Management's Discussion and Analysis

For the three-month period ended June 30, 2020

CHAMPION IRON

TSX: CIA - ASX: CIA

As at July 29, 2020

The following Management Discussion and Analysis ("MD&A") of Champion Iron Limited ("Champion" or the "Company") has been prepared as of July 29, 2020. This MD&A is intended to supplement the condensed interim consolidated financial statements ("Financial Statements") for the three-month period ended June 30, 2020 and related notes thereto, which have been prepared in accordance with AASB 134 (IAS 34), *Interim Financial Reporting*, and should be read in conjunction with the Company's audited annual financial statements and MD&A for the year ended March 31, 2020.

Management is responsible for the preparation and integrity of its Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Financial Statements and MD&A, is complete and reliable.

The Financial Statements and other information pertaining to the Company are available on SEDAR at www.sedar.com , the ASX at www.asx.com.au and the Company's website at www.championiron.com.

Unless otherwise specified, all dollar figures stated herein are expressed in Canadian dollars, except for: (i) tabular amounts which are in thousands of Canadian dollars; or (ii) per share or per tonne amounts. The following abbreviations are used throughout this MD&A: USD or US$ (United States dollar), CAD or CA$ (Canadian dollar), wmt (wet metric tonnes), dmt (dry metric tonnes), M (Million), km (kilometres) and m (metres), EPS (Earnings per share).

This MD&A contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" section and to the "Cautionary Note Regarding Forward-Looking Statements" section of this MD&A included in note 27.

The utilization of the "Company" or "Champion", refers to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as it may apply.

Non-IFRS Financial Performance Measures

Certain financial performance measures with no standard meaning under International Financial Reporting Standards (''IFRS'') are included in this MD&A. Champion believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. These measures are intended to provide additional information and should not be considered in isolation, or as a substitute for, measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. The non-IFRS financial performance measures included in this MD&A are: total cash cost or C1 cash cost, all-in sustaining costs ("AISC"), average realized selling price, cash operating margin and cash profit margin, earnings before interest, tax, depreciation and amortization ("EBITDA"), EBITDA margin, adjusted net income, adjusted net income attributable to Champion shareholders, adjusted earnings per share ("adjusted EPS") and operating cash flow per share. For a detailed description of each of the non-IFRS measures used in this MD&A and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the "Non-IFRS Financial Performance Measures" section of this MD&A included in note 18.

1. Description of Business

Champion was incorporated under the laws of Australia in 2006 and is listed on the Toronto Stock Exchange (TSX: CIA) and Australian Securities Exchange (ASX: CIA). Champion is a high-grade iron ore concentrate producer with its flagship asset, the Bloom Lake iron ore mine ("Bloom Lake" or "Bloom Lake Mine"), a long-life, large-scale open pit operation located in northern Québec, approximately 300 km North of Sept-Iles and 13 km by road from the town of Fermont. The Company achieved commercial production at the Bloom Lake Mine as of June 30, 2018. As at June 30, 2020, Champion is the sole owner of Bloom Lake's operating subsidiary, Quebec Iron Ore Inc. ("QIO"), further to the acquisition of Investissement Québec's 36.8% equity interest in QIO on August 16, 2019. Investissement Québec was formerly Ressources Québec Inc., at the time of the transaction.

Through its wholly-owned subsidiary Champion Iron Mines Limited ("CIML"), the Company owns interests in 9 properties (each a "Property"), covering approximately 806 square kilometres (collectively, the "Fermont Holdings") located in the Fermont Iron Ore District of Northeastern Québec. The Company also owns 100% of the Gullbridge-Powderhorn property located in Northern Central Newfoundland.

The Company's near-term strategy is to continue with operational improvements at the Bloom Lake Mine while applying cost and capital discipline. On June 20, 2019, the Company released a National Instrument 43-101 compliant feasibility study for the Phase II expansion project ("Feasibility Study") which envisions doubling the mine's overall capacity from 7.4 Mtpa to 15 Mtpa. With the Bloom Lake Mine generating positive cash flow from operations, the Company is in a position to focus on strengthening its financial position and pursuing growth opportunities.

2. Financial and Operating Highlights

	Three Months Ended June 30,	
	2020	2019
Iron ore concentrate produced (wmt)	**1,798,800**	1,989,400
Iron ore concentrate sold (dmt)	**1,758,800**	1,906,700
Financial Data (in thousands of dollars, except per share amounts)		
Revenues	**244,574**	277,914
Gross profit	**128,296**	170,693
EBITDA[1]	**127,695**	166,936
EBITDA margin[1]	**52%**	60%
Net income	**75,556**	74,241
Adjusted net income[1]	**78,004**	74,241
Net income attributable to Champion shareholders	**75,556**	38,751
Adjusted net income attributable to Champion shareholders[1]	**78,004**	38,751
Basic earnings per share	**0.16**	0.09
Adjusted earnings per share[1]	**0.17**	0.09
Net cash flow from operations	**75,288**	91,921
Cash and cash equivalents	**330,215**	192,976
Short-term investments	**17,291**	17,704
Total assets	**1,002,307**	798,614
Total non-current financial liabilities	**244,830**	272,400
Statistics (in dollars per dmt sold)		
Average realized selling price[1]	**139.1**	145.7
Total cash cost[1] (C1 cash cost)	**58.4**	54.3
All-in sustaining cost[1]	**64.8**	62.8
Cash operating margin[1]	**74.3**	82.9
Statistics (in US dollars per dmt sold)		
Average realized selling price[1]	**100.3**	109.6
Total cash cost[1] (C1 cash cost)	**42.2**	40.6
All-in sustaining cost[1]	**46.8**	46.9
Cash operating margin[1]	**53.5**	62.7

[1] This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.

3. Quarterly Highlights

Health and Safety

- No known cases of COVID-19 have been confirmed by the Company;
- In close collaboration with its unionized workforce, contractors and local communities, the Company adapted operations and implemented measures aligned with Government of Québec's (the "Government") directives in response to the COVID-19 pandemic;
- The Company implemented and continuously reviews its measures and protocols in order to minimize the risks related to COVID-19, which are expected to remain in place in order to safeguard the health and safety of our employees, partners and local communities; and
- The Company collaborated with interregional transportation agencies, in concert with the Government, to facilitate transportation to Bloom Lake and mitigate local community risks related to the COVID-19 pandemic.

Financial

- Revenues of $244.6M for the quarter ended June 30, 2020, compared to $277.9M for the comparative period in 2019;
- EBITDA[1] of $127.7M for the quarter ended June 30, 2020, representing an EBITDA margin[1] of 52%, compared to an EBITDA[1] of $166.9M for the same period in the prior year, representing an EBITDA margin[1] of 60%;
- Record net income of $75.6M for the quarter ended June 30, 2020 (EPS of $0.16), compared to a net income of $74.2M for the same period in the prior year (EPS of $0.09); excluding incremental costs related to the COVID-19 pandemic for the quarter, the Company generated adjusted net income[1] of $78.0M representing adjusted EPS[1] of $0.17 for the quarter ended June 30, 2020;
- Net cash flow from operations of $75.3M for the quarter ended June 30, 2020, representing an operating cash flow per share[1] of $0.16, compared to $91.9M or $0.21 per share[1], respectively, for the same period in the prior year; and
- Cash on hand[2] of $347.5M as at June 30, 2020, compared to $298.7M as at March 31, 2020.

Operations

- Following the Government's COVID-19 containment directives, on March 24, 2020, the Company announced that it will ramp down operations at the Bloom Lake Mine. The Government subsequently issued directives effective April 15, 2020, which the Company complied with by gradually ramping up operations at Bloom Lake, as announced on April 23, 2020, as mining activities were categorized by the Government as a "priority service" and allowed to resume normal operations in the province of Québec;
- Quarterly production of 1,798,800 wmt of high-grade 66.5% Fe iron ore concentrate for the three-month period ended June 30, 2020, compared to 1,989,400 wmt of high-grade 66.2% Fe iron ore concentrate during the same prior year period;
- Recovery rate of 82.3% for the quarter ended June 30, 2020, compared to a recovery rate of 82.1% for the same quarter in 2019;
- Total cash cost[1] of $58.4/dmt (US$42.2/dmt) (C1) for the quarter ended June 30, 2020, compared to $54.3/dmt (US$40.6/dmt) for the same quarter in 2019; and
- Following the confirmation that its initial commercial production test qualified as Direct Reduction ("DR") pellet feed material, the Company produced an additional 207,900 wmt of DR quality iron ore concentrate at 67.8% Fe with a combined silica and alumina content of 2.68%.

[1] This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.
[2] Cash on hand includes cash and cash equivalents and short-term investments.

3. Quarterly Highlights (continued)

Other Developments

- In connection with Bloom Lake's Phase II expansion project, which proposes to double the mine's nameplate capacity to 15 Mtpa, the Company resumed some discretionary capital spending and increased the initial $68M Phase II-related budget announced on June 20, 2019 by $30M, in order to prudently advance the project and preserve key timelines ahead of the deferred final Board of Directors decision to be made at a later date;
- Positioned the Company for additional growth opportunities by increasing its exploration mineral rights adjacent to the Bloom Lake mining lease by over 175%, following the acquisition of 152 claims (38 km^2), and staking of 127 claims (31.75 km^2), directly North of Bloom Lake's operations;
- Entered into a freight contract for one vessel per month until December 2020 at an agreed upon price of US$15.46 per tonne plus freight commissions; and
- Completed the Company's first Sustainability Report, highlighting an alignment with stakeholders regarding diligence on corporate and social governance responsibilities, and which is available on the Company's website at www.championiron.com.

4. Response to the COVID-19 Pandemic

The COVID-19 pandemic has negatively impacted the global economy and created significant economic uncertainty and disruption to financial markets. However, the health and safety of the Company's employees, partners and the local communities has always been a priority and in response to the COVID-19 pandemic, operations were rapidly adapted within Government guidelines and together with the local communities, measures were implemented in the collective effort to contain the COVID-19 pandemic. To date, no known cases of COVID-19 have been confirmed by the Company.

