

CHAMPION IRON

PREMIUM PRODUCT, HIGH QUALITY INFRASTRUCTURE, TIER 1 JURISDICTION



Bloom Lake In Production

November 2018

Disclaimer



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", "should", "believe", "plans", "intends", "forecast" 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 including: future development, exploration, acquisition and development activities, infrastructure build out and related capital expenditures and the timing thereof; the amount and timing of capital projects; operating costs; the total future capital associated with development of reserves and resources. In this presentation reference is made to the Company's Bloom Lake Iron Mine growth scenario and economic analysis. 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Our objective will be to proactively manage our capital program as it relates to operational success and fluctuating commodity prices with a priority to maintain financial flexibility and achieve our production guidance. Champion Iron will closely monitor the budget and financial situation throughout the year to assess market conditions and will quickly adjust budget levels or pace of development in accordance with commodity prices and available funds from operations. The forward-looking information and statements included in this presentation are not guarantees of future performance and should not be unduly relied upon. 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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.

Corporate Snapshot (CAD)



Market Statistics

TSX Share Price as at Nov. 8th	\$1.24
Basic Shares Outstanding (#)	419m
Market Capitalization	\$520m

Highlights

Commercial production achieved June 30th

Annual production of 7.4Mtpy @ 66.2% Fe

LOM Cash cost \$42.93/dmt

Mine life over 20 years

After-Tax NPV_{8%} \$984M

IRR 33.3%

Cash on hand (Sept 30th): \$115.6M

Debt face value (Sept 30th): \$274M

Historical Share Price

\$/sh; TSX:CIA



Key Shareholders

Wynnchurch Capital	~16%
Québec Government ⁽¹⁾	~10%
Michael O'Keeffe	~10%

(1) Through a mandatory, Ressources Québec Inc.

History of Bloom Lake



A series of unique events allowed Champion, with the support of the Quebec Government, to acquire the Bloom Lake mine and associated infrastructure from Cliffs Natural Resources (“Cliffs”) under the Companies' Creditors Arrangement Act (“CCAA”)

2008 -'10

- Consolidated Thompson (“CLM”), a junior iron ore developer, financed and built the Bloom Lake mine during the iron ore boom for total capital of ~US\$1.2bn and commenced initial production in 2010
 - The average iron ore price during 2009-2010 was US\$112/t (62% CFR China)

2011

- In May 2011, Cliffs acquired CLM for C\$4.9B (for 75% ownership) with the intent to increase iron ore capacity from 8Mt to 14Mt through a Phase 2 expansion plan
 - Phase 2 expansion involved an additional ~\$1.5bn+ capex and included adding a second concentrate plant, an in-pit crusher, 3.45km conveyor system, among other improvements

2014

- Throughout the next 3 years Cliffs advanced the Phase 2 expansion, which was required to service its debt and contractual obligations
- Due to the quantum of liabilities (>C\$1.0bn), including debt and take-or-pay commitments, Cliffs pursued a restructuring process for the Bloom Lake assets

2015

- In January 2015, Cliffs sought creditor protection under CCAA for the Bloom Lake mine and associated assets, resulting in the mine being then put on a strict care and maintenance program

2016

- December 2015, QIO announced that it had entered into an asset purchase agreement to acquire the Bloom Lake property out of creditor protection; the iron ore price was ~US\$39/t (62% CFR China) on day of announcement

2017

- In March 2017, released a positive feasibility study for a restart of the mine. In July 2017, QIO announced that it had obtained conditional commitments of US\$180 million to fund a portion of the restart of Bloom Lake
- In October 2017, Champion announced the closing of financing arrangements and confirmed all prior partnership agreements

2018

- In February of 2018, operations restarted at Bloom Lake
- In April of 2018, first capesize vessel sailed from Sept-Iles deep sea port transporting 200,000wmt of 66% iron ore to China
- To date, Bloom Lake produced over 4.0 M wmt of high quality concentrate of which over 3.8 M wmt have been shipped from the port of Sept-Iles

Investment Highlights



1

In-Demand Product with a Low Cash Cost

- In-demand, high quality 66.2% iron ore product with a low cash cost of C\$42.9/dmt

2

High Quality Infrastructure

- ~US\$3bn spent to date on mine, rail and port by previous owners

3

Achieved ramp up to 7.4mtpa

- Commercial production achieved during first quarter of production
- Cash flow positive with \$115.6M cash on hand (September 30th 2018)

