

SECOND QUARTER RESULTS OF THE 2021 FISCAL YEAR

October 28, 2020



PREMIUM PRODUCT, TIER 1 JURISDICTION,
HIGH QUALITY INFRASTRUCTURE

CHAMPION IRON 

DISCLAIMER



This This presentation contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "could", "would", "should", "believe", "plan", "intend", "forecast", "schedule", "target", or variations thereof, and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this presentation contains forward-looking information and statements pertaining to Champion Iron Limited and management's expectations, including with respect to effectiveness of measures implemented to mitigate the risks of COVID-19, ability to screen employees and contractors for the COVID-19, monthly audits and effectiveness of adopted safety measures, sustainability objectives, social matters and governance, iron ore and freight pricing, impact of pellet pricing on the Company's product pricing, impact of timing of sales, impact of stability of operations on ore recovery and ability to improve recovery circuit, operational productivity and impact on operating costs, impact of contracted volume pricing based on previous months and ability to benefit from lagging price mechanism in future periods, benefit from contracted freight volumes until December 2020, provisional price impact on future realized price, ability to service debt, provision for taxes payable, Phase II expansion progression, timeline and economics, virtual platform and its content and the Company's growth generally. 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. In this presentation, reference is made to the Company's Bloom Lake Iron Mine economic analysis. All information derived therefrom is not estimates or forecasts of metrics that may actually be achieved. Such information reflects internal projections used by management for the purposes of making capital investment decisions and for internal long range planning and budget preparation. Accordingly, undue reliance should not be placed on same. 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In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Champion Iron Limited operates; the impact of COVID-19 on the global economy, the iron ore market and Champion Iron Limited's operations; the timely receipt of any required regulatory approvals; the ability of Champion Iron Limited to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the results of feasibility studies; changes in the assumptions used to prepare feasibility studies; the ability of the operator of the projects in which Champion Iron Limited has an interest to operate the field in a safe, efficient and effective manner; the ability of Champion Iron Limited to obtain financing on acceptable terms; future commodity prices; currency exchange and interest rates; and the regulatory framework regarding taxes and environmental matters in the jurisdictions in which Champion Iron Limited operates. 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Such information and statements; including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; the potential for variation in the quality of the Bloom Lake formation; changes in the demand for or supply of Champion Iron Limited's products; unanticipated operating results or production declines; changes in tax or environmental laws; regulatory changes; changes in development plans of Champion Iron Limited or by third party operators of Champion Iron Limited's properties; increased debt levels or debt service requirements; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competition; and certain other risks detailed from time to time in Champion Iron Limited's public disclosure documents (including, without limitation, those risks identified in this presentation and Champion Iron Limited's most recent Annual Information Form and Management's Discussion and Analysis). 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The non-IFRS financial performance measures included in this presentation include: 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 Iron Limited shareholders, adjusted earnings per share ("adjusted EPS"), operating cash flow per share and operating cash flows before working capital.

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

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 presentation. Mr. François Lavoie (P.Eng.), Technical Marketing Manager at the Company is a "qualified person" as defined by National Instrument 43-101 and has reviewed and verified the scientific and technical information in relation to the technical parameters underpinning the Phase II Feasibility Study contained in this presentation. Mr. Lavoie's review and approval does not include scientific and technical information in relation to the Company's reserves and resources contained in this presentation. Mr. Tarbouche's and Mr. Lavoie'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 Phase II Feasibility Study.

Reference to P62: Platts TSI IODEX 62% Fe CFR China; P65: Platts IO Fines 65% Fe CFR China.

This presentation has been authorized for release to the market by the CEO of Champion Iron Limited, David Cataford.

All amounts are in Canadian dollars unless otherwise stated.

