

# CONFERENCE PRESENTATION

JUNE 2023



A RARE SOLUTION TO DECARBONIZE STEELMAKING

CHAMPION IRON 

This presentation (the "Presentation") contains information about Champion Iron Limited ("Champion" or the "Company"), current as at the date hereof or as at such earlier date as may be specified herein. This Presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of Champion or any of its subsidiaries or affiliates or any other person in any jurisdiction or an inducement to enter into investment activity, does not constitute marketing material in connection with any such securities and there is no current offering or soliciting for the sale of securities in any jurisdiction.

This Presentation and the information contained therein is for information purposes only, may not be reproduced or distributed to others, at any time, in whole or in part, for any purpose, and may not be used for any other purpose, without the prior written consent of Champion, and all recipients agree that they will use this Presentation solely for information purposes. Acceptance of this Presentation by any person constitutes an agreement to be bound by the terms of this disclaimer.

In making any future investment decision, you must rely on your own examination of Champion, including the merits and risks involved. This Presentation should not be construed as financial, legal, tax, accounting, investment or other advice or a recommendation with respect to any potential future investment. You should consult your own advisors as needed to make a future investment decision and determine whether it is legally permitted to make an investment under applicable legal requirements, including securities or similar laws or regulations.

This Presentation contains certain forward-looking information and statements within the meaning of applicable securities laws, which includes all statements other than statements of historical facts. Forward-looking statements can typically be identified by terminology such as "expect", "anticipate", "continue", "estimate", "may", "will", "project", "predict", "can", "could", "would", "aim", "should", "believe", "plan", "intend", "forecast", "contemplate", "schedule", "target", "future", "objective", "goal", "potential" or variations or the negative thereof.

In particular, but without limiting the foregoing, this Presentation contains forward-looking information and statements pertaining to Champion's and management's expectations, including, without limitation, with respect to: the Company's Phase II expansion project, its expected economic benefits, nameplate capacity and milestones; the project to upgrade the Bloom Lake iron ore concentrate to a higher grade with lower contaminants and to convert approximately half of Bloom Lake's increased nameplate capacity of 15 Mtpa to commercially produce a 69% Fe Direct Reduction pellet feed product, expected project timeline, economics, capex, budget and financing, production metrics and benefits; the increase in carbon emission forward prices; the Kami Project's feasibility study and its anticipated completion date; the feasibility study to produce Direct Reduction ("DR") grade pellets in Pointe-Noire and its anticipated completion date; Champion's positioning to service the industry's transition to Electric Arc Furnaces and focus on DR quality products; the shift in steel industry production methods and expected rising carbon costs and demand for higher-grade iron ore products and related market deficit and higher premiums, including using reduction technologies and the Company's related transition of its product offering and related projects; GHG and CO<sub>2</sub> emission reduction initiatives, objectives, targets and expectations; Champion's financial outlook; and the Company's growth opportunities generally.

Accordingly, undue reliance should not be placed on such statements or information. In addition, forward-looking statements or information are based on a number of factors, expectations or assumptions of Champion which have been used to develop such statements and information but which may prove to be incorrect.

Although Champion believes that the expectations reflected in such forward-looking statements or information are based on reasonable assumptions, undue reliance should not be placed on such statements or information. The Company can give no assurance that such expectations will prove to be accurate or correct as 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. In addition to other factors and assumptions which could cause the actual results to differ materially from those expressed or implied in forward-looking statements, assumptions have been made regarding, among other things: general economic, competitive, political and social uncertainties; the general stability of the economic and political environment in which Champion operates; the impact of catastrophes and public health crises, including the impact of COVID-19 on the global economy, the iron ore market and Champion's operations; the timely receipt of any required regulatory and governmental approvals, necessary permitting and timely completion of development and construction activities; the ability of Champion to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling and other exploration results; the results of feasibility studies; changes in the assumptions used to prepare feasibility studies; project delays; the ability of operators of the projects in which Champion has an interest to operate the field in a safe, efficient and effective manner; the ability of Champion to obtain capital and financing on acceptable terms; general economic, market or business conditions; future commodity prices; future prices of iron ore; currency exchange and interest rates; and the regulatory framework regarding taxes and environmental matters in the jurisdictions in which Champion operates; as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2023 Annual Information Form and in the section entitled "Risk Factors" of the Company's management's discussion and analysis for the fiscal year ended March 31, 2023, all of which are available on SEDAR at [www.sedar.com](http://www.sedar.com), the ASX at [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.championiron.com](http://www.championiron.com). The forward-looking information and statements included in this Presentation are not guarantees of future performance and should not be unduly relied upon. The forward-looking statements in this Presentation are based on assumptions management believes to be reasonable and speak only as of the date of this Presentation or as of the 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. 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.

Certain financial measures used by the Company to analyze and evaluate its results are non-IFRS financial measures or ratios and supplementary financial measures. Each of these indicators is not a standardized financial measure under the IFRS and might not be comparable to similar financial measures used by other issuers. These indicators 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. The non-IFRS and other financial measures or ratios included in this Presentation are EBITDA, adjusted EPS and total cash cost. A quantitative reconciliation to the most directly comparable IFRS measures is provided in note 22 - Non-IFRS and Other Financial Measures of the Company's management's discussion and analysis for the fiscal year ended March 31, 2023 available on SEDAR at [www.sedar.com](http://www.sedar.com), the ASX at [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.championiron.com](http://www.championiron.com).

Mr. Vincent Blanchet (P.Eng) Director of resource and planification at Quebec Iron Ore Inc., a wholly-owned subsidiary of the Company is a "qualified person" as defined by National Instrument 43-101 and has reviewed and approved the disclosure of the scientific and technical information contained in this Presentation. Mr. Blanchet is a member of the *Ordre des Ingénieurs du Québec*.

Certain information contained in this Presentation has been obtained from published sources prepared by third parties and has not been independently verified and no representation or warranty, expressed or implied, is made with respect to, and no undue reliance shall be placed on, the information or opinions contained herein or in any verbal or written communication made in connection with this Presentation.

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, David Cataford.

All amounts are in Canadian dollars unless otherwise stated.

## LARGEST PUBLICLY LISTED PURE-PLAY HIGH-GRADE IRON ORE PRODUCER GLOBALLY



→ 2nd largest hub of high-grade exports globally



→ 10.1% management ownership<sup>1</sup>



→ Cumulative investments at Bloom Lake >US\$4.5B



→ Committed to GHG reduction of 40% by 2030 and carbon neutrality by 2050

BLOOM LAKE 



*Note: 1. Management ownership including board of directors as of April 29, 2023  
Source: Champion Iron Limited*



