CHAMPION IRON LIMITED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED MARCH 31, 2020

May 20, 2020

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CAUTIONARY STATEMENT

This Annual Information Form (sometimes referred to herein as this "**AIF**") includes certain "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than regarding historical facts, included in this AIF that address activities, events or developments that Champion Iron Limited and its subsidiaries, including Champion Iron Mines Limited ("**CIML**") and Quebec Iron Ore Inc. ("**QIO**") (collectively, "**Champion**" or the "**Corporation**") expect or anticipate will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Corporation's businesses, operations, plans and other such matters is forward-looking information.

When used in this AIF, the words "estimate", "plan", "anticipate", "expect", "intend", "believe", "will", "should", "could", "may" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such forward-looking information include information regarding financial results and expectations for fiscal year 2021, such as, but not limited to, the potential of the Corporation's properties, availability of financing, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, mineral and metal prices, demand for metals, currency exchange rates, cash operating margins, expenditures on property, plant and equipment, increases and decreases in exploration activity, changes in project parameters, joint venture operations, resources and anticipated grades and recovery rates, which are or may be based on assumptions or estimates related to future economic, market and other factors and conditions.

Forward-looking information is based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking information is inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated or unusual events. Many of such factors are beyond the Corporation's ability to predict or control. Risks and uncertainties that may affect forward-looking information herein include, but are not limited to, those which relate to:

(a) iron ore prices;
(b) fluctuating mineral prices;
(c) liquidity/financing risks;
(d) global financial condition and capital markets;
(e) operating costs;
(f) foreign exchange;
(g) reduced global demand for steel or interruptions in steel production;
(h) mineral exploration, development and operating risks;
(i) uncertainty of Mineral Resource and Mineral Reserve estimates;
(j) uncertainties and risks relating to feasibility studies;
(k) dependence on the Bloom Lake Mine;
(l) replacement of Mineral Reserves;
(m) government regulation;
(n) potential First Nations land claims;
(o) no assurance of titles;

(p) permits and licenses;
(q) environmental risks and hazards;
(r) reclamation costs and related liabilities;
(s) public health crises;
(t) infrastructure and reliance on third parties for transportation of the Corporation's iron ore concentrate;
(u) reliance on small number of significant customers;
(v) availability of reasonably priced raw materials and mining equipment;
(w) dependence on third parties;
(x) reliance on information technology systems;
(y) cybersecurity threats;
(z) litigation;
(aa) volatility of stock price;
(bb) internal controls and procedures;
(cc) insurance and uninsured risks;
(dd) potential conflicts of interest;
(ee) dependence on management and key personnel;
(ff) competitive conditions;
(gg) dilution and future sales; and
(hh) joint ventures and option agreements.

For more information on risk factors, refer to the heading *"Risk Factors"* below.

Readers of this AIF are cautioned not to put undue reliance on forward-looking information due to its inherent uncertainty. The Corporation disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except in accordance with applicable securities legislation. This forward-looking information should not be relied upon as representing management's views as of any date subsequent to the date of this AIF.

CURRENCY

All references to "$" or "dollars" herein are to Canadian dollars, unless otherwise specified.

GENERAL

The date of this Annual Information Form is May 20, 2020 (Sydney time), which corresponds to May 19, 2020 (Montreal time). The information contained in this Annual Information Form, unless otherwise indicated, is given as of March 31, 2020. Additional information may be found under the Corporation's profile on SEDAR at www.sedar.com. In addition, the Corporation generally maintains on its website at www.championiron.com supporting materials which may assist in reviewing (but are not to be considered part of) this Annual Information Form.

TECHNICAL DISCLOSURE

In this document, any statement regarding the potential quantity and grade (expressed as ranges) of a potential mineral deposit is conceptual in nature. Historical estimates of Mineral Resources, if any, referred to in this AIF are not compliant with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") standards and should, therefore, not be relied upon. No "qualified person" (as such term is defined in NI 43-101) has done sufficient work to classify such historical estimates as current "mineral resources", as such term is defined in NI 43-101 ("**Mineral Resources**"). The Corporation is not treating any such historical estimates as current Mineral

Resources. In this AIF, Mineral Resource estimates have been calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (the "**CIM**") Definition Standards on Mineral Resources and Reserves adopted by the CIM, as amended.

The Mineral Reserves and Mineral Resource information in this AIF has been taken from the Phase 2 Feasibility Study (as defined below). There has been no material change to the estimates and information provided in the Phase 2 Feasibility Study. The Corporation confirms that all the material assumptions underpinning the Proven and Probable Reserves in the Phase 2 Feasibility Study continue to apply and have not materially changed.

The scientific and technical information contained in this AIF has been reviewed and approved, or has been prepared, as applicable, by Mr. Nabil Tarbouche, P.Geo., Senior Geologist at the Corporation, who is a "qualified person" for the purposes of NI 43-101.

SELECTED TECHNICAL TERMS

"dmt"	means dry metric tonne.
"Feasibility Study"	A Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.
"IRR"	means internal rate of return.
"Indicated Mineral Resource"	An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.
"Inferred Mineral Resource"	An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
"LOM"	means life of mine.
"m"	means metre.
"MRE"	means a Mineral Resource estimate.
"Mtpa"	means million tonnes per annum.
"Measured Mineral	A Measured Mineral Resource is that part of a Mineral Resource for which quantity,

Resource"	grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
"Mineral Reserve"	Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve. A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.
"Mineral Resource"	means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
"Modifying Factors"	means considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
"NPV"	means net present value.
"Pre-Feasibility Study"	means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.
"Probable Mineral Reserve"	means the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Pre-Feasibility Study. Such Pre-Feasibility Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
"Proven Mineral Reserve"	means the economically mineable part of a Measured Mineral Resource demonstrated by at least a Pre-Feasibility Study. Such Pre-Feasibility Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors

	that demonstrate, at the time of reporting, that economic extraction is justified.
"QP" or "Qualified Person"	means a "Qualified Person" as defined by NI 43-101.
"t" or "tonne"	means a measure of weight equal to 1,000 kilograms or 2,204 pounds.
"waste"	means barren rock in a mine, or mineralized material that is too low in grade to be mined and milled at a profit.
"wmt"	means wet metric tonne.

METRIC EQUIVALENTS

For ease of reference, the following factors for converting imperial measurements into metric equivalents are provided:

To convert imperial measurement units	To metric measurement units	Divide by
Inches	Centimetres	0.3939
Troy ounces	Grams	0.03215
Acres	Hectares	2.4711
Pounds	Kilograms	2.2046
Miles	Kilometres	0.6214
Feet	Metres	3.2808
Inches	Millimetres	0.03937
Short Tons	Tonnes	1.1023

CORPORATION PROFILE AND CORPORATE STRUCTURE

The registered name of the Corporation is Champion Iron Limited. Champion is a high-grade iron ore producer and an exploration and development corporation focused on developing significant iron ore resources in eastern Canada, particularly in the Province of Quebec. The Corporation is one of the largest stakeholders of mineral concessions in the Fermont Iron Ore District of Quebec with its Bloom Lake iron ore property (the "**Bloom Lake Assets**", "**Bloom Lake Property**", "**Bloom Lake**" or "**Bloom Lake Mine**") and the Fermont Property Holdings (the "**Fermont Property Holdings**"), which include the Consolidated Fire Lake North project ("**Consolidated Fire Lake North**" or "**CFLN**") and the Quinto claims encompassing the Peppler Property, the Lamêlée Property and the Hobdad Property (the "**Quinto Claims**"). The Corporation's flagship asset, the Bloom Lake Mine, is a long-life, large scale open pit operation located in northern Quebec approximately 300 km north of Sept-Îles and 13 km by road from the town of Fermont. The Corporation declared commercial production at the Bloom Lake Mine as of June 30, 2018.

Head Office and Other Offices

The Corporation's head office, registered office and mailing address is at Level 1, 91 Evans Street, Rozelle, New South Wales 2039, Australia. The Corporation also has two offices in Canada, with one located at 1100 Rene Levesque West Blvd., Suite 610, Montreal, Quebec H3B 4N4 and the other at 20 Adelaide Street East, Suite 200, Toronto, Ontario M5C 2T6.

Legal Matters

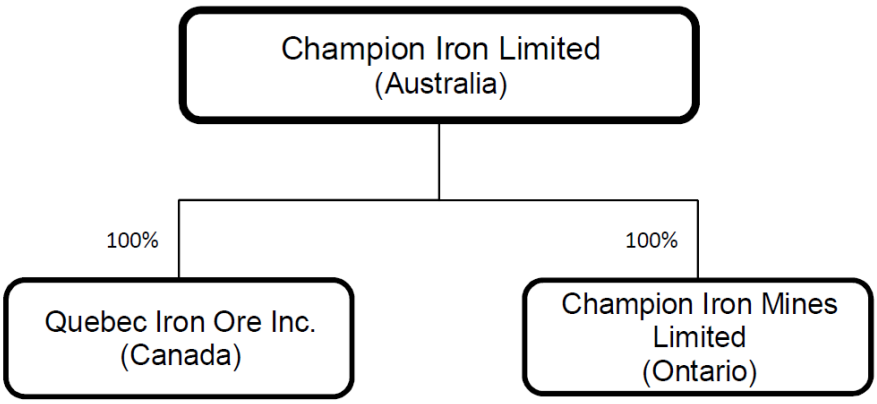
Champion was incorporated in Australia originally under the name of "Mamba Minerals Limited" and is registered in the state of Western Australia under the Australian *Corporations Act 2001* (Cth) (the "**Corporations Act**") on May 18, 2006 (Australian Company Number (ACN) 119 770 142). On March 20, 2014, the Constitution of the Corporation (the "**Constitution**") was amended to comply with the requirements of the Toronto Stock Exchange (the "**TSX**") relating to the retirement and re-election of directors at the Corporation's annual general meetings. On March 31, 2014, the Corporation completed a business combination transaction with CIML by way of a plan of arrangement under the *Business Corporations Act* (Ontario), pursuant to which the Corporation and its wholly-owned subsidiary, Champion Exchange Limited, acquired all issued and outstanding common shares of CIML in exchange for Ordinary Shares and exchangeable shares of Champion Exchange Limited (the "**Plan of Arrangement**"). Following the closing of the Plan of Arrangement, the Corporation changed its name to Champion Iron Limited.

The Corporation is a reporting issuer in all Canadian provinces.

The ordinary shares of the Corporation (the "**Ordinary Shares**") are listed for trading on the Australian Stock Exchange ("**ASX**") and the TSX under the symbol "CIA". As a company listed on the ASX, the Corporation is also required to comply with the ASX Listing Rules (the "**ASX Listing Rules**") which govern the admission of entities to the ASX. The ASX Listing Rules are enforceable against entities and their associates under the Corporations Act.

Corporate Structure

The following chart indicates the Corporation's material subsidiaries, their jurisdictions of incorporation and the percentage of voting securities beneficially owned by the Corporation.



Champion Iron Mines Limited is incorporated under the *Business Corporations Act* (Ontario). Quebec Iron Ore Inc. is incorporated under the *Canada Business Corporations Act*.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Financial Year Ended March 31, 2018

Impact and Benefits Agreement

On April 12, 2017, the Corporation, through QIO, entered into an impact and benefits agreement (an "**IBA**") with Uashaunnuat, Innu of Uashat and of Mani-Utenam, the Innu Band of Takuaikan Uashat Mak Mani-Utenam No. 80

and the Innu Band Council of Takuaikan Uashat Mak Mani-Utenam with respect to future operations at Bloom Lake (the "**Bloom Lake IBA**").

The Bloom Lake IBA is a LOM agreement and provides for real participation of the Uashaunnuat in Bloom Lake in the form of training, jobs and contract opportunities and ensures that the Innu of Takuaikan Uashat Mak Mani-Utenam will receive fair and equitable financial and socio-economic benefits. The Bloom Lake IBA also contains provisions recognizing and supporting the culture, traditions and values of the Innu of Takuaikan Uashat Mak Mani-Utenam, including recognition of their bond with the natural environment.

Sojitz Off-Take Agreement

On May 1, 2017, QIO signed a framework off-take agreement (the "**Sojitz Off-Take Agreement**") with Sojitz, a major trading company based in Tokyo, Japan, pursuant to which Sojitz would purchase from QIO up to 3,000,000 dmt of iron ore concentrate per annum after the re-commencement of commercial operations at Bloom Lake. The Sojitz Off-Take Agreement is for a five-year term from the date that commercial operations recommence at Bloom Lake.

Bridge Loan

On May 17, 2017, to finance required upgrades to the tailings management system, other process plant upgrades and long-lead items in connection with the recommencement of operations at Bloom Lake, the Corporation arranged, on behalf of QIO, a $40,000,000 financing, comprised of a bridge loan of $26,000,000 and equity financing of $14,000,000. The debt component of $26,000,000 was committed with Sojitz providing $20,000,000 and Ressources Québec ("**RQ**"), a subsidiary of a Quebec governmental agency Investissement Québec, providing $6,000,000 (the "**Bridge Loan**"). The equity component comprised the contributions of $8,848,000 and $5,152,000 from the shareholders of QIO, then being the Corporation and RQ, respectively.

The Bridge Loan bore interest at the rate of 12% per annum on the outstanding principal amount of the Bridge Loan with a standby fee of 2% per annum on the undrawn portion of the Bridge Loan, was secured by a hypothec over all of QIO's property, plant and equipment (excluding mining claims) and matured on July 15, 2018. Advances under the Bridge Loan were available in up to four instalments until November 30, 2017.

Principal advances of $16,000,000 were drawn down and on October 16, 2017, the Bridge Loan was repaid.

Altius Convertible Debenture

On June 1, 2017, the Corporation completed the sale to Altius Minerals Corporation of a $10,000,000 unsecured convertible debenture bearing interest at the rate of 8% payable quarterly and maturing on June 1, 2018 (the "**Altius Debenture**"). The Altius Debenture was convertible at the option of the holder at any time into Ordinary Shares at a conversion price of $1.00 per Ordinary Share. The maximum number of Ordinary Shares that may be issued upon conversion of the Altius Debenture was 50,000,000 Ordinary Shares, with the balance of the unconverted principal amount of the Altius Debenture to be repaid in cash or converted into a proportion of the Royalty (as defined below) at the option of the Corporation. If the principal amount was not repaid in full on or before June 1, 2019, the holder had the right to convert the entire outstanding principal amount into a 0.21% gross overriding royalty on Bloom Lake (the "**Royalty**"). The Corporation's option to extend the Debenture had been exercised and the new maturity date was December 31, 2018.

The principal amount of the Altius Debenture could be prepaid in whole or in part by the Corporation, subject to a minimum payment representing nine months of interest. The Altius Debenture was converted into 10 million Ordinary Shares on December 31, 2018 at a conversion price of $1.00 per share.

Rail Transportation Contract

On June 8, 2017, QIO entered into a rail transportation agreement with Quebec North Shore and Labrador Railway Company, Inc. ("**QNS&L**") for the transportation of iron ore concentrate from Bloom Lake by rail from the Wabush Lake Junction in Labrador City, Newfoundland & Labrador, to the Sept-Îles Junction in Sept-Îles, Quebec.

In connection with this agreement, QIO made an advance payment of $15,000,000 which is recovered monthly as a credit on rail transportation costs.

On February 22, 2018, the first train to Sept-Îles left the mine and the advance reimbursement mechanism started to apply.

Agreement with the Port of Sept-Îles

On July 13, 2012, CIML signed an agreement (the "**Port Agreement**") with the Sept-Îles Port Authority (the "**Port**") to reserve annual loading capacity of 10 million metric tons of iron ore for an initial term of 20 years with options to renew for four additional five-year terms. Pursuant to the Port Agreement, CIML was to pay $25,581,000 and take-or-pay payments as an advance on its future shipping, wharfage and equipment fees. CIML provided the Port with irrevocable guarantees in the form of a deed of hypothec regarding its mining rights, title and interest over Moiré Lake and Don Lake to secure its obligations under the Agreement.

On July 16, 2017, CIML and the Port entered into a settlement agreement, providing for the settlement, without admission, of the dispute between the parties. The settlement agreement provided for payments by CIML or QIO to settle in full the remaining advance payment of $19,581,000 and interest by December 1, 2017. Upon signing of the settlement agreement, CIML made an advance payment of $2,400,000.

On October 16, 2017, the conditions of the settlement agreement were met, the Port Agreement was assigned by CIML to QIO, and QIO paid the remaining advance payments of $17,181,000 and interest of $2,807,116 by December 1, 2017.

On March 25, 2018, the Port started the loading of the first ship and the advance payment is being reimbursed monthly as a credit in accordance with the Port Agreement.

Public Offering of Subscription Receipts

On September 29, 2017, the Corporation completed a public offering of 21,033,508 subscription receipts at a price of $0.90 per subscription receipt for gross proceeds of $18,930,157 which were placed in escrow pending the satisfaction of the certain escrow release conditions. On October 16, 2017, the escrow release conditions were satisfied and the proceeds of the offering were released to the Corporation and holders of the subscription receipts received one Ordinary Share of Corporation for each subscription receipt held.

Rail Transportation and Port Facilities Access Agreement

On March 23, 2017, QIO entered into a memorandum of understanding with Société du Plan Nord and Tata Steel Minerals Canada Inc. to become a limited partner in Société Ferroviaire et Portuaire de Pointe-Noire ("**SFPPN**"). SFPPN was formed to manage and develop the industrial facilities (rail lines, access to port facilities, rail yards, a pellet plant, administrative offices and other facilities) at Pointe-Noire in Sept-Îles, Quebec.

On October 12, 2017, QIO entered into a railway and port facilities access agreement with SFPPN for the transportation, unloading, stockpiling and loading of iron ore concentrate in Pointe-Noire, Sept-Îles, Quebec. In connection with the agreement, QIO made an advance payment of $5,000,000, which will be recovered as a credit to future costs owing under the agreement. QIO has secured an annual 8 million tonnes capacity with associated storage capacity at Pointe-Noire adjacent to the port of Sept-Îles.

QIO and Tata Steel Minerals Canada Inc., another limited partner in SFPPN, will make their expertise available to help manage operations at Pointe-Noire. Through SFPPN, the Quebec Government will continue its active involvement to maintain and assure a multi-user approach and increase benefits for current and future projects in the area covered by the Plan Nord. All three parties agree that they will endeavor to ensure that the Pointe-Noire infrastructures are developed to match anticipated needs while continuing to provide services at the lowest possible cost for all potential users. Under the phased capacity enhancement plan, the first action was to build a conveyer to connect to the multi-user quay in the port of Sept-Îles. The conveyor was constructed and delivered on March 21, 2018.

Glencore Convertible Debenture and Off-Take Agreement

On October 13, 2017, the Corporation completed a non-brokered private placement of a $31,200,000 unsecured subordinated convertible debenture (the "**Glencore Debenture**") to Glencore International AG. The Glencore Debenture bore interest at the rate of 12% for the first year, and thereafter, an interest rate linked to the price of iron ore, was convertible into Ordinary Shares at a conversion price of $1.125 per Ordinary Share and provided for a mandatory conversion into Ordinary Shares at a conversion price of $0.85 per Ordinary Share upon (a) the occurrence of a mandatory conversion event set out therein or (b) the exercise by Sprott Private Resource Lending (Collector), LP ("**Sprott**") or CDP Investissements Inc. ("**CDP**"), the lenders under the US$180,000,000 loan facilities extended to QIO, of their respective option to require a mandatory conversion.

In connection with the closing of the Glencore Debenture, QIO entered into an off-take agreement with Glencore AG (collectively with Glencore International AG, "**Glencore**") to grant Glencore global off-take rights for the LOM of Bloom Lake with fixed commercial terms for a 10-year period for all future iron ore production at Bloom Lake not sold in Japan under the Sojitz Off-Take Agreement. In the event of mandatory conversion of the Glencore Debenture, the off-take terms would apply for the LOM of Phase 1 of Bloom Lake and Glencore would have the option to convert the marketing fees under the off-take terms into a FOB-based royalty under certain circumstances. In addition, Glencore has been granted a right of first refusal in connection with the financing and off-take rights for iron ore production of Phase 2 of Bloom Lake not allocated to certain strategic investors.

The Glencore Debenture was prepaid by the Corporation in whole on August 16, 2019 (see "*Fiscal Year Ended March 31, 2020*" below).

US$180,000,000 Debt Financing

On October 10, 2017, QIO entered into definitive agreements for debt financing of US$180,000,000 from Sprott and CDP, a wholly-owned subsidiary of *Caisse de dépôt et placement du Québec* (the "**Caisse**"), to finance the restart of Bloom Lake (the "**2017 Debt Facilities**").

Sprott provided US$80,000,000 by way of a 5-year senior secured loan bearing interest at 7.5% per annum plus the greater of US dollar 3-month LIBOR and 1% per annum. CDP provided US$100,000,000 by way of a 7-year subordinated loan bearing interest at 12% for the first year, and thereafter, at an interest rate linked to the price of iron ore.

In connection with the 2017 Debt Facilities, the Corporation issued: (a) 3,000,000 Ordinary Share purchase warrants to Sprott, entitling the holder to purchase Ordinary Shares at a price of $1.125 per Ordinary Shares until October 16, 2022, and (b) 21,000,000 Ordinary Share purchase warrants to CDP, entitling the holder to purchase Ordinary Shares at a price of $1.125 after October 16, 2018 until October 16, 2024.

The 2017 Debt Facilities were repaid by QIO on August 16, 2019 (see "*Fiscal Year Ended March 31, 2020*" below).

Bloom Lake Re-start

The Corporation completed its transition from an exploration company to a producing company. On February 16, 2018, the Corporation commenced production at Bloom Lake and made its first shipment of high grade 66% iron ore concentrate on April 1, 2018.

Financial Year Ended March 31, 2019

Commercial Production at Bloom Lake

QIO shipped its one millionth tonne of high-grade 66% iron concentrate from the Bloom Lake Mine by May 24, 2018, and the mine achieved commercial production on June 30, 2018. The Bloom Lake Mine produced 6,994,500 wmt of high grade 66.2% iron ore concentrate during the fiscal year ended March 31, 2019.

Changes to Management Team

On August 14, 2018, the Corporation announced the appointment of Natacha Garoute, LLB, CPA, CA as Chief Financial Officer of the Corporation, and on January 10, 2019, the Corporation announced the appointment of Michael Marcotte as Vice President, Investor Relations of the Corporation.

Financial Year ended March 31, 2020

Bloom Lake Operations

The Bloom Lake Mine produced 7,903,700 wmt of high grade 66.4% iron ore concentrate during the fiscal year ended March 31, 2020.

On March 24, 2020, the Corporation announced that it was ramping down operations at the Bloom Lake Mine, following a directive from the Quebec Government, which required that mining activities be reduced to a minimum in the Province of Quebec, as of March 24, 2020, until at least April 13, 2020 in an effort to contain COVID-19. The Corporation announced the gradual resumption of operations on April 23, 2020 (see "*Corporation's Response to COVID-19 Pandemic*" and "*Current Financial Year*" below).

Acquisition of Equity Interest in QIO

On May 29, 2019, the Corporation announced a transaction whereby it agreed to acquire RQ's 36.8% equity interest in QIO for a total cash consideration of $211 million (the "**RQ Transaction**"). As a result of the RQ Transaction, which was completed on August 16, 2019, the Corporation's interest in QIO increased to 100% and there no longer exists a non-controlling interest in QIO.

Capital Restructuring

On May 29, 2019, the Corporation also announced an agreement with the Caisse for a preferred share offering of $185 million (the "**CDP Investment**") and a commitment for a fully underwritten US$200 million credit facility (the "**New Credit Facility**") with The Bank of Nova Scotia and Société Générale (collectively, the "**Refinancing**"). The Refinancing closed on August 16, 2019, and the proceeds from the CDP Investment and the New Credit Facility were allocated to fund current and future strategic initiatives and used, among other things, to finance the RQ Transaction and to repay the 2017 Debt Facilities and the Glencore Debenture.