CONFERENCE CALL PARTICIPANTS

CHAMPION IRON 



DAVID CATAFORD
Chief Executive Officer



MICHAEL O'KEEFE
Executive Chairman



NATACHA GAROUTE
Chief Financial Officer



ALEXANDRE BELLEAU
Chief Operating Officer



MICHAEL MARCOTTE
Vice-President Investor Relations

FY2021 SECOND QUARTER HIGHLIGHTS

CHAMPION IRON 



2,268,800 WMT
CONCENTRATE PRODUCED



\$48.5/DMT
TOTAL CASH COST



REVENUES \$311.0M
NET CASH FLOW OPS \$128.3M
EBITDA \$197.8M



\$425.8M CASH ON HAND*

85.2%
RECOVERY

\$57.4/DMT
ALL-IN SUSTAINING COST

ADJUSTED NET INCOME \$113.8M
\$0.24 ADJUSTED EPS

\$266.8M LONG-TERM DEBT*

COVID-19 / HEALTH & SAFETY

- No known cases of COVID-19 have been confirmed in the Company
- Received delivery of a portable rapid testing solution, approved by Health Canada, which is expected to allow screening of employees and contractors on site
- Strict measures to adapt operations in line with the Government's directives are to remain in place to safeguard the health and safety of our employees, partners and communities

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- No serious injuries reported during the period
- Sequential improvement of health & safety statistics by Québec Iron Ore employees and contractors
- Implemented a monthly audit to review effectiveness and adoption of implemented measures

QUEBEC IRON ORE + CONTRACTORS FISCAL YEAR 2021

	Q1	Q2	YTD
Total Recordable Injury Frequency Rate (TRIFR)	3.99	1.67	2.67
Disability Injury Severity Rate (DISR)	27.47	15.45	20.5

FOCUS ON SUSTAINABILITY

- No occurrence of major environmental issues during the quarter
- Completed another 19 hectares of revegetation, now totalling 72 hectares
- Initiated work on the ore storage area aimed at reducing dust from the ore stockpile



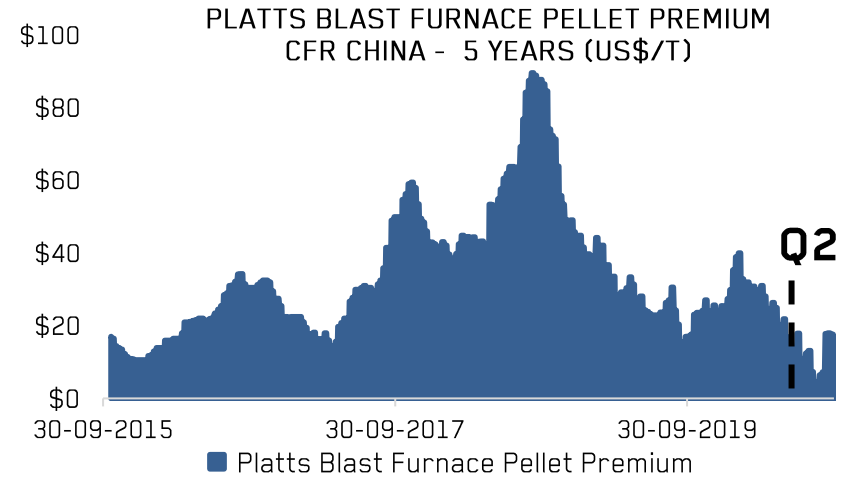
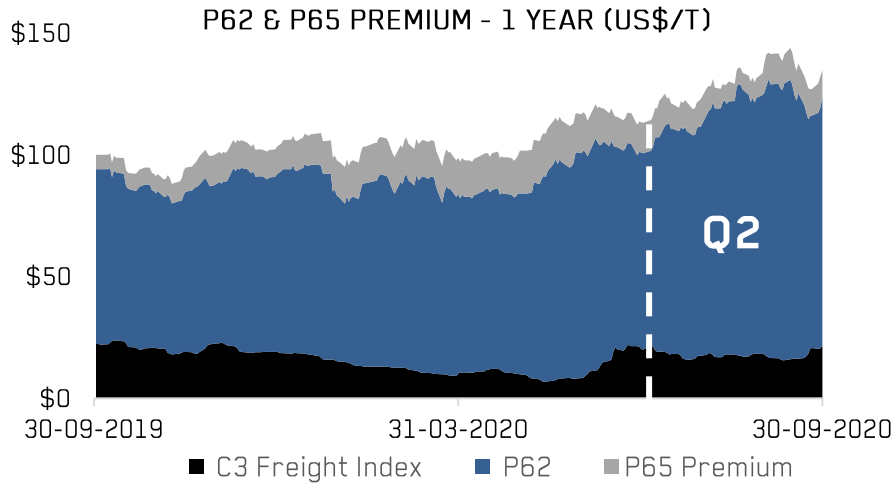
- Appointed Louise Grondin to the Board of Directors, bringing strong experience in safety, sustainable development and environmental management