On March 24, 2020, the Company announced the ramp down of operations at Bloom Lake, following a directive from the Government which required mining activities within the province to be reduced to a minimum. In line with the Government's directives, all discretionary work had been suspended and operations were restricted to a single production line, tailings management, water treatment and overall maintenance. On April 23, 2020, the Company announced it would gradually ramp up operations at Bloom Lake, following an announcement from the Government that effective April 15, 2020, mining activities were considered a "priority service" and the Company was allowed to resume normal operations, conditional on the implementation of guidelines aiming to contain the risks related to the COVID-19 pandemic. As the Company continues to focus on the health and safety of its workers, partners and communities, operations at the Bloom Lake Mine gradually ramped up and reached nameplate capacity by June 2020.

During the quarter ended June 30, 2020, Champion deployed several measures in its efforts to mitigate risks related to the COVID-19 pandemic, in line with Government guidelines. Implemented safety precautions include: additional monitoring of employees' health, temperature control prior to traveling and entering Bloom Lake, isolation measures from the nearby communities, additional transportation capacity to enable adequate social distancing, amended work schedules to reduce travel volumes, additional medical support and new disinfection and distancing protocols at the mine site. In addition to the measures and protocols rapidly set up at the onset of the pandemic, the Company has recently implemented additional measures to mitigate the risks related to COVID-19, including a mandatory disease management protocol for suspected cases, an internal audit process to assess the protocols related to COVID-19, a traceability register of employees in response to a possible infection of its employees, a mandatory information session for new contractors and employees and a monitoring of measures adopted by contractors to manage the COVID-19 pandemic. The current measures in place are monitored and revised by the employees on site and, when required, by an executive committee assembled to adapt operations in response to the COVID-19 pandemic. In addition, several communication channels have been created to ensure adequate supervision and communication of newly implemented measures.

The operational protocols implemented to reduce the risks for our workers and the measures used to participate in the collective effort to reduce the spread of the COVID-19 affected the operational results during the recently completed quarter. The ramp-down period in addition to the lower throughput achieved during the ramp-up period, resulted in a production decrease of approximately 10% when compared to the same quarter of the previous fiscal year. As the Company implemented best practices while managing its response to the COVID-19 pandemic, substantial direct and incremental operating costs were incurred during the quarter ended June 30, 2020, which totalled $4.6M or $2.6/dmt. COVID-19 specific costs could continue to be incurred in the foreseeable future and could increase if the Company enhances its protective measures. Although, no significant absenteeism was observed within the Company, certain operational sectors were delayed, namely production drilling activities, which accumulated a backlog whereby waste mining activities were negatively impacted. While the Company functioned at a significant reduction to its nameplate capacity for a period of time during the quarter, the Company demonstrated its agility and maximized its operations, minimizing the overall impact of the pandemic by delivering quarterly production and sales of 1.8M wmt.

In order to reduce its liquidity risks, the Company participated in the temporary tax relief in response to COVID-19 as announced by the Federal and Provincial Governments in Canada, which allows for the deferral in payment of income and mining taxes until September 30, 2020. As at June 30, 2020, the Company deferred the payment of the income tax related to the fiscal year ended March 31, 2020 amounting to $57.8M as well as monthly installments for the period April to June 2020 inclusively for income and mining taxes totalling $14.2M. The Company will continue to monitor and adapt to the rapidly changing global economy impacted by the pandemic. In addition, the Company's focus on strengthening its balance sheet in recent years provides it with financial flexibility to navigate the negative impacts of volatility in iron ore prices and its effects on its operations. As of June 30, 2020, the Company cash on hand[1] totalled $347.5M, with no debt repayment due until June 2021. Had the Company not participated in the temporary tax relief offered by the Federal and Provincial Government in response to COVID-19 and not deferred paying tax liabilities, the Company's cash on hand would have been $275.5M as at June 30, 2020.

Despite the economic impact of the COVID-19 pandemic, iron ore prices remained robust throughout the first quarter of the 2021 fiscal year, providing an attractive operating margin environment. Although the Company is managing its operations and liquidity to mitigate risks related to the COVID-19 pandemic, the extent to which the COVID-19 pandemic could impact operations and cash flows will depend on future developments, given the significant uncertainty regarding the ultimate impact that the COVID-19 pandemic will have on the overall economy and the demand for iron ore concentrate.

[1] Cash on hand includes cash and cash equivalents and short-term investments.

5. Bloom Lake Phase II Update

On June 20, 2019, Champion announced the findings of the Bloom Lake Feasibility Study (the "Feasibility Study") prepared pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") (see press release dated June 20, 2019 available under the Company's filings on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com) that includes proven and probable mineral reserve estimates of 807 million tonnes at an average grade of 29.0% Fe. The Phase II expansion project, as detailed in the Feasibility Study, aims to double Bloom Lake's nameplate capacity to 15 Mtpa of 66.2% Fe iron ore concentrate by completing the construction of the second plant which was partially completed by the mine's former owner. Based on the new optimized mine plan, the Bloom Lake mining rate would also be increased to accelerate the supply of ore to the expanded facilities, while maintaining a Life of Mine ("LoM") of 20 years.

The Feasibility Study proposes a 21-month construction period with estimated capital expenditures of $633.4M, including $44M in deposits. Project economics, based on US$83.9/t IODEX 65% Fe CFR China Index ("P65" or "Platts 65") iron price CFR China, indicate an after-tax 8% net present value ("NPV") of $2,384M, combining Phase I & II, and an after-tax internal rate of return ("IRR") of 33.4%. During the LoM, total cash costs[1] are projected to be $46.6/t with an average all-in sustaining cost[1] of $52.3/t.

On June 20, 2019, the Company also announced the approval of an initial budget of $68M to fund and advance the Phase II expansion project during 2019 and into 2020, with the intention to secure the project timeline proposed by the Feasibility Study. The work completed to date significantly de-risked the project timeline by completing cement and civil engineering projects, removing seasonality risks for the project completion.

Given the global uncertainty resulting from the COVID-19 pandemic, on March 24, 2020, the Company announced that its intentions to address the Phase II expansion plans, initially expected in the middle of the current calendar year, were postponed to a later time and that discretionary capital expenditures had been suspended. Accordingly, during the first quarter of fiscal year 2021, the Phase II expansion project activities were limited to advancing detailed engineering, engaging with local communities and continuing the production of spirals required in the Bloom Lake plant's recovery process.

With measures in place to mitigate the risks related to COVID-19, the Company resumed some discretionary spending and expanded the initial budget of $68M announced on June 20, 2019, by $30M to $98M, in order to prudently advance the project and preserve key timelines ahead of the deferred final Board of Directors decision to be made at a later date.

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

[1] This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.

6. Key Drivers

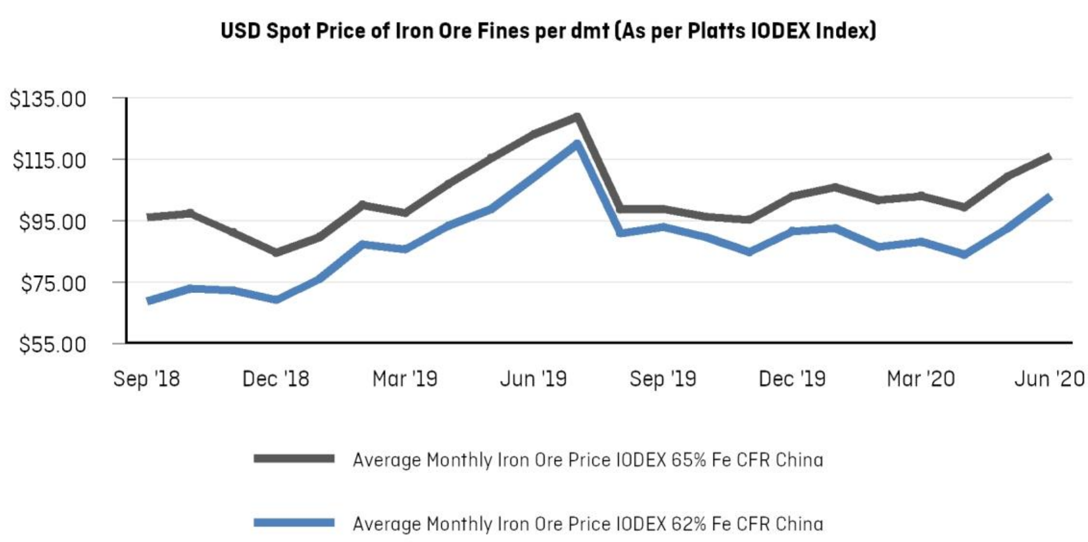
A. Iron Ore Concentrate Price

The price of iron ore concentrate is the most significant factor determining the Company's financial results. As such, cash flow from operations and the Company's development may, in the future, be significantly and adversely affected by a decline in the price of iron ore. The iron ore concentrate price fluctuates daily and is affected by several industry and macroeconomic factors beyond the control of the Company.

Due to the high-quality properties of its 66.2% iron ore concentrate, the Company's iron ore sales attract a premium over the IODEX 62% Fe CFR China Index ("P62") widely used as the reference price in the industry. As such, the Company quotes its products on the high-grade IODEX 65% Fe CFR China Index ("P65"). The premium captured by the P65 index is attributable to two main factors; steel mills recognizing that higher iron ore grades offer a benefit to optimize output while also significantly decreasing CO_2 emissions in the steel making process.

During the three-month period ended June 30, 2020, the premium captured by the P65 index continued to increase and can likely be attributed to the overall strong rebound in China's iron ore demand, iron ore supply shortages from Brazil and lower iron ore stocks at Chinese ports. The robust Chinese steel production is believed to be primarily driven by China's economic rebound following the COVID-19 outbreak and economic stimulus programs including steel intensive infrastructure expenditures. During three-month period ended June 30, 2020, the steel sector experienced a strong rebound in activity with China now approaching all time high steel production levels. This robust demand coupled with the weak supply response likely contributed to the rise in iron ore prices during the recently completed quarter.

