

FOURTH QUARTER AND ANNUAL RESULTS OF THE 2020 FISCAL YEAR

May 20, 2020



PREMIUM PRODUCT, TIER 1 JURISDICTION,
HIGH QUALITY INFRASTRUCTURE

CHAMPION IRON 

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The historical mineral resources mentioned are strictly historical in nature and are non-compliant to National Instrument 43-101 mineral resources and mineral reserves standards, and should therefore not be relied upon.

A qualified person has not done sufficient work to upgrade or classify the historical mineral resources as current National Instrument NI-43-101 compliant.

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

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
CEO



MICHAEL O'KEEFE
Executive Chairman



NATACHA GAROUTE
CFO



MICHAEL MARCOTTE
VP Investor Relations

FY2020 FOURTH QUARTER HIGHLIGHTS

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5,413,100 WMT
ORE MINED



1,891,800 WMT
CONCENTRATE PRODUCED



\$53.9/DMT
TOTAL CASH COST



REVENUE \$175.7M
CASH FLOW OPS \$84.6M
EBITDA \$61.1M



\$298.7M CASH*

4,880,000 WMT
ORE MILLED

82.3%
RECOVERY

\$59.8/DMT
ALL-IN SUSTAINING COST

NET INCOME \$18.4M
\$0.04 EPS

\$283.7 LONG-TERM DEBT**

*Cash and cash equivalent including short-term investments

** Long-term debt face value of US\$200M

COVID-19 RESPONSE

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- Implemented measures to safeguard the health and safety of our employees, partners and communities
- Rapidly and diligently adapted operations to conform with or exceed government issued guidelines
- Additional measures include:
 - ✓ Monitoring and screening of employees' health
 - ✓ Additional transportation capacity to enable adequate social distancing
 - ✓ Amended work schedules to reduce travel volumes
 - ✓ Isolation measures from the nearby communities
 - ✓ Completed several on-site simulations
 - ✓ Additional medical support, distancing protocols and disinfection stations at the mine site



HEALTH & SAFETY

- No serious injuries reported during the period
- Virtual training completed during period of reduced activities related to COVID-19
- Continuous training to adapt the work environment with implemented COVID-19 risk-mitigating measures

QUEBEC IRON ORE + CONTRACTORS FINANCIAL YEAR 2020						BENCHMARK 2019*
	Q1	Q2	Q3	Q4	YTD	
Lost Time Injury Frequency Rate (LTIFR)	4.28	4.85	4.37	2.58	4.1	3,38
Disability Injury Severity Rate (DISR)	6.85	33.99	26.62	17.54	24.94	9