As consideration for the CDP Investment, QIO issued 185,000,000 preferred shares to CDP. The dividend rate associated with the preferred shares is based on the average realized selling price of the Bloom Lake iron ore concentrate sold by QIO and fluctuates from 9.25% per annum when such price is greater than US$85/dmt to 13.25% per annum if such price is below US$65/dmt. The preferred shares issued to CDP can be redeemed by QIO after the second anniversary of the CDP Investment upon payment to CDP of the proceeds of the CDP Investment and compounded and unpaid dividend. The Corporation, QIO and CDP also entered into a governance agreement in connection with the CDP Investment granting CDP certain governance and information rights with respect to QIO.

The New Credit Facility is available by way of a US$180 million senior secured fully amortizing non-revolving credit facility (the "**Term Facility**") in addition to a US$20 million senior secured revolving credit facility (the "**Revolving Facility**"). The New Credit Facility bears interest between LIBOR plus 2.85% to LIBOR plus 3.75% based on net leverage. The Term Facility will mature five years from August 16, 2019 while the Revolving Facility

will mature three years from August 16, 2019. The Term Facility shall be repaid in equal quarterly installments of principal and accrued interest starting on the second full year following August 16, 2019 and is not subject to prepayment penalties.

Warrants

In connection with the CDP Investment, the Corporation issued to CDP 15,000,000 Ordinary Share purchase warrants, entitling the holder to purchase Ordinary Shares at a price of $2.45 per Ordinary Shares until August 16, 2026.

In connection with the prepayment of the Glencore Debenture, the Corporation issued to Glencore 27,733,333 Ordinary Share purchase warrants, entitling the holder to purchase Ordinary Shares at a price of $1.125 per Ordinary Shares until October 13, 2025.

Changes to Management Team and Board of Directors

On April 1, 2019, the Corporation announced that David Cataford had been appointed as Chief Executive Officer of the Corporation, following the transition of Michael O'Keeffe from the Chief Executive Officer position and the implementation of the Corporation's succession plan in this regard. Michael O'Keeffe retains his current position as Executive Chairman of the Corporation. Mr. Cataford joined the Corporation in 2014 as Vice President, Engineering and was appointed Chief Operating Officer in 2017.

On May 21, 2019, the Corporation announced that its Chief Executive Officer, David Cataford, was appointed as a member of the Corporation's board of directors (the "**Board**").

On June 14, 2019, the Corporation announced the appointment of Steve Boucratie as Vice President, General Counsel and Corporate Secretary of the Corporation.

Bloom Lake Phase 2 Feasibility Study

In 2018, the Corporation and QIO undertook a feasibility study with respect to an expansion of the operations at the Bloom Lake Mine, which would mainly involve the completion of construction work on a processing plant and other supporting infrastructure which was interrupted in November 2012 by the Bloom Lake Mine's previous owner, aiming at more than doubling the then current operational capacity of 7.4 million tonnes per annum of high-grade 66.2% iron ore concentrate at Bloom Lake to 15 million tonnes per annum (the "**Phase 2 Feasibility Study**"). The Corporation reported the findings of the Phase 2 Feasibility Study on June 20, 2019 and filed the related NI 43-101 technical report entitled "Bloom Lake Mine – Feasibility Study Phase 2" and having an effective date of June 20, 2019 under its profile on SEDAR (www.sedar.com) on August 2, 2019. See "*Material Property – Bloom Lake*" below.

Proposed Re-Domiciliation

On January 6, 2020, the Corporation announced a proposal to re-domicile from Australia to Canada by way of a scheme of arrangement under part 5.1 of the Corporations Act (the "**Scheme**") in an effort to align the domicile or location of the listed parent company with the Corporation's assets, operations and predominant shareholder base (the "**Re-Domiciliation**"). The Re-Domiciliation would not have impacted the Corporation's active listing on the TSX and the ASX.

On February 4, 2020, the Australian Securities and Investments Commission registered a scheme booklet in relation to the Re-Domiciliation, which included an independent expert's report and a notice of meeting of the shareholders of the Corporation to consider and vote on the Re-domiciliation (the "**Scheme Meeting**"), a copy of which is available under the Corporation's profile on SEDAR (www.sedar.com). The scheme booklet and related proxy forms were mailed to the Corporation's shareholders in advance of the Scheme Meeting. The Scheme Meeting was held on March 12, 2020 in Sydney, Australia, and the Re-Domiciliation was approved by the requisite statutory majority of the Corporation's shareholders.

Notwithstanding the foregoing, due to market volatility and global uncertainty associated with the global COVID-19 pandemic, on March 19, 2020, the Corporation announced that the Board determined that the Corporation would not proceed with the Re-Domiciliation. As a result of the market volatility and related global uncertainty, the Corporation may have not been able to realize some of the anticipated benefits of the Re- Domiciliation and accordingly, the Board did not consider that the Re-Domiciliation was in the best interests of the shareholders of the Corporation at that time. The Corporation terminated the Scheme and withdrew the application to seek orders from the Federal Court of Australia to approve the Scheme. The Board may consider implementing a re-domiciliation from Australia to Canada at a later point in time depending on market conditions. The decision to terminate the Scheme will not have any impact on the Corporation's assets, operation or staff, which remain predominantly based in the Province of Quebec, Canada. The Corporation's strategy was not affected by this decision and the Ordinary Shares remain listed in Canada on the TSX and in Australia on the ASX.

Cancellation of Special Voting Share

On March 12, 2020, the Corporation also held an extraordinary general meeting of shareholders in Sydney, Australia, in relation to the buyback of the Corporation's special voting share. The special voting share had been issued by the Corporation to TSX Trust Company (formerly, Equity Financial Trust) ("**TSX Trust**") for the benefit of certain former shareholders of CIML who elected to receive exchangeable shares of Champion Exchange Limited under the Plan of Arrangement. As there were no longer any such exchangeable shares issued and outstanding, the Board resolved to buy back and cancel the special voting share for A$1.00, subject to the approval by the Corporation's shareholders.

The resolution to approve the buyback was passed by the requisite statutory majority of the Corporation's shareholders, and the special voting share was transferred by TSX Trust to the Corporation and cancelled in accordance with the Corporations Act.

Corporation's Response to COVID-19 Pandemic

On March 24, 2020, the Corporation announced that it was ramping down operations at the Bloom Lake Mine, following a directive from the Quebec Government, which required that mining activities be reduced to a minimum in the Province of Quebec, as of March 24, 2020, until at least April 13, 2020 in an effort to contain COVID-19.

With available cash on hand and short-term investments, the Corporation had substantial liquidity to withstand the period of reduced operation. Essential workers remained on site to reduce mining activities to a minimum until government approvals were granted to resume normal operations. The Corporation announced the gradual resumption of operations on April 23, 2020 (see "*Current Financial Period*" below).

The Corporation had previously communicated its intentions to address its Phase 2 expansion plans at Bloom Lake by the middle of 2020, but with the ramp down of operations at Bloom Lake, the Corporation's discretionary capital expenditures in connection with the Phase 2 expansion project have been suspended and the timeline to communicate further details on the Phase 2 plans were postponed to a later time.

Current Financial Period

On April 23, 2020, the Corporation announced the gradual resumption of the operations at Bloom Lake following an announcement from the Quebec Government allowing to resume normal mining operations in the Province of Quebec, conditional on the implementation of guidelines aiming to contain the risks related to COVID-19.

DESCRIPTION OF THE BUSINESS

General

The Corporation is a high-grade iron ore producer, mineral exploration and development company focused on the acquisition, exploration, development and production of iron ore deposits, in North-Eastern Quebec. In addition to

operating its Bloom Lake Mine, the Corporation holds a number of significant mining exploration properties, primarily in North-Eastern Quebec and Newfoundland and Labrador.

Mineral Properties

The Corporation has interests in multiple mineral properties located in two distinct areas of North-Eastern Quebec and Newfoundland and Labrador referred to herein as follows:

(i) the Bloom Lake Property located in the Fermont area, Quebec;

(ii) the Fermont Property Holdings located in the Fermont area, Quebec and Labrador; and

(iii) the Powderhorn Property and the Gullbridge Property, each located in Newfoundland.

At this time, the Corporation is focusing its resources on its Fermont area properties, primarily the Bloom Lake Property (see *Map 1: Fermont Property Holdings* below), which is the only project the Corporation considers material for the purposes of this AIF.

The Bloom Lake Mine is located approximately 13 km north of Fermont, Quebec, in the Labrador Trough and consists of Mining Lease BM877 covering an area of 6,857.63 ha and 53 mining claims encompassing an area of approximately 2,458.29 ha. The Bloom Lake Mine is an open pit truck and shovel mine, with a concentrator that utilizes single-stage crushing and an autogenous mill and gravity separation to produce iron concentrate. From the site, concentrate is transported by rail, initially on the Bloom Lake Railway, to a ship loading port in Sept-Îles, Quebec.

The Corporation has transitioned from an exploration company to a producing company. QIO, the operator of the Bloom Lake Mine, commenced production at Bloom Lake on February 16, 2018, made its first shipment of high grade 66% iron ore concentrate on April 1, 2018 and declared commercial production on June 30, 2018.

The Corporation and QIO completed a feasibility study in connection with the Bloom Lake Mine on March 17, 2017 (the "**2017 Feasibility Study**") and subsequently undertook the Phase 2 Feasibility Study with respect to a potential expansion of the operations at the mine, which would mainly involve the completion of construction work on a processing plant and other supporting infrastructure which was interrupted in November 2012 by the Bloom Lake Mine's previous owner. The expansion aims at more than doubling the current operational capacity of 7.4 million tonnes per annum of high-grade 66.2% iron ore concentrate at Bloom Lake to 15 million tonnes per annum. The Corporation and QIO reported the findings of the Phase 2 Feasibility Study on June 20, 2019, and the Corporation filed the related NI 43-101 Technical Report under its profile on SEDAR (www.sedar.com) on August 2, 2019. See "*Material Property*" below.

The Fermont Property Holdings consist of seven properties wholly-owned by the Corporation, together with a 45% joint venture interest in two properties, all of which cover approximately 805.9 square kilometres, located in the Fermont Iron Ore District of northeastern Quebec, ranging from 6 to 80 km southwest of Fermont. On February 22, 2013, CIML announced the results of its Pre-Feasibility Study for the Fire Lake North West and East deposits of the CFLN project that was performed by BBA Inc. of Montreal, Quebec. A copy of the Pre-Feasibility Study is available under CIML's profile on SEDAR at www.sedar.com. With the completion of the Pre-Feasibility Study and the exploration phase of CFLN, the Corporation significantly curtailed exploration and development expenditures at CFLN.

Three other properties (Harvey-Tuttle, Moiré Lake and Penguin Lake) and two deposits of the CFLN project (Bellechasse and Oil Can) within the Fermont Property Holdings also contain NI 43-101 Mineral Resources. Copies of the NI 43-101 Mineral Resource estimate reports for Consolidated Fire Lake North, Moiré Lake and Harvey-Tuttle are available under CIML's profile on SEDAR at www.sedar.com and a copy of the NI 43-101 Mineral Resource estimate report for Penguin Lake is available under Cartier Iron Corporation's profile on SEDAR at www.sedar.com.

The Quinto Claims (435 claims), which encompass the Peppler Property (106 claims), the Lamêlée Property (236 claims) and the Hobdad Property (93 claims), which were acquired by the Corporation together with the Bloom Lake Assets, are located approximately 50 km southwest of the Bloom Lake Mine.

The Fermont Property Holdings are located in proximity to operating iron mines and a number of former operating iron mines and iron mining projects that are currently being developed. The Fermont Property Holdings are outlined on *Map 1: Fermont Property Holdings* and listed in *Table 1: Mineral Property Holdings* below.

Table 1: Mineral Property Holdings

The Corporation's wholly owned subsidiary, CIML, owns a 100% interest or, where noted below, a 45% joint venture interest, in the following properties located in the Fermont Iron Ore District of north eastern Quebec, which is 300 kilometres north of the St. Lawrence River port town of Sept-Îles, and ranging from 6 to 80 kilometres southwest of Fermont, and in Newfoundland and Labrador.

Property – Quebec	**SNRC**	**Number of Claims**	**Area, ha**
Consolidated Fire Lake North (1)	23B06; 23B11; 23B12	569	28,774.11
Harvey-Tuttle	23B12; 23B05	191	10,010.36
Moiré Lake	23B14	36	1,664.55
O'Keefe-Purdy	23B11; 23B12	203	10,623.15
Peppler	23B05	106	5,575.77
Lamêlée	23B05; 23B06; 23B11; 23B12	236	12,374.67
Hobdad	23B05; 23B06	93	4,893.74
Jeannine Lake (2)	22N16	15	798.23
Round Lake (2) (3)	23B04; 23C01; 22N16	111	5,874.95
Property – Newfoundland and Labrador	**Licences**	**Number of Claims**	**Area, ha**
Powderhorn	25097M, 25098M, 25609M, 25611M, 25614M	185	4,625.00
Gullbridge	11956M, 11960M	67	1,675.00
Bloom East	26787M,26788M,26789M, 26790M,26791M	61	1,525.00

Notes:

1. CFLN includes the Fire Lake North West and East deposits, the Oil Can deposit, the Bellechasse deposit and the Don Lake deposit.
2. Joint venture with Cartier Iron Corporation (55%) and CIML (45%).
3. Round Lake property includes Aubrey-Ernie, Black Dan, Penguin Lake and Round Lake project claims.

The Corporation's wholly owned subsidiary QIO owns a 100% interest in the following properties:

Property – Quebec	**SNRC**	**Number of Claims**	**Area, ha**
Bloom Lake Mining Lease	23B14	1	6,857.63
Bloom Lake claims	23B14	53	2,458.29
Property – Newfoundland and Labrador	**Licenses**	**Number of Claims**	**Area, ha**
Bloom East claims	24819M,24820M,24821M,24824M, 24825M,26760M,26761M,26762M, 26763M,26924M,26925M,26932M, 26933M,26934M,26935M,26936M, 26995M, 26996M	152	3,800.00

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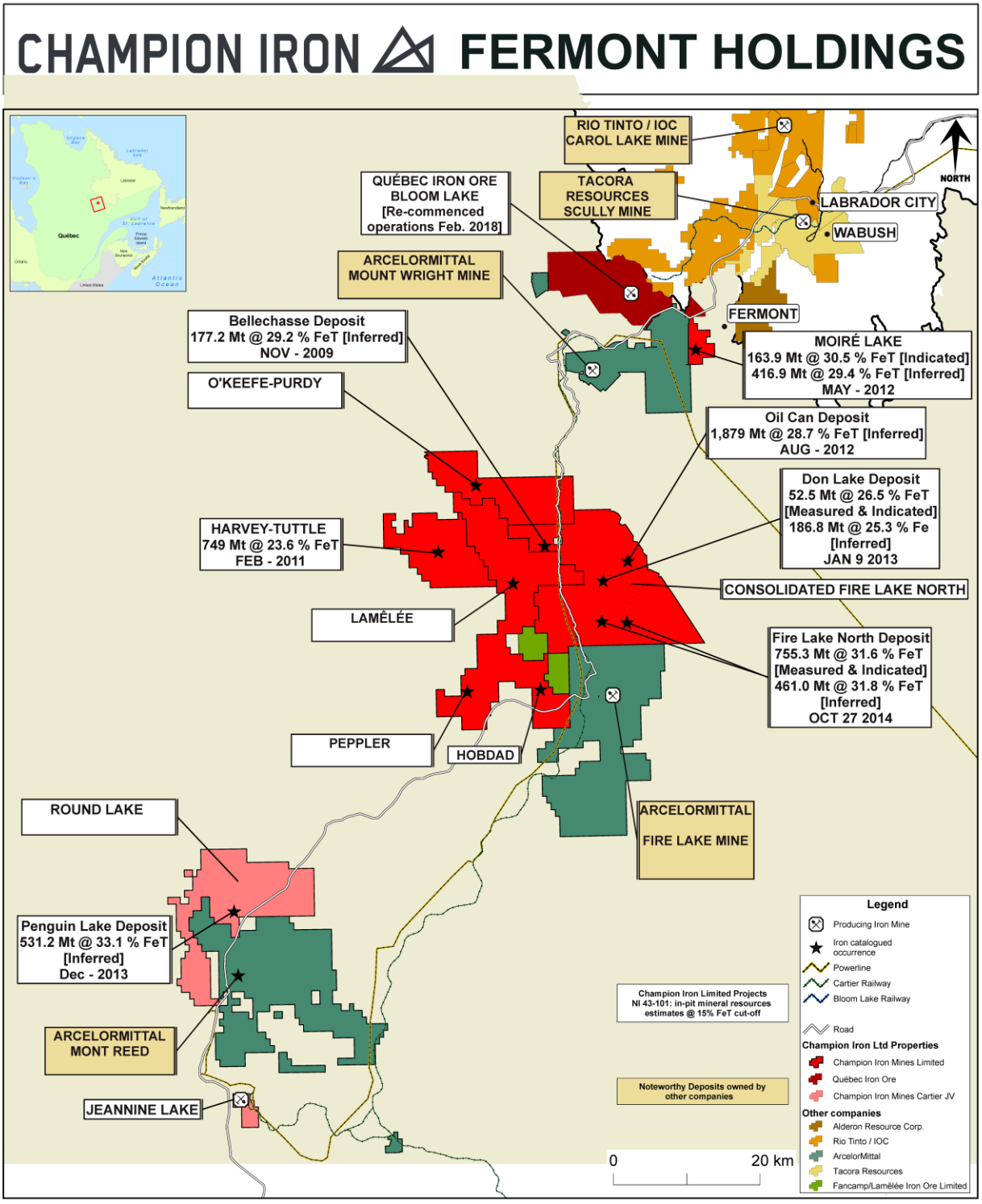
Map 1: Fermont Property Holdings



Iron Ore Industry and Markets

Iron ore is used almost exclusively in the production of iron products, which are subsequently transformed into steel. Demand for iron ore is directly related to global levels of steel production. The price of iron ore products is based principally on their iron content. Global iron ore prices have historically fluctuated with global demand for steel, among other factors. Another key component of iron ore price setting is applicable transportation costs. The principal markets for the Corporation's products are Asian, principally major steel mills in China, Japan and Korea and in the Middle East. The Corporation's subsidiary QIO has entered into offtake agreements with Sojitz and Glencore AG (see "*Fiscal Year Ended March 31, 2018*" above). See also "*Risk Factors – Iron Ore Prices*" and "*Risk Factors – Global Financial Condition and Capital Markets*".

Competitive Conditions

The iron ore mining and mineral exploration business is highly competitive. The Corporation competes with numerous companies that have resources significantly in excess of the resources of the Corporation, in the search for (i) attractive iron ore mineral properties; (ii) qualified service providers and labour; (iii) equipment and suppliers; and (iv) purchasers for iron ore produced. The ability of the Corporation to acquire mineral properties in the future will depend on its ability to develop and operate its present properties and also on its ability to select and acquire suitable producing properties or prospects for iron ore development or mineral exploration. See also "*Risk Factors – Competitive Conditions*", "*Risk Factors – Iron Ore Prices*" and "*Risk Factors – Fluctuating Minerals Prices*".

Environmental Protection

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste and greenhouse gas emissions. These regulations set forth a wide range of sanctions and penalties, both criminal and civil, for violations of the regulations. Compliance with such laws and regulations increases the costs and delays of exploration, planning, designing, drilling and developing the Corporation's properties.

To date, applicable environmental legislation has had no material financial or operational effect on the Corporation. See also "*Risk Factors – Environmental Risks and Hazards*" and "*Risk Factors – Government Regulation*".

Employees

As at March 31, 2020, the Corporation had 515 full-time employees and 16 contractual workers working at Bloom Lake and the Corporation's offices in Montreal, Quebec, Sydney, Australia and Toronto, Ontario.

The Corporation is dependent on the services of key executives, including the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Vice President, General Counsel and Corporate Secretary and a small number of highly skilled and experienced executives and personnel. See "*Risk Factors – Dependence on Management and Key Personnel*".

Mineral Resource and Mineral Reserve Estimates

The following table presents the Mineral Resources for Bloom Lake estimated at a cut-off grade of 15% Fe, inside an optimized open pit shell based on a long-term iron price of US$61.50/dmt for 62% Fe content, a premium of US$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C$/US$. The Measured and Indicated Mineral Resources are estimated at 893.5 Mt with an average grade of 29.3% Fe, and an Inferred Mineral Resources are estimated at 53.5 Mt with an average grade of 26.2% Fe. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 2: Mineral Resource Estimate for Bloom Lake

Classification	Tonnage (dmt)	Fe	CaO	Sat	MgO	Al_2O_3
	kt	%	%	%	%	%
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
Total Measured and Indicated	893,500	29.3	2.1	6.3	1.9	0.4
Inferred	53,500	26.2	2.8	8.0	2.4	0.4

Notes on Mineral Resources:

1. The 2019 Mineral Resource estimate ("**MRE**") was prepared by or under the supervision of Pierre-Luc Richard, P. Geo, of BBA Inc. Mr. Richard is an independent Qualified Person. The effective date of the estimate is April 19, 2019. The estimate is reported in the Phase 2 Feasibility Study. CIM definitions and guidelines for Mineral Resource Estimates have been followed.
2. These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The MRE presented herein is categorized as Measured, Indicated, and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as Indicated or Measured.
3. Resources are presented as undiluted and in situ for an open-pit scenario and are considered to have reasonable prospects for economic extraction. The constraining pit shell was developed using pit slopes varying from 42 to 46 degrees. The pit shell was prepared using Minesight.
4. The MRE was prepared using GEOVIA Surpac 2019HF1 v.7.0.1949.0 and is based on 569 surface drill holes (141,289 m), and a total of 11,397 assays.
5. Density values were calculated based on the formula established and used by the Corporation.
6. Grade model resource estimation was calculated from drill hole data using an Ordinary Kriging interpolation method in a block model using blocks measuring 10 m x 10 m x 14 m (vertical) in size.
7. The estimate is reported using a cut-off grade of 15% Fe. The MRE was estimated using a cut-off grade of 15% Fe, inside an optimized open pit shell based on a long-term iron price of US$61.50/dmt for 62% Fe content, a premium of US$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C$/US$.
8. Calculations used metric units (metre, tonne). Metal contents are presented in percent. Metric tonnages were rounded and any discrepancies in total amounts are due to rounding errors.
9. The author is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues not reported in the Phase 2 Feasibility Study, that could materially affect the Mineral Resource estimate.
10. Mineral Reserves stated below are included in the Mineral Resources.

The Proven and Probable Mineral Reserves are estimated at 807.0 Mt at an average grade of 29.0% Fe based on a cut-off grade of 15% Fe. The Mineral Reserves were estimated using a long-term concentrate price of US$60.89/dmt for 62% Fe content, a premium of US$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C$/US$. The Mineral Reserve includes a mining dilution and ore loss calculated on a block-by-block basis based on the neighbouring blocks lithology and grade. The average strip ratio of the open pit is 0.88.

Table 3: Mineral Reserve Estimate for Bloom Lake

Classification	Diluted Ore Tonnage (dmt)	Fe	CaO	Sat	MgO	Al_2O_3
	Mt	%	%	%	%	%
Proven	346.0	29.9	1.5	4.7	1.4	0.3
Probable	461.0	28.2	2.6	7.9	2.5	0.6
Total Proven and Probable	807.0	29.0	2.2	6.5	2.0	0.5

Notes on Mineral Reserves:

1. The Mineral Reserves were estimated using the CIM Standards for Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014.