CHAMPION IRON 



INDUSTRY OVERVIEW

- Continuous rise in iron ore prices in the period with robust demand emerging from China
- Increase in the freight index, now in line with historical relationship with iron ore prices
- Some shipments sold in the period at a slight discount to P65 to compete with pellets
- Overall gross realized price tracking P65 index



BLOOM LAKE OPERATIONAL RESULTS

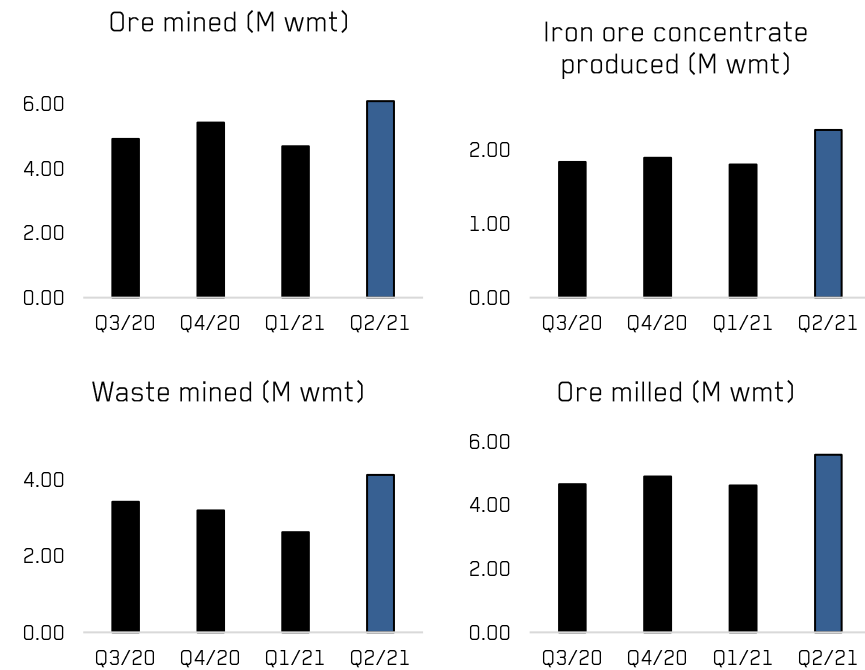
CHAMPION IRON 



OPERATIONS OVERVIEW

- Record quarterly iron ore concentrate production and sales
- Partially recovered waste mining activity backlog created in fiscal Q1/2021

FISCAL PERIODS	Q3/20	Q4/20	Q1/21	Q2/21	FY2021 TO DATE
Iron ore concentrate produced (M wmt)	1.83	1.89	1.80	2.27	4.07
Iron ore concentrate sold (M dmt)	1.92	1.89	1.76	2.06	3.82
Waste mined (M wmt)	3.41	3.18	2.61	4.11	6.73
Ore mined (M wmt)	4.91	5.41	4.68	6.07	10.75
Strip ratio	0.70	0.60	0.60	0.70	0.60
Ore milled (M wmt)	4.64	4.88	4.60	5.56	10.17
Head grade Fe (%)	32.0	31.7	31.3	30.9	31.1
Recovery (%)	81.7	82.3	82.3	85.2	83.8
Product Fe (%)	66.4	66.5	66.5	66.1	66.3