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

ENVIRONMENT FOCUS

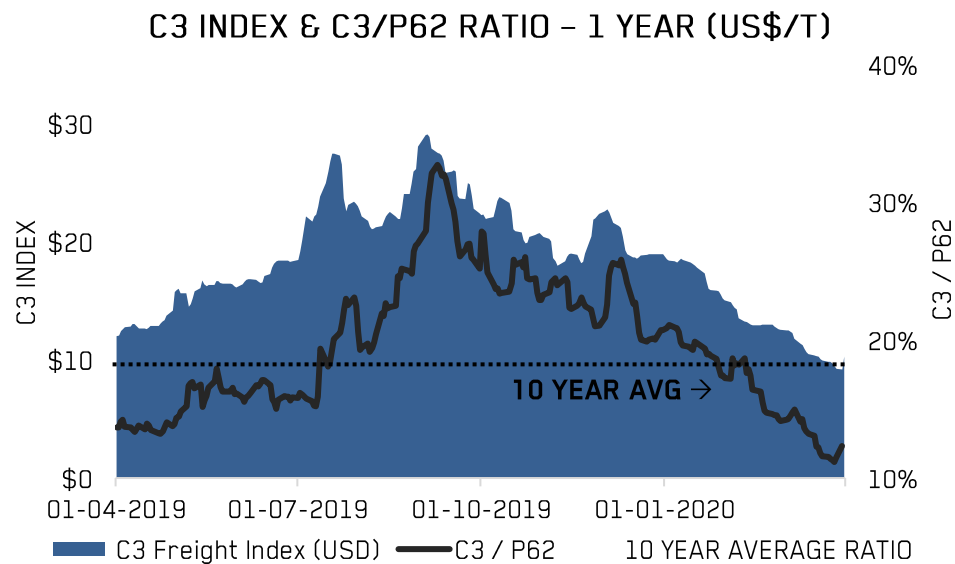
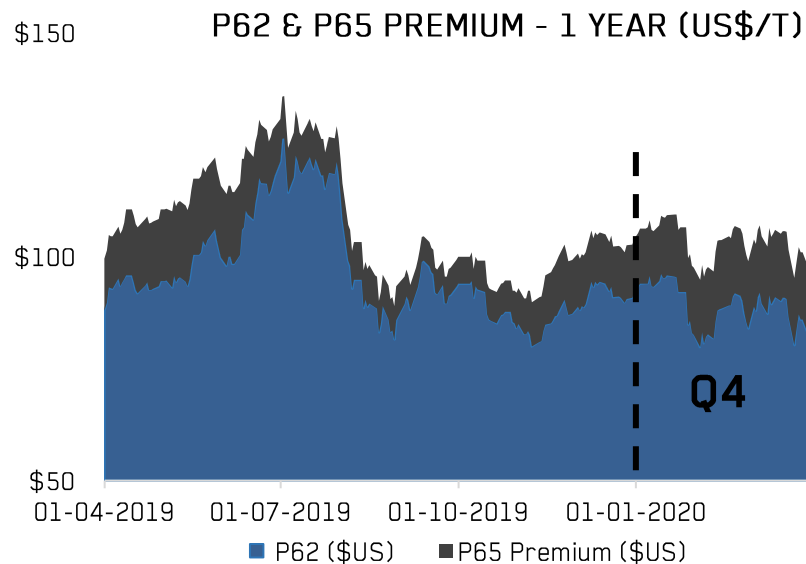
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- No occurrences of major environmental issues during the quarter
- With significant reduction in emissions, QIO is no longer subject to the cap-and-trade system
- Completed a detailed analysis of energy consumption
- Improved already strict waste management process
- New initiative with nearby communities to recover and distribute wood harvested by our operations



INDUSTRY OVERVIEW

- Stable iron ore prices despite challenging global economic conditions
- Widening P65 premium with lower supply from Brazil
- Significant correction in freight indices with lower global trade and correction in fuel prices



BLOOM LAKE OPERATIONAL RESULTS

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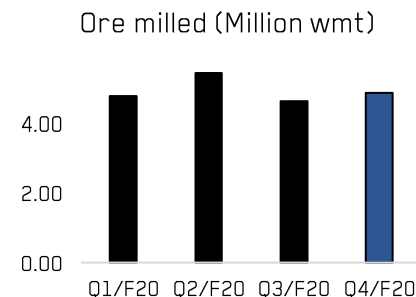
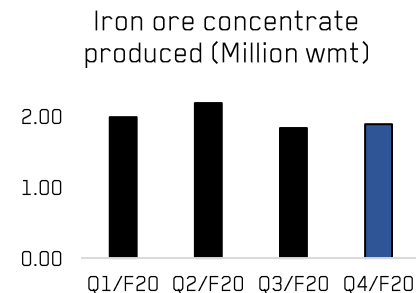
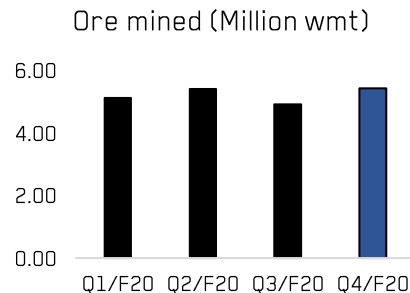