4

Major Capex for Phase 2 Expansion Sunk

- ~US\$1.2bn already invested by previous owners on Phase 2 expansion to 15Mtpy

5

Long life and Tier 1 Jurisdiction

- More than 20 years production on reserves (412Mt) and significant extension potential from resource (4bt) in Canada's premier, mining friendly iron ore district

6

Attractive Valuation

- Champion Iron trades at an attractive valuation across several metrics when compared to other iron ore producers

7

High Quality Team

- Management team and Board has a track record of success and delivering on promises

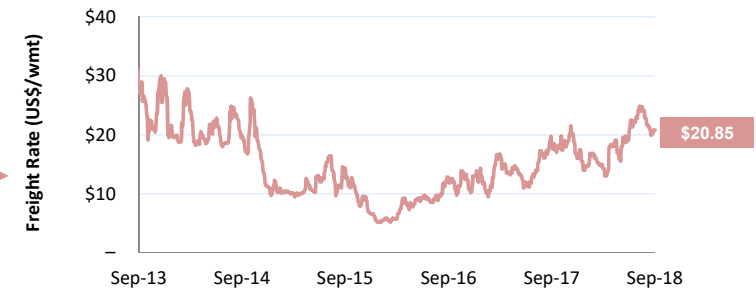
1 In-Demand Product...



Illustrative Bloom Lake LOM Average Break-Even Analysis

		Feasibility \$/dmt	
		CAD	USD
Exchange Rate	USD:CAD	\$0.80	
Mining		\$10.45	\$8.36
Crushing Plant		\$0.98	\$0.78
Process Plant		\$7.44	\$5.95
Concentrate Transport		\$16.88	\$13.50
Water & Tailings Operations		\$2.20	\$1.76
General & Administration		\$4.98	\$3.98
Total FOB Sept-Iles Cash Cost		\$42.93	\$34.34
Ocean Freight		\$24.11	\$19.29
Total CFR Cash Cost		\$67.04	\$53.63
Value-in-Use Adjustment		(\$10.72)	(\$8.58)
Breakeven Price		\$56.32	\$45.06
Sustaining Capex		\$2.12	\$1.70
Break-Even Mine-Site 62% CFR Price		\$58.44	\$46.75

