

CHAMPION IRON REPORTS ITS FY2025 SECOND QUARTER RESULTS, DECLARES DIVIDEND AND ADVANCES THE DRPF PROJECT AS PLANNED

- Quarterly production of 3.2M wmt, sales of 3.3M dmt, revenue of \$351M, EBITDA of \$75M¹ and EPS of \$0.04
 - Declares a dividend of \$0.10 per ordinary share
- DRPF project advancing as planned for scheduled commissioning in H2/2025, including an additional \$65M deployed in the quarter and cumulative investments to date of \$218M
- Disclosed work programs required for the Company to meet its 2030 Scope 1 and 2 emission reduction commitment and the Company's initial Scope 3 emissions assessment

Montréal, October 30, 2024 [Sydney, October 31, 2024] - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ["**Champion**" or the "**Company**"] reports its operational and financial results for its financial second quarter ended September 30, 2024.

Champion's CEO, Mr. David Cataford, said, "Although forest fires impacted operations for several days in July, our comprehensive protocols successfully safeguarded our workforce and infrastructure while also achieving quarterly records for material mined and hauled. Notwithstanding the effect of forest fires on quarterly results, Bloom Lake demonstrated its ability to operate at its recently expanded nameplate capacity in the past months. Despite a turbulent macroeconomic environment, our strong balance sheet and continued focus on reliable production performance enabled our Company to pursue its capital return strategy by declaring a seventh consecutive semi-annual dividend. Looking forward, our focus remains on solidifying operations and pursuing the construction of the DRPF project, which will further position our Company as an industry solution to decarbonize steelmaking."

Conference Call Details

Champion will host a conference call and webcast on October 31, 2024, at 9:00 AM (Montréal time) / November 1, 2024, at 12:00 AM (Sydney time) to discuss the results of the financial second quarter ended September 30, 2024. Call details are set out at the end of this quarterly activities report.

1. Quarterly Highlights

Operations and Sustainability

- No serious injuries or major environmental incidents reported in the three-month period ended September 30, 2024;
- Gradual return of Bloom Lake's workforce, three days after being evacuated from the site on July 12, 2024, as a preventive response to nearby forest fires. The Company's facilities and third parties' infrastructure were not damaged by the fires. Although these events

impacted production for approximately a week, mining activities resumed a few days before the rail service, closely followed by the resumption of operations at the concentration plants;

- As scheduled, the Company successfully executed the major planned semi-annual shutdowns of the two concentration plants in September 2024, impacting production over several days;
- Quarterly production of 3.2 million wmt (3.1 million dmt) of high-grade 66.3% Fe concentrate for the three-month period ended September 30, 2024, down 18% from the previous quarter and down 8% over the same period last year;
- Quarterly iron ore concentrate sales of 3.3 million dmt for the three-month period ended September 30, 2024, down 5% from the previous quarter and up 13% from the prior-year period;
- The Company continues to seek improvements from the rail operator to receive contracted haulage services to ensure that production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods. Iron ore concentrate stockpiled at Bloom Lake was 2.8 million wmt as at September 30, 2024, down from 3.0 million wmt as at June 30, 2024. The rail operator haulage capacity is expected to increase in the near term as it has recently started receiving additional rolling stock that had previously been ordered; and
- Aligned with its sustainability objectives and vision to reduce emissions across the steelmaking value chain, the Company identified work programs to achieve its 2030 Scope 1 and 2 emission reduction target and completed its initial Scope 3 assessment. Additional details can be found in the Company's MD&A for the three and six-month periods ended September 30, 2024, available under its profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