**A GLOBAL SOLUTION FOR THE  
TRANSITIONING STEEL INDUSTRY**

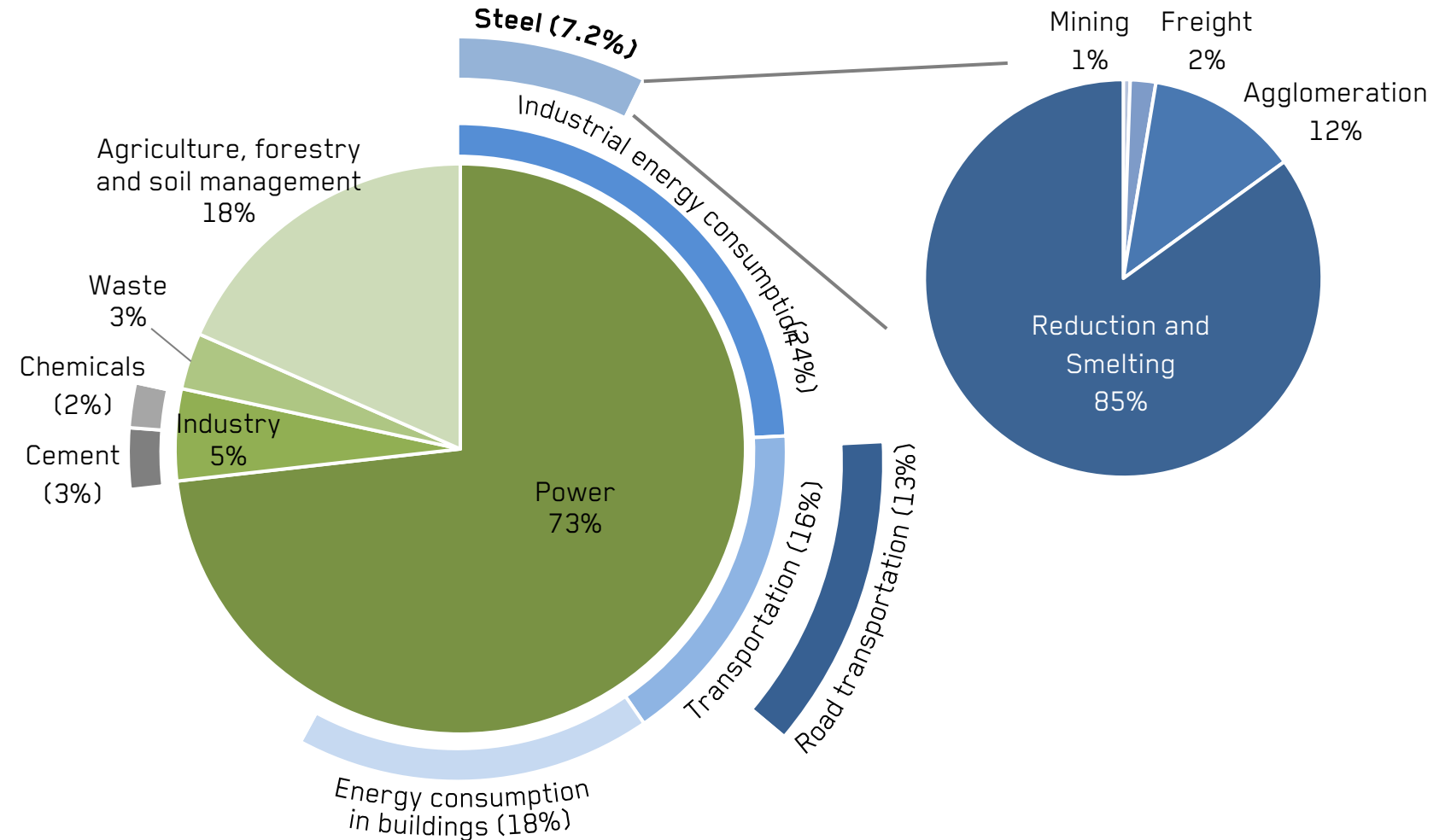
**CHAMPION IRON** 

TSX: CIA | ASX: CIA | OTCQX : CIAFF

# HIGH PURITY IRON ORE → A SOLUTION FOR GREEN STEEL

## THE STEEL INDUSTRY WILL NEED TO ADAPT TO LIMIT EMISSIONS

→ The steel industry represents more than 7.2% of global CO<sub>2</sub> emissions<sup>1</sup>

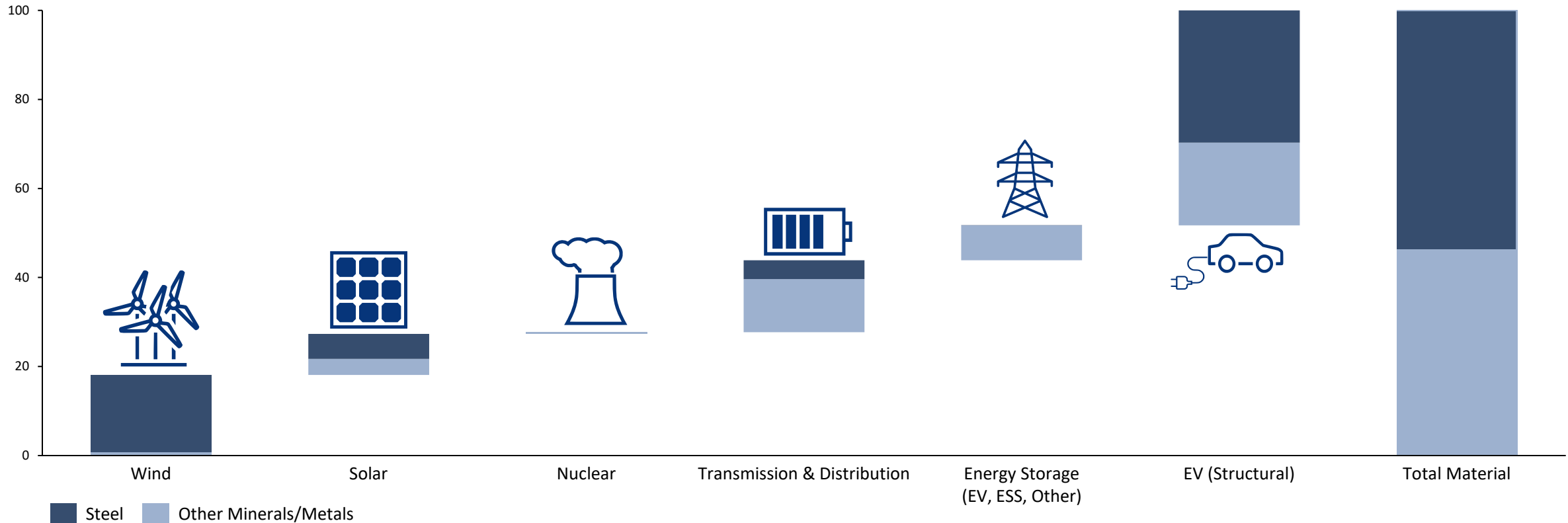


Source: 1. Left pie chart: Our World In Data (2020), numbers may not add up due to rounding

# STEEL IS CRITICAL TO DECARBONIZE

- Steel will have a critical role for the required infrastructure and applications to decarbonize our economies
- Under the Accelerated Energy Transition (AET) of 1.5°C, over 3.5 billion additional tonnes of steel will be required by 2050, representing over 50% of total material used across infrastructure and applications

**GLOBAL VOLUME OF MATERIAL REQUIRED TO REACH AET 1.5 ACROSS SELECT ET APPLICATIONS (% VOLUME CONTRIBUTION)**



Source: Champion Iron Limited, Wood Mackenzie

Note: Only includes other minerals/metals associated with this study. Structural EV = automotive frames/bodies. Volume estimates are subject to change based on intensity and technology assumptions which will change over time.

