

THIRD QUARTER RESULTS OF THE 2020 FISCAL YEAR

JANUARY 29, 2020



PREMIUM PRODUCT, TIER 1 JURISDICTION,
HIGH QUALITY INFRASTRUCTURE

CHAMPION IRON 

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The historical mineral resources mentioned are strictly historical in nature and are non-compliant to National Instrument 43-101 mineral resources and mineral reserves standards, and should therefore not be relied upon. A qualified person has not done sufficient work to upgrade or classify the historical mineral resources as current National Instrument NI-43-101 compliant.

All amounts are in Canadian dollars unless otherwise stated.

CONFERENCE CALL PARTICIPANTS

CHAMPION IRON 



DAVID CATAFORD
CEO



MICHAEL O'KEEFFE
Executive Chairman



NATACHA GAROUTE
CFO



MICHAEL MARCOTTE
VP Investor Relations

2020 THIRD QUARTER HIGHLIGHTS

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4,905,000 WMT
ORE MINED



1,833,000 WMT
CONCENTRATE PRODUCED



\$54.2/DMT
TOTAL CASH COST



REVENUE \$171.1M
CASH FLOW OPS \$28.1M
EBITDA \$57.9M



\$50.9M INVESTED AT SITE

4,639,000 WMT
ORE MILLED

81.7%
RECOVERY

\$62.2/DMT
ALL-IN SUSTAINING COST

NET INCOME \$30.2M
\$0.07 EPS

\$14.3M TAX PREPAYMENT

HEALTH & SAFETY

- QIO's statistics in line with open pit mining benchmarks as set by ASPM
- Initiated new simulation programs to optimize emergency response time
- Additional measures in place to train new personnel arriving at site

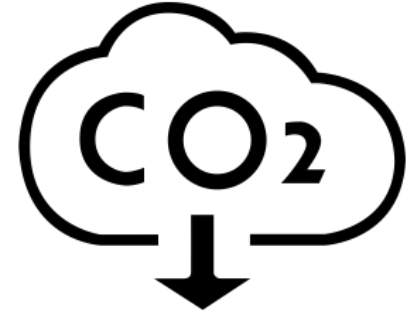
QUEBEC IRON ORE + CONTRACTORS FINANCIAL YEAR 2020						BENCHMARK 2019*
	Q1	Q2	Q3	Q4	YTD	
Lost Time Injury Frequency Rate (LTIFR)	4,28	4,85	4,37	-	4,5	3,38
Disability Injury Severity Rate (DISR)	6,85	33,99	26,62	-	25,94	9