OPERATIONS OVERVIEW

- Production tracking nameplate capacity
- New inner discharge grates improved plant reliability
- Ore recoveries in line with the Company's expectations

FISCAL PERIODS	Q1/20	Q2/20	Q3/20	Q4/20	FY2020
Fe concentrate produced (M wmt)	1.99	2.19	1.83	1.89	7.90
Fe concentrate sold (M dmt)	1.91	1.86	1.92	1.89	7.58
Waste mined (M wmt)	3.58	3.57	3.41	3.18	13.74
Ore mined (M wmt)	5.11	5.39	4.91	5.41	20.82
Strip ratio	0.7	0.7	0.7	0.6	0.7
Ore milled (M wmt)	4.78	5.45	4.64	4.88	19.75
Head grade Fe (%)	32.5	32.3	32.0	31.7	32.1
Recovery (%)	82.1	83.9	81.7	82.3	82.6
Fe (%)	66.2	66.3	66.4	66.5	66.4

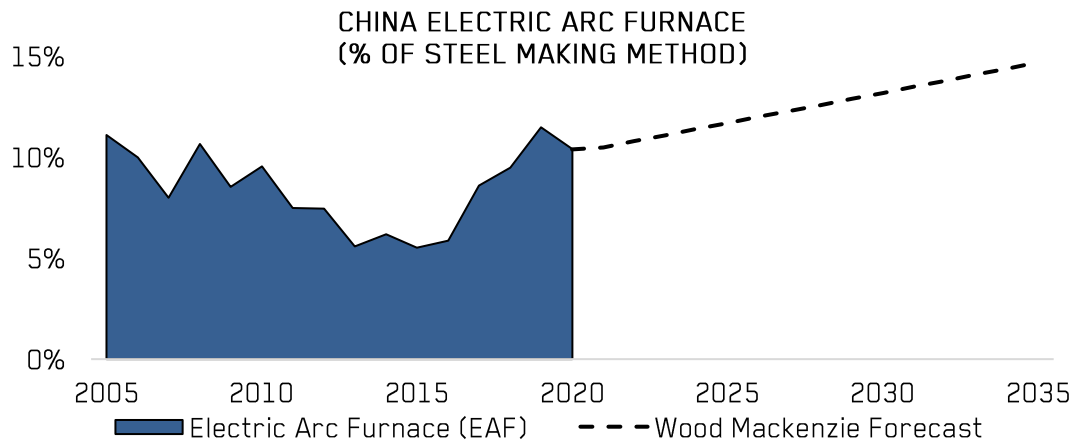
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* FISCAL PERIODS

SUCCESSFUL PRODUCTION TEST

- Completed a commercial production test of 67.98% Fe iron ore with combined silica plus alumina content of 2.57%
- Product aimed to qualify for DR pellet feed material, which can be converted by DRI producers and utilised in EAFs
- Confirms Bloom Lake is one of few producers that can transition its product in response to a growing shift in the steelmaking method in the coming years
- EAF's market share in China expected to grow from ~10% to over 16% by 2040¹

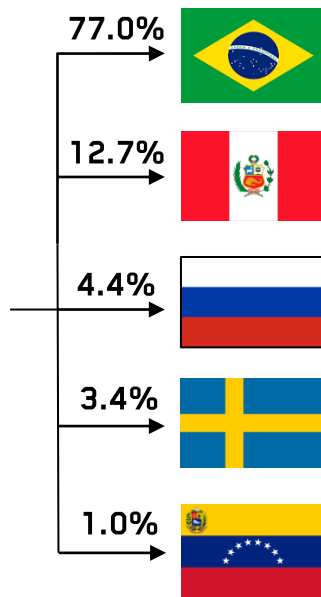
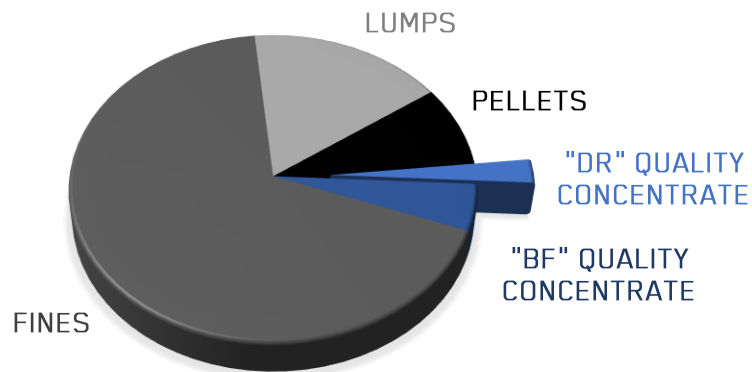