Freight Rates from Brazil to China



Premium Between 65% and 62% Iron Ore



Iron Ore CFR China 62% Price



1

....With a Low Cash Cost

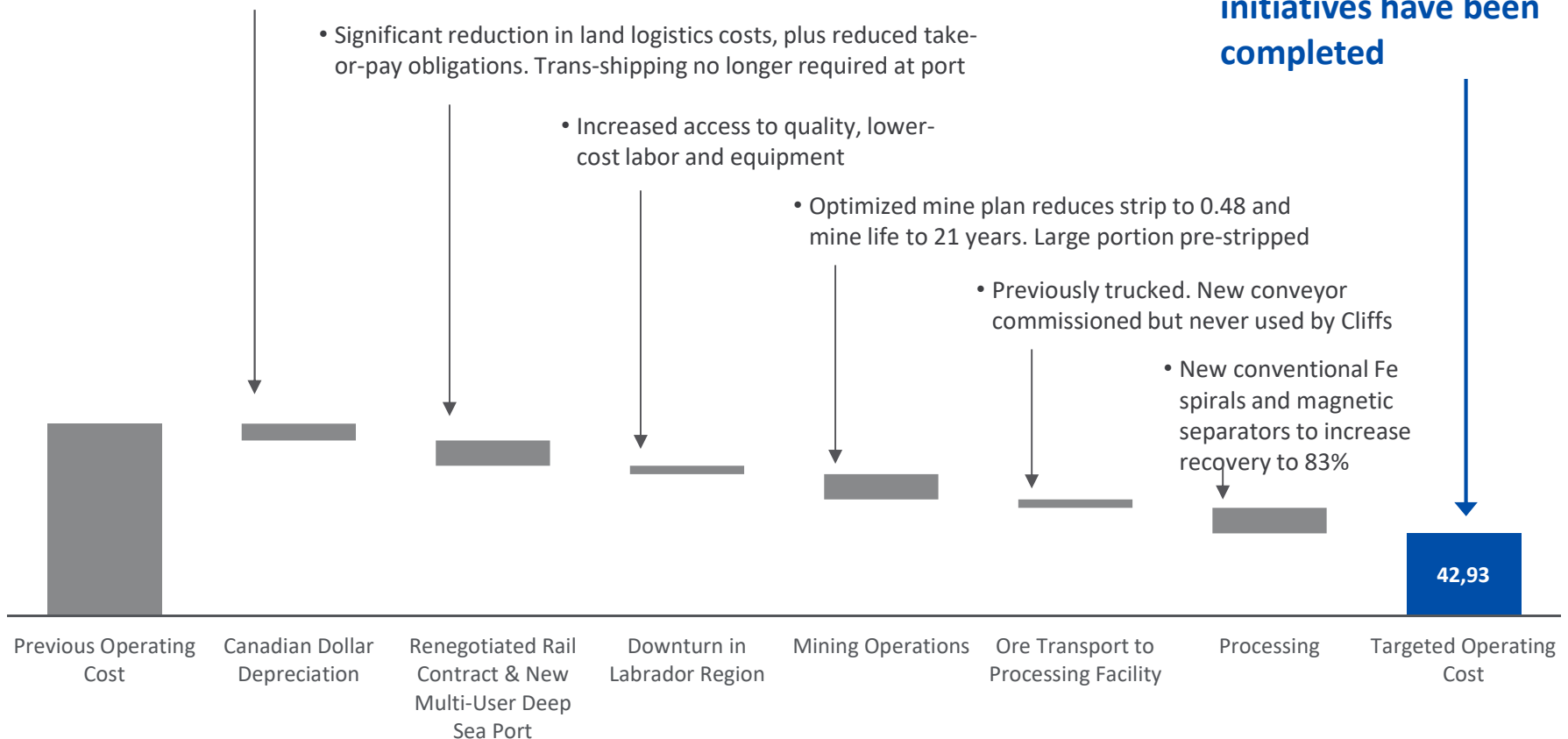


Regional Drivers

Bloom Lake Drivers

- With almost all operating costs in C\$, Bloom Lake benefits from depreciation of Canadian dollar relative to US dollar

All cost reduction initiatives have been completed



Labrador Trough cost environment has structurally changed

Note: cost chart is illustrative and not to scale

2

High Quality Infrastructure



2 High Quality Infrastructure



2 High Quality Infrastructure



2 High Quality Infrastructure



2 High Quality Infrastructure



2

High Quality Infrastructure



Rail

- Transported by rail from loading station at Bloom Lake to Port of Sept-Îles
- Rail agreement in place with IOC
- 735 rail cars acquired for US\$30M



Port

- Shipped from Port of Sept-Îles to end buyers
- Port of Sept-Îles is one of North America's largest ore-handling ports, with 50Mtpy capacity
- 20,7 m draught deep water berth commissioned in 2018



Year-round market access

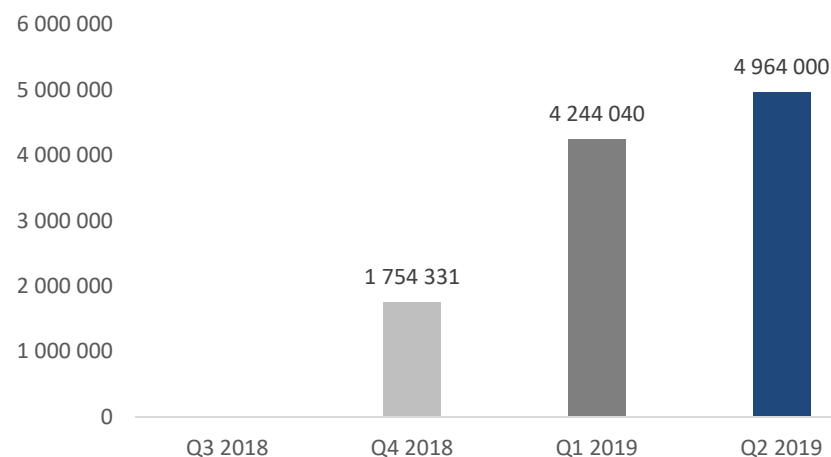
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Achieved ramp up to 7.4Mtpa

