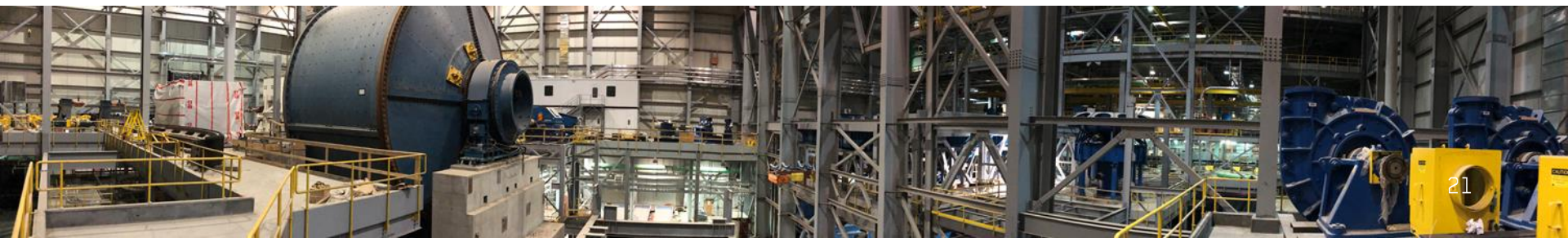
# BLOOM LAKE PHASE 2 ROBUST ECONOMICS

- > Proposed plan to double capacity from 7.4Mtpy to 15Mtpy
- > Takes advantage of infrastructure already in place
- > Phase II NPV8% of \$956M and 33.4% IRR after-tax
- > 2.4 year payback on initial capital
- > Life of mine total cash cost of \$46.6/t (US\$35.4/t)
- > Initial CAPEX of \$589.8M (US\$446.8M)
- > 20 years mine life
- > Combined Phase I & II NPV8% of \$3.76B pre-tax and \$2.38B after-tax
- > Economics based on P65 life of mine iron ore price of US\$83.9/t or a discount of approx. -35% when Study released on June 20, 2019

## CHAMPION IRON

CAPEX PRE-PRODUCTION	(C\$M)	(US\$M)
General	28.2	21.4
Mine - Phase II	37.6	28.5
Crusher and stockpile	24.3	18.4
Concentrator	165.0	125.0
Tailings and water management	50.2	38.0
Services	30.5	23.1
Rail and port	73.4	55.6
Owner's costs	105.1	79.6
Contingency (15%)	75.5	57.2
<b>TOTAL</b>	<b>589.8</b>	<b>446.8</b>

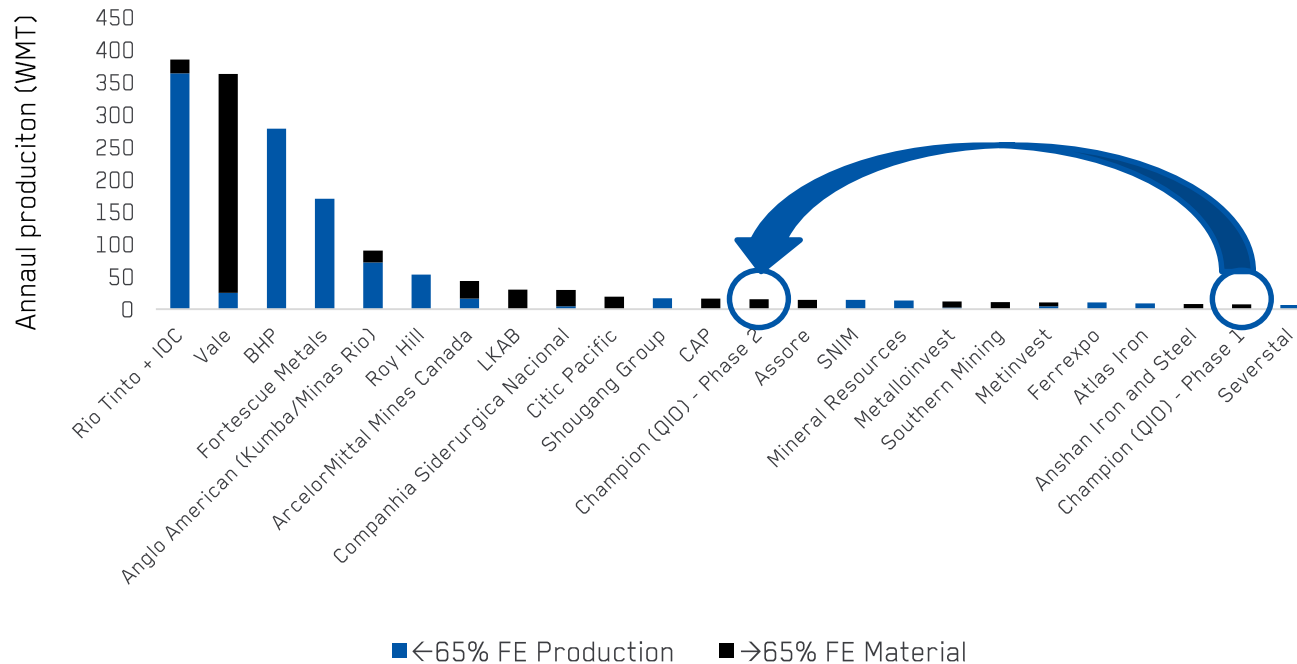
OPERATING COSTS	LoM (CA\$/t)	LoM (US\$/t)
Mining	13.4	10.2
Crushing and conveying	1.7	1.3
Processing plant	7.9	6.0
Concentrate shipping	16.8	12.7
Water and tailings management	2.1	1.6
General and administrative	4.7	3.6
<b>TOTAL CASH COST</b>	<b>46.6</b>	<b>35.4</b>
Sustainability & other community expense	1.3	1.0
Sustaining CAPEX	4.4	3.3
<b>ALL-IN SUSTAINING COSTS</b>	<b>52.3</b>	<b>39.7</b>



