Management's Discussion and Analysis

For the Year Ended March 31, 2019

CHAMPION IRON

TSX: CIA - ASX: CIA

As at June 20, 2019

The following Management Discussion and Analysis ("MD&A") of Champion Iron Limited ("Champion" or the "Company") has been prepared as of June 20, 2019. This MD&A is intended to supplement the audited consolidated financial statements ("Financial Statements") for the year ended March 31, 2019 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

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.

All dollar figures stated herein are expressed in Canadian dollars, except for: (i) tabular amounts which are in millions of Canadian dollars; (ii) per share or per tonne amounts; or (iii) unless otherwise specified. Certain non-IFRS financial performance measures are included in this MD&A. The following abbreviations are used throughout this document: USD or US$ (United States dollar), CAD or CA$ (Canadian dollar), AISC (All-in sustaining costs), wmt (wet metric tonnes), dmt (dried metric tonnes), M (Million), km (kilometres) and m (metres).

The Financial Statements and other information pertaining to the Company are available on SEDAR at www.sedar.com and on its website at www.championiron.com.

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 document.

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

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 document are: earnings before interest, tax, depreciation and amortization ("EBITDA"), total cash costs, all-in sustaining costs ("AISC"), average realized selling price and cash operating margin. 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 International Financial Reporting Standards ("IFRS"), please refer to the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

1. Description of Business

Champion Iron Limited ("The Company" or "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 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 Quebec, approximately 300 km north of Sept-Iles and 13 km by road from the town of Fermont. The Company declared commercial production at the Bloom Lake Mine as of June 30, 2018. As at March 31, 2019, Champion owned a 63.2% equity interest in its subsidiary, Quebec Iron Ore Inc. ("QIO") while Ressources Québec ("RQ"), a subsidiary of governmental agency Investissement Québec, was the owner of the remaining 36.8% interest. The Bloom Lake Mine assets are held in QIO. On May 29, 2019, the Company announced a transaction to acquire RQ's 36.8% equity interest in QIO. For more information on the proposed transaction, please refer to the Company's press release dated May 29, 2019, available under the Company's filings on SEDAR at www.sedar.com.

Through its wholly-owned subsidiary Champion Iron Mines Limited ("CIML"), the Company owns interests in 9 properties (each a "Property"), covering approximately 752 square kilometres (collectively, the "Fermont Holdings") located in the Fermont Iron Ore District of northeastern Quebec. 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 mining operation while applying cost and capital discipline. With the mine now 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[1]

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2019	2018	**2019**	2018
Iron ore concentrate produced (wmt)	1,802,000	623,300	6,994,500	623,300
Iron ore concentrate sold (dmt)	**1,744,000**	—	**7,127,600**	—
Financial Data (in thousands of dollars, except per share amounts)				
Revenue	**182,164**	—	**655,129**	—
Gross profit (loss)	94,284	(972)	288,632	(4,244)
EBITDA[2]	**86,500**	(20,858)	**278,172**	(80,006)
EBITDA margin (%)[2]	47%	—	42%	—
Net income	28,155	(29,305)	147,599	(107,331)
Net income attributable to shareholders				
Basic earnings per share attributable to shareholders	0.02	(0.05)	0.20	(0.19)
Cash flow from operations	38,016	(42,750)	176,698	(131,649)
Cash and cash equivalent	135,424	7,895	135,424	7,895
Short-term investments	17,907	17,291	17,907	17,291
Total assets	672,017	401,716	672,017	401,716
Statistics (in dollars per dmt sold)				
Average net realized selling price[2]	**104.4**	—	**91.9**	—
Total cash cost[2] (C1 cash cost)	**48.4**	—	**49.4**	—
All-in sustaining cost[2]	**55.4**	—	**55.8**	—
Cash operating margin[2]	**49.0**	—	**36.1**	—

1 The Company considers that pre-commercial production operations at the Bloom Lake mine commenced on April 1, 2018 with the first shipment of high-grade iron ore concentrate and that commercial production began on June 30, 2018. There were no revenue or production costs associated with the same period the prior year.

2 EBITDA, average realized selling price, total cash cost, AISC cost and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

3. Year-to-Date Highlights

Financial

- Revenues of $655.1 million since the Company shipped its first vessel of iron ore concentrate on April 1, 2018;
- EBITDA[1] totalling $278.2 million or a margin of 42% for the year ended March 31, 2019, compared to a loss of $80.0 million in the prior year, as the Company was not in commercial production;
- Net income of $147.6 million (EPS of $0.20) for the year ended March 31, 2019 compared to a net loss of $107.3 million (EPS of ($0.19)) for the year ended March 31, 2018;
- Operating cash flow[2] totalling $176.7 million for the year ended March 31, 2019, compared to utilization of funds of $131.6 million for the year ended March 31, 2018; and
- Cash on hand[3] of $153.3 million on March 31, 2019, compared to $25.2 million on March 31, 2018.

Operations

- Declaration of commercial production at Bloom Lake on June 30, 2018;
- Production of 6,994,500 wmt of high-grade 66.4% iron ore concentrate and 7,617,800 wmt since the mine commenced operations;
- Total cash cost[1] of $49.4/dmt sold (C1) and an AISC[1] of $55.8/dmt sold during the first year of operations; and
- Strong cash operating margin[1] of $49.0/dmt during the quarter and $36.1/dmt year to date.

Growth

- On May 29, 2019, the Company announced a transaction to acquire RQ's 36.8% equity interest in QIO, operator of the Bloom Lake Mining Complex, for a total cash consideration of C$211 million. The acquisition would increase the Company's stake in QIO to 100%; and
- On May 29, 2019, the Company also announced that it has entered into an agreement with Caisse de dépôt et placement du Québec for a preferred share offering for proceeds of C$185 million plus a commitment for a fully underwritten US$200 million credit facility with The Bank of Nova Scotia and Societe Generale.
- On June 20, 2019, the Company announced a positive Feasibility Study for a Phase II expansion with an after-tax IRR of 33.4% and 2.4-year payback on initial capital aiming at doubling the Bloom Lake Mine production.

[1] EBITDA, total cash cost, AISC and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.
[2] Operating cash flow includes change in non-cash operating working capital.
[3] Cash on hand includes cash and cash equivalents and short-term investments.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

4. Bloom Lake Phase II Feasibility Study Highlights

On June 20, 2019, the Company announced a positive feasibility study (the "Feasibility Study" or the "Study") for the Bloom Lake Mining Complex ("Bloom Lake"), located near the town of Fermont, in north-eastern Quebec. The Feasibility Study envisions further exploiting the Bloom Lake Mine which would increase overall capacity from 7.4Mtpa to 15Mtpa of 66.2% Fe iron ore concentrate.

The highlights of the Feasibility Study are:

FEASIBILITY STUDY HIGHLIGHTS – PHASE II Base case assuming long-term price of US$68.2/t P62 and US$83.9/t P65 iron ore price CFR China		
	CA$	**US$**
NPV	- Pre-tax $NPV_{8\%}$ of $1,532 million - After-tax $NPV_{8\%}$ of $956 million - Pre-tax $NPV_{8\%}$ of $3,762 million combining Phase I & II - After-tax $NPV_{8\%}$ of $2,384 million combining Phase I & II	- Pre-tax $NPV_{8\%}$ of $1,160 million - After-tax $NPV_{8\%}$ of $724 million - Pre-tax $NPV_{8\%}$ of $2,850 million combining Phase I & II - After-tax $NPV_{8\%}$ of $1,806 million combining Phase I & II
IRR	Pre-tax IRR of 42.4% or after-tax IRR of 33.4% with a 2.4 years payback on initial capital	
Iron ore price	Based on $110.7/t P65 iron ore price CFR China	Based on $83.9/t P65 iron ore price CFR China
Initial CAPEX	$589.8 million	$446.8 million
Total cash cost[1]	$46.6/t FOB Sept-Îles	$35.4/t FOB Sept-Îles
Sustaining capital	4.4/t over the LoM	3.3/t over the LoM
All-in sustaining	$52.3/t FOB Sept-Îles	$39.7/t FOB Sept-Îles
Production	Estimated average annual production of 15 million tonnes of 66.2% Fe iron ore	
Construction period	21 months	
Mine life	Current study mine life of 20 years	
Mineral reserves	Bloom Lake reserves estimated at 807 million tonnes at an average grade of 29.0% Fe	
Recovery	Average metallurgical recovery of 82.4% relative to average plant feed grade of 29.0% Fe	

The Feasibility Study conducted by BBA Inc. evaluated the life-of-mine ("LoM") option for expanded mining and processing to maximize the value of the mineral resource at Bloom Lake. The Feasibility Study evaluates the combined Phase I and II mining plan, current concentrator plant at Phase I and completion of the Phase II concentrator plant. Results of the Study recommend an expansion of Bloom Lake, resulting in a LoM production averaging 15 Mtpa of 66.2% Fe iron ore concentrate. Based on the new optimized mine plan, the mining rate at Bloom Lake would also be increased to accelerate the supply of ore to the expanded facilities, while maintaining a LoM of 20 years. Pursuant to the strong economics outlined in the Feasibility Study, the Company's board of directors has approved an initial budget of $68 million to advance the project during the remainder of 2019, which is expected to meet the timetable detailed in the Feasibility Study. The approved budget will be funded from cash on hand and existing debt facilities. Finalization of additional funding sources for the project is expected to be completed before mid-2020.