# CHAMPION PRODUCTS' POSITIVE IMPACT



## STEEL MAKING METHOD & EMISSIONS



## PRIMARY RAW MATERIALS

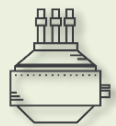


**Blast Furnace (BF) /  
Basic Oxygen Furnace (BOF)**  
2.01 tCO<sub>2</sub> eq/t steel<sup>1</sup>

Iron Ore  
Coal

66.2%  
Fe

Champion's 66.2% iron ore  
reduces emissions by  
~10% in the BF/BOF



**Direct Reduced Iron (DRI) /  
Electric Arc Furnace (EAF)**  
1.04 tCO<sub>2</sub> eq/t steel<sup>1</sup>

Recycled Steel  
**Direct Reduced (DR) Iron**  
Pig Iron

DRPF  
Project  
69% Fe

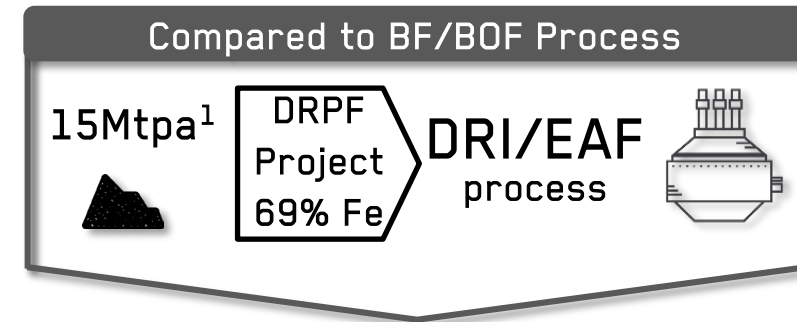
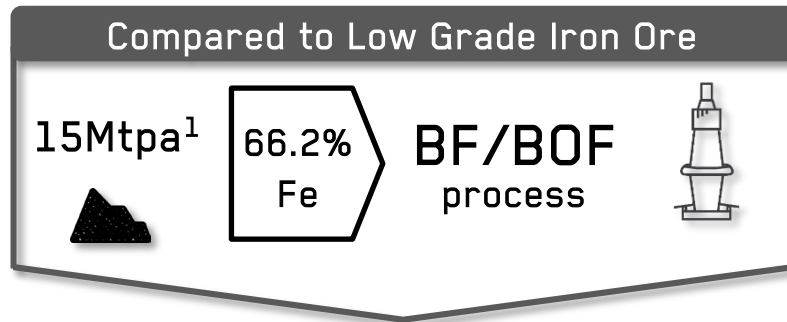
Champion's Direct Reduction  
Pellet Feed (DRPF) Project to  
produce 69% Fe can  
contribute to reduce  
emissions by ~ 50% vs BF/BOF

# SIGNIFICANT IMPACT TOWARDS REDUCING EMISSIONS



Champion's concentrate reduces emissions in BF/BOF steel making

Proven ability to produce DR grade pellet feed enables Champion to engage with DRI/EAF steel makers



1.9M tonnes CO2 eq/year<sup>2</sup>



420,000 cars/year



9.7M tonnes CO2 eq/year<sup>2</sup>



2,150,000 cars/year

TESLA



-1.3M cars produced/year

COMPARABLE SCALE



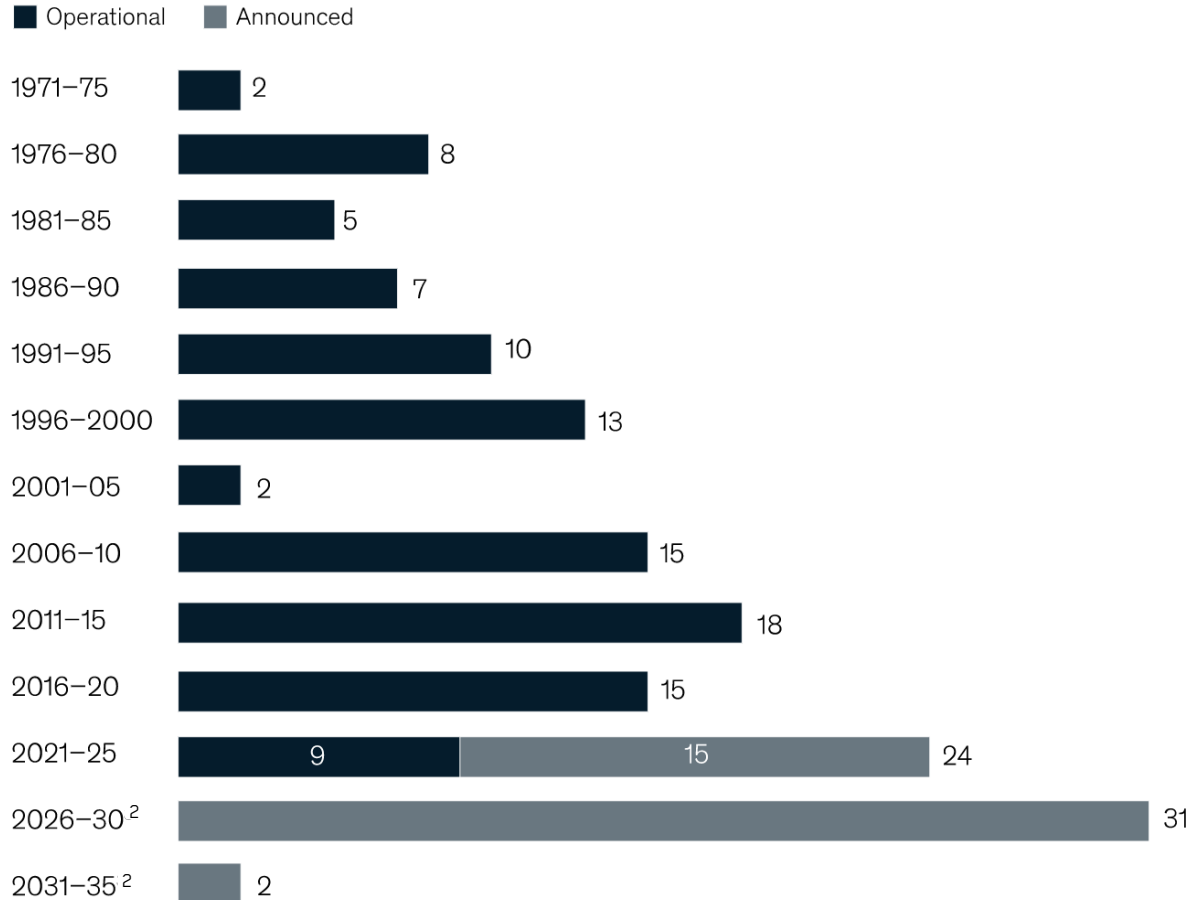
-2M cars registered by NYC residents

Notes: 1. Phase II expected nameplate capacity of 15Mtpa | 2. Assumes 4,600 Kg of CO2 eq per vehicle/year (Source: US Environmental Protection Agency and Natural Resources Canada). BF/BOF reduction assumes a ratio of 1.5t of iron ore concentrate per tonne of steel produced and a reduction emission of 9.6% for Champion's 66.4% Fe (as per FY21 results) compared to 58% Fe (Based on Wood Mackenzie estimate of 8% reduction for P65 vs. P58). DRI/EAF steel making route assumes 1.47 tonne of pellet feed concentrate per tonne of steel produced. Sources: Champion Iron Limited, Wood Mackenzie data ; Tesla's 2022 car production; Cars registered by NYC residents as per www.nyc.gov and www.streetsblog.org; Tesla' Inc.'s car production in 2020 as per backlinko.com