Financial Results

- Gross realized selling price of US\$118.9/dmt¹, compared to the P65 index average of US\$114.2/dmt in the period;
- Net realized selling price of US\$79.0/dmt¹, representing a 20% decrease quarter-on-quarter, and 21% year-on-year;
- C1 cash cost of \$77.5/dmt¹ (US\$56.8/dmt)², comparable quarter-on-quarter, and representing an increase of 5% year-on-year;
- EBITDA of \$74.5 million¹, a decrease of 59% quarter-on-quarter, and 52% year-on-year;
- Net income of \$19.8 million, a decrease of 76% quarter-on-quarter, and 70% year-on-year;
- EPS of \$0.04, a decrease of 75% quarter-on-quarter, and 69% year-on-year;
- As anticipated, the cash balance decreased by \$110.9 million since June 30, 2024, and was \$183.8 million as at September 30, 2024, mainly resulting from the dividend payment in July 2024, seasonal sustaining capital expenditures and the advancement of the DRPF project, offset in part by changes in working capital;
- Available liquidity to support growth initiatives, including amounts available from the Company's credit facilities, totalled \$759.3 million¹ at quarter-end, compared to \$860.8 million¹ as at June 30, 2024; and
- Semi-annual dividend of \$0.10 per ordinary share declared on October 30, 2024 (Montréal) / October 31, 2024 (Sydney), will be payable on November 28, 2024 (Montréal and Sydney) to the Company's shareholders on record as at the close of business on November 12, 2024 (Montréal and Sydney), in connection with the semi-annual results for the period ended September 30, 2024.

Growth and Development

- The DRPF project, aimed at upgrading half of Bloom Lake's capacity to DR quality pellet feed iron ore grading up to 69% Fe, is progressing on schedule and on budget, with commissioning scheduled for the second half of calendar year 2025. Advanced engineering and construction works continued as planned, with quarterly and cumulative investments of \$64.7 million and \$218.4 million, respectively, as at September 30, 2024, out of the estimated total capital expenditures of \$470.7 million detailed in the project study released in January 2023;
- Progressed the Environmental Impact Statement for the Kami Project as required by the Government of Newfoundland and Labrador, officially introduced the project's brand to support local community awareness, and appointed a General Manager with significant experience in developing and operating sizeable mining projects. Concurrently, the Company continued to work on initiatives to improve the project economics prior to considering a final investment decision, including strategic partnerships;

- The production of 400 additional railcars, ordered in the previous quarter, commenced in September 2024, with delivery to Sept-Îles expected in the coming months. This acquisition should be fully financed through a long-term loan and is expected to improve the Company's rail shipment flexibility and potentially increase Bloom Lake's sales in the future; and
- Promotion of François Lavoie as Senior Vice-President, Sales, Technical Marketing and Product Development, joining Champion's Management Team on July 25, 2024, in recognition of years of valuable contributions to the Company's success, including the recommissioning of Bloom Lake in 2018 and completion of several project economic studies.

2. Bloom Lake Mine Operating Activities

During the three-month period ended September 30, 2024, Bloom Lake's operations continued to deliver solid performance. Production and sales during the period were impacted by the planned major semi-annual shutdowns of both concentration plants and rail infrastructures, in addition to approximately one week of production losses following the preventive evacuation of Bloom Lake's facilities on July 12, 2024, in response to nearby forest fires. Although production and sales were negatively impacted by these events, the Company continued to solidify its operations and achieved record volume of material mined and hauled during the second quarter, benefiting from improved mining equipment availability and productivity. During the three-month period ended September 30, 2024, volumes transported were slightly higher than production as rail haulage services resumed shortly before processing activities returned to their normal operational cadence in July 2024, following the forest fires. The Company also drew stockpiled iron ore at Bloom Lake during its scheduled semi-annual plants maintenance. Accordingly, the iron ore concentrate stockpiled at Bloom Lake decreased to 2.8 million wmt as at September 30, 2024, from 3.0 million wmt as at June 30, 2024.

The Company continues to seek improvements from the rail operator to receive contracted haulage services to ensure that Bloom Lake's production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods. The rail operator recently received and is expected to receive in the near-term additional rolling stock, which should increase its shipment capacity. The production of an additional 400 railcars, ordered by the Company in July 2024, began in September and are expected to be gradually delivered to Sept-Îles in the coming months. The 400 railcars, combined with additional rolling stock from the rail operator, are expected to increase Champion's rail haulage flexibility over time as part of its strategy to potentially increase Bloom Lake's future sales.