The base case economic assumption utilizes a conservative blended average gross realized price at 66.2% Fe CFR China of US$84.1/t for the LoM. The P65 analyst consensus was utilized for years 1 to 3. For the remaining LoM, the iron price at 66.2% is based on the average of the P65 analyst long-term consensus and the P62 3-year trailing average with a 15% premium. These price assumptions compare with a spot price at P65 of US$124.7/t as of June 13, 2019, of which Bloom Lake's 66.2% Fe material receives a premium. Other assumptions include total cash cost of CA$46.6/dmt or US$35.4/dmt and process recovery of 82.5% and an average exchange rate between the US$ and the CA$ of 0.758.

More information on the Feasibility Study can be found in the Company's June 20, 2019, press release available under the Company's filings on SEDAR at www.sedar.com and on the Company's website at www.championiron.com. The National Instrument 43-101 Standards of Disclosure for Mineral projects technical report will be filed on SEDAR within the 45 days of the June 20, 2019 news release.

[1] Cash cost and all-in sustaining costs are non-IFRS financial performance measures with no standard definition under IFRS. The Company provides them as supplementary information that management believes may be useful to investors to explain the Company's financial results.

5. Key Drivers

A. Iron Ore Concentrate Price

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

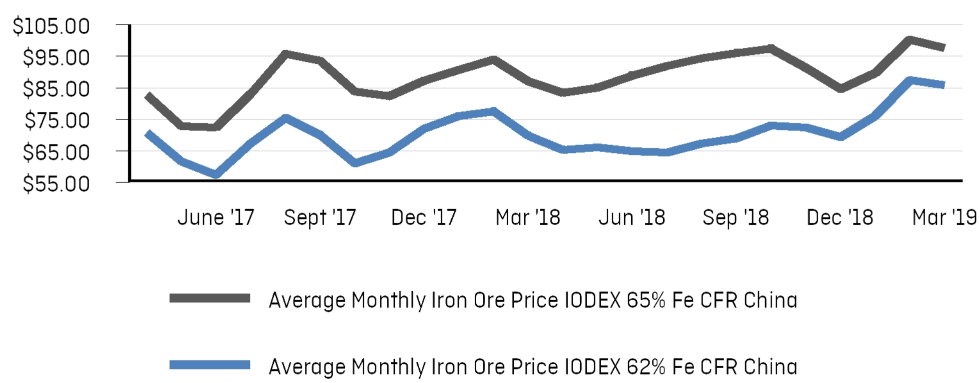
Due to the high-quality nature of its 66.4% iron ore concentrate, the Company's iron ore attracts a premium over the IODEX 62% Fe CFR China Index ("P62") widely used as the reference price in the industry. The premium captured by the IODEX 65% Fe CFR China Index ("P65" or "Platts 65") is attributable to two main factors; steel mills are recognizing that higher iron ore grades offer a benefit to optimize output while significantly decreasing CO2 emissions. Additionally, as some major producers continue to experience operational challenges, the shortages in the market for high-grade sinter feeds also contribute to the upward pressure on high-grade iron ore prices.

During the three-month period ended March 31, 2019, the price of high-grade iron ore based on the Platts 65 index fluctuated from a low of US$87.2/dmt to a high of US$107.2/dmt. The average P65 iron ore price was US$95.5/dmt for the period, a slight decrease of less than 4% from the previous quarter resulting in a premium of 15.5% over the P62 reference price. The Company's gross realized price for the quarter was US$98.7/dmt before ocean freight. Deducting sea freight cost, the Company's net realized FOB price was $104.4/dmt.

During the year ended March 31, 2019, the price of high-grade iron ore based on the Platts 65 index fluctuated from a low of US$81.4/dmt to a high of US$107.2/dmt. The average iron ore P65 price was US$91.6/dmt for the period, an important increase of 7% from the previous year resulting in a premium of 29.0% over the P62 reference price. The Company's gross realized price for the year was US$93.4/dmt before ocean freight. Deducting sea freight cost, the Company's net realized FOB price was $91.9/dmt.

Champion is well positioned to benefit from higher iron ore prices as it has no hedging contracts in place and it is not subject to a net smelter royalty. Assuming a stable foreign exchange rate, a variation of US$1.00 of the P65 will impact Champion gross revenues by approximately 1%.

USD Spot Price of Iron Ore Fines per dmt (As per Platts IODEX Index)

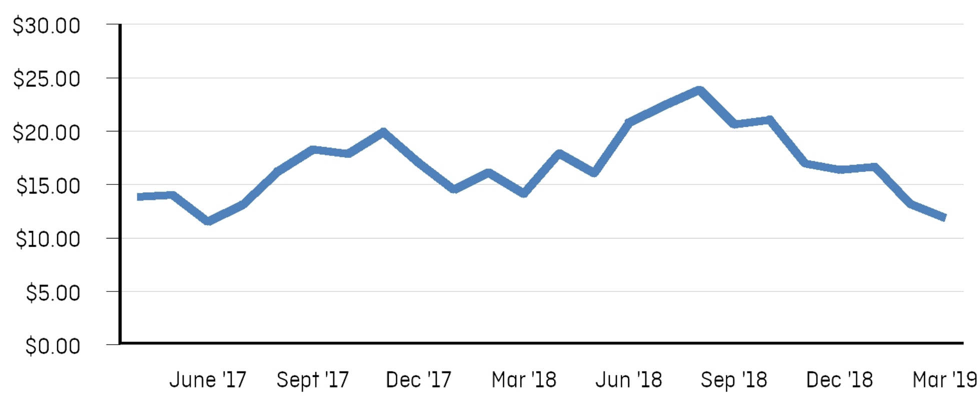


5. Key Drivers (continued)

B. Sea Freight

Sea freight is an important component of the Company's cost structure as Champion ships most of its concentrate to China and Japan. The common reference route for dry bulk material from the Americas to Asia is the Brazil to China route totalling 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 Asia. There is no index for the route between the port of Sept-Iles, Canada and China. The route from Sept-Iles to China 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)



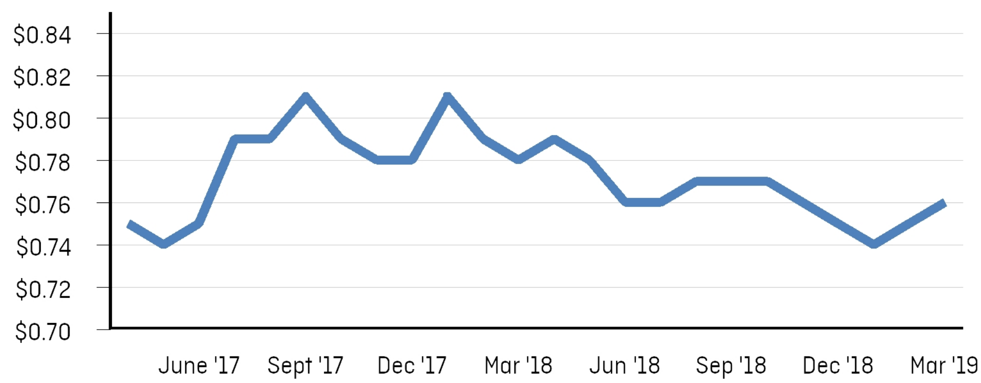
In the past five years, the industry has identified a relationship between the iron ore price and the cost of freight for the Brazil to China route captured in the C3 rate. Based on the observed correlation, when the price of iron ore fluctuates, the ocean freight rate fluctuates as well. As the freight 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 costs for Champion Iron.

5. 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 credit facilities' costs are denominated in U.S. dollars. As such, the Company benefits from a natural hedge between its revenues and its sea freight and credit facilities' costs. Still, 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 the 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.

Monthly Exchange Rate – USD to CAD



Apart from these key drivers 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.