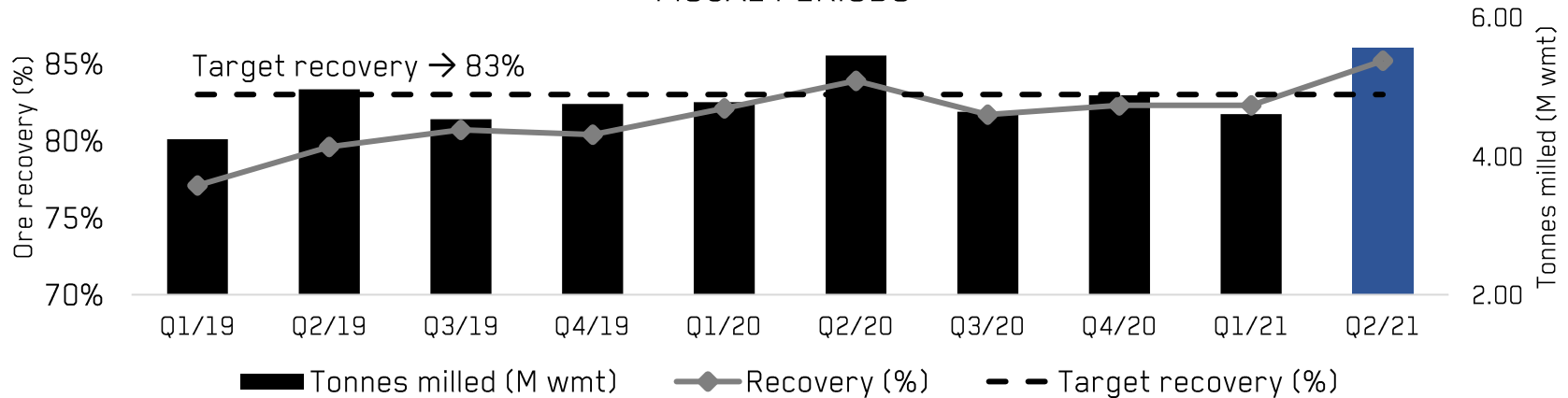


* FISCAL PERIODS

RECORD ORE RECOVERY

- Record quarterly ore recovery resulting from stability of concentrator and ore milled during the period
- Continuously working on recovery circuit improvements with overall target recovery remaining at 83%

ORE RECOVERY (%) & TONNES MILLED (M WMT)
FISCAL PERIODS



SECOND QUARTER FINANCIAL RESULTS



SECOND QUARTER FINANCIAL HIGHLIGHTS



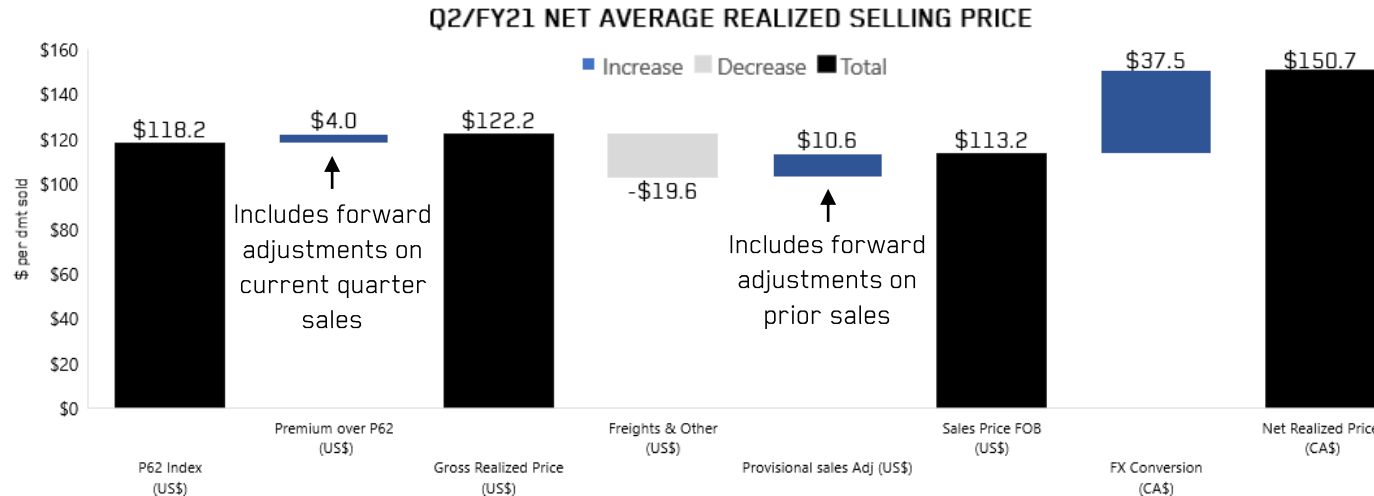
- Record quarterly revenue, EBITDA, net cash flow from operations and net income
- Operational productivity resulted in total cash cost reduction of 17% quarter over quarter
- Net income impacted by COVID-19 related costs of \$2.7M or \$1.3/dmt