The Company continued to analyze work programs and investments required to structurally increase Bloom Lake's nameplate capacity beyond 15 Mtpa over time. The recently acquired additional mining equipment, to be delivered and commissioned over the coming months, is expected to support the mine's production capacity, as the Company evaluates opportunities to address operational bottlenecks and maintain high stripping activities in the future, as per the mine plan.

| | Q2 FY25 | Q1 FY25 | Q/Q Change | Q2 FY24 | Y/Y Change |
|-------------------------------------|-------------------|------------|------------|------------|------------|
| Operating Data | | | | | |
| Waste mined and hauled (wmt) | 9,323,600 | 6,733,700 | 38% | 6,264,600 | 49% |
| Ore mined and hauled (wmt) | 9,287,100 | 10,779,300 | (14)% | 10,593,600 | (12)% |
| Material mined and hauled (wmt) | 18,610,700 | 17,513,000 | 6% | 16,858,200 | 10% |
| Stripping ratio | 1.00 | 0.62 | 61% | 0.59 | 69% |
| Ore milled (wmt) | 9,125,000 | 11,084,300 | (18)% | 10,339,700 | (12)% |
| Head grade Fe (%) | 29.1 | 29.1 | 0% | 28.2 | 3% |
| Fe recovery (%) | 78.7 | 79.3 | (1)% | 77.8 | 1% |
| Product Fe (%) | 66.3 | 66.3 | — % | 66.1 | — % |
| Iron ore concentrate produced (wmt) | 3,170,100 | 3,876,500 | (18)% | 3,447,200 | (8)% |
| Iron ore concentrate sold (dmt) | 3,265,700 | 3,442,800 | (5)% | 2,883,800 | 13% |

During the three-month period ended September 30, 2024, a record 18.6 million tonnes of material were mined and hauled, compared to 16.9 million tonnes during the same period in 2023 and 17.5 million tonnes during the previous quarter, representing an increase of 10% and 6%, respectively. The increased mine performance was attributable to a higher utilization and availability of mining equipment, and reduced trucking cycle time associated with the construction of additional ramp accesses in the previous quarters.

The mining equipment's increased performance allowed the Company to mine and haul a higher volume of waste material, resulting in a stripping ratio of 1.00 for the three-month period ended September 30, 2024, significantly higher than 0.59 for the same prior-year period, and 0.62 in the previous quarter. After the July 2024 forest fires, the Company resumed mining operations earlier than the concentration plants, enabling the reallocation of mining equipment to move additional waste materials during the three-month period ended September 30, 2024. With the addition of mining equipment in the coming months, the Company expects to maintain this high level of mining and hauling activities in the future, in line with the LoM plan.

During the three-month period ended September 30, 2024, the two concentration plants at Bloom Lake processed 9.1 million tonnes of ore, compared to 10.3 million tonnes for the same prior-year period and 11.1 million tonnes in the previous quarter, a decrease of 12% and 18%, respectively. Ore processed during the three-month period ended September 30, 2024, was negatively impacted by the availability of the concentration plants due to the major scheduled semi-annual shutdowns, as well as the production interruption due to the preventive evacuation of Bloom Lake in response to the nearby forest fires. Ore processed was also negatively impacted during the quarter by a mined area of higher ore hardness, reducing milling capacity and affecting the Fe recovery.

The iron ore head grade for the three-month period ended September 30, 2024, was 29.1%, compared to 28.2% for the same period in 2023, and 29.1% during the previous quarter. The variation in head grade was within expected normal variations of the mine plan.

Champion's average Fe recovery rate was 78.7% for the three-month period ended September 30, 2024, compared to 77.8% for the same period in 2023, and 79.3% during the previous quarter. The Company continued its work programs to optimize its recovery circuits and expects to improve recovery rates over time.

Bloom Lake produced 3.2 million wmt (3.1 million dmt) of high-grade iron ore concentrate during the three-month period ended September 30, 2024, a decrease of 8% compared to 3.4 million wmt (3.4 million dmt) during the same period in 2023, and a decrease of 18% compared to 3.9 million wmt (3.8 million dmt) during the previous quarter.

3. Financial Performance

| | Q2 FY25 | Q1 FY25 | Q/Q Change | Q2 FY24 | Y/Y Change |
|---|----------------|---------|------------|---------|------------|
| Financial Data (in thousands of dollars) | | | | | |
| Revenues | 350,980 | 467,084 | (25%) | 387,568 | (9%) |
| Cost of sales | 252,960 | 264,911 | (5%) | 212,584 | 19% |
| Other expenses | 23,153 | 21,159 | 9% | 20,192 | 15% |
| Net finance costs | 7,486 | 8,259 | (9%) | 11,634 | (36%) |
| Net income | 19,807 | 81,357 | (76%) | 65,281 | (70%) |
| EBITDA ¹ | 74,536 | 181,160 | (59%) | 155,036 | (52%) |
| Statistics (in dollars per dmt sold) | | | | | |
| Gross average realized selling price ¹ | 161.8 | 171.6 | (6%) | 169.4 | (4%) |
| Net average realized selling price ¹ | 107.5 | 135.7 | (21%) | 134.4 | (20%) |
| C1 cash cost ¹ | 77.5 | 76.9 | 1% | 73.7 | 5% |
| AISC ¹ | 101.4 | 91.6 | 11% | 99.1 | 2% |
| Cash operating margin ¹ | 6.1 | 44.1 | (86%) | 35.3 | (83%) |