6. Bloom Lake Mine Operating Activities[1]

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2019	2018	**2019**	2018
Operating Data				
Waste mined (wmt)	3,481,500	2,280,700	13,679,900	4,254,000
Ore mined (wmt)	4,975,500	2,158,700	19,711,700	2,733,500
Strip ratio	0.7	1.1	0.7	1.6
Ore milled (wmt)	4,754,200	1,754,300	18,493,800	1,754,300
Head grade (%)	30.6	29.0	31.5	29.0
Recovery (%)	80.4	76.3	79.5	76.3
% Fe	66.3	66.5	66.4	66.5
Iron ore concentrate produced (wmt)	1,802,000	623,300	6,994,500	623,300
Iron ore concentrate sold (dmt)	**1,744,000**	—	**7,127,600**	—
Financial Data (in thousands of dollars)				
Revenues	**182,164**	—	**655,129**	—
Cost of sales	84,431	—	351,946	—
Other expenses	11,233	20,857	25,011	80,006
Net finance cost	19,386	7,475	50,010	23,081
Net income	28,155	(29,305)	147,599	(107,331)
Earnings per share	**0.02**	(0.05)	**0.20**	(0.19)
EBITDA[2]	**86,500**	(20,858)	**278,172**	(80,006)
Statistics (in dollars per dmt sold)				
Average net realized selling price[2]	**104.4**	—	**91.9**	—
Total cash cost (C1 cash cost)[2]	**48.4**	—	**49.4**	—
All-in sustaining cost[2]	**55.4**	—	**55.8**	—
Cash operating margin[2]	**49.0**	—	**36.1**	—

Operational Performance

During the quarter ended March 31, 2019, 8.5 million tonnes of material were mined, representing a decrease of 3% over the previous quarter. The decrease reflects the focus on waste removal during the previous quarter due to a planned major shutdown of the plant. The plant processed 4,754,200 tonnes of ore during the fourth quarter. Although the quarter did not include a major scheduled shutdown, the production was affected by various planned shutdowns totaling 10 days in order to upgrade pumps and change the inner discharge grates and upgrade the conveyor belt to accommodate more daily throughput. During the period, the optimization of the recovery circuit continued, resulting in record monthly recovery of 81.7% in February 2019 from a 31.0% Fe head grade.

Based on the foregoing, Champion produced 1,802,000 wmt of 66.3% high-grade iron ore concentrate during the fourth quarter ended March 31, 2019.

The Company mined 33.4 million tonnes of material during the twelve months ended on March 31, 2019, compare to 7.0 million tonnes in the prior year. The variation is due to the restart of the Bloom Lake Mine in February 2018 which commenced commercial production on June 30, 2018. The plant processed 18,493,800 tonnes of ore during the twelve months ended March 31, 2019. During the year, the recovery circuit continues to be optimized where the Company initially achieved 77.0% when it resumed operations in February of 2018 compared to 80.4% during the last quarter ended March 31, 2019. Overall, the Company achieved an average recovery rate close to 80% for the most recently completed fiscal year. The Company's recovery rate continues to improve with nearly every quarter achieving higher recovery rates as high as 86%. As such, the Company is confident that it will achieve the target recovery rate of 83% once the circuit has been optimized.

Based on the foregoing, Champion produced a total of 6,994,500 wmt of Fe 66.4% in its first full year of operations ending March 31, 2019. These results established a new annual production record for the Bloom Lake Mine as the previous annual record achieved at Bloom Lake by previous operators totalled 5,885,355 in 2013.

1 The Company considers that pre-commercial production operations at the Bloom Lake mine commenced on April 1, 2018 with the first shipment of high-grade iron ore concentrate and that commercial production began on June 30, 2018.

2 EBITDA, average realized selling price, total cash cost, AISC and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

7. Financial Performance

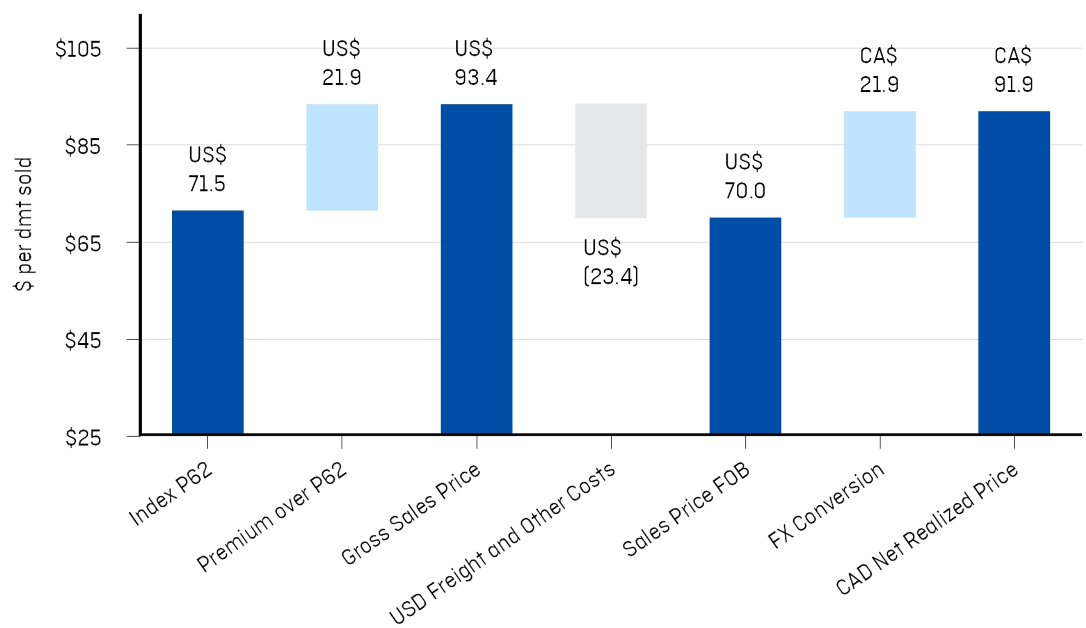
The Company entered pre-commercial production in February 2018, shipped its first vessel to China on April 1, 2018 and declared commercial production on June 30, 2018. As a result, there are no comparative production and related financial performance figures for the same periods the year prior.

A. Revenues

During the three-month period ended March 31, 2019, a total of 1,802,000 tonnes of high-grade iron ore concentrate were sold at a CFR China gross realized price of US$98.7/dmt before shipping. The gross sales price of US$98.7/dmt represents a premium of 19% over the benchmark P62 compared to 28% in the previous quarter as the P62 price strengthened by 16% during the quarter. Deducting sea freight costs of US$21.6/dmt, the Company obtained an average net realized price of US$77.1 per tonne (CA$104.4 per tonne) for its high-grade iron ore delivered to the end customer. As a result, revenues totalled $182,164,000 for the period. The sales increase compared to the prior quarter stems primarily from higher iron ore prices.

For the year ended March 31, 2019, the Company sold over 7.1 million tonnes of iron ore concentrate shipped to end customers located in China, Europe, Japan and the Middle East in 41 Capesize vessels. While, the P65 indicative price of high-grade iron ore fluctuated between US$81.4/dmt to US$107.2/dmt as of March 31, 2019, the Company sold its product at an average gross realized price of US$93.4/dmt before shipping. The gross sales price of US$93.4/dmt represents a premium of 30.6% over the benchmark P62 price. Deducting sea freight costs of US$23.4/dmt, the Company obtained an average realized price of US$70.0 per tonne (CA$91.9 per tonne) for its high-grade iron ore delivered to the end customer. As a result, revenues totalled $655,129,000 for the first year of production. There are no revenues for the comparative periods as the Company shipped its first vessel of iron ore concentrate on April 1, 2018.

FYE2019 Net Realized Selling Price from P62 to Average Realized Price



(Expressed in thousands of Canadian dollars, except where otherwise indicated)

7. Financial Performance (continued)

A. Revenues (continued)

	Three Months	Twelve Months
	Ended March 31, 2019[1]	
(in US dollars per dmt sold)		
Index P62	82.7	71.5
Premium over P62	16.0	21.9
Gross realized price	98.7	93.4
Freight and other costs	(21.6)	(23.4)
Net realized FOB price	77.1	70.0
CAD Net Realized FOB Price	104.4	91.9

B. Cost of sales

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

During the three-month period ended March 31, 2019, the total cash cost[2] or C1 cash cost[2] per tonne totalled $48.4/dmt.

For the first twelve months of operations, the Company produced high-grade iron ore at a total cash cost[2] of $49.4/dmt. The C1 cash cost[2] reflects the impacts of the inefficiencies of the ramp-up period, the delays associated with the completion of the first major planned shutdown since the Company started its operations, combined with unplanned shutdowns during the first winter season.

As the Company shipped its first vessel on April 1, 2018, there are no comparative cost of sales for the prior fiscal year ended March 31, 2018.

C. Gross profit (loss)

The gross profit for the three and twelve-month periods ended March 31, 2019 totalled $94,284,000 and $288,632,000, respectively, compared to a gross loss of $972,000 and $4,244,000 for the same periods in the year prior. Each period variation reflects the timing of recommissioning Bloom Lake in February 2018 with first shipment dating April 1, 2018.

D. Other Expenses

Other expenses comprise share-based payment, corporate expenses as well as sustainability and other community expenses ("CSR expenses"). CSR expenses are composed mainly of community taxes such as property and school taxes and expenditures related to the Impact and Benefits Agreement with the First Nations ("IBA").