# DRPF PRODUCT: VISIBLE DEMAND

Total number of shaft DRI/HBI<sup>1</sup> projects by year of beginning operations



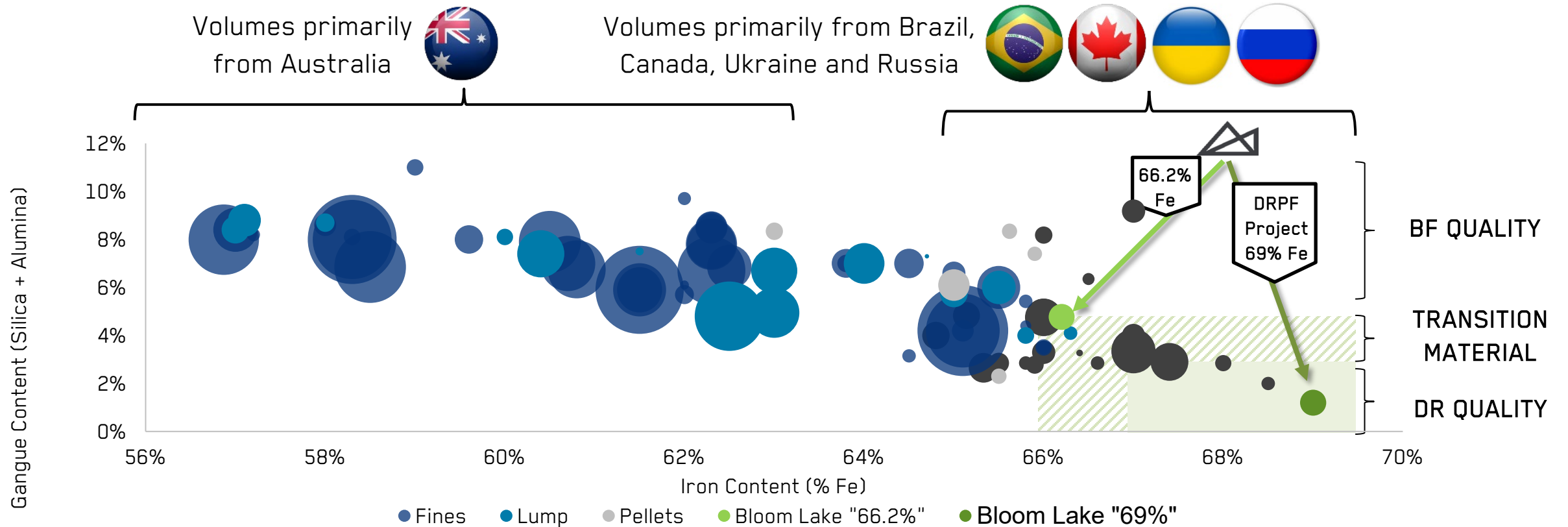
- To reduce emissions, the steel industry is rapidly transitioning from Blast Furnaces and Basic Oxygen Furnaces (BF-BOF) steelmaking, utilizing coal, to Direct Reduced Iron and Electric Arc Furnaces (DRI-EAF) steelmaking
- DRI project announcements are accelerating at an unprecedented pace, expected to increase demand for Direct Reduction (DR) quality iron ore
- Champion`s Project proposes to produce an industry leading DRPF with a quality up to 69% Fe
- Global DR quality iron ore demand is expected to be at a deficit of more than 100Mtpa by 2031<sup>3</sup>

Note: Source: Fastmarkets, McKinsey & Company April 2023

<sup>1</sup> Hot Briquette Iron; <sup>2</sup> More announcements expected; <sup>3</sup> McKinsey & Company (The Resilience of Steel: Navigating the Crossroads)

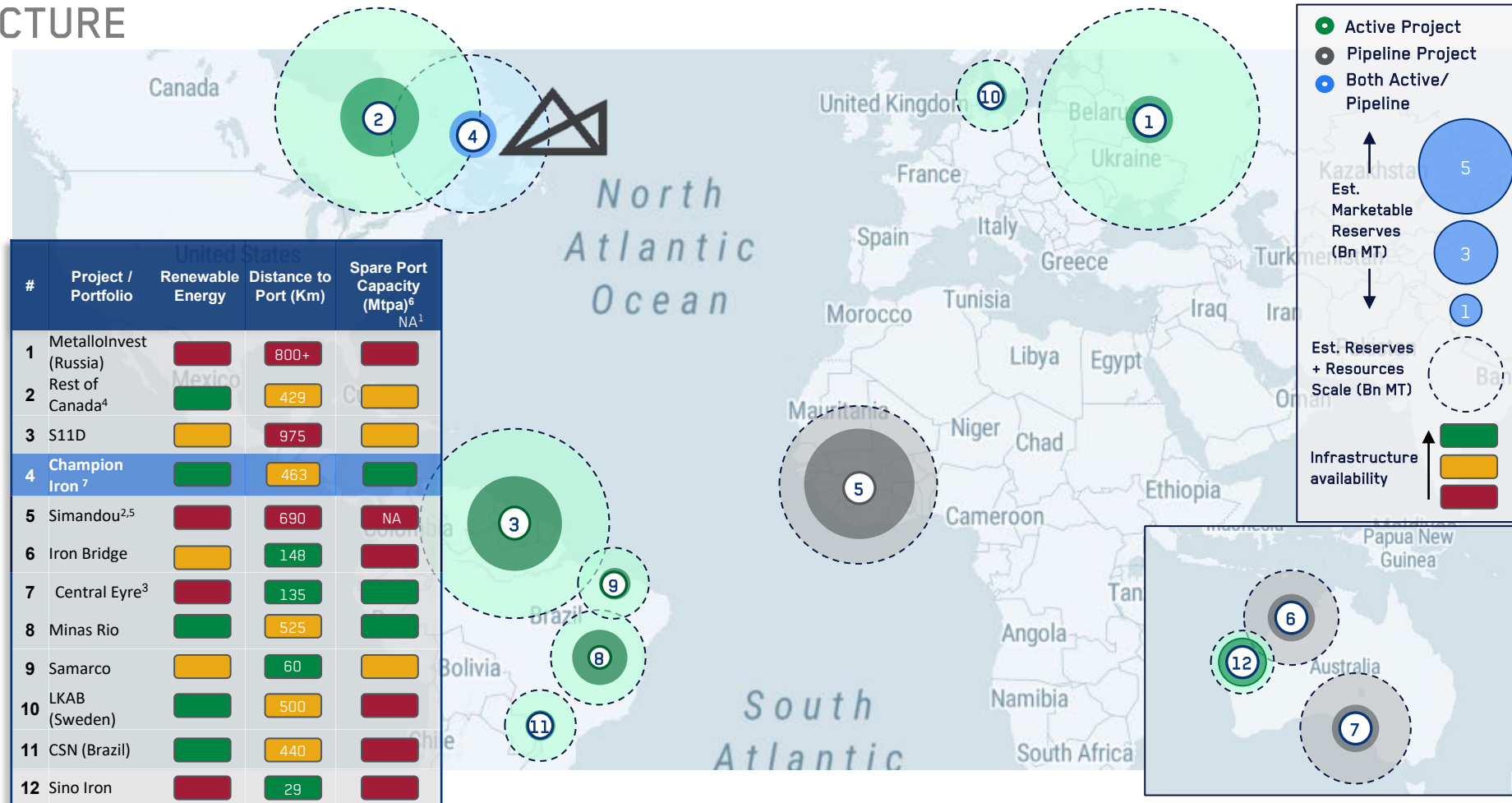
# 69% FE DRPF: PRIME PRODUCT IN A NICHE MARKET