A. Revenues

Revenues totalled \$351.0 million for the three-month period ended September 30, 2024, compared to \$387.6 million for the same period in 2023, driven by lower gross average realized selling prices, \$22.9 million negative provisional pricing adjustments on sales recorded during the previous quarter and higher freight costs. This was partially offset by sales volume of 3.3 million tonnes of high-grade iron ore concentrate, up from 2.9 million tonnes for the same prior-year period, and by a weaker Canadian dollar. Sales volume increased year-over-year despite a planned shutdown of rail operations in September, a rail closure caused by nearby forest fires in July, rolling equipment maintenance activities, and a minor rock slide on the rail road, together interrupting rail services for several days during the period. Sales volumes last year were negatively impacted by railway interruptions and reduced service capacity due to forest fires in June 2023.

Negative provisional pricing adjustments on prior quarter sales of \$22.9 million (US\$17.1 million) were recorded during the three-month period ended September 30, 2024, representing a negative impact of US\$5.2/dmt over 3.3 million dmt sold during the quarter as a final average price of US\$110.0/dmt was established for the 1.8 million tonnes of iron ore that were in transit as at June 30, 2024, and which were provisionally priced at US\$119.4/dmt.

The gross average realized selling price of US\$118.9/dmt¹ for the three-month period ended September 30, 2024, was higher than the P65 index average price of US\$114.2/dmt for the period. The gross average realized selling price for the period was impacted by the 2.3 million tonnes in transit as at September 30, 2024, which were evaluated using an average price of US\$119.9/dmt and certain sales contracts using backward-looking iron ore index prices, when the index was higher than the P65 index average price for the period. The P65 index premium over the P62 index remained resilient despite market challenges and increased to 14.6% over the P62 index average price of US\$99.7/dmt during the quarter, compared to a premium of 9.6% in the prior-year period, and up from a premium of 12.8% in the previous quarter.

Freight and other costs of US\$34.7/dmt increased by 31% during the three-month period ended September 30, 2024, compared to US\$26.4/dmt in the same prior-year period. This increase was driven by a significantly higher average C3 index of US\$26.7/t for the period, compared to US\$20.3/t for the same period last year. This can likely be attributed to the conflict in the Red Sea which impacted freight routes during the period.

After taking into account sea freight and other costs of US\$34.7/dmt and the negative provisional pricing adjustments of US\$5.2/dmt, the Company obtained a net average realized selling price of US\$79.0/dmt (C\$107.5/dmt¹) for its high-grade iron ore shipped during the quarter.

B. Cost of Sales and C1 Cash Cost

For the three-month period ended September 30, 2024, the cost of sales totalled \$253.0 million with a C1 cash cost of \$77.5/dmt¹, compared to \$212.6 million with a C1 cash cost of \$73.7/dmt¹ for the same period in 2023. Cost of sales in the previous quarter was \$264.9 million with a C1 cash cost of \$76.9/dmt¹.

Mining and processing costs for the 3.1 million dmt produced in the three-month period ended September 30, 2024, totalled \$57.7/dmt produced¹, representing an increase of 22% compared to \$47.3/dmt produced¹ in the same period last year. This increase was mainly driven by an 8% reduction in the volume of iron ore concentrate produced, leading to a lower absorption of fixed costs, and higher maintenance costs associated with the major scheduled semi-annual shutdowns performed at both concentration plants during the quarter. Last year's major scheduled semi-annual shutdowns of the two concentration plants were performed over two quarters. Land transportation and port handling costs for the three-month period ended September 30, 2024, were \$26.7/dmt sold¹, comparable to last year, as the higher volume of iron ore concentrate transiting at the port facilities in Sept-Îles offset higher fixed costs incurred by the port service provider. The increase in C1 cash cost over the same period last year was also due to the impact of the change in concentrate inventory valuation, resulting from higher mining and processing costs incurred in the current quarter as discussed above.