2. The Mineral Reserve estimate was prepared by or under the supervision of Isabelle Leblanc, P. Eng., from BBA Inc. Ms. Leblanc is an independent Qualified Person. The effective date of the estimate is May 17, 2019. The estimate is reported in the Phase 2 Feasibility Study.
3. Inside the final open pit design all the Measured Mineral Resources and associated dilution (waste material at 0% Fe) have been converted into Proven Mineral Reserves. Inside the final open pit design all the Indicated Mineral Resources and associated dilution (waste material at 0% Fe) have been converted into Probable Mineral Reserves.
4. Mineral Reserves based on forecasted December 31, 2020 mining surface.
5. The reference point of the Mineral Reserve is the primary crusher feed.
6. Mineral Reserves are estimated at a cut-off grade of 15% Fe.
7. Mineral Reserves are estimated using a long-term iron price reference price (P62) of US$60.89/dmt and an exchange rate of 1.24 C$/US$. An Fe concentrate price adjustment of US$12.70/dmt was added.
8. Bulk density of ore is variable but averages 3.40 t/m^3.
9. The average strip ratio is 0.88:1.
10. Ore loss and dilution were calculated using a 1 m contact skin between ore and waste rock types.
11. Average mining dilution is 1.18% at a grade of 0% Fe. Dilution was applied block by block and shows a wide range of local variability.
12. The average ore loss is 0.81% at a grade of 31% Fe. Ore loss was applied block by block and shows a wide range of local variability.
13. The author of the Phase 2 Feasibility Study is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues not reported in the Phase 2 Feasibility Study, that could materially affect the Mineral Reserve estimate.

RISK FACTORS

An investment in securities of the Corporation is highly speculative and involves significant risks. If any of the events contemplated in the risk factors described below actually occurs, the Corporation's business may be harmed and its financial condition and results of operation may suffer significantly. In that event, the trading price of the Ordinary Shares could decline and purchasers of Ordinary Shares may lose all or part of their investment. The risks described herein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business.

Financial Risks

Iron Ore Prices

The Corporation's principal business is the exploration, development and production of iron ore. The Corporation's future profitability is largely dependent on movements in the price of iron ore. Iron ore prices have historically been volatile and are primarily affected by the demand for and price of steel in addition to the supply/demand balance. Given the historical volatility of iron ore prices, there are no assurances that the iron ore price will remain at economically attractive levels. An increase in iron ore supply without a corresponding increase in iron ore demand would be expected to result in a decrease in the price of iron ore. Similarly, a decrease in iron ore demand without a corresponding decrease in the supply of iron ore would be expected to result in a decrease in the price of iron ore. A continued decline in iron ore prices would adversely impact the business of the Corporation and could affect the feasibility of the Corporation's projects. As some of the Corporation's long-term debt is subject to rate fluctuation based on the price of iron ore, a decrease in iron ore could have an adverse impact on the cost of the Corporation's borrowing. A continued decline in iron ore prices would also be expected to adversely impact the Corporation's ability to attract financing. Iron ore prices are also affected by numerous other factors beyond the Corporation's control, including the exchange rate of the United States dollar with other major currencies, global and regional demand, political and economic conditions, production levels and costs and transportation costs in major iron ore producing regions. If as a result of a decline in iron ore prices, revenues from iron ore sales were to fall below cash operating costs, the feasibility of continuing development and operations would be evaluated and if warranted, could be discontinued.

Fluctuating Mineral Prices

Factors beyond the control of the Corporation may affect the marketability of any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be

accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital, and a loss of all or part of an investment in securities of the Corporation may result.

Liquidity/Financing Risk

The Corporation may need to obtain additional equity or debt financing in the future through the sale of securities, by optioning or selling its properties, or otherwise. No assurance can be given that additional financing will be available for further exploration and development of the Corporation's properties when required, upon terms acceptable to the Corporation or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Global Financial Condition and Capital Markets

As future capital expenditures of the Corporation will be financed out of funds generated from operations, borrowings and possible future equity sales, the Corporation's ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments in the Corporation's securities.

Global financial markets experienced extreme and unprecedented volatility and disruption in 2008, 2009 and the first half of 2020. World economies experienced a significant slowdown in 2008 and 2009 and only slowly began to recover late in 2009, through 2010 to 2019, although the strength of recovery has varied by region and by country. In the latter half of 2011 and 2012-2013, debt crises in certain European countries and other factors adversely affected the recovery. Similarly, as a result of the recent outbreak of the novel coronavirus disease (COVID-19), world economies are experiencing a significant slowdown since the first quarter of 2020, and there is no certainty with respect to the timing and strength of recovery.

The impact that the United Kingdom's leaving the European Union on January 31, 2020 may continue to have on global financial markets' challenges and the demand for commodities is uncertain. These conditions have resulted and may continue to result in a reduction in demand for various resources and raw materials. As a result, access to public financing has been negatively impacted.

These factors may impact the ability of the Corporation to obtain equity or debt financing in the future on favourable terms. Additionally, these factors, as well as other related factors, may impair the Corporation's ability to make capital investments and may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market fluctuations continue, the Corporation's operations could be adversely impacted and the trading price of its Ordinary Shares may be adversely affected.

Operating Costs

The Corporation's financial performance is affected by its ability to achieve production volumes at certain cash operating costs. The Corporation's expectations with respect to cash operating costs of production are based on the mine plan that reflects the expected method by which the Corporation will mine Mineral Reserves at the Bloom Lake Mine and the expected costs associated with the plan. Actual iron ore production and cash operating costs may differ significantly from those the Corporation has anticipated for a number of reasons, including variations in the volume of ore mined and ore grade, which could occur because of changing mining rates, ore dilution, varying metallurgical and other ore characteristics and short-term mining conditions that require different sequential development of ore bodies or mining in different areas of the mine. Mining rates are impacted by various risks and hazards inherent at the operation, including natural phenomena, such as inclement weather conditions, and unexpected labour shortages or strikes or availability of mining fleet. Cash operating costs are also affected by ore characteristics that impacts recovery rates, labour costs, the cost of mining supplies and services, foreign currency exchange rates and stripping costs incurred during the production phase of the mine. In the normal course of operations, the Corporation manages each of these risks to mitigate, where possible, the effect they have on operating results.

Foreign Exchange

Iron ore is sold in U.S. dollars and the Corporation is, therefore, subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the U.S. dollar. Revenue generated by the Corporation from production on its properties are received in U.S. dollars while operating and capital costs are incurred primarily in Canadian dollars. A decline in the U.S. dollar would result in a decrease in the real value of the Corporation's revenues and adversely impact the Corporation's financial performance.

Reduced Global Demand for Steel or Interruptions in Steel Production

The global steel manufacturing industry has historically been subject to fluctuations based on a variety of factors, including general economic conditions and interest rates. Fluctuations in the demand for steel can lead to similar fluctuations in iron ore demand. A decrease in economic growth rates could lead to a reduction in demand for iron ore. Any decrease in economic growth or steel consumption could have an adverse effect on the demand for iron ore and consequently on the Corporation's ability to obtain financing, to achieve production and on its financial performance. See also "*Global Financial Conditions and Capital Markets*" above.

Operational Risks

Mineral Exploration, Development and Operating Risks

Mineral exploration is highly speculative in nature, generally involves a high degree of risk and is frequently non-productive. Resource acquisition, exploration, development and operation involve significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines.

Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Corporation will result in the establishment or expansion of resources or reserves.

The Corporation's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of iron ore and other minerals, including hazards relating to the discharge of pollutants, changes in anticipated grade and tonnage of ore, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, slope failures, rock bursts, cave-ins, seismic activity, the failure of pit walls or dams, fire, explosions and natural phenomena and "acts of God" such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Corporation.

In addition, any current and future mining operations are and will be subject to the risks inherent in mining, including adverse fluctuations in commodity prices, fuel prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, industrial accidents and labour actions or unrest. The occurrence of any of these events could materially and adversely affect

the development of a project or the operations of a facility, which could have a material adverse impact upon the Corporation.

Uncertainty of Mineral Resource and Mineral Reserve Estimates

Although the Mineral Resource and Mineral Reserve estimates included herein have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that any particular level of recovery of iron ore or other minerals will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Estimates of Mineral Resources and Mineral Reserves can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short-term factors relating to Mineral Resources and Mineral Reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in Mineral Resources and Mineral Reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral Resources and Mineral Reserves are reported as general indicators of mine life. Mineral Resources and Mineral Reserves should not be interpreted as assurances of potential mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of Mineral Resources and Mineral Reserves and corresponding grades. Until ore is actually mined and processed, Mineral Resources and Mineral Reserves and grades must be considered as estimates only. In addition, the quantity of Mineral Resources and Mineral Reserves may vary depending on mineral prices. Any material change in resources, Mineral Resources or Mineral Reserves, or grades or stripping ratios will affect the economic viability of the Corporation's projects.

Uncertainties and Risks Relating to Feasibility Studies

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. Generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 35-40% for preliminary assessments. There is no certainty that the Phase 2 Feasibility Study will be realized. While the Phase 2 Feasibility Study is based on the best information available to the Corporation, it cannot be certain that actual costs will not significantly exceed the estimated cost. While the Corporation incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory Mineral Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future mineral and metal prices.

In addition, ongoing mining operations at the Bloom Lake Mine are dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralization, favourable geological conditions, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. Actual operating results may differ from those anticipated in the Feasibility Study or the Phase 2 Feasibility Study. The Corporation's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in ongoing or future commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the metals from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties, and as a result, the Corporation cannot give any assurance that the Phase 2 Feasibility Study results will not be subject to change and revisions.

Dependence on the Bloom Lake Mine

The Corporation began generating revenues from the Bloom Lake Mine in April 2018, prior to which its mineral project was at an exploration or pre-production stage. Therefore, the Corporation is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues. The Corporation had a history of incurring significant losses in the past as it had previously had no sources of revenue (other than interest income).

While the Corporation may invest in additional mining and exploration projects in the future, the Bloom Lake Mine is currently the Corporation's sole producing asset providing all of the Corporation's operating revenue and cash flows. Consequently, a delay or any difficulty encountered in the operations at the Bloom Lake Mine, including with respect to the Corporation's decision whether or not to proceed with the Phase 2 expansion project, as well as with respect to the realization or timing of the Phase 2 expansion project, would materially and adversely affect the financial condition and financial sustainability of the Corporation. In addition, the results of operations of the Corporation could be materially and adversely affected by any events which cause the Bloom Lake Mine to operate at less than optimal capacity, including, among other things, equipment failure, adverse weather, serious environmental, public health and safety issues, any permitting or licensing issues and any failure to produce expected amounts of iron ore. See also "*Liquidity/Financing Risk*" above and "*Public Health Crises*" below.

Replacement of Mineral Reserves

The Bloom Lake Mine is currently the Corporation's only source or potential source of production. The Corporation's ability to maintain, past the current life of mine at the Bloom Lake Mine, or increase its annual production will depend on its ability to bring new mines into production and to expand Mineral Reserves at the Bloom Lake Mine. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish Mineral Reserves and to construct mining and processing facilities. As a result of these uncertainties, there is no assurance that current or future exploration programs may be successful. There is a risk that depletion of reserves will not be offset by discoveries. As a result, the reserve base of the Corporation may decline if reserves are mined without adequate replacement and the Corporation may not be able to sustain production beyond the current LOM, based on current production rates, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition.

Government Regulation

Exploration, development and mining of minerals are subject to extensive federal, provincial and local laws and regulations governing acquisition of mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims of aboriginal peoples and local people, environmental protection and remediation, endangered and protected species, mine safety and other matters.

Potential First Nations Land Claims

The Corporation conducts its operations in the Province of Quebec and in the Province of Newfoundland and Labrador, which areas are subject to conflicting First Nations land claims. Aboriginal claims to lands, and the conflicting claims to traditional rights between Aboriginal groups, may have an impact on the Corporation's ability to develop its properties. The boundaries of traditional territorial claims by these groups, if established, may impact the areas which constitute the Corporation's properties. Mining licences and mineral claims and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations.

Pursuant to section 35 of *The Constitution Act of 1982*, the Federal and Provincial Crowns have a duty to consult Aboriginal peoples and, in some circumstances, a duty to accommodate. When development is proposed in an area to which an Aboriginal group asserts Aboriginal rights or Aboriginal title, and a credible claim to such rights or title

has been made, a developer may be required by the Crown to conduct consultations with Aboriginal groups which may be affected by the proposed project and, in some circumstances, accommodate them.

The development and the operation of the Corporation's properties requires the conclusion of IBAs or other agreements with the affected First Nations. As a result of the IBAs or other agreements, the Corporation may incur significant financial or other obligations to affected First Nations.

The Bloom Lake IBA is a LOM agreement and provides for real participation in Bloom Lake for the Uashaunnuat in the form of training, jobs and contract opportunities and ensures that the Innu of Takuaikan Uashat Mak Mani-Utenam receive fair and equitable financial and socio-economic benefits. The Bloom Lake IBA also contains provisions which recognize and support the culture, traditions and values of the Innu of Takuaikan Uashat Mak Mani-Utenam, including recognition of their bond with the natural environment.

The negotiation of any IBAs required in the future for other projects may also significantly delay the advancement of the properties. There can be no assurance that the Corporation will be successful in reaching an IBA or other agreement with the Innu of Takuaikan Uashat Mak Mani-Utenam or other First Nation groups who may assert Aboriginal rights or Aboriginal title or may have a claim which affects the CFLN project, Quinto Claims or any of the Corporation's other projects.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Corporation has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Corporation or, where applicable, in the name of its joint venture partners, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interests of the Corporation in any of its properties may not be challenged or impugned.

Permits and Licenses

The operations of the Corporation require licenses and permits from various governmental authorities. The Corporation believes that it presently holds all necessary licenses and permits required to carry out the activities which it is currently conducting under applicable laws and regulations, and the Corporation believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Corporation from proceeding with the development of an exploration project or the operation or further development of a mine, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition. There can be no guarantee that the Corporation will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Environmental Risks and Hazards

The operations of the Corporation are subject to environmental laws and regulations relating to the protection of the environment (including any living things), occupational health and safety or hazardous or toxic substances or wastes, pollutants or contaminants or any prohibited substances or dangerous goods (collectively, "**Environmental Laws**") adopted from time to time. Environmental Laws provide for, among other thing, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of Environmental Laws may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental Laws are evolving toward stricter standards, and enforcement, fines and penalties for non-compliance are becoming more

stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in Environmental Laws has a potential to reduce the profitability of operations.

The Corporation's operation is subject to environmental regulation primarily by the Department of Environment and Conservation (Newfoundland and Labrador) and the Ministry of Sustainable Development, Environment and Parks (Quebec). In addition, Fisheries and Oceans Canada and Environment and Climate Change Canada have an enforcement role in the event of environmental incidents.

Reclamation Costs and Related Liabilities

The Corporation is generally required to submit for government approval a reclamation plan and to pay for the reclamation of its mine site upon the completion of mining activities. Any significant increases over the Corporation's current estimates of future cash outflows for reclamation costs could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Public Health Crises

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a public health event of international concern, and on March 11, 2020, the World Health Organization declared the outbreak a pandemic. On March 13, 2020, the Government of Quebec declared a public health emergency. On March 23, 2020, the Government of Quebec mandated companies involved in the mining industry to reduce mining activities in the Province of Quebec to a minimum, which restriction was in effect until April 14, 2020. As a result, the Corporation announced on March 24, 2020 that it was ramping down operations. Although the Corporation announced the gradual resumption of operations on April 23, 2020, there is no certainty as to when the full production will be restored. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity worldwide. The COVID-19 outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Although the Corporation is actively monitoring the situation and assessing and responding where possible to the potential impact of the COVID-19 pandemic, it cannot estimate whether any additional restrictions will be imposed on its activities and the potential financial and operational impact thereof.

Such public health crises can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Corporation of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. Similarly, the Corporation's ability to obtain financing and the ability of the Corporation's vendors, suppliers, consultants and partners to meet their obligations to the Corporation may be impacted as a result of the COVID-19 outbreak and efforts to contain the virus. At this point, the extent to which COVID-19 will or may impact the Corporation is uncertain and will depend on the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, the length of travel and quarantine restrictions imposed by governments of affected countries and other factors that are beyond the Corporation's control. Consequently, the COVID-19 outbreak may have a material adverse effect on the Corporation's business, results of operations and financial condition.

Infrastructure and Reliance on Third Parties for Transportation of the Corporation's Iron Ore Concentrate

Some of the Corporation's properties are located in relatively remote areas at some distance from existing infrastructure. Active mineral exploitation at any such properties would require building, adding or extending infrastructure, which could add to time and cost required for mine development.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. In order to develop mines on its properties, the Corporation has entered into various agreements for various infrastructure requirements, including for rail transportation, power and port access with various industry participants, including external service and utility providers. These are important determinants affecting capital and operating costs. The Corporation has concluded agreements with the relevant rail companies and port authorities necessary for the transportation and handling of the Corporation's production of Bloom Lake iron ore, and disruptions in their services could affect the operation and profitability of the Corporation.

In addition, there is no certainty that the Corporation will be able to continue to access sources of power on economically feasible terms for all of its projects and requirements and this could have a material adverse effect on the Corporation's results of operations and financial condition.

Reliance on Small Number of Significant Customers

The Corporation currently relies on a small number of significant customers in connection with the sale of its iron ore. As a result of this reliance on the limited number of customers, the Corporation could be subject to adverse consequences if any of these customers breaches their purchase commitments.

Availability of Reasonably Priced Raw Materials and Mining Equipment

The Corporation requires and will continue to require a variety of raw materials in its business as well as a wide variety of mining equipment. To the extent these materials or equipment are unavailable or available only at significantly increased prices, the Corporation's production and financial performance could be adversely affected. It is also expected that if the Corporation proceeds with the Phase 2 expansion project at Bloom Lake, such project will require significant financing.

Dependence on Third Parties

The Corporation has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish Mineral Resources and Mineral Reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Corporation.

Reliance on Information Technology Systems

The Corporation's operations are dependent upon information technology systems. These systems are subject to disruption, damage or failure from a variety of sources. Failures in the Corporation's information technology systems could translate into production downtimes, operational delays, compromising of confidential information or destruction or corruption of data. Accordingly, any failure in the Corporation's information technology systems could materially adversely affect its financial condition and results of operation. Information technology systems failures could also materially adversely affect the effectiveness of the Corporation's internal controls over financial reporting.

Cybersecurity Threats

The Corporation's operations depend, in part, on how well it and its suppliers protect networks, technology systems and software against damage from a number of threats, including viruses, security breaches and cyber-attacks. Cybersecurity threats include attempts to gain unauthorized access to data or automated network systems and the manipulation or improper use of information technology systems. A failure of any part of the Corporation's information technology systems could, depending on the nature of such failure, materially adversely impact the Corporation's reputation, financial condition and results of operations. Although to date the Corporation has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The risk and exposure to these matters cannot be fully

mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any system vulnerabilities.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. The Corporation has in the past been, and may in the future be, involved in various legal proceedings. While the Corporation is not aware of any pending or contemplated legal proceedings the outcome of which could have a material adverse effect on the Corporation's financial condition and results of operations, the Corporation may become subject to legal proceedings in the future, the outcome of which is uncertain, and may incur defense costs in connection therewith, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular or several combined legal proceedings will not have a material adverse effect on the Corporation's financial condition and results of operations.

Other Risks

Volatility of Stock Price

In recent years, the securities markets in Australia and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Ordinary Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings and that the value of the Ordinary Shares will be affected by such volatility.

Internal Controls and Procedures

Management of the Corporation has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements of the Corporation do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented thereby, and (ii) the financial statements of the Corporation fairly present in all material respects the financial condition, results of operations and cash flow of the Corporation, as of the date of and for the periods presented. The Corporation files certifications of annual and interim filings, signed by the Corporation's Chief Executive Officer and Chief Financial Officer, as required by National Instrument 52-109 – *Issuers' Annual and Interim Filings*. In such certifications, the Corporation's Chief Executive Officer and Chief Financial Officer certify the appropriateness of the financial disclosure in the Corporation's filings with the securities regulators, the design and effectiveness of the Corporation's disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting at the respective financial period end. The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate.

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported. They are not a guarantee of perfection. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statements preparation.

Insurance and Uninsured Risks

The Corporation currently maintains insurance to protect it against certain risks related to its current operations (including, among others, directors' and officers' liability insurance) in amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk. However, the Corporation is unable to maintain

insurance to cover all risks at economically feasible premiums, and in certain cases, insurance coverage may not be available or may not be adequate to cover any resulting liability (such as, for example, matters relating to environmental pollution). Consequently, the Corporation may elect not to insure against certain risks due to high premiums or for various other reasons. Accordingly, insurance maintained by the Corporation does not cover all of the potential risks associated with its operations. In addition, no assurance can be given that the current insurance maintained by the Corporation will continue to be available at economically feasible premiums or at all or that it will provide sufficient coverage for any future losses. Should liabilities arise as a result of insufficient or non-existent insurance, any future profitability could be reduced or eliminated and delays, increases in costs and legal liability could result, each of which could have a material adverse impact upon the Corporation.

Potential Conflicts of Interest

The directors and officers of the Corporation may serve as directors or officers of other companies involved in the mining industry or have significant shareholdings in such companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Corporation. In the event that such a conflict of interest arises, a director is required to disclose the conflict of interest and to abstain from voting on the matter.

Dependence on Management and Key Personnel

The Corporation is dependent on the services of key executives, including a small number of highly skilled and experienced executives and personnel. The Corporation's development to date has largely depended, and in the future will continue to depend, on the efforts of management and other key personnel to develop its projects. Loss of any of these people, particularly to competitors, could have a material adverse impact upon the Corporation. In addition, the Corporation may need to recruit and retain other qualified managerial and technical employees to build and maintain its operations. If the Corporation requires such persons and is unable to successfully recruit and retain them, its development and growth could be significantly curtailed.

Competitive Conditions

There is aggressive competition within the mineral exploration and mining industry for the discovery and acquisition of properties considered to have commercial potential and for management and technical personnel. The Corporation's ability to acquire projects in the future is highly dependent on its ability to operate and develop its current assets and its ability to obtain or generate the necessary financial resources. The Corporation will compete in each of these respects with other parties, many of which have greater financial resources than the Corporation. Accordingly, there can be no assurance that any of the Corporation's future acquisition efforts will be successful or that it will be able to attract and retain required personnel. There is no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Dilution and Future Sales

The Corporation may from time to time undertake offerings of its Ordinary Shares or of securities convertible into Ordinary Shares, and it may also enter into acquisition agreements under which it may issue Ordinary Shares in satisfaction of certain required payments. An increase in the number of Ordinary Shares issued and outstanding and the prospect of issuance of Ordinary Shares upon conversion of convertible securities may have a depressive effect on the price of Ordinary Shares. In addition, as a result of such additional Ordinary Shares, the voting power and equity interests of the Ordinary Shareholders will be diluted. Furthermore, sales of a large number of Ordinary Shares in the public markets, or the potential for such sales, could decrease the trading price of the Ordinary Shares and could impair the Corporation's ability to raise capital through future sales of Ordinary Shares.

Joint Ventures and Option Agreements

From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties through options, joint ventures or other structures, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect

of any one program. It may also be the case that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Corporation will participate in a particular program, the structure of its participation and the interest therein to be acquired by it, the directors of the Corporation will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time. In some of those arrangements, a failure of a participant to fund its proportionate share of the ongoing costs could result in its proportionate share being diluted and possibly eliminated.