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

ENVIRONMENT FOCUS

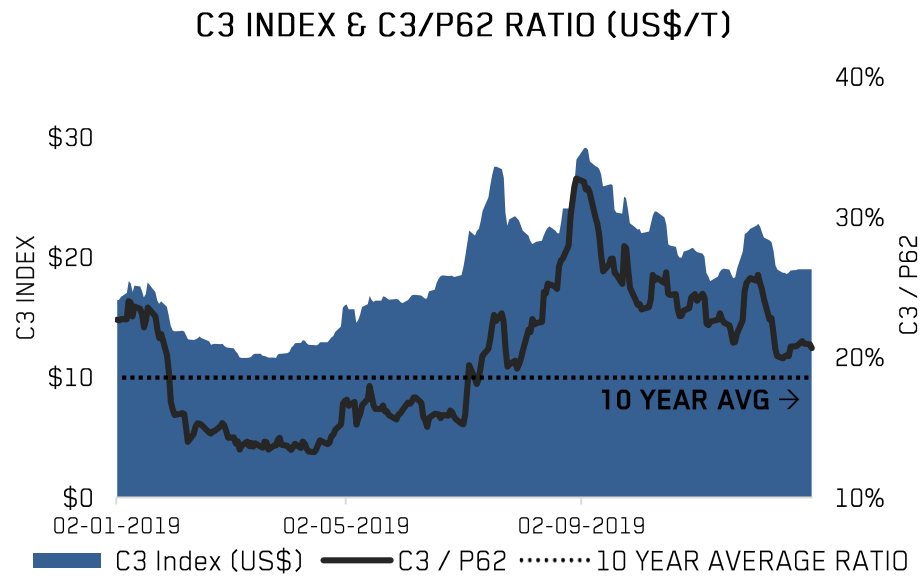
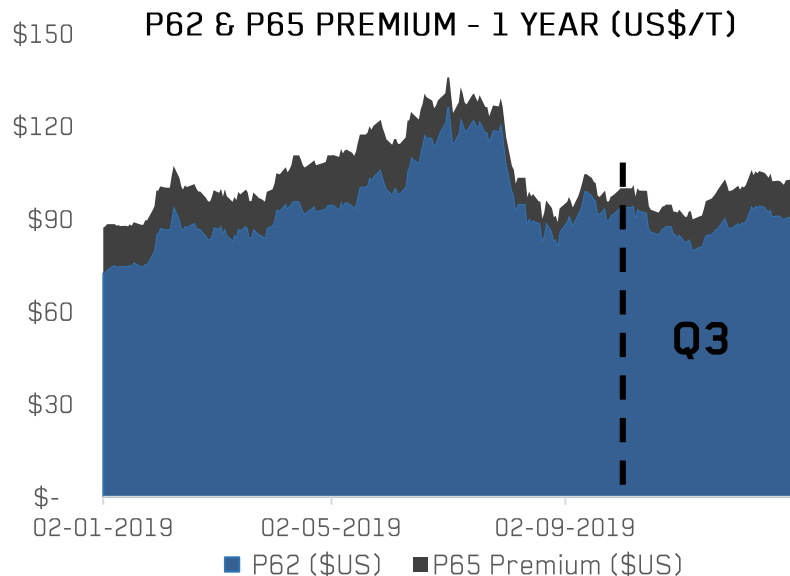
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- No occurrences of major environmental issues during the quarter
- Initiated detailed analysis of energy utilisation at site
- Completed a \$30M accelerated dam rising program on time and in budget
- Conducted trials with new blasting compound to reduce Nitrogen Oxide (NOx) gas emissions



INDUSTRY OVERVIEW

- Lower P65 premium early in the quarter affected by partial restart of supply from Brazil, slowdown in EU steel industry and China's 70th anniversary celebrations in October
- No abnormal impact from IMO 2020 to the freight rate to date



BLOOM LAKE OPERATIONAL RESULTS

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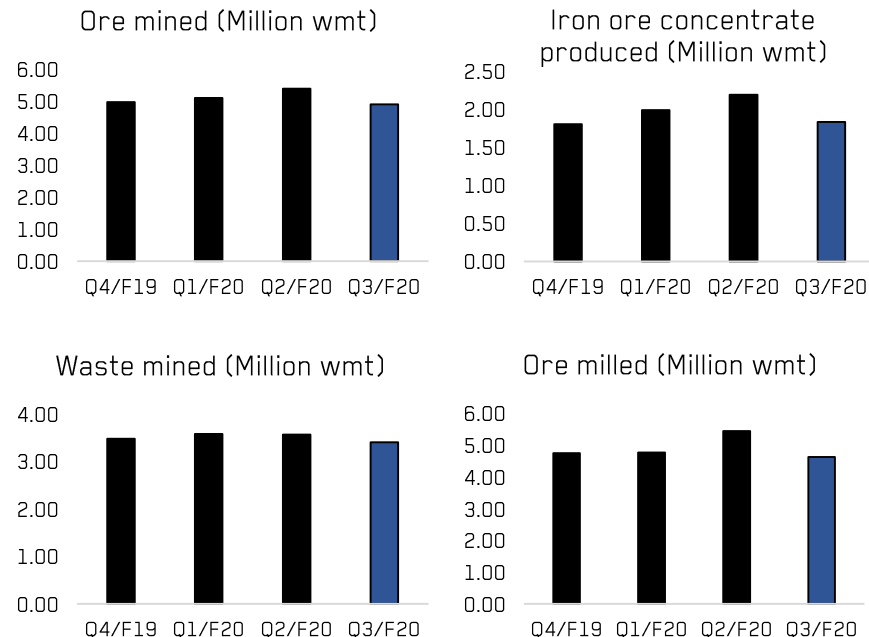


OPERATIONS OVERVIEW

- Production tracking nameplate capacity
- Planned shutdown completed in 5 days
- Unplanned shutdowns impacted production by approximately 100kt