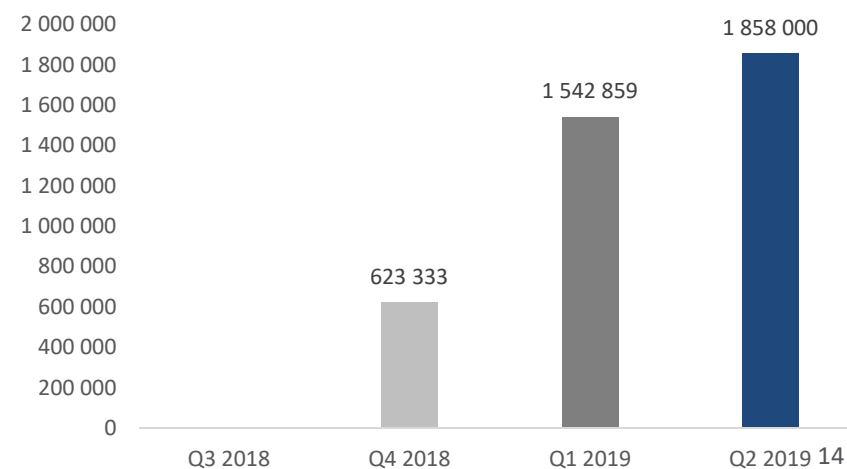


- Restarted production February 16th 2018 – 1 year after feasibility study
- Shipped first capesize vessel with 200,000 wmt of 66.2% iron ore to China
- Reached commercial production
- Achieved ramp up to full production and several capesize vessels already shipped to China, Europe and Japan
- As of September 30th, Bloom Lake has produced more than 4.0M wmt of high quality concentrate of which more than 3.8M wmt have been shipped

Ore Volumes Milled (WMT, quarterly)



Tonnes Produced (WMT, quarterly)

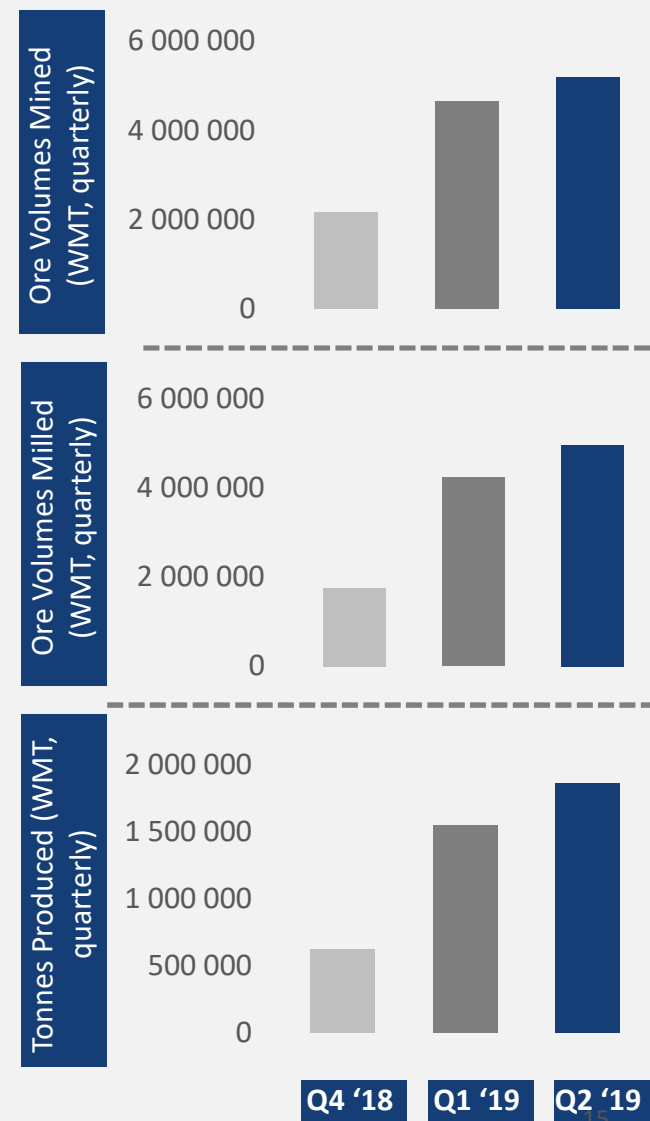


FY2019 Q2 OPERATIONAL RESULTS



- First quarter of commercial production
- Produced over 1.9 M wmt of high-grade 66% iron ore concentrate during the quarter and 4.0 M wmt since the mine commenced operations;
- Achieved name plate capacity
- Record production of 648,400 wmt of iron ore concentrate during the month of September;