From time to time, the Corporation may enter into option agreements and joint ventures as a means of gaining property interests and raising funds. Any failure of any option or joint venture partner to meet its obligations to the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on such agreements. In addition, the Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements.

MATERIAL PROPERTY – BLOOM LAKE

On April 11, 2016, the Corporation, through QIO, acquired the Bloom Lake Assets. Although Bloom Lake had mining operations for several years, mining operations at Bloom Lake were suspended in December 2014 and the mine was transitioned to care and maintenance mode. Subsequently to the release of the 2017 Feasibility Study, namely on February 16, 2018, QIO recommenced production at Bloom Lake and made its first shipment of high grade 66% iron ore concentrate on April 1, 2018. Commercial production at Bloom Lake was declared on June 30, 2018.

In 2018, the Corporation and QIO undertook the Phase 2 Feasibility Study with respect to an expansion of the operations at the Bloom Lake Mine, which would mainly involve the completion of construction work on a processing plant and other supporting infrastructure which was interrupted in November 2012 by the Bloom Lake Mine's previous owner, aiming at more than doubling the then current operational capacity of 7.4 million tonnes per annum of high-grade 66.2% iron ore concentrate at Bloom Lake to 15 million tonnes per annum. The Corporation reported the findings of the Phase 2 Feasibility Study on June 20, 2019 and filed the related NI 43-101 technical report entitled "Bloom Lake Mine – Feasibility Study Phase 2" and having an effective date of June 20, 2019 under its profile on SEDAR (www.sedar.com) on August 2, 2019.

André Allaire, P. Eng., Isabelle Leblanc, P. Eng., and Pierre-Luc Richard, P. Geo. of BBA Inc. ("**BBA**"), Mathieu Girard, P. Eng., of Soutex ("**Soutex**"), and Phillippe Rio Roberge, P. Eng. of WSP Canada Inc. ("**WSP**") (collectively the "**Feasibility Study Authors**"), prepared the Phase 2 Feasibility Study. Each of the Feasibility Study Authors is a Qualified Person under NI 43-101 and is independent of the Corporation. The Phase 2 Feasibility Study was prepared for the Corporation to provide an independent, NI 43-101 compliant technical report on the Bloom Lake Phase 2 expansion project.

The information in the following section has been derived from and is substantially based on the information assumptions, qualifications and procedures set out in the Phase 2 Feasibility Study. Readers should consult the Phase 2 Feasibility Study to obtain further particulars regarding the Bloom Lake project. The scientific and technical information contained in this section has been reviewed and approved, or has been prepared, as applicable, by Mr. Nabil Tarbouche, P.Geo., Senior Geologist at the Corporation, who is a "qualified person" for the purposes of NI 43-101.

Figures or charts referred to in this summary but not reproduced herein may be viewed in the Phase 2 Feasibility Study. Table references (except Table 10-1-1 and Table 10-1-2) are references to the tables in the Phase 2 Feasibility Study, certain of which are reproduced herein. Technical information in this AIF regarding the Bloom Lake project should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Phase 2 Feasibility Study and the summary provided herein is qualified in its entirety by the Phase 2 Feasibility Study. Capitalized and abbreviated terms appearing in the following summary shall have the meaning ascribed to such terms in the Phase 2 Feasibility Study.

Property Description and Location

The Bloom Lake property is located in the Labrador Trough area straddling the border between Quebec and Labrador. There are several iron ore mines in the area including Mont-Wright owned by ArcelorMittal and Carol Lake owned by Iron Ore Company of Canada (IOC). Scully Mine, located in Labrador and once owned by Cliffs Natural Resources ("**Cliffs**"), ended its activities in 2014 and is now owned by Tacora Resources ("**Tacora**"). Tacora has recently reactivated operations at Scully Mine; the first train of concentrate from the concentrator arrived in Pointe Noire at the end of June 2019.

The Bloom Lake property is owned by QIO. QIO has owned the property and the facilities at the Bloom Lake mining site since April 12, 2016.

The mining site is located in the north-eastern part of the province of Quebec, adjacent to the Labrador/Newfoundland border, in Normanville Township, Kaniapiskau County. The property is centred at latitude 52° 50' North and longitude 67° 16' West, 13 km west of the town of Fermont and 30 km southwest of the municipalities of Wabush and Labrador City.

As of May 2019, QIO holds 100% of 53 claims located north and northwest of the Mining Lease (BM877). These claims cover a total of 2,458.29 ha. Those claims located outside the mining lease are in good standing.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The mine site lies approximately 13 km west of the town of Fermont (central geographical coordinates 52° 50' N and 67° 16' W). A 5-km access road has been constructed to connect the Bloom Lake mine with Highway 389. It is accessible by road from Baie-Comeau on the north shore of the Saint Lawrence River, as well as by road from the Wabush airport in Newfoundland & Labrador. The Wabush airport is located approximately 30 km from the Bloom Lake mine. The mine site is located approximately 950 km northeast of Montreal.

The rail access to port consists of three separate segments. The first segment is the rail spur on site, consisting of a 31.9-km long segment that is operational and connects to the Quebec North Shore and Labrador ("**QNS&L**") railway at the Wabush Mines facilities in Wabush, Labrador. This first segment belongs to QIO. The second segment employs the QNS&L railway from Wabush to Arnaud Junction in Sept-Îles. The third section is from Arnaud junction to Pointe-Noire (Sept-Îles), property of "*Les Chemins de Fer Arnaud*", Sept-Îles, Quebec, where the concentrate is unloaded, stockpiled, and loaded onto vessels. The third segment is owned by SFPPN, a limited partnership composed by the Government of Quebec through the *Société du Plan Nord* and other industrial partners. The assets were acquired by SFPPN from Cliffs' proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"). QIO is a current member of the SFPPN board of directors.

The climate at Fermont is defined as sub-arctic with temperatures ranging from -40°C to +25°C. The prevailing winds are mostly from the west at an average speed of 14 km/h. Average daily maximum temperatures above freezing normally starts in April and falls below freezing by end of October.

The town of Fermont has a population of 2,474 as per Statistics Canada, and is the residential town for employees working for ArcelorMittal's Mont-Wright mine operations. The town has all the required infrastructure to support employees and families who live there. QIO currently owns a total of 515 rooms in the town of Fermont distributed among the following installations:

- one house, fully furnished, located on *rue Bougainville* (with seven rooms);
- four houses located on *rue des Mélèzes* (with five rooms each and built in 2012);
- twenty-two (22) houses, fully furnished, located on *rue des Bâtisseurs* (12 with eight rooms each, six with seven rooms each and four with five rooms each and built in 2009);
- two blocks (hotels) of 99 rooms of lodging located on *rue du Fer* (built in 2013);
- two units on *rue le Carrefour* (one with 16 rooms each);

- four units on *rue des Bâtisseurs* (one with 16 rooms and three with 26 rooms);
- one mobile house on *rue Champlain* (with three rooms);
- one mobile house on *rue Alexandre* (with three rooms);
- seven lots on *rue des Bâtisseurs*; and
- one multi-purpose complex that includes a cafeteria, a gym and recreational facilities.

Current accommodations are fully equipped with furniture, linen, and wiring for communications and entertainment and can house 515 people and provide a total of 1,800 meals per day.

The electrical power for the Bloom Lake project is supplied by Hydro-Quebec from a T-tap off the 315 kV transmission line L3039 (Montagnais-Normand), which terminates in an existing 315-34.5 kV substation (Substation W), owned by QIO. The substation is located along Provincial Route 389 and includes 2 x 315-34.5 kV, 48/64/80 MVA, oil-filled power transformers. It feeds the existing concentrator plant and mine site via 34.5 kV distribution lines. The distribution lines are expected to be modified to meet the electrical needs of the power supply of the Phase 2 expansion and mine requirements. The modifications also provide an increased reliability of the site power supply.

The topography of the claims' area is relatively hilly. The average elevation varies between 671 m and 762 m and the highest peaks culminate at about 808 m.

History

In 1951, following the discovery of a cobalt showing at Bloom Lake, James and Michael Walsh staked claims for Mr. Bill Crawford of Sursho Mining Corporation ("**SMC**"). In February 1952, Quebec Cobalt and Exploration Limited ("**QUECO**") was incorporated to acquire the claims held by SMC.

In 1952, a crew of six prospectors, under the supervision of Mr. K.M. Brown, began a program to prospect an area that included the Bloom Lake property. In June 1952, Mr. R. Cunningham, a mining geologist with Quebec Metallurgical Industries, began to map the various cobalt occurrences at Bloom Lake. Although the results for cobalt were disappointing, several zones of magnetite-hematite iron formation (IF) were identified between Bloom Lake and Lac Pignac and were sampled. Further exploration was conducted in 1953.

In 1954, Cunningham supervised a program to investigate the iron occurrences through line cutting, geological mapping, and magnetometer surveys. In 1955, Jones and Laughlin Steel Corporation ("**J&L**") optioned the property from QUECO. Cleveland-Cliffs Iron Company ("**CCIC**") joined with J&L and conducted a diamond drill program from 1956 through 1957. Two drills were brought to the property and two series of holes, the "QC" and the "X" series, were drilled to test IF on the Bloom Lake property. Holes X-1 to X-11 (XRT - ¾" diameter core) amounted to 446 m and Holes QC-1 to QC-30 (AXT size 1.28" diameter core) totalled 4,769 m. The holes were largely drilled on sections of 800 ft to 1,000 ft apart (244 m to 305 m). Four of these drillholes were drilled on the west part of the property.

More drilling was conducted in 1966 by Boulder Lake Mines Incorporated, a subsidiary of CCIC, and Jalore Mining Company Limited, a subsidiary of J&L. Holes X-12 to 20, totaling 175 m, and other holes were drilled as part of this campaign, but these were not on the present property. Some ground magnetometer surveying was also conducted in 1966. J&L's option on the property was terminated in 1968.

In 1971, exploration on the property was renewed by a QUECO-sponsored program that was managed by H. E. Neal & Associates Ltd. ("**HEN**"). The exploration program consisted of line cutting, geological mapping, gravity and magnetometer surveys, and diamond drilling in 1971 and 1972.

These holes were drilled to investigate the potential for IF beneath the amphibolite on the eastern side of the property. Nine drillholes were done in 1971 for a total of 1,834.23 m (341 samples) and 12 were drilled in 1972 (3,497.79 m and 341 samples). Eight of the drillholes were done on Bloom Lake West in 1971 and five were drilled

in 1972. The mapping and magnetometer surveys were designed to fill in areas not previously surveyed. The gravity survey was conducted to help evaluate the potential for IF beneath the amphibolite.

In 1973, Republic Steel Corporation optioned the property and HEN prepared a "Preliminary Evaluation" of the property that consisted of currently held property and claims further to the west. This work was conducted until 1976. The evaluation included "mineral reserve" estimates, a metallurgical test program, and preliminary mine design. The mine design included pit outline, dump area, access roads, and railway spur. Dames and Moore prepared the mine design and "reserve" estimates. Lakefield Research ("**Lakefield**") conducted the metallurgical testwork.

In 1998, a major exploration program was conducted by Watts, Griffis and McOuat ("**WGM**") for QCM, which then held the Bloom Lake property under option from Consolidated Thompson-Lundmark Gold Mines Limited ("**CLM**"). QCM held the option on the property until 2001, but no work was conducted between 1998 and 2005. The 1998 program included line cutting, surveying, road building, camp construction, diamond drilling, geological mapping, mini-bulk sampling, bench-scale preliminary metallurgical testwork, preparation of a "mineral resource" estimate, camp demobilization, and site clean-up.

In 2005, CLM retained WGM to conduct a technical review, including the preparation of a Mineral Resource estimate for the Bloom Lake iron deposit to assist CLM in making business decisions and future planning. The technical review was prepared in compliance with the standards of NI 43-101 in terms of structure and content. The Mineral Resource estimate was prepared in accordance with NI 43-101 guidelines and CIM standards. In 2006, CLM changed its name to Consolidated Thompson Iron Mines Limited ("**Consolidated Thompson**"). This name change reflected the company's focus on iron ore mining and exploration.

From 2006 to 2007, Consolidated Thompson drilled 17 drillholes (2,884.36 m) on the site of the future pit in order to get a sample for metallurgical testwork. The Lakefield laboratory performed these tests. In 2006, bulk sampling took place in the area of the future pit.

Overall, 243 drillholes were made between 1957 and 2009 for a total of 45,386 m and 273 drillholes in 2010, 2012 and 2013 for a total of 89,197 m. Four geotechnical holes were drilled in 2014. The complete description of the drill programs are described in Chapter 10 of the Phase 2 Feasibility Study.

The construction of the Bloom Lake mine started in 2008 and the plant was commissioned by Consolidated Thompson in December 2009.

Almost immediately after start-up, Consolidated Thompson started a feasibility study to double the Bloom Lake site production by the addition of a second concentrator. The study was completed in June 2010 and the construction of the Phase 2 concentrator started in Q4 of 2010 under Consolidated Thompson and continued after the acquisition of the Bloom Lake site by Cliffs in May 2011.

The Phase 2 concentrator construction was halted in November 2012 due to falling iron ore prices. Operations at the Bloom Lake site were halted in December 2014 due to the declining iron ore concentrate prices and high operating costs.

On April 12, 2016, Champion Iron Mines Limited acquired the Bloom Lake Assets in a CCAA proceeding and restarted the operations on February 16, 2018.

Operations at the Bloom Lake site were resumed in February 2018 after completing major modifications to the beneficiation circuit as well as to other parts of the site with the aim to increase concentrate production while ensuring a low production cost. The site achieved a concentrate production of 6,994,500 wet metric tons for its first full year of operation (fiscal year ending March 31, 2019).

Table 6-1 shows the historical mining extraction and concentrate production from 2010 to 2019 in dry metric tons per year unless otherwise stated.

Table 6-1 : Production at the Bloom Lake Mine from 2010 to 2019

	2010	2011	2012	2013	2014(1)	2015 to 2017	2018 (2) (3)	2019 (2) (3)
Iron ore mined	10.3	16.9	17.0	17.6	19.3	0	2.7	19.7
Iron ore processed	8.2	15.6	15.8	18.4	18.9	0	1.8	18.5
Iron ore concentrate production	3.2	5.5	5.5	5.9	5.9	0	0.6	7.0

Notes:

(1) Production halted in mid-December 2014.
(2) Fiscal years ending on March 31, 2018 and 2019 respectively.
(3) Values provided are in wet metric tons.

Geological Setting, Mineralization and Deposit Types

The Bloom Lake iron deposit lies within the Fermont Iron Ore District (FIOD), a world-renowned iron-mining camp at the southern end of the Labrador Trough within the geological Grenville Province. The Labrador Trough extends along the margins of the eastern boundary of the Superior-Ungava craton for more than 1,200 km and is up to 75 km wide at its central part. The Bloom Lake deposit, including the Bloom Lake West property, is located within the Parautochtonous Deformation Belt of the Grenville Province of the Canadian Shield, just south of the Grenville Front. The Grenville Front, the northern limit of the Grenville Province, truncates the Labrador Trough, separating the Churchill Province greenschist metamorphic grade part of the Labrador Trough rocks from their highly metamorphosed and folded counterparts in the Grenville Province.

The western half of the Labrador Trough, consisting of a thick sedimentary sequence, can be divided into three sections based on changes in lithology and metamorphism (north, central and south). The Trough is comprised of a sequence of Proterozoic sedimentary rocks including iron formations, volcanic rocks and mafic intrusions known as the Kaniapiskau Supergroup. The Kaniapiskau Supergroup consists of the Knob Lake Group in the western part of the Trough and the Doublet Group, which is primarily volcanic, in the eastern part. The Kaniapiskau Supergroup within the Grenville Province is highly metamorphosed and complexly folded. It was named Gagnon Group before correlations were made between sequences located on each side of the Grenville Front. It occurs as numerous isolated segments. From the base to the top, it includes a sequence of gneisses and schists, a group of chemically precipitated sediments, and more schists, including some distinctive aluminous varieties. Gabbro sills intrude parts of the sequence, and granites are found in the gneiss.

The Central or Knob Lake Range section extends for 550 km south from the Koksoak River to the Grenville Front located 30 km north of Wabush Lake. The principal iron formation unit, the Sokoman Formation, part of the Knob Lake Group, forms a continuous stratigraphic unit that thickens and thins from sub-basin to sub-basin throughout the fold belt.

Iron deposits in the Grenville part of the Labrador Trough comprise Bloom Lake, Lac Jeannine, Fire Lake, Mont Wright and Mount Reed, and the Luce, Humphrey and Scully deposits in the Wabush area. The high-grade metamorphism of the Grenville Province is responsible for recrystallization of both iron oxides and silica in primary iron formation, producing coarse-grained sugary quartz, magnetite, specular hematite schists (meta-taconites) that are of improved quality for concentrating and processing.

The iron formation and associated metasedimentary rocks, which were derived from an assemblage of continental shelf-type sediments, do not appear to extend south beyond a line trending northeast from the Hart-Jaune River linear to Plaine Lake and northeast to Ossokmanuan Lake. Granite-gneisses, charnockites and anorthosites are part of the rock assemblage south of this line. These typical deep-seated Grenville rocks may have been thrust northwest along a system of faults that coincide with this line. The large suite of gabbro intrusions in the area between Wabush Lake and Ossokmanuan Lake were probably intruded along faults in this linear zone.

The geology and geological interpretations for the Bloom Lake property are based on data from a number of sources. These sources include the diamond drilling and mapping done on the property as part of the 1998 program,

presented by WGM in 2005, as well as the drilling conducted in 1956, 1957, 1967, 1971, 1972 and 2007-2014 programs. The geological interpretation relies heavily on the mapping programs conducted in 1952 and the ground magnetic surveys carried out in 1967 and 1971/72 as compiled in 1973 and the survey done in April 2008.

The Bloom Lake deposit comprises gently plunging synclines on a main east-west axis separated by a gently north to northwest plunging anticline. One of these synclines is centred on Triangle Lake, while the centre for the other is located just north of Bloom Lake. The Bloom Lake Property is centred primarily on the eastern syncline but covers a portion of the northern limb of the western one.

These synclines are the result of a minimum of two episodes of folding and are of regional scale.

In addition to these regional scale folds, which have created the large-scale shape of Bloom Lake deposit, there are several other folds of diverse orientation on the property. It is not clear if all folding directions represent distinct folding episodes or progressive change in fold orientation with time.

The Bloom Lake deposits are about 24 km southwest of Labrador City and about 8 km north of the Mont Wright range. The western 6 km of this range contains very large reserves of specular hematite-magnetite iron formation in a synclinal structure that is regarded as a southwest extension of the Wabush Lake ranges.

The iron formation and quartzite are conformable within a metasedimentary series of biotite-muscovite-quartz-feldspar-hornblende-garnet-epidote schists and gneisses in a broad synclinal structure. This succession, following the first stage of folding and faulting, was intruded by gabbroic sills that were later metamorphosed and transformed into amphibolite gneiss with foliation parallel with that in adjacent metasediments. Two separate iron formation units are present; these join northwest of Bloom Lake, but are separated by several dozen metres of gneiss and schist in the southern part of the structure. Quartzite, present below the upper member throughout the eastern part of the area, pinches out near the western end. Folded segments and inclusions of iron formation in the central part of the syncline, which are surrounded by amphibolite, are in most cases thought to be part of an overlying sheet that was thrust over the main syncline during the first period of deformation. The large amphibolite mass in the central part of the area was apparently emplaced along the zone of weakness created by this early thrust fault.

Iron formation in the western 5 km to 6 km of the structure is predominantly thehematite-quartz facies that form the major zones of potential ore. The hematite is of the specularite type and has a silvery-grey colour and is non-magnetic. It is most often occurring as anastomosing to discontinuous stringers and of bands less than 10 cm thick in a quartz or actinolite-quartz matrix. Bands tend to be folded and deformed but also can be regular and tabular. Quartz is milky and granular.

Magnetite is scarce and typically occurs in narrow millimetric veinlets associated with quartz-carbonate veining material. The crystals are sub- to euhedral and demonstrate the typical dull to sub- metallic luster. When associated to hematite-enriched mineralization, the magnetite occurs as blebs of porous grains, often granoblastic, that may extend up to several centimetres. Enriched magnetite horizons are mostly found, but not always, in the upper portion of the iron formations in close contact with the amphibolite mass.

With the actual state of geological knowledge in the western sector of the Bloom Lake deposit, magnetite-rich IF is less important in volume than in the eastern half of the Bloom Lake pit area. The thickness of drillhole intercepts is lower than 10 vertical metres. Many drillholes did not return significant magnetite intersections. Very few actinolite or grunerite minerals associated with magnetite mineralization were described in the western holes.

A fairly abrupt change in facies takes place along strike east of a line passing northwest across Bloom Lake, east of where the grunerite-Ca-pyroxene-actinolite-magnetite-carbonate facies predominates.

The lower unit is less than 30 m thick in some places and is considerably thinner than the upper unit. The iron content ranges from 32% to 34% in this facies. In places, the silicate facies to the east contain more than 50% cummingtonite, which in part is magnesium rich, and the manganese content ranges from 0.1% to more than 2.0%. Mueller (1960) studied the complex assemblage of minerals in this rock and discussed chemical reactions during metamorphism in considerable detail. He has shown that a close approach to chemical equilibrium in the

amphibolite metamorphic facies is indicated by the orderly distribution of Mg, Fe and Mn among coexisting actinolite, Ca-pyroxene and cummingtonite, and the restriction in the number and type of minerals in association with each other. Furthermore, a comparison between the composition of the silicates and the presence or absence of hematite shows that the Mg to Mg plus Fe ratio is increased, but is much less variable when hematite is present.

Re-modelling of the deposit in 2014 added two new domains in the ore classification (MAG – Magnetite Iron Formation and WSIF – Grunerite-rich Iron Formation) in addition to the existing HEM (Hematite Iron Formation) and SIF (Silicate Iron Formation).

The iron formation forms a long doubly plunging syncline that is canoe-shaped but buckled across the centre to produce two distinct oval-shaped basins. Although this structure appears to be relatively simple in form, it seems to have been developed during two stages of deformation. Folding along northwest-trending axes and overthrusting of the upper iron formation during the first stage of deformation appear to have been followed by gabbro intrusion, folding along east-west axes, faulting, and metamorphism during the Grenville orogeny.

Bloom Lake property mineralization style is a deposit typical of the Superior-Lake type.

The peaks in iron sedimentation took place between ~2.65 and 2.32 Ga and again from ~1.90 to 1.85 Ga. Their deposition is linked to the geochemical and environmental evolution of the planet such as the Great Oxidation Event (GOE) at ca. 2.4 Ga, the growth of continents, as well as the mantle plume activity and rapid crustal growth.

The Labrador Trough contains four main types of iron deposits:

- soft iron ores formed by supergene leaching and enrichment of the weakly metamorphosed cherty iron formation; they are composed mainly of friable fine grained secondary iron oxides (hematite, goethite, limonite);
- taconites, the fine-grained, weakly metamorphosed iron formations with above average magnetite content; they are commonly called magnetite iron formations;
- more intensely metamorphosed, coarser-grained iron formations, termed metataconites that contain specular hematite and subordinate amounts of magnetite as the dominant iron minerals; and
- minor occurrences of hard high-grade hematite ore occur southeast of Schefferville.

Secondary enrichment included the addition of secondary iron and manganese that appear to have moved in solution and filled pore spaces with limonite-goethite. Secondary manganese minerals, i.e., pyrolusite and manganite, form veinlets and vuggy pockets. The types of iron ores developed in the deposits are directly related to the original mineral facies. The predominant blue granular ore was formed from the oxide facies of the middle iron formation. The yellowish-brown ore, composed of limonite-goethite, formed from the carbonate-silicate facies, and the red painty hematite ore originated from mixed facies in the argillaceous slaty members.