The variance in Other expenses and income for the year ended March 31, 2019 compared to the same period last year is essentially due to the difference in certain costs incurred during the restart phase (2017-2018) compared to costs incurred during the operational phase which began April 1, 2018.

[1] The Company considers that pre-commercial production operations at the Bloom Lake mine commenced on April 1, 2018 with the first shipment of high-grade iron ore concentrate and that commercial production began on June 30, 2018 accordingly there are no comparative figures for the same period the year prior.

[2] EBITDA, average realized selling price, total cash cost or C1 cash cost, AISC and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

7. Financial Performance (continued)

E. Net Finance Costs

Net finance costs totalled $19,386,000 (non-cash finance costs of $13,199,000) for the fourth quarter compared to $7,475,000 (non-cash finance costs of $7,025,000) for the same period in 2018. The increase is attributable mainly to the change in the fair market value of derivative liabilities period over period offset by an unrealized foreign exchange loss and the recognition of a non-cash derivative assets.

The increase in net finance costs for the year ended March 31, 2019, when compared to the same period the year prior, is due to two main factors: the interest on the term facilities fully drawn at the beginning of September 2018 and the change in the fair value of derivatives associated with the financing of the Bloom Lake Mine. The change in the fair value of derivatives liabilities is attributable to the variation of the Company's common share price during the period and is a non-cash item. In compliance with IFRS, the Company also recorded non-cash derivative assets in relation with the existing debt facility. The Company reports in Canadian dollars and benefits from a natural hedge between its revenues generated in U.S. dollars and its U.S. denominated term facilities. Consequently, the unrealized foreign exchange loss included in net finance costs represents a non-cash expenditure associated with the conversion of the term facilities in Canadian dollars. The Company maintains sufficient U.S. dollars on hand to prevent foreign exchange loss upon interest or capital payments. Unrealized loss on investments and accretion costs are non-cash items.

F. Income Taxes

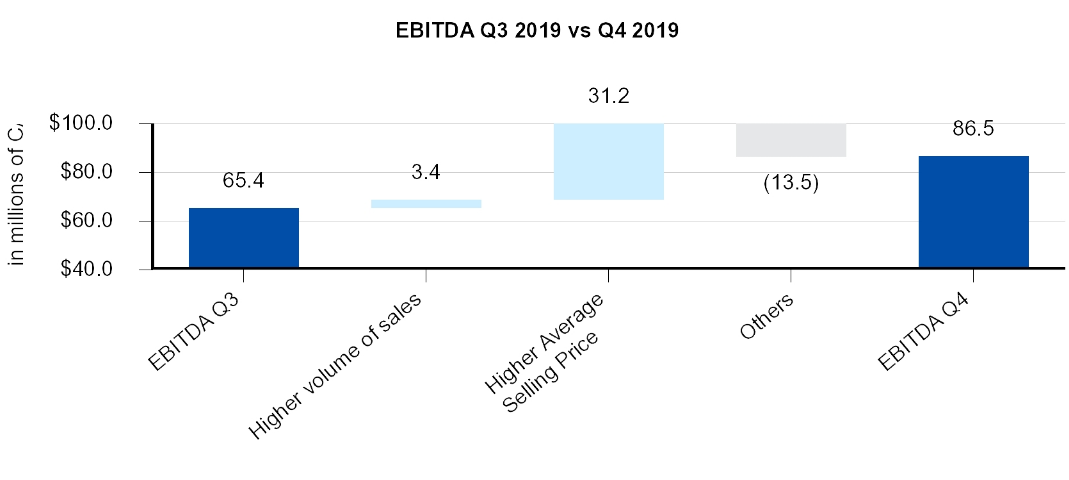
The Company's subsidiaries are subject to tax in Australia and Canada. As a result of accumulated losses before tax, there are no current or deferred income taxes related to the Australian activities. QIO, Champion's operating subsidiary, is subject to mining tax of 16% and income tax in Canada where the statutory rate is 26.68%. During the fiscal year ended March 31, 2019, the Company utilized previously unrecognized tax benefits including the majority of its loss available for carry forwards to reduce its current income tax to nil. However, current mining taxes for the period amounted to $34,059,000 and were paid in May 2019. Deferred income tax expenses relate mainly to the accelerated depreciation available under tax regulations.

G. EBITDA[1] & Net Income (Loss)

During the fourth quarter ended March 31, 2019, the Company generated an EBITDA[1] of $86,500,000 or a margin of 47% and $278,172,000 or a margin of 42% for the year ended March 31, 2019.

The Company's net income for the three-month period ended March 31, 2019 totalled $28,155,000 or earnings per share of $0.02 compared to a loss of $29,305,000 or $0.05 per share for the same period the year prior. The variation is due to the restart of mining activities at the Bloom Lake Mine.

For the year ended March 31, 2019, the Company generated a net income of $147,599,000 translating to earnings per share of $0.20. A net loss of $107,331,000 or $0.19 per share was realized in the year ended March 31, 2018 as the Company completed its Bloom Lake Mine construction in February 2018 and shipped its first vessel of iron ore on April 1, 2018.



[1] EBITDA, average realized selling price, total cash cost or C1 cash cost, AISC and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

7. Financial Performance (continued)

H. 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 costs 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 quarter, the Company realized an AISC[1] of $55.4/dmt which is comparable to previous quarter. During its start-up year, the Company produced high-grade iron concentrate at an AISC[1] of $55.8/dmt.

Deducting the AISC[1] of $55.4/dmt from the realized average selling price[1] of $104.4/dmt, the Company generated a cash operating margin[1] of $49.0 for each tonne of high-grade iron ore concentrate sold during the fourth quarter ended March 31, 2019. Since the Company started to ship iron ore to its end customers it generated a cash operating margin[1] of $36.1/dmt.

I. Non-controlling Interests

As of March 31, 2019, the Government of the province of Quebec, through RQ held a 36.8% interest in QIO and as such, was considered Champion's non-controlling interest ("NCI"). The net income attributable to the NCI is based on the statutory financial statements of QIO. The variation period over period is associated with the start of the commercialization on April 1, 2018 offset by the change in fair value of derivatives liabilities.

On May 29, 2019, the Company announced a transaction to acquire RQ's 36.8% equity interest in QIO. For more information on the proposed transaction, please refer to the Company's press release dated May 29, 2019, available under the Company's filings on SEDAR at www.sedar.com. When Champion closes the announced acquisition of the minority interest held by RQ, Champion will no longer have to attribute a portion of QIO's net income to a NCI.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

8. Reserves and Resources

Reserves & Resources - Overview as at March 31, 2019

- Total proven and probable mineral reserves at the Bloom Lake Mine stood at 383.5 million tonnes averaging 29.9% Fe.
- Measured and indicated mineral resources totals 883.4 million tonnes averaging 29.7% Fe for estimated iron ore concentrate of 321.2 Mt averaging 66.2% Fe
- Inferred resources amounted to 80.4 million tonnes averaging 25.6% Fe

All mineral resources reported are inclusive of mineral reserves. Mineral reserves and resources reported at Bloom Lake were estimated using an iron ore price of US$50/dmt and US$60/dmt, respectively. The slight decrease in reserves is due to depletion as Champion mined 22,445 dmt of iron ore since the start of its operations in February 2018.

March 31, 2019 Bloom Lake Mineral Resources Estimate (at 15% Fe Cut-off)

Category	Mt Tonnage (dmt)	Fe (%)	CaO (%)	MgO (%)	Al2O3 (%)
Measured	401.8	31.0	0.6	0.7	0.3
Indicated	471.6	28.5	2.5	2.3	0.4
M+I Total	883.4	29.7	1.6	1.5	0.4
Inferred	80.4	25.6	1.9	1.7	0.3

March 31, 2019 Bloom Lake Mineral Reserves Estimate (at 15% Fe Cut-off)

Category	Mt Tonnage (dmt)	Fe (%)	CaO (%)	MgO (%)	Al2O3 (%)
Proven	236.3	30.7	0.5	0.6	0.3
Probable	47.3	28.7	2.8	2.7	0.4
Total	383.5	29.9	1.4	1.4	0.4

In addition to the Bloom Lake Mine, the Company owns interest in 13 other iron ore deposits located in the Labrador Trough, some 300 km north of the City of Sept-Îles and ranging from 6 to 80 kilometers west and southwest of Fermont. All claims and leases are in good standing. No work was done during the fiscal year ended to update the Resources estimate published during the period 2011 to 2014. Additional information on each claim can be found in the Company's 2019 annual report available under the Company's filings on SEDAR at www.sedar.com and at the Company's website at www.championiron.com. Please refer to the exploration section of this annual report for information on exploration conducted during the fiscal year ended March 31, 2019.