Operating Data	Q2-2019	Q1-2109	YTD 2019
Waste mined (wmt)	2,978,400	3,372,900	6,351,300
Ore mined (wmt)	5,204,900	4,647,900	9,852,800
Strip ratio	0.6	0.7	0.6
Ore milled (wmt)	4,964,200	4,244,000	9,208,200
Head grade (g/t)	32.0	31.1	31.6
Recovery (%)	79.6	77.1	78.5
Iron ore concentrate produced (wmt)	1,858,300	1,542,900	3,401,200
Iron ore concentrate sold (dmt)	1,931,700	1,740,400	3,672,100



FY2019 Q2 FINANCIAL RESULTS



- Revenues of \$174.7 million up 16% from previous quarter (\$325.4 million for the first six months);
- Operating cash flow totalling \$49.6 million for the six-month period;
- Cash on hand of \$115.6 million and trade receivables of \$86.4 million at period end, including two shipments totalling approximately \$31.0 million (US\$24.2 million) received on October 2, 2018;



Average selling price
\$90.4/dmt sold



Total Cash Cost
\$45.2/dmt sold



EBITDA
47%

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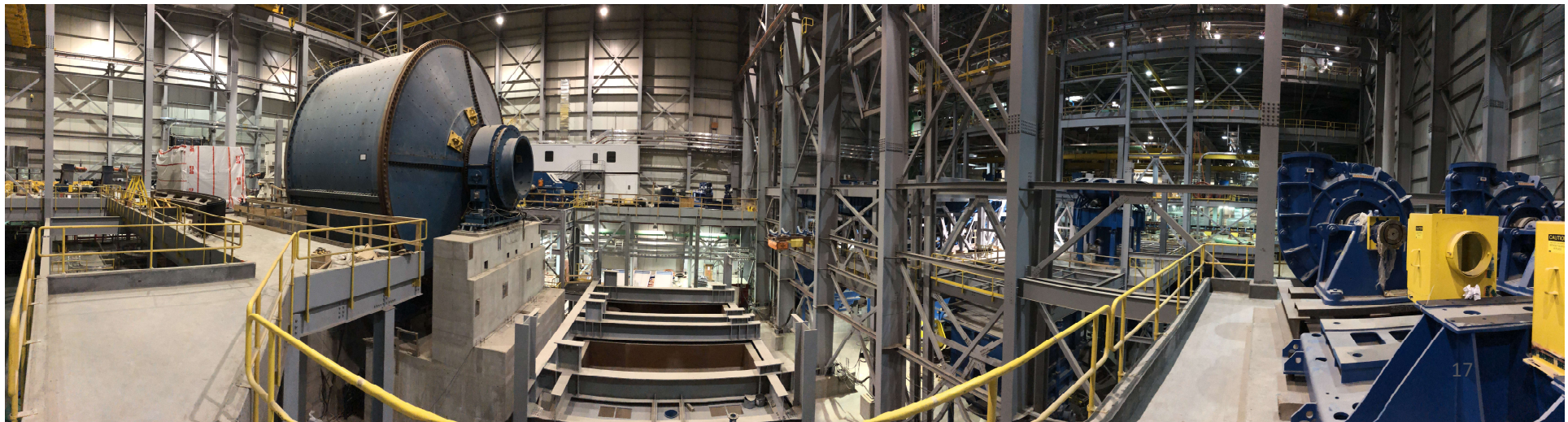
Attractive Phase 2 Expansion Potential



Expansion to 15Mtpy substantially derisked

- Cliffs spent ~US\$1.2 billion on plant upgrades and expansion plans to increase capacity to ~15Mtpy
- Significant investments were made to support Phase 2 expansion (75% complete) which are fully available to Champion Iron:
 - Conveyor system
 - Near-pit crusher
 - 2nd Concentrator plant
- High voltage power lines previously upgraded to handle a further 30MW