C. Net Income & EBITDA

For the three-month period ended September 30, 2024, the Company generated EBITDA of \$74.5 million¹, representing an EBITDA margin of 21%¹, compared to \$155.0 million¹, representing an EBITDA margin of 40%¹, for the same period in 2023. Lower EBITDA and EBITDA margin were mainly driven by lower net average realized selling prices.

For the three-month period ended September 30, 2024, the Company generated net income of \$19.8 million (EPS of \$0.04), compared to \$65.3 million (EPS of \$0.13) for the same prior-year period. This decrease in net income is attributable to lower gross profit partially offset by lower income and mining taxes.

D. All In Sustaining Cost & Cash Operating Margin

During the three-month period ended September 30, 2024, the Company realized an AISC of \$101.4/dmt¹, compared to \$99.1/dmt¹ for the same period in 2023, mainly attributable to higher C1 cash cost, as previously discussed in this section.

The Company generated a cash operating margin of \$6.1/dmt¹ for each tonne of high-grade iron ore concentrate sold during the three-month period ended September 30, 2024, compared to \$35.3/dmt¹ for the same prior-year period. The variation was due to a lower net average realized selling price, combined with a higher AISC for the period.

4. Exploration Activities

During the three and six-month periods ended September 30, 2024;

- the Company maintained all of its properties in good standing and did not enter into any farm-in/farm-out arrangements;
- \$4.8 million and \$7.4 million were incurred in exploration and evaluation expenditures, respectively, compared to \$4.6 million and \$7.3 million, respectively, for the same prior-year periods; and
- evaluation expenditures mainly consisted of work done in Québec and in Newfoundland and Labrador.

Details on exploration projects and maps are available on the Company's website at www.championiron.com under the Operations & Projects section.

5. Cash Flows — Purchase of Property, Plant and Equipment

| | Three Months Ended September 30, | | Six Months Ended September 30, | |
|--|-------------------------------------|--------|-----------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| (in thousands of dollars) | | | | |
| Tailings lifts | 27,997 | 43,041 | 44,101 | 54,987 |
| Stripping and mining activities | 17,582 | 6,542 | 27,907 | 9,805 |
| Other sustaining capital expenditures | 20,340 | 10,863 | 31,919 | 15,457 |
| Sustaining capital expenditures | 65,919 | 60,446 | 103,927 | 80,249 |
| DRPF project | 64,677 | 16,938 | 123,142 | 28,021 |
| Other capital development expenditures at Bloom Lake | 48,586 | 13,002 | 67,574 | 37,786 |
| Purchase of property, plant and equipment as per cash flows | 179,182 | 90,386 | 294,643 | 146,056 |

Sustaining Capital Expenditures

Sustaining capital expenditures were \$15.5/dmt sold for the six-month period ended September 30, 2024, compared to \$14.7/dmt for the same prior-year period. This slight increase reflected additional mining development and equipment rebuild programs required to support additional production over the LoM, partially offset by the timing in tailings lift work programs.

The tailings-related investments for the three and six-month periods ended September 30, 2024, were in line with the Company's long-term plan to support the LoM operations. As part of its ongoing and thorough tailings infrastructure monitoring and inspections, Champion continues to invest in its safe tailings strategy and is implementing its long-term tailings investment plan. The Company's tailings work programs are typically and mostly completed in the first half of the financial year due to more favourable weather conditions.

The increase in stripping and mining activities for the three and six-month periods ended September 30, 2024, was attributable to mine development costs, including topographic and pre-cut drilling work, as part of the Company's mine plan. During the three and six-month periods ended September 30, 2024, \$5.9 million of stripping costs were capitalized (nil and \$0.3 million respectively, for the same periods in 2023).

The increase in other sustaining capital expenditures for the three and six-month periods ended September 30, 2024, was mainly attributable to mining equipment rebuild programs driven by Champion's growing mining fleet, renovations of accommodation complexes, and railcars-related improvements, as part of the Company's plan to increase its rail capacity. These expenditures are in line with the Company's investment strategy to support growth projects over the LoM.