During the three-month period ended June 30, 2020, the P65 price of high-grade iron ore fluctuated from a low of US$96.5/dmt to a high of US$120.1/dmt. The average P65 iron ore price was US$108.3/dmt for the period, an increase of 5% from the previous quarter, resulting in a premium of 16.1% over the P62 reference price of US$93.3/dmt. The Company's gross realized price for the quarter was US$107.8/dmt before adjustments related to provisional sales and ocean freight, resulting in a premium of 15.5%. Taking into account sales adjustments and deducting sea freight costs, the Company's net realized FOB price was CA$139.1/dmt (US$100.3/dmt). Champion is well positioned to benefit from higher iron ore prices as it has no hedging contracts in place, and the Bloom Lake Mine is not subject to royalties. Assuming a stable foreign exchange rate, a variation of US$1.00 to the P65 price will impact Champion's gross revenues by approximately 1%.



6. Key Drivers (continued)

A. Iron Ore Concentrate Price (continued)

Approximately 80% of Champion's iron ore sales contracts are structured on a provisional pricing basis, where the final sales price is determined using the iron ore price indices on or after the vessel's arrival to the port at discharge. The Company recognizes revenues from iron ore sales contracts upon vessel departure. In order to estimate the final sales price as assigned by sales contracts, the Company assigns a provisional price upon vessel departure. The estimated gross consideration in relation to the provisionally priced contracts is accounted for using the P62 forward iron ore price, subject to the estimated P65 premium over the P62 price at the expected settlement date. Once the vessel arrives at its destination, the impact of the iron ore price movements, compared to the price at the time of departure, is accounted for as a provisional pricing adjustment to revenue. As at June 30, 2020, Champion had 1.3 million tonnes of iron ore sales that remained subject to provisional pricing, with the final price to be determined in the subsequent reporting periods (June 30, 2019: 1.4 million tonnes).

The following table set out the Company's exposure, as at June 30, 2020, to the impact of movements in the iron ore price upon provisionally invoiced sales volumes:

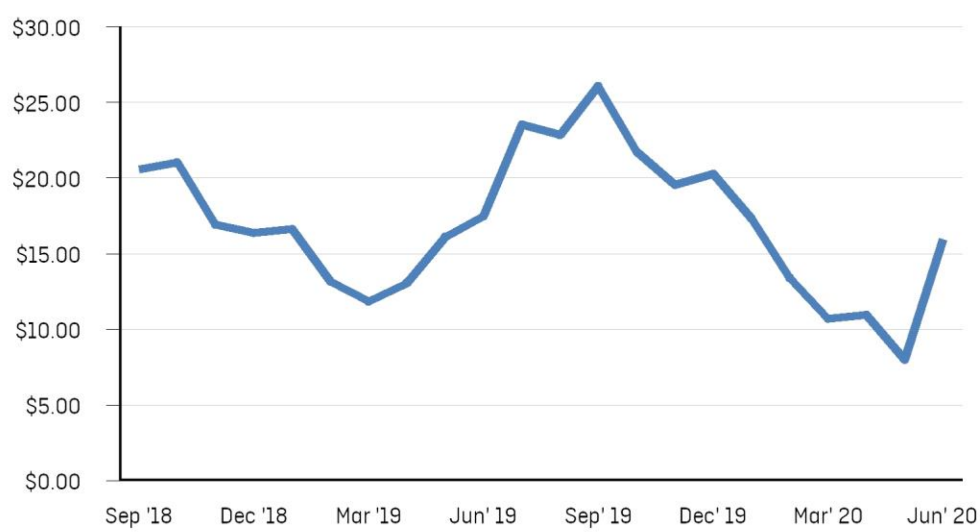
(in U.S. dollars)	As at June 30, 2020
Tonnes (dmt) subject to provisional pricing adjustments	**1,310,000**
10% increase in iron ore prices	**12,454**
10% decrease in iron ore prices	**(12,454)**

The sensitivities have been determined as the dollar impact on ore sales revenues of a 10% increase and decrease in realized prices at each reporting date, while holding all other variables, including foreign exchange rates, constant. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact commodity prices. The above sensitivities should therefore be used with caution.

B. Sea Freight

Sea freight is an important component of the Company's cost structure as Champion ships most of its concentrate to China, Japan and the Middle East. The common reference route for dry bulk material from the Americas to Asia is the Tubarao (Brazil) to Qingdao (China) route which encompasses 11,000 miles. The freight cost per tonne associated with this route is captured in the C3 Baltic Capesize Index ("C3") which is considered the reference ocean freight cost for iron ore shipped from the Americas to the Far East. There is no index for the route between the port of Sept-Iles, Canada and China. The route from Sept-Iles to the Far East totals approximately 14,000 miles and is subject to different weather conditions during the winter season, therefore the freight cost per tonne associated with this voyage is generally higher than the C3 price.

USD Sea Freight Cost per wmt – C3 Baltic Capesize Index (Brazil to China)



6. Key Drivers (continued)

B. Sea Freight (continued)

In the past decade, the industry has identified a relationship between the iron ore price and the cost of freight for the Tubarao to Qingdao route captured in the C3 rate. Based on this observed correlation, when the price of iron ore fluctuates, the ocean freight rate usually fluctuates as well. As the freight cost for the ocean transport between Sept-Iles and China is largely influenced by the C3 cost, a decrease in iron ore prices should result in a lower ocean freight cost for Champion, resulting in a natural hedge for one of the Company's largest operating cost.

The Brumadinho dam rupture in Brazil in January 2019 changed this dynamic as one of the largest producer of iron ore globally experienced a significant production curtailment following the tragic event. The result of the production impact likely contributed to the substantial decline in the C3 index in the first half of 2019. In the second half of 2019, some operations affected by these events resumed production which contributed to an increase in exports and likely contributed to the increase in the C3 route index. Another likely contributor to the C3 index increase in the second half of 2019 was the longer than expected fitting of scrubbers on the global shipping fleet, which reduced available vessel capacity.

In early 2020, the rising C3 index reversed to a declining trajectory as several items likely contributed to a material reduction in the C3 route index including: the Chinese New Year holidays reducing demand for iron ore imports, heavy rains in Brazil negatively impacting exports of iron ore and a significant drop in bunker fuel prices, which is a main component of the operating cost for dry bulk vessel operators. In the three-month period ending on June 30, 2020, the C3 index continued its declining trajectory and tested historically low levels with the collapse in fuel prices and the interruption of Brazilian shipments impacted by weather, ongoing supply issues related to the 2019 Brumadinho dam rupture and the temporary closing of several mining operations in Brazil due to the COVID-19 pandemic. While there is a historical correlation between the C3 route index and iron ore prices, events in Brazil in addition to historically low fuel prices created an operating environment with a depressed freight index despite elevated iron ore prices. At the end of June 2020, as fuel prices rapidly recovered in tandem with the restart of several operations in Brazil, the correlation between iron ore prices and the C3 index returned closer to their historical relationship.

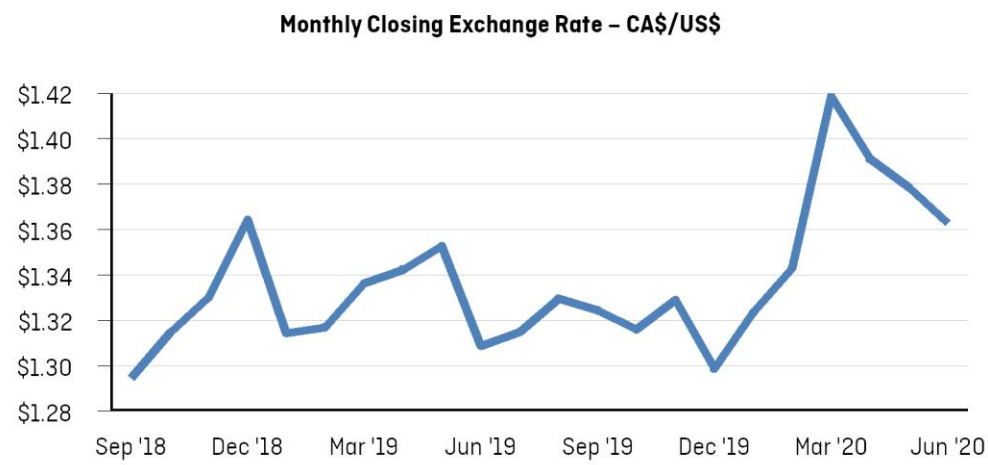
Due to its distance from main shipping hubs, Champion typically books vessels and their prices prior to the desired laycan period. This creates a natural delay between the freight paid and the C3 route index price. The effects of these delays are eventually reconciled since Champion ships its high-grade concentrate evenly throughout the year. While the Company benefited from a depressed freight index in the period, the Company booked fewer vessels in the declining freight market as operations at the Bloom Lake mine were ramped down on March 24, 2020, further to the Government's COVID-19 containment directives. Subsequently, on April 23, 2020, the Company announced its operations were ramping up, and it entered into a freight contract for a portion of its expected volumes. This contract will allow for the shipment of one vessel per month until December 2020, at an agreed upon price of US$15.46 per tonne plus freight commissions.

6. Key Drivers (continued)

C. Currency

The Canadian dollar is the Company's reporting and functional currency. Consequently, the Company's operating results and cash flows are influenced by changes in the exchange rate for the Canadian dollar against the U.S. dollar. The Company's sales, sea freight and long-term debt are denominated in U.S. dollars. As such, the Company benefits from a natural hedge between its revenues and its sea freight and long-term debt costs. Despite the natural hedge, the Company is exposed to foreign currency fluctuations as its mining operating expenses are mainly incurred in Canadian dollars. Currently, the Company has no hedging contracts in place and therefore has exposure to foreign exchange rate fluctuations. The strengthening of the U.S. dollar would positively impact the Company's net income and cash flow while the strengthening of the Canadian dollar would reduce its operating margin and cash flow. Assuming a stable selling price, a variation of CA$0.01 against the U.S. dollar will impact Champion gross revenues by approximately 1%.

Growing concerns about the prospect of a second wave of the COVID-19 pandemic and its impact on the global economic recovery, global trade tensions and an upcoming U.S. presidential election fueled a recent increase in foreign exchange volatility.