# BLOOM LAKE PHASE 2 POSITIONING AS A GLOBAL LEADER


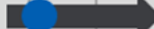
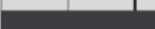



- > Focus on creating value per share
- > Further position Champion as one of the largest high-grade iron ore producers in the world

## GLOBAL SEABORN PRODUCERS (WMT/YEAR)

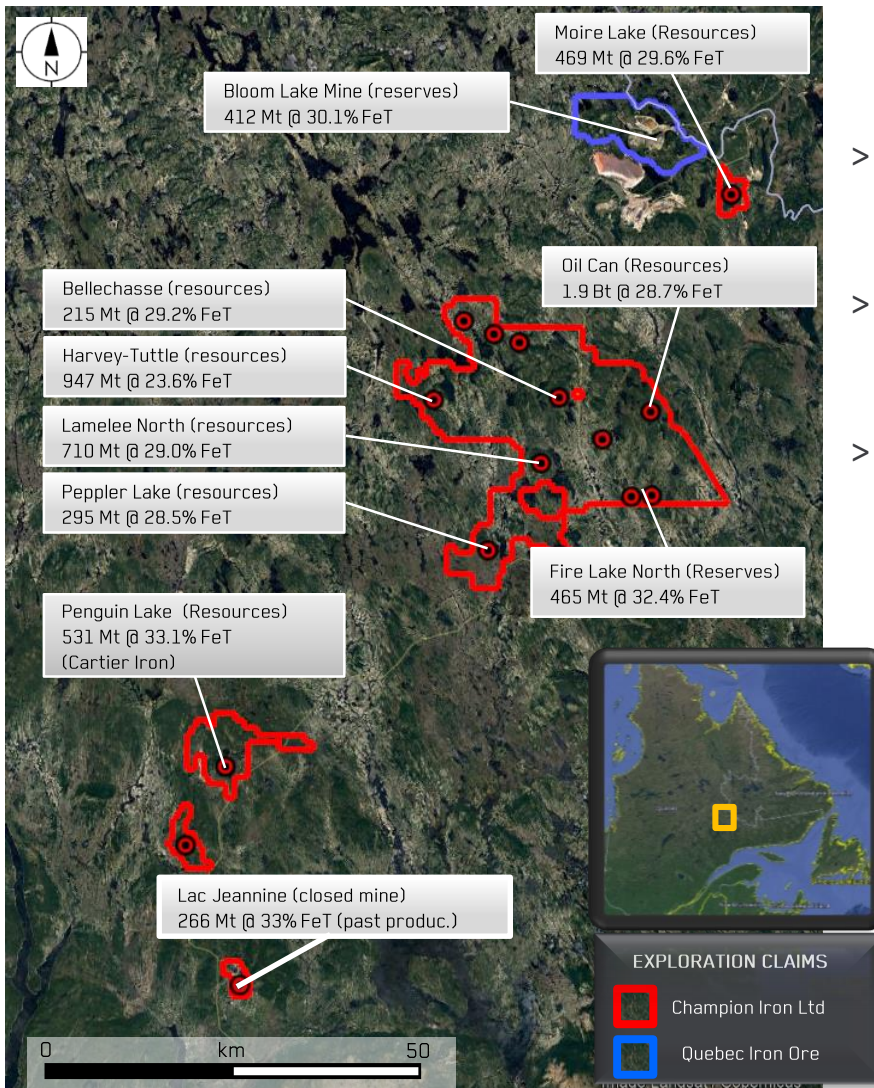


# BLOOM LAKE PHASE 2 RAPID TIMELINE TO PRODUCTION

- > 43-101 technical report prepared diligently by credible partners with conservative assumptions
- > No infrastructure bottleneck
- > -US\$1.2 billion already invested by prior owner
- > Utilizes synergies with existing Bloom Lake personnel and equipment
  
- > Initial \$68M budget being deployed
  - ✓ Ordered long lead time items
  - ✓ Engaged BBA as EPCM contractor
  - ✓ Launched detailed engineering
  - ✓ Hired key construction personnel

PHASES / EVENTS (CALENDAR PERIODS)	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
 Initial \$68M work program approved												
Final funding consideration & approval												
Remaining construction work												
Mine fleet ordering and production												
Mine ramp-up												

# REGIONAL OPPORTUNITIES PHASE 3



- > Only 60km south of Bloom Lake, Champion controls over 5.4 Billion tonnes of additional resources
- > A feasibility study was completed on Fire Lake North in 2013 considering a 9.3M tpa project over a 19.6-year life of mine
- > Completed railway feasibility (completely funded by Quebec Government)



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# FY 2019 HEALTH & SAFETY

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- > No severe lost time injury reported in FY2019
- > Continuous improvement on safety since declaring commercial production
- > Statistics in line or below benchmark for open pit mining as set by ASPM\*
- > Additional measures in place to train new personnel arriving at site

QUEBEC IRON ORE + CONTRACTORS						BENCHMARK FOR MINE OPEN PIT -YEAR 2017- (SOURCE: APSM)	
	Q1	Q2	Q3	Q4	FY2019		
Lost Time Injury Frequency Rate (LTIFR)	2,4	8,02	6,56	3,2	4,78		4,9
Disability Injury Severity Rate (DISR)	3,2	21,2	22,69	8,02	11,2		86,5

\*ASPM: Association paritaire pour la santé et la sécurité au travail du secteur minier <http://aspmine.qc.ca>.

