

FIRST QUARTER RESULTS OF THE 2021 FISCAL YEAR

July 29, 2020



PREMIUM PRODUCT, TIER 1 JURISDICTION,
HIGH QUALITY INFRASTRUCTURE

CHAMPION IRON 

DISCLAIMER



This presentation contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "could", "would", "should", "believe", "plan", "intend", "forecast", "schedule", "target", or variations thereof, 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 and management's expectations, including with respect to effectiveness of measures implemented to mitigate the risks of COVID-19, awareness campaign and its impact on water management, alignment with stakeholders regarding environment, social matters and governance, iron ore and freight pricing, operations returning to normal levels, product qualification as Direct Reduction quality concentrate and transition potential, electronic arc furnace expected growth, prospective customers, optimization of operations, expected tax payments, the increase of the plant capacity and reliability, phase II expansion progression and timeline, and prospects of acquired and staked lands near the Bloom Lake mining lease and the Company's growth generally. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual reserves may be greater or less than the estimates provided herein. In this presentation, reference is made to the Company's Bloom Lake Iron Mine economic analysis. All information derived therefrom is 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. 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The non-IFRS financial performance measures included in this presentation include: total cash cost or C1 cash cost, all-in sustaining costs ("AISC"), average realized selling price, cash operating margin and cash profit margin, earnings before interest, tax, depreciation and amortization ("EBITDA"), EBITDA margin, adjusted net income, adjusted net income attributable to Champion Iron Limited shareholders, adjusted earnings per share ("adjusted EPS"), operating cash flow per share and operating cash flows before working capital.

The historical mineral resources mentioned are strictly historical in nature and are non-compliant with 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 estimates as current mineral resources or mineral reserves and Champion Iron Limited is not treating the historical estimates as current mineral resources or mineral reserves.

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

Mr. Nabil Tarbouche, Senior Geologist at the Company (P.Geo.) is a "qualified person" as defined by National Instrument 43-101 and has reviewed and verified the scientific and technical information contained in this release. Mr. Tarbouche's review and approval does not include statements as to the Company's knowledge or awareness of new information or data or any material changes to the material assumptions and technical parameters underpinning the Feasibility Study.

Reference to P62: Platts TSI IODEX 62% Fe CFR China; P65: Platts IO Fines 65% Fe CFR China.

This presentation has been authorized for release to the market by the CEO of Champion Iron Limited, David Cataford.

All amounts are in Canadian dollars unless otherwise stated.

CONFERENCE CALL PARTICIPANTS

CHAMPION IRON 



DAVID CATAFORD
CEO



MICHAEL O'KEEFE
Executive Chairman



NATACHA GAROUTE
CFO



ALEXANDRE BELLEAU
COO



MICHAEL MARCOTTE
VP Investor Relations

FY2021 FIRST QUARTER HIGHLIGHTS

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4,682,600 WMT
ORE MINED



1,798,800 WMT
CONCENTRATE PRODUCED



\$58.4/DMT
TOTAL CASH COST



REVENUES \$244.6M
NET CASH FLOW OPS \$75.3M
EBITDA \$127.7M



\$347.5M CASH ON HAND*

4,604,600 WMT
ORE MILLED

82.3%
RECOVERY

\$64.8/DMT
ALL-IN SUSTAINING COST

ADJUSTED NET INCOME \$78M
\$0.17 ADJUSTED EPS

\$272.6M LONG-TERM DEBT*

COVID-19 RESPONSE

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- No known cases of COVID-19 have been confirmed in the Company
- Adapted operations in line with government directives
- Strict measures to remain in place to safeguard the health and safety of our employees, partners and communities
- Successful audit of measures by CNESST and public health department
- Motivated workforce with limited absenteeism



HEALTH & SAFETY

- No serious injuries reported during the period
- Sequential improvement of statistics by Québec Iron Ore employees
- Continuous training to adapt the work environment with implemented COVID-19 risk-mitigating measures

QUEBEC IRON ORE + CONTRACTORS FISCAL YEAR 2021	
	Q1
Total Recordable Injury Frequency Rate (TRIFR)	3,99
Disability Injury Severity Rate (DISR)	27,47

FOCUS ON SUSTAINABILITY

- No occurrence of major environmental issues during the quarter
- Successful awareness campaign resulted in no irregular releases during the critical snow meltdown season



