Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended December 31, 2024

CHAMPION IRON

TSX: CIA - ASX: CIA

As at January 30, 2025

The following Champion Iron Limited ("Champion" or the "Company") Management's Discussion and Analysis ("MD&A") has been prepared as of January 30, 2025. This MD&A is intended to supplement the condensed interim consolidated financial statements for the three and nine-month periods ended December 31, 2024, and related notes thereto ("Financial Statements"), which have been prepared in accordance with the Australian Accounting Standards Board ("AASB") 134 / International Accounting Standards ("IAS") 34, Interim Financial Reporting, and should be read in conjunction with the Company's audited annual financial statements and MD&A for the financial year ended March 31, 2024. The Financial Statements and other information pertaining to the Company are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

Champion's management team ("Management") is responsible for the preparation and integrity of the Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Financial Statements and MD&A, is complete and reliable.

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 MD&A: US$ or U.S. dollar (United States dollar), C$ (Canadian dollar), Board (Board of Directors), t (tonnes), wmt (wet metric tonnes), dmt (dry metric tonnes), Mtpa (million tonnes per annum), M (million), km (kilometres), m (metres), FOB (free on board), Fe (iron ore), LoM (life of mine), Bloom Lake or Bloom Lake mine (Bloom Lake Mining Complex), Phase II (Phase II expansion project), DR (direct reduction), DRPF (direct reduction pellet feed), Kami Project (Kamistiatusset project), GHG (greenhouse gas), 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 costs) and EPS (earnings per share). The terms "Champion" or the "Company" refer to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. The term "QIO" refers to Quebec Iron Ore Inc., the Company's wholly-owned subsidiary and the operator of Bloom Lake. IFRS refers to the International Financial Reporting Standards.

This MD&A contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" sections of the Company's 2024 Annual Information Form and the MD&A for the financial year ended March 31, 2024, and to the "Cautionary Note Regarding Forward-Looking Statements" section of this MD&A.

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 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 substitutes for measures of performance prepared in accordance with IFRS. The non-IFRS and other financial measures included in this MD&A are: EBITDA and EBITDA margin, adjusted net income, adjusted EPS, available liquidity, C1 cash cost or total cash cost per dmt sold, mining and processing costs per dmt produced, land transportation and port handling costs per dmt sold, AISC per dmt sold, cash operating margin, cash profit margin, gross average realized selling price per dmt sold, net average realized selling price per dmt sold or net 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 measure is provided in section 21 — Non-IFRS and Other Financial Measures of this MD&A.

Cautionary Note Regarding Forward-Looking Statements

Forward-Looking Statements

This MD&A 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 MD&A 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 additional railcars and their impact on production, sales and shipment flexibility and capabilities;

Cautionary Note Regarding Forward-Looking Statements (continued)

Specific Forward-Looking Statements (continued)

(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, technical parameters, permitting and approvals, expected environmental footprint, pricing premiums, efficiencies, economic and other benefits and related engagement with prospective customers;

(iii) the Kami Project's study (including LoM, reserves and resources), the project's potential to produce a DR grade product, expected project timeline and construction period, economics, capital expenditures, production and financial metrics, technical parameters, permitting, expected environmental footprint and related studies and work programs, stakeholder engagement, efficiencies and economic and other benefits and evaluation of opportunities to improve project economics;

(iv) the formation of a partnership with Nippon Steel Corporation and Sojitz Corporation with respect to the Kami Project, the completion of a DFS and the timing thereof, the potential to receive future payments based on the financial performance of the Kami Project, the Partner contributions to support the DFS, the negotiations of and entering into definitive transaction documents with the Partners and terms thereof (including the Framework Agreement, IID and FID), the Partnership and project structure and financing, the completion of the transactions contemplated thereby and its timing, related project permitting, the Partnership's advancement of the Environmental Impact Statement, the ability of Champion to realize on the benefit of the Transaction, and the ability and timing for the parties to fund cash calls to advance the development of the Kami Project and pursue its development;

(v) the future declaration and payment of dividends and the timing thereof;

(vi) the shift in steel industry production methods towards reducing emissions and green steel, 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), related investments and expected benefits thereof;

(vii) green steel, GHG and CO_2 emissions reduction initiatives, sustainability and ESG related initiatives, objectives, targets and expectations, expected implications thereof and the Company's positioning in connection therewith;

(viii) increasing stripping activities;

(ix) stockpiled ore levels, shipping and sales of accumulated concentrate inventories and their impact on the cost of sales;

(x) increased shipments of iron ore, impact of the delivery of additional railcars, haul trucks and loading equipment commissioned by the Company, and related railway and port capacity;

(xi) the Company's safe tailings strategy, tailings investment plan and related investments and benefits;

(xii) the impact of exchange rates on commodity prices and the Company's financial results;

(xiii) the relationship between iron ore prices and ocean freight costs and their impact on the Company;

(xiv) the impact of iron ore price fluctuations on the Company and its financial results and the occurrence of certain events and their impact on iron ore prices and demand for high-grade iron ore products;

(xv) the Company's cash requirements for the next twelve months, the Company's positioning to fund such cash requirements and estimated future interest payments;

(xvi) legal actions, including arbitration and class actions, their potential outcome and their effect on the consolidated financial position of the Company;

(xvii) production and recovery rate targets and levels and the Company's performance and related work programs;

(xviii) pricing of the Company's products (including provisional pricing);

(xix) the Company's tax position;

(xx) the Company's expected iron ore concentrate production and sales, mining and hauling activities and related costs;

(xxi) the Company's iron ore concentrate pricing trends compared the P65 index;

(xxii) the Company's storage expansion and related compensation plans;

(xxiii) available liquidity to support the Company's growth projects; and

(xxiv) the Company's growth and opportunities generally.

Deemed Forward-Looking Statements

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 and resources may be greater or less than the estimates provided herein.

Cautionary Note Regarding Forward-Looking Statements (continued)

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:

- the results of feasibility studies;
- changes in the assumptions used to prepare feasibility studies;
- project delays;
- timing and uncertainty of industry shift to green steel and electric arc furnaces, impacting demand for high-grade feed;
- continued availability of capital and financing and general economic, market or business conditions;
- general economic, competitive, political and social uncertainties;
- future prices of iron ore;
- future transportation costs;
- 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;
- geopolitical events; and
- 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 MD&A 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.

1. Description of Business

Champion was incorporated under the laws of Australia in 2006 and is dual-listed on the Toronto Stock Exchange (TSX: CIA) and the Australian Securities Exchange (ASX: CIA), and trades on the OTCQX Best Market (OTCQX: CIAFF).

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 15M wmt per year that produce 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, Champion is investing to upgrade half of Bloom Lake's 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. Champion 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 the Kamistiatusset mining properties, a project with an estimated annual production of 9M wmt per year of direct reduction quality iron grading above 67.5% Fe, located near available infrastructure and only a few kilometres south-east of Bloom Lake. In December 2024, Champion entered into a binding agreement with Nippon Steel Corporation and Sojitz Corporation to form a partnership to evaluate the potential development of the Kami project, including the completion of a definitive feasibility study. Champion also owns a portfolio of exploration and development projects in the Labrador Trough, including the Cluster II portfolio of properties, located within 60 km south of Bloom Lake.

2. Financial and Operating Highlights

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2024	2023	Variance	**2024**	2023	Variance
Iron ore concentrate produced (wmt)	**3,620,600**	4,042,600	(10)%	**10,667,200**	10,887,000	(2)%
Iron ore concentrate sold (dmt)	**3,287,400**	3,227,500	2 %	**9,995,900**	8,674,800	15 %
Financial Data (in thousands of dollars, except per share amounts)						
Revenues	**363,170**	506,891	(28)%	**1,181,234**	1,191,621	(1)%
Net income	**1,741**	126,462	(99)%	**102,905**	208,400	(51)%
Adjusted net income[1]	**1,741**	126,462	(99)%	**102,905**	210,774	(51)%
EBITDA[1]	**88,216**	246,609	(64)%	**343,912**	467,450	(26)%
EBITDA margin[1]	**24 %**	49 %	(51)%	**29 %**	39 %	(26)%
Basic EPS	**0.00**	0.24	(100)%	**0.20**	0.40	(50)%
Adjusted EPS[1]	**0.00**	0.24	(100)%	**0.20**	0.41	(51)%
Net cash flow from (used in) operating activities	**(6,443)**	162,623	(104)%	**159,640**	374,118	(57)%
Dividend per ordinary share paid	**0.10**	0.10	— %	**0.20**	0.20	— %
Cash and cash equivalents	**93,096**	387,373	(76)%	**93,096**	387,373	(76)%
Total assets	**2,951,201**	2,634,696	12 %	**2,951,201**	2,634,696	12 %
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**158.8**	195.8	(19)%	**164.2**	179.0	(8)%
Net average realized selling price[1]	**110.5**	157.1	(30)%	**118.2**	137.4	(14)%
C1 cash cost[1]	**78.7**	73.0	8 %	**77.7**	75.7	3 %
AISC[1]	**93.9**	83.9	12 %	**95.5**	92.0	4 %
Cash operating margin[1]	**16.6**	73.2	(77)%	**22.7**	45.4	(50)%
Statistics (in U.S. dollars per dmt sold)[2]						
Gross average realized selling price[1]	**113.4**	144.0	(21)%	**119.3**	132.7	(10)%
Net average realized selling price[1]	**78.8**	115.6	(32)%	**85.9**	101.9	(16)%
C1 cash cost[1]	**56.3**	53.6	5 %	**56.4**	56.1	1 %
AISC[1]	**67.2**	61.6	9 %	**69.4**	68.2	2 %
Cash operating margin[1]	**11.6**	54.0	(79)%	**16.5**	33.7	(51)%

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

[2] See the "Currency" subsection of this MD&A included in section 7 — Key Drivers.