FINANCIAL RESULTS (\$ MILLION)	Q3/FY20	Q4/FY20	Q1/FY21	Q2/FY21	FY2021 TO DATE
Revenues	171.1	175.7	244.6	311.0	555.6
EBITDA	57.9	61.1	127.7	197.8	325.5
Operating income	53.3	52.1	118.8	189.5	308.3
Net income	30.2	18.4	75.6	112.2	187.7
Adjusted Net income	30.2	18.4	78.0	113.8	191.8
Net Cash flow from operations	28.1	84.6	75.3	128.3	203.6
Earnings per share - basic	0.07	0.04	0.16	0.24	0.40
Adjusted Earnings per share - basic	0.07	0.04	0.17	0.24	0.41
Gross average realized selling price (\$/dmt)	140.1	130.5	149.2	162.8	156.6
Net Average realized selling price (\$/dmt)	89.0	93.1	139.1	150.7	145.4
Total cash cost (\$/dmt)	54.2	53.9	58.4	48.5	53.1
All-in sustaining cost (\$/dmt)	62.2	59.8	64.8	57.4	60.8
Cash operating margin (\$/dmt)	26.8	33.3	74.3	93.3	84.6
Cash operating margin (%)	30.1%	35.8%	53.4%	61.9%	58.2%

SECOND QUARTER

AVERAGE REALIZED SELLING PRICE

- Average gross realized price increased 13.4% compared to previous quarter
- Some shipments sold at a discount to P65 in the period to compete with low pellet premium
- Pricing impact from a portion of contracted volumes based on previous months prices when P65 prices were significantly lower
- Benefited from previously disclosed freight contract for one vessel per month, until December 2020, at US\$15.46/t + commissions