FISCAL PERIODS	Q4/F19	Q1/F20	Q2/F20	Q3/F20
Iron ore concentrate produced (Million wmt)	1.80	1.99	2.19	1.83
Iron ore concentrate sold (Million dmt)	1.74	1.91	1.86	1.92
Waste mined (Million wmt)	3.48	3.58	3.57	3.41
Ore mined (Million wmt)	4.98	5.11	5.39	4.91
Strip ratio	0.70	0.70	0.66	0.70
Ore milled (Million wmt)	4.75	4.78	5.45	4.64
Head grade Fe (%)	30.6	32.5	32.3	32.0
Recovery (%)	80.4	82.1	83.9	81.7
Fe (%)	66.3	66.2	66.3	66.4

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* FISCAL PERIODS

REVISED INVENTORY MANAGEMENT

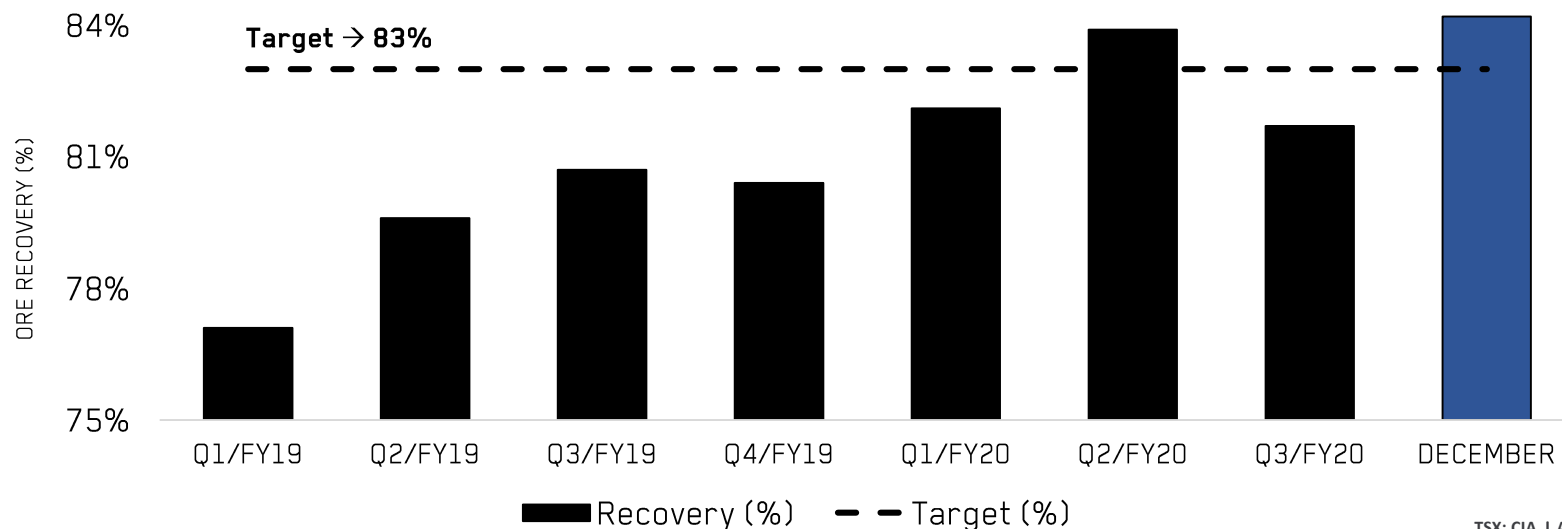
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- Issue with shaft next to AG mill
- Production impacted by availability of spare equipment
- Rapid solution with locally engineered equipment
- Ongoing review of critical spare equipment inventory



PROVEN RECOVERY CIRCUIT

- Quarterly recovery rate of 81.7% affected by mill availability in November
- December recovery rate averaged 84.2%
- Continuous evaluation of processes to improve recovery rate beyond initial target of 83%



THIRD QUARTER FINANCIAL RESULTS

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THIRD QUARTER FINANCIAL RESULTS