RARE PRODUCT IN STABLE JURISDICTION

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- "DR" iron ore concentrate quality is only available from a handful of producers globally
- Québec offers prospective customers a safe and reliable jurisdiction

GLOBAL IRON ORE SEABORN MARKET (2020)



FOURTH QUARTER FINANCIAL RESULTS

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FOURTH QUARTER FINANCIAL RESULTS

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- Strong quarterly results and new annual record for sales, EBITDA and net cash flow from operations
- QoQ improvement in operating costs despite impact of scheduled downtimes and commercial production test
- Working with Société ferroviaire et portuaire de Pointe-Noire to optimise operations and help improve port related costs
- EPS negatively impacted by unrealized FX loss on long-term debt, higher depreciation related to the mining equipment rebuild program and higher effective tax rate

Financial Results (\$ MILLION)	Q1/FY20	Q2/FY20	Q3/FY20	Q4/FY20	FISCAL 2020
Revenue	277.9	160.4	171.1	175.7	785.1
EBITDA	166.9	62.6	57.9	61.1	348.5
Operating income	163.3	57.9	53.3	52.1	326.6
Net income (loss)	74.2	-1.7	30.2	18.4	121.1
Adjusted Net income	74.2	49.9	30.2	18.4	172.7
Cash flow from operation	91.9	104.9	28.1	84.6	309.5
Earnings per share - basic	0.09	0.00	0.07	0.04	0.20
Adjusted Earnings per share - basic	0.09	0.11	0.07	0.04	0.31
Average realized selling price (\$/dmt)	145.7	86.2	89.0	93.1	103.6
Total cash cost (\$/dmt)	54.3	48.3	54.2	53.9	52.7
All-in sustaining cost (\$/dmt)	62.8	66.2	62.2	59.8	62.7
Cash operating margin (\$/dmt)	82.9	20.0	26.8	33.3	40.9
Cash operating margin (%)	56.9%	23.2%	30.1%	35.8%	39.5%