All iron ore deposits in the Labrador Trough formed as chemical sediments on a continental margin that were lithified and variably affected by alteration and metamorphism that had important effects on grade, mineralogy and grain size. Faulting and folding led to repetition of sequences in many areas, increases the surface extent and mineable thicknesses of the iron ore deposits. Underlying rocks are mostly quartzite or mica schist. Transition from these rocks and the mineralized iron formation may happen up to over 10 m vertically. All rock sequences have been heavily metamorphosed by intense folding phases that are part of the Grenville Orogen.

IF sequences range commonly from 25% to 40% iron oxide, mainly hematite of the specularite type with minor amount of magnetite (remainder mostly quartz) and can have thicknesses (ignoring minor intercalated bands of schist and quartz rock) of up to 200 m. These are the sequences that are of economic importance.

For iron formation to be mined economically, the iron content must generally be greater than 30%, but also iron oxides must be amenable to concentration (beneficiation) and the concentrates produced must be low in manganese and deleterious elements such as silica, aluminum, phosphorus, sulphur and alkalis. For bulk mining, the silicate and carbonate lithofacies, as well as other rock types interbedded within the iron formation, must be sufficiently

segregated from the magnetite. Iron formations repeated by folding are often required to produce sufficiently thick sections for mining in the Mont Wright / Wabush area.

Exploration

During the year ended March 31, 2020, the Corporation conducted minor drilling campaigns at the Bloom Lake Property to improve ore characterization and for hydrogeological and geotechnical investigations. The Corporation also completed a drone-born magnetic survey carried partially on the Roach Hill exploration property located to the north and west of the Bloom Lake mining lease.

An outcrop sampling campaign was also carried out on the Bloom Lake East property. The work consisted mainly of reconnaissance in the field. Limited sampling was done on sparse outcrops. Access is very limited; the area is mostly covered with water. A helicopter was used to access the field and to find eventual outcrops.

Drilling

This section summarizes the drilling completed on the Bloom Lake Property by QIO during the 2019 drilling program for ore characterization. 32 holes totaling 4,040,5 m were drilled. The holes are listed in Table 10-1-1. For hydrogeological and geotechnical investigations, 13 holes totaling 2,011 m were drilled. The holes are listed in Table 10-1-2.

Table 10-1-1: 2019 drilling program (ore characterization)

Hole-ID	Pit	UTM Easting	UTM Northing	Elevation	Final depth	Dip	Azimuth
BL-19-15	BW	5855315.28	612728.68	720.04	84.5	180	-65
BL-19-12	BW	5855354.02	612725.09	719.89	125	180	-65
BL-19-13	BW	5855214.99	612875.04	721.23	128	180	-65
BL-19-14	BW	5855276.98	612874.80	720.50	176	180	-65
BL-19-10	BW	5855550.62	612946.07	703.78	104	0	-60
BL-19-11	BW	5855509.76	612952.86	704.87	206	0	-60
BL-19-09	BW	5855545.09	613025.35	705.15	170	0	-60
BL-19-08	BW	5855583.24	613024.97	704.92	101	0	-50
BL-19-17	BW	5855506.82	613506.51	748.56	116	14	-60
BL-19-16	BW	5855525.67	613250.05	720.53	119	0	-60
BL-19-05	BC	5855459.23	615622.65	732.13	270	0	-90
BL-19-06	BC	5855470.65	615624.36	731.86	146	0	-60
BL-19-04	BC	5855440.32	615703.04	732.90	233	0	-65
BL-19-03	BC	5855480.26	615702.71	732.77	167	0	-60
BL-19-01	BC	5855449.05	615771.06	733.89	224	0	-60
BL-19-02	BC	5855438.92	615839.69	733.35	284	0	-60
BL-19-07	BC	5855578.87	615846.69	746.96	152	0	-60
BL-19-18	BP	5855185.80	614765.28	678.97	15	0	-90
BL-19-19	BP	5855185.70	614751.76	679.01	15	0	-90
BL-19-20	BP	5855193.17	614751.92	679.08	15	0	-90
BL-19-21	BP	5855193.28	614765.32	679.08	15	0	-90
BL-19-23	PP	5854690.57	615411.34	766.37	105	90	-80

Hole-ID	Pit	UTM Easting	UTM Northing	Elevation	Final depth	Dip	Azimuth
BL-19-28	PP	5854515.59	615365.91	779.10	128	90	-75
BL-19-25	PP	5854525.18	615289.77	785.48	159	90	-80
BL-19-26	PP	5854526.36	615230.92	785.75	198	90	-80
BL-19-24	PP	5854720.05	615340.04	777.43	147	90	-80
BL-19-27	PP	5854440.28	615288.78	795.91	24	90	-80
BL-19-27A	PP	5854440.28	615288.78	795.91	129	90	-80
BL-19-22	PP	5854765.02	615204.87	798.60	240	90	-70
BL-19-29	BP	5855275.65	615201.84	662.99	15	0	-90
BL-19-30	BP	5855266.39	615197.87	663.12	15	0	-90
BL-19-31	BP	5855271.84	615195.75	663.10	15	0	-90

Table 10-1-2: 2019 drilling program (hydrogeological and geotechnical investigations)

Hole-ID	UTM Easting	UTM Northing	Elevation	Final depth	Dip	Azimuth
GT-19-11	5855304.88	614681.874	677.889	81	70	311
GT-19-12	5855401.26	614723.081	692.128	81	85	180
GT-19-13	5855305.98	614604.709	678.327	128	72	330
GT-20-01	5855226.42	614699.96	665.04	174	60	355
GT-20-02	5855226.04	614697.60	665.08	218	60	270
GT-20-03	5855200.00	614868.72	665.79	166	60	355
GT-20-04	5855232.34	614805.80	665.38	131	50	350
GT-20-05	5855231.48	614815.64	665.19	170	70	210
GT-20-06	5855195.63	614345.65	723.38	251	90	0
GT-20-07	5855452.12	615639.67	732.26	120	75	240
GT-20-08	5855450.50	615637.18	732.50	200	60	355
GT-20-09	5855227.10	615808.14	718.26	9	90	0
GT-20-09A	5855226.37	615808.22	718.24	282	90	0

The holes were collared on-site with a High precision portable GPS Trimble R8.

Drilling azimuth reference was provided through calculation of points of coordinates. The traditional use of a compass was not recommended due to the high level of magnetism developed by some horizons of the underlying iron formations.

Deviation and inclination tests were carried out in the holes. A Flexit instrument was used to measure both orientation and inclination of all the drillholes. This instrument provided useful magnetic susceptibility values.

Readings were taken every 50 m or at least 2 time in one hole. All the data obtained with the Flexit instrument were analyzed and all the inappropriate data were eliminated if deviation was too large and/or if the magnetic susceptibility was too high.

Drill cores are provided by the Drilling Contractor in NQ size (47.6 mm). The core is collected in a standard drilling tube and the drillers place the core into wooden core boxes. The driller marks the depth in meters (m) after each run, usually every 4 m.

The drillhole is terminated by the Bloom Lake site geologist once the targeted depth is reached and the core at the drill site is reviewed with respect to target lithologies, alteration and mineralization.

Once the drillhole is terminated and the final downhole survey reading collected, the drill crew pulls the rods for mobilization to the next drill site.

Casings can be left in the hole but are usually removed.

All the drillhole collars were surveyed in-house by the mine site surveying team. Surveyors used a Trimble R8 instrument to survey the drillhole collars. Survey measurements were precise to three decimals, but for unexplained reasons, some of the recent hole coordinates were rounded to the nearest integer before importing the data into Surpac.

The inclination and direction of the drill collars were measured using a clinometer and then the direction was verified against Flexit readings for most holes.

At the drill rig, all the used core boxes were carefully closed with tape and were transported by either snowmobile or ATV to a pick-up truck that brought them to the core shack at the end of each shift. No core boxes were left outside the core shack.

The core shack was established inside an industrial dome on site used for various purposes. In the core shack area, a number of inclined tables were installed for core logging with several core racks for boxes storage. An area was also organized for sampling.

All the boxes were labelled, photographed in lots of five and most of them were photographed in detail, three to four pictures being taken for each box. The core boxes were systematically measured to validate the marks of the drillers. Measuring was also done to calculate the rock quality designation (RQD) and the core recovery.

The core was logged using standard methods. Rock types were identified, and intervals were measured according to the marks done by the drillers. Geological logging took into account the general colour of the rock, the relative percentage of constituents, the grain size distribution, the alteration, the contact with other rocks, the texture and the variation of these elements, when significant. A particular attention was given to the orientation of foliations relative to the core axis. Geotechnical features in the core, such as RQD were noted.

The mineralized units to be sampled were marked with a grease pencil at 3 m to 6 m intervals, depending on the mineral content.

The core was stored at the mine site

Sampling, Analysis, and Data Verification

In general, only mineralized intervals are sampled. The iron content of samples must be equal to or greater than 15%. This estimate is done visually by the person core logging.

The two factors that are taken into consideration are the grade cut-off for samples and the length of the samples. Samples are taken before, through and after the potentially mineralized zone.

To create representative and homogenous samples, sampling honors lithological contacts. The protocol states that the minimum sample interval in the hole will not be less than 1.0 m. The maximum sample interval will not exceed 6.0 m. No sample will cross a major rock boundary, alteration boundary or mineralization boundary.

Sampling intervals are determined by the geologist during logging and marked on the core boxes or on the core itself using colored lumber pencils with a line drawn at right angles to the core axis.

The sample sequence includes duplicate samples that are inserted into the sample stream using sample numbers that are in sequence with the core samples. No Standard Reference Materials (SRMs) and Blank material were used for the 2019 program.

The sample length for most intervals collected varies from 3.0 m to 6.0 m.

A geotechnician trained in core cutting procedures executes the core cutting at the Core Shack. The logging geologist has already clearly marked out all pertinent cores for cutting and sampling. The geologist staples a paper sample tag containing a sample number corresponding with the required sample interval at the start of the sample interval. The logging geologist also staples a metal tag containing the sample number onto the box. This is a permanent sample reference that will remain on the wooden core tray. The geotechnician removes the paper sample tag and places it inside of the plastic bag.

The core is divided in half using an hydraulic splitter. One half is retained and kept in the core box for later reference and the other half is put into a plastic sample bag. A sample assay tag is placed in the plastic sample bag and the bag is tied off.

For quality assurance purposes, “DUPLICATE” core samples are generated by sending the second $^1/_2$ core sample to the lab. The sample bags are prepared in the same manner as the original sample and immediately follow the original core sample with the corresponding sample number.

Core samples were shipped to the COREM Laboratory in Quebec City, Quebec, for analysis in 2019. COREM was accredited in 2017 by the Standards Council of Canada under ISO 17025:2005.

Quality control for the routine sample analysis included COREM’s own quality control procedures, involving internal and external checks.

At COREM, the samples were crushed to reduce each sample to 3.35 mm (6 mesh).

A whole rock analysis was done on each sample to measure the following parameters (in %): FeTotal, SiO2, Al2O3, Fe2O3, MgO, CaO, Na2O, K2O, TiO2, MnO, P_2O_5, Cr_2O_3, V_2O_5, ZnO, and loss on ignition (LOI). The LOI at 400°C and 1,000°C is determined during the procedure. Additional analyses included determination of magnetic iron with a Satmagan magnetic analyzer.

At the Bloom Lake site, sample bags are stored in a core shack until they are removed to be delivered to TST Overland Express in Wabush, using pick-up trucks. Once delivered to TST Overland Express in Wabush, the bags are put on pallets and sealed with plastic wrap-ups.

Quality control samples were inserted into the sample batches sent to the laboratory during the 2019 drilling program. Inserts included duplicate samples. No standards and blank samples were inserted.

Quality control for the routine sample analysis included COREM’s own quality control procedures, involving internal and external checks.

Duplicate samples are submitted to assess both assay precision (repeatability) and to assess the homogeneity of mineralization. QIO utilizes core duplicates with one half of core being used for the primary analysis and the other half for the subsequent duplicate analysis, leaving no core in the core box for record keeping.

Results were received by email in Excel files by representatives of QIO.

The results of the 2019 drilling program have been incorporated into the block model.

Mineral Processing and Metallurgical Testing

The Bloom Lake deposit has been extensively tested since the mid-1970's by previous owners and has showed good potential for gravity recovery of the iron bearing minerals.

The proposed Phase 2 (QIO) flowsheet was developed to improve overall iron recovery compared to the already well-performing Phase 1 (QIO) flowsheet commissioned in February 2018. The Phase 2 concentrator has a robust design allowing for greater operational flexibility and thus aids in avoiding potential tonnage constraints.

The Phase 2 (QIO) flowsheet development was mostly based on the results from a process audit of the operating Phase 1 (QIO) concentrator and results from the test program performed at COREM under the supervision of Soutex. The test program was divided in two main stages:

1. Optimization tests were conducted for each stage to either confirm an equipment performance or test a new equipment performance. In the case where a significant quantity of material was required for a downstream equipment, a production run was also used to generate an adequate sample mass.
2. Variability tests run were performed on the developed flowsheet using five different ore blends composed from eight different ore types collected across Bloom Lake three main pits. Goal of the variability tests run was to confirm flowsheet robustness when processing different ore types and feed grades.

The proposed flowsheet is presented in Figure 1-2:

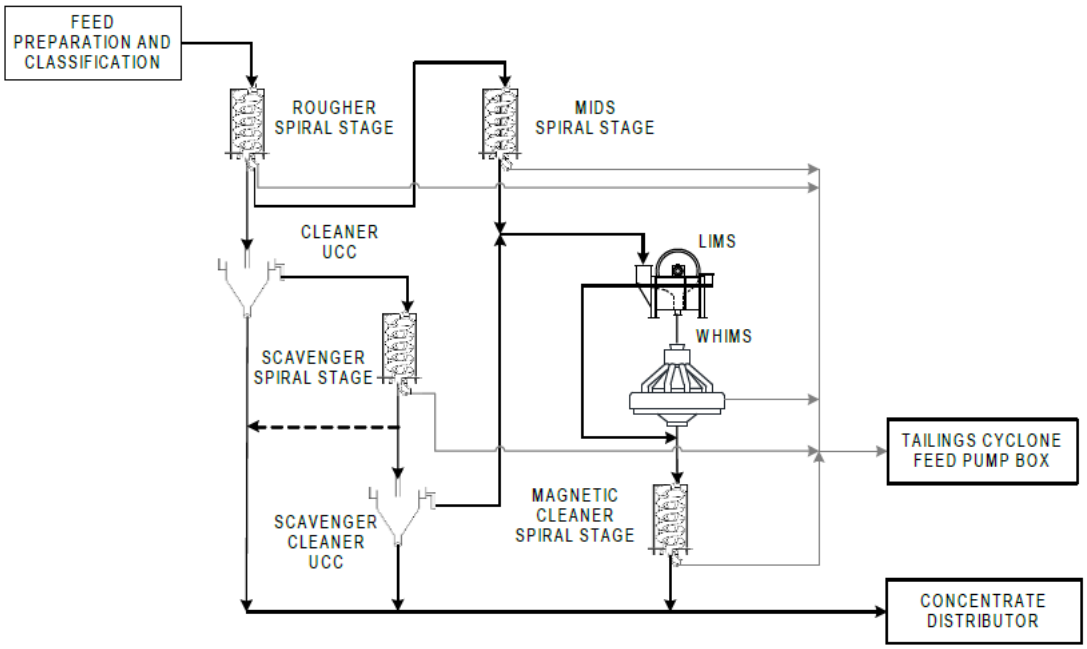


Figure 1-2 – Phase 2 (QIO) flow diagram

The flowsheet developed includes the following modifications over the Phase 1 (QIO) flowsheet:

- redirection of the mids spiral stage concentrate to the magnetic separation circuit to prevent coarse silica being sent to the cleaner up-current classifiers (UCC);
- addition of a scavenger cleaner UCC stage to increase recovery at the scavenger spiral stage and increase robustness to feed variations.

With the information obtained from the testwork program, the variability testwork results in particular, and the operational experience of the Phase 1 (QIO) concentrator, the following recovery equation was determined:

$$\%Fe_{Rec.} = -0.03593Fe^2 + 3.1900Fe - 0.59683MgO - 0.00495MgO^2 + 0.01424FeMgO + 20.678$$

This equation takes into account the magnesium, measured as MgO, feed grade and assumes it represents actinolite, which contains iron that is not recoverable. The model is applied over the life of mine annual average iron feed grade range of 27% to 31% and MgO feed grades up to 3.5%. Figure 1-3 shows the recovery model developed for Phase 2 (QIO):

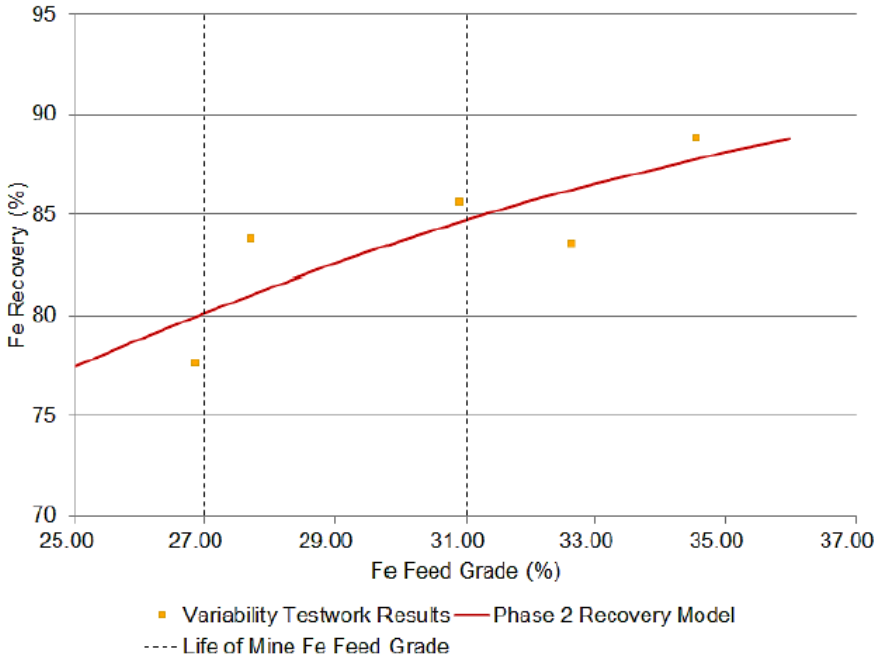


Figure 1-3 – Iron recovery vs. iron feed grade

Mineral Resource and Mineral Reserve Estimates

BBA was retained by QIO to audit the updated Mineral Resource estimate (MRE) for the Bloom Lake Mine project prepared by Jean-Michel Dubé, P. Geo. from QIO. Drillhole information up to 2018 was considered for this estimate with only partial information from the 2018 drilling program used for 3D modelling and classification. The 2019 Bloom Lake Mineral Resource estimate presented in the Phase 2 Feasibility Study was prepared under the supervision and approved by Pierre-Luc Richard, P. Geo., from BBA. Mr. Richard is an independent Qualified Person.

The QP reviewed the resource parameters presented by QIO, including the following items: geological model and domain strategy, statistical study of assays and composites, variography analysis, interpolation and search ellipse settings, estimation process and classification of the resource. During the audit, the QP proposed revising some of the parameters that contributed to establishing the updated parameters.

Geovia Surpac 2019HF1 v.7.0.1949.0 was used for the geological modelling and to generate the drillhole intercepts for each solid, compositing, 3D block modelling and interpolation. Statistical studies were conducted using Excel and Snowden Supervisor v.8.9.

The methodology for the audit involved the following steps:

- database verification;
- review of the 3D modelling of the geological and structural models;

- review of the drillhole composite generating process for each mineralized unit;
- basic statistics;
- high grade value study;
- geostatistical analysis including variography;
- review of the block model construction;
- review of the grade interpolation (including all profiles, scripts and macros);
- block model validation;
- review of the resource classification;
- cut-off grade calculation and pit shell optimization; and
- review of the mineral resource statement.

Because of the folded nature of the deposit, the geological model was divided into multiple structural domains to accommodate grade interpolation. Although domains existed in the previous model, it was necessary to revisit the approach during the course of the current MRE update. A total of 22 domains were created using Geovia Surpac for the current MRE. In the QP's opinion, the geological model and the structural domains are appropriate for the size, grade distribution and geometry of the mineralized zones and are suitable for the resource estimation of the Bloom Lake project. The model appears to be compatible with the anticipated mining and grade control methods as well as to the size and type of equipment to be used.

For mineralized units, density values were calculated based on the formula established and used during the operational period:

$$SG = \text{Fe\% x } 0.0284 + 2.5764$$

Density values were calculated from the density of host rock, adjusted by the amount of iron as determined by metal assays. Waste material was assigned the density of porous dolomite (2.71 g/cm^3). The calculation was made on blocks in the block model.

A 3D directional variography was carried out on the composites using the Snowden Supervisor v8.9 software. Variograms were modelled in the three orthogonal directions to define a 3D ellipsoid for each structural domain. The three directions of ellipsoid axes were set by using the variogram fans and visually confirmed with geological knowledge of the deposit. The QP participated in the variography study and considers them appropriate to be used in the ordinary kriging (OK) estimation.

The block model for the project was set in Geovia Surpac 2019HF1 v.7.0.1949.0. The interpolation was run with the use of two passes on a set of points extracted from the 6.0 m composited data. The block model grades were estimated using OK methods constrained inside the mineralized wireframes. Every step of the block modelling process was revised to ensure fair representation of the available data in the Bloom Lake resource model.

The estimated block grades were classified into Measured Mineral Resource, Indicated Mineral Resource and Inferred Mineral Resource categories using drill spacing, geological continuity, number of holes used, and slope of regression. When needed, a series of clipping boundaries were created manually in 3D views to either upgrade or downgrade classification in order to avoid artifacts due to automatically generated classification. All remaining estimated but unclassified blocks were flagged as "Exploration Potential".

The Measured, Indicated and Inferred Mineral Resources for the Bloom Lake project presented in the Phase 2 Feasibility Study are estimated at a cut-off grade of 15% Fe, inside an optimized Whittle open pit shell based on a long term iron price of USD61.50/dmt for 62% Fe content, a premium of USD12.70/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 CAD/USD. The Measured and Indicated Mineral Resource for the project

is estimated at 893.5 Mt with an average grade of 29.3% Fe, and Inferred Mineral Resource at 53.5 Mt with an average grade of 26.2% Fe (Table 1-2).

Table 1-2: Mineral resources estimate for the Bloom Lake project

Classification	Tonnage (dry) kt	Fe %	CaO %	Sat %	MgO %	Al_2O_3 %
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
Total M&I	893,500	29.3	2.1	6.3	1.9	0.4
Inferred	53,500	26.2	2.8	8.0	2.4	0.4

Notes on Mineral Resources:

1. The independent QP for the 2019 MRE, as defined by NI 43-101 guidelines, is Pierre-Luc Richard, P. Geo, of BBA Inc. The effective date of the estimate is April 19, 2019. CIM definitions and guidelines for Mineral Resource estimates have been followed.
2. These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The MRE presented herein is categorized as Measured, Indicated and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as Indicated or Measured; however, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
3. Mineral Resources are presented as undiluted and in situ for an open pit scenario and are considered to have reasonable prospects for economic extraction. The constraining pit shell was developed using pit slopes varying from 42 to 46 degrees. The pit shell was prepared using Minesight.
4. The MRE was prepared using GEOVIA Surpac 2019HF1 v.7.0.1949.0 and is based on 569 surface drillholes (141,289 m) and a total of 11,397 assays.
5. Density values were calculated based on the formula established and used by the Corporation.
6. Grade model resource estimation was calculated from drillhole data using an ordinary kriging interpolation method in a block model using blocks measuring 10 m x 10 m x 14 m (vertical) in size.
7. The estimate is reported using a cut-off grade of 15% Fe. The MRE was estimated using a cut-off grade of 15% Fe, inside an optimized open pit shell based on a long term iron price of USD61.50/dmt for 62% Fe content, a premium of USD12.70/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 CAD/USD. The cut-off grade will need to be re-evaluated in light of future prevailing market conditions and costs.
8. Calculations are in metric units (metre, tonne). Metal contents are presented in percent (%). Metric tonnages are rounded and any discrepancies in total amounts are due to rounding errors.
9. The Feasibility Study Authors are not aware of any known environmental, permitting, legal, title-related, taxation, sociopolitical or marketing issues, or any other relevant issues not reported in the Phase 2 Feasibility Study that could materially affect the Mineral Resource estimate.