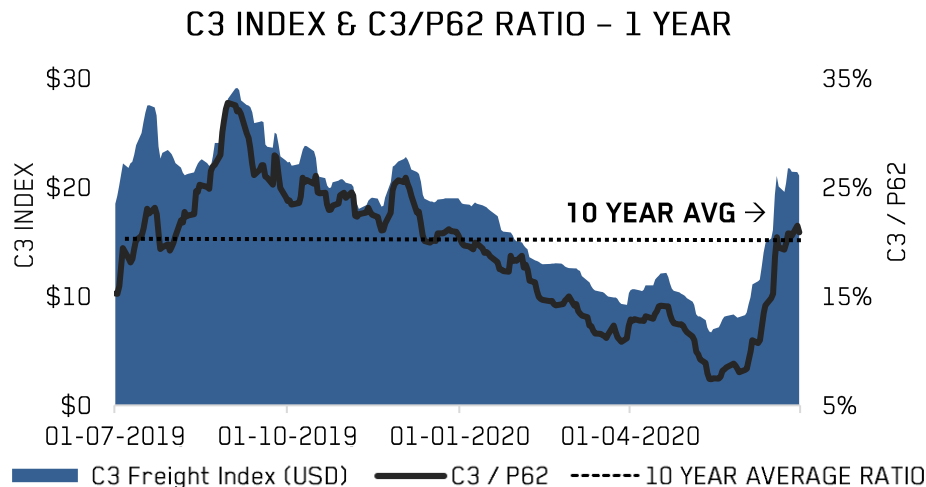
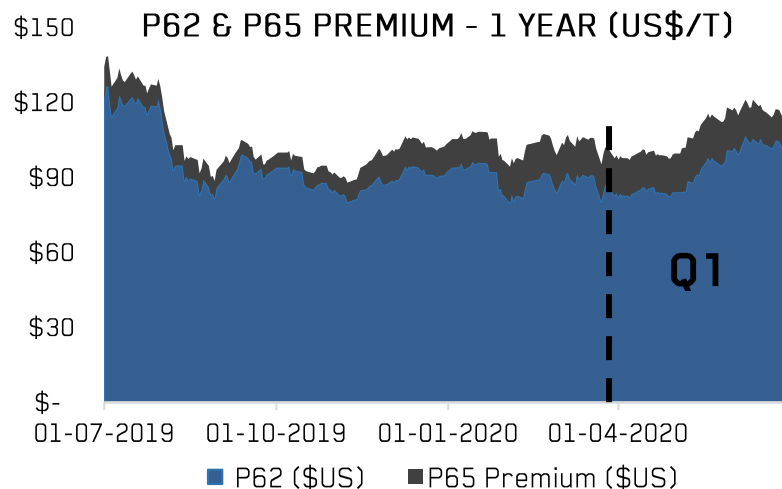
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- Completed the Company's first Sustainability Report, highlighting its alignment with stakeholders from its diligence on the environment, social and governance aspects

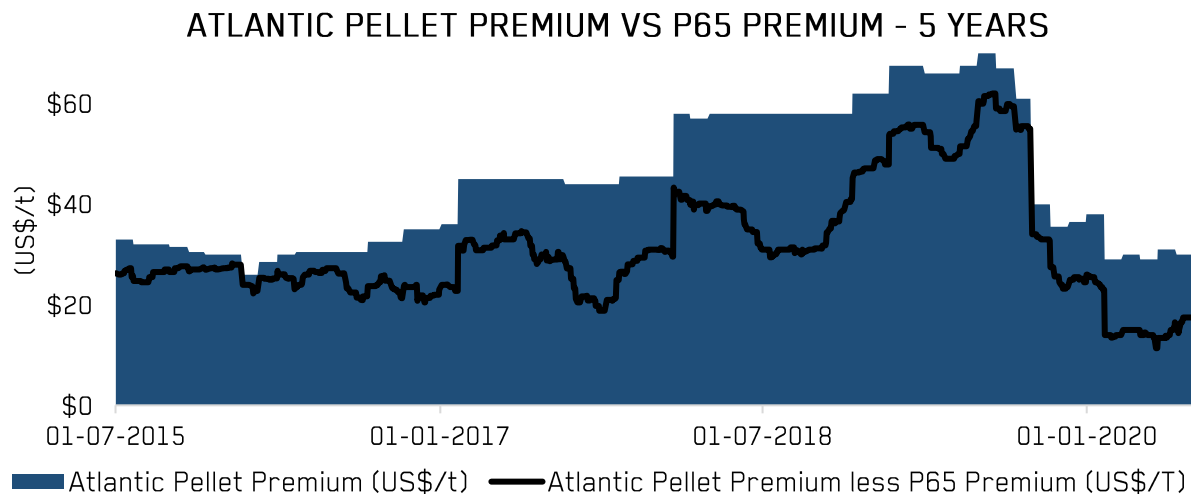
INDUSTRY OVERVIEW

- Rising iron ore prices in the period with economic rebound in China and reduced iron ore supply from Brazil
- Freight index tested historical lows in the period with lower global trade and fuel prices
- Contracted one vessel per month, until December 2020, at US\$15.46/tonne + freight commissions (Approximately 20% below current prices)