## SUMMARY OF IRON CONTENT AND GANGUE CONTENT



# PROVIDING A GLOBAL SCALE SOLUTION

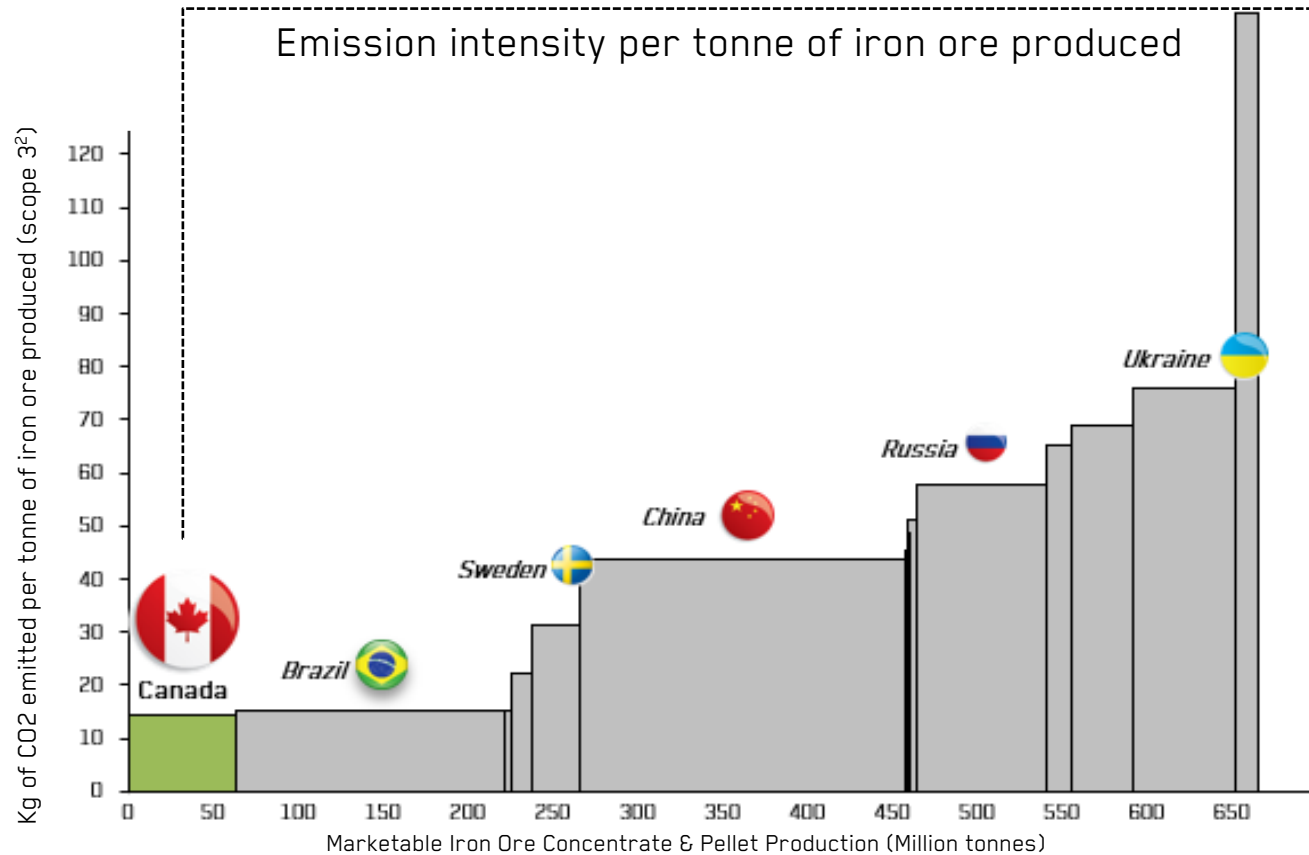
CHAMPION CONTROLS ONE OF THE LARGEST RESERVES AND RESOURCES CAPABLE OF PRODUCING HIGH-GRADE IRON ORE, INCLUDING POTENTIAL ACCESS TO RENEWABLE POWER AND AVAILABLE INFRASTRUCTURE



Note: Billion Metric tonne reserves; Resources are estimated on a Measured, Indicated, and Inferred Basis. Global snapshot is not exhaustive, (1) Port capacity estimate could not be reasonably identified, (2) Port not yet constructed, (3) Port not yet constructed, (4) Rest of Canada data is not exhaustive (Mont Wright, Carol Lake, Fire Lake, Baffinland...), (5) Simandou includes Blocks 1-4 (6) Spare port capacity estimated; Green-40+, Yellow-20-39, Red-0-19, (7) Champion Iron reported distance from Bloom Lake to Pointe Noire. Source: Wood Mackenzie, Corporate Reports, PFS Studies, Public Information (can include estimates).

# LOW IMPACT LOCALLY & SCALEABLE POSITIVE IMPACT GLOBALLY

- Canadian high-purity iron ore is produced with one of the lowest carbon intensities globally
- A complete transition of Bloom Lake’s 15Mtpa nameplate capacity to DRPF quality iron ore could reduce nearly 9.7Mt of CO<sub>2</sub>e/year in the steelmaking process, representing over 100 times the emissions generated by our Company



- Benefiting from hydropower generation capacity, Champion has an **industry leading position in emission intensity** per tonne of high-purity iron ore produced of 9.8 Kg of CO<sub>2</sub>/t
- **29.3% Reduction in emissions intensity** per tonne of iron ore concentrate produced compared to the 2014 reference year under previous ownership<sup>1</sup>

Note: 1. Scope 1 emission reduction based on calendar year 2022 results / 2. Scope 3 stops at Third Party Port and Transport Fees Downstream but excludes BOP supply / Iron ore supply;  
Source: Wood Mackenzie 2020 data, Champion Iron Limited