[1] EBITDA, average realized selling price, total cash cost or C1 cash cost, AISC and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

9. Exploration Activities

In addition to the 63.2% interest in the Bloom Lake property, Champion has a 100% interest in the 752 km^2 Fermont Holdings located in the Labrador Trough and a 100% interest in the Gullbridge-Powderhorn property ("Powderhorn") in Northern Central Newfoundland.

The 63 km^2 Powderhorn property is host to several Copper (Cu) and Zinc (Zn) showings and is at an early exploration stage. The exploration program at Powderhorn targets the same volcanic units that host the Buchans Mine, located 60 km away, a rich volcanogenic massive sulphide deposit. The Gullbridge Mine is a past copper producer and is located in the northern part of the property. The exploration program at the Powderhorn property located in Newfoundland continued with 17,000 meters or drilling during the financial year. Exploration expenses at Powderhorn were of $1,946,000.

During the year ended March 31, 2019, the Company, conducted a magnetic survey on the claims located north and northwest of the Bloom Lake Mine. More than 360 line kms were surveyed using an unmanned aerial vehicle. The total expenses for the survey amount to $111,000 which includes the cost of the survey and all related logistics.

During the same period, a drill program was completed on the Company's Peppler Lake property located west of its Fire Lake North project. A total of 2,887 meters were drilled. Drilling and logistics expenses totalled $911,000.

During the year, the Company maintained all its properties in good standing. The Company did not enter into farm-in/farm-out arrangements during the quarter.

10. Events subsequent to March 31, 2019

On May 29, 2019, the Company announced a transaction to acquire RQ's 36.8% equity interest in QIO, operator of the Bloom Lake Mining Complex, for a total cash consideration of $211 million (the "Transaction"). The Transaction would increase Champion's stake in QIO to 100%. Following the closing of this transaction, the entire net income of QIO will be allocated to Champion and there will no longer be any NCIs.

The Company also announced on May 29, 2019, that it has entered into an agreement with Caisse de dépôt et placement du Québec for a preferred share offering for proceeds of $185 million (the "Investment") plus a commitment for a fully underwritten US$200 million credit facility (the "New Credit Facility") with The Bank of Nova Scotia ("Scotiabank") and Societe Generale ("SocGen"). Proceeds from the Investment and the New Credit Facility will be used to fund current and future strategic initiatives and repay Champion's existing debt.

The dividend rate associated with the preferred shares will be based on the gross realized iron price and will fluctuate from 9.25% when the gross realized iron price for Bloom Lake 66.2% iron ore is greater than US$85/dmt to 13.25% should the gross realized iron ore price decrease below US$65/dmt. The closing of this facility is expected to occur in the summer of 2019.

The New Credit Facility will be available by way of a US$180 million senior secured fully amortizing non-revolving credit facility (the "Term Facility") in addition to a US$20 million senior secured revolving credit facility (the "Revolving Facility"). The New Credit Facility will bear interest between LIBOR plus 2.85% if the net debt to EBITDA ratio is lower or equal to 1.00x to LIBOR plus 3.75% if the net debt to EBITDA ratio is greater than 2.50x.

The Term Facility will mature five years from the closing date while the Revolving Facility will mature three years from the closing date. The Term Facility shall be repaid in equal quarterly installments of principal and accrued interest starting on the second full year following the closing date and is not subject to prepayment penalties. The closing of this facility is expected to occur in the summer of 2019.

For more information on the capital restructuring and the transaction, please refer to the Company's press release dated May 29, 2019, available under the Company's filings on SEDAR at www.sedar.com.

11. Cash Flows

The following table summarizes cash flow activities:

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2019	2018	**2019**	2018
(in thousands of dollars)				
Operations	70,596	(24,220)	231,465	(86,883)
Changes in non-cash working capital	(32,580)	(18,530)	(54,767)	(44,766)
Operating activities	**38,016**	**(42,750)**	**176,698**	**(131,649)**
Financing activities	(45,108)	89,610	20,501	238,801
Investing activities	(27,927)	(87,744)	(72,930)	(101,180)
Change in cash and cash equivalents during the period	**(35,019)**	**(40,884)**	**124,269**	**5,972**
Effect of foreign exchange rates on cash	2,622	18	3,260	60
Cash and cash equivalents, beginning of period	**167,821**	**48,761**	**7,895**	**1,863**
Cash and cash equivalents, end of period	**135,424**	**7,895**	**135,424**	**7,895**

Operating

During the three-month period ended March 31, 2019, the Company generated operating cash flow of $70,596,000 before working capital as a result of an EBITDA[1] margin of 47% for each dry metric tonne of high-grade concentrate sold. Working capital was mainly impacted by the timing of customer receipts. The variation with the quarter ended March 31, 2018 is essentially due to operating profit as the Company was still in development in 2017.

During the year ended March 31, 2019, the Company's operating cash flow before working capital items totalled $231,465,000. The Company was in development for the comparative prior year period. The variation of the working capital items for the year ended March 31, 2019 compared with the prior year is mainly due to trade receivables and payments of suppliers in relation to the construction project. The decrease is offset by mining tax payable due in May 2019 associated with the operations for the fiscal year ended March 31, 2019. The Company did not have to remit mining tax until the end of the first year of operations. Going forward, the Company will have to make monthly installment based on the mining tax incurred the prior year. As such the Company started paying mining tax installments at the end of May 2019.

Financing

During the three-month period ended March 31, 2019, the Company made its first capital repayment of $7,636,000 towards the US$80,000,000 facility (the "Sprott Facility") and fully repaid the $37,472,000 note payable related to the Bloom Lake railcar fleet. In the comparative prior year period, the Company's financing activities consisted mainly of proceeds of $92,127,000 derived from the long-term debt.

The financing proceeds for the year ended March 31, 2019 consisted primarily of drawdowns totaling $74,195,000 from the US$180,000,000 credit facilities as well as borrowing repayments. During the period, the Company made the first repayment of $7,636,000 towards the Sprott Facility and paid $4,564,000 in accordance with the production payment agreement entered into as a condition to closing the credit facility with Sprott Private Resource Lending (Collector), LP ("Sprott"). In addition, the Company fully repaid the $37.5 million note payable associated with financing the Bloom Lake railcar fleet. The remaining financing activities for the year include proceeds from the exercise of stock options and the payment of borrowing costs and capitalized interest. The financing activities for the corresponding period the prior year related to the financing completed on October 16, 2017, which funded the Bloom Lake Mine improvements, restart projects and associated costs. The financing structure consisted of a debt facility totaling US$180,000,000 with Sprott and CDP Investissements Inc., of which $158,287,000 was drawn down as of March 31, 2018, and proceeds of $31,200,000 and $10,000,000 associated with debentures issued to Glencore International AG and Altius Minerals Corporation respectively.

[1] EBITDA, average realized selling price, total cash cost or C1 cash cost, AISC and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

11. Cash Flows (continued)

Financing (continued)

In addition, the Company completed a public offering of 21,034,000 subscription receipts ($0.90/unit) for gross proceeds of $18,930,000 on October 16, 2017. RQ also contributed to a private placement directly into QIO for an amount totalling $31,316,000. Finally, a bridge loan amounting to $16,000,000 established for the tailings lifts was drawn down and repaid during the period. The remaining financing activities related to the exercise of stock options and financing transaction costs.

Investing

The Company investments relate to capital expenditures and exploration and evaluations expenses.

Purchase of property, plant and equipment

During the year ended March 31, 2019, the Company invested $62,942,000 in cash for additions to property, plant and equipment. The following table summarizes our investing activities.

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2019	**2018**	**2019**	2018
(in thousands of dollars)				
Tailings lifts	3,008	—	17,057	—
Stripping activities	3,388	—	12,121	—
Other sustaining capital expenditures	—	—	2,657	—
Subtotal sustaining capital expenditures	**6,396**	**—**	**31,835**	**—**
Capital development expenditures at Bloom Lake	17,145	74,851	31,107	97,569
Total	**23,541**	**74,851**	**62,942**	**97,569**

Exploration and evaluation

For the year ended March 31, 2019, $9,372,000 was invested in exploration and evaluation including $6,451,000 towards the feasibility study of Phase II.