INDUSTRY OVERVIEW

- Pellet premium pressured by reduced demand in Europe
- Difference between pellet premium and P65 concentrate premium set historical lows in the period
- Some vessels sold in the period at a slight discount to P65 to compete with pellets
- Overall gross realized price tracking the P65 index



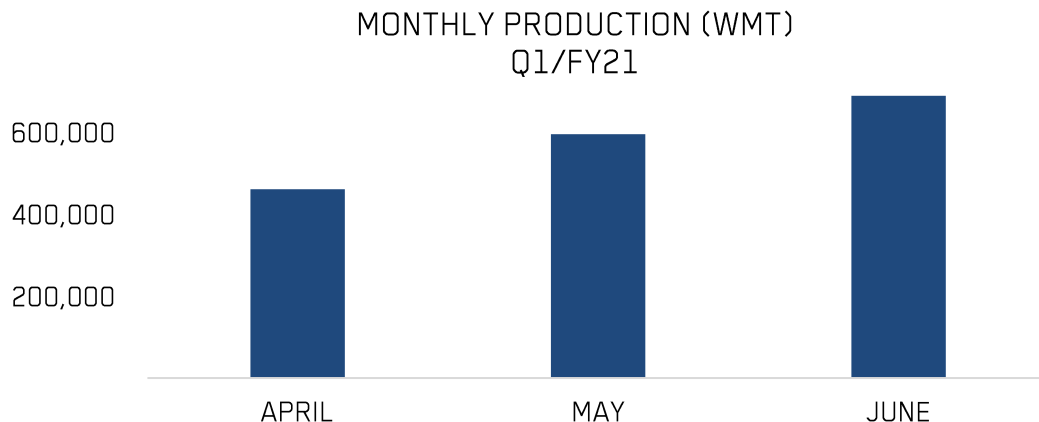
BLOOM LAKE OPERATIONAL RESULTS

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OPTIMIZED OPERATIONS IN RESPONSE TO COVID-19

- March 24, 2020, announced ramp down of operations further to the Government of Québec COVID-19 containment directives
- April 23, 2020, announced ramp up of operations with mining activities considered a “priority service” in Québec
- June, production returned to nameplate capacity
- Reduced the scope of the planned semi-annual shut down, postponed stripping activities and decreased scale of the equipment rebuild program

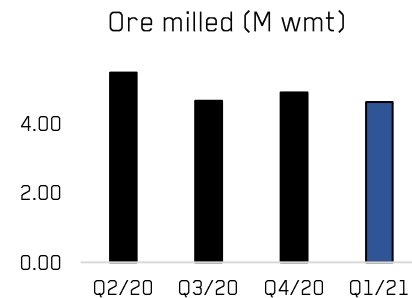
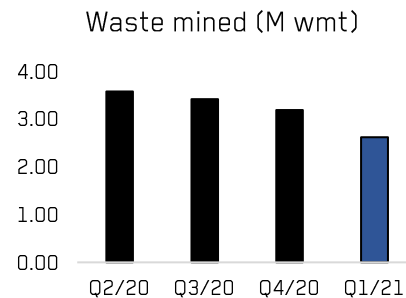
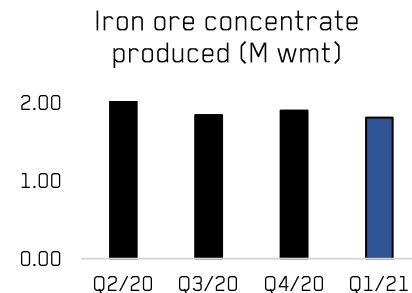
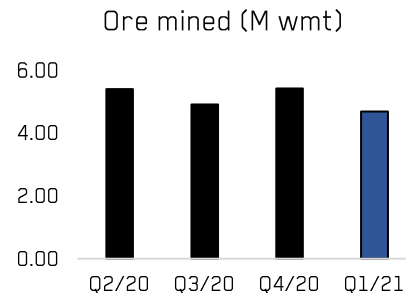


OPERATIONS OVERVIEW

- Resilient production despite ramp down of operations as per the Government of Québec COVID-19 containment directives
- Honoured all contracts and product quality unaffected