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# FY2019

## ENVIRONMENTAL FOCUSED

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- > No occurrence of major environmental issue
- > Implemented new initiatives that resulted in over 12 million litres (ML/yr) of fuel reduction, representing 33,000 t/yr of green house gas reduction
- > Accelerated coarse tailings containment dam raising
- > Re-vegetation plan to cover over 10 hectares



## CHAMPION IRON



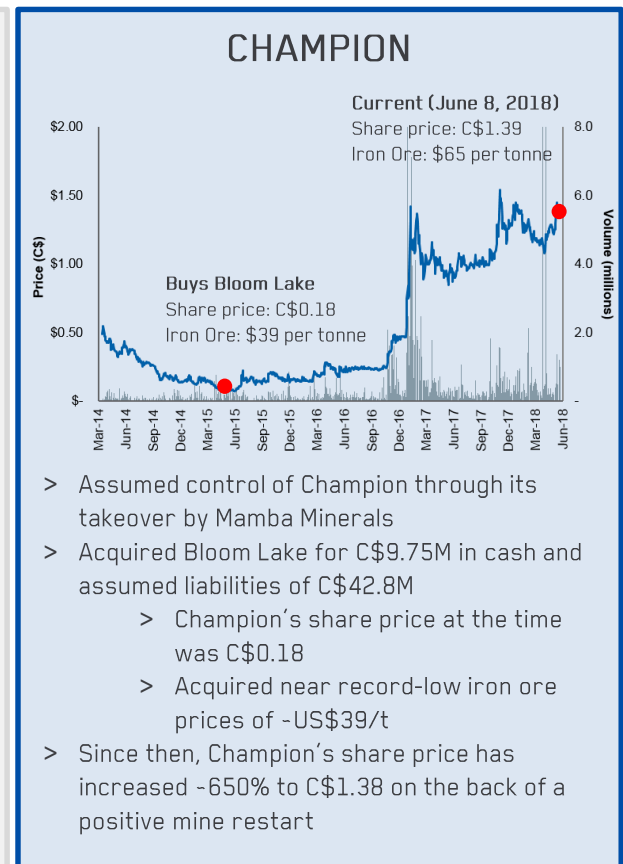
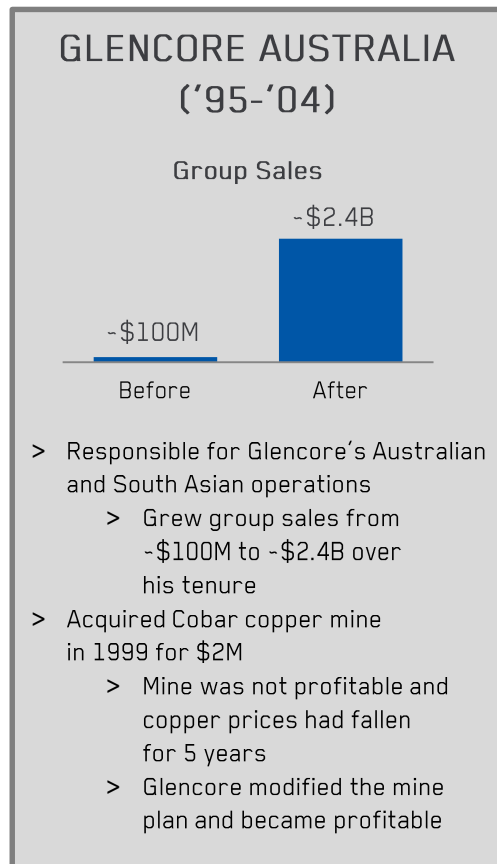
# EXPERIENCED MANAGEMENT TEAM



INDIVIDUAL	EXPERIENCE
<b>MANAGEMENT TEAM</b>	
Michael O’Keeffe Executive Chairman	<ul style="list-style-type: none"> <li>&gt; Former Executive Chairman of Riversdale Mining Limited (2004-2011) where Mr. O’Keeffe led the development of Riversdale Mining from a junior until it was acquired by Rio Tinto for A\$4 billion</li> <li>&gt; Prior to joining Riversdale, Mr. O’Keeffe was a Managing Director with Glencore Australia Limited (1995-2004), and was responsible for Glencore’s Australian trading acquisitions. Previously, held a series of senior operating positions with MIM Holdings (Mt. Isa)</li> </ul>
David Cataford CEO	<ul style="list-style-type: none"> <li>&gt; Mr. Cataford was appointed to the position of President and Chief Executive Officer on April 1, 2019. Mr. Cataford had been Chief Operating Officer of the Company since March 20, 2017. Prior to joining Champion in 2014, Mr. Cataford held several management positions within Cliffs Natural Resources Inc., including key positions in their main iron ore deposit at Bloom Lake Mine in Fermont, Quebec. At Bloom Lake, Mr. Cataford played an important role in the management team including phase 1 expansion of the plant. His experience in iron ore mining includes mineral characterization projects at Bloom Lake and for ArcelorMittal at Mont Wright, as well as adapting the recovery circuit to meet new customer demands. Mr. Cataford was president and cofounder of the North Shore and Labrador Mineral Processing Society.</li> </ul>
Natacha Garoute CFO	<ul style="list-style-type: none"> <li>&gt; Has more than 20 years of finance experience as a CPA with a strong focus on mining and public corporations, with extensive international exposure. Solid background in public company reporting and corporate finance expertise implementing financing and international tax structure.</li> <li>&gt; Strong experience including CFO of Roxgold, senior finance positions at SEMAFO Inc., Canadian Railway, MDD and PWC</li> </ul>
<b>BOARD OF DIRECTION</b>	
Andrew J. Love, FCA Director	<ul style="list-style-type: none"> <li>&gt; More than 30 years of accounting experience in reorganizing and redesigning companies in Australia</li> <li>&gt; Over 25 years’ experience as a consultant to public companies, particularly in mining and resource industries</li> <li>&gt; Managed two companies in the energy and mining sectors and served as Vice-President at Riversdale Mining</li> </ul>
Gary Lawler, LLB, LLM Director	<ul style="list-style-type: none"> <li>&gt; Experience as an M&amp;A lawyer for over 30 years</li> <li>&gt; Advised numerous companies and investment banks on transactions, including hostile takeovers and anti-takeover measures</li> <li>&gt; Served on the boards of Dominion Mining and Riversdale Mining</li> </ul>
Wayne Wouters (The Honourable), PC Director	<ul style="list-style-type: none"> <li>&gt; Strategic advisor to McCarthy Tétrault LLP</li> <li>&gt; Worked in private sector as Clerk of the Privy Council, Secretary to the Cabinet and Head of the Federal Public Service</li> <li>&gt; Previously served as deputy minister for several departments including Human Resources and Development of Skills Canada</li> </ul>
Michelle Cormier Director	<ul style="list-style-type: none"> <li>&gt; Operating partner for Wynnchurch Capital, a \$2.3 billion private equity fund</li> <li>&gt; Former CFO of a private company and a publicly traded forest products company operating in Canada and the United States</li> <li>&gt; Vast experience in senior management roles including corporate strategy, finance, human resources and reorganization</li> </ul>
Jyothish George Director	<ul style="list-style-type: none"> <li>&gt; Joined Glencore in London in 2006 and is currently head of the iron ore department</li> <li>&gt; Serves as Vice-Chairman of the board of directors of Jumelles Limited, the holding company of the Zanaga iron ore mine in the Republic of Congo</li> </ul>

