

# ROADSHOW PRESENTATION

NOVEMBER 2019



PREMIUM PRODUCT, TIER 1 JURISDICTION,  
HIGH QUALITY INFRASTRUCTURE

**CHAMPION IRON** 

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# DISCLAIMER

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This presentation contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this presentation contains forward-looking information and statements pertaining to Champion Iron Limited including: future development, exploration, development activities, infrastructure build-out and related capital expenditures and the timing thereof, the amount and timing of capital projects, operating cost, the total future capital associated with development of reserves and resources, access to labour and infrastructure, realized price, structural shift in iron ore industry, cost curve assumptions, ability to exceed nameplate capacity, additional training for personnel, accelerated tailings raising and re-vegetation plan. In this presentation, reference is made to the Company's Bloom Lake Iron Mine growth scenario and economic analysis. All information derived therefrom are not estimates or forecasts of metrics that may actually be achieved. Such information reflects internal projections used by management for the purposes of making capital investment decisions and for internal long range planning and budget preparation. Accordingly, undue reliance should not be placed on same. The recovery, reserve and resources estimates of Champion Iron's reserves and resources provided herein are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. In addition, forward-looking statements or information are based on a number of material factors, expectations or assumptions of Champion Iron which have been used to develop such statements and information but which may prove to be incorrect. Although Champion Iron believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Champion Iron can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Champion Iron operates; the timely receipt of any required regulatory approvals; the ability of Champion Iron to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Champion Iron has an interest in to operate the field in a safe, efficient and effective manner; the ability of Champion Iron to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; risks associated with the degree of certainty in resource assessments; future commodity prices; currency, exchange and interest rates; and the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Champion Iron operates. Our objective will be to proactively manage our capital program as it relates to operational success and fluctuating commodity prices with a priority to maintain financial flexibility and achieve our production guidance. Champion Iron will closely monitor the budget and financial situation throughout the year to assess market conditions and will quickly adjust budget levels or pace of development in accordance with commodity prices and available funds from operations. The forward-looking information and statements included in this presentation are not guarantees of future performance and should not be unduly relied upon. 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The historical mineral resources mentioned are strictly historical in nature and are non-compliant to National Instrument 43-101 mineral resources and mineral reserves standards, and should therefore not be relied upon. A qualified person has not done sufficient work to upgrade or classify the historical mineral resources as current National Instrument NI-43-101 compliant.

# CORPORATE OVERVIEW

CHAMPION IRON 

Largest publicly listed pure-play high-grade iron ore producer globally



- Top Tier Jurisdiction
- Established production in region since 50's
- 2<sup>nd</sup> largest hub of high-grade production globally
- Access to infrastructure



- Nearly US\$4 Billion invested
- 7.4 Mtpa nameplate capacity
- Short-term opportunity to double production
- High-grade 66.2% Fe with low impurities
- 20+ years mine life



- Proven management team
- 10%+ insider ownership



- Current realized price → US\$90+/t
- Total Cash cost ~US\$37/t FOB\*
- C\$768M Revenue in last 12 months
- C\$381.4M EBITDA in last 12 months

BLOOM LAKE 

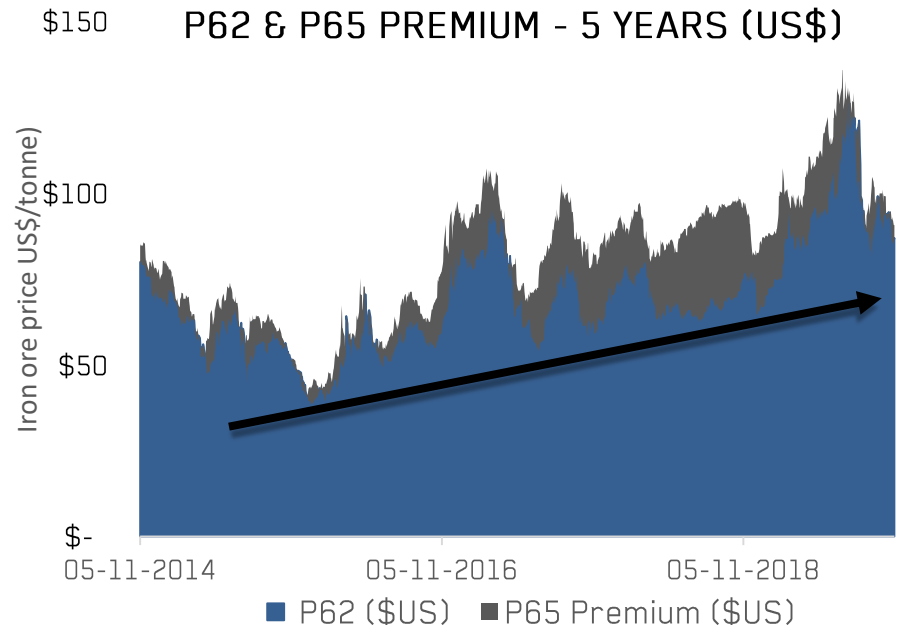
# STRUCTURAL SHIFT IN IRON ORE

CHAMPION IRON 

HIGH QUALITY & LOW CONTAMINANT PRODUCT IN RISING DEMAND

✓ **Champion sells based on P65 premium benchmark**

- > China implemented “Blue-Sky” initiative to reduce emissions
- > More complex steel focus in China and increasing consumption of white goods demanding higher quality input with low impurities
- > Rising contaminant issues in other major hubs globally





# CANADA'S 2<sup>ND</sup> LARGEST REGION IN HIGH GRADE

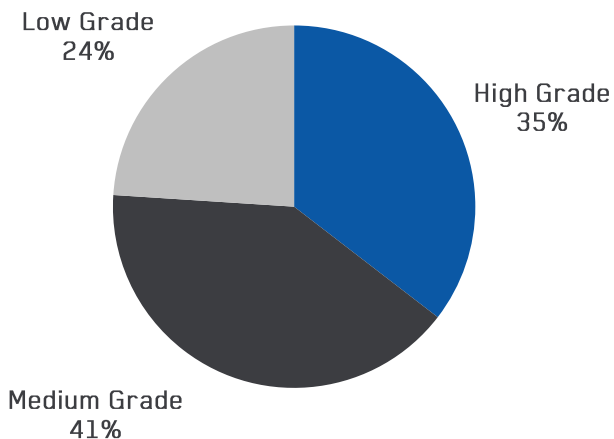
CHAMPION IRON 

- > Champion is neighboured by global majors including Rio Tinto, ArcelorMittal and Tata Steel
- > Quebec ranks Top-10 mining jurisdiction globally as per Fraser Institute
- > VALE dominates the high-grade market with 60%+ market share

## GLOBAL SEABORN HIGH-GRADE MARKET (65%+Fe, WMT/YEAR)



## Global Seaborn Iron Ore Market

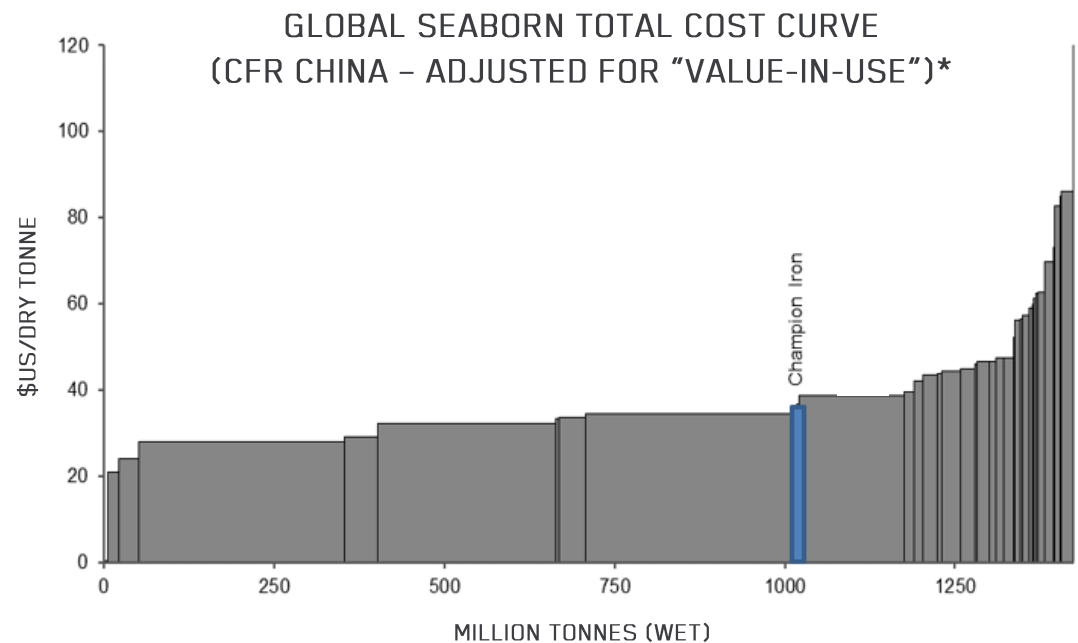


\*Source: Wood Mackenzie 2018 annual data

# COMPETING ON COST CURVE

CHAMPION IRON 

- > Bloom Lake has proven cost structure
- > Product quality premium offsets freight differential when compared to Australian operators
- > Major producers act as price setters as top four producers control over 70% of global seaborne supply



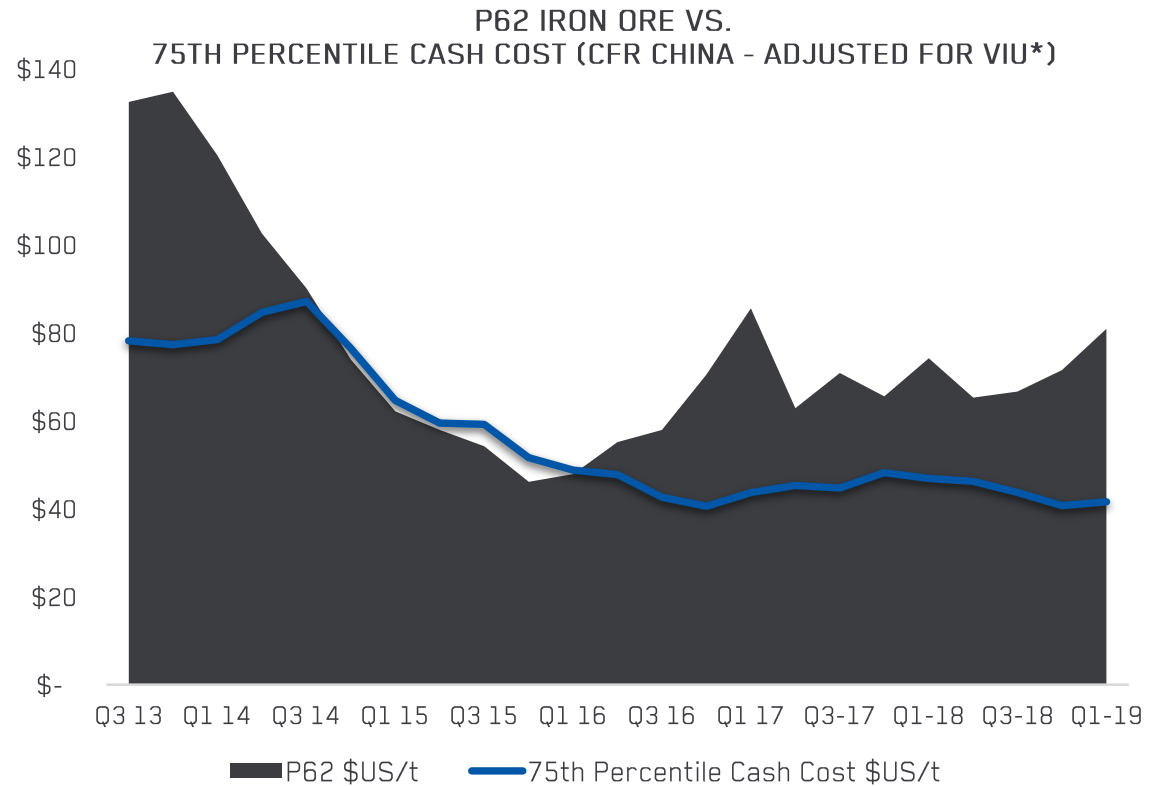
\*Source: Wood Mackenzie data, calendar 2019 (Q1 & Q2 data)