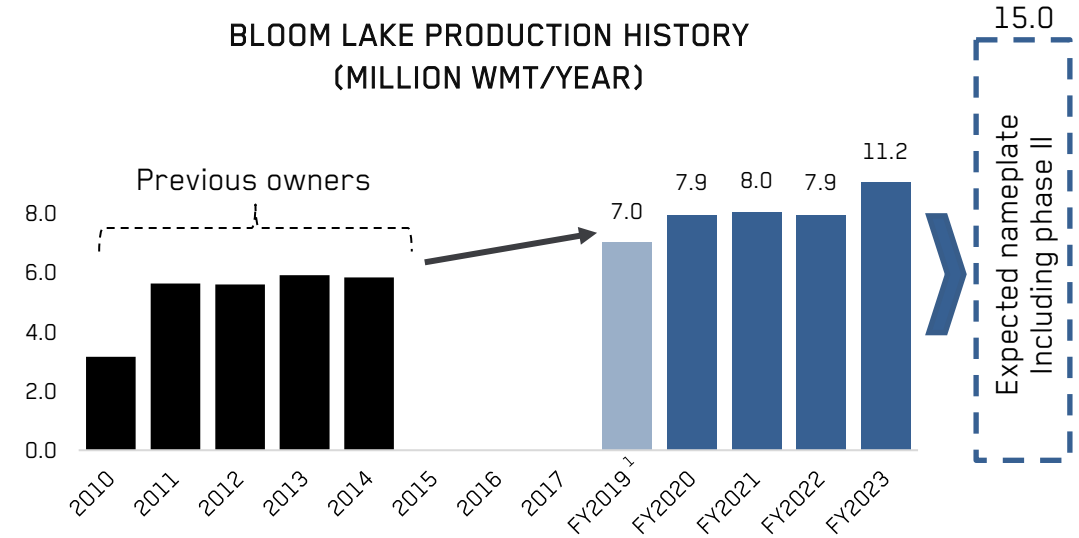
# CHAMPION IRON RECENT RESULTS

CHAMPION IRON 

TSX: CIA | ASX: CIA | OTCQX : CIAFF

# SETTING NEW PRODUCTION RECORDS AT BLOOM LAKE

- Facilities reached expanded designed nameplate capacity of 15Mtpa on several operating days in the quarter
- Recent delivery and assembly of mining equipment, progress on third-party infrastructure and near-term anticipated locomotives delivery improves visibility to reach Bloom Lake’s expanded nameplate capacity of 15 Mtpa on a continuous basis in the near term



Recent mining equipment delivery and assembly



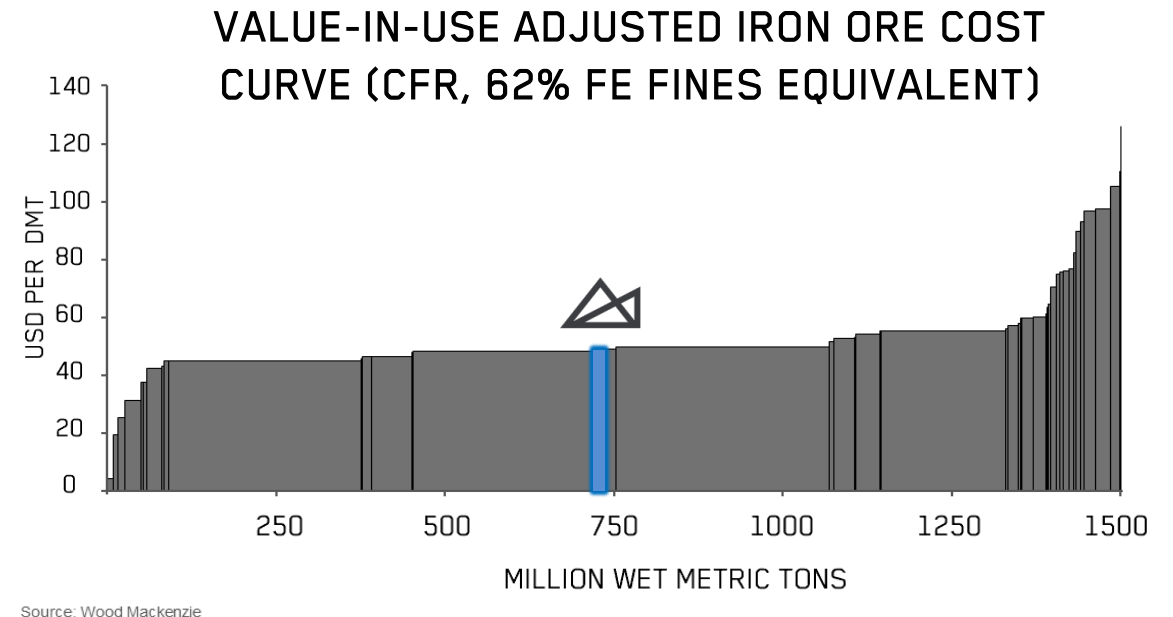
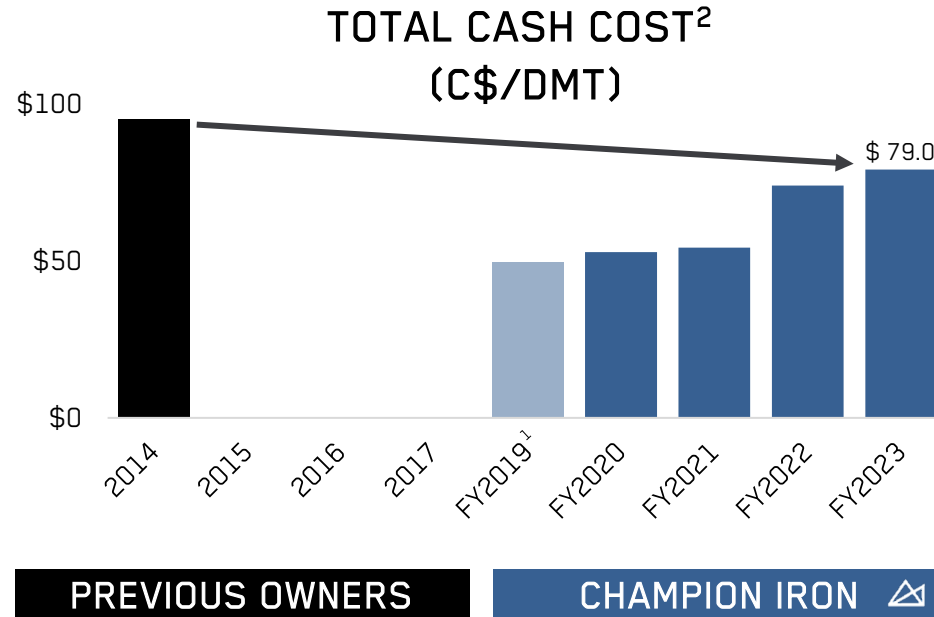
Proven and completed processing plant



Progress on third-party infrastructure



Notes: 1. FY2019 reflects Bloom Lake’s commissioning year



- Proven and competitive cost profile
- FY2023 results: Total cash costs<sup>2</sup> of \$79.0/t, negatively impacted by several factors including fixed costs incurred to support higher anticipated production, inflationary pressures on fuel, explosives and site-related G&A

Notes: 1. FY2019 reflects Bloom Lake's commissioning year / 2. Non-IFRS financial measure, ratio or other financial measure. Refer to the disclaimer at the p.2  
Source: Cost curve provided by Wood Mackenzie

# ROBUST FINANCIAL RESULTS

→ Significant investments at Bloom Lake produced robust financial results, positioning the Company to diligently consider growth opportunities while continuing its capital return strategy