3. Quarterly Highlights

Operations and Sustainability

- During the three-month period ended December 31, 2024, no major environmental incidents were reported; however, one non-fatal incident occurred involving a contractor at the DRPF construction site;
- Quarterly production of 3.6 million wmt (3.5 million dmt) of high-grade 66.3% Fe concentrate for the three-month period ended December 31, 2024, up 14% from the previous quarter and down 10% over the same period last year;
- In December 2024, shipments were negatively impacted by a 14-day interruption due to the breakdown of a critical piece of equipment at the Bloom Lake mine's train load-out facility, which is utilized to ship iron ore concentrate by railway to the port of Sept-Îles (the "Load-Out"). During this period, the Company stockpiled its production and took the opportunity to complete additional maintenance, which impacted production. Despite this interruption, quarterly iron ore concentrate sales were 3.3 million dmt for the three-month period ended December 31, 2024, comparable to the previous quarter and the prior-year period;
- Iron ore concentrate stockpiled at Bloom Lake increased slightly to 2.9 million wmt as at December 31, 2024, compared to 2.8 million wmt as at September 30, 2024, primarily as a result of events at the Load-Out. The Company is confident that the iron ore concentrate currently stockpiled at Bloom Lake will decrease in future periods. The Company believes that the receipt of 400 railcars, and additional rolling stock recently commissioned by the rail operator should improve the rail shipment capabilities in the near-term; and
- Record material mined and hauled at Bloom Lake totalling 20.0 million tonnes for the three-month period ended December 31, 2024, up 8% from the previous quarter and 10% from last year. The Company also achieved monthly sales in November of almost 1.6 million dmt, driven by 1.4 million wmt of concentrate transported from Bloom Lake, and by the loading of the two largest vessels in the Company's history.

Financial Results

- Revenues of $363.2 million for the three-month period ended December 31, 2024, down 28% compared to the same period in 2023, mainly due to lower net realized selling prices;
- Net cash flow used in operating activities of $6.4 million for the three-month period ended December 31, 2024, compared to net cash flow from operating activities of $162.6 million for the same period in 2023;
- Net income of $1.7 million representing EPS of $0.00 for the three-month period ended December 31, 2024, compared to $126.5 million with EPS of $0.24 for the same period in 2023. Net income for the period was negatively impacted by an unrealized foreign exchange loss of $21.1 million resulting from the revaluation of net monetary liabilities denominated in U.S. dollars;
- EBITDA of $88.2 million[1] for the three-month period ended December 31, 2024, down from $246.6 million for the same period in 2023;
- C1 cash cost of $78.7/dmt[1] (US$56.3/dmt)[2] for the three-month period ended December 31, 2024, compared to $73.0/dmt[1] (US$53.6/dmt)[2] for the same period in 2023;
- Cash balance totalled $93.1 million as at December 31, 2024, a decrease of $90.7 million since September 30, 2024, as the Company continued to advance the DRPF project and paid its seventh semi-annual dividend of $0.10 per ordinary share totalling $51.8 million on November 28, 2024 (Montréal and Sydney). Additional details on the dividends and related tax information can be found on the Company's website at www.championiron.com under the section Investors – Dividend Information; and
- Available liquidity to support growth initiatives, including amounts available from the Company's credit facilities, totalled $595.0 million[1] at quarter-end, compared to $759.3 million[1] as at September 30, 2024.

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.
[2] See the "Currency" subsection of this MD&A included in section 7 — Key Drivers.

3. Quarterly Highlights (continued)

DRPF Project Update

- 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 currently expected in December 2025;
- Quarterly and cumulative investments of $69.3 million and $287.8 million, respectively, as at December 31, 2024, out of the estimated total capital expenditures of $470.7 million, as detailed in the project study released in January 2023;
- Advancing engineering and construction works as planned while deliveries of long lead-time equipment required to maintain the project schedule were received; and
- Continued active discussions with prospective customers to eventually supply DR quality iron ore, including pricing premiums to the Company's existing high-purity iron ore concentrate.

Other Growth and Development

- Entered into a binding agreement with Nippon Steel Corporation ("Nippon") and Sojitz Corporation ("Sojitz", and collectively with Nippon, the "Partners") to form a partnership (the "Partnership") for the joint ownership and development of the Kami Project (the "Transaction"). The Partners share the Company's long-term vision for Kami and will initially contribute $245 million for 49% of the equity interest in the Partnership. The Company may receive future payments based on the Kami Project's financial performance, if and when in operation. Closing of the Transaction is subject to the Company and the Partners entering into a framework agreement (the "Framework Agreement") to advance the Kami Project towards a potential interim investment decision ("IID") and ultimately a final investment decision ("FID"), including Kami Project permitting and the completion of a definitive feasibility study for the Kami Project (the "DFS"), which is expected to be completed in calendar mid-2026. The Partners will also contribute cash to the Partnership to support their share of the DFS over the next two years. Should the Company and the Partners make a positive FID election following the completion of the DFS, they will share development and construction costs of the Project in accordance with their respective ownership interests. Through the Transaction and future pro-rata contributions from the Partners, the Project will benefit from up to $490 million in contributions prior to Champion requiring additional capital funding for its pro-rata share of the Project;
- Additional mining equipment received during the period, increasing the Bloom Lake mine's production capacity, including stripping activities; and
- Continued efforts to address operational bottlenecks and analyze the work programs and investments required to increase Bloom Lake's production beyond its current nameplate capacity.

4. DRPF Project Update

In January 2024, the Board approved a FID to complete the DRPF project to upgrade Bloom Lake's second plant to produce approximately 7.5 Mtpa of DRPF quality iron ore grading up to 69% Fe with a combined silica and alumina content below 1.2%.

The DRPF project aims to capitalize on the steel industry's focus to reduce emissions and its associated impact on the raw material supply chain. Accordingly, production of a DRPF product would enhance the Company's ability to further 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, which reduces emissions in the steelmaking process by approximately half, compared to the traditional steelmaking route using Blast Furnaces ("BF") and Basic Oxygen Furnaces ("BOF") methods. By producing the DRPF product required for the DRI-EAF steelmaking process, the Company would contribute to a reduction in the use of coal in the conventional BF-BOF steelmaking method, which would significantly reduce emissions through the steelmaking value chain. Benefiting from a rare high-purity resource, the Company has a unique opportunity to produce one of the highest quality DRPF products available on the seaborne market, which is expected to attract a substantial premium over the Company's current high-grade 66.2% Fe iron ore concentrate.

As detailed in the 2023 project's study, the DRPF project's capital expenditures were estimated at $470.7 million, including additional power and other project-related infrastructure, resulting in a Net Present Value ("NPV") of $738.2 million and an Internal Rate of Return ("IRR") of 24.0% after tax.

During the three-month period ended December 31, 2024, $69.3 million was invested in the project, with cumulative investments of $287.8 million, as at December 31, 2024. During the period, the Company advanced construction activities and ongoing deliveries of long lead-time items. At as December 31, 2024, the engineering activities were near completion. While the project continues to advance within the general scope of the expected schedule and budget, an incident involving a contractor at the construction site and the redeployment of workers to supervise repair work at the Load-Out in December 2024 led to the demobilization of construction activities for several days during the period. The commissioning of the DRPF project is expected in December 2025.

Additional details on the DRPF project, including key assumptions and capital costs, can be found in the Company's press release dated January 26, 2023 (Montréal), 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. The Company is not aware of any new information or data that materially affects the information included in the DRPF project study and confirms that all material assumptions and technical parameters underpinning the estimates in the DRPF project study continue to apply and have not materially changed.

5. Kami Project Update

On April 1, 2021, the Company acquired the Kami mining properties located in the Labrador Trough geological belt in southwestern Newfoundland and Labrador, near Québec's eastern border. The Kami Project is a DR grade quality iron ore project situated near available infrastructure, only a few kilometres south-east of the Company's operating Bloom Lake mine. On March 14, 2024, the Company filed the 2024 Pre-Feasibility Study (the "Study"), which evaluated the construction of mining and processing facilities to produce DR grade pellet feed iron ore from the Kami Project. The Study details a 25-year LoM with average annual DR quality iron ore concentrate production of approximately 9.0 million wmt per annum grading above 67.5% Fe.