“Value-in-use” adjusts for premium/discount in realized price reflecting product quality and contaminants

# POSITIONED FOR PROFITABILITY

CHAMPION IRON 

- > Iron Ore has traded on 'spot' basis since 2008
- > Producer within 75<sup>th</sup> percentile of the cost curve has remained profitable in biggest downturn of 2015



\*Source: Wood Mackenzie data, Bloomberg; P62: Platts TSI IODEX 62% Fe CFR China  
"Value-in-use" (VIU) adjusts for premium/discount in realized price reflecting product quality and contaminants

# CORPORATE SNAPSHOT

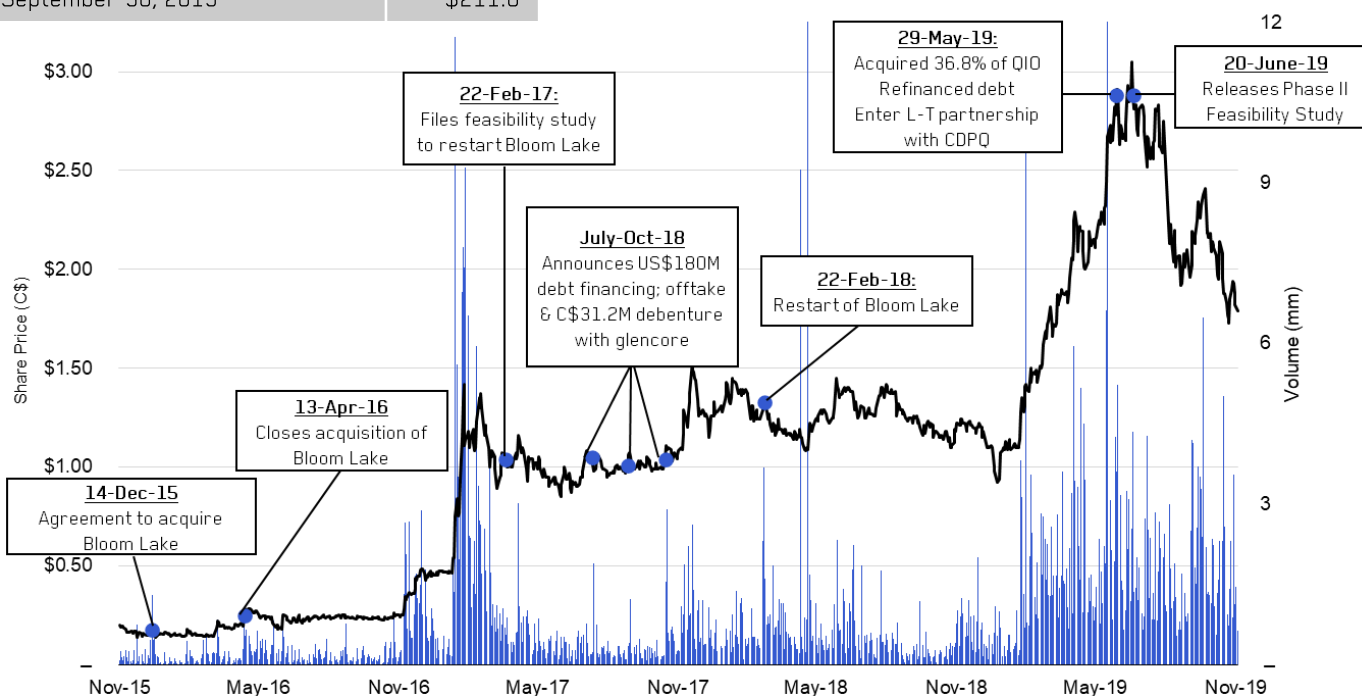
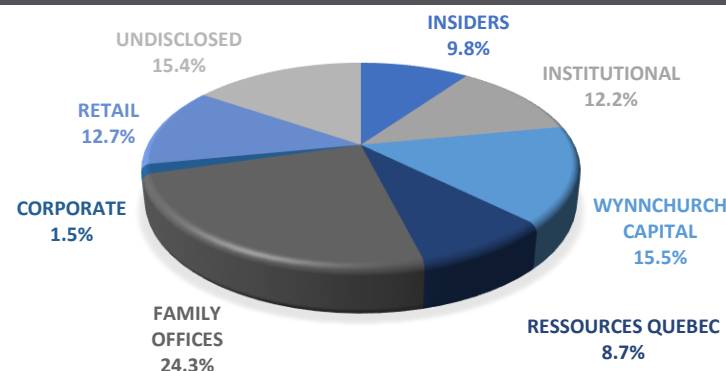
CHAMPION IRON 

## MARKET STATISTICS (C\$M)

(C\$ millions, unless otherwise noted)

Share Price as at November 4, 2019	\$1.79
52-Week High	\$3.15
52-Week Low	\$0.89
Basic Shares Outstanding	435.7
Market Capitalization	\$779.90
Long-Term Debt as of September 30, 2019	\$239.1
Cash as of September 30, 2019	\$211.0

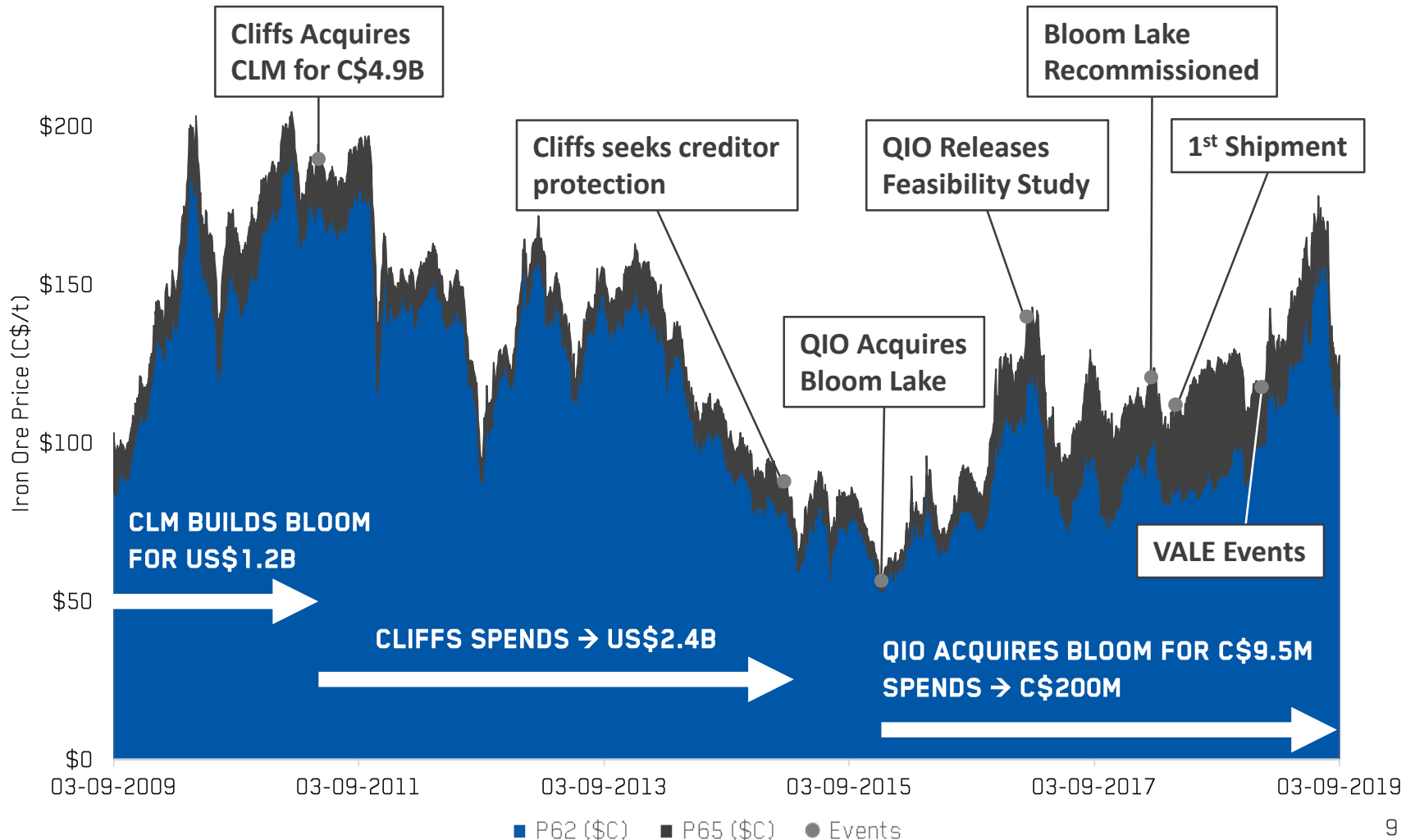
## SHAREHOLDERS (CIA-TSX; CIA-ASX)





# HISTORY OF BLOOM LAKE VS IRON ORE PRICE (C\$/T)

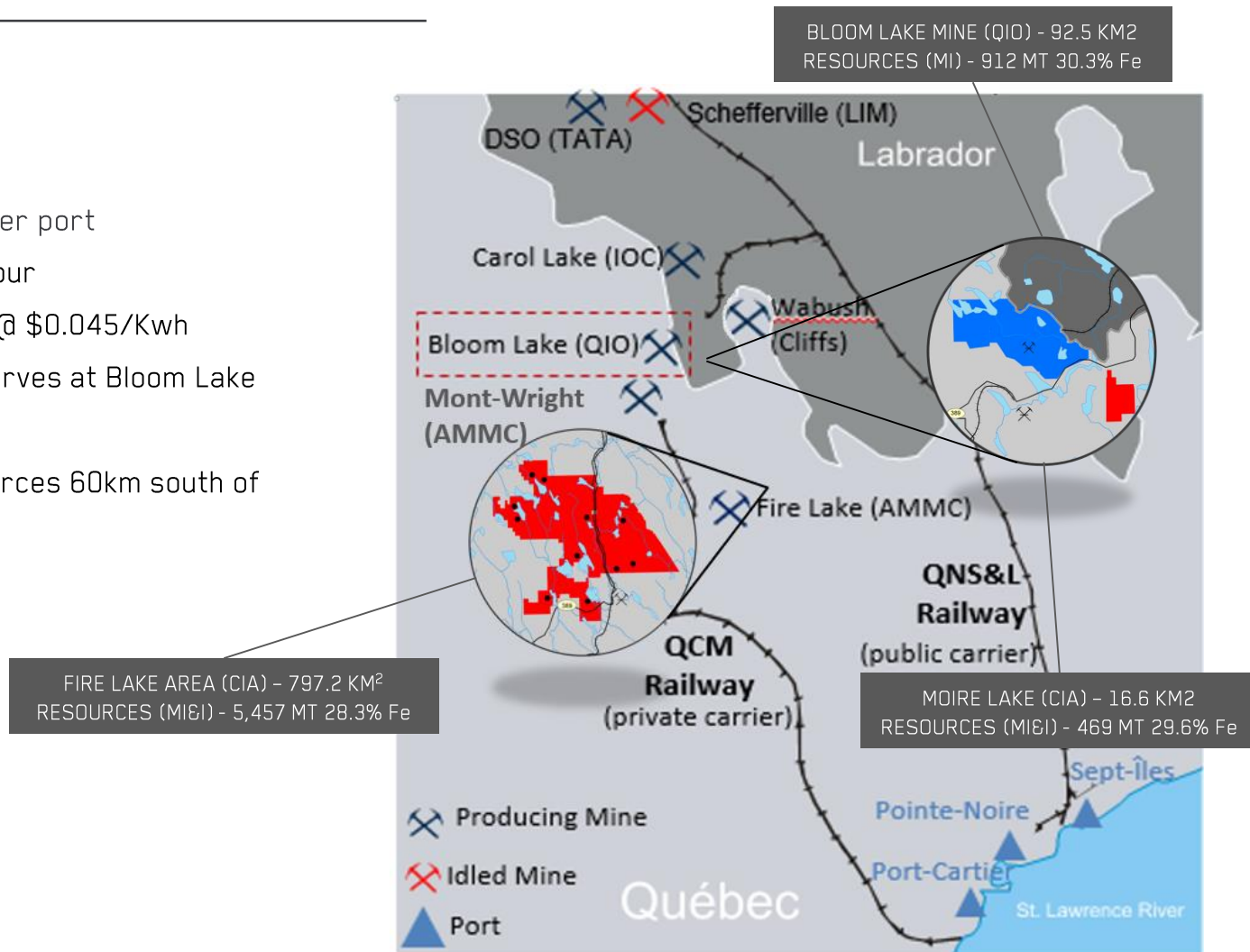
CHAMPION IRON 



# LABRADOR TROUGH = WORLD-CLASS OPPORTUNITY

- > Access to railway
- > Newly built deep-water port
- > Access to skilled labour
- > Low-cost electricity @ \$0.045/Kwh
- > 383.5M\* tonnes reserves at Bloom Lake
- > 20+ years mine life
- > 5.4B tonnes of resources 60km south of Bloom Lake