The mineral reserve for the Bloom Lake project is estimated at 807.0 Mt at an average grade of 29.0% Fe as summarized in Table 1-3. The MRE was prepared by BBA. The resource block model was generated by the Corporation and reviewed by BBA.

The mine design and Mineral Reserve estimate have been completed to a level appropriate for feasibility studies. The Mineral Reserve estimate stated in the Phase 2 Feasibility Study is consistent with the CIM definitions and is suitable for public reporting. As such, the mineral reserves are based on Measured and Indicated Mineral Resources, and do not include any Inferred Mineral Resources. The Inferred Mineral Resources contained within the mine design are classified as waste.

Table 1-3: Mineral Reserve Estimate

Classification	Diluted ore tonnage (dry) Mt	Fe %	CaO %	Sat %	MgO %	Al_2O_3 %
Proven	346.0	29.9	1.5	4.7	1.4	0.3
Probable	461.0	28.2	2.6	7.9	2.5	0.6
Total Proven & Probable	**807.0**	**29.0**	**2.2**	**6.5**	**2.0**	**0.5**

Notes on Mineral Reserves:

1. The Mineral Reserves were estimated using the CIM Standards for Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014.
2. The independent QP for the Mineral Reserve estimate, as defined by NI 43-101, is Isabelle Leblanc, P. Eng., from BBA. The effective date of the estimate is May 17, 2019.
3. Inside the final open pit design, all the Measured Mineral Resources and associated dilution (waste material at 0% Fe) have been converted into Proven Mineral Reserves. Inside the final open pit design, all the Indicated Mineral Resources and associated dilution (waste material at 0% Fe) have been converted into Probable Mineral Reserves.
4. The reference point of the Mineral Reserve is the primary crusher feed.
5. Mineral Reserves are based on the December 31, 2020 mining surface.
6. Mineral Reserves are estimated at a cut-off grade of 15% Fe.
7. Mineral Reserves are estimated using a long-term iron price reference price (Platt's 62%) of USD60.89/dmt and an exchange rate of 1.24 CAD/USD. An Fe concentrate price adjustment of USD12.70/dmt was added.
8. Bulk density of ore is variable but averages 3.40 t/m3.
9. The average strip ratio is 0.88:1.
10. The mining dilution was calculated using a 1 m contact skin.
11. The average mining dilution is 1.1% at a grade of 0% Fe. Dilution was applied block by block and shows a wide range of local variability.
12. The average ore loss is 0.8% at a grade of 31% Fe. Ore loss was applied block by block and shows a wide range of local variability.
13. The Feasibility Study Authors are not aware of any known environmental, permitting, legal, title-related, taxation, sociopolitical or marketing issues, or any other relevant issues not reported in the Phase 2 Feasibility Study, that could materially affect the Mineral Reserve estimate.
14. Numbers may not add due to rounding.

The open pit optimization was conducted to determine the optimal economic shape of the open pit to guide the pit design process. This task was undertaken using the MineSight Economic Planner (MSEP) software that is based on the Lerchs-Grossmann algorithm. The method works on a block model of the ore body, and progressively constructs lists of related blocks that should, or should not, be mined. The method uses the values of the blocks to define a pit outline that has the highest possible total economic value, subject to the required pit slopes defined as structure arcs in the software. This section describes all the parameters used to calculate block values in MSEP.

Dilution was calculated block by block by evaluating which material types are in contact. Ore loss occurs in amphibolite and overburden rock types, while dilution occurs in gneiss and quartz rock types.

For the Phase 2 Feasibility Study, Measured and Indicated Mineral Resource blocks were considered for optimization purposes. The pit optimization parameters are stated in Table 1-4:

Table 1-4: Optimization parameters

Parameter	Base value	Unit
MINING COSTS		
Mining Cost	2.50	CAD/t mined
Incremental Bench Cost	0.039	CAD/t /14 m
PROCESSING & G&A COSTS		
G&A Cost	2.76	CAD/t milled
Concentrator Cost	3.70	CAD/t milled

Total Operating Cost	6.46	CAD/t milled
NET VALUE & PAYMENT		
CFR 62% Iron	61.50	USD/t (base selling price at revenue factor 1)
Concentrate Premium	12.70	USD/t/%
CFR 66.2% Iron	74.20	USD/t
Exchange Rate	1.24	CAD/USD
CFR 66.2% Iron	92.01	CAD/t
Shipping and Logistics	18.88	CAD/t
Selling Costs	26.04	CAD/t
Iron Price FOB Bloom Lake	47.09	CAD/t
Iron Recovery	varies	%
Weight Recovery	varies	%
Discount Rate	8.0	%
Concentrate Production Rate	15.00	Mtpy

A pit slope design study was carried out by Golder Associates Inc. following a request from the previous owner of the project. The conclusions of this study have been used as an input to the pit optimization.

Mining Operations

The operation consists of a conventional surface mining method using an owner mining approach with electric hydraulic shovels, wheel loaders and mine trucks. The study presented in the Phase 2 Feasibility Study consists of resizing the open pit based on parameters outlined therein and producing a 20-year LOM plan to feed two plants at a nominal rate of 41.9 Mtpy.

Drill and blast specifications are established to effectively single pass drill and blast a 14 m bench. For this bench height, a 311 mm blast holes size is proposed with a 6.25 m burden by 7.25 m spacing with 1.5 m of sub-drill in ore. The blast pattern in waste material varies slightly with the various rock types. These drill parameters, combined with a high energy bulk emulsion with a density of 1.2 kg/m^3, result in a powder factor of 0.40 kg/t. Blast holes are initiated with electronic detonators and primed with 450 g boosters. The bulk emulsion product is a gas-sensitized pumped emulsion blend specifically designed for use in wet blasting applications.

Loading in the pit will be done by up to four electric drive hydraulic face shovels equipped with a 28 m^3 bucket. The shovels are matched with a fleet of 218 t payload capacity mine trucks. The project already owns three Caterpillar 6060 electric drive hydraulic front shovels. The hydraulic shovels will be complemented by up to four production front-end wheel loader (FEL) with a 12 m^3 bucket. Two Komatsu WA1200-6 units are available on site as well as one LeTourneau L1850 unit.

Haulage will be performed with 218-tonne class mine trucks. The existing truck fleets consist of seven Caterpillar 793D and three Caterpillar 793F mechanical drive trucks. The initial fleet required will be 13 trucks growing to 32 trucks in Year 6.

Mining of the Bloom Lake project is planned in six phases with a starter phase and two pushbacks in both the West and Chief's Peak pits. Waste rock will be disposed of in four distinct waste dumps, the original northern location used by the previous owner and three new locations to the south. In-pit dumping has not been planned for the project to avoid the possibility of future re-handling. The open pit generates 707 Mt of overburden and waste rock for a strip ratio of 0.88:1.

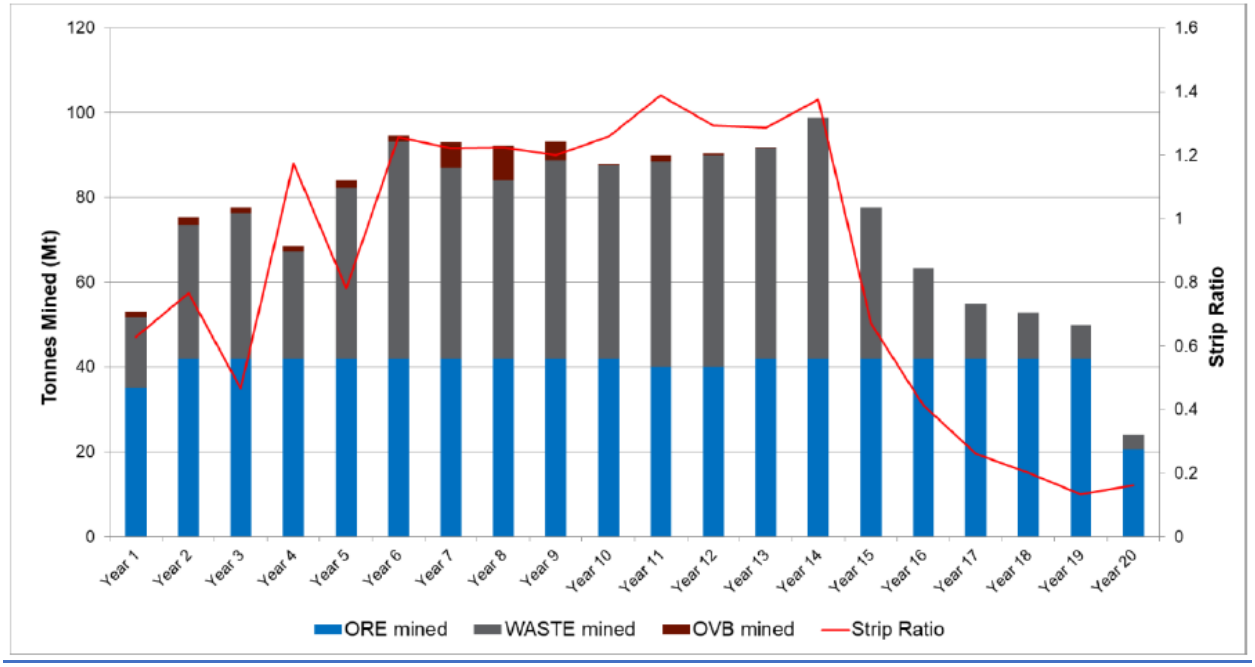


Figure 1-1 – Mine Production

Processing and Recovery Operations

The Bloom Lake Phase 2 (QIO) is designed to process ore at a nominal rate of 2,650 tph. With the new LOM design, the projected production is 7.75 Mtpy of concentrate at a 29.0% Fe feed grade and concentrate grade of 66.2% Fe. The Phase 1 and Phase 2 combined expected weight recovery is 36.0% and iron recovery is 82.4%. The simplified process flow diagram (PFD) for the new Phase 2 is presented in Figure 1-4.

Ore from the mine is delivered to Crusher 1 and Crusher 2. Crushed ore from Crusher 2 falls on a surge conveyor, which transports it to the crushed ore buffer stockpile and is then transferred on the overland crushed ore conveyor. Crushed ore from Crusher 1 is fed to a surge bin where it is reclaimed via a conveyor system and transported to the common crushed ore stockpile area.

Crushed ore from the stockpile is fed to an AG mill by the means of the mill feed conveyor. The Phase 2 (QIO) project will upgrade the original two 7,500 hp (5,593 kW) motors to 8,400 hp (6264 kW) each. The additional available power will make it possible to increase tonnage when the power draw is high and no other constraint is active. The power increase means that ore-specific power can reach 4.7 kWh/t at the design feed rate of 2,650 tph, which is higher than the Phase 1 (QIO) design value of 4.5 kWh/t at 2,482 tph.

Ground ore is discharged from the mill to feed the scalping screens. The undersize of each scalping screen is pumped to the classification screens' feed distributors arranged to evenly split the feed to the North and South lines. Scalping and classification screen oversize is conveyed back to the AG mill while static screens and classification screens undersize is collected in a pump box (one for each production line) to be pumped to the gravity concentration circuit. Dilution water originating from the filtrate tank is added to the classification screen undersize pump boxes to ensure a stable rougher feed density.

The Phase 2 separation circuit developed, as in Phase 1 (QIO), is a multi-stage circuit comprised of rougher, middlings, scavenger and mag cleaner spirals, cleaner and scavenger-cleaner Up-current classifiers, low intensity magnetic separators (LIMS) and wet high intensity magnetic separator (WHIMS). It is designed to remove gangue material, mostly silica, from hematite and magnetite to achieve the desired 82.5% Phase 2 iron recovery, with a key difference being the inclusion of up-current classifiers in the scavenger stage.

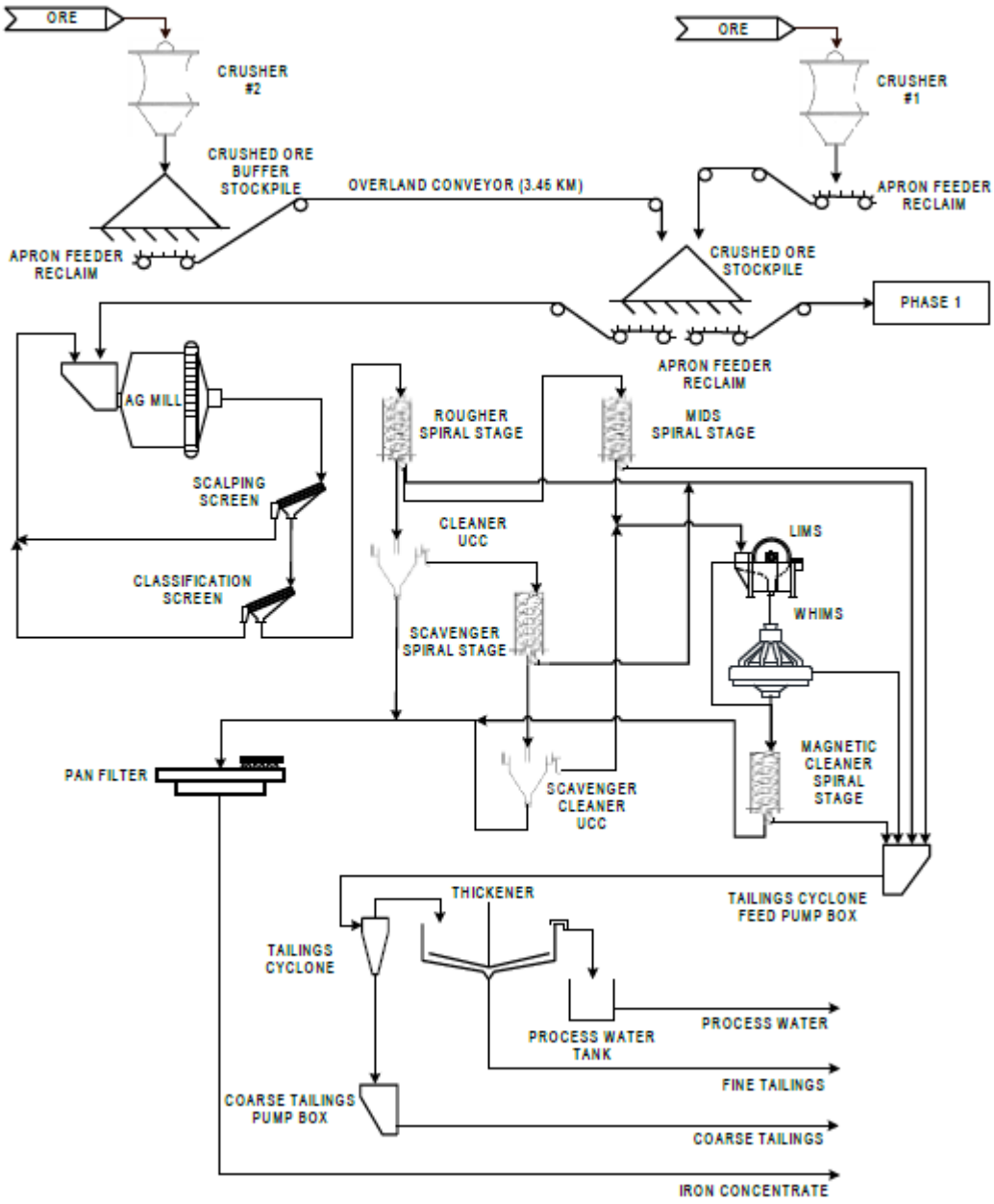


Figure 1-4 – Simplified process flow diagram Phase 2 (QIO)

In the gravity circuit, the combination of spirals at the rougher stage and UCC at the cleaner stage enables the removal of silica of all sizes. The roughers will maximize iron recovery while preventing coarse silica from reaching the cleaner stage. The cleaner stage will remove fine and mid-sized silica to achieve a final concentrate silica grade lower than the 4.5% target. The mids spirals will recover misplaced iron from the rougher stage middlings while removing mid-size to coarse silica. Sending the mids concentrate to the magnetic separation circuit stage prevents the reintroduction of coarse silica in the cleaner UCC stage.

The tails coming from the rougher is a high flow, but low percent solids stream from which water can be recovered through dewatering cyclones and reused in the process. The rougher spirals tails dewatering cyclone overflow is pumped in the required quantity to the mill feed chute and the scalping screen pump boxes for density control.

A combination of spirals and UCC is also used at the scavenger and scavenger cleaner stages. The scavenger is operated to maximize iron recovery while removing mid-sized silica. The scavenger cleaner stage is operated to remove fine silica. To maximize iron recovery when the scavenger spiral grade meets specifications, the scavenger-cleaner UCC stage can be bypassed.

A combination of LIMS, WHIMS and spirals is used to scavenge iron from the scavenger cleaner UCC overflow and mids spirals concentrate. The LIMS recovers magnetite and the remaining hematite enters the WHIMS stage to ensure the efficient operation and availability of the WHIMS. The WHIMS magnetic intensity is adjusted to maximize hematite recovery from paramagnetic minerals. The LIMS and WHIMS magnetic concentrates are fed to the mag cleaner spiral stage where the settings are adjusted to achieve the final concentrate target grade of 4.5% SiO_2.

The concentrate is collected into the concentrate collector launders. From there, it goes into a 4-way pan filter feed distributor that splits the feed into 4 horizontal pan filters. The addition of a common 4-way feed distributor results in equal distribution of the concentrate to the operating filters. The concentrate pan filter area is 1.7 times that of the Phase 1 (QIO) filters, meaning that only three filters are required in operation and stopping a pan filter for maintenance will not imply tonnage reduction.

Phase 2 concentrate is transferred to the Phase 2 transfer tower. From there, it can go to Phase 1 silo, Phase 2 silo or the Phase 2 emergency stockpile. When train loading begins, the concentrate is transferred to the Phase 1 hopper and tilt chute for loading into railcars. Calcium chloride is added in the winter months to prevent the concentrate from sticking onto the railcar walls.

The tailings cyclone cluster feed pump boxes receive tails from the various separation stages and feed the tailings thickening cyclone clusters that produce a dense and coarse underflow reporting to the coarse tailings collection box and a fine and dilute overflow that reports to the tailings thickener.

The tailings thickener underflow is pumped to the fine tailings tank where it is mixed with Phase 1 fine tailings. The material is pumped through the booster station to the fine tailings storage facility (TSF). The tailings thickener has a surface of 2.1 times larger than that of the Phase 1 (QIO) thickener. The increased thickener surface area allows the rise rate to be greatly reduced, which increases stability and control of the overflow water quality. The thickener overflow is gravity fed into the process water tank to be reused throughout the concentrator.

The tailings cyclone cluster underflow (coarse tailings) is gravity fed to a pump box. From there, the tailings stream is pumped via a series of coarse tailings pumps to booster stations as it is transported to the coarse TSF.

Infrastructure, Permitting and Compliance Activities

The entire mine infrastructure used for the current mining operations will be upgraded to the new mine plan requirements. Most of the required infrastructure is already constructed with a few new additions/modifications that will be required. The facilities breakdown is detailed in Table 1-5:

Table 1-5: Mine infrastructure

Infrastructure	Condition (existing or new/modified)
Mine maintenance garage (Phase 1)	Existing
Mine maintenance garage (Phase 2) 2023	New
Garage SMS Secondary truck maintenance	New
Truck wash bay	Existing
Fuel storage and distribution system	Existing
Mine electrical infrastructure	New

A cafeteria at the West Pit (to minimize lost time for truck drivers' breaks)	Existing
Spare parts containers located around the site to store drilling equipment, surveyor equipment and environmental equipment	Existing
Mobile shovel bucket repair shop	Existing
Dispatch system, complete with trailers, offices and a cafeteria	Existing
Aggregates crusher plant (contractor)	Existing

Infrastructure Located at the Processing Plants

The vast majority of the required infrastructure for Phase 2 is available and currently used for QIO operations. The process plant building required for Phase 2 has already been constructed and certain equipment has already been installed. The structure is complete and the building walls have been closed. Non-process buildings include:

- a service building attached to the Phase 1 process plant which houses:
    - maintenance shops;
    - unloading and warehousing completely stocked with parts and supplies;
    - electrical/instrument repair shop;
    - boiler plant to provide steam to both plants for heating and filter cake drying. The boiler plant also hosts the boiler water treatment system;
    - offices for administration, purchasing, human resources, technical services (engineering and geology), training and plant operating personnel;
    - laboratory equipped for metallurgical testwork, wet and dry assaying;
    - lunchroom, men and women change rooms, sanitary and locker facilities;
    - communications room;
    - compressor room to provide service air and instrument air to both concentrators;
    - fresh water storage tank and water treatment facilities for both plants;
    - electrical room; and

- eight various utility domes used as warehouses or shops for contractors.

Rail Infrastructure

The rail network consists of three separate segments to transport iron ore concentrate from the mine site to the port:

- first segment of rail referred to as the Bloom Lake Railway consists of a 32-km long segment that connects the mine site to the QNS&L railway at the Wabush Mines facilities in Wabush, Labrador;

- second segment uses the QNS&L railway from Wabush to Arnaud junction in Sept-Îles, which has a mainline track of approximately 395 km; and

- third segment is from Arnaud junction to Pointe-Noire (Sept-Îles), which is the property of SFPPN.

The current fleet is composed of 735 insulated ore cars dedicated to move Bloom Lake concentrate. As part of the expansion, QIO will require an extra 450 railcars for a total of four long trains (240 railcars) and one short train (168 railcars). A 5% spare fleet allowance is considered to provide reliable operations. Rail additions will be required along the Bloom Lake Railway, at Arnaud Junction and at the Pointe-Noire terminal. One of the major changes to be performed is related to the dumper track at the Pointe-Noire terminal in order to unload the 240-car train by cuts of 82 cars instead of 55 cars as is performed for current operations. This modification reduces the unloading cycle time and maximizes the car dumper capacity.

Port Infrastructure

The concentrate is unloaded from railcars at Pointe Noire, which is owned by SFPPN and controlled by the Government of Quebec, and can be either loaded directly onto a vessel or stockpiled to be reclaimed and loaded at a later date. As part of the expansion project, the infrastructure must be upgraded to accommodate an average yearly throughput of 15 Mt of concentrate. To allow efficient and reliable operations, modifications will be performed to increase the stockpiling capacity, reduce the railcars unloading cycle and increase the stacking and reclaiming performance.

The infrastructure modifications required for Phase 2 operations are as follows:

- dismantling of the existing rail segment located after the rail dumper;
- excavation, blasting and back-fill to support the new rail segment that will be installed after the rail dumper;
- move the existing access road for Port de Sept-Îles and Aluminerie Alouette;
- construction of a new site service road;
- relocation of the aqueduct network;
- relocation of the 25 kV electrical line;
- relocation of the Telus telecommunications infrastructure;
- construction of new culverts;
- addition of a new stacker-reclaimer;
- extension of conveyors CV-2 & CV-3 by 300 m; and
- addition of 600 hp motors on conveyors CV-2 & CV-3.