Kami benefits from the permitting work completed by its previous owner and has an estimated construction period of 48 months following a FID. As detailed in the Study, the capital expenditures were estimated at $3,864 million, resulting in an NPV of $541 million and IRR of 9.8% after-tax, based on conservative pricing dynamics compared to then prevailing iron ore prices, or an NPV of $2,195 million and IRR of 14.8% after tax, based on the three previous calendar years' average of the P65 index price. With the recent addition of high-purity iron ore to the federal government's critical minerals list, the Kami Project is one of several organic growth opportunities currently being considered by the Company.

The Company is not aware of any new information or data that materially affects the information included in the Study and confirms that all material assumptions and technical parameters underpinning the estimates in the Study continue to apply and have not materially changed. The Study is available under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

On December 18, 2024, the Company entered into a binding agreement with Nippon and Sojitz for the joint ownership and development of the Kami Project. The Partners will initially contribute $245 million for 49% of the equity interest in the Partnership. The Company may receive future payments based on the Kami Project's financial performance, if and when in operation.

5. Kami Project Update (continued)

The closing of the Transaction is subject to the Company and the Partners entering into the Framework Agreement to advance the Kami Project towards a potential IID and, ultimately, a FID, including project permitting and the completion of a DFS, expected to be completed in mid-calendar 2026. All Kami Project costs are to be shared by the Partners and Champion on a pro-rata basis. Through the Transaction and future pro-rata contributions from the Partners, the Kami Project will benefit from up to $490 million in contributions prior to Champion requiring additional capital funding for its pro-rata share of the Kami Project.

In the near-term, the Partnership expects to advance the recently initiated Environmental Impact Statement, as required by the Government of Newfoundland and Labrador. The Company and the Partners will also continue to engage with local stakeholders, including First Nations groups, to foster collaborative development and to ensure the Kami Project has a positive impact for the region. Additionally, the Company intends to pursue discussions with governments at various levels, including seeking potential support stemming from the recent addition of high-purity iron ore to critical minerals lists by local provinces and Canada's federal government, and evaluate opportunities to improve the Kami Project's economics. Concurrently, the Partnership will work towards completing the DFS, leveraging the previously completed Pre-Feasibility Study issued in March 2024, prior to considering an IID and, ultimately, a FID.

Additional details on the Transaction can be found in the Company's press release dated December 18, 2024 (Montréal), 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.

6. Green Steel Initiatives

The Company continued to advance its research and development programs aimed at developing technologies and products to support the steelmaking transition from the BF-BOF method to the DRI-EAF method, while supporting emissions reduction in the BF-BOF process. Key to this strategy is the DRPF project, which is expected to produce an industry-leading DR quality iron ore, enabling steelmakers to produce specialized steels while reducing emissions through the DRI and EAF steelmaking route.

In June 2024, the Company received an additional hydroelectric power allocation from Hydro-Québec, providing access to renewable power that will enable the Company to support growth initiatives that would increase its participation in the green steel supply chain and further decarbonize its operations over time.

Emissions Reduction Initiatives

As part of its ongoing efforts to minimize the environmental impact of its operations, the Company continued with its commitment to reduce its GHG emissions by 40% by 2030, from its 2014 emissions level, and to be carbon neutral by 2050. The Company identified and initiated work programs regarding its Scope 1 and 2 emissions, reflecting direct emissions from the Company's operations and its renewable energy consumption. Work programs include heating electrification, heat recovery and energy efficiency initiatives at the concentration plants and mine. Collectively, the work programs are expected to reduce the Company's cumulative emissions by over 100 kt of CO_2 equivalent by 2030.

Additionally, the Company mapped its emissions across its value chain and designed a methodology aligned with the GHG Protocol to estimate its Scope 3 emissions, enabling the identification of reduction opportunities. Further to this effort, the Company completed its initial Scope 3 assessment and estimated its Scope 3 emissions at 15.97 million tonnes of CO_2 equivalent, based on its 2024 financial year. The assessment concluded that over 94% of the Company's entire value chain emissions relate to the processing of sold product (Category 10 of the GHG Protocol). Benefiting from an industry leading high-purity iron ore concentrate, the Company's Category 10 emission intensity is estimated to be 1.26 tonnes of CO_2 per tonne of iron ore sold, comparing favourably to the industry's four largest publicly traded iron ore producers, averaging 1.34 tonnes of CO_2 per tonne of iron ore sold, based on their respective most recent disclosures. The Company's Scope 3 assessment also highlights the importance of using high-quality iron ore in steelmaking to reduce emissions across the supply chain. The Company expects to provide additional disclosure regarding its Scope 1 and 2 emission reduction work programs and its Scope 3 assessment in its upcoming sustainability report.

The 2023 Sustainability Report is available under the Company's website at www.championiron.com.

7. Key Drivers

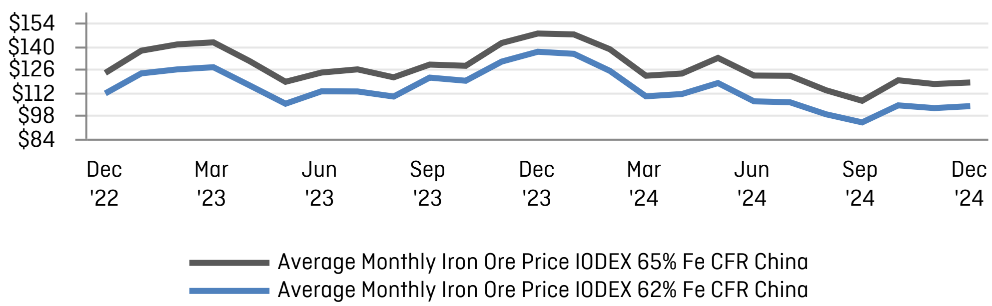
Iron Ore Concentrate Price

The price of iron ore concentrate is a critical factor influencing the Company's financial performance. The iron ore concentrate price fluctuates daily and is affected by several industries and macroeconomic factors beyond the Company's control. Due to the high-quality properties of its greater than 66% Fe iron ore concentrate, the Company's iron ore product has proven to attract a premium over the P62 index, widely used as the reference price in the industry. As such, the Company sells its products based on the high-grade P65 index. The premium captured by the P65 index is attributable to steel mills recognizing that higher iron ore grades offer the benefit of optimizing output while also significantly decreasing CO_2 emissions in the steelmaking process.

During the three-month period ended December 31, 2024, the P65 index averaged US$118.0, a quarter-on-quarter increase of 3%, but a 15% decrease year-over-year. Iron ore prices were supported quarter-on-quarter by economic and fiscal stimulus measures in China, including interest rate cuts, reductions in the reserve requirement ratios, stock market support, and the easing of home purchase restrictions. These initiatives, combined with the seasonal increase in steel consumption, provided support to China's ferrous market at the beginning of the quarter. However, strong iron ore supply from Brazil and Australia, coupled with inventory accumulations in China, tempered growth in iron ore demand. The P65 index premium over the P62 index remained stable on a quarterly basis.

According to the World Steel Association[1], global crude steel production for the three-month period ended December 31, 2024, increased 2.43% year-over-year and 0.54% from the previous quarter, totalling 443.6 million tonnes. Chinese production saw a slight improvement from the previous quarter, as Chinese mills returned to profitability following stimulus measures from Beijing. However, global demand remained constrained by seasonally weaker steel consumption in the Northern Hemisphere and challenges faced by several countries' steelmakers amid strong exports from China. Despite these headwinds, production ex-China performed well, with Europe and India posting quarter-on-quarter increases of 5.41% and 6.23%, respectively.

US$ Spot Price of Iron Ore Fines per dmt (As per Platts IODEX Index)



Champion recognizes revenues when the iron ore concentrate is loaded onto the vessel. The quarterly gross realized selling price diverged from the quarterly P65 average index price primarily due to two pricing dynamics:

- Certain sales are based on P65 index prices set in months prior to the beginning of the reporting quarter; and
- Remaining sales in the quarter are based on P65 index prices subsequent to the date of the sale, according to a mutually agreed final quotation period, which generally depends on the discharge date. Considering that vessels are subject to freight routes that usually take up to 55 days before reaching the port of discharge, these sales are influenced by the volatility of the P65 index prices after the date of the sale.
  - For tonnage sold early in the reporting quarter, the final quotation period may be within the reporting quarter. Those volumes are typically mostly exposed to the back-ended months of the reporting quarter due to the aforementioned typical freight routes.
  - For tonnage sold in the reporting quarter and for which the final quotation period is after the reporting quarter, the Company provisionally prices the sales based on the P65 index forward iron ore prices at quarter-end to estimate the selling price upon or after the vessel's arrival at the port of discharge. These tonnes are exposed to variations in iron ore index prices after the end of the quarter, in particular to the front months of the following quarter due to the aforementioned typical freight routes. The impact of iron ore price fluctuations, compared to the estimated price at the last quarter-end, is accounted for as a provisional pricing adjustment to revenues in the following quarter. Historically, sales volumes that remain exposed to provisional pricing adjustments at the end of quarters represent between approximately 30% to 70% of total quarterly sales volumes.