FOURTH QUARTER AVERAGE REALIZED SELLING PRICE

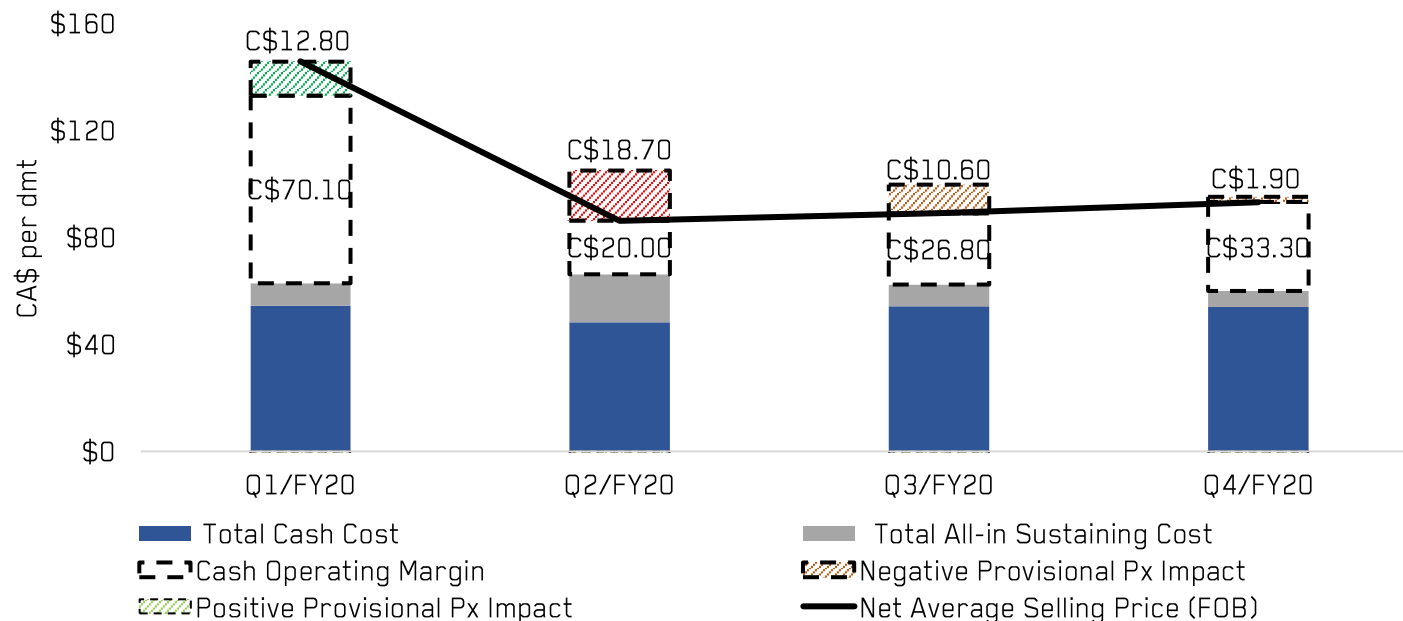
- Average realized price impacted by adjustment on 654k tonnes in transit and 811k tonnes setting final price or under price evaluation
- Elevated freight cost compared to freight index due to timing of booking and premium for winter months

Q4/FY20 NET AVERAGE REALIZED SELLING PRICE



POSITIVE CASH OPERATING MARGIN

- Positive cash operating margin improving sequentially for second straight quarter
- EBITDA margin of 35% in Q4/FY20 and 44% for the 2020 fiscal period



BALANCE SHEET POSITIONED FOR GROWTH

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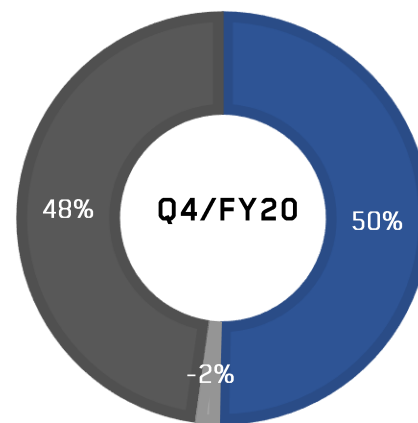
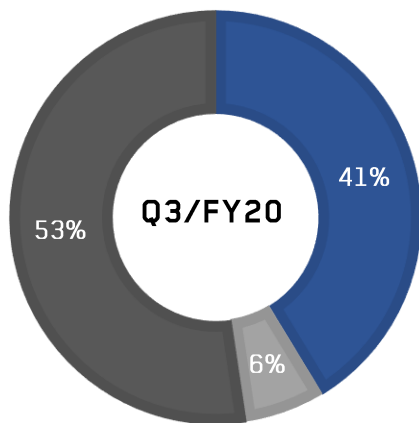
\$298.7M Cash & S-T Investments
\$-10.0M Working Capital