Exchange rates are as follows:

	CA$ / US$			
	FY2021		FY2020	
	Average	**Closing**	Average	Closing
Q1	**1.3853**	**1.3628**	1.3377	1.3087
Q2	—	—	1.3204	1.3243
Q3	—	—	1.3200	1.2988
Q4	—	—	1.3449	1.4187
Year-end as at March 31	—	—	1.3308	1.4187

Apart from these key drivers, the potential impact of the COVID-19 pandemic and the risk factors noted in the headings "Risk factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

7. Bloom Lake Mine Operating Activities

	Three Months Ended June 30,	
	2020	2019
Operating Data		
Waste mined (wmt)	**2,612,800**	3,580,900
Ore mined (wmt)	**4,682,600**	5,105,100
Material mined (wmt)	**7,295,400**	8,686,000
Strip ratio	**0.6**	0.7
Ore milled (wmt)	**4,604,600**	4,780,000
Head grade Fe (%)	**31.3**	32.5
Recovery (%)	**82.3**	82.1
Product Fe (%)	**66.5**	66.2
Iron ore concentrate produced (wmt)	**1,798,800**	1,989,400
Iron ore concentrate sold (dmt)	**1,758,800**	1,906,700
Financial Data (in thousands of dollars)		
Revenues	**244,574**	277,914
Cost of sales	**102,776**	103,607
Cost of sales - incremental costs related to COVID-19	**4,562**	—
Other expenses	**9,541**	7,371
Net finance (income) costs	**(1,322)**	29,052
Net income	**75,556**	74,241
EBITDA[1]	**127,695**	166,936
Statistics (in dollars per dmt sold)		
Average realized selling price[1]	**139.1**	145.7
Total cash cost (C1 cash cost)[1]	**58.4**	54.3
All-in sustaining cost[1]	**64.8**	62.8
Cash operating margin[1]	**74.3**	82.9

Operational Performance

On March 24, 2020, the Company announced the ramp down of its operations following directives from the Government in response to the COVID-19 pandemic, which required mining activities to be reduced to a minimum within the province. The operations progressively resumed as announced by the Company on April 23, 2020, following the announcement from the Government that mining activities were to be considered a "priority service". Although the Company was operating at a minimal capacity for a period of time and its activities at the mine were disrupted, early actions implemented by management in response to the COVID-19 pandemic have minimized its impacts on operations. This has allowed production to reach nearly 1.8 million wmt, which is in line with the plant nameplate capacity and represent only a 10% reduction, when compared to the same quarter of the previous fiscal year.

The quarterly production was also impacted by a scheduled semi-annual shutdown. As a result of the COVID-19 new measures and related inefficiencies, the shutdown scope was reduced and additional days were required. A small portion of the work initially planned for this scheduled shutdown was not completed, with the remainder of the required work postponed and expected to be completed later in the year. The second planned shutdown is scheduled for the third quarter of Champion's fiscal year ending March 31, 2021.

1 This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.

7. Bloom Lake Mine Operating Activities (continued)

Operational Performance (continued)

During the three-month period ended June 30, 2020, 7,295,400 tonnes of material were mined, compared to 8,686,000 tonnes in the same period of the prior year, representing a decrease of 16%. This reduction is attributable to the negative impact of the COVID-19 pandemic on several of the Company's activities including: a reduced mining activity level due to compliance with the public health directives issued by the Government; reduced equipment maintenance due to COVID-19-related resources limitations, which had adverse repercussions on equipment availability; and the arrival of the seasonal workforce, which required integration and training.

The plant processed 4,604,600 tonnes of ore during the first quarter of the fiscal year 2021, compared to 4,780,000 tonnes in the comparable prior year period, representing a decrease of 4%. The variation is a direct result of the COVID-19 imposed ramp-down, as only one of the Company's two production lines remained in operation for a period of time.

The Company achieved an average recovery rate of 82.3% during the first quarter of the fiscal year 2021, compared to a recovery rate of 82.1% in the same period of the prior year, which remained relatively stable. Several factors adversely impacted the recovery rate during the quarter, such as the ramp down of the Company's operations at the beginning of the quarter due to the COVID-19 pandemic, a lower head grade and a second shipment of low-silica concentrate. Following the successful commercial production test last quarter, DR pellet producers and direct reduced iron ("DRI") plant operators have accepted the Company's product specifications which confirms Bloom Lake's ability to produce DR quality iron ore concentrate. With this confirmed product specification, the Company produced an additional 207,900 wmt of DR quality iron ore concentrate at 67.8% Fe with a combined silica and alumina content of 2.68%, at the request of a customer in the Middle East. This specific production of low-silica concentrate reduced the quarterly recovery rate by 0.6%. This second shipment confirms the ability of the Company to sell its ore to producers of DR pellets, which can be converted by DRI producers and utilized in electric arc furnaces, which represent a growing subset of global steelmaking capacity. This positions the Company to potentially increase its customers' base and confirms that Bloom Lake is one of the few producing deposits globally that can transition its product offering in response to potential shifts in steelmaking methods in the coming years.

Based on the foregoing, Bloom Lake produced 1,798,800 wmt of 66.5% Fe high-grade iron ore concentrate during the three-month period ended June 30, 2020, a decrease of 10%, compared to 1,989,400 wmt in the same period of the prior year. The lower production is mainly a result of the Government mandated ramp down of operations due to the COVID-19 pandemic, but still in line with the plant's nameplate capacity.

The reduction of 8% in iron ore concentrate sold during the three-month period ended June 30, 2020, compared to the same period of the prior year, is a direct result of the lower production associated with the Government mandated ramp down of operations due to the COVID-19 pandemic, and this is partially offset by the sale of the elevated iron ore inventory on hand at the end of March 2020.

8. Financial Performance

A. Revenues

	Three Months Ended June 30,	
	2020	2019
(in U.S. dollars per dmt sold)		
Index P62	**93.3**	100.1
Premium over P62	**14.5**	19.2
Gross realized price	**107.8**	119.3
Freight and other costs	**(16.8)**	(19.4)
Provisional pricing adjustments	**9.3**	9.7
US$ Net realized FOB price	**100.3**	109.6
CA$ Net Realized FOB Price	**139.1**	145.7

During the three-month period ended June 30, 2020, a total of 1,758,800 tonnes of high-grade iron ore concentrate were sold at a CFR China gross realized price of US$107.8/dmt, before provisional sales adjustments and shipping costs. The gross realized sales price of US$107.8/dmt represents a premium of 15.5% over the benchmark P62 price, compared to a premium of 9% for the previous quarter. The gross realized sales price reflects the timing of the sales as well as the forward price at the expected settlement date for 1,310,000 tonnes shipped during the period.

While the COVID-19 pandemic has proved to be challenging for many economies globally, China demonstrated its economic resilience and reached record high steel production rates, while steel mills in Europe, the Middle East and the Far East reduced outputs throughout the first quarter of the Company’s 2021 fiscal year. The iron ore material normally consumed by several steel makers who were adversely impacted by the pandemic rapidly diverted to China where a strong increase in iron ore products arrivals could be witnessed. While the demand for high grade iron ore concentrate remains robust, competition from the excess supply of iron ore pellets, which were testing multiyear low prices, created downward pressure on the high grade market premium pricing during the period. Iron ore pellets are primarily consumed by European steel makers, who materially curtailed production levels in the period, creating an excess supply of pellets, which found their way into the Asian market. As high-grade iron ore concentrate often competes with pellets, the Company realized discounted selling prices to the P65 index, ranging from $0.50 to $3.80 per dmt sold for a portion of its shipments, due to competition from the depressed premium for pellets in the period. As pellet producers adjust their outputs in response to the lower demand from European customers and as the global dynamic stabilizes, the Company does not expect discounts to P65 index to be required for its sales in the long-term. These factors, combined with shortages of high-grade material in the market in early 2019, as some major producers experienced operational challenges, contributing to the upward pressure on high-grade iron ore prices last year, explains the variation in the gross realized price from US$119.3/dmt for the three-month period ended June 30, 2019 to US$107.8/dmt during three-month period ended June 30, 2020.

As the gross realized price of US$107.8/dmt for the recently completed quarter is aligned with the average P65 for the quarter of US$108.3/dmt, the Company continues to demonstrate its ability to realize the benefits of producing high grade iron ore over the reference P62 material.

The sea freight costs remained at low levels during both three-month periods ended June 30, 2020 and 2019. During the first quarter of the Company’s 2021 fiscal year, the decline in fuel prices and reduction of shipments from Brazil reduced sea freight costs, while during the same period last year, the impact of a major producer’s challenges in early 2019 on global freight rates lowered the Company’s sea freight costs. The freight costs variation with the C3 index is mainly due to the timing of the vessels’ bookings. Although the Company benefited from low sea freight costs during the quarter, lesser vessel bookings were made ahead of time in April, given the COVID-19-related uncertainties and the ramp down of its operations, which prevented the Company from fully benefiting from the historical low C3 index. The Company recently entered into a freight contract for a portion of its expected volumes.

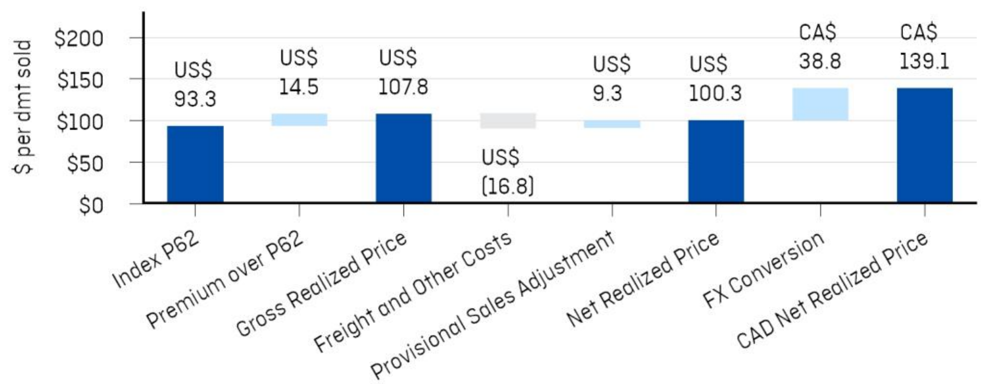
During the three-month period ended June 30, 2020, a final price was established for 851,000 tonnes which were in transit at the end of the Company's fourth quarter ended March 31, 2020. In addition, 80,000 tonnes shipped prior to March 31, 2020 were still subject to pricing evaluation during the recently completed quarter. Accordingly, revenues associated with these 931,000 tonnes, which were accounted for in the fourth quarter of the fiscal year ended March 31, 2020 were increased by US$16,424,000 during the three-month period ended June 30, 2020. Based on the foregoing, the average net realized FOB price for the first quarter ended June 30, 2020 was positively impacted by US$9.3/dmt.