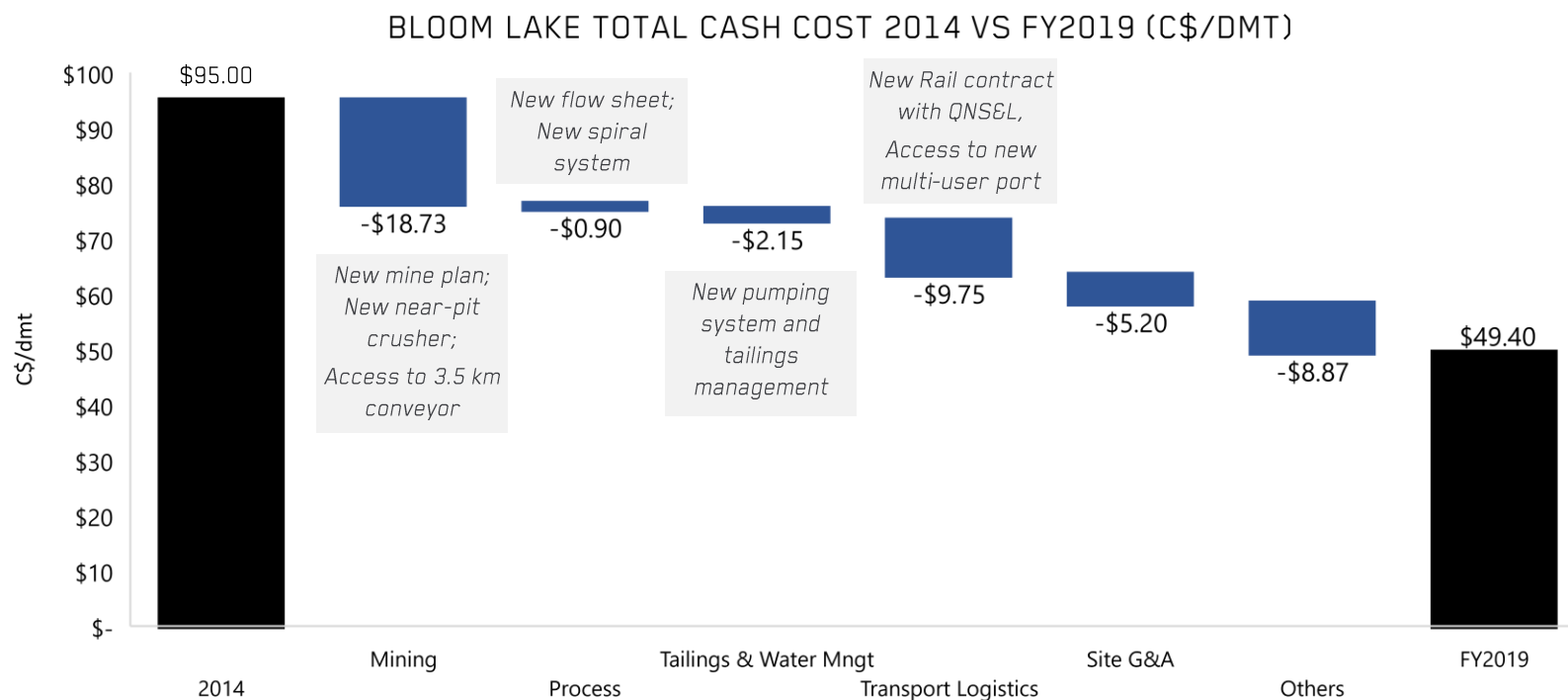
## CHAMPION IRON



# COST STRUCTURE IMPROVEMENT (2014 VS TODAY)

CHAMPION IRON 

- > Champion reduced operating costs from a peak exceeding C\$100/t under predecessor to C\$49.40/t in its first year of operations (FY2019)



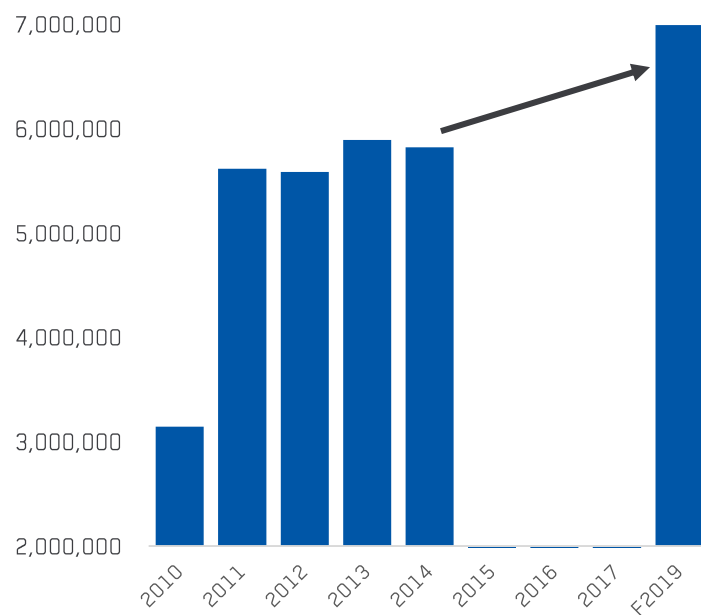
# BLOOM LAKE TODAY

## CHAMPION IRON

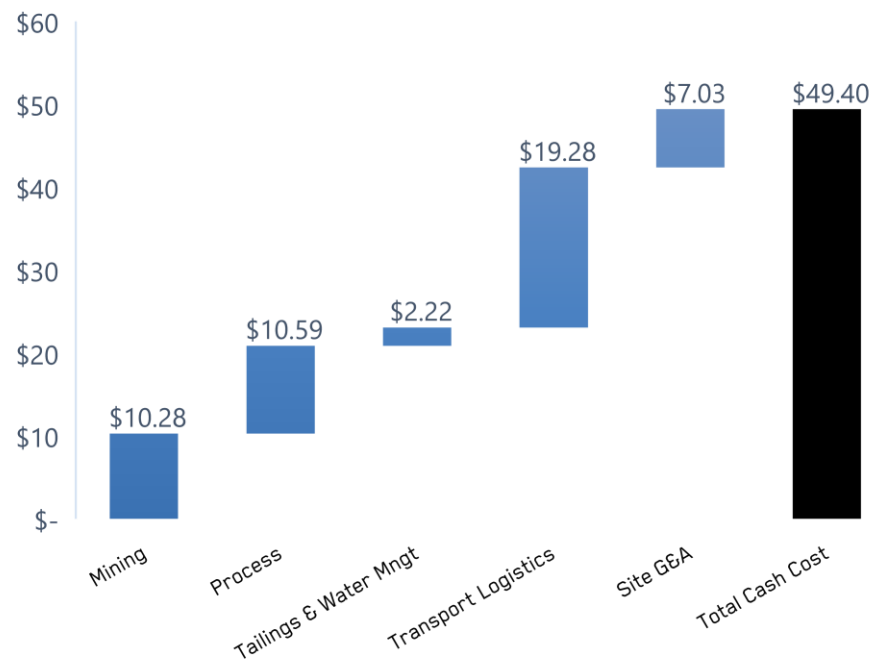
> Achieved highest annual production on record

> Achieved lowest cash cost on record

### BLOOM LAKE PRODUCTION HISTORY (WMT/YEAR)



### BLOOM LAKE TOTAL CASH COST (C\$/DMT) - FISCAL 2019



# DIVERSIFIED CUSTOMER BASE

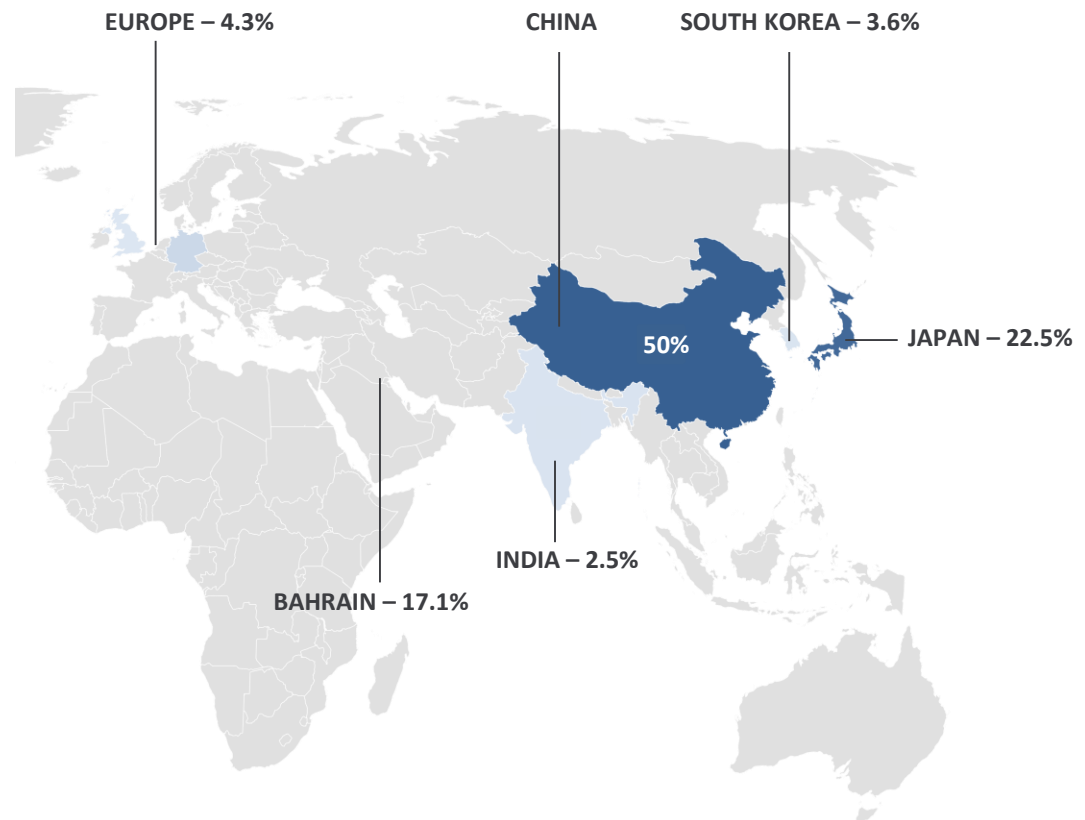
CHAMPION IRON 

## Product sold to 18 different customers since 1<sup>st</sup> shipment

Sojitz & Glencore sells our product on a brokered basis

- > Access to larger customer base
- > Reduce execution risk
- > Access to preferential freight