DRPF Project

During the three and six-month periods ended September 30, 2024, \$64.7 million and \$123.1 million, respectively, were spent in capital expenditures related to the DRPF project (\$16.9 million and \$28.0 million respectively, for the same prior-year periods). Investments mainly consisted of engineering work, foundations-related civil work and erection of the building extension. Cumulative investments of \$218.4 million were deployed on the DRPF project as at September 30, 2024, with an estimated total capital expenditure of \$470.7 million, as per the project study released in January 2023.

Other Capital Development Expenditures at Bloom Lake

During the three-month period ended September 30, 2024, other capital development expenditures at Bloom Lake totalled \$48.6 million, compared to \$13.0 million for the same period last year. During the six-month period ended September 30, 2024, other capital development expenditures totalled \$67.6 million, compared to \$37.8 million for the same period last year.

The following table details other capital development expenditures at Bloom Lake:

| | Three Months Ended September 30, | | Six Months Ended September 30, | |
|---|-------------------------------------|---------------|-----------------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| (in thousands of dollars) | | | | |
| Infrastructure improvements and conformity (i) | 14,907 | 5,625 | 25,065 | 14,016 |
| Mine maintenance garage expansion (ii) | 3,680 | 6,822 | 7,463 | 15,184 |
| Deposits or final payment for mining equipment | 16,668 | 5,064 | 19,420 | 11,677 |
| Railcars (iii) | 9,723 | — | 9,723 | — |
| Other (iv) | 3,608 | (4,509) | 5,903 | (3,091) |
| Other Capital Development Expenditures at Bloom Lake | 48,586 | 13,002 | 67,574 | 37,786 |

(i) Infrastructure improvements and conformity expenditures included various capital projects aimed at improving the performance or capacity of assets, including pads to expand the Company's capacity to stockpile concentrate at the site, construction of a core shack, autonomous and remote drilling hardware and bridge conformity work programs.

(ii) The mine maintenance garage expansion was required to support the Company's expanded truck fleet, which made a significant contribution to the Company's recent mining performance.

(iii) Champion ordered 400 additional railcars in July 2024, which are expected to improve rail shipment flexibility in the future. The Company started to pay for the first railcars produced and expects the remaining ones to be paid and delivered in the upcoming months. This acquisition should be fully financed by a long-term loan.

(iv) Other expenditures mainly consisted of capitalized borrowing costs on the DRPF project, partially offset by the receipt of government grants in the 2024 financial year, related to the Company's initiatives to reduce GHG emissions and energy consumption.

6. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on October 31, 2024, at 9:00 AM (Montréal time) / November 1, 2024, at 12:00 AM (Sydney time). Listeners may access a live webcast of the conference call from the Investors section of the Company's website at www.championiron.com/investors/events-presentations or by dialing toll free +1-888-510-2154 within North America or +61-2-8017-1385 from Australia.

An online archive of the webcast will be available by accessing the Company's website at www.championiron.com/investors/events-presentations. A telephone replay will be available for one week after the call by dialing +1-888-660-6345 within North America or +1-289-819-1450 overseas, and entering passcode 59626#.

About Champion Iron Limited

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex, located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentration plants

that primarily source energy from renewable hydroelectric power, having a combined nameplate capacity of 15 Mtpa and producing low contaminant high-grade 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality iron ore concentrate. Benefiting from one of the highest purity resources globally, the Company is investing to upgrade half of the Bloom Lake mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe. Bloom Lake's high-grade and low contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. The Company ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and has delivered its iron ore concentrate globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset Project, located a few kilometres south-east of Bloom Lake, and the Cluster II portfolio of properties, located within 60 km south of Bloom Lake.

