

# THIRD QUARTER OF THE 2023 FINANCIAL YEAR

Webcast Presentation — January 27, 2023



PREMIUM PRODUCT  
TIER 1 JURISDICTION  
HIGH QUALITY INFRASTRUCTURE

CHAMPION IRON 

# DISCLAIMER

This presentation (the "Presentation") contains information about Champion Iron Limited ("Champion" or the "Company"), current as at the date hereof or as at such earlier date as may be specified herein. This Presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of Champion or any of its subsidiaries or affiliates or any other person in any jurisdiction or an inducement to enter into investment activity, does not constitute marketing material in connection with any such securities and there is no current offering or soliciting for the sale of securities in any jurisdiction.

This Presentation and the information contained herein is for information purposes only, may not be reproduced or distributed to others, at any time, in whole or in part, for any purpose, and may not be used for any other purpose, without the prior written consent of Champion, and all recipients agree that they will use this Presentation solely for information purposes. Acceptance of this Presentation by any person constitutes an agreement to be bound by the terms of this disclaimer.

In making any future investment decision, you must rely on your own examination of Champion, including the merits and risks involved. This Presentation should not be construed as financial, legal, tax, accounting, investment or other advice or a recommendation with respect to any potential future investment. You should consult your own advisors as needed to make a future investment decision and determine whether it is legally permitted to make an investment under applicable legal requirements, including securities or similar laws or regulations.

## FORWARD-LOOKING STATEMENTS

This Presentation contains certain information and statements, which may be deemed "forward-looking information" within the meaning of applicable securities laws (collectively referred to herein as "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. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control.

## SPECIFIC FORWARD-LOOKING STATEMENTS

All statements in this Presentation, other than statements of historical facts, that address future events, developments or performance that Champion expects to occur are forward-looking statements. These statements may include, but are not limited to, management's expectations regarding: Champion's program to reduce work-related incidents; the partnership with Innu Takuaikan Uashat Mak-Utenam and Comité sectoriel de main d'oeuvre de l'industrie des mines to implement training programs aimed at increasing collaboration between Innu partners and Champion; the Company's Phase II expansion project, its expected transitional operating costs, commercial production, lower recovery circuit rates, economic benefits, impact on and operation at nameplate capacity and milestones; the potential to upgrade the Bloom Lake iron ore concentrate to a higher grade with lower contaminants, expected project layout, flowsheet, production metrics, technical parameters, efficiencies, permitting, capex, timeline, financing, benefits and economics and the feasibility study evaluating the reprocessing and infrastructure required to commercially produce a 69% Fe DR pellet feed product and its completion timeline; the feasibility study evaluating the re-commissioning of the Pointe-Noire Iron Ore Pelletizing Facility to produce DR grade pellets and its anticipated completion timeline; the Kami Project's feasibility study, its purpose and anticipated completion timeline; Champion's positioning to service the industry's transition to EAFs and focus on DR quality products; the future declaration and payment of dividends and the timing thereof; the shift in steel industry production methods and expected rising demand for higher-grade iron ore products and related market deficit and higher premiums, including using reduction technologies and the Company's related potential and transition of its product offering: green steel, GHG and CO<sub>2</sub> emission reduction initiatives, objectives, targets and expectations; Champion's financial outlook; and the Company's growth and opportunities generally.

## RISKS

Although Champion believes the expectations expressed 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; changes in the assumptions used to prepare feasibility studies; project delays; continued availability of capital and financing and general economic, market or business conditions; fluctuations in foreign currency exchange rates; general economic, competitive, political and social uncertainties; market disruptions, including pandemics or significant health hazards, severe weather conditions, natural disasters, terrorist activities, financial crises, political crises, wars and other military conflicts (including the ongoing military conflict between Russia and Ukraine), or other major events, or the prospect of these events; future prices of iron ore; increased public concern about the environmental impact of the Company's products or their perceived safety; decreased social acceptance and increased social action to reduce the use of fossil fuels, which may negatively impact consumer perception; cyber events or attacks (including ransomware, state sponsored and other cyberattacks); 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; the impact of COVID-19 on the global economy, the iron ore market and Champion's operations, including the effectiveness of Champion's efforts to respond to the COVID-19 pandemic, the pace of economic recovery when the COVID-19 pandemic subsides and the heightened impact it has on many of the risks described herein and in other reports Champion files with the Canadian Securities Administrators (the "CSA") and the Australian Securities and Investments Commission (the "ASIC"); as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2022 Annual Information Form, the risks and uncertainties discussed in the Company's management's discussion and analysis for the fiscal year ended March 31, 2022 and the risks discussed in other reports Champion files with the CSA and the ASIC, all of which are available on SEDAR at [www.sedar.com](http://www.sedar.com), the ASX at [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.championiron.com](http://www.championiron.com). There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## ADDITIONAL UPDATES

The forward-looking statements in this Presentation are based on assumptions management believes to be reasonable and speak only as of the date of this Presentation or as of the date or dates specified in such statements. Champion 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. 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 risks they entail.

## NON-IFRS AND OTHER FINANCIAL MEASURES

Certain financial measures used by the Company to analyze and evaluate its results are non-IFRS financial measures or ratios and supplementary financial measures. Each of these indicators is not a standardized financial measure under the IFRS and might not be comparable to similar financial measures used by other issuers. These indicators 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. The non-IFRS and other financial measures included in this Presentation are EBITDA, adjusted net income, cash on hand, EBITDA margin, adjusted EPS, total cash cost or C1 cash cost, AISC, cash operating margin, cash profit margin, net average realized selling price per dmt sold or net average realized FOB selling price per dmt sold, gross average realized selling price per dmt sold or gross average realized FOB selling price per dmt sold and operating cash flow per share. When applicable, a quantitative reconciliation to the most directly comparable IFRS measures is provided in section 22 - Non-IFRS and Other Financial Measures of the Company's management's discussion and analysis for the fiscal year ended March 31, 2022 available on SEDAR at [www.sedar.com](http://www.sedar.com), the ASX at [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.championiron.com](http://www.championiron.com).

On June 20, 2019, Champion released the results of the Feasibility Study for the Bloom Lake Phase II expansion project reported in the National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("National Instrument 43-101") technical report entitled "Bloom Lake Mine - Feasibility Study Phase 2" by BBA Inc., Soutex and WSP Canada Inc., having an effective date of June 20, 2019 and filed on August 2, 2019 (the "Phase II Feasibility Study"). Champion 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. The Phase II Feasibility Study is available on SEDAR at [www.sedar.com](http://www.sedar.com), the ASX at [www.asx.com.au](http://www.asx.com.au) and Champion's website at [www.championiron.com](http://www.championiron.com).