FISCAL PERIODS	Q2/20	Q3/20	Q4/20	Q1/21
Iron ore concentrate produced (M wmt)	2.19	1.83	1.89	1.80
Iron ore concentrate sold (M dmt)	1.86	1.92	1.89	1.76
Waste mined (M wmt)	3.57	3.41	3.18	2.61
Ore mined (M wmt)	5.39	4.91	5.41	4.68
Strip ratio	0.66	0.70	0.60	0.60
Ore milled (M wmt)	5.45	4.64	4.88	4.60
Head grade Fe (%)	32.3	32.0	31.7	31.3
Recovery (%)	83.9	81.7	82.3	82.3
Product Fe (%)	66.3	66.4	66.5	66.5

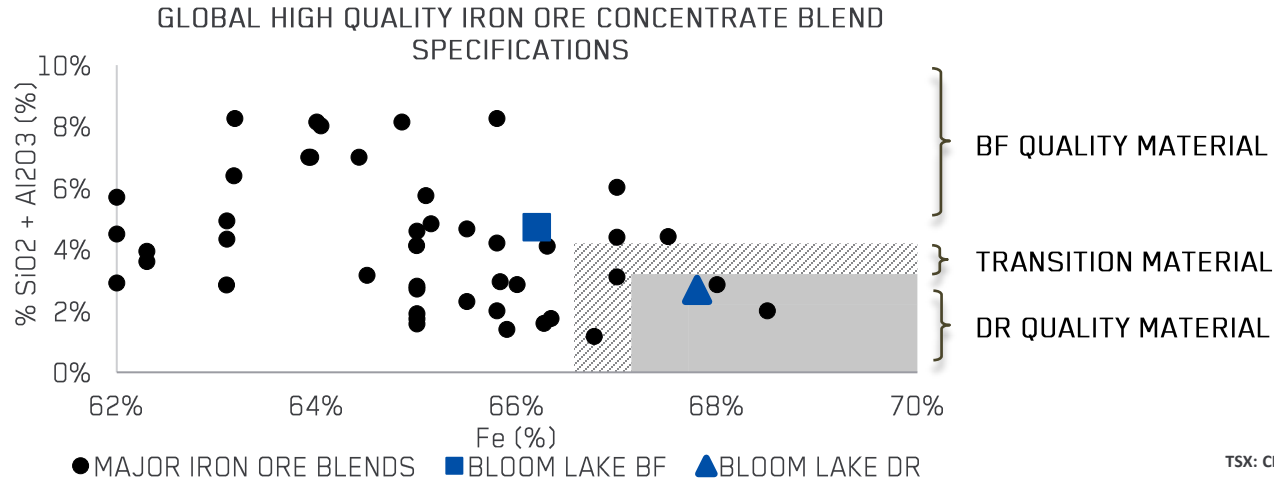
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* FISCAL PERIODS

PROVEN QUALIFICATION OF DR PRODUCT

- Commercial production test completed in Q4/FY20, confirmed to have DR pellet feed material qualifications
- New order placed, resulting in 207,900 tonnes of 67.8% Fe iron ore produced with combined silica plus alumina content of 2.68%
- Product qualifications ranking favourably against other major high-grade product blends globally
- Ongoing optimization of process and product quality in anticipation of future sales



FIRST QUARTER FINANCIAL RESULTS

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FIRST QUARTER FINANCIAL HIGHLIGHTS