Cautionary Note Regarding Forward-Looking Statements

This quarterly activities report includes certain information and statements that may constitute "forward-looking information" under applicable securities legislation. 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, other than statements of historical facts, included in this quarterly activities report that address future events, developments or performance that Champion expects to occur are forward-looking statements. Forward-looking statements include, among other things, Management's expectations regarding: (i) Bloom Lake's LoM, recovery rates, production, economic and other benefits, updated reserves and resources, nameplate capacity and related opportunities and benefits, as well as potential increase thereof and related work programs and investments, delivery, commissioning and financing of new mining equipment and railcars and their impact on production, shipments and sales; (ii) the project to upgrade the Bloom Lake iron ore concentrate to a higher grade with lower contaminants and to convert approximately half of Bloom Lake's increased nameplate capacity of 15 Mtpa to commercially produce a DR quality pellet feed iron ore, expected project timeline, economics, capital expenditures, budget and financing, production metrics, pricing premiums, efficiencies, economic and other benefits and related evaluation of strategic partnerships and project economics; (iii) the shift in steel industry production methods towards reducing emissions and green steel production methods, including expected rising demand for higher-grade iron ore products and related market deficit and higher premiums, and the Company's participation therein, contribution thereto and positioning in connection therewith, including related research and development and the transition of the Company's product offering (including producing high-quality DRPF products) and expected benefits thereof; (iv) green steel, GHG and CO₂ emissions reduction initiatives, sustainability and ESG related initiatives, objectives, targets and expectations, expected implications thereof and the Company's positioning in connection therewith; (v) maintaining higher stripping activities; (vi) stockpiled ore levels, shipping and sales of accumulated concentrate inventories and their impact on the cost of sales; (vii) increased shipments of iron ore, delivery of additional railcars ordered for production by the Company and its impact on rail shipment flexibility and increased sales, related railway and port capacity; (viii) the Company's safe tailings strategy, tailings investment plan and related investments and benefits; (ix) production and recovery rate targets and the Company's performance and related work programs; (x) pricing of the Company's products (including provisional pricing); (xi) the Company's expected iron ore concentrate production and sales and related costs; (xii) available liquidity to support the Company's growth projects; and (xiii) 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 actual results to differ materially from those expressed in forward-looking statements include, without limitation: (i) the results of feasibility studies; (ii) changes in the assumptions used to prepare feasibility studies; (iii) project delays; (iv) timing and uncertainty of industry shift to green steel and electric arc furnaces, impacting demand for high-grade feed; (v) continued availability of capital and financing and general economic, market or business conditions; (vi) general economic, competitive, political and social uncertainties; (vii) future prices of iron ore; (viii) future transportation costs; (ix) failure of plant, equipment or processes to operate as

anticipated; (x) delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; (xi) geopolitical events; and (xii) the effects of catastrophes and public health crises on the global economy, the iron ore market and Champion's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2024 Annual Report and Annual Information Form for the financial year ended March 31, 2024, all of which are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at 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 information. Accordingly, readers should not place undue reliance on forward-looking information.

Additional Updates

All of the forward-looking information contained in this quarterly activities report is given as of the date hereof or such other date or dates specified in the forward-looking statements and is based upon the opinions and estimates of Champion's Management and information available to Management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of the forward-looking information, whether as a result of new information, future events or otherwise, except as 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. Readers should carefully consider the above factors as well as the uncertainties they represent and the risks they entail.

Abbreviations

Unless otherwise specified, all dollar figures stated herein are expressed in millions of Canadian dollars, except for: (i) tabular amounts which are in thousands of Canadian dollars; and (ii) per share or per tonne amounts. The following abbreviations and definitions are used throughout this quarterly activities report: US\$ (United States dollar), C\$ (Canadian dollar), Fe (iron ore), wmt (wet metric tonnes), dmt (dry metric tonnes), Mtpa (million tonnes per annum), M (million), km (kilometers), GHG (greenhouse gas), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), DRPF (direct reduction pellet feed), Kami Project (Kamistiatusset project), P62 index (Platts IODEX 62% Fe CFR China index), P65 index (Platts IODEX 65% Fe CFR China index), C3 index (C3 Baltic Capesize index), EBITDA (earnings before interest, tax, depreciation and amortization), AISC (all-in sustaining cost), EPS (earnings per share) and Management (Champion's management team). The utilization of "Champion" or the "Company" refers to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. "IFRS" refers to International Financial Reporting Standards.

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This document has been authorized for release to the market by the Board of Directors.

The Company's unaudited Condensed Consolidated Financial Statements for the three and six-month periods ended September 30, 2024 (the "Financial Statements") and associated Management's Discussion and Analysis ("MD&A") are available under the Company's profile on SEDAR+ (www.sedarplus.ca), the ASX (www.asx.com.au) and the Company's website (www.championiron.com).

¹This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the section below — Non-IFRS and Other Financial Measures for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable. Additional details for these non-IFRS and other financial measures, have been incorporated by reference and can be found in section 22 of the Company's MD&A for the three and six-month periods ended September 30, 2024, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website under the Investors section at www.championiron.com.