[1] World Steel Association

7. Key Drivers (continued)

Iron Ore Concentrate Price (continued)

During the three-month period ended December 31, 2024, an average final price of US$114.4/dmt was established for the 2.3 million tonnes of iron ore that were in transit as at September 30, 2024, which were previously evaluated using an average expected price of US$119.9/dmt. Accordingly, during the three-month period ended December 31, 2024, negative pricing adjustments of $17.4 million (US$12.9 million) were recorded for tonnes subject to provisional prices as at September 30, 2024. For the total volume of 3.3 million dmt sold during the third quarter, the negative adjustments represent US$3.9/dmt. As at December 31, 2024, 1.7 million tonnes of iron ore sales remained subject to provisional pricing adjustments, with the final price to be determined in the subsequent reporting periods. A gross average forward provisional price of US$110.1/dmt was used as at December 31, 2024, to estimate the sales that remain subject to final pricing.

The following table details the Company's gross revenue exposure, as at December 31, 2024, subject to the movements in iron ore prices for the provisionally invoiced sales volume:

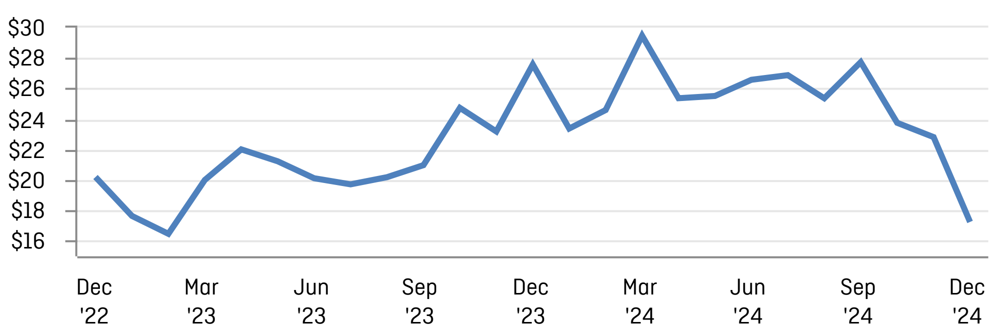
(in thousands of U.S. dollars)	As at December 31, 2024
Tonnes (dmt) subject to provisional pricing adjustments	**1,731,200**
10% increase in iron ore prices	**19,058**
10% decrease in iron ore prices	**(19,058)**

The sensitivities demonstrate the monetary impact on gross revenues in U.S. dollars resulting from a 10% increase and 10% decrease in gross realized selling prices as at December 31, 2024, while holding all other variables constant, including foreign exchange rates. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact net realized selling price in Canadian dollars. The above sensitivities should therefore be used with caution.

Sea Freight

Sea freight is an important component of the Company's cost structure as it ships nearly all of its iron ore concentrate to several regions overseas, including China, Japan, Europe, India, the Middle East and South Korea. The common reference route for dry bulk material from the Americas to Asia is the Tubarao (Brazil) to Qingdao (China) route which encompasses 11,000 nautical miles. The freight cost per tonne associated with this route is captured in the C3 index, which is considered the reference ocean freight cost for iron ore shipped from Brazil to Asia. There is no index for the route between the port of Sept-Îles (Canada) and China. This route totals approximately 14,000 nautical miles and is subject to different weather conditions during the winter season. Therefore, the freight cost per tonne associated with this voyage is higher than the C3 index price. Additionally, the Company can be exposed to ice premiums in relation to the C3 index for a portion of its first and third quarters, but most particularly in its fourth quarter which is entirely subject to the effective period of ice premiums.

US$ Sea Freight Cost per wmt – C3 Baltic Capesize Index (Brazil to China)



During the three-month period ended December 31, 2024, the C3 index averaged US$21.6/t, down from US$26.7/t in the previous quarter and US$24.9/t during the same period in 2023. Despite the ongoing conflict in the Middle East, which continued to disrupt shipping routes, C3 prices fell to their lowest level since the first quarter of 2023. This decline was driven by an oversupply of vessels, resulting from a significant reduction of congestion at Chinese and Brazilian ports.

7. Key Drivers (continued)

Sea Freight (continued)

The industry has identified a historical relationship between the iron ore price and the C3 index for the Tubarao to Qingdao route. Based on this observed correlation, when the price of iron ore fluctuates, the ocean freight rate usually fluctuates in tandem over time. As the freight cost for ocean transport between Sept-Îles and China is largely influenced by the C3 index, a decrease in iron ore prices typically results in lower ocean freight costs for the Company, resulting in a natural hedge of an important revenue component.

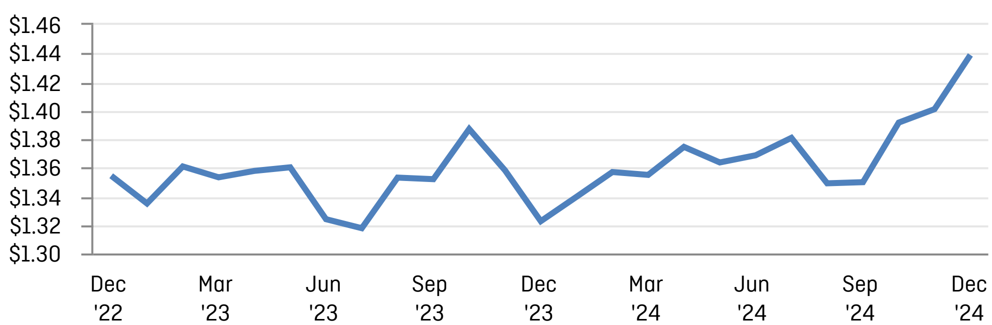
When contracting vessels on the spot market, Champion typically books vessels three to five weeks prior to the desired laycan period due to its distance from main shipping hubs. Although this creates a delay between the freight paid and the C3 index, the effect of this delay is eventually reconciled since Champion ships its high-grade iron ore concentrate uniformly throughout the year. Additionally, the Company has multiple freight agreements based on an agreed-upon premium above the loading month average C3 index to further reduce price volatility.

Currency

The Canadian dollar is the Company's functional and reporting currency. The Company is exposed to foreign currency fluctuations as its sales, sea freight costs and the majority of its long-term debt and lease liabilities are denominated in U.S. dollars. Consequently, the Company's operating results and cash flows are influenced by changes in the exchange rate for the Canadian dollar against the U.S. dollar.

The strengthening of the U.S. dollar would positively impact the Company's net income and cash flows while the strengthening of the Canadian dollar would reduce its net income and cash flows. As the majority of the Company's long-term debt and lease liabilities are denominated in U.S. dollars, the Company is also subject to ongoing non-cash foreign exchange adjustments, which may impact its financial results. However, the Company maintains a cash balance and has trade receivables in U.S. dollars, enabling the Company to mitigate foreign exchange exposure. Assuming a stable selling price, a variation of C$0.01 against the U.S. dollar would impact gross revenues by approximately 1%. Assuming a stable long-term debt balance, a variation of C$0.01 against the U.S. dollar would impact debt revaluation by approximately 1%.

Monthly Closing Exchange Rate – C$/US$



Exchange rates were as follows:

	C$ / US$					
	Average			Closing		
	FY2025	FY2024	Variance	**FY2025**	FY2024	Variance
Q1	**1.3683**	1.3430	2 %	**1.3687**	1.3240	3 %
Q2	**1.3641**	1.3411	2 %	**1.3499**	1.3520	— %
Q3	**1.3982**	1.3622	3 %	**1.4389**	1.3226	9 %
Q4		1.3486	— %		1.3550	— %
Year-end as at March 31		1.3487	— %		1.3550	— %

Apart from these key drivers and the risk factors that are described in the "Risk Factors" sections of the Company's 2024 Annual Information Form and the MD&A for the financial year ended March 31, 2024, Management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

(Expressed in Canadian dollars, except where otherwise indicated)

8. Bloom Lake Mine Operating Activities

During the three-month period ended December 31, 2024, an outage occurred on the Company's Load-Out facility at Bloom Lake, which caused a 14-day interruption of rail haulage activities. During the repair period of the Load-Out, the Company took the opportunity to complete additional maintenance, which impacted production. The port operator also took advantage of this interruption to carry out maintenance work on its ship loader. Despite reclaimed tonnes in the first two months of the quarter, the iron ore concentrate stockpiled at Bloom Lake increased to 2.9 million wmt as at December 31, 2024, compared to 2.8 million wmt as at September 30, 2024, as no iron ore concentrate was hauled to the port of Sept-Îles from December 3 to December 17, 2024. The Load-Out facility was repaired at a relatively low cost and rail haulage activities gradually resumed on December 17, 2024. During the three-month period ended December 31, 2024, sales volumes were also impacted by a planned shutdown at the port of Sept-Îles for maintenance activities, a rail service interruption due to a landslide on the main line, as well as a minor train derailment at the beginning of the period. Despite these events, sales volume remained stable quarter-on-quarter and year-on-year.