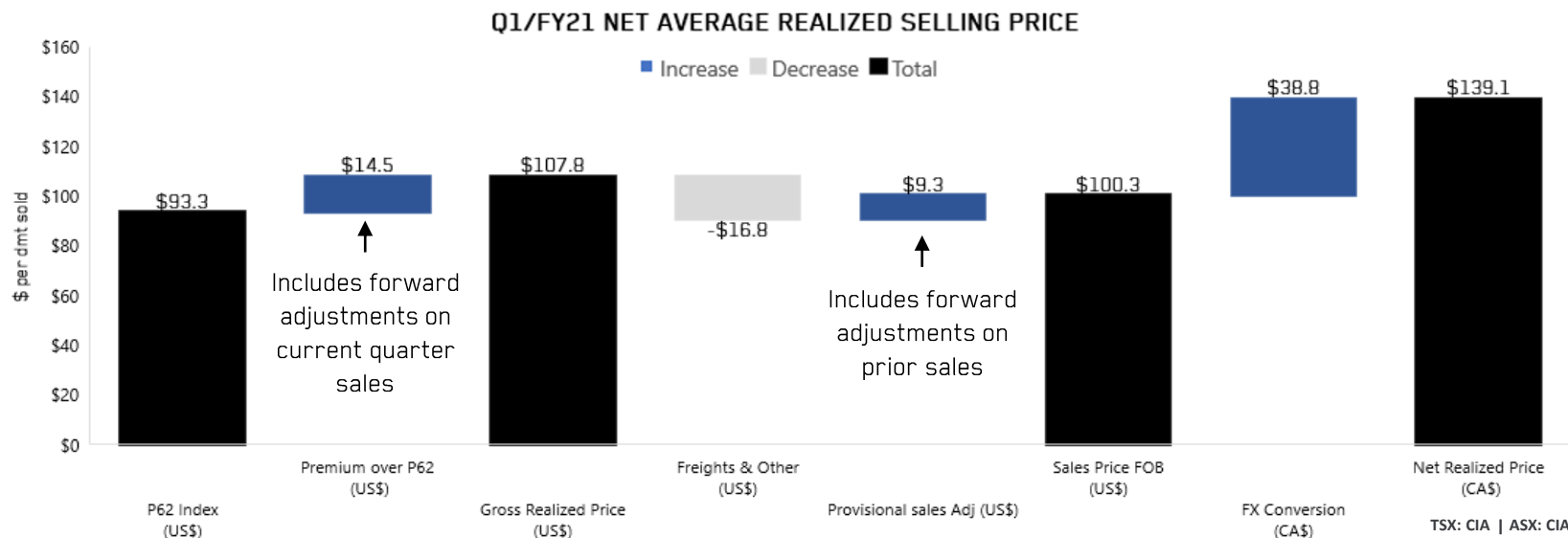
- Strong quarterly results and new quarterly record net income
- Operating costs impacted with inefficiencies due to COVID-19 preventive measures with fixed costs unchanged
- Managed sustaining costs by postponing maintenance work programs and stripping activities
- Currently focused on managing costs with operations returning to normal levels

FINANCIAL RESULTS (\$ MILLION)	Q2/FY20	Q3/FY20	Q4/FY20	Q1/FY21
Revenues	160.4	171.1	175.7	244.6
EBITDA	62.6	57.9	61.1	127.7
Operating income	57.9	53.3	52.1	118.8
Net income (loss)	-1.7	30.2	18.4	75.6
Adjusted Net income	49.9	30.2	18.4	78.0
Net Cash flow from operation	104.9	28.1	84.6	75.3
Earnings per share - basic	0.00	0.07	0.04	0.16
Adjusted Earnings per share - basic	0.11	0.07	0.04	0.17
Average realized selling price (\$/dmt)	86.2	89.0	93.1	139.1
Total cash cost (\$/dmt)	48.3	54.2	53.9	58.4
All-in sustaining cost (\$/dmt)	66.2	62.2	59.8	64.8
Cash operating margin (\$/dmt)	20.0	26.8	33.3	74.3
Cash operating margin (%)	23.2%	30.1%	35.8%	53.4%

FIRST QUARTER

AVERAGE REALIZED SELLING PRICE

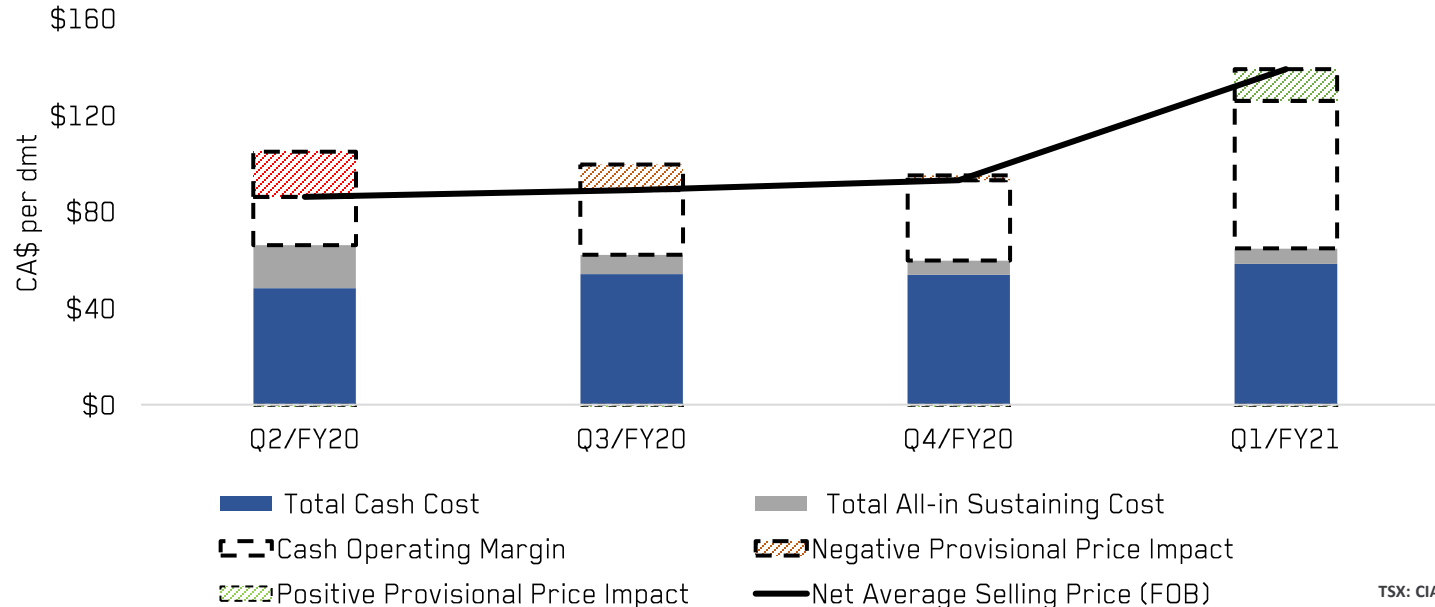
- Average gross realized price of US\$107.8/t in line with P65 average of US\$108.3/t during the period
- Positive provisional price adjustments with rising iron ore prices during the period
- Benefited from depressed freight prices at multi year lows during the period
- 1.3M tonnes remained subject to provisional pricing at the end of the period