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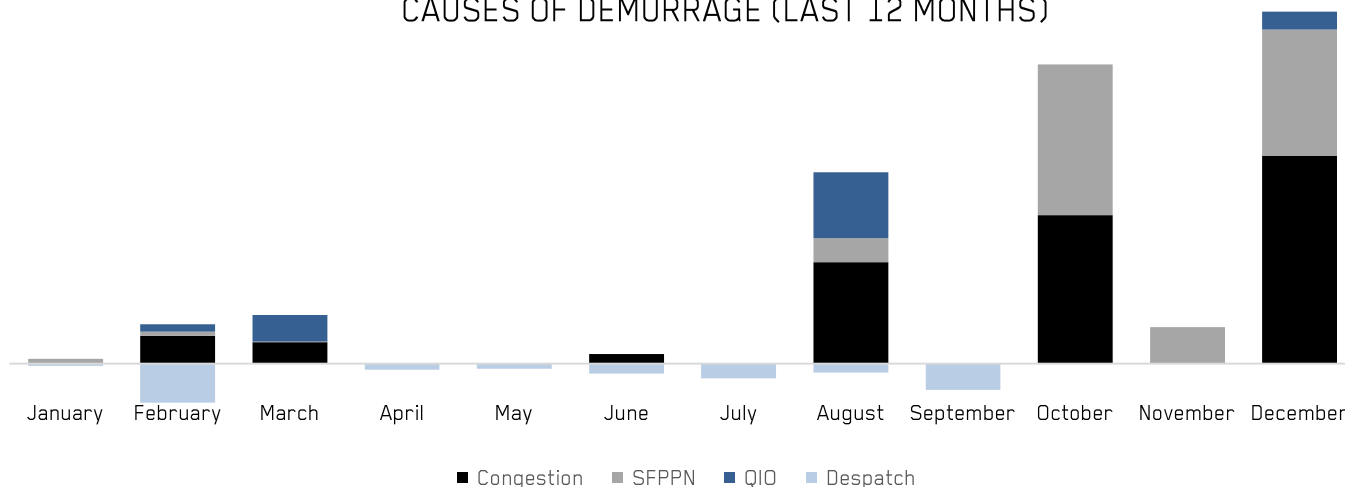
- Continued profitability in the period
- Unplanned shutdowns increased total cash cost by approximately \$2/dmt
- \$30M accelerated tailing dam rising program, which increased AISC in recent periods, is now completed

Financial Results (\$ MILLION)	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20	YEAR TO DATE
Revenue	182.2	277.9	160.4	171.1	609.4
EBITDA	86.5	166.9	62.6	57.9	287.4
Operating profit	83.1	163.3	57.9	53.3	274.5
Net profit	28.2	74.2	-1.7	30.2	102.7
Adjusted Net profit	28.2	74.2	49.9	30.2	154.3
Cash flow from operation	38.0	91.9	104.9	28.1	225.0
Earnings per share - basic	0.02	0.09	0.00	0.07	0.16
Adjusted Earnings per share - basic	0.02	0.09	0.11	0.07	0.27
Average realized selling price (\$/dmt)	104.4	145.7	86.2	89.0	107.1
Total cash cost (\$/dmt)	48.4	54.3	48.3	54.2	52.3
All-in sustaining cost (\$/dmt)	55.4	62.8	66.2	62.2	63.7
Cash operating margin (\$/dmt)	49.0	82.9	20.0	26.8	43.4
Cash operating margin (%)	46.9%	56.9%	23.2%	30.1%	40.5%

IMPROVEMENTS AT PORT FACILITIES

- Elevated demurrage costs in the period due to inefficiencies with port operator
- Downtime at port facilities resulted in missed shipping opportunity in the period
- Taking active role on SFFPN restructuring
- Confident in cost reduction at port facilities with new CEO of SFPPN having years of experience in railroad and port facilities