The Company is confident that the iron ore concentrate currently stockpiled at Bloom Lake will decrease in future periods. The Company believes that the receipt of 400 railcars, and additional rolling stock recently commissioned by the rail operator should improve the rail shipment capabilities in the near-term. The Company also continues to seek improvements from the rail operator to receive contracted haulage services on a continued basis to ensure that Bloom Lake's production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods.

As part of the investments required to address operational bottlenecks and increase stripping activities in the future, as per the mine plan, the Company received and commissioned additional haul trucks and loading equipment during the three-month period ended December 31, 2024. As a result, the Company achieved record production at Bloom Lake, with material mined and hauled exceeding 20 million tonnes during the quarter for the first time. The Company continues to analyze work programs and investments required to structurally increase Bloom Lake's nameplate capacity beyond 15 Mtpa over time.

Year-to-date, production and sales were also impacted by the planned major semi-annual shutdowns of both concentration plants and rail infrastructure, in addition to approximately one week of production losses following the preventive evacuation of Bloom Lake's facilities in July 2024, in response to nearby forest fires. Despite these events, Bloom Lake's operations delivered a solid performance benefiting from improved mining equipment availability and productivity.

To optimize operations, since the fourth quarter of the 2024 financial year, the Company has arranged for both plants' scheduled maintenance to be in tandem in the financial second and fourth quarters, compared to alternating scheduled plant maintenance quarterly. This creates significant differences quarter-on-quarter on production output, mining and processing costs and inventory valuation at quarter-end.

	Three Months Ended December 31,			**Nine Months Ended December 31,**		
	2024	2023	Variance	**2024**	2023	Variance
Operating Data						
Waste mined and hauled (wmt)	**9,694,200**	6,993,200	39 %	**25,751,500**	18,456,300	40 %
Ore mined and hauled (wmt)	**10,347,500**	11,215,800	(8)%	**30,413,900**	31,402,900	(3)%
Material mined and hauled (wmt)	**20,041,700**	18,209,000	10 %	**56,165,400**	49,859,200	13 %
Stripping ratio	**0.94**	0.62	52 %	**0.85**	0.59	44 %
Ore milled (wmt)	**10,305,300**	11,137,000	(7)%	**30,514,600**	31,372,300	(3)%
Head grade Fe (%)	**29.3**	29.4	— %	**29.2**	28.8	1 %
Fe recovery (%)	**79.1**	81.4	(3)%	**79.0**	79.2	— %
Product Fe (%)	**66.3**	66.3	— %	**66.3**	66.2	— %
Iron ore concentrate produced (wmt)	**3,620,600**	4,042,600	(10)%	**10,667,200**	10,887,000	(2)%
Iron ore concentrate sold (dmt)	**3,287,400**	3,227,500	2 %	**9,995,900**	8,674,800	15 %

8. Bloom Lake Mine Operating Activities (continued)

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year

Bloom Lake produced 3.6 million wmt (3.5 million dmt) of high-grade iron ore concentrate during the three-month period ended December 31, 2024, a decrease of 10% compared to 4.0 million wmt (3.9 million dmt) during the same period in 2023.

During the three-month period ended December 31, 2024, a record 20.0 million tonnes of material were mined and hauled, compared to 18.2 million tonnes during the same period in 2023, representing an increase of 10%. The increased mine performance was attributable to a higher utilization and availability of mining equipment, additional haul trucks, and loading equipment commissioned at the end of the period.

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 0.94 for the three-month period ended December 31, 2024, significantly higher than the 0.62 ratio for the same prior-year period. During the previous quarter, the Company mined and hauled 18.6 million tonnes of materials for a stripping ratio of 1.00. With the recent addition of mining equipment, Champion 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 December 31, 2024, the two concentration plants at Bloom Lake processed 10.3 million tonnes of ore, compared to 11.1 million tonnes for the same prior-year period, representing a decrease of 7%. During the same period last year, the Company decided to run both plants beyond their nameplate capacity to identify operational bottlenecks. Ore processed during the three-month period ended December 31, 2024, continued to be negatively impacted by higher ore hardness which reduced milling capacity and Fe recovery. Production was also slightly impacted by the timing of maintenance activities during the interruption of the rail haulage activities as described above.

The iron ore head grade for the three-month period ended December 31, 2024, was 29.3%, comparable to the same period in 2023. The variation in head grade was within expected normal variations of the mine plan.

Champion's average Fe recovery rate was 79.1% for the three-month period ended December 31, 2024, compared to 81.4% for the same period in 2023. The Company will continue to optimize recovery circuits and expects to improve and stabilize recovery rates over time.

First Nine Months of the 2025 Financial Year vs First Nine Months of the 2024 Financial Year

The Company produced 10.7 million wmt of high-grade iron ore concentrate during the nine-month period ended December 31, 2024, compared to 10.9 million wmt for the same period in 2023. The Company is actively working towards achieving its expanded nameplate capacity of 15 Mtpa.

Since the beginning of the financial year, the Company mined and hauled 56.2 million tonnes of material, compared to 49.9 million tonnes for the same prior-year period, representing an increase of 13%, mostly driven by higher effective utilization of mining equipment, additional equipment and reduced trucking cycle times due to the construction of additional ramp accesses during the second half of last year. The solid performance at the mine has resulted in a stripping ratio of 0.85 for the nine-month period ended December 31, 2024, up from 0.59 for the same period in 2023. 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, which had a positive impact on stripping activities.

Bloom Lake processed 30.5 million tonnes of ore during the nine-month period ended December 31, 2024, compared to 31.4 million tonnes for the same period in 2023. A production interruption of approximately one week due to the preventive evacuation of Bloom Lake in response to the nearby forest fires in July 2024, affected the amount of ore processed during the period. Ore processed in both plants was also impacted by ore hardness.

The iron ore head grade was 29.2% for the nine-month period ended December 31, 2024, consistent with the LoM head grade average and slightly up from the 28.8% head grade in the previous year.

The Fe recovery rate was 79.0% for the nine-month period ended December 31, 2024, comparable to the same period in 2023. The Company's ongoing work programs aim to increase throughput and ore recoveries, and optimize operations.

9. Financial Performance

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2024	2023	Variance	**2024**	2023	Variance
Financial Data (in thousands of dollars)						
Revenues	**363,170**	506,891	(28)%	**1,181,234**	1,191,621	(1)%
Cost of sales	**258,728**	235,457	10 %	**776,599**	656,526	18 %
Other expenses	**17,290**	27,219	(36)%	**61,602**	67,056	(8)%
Net finance costs	**30,508**	8,747	249 %	**46,253**	27,307	69 %
Net income	**1,741**	126,462	(99)%	**102,905**	208,400	(51)%
EBITDA[1]	**88,216**	246,609	(64)%	**343,912**	467,450	(26)%
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**158.8**	195.8	(19)%	**164.2**	179.0	(8)%
Net average realized selling price[1]	**110.5**	157.1	(30)%	**118.2**	137.4	(14)%
C1 cash cost[1]	**78.7**	73.0	8 %	**77.7**	75.7	3 %
AISC[1]	**93.9**	83.9	12 %	**95.5**	92.0	4 %
Cash operating margin[1]	**16.6**	73.2	(77)%	**22.7**	45.4	(50)%

A. Revenues

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2024	2023	Variance	**2024**	2023	Variance
(in U.S. dollars per dmt sold)						
Index P62	**103.4**	128.3	(19)%	**104.8**	117.8	(11)%
Index P65	**118.0**	138.7	(15)%	**119.3**	129.3	(8)%
Index C3	**21.6**	24.9	(13)%	**24.7**	22.1	12 %
US$ Gross average realized selling price[1]	**113.4**	144.0	(21)%	**119.3**	132.7	(10)%
Freight and other costs	**(30.7)**	(32.2)	(5)%	**(32.5)**	(28.4)	14 %
Provisional pricing adjustments	**(3.9)**	3.8	(203)%	**(0.9)**	(2.4)	(63)%
US$ Net average realized FOB selling price[1]	**78.8**	115.6	(32)%	**85.9**	101.9	(16)%
Foreign exchange conversion	**31.7**	41.5	(24)%	**32.3**	35.5	(9)%
C$ Net average realized FOB selling price[1]	**110.5**	157.1	(30)%	**118.2**	137.4	(14)%

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year

Revenues totalled $363.2 million for the three-month period ended December 31, 2024, compared to $506.9 million for the same period in 2023, mostly driven by lower gross average realized selling prices and $17.4 million negative provisional pricing adjustments on sales recorded during the previous quarter, partially offset by slightly lower freight and other costs, and a weaker Canadian dollar. Sales volumes of 3.3 million tonnes of high-grade iron ore concentrate were comparable to the same prior-year period. Sales volumes were impacted by the interruption of rail haulage activities in December as outlined in previous sections of this MD&A, a planned shutdown at the port of Sept-Îles, a rail interruption due to heavy rains, as well as a minor train derailment at the beginning of the period.