Mr. Vincent Blanchet (P.Eng.), Geological engineer at Quebec Iron Ore Inc., a wholly-owned subsidiary of the Company, is a "qualified person" as defined by National Instrument 43-101 and has reviewed and approved the disclosure of the scientific and technical information contained in this Presentation. Mr. Blanchet'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 Phase II Feasibility Study. Mr. Blanchet is a member of the Ordre des Ingénieurs du Québec.

Certain information contained in this Presentation has been obtained from published sources prepared by third parties and has not been independently verified and no representation or warranty, express or implied, is made with respect to, and no undue reliance shall be placed on, the information or opinions contained herein or in any verbal or written communication made in connection with this Presentation.

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, David Cataford.

All amounts are in Canadian dollars unless otherwise stated.

# CONFERENCE CALL PARTICIPANTS

---



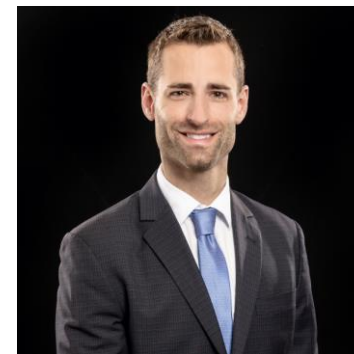
**DAVID CATAFORD**  
*Chief Executive Officer*



**ALEXANDRE BELLEAU**  
*Chief Operating Officer*



**DONALD TREMBLAY**  
*Chief Financial Officer*



**MICHAEL MARCOTTE**  
*Senior Vice-President  
Corporate Development  
and Capital Markets*

# FY2023 THIRD QUARTER HIGHLIGHTS

**CHAMPION IRON** 

TSX: CIA | ASX: CIA | OTCQX: CIAFF



**2,962,500 WMT**  
CONCENTRATE PRODUCED

**2,694,200 DMT**  
CONCENTRATE SOLD

**80.1%**  
ORE RECOVERY



**\$76.0/DMT**  
TOTAL CASH COST<sup>1</sup>

**\$86.7/DMT**  
ALL-IN SUSTAINING COST<sup>1</sup>



**\$351.2M**  
REVENUES  
**\$118.2M**  
EBITDA<sup>1</sup>

**\$54.1M**  
ADJUSTED NET INCOME<sup>1</sup>  
**\$0.10**  
ADJUSTED EPS<sup>1</sup>



**\$166.3M**  
CASH & SHORT-TERM  
INVESTMENTS

**\$461.6M**  
SHORT-TERM AND  
LONG-TERM DEBT<sup>2</sup>

**\$309.7M**  
AVAILABLE AND UNDRAWN LOANS<sup>3</sup>

Notes: <sup>1</sup> Non-IFRS financial measure, ratio or other financial measure. Refer to the disclaimer at the page 2 of this presentation | <sup>2</sup> Short-term and long-term debt face value includes US\$180M Revolving Facility, \$75M from FTQ, \$64M from Investissement Québec and US\$58.2M from Caterpillar Financial Services | <sup>3</sup> Undrawn loans included US\$220M Revolving Facility and US\$8.7M from Caterpillar Financial Services.



- No occurrence of any major environmental issues
- Introduced additional training programs to identify factors leading to work-related incidents
- Environment and Climate Change Canada performed a regulatory audit of the Bloom Lake facilities and reported no instances of non-compliance

QUEBEC IRON ORE + CONTRACTORS					
FINANCIAL YEAR 2023					
	FY22	Q1	Q2	Q3	YTD
Total Recordable Injury Frequency Rate (TRIFR)	4.29	3.23	2.96	1.88	2.69
Disability Injury Severity Rate (DISR)	31.44	15.24	14.61	29.18	19.49



# COMMUNITY & SUSTAINABILITY

CHAMPION IRON 

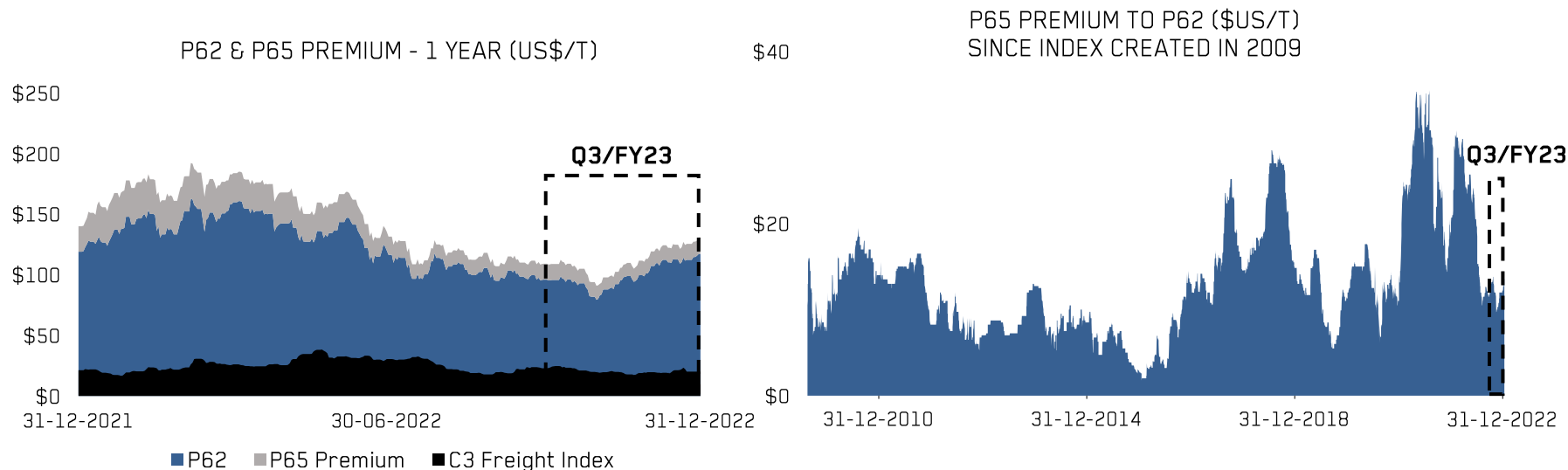
TSX: CIA | ASX: CIA | OTCQX: CIAFF

- All employees participated in diversity and cultural training sessions developed in collaboration with our First Nations partners
- Newly elected officials of the Uashat Mak Mani-Utenam Band Council visited Bloom Lake, furthering our partnership and collaboration
- In the spirit of creating collaboration opportunities with First Nations communities, the first Innu student cohort graduated, after completing our training programs on the mining industry
- Continuous local support, including contributions to the Sept-Îles Husky football team and an event with a local artist, Florent Vollant, promoting the Innu culture