# TRACK-RECORD OF SUCCESS

Michael O’Keeffe has a track-record of successful turnarounds on out-of-consensus calls





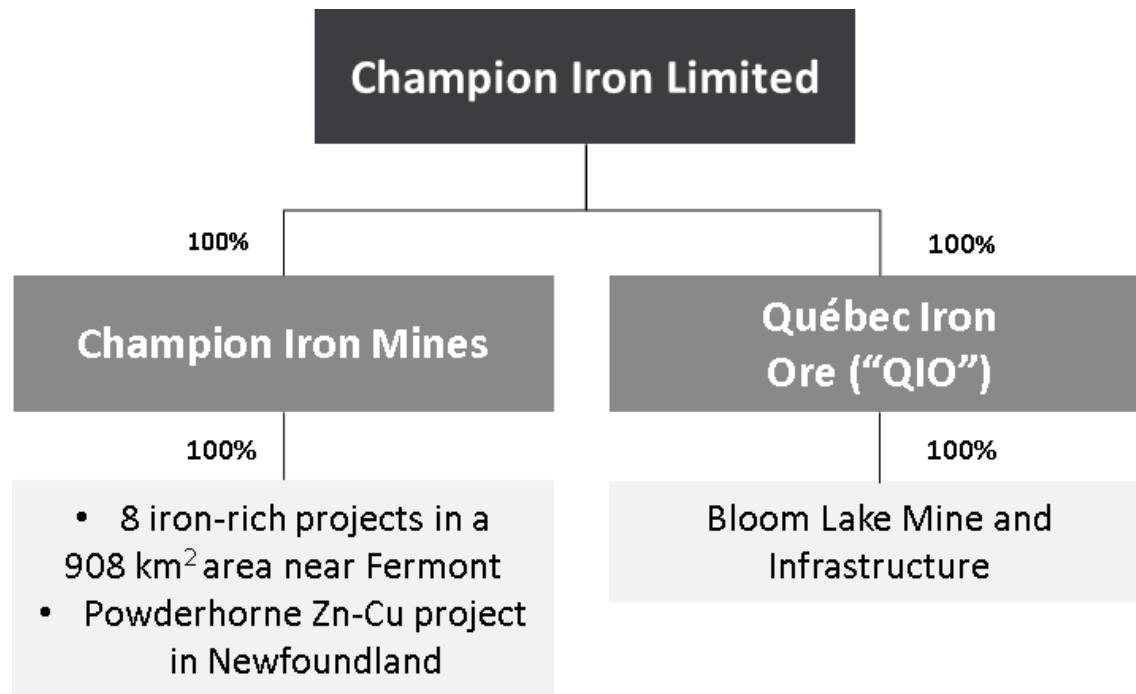
**APPENDIX**

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# CORPORATE STRUCTURE

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CHAMPION IRON 



# IRON ORE VALUE CHAIN

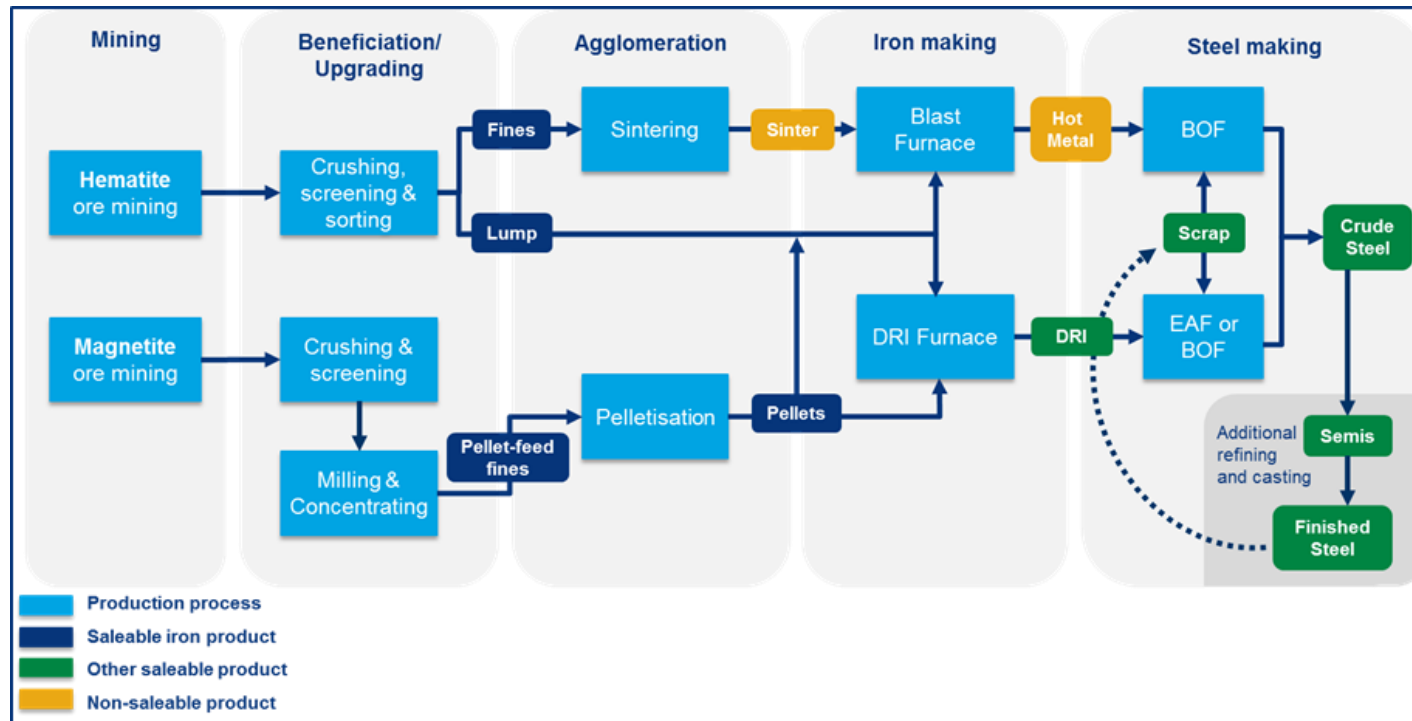
# CHAMPION IRON

- > Bloom Lake produces concentrate fines primarily used in sintering process, but also grinded further for pellet feed by some customers

SLINTER



PELLETS