Negative provisional pricing adjustments on prior quarter sales of $17.4 million (US$12.9 million) were recorded during the three-month period ended December 31, 2024, representing a negative impact of US$3.9/dmt over 3.3 million dmt sold during the quarter. A final average price of US$114.4/dmt was established for the 2.3 million tonnes of iron ore that remained subject to pricing adjustments as at September 30, 2024, which were provisionally priced at US$119.9/dmt.

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

9. Financial Performance (continued)

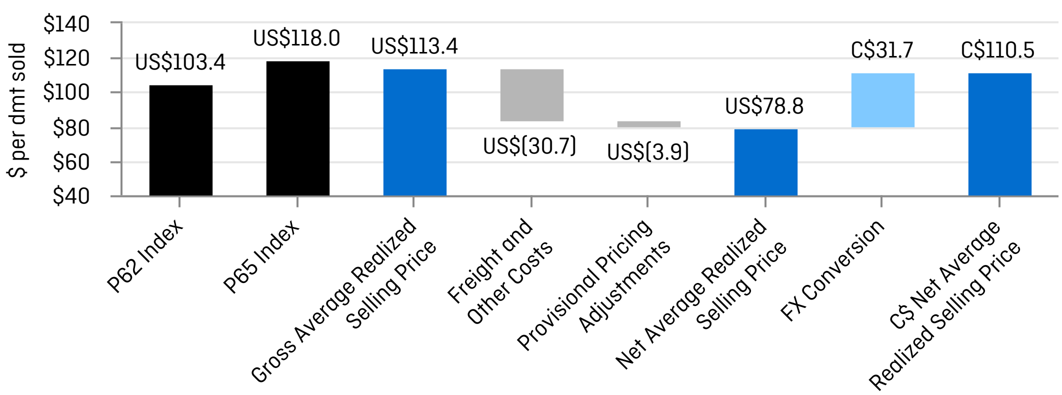
A. Revenues (continued)

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year (continued)

The gross average realized selling price of US$113.4/dmt[1] for the three-month period ended December 31, 2024, was lower than the P65 index average price of US$118.0/dmt for the period. The gross average realized selling price for the period was impacted by the 1.7 million tonnes that remained subject to pricing adjustments as at December 31, 2024, and which were evaluated using an average price of US$110.1/dmt. The price of sales contracts using backward-looking iron ore index prices was comparable to the P65 index average price for the period. The P65 index premium over the P62 index averaged 14.1% during the quarter, up significantly from 8.1% in the comparative period.

Freight and other costs of US$30.7/dmt during the three-month period ended December 31, 2024, decreased by 5%, compared to US$32.2/dmt in the same prior-year period. This decrease was mainly driven by lower average C3 index of US$21.6/t for the period, compared to US$24.9/t for the same period last year. The 5% decrease in freight and other costs was lower than the 13% decrease in the average C3 index for the period, due to the vessels being rerouted via the Cape of Good Hope as a result of the conflict in the Red Sea, and the timing of vessels booked. Champion typically books vessels three to five weeks prior to the desired laycan period. As such, for vessels contracted on the spot market, the Company did not benefit from the lower C3 index prices of December. Moreover, the events at the Load-Out negatively impacted demurrage costs during the period.

After taking into account sea freight and other costs of US$30.7/dmt and the negative provisional pricing adjustments of US$3.9/dmt, the Company obtained a net average realized selling price of US$78.8/dmt (C$110.5/dmt[1]) for its high-grade iron ore shipped during the quarter.



First Nine Months of the 2025 Financial Year vs First Nine Months of the 2024 Financial Year

Since the beginning of the financial year, revenues totalled $1,181.2 million, compared to $1,191.6 million for the same period last year, as the lower net average realized selling price was offset by a higher sales volume of iron ore concentrate.

For the nine-month period ended December 31, 2024, the Company sold 10.0 million tonnes of iron ore concentrate despite a breakdown of the Load-Out facility in December lasting several days, up 1.3 million tonnes compared to the same prior-year period, representing an increase of 15% year-over-year. Last year's sales volumes were impacted by railway interruptions and a reduced service capacity caused by the June 2023 forest fires.

Freight and other costs for the nine-month period ended December 31, 2024, totalled US$32.5/dmt, an increase of 14%, compared to the same prior-year period. This increase was driven by a higher C3 index, likely attributable to vessels diverted from their typical route due to the conflict in the Red Sea, and a year-over-year increase in demurrage expenses, caused by higher rates and lower availability of iron ore concentrate at the port facilities, due to lower than anticipated volumes transported to Sept-Îles.

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

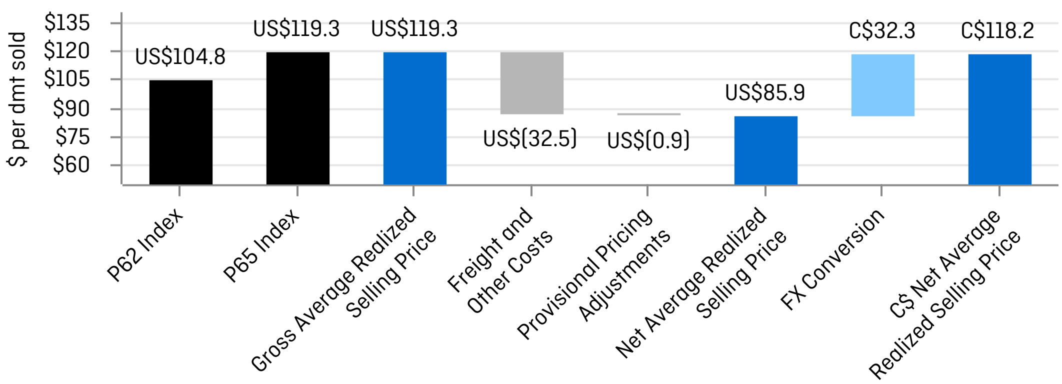
9. Financial Performance (continued)

A. Revenues (continued)

First Nine Months of the 2025 Financial Year vs First Nine Months of the 2024 Financial Year (continued)

The Company sold its product at a gross average realized selling price of US$119.3/dmt[1] for the nine-month period ended December 31, 2024, in line with the P65 index average price. Deducting sea freight and other costs of US$32.5/dmt and negative provisional pricing adjustments of US$0.9/dmt, the Company obtained a net average realized selling price of US$85.9/dmt (C$118.2/dmt)[1] for its high-grade iron ore concentrate sold during the period.

FY2025 Net Realized Selling Price



B. Cost of Sales and C1 Cash Cost

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2024	2023	Variance	**2024**	2023	Variance
(in thousands of dollars, except per dmt sold)						
Iron ore concentrate produced (dmt)	**3,510,300**	3,918,200	(10)%	**10,346,000**	10,560,000	(2)%
Iron ore concentrate sold (dmt)	**3,287,400**	3,227,500	2 %	**9,995,900**	8,674,800	15 %
Mining and processing costs	**174,048**	177,497	(2)%	**531,394**	501,673	6 %
Change in concentrate inventories	**(1,348)**	(20,873)	(94)%	**(15,170)**	(75,795)	(80)%
Land transportation and port handling	**86,028**	78,833	9 %	**260,375**	230,648	13 %
Cost of sales	**258,728**	235,457	10 %	**776,599**	656,526	18 %
C1 cash cost per dmt sold[1]	**78.7**	73.0	8 %	**77.7**	75.7	3 %
Mining and processing costs per dmt produced[1]	**49.6**	45.3	9 %	**51.4**	47.5	8 %

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year

For the three-month period ended December 31, 2024, the cost of sales totalled $258.7 million with a C1 cash cost of $78.7/dmt[1], compared to $235.5 million with a C1 cash cost of $73.0/dmt[1] for the same period in 2023. Cost of sales in the previous quarter was $253.0 million with a C1 cash cost of $77.5/dmt[1].

Mining and processing costs for the 3.5 million dmt produced in the three-month period ended December 31, 2024, totalled $49.6/dmt produced[1], representing an increase of 9% compared to $45.3/dmt produced[1] in the same period last year. This increase was mainly driven by a 10% reduction in the volume of iron ore concentrate produced leading to a lower absorption of fixed costs, higher maintenance cost relating to planned and unplanned maintenance activities and higher subcontractor expenses at the mine required for stripping activities.