# INDUSTRY OVERVIEW

- The P62 iron ore index and the P65 index premium declined modestly by 4.2% and 2.5% from the previous quarter, respectively, mainly attributable to weak global economic conditions and China's economic impact of the zero-COVID policy
- Improving iron ore prices late in the period and into 2023 as China relaxed COVID-19 related measures and introduced economic stimulus programs, in addition to declining iron ore export volumes from Brazil due to seasonal factors
- The C3 freight index declined 14.2% from the previous quarter, mainly attributable to lower bunker fuel prices, and easing congestion at Chinese ports



# OPERATIONAL & FINANCIAL RESULTS

---

CHAMPION IRON 

TSX: CIA | ASX: CIA | OTCQX: CIAFF



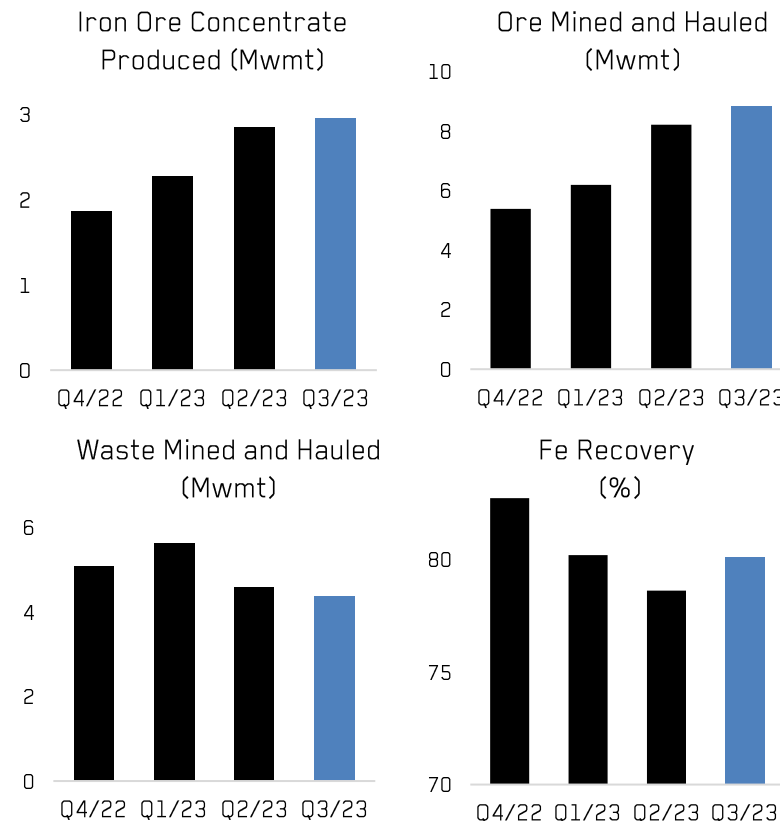


# OPERATIONS OVERVIEW

- Record iron ore production up nearly 50% year on year, positively impacted by the increasing production throughput from the Phase II, and negatively impacted by third-party delays in delivering mining equipment, significant electrical failures following abnormal weather events, which affected the greater Québec province in late December 2022, and longer than planned shutdowns and unplanned outages
- Fe recovery in-line with the mine plan and lower strip ratio impacted by limited number of available trucks due to delivery delays
- Company expects to benefit from optimization work programs and equipment deliveries, which should result in improved combined production of Bloom Lake's plants in the near term

FINANCIAL PERIODS	Q4/22	Q1/23	Q2/23	Q3/23
Iron ore concentrate produced (M wmt)	1.87	2.28	2.86	2.96
Iron ore concentrate sold (M dmt)	1.89	2.01	2.79	2.69
Waste mined and hauled (M wmt)	5.07	5.61	4.57	4.37
Ore mined and hauled (M wmt)	5.39	6.19	8.21	8.84
Strip ratio	0.94	0.91	0.56	0.49
Head grade Fe (%)	30.3	31.0	29.5	28.5
Fe recovery (%)	82.7	80.2	78.6	80.1
Product Fe (%)	66.2	66.1	66.1	66.0

Note: Financial periods

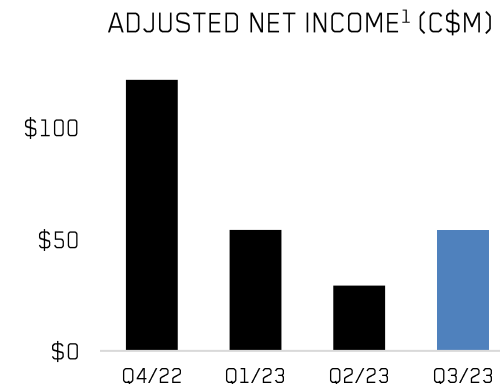
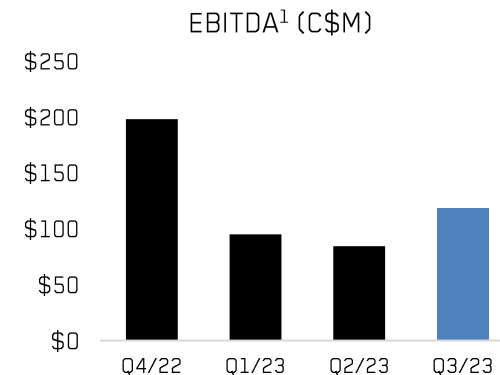


# FINANCIAL HIGHLIGHTS

- Revenues of \$351.2M, EBITDA<sup>1</sup> of \$118.2M and adjusted EPS<sup>1</sup> of \$0.10
- Financial results negatively impacted quarter on quarter by lower iron ore prices, higher operating costs resulting from transitional start-up costs to support Phase II commercial production and significant electrical failures resulting in delayed shipments

FINANCIAL PERIODS (\$ MILLION)	Q4/22	Q1/23	Q2/23	Q3/23
Revenues	331.4	279.3	300.6	351.2
EBITDA <sup>1</sup>	197.9	94.9	84.3	118.2
Operating income	173.7	74.5	55.9	87.7
Net income	115.7	41.6	19.5	51.4
Adjusted net income <sup>1</sup>	121.3	54.1	29.3	54.1
Net cash flow (used in) from operations	4.3	-32.2	87.1	13.4
Earnings per share - basic	0.23	0.08	0.04	0.10
Adjusted earnings per share - basic <sup>1</sup>	0.24	0.10	0.06	0.10
Gross average realized selling price (\$/dmt) <sup>1</sup>	207.1	190.4	157.0	171.6
Net average realized selling price (\$/dmt) <sup>1</sup>	175.3	138.7	107.6	130.4
Total cash cost (\$/dmt) <sup>1</sup>	60.0	74.0	65.9	76.0
All-in sustaining cost (\$/dmt) <sup>1</sup>	70.5	93.5	81.9	86.7
Cash operating margin (\$/dmt) <sup>1</sup>	104.8	45.2	25.7	43.7
Cash operating margin (%) <sup>1</sup>	59.8%	32.6%	23.9%	33.5%