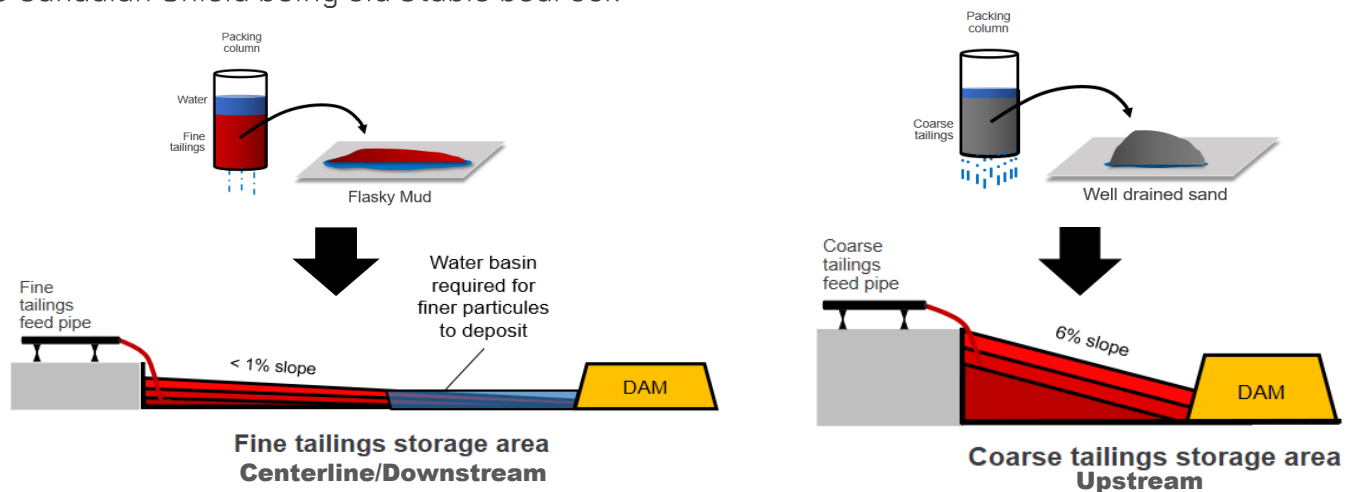
\*Source: WoodMackenzie»

# TAILINGS MANAGEMENT

CHAMPION IRON 

## CHAMPION'S TAILING MANAGEMENT SETS A NEW STANDARD IN THE INDUSTRY

- > Fine and coarse tailings separation representing 12% & 88%, respectively
- > 10:1 slope for upstream dam construction vs. industry standard of 6:1
- > Fines managed with center line dam systems
- > Real time monitoring consoles + Robust daily inspections and annual audits
- > Low seismic area reducing risk of events sitting on the Canadian Shield being old stable bedrock