POSITIVE CASH OPERATING MARGIN

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- Positive cash operating margin improving sequentially for third straight quarter
- Near record cash operating margin of 53.4% and EBITDA margin of 52.2% in Q1/FY21



RAPIDLY IMPROVING BALANCE SHEET

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\$347.5M Cash & S-T Investments

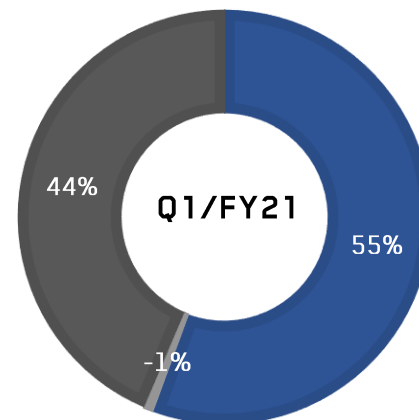
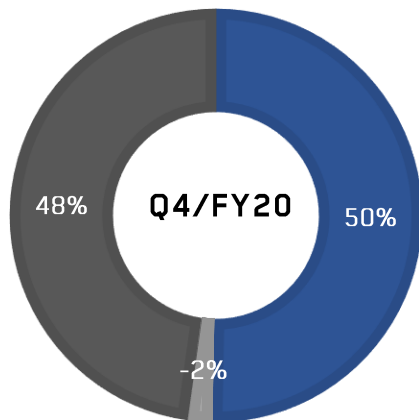
\$-5.2M Working Capital