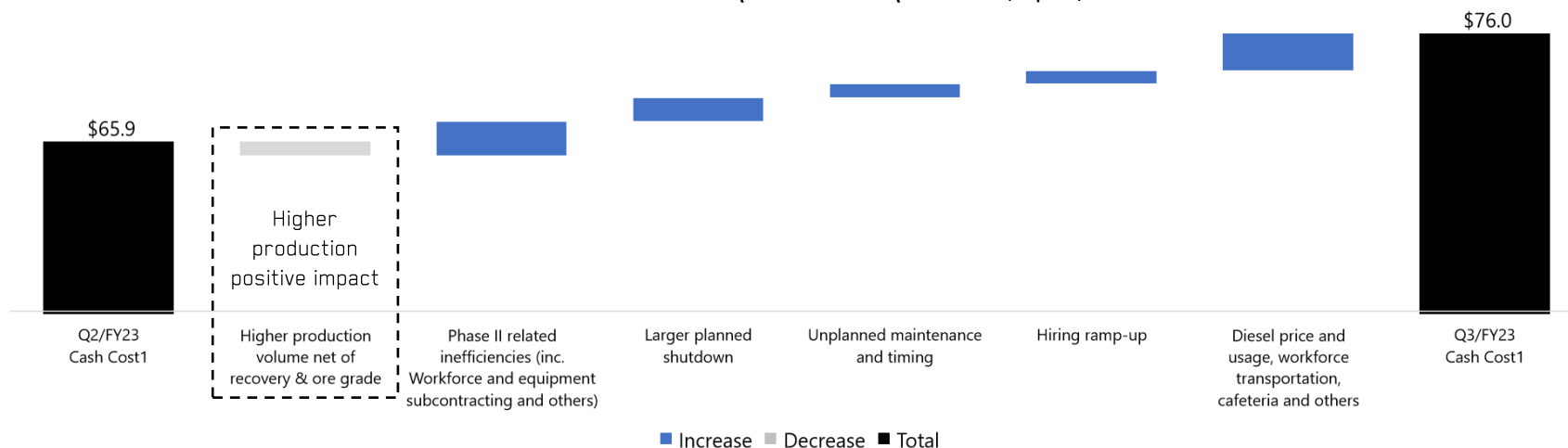
Note: <sup>1</sup>Non-IFRS financial measure, ratio or other financial measure. Refer to the disclaimer at the p.21 Financial Periods.



# TRANSITIONAL AND NON-RECURRING COST IMPACTS

- Quarterly cash cost<sup>1</sup> per tonne positively impacted by the increase in iron ore volumes attributable to the Phase II project
- Cash cost<sup>1</sup> per tonne negatively impacted by rising cost of fuel, land transportation, rising contractor expenses, the rising cost of workforce transportation, higher explosive costs, global inflationary pressures, higher fixed costs required to support the Company's increasing nameplate production while ramping up production and inefficiencies created by mining equipment delivery delays
- Additional production volumes from the Bloom Lake site, once the expected revised nameplate capacity is reached, are expected to normalize transitory operating costs per tonne

CASH COST<sup>1</sup> Q3/FY23 VS Q2/FY23 (C\$/T)



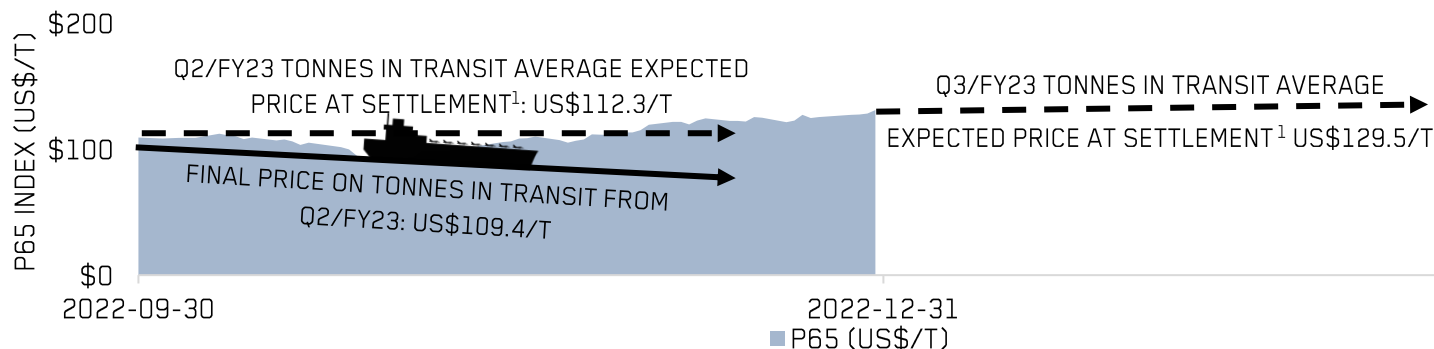
# PROVISIONAL PRICE ADJUSTMENT

- 1.28M tonnes which were subject to provisional pricing at the end of Q2/FY23 realized final prices during the quarter
- Q3/FY23 negative provisional pricing adjustment of US\$3.8M represents a negative impact of US\$1.4/dmt on the average realized price for tonnes sold in the period

PROVISIONAL IMPACT Q3/FY23			
Final price on tonnes in transit at Q2/FY23	-	Q2/FY23 Average expected price at settlement date <sup>1</sup>	× Tonnes in transit at Q2/FY23 (Mdmt) = Provisional impact on Q3/FY23
US\$109.4/t		US\$112.3/t	1.28 -US\$3.8M

PER TONNE SOLD	
Tonnes sold in Q3/FY23 (Mdmt)	= Provisional impact per tonne sold in Q3/FY23
2.69	-US\$1.4/t

- A gross forward provisional price of US\$129.5/t was determined for the 1.7Mt subject to provisional price at the end of Q3/FY23