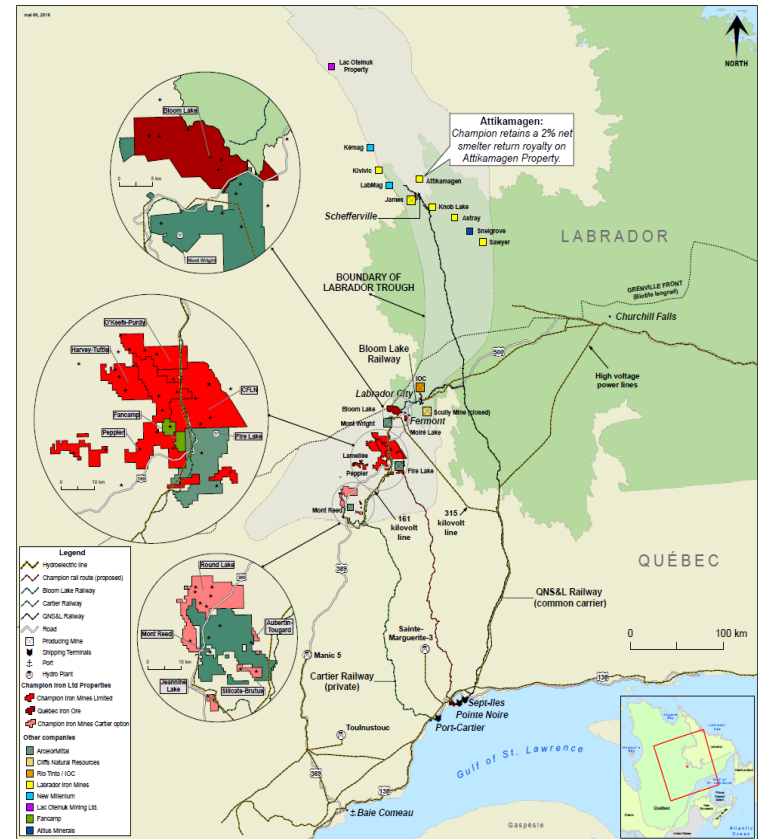




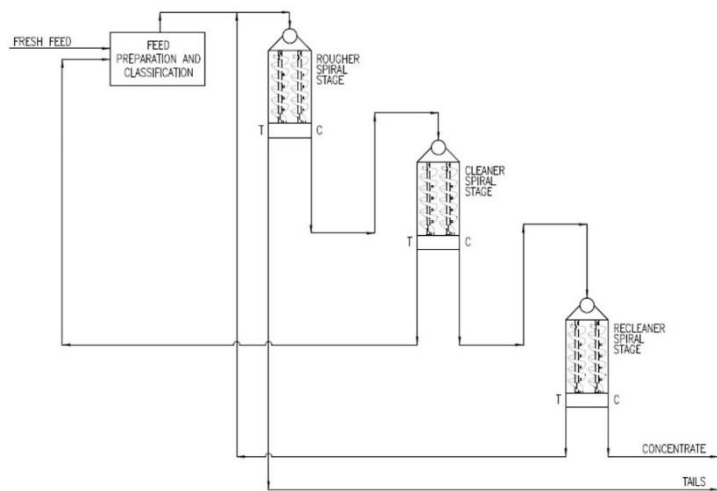
# INFRASTRUCTURE AND LOGISTICS

<b>Mining Fleet</b>	> Acquired entire mining fleet with capacity to mine 30Mtpa of ore/waste
<b>Conveyor System</b>	> New fully operational 3.45km conveyor system delivers crushed ore from the mine site to the processing facility
<b>Processing Plant</b>	> Two concentrators (one operative to be revamped for higher recovery plus one 70% complete for future expansion)
<b>Rail</b>	<ul style="list-style-type: none"> <li>&gt; Rail access to port consisting of three separate segments:                             <ul style="list-style-type: none"> <li>&gt; Rail spur on site (32km), that is operational and connects to the Quebec North Shore and Labrador (QNS&amp;L) railway at the Wabush Mines facilities</li> <li>&gt; QNS&amp;L railway from Wabush to Arnaud Junction in Sept-Iles</li> <li>&gt; Arnaud junction to Pointe-Noire (Sept-Iles), where the concentrate will be unloaded, stockpiled, and loaded onto vessels</li> </ul> </li> <li>&gt; Own 735 specialized iron ore railcars used to transport concentrate from Bloom Lake to Port of Sept-Iles.</li> </ul>
<b>Port</b>	<ul style="list-style-type: none"> <li>&gt; Agreement with Government of Quebec for port area (Arnaud rail, car dumper, stacker/reclaimer)</li> <li>&gt; Service agreement with Port of Sept-Iles for ship loading</li> </ul>
<b>Lodging</b>	<ul style="list-style-type: none"> <li>&gt; As part of the purchase of the Bloom Lake mine, QIO acquired the following accommodations, which are in the town of Fermont:                             <ul style="list-style-type: none"> <li>&gt; 26 fully furnished houses</li> <li>&gt; Two blocks (motels) of 99 rooms of lodging</li> </ul> </li> <li>&gt; Facilities can host up to about 700 people on a fly-in-fly-out basis</li> </ul>
<b>Power</b>	<ul style="list-style-type: none"> <li>&gt; QIO owns a 315 kV station including two 80 MVA transformers</li> <li>&gt; As part of previous expansion plans, the high voltage power lines were upgraded to be able to handle a further 30 MW</li> <li>&gt; Current plans for a moderate increase in production capacity and further tailings pumping will use only a small fraction of surplus electrical power availability (68 MW authorized by Hydro-Québec)</li> </ul>
<b>Other</b>	> A spare parts inventory representing a total of C\$43.6M, as estimated in October 2014 before mining operations shut down, is currently available for future operations