12. Financial Position

As at March 31, 2019, the Company held $135,424,000 in cash and cash equivalents along with $17,907,000 in short-term investments. With the existing cash balance and the forecasted cash flows from operations, the Company is well positioned to fund all of its cash requirements for FY2020, which relate primarily to the following activities:

- Mine operating costs
- Sustaining capital expenditures
- Reimbursement of long-term debt
- Payment of mining and income taxes

(in thousands of dollars)	**As at March 31, 2019**	As at March 31, 2018
Cash and cash equivalents	135,424	7,895
Short-term investment	17,907	17,291
Cash on hand	**153,331**	**25,186**
Other current assets	161,352	89,907
Total Current Assets	**314,683**	**115,093**
Property, plant and equipment	224,123	172,719
Exploration and evaluation asset	81,508	72,137
Other non-current assets	51,703	41,767
Total Assets	**672,017**	**401,716**
Total Current Liabilities	**114,608**	**109,710**
Long-term debt	193,038	141,225
Derivative financial instruments	43,819	24,683
Rehabilitation obligation	36,565	35,893
Other non-current liabilities	68,265	35,757
Total Liabilities	**456,295**	**347,268**
Equity attributable to equity shareholders	**150,346**	53,625
Non-controlling interests	**65,376**	823
Total Equity	**215,722**	**54,448**
Total Liabilities and Equity	**672,017**	**401,716**

The Company's total current assets as at March 31, 2019 increased by $199,590,000 since March 31, 2018. This increase resulted from operational cash flow associated with the start of the operations at Bloom Lake together with trade receivables. The completion of the construction of the Bloom Lake mine, during the period, also contributed to higher property, plant and equipment and total assets.

Total liabilities increased reflecting the debt now fully drawn and income tax payable associated with mining tax related to the mining profit realized since the start of operations. The variation in equity is mainly the result of the Company's net income totalling $147,599,000 achieved since the first shipment of high-grade iron ore concentrate made on April 1, 2018.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

13.Financial Risk Factors

The Company's risk exposure and impact on the Company's financial instruments are summarized in note 27 of the consolidated financial statements for the year ended March 31, 2019.

14. Commitments

The Company has various obligations related to take-or-pay features of its logistics contracts. The Company has also other commitments with the Innu community related to the Impact and Benefits Agreement. Future minimum payments under these agreements are as follow:

	As at March 31, 2019	As at March 31, 2018
Less than a year	135,798	64,927
1 to 5 years	75,894	163,812
More than 5 years	186,660	91,905
Total	**398,352**	**320,644**

The Company does not have any contingent liabilities.

15. Critical Accounting Estimates and Judgments

The Company's significant accounting judgments, estimates and assumptions are summarized in note 2 of the consolidated financial statements for the year ended March 31, 2019.

16. New Accounting Standards Issued and Adopted by the Company

The new accounting standards issued but not yet in effect are disclosed in note 2 to the consolidated financial statements for the year ended March 31, 2019.

17. 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 costs 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 costs 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 flow 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 costs include production costs such as mining, processing, and site administration, and exclude depreciation to arrive at total cash costs per dmt sold. Other companies may calculate this measure differently.

17. Non-IFRS Financial Performance Measures (continued)

A. Total Cash Cost (continued)

	Three Months Ended March 31, 2019	Twelve Months Ended March 31, 2019
Per tonne sold		
Iron ore concentrate sold (dmt)	**1,744,000**	**7,127,600**
(in thousands of dollars except per tonne)		
Cost of sales	84,431	351,946
Total cash cost (per dmt sold)	**48.4**	**49.4**

B. All-in Sustaining Cost ("AISC")

The Company believes that AISC defines the total costs associated with producing iron ore concentrate more accurately as this measure reflects all of the sustaining expenditures incurred in order to produce high-grade iron ore concentrate. The Company calculates AISC as the sum of total cash costs (as described above), general and administrative expense and sustaining capital, including deferred stripping, all divided by the iron ore concentrate dmt sold to arrive at a per dmt figure. Other companies may calculate this measure differently as a result 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 tax expense, working capital defined as current assets less current liabilities (except for inventory adjustments) or interest costs.

The table below shows a reconciliation of AISC per tonne to costs as extracted from the consolidated financial statements:

	Three Months Ended March 31, 2019	Twelve Months Ended March 31, 2019
Per tonne sold		
Iron ore concentrate sold (dmt)	**1,744,000**	**7,127,600**
(in thousands of dollars except per tonne)		
Cost of sales	84,431	351,946
Sustaining capital expenditure	6,396	31,835
General and administrative expenses	5,728	14,039
	96,555	**397,820**
AISC (per dmt sold)	**55.4**	**55.8**

17. Non-IFRS Financial Performance Measures (continued)

C. Average realized selling price and cash operating 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 metal sales per the statement of comprehensive earnings. Cash operating margin represents average realized price per iron ore concentrate dmt sold less AISC per dmt sold.

	Three Months	Twelve Months
	Ended March 31, 2019	
Per tonne sold		
Iron ore concentrate sold (dmt)	**1,744,000**	**7,127,600**
(in thousands of dollars except per tonne)		
Revenues	182,164	655,129
Average realized selling price (per dmt sold)	**104.4**	**91.9**
AISC (per dmt sold)	55.4	55.8
Cash operating margin (per dmt sold)	**49.0**	**36.1**

D. EBITDA

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 is intended to provide additional information to investors and does not have any standardized definition under IFRS. The measure excludes the impact of cash costs of financing activities, taxes and the change in non-cash working capital 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 March 31,		Twelve Months Ended March 31,	
	2019	2018	**2019**	2018
(in thousands of dollars)				
Income (loss) before income tax	**28,155**	(29,305)	**147,599**	(107,331)
Net finance costs	**19,386**	7,475	**50,010**	23,081
Current income tax expense	**8,286**	—	**34,017**	—
Deferred income tax expense	**27,224**	—	**31,995**	—
Depreciation	**3,449**	972	**14,551**	4,244
EBITDA	**86,500**	(20,858)	**278,172**	(80,006)
EBITDA margin (%)	**47%**	—	**42%**	—

18. Share Capital Information

The Company's authorized share capital is unlimited ordinary shares without par value. As of June 20, 2019, there are 432,991,622 ordinary shares outstanding. In addition, there are 29,850,000 ordinary shares issuable on the exercise of options and 49,733,000 shares issuable from derivatives instruments with dilutive impact.

19. Summary of Quarterly Results

The following information is derived from and should be read in conjunction with the unaudited condensed interim consolidated financial statements for each of the past eight quarters. The Company's fiscal year ends on March 31. All amounts are stated in millions of dollars except for the earnings (loss) per share.

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Financial Results ($ millions)								
Revenue	182.2	147.5	174.7	150.7	—	—	—	—
Operating profit (loss)	83.1	62.8	77.2	40.5	(21.8)	(39.5)	(14.8)	(8.2)
EBITDA[1]	86.5	65.4	81.3	45.0	(20.9)	(38.4)	(13.7)	(7.0)
Net profit (loss)	28.2	31.2	67.5	20.7	(30.9)	(54.1)	(14.5)	(7.8)
Net profit (loss) attributable to shareholders	8.8	21.7	41.5	11.0	(21.9)	(37.3)	(9.9)	(5.4)
Earnings (loss) per share - basic	0.02	0.05	0.10	0.03	(0.05)	(0.09)	(0.03)	(0.01)
Earnings (loss) per share - diluted	0.02	0.05	0.09	0.02	(0.05)	(0.09)	(0.03)	(0.01)
Cash flow from operations	38.0	89.1	2.9	46.7	(42.8)	(72.6)	(15.0)	(1.2)
Operating Data								
Waste mined (wmt)	3,481,500	3,847,100	2,978,400	3,372,900	2,280,700	1,973,300	—	—
Ore mined (wmt)	4,975,500	4,883,400	5,204,900	4,647,900	2,158,700	574,800	—	—
Strip ratio	0.7	0.8	0.6	0.7	1.1	3.4	—	—
Ore milled (wmt)	4,754,200	4,531,400	4,964,200	4,244,000	1,754,300	—	—	—
Head grade (%)	30.6	32.1	32.0	31.1	29.0	—	—	—
Recovery (%)	80.4	80.7	79.6	77.1	76.3	—	—	—
% Fe	66.3	66.4	66.6	66.5	66.5	—	—	—
Iron ore concentrate produced (wmt)	1,802,000	1,791,300	1,858,300	1,542,900	623,300	—	—	—
Iron ore concentrate sold (dmt)	1,744,000	1,711,500	1,931,700	1,740,400	—	—	—	—
Financial results per unit								
Average realized selling price[1]	104.4	86.2	90.4	86.6	—	—	—	—
Total cash cost[1]	48.4	49.4	45.2	55.0	—	—	—	—
All-in sustaining cost[1]	55.4	55.5	52.9	59.9	—	—	—	—
Cash operating margin[1]	49.0	30.7	37.5	26.7	—	—	—	—

1 EBITDA, average realized selling price, total cash cost, AISC and cash operating margin are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS financial performance measures" section of this MD&A included in note 17.

20. 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.

The following discussion summarizes 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 Common Shares.