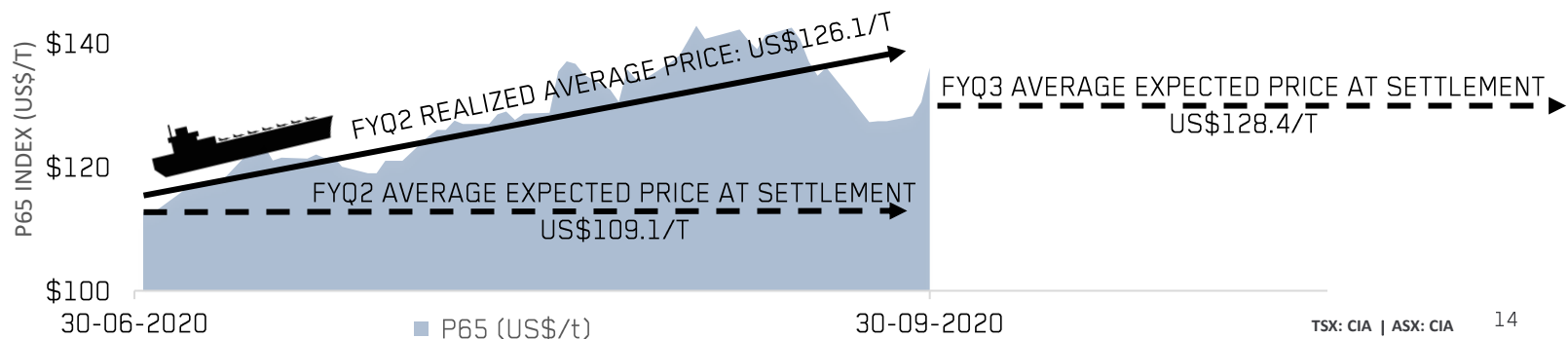
POSITIVE PROVISIONAL PRICE ADJUSTEMENT

- Most of the 1.31M tonnes subject to provisional price at the end of FYQ1 realized final price in the period
- FYQ2 positive provisional pricing adjustment of \$29M or a positive impact of US\$10.6/t to the average realized price for tonnes sold in the period

PROVISIONAL IMPACT Q2/FY21						
Final price on tonnes in transit at Q1	–	Q1 Average expected price at settlement date*	×	Tonnes in transit at Q1 (M dmt)	=	Provisional impact on Q2
US\$126.1/t		US\$109.1/t		1.31		US\$22.3M

PER TONNE SOLD		
Tonnes sold in Q2 (M dmt)	=	Provisional impact per tonne sold in Q2
2.06		US\$10.6/t

→ 1.2M tonnes remain subject to provisional price at the end of FYQ2

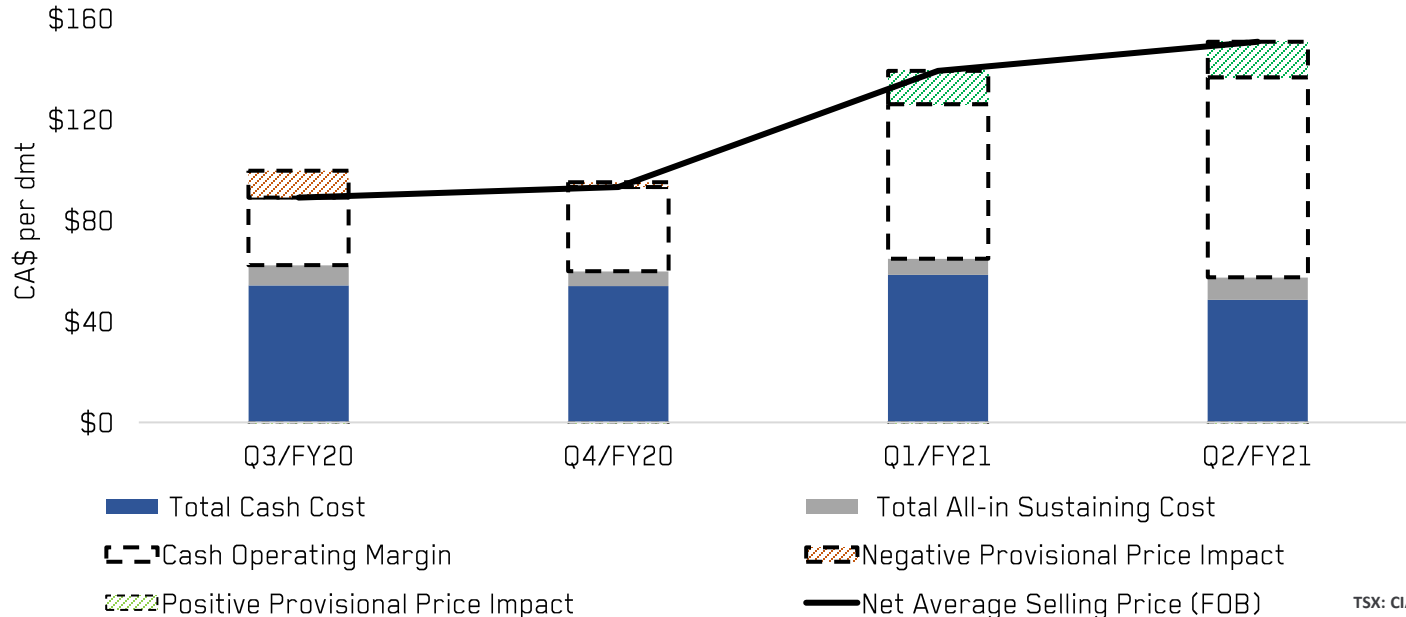


*Expected price based on P62 Index forward price and anticipated P65 index premium at settlement date