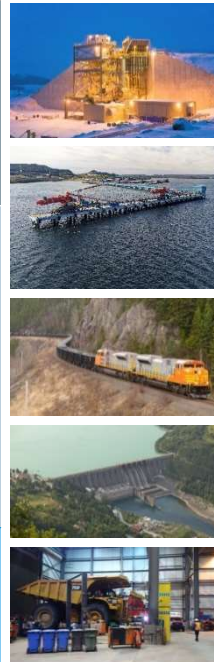
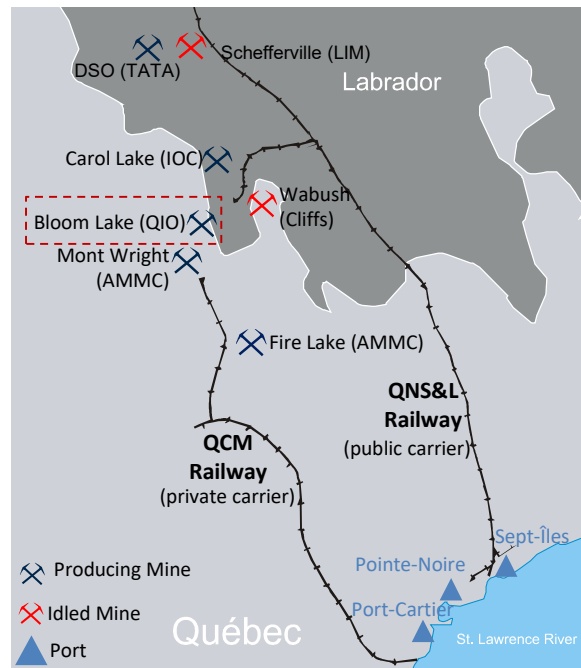
Phase 2 Plant



5 Long Life Asset in Tier 1 Jurisdiction



- 412Mt reserves and 912Mt resource @ 30% Fe
 - Reserves support mine life of 21 years @7.4Mtpy concentrate production per feasibility study results
- Established Tier 1 mining district with two adjacent mines operating since the 1950s
 - Politically stable, mining-friendly iron ore basin with fully-developed infrastructure network
 - New multi-user port at Sept-Iles
 - Access to skilled workforce and low-cost electricity



Summary of Economic Parameters and Feasibility Results

Mining	Reserve	Mt	411.7
	Processed Tonnage	Mtpy	20
	Average Stripping Ratio	waste:ore	0.48
	Average Fe Processing Recovery	%	83.3%
	Average Mining Dilution	%	4.3%
	Average Recovered Concentrate	%	7.4
Cost	Mine Life (Reserves Only)	Mtpy	21
	Initial CAPEX (inc. Working Capital)	C\$M	327
	LOM Sustaining CAPEX	C\$M	330
	LOM OPEX	C\$/t Ore	17
	LOM FOB Production Costs	C\$/t Dry Conc.	43
	LOM OPEX	C\$/t Dry Conc.	45
Revenue	Gross Revenue	C\$M	15,116
	Shipping Costs	C\$M	3,748
	Cash Operating Margin	C\$M	4,432
	Operating Margin	%	29.3%
	After Tax Net Cashflow	C\$M	2,335
Price	LOM Avg Iron Ore Price (66.2% Fe CFR China)	US\$/t	78
	Average Exchange Rate	US\$:C\$	0.80
Value	NPV - 8% After-Tax	C\$M	984
	IRR (After-Tax)	%	33.3%
	Payback (After Tax)	Years	3.1

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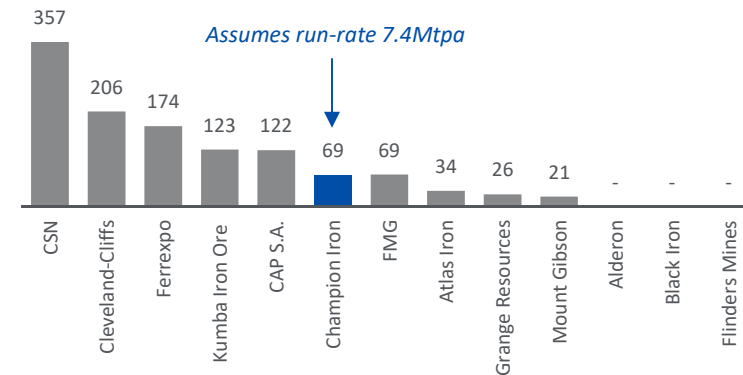
Attractive Pure-Play Iron Ore Producer



Champion Iron is attractively valued compared to other iron ore producing companies