Tailings and Surface Water Management

The tailings management strategy is developed around tailings slurry pumping and hydraulic placement of an annual average of 26.8 Mt of tailings that are separated in two feeds: coarse (85%) and fine (15%). This separation optimizes the footprint, utilizes the existing infrastructure and reduces the overall environmental risks by maximizing each material given their distinct properties and behaviours. Slurry pumping and hydraulic deposition is a safe and economic way to transport and store large quantities of tailings.

The tailings management strategy for the expansion project is compatible with the current management strategy. Fine tailings are stored year-round in Basin A, which is contained by centreline or downstream construction dikes. Coarse tailings are stored in the current *HPA-Sud* and *HPA-Ouest* storage areas as well as the new *HPA-Nord* storage area. The coarse tailings are contained by upstream 10H:1V sloped filtering dikes built solely on stable coarse draining tailings. Most construction work in the fine tailings basin is expected to be executed by contractors, while the coarse tailings management facility (TMF) will be mostly built by the QIO personnel and equipment.

The surface water management system is composed of a network of ditches, collection basins, pumping stations and retention ponds. Since Bloom Lake restart, some upgrades on the current conveying surface water management system have been done to increase robustness and reliability. These improvements are applied in the design of the water management systems around the new permitted areas *HPA-Nord* TSF and *Halde-Sud* waste dump. These new permitted areas will also include water retention basins sized to hold water volumes according to applicable legislation. Therefore, they do not impact the current water management system during the spring thaw period. Water from these basins can then be pumped to the existing system in a controlled manner during the remainder of the year. These water basins are dammed by centreline construction dikes that will be built to the highest safety design and construction standards. Finally, the current water treatment plant located next to the TSF will be winterized and upgraded to accommodate increases in the required treatment capacity due to the new permitted areas. This upgrade will be necessary when the future *HPA-Nord* TSF and *Halde-Sud* waste dump are constructed.

Environment and Permitting

The Bloom Lake mine has been authorized for operation under the federal environmental authorities (including the Department of Fisheries and Oceans Canada, Transport Canada, Natural Resources Canada and Environment Canada) and provincial governments.

No other federal authorizations are required to operate the second concentrator. Therefore, Bloom Lake can increase the annual ore production to 16 Mtpy. Fish habitats (lakes, ponds, and streams) are present within *HPA-Nord* TSF and the *Halde-Sud* waste stockpile locations. Under Section 36(3) of the *Fisheries Act*, it is forbidden to deposit deleterious substances such as tailings and waste rock in water frequented by fish. However, the *Metal and Diamond Mine Effluent Regulation* (SOR/2002-222) (the "**MDMER**") includes provisions (regulatory amendment) allowing the use of a natural water body frequented by fish for mine waste disposal. The assessment of alternative reports is currently reviewed by Environment and Climate Change Canada. Upon acceptance, the process of amendment of Schedule 2 of the MDMER will be initiated. According to the project development schedule, disposal of tailings in *HPA-Nord* and waste rock in *Halde-Sud* stockpile will not be required before 2026, thus allowing sufficient time than required for QIO to complete the federal permitting process.

Overall, a total of 38 certificates of authorization have been issued by the provincial government to the Bloom Lake iron mine in the past. Infrastructure such as the pit, waste rock piles, tailings management facilities and water management structure, as well as the treatment plant, have all been authorized. A few of these authorizations will require modifications to consider the new mine plan including the new waste rock dumps.

At the provincial level, Bloom Lake has also received operational permits for the mine, the dust collection systems, the railroad and the wastewater treatment systems. With the infrastructure facilities authorized, the expansion project can go forward without delays. The storage capacity for waste rocks and tailings is secured by permits up to 2024 at a production rate of 16 Mtpy. Consultations and presentations to the First Nations and the local community have been conducted since December 2018 to consider their concerns throughout the development of the expansion project. Various committees are ongoing to ensure a follow-up on the IBA (First Nations) or the mine activities (community stakeholders). QIO maintains positive relationships with the community and has become a reference for First Nations involvement in terms of training, employment and environment.

The same mining effluent will be maintained with the expansion, and the requirements (*Directive 019 sur l'industrie minière* and the MDMER) in terms of monitoring will remain unchanged. Other monitoring programs are ongoing on the site with regard to groundwater and air quality.

A revised closure plan was submitted to the Quebec Ministry of Energy and Natural Resources in 2018 which covered five years of mining operations. According to Section 232.6 of the *Mining Act* (Quebec) (L.R.Q., c. M 13.1), QIO shall submit a revised closure plan to the Minister for approval every 5 years or whenever amendments to the plan are justified by changes in the mining activities. QIO must also provide a financial guarantee covering the closure plan cost to the provincial government in accordance with Section 111 of the *Regulation Respecting Mineral Substances other than Petroleum, Natural Gas and Brine* (Chapter M-13.1, r. 2).

Capital and Operating Costs

Capital Costs

The capital cost estimate was based on the detailed engineering material take-offs, bids received from vendors and contractors from the previous study phase, and some data from historical projects. As the project was under construction and 65-70% complete, parts of the estimate are based on advanced detailed engineering. The initial capital cost estimate does not include taxes, replacement capital or additional working capital requirements after commissioning and start-up. The cost estimate, presented herein, is calculated and presented in Canadian (CAD or $) dollars and is dated Q2 2019. The conversion rates used to transfer foreign currencies to CAD are shown in Table 1-7:

Table 1-7: Currency conversion rates

Country	Currency	Equivalent
United States	1.00 USD	1.32 CAD

The summary table for the capital cost estimate (CAPEX) is found in Table 1-8:

Table 1-8: Estimated pre-production capital costs

Category	Pre-production, M$
General	$28.2
Mine – Phase 2	$37.6
Crusher and stockpile	$24.3
Concentrator	$165.0
Tailings and water management	$50.2
Services	$30.5
Rail and Port	$73.4
Owner's Costs (all-inclusive indirect costs)	$105.1
Contingency	$75.5
Total	**$589.8M**
Deposits	$44.0
Total including deposits	**$633.8M**

Operating Costs

Mining operating costs were generally developed from first principles, internal benchmarking information for similar projects and vendor quotes. For the concentrator, G&A and tailings operating costs, a portion of the unit rates and consumptions were based on actual operation costs and consumptions as per QIO's experience with Phase 1 actual operational costs. Other costs and consumptions required were derived by QIO, and WSP for the tailings management, have been compiled from a variety of sources and are mainly based on historical data, operating budgets and vendor quotes. Costs for concentrate transportation were established by QIO based on agreements with the rail transport providers.

A summary of the average operating cost of Phase 1 and Phase 2 combined over the LOM is shown in Table 1-9:

Table 1-9: Total estimated average LOM operating cost (Phase 1 + Phase 2) ($/t dry concentrate)

Category	Avg. (LOM), $/t conc.
Mining	$13.4
Crushing and Conveying	$1.7

Process Plant	$7.9
Concentrate Shipping	$16.8
Water and Tailings Management	$2.1
General and Administrative	$4.7
Total OPEX (cash cost)	**$46.6**
Sustainability	**$1.3**
Sustaining Capital (1)	**$4.4**
All-in sustaining cost	**$52.3**

(1) The total sustaining capital costs is estimated at $4.4/t over the LOM (capital expenses incurred from Year 1 of production to the end of the mine life), which includes items such as mine equipment fleet additions and replacements, facilities additions, rail car leasing, improvements and costs related to phasing of the TMF.

Economic Analysis

The economic/financial assessment of the Bloom Lake Phase 2 project of QIO is based on Q2-2019 price projections in USD currency and cost estimates in Canadian currency. A spot exchange rate of USD0.76 per CAD was assumed to convert particular components of the cost estimates into CAD and forward exchange rate estimates were used to convert USD market price projections into CAD. No provision was made for the effects of inflation. The evaluation was carried out on a 100%-equity basis. The evaluation presented is based on expenditures for Phase 2 only to avoid distorting the results with Phase 1 concentrate production. Current Canadian tax regulations were applied to assess the corporate taxes, while the regulations in Quebec (originally proposed as Bill 55, December 2013) were applied to assess the mining taxes. The financial indicators under base case conditions are presented in Table 1-10:

Table 1-10: Financial model indicators, Phase 2 only

Financial Results	Unit	Value
Pre-tax NPV @ 4%	M CAD	2,222.7
Pre-tax NPV @ 6%	M CAD	1,838.5
Pre-tax NPV @ 8%	M CAD	1,531.8
Pre-tax IRR	%	42.4
After-tax NPV @ 4%	M CAD	1,415.6
After-tax NPV @ 6%	M CAD	1,160.4
After-tax NPV @ 8%	M CAD	955.7
After-tax IRR	%	33.4
After-tax Payback Period on initial capital	years	2.4

A sensitivity analysis reveals that the project's viability will not be significantly vulnerable to variations in capital costs and freight, within the margins of error associated with Feasibility-Study-level estimates. However, the project's viability remains more vulnerable to the USD/CAD exchange rate and OPEX and to a more pronounced degree, future market prices of iron ore concentrate.

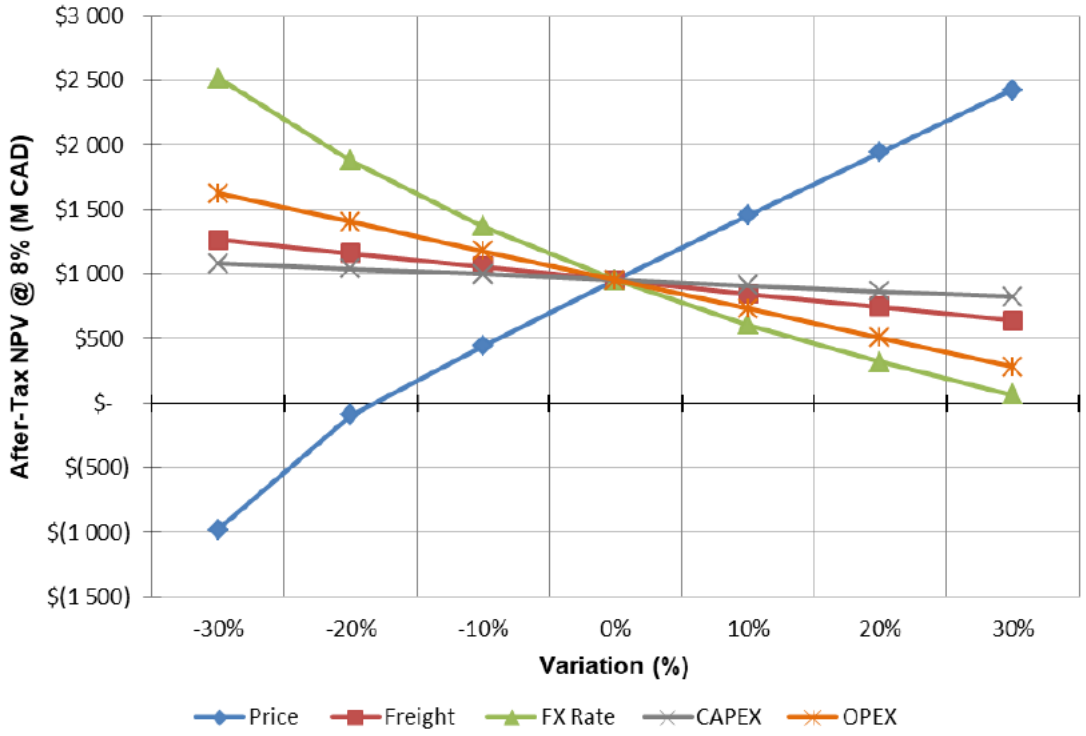


Figure 1-6: Sensitivity of the net present value (after-tax) to financial variables

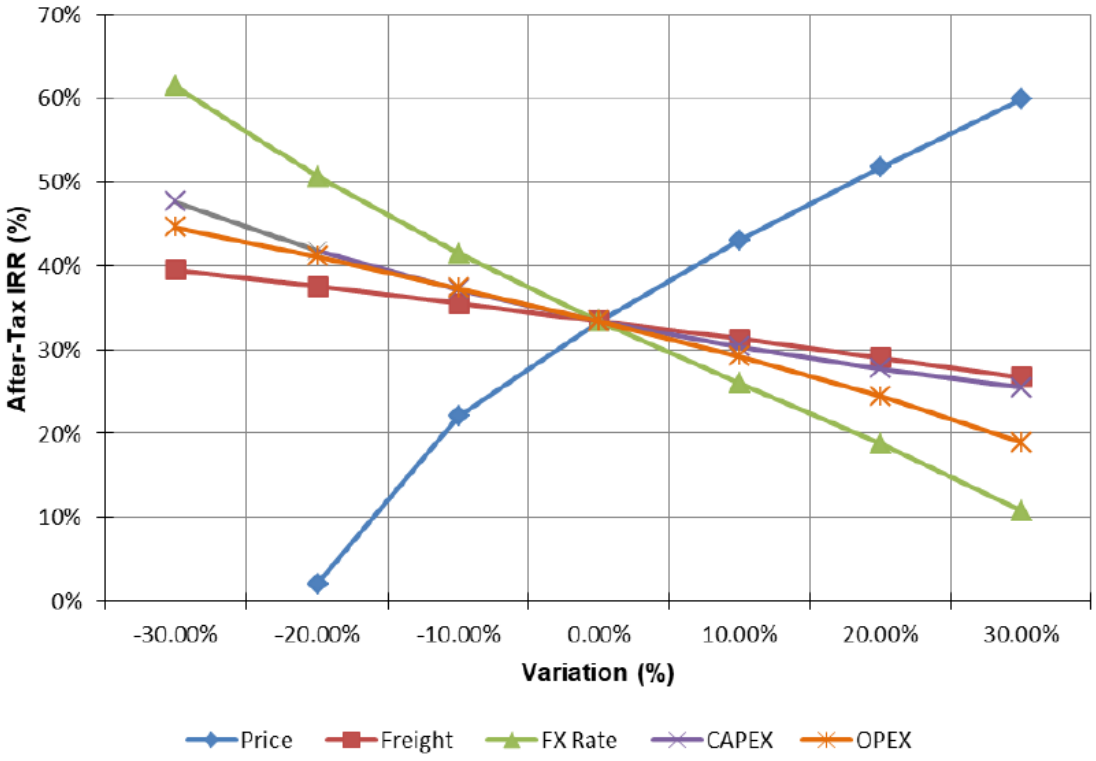


Figure 1-7: Sensitivity of internal rate of return (after-tax) to financial variables

Exploration, Development, and Production at the Bloom Lake Property

As discussed above in this AIF, the Bloom Lake Assets were acquired and significant analysis and other work was undertaken by the Corporation to determine the optimal approach for future operations. The 2017 Feasibility Study was completed on Bloom Lake in 2017. Subsequently to the release of the 2017 Feasibility Study, the Corporation had undertaken financings, signed off-take agreements and taken other steps towards re-starting operations at Bloom Lake, which re-commenced on February 16, 2018. QIO made its first shipment of high grade 66% iron ore concentrate on April 1, 2018. The Corporation declared commercial production at Bloom Lake on June 30, 2018.

The Phase 2 Feasibility Study, excerpts of which are detailed above in the AIF, was completed on Bloom Lake in 2019. The Corporation and QIO reported the findings of the Phase 2 Feasibility Study on June 20, 2019, and the Corporation filed the related NI 43-101 Technical Report under its profile on SEDAR (www.sedar.com) on August 2, 2019. Subsequent to the release of the Phase 2 Feasibility Study, the Board approved an initial budget of $68 million to advance the project during the remainder of 2019, in order to meet the timetable detailed in the Phase 2 Feasibility Study. The approved budget was funded from cash on hand and existing debt facilities. The finalization of additional funding sources for the project was expected to be completed before in the first half of 2020; however, in light of the Corporation's announcement on March 24, 2020 that it was to ramp down operations at Bloom Lake following a Quebec Government directive aimed at containing COVID-19, the Corporation's discretionary capital expenditures in connection with the Phase 2 expansion project were suspended and the timeline to communicate further details on the Phase 2 plans has been postponed to a later date.

DIVIDEND POLICY

To date, the Corporation has not declared or paid any dividends, and there is no expectation that it will do so in the foreseeable future. Any future determination to pay dividends will be in the discretion of the Board and will depend upon results of operations, capital requirements and such other factors as the Board considers relevant.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is incorporated under the Corporations Act and is limited by shares. The Corporation is authorized to issue (i) Ordinary Shares, and (ii) preference shares (including redeemable preference shares).

As of May 19, 2020 (Montreal time), there are 470,988,497 Ordinary Shares on issue. There are no preference shares or redeemable preference shares on issue. There are no partly paid shares on issue.

The special voting share was previously issued to TSX Trust in connection with the Plan of Arrangement. On March 12, 2020, the special voting share was transferred from TSX Trust to the Corporation and subsequently bought back and cancelled in accordance with Part 2J of the Corporations Act. Notice of the cancellation of the special voting share was provided to the ASX on the cancellation date in accordance with the ASX Listing Rules.

Subject to compliance with the Corporations Act and the ASX Listing Rules, the legal ability of the Corporation to raise capital and the number of Ordinary Shares that it may issue is unlimited. The rights attaching to Ordinary Shares are set out in the Constitution and are also subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and laws of general application.

The rights attaching to Ordinary Shares are summarized below. This summary is not exhaustive and does not constitute a definitive statement of the rights attaching to the holders of Ordinary Shares (the "**Ordinary Shareholders**").

Issue of Ordinary Shares

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Board may issue and allot Ordinary Shares for such issue prices and on such terms as it determines in its absolute discretion. This includes the power to grant options over unissued Ordinary Shares. Ordinary Shares may be issued to existing shareholders,

whether in proportion to their existing shareholdings or otherwise, or to such other persons as the Board may determine in its absolute discretion.

Transfer of Ordinary Shares

Shareholders may transfer Ordinary Shares by way of a written transfer instrument in any usual or common form (or any other form approved by the Board) or by way of a transfer effected under a computerised or electronic system in accordance with the Corporations Act, the Corporations Regulations and the ASX Settlement Operating Rules and the ASX Listing Rules. The Board may in its discretion refuse to register a transfer of Ordinary Shares in circumstances permitted by the ASX Listing Rules and the Constitution. The Board must refuse to register a transfer of Ordinary Shares if it is required to do so by the ASX Listing Rules.

Conversion of Ordinary Shares

Under the Corporations Act, Ordinary Shares may be converted to preference shares provided certain conditions are met. As the Constitution does not prescribe the rights that would attach to preference shares, a conversion of Ordinary Shares to preference shares would, under the Corporations Act, be permitted only if the shareholder's rights with respect to the following matters are first approved by special resolution: repayment of capital, participation in surplus assets and profits, cumulative and non-cumulative dividends, voting, and priority of payment of capital and dividends in relation to other shares or classes of preference shares.

As there are currently only Ordinary Shares on issue, a conversion of Ordinary Shares to preference shares would be a deemed variation of class rights under the Corporations Act. The legal requirements for approving a variation of class rights are set out immediately below.

Variation of Class Rights

The rights attached to a class of shares may be varied only in accordance with the Corporations Act. Under the Corporations Act, rights attached to shares in a class of shares may be varied or cancelled only by both a special resolution of the Corporation and either a special resolution of the relevant class or with the written consent of the shareholders holding at least 75% of the votes in the class.

If the shareholders in the class do not unanimously consent to the variation or the cancellation (whether by resolution or written consent), the holders of not less than 10% of the votes in the class may apply within one month of the variation or cancellation to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

Dividends

The holders of Ordinary Shares on which any dividend is declared or paid by the Corporation are entitled to participate in that dividend equally, in proportion to the number of Ordinary Shares held. The holder of a partly paid Ordinary Share (of which none are currently on issue) would be permitted to receive the fraction of the dividend declared or paid on a fully paid Ordinary Share equivalent to the proportion which the amount paid on such partly paid Ordinary Share bears to the issue price of such Ordinary Share. These dividend entitlements are subject to the rights of persons holding shares with special rights as to dividends (of which none are currently on issue).

The Board may from time to time by resolution either declare a dividend or determine that a dividend is payable out of the profits of the Corporation. The Board may fix the amount, time and method of payment of the dividend. In the case of a determination that a dividend is payable, the resolution may be amended or revoked until the time fixed for paying the dividend arrives. The payment of a dividend does not require any confirmation by a general meeting of the shareholders of the Corporation, subject to compliance with the Corporations Act.

Before declaring or determining to pay a dividend, the Board may resolve to set aside, out of the profits of the Corporation, such amounts by way of reserves as it deems appropriate. The Board may also resolve to carry forward any undistributed profits without transferring them to a reserve. The Board may resolve that a dividend will be paid

wholly or partly by the transfer or distribution of specific assets, in which case the Board may deal as it considers expedient with any difficulty which arises in making the transfer or distribution (for example to deal with fractional entitlements), subject to compliance with the Corporations Act.

Winding Up

Subject to the rights of holders of Ordinary Shares issued on special terms and conditions, upon a winding up of the Corporation, the Ordinary Shareholders would be entitled to participate equally in the distribution of any surplus assets in proportion to the number of and amounts paid on the Ordinary Shares held.

A liquidator may, with the sanction of a special resolution, divide among the Ordinary Shareholders in kind all or any of the Corporation's assets, and if there are different classes of shares on issue, may for that purpose determine how the division is to be carried out between the different classes.

Any distribution of surplus assets to the holders of Ordinary Shares is after the satisfaction of the Corporation's creditors.

Voting

Subject to any rights or restrictions attaching to any class of shares, every Ordinary Shareholder may vote at a general meeting in person or by proxy, attorney, or, in the case of an Ordinary Shareholder that is a body corporate, by the individual appointed as its representative. Each Ordinary Shareholder is entitled to one vote for each fully paid Ordinary Share held, one vote, and for each partly paid Ordinary Share held, a fraction of a vote equivalent to the proportion which the amount paid on the Ordinary Share bears to the total issue price of such Ordinary Share.

In the case of jointly held Ordinary Shares, if two or more joint holders purport to vote, then the vote of the joint holder whose name appears first in the register of Ordinary Shareholders will be accepted to the exclusion of the other joint holder or holders.

A resolution put to the vote at a general meeting is decided on a show of hands unless a poll is demanded by at least five Ordinary Shareholders entitled to vote on the resolution, or Ordinary Shareholders with at least 5% of the votes that may be cast on the resolution on a poll, or the chairperson of the meeting. A poll may be demanded before a vote is taken or immediately before or after the result of a vote by show of hands is declared.

In the case of equality of votes on a resolution (by show of hands or poll), the chairperson of the meeting has a casting vote.

Buy-Back of Ordinary Shares and Reduction of Capital

In accordance with the Corporations Act, the Corporation may, with the agreement of an Ordinary Shareholder, buy-back Ordinary Shares from such Ordinary Shareholder. In certain circumstances (for example where specified buy-back limits are to be exceeded or the buy-back is selective), the buy-back would be subject to the approval of the Ordinary Shareholders by special resolution at a general meeting. Upon registration of the transfer of the Ordinary Shares acquired by the Corporation in a buy-back, the Ordinary Shares would be deemed to be cancelled.

In accordance with the Corporations Act, the Corporation may also be permitted to carry out a reduction of capital (such as a return of capital to shareholders or a cancellation of uncalled capital), provided the reduction is fair and reasonable to the Ordinary Shareholders as a whole, does not materially prejudice the ability to pay creditors and the approval of shareholders is obtained (by way of ordinary resolution in the case of an equal reduction or special resolution in the case of a selective reduction).