Champion retains the right to deal directly with end buyers and arrange shipping



# REALIZED PRICING

CHAMPION IRON 

✓ QUALITY PRODUCT ATTRACTS PREMIUM OVER IRON ORE BENCHMARK

## NET AVERAGE REALIZED SELLING PRICE (SIX MONTHS ENDED SEPTEMBER 30, 2019)



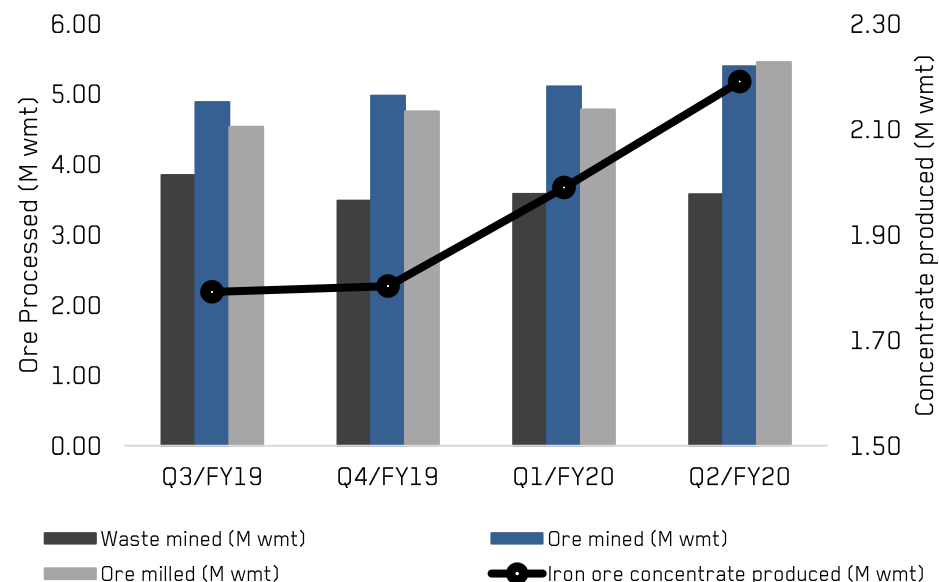


# OPERATIONAL RESULTS

CHAMPION IRON 

## SETTING HISTORICAL RECORDS AT BLOOM LAKE

- > Record quarterly production in Bloom Lake's history (Q2/FY20)
- > Achieved record quarterly recovery of 83.9% (Q2/FY20)
- > Proven ability to exceed nameplate capacity
- > Focus on quality with continuous improvement in ore recovery
- > Recent focus to increase plant reliability to maximize operating cash flows
- > No penalties for contaminants since restart
- > Proven ability to operate in all seasons



FISCAL PERIODS	Q3/F19	Q4/F19	Q1/F20	Q2/F20
Iron ore concentrate produced (Million wmt)	1.79	1.80	1.99	2.19
Iron ore concentrate sold (Million dmt)	1.71	1.74	1.91	1.86
Waste mined (Million wmt)	3.85	3.48	3.58	3.57
Ore mined (Million wmt)	4.88	4.98	5.11	5.39
Strip ratio	0.79	0.70	0.70	0.66
Ore milled (Million wmt)	4.53	4.75	4.78	5.45
Head grade Fe (%)	32.1	30.6	32.5	32.3
Recovery (%)	80.7	80.4	82.1	83.9
Fe (%)	66.4	66.3	66.2	66.3

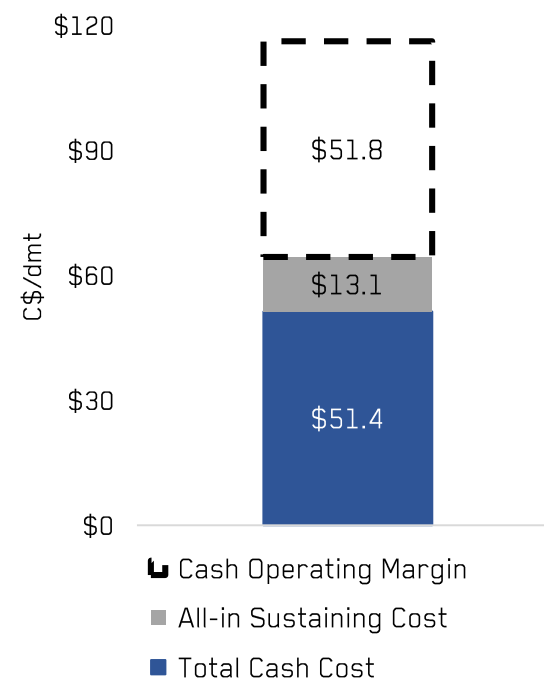
# FINANCIAL RESULTS

## CHAMPION IRON

- > Generated C\$323.9M in cash flow from operations in last 4 quarters
- > Proven ability to produce at total cash cost below C\$50/t
- > Strong cash operating margin of \$51.8/tonne YTD
- > Not incumbered by stream or royalties

Financial Results (\$ MILLION)	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	YEAR TO DATE
Revenue	147.5	182.2	277.9	160.4	438.3
EBITDA	65.4	86.5	166.9	62.6	229.5
Operating profit	62.8	83.1	163.3	57.9	221.2
Net profit	31.2	28.2	74.2	-1.7	72.5
Adjusted Net income	31.2	28.2	74.2	50.0	124.2
Cash flow from operation	89.1	38.0	91.9	104.9	196.8
Earnings per share - basic	0.05	0.02	0.09	0.00	0.09
Adjusted Earnings per share - basic	0.05	0.02	0.09	0.11	0.20
Average realized selling price (\$/dmt)	86.2	104.4	145.7	86.2	116.3
Total cash cost (\$/dmt)	49.4	48.4	54.3	48.3	51.4
All-in sustaining cost (\$/dmt)	55.5	55.4	62.8	66.2	64.5
Cash operating margin (\$/dmt)	30.7	49.0	82.9	20.0	51.8
Cash operating margin (%)	35.6%	46.9%	56.9%	23.2%	44.5%

CASH OPERATING MARGIN  
(6 MONTHS ENDED SEPT 30, 2019)



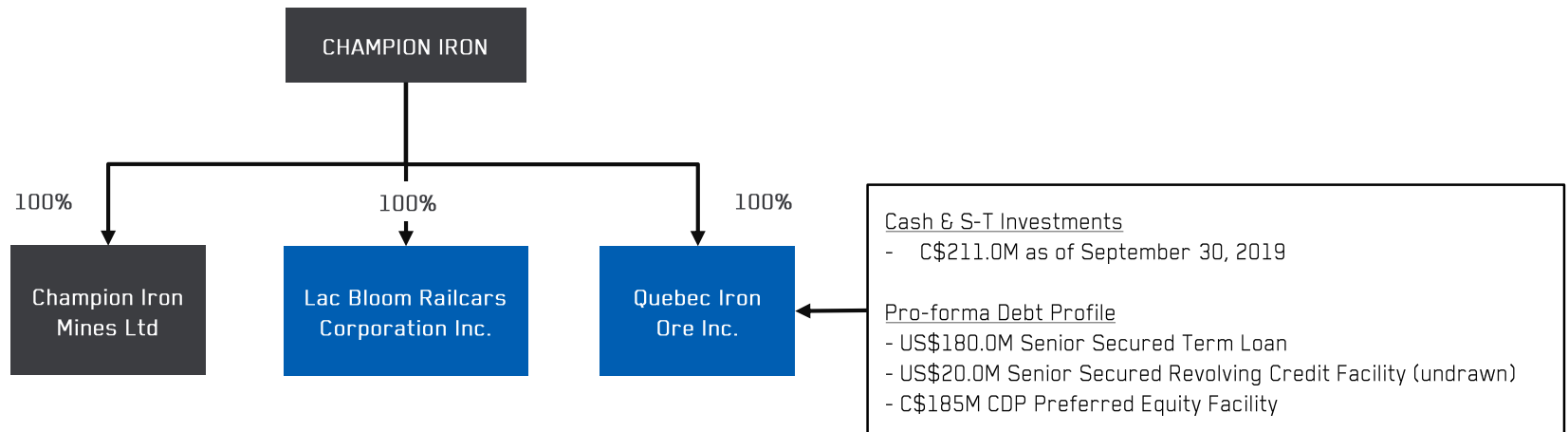
# SIMPLIFIED STRUCTURE

## FULL UPSIDE TO GROWTH INITIATIVES

CHAMPION IRON 

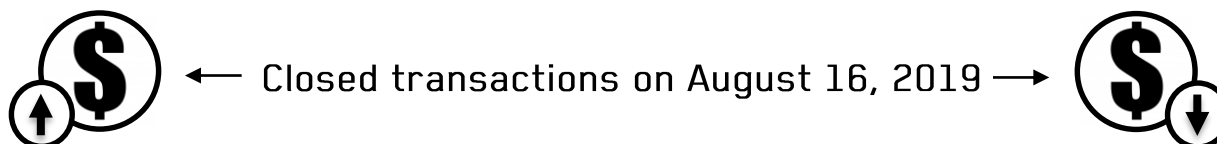
✓ Closed on August 16, 2019

- Acquired 36.8% of QIO from Ressources Quebec for C\$211M, resulting in 100% ownership
- Underwritten credit facility with Scotiabank and SocGen for US\$200M
- Issuance of preferred shares by QIO to Caisse de Depot du Quebec (CDP) for C\$185M
- Repaid all previous debt facilities of US\$203M



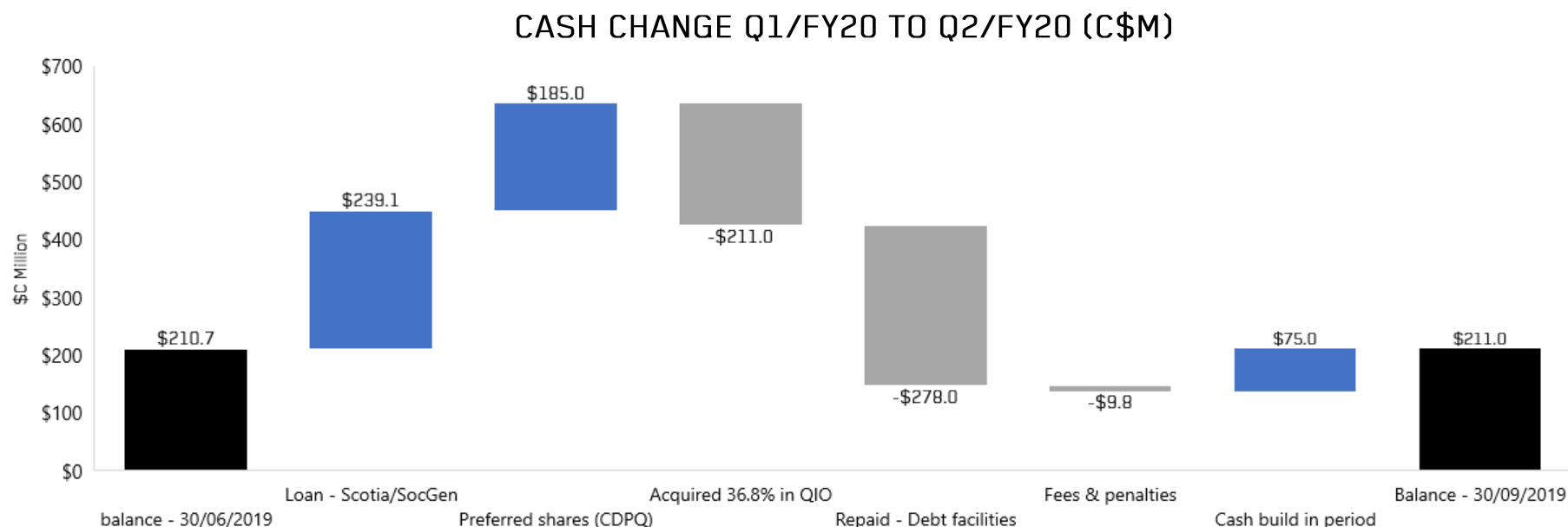
# REPOSITIONED BALANCE SHEET

CHAMPION IRON 



- ↑ US\$180M loan facility with Scotia Bank / SocGen as lead arrangers
- ↑ C\$185M preferred equity with Caisse de Dépôt et Placement du Québec

- ↓ C\$211M acquisition of 36.8% interest in QIO
- ↓ C\$278M repayment of debt facilities & debentures