\$272.6M Long-Term Debt (Face Value)*



\$64.9M QoQ improvement



■ Cash and cash equivalents

■ Working Capital

■ LTD Face value*

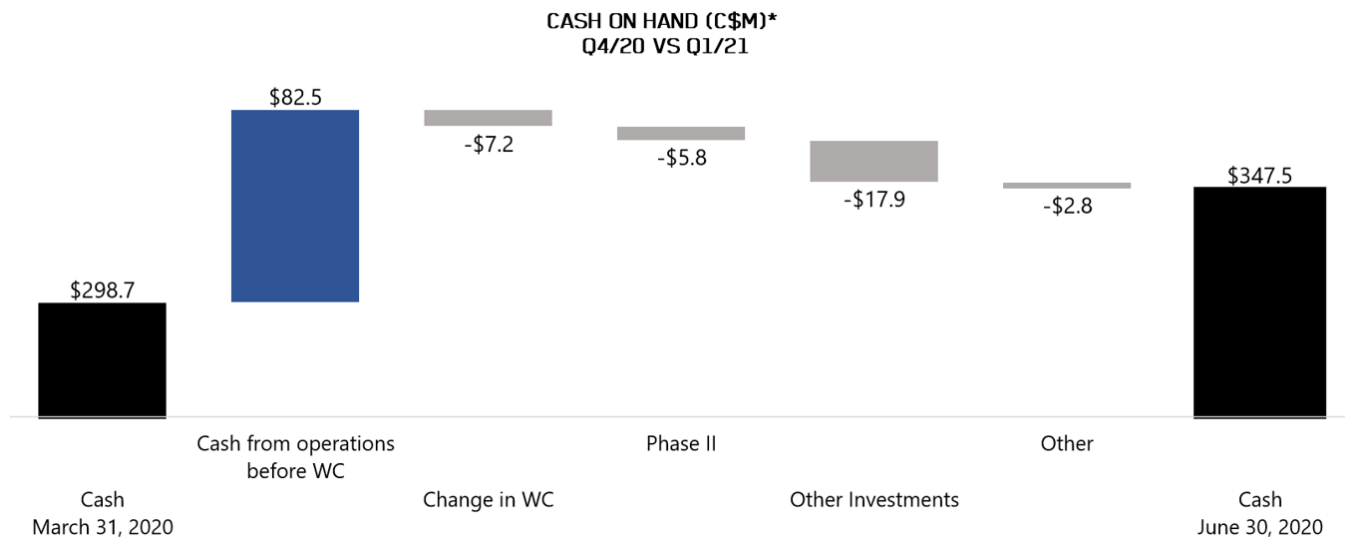
*US\$200M; Constant FX

TSX: CIA | ASX: CIA

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CASH INCREASE DETAILS

- Strong cash flow from operations before changes in working capital of \$82.5M
- COVID-19 implemented measures impacted cash flow from operations by \$4.6M
- Change in working capital positively affected by Governments' COVID-19 related tax relief measures which enabled the Company to defer its \$57M FY2020 tax payment and its \$14M FY2021 quarterly tax installment payment until September 2020



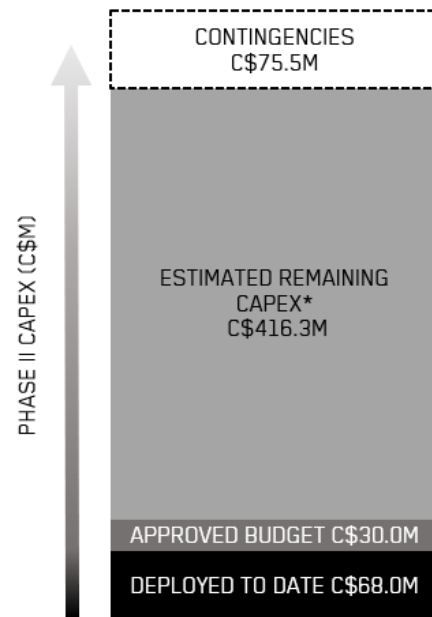
GROWTH PROJECTS

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PHASE II UPDATE

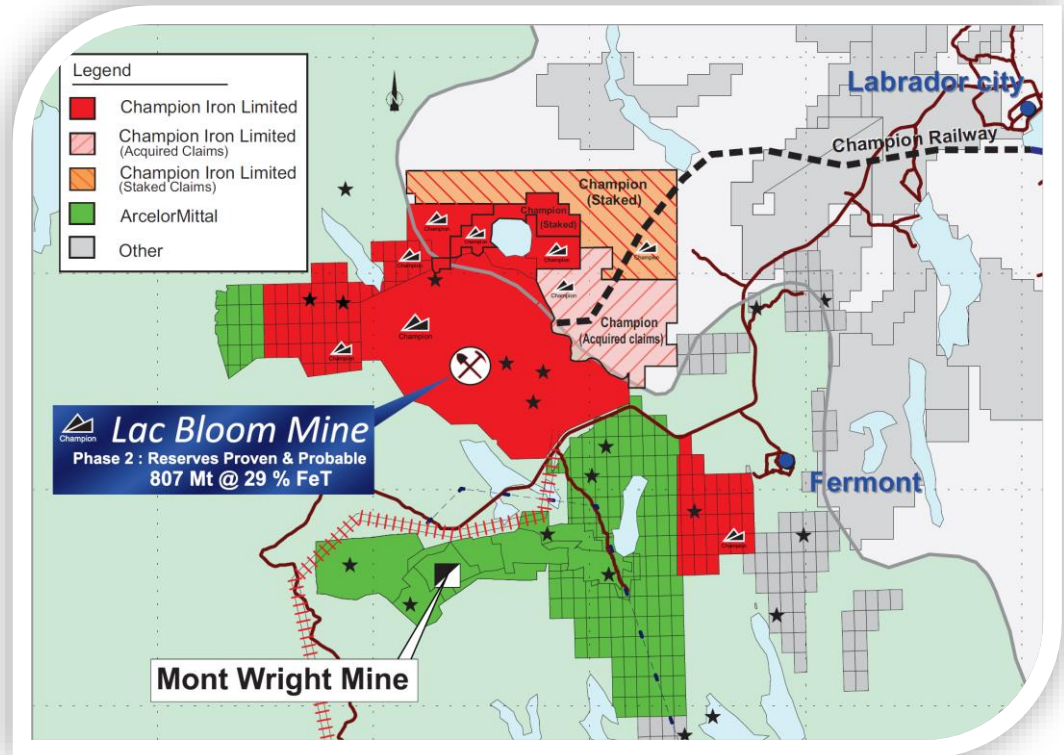
- Resumed discretionary spending and increased Phase II related budget by \$30M, from the initial \$68M previously announced on June 20, 2019, ahead of the deferred final board of directors' decision on the project
- Remaining construction estimated to take 18 months to complete
- Received partial delivery of spirals, ordered several long lead items and advanced detailed engineering as planned
- Acquired 100 used railcars, which will both optimize Phase I operations and can be expected to be used in connection with the proposed Phase II expansion project
- Optionality to progress at a reduced pace while the Company generates cash flow from operations