Deducting sea freight costs of US$16.8/dmt and adding the provisional sales adjustment of US$9.3/dmt, the Company obtained an average net realized price of US$100.3 per tonne (CA$139.1 per tonne) for its high-grade iron ore delivered to the end customer, benefiting from an average foreign exchange rate of CA$1.3853/US$. As a result, revenues totalled $244,574,000 for the three-month period ended June 30, 2020 compared to $277,914,000 in the same prior year period.

8. Financial Performance (continued)

A. Revenues (continued)

Q1 FY2021 Net Realized Selling Price from P62 to Average Realized Price



B. Cost of Sales

Cost of sales represent mining, processing, and mine site-related general and administrative expenses.

During the three-month period ended June 30, 2020, the total cash cost[1] or C1 cash cost[1] per tonne, excluding specific incremental and non-recurring COVID-19 related costs, totalled $58.4/dmt, compared to $54.3/dmt in the same period of the previous year. The C1 cash-cost[1] for the quarter was impacted by various factors, including the inefficiencies related to the COVID-19 preventive measures associated with social distancing protocols and the negative volume impact of lower iron ore concentrate sales, as fixed costs remained unchanged. To maintain its partnership with its agile workforce, the Company decided to keep its full workforce on payroll during the pandemic period despite the lower production rate imposed to comply with the Government's public health directives.

Following the successful commercial production test completed in the last quarter, whereby DR pellet producers and DRI plant operators confirmed product specifications and Bloom Lake's ability to produce DR quality concentrate, the Company produced an additional 207,900 wmt of DR quality iron ore concentrate at the request of a customer in the Middle East. This second vessel shipment demonstrates the Company's ability to produce this distinctive iron ore material rapidly by simply adjusting the plant flowsheet. The Company continues to optimize its production methods in relation to this product as it seeks to reduce operating costs and improve product quality over time.

The cash cost was negatively impacted by Société ferroviaire et portuaire de Pointe-Noire's ("SFPPN") operation costs which were higher than they were in the comparative quarter in 2019. However, the Company is confident that it will benefit from corrective actions implemented by SFPPN, as SFPPN's port operations costs began to decrease compared to the last quarter of the fiscal year ended March 31, 2020.

C. Cost of Sales - incremental costs related to COVID-19

In line with Government directives, Champion implemented several measures in its efforts to mitigate the risks related to the COVID-19 pandemic. The Company incurred direct, incremental and non-recurring operating costs of $4,562,000 or $2.6/dmt for the three-month period ended June 30, 2020. These costs do not include the inefficiency nor the volume impact over fixed costs associated with lower production rates emanating from the COVID-19 pandemic, in all areas of the Company's mining operations. These specific costs are mainly comprised of premiums paid to employees from adjusted work schedules, incremental transportation costs and incremental costs for cleaning and disinfecting facilities. While the work schedules were adapted and related premiums to payroll were paid during the quarter ending June 30, 2020, the Company resumed its normal work schedules at the end of June 2020. Despite the fact that the costs associated with the revised schedules and the related premiums are not recurring, the Company will continue to deploy measures to mitigate the risks from COVID-19 on site and at the local community level. Accordingly, COVID-19 specific costs could continue to be incurred during fiscal year 2021 and could increase if the Company enhances its protective measures.

[1] This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.

8. Financial Performance (continued)

D. Gross Profit

The gross profit for the three-month period ended June 30, 2020 totalled $128,296,000, compared to $170,693,000 for the same period of the prior year. Although the iron ore concentrate price was trending upwards during the three-month period ended June 30, 2020, the lower average realized selling price[1] was at $139.1, compared to an exceptionally high average selling price[1] of $145.7 during the same period last year. Therefore, a decrease in the gross profit is attributable to lower revenues, as a result of lower average realized selling price and lower volumes of iron ore concentrate sold. The lower gross profit is also due to incremental costs related to COVID-19, which totalled $4,562,000 or $2.6/dmt during the period and higher depreciation expenses attributable to previous investments which were made to increase throughput and surpass the mine's nameplate capacity. The production costs remained stable compared to the same period of the prior year.

E. Other Expenses

	Three Months Ended June 30,	
	2020	2019
(in thousands of dollars)		
Share-based payments	**885**	1,109
General and administrative expenses	**5,184**	4,186
Sustainability and other community expenses	**3,472**	2,076
	9,541	7,371

The decrease in share-based payments reflects the lower stock price, period over period, combined with the issuance of annual equity awards in relation to the performance achieved during the fiscal year ended March 31, 2020.

The increase in general and administrative expenses in the three-month period ended June 30, 2020, compared to the same period in the previous year, is due to higher salaries and benefits from a higher headcount, higher professional fees and a higher annual premium for the Company's Directors' and Officers' liability insurance. The increase is partially offset by lower traveling expenses due to the COVID-19 pandemic.

Corporate Social responsibility ("CSR") expenses are mainly composed of community taxes such as property and school taxes and expenditures related to the Company's Impact and Benefits Agreement with the First Nations ("IBA"). Higher CSR expenses reflect the Company's increased focus on sustainability. In addition, the Company completed its first Sustainability Report, highlighting its alignment with stakeholders regarding its diligence on the environment, social and governance responsibilities. The Sustainability Report is available on the Company's website at www.championiron.com.

F. Net Finance (Income) Costs

	Three Months Ended June 30,	
	2020	2019
(in thousands of dollars)		
Interest on long-term debt and previous credit facilities	**1,802**	7,007
Realized and unrealized foreign exchange (gain) loss	**(1,774)**	235
Change in fair value of derivatives	**—**	19,170
Change in fair value of non-current investments	**(2,467)**	25
Other	**1,117**	2,615
	(1,322)	29,052

Net finance income totalled $1,322,000 for the three-month period ended June 30, 2020, compared to net finance costs of $29,052,000 for the same period in the prior year. The main components of the net finance (income) costs include interest on long-term debt, the foreign exchange on accounts receivable, cash on hand and long-term debt, the change in fair value derivatives associated with the previous credit facilities which were repaid in August 2019 and the change in the fair value of non-current investments.

[1] This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.

8. Financial Performance (continued)

F. Net Finance (Income) Costs (continued)

The decrease in net finance costs is mainly attributable to the positive impact of the refinancing which the Company undertook and closed on August 16, 2019. The new credit facility bears an annualized 3.9% interest rate, compared to a rate of 10% from the previous credit facilities. The capitalization of borrowing costs on qualified assets during the development period of Bloom Lake's Phase II expansion project, which amounted to $931,000 for the three-month period ended June 30, 2020 (2019: nil) also contributed to the variation.

The Company benefits from a natural hedge between its revenues generated in U.S. dollars and its U.S. denominated term facilities. The appreciation of the Canadian dollar against the U.S. dollar as of June 30, 2020 compared to March 31, 2020, contributed to an unrealized foreign exchange gain on the Company's long-term debt. As the gain was not totally offset by the unrealized loss on accounts receivable and cash on hand denominated in U.S. dollars, the Company recorded a non-cash exchange gain of $1,774,000 during the recently completed quarter.

The previous credit facilities included embedded derivative instruments which had to be revalued on a quarterly basis. Following the refinancing which closed on August 16, 2019, these derivatives were extinguished. As such, non-cash changes in the fair value of derivative financial instruments no longer affect the Company's quarterly results. In the three-month period ended June 30, 2019, the unfavorable non-cash changes in the fair value of derivative financial instruments amounted to $19,170,000.

Non-current investments in listed common shares are classified as financial assets at fair value through profit or loss. For the three-month period ended June 30, 2020, the net increase in the fair value of non-current investments in common shares represented $2,467,000 resulting from a higher stock price of the investments, while in the comparative period of last year, the net decrease was $25,000.

G. Income Taxes

The Company and its subsidiaries are subject to tax in Australia or Canada. As a result of accumulated losses before tax, there are no current or deferred income taxes related to the Australian activities. There is no deferred tax asset recognized in respect of the unused losses in Australia as the Company believes it is not probable that there will be a taxable profit available for which the losses can be used against. QIO, Champion's operating subsidiary, is subject to Québec mining tax at a progressive tax rate ranging from 16% to 28%, for which each rate is applied to a bracket of QIO's mining profit, depending on the mining profit margin for the year. The mining profit margin represents the mining profit, as defined by the Québec Mining Tax Act, divided by revenues. The progressive tax rates based on the mining profit margin are as follows:

Mining profit margin range	**Tax rate**
Mining profit between 0% to 35%	**16%**
Incremental mining profit over 35%, up to 50%	**22%**
Incremental mining profit over 50%	**28%**

In addition, QIO is subject to income taxes in Canada where the combined provincial and federal statutory rate was 26.50% for three-month period ended June 30, 2020 (2019: 26.68%).

During the quarter ended on June 30, 2020, current income and mining taxes expenses totalled $43,442,000, compared to $53,362,000, for the same period of the comparative prior year. The variation is mainly due to lower taxable profit.

During the three-month period ended June 30, 2020, deferred income tax expenses totalled $1,079,000, compared to $6,667,000 for the comparative period. The decrease is due to lower accelerated depreciation, emanating from a lower timing difference between the net book value and the tax value of the Company's assets.

8. Financial Performance (continued)

H. Net Income & EBITDA[1]

For the three-month period ended June 30, 2020, the Company generated net income of $75,556,000 (earnings per share of $0.16), entirely attributable to the Company's shareholders. In the comparative prior year period, the Company reported net income of $74,241,000 (earnings per share of $0.09) of which $38,751,000 was attributable to the Company's shareholders. The variation is due to lower net finance costs and lower income tax expenses, offset by the lower operating income.

Excluding the incremental costs related to COVID-19, which totalled $4,562,000 or $2.6/dmt, and its related tax impact, the Company generated adjusted net income[1] of $78,004,000 for an adjusted EPS[1] of $0.17 for the three-month period ended June 30, 2020.