POSITIVE CASH OPERATING MARGIN

→ Improving cash operating margin for the fourth consecutive quarter

→ Record cash operating margin of 61.9% and EBITDA margin of 63.6% in Q2/FY21



RAPIDLY IMPROVING BALANCE SHEET



\$425.8M Cash & S-T Investments
\$-10.2M Working Capital

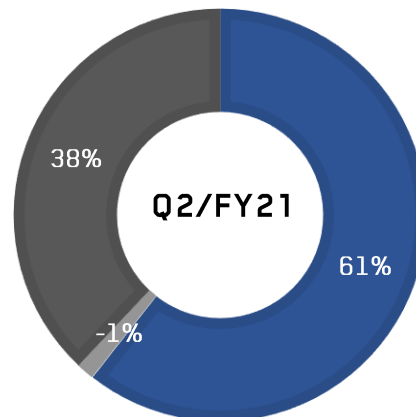
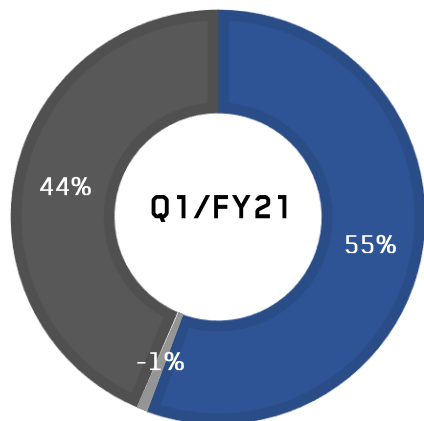


\$266.8M Long-Term Debt (Face Value)*



- ✓ Net cash positive of \$148.8M
- ✓ \$79.0M QoQ improvement in net cash

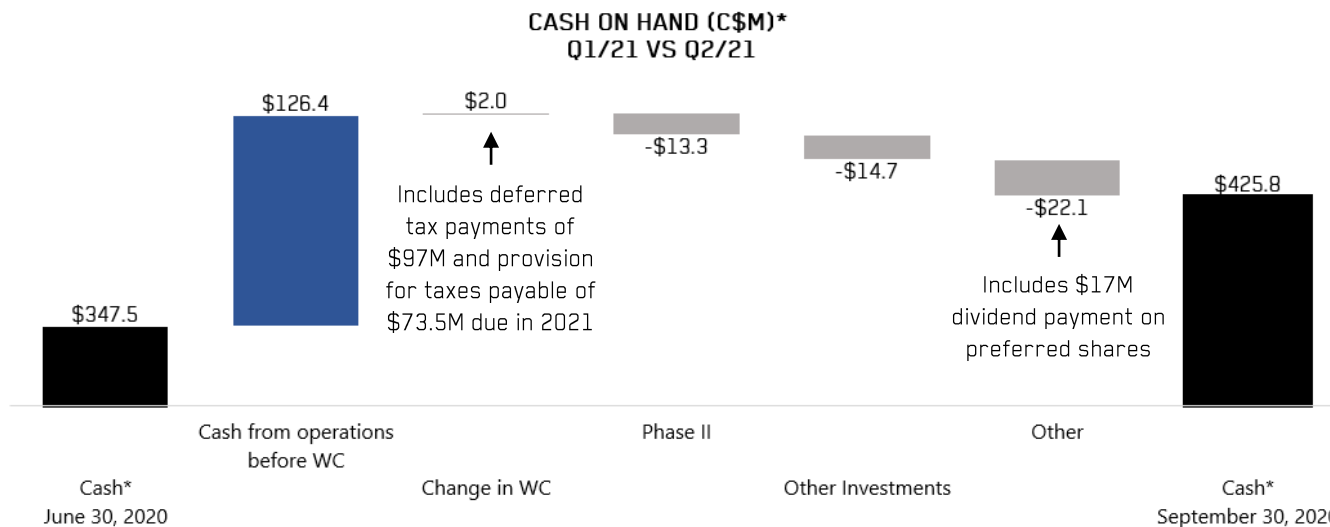
Well positioned for first capital repayment of the long-term debt scheduled for June 30, 2021