Sale of Non-Marketable Parcels

The Corporation may sell the Ordinary Shares of any Ordinary Shareholder who has less than a marketable parcel of those Ordinary Shares, provided certain procedures and conditions prescribed by the Constitution, the ASX Listing

Rules and the ASX Settlement Operating Rules are followed. A "marketable parcel" in relation to Ordinary Shares is a parcel of Ordinary Shares of not less than A$500 based on the closing price on a trading platform. Notice of at least six weeks (or any lesser period permitted under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules) is required to be given by the Corporation to the Ordinary Shareholder of the Corporation's intention to sell the Ordinary Shares. During such notice period, the Ordinary Shareholder has the opportunity to advise the Corporation that the Ordinary Shareholder wishes to retain its Ordinary Shares (and if such notification is given by the shareholder, the Corporation is not permitted to sell such Ordinary Shares).

Preference Shares and Redeemable Preference Shares

Subject to the Corporations Act, the Corporation may issue preference shares (including preference shares that are liable to be redeemed). Pursuant to the Constitution, if the Board resolves to issue a preference share, it must pass a resolution which specifies: (a) the dividend date; (b) the dividend rate; (c) whether dividends are cumulative or non-cumulative; (d) the priority with respect to payment of dividends and repayment of capital over other classes of shares; and (e) whether the share is a redeemable preference share or not. The holder of a preference share has no right to vote at any meeting of members other than the exceptions described in the Constitution. Subject to the terms of issue of any particular class of preference share, the issue of further preference shares that rank equally with any issued preference shares is not taken to affect the rights of the holders of existing preference shares whether or not the dividend rate of the new preference shares is the same as or different from that applicable to that existing preference shares. As of the date of this AIF, there are no preference shares on issue.

MARKET FOR SECURITIES

Trading Price and Volume of Ordinary Shares

To the knowledge of the Corporation, the Ordinary Shares have not been rated by any credit rating organization.

The Ordinary Shares commenced trading on the TSX on March 31, 2014 and on the ASX on April 3, 2014 under the symbol "CIA" and prior to that date, traded on the ASX under the symbol "MAB". The following table sets forth the volume of trading and price ranges of the Ordinary Shares on the TSX for each month during the fiscal year ended March 31, 2020.

Fiscal Year Ended March 31, 2020			
Month	**High (C$)**	**Low (C$)**	**Volume**
April 2019	2.35	1.95	23,117,686
May 2019	3.10	2.10	29,086,073
June 2019	3.15	2.62	18,756,957
July 2019	2.90	2.42	12,841,545
August 2019	2.63	1.86	8,964,605
September 2019	2.44	1.94	9,069,451
October 2019	2.235	1.71	9,946,983
November 2019	2.05	1.53	8,538,052
December 2019	2.60	1.95	9,813,253
January 2020	2.73	1.96	10,008,911
February 2020	2.22	1.60	9,212,145
March 2020	1.96	0.96	13,144,015

Prior Sales

No class of securities of the Corporation, other than the Ordinary Shares, are listed for trading on a marketplace. The following are the details of the other securities of the Corporation which are outstanding as at the date hereof.

Warrants

As at the date of this Annual Information Form, the following warrants to purchase Ordinary Shares remain outstanding, each warrant entitling its holder to subscribe for and purchase one Ordinary Share.

Issue Date	Exercise Price	Number of Warrants	Expiry Date
October 16, 2017	C$1.125	281,250	October 16, 2022
October 16, 2017	C$1.125	10,000,000	October 16, 2024
August 16, 2019	C$1.125	27,733,333	October 13, 2025
August 16, 2019	C$2.45	15,000,000	August 16, 2026

Stock Options

As at the date of this Annual Information Form, the following options were outstanding under the Corporation's Champion Iron Incentive Plan and its 2018 Omnibus Incentive Plan, each option entitling its holder to subscribe for and purchase one Ordinary Share.

Champion Iron Incentive Plan

Date of Grant	Exercise Price	Number of Options	Expiry Date
May 23, 2017	A$1.00	950,000	May 23, 2020
July 11, 2017	A$1.08	300,000	July 11, 2020
August 21, 2017	A$1.00	500,000	August 21, 2020
April 26, 2018	A$1.24	200,000	April 26, 2021
June 24, 2018	C$1.33	500,000	June 24, 2021

2018 Omnibus Incentive Plan

Date of Grant	Exercise Price	Number of Shares	Expiry Date
September 14, 2018	C$1.24	200,932	September 14, 2021
February 15, 2019	C$1.46	328,900	February 15, 2022
April 15, 2019	C$2.21	174,502	September 14, 2021
May 20, 2019	C$2.53	360,000	May 20, 2022

Deferred Share Units, Restricted Share Units and Performance Share Units

As at the date of this Annual Information Form, there was 1,369,166 Deferred Share Units, Restricted Share Units and Performance Share Units of the Corporation granted pursuant to the 2018 Omnibus Incentive Plan, such units being settled by issuing Ordinary Shares or otherwise pursuant to the provisions of the 2018 Omnibus Incentive Plan. The following Deferred Share Units, Restricted Share Units and Performance Share Units were issued by the Corporation during the financial year ended March 31, 2020:

Type of Security	Issue Date	Price	Number of Shares
Performance Share Units	April 30, 2019	C$2.14	438,084
Performance Share Units	May 14, 2019	C$2.23	214,987
Restricted Share Units	April 15, 2019	C$2.21	162,124
Restricted Share Units	April 30, 2019	C$2.14	292,056
Restricted Share Units	May 14, 2019	C$2.23	143,324
Deferred Share Units	September 19, 2019	A$2.61	19,157
Deferred Share Units	September 19, 2019	C$2.31	29,220

DIRECTORS AND OFFICERS

The Corporation has seven directors. The current term of office of each director will expire on the date of the next annual meeting of shareholders of the Corporation or the date such director's successor is duly elected or appointed pursuant to the Constitution, unless such director's office is earlier vacated in accordance with the provisions of the Constitution.

The following table sets forth certain information concerning the Corporation's directors based upon information furnished by them to management.

Name, Province and Country of Residence	Position with Corporation	Principal Occupation During Five Preceding Years	Director Since
Michael O'Keeffe New South Wales, Australia	Executive Chairman	Executive Director in the mining business. Executive Chairman of the Corporation since 2013. Chief Executive Officer of the Corporation from 2014 to 2019. Chairman of Riversdale Resources Limited from 2012 to 2019.	2013
David Cataford Quebec, Canada	Chief Executive Officer and Director	Chief Executive Officer of the Corporation since April 2019. Chief Operating Officer of the Corporation from 2017 to 2019. Vice President, Engineering of the Corporation from 2014 to 2017.	2019
Gary Lawler (1)(2) New South Wales, Australia	Non-Executive Director	Lawyer. Partner in various leading Australian law firms between 1981 and 2014. Currently a Senior Adviser at Ashurst Australia.	2014
Andrew J. Love (1)(2) New South Wales, Australia	Lead Director Non-Executive Director	Chartered Accountant. Senior Partner of Australian accounting firm Ferrier Hodgson from 1976 to 2008. Consultant until 2019.	2014
Michelle Cormier (1)(2) Quebec, Canada	Non-Executive Director	Operating Partner of Wynnchurch Capital Canada, Ltd. since 2014.	2016
Wayne Wouters Ontario, Canada	Non-Executive Director	Strategic and Policy Advisor with McCarthy Tétrault LLP since 2015.	2016
Jyothish George Switzerland	Non-Executive Director	Mr. George is currently Head of Glencore's Iron Ore Division. He serves as Vice Chairman of the Board of Directors of the El Aouj Mining Company SA in Mauritania and a member of the Board of Directors of Jumelles Limited, the holding company of the Zanaga iron ore mine in the Republic of Congo. Immediately	2017

		prior to his current role, Mr. George served as the Chief Risk Officer of Glencore. He earlier held a number of roles at Glencore's head office in Baar, Switzerland from 2009 onwards focused on iron ore, nickel and ferroalloys physical and derivatives trading, and has been involved with iron ore marketing since its inception at Glencore.	

Notes:

(1) Member of the Audit Committee of the Corporation.

(2) Member of the Remuneration and Nomination Committee of the Corporation.

The following table sets forth certain information concerning the executive officers of the Corporation, based in part upon information furnished by them to management.

Name, Province and Country of Residence	Position with Corporation	Principal Occupation During Five Preceding Years
Michael O'Keeffe New South Wales, Australia	Executive Chairman	Executive Director in the mining business. Executive Chairman of the Corporation since 2013. Chief Executive Officer of the Corporation from 2014 to 2019. Chairman of Riversdale Resources Limited from 2012 to 2019.
David Cataford Quebec, Canada	Chief Executive Officer	Chief Executive Officer of the Corporation since April 2019. Chief Operating Officer of the Corporation from 2017 to 2019. Vice President, Engineering of the Corporation from 2014 to 2017.
Natacha Garoute Quebec, Canada	Chief Financial Officer	Chief Financial Officer of the Corporation since 2018. Chief Financial Officer and Corporate Secretary of Roxgold Inc. from 2013 to 2018.
Steve Boucratie Quebec, Canada	Vice President, General Counsel and Corporate Secretary	Vice President, General Counsel and Corporate Secretary of the Corporation since May 2019. Director, Legal Affairs and Assistant Corporate Secretary of Osisko Gold Royalties Ltd from 2017 to 2019. Partner at Fasken Martineau DuMoulin LLP from 2012 to 2017.
Pradipkumar Devalia New South Wales, Australia	Company Secretary - Australia	Company Secretary - Australia of the Corporation since June 2014. Consultant in the resources industry from 2010 to 2014.

As of May 19, 2020 (Montreal time), the directors and executive officers of the Corporation as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 53,127,309 Ordinary Shares representing approximately 11.3% of the issued and outstanding Ordinary Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALITIES OR SANCTIONS

To the knowledge of the Corporation, no director or executive officer of the Corporation, and no personal holding company of any of them, is, at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (a) while that person was acting in that capacity, was subject to a cease trade order, a similar order or an order that denied the issuer access to any exemption under securities legislation, which order, in each case, was in effect for a period of more than 30 consecutive days, or (b) was subject to any such order that was issued after that person ceased to be a director chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out below, to the knowledge of the Corporation, no director, executive officer or shareholder of the Corporation holding a sufficient number of shares to affect materially the control of the Corporation, and no personal holding company of any of them, is, as at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In January 2017, Michelle Cormier was asked by the remaining senior secured creditor and by the sole shareholder of Calyx Transportation Inc. ("**Calyx**") to become the sole director and officer of Calyx. In this capacity, her mandate was to wind down Calyx in the most efficient manner, following the sale, in December 2016, by Calyx of all assets and businesses in which it operated. The large majority of net proceeds from such sales were used to repay bank indebtedness, employee severances and suppliers. Following all such payments, the cash on hand was insufficient to repay the remaining secured creditor. Given the insolvency of Calyx, Michelle Cormier in her capacity as director of Calyx approved a voluntary assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) in order to complete the wind down of Calyx's affairs and discharge her mandate.

To the knowledge of the Corporation, no director, executive officer or shareholder of the Corporation holding a sufficient number of shares to affect materially the control of the Corporation, and no personal holding company of any of them, has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

To the knowledge of the Corporation, no director, executive officer or shareholder of the Corporation holding a sufficient number of shares to affect materially the control of the Corporation, and no personal holding company of any of them: (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority; or (b) since December 31, 2000, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2001, entered into a settlement agreement with a securities regulatory authority which would likely be important to a reasonable investor in making an investment decision; or (c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making investment decision.

CONFLICT OF INTERESTS

To the knowledge of the Corporation, there are no existing or potential conflicts of interest between the Corporation and any director or officer of the Corporation. The directors and officers of the Corporation may serve as directors or officers of other public companies involved in the mining industry or have significant shareholdings in other public companies involved in the mining industry. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Corporation. In the event that such a conflict of interest arises, a director is required to disclose the conflict of interest and to abstain from voting on the matter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the financial year ended March 31, 2020, the Corporation was not a party to, nor was any of its property the subject of, any legal proceedings or any pending legal proceedings, or, to the Corporation's knowledge, contemplated legal proceedings, the outcome of which could have a material adverse effect on the Corporation.

During the financial year ended March 31, 2020 and during the current financial year, there have been no (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority; (ii) other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into by the Corporation before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three most recently completed financial years or during the current financial year of the Corporation, to the knowledge of the Corporation, no director or executive officer of the Corporation, no shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting securities of the Corporation, and no associate or affiliate of any of them, has or had any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Corporation.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The Corporation's registrars and transfer agents are:

Automic Group Limited
Level 5
126 Phillip Street
Sydney New South Wales 2000
Australia

TSX Trust Company
Suite 301
100 Adelaide Street West
Toronto, Ontario M5H 4H1
Canada

The Corporation's auditors are:

Ernst & Young
680 George Street
Sydney New South Wales 2000
Australia

MATERIAL CONTRACTS

The Corporation has not entered into any material contracts (other than those entered into in the ordinary course of business), except the following contracts:

- Credit agreement dated as of August 16, 2019 among Quebec Iron Ore Inc., Champion Iron Limited, Lac Bloom Railcars Corporation Inc., The Bank of Nova Scotia, Société Générale, The Bank of China Toronto Branch, Fédération des Caisses Desjardins du Québec; Ressources Québec Inc., The Royal Bank of Canada and The Toronto-Dominion Bank, as amended on April 6, 2020; and
- Governance agreement (*Convention de gouvernance*) dated August 16, 2019 among CDP Investissements Inc., Quebec Iron Ore Inc. and Champion Iron Limited.

INTEREST OF EXPERTS

The following persons and companies have prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made by the Corporation under National Instrument 51-102 – *Continuous Disclosure Obligations* during, or relating to, the financial year of the Corporation ended March 31, 2020:

- Ernst & Young;
- André Allaire, P. Eng., Isabelle Leblanc, P. Eng., Pierre-Luc Richard, P. Geo., each of BBA Inc.;
- Mathieu Girard, P. Eng., of Soutex;
- Phillippe Rio Roberge, P. Eng., of WSP Canada Inc.; and

- Nabil Tarbouche, P.Geo., Senior Geologist of the Corporation.

Ernst & Young, the external auditors of the Corporation, reported on the financial statements for the year ended March 31, 2020. Ernst & Young advised the Corporation that it has no registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation. Ernst & Young has advised the Corporation that it is independent of the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

BBA Inc. co-authored the Phase 2 Feasibility Study (see "*Material Property – Bloom Lake*").

Soutex co-authored the Phase 2 Feasibility Study (see "*Material Property – Bloom Lake*").

WSP Canada Inc. co-authored the Phase 2 Feasibility Study (see "*Material Property – Bloom Lake*").

Nabil Tarbouche, P.Geo., prepared the disclosure under the headings "Exploration", "Drilling" and "Sampling, Analysis, and Data Verification" in the summary contained herein on the Bloom Lake Property (see "*Material Property – Bloom Lake*").

To the knowledge of the Corporation, after reasonable enquiry, (i) none of the foregoing persons beneficially owns, directly or indirectly, or exercises control or direction over, any securities of the Corporation representing more than 1% of the outstanding securities of the Corporation of the same class, and (ii) none of the foregoing persons has any registered or beneficial interest, direct or indirect, in any other property of the Corporation.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the charter of the Corporation's Audit Committee is attached as Schedule "A" hereto.

Composition and Independence of Audit Committee

The Audit Committee of the Corporation is currently composed of three members, Andrew J. Love, Gary Lawler and Michelle Cormier, none of whom is an executive officer or employee of the Corporation. All of the Audit Committee members are independent as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Financial Literacy

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

All of the members of the Audit Committee are financially literate.

Relevant Education and Experience

Each Audit Committee member possesses certain education and experience which is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, education or experience which provides the member with one or more of the following: an understanding of the accounting principles used by the Corporation to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Andrew J. Love has obtained significant financial experience and exposure to accounting and financial issues in his capacity as a Chartered Accountant with more than 30 years of experience in corporate recovery and reconstruction in Australia. He was a senior partner of Australian accounting firm Ferrier Hodgson from 1976 to 2013 and was a consultant until 2019. In that time, he advised major local and overseas companies and financial institutions in a broad variety of restructuring and formal insolvency assignments. During this time, Mr. Love specialized in the resources industry. Mr. Love has been an independent director of a number of companies over a 25-year period in the resources, financial services and property industries. This has involved corporate experience in Asia, Africa, Canada, the United Kingdom and the United States. Mr. Love's previous board positions have included Chairman of ROC Oil Ltd., Deputy Chairman of Riversdale Mining Limited, Director of Charter Hall Office Trust, Chairman of Museum of Contemporary Art, Chairman of Gateway Lifestyle Operations Ltd. and Director of Scottish Pacific Group Ltd.

Gary Lawler has obtained significant financial experience and exposure to accounting and financial issues in his capacity as a leading Australian corporate lawyer who has specialised as a mergers and acquisitions lawyer for over 35 years. Mr. Lawler has been a partner of a number of leading Australian law firms and is currently a Senior Advisor at Ashurst Australia. Mr. Lawler is also the Chairman of Mont Royal Resources Limited. Mr. Lawler has previously held board positions with Dominion Mining Limited, Riversdale Mining Limited, Riversdale Resources Limited and Cartier Iron Corporation and brings a wealth of experience to the Board.

Michelle Cormier has obtained significant financial experience and exposure to accounting and financial issues in her role as a senior-level executive with experience in management, including financial management, corporate finance, turnaround and strategic advisory situations and human resources. She has strong capital markets background with significant experience in public companies listed in the United States and Canada. Mrs. Cormier spent 13 years in senior management and as Chief Financial Officer of a large North American forest products company and eight years in various senior management positions at Alcan Aluminum Limited (Rio Tinto). Mrs. Cormier articled with Ernst & Young. She serves on the Board of Directors of Cascades Inc. and Uni-Select Inc.

Mandate

The mandate of the Audit Committee is to oversee the Corporation's financial reporting processes and to liaise with the external auditors. In addition to reviewing the financial controls of the Corporation, which is its ongoing responsibility, the Audit Committee reviews the annual financial statements and interim financial statements and provides oversight of the accounting and financial reporting process and any other significant financial issues. The Audit Committee is scheduled to meet at least four times a year and otherwise as frequently and at such intervals as it determines is necessary to carry out its duties and responsibilities, including meeting separately with the external auditors.

External Audit Fees

The following table sets forth the fees billed to the Corporation by Ernst & Young, the external auditors of the Corporation, for services rendered in the last two fiscal years.

Ernst & Young (Canadian firm)	2020	2019
Audit fees [1]	$511,000	$230,000
Audit-related fees [2]	-	$45,000
Tax fees [3]	$52,000	$33,000
All other fees [4]	$160,000	$42,000
Total - Canadian firm (C$)	**$723,000**	**$350,000**
Ernst & Young (Australian firm)		
Audit fees [1]	$57,000	$171,000
All other fees [4]	$10,000	-
Total - Australian firm (C$)	**$67,000**	**$171,000**
Total (C$)	**$790,000**	**$521,000**

Notes:

(1) Audit fees related to professional services for the audit and review of the financial statements, and other regulatory audit services.

(2) Audit-related fees related to assurance and related services that are reasonably related to the performance of the audit or review of the financial statements, but not reported as audit fees.

(3) Tax fees related to professional services for tax compliance, tax advice, and tax planning.

(4) All other fees related to transactional advisory services not meeting the fee classification under notes (1) to (3) above.

The Corporation appointed Ernst & Young as auditors on November 26, 2013.

ADDITIONAL INFORMATION

Additional information, which is not and shall not be deemed to be incorporated by reference in this AIF, relating to the Corporation may be found under the Corporation's profile on SEDAR at www.sedar.com. Further, information with respect to the Corporation, which is not and shall not be deemed to be incorporated by reference in this AIF, including with respect to the directors' and officers' remuneration and indebtedness, principal holders of securities of the Corporation and securities authorized for issuance under equity compensation plans, is contained in the management information circular of the Corporation for its most recent annual meeting of shareholders (the "**Information Circular**") that involved the election of directors. Additional financial information is provided in the consolidated financial statements and the management's discussion and analysis of the Corporation for the financial year ended March 31, 2020. A copy of this Annual Information Form, the annual report of the Corporation for the financial year ended March 31, 2020 and the Information Circular may be obtained from SEDAR or upon request from the Corporate Secretary of the Corporation.

SCHEDULE A

CHAMPION IRON LIMITED
(the "**Company**")

AUDIT COMMITTEE CHARTER

The Company has established an Audit Committee which consists of non-executive directors. The roles and responsibilities of the Audit Committee are outlined in this section.

Membership

The Audit Committee will consist of at least three members. Members will be appointed by the Board where possible' from amongst the non-executive, Directors, a majority of who, where possible, will also be independent. In addition, the Audit Committee will comprise:

- Members who can all read and understand financial statements and are otherwise financially literate;
- At least one member with financial expertise either as a qualified accountant or other financial professional with experience in financial and accounting matters; and
- At least one member who has an understanding of the industry in which the Company operates.

Chairman

The Audit Committee will appoint an independent Director, other than the Chairman of the Board, to be the Chairman of the Committee.

Secretary

The Company Secretary will be the Secretary of the Audit Committee.

Other Attendees

The Executive Director as well as other members of senior management may be invited to be present for all or part of the meetings of the Audit Committee, but will not be members of the Committee.

Representatives of the external auditor are expected to attend each meeting of the Audit Committee and at least once a year the Committee shall meet with the external auditors without any management staff or executives present.

Quorum

A quorum will be two members.

Meetings

Audit Committee meetings will be held not less than four times a year so as to enable the Committee to undertake its role effectively. In addition, the Chairman is required to call a meeting of the Audit Committee if requested to do so by any member of the Audit Committee, the Executive Director, or the external auditor.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its charter. The Audit Committee will have access to management and auditors with or without management present and has rights to seek

explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Audit Committee.

The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit Committee is required to make recommendations to the Board on all matters within the Audit Committee's charter.

Reporting Procedures

The Audit Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chairman of the Audit Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Audit Committee meeting along with any recommendations of the Committee.

Responsibilities of the Audit Committee

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. In particular, the Audit Committee has the following duties:

Financial Statements

- To review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:
    - Any changes in accounting policies and practices;
    - Major judgmental areas;
    - Significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;
    - Compliance with accounting policies and standards; and
    - Compliance with legal requirements.
- To review the evaluation by management of factors related to the independence of the Company's public accountant and to assist them in the preservation of such independence.
- To oversee management's appointment of the company's public accountant.

Related Party Transactions

- To monitor and review the propriety of any related party transactions.

External Audit Function:

- To recommend to the Board the appointment of the external auditor.
- Each year, to review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.
- To discuss with the external auditor before the audit commences the nature and scope of the audit,

- To meet privately with the external auditor on at least an annual basis.
- To determine that no management restrictions are being placed upon external auditor.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- To review the external auditor's management letter and management's response.
- To review any regulatory reports on the Company's operations and management's response.

Communication

- Providing, through regular meetings, a forum for communication between the Board, senior financial management, staff involved in internal control procedures and the external auditors.
- Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the general public.
- Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously.

Assessment of Effectiveness

- To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management and the external auditors.

Oversight of the Risk Management System

- To oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company. This system will include the Company's internal compliance and control systems.
- To review at least annually the Company's risk management systems to ensure the exposure to the various categories of risk are minimised prior to endorsement by the board.
- To evaluate the Company's exposure to fraud.
- To take an active interest in ethical considerations regarding the Company's policies and practices.
- To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
- To identify and direct any special projects or investigations deemed necessary.
- To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations.
- To ensure a safe working culture is sustained in the workforce.
- To determine the Company's risk profile describing the material risks, including both financial and non-financial matters, facing the company.
- To regularly review and update the risk profile.