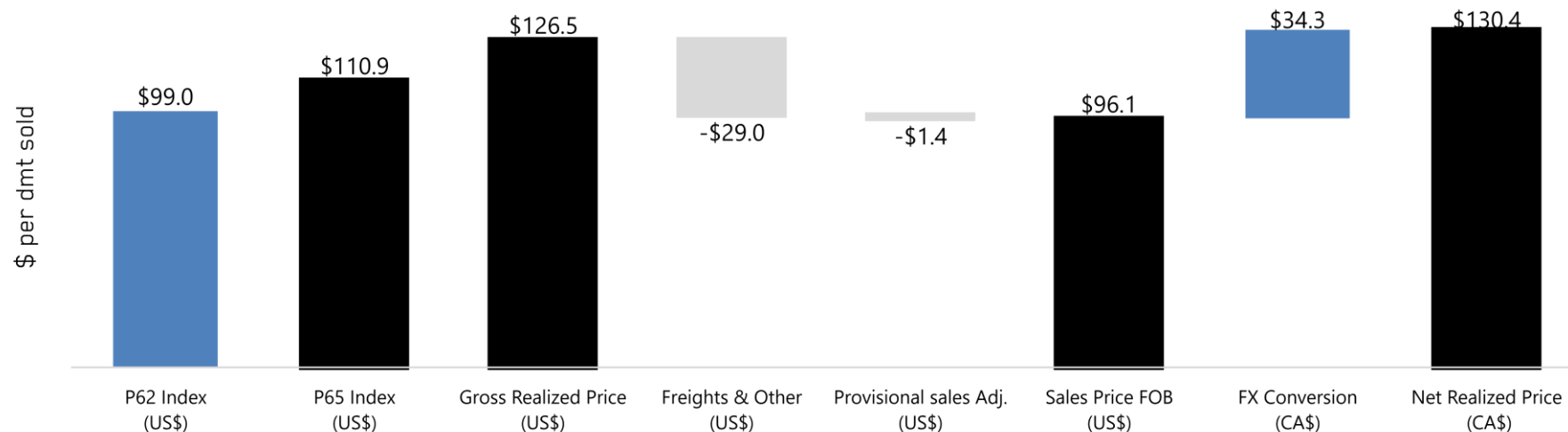
Note:<sup>1</sup> Expected price based on P65 Index forward prices



# AVERAGE REALIZED SELLING PRICE

- Q3/FY23 average gross realized price<sup>1</sup> of US\$126.5/t, comparing favourably to the P65 index average of US\$110.9/t during the period
- Average gross realized price<sup>1</sup> positively impacted by certain sales based on fixed backward-looking iron ore prices, which were slightly higher than the P65 index average during the period, and sales in transit at the end of the period, which were provisionally priced using an average forward price which was significantly higher than the P65 index average price for the period

## REALIZED PRICE

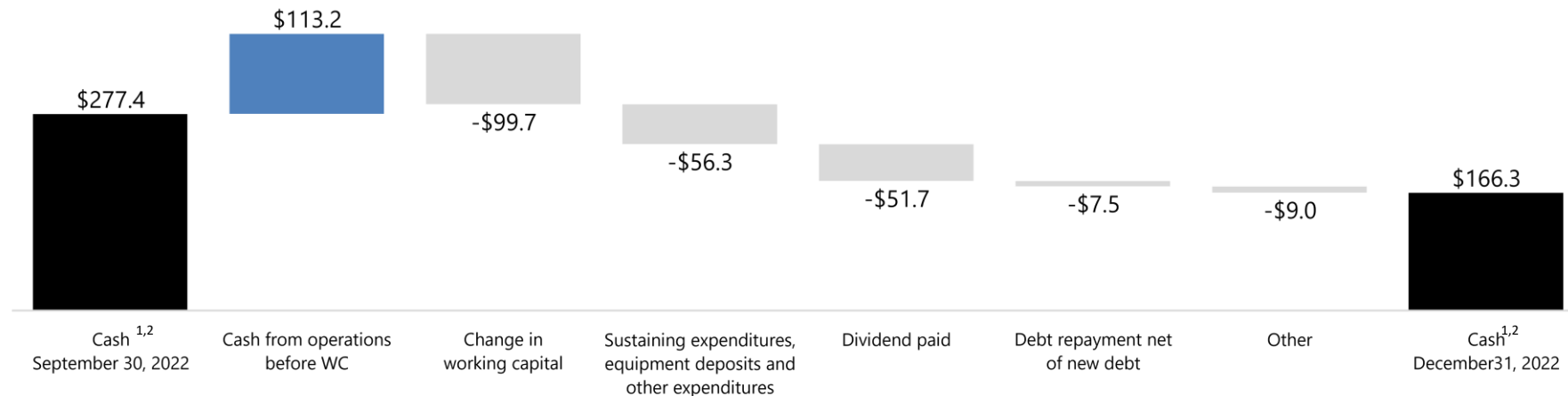


# CASH CHANGE DETAILS

→ Cash and short-term investments of \$166.3M positively impacted by operating cash flow before working capital of \$113.2M, and negatively impacted by:

- Change in working capital of \$99.7M, including higher trade receivables and higher inventories attributable to the timing of sales
- Property, Plant & Equipment (PP&E) of \$56.3M, including sustaining expenditures and equipment deposits
- Dividend paid of \$51.7M in relation to the semi-annual result ending September 30, 2022

## CASH CHANGE FROM SEPTEMBER 30, 2022, TO DECEMBER 31, 2022



# BALANCE SHEET POSITIONED FOR GROWTH



**\$166.3M** Cash & S-T investments

**\$238.5M** Working capital <sup>1,2</sup>



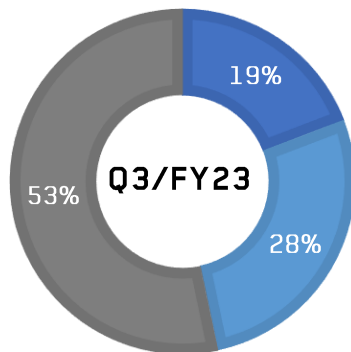
**\$461.6M** Short-term & Long-term debt <sup>3</sup>

**\$309.7M** Available & undrawn loans <sup>4</sup>



**Net debt of \$56.8M**

(including working capital)



■ Cash and cash equivalents ■ Working Capital ■ LTD Face value



Notes: <sup>1</sup>Non-IFRS financial measure, ratio or other financial measure. Refer to the disclaimer at the p.2 | <sup>2</sup> Receivables:\$160.4M; Income and mining taxes receivables \$63.6M; Prepaid expenses and advances:\$47.7M; Inventories: \$174.2M; accounts payable and other: (\$207.4M) | <sup>3</sup> Short-term and long-term debt face value include US\$180M Revolving Facility, \$75M from FTQ, \$64M from Investissement Québec and US\$58.2M from Caterpillar Financial Services | <sup>4</sup> Undrawn loans included US\$220M Revolving Facility and US\$8.7M from Caterpillar Financial Services.