During the quarter ended June 30, 2020, the Company generated an EBITDA[1] of $127,695,000, representing an EBITDA margin[1] of 52%, compared to an EBITDA[1] of $166,936,000, representing an EBITDA margin[1] of 60% in the same period of the prior year. The variation period over period is essentially due to the lower average realized selling price[1] combined with the lower volume of sales, as well as the incremental costs related to COVID-19 and a higher total cash cost per tonne[1].

I. All-In Sustaining Cost[1] and Cash Operating Margin[1]

The Company believes that the AISC[1] and cash operating margin[1] are measures reflecting the costs associated with producing iron ore and assessing the Company's ability to operate without reliance on additional borrowing or usage of existing cash. The Company defines AISC[1] as the total cost associated with producing iron ore concentrate. The Company's AISC[1] represents the sum of cost of sales, corporate expenditures and sustaining capital expenditures, including stripping activities, all divided by the iron ore concentrate per dmt sold to arrive at a per dmt figure.

During the three-month period ended June 30, 2020, the Company realized an AISC[1] of $64.8/dmt, compared to $62.8/dmt in the same period last year. The variation relates to higher total cash cost[1] per tonne sold, higher G&A expenses over lower volume sold, partially offset by lower sustaining investments made in property, plant and equipment, which have been postponed for later in the 2021 fiscal year, due the ramp down of operations during the COVID-19 pandemic.

Deducting the AISC[1] of $64.8/dmt from the average realized selling price[1] of $139.1/dmt, the Company generated a cash operating margin[1] of $74.3/dmt for each tonne of high-grade iron ore concentrate sold during the quarter ended June 30, 2020, compared to $82.9/dmt in the same period of the previous year. As the AISC solely increased by 3%, the variation is essentially attributable to a lower average realized selling price[1].

J. Non-Controlling Interest

Following Champion's acquisition of Investissement Québec's 36.8% equity interest in QIO on August 16, 2019, the non-controlling interest in QIO no longer exists. Investissement Québec was formerly Ressources Québec Inc., at the time of the transaction.

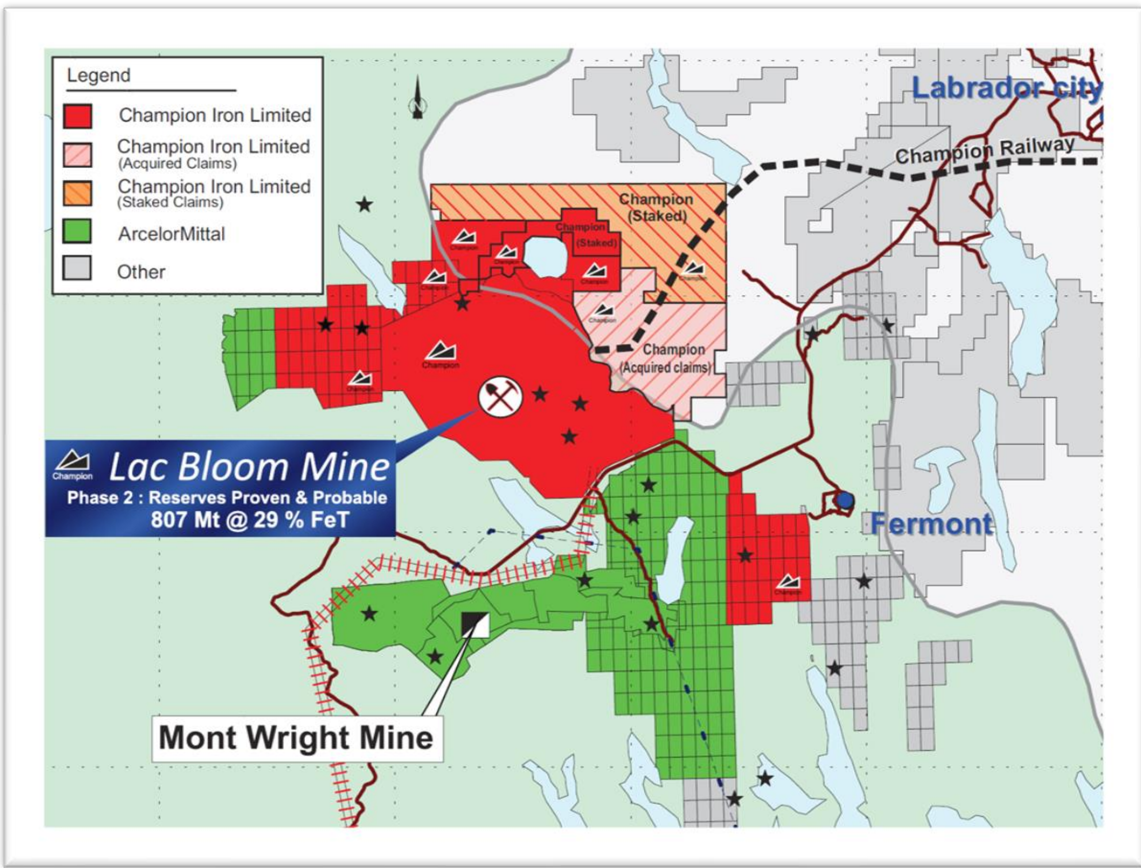
[1] This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.

9. Exploration Activities

During the three-month period ended June 30, 2020, the Company continued to maintain all of its properties in good standing and did not enter into farm-in/farm-out arrangements. However, the Company did not undertake exploration work at Bloom Lake, nor on any of its other properties. Accordingly, during the quarter ended June 30, 2020, $76,000 was incurred in exploration and evaluation compared to $194,000 in the comparative period. The exploration expenditures mainly consist of fees required to maintain all its properties and the acquisition costs of staking additional exploration claims.

On April 2, 2020, the Company staked a block of claims covering an area of 31.75km^2 directly North of QIO's Bloom Lake mining lease and contiguous to its other claims in this area. Furthermore, the Company acquired additional claims totalling 38km^2 also located directly North of the Bloom Lake operations. Following these transactions, the Company now controls a block of claims totalling 178.16 km^2 situated in the province of Newfoundland and Labrador and in the province of Québec, directly North and West of the Bloom Lake mining lease.

While the current reserves at Bloom Lake are estimated to support mining operations for twenty years, the acquired claims provide the Company with additional opportunities and are in keeping with the Company's strategy to attempt to extend ore deposits in the vicinity of the Bloom Lake operations, where possible.



10. Cash Flows

The following table summarizes cash flow activities:

	Three Months Ended June 30,	
	2020	2019
(in thousands of dollars)		
Operating cash flow before working capital	**82,520**	101,385
Changes in non-cash operating working capital	**(7,232)**	(9,464)
Net cash flow from operating activities	**75,288**	91,921
Net cash flow from financing activities	**2,418**	(4,654)
Net cash flow from investing activities	**(23,697)**	(26,468)
Net increase in cash and cash equivalents	**54,009**	60,799
Effects of exchange rate changes on cash and cash equivalents	**(5,157)**	(3,247)
Cash and cash equivalent, beginning of the period	**281,363**	135,424
Cash and cash equivalent, end of the period	**330,215**	192,976
Operating cash flow per share[1]	**0.16**	0.21

Operating

During the three-month period ended June 30, 2020, the Company generated operating cash flows of $82,520,000 before working capital compared to $101,385,000 in the same period of the prior year. The variation, period over period, is mainly attributable to the reduced EBITDA[1] margin per tonne over a lower volume sold. Changes in working capital for the period was affected by the timing of customer receipts and supplier payments and the deferral of the monthly installments of income and mining taxes. As a result of tax relief measures announced by the federal and provincial governments in Canada with respect to the COVID-19 pandemic, the Company has the ability to delay, without penalties, income and mining taxes due, as well as monthly installments until September 30, 2020. As at June 30, 2020, the Company deferred the payment of the income tax related to the fiscal year ended March 31, 2020 amounting to $57.8M as well as monthly installments for the period from April to June 2020 inclusively for income and mining taxes totalling $14.2M. In comparison, during the three-month period ended June 30, 2019, the Company made a mining tax payment of $34,059,000. Based on the foregoing, the operating cash flow per share[1] for the three-month period ended June 30, 2020 was $0.16, compared to $0.21 in the corresponding period of the previous year.

Financing

During the three-month period ended June 30, 2020, 5,153,000 stock options were exercised for proceeds totalling $2,651,000.

In the three-month period ended June 30, 2019, the Company made its second capital repayment of $7,492,000 towards the previously issued US$80,000,000 facility with Sprott Private Resource Lending (Collector), LP ("Sprott"). The previous debt facilities consisted of two term loans with CDP Investissements Inc. (US$ 100,000,000) and Sprott (US$ 80,000,000), both of which have been fully reimbursed after the completion of the refinancing on August 16, 2019. Moreover, during the three-month period ended June 30, 2019, 2,522,000 warrants were exercised for proceeds totalling $2,838,000.

1 This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.

10. Cash Flows (continued)

Investing

The Company's investments relate to capital expenditures.

Purchase of property, plant and equipment

During the three-month period ended June 30, 2020, the Company invested $23,621,000 in the purchase of property, plant and equipment, compared to $26,477,000 in the same period of the prior year. The following table summarizes the investments made:

	Three Months Ended June 30,	
	2020	2019
(in thousands of dollars)		
Tailings lifts	**554**	5,369
Stripping and mining activities	**2,630**	3,267
Mining equipment rebuild	**2,762**	3,314
Sustaining capital expenditures	**5,946**	11,950
Phase II	**5,839**	2,313
Other capital development expenditures at Bloom Lake	**11,836**	12,214
Purchase of property, plant and equipment as per cash flow	**23,621**	26,477

In 2019, the Company made the decision to accelerate the construction work relating to the raising of the tailings containment dam to ensure safe tailings deposition. As the project was finalized late in the fall of 2019, the expenditures relating to the raising of the tailings dam is expected to decrease over the next few years. The expenditures related to the raising of the tailings dam for the quarter ended June 30, 2020 are associated with a new coarse tailing line. The construction work on the dykes project was delayed as a result of the COVID-19 pandemic and has only resumed at the end of June 2020. All other expenditures relating to the raising of the tailings dam have been postponed and will be rescheduled later in the fiscal year ended March 31, 2021.