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

9. Financial Performance (continued)

B. Cost of Sales and C1 Cash Cost (continued)

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year (continued)

Land transportation and port handling costs for the three-month period ended December 31, 2024, were $26.2/dmt sold[1], higher than the $24.4/dmt sold[1] last year. This increase was partially attributable to the volume impact of iron ore concentrate hauled as a result of the events at the Load-Out in December. The increase in C1 cash costs over the same period last year was also due to the change in concentrate inventory valuation impacted by mining and processing costs incurred in the previous quarter, and production volumes.

First Nine Months of the 2025 Financial Year vs First Nine Months of the 2024 Financial Year

For the nine-month period ended December 31, 2024, the cost of sales totalled $776.6 million with a C1 cash cost of $77.7/dmt[1], compared to $656.5 million with a C1 cash cost of $75.7/dmt[1] for the same period in 2023.

Mining and processing costs for the 10.3 million dmt produced in the nine-month period ended December 31, 2024, totalled $51.4/dmt produced[1], compared to $47.5/dmt produced[1] for the same prior-year period. The increase was mainly attributable to higher stripping activities, higher maintenance activities due to a higher utilization of the plants and mining equipment, as well as to the impact of the new collective bargaining agreement with Bloom Lake's unionized employees. Land transportation and port handling costs for the nine-month period ended December 31, 2024, represented $26.0/dmt sold[1], compared to $26.6/dmt sold[1] for the comparative period. This year-over-year slight decrease was due to higher sales volumes favourably impacting fixed port handling costs.

C. Gross Profit

Gross profit for the three-month period ended December 31, 2024, totalled $68.1 million, compared to $238.6 million for the same prior-year period, mostly driven by a lower net average realized selling price of $110.5/dmt[1], compared to $157.1/dmt[1] for the three-month period ended December 31, 2023, and higher cost of sales.

Gross profit for the nine-month period ended December 31, 2024, totalled $297.5 million, compared to $441.1 million for the same period in 2023, due to a lower net average realized selling price, slightly higher cost of sales, and higher depreciation expenses associated with the growing mining fleet and facilities infrastructure. The decrease was partially offset by the higher sales volume.

D. Other Expenses

	Three Months Ended December 31,			**Nine Months Ended December 31,**		
	2024	2023	Variance	**2024**	2023	Variance
(in thousands of dollars)						
Share-based payments	**(1,084)**	6,154	(118)%	**6,109**	7,070	(14)%
General and administrative	**11,813**	11,206	5 %	**36,277**	36,884	(2)%
Sustainability and other community expenses	**4,380**	4,699	(7)%	**13,590**	12,983	5 %
Innovation and growth initiatives	**2,181**	5,160	(58)%	**5,626**	10,119	(44)%
	17,290	27,219	(36)%	**61,602**	67,056	(8)%

Share-based payments for the three and nine-month periods ended December 31, 2024, were impacted by the change in value of the related liability, which varies based on the price of the Company's shares at each reporting date.

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

9. Financial Performance (continued)

D. Other Expenses (continued)

General and administrative expenses for the three and nine-month periods ended December 31, 2024, were mostly in line with the same periods in 2023. The following table details general and administrative expenses:

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2024	2023	Variance	**2024**	2023	Variance
(in thousands of dollars)						
Salaries, benefits and other employee expenses	**5,785**	5,926	(2)%	**18,125**	19,351	(6)%
Insurance	**2,277**	2,724	(16)%	**6,867**	8,326	(18)%
Other	**3,751**	2,556	47 %	**11,285**	9,207	23 %
	11,813	11,206	5 %	**36,277**	36,884	(2)%

Sustainability and other community expenses for the three and nine-month periods ended December 31, 2024, were mostly in line with the comparative periods and reflected the Company's deployment of resources to maintain high standards towards sustainability and community relations. The increase in property and school taxes is associated with additional infrastructure, including the mine maintenance garage expansion and the third lodging complex. The following table details sustainability and other community expenses:

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2024	2023	Variance	**2024**	2023	Variance
(in thousands of dollars)						
Property and school taxes	**2,200**	1,936	14 %	**5,732**	5,108	12 %
Impact and benefits agreement	**1,990**	1,840	8 %	**5,766**	5,616	3 %
Salaries, benefits and other employee expenses	**56**	381	(85)%	**952**	934	2 %
Other expenses	**134**	542	(75)%	**1,140**	1,325	(14)%
	4,380	4,699	(7)%	**13,590**	12,983	5 %

Innovation and growth initiative expenses for the three and nine-month periods ended December 31, 2024, were comprised of consulting fees, salaries and benefits related to the Company's various ongoing projects. The Company's strategic initiatives are detailed in section 6 — Green Steel Initiatives of this MD&A.

E. Net Finance Costs

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2024	2023	Variance	**2024**	2023	Variance
(in thousands of dollars)						
Interest on long-term debt	**6,729**	8,809	(24)%	**21,324**	25,873	(18)%
Standby commitment fees on long-term debt	**680**	478	42 %	**2,132**	1,346	58 %
Interest expense on lease liabilities	**1,074**	983	9 %	**3,082**	2,963	4 %
Realized and unrealized foreign exchange loss (gain)	**20,995**	(266)	(7993)%	**19,052**	475	3911 %
Interest income	**(1,389)**	(3,547)	(61)%	**(8,615)**	(9,945)	(13)%
Other finance costs	**2,419**	2,290	6 %	**9,278**	6,595	41 %
	30,508	8,747	249 %	**46,253**	27,307	69 %

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year

Net finance costs increased to $30.5 million for the three-month period ended December 31, 2024, compared to $8.7 million for the same period in 2023, mainly driven by a foreign exchange loss resulting from the revaluation of net monetary liabilities denominated in U.S. dollars, partially offset by higher borrowing costs capitalized in the quarter compared to the same period last year.

9. Financial Performance (continued)

E. Net Finance Costs (continued)

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year (continued)

The depreciation of the Canadian dollar against the U.S. dollar as at December 31, 2024, compared to September 30, 2024, on the net payable financial position denominated in U.S. dollars, negatively impacted the Company's net finance costs during the three-month period ended December 31, 2024. The net payable financial position primarily included some of the Company's borrowings and lease liabilities, trade receivables, and a portion of the Company's cash and cash equivalents denominated in U.S. dollars.

Lower interest expenses on long-term debt, during the three-month period ended December 31, 2024, were attributable to $4.9 million borrowing costs capitalized on the DRPF project, compared to $0.9 million for the same period last year. This was partially offset by higher debt balances during the period.

Lower interest income for the three-month period ended December 31, 2024, compared to the same period last year, was attributable to a lower average cash balance.

First Nine Months of the 2025 Financial Year vs First Nine Months of the 2024 Financial Year

Net finance costs increased to $46.3 million for the nine-month period ended December 31, 2024, compared to $27.3 million for the same period in 2023. Higher net finance costs were mainly attributable to a higher foreign exchange loss, resulting from the revaluation of net monetary liabilities denominated in U.S. dollars, partially offset by lower interest expenses on long-term debt as higher borrowing costs capitalized, due to the current level of investment in the DRPF project, more than offset the interest increase. During the nine-month period ended December 31, 2024, borrowing costs of $11.0 million were capitalized in the DRPF project, compared to $1.3 million for the same prior-year period.

F. Income Taxes

The Company and its subsidiaries are subject to tax in Australia and Canada. There is no deferred tax asset recognized in respect of the unused losses in Australia as the Company believes it is not probable that there will be a taxable profit available against which the losses can be used.

QIO is subject to Québec mining taxes at a progressive tax rate based on its mining profit margin as follows:

Mining Profit Margin Range	Tax Rate
Mining profit between 0% to 35%	**16%**
Incremental mining profit over 35%, up to 50%	**22%**
Incremental mining profit over 50%	**28%**

In addition, QIO is subject to income taxes in Canada where the combined provincial and federal statutory rate was 26.50% for the three and nine-month periods ended December 31, 2024 (2023: 26.50%).

During the three and nine-month periods ended December 31, 2024, current income and mining tax expenses totalled $20.8 million and $45.0 million, respectively, compared to $53.9 million and $88.5 million, respectively, for the same periods in 2023. The variation was mainly due to the change in taxable income driven by gross profit. With tax payments of $87.2 million during the nine-month period ended December 31, 2024, and a payable balance of $40.2 million as at March 31, 2024, the Company had net income and mining taxes receivable of $2.0 million as at December 31, 2024.

During the three and nine-month periods ended December 31, 2024, deferred income and mining tax represented a recovery of $1.2 million and an expense of $42.6 million, respectively, compared to expenses of $24.7 million and $49.2 million, respectively, for the same periods in 2023. The variation in deferred tax expenses was mainly attributable to temporary differences between the carrying amounts of property, plant and equipment and the tax basis.