FINANCIAL RISKS

Iron Ore Prices

The Company's principal business is the exploration, development and production of iron ore. The Company's future profitability is largely dependent on movements in the price of iron ore. Iron ore prices have historically been volatile and are primarily affected by the demand for and price of steel in addition to the supply/demand balance. Given the historical volatility of iron ore prices there are no assurances that the iron ore price will remain at economically attractive levels. An increase in iron ore supply without a corresponding increase in iron ore demand would be expected to result in a decrease in the price of iron ore. Similarly, a decrease in iron ore demand without a corresponding decrease in the supply of iron ore would be expected to result in a decrease in the price of iron ore. A continued decline in iron ore prices would adversely impact the business of the Company and could affect the feasibility of the Company's projects. As some of the Company's long-term debt are subject to rate fluctuation based on the price of iron ore, a decrease in iron ore could have an adverse impact on the cost of the Company's borrowing. A continued decline in iron ore prices would also be expected to adversely impact the Company's ability to attract financing. Iron ore prices are also affected by numerous other factors beyond the Company's control, including the exchange rate of the United States dollar with other major currencies, global and regional demand, political and economic conditions, production levels and costs and transportation costs in major iron ore producing regions. If as a result of a decline in iron ore prices, revenues from iron ore sales were to fall below cash operating costs, the feasibility of continuing development and operations would be evaluated and if warranted, could be discontinued.

Fluctuating Minerals Prices

Factors beyond the control of the Company may affect the marketability of any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Company's control. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Company may result.

Liquidity / Financing Risk

The Company may need to raise additional funding in the future through the sale of equity or debt securities or by optioning or selling its properties. No assurance can be given that additional funding will be available for further exploration and development of the Company's properties when required, upon terms acceptable to the Company or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Current Global Financial Condition

Global financial markets experienced extreme and unprecedented volatility and disruption in 2008 and 2009. World economies experienced a significant slowdown in 2008 and 2009 and only slowly began to recover late in 2009, through 2010 to 2017 and into 2017-2018, although the strength of recovery has varied by region and by country. In the latter half of 2011 and 2012-2013, debt crises in certain European countries and other factors adversely affected the recovery.

The majority vote in favour of the United Kingdom leaving the European Union may worsen and/or prolong global financial markets' challenges and the demand for commodities. These conditions have resulted and may continue to result in a reduction in demand for various resources and raw materials. As a result, access to public financing has been negatively impacted.

20. Risk Factors (continued)

Current Global Financial Condition (continued)
These factors may impact the ability of the Company to obtain equity or debt financing in the future on favourable terms. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market fluctuations continue, the Company's operations could be adversely impacted and the trading price of its Ordinary Shares may be adversely affected.

Foreign Exchange
Iron ore is sold in U.S. dollars thus the Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the U.S. dollar. To the extent that the Company generates revenues upon reaching the production stage on its properties, it will be subject to foreign exchange risks as revenues will be received in U.S. dollars while operating and capital costs will be incurred primarily in Canadian dollars. A decline in the U.S. dollar would result in a decrease in the real value of the Company’s revenues and adversely impact the Company’s financial performance.

Reduced Global Demand for Steel or Interruptions in Steel Production
The global steel manufacturing industry has historically been subject to fluctuations based on a variety of factors, including general economic conditions and interest rates. Fluctuations in the demand for steel can lead to similar fluctuations in iron ore demand. A decrease in economic growth rates could lead to a reduction in demand for iron ore. Any decrease in economic growth or steel consumption could have an adverse effect on the demand for iron ore and consequently on the Company’s ability to obtain financing, to achieve production and on its financial performance. See also “Current Global Financial Conditions” above.

OPERATIONAL RISKS

Mineral Exploration, Development and Operating Risks
Mineral exploration is highly speculative in nature, generally involves a high degree of risk and is frequently non-productive. Resource acquisition, exploration, development, and operation involve significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines.

Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Company will result in the establishment or expansion of resources or reserves.

The Company’s operations are subject to all the hazards and risks normally encountered in the exploration, development and production of iron ore and other minerals, including hazards relating to the discharge of pollutants, changes in anticipated grade and tonnage of ore, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, slope failures, rock bursts, cave-ins, seismic activity, the failure of pit walls or dams, fire, explosions and natural phenomena and "acts of God" such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Company.

In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in commodity prices, fuel prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy , access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon the Company.

20. Risk Factors (continued)

Uncertainty of Mineral Resource and Mineral Reserve Estimates

Although the mineral resource estimates included herein have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that any particular level of recovery of iron ore or other minerals will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Estimates of mineral resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short-term factors relating to mineral resources, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in mineral resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral resources are reported as general indicators of mine life. Mineral resources should not be interpreted as assurances of potential mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and corresponding grades. Until ore is actually mined and processed, mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on mineral prices. Any material change in resources or mineral resources, or grades or stripping ratios will affect the economic viability of the Company's projects.

Uncertainties and Risks Relating to Feasibility Studies

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. Generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 35-40% for preliminary assessments. There is no certainty that the Phase II Feasability Study will be realized. While the Phase II Feasability Study is based on the best information available to the Corporation, it cannot be certain that actual costs will not significantly exceed the estimated cost. While the Corporation incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future metal prices. In addition, ongoing mining operations at the Bloom Lake Mine are dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralization, favourable geological conditions, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. Actual operating results may differ from those anticipated in the Phase II Feasability Study. The Corporation's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in ongoing commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the metals from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties, and as a result, the Corporation cannot give any assurance that the Phase II Feasability Study results will not be subject to change and revisions.

Dependence on the Bloom Lake Mine

The Company began generating revenues from the Bloom Lake Mine in April 2018, prior to which its mineral project was at an exploration or pre-production stage. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues. The Company has historically incurred significant losses as it previously had no sources of revenue (other than interest income).

While the Company may invest in additional mining and exploration projects in the future, and is working towards the feasibility of a potential Phase II expansion, the Bloom Lake Mine is currently the Company's sole producing asset, providing all of the Company's operating revenue and cash flows. Consequently, a delay or any difficulty encountered in the operations at the Bloom Lake Mine would materially and adversely affect the financial condition and financial sustainability of the Company. In addition, the results of operations of the Company could be materially and adversely affected by any events which cause the Bloom Lake Mine to operate at less than optimal capacity, including, among other things, equipment failure, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of iron ore. See also "Liquidity/Financing Risk" above.

20. Risk Factors (continued)

Government Regulation

Exploration, development and mining of minerals are subject to extensive federal, provincial and local laws and regulations governing acquisition of mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims of aboriginal peoples and local people, environmental protection and remediation, endangered and protected species, mine safety and other matters.

Potential Land Claims – First Nations Groups

The Company conducts its operations in the Province of Québec and in the Province of Newfoundland and Labrador, which areas are subject to conflicting First Nations land claims. Aboriginal claims to lands, and the conflicting claims to traditional rights between aboriginal groups, may have an impact on the Company's ability to develop its properties. The boundaries of the traditional territorial claims by these groups, if established, may impact the areas which constitute the Company's properties. Mining licences and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations.

Pursuant to section 35 of *The Constitution Act of 1982*, the Federal and Provincial Crowns have a duty to consult Aboriginal peoples and, in some circumstances, a duty to accommodate. When development is proposed in an area to which an Aboriginal group asserts Aboriginal rights and titles, and a credible claim to such rights and titles has been made, a developer may be required by the Crown to conduct consultations with Aboriginal groups which may be affected by the project and, in some circumstances, accommodate them.

The development and the operation of the Company's properties requires the conclusion of IBAs and/or other agreements with the affected First Nations. As a result of the IBAs or of other agreements, the Company may incur significant financial or other obligations to affected First Nations.

On April 12, 2017, the Company, through QIO, and the band council, Innu of Takuaikan Uashat mak Mani-utenam entered into an IBA with respect to operations at Bloom Lake. The IBA is a life-of-mine agreement and provides for real participation in Bloom Lake for the Uashaunnuat in the form of training, jobs and contract opportunities, and ensures that the Innu of Takuaikan Uashat mak Mani-utenam will receive fair and equitable financial and socio-economic benefits. The IBA also contains provisions which recognize and support the culture, traditions and values of the Innu of Takuaikan Uashat mak Mani-utenam, including recognition of their bond with the natural environment.

The negotiation of any IBAs required in the future for other projects may also significantly delay the advancement of the properties. There can be no assurance that the Company will be successful in reaching an IBA or other agreement with the Innu of Takuaikan Uashat mak Mani-utenam or other First Nations groups who may assert Aboriginal rights or may have a claim which affects the CFLN Project, Quinto Claims or any of the Company's other projects.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company or, where applicable, in the name of its joint venture partners, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interests of the Company in any of its properties may not be challenged or impugned.

Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry on with activities which it is currently conducting under applicable laws and regulations and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

Environmental Risks and Hazards

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require

20. Risk Factors (continued)

Environmental Risks and Hazards (continued)
the submission and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company's operation is subject to environmental regulation primarily by the Department of Environment and Conservation (Newfoundland and Labrador) and Ministère du Développement durable, de l'Environnement et des Parcs (Québec). In addition, the Department of Fisheries & Oceans (Canada) and the Department of the Environment (Canada) have an enforcement role in the event of environmental incidents.