\$283.7M Long-Term Debt (Face Value)*



\$26.3M QoQ improvement



■ Cash and cash equivalents

■ Working Capital

■ LTD Face value*

*US\$200M; Constant FX

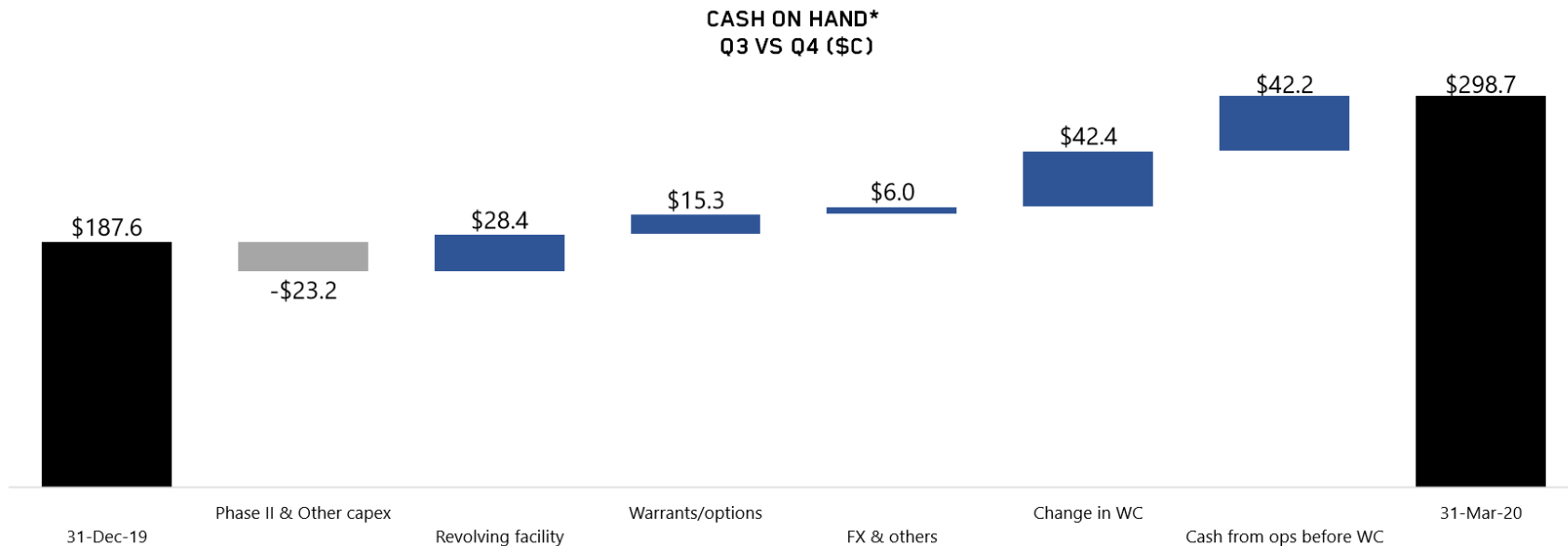
TSX: CIA | ASX: CIA

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CASH INCREASE DETAILS

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- Strong cash flow from operations before changes in working capital of \$42.2M and continued investments at site of \$23.2M
- Cash increase during the period include drawn revolving facility, exercised warrants/options, FX and postponement of tax installment



TSX: CIA | ASX: CIA

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

PHASE II – STATUS UPDATE

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PHASE II UPDATE

- \$10.9M deployed in the quarter, totalling \$58M to date, in accordance with the plans from the initial \$68M budget approved by the board of directors
- Work to date significantly de-risked the construction timeline initially estimated at 21 months
- Discretionary capital expenditures currently suspended in response to COVID-19
- Initial intention to address the Phase II growth plans by the middle of the current calendar year, postponed to a later time
- Optionality to progress at a reduced pace while the company generates cash flow from operations

PHASE II ECONOMICS*

P65 ASSUMED PRICE
US\$83.9/T



IRR → 33.4%
NPV → \$2.38B



P65 CURRENT PRICE*
US\$114.95/T

THANK YOU TO OUR STAFF

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TSX: CIA | ASX: CIA

THANK YOU!

Contact us for more information.

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