## REGIONAL LOCATION AND INFRASTRUCTURE MAP



# BLOOM LAKE UPDATED RECOVERY FLOWSHEET



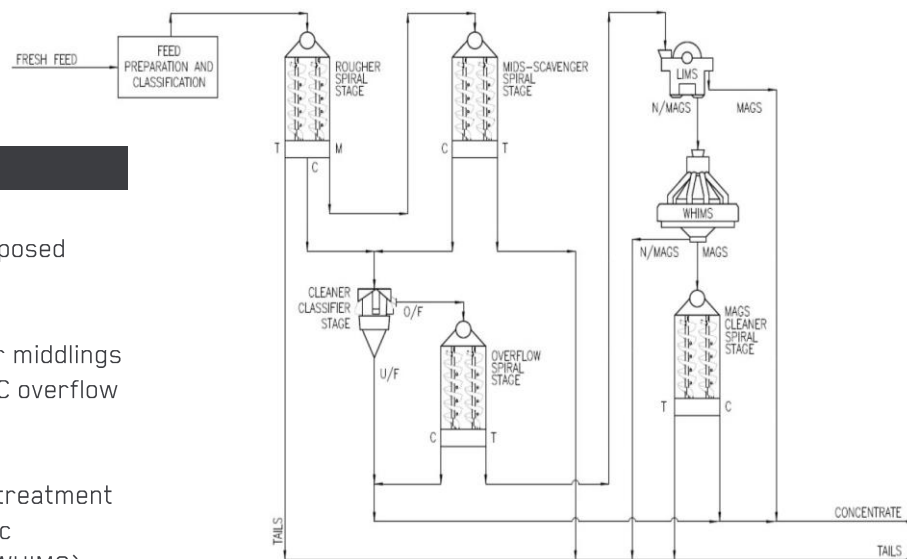
## INITIAL FLAW OF FLOWSHEET INSTALLED AT BLOOM LAKE

- > The rougher spirals originally used in the Bloom Lake concentrator only had five (5) turns compared to seven (7) turns spirals more commonly used in the Labrador Trough
- > No possibility for dilution at cleaner and recleaner stages feed
- > Higher than designed spiral feed rate

## UPGRADED RECOVERY CIRCUIT FLOWSHEET

In addition to installing new spiral system, Mineral Technologies proposed two processing routes for the Phase 1 upgrade flowsheet:

- > A gravity-only primary case comprising rougher spirals, rougher middlings scavenging spirals, an up-current classifier (UCC) and a final UCC overflow scavenging spiral stage;
- > A bonus case serving to boost recovery of iron ore through the treatment of the gravity circuit tailings by a series of low intensity magnetic separators (LIMS) and wet high intensity magnetic separators (WHIMS).



# UPDATED FEASIBILITY ECONOMICS CHAMPION IRON

## COMBINED PHASE 1 & 2 (JUNE 2019)

### SUMMARY OF ECONOMIC PARAMETERS AND FEASIBILITY RESULTS – PHASE 1 & 2 (COMBINED)

Mining Parameters	Reserve (Mt)	807.0
	Processed Tonnage (Mtpa)	41.6
	Average Stripping Ratio (waste:ore)	0.88
	Average Fe Feed Grade (% Fe)	29.0
	Average Fe Processing Recovery (%)	82.4%
	Average Mining Dilution (%)	1.2%
	Average Recovered Concentrate (Mtpa)	15
	Mine Life (years)	20 years
Cost Parameters	Initial CAPEX, pre-production (C\$M)	589.8
	Initial CAPEX, total including deposits (C\$M)	633.8
	LOM Sustaining CAPEX (C\$M)	1,220
	LOM FOB Sept-Îles Production Costs (C\$/t dry concentrate)	46.6
	LOM OPEX FOB Sept-Îles, all-in sustaining (C\$/t dry concentrate)	52.3
	LOM freight cost (US\$/t dry concentrate)	21.54
Revenue Parameters	Gross Revenue (C\$M)	32,281
	Net Cash Flow After Taxes (C\$M)	5,186
Iron Ore Price Parameters	LOM Avg Iron Price at 66.2%Fe CFR China (US\$/t)	84.1
	Average Exchange Rate	0.76 US\$/C\$
Valuation Parameters	NPV – 8% (after-tax) (C\$M)	2,384
	IRR (after-tax)	33.4%
	Payback (after-tax) (years)	2.4

# BLOOM LAKE - RESERVES & RESOURCES



## March 31, 2019 Bloom Lake Mineral Resources Estimate (at 15% Fe Cut-off)

Category	Tonnage (dmt)	Fe (%)	CaO (%)	MgO (%)	Al2O3 (%)
Measured	401.8	31.0	0.6	0.7	0.3
Indicated	471.6	28.5	2.5	2.3	0.4
<b>M+I Total</b>	<b>883.4</b>	<b>29.7</b>	<b>1.6</b>	<b>1.5</b>	<b>0.4</b>
Inferred	80.4	25.6	1.9	1.7	0.3

## March 31, 2019 Bloom Lake Mineral Reserves Estimate (at 15% Fe Cut-off)

Category	Tonnage (dmt)	Fe (%)	CaO (%)	MgO (%)	Al2O3 (%)
Proven	236.3	30.7	0.5	0.6	0.3
Probable	47.3	28.7	2.8	2.7	0.4
<b>Total</b>	<b>383.5</b>	<b>29.9</b>	<b>1.4</b>	<b>1.4</b>	<b>0.4</b>

## PHASE II – FEASIBILITY STUDY (JUNE/19)

### Mineral Resource Estimate for Bloom Lake

Classification	Tonnage kt	Fe %	CaO %	Sat %	MgO %	Al <sub>2</sub> O <sub>3</sub> %
Measured	379,100	30.2	1.4	4.4	1.4	0.3
Indicated	514,400	28.7	2.5	7.7	2.3	0.4
<b>Total M&amp;I</b>	<b>893,500</b>	<b>29.3</b>	<b>2.1</b>	<b>6.3</b>	<b>1.9</b>	<b>0.4</b>
Inferred	53,500	26.2	2.8	8.0	2.4	0.4