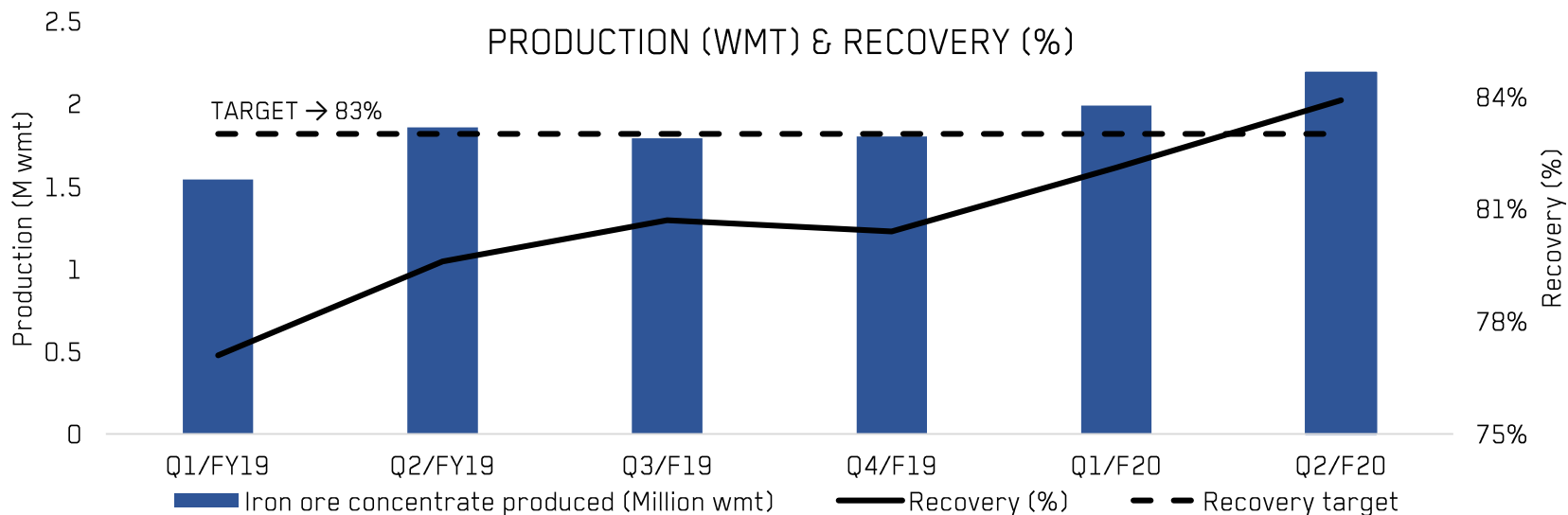


# BLOOM LAKE PHASE I (7.4 MTPA)

CHAMPION IRON 

Phase I positions Champion as a strong free cash flow generator with 20+ years mine life

- > Focus on quality with continuous improvement in ore recovery
- > Achieved nameplate capacity within 4 months
- > Record quarterly production in Bloom Lake history of 2.19M wmt in Q2/FY20
- > Record quarterly recovery of 83.9% in Q2/FY20
- > Completed two planned semi-annual shut downs; Proven ability to operate in all seasons



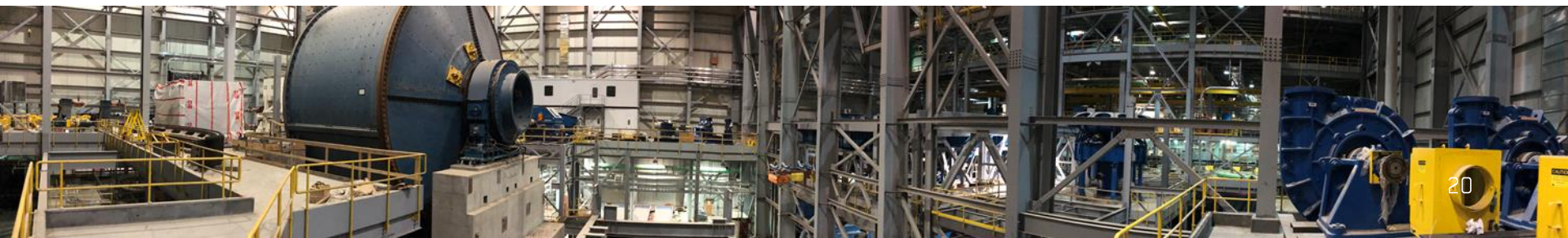
# BLOOM LAKE PHASE II ROBUST ECONOMICS

- > Proposed plan to double capacity from 7.4 Mtpa to 15 Mtpa
- > Takes advantage of infrastructure already in place
- > Phase II NPV8% of \$956M and 33.4% IRR after-tax
- > 2.4 years payback on initial capital
- > Life of mine total cash cost of \$46.6/t (US\$35.4/t)
- > Initial CAPEX of \$589.8M (US\$446.8M)
- > 20 years mine life
- > Combined Phase I & II NPV8% of \$3.76B pre-tax and \$2.38B after-tax
- > Economics based on P65 life of mine iron ore price of US\$83.9/t or a discount of ~35% when Study released on June 20, 2019

## CHAMPION IRON

CAPEX PRE-PRODUCTION	(C\$M)	(US\$M)
General	28.2	21.4
Mine - Phase II	37.6	28.5
Crusher and stockpile	24.3	18.4
Concentrator	165.0	125.0
Tailings and water management	50.2	38.0
Services	30.5	23.1
Rail and port	73.4	55.6
Owner's costs	105.1	79.6
Contingency (15%)	75.5	57.2
<b>TOTAL</b>	<b>589.8</b>	<b>446.8</b>

OPERATING COSTS	LoM (CA\$/t)	LoM (US\$/t)
Mining	13.4	10.2
Crushing and conveying	1.7	1.3
Processing plant	7.9	6.0
Concentrate shipping	16.8	12.7
Water and tailings management	2.1	1.6
General and administrative	4.7	3.6
<b>TOTAL CASH COST</b>	<b>46.6</b>	<b>35.4</b>
Sustainability & other community expense	1.3	1.0
Sustaining CAPEX	4.4	3.3
<b>ALL-IN SUSTAINING COSTS</b>	<b>52.3</b>	<b>39.7</b>





# BLOOM LAKE PHASE II RAPID TIMELINE TO PRODUCTION

CHAMPION IRON 

- > Construction work progressing in accordance with initial budget of C\$68M
- > Continue to monitor market conditions as we consider the proposed timeline for the expansion
- > Advancing several financing alternatives to fund balance of Phase II capex

→ \$18.6M spent to date and achieved the following milestones:

- ✓ Civic work related to silo and conveyor foundations
- ✓ Electrical and mechanical work inside the plant
- ✓ Ordered long lead time items
- ✓ Advanced detailed engineering

PHASE / EVENTS (CALENDAR PERIODS)	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Initial \$68M work program approved												
Final funding considerations & approval												
Mine fleet ordering and production												
Remaining construction work												
Mine ramp-up												

# PHASE II - EXECUTION

CHAMPION IRON 

√18,000h worked

√ 3,200m<sup>3</sup> of concrete

√ 8,300m<sup>3</sup> of backfill



Silo tunnel form work

Concrete pouring on  
conveyor foundation



Electrical room  
600V distribution

Plant foundations  
modifications

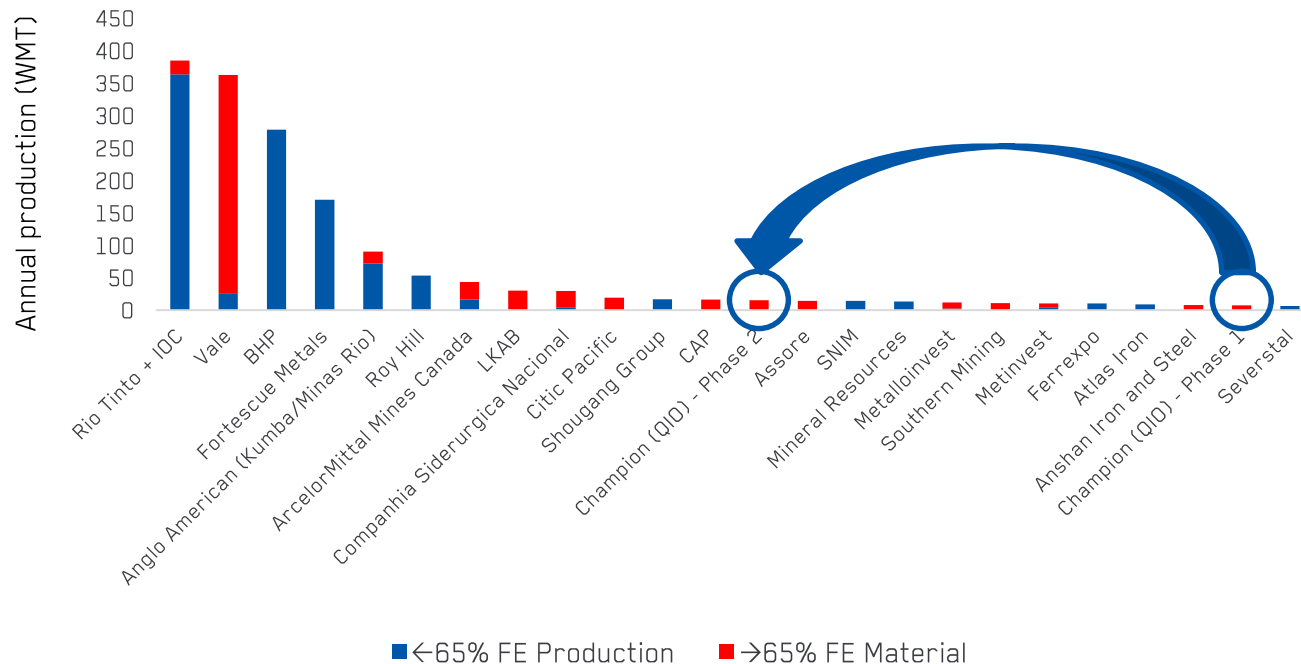


# BLOOM LAKE PHASE II POSITIONING AS A GLOBAL LEADER

CHAMPION IRON 

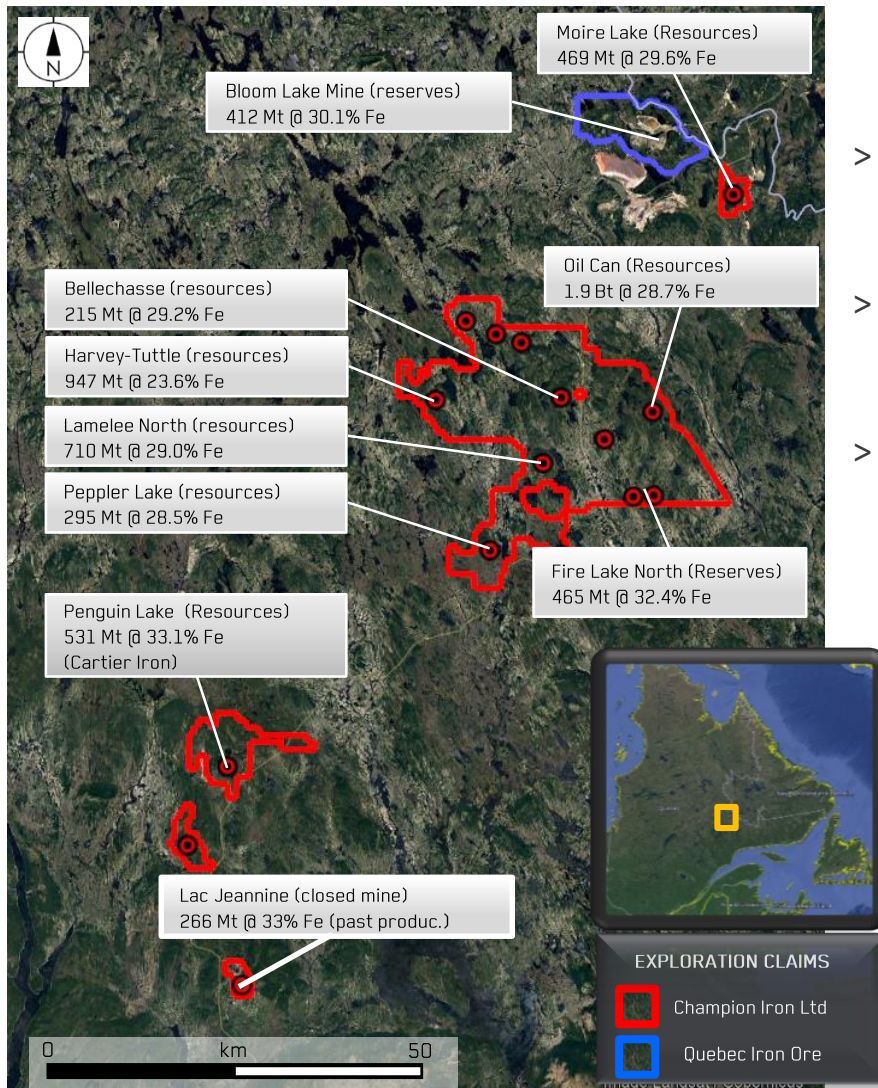
- > Focus on creating value per share
- > Further position Champion as one of the largest high-grade iron ore producers in the world