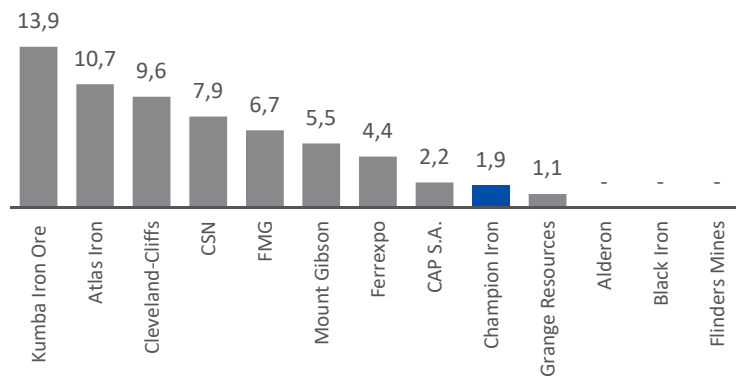
- On a reserves, resource and production basis Champion Iron is attractively valued compared to other iron ore producers and developers
- Continued premium pricing coupled with a Phase 2 expansion has the potential to create material additional value

EV / Production (US\$/t)

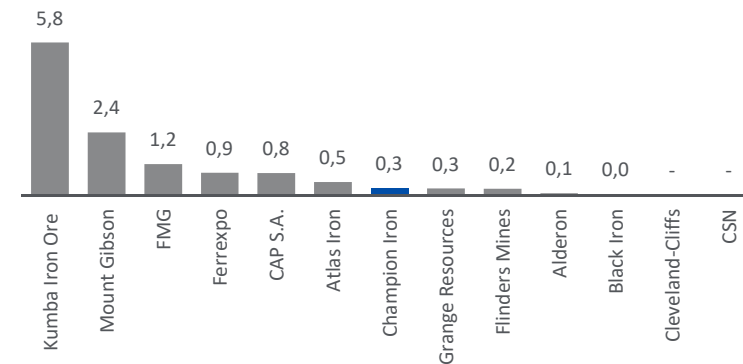


Note: Latest reported 12 months iron ore production used for peer set

EV / Reserve (US\$ / tonne contained Fe)



EV / Resource (US\$ / t contained Fe)





Management Team

Michael O’Keeffe <i>Executive Chairman and CEO</i>	<ul style="list-style-type: none"> Former Executive Chairman of Riversdale Mining Limited (2004-2011) where Mr. O’Keeffe led the development of Riversdale Mining from a junior until it was acquired by Rio Tinto for A\$4 billion Prior to joining Riversdale Mr. O’Keeffe was a Managing Director with Glencore Australia Limited (1995-2004), and was responsible for Glencore’s Australian trading acquisitions; Previously, held a series of senior operating positions with MIM Holdings (Mt. Isa)
Natacha Garoute Chief Financial Officer	<ul style="list-style-type: none"> Previously, CFO of gold mining company More than 10 years experience in international mining industry 20 years of finance experience with focus on project finance, operational budget and international taxes
David Cataford Chief Operating Officer	<ul style="list-style-type: none"> Held various management positions at Cliffs including senior roles at Bloom Lake, and was part of the management team that increased mining capacity by 80% and completed the phase-one plant ramp-up Mr. Cataford’s experience in iron-ore mining includes ore characterization projects at Bloom Lake and ArcelorMittal’s Mont Wright, and adapting the recovery circuit to meet new customer’s demands

Board of Directors

Andrew J. Love, FCA Director	<ul style="list-style-type: none"> More than 30 years of accounting experience in reorganizing and redesigning companies in Australia Over 25 years experience as a consultant to public companies, particularly in mining and resource industries Managed two companies in the energy and mining sectors and served as Vice President at Riversdale Mining
Gary Lawler, LLB, LLM Director	<ul style="list-style-type: none"> Experience as an M&A lawyer for over 30 years Advised numerous companies and investment banks on transactions, including hostile takeovers and anti-takeover measures Served on the boards of Dominion Mining and Riversdale Mining
Wayne Wouters (The Honourable), PC Director	<ul style="list-style-type: none"> Strategic advisor to McCarthy Tétrault LLP Worked in private sector as Clerk of the Privy Council, Secretary to the Cabinet and Head of the Federal Public Service Previously served as deputy minister for several departments including Human Resources and Development of Skills Canada
Michelle Cormier Director	<ul style="list-style-type: none"> Operating partner for Wynnchurch Capital, a \$2.3 billion private equity fund Former CFO for a private company and a publicly traded forest products company operating in Canada and the United States Vast experience in senior management roles including corporate strategy, finance, human resources and reorganization
Jyothish George Director	<ul style="list-style-type: none"> Joined Glencore in London in 2006 and is currently head of the iron ore department. Serves as Vice-Chairman of the board of directors of Jumelles Limited, the holding company of the Zanaga iron ore mine in the Republic of Congo.



CHAMPION IRON

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