# GROWTH PROJECTS

---

CHAMPION IRON 

TSX: CIA | ASX: CIA | OTCQX: CIAFF

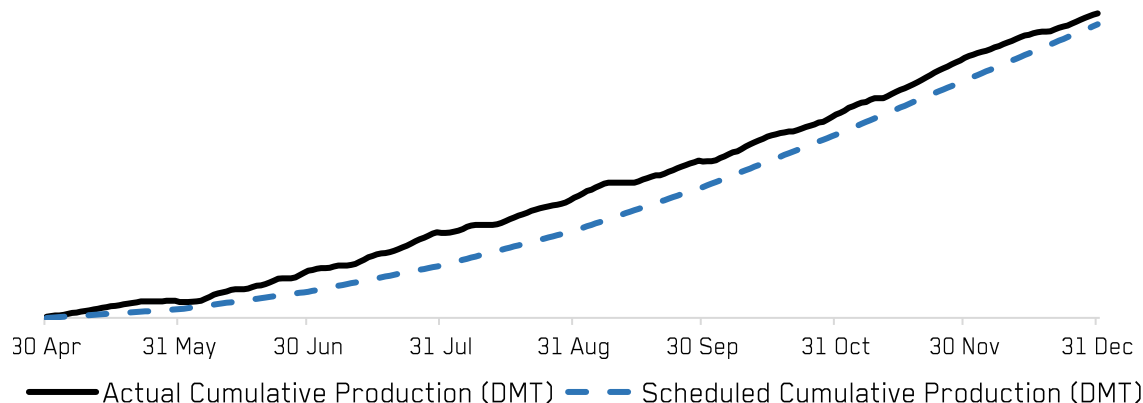




## PHASE II – RAMPING-UP AS SCHEDULED

- Achieved commercial production milestone in December 2022
- While the project was negatively impacted in the period by unplanned shutdowns, mining equipment deliveries and significant electrical failures in the province, the Phase II's cumulative production to date continues to compare favorably to the scheduled ramp-up production assumptions
- Ongoing optimization work programs, mining equipment deliveries, completion of ore crushing system commissioning, and off-site infrastructure capacity increases, should enable the Phase II to achieve expected nameplate capacity in the near term

PHASE II EXPANSION PROJECT  
CUMULATIVE PRODUCTION VS. SCHEDULED RAMP-UP



# GREEN STEEL SUPPLY CHAIN SOLUTIONS

- Champion is well positioned to service the steel industry's transition to Electric Arc Furnaces (EAF) with its growth projects focused on Direct Reduction (DR) quality iron ore products
- Positive findings of the feasibility study evaluating the reprocessing and infrastructure required to commercially produce a 69% Fe DR pellet feed ("DRPF") quality iron ore
- Advancing the Kami project's feasibility study, including its capability to produce DR grade pellet feed
- Feasibility study to evaluate the investments required to re-commission the Pointe-Noire pellet plant and produce DR grade pellets



## FEASIBILITY STUDY COMPLETED



Conceptual Flotation Plant



## H2/2023



Kami project



## H2/2023



Pointe Noire Pelletizing Facility

# DRPF PROJECT STUDY HIGHLIGHTS

---

CHAMPION IRON 

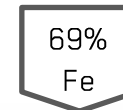
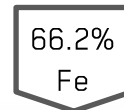
TSX: CIA | ASX: CIA | OTCQX: CIAFF



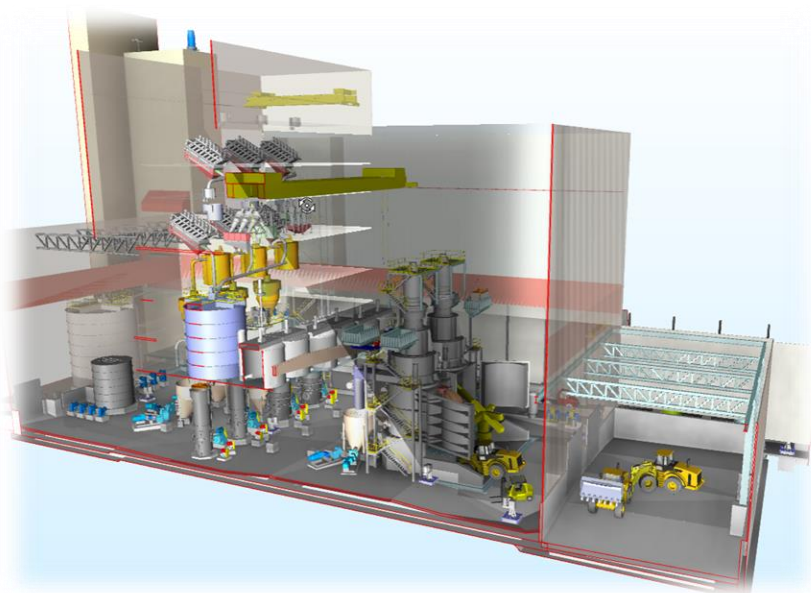


# DRPF PROJECT – OVERVIEW

- Additional reprocessing and infrastructure required to upgrade the Bloom Lake phase II plant production from 66.2% to a 69% Fe DRPF quality iron ore (the “Project”), including:
- Phase II circuit optimization
  - Thickener facility
  - New access road
  - Electrical capacity upgrade and port related infrastructure
- Project expected to produce approximately 7.5 Mtpa of industry leading DRPF quality iron ore with combined silica and alumina content below 1.2%