## GLOBAL SEABORN PRODUCERS (WMT/YEAR)



# REGIONAL OPPORTUNITIES PHASE III

CHAMPION IRON 



- > Only 60 km south of Bloom Lake, Champion controls over 5.4 Billion tonnes of additional resources
- > A feasibility study was completed on Fire Lake North in 2013 considering a 9.3 Mtpa project over a 19.6-year life of mine
- > Completed railway feasibility (completely funded by Quebec Government)

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# FY2020 HEALTH & SAFETY

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CHAMPION IRON 

- > QIO's statistics in line with benchmark for open pit mining as set by ASPM
- > Additional measures in place to train wave of new personnel arriving at site
- > Continuous monitoring and improvement of protocols

QUEBEC IRON ORE + CONTRACTORS FINANCIAL YEAR 2020						BENCHMARK 2019*
	Q1	July	August	September	YTD	
Lost Time Injury Frequency Rate (LTIFR)	4,28	6,92	3,93	3,56	4,99	3,38
Disability Injury Severity Rate (DISR)	6,85	2,3	47,25	37,97	17,89	9

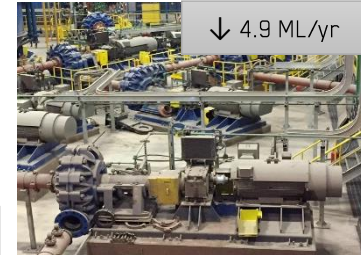
\*ASPM: Association paritaire pour la santé et la sécurité au travail du secteur minier <http://aspmine.qc.ca/>



# ENVIRONMENTALLY FOCUSED

- > No occurrence of major environmental issue to date
- > Implemented new initiatives that resulted in over 12 million litres (ML/yr) of fuel reduction, representing 33,000 t/yr of greenhouse gas reduction
- > Completed work for dam rising which improved tailings management
- > Initiated trial with new blasting compound to reduce Nitrogen Oxide (NOx)
- > Revegetation plan now covers 40 hectares
- > Completed work in streams surrounding Fermont to improve fish habitat

## CHAMPION IRON



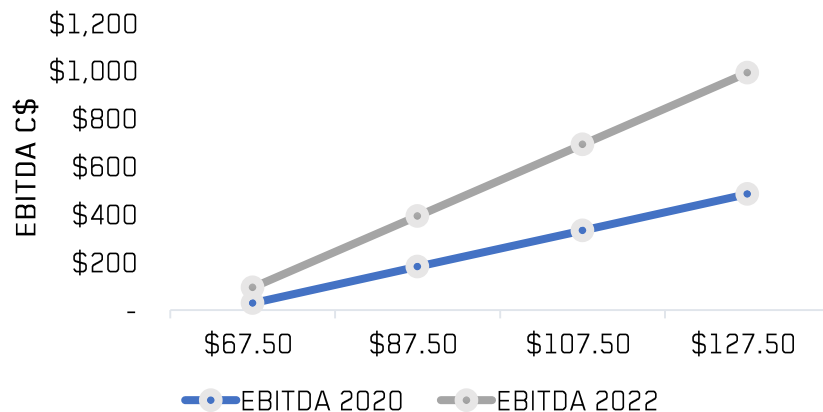


# STRONG LEVERAGE TO COMMODITY PRICE

CHAMPION IRON 

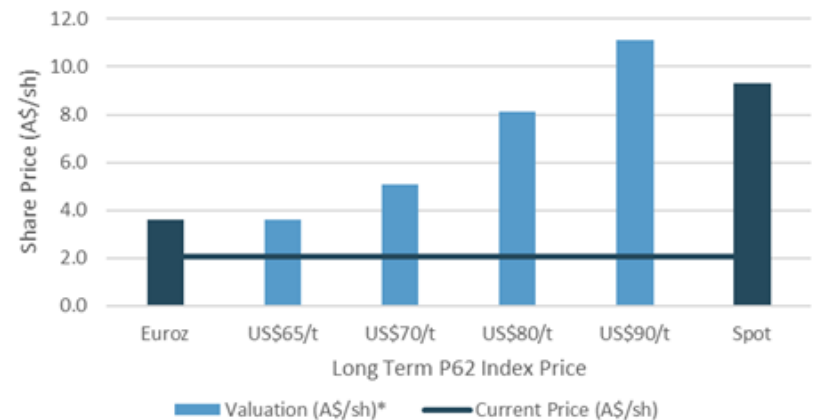
- > Well positioned for downturn with cost competing with global majors and substantial cash operating margin
- > Strong leverage to higher commodity price

EBITDA SENSITIVITY TO REALIZED PRICE  
(US\$/t)



\*Source: Cormark Securities, November 8, 2019

VALUATION SENSITIVITY TO REALIZED PRICE  
(US\$/t)



\*Val. based on Realized Price (P62 + 15% HG Premium)

\*Source: EUROZ Securities, November 6, 2019

# EXPERIENCED TEAM



INDIVIDUAL	EXPERIENCE
MANAGEMENT TEAM	
Michael O’Keeffe Executive Chairman	<ul style="list-style-type: none"> <li>&gt; Former Executive Chairman of Riversdale Mining Limited (2004-2011) where Mr. O’Keeffe led the development of Riversdale Mining from a junior until it was acquired by Rio Tinto for A\$4 billion.</li> <li>&gt; Prior to joining Riversdale, Mr. O’Keeffe was a Managing Director with Glencore Australia Limited (1995-2004) and was responsible for Glencore’s Australian trading acquisitions. Previously, held a series of senior operating positions with MIM Holdings (Mt. Isa).</li> </ul>
David Cataford CEO	<ul style="list-style-type: none"> <li>&gt; Mr. Cataford was appointed to the position of President and Chief Executive Officer on April 1, 2019. Mr. Cataford had been Chief Operating Officer of the Company since March 20, 2017. Prior to joining Champion in 2014, Mr. Cataford held several management positions within Cliffs Natural Resources Inc., including key positions in their main iron ore deposit at Bloom Lake Mine in Fermont, Quebec. At Bloom Lake, Mr. Cataford played an important role in the management team including phase 1 expansion of the plant. His experience in iron ore mining includes mineral characterization projects at Bloom Lake and for ArcelorMittal at Mont Wright, as well as adapting the recovery circuit to meet new customer demands. Mr. Cataford was president and cofounder of the North Shore and Labrador Mineral Processing Society.</li> </ul>
Natacha Garoute CFO	<ul style="list-style-type: none"> <li>&gt; Has more than 20 years of finance experience as a CPA with a strong focus on mining and public corporations, with extensive international exposure.</li> <li>&gt; Solid background in public company reporting and corporate finance expertise implementing financing and international tax structure.</li> <li>&gt; Strong experience including CFO of Roxgold, senior finance positions at SEMAFO Inc., Canadian Railway, MDD and PWC.</li> </ul>
BOARD OF DIRECTION	
Andrew J. Love, FCA Director	<ul style="list-style-type: none"> <li>&gt; More than 30 years of accounting experience in reorganizing and redesigning companies in Australia.</li> <li>&gt; Over 25 years’ experience as a consultant to public companies, particularly in mining and resource industries.</li> <li>&gt; Managed two companies in the energy and mining sectors and served as Vice-President at Riversdale Mining.</li> </ul>
Gary Lawler, LLB, LLM Director	<ul style="list-style-type: none"> <li>&gt; Experience as an M&amp;A lawyer for over 30 years.</li> <li>&gt; Advised numerous companies and investment banks on transactions, including hostile takeovers and anti-takeover measures.</li> <li>&gt; Served on the boards of Dominion Mining and Riversdale Mining.</li> </ul>
Wayne Wouters (The Honourable), PC Director	<ul style="list-style-type: none"> <li>&gt; Strategic advisor to McCarthy Tétrault LLP.</li> <li>&gt; Worked in private sector as Clerk of the Privy Council, Secretary to the Cabinet and Head of the Federal Public Service.</li> <li>&gt; Previously served as deputy minister for several departments including Human Resources and Development of Skills Canada.</li> </ul>
Michelle Cormier Director	<ul style="list-style-type: none"> <li>&gt; Operating partner for Wynncchurch Capital, a \$2.3 billion private equity fund.</li> <li>&gt; Former CFO of a private company and a publicly traded forest products company operating in Canada and the United States.</li> <li>&gt; Vast experience in senior management roles including corporate strategy, finance, human resources and reorganization.</li> </ul>
Jyothish George Director	<ul style="list-style-type: none"> <li>&gt; Joined Glencore in London in 2006 and is currently head of the iron ore department.</li> <li>&gt; Serves as Vice-Chairman of the board of directors of Jumelles Limited, the holding company of the Zanaga iron ore mine in the Republic of Congo.</li> </ul>

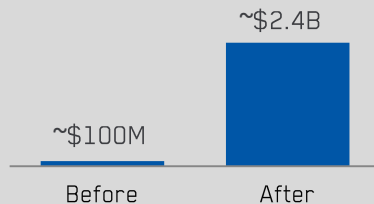
# TRACK-RECORD OF SUCCESS

CHAMPION IRON 

Michael O'Keeffe has a track record of successful turnarounds on out-of-consensus calls

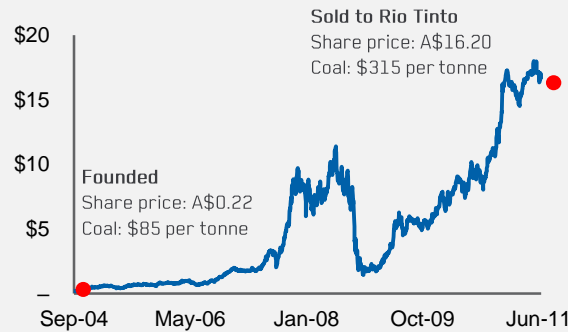
## GLENCORE AUSTRALIA ('95-'04)

### Group Sales



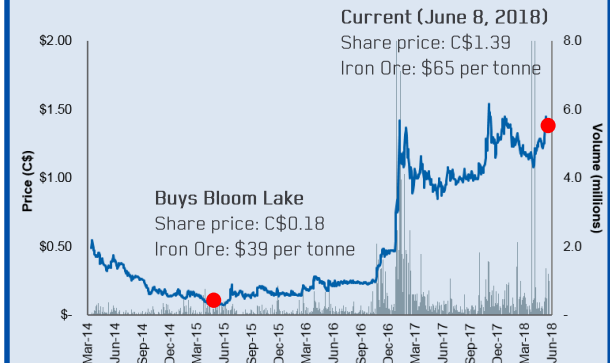
- > Responsible for Glencore's Australian and South Asian operations
  - > Grew group sales from ~\$100M to ~\$2.4B over his tenure
- > Acquired Cobar copper mine in 1999 for \$2M
  - > Mine was not profitable and copper prices had fallen for 5 years
  - > Glencore modified the mine plan and became profitable