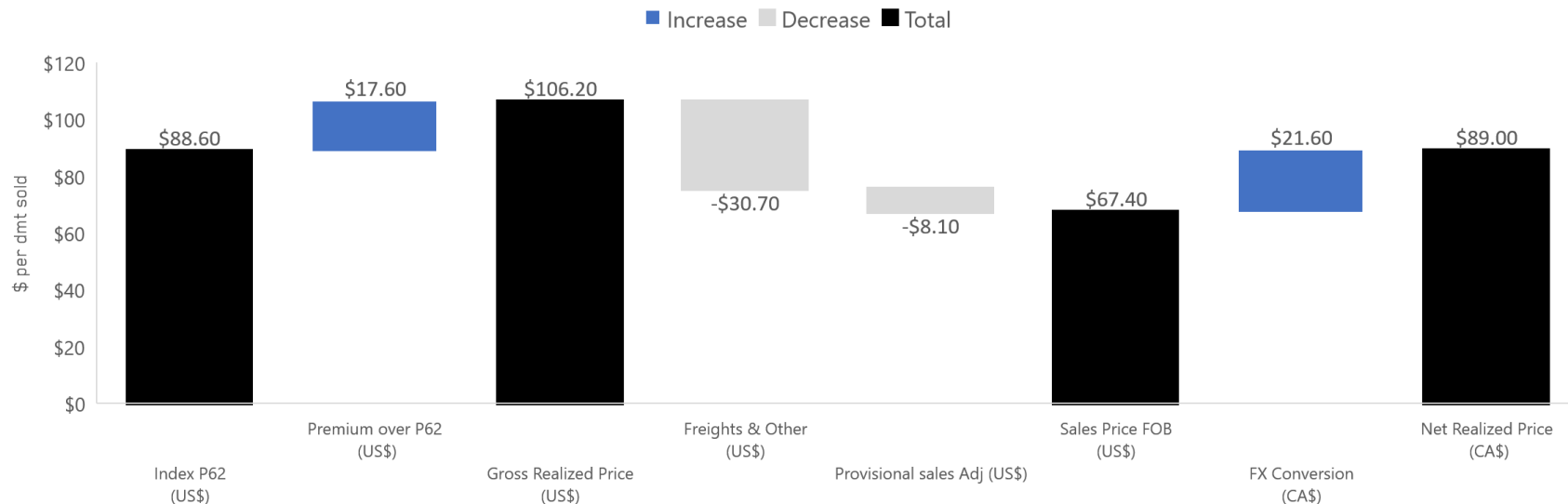
CAUSES OF DEMURRAGE (LAST 12 MONTHS)



REALIZED SELLING PRICE

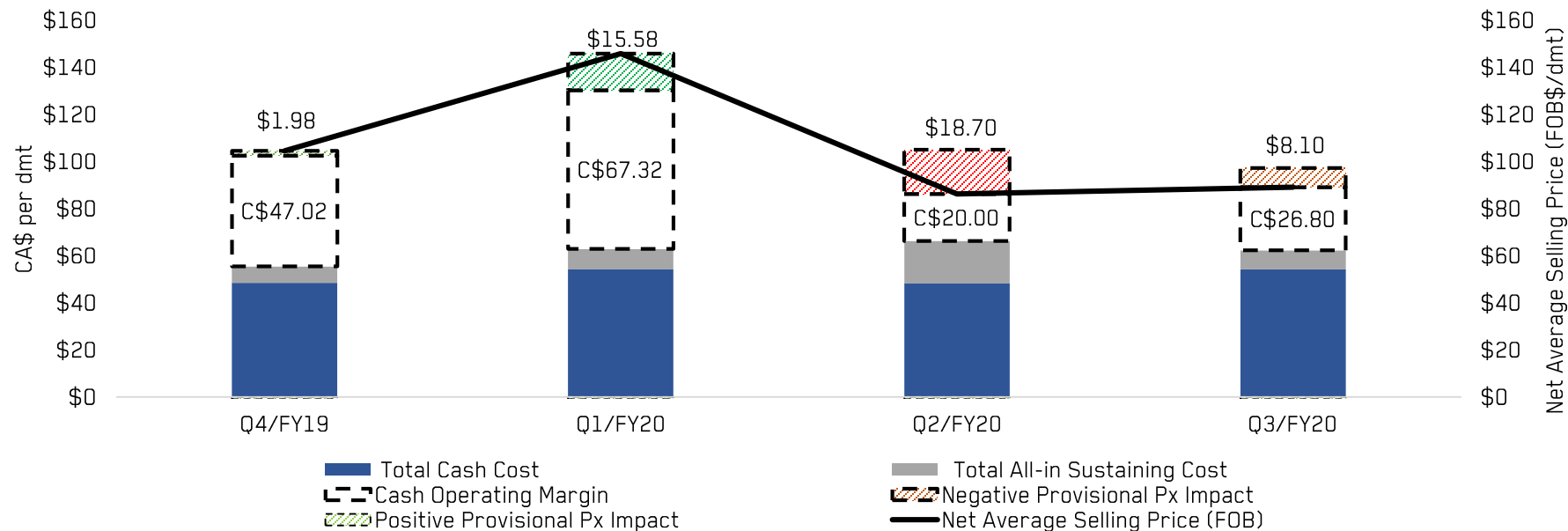
- Strong demand for our product is reflected in the premium over P62 index
- Higher freight costs associated with test cargoes and elevated port related costs