■ Cash and cash equivalents ■ Working Capital ■ LTD Face value*

CASH INCREASE DETAILS

- Strong cash flow from operations before changes in working capital of \$126.4M
- Fully paid all deferred payments on taxes amounting to \$97M for FY2020 and FY2021 installments year to date
- Paid accumulated dividends on QIO's preferred shares totalling \$17M
- Working capital impacted by \$73.5M provision for taxes payable due in May 2021



*Cash on hand includes cash and cash equivalents and short-term investments

PHASE II UPDATE

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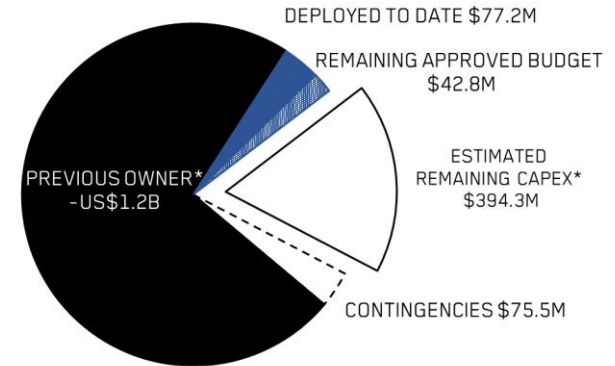


DILIGENTLY ADVANCING PHASE II

- Continued discretionary spending from the previously approved \$98M budget
- Increased the cumulative budget of \$98M to \$120M, ahead of the Board of Director's decision on the project
- The Company will communicate its development plans on the Phase II expansion project by the end of the current calendar year
- Completed foundation work on train load-out facility and installed permanent heating, lighting and elevator system in the concentrator
- Initiated installation of spirals, advanced work on the ore storage area and modifications to the gravimetric recovery circuit

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PHASE II - CAPEX (C\$M)

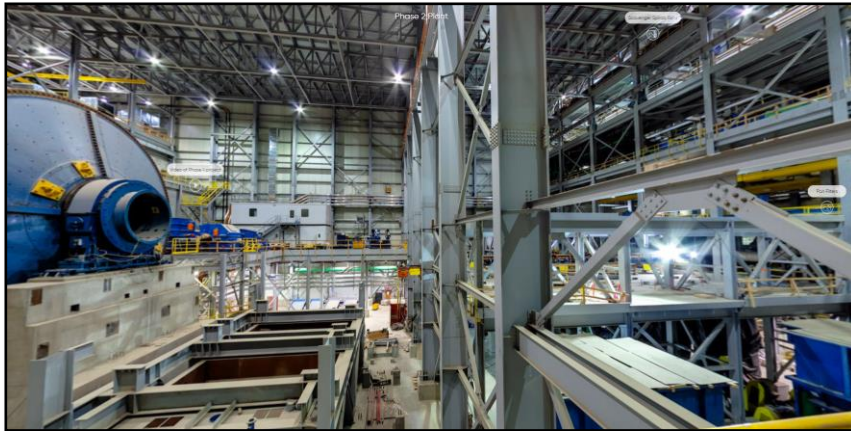


VISIT OUR OPERATIONS

- Completed a virtual platform presenting a 360° view of Bloom Lake's operations and infrastructures
- Visualise the significant investments already deployed on the Phase II expansion project
- Perspective of regional opportunities

Visit us at www.championiron.com

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THANK YOU TO OUR STAFF

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THANK YOU!

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Contact us for more information.

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