Work planned for the first quarter of the 2021 fiscal year in relation to stripping activities and the mining equipment rebuild program has been partially postponed until later in the 2021 fiscal year, due to the ramp down of operations during the COVID-19 pandemic, which resulted in lower stripping activities and lower mining equipment rebuilding in the quarter, compared to the same previous year period.

The investment in the Bloom Lake Phase II expansion project consists of detailed engineering work and the production of spirals, and it was funded from the $68,000,000 budget for such purposes, which was approved in the 2020 fiscal year. Expenditures in the same period of the previous year were also related to detailed engineering work.

For the three-month period ended June 30, 2020, the other capital development expenditures at Bloom Lake totalled $11,836,000 and consisted of infrastructure upgrades at the mine, and the commissioning of new service equipment required to maintain a strip ratio in line with the Phase II mine plan. In addition, the Company acquired 100 additional used rail cars at a cost of $5,500,000. During the three-month period ended June 30, 2019, the other capital development expenditures at Bloom Lake totalled $12,214,000, and related to the completion of the Phase II Feasibility Study, as well as infrastructure upgrades at the mine and service equipment capacity improvements.

Exploration and evaluation

For the three-month period ended June 30, 2020, $76,000, was invested in exploration and evaluation compared to $194,000 for the comparative period.

During the three-month period ended June 30, 2020, the Company acquired 152 claims (38 km^2), and staked 127 claims (31.75 km^2), directly North of Bloom Lake's operations. Following these transactions, the Company now controls a block of claims totalling 178.16 km^2 situated in the province of Newfoundland and Labrador and in the province of Québec, directly North and West of the Bloom Lake Mining lease.

11. Financial Position

As at June 30, 2020, the Company held $330,215,000 in cash and cash equivalents along with $17,291,000 in short-term investments. With the existing cash balance and the forecasted cash flows from operations, the Company is well positioned to fund all its cash requirements for the next twelve months, which relate primarily to the following activities:

- Mine operating costs
- Sustaining capital expenditures
- Payment of mining and income taxes
- Discretionary expenditures in relation to the initial budget approved for the Phase II expansion project
- First capital repayment of the long-term debt scheduled for June 30, 2021

Dividends on preferred shares are capitalizable quarterly at Champion's discretion.

	As at June 30, 2020	As at March 31, 2020
(in thousands of dollars)		
Cash and cash equivalents	**330,215**	281,363
Short-term investments	**17,291**	17,291
Cash on hand	**347,506**	298,654
Other current assets	**154,141**	102,895
Total Current Assets	**501,647**	401,549
Property, plant and equipment	**389,340**	371,540
Exploration and evaluation assets	**75,601**	75,525
Other non-current assets	**35,719**	33,984
Total Assets	**1,002,307**	882,598
Total Current Liabilities	**179,734**	112,919
Long-term debt	**244,830**	275,968
Rehabilitation obligation	**46,972**	42,836
Other non-current liabilities	**75,014**	74,253
Total Liabilities	**546,550**	505,976
Equity attributable to Champion shareholders	**455,757**	376,622
Total Equity	**455,757**	376,622
Total Liabilities and Equity	**1,002,307**	882,598

The Company's total current assets as at June 30, 2020 increased by $100,098,000 since March 31, 2020. The increase was attributable to cash flow from operations and the postponement without penalty of monthly tax installments in line with Government tax relief measures. Higher trade receivables impacted by a favourable price adjustment also contributed to the variation.

The long-term assets consist primarily of capitalized stripping activities, mining equipment overhaul, the acquisition of 100 rail cars and other investments made towards the property, plant and equipment.

Total current liabilities increased due to higher taxes payable as a result the suspension of the income taxes payable as previously disclosed. The increase in current liabilities also includes the first payment on long-term debt due on June 30, 2021, amounting to US$ 15,000,000. The classification of this first capital repayment as a current liability and the unrealized gain foreign exchange gain on the long-term debt denominated in U.S. dollars contributed to the decrease of the long-term debt.

The increase in equity is attributable to the Company's net income of $75,556,000 for the three-month period ended June 30, 2020.

(Expressed in Canadian dollars, except where otherwise indicated)

12. Financial Instruments

The nature and the extent of risks arising from the Company's financial instruments are summarized in note 28 of the Company's audited annual financial statements for the year ended March 31, 2020.

13. Contractual Obligations and Commitments

The following are the contractual maturities of liabilities (with estimated future interest payments) and the future minimum payments of commitments as at June 30, 2020:

	Less than a year	1 to 5 years	More than 5 years	Total
Accounts payable and other	**57,076**	**—**	**—**	**57,076**
Long-term debt, including capital and future interest payment	**33,636**	**266,644**	**—**	**300,280**
Lease liabilities, including interest	**1,119**	**1,207**	**690**	**3,016**
Commitments	**46,340**	**58,545**	**178,018**	**282,903**
	138,171	**326,396**	**178,708**	**643,275**

Commitments are off-balance sheet arrangements, which are mainly composed of various obligations related to take-or-pay features of its logistics contracts and other commitments with the Innu community related to its IBA with the First Nations. In addition, included in the above commitments is $17,697,000 relating to the purchase of property, plant and equipment as at June 30, 2020.

14. Critical Accounting Estimates and Judgments

The Company's significant accounting judgments, estimates and assumptions are summarized in note 2 of the Company's audited annual financial statements for the year ended March 31, 2020 and in note 2 of the Financial Statements for the three-month period ended June 30, 2020.

15. New Accounting Standards Issued and Adopted by the Company

The new accounting standards issued and adopted by the Company are disclosed in note 2 to the Financial Statements for the three-month period ended June 30, 2020.

16. New Accounting Standards Issued and but not yet in Effect

The new accounting standards issued but not yet in effect are disclosed in note 2 to the Financial Statements for the three-month period ended June 30, 2020.

17. Related Party Transactions

The related party transactions consist of transactions with key management personnel. The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are disclosed in note 30 of the Company's audited annual financial statements for the year ended March 31, 2020. No significant changes occurred during the period beginning on April 1, 2020 and ended on June 30, 2020 with regards to the nature of the related party transactions.

18. Non-IFRS Financial Performance Measures

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

A. Total Cash Cost

Total cash cost or C1 cost is a common financial performance measure in the iron ore mining industry but with no standard meaning under IFRS. Champion reports total cash cost on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flows from its mining operations. This measure also enables investors to better understand the performance of the Company's iron ore operations in comparison to other iron ore producers who present results on a similar basis. Management uses this metric as an important tool to monitor operating cost performance. Total cash cost includes production costs such as mining, processing, and site administration, and excludes depreciation to arrive at total cash cost per dmt sold. Other companies may calculate this measure differently.

The total cash cost excludes the "cost of sales - incremental costs related to COVID-19" totalling $4,562,000 or $2.6/dmt for the three-month period ended June 30, 2020.

	Three Months Ended June 30,	
	2020	2019
Per tonne sold		
Iron ore concentrate sold (dmt)	**1,758,800**	1,906,700
(in thousands of dollars except per tonne)		
Cost of sales	**102,776**	103,607
Total cash cost (per dmt sold)	**58.4**	54.3

B. All-In Sustaining Cost

The Company believes that AISC defines the total cost associated with producing iron ore concentrate more accurately as this measure reflects all the sustaining expenditures incurred to produce high-grade iron ore concentrate. The Company calculates AISC as the sum of total cash cost (as described above), general and administrative expenses and sustaining capital, including deferred stripping cost, divided by the iron ore concentrate per dmt sold to arrive at a per dmt figure. Other companies may calculate this measure differently because of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital. The sustaining capital included in the AISC calculation excludes development capital expenditures such as capacity increase projects and studies for future expansion projects.

As this measure intends to represent the cost of selling iron ore concentrate from current operations, it does not include capital expenditures attributable to development projects or mine expansions including economic evaluations for such projects, non-cash share-based payments, exploration expenses that are not sustainable in nature, income and mining taxes expense, working capital defined as current assets less current liabilities or interest costs. The AISC excludes the "cost of sales - incremental costs related to COVID-19" totalling $4,562,000 or $2.6/dmt for the three-month period ended June 30, 2020.

18. Non-IFRS Financial Performance Measures (continued)

B. All-In Sustaining Cost (continued)

The following table below sets forth the calculation of AISC per tonne:

	Three Months Ended June 30,	
	2020	2019
Per tonne sold		
Iron ore concentrate sold (dmt)	**1,758,800**	1,906,700
(in thousands of dollars except per tonne)		
Cost of sales	**102,776**	103,607
Sustaining capital expenditures	**5,946**	11,950
General and administrative expenses	**5,184**	4,186
	113,906	119,743
AISC (per dmt sold)	**64.8**	62.8

C. Average Realized Selling Price, Cash Operating Margin and Cash Profit Margin

Average realized price and cash operating margin per dmt sold are used by management to better understand the iron ore concentrate price and margin realized throughout a period. Average realized price is calculated as revenues per the consolidated statement of income divided by iron ore concentrate dmt sold. Cash operating margin represents the average realized price per dmt sold less AISC per dmt sold. Cash profit margin represents the cash operating margin per dmt sold divided by the average realized selling price per dmt sold.

	Three Months Ended June 30,	
	2020	2019
Per tonne sold		
Iron ore concentrate sold (dmt)	**1,758,800**	1,906,700
(in thousands of dollars except per tonne)		
Revenues	**244,574**	277,914
Average realized selling price (per dmt sold)	**139.1**	145.7
AISC (per dmt sold)	**64.8**	62.8
Cash operating margin (per dmt sold)	**74.3**	82.9
Cash profit margin	**53%**	57%

18. Non-IFRS Financial Performance Measures (continued)

D. EBITDA and EBITDA Margin

The following table sets forth the calculation of EBITDA, a non-IFRS measure which the Company believes to be relevant to assess the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligation and fund capital expenditures. EBITDA margin represents the EBITDA divided by the revenues.

EBITDA is intended to provide additional information to investors and does not have any standardized definition under IFRS. The measure excludes the impact of net finance (income) costs, taxes and depreciation and is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA differently.