Infrastructure and Reliance on Third Parties for Rail Transportation of the Company's Iron Ore Concentrate
Some of the Company's properties are located in relatively remote areas at some distance from existing infrastructure. Active mineral exploitation at any such properties would require building, adding or extending infrastructure, which could add to time and cost required for mine development.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. In order to develop mines on its properties, the Company has entered into various agreements for various infrastructure requirements, including for rail transportation, power and port access with various industry participants, including external service and utility providers. These are important determinants affecting capital and operating costs. The Company has concluded agreements with the relevant rail companies necessary for the transportation and handling of the Company's production of Bloom Lake iron ore but disruptions in their services could affect the operation and profitability of the Company.

In addition, there is no certainty that the Company will be able to continue to access sources of power on economically feasible terms for all of its projects and requirements and this could have a material adverse effect on the Company's results of operations and financial condition.

Reliance on Small Number of Significant Customers
The Company currently relies on a small number of significant customers in connection with the sale of its iron ore production. As a result of this reliance on the limited number of customers, the Company could be subject to adverse consequences if any of these customers breaches their purchase commitments.

Availability of Reasonably Priced Raw Materials and Mining Equipment
The Company will require a variety of raw materials in its business as well as a wide variety of mining equipment. To the extent these materials or equipment are unavailable or available only at significantly increased prices, the Company's production and financial performance could be adversely affected. It is also expected that the required refurbishment at Bloom Lake will require significant financing.

Dependence on Outside Parties
The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Reliance on Information Technology Systems
The Company's operations are dependent upon information technology systems. These systems are subject to disruption, damage or failure from a variety of sources. Failures in our information technology systems could translate into production downtimes, operational delays, compromising of confidential information or destruction or corruption of data. Accordingly, any failure in our information technology systems could materially adversely affect our financial condition and results of operation. Information technology systems failures could also materially adversely affect the effectiveness of our internal controls over financial reporting.

20. Risk Factors (continued)

Cybersecurity Threats

The Company's operations depend, in part, on how well we and our suppliers protect networks, technology systems and software against damage from a number of threats, including viruses, security breaches and cyber-attacks. Cybersecurity threats include attempts to gain unauthorized access to data or automated network systems and the manipulation or improper use of information technology systems. The failure of any part of our information technology systems could, depending on the nature of any such failure, materially adversely impact our reputation, financial condition and results of operations. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that we will not incur such losses in the future. The risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any system vulnerabilities.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company has in the past been, currently is, and may in the future be, involved in various legal proceedings. While the Company believes it is unlikely that the final outcome of these legal proceedings will have an adverse material effect on the Company's financial condition and results of operation, defense costs will be incurred, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular or several combined legal proceedings will not have a material adverse effect on the Company's financial condition and results of operation.

OTHER RISKS

Volatility of Stock Price

In recent years, the securities markets in Australia and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Ordinary Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings and that the value of the Ordinary Shares will be affected by such volatility.

Internal Controls and Procedures

Management of the Corporation has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements of the Corporation do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented thereby, and (ii) the financial statements of the Corporation fairly present in all material respects the financial condition, results of operations and cash flow of the Corporation, as of the date of and for the periods presented. The Corporation will file certifications, signed by the Corporation's CEO and CFO, upon filing of the Annual Information Form. In those filings, the Corporation's CEO and CFO will certify, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design and effectiveness of the Corporation's disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting. The Corporation's CEO and CFO also certify the appropriateness of the financial disclosures in the Corporation's interim filings with securities regulators. In those interim filings, the Corporation's CEO and CFO also certify the design of the Corporation's disclosure controls and procedures and the design of internal controls over financial reporting. The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate.

Insurance and Uninsured Risks

The Company currently maintains insurance to protect it against certain risks related to its current operations in amounts that it believes are reasonable. However, the Company is unable to maintain insurance to cover all risks at economically feasible premiums, and in certain cases, insurance coverage may not be available or may not be adequate to cover any resulting liability (such as matters relating to environmental pollution). Accordingly, insurance maintained by the Company does not cover all of the potential risks associated with its operations. In addition, no assurance can be given that the current insurance maintained by the Company will continue to be available at economically feasible premiums or that it will provide sufficient coverage for any future losses. Should liabilities arise as a result of insufficient or nonexistent insurance, any future profitability could be reduced or eliminated, and delays, increases in costs and legal liability could result, each of which could have a material adverse impact upon the Company.

20. Risk Factors (continued)

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required to disclose the conflict of interest and to abstain from voting on the matter.

Dependence on Management and Key Personnel

The Company is dependent on the services of key executives, including a small number of highly skilled and experienced executives and personnel. The Company's development to date has largely depended, and in the future will continue to depend, on the efforts of key management and other key personnel to develop its projects. Loss of any of these people, particularly to competitors, could have a material adverse impact upon the Company.

Competitive Conditions

There is aggressive competition within the mineral exploration and mining industry for the discovery and acquisition of properties considered to have commercial potential, and for management and technical personnel. The Company's ability to acquire projects in the future is highly dependent on its ability to operate and develop its current assets and its ability to obtain or generate the necessary financial resources. The Company will compete with other parties in each of these respects, many of which have greater financial resources than the Company. Accordingly, there can be no assurance that any of the Company's future acquisition efforts will be successful, or that it will be able to attract and retain required personnel. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Dilution and Future Sales

The Company may from time to time undertake offerings of its Ordinary Shares or of securities convertible into Ordinary Shares, and may also enter into acquisition agreements under which it may issue Ordinary Shares in satisfaction of certain required payments. The increase in the number of Ordinary Shares issued and outstanding and the prospect of the issuance of Ordinary Shares upon conversion of convertible securities may have a depressive effect on the price of Ordinary Shares. In addition, as a result of such additional Ordinary Shares, the voting power and equity interests of the Company's existing shareholders will be diluted. In addition, sales of a large number of Ordinary Shares in the public markets, or the potential for such sales, could decrease the trading price of the Ordinary Shares and could impair the Company's ability to raise capital through future sales of Ordinary Shares.

Joint Ventures and Option Agreements

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties through options, joint ventures or other structures, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also be the case that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. In some of those arrangements, failure of a participant to fund its proportionate share of the ongoing costs could result in its proportionate share being diluted and possibly eliminated.

From time to time, the Company may enter into option agreements and joint ventures as a means of gaining property interests and raising funds. Any failure of any option or joint venture partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on such agreements. In addition, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements.

21. 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 our 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.

The CEO and CFO of the Company have evaluated, or caused to be evaluated under their supervision, the design and operating effectiveness of our DC&P as defined in Regulation 52 -109 respecting Certification of Disclosure in Issuer's Annual and Interim Filings as at March 31, 2019, and have concluded that such DC&P were designed and operating effectively.

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.

The CEO and CFO of the Company have evaluated the design and operating effectiveness of its ICFR as defined in Regulation 52 - 109 respecting Certification of Disclosure in Issuer's Annual and Interim Filings. The evaluation was based on the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, the CEO and CFO concluded that, as at March 31, 2019, the ICFR were appropriately designed, effective and able 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, 2018 and ended on March 31, 2019 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 statement preparation and presentation.

22. Approval

The Board of Directors 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 of Directors and submitted to the shareholders. The Board of Directors has approved the Financial Statements and the disclosure contained in this MD&A as of June 20, 2019. A copy of this MD&A will be provided to anyone who requests it.

23. 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.

24. Additional Information

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

25. Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain information and statements, which may be deemed "forward-looking statements" 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 strategy and growth; (iii) the Company's exploration activities and programs; (iv) the Bloom Lake Mine Phase II expansion and its expected construction costs, construction duration, IRR, NPV, payback, capital expenses funding and overall capacity; (v) the estimated future operation capacity of the Bloom Lake mine; (vi) the completion of the construction for a potential expansion of the Bloom Lake mine; (vii) the potential job creation related to the Bloom Lake mine; (viii) the fluctuations of the ocean freight costs in connection with the fluctuations of the iron ore price; (ix) the impact of exchange rate fluctuations; (x) the impact of iron ore concentrate price fluctuation; (xii) the acquisition of the participation of RQ in QIO; (xiii) the cash flow generation; (xiv) the proposed preferred share offering with the Caisse de Dépôt et de Placement du Québec; (xv) the proposed credit facility with the Bank of Novia scotia and Société Générale; (xvi) the Bloom Lake's life of mine; (xvii) the mineral resources and (xviii) the operating costs are forward-looking statements. 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 including, without limitation, the results of the feasibility study with regards to the potential expansion of the Bloom Lake mine. Although Champion Iron 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 in forward-looking statements include, without limitation: the results of 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, as well as those factors discussed in the section entitled "*Risk Factors*" of the Company's 2018 Annual Information Form and the risks and uncertainties discussed in the Company's MD&A for the year ended March 31, 2018, both available on SEDAR at www.sedar.com.

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 risk 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 Iron 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.