**\$327.1M** Cash & S-T investments  
**\$232.3M** Working capital <sup>1,2</sup>



**Cash net of debt of \$71.7M**<sup>1,2,3</sup>  
 (including working capital)

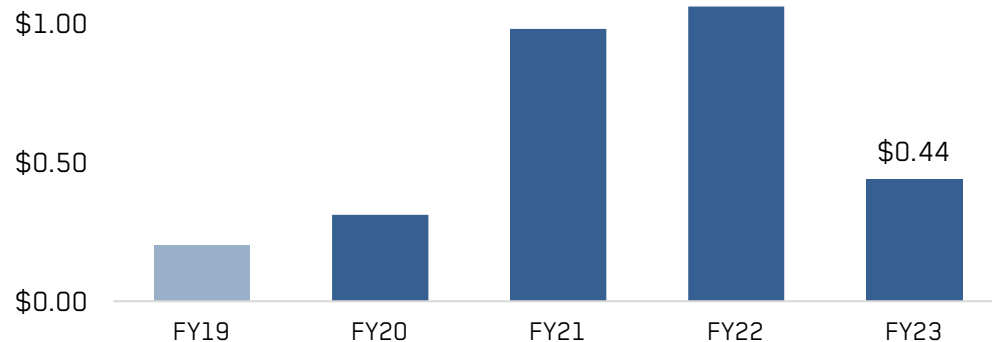


**\$487.7M** Short-term & Long-term debt <sup>3</sup>  
**\$346.6M** Available & undrawn loans <sup>4</sup>

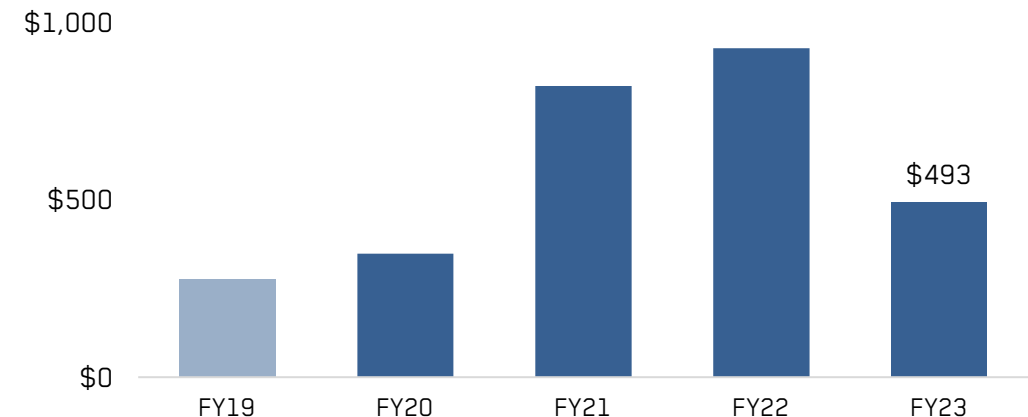


Four semi-annual dividend of \$0.10  
 declared to date

ADJUSTED EPS (C\$)



EBITDA (C\$M)<sup>1</sup>



Notes: Financial information as at March 31, 2023 | <sup>1</sup>Non-IFRS financial measure, ratio or other financial measure. Refer to the disclaimer at the p.2 | <sup>2</sup>Receivables: \$162.2M; Income and mining taxes receivables: \$37.9M; Prepaid expenses and advances: \$43.1M; Inventories: \$167.7M; accounts payable and other: (\$178.6M) | <sup>3</sup>Short-term and long-term debt face value include US\$180M Revolving Facility, \$75M from FTQ, \$64M from Investissement Québec and US\$77.6M from Caterpillar Financial Services | <sup>4</sup>Undrawn loans included US\$220M Revolving Facility and US\$36.1M from Caterpillar Financial Services.





# PRODUCT DEVELOPMENT AND GROWTH INITIATIVES

CHAMPION IRON 

TSX: CIA | ASX: CIA | OTCQX : CIAFF

→ 69% Fe DRPF quality iron ore Project

→ Kami project feasibility study

→ Feasibility study to produce DR pellets in Pointe-Noire



FEASIBILITY STUDY COMPLETED



H2/2023



H2/2023





66.2%  
Fe

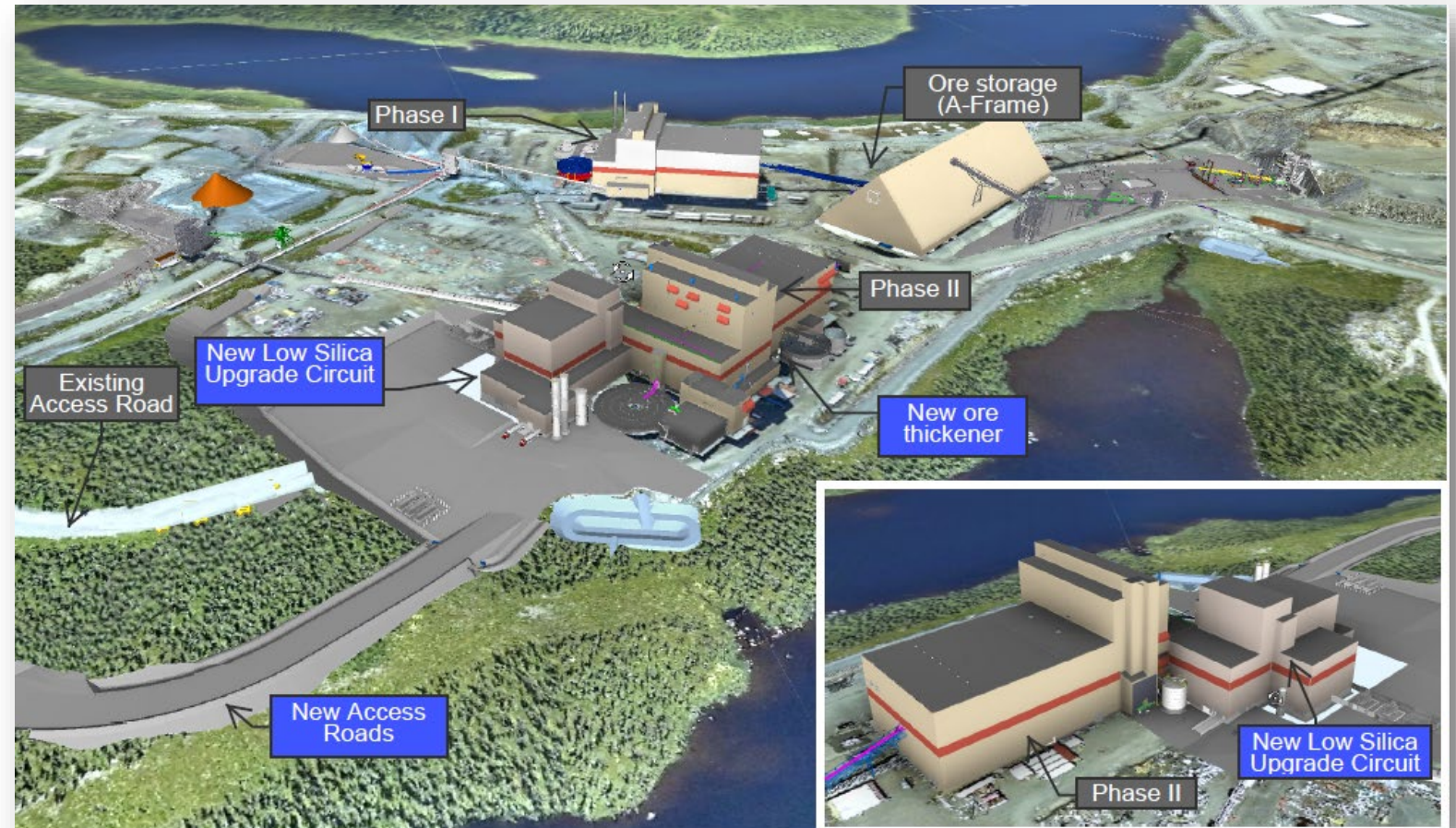


69%  
Fe

→ Project to upgrade the Phase II plant from 66.2% to a 69% Fe DRPF quality iron ore