### Mineral Reserve Estimate

Classification	Diluted Ore Tonnage (dmt)	Fe %	CaO %	Sat %	MgO %	Al2O3 %
<b>Proven</b>	346.0	29.9	1.5	4.7	1.4	0.3
<b>Probable</b>	461.0	28.2	2.6	7.9	2.5	0.6
<b>Total P&amp;P</b>	<b>807.0</b>	<b>29.0</b>	<b>2.2</b>	<b>6.5</b>	<b>2.0</b>	<b>0.5</b>

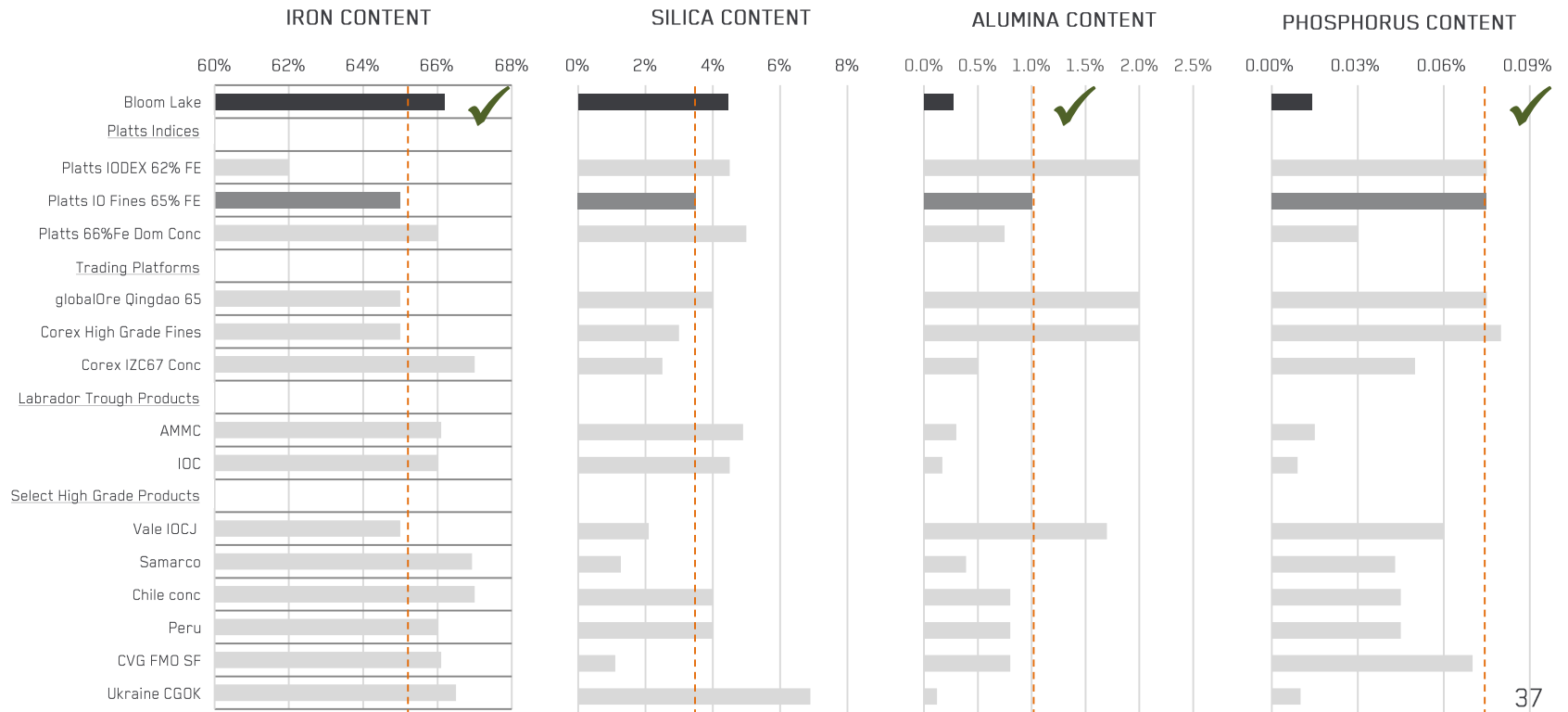
\* Refer to our MD&A dated June 20, 2019 for Notes regarding Mineral Resources and Reserves

# VALUABLE AND SOUGHT-AFTER PRODUCT

HIGH-GRADE, LOW-IMPURITY PRODUCT PERMITS STEEL MILLS TO OPTIMIZE BLENDS, BALANCING LOWER-QUALITY ORES, REDUCING COSTS, INCREASING EFFICIENCY AND REDUCING CO<sub>2</sub> EMISSIONS

Source: Metalytics Market Study

- > Bloom Lake's concentrate product expected to be very attractive in the global high-grade fines market
- > Silica level similar to other Labrador Trough concentrates, but above the Platts index base specification, although more than offset by lower alumina and phosphorus
- > Very low levels of alumina, phosphur, and sulphur compared to other concentrates and the Platts index
- > Quite beneficial when mixed with lower quality ores when mixed during sintering process
- > History of successfully selling into China for ~4 years



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# BLOOM LAKE MINE COMPLEX

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CHAMPION IRON 



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# PHASE 1 PLANT

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CHAMPION IRON 



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# PHASE 2 PLANT

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CHAMPION IRON 





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# MULTI-USER PORT

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CHAMPION IRON 



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# FIRST VESSEL

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# CHAMPION IRON



# THANK YOU!

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Contact us for more information.

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