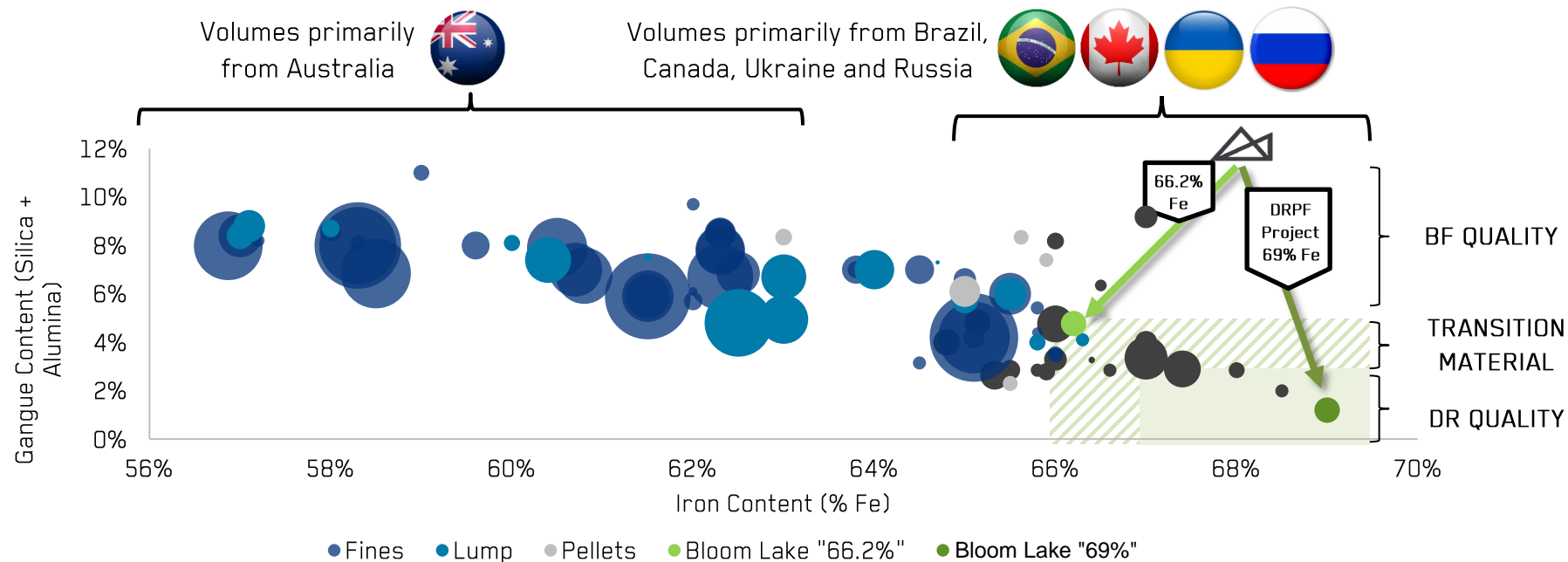


## PROJECT BENEFITS

- ✓ Project expected to produce one of the highest DRPF iron ore quality products available on the seaborne market
- ✓ Product expected to attract a substantial premium over the Company's current high-grade 66.2% Fe iron ore concentrate
- ✓ Enhance the Company's ability to contribute to the green steel supply chain by engaging with additional customers focused on the Direct Reduced Iron ("DRI") and Electric Arc Furnaces ("EAF") steelmaking route, reducing emissions in the steelmaking process by approximately half compared to the traditional steelmaking route using Blast Furnace ("BF") and Basic Oxygen Furnace ("BOF")

# 69% FE DRPF: PRIME PRODUCT IN A NICHE MARKET

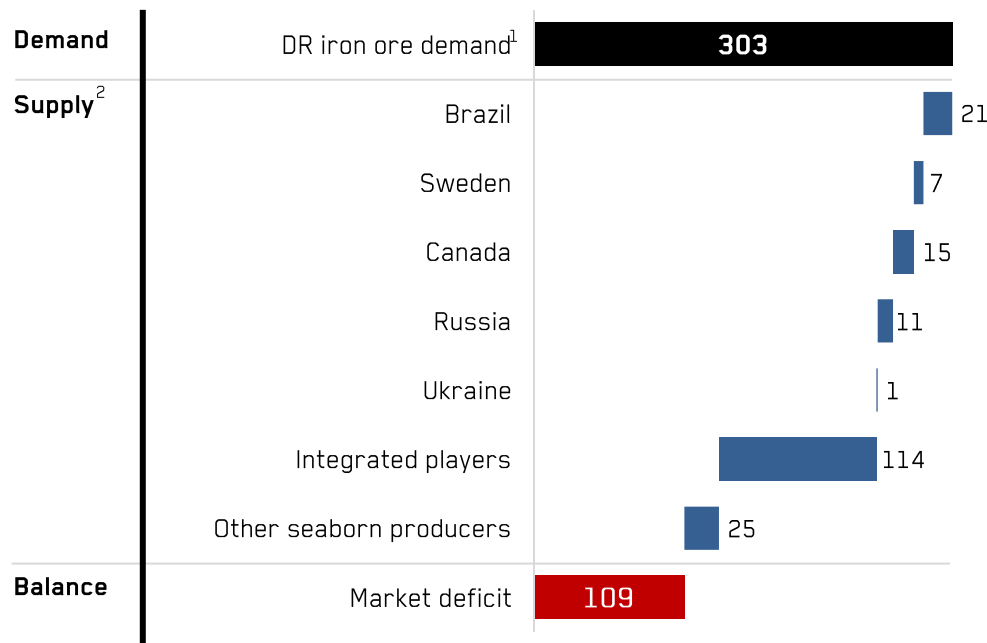
- Few iron ore deposits globally have the ability to produce DRPF quality iron ore with low contaminants required in the DRI/EAF steelmaking process to produce complex steels
- Champion's 69% Fe DRPF quality iron ore is expected to be a market leading high-purity DR quality product



# DRPF PRODUCT: EXPECTED DEFICIT

## DR-GRADE IRON ORE SUPPLY/DEMAND BALANCE BY 2031

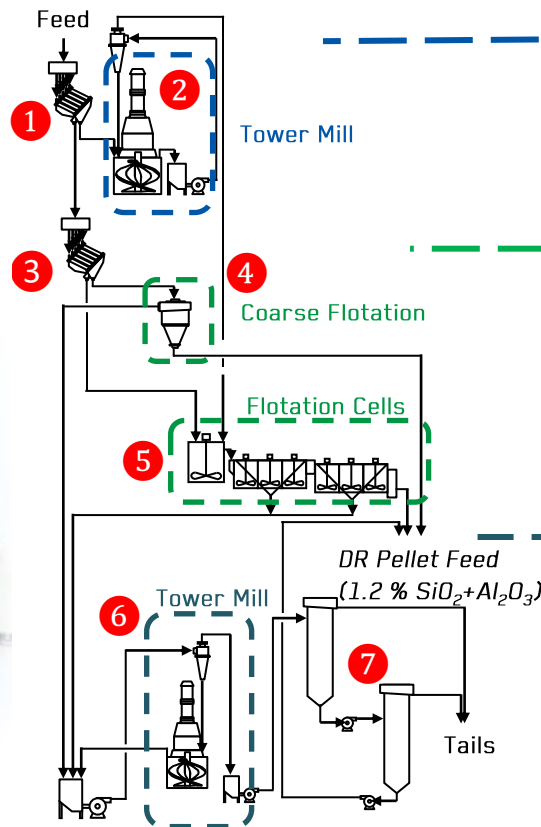
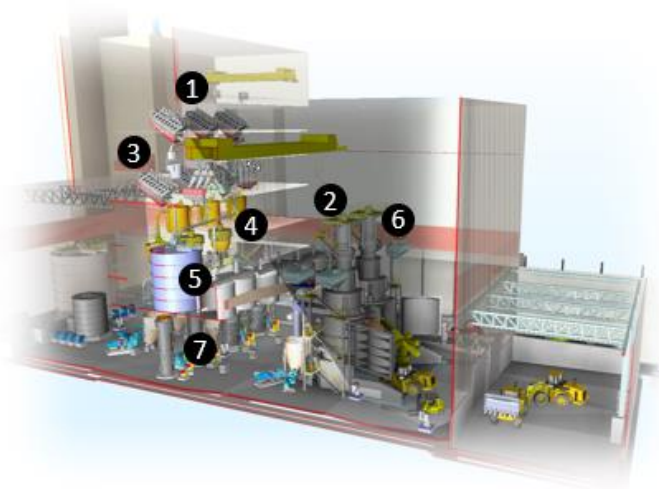
Million tonnes