Q3/FY20 NET AVERAGE REALIZED SELLING PRICE



POSITIVE CASH OPERATING MARGIN

- Positive cash operating margin contributing to an EBITDA margin of 34% in Q3/FY20 and 47% year to date
- Excluding provisional pricing impact, cash operating margin remains in line with recent periods



BALANCE SHEET POSITIONED FOR GROWTH

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\$187.6M Cash & S-T Investments
\$30.6M Working Capital

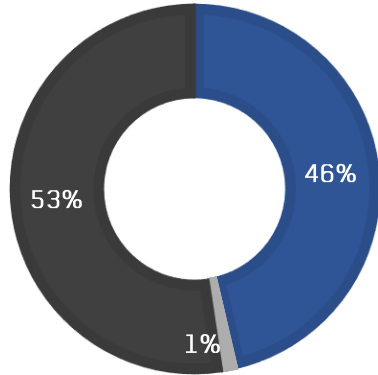


\$237.7M Long-Term Debt (Face Value)*

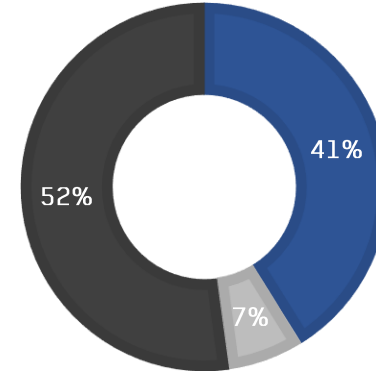


\$2.9M QoQ improvement despite \$50.9M invested at site & \$14.3M tax prepayment

Q2/FY20



Q3/FY20



■ Cash ■ Working Capital ■ LTD Face value*

*Constant FX of CA\$0.7725

PROPOSED RE-DOMICILIATION OPTIMIZED CORPORATE STRUCTURE

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Re-domiciliation from Australia to Canada

- Align our Company's domicile with our flagship asset location, operations and predominant shareholder base
- Help qualify to a broader universe of equity indices and potential to improve access to additional investors globally
- Maintain ASX and TSX listing



PHASE II – STATUS UPDATE

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PHASE II UPDATE

- Construction work progressing in accordance with initial budget of C\$68M
- Evaluating market conditions and financing alternatives to fund balance of Phase II capex
- \$28.6M spent in the quarter and achieved the following milestones:
 - ✓ Civil works related to silo and outside conveyor foundations completed
 - ✓ Electrical and mechanical works inside plant completed enabling work in all seasons
 - ✓ Spirals manufactured and ready to be shipped
 - ✓ Detailed engineering progressed as scheduled

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 commissioning & ramp-up												

PHASE II – EXECUTION

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√158,000h worked

√ 3,800m³ of concrete

√ 18,000m³ of backfill



Silo scope completed

Reclaim conveyor structure assembly



Heating system commissioning

Thickener siding installation



THANK YOU TO OUR STAFF

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TSX: CIA | ASX: CIA

THANK YOU!

Contact us for more information.

DAVID CATAFORD,
CEO

dcataford@championironmines.com

MICHAEL MARCOTTE,
VP INVESTOR RELATIONS

mmarcotte@championironmines.com

1100 René-Lévesque Blvd. West, Suite 610
Montreal QC H3B 4N4

Tel.: +1 514 316 4858
Fax.: +1 514 819 8100

CHAMPIONIRON.COM