## RIVERSDALE MINING ('04-'11)



- > Founded coal group Riversdale Mining in '05, listing its shares at A\$0.22/sh
  - > Acquired BHP's Zululand anthracite colliery for \$14M, funded with credit from BP
  - > Repaid BHP within the year and expanded operation
- > After expanding into Mozambique, Riversdale was bought by Rio Tinto in 2011 for \$3.9bn, or A\$16.20/sh
  - > ~7,200% return to shareholders

## CHAMPION



- > Assumed control of Champion through its takeover by Mamba Minerals
- > Acquired Bloom Lake for C\$9.75M in cash and assumed liabilities of C\$42.8M
  - > Champion's share price at the time was C\$0.18
  - > Acquired near record-low iron ore prices of ~US\$39/t
- > Since then, Champion's share price has increased ~650% to C\$1.38 on the back of a positive mine restart



# APPENDIX

# IRON ORE VALUE CHAIN

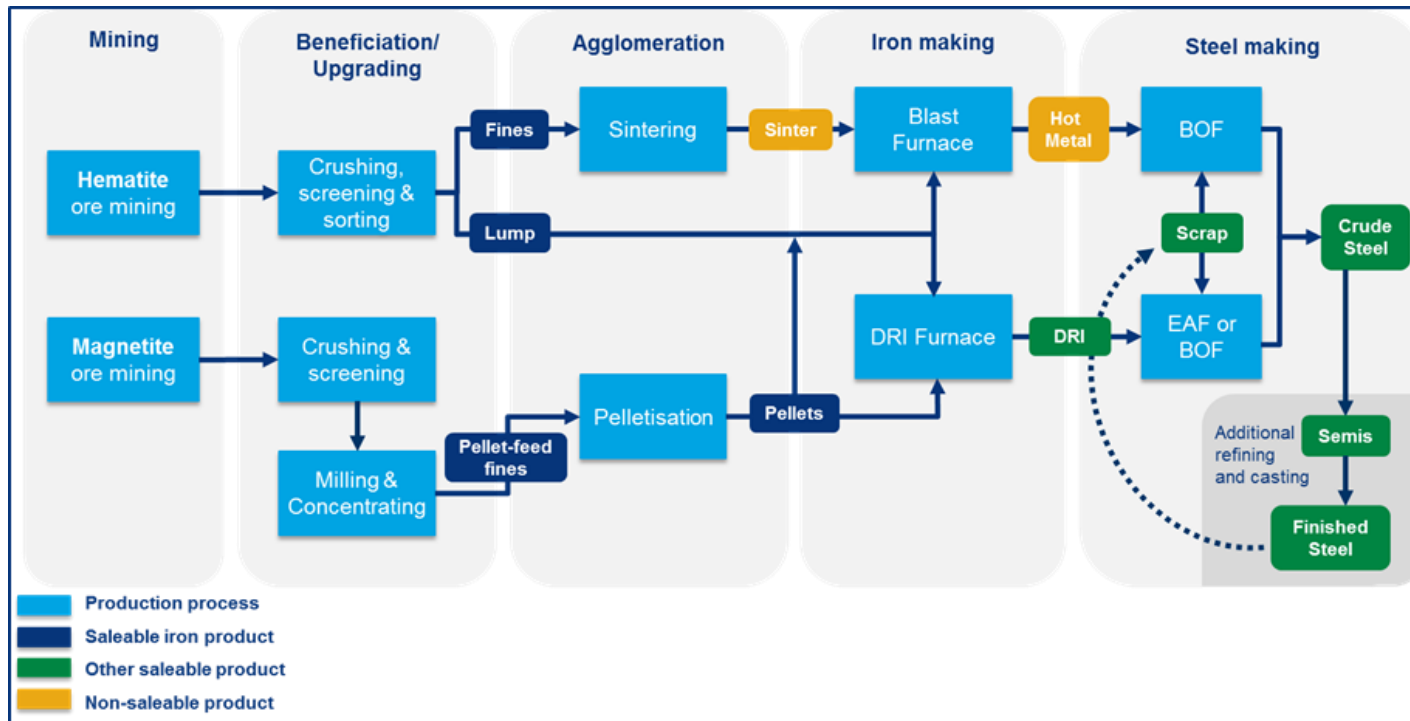
## CHAMPION IRON

- > Bloom Lake produces concentrate fines primarily used in sintering process, but also grinded further for pellet feed by some customers

SLINTER



PELLETS

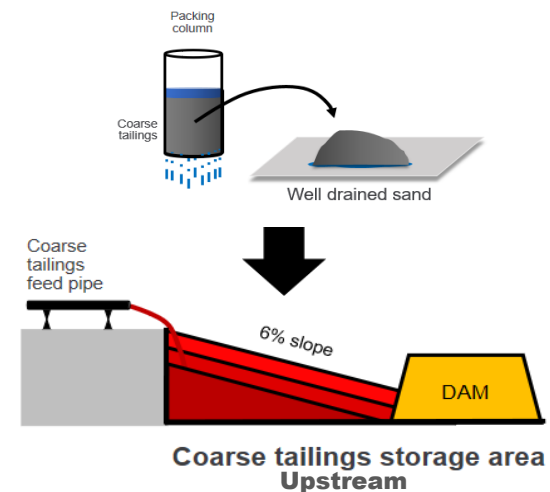
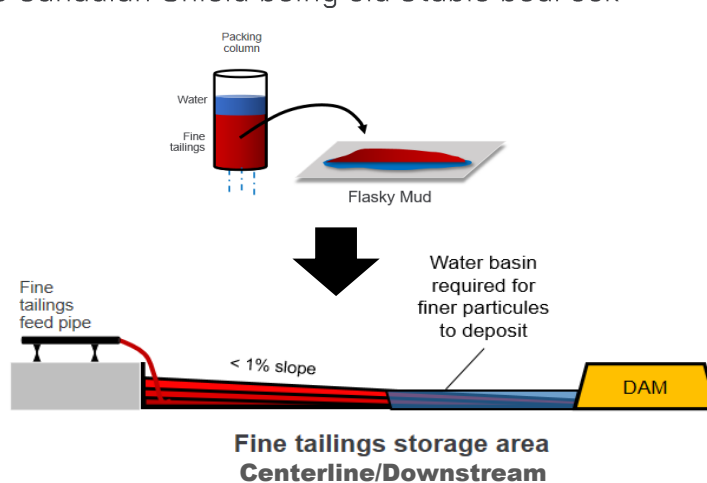


# TAILINGS MANAGEMENT

CHAMPION IRON 

## CHAMPION'S TAILING MANAGEMENT IS ADOPTING A CONSERVATIVE APPROACH

- > Fine and coarse tailings separation representing 12% & 88%, respectively
- > 10:1 slope for upstream dam construction vs. industry standard of 6:1
- > Fines managed with center line dam systems
- > Real time monitoring consoles + Robust daily inspections and annual audits
- > Low seismic area reducing risk of events sitting on the Canadian Shield being old stable bedrock



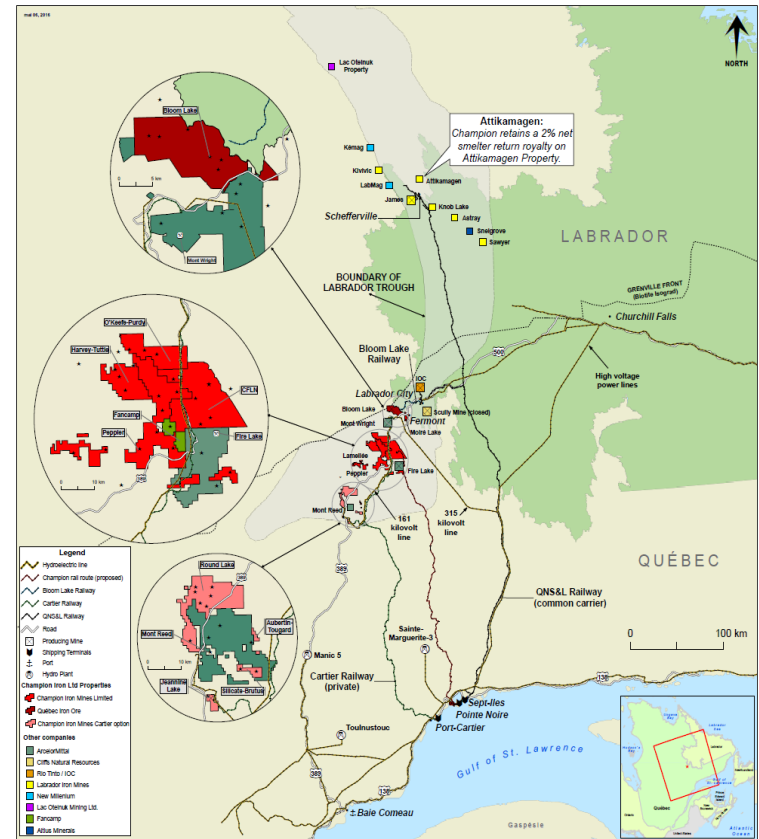


# INFRASTRUCTURE AND LOGISTICS

## CHAMPION IRON

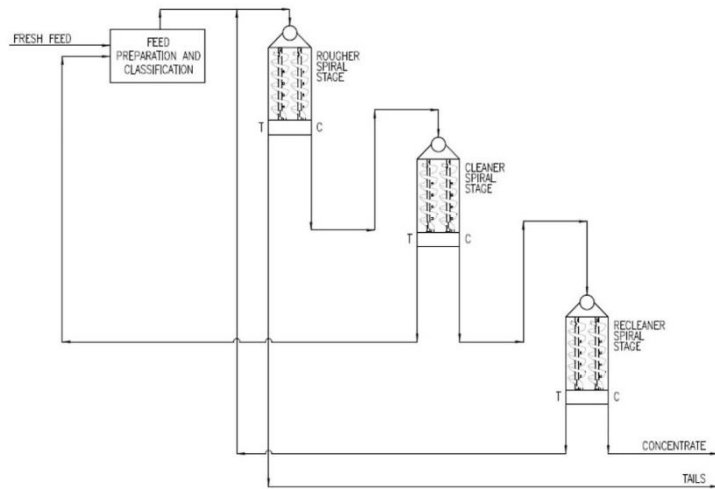
<b>Mining Fleet</b>	> Acquired entire mining fleet with capacity to mine 30Mtpa of ore/waste
<b>Conveyor System</b>	> New fully operational 3.45km conveyor system delivers crushed ore from the mine site to the processing facility
<b>Processing Plant</b>	> Two concentrators (one operative to be revamped for higher recovery plus one 70% complete for future expansion)
<b>Rail</b>	<ul style="list-style-type: none"> <li>&gt; Rail access to port consisting of three separate segments: <ul style="list-style-type: none"> <li>&gt; Rail spur on site (32km), that is operational and connects to the Quebec North Shore and Labrador (QNS&amp;L) railway at the Wabush Mines facilities</li> <li>&gt; QNS&amp;L railway from Wabush to Arnaud Junction in Sept-Iles</li> <li>&gt; Arnaud junction to Pointe-Noire (Sept-Iles), where the concentrate will be unloaded, stockpiled, and loaded onto vessels</li> </ul> </li> <li>&gt; Own 735 specialized iron ore railcars used to transport concentrate from Bloom Lake to Port of Sept-Iles.</li> </ul>
<b>Port</b>	<ul style="list-style-type: none"> <li>&gt; Agreement with Government of Quebec for port area (Arnaud rail, car dumper, stacker/reclaimer)</li> <li>&gt; Service agreement with Port of Sept-Iles for ship loading</li> </ul>
<b>Lodging</b>	<ul style="list-style-type: none"> <li>&gt; As part of the purchase of the Bloom Lake mine, QIO acquired the following accommodations, which are in the town of Fermont: <ul style="list-style-type: none"> <li>&gt; 26 fully furnished houses</li> <li>&gt; Two blocks (motels) of 99 rooms of lodging</li> </ul> </li> <li>&gt; Facilities can host up to about 700 people on a fly-in-fly-out basis</li> </ul>
<b>Power</b>	<ul style="list-style-type: none"> <li>&gt; QIO owns a 315 kV station including two 80 MVA transformers</li> <li>&gt; As part of previous expansion plans, the high voltage power lines were upgraded to be able to handle a further 30 MW</li> <li>&gt; Current plans for a moderate increase in production capacity and further tailings pumping will use only a small fraction of surplus electrical power availability (68 MW authorized by Hydro-Québec)</li> </ul>
<b>Other</b>	> A spare parts inventory representing a total of C\$43.6M, as estimated in October 2014 before mining operations shut down, is currently available for future operations