- Global DR quality iron ore demand is expected to exceed 300 Mtpa by 2031
- As a result of limited expected supply, the market deficit is expected to be approximately 109 Mtpa by 2031
- Global deficit expected to support higher premiums for DR quality iron ore product
- Potential suppliers of DR quality iron ore expected to be concentrated from a few countries including Brazil, Russia, Sweden, Canada and Ukraine

# DRPF PROJECT: DESIGN AND BASIC FLOW SHEET

## PROJECT USING PROVEN AND OPTIMIZED TECHNOLOGIES



### FEED GRINDING

- Proven tower mill technology, reducing energy consumption significantly compared to traditional ball mills

### FLOTATION

- Proven process to remove silica from iron oxides for many decades
- Implementing coarse particle flotation technology, expected to reduce energy consumption and reagent usage compared to traditional flotation process

### SCAVENGER FLOTATION

- Optimized regrinding to improve overall efficiencies and energy consumption
- Flowsheet expected to increase iron recovery compared to traditional flowsheet



# DRPF PROJECT: INVESTING IN OUR VISION

- Total pre-production investments estimated at C\$470.7M, including \$46.4 in electrical upgrade and port related infrastructure

## Key Project assumptions including:

- Project estimated construction timeline of 30 months
- Significant expected product pricing premium above the Company's current 66.2% Fe iron ore concentrate
- Project estimated to increase operating costs per tonne of DRPF quality iron ore produced by \$9.6/t (US\$7.2/t)

CAPEX Pre-Production	C\$M	US\$M
Phase II circuit optimization	348.1	259.8
Electrical upgrade and port related infrastructure	46.4	34.6
Contingencies	76.2	56.9
<b>Total</b>	<b>470.7</b>	<b>351.3</b>



Key Assumptions	Metric	Assumption
Construction period	Months	30
Project life	Years	20
Operating costs (over Bloom Lake's cash cost <sup>1</sup> )	C\$/t	9.6
Assumed Diesel price	C\$/l	2.00
Assumed Electricity tariff	C\$/kwh	0.05
Implied tax rate post allowances including provincial, federal and mining duties	%	36.3
Average foreign exchange rate	CAD/USD	1.34
Conversion of 66.2% to DRPF	%	96.0

Note: <sup>1</sup>Non-IFRS financial measure, ratio or other financial measure. Refer to the disclaimer at the p.21 Financial Periods.

# DRPF PROJECT: POSITIVE IMPACT FOR ALL STAKEHOLDERS

→ Positive findings in the feasibility study including robust Project economics



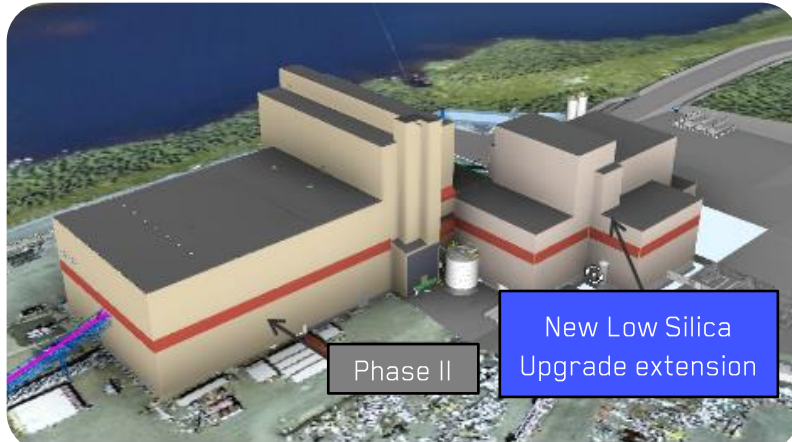
	C\$	US\$
Net Present Value ("NPV")	Pre-tax NPV <sub>8%</sub> of \$1230.1M After-tax NPV <sub>8%</sub> of \$738.2M	Pre-tax NPV <sub>8%</sub> of \$918.0M After-tax NPV <sub>8%</sub> of \$550.9M
Internal Rate of Return ("IRR")	Pre-tax IRR of 30.1% After-tax IRR of 24.0%	

- In addition to the Project's anticipated positive local economic impact, the construction phase of the Project is expected to create approximately 150 jobs with 70 permanent quality jobs once it is completed
- Project designed to be carbon neutral and not expected to create any additional environmental impact



# DRPF TIMELINE AND FUNDING

- To maintain the Project timeline, the Board of Directors approved a preliminary budget of \$10M, to be funded from existing liquidity, to advance the project during the remainder of 2023, including detailed engineering and deposits on long-lead items
- The Company expects to fund the remainder of the Project through existing liquidity, cash flow from operations and additional non-dilutive funding sources
- The Board of Directors expects to review the project's final investment decision pending securing additional power and non-dilutive funding



# THANK YOU TO OUR STAFF

**CHAMPION IRON** 

TSX: CIA | ASX: CIA | OTCQX: CIAFF



PRIDE



INGENUITY



RESPECT



TRANSPARENCY



**UPHOLDING OUR VALUES FOR A SUSTAINABLE FUTURE**



# THANK YOU!

# CHAMPION IRON

Contact us for more information:

Michael Marcotte, Senior Vice-President – Corporate Development and Capital Markets  
[info@championiron.com](mailto:info@championiron.com) 514-316-4858