	Three Months Ended June 30,	
	2020	2019
(in thousands of dollars)		
Income before income and mining taxes	**120,077**	134,270
Net finance (income) costs	**(1,322)**	29,052
Depreciation	**8,940**	3,614
EBITDA	**127,695**	166,936
Revenues	**244,574**	277,914
EBITDA margin	**52%**	60%

E. Adjusted Net Income, Adjusted Net Income attributable to Champion Shareholders and Adjusted EPS

Management uses adjusted net income and adjusted EPS to evaluate the Company's operating performance and for planning and forecasting future business operations. The Company believes the use of adjusted net income and adjusted EPS allows investors and analysts to understand the results of operations of the Company by excluding certain items that have a disproportionate impact on our results for a period. The tax effect of adjustments is presented in the Tax effect of adjustments line and is calculated using the applicable tax rate. Management's determination of the components of adjusted net income and adjusted EPS are evaluated periodically and based, in part, on a review of non-IFRS financial measures used by mining industry analysts.

For the three-month period ended June 30, 2020, the Company believes that identifying certain costs directly resulting from the impact of the COVID-19 pandemic and excluding these amounts from the calculation of the non-IFRS measures described below helps management, analysts and investors assess the direct and incremental impact of COVID-19 on the business as well as the general economic performance during the period. During the three-month period ended June 30, 2020, the Company incurred direct, incremental and non-recurring costs of $4,562,000 resulting from the COVID-19 safety measures and are mainly comprised of premium payroll costs from adjusted work schedule, higher transportation costs and additional costs for cleaning and disinfecting facilities. For the three-month period ended June 30, 2019, there was no adjustment item for the net income, net income attributable to Champion shareholders and EPS.

	Three Months Ended June 30, 2020	
	Net Income	**EPS**
Unadjusted	**75,556**	0.16
Cash item		
Cost of sales - incremental costs related to COVID-19	**4,562**	0.01
Tax effect of adjustment listed above	**(2,114)**	—
Adjusted	**78,004**	0.17

(Expressed in Canadian dollars, except where otherwise indicated)

18. Non-IFRS Financial Performance Measures (continued)

F. Operating Cash Flow per Share

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use operating cash flow per share to assess the Company's ability to generate and manage liquidity. These terms do not have a standard meaning and are intended to provide additional information. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Operating cash flow per share is determined by applying net cash flow from operating activities to the weighted average number of common shares outstanding used in the calculation of basic earnings per share.

	Three Months Ended June 30,	
	2020	2019
Net cash flow from operating activities	**75,288**	91,921
Weighted average number of common shares outstanding - Basic	**471,228,000**	432,258,000
Operating cash flow per share	**0.16**	0.21

19. Share Capital Information

The Company's share capital consists of ordinary shares issued and outstanding. The ordinary shares are unlimited without par value. As of July 28, 2020, there are 473,142,452 ordinary shares issued and outstanding.

In addition, there are 3,785,846 ordinary shares issuable on the exercise of options, restricted share units, deferred share units, performance share units, and 53,014,583 ordinary shares issuable on the exercise of warrants.

20. Summary of Quarterly Results

The following information is derived from and should be read in conjunction with the Financial Statements for the three-month period ended June 30, 2020 and for the previous quarters as well as with the audited annual financial statements for the year ended March 31, 2020.

The Company's fiscal year ends on March 31. All amounts are stated in millions of dollars except for the earnings per share.

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Financial Data ($ millions)								
Revenues	244.6	175.7	171.1	160.4	277.9	182.2	147.5	174.7
Operating income	118.8	52.1	53.3	57.9	163.3	83.1	62.8	77.2
EBITDA[1]	127.7	61.1	57.9	62.6	166.9	86.5	65.4	81.3
Net income (loss)	75.6	18.4	30.2	(1.7)	74.2	28.2	31.2	67.5
Adjusted net income[1]	78.0	18.4	30.2	49.9	74.2	28.2	31.2	67.5
Net income attributable to Champion shareholders	75.6	18.4	30.2	2.1	38.8	8.8	21.7	41.5
Earnings per share - basic	0.16	0.04	0.07	0.00	0.09	0.02	0.05	0.10
Earnings per share - diluted	0.15	0.04	0.06	0.00	0.08	0.02	0.05	0.09
Adjusted earnings per share - basic[1]	0.17	0.04	0.07	0.11	0.09	0.02	0.05	0.10
Net cash flow from operations	75.3	84.6	28.1	104.9	91.9	38.0	89.1	2.9
Operating Data								
Waste mined (thousands of wmt)	2,613	3,180	3,409	3,572	3,581	3,482	3,847	2,978
Ore mined (thousands of wmt)	4,683	5,413	4,905	5,394	5,105	4,976	4,883	5,205
Strip ratio	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.6
Ore milled (thousands of wmt)	4,605	4,880	4,639	5,451	4,780	4,754	4,531	4,964
Head grade (%)	31.3	31.7	32.0	32.3	32.5	30.6	32.1	32.0
Recovery (%)	82.3	82.3	81.7	83.9	82.1	80.4	80.7	79.6
Product Fe (%)	66.5	66.5	66.4	66.3	66.2	66.3	66.4	66.6
Iron ore concentrate produced (thousand wmt)	1,799	1,892	1,833	2,190	1,989	1,802	1,791	1,858
Iron ore concentrate sold (thousands of dmt)	1,759	1,888	1,922	1,860	1,907	1,744	1,712	1,932
Statistics (in dollars per dmt sold)								
Average realized selling price[1]	139.1	93.1	89.0	86.2	145.7	104.4	86.2	90.4
Total cash cost[1]	58.4	53.9	54.2	48.3	54.3	48.4	49.4	45.2
All-in sustaining cost[1]	64.8	59.8	62.2	66.2	62.8	55.4	55.5	52.9
Cash operating margin[1]	74.3	33.3	26.8	20.0	82.9	49.0	30.7	37.5

[1] This is a non-IFRS financial performance measure with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document included in note 18.

21. Risk Factors

Champion is subject to several risks and uncertainties which could have a material adverse impact on its operations, its financial condition and the trading price of its shares. This section presents information about the Company's exposure to each of the described risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Refer to the Company's 2020 Annual Information Form available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com to see the principal risk factors that apply to the Company and that may have a material adverse effect on its financial condition and results of operations, or the trading price of the Company's Shares.

22. Management Responsibility for Financial Statements

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed disclosure controls and procedures ("DC&P"), or caused to be designed under their supervision to provide reasonable assurance that:

i) Material information relating to the Company is made known to Management by others, particularly during the period in which the annual filings are being prepared; and

ii) Information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

The CEO and CFO are also responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes in our ICFR that occurred during the period beginning on April 1, 2020 and ended on June 30, 2020 which have materially affected or are reasonably likely to materially affect the Company's ICFR.

Limitations of DC&P and ICFR

All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to the financial statements preparation and presentation.

23. Approval

The Board oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets quarterly with management and quarterly with the Company's independent auditors to review the scope and results of the annual audit and quarterly reviews, respectively, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board and submitted to the shareholders. The Board has approved the Financial Statements and the disclosure contained in this MD&A as of July 29, 2020. A copy of this MD&A will be provided to anyone who requests it.

24. Nature of Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

25. Additional Information

Additional information related to the Company is available for viewing under the Company's filings on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

26. Qualified Person and Data Verification

Mr. Nabil Tarbouche, Senior Geologist at the Company (P.Geo.) is a "qualified person" as defined by National Instrument 43-101 and has reviewed and verified the scientific and technical information contained in this release. Mr. Tarbouche's review and approval does not include statements as to the Company's knowledge or awareness of new information or data or any material changes to the material assumptions and technical parameters underpinning the Feasibility Study.

27. Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain information and statements, which may constitute or be deemed "forward-looking information" within the meaning of applicable securities laws (collectively referred to herein as "forward-looking statements"). All statements in this MD&A, other than statements of historical fact, that address future events, developments or performance that Champion expects to occur, including management's expectations regarding (i) the recovery rates; (ii) the Company's growth; the increase of the plant capacity and reliability; (iv) the Company's or the SFPPN's operational improvement; (v) the Phase II expansion of the Bloom Lake Mine and its expected construction timeline, capital expenditures, NPV and IRR; (vi) the new product test and its impact on securing new customers; (vii) the improvement of SFPPN's operational efficiency and associated reduction in port operation costs; (viii) the estimated future operation capacity of the Bloom Lake Mine; (ix) the Company's cash requirements for the next twelve months; (x) the completion of the construction for a potential expansion of the Bloom Lake Mine; (xi) the potential job creation related to the Bloom Lake Mine; (xii) the fluctuations of the ocean freight costs in connection with the fluctuations of the iron ore price; (xiii) the impact of exchange rate fluctuations; (xiv) the impact of iron ore concentrate price fluctuation; (xv) the LoM of the Bloom Lake Mine; (xvi) the possibility of reconsidering redomiciliation and related future savings; and (xvii) the effectiveness of measures implemented to mitigate the risk and contain COVID-19 and the potential impacts on Champion's business, financial condition and financial results of the outbreak of the COVID-19 pandemic, are forward-looking statements. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual reserves may be greater or less than the estimates provided herein. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "aims" "targets", or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Although Champion believes the expectations expected in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause the actual results to differ materially from those expressed in forward-looking statements include, without limitation: the results of feasibility studies; changes in the assumptions used to prepare feasibility studies; project delays; continued availability of capital and financing and general economic, market or business conditions; general economic, competitive, political and social uncertainties; future prices of iron ore; failure of plant, equipment or processes to operate as anticipated; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; the effects of catastrophes and public health crises, including impact of COVID-19 on the global economy, the iron ore market and Champion Iron Limited's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2020 Annual Information Form and the risks and uncertainties discussed in the Company's quarterly activities report for the year ended March 31, 2020 and MD&A for the fiscal year ended March 31, 2020, all of which are available on SEDAR at www.sedar.com and the ASX at www.asx.com.au.

The forward-looking statements in this MD&A are based on assumptions management believes to be reasonable and speak only as of the date of this MD&A or as of the date or dates specified in such statements. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control.

The forward-looking statements contained herein are made as of the date hereof, or such other date or dates specified in such statements. Champion undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.