ACQUIRED LAND PACKAGE

- Acquired claims covering a 38 km² area and staked 31.75 km² in additional claims directly north of the Bloom Lake mining lease
- Now controls 178.2 km² area of prospective exploration land directly north of Bloom Lake
- Possibility to extend current mine life and/or offer growth opportunities for the future

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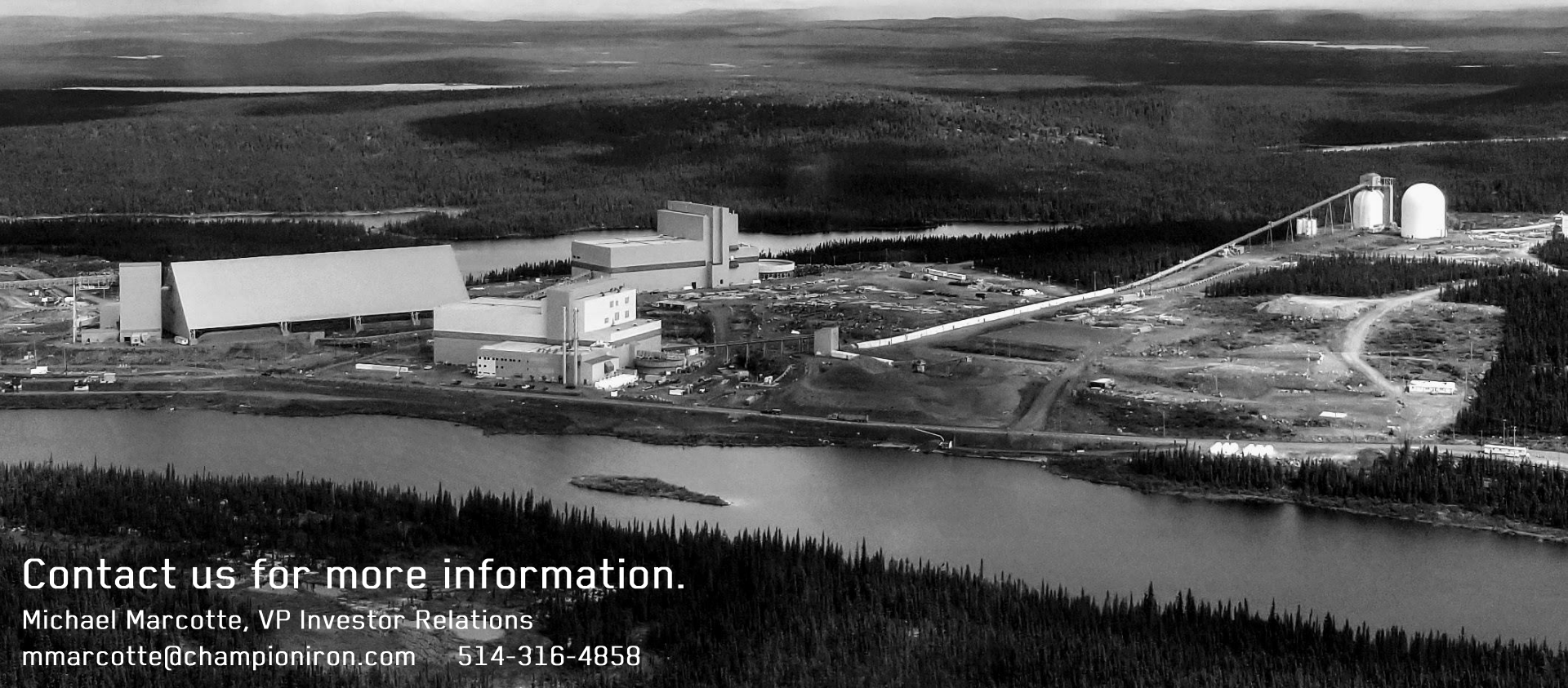
THANK YOU TO OUR STAFF

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THANK YOU!

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Contact us for more information.

Michael Marcotte, VP Investor Relations

mmarcotte@championiron.com 514-316-4858