² See the "Currency" subsection of the MD&A for the three and six-month periods ended September 30, 2024, included in section 8 — Key Drivers, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website under the Investors section at www.championiron.com.

Non-IFRS and Other Financial Measures

The Company has included certain non-IFRS financial measures, ratios and supplementary financial measures in this quarterly activities report to provide investors with additional information in order to help them evaluate the underlying performance of the Company. These measures are mainly derived from the Financial Statements but do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Management believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors with an improved ability to understand the results of the Company's operations. Non-IFRS and other financial measures should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. The exclusion of certain items from non-IFRS financial measures does not imply that these items are necessarily non-recurring.

The Company presents certain of its non-IFRS measures and other financial measures in U.S. dollars in addition to Canadian dollars to facilitate comparability with measures presented by other companies.

EBITDA and EBITDA Margin

| | Q2 FY25 | Q1 FY25 | Q2 FY24 |
|---------------------------------------|----------------|---------|---------|
| (in thousands of dollars) | | | |
| Income before income and mining taxes | 31,777 | 137,377 | 112,187 |
| Net finance costs | 7,486 | 8,259 | 11,634 |
| Depreciation | 35,273 | 35,524 | 31,215 |
| EBITDA | 74,536 | 181,160 | 155,036 |
| Revenues | 350,980 | 467,084 | 387,568 |
| EBITDA margin | 21% | 39% | 40% |

Available Liquidity

| | As at September 30, 2024 | As at June 30, 2024 |
|---|-----------------------------|------------------------|
| (in thousands of dollars) | | |
| Cash and cash equivalents | 183,776 | 259,859 |
| Undrawn amounts under credit facilities | 575,493 | 600,913 |
| Available liquidity | 759,269 | 860,772 |

C1 Cash Cost

| | Q2 FY25 | Q1 FY25 | Q2 FY24 |
|--|------------------|-----------|-----------|
| Iron ore concentrate sold (dmt) | 3,265,700 | 3,442,800 | 2,883,800 |
| (in thousands of dollars except per tonne) | | | |
| Cost of sales | 252,960 | 264,911 | 212,584 |
| C1 cash cost (per dmt sold) | 77.5 | 76.9 | 73.7 |

All-In Sustaining Cost

| | Q2 FY25 | Q1 FY25 | Q2 FY24 |
|--|--------------|-----------|-----------|
| Iron ore concentrate sold (dmt) | 3,265,700 | 3,442,800 | 2,883,800 |
| (in thousands of dollars except per tonne) | | | |
| Cost of sales | 252,960 | 264,911 | 212,584 |
| Sustaining capital expenditures | 65,919 | 38,008 | 60,446 |
| General and administrative expenses | 12,114 | 12,350 | 12,729 |
| | 330,993 | 315,269 | 285,759 |
| AISC (per dmt sold) | 101.4 | 91.6 | 99.1 |

Cash Operating Margin and Cash Profit Margin

| | Q2 FY25 | Q1 FY25 | Q2 FY24 |
|--|--------------|-----------|-----------|
| Iron ore concentrate sold (dmt) | 3,265,700 | 3,442,800 | 2,883,800 |
| (in thousands of dollars except per tonne) | | | |
| Revenues | 350,980 | 467,084 | 387,568 |
| Net average realized selling price (per dmt sold) | 107.5 | 135.7 | 134.4 |
| AISC (per dmt sold) | 101.4 | 91.6 | 99.1 |
| Cash operating margin (per dmt sold) | 6.1 | 44.1 | 35.3 |
| Cash profit margin | 6% | 32% | 26% |

Gross Average Realized Selling Price per dmt Sold

| | Q2 FY25 | Q1 FY25 | Q2 FY24 |
|--|--------------|-----------|-----------|
| Iron ore concentrate sold (dmt) | 3,265,700 | 3,442,800 | 2,883,800 |
| (in thousands of dollars except per tonne) | | | |
| Revenues | 350,980 | 467,084 | 387,568 |
| Provisional pricing adjustments | 22,947 | (27,947) | (1,559) |
| Freight and other costs | 154,425 | 151,547 | 102,411 |
| Gross revenues | 528,352 | 590,684 | 488,420 |
| Gross average realized selling price (per dmt sold) | 161.8 | 171.6 | 169.4 |

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