## PROJECT HIGHLIGHTS

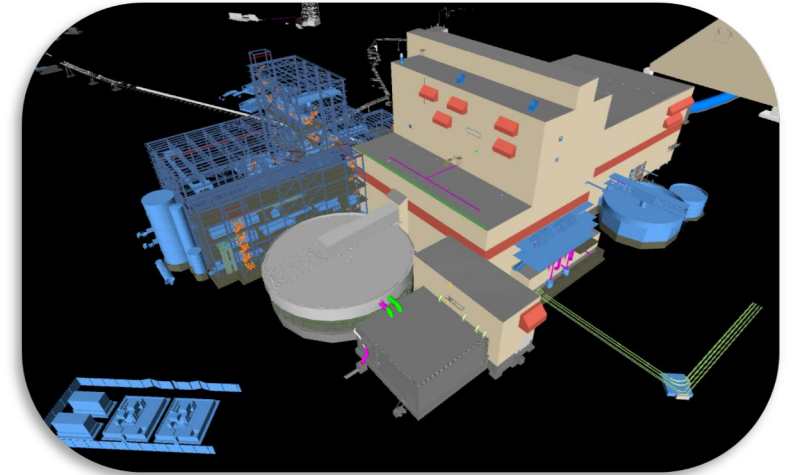
- Capex of \$470.7M (US\$351.3M)
- 7.5 Mtpa
- 30 Months construction
- Significant additional pricing premium



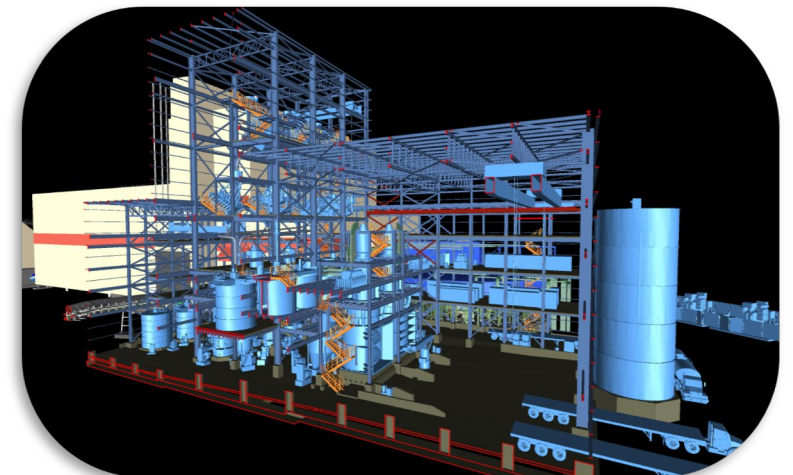
# DRPF PROJECT: INVESTING IN OUR VISION

- Project initiated in February 2023 with a cumulative initial budget of \$62M approved by the Board of Directors to maintain the 30-month construction timeline and potential completion by H2/2025
- Recent project milestones:
  - ✓ Identified and mobilized teams and setup of control processes
  - ✓ Initiated procurement activities for long lead items
  - ✓ Planning for near-term early work programs
- The Board of Directors expects to review the Project’s final investment decision pending securing additional power and non-dilutive funding

Rendering of the concentrator II including the proposed modifications



Side view of the expansion to accommodate the grinding and flotation equipment



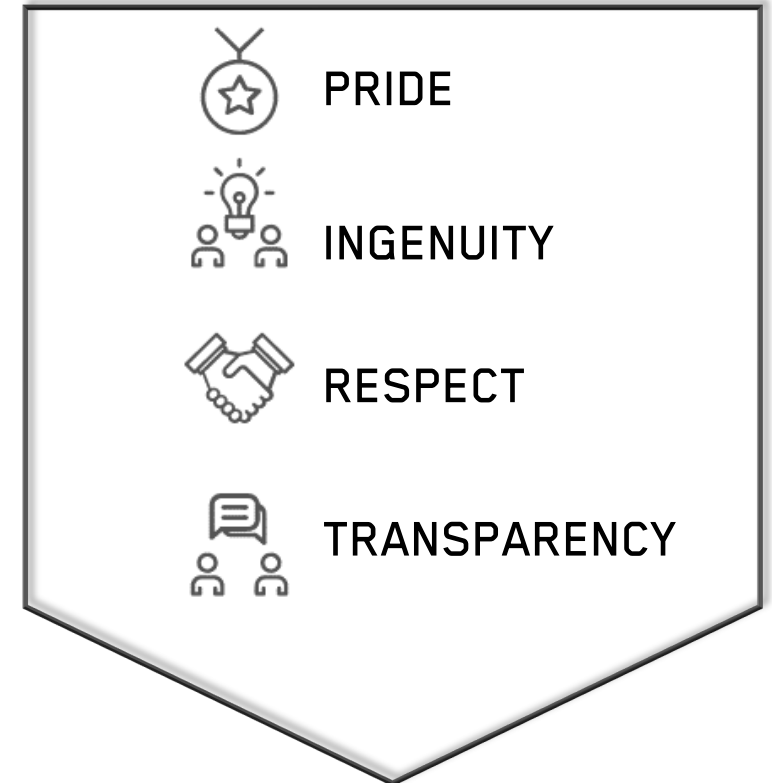
	C\$	US\$
Net Present Value (“NPV”)	Pre-tax NPV <sub>8%</sub> of \$1230.1M After-tax NPV <sub>8%</sub> of \$738.2M	Pre-tax NPV <sub>8%</sub> of \$918.0M After-tax NPV <sub>8%</sub> of \$550.9M
Internal Rate of Return (“IRR”)	Pre-tax IRR of 30.1% After-tax IRR of 24.0%	

# OUR PEOPLE ARE OUR MOST VALUABLE ASSET

CREATING A POSITIVE IMPACT FOR LOCAL COMMUNITIES WITH OUR EXPERTISE, ROBUST CULTURE AND VALUES



UPHOLDING OUR VALUES FOR A SUSTAINABLE FUTURE



# THANK YOU!

CHAMPION IRON 

TSX: CIA | ASX: CIA | OTCQX : CIAFF

Contact us for more information

Michael Marcotte, CFA

Senior Vice-President – Corporate Development and Capital Markets

[info@championiron.com](mailto:info@championiron.com)

514-316-4858