### REGIONAL LOCATION AND INFRASTRUCTURE MAP



# BLOOM LAKE UPDATED RECOVERY FLOWSHEET

CHAMPION IRON 



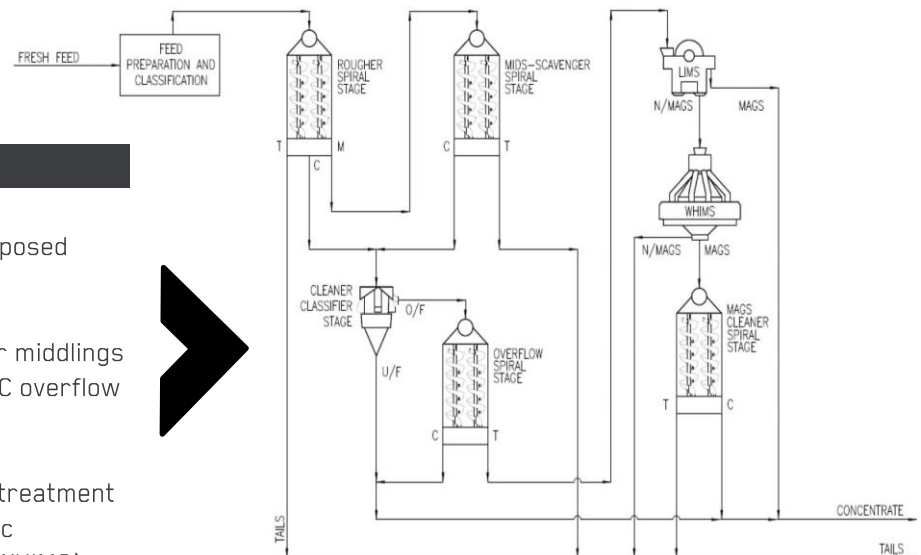
## INITIAL FLAW OF FLOWSHEET INSTALLED AT BLOOM LAKE

- > The rougher spirals originally used in the Bloom Lake concentrator only had five (5) turns compared to seven (7) turns spirals more commonly used in the Labrador Trough
- > No possibility for dilution at cleaner and recleaner stages feed
- > Higher than designed spiral feed rate

## UPGRADED RECOVERY CIRCUIT FLOWSHEET

In addition to installing new spiral system, Mineral Technologies proposed two processing routes for the Phase 1 upgrade flowsheet:

- > A gravity-only primary case comprising rougher spirals, rougher middlings scavenging spirals, an up-current classifier (UCC) and a final UCC overflow scavenging spiral stage;
- > A bonus case serving to boost recovery of iron ore through the treatment of the gravity circuit tailings by a series of low intensity magnetic separators (LIMS) and wet high intensity magnetic separators (WHIMS).



# UPDATED FEASIBILITY ECONOMICS

## COMBINED PHASE I & II (JUNE 2019)

CHAMPION IRON 

### SUMMARY OF ECONOMIC PARAMETERS AND FEASIBILITY RESULTS – PHASE I & II (COMBINED)

Mining Parameters	Reserve (Mt)	807.0
	Processed Tonnage (Mtpa)	41.6
	Average Stripping Ratio (waste:ore)	0.88
	Average Fe Feed Grade (% Fe)	29.0
	Average Fe Processing Recovery (%)	82.4%
	Average Mining Dilution (%)	1.2%
	Average Recovered Concentrate (Mtpa)	15
	Mine Life (years)	20 years
Cost Parameters	Initial CAPEX, pre-production (C\$M)	589.8
	Initial CAPEX, total including deposits (C\$M)	633.8
	LOM Sustaining CAPEX (C\$M)	1,220
	LOM FOB Sept-Îles Production Costs (C\$/t dry concentrate)	46.6
	LOM OPEX FOB Sept-Îles, all-in sustaining (C\$/t dry concentrate)	52.3
	LOM freight cost (US\$/t dry concentrate)	21.54
Revenue Parameters	Gross Revenue (C\$M)	32,281
	Net Cash Flow After Taxes (C\$M)	5,186
Iron Ore Price Parameters	LOM Avg Iron Price at 66.2%Fe CFR China (US\$/t)	84.1
	Average Exchange Rate	0.76 US\$/C\$
Valuation Parameters	NPV – 8% (after-tax) (C\$M)	2,384
	IRR (after-tax)	33.4%
	Payback (after-tax) (years)	2.4

# BLOOM LAKE RESERVES & RESOURCES

CHAMPION IRON 

## PHASE I (MARCH 31, 2019)

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

Category	Tonnage (dmt)	Fe (%)	CaO (%)	MgO (%)	Al <sub>2</sub> O <sub>3</sub> (%)
Measured	401.8	31.0	0.6	0.7	0.3
Indicated	471.6	28.5	2.5	2.3	0.4
<b>M+I Total</b>	<b>883.4</b>	<b>29.7</b>	<b>1.6</b>	<b>1.5</b>	<b>0.4</b>
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	Tonnage (dmt)	Fe (%)	CaO (%)	MgO (%)	Al <sub>2</sub> O <sub>3</sub> (%)
Proven	236.3	30.7	0.5	0.6	0.3
Probable	47.3	28.7	2.8	2.7	0.4
<b>Total</b>	<b>383.5</b>	<b>29.9</b>	<b>1.4</b>	<b>1.4</b>	<b>0.4</b>

## PHASE II – FEASIBILITY STUDY (JUNE/19)

**Mineral Resource Estimate for Bloom Lake**

Classification	Tonnage kt	Fe %	CaO %	Sat %	MgO %	Al <sub>2</sub> O <sub>3</sub> %
Measured	379,100	30.2	1.4	4.4	1.4	0.3
Indicated	514,400	28.7	2.5	7.7	2.3	0.4
<b>Total M&amp;I</b>	<b>893,500</b>	<b>29.3</b>	<b>2.1</b>	<b>6.3</b>	<b>1.9</b>	<b>0.4</b>
Inferred	53,500	26.2	2.8	8.0	2.4	0.4

**Mineral Reserve Estimate**

Classification	Diluted Ore Tonnage (dmt)	Fe %	CaO %	Sat %	MgO %	Al <sub>2</sub> O <sub>3</sub> %
<b>Proven</b>	346.0	29.9	1.5	4.7	1.4	0.3
<b>Probable</b>	461.0	28.2	2.6	7.9	2.5	0.6
<b>Total P&amp;P</b>	<b>807.0</b>	<b>29.0</b>	<b>2.2</b>	<b>6.5</b>	<b>2.0</b>	<b>0.5</b>

\* Refer to our MDEA dated June 20, 2019 for Notes regarding Mineral Resources and Reserves

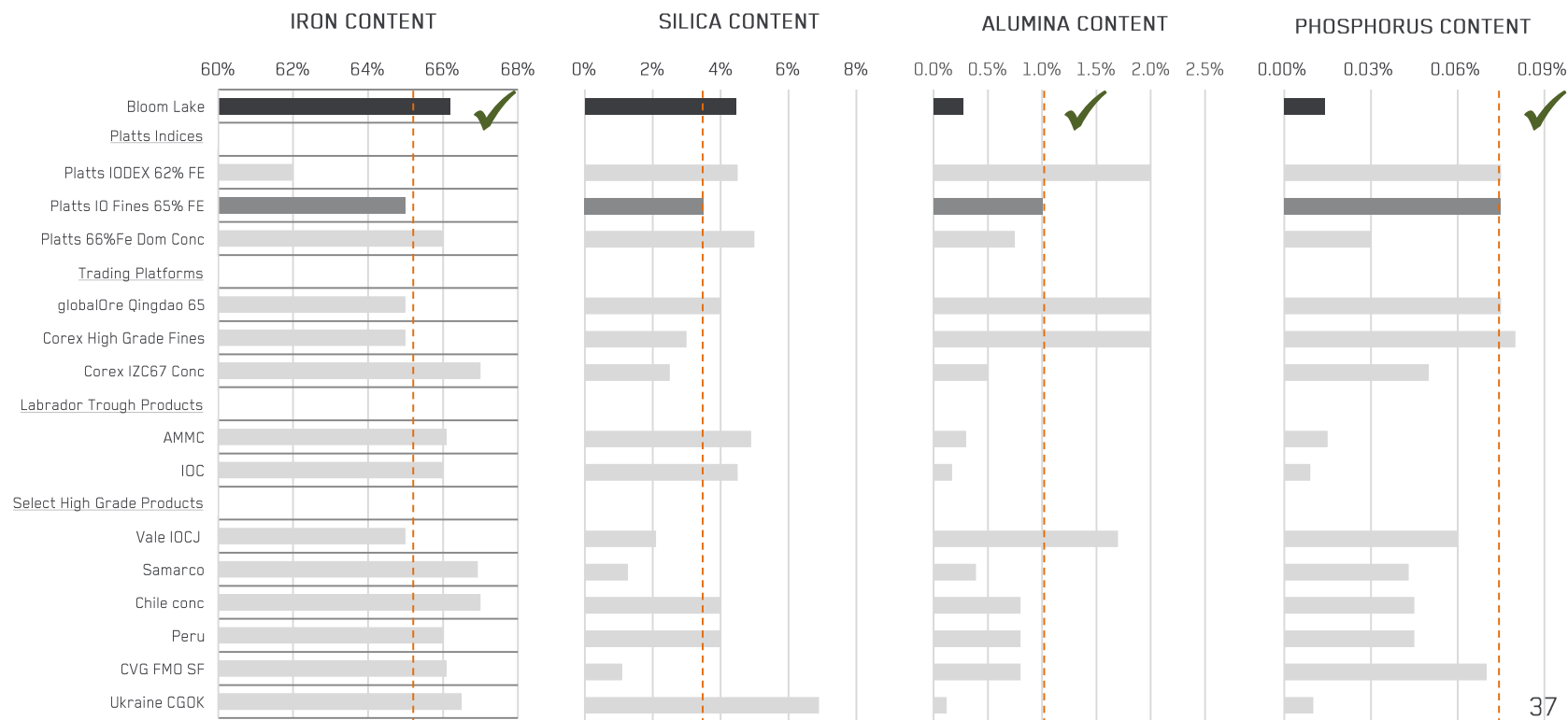
# VALUABLE AND SOUGHT-AFTER PRODUCT

CHAMPION IRON 

HIGH-GRADE, LOW-IMPURITY PRODUCT PERMITS STEEL MILLS TO OPTIMIZE BLENDS, BALANCING LOWER-QUALITY ORES, REDUCING COSTS, INCREASING EFFICIENCY AND REDUCING CO<sub>2</sub> EMISSIONS

Source: Metalytics Market Study

- > Bloom Lake's concentrate product expected to be very attractive in the global high-grade fines market
- > Silica level similar to other Labrador Trough concentrates, but above the Platts index base specification, although more than offset by lower alumina and phosphorus
- > Very low levels of alumina, phosphur, and sulphur compared to other concentrates and the Platts index
- > Quite beneficial when mixed with lower quality ores when mixed during sintering process
- > History of successfully selling into China for ~4 years





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# BLOOM LAKE MINE COMPLEX

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CHAMPION IRON 





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# PHASE I PLANT

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CHAMPION IRON 





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# PHASE II PLANT

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CHAMPION IRON 



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# MULTI-USER PORT

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CHAMPION IRON 





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# FIRST VESSEL (APRIL 2018)

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CHAMPION IRON 



# THANK YOU!

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Contact us for more information.

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