The combined provincial and federal statutory tax and mining tax rate was 38% and the Company's effective tax rate ("ETR") was 92% and 46%, respectively, for the three and nine-month periods ended December 31, 2024, compared to 38% and 40%, respectively for the same periods in 2023. The higher ETR for the three and nine-month periods ended December 31, 2024, was mainly due to an unrealized foreign exchange loss not recognized for tax purposes and the withholding tax paid resulting from the dividends received from QIO in July and November 2024.

9. Financial Performance (continued)

G. Net Income & EBITDA

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year

For the three-month period ended December 31, 2024, the Company generated EBITDA of $88.2 million[1], representing an EBITDA margin of 24%[1], compared to $246.6 million[1], representing an EBITDA margin of 49%[1], for the same period in 2023. Lower EBITDA and EBITDA margin were mainly driven by lower net average realized selling prices and higher cost of sales.

For the three-month period ended December 31, 2024, the Company generated net income of $1.7 million (EPS of 0.00), compared to $126.5 million (EPS of $0.24) for the same prior-year period. This decrease in net income is attributable to lower gross profit and an unrealized foreign exchange loss of $21.1 million resulting from the revaluation of net monetary liabilities denominated in U.S. dollars, partially offset by lower income and mining taxes.

First Nine Months of the 2025 Financial Year vs First Nine Months of the 2024 Financial Year

For the nine-month period ended December 31, 2024, the Company generated EBITDA of $343.9 million[1], representing an EBITDA margin of 29%[1], compared to $467.5 million[1], representing an EBITDA margin of 39%[1], for the same prior-year period. This year-over-year decrease was mainly attributable to lower net average realized selling prices, partially offset by higher sales volume.

For the nine-month period ended December 31, 2024, the Company generated net income of $102.9 million (EPS of $0.20), compared to $208.4 million (EPS of $0.40) for the same prior-year period. The year-over-year decrease in net income is mainly due to lower gross profit and an unrealized foreign exchange loss resulting from the revaluation of net monetary liabilities denominated in U.S. dollars, partially offset by lower income and mining taxes.

H. All in Sustaining Cost & Cash Operating Margin

	Three Months Ended December 31,			**Nine Months Ended December 31,**		
	2024	2023	Variance	**2024**	2023	Variance
(in dollars per dmt sold)						
Iron ore concentrate sold (dmt)	**3,287,400**	3,227,500	2 %	**9,995,900**	8,674,800	15 %
Net average realized selling price[1]	**110.5**	157.1	(30)%	**118.2**	137.4	(14)%
C1 cash cost[1]	**78.7**	73.0	8 %	**77.7**	75.7	3 %
Sustaining capital expenditures	**11.6**	7.4	57 %	**14.2**	12.0	18 %
General and administrative expenses	**3.6**	3.5	3 %	**3.6**	4.3	(16)%
AISC[1]	**93.9**	83.9	12 %	**95.5**	92.0	4 %
Cash operating margin[1]	**16.6**	73.2	(77)%	**22.7**	45.4	(50)%

Third Quarter of the 2025 Financial Year vs Third Quarter of the 2024 Financial Year

During the three-month period ended December 31, 2024, the Company realized an AISC of $93.9/dmt[1], compared to $83.9/dmt[1] for the same period in 2023, mainly attributable to higher C1 cash cost and higher sustaining capital expenditures as outlined in section 11 below. AISC during the quarter was also impacted by lower than anticipated sales volumes due to the outage of the Company's load-out facilities.

The Company generated a cash operating margin of $16.6/dmt[1] for each tonne of high-grade iron ore concentrate sold during the three-month period ended December 31, 2024, compared to $73.2/dmt[1] 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.

First Nine Months of the 2025 Financial Year vs First Nine Months of the 2024 Financial Year

During the nine-month period ended December 31, 2024, the Company recorded an AISC of $95.5/dmt[1], above $92.0/dmt[1] for the same period in 2023 due to slightly higher C1 cash costs and higher sustaining capital expenditures, partially offset by the positive impact of higher sales volumes.

The cash operating margin totalled $22.7/dmt[1] for the nine-month period ended December 31, 2024, compared to $45.4/dmt[1] for the same prior-year period. The decrease was mainly due to a lower net average realized selling price.

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

10. Exploration Activities and Regional Growth

Bloom Lake Reserves and Resources

The technical report titled "Mineral Resources and Mineral Reserves for the Bloom Lake Mine, Fermont, Québec, Canada," prepared pursuant to National Instrument 43-101 and Chapter 5 of the ASX Listing Rules by BBA Inc., SRK Consulting (U.S.) Inc., Soutex and Quebec Iron Ore Inc. and dated September 28, 2023 (the "2023 Technical Report"), was filed on October 3, 2023. The 2023 Technical Report confirmed Bloom Lake's 18-year LoM based on mineral reserves with an average LoM yearly production of 15.2 million wmt of high-purity iron ore concentrate at 66.2% Fe, an average iron metallurgical recovery of 82.0%, and a plant feed grade of 28.6% Fe. The 2023 Technical Report also confirmed an expansion opportunity in connection with a 40% increase to the measured and indicated resources and a 360% increase to the inferred resources.

Apart from expected depletion from mining operations, the Company is not aware of any new information or data that materially affects the information included in the 2023 Technical Report and confirms that all material assumptions and technical parameters underpinning the estimates in the 2023 Technical Report continue to apply and have not materially changed. The 2023 Technical Report is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Exploration and Evaluation Activities

During the three and nine-month periods ended December 31, 2024, the Company maintained all of its properties in good standing and no farm-in/farm-out arrangements have come into force. As outlined in section 5 — Kami Project Update, subject to final negotiations and definitive transaction documents, the Partners agreed to jointly conduct and fund certain aspects of the Kami DFS on a pro-rata basis in accordance with their respective ownership interests. The expected reimbursements of expenses already incurred by Champion pursuant to the collaboration agreement signed with the Partners were reduced from exploration and evaluation assets.

During the three and nine-month periods ended December 31, 2024, $9.2 million and $16.6 million were incurred in exploration and evaluation expenditures, respectively, compared to $5.8 million and $13.1 million, respectively, for the same prior-year periods. During the three and nine-month periods ended December 31, 2024, exploration and evaluation expenditures consisted of work done in Québec and in Newfoundland and Labrador.

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

11. Cash Flows

The following table summarizes cash flow activities:

	Three Months Ended December 31,		**Nine Months Ended December 31,**	
	2024	2023	**2024**	2023
(in thousands of dollars)				
Operating cash flows before working capital	**57,768**	189,002	**284,283**	363,968
Changes in non-cash operating working capital	**(64,211)**	(26,379)	**(124,643)**	10,150
Net cash flows from (used in) operating activities	**(6,443)**	162,623	**159,640**	374,118
Net cash flows used in investing activities	**(195,321)**	(106,697)	**(504,181)**	(268,083)
Net cash flows from (used in) financing activities	**106,355**	17,821	**32,191**	(39,992)
Net increase (decrease) in cash and cash equivalents	**(95,409)**	73,747	**(312,350)**	66,043
Effects of exchange rate changes on cash and cash equivalents	**4,729**	(2,904)	**5,385**	(5,476)
Cash and cash equivalents, beginning of the period	**183,776**	316,530	**400,061**	326,806
Cash and cash equivalents, end of the period	**93,096**	387,373	**93,096**	387,373
Operating cash flow (outflow) per share[1]	**(0.01)**	0.31	**0.31**	0.72

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

11. Cash Flows (continued)

Operating

During the three-month period ended December 31, 2024, the Company generated operating cash flows of $57.8 million before changes in working capital items, a decrease of $131.2 million compared to $189.0 million for the same period last year, mainly due to lower EBITDA of $158.4 million, partially offset by lower current income and mining taxes of $33.0 million. Changes in non-cash operating working capital reduced operating cash flows by $64.2 million for the three-month period ended December 31, 2024. Higher working capital was driven by the decrease in accounts payable, higher inventories and higher receivables, compared to September 30, 2024. Lower income and mining taxes receivable reduced the Company's working capital at the end of the quarter, positively impacting cash flows during the period. The operating cash outflow per share for the three-month period ended December 31, 2024, was $0.01[1], compared to a cash flow per share of $0.31[1] for the same prior-year period.

During the nine-month period ended December 31, 2024, the Company's operating cash flows before working capital items totalled $284.3 million, compared to $364.0 million for the same prior-year period, mostly driven by a lower EBITDA of $123.5 million, partially offset by lower current income and mining taxes of $43.6 million. The increase in non-cash operating working capital since the beginning of the financial year reduced operating cash flows by $124.6 million. This was mainly due to much higher receivables, lower income and mining taxes payable and higher inventories. These variations are detailed in section 12 — Financial Position. Last year's changes in working capital were mainly impacted by higher accounts payable and lower income and mining taxes receivable, partially offset by the high level of iron ore concentrate inventories, which resulted from reduced railway services due to forest fires. The operating cash flow per share for the nine-month period ended December 31, 2024, totalled $0.31[1], compared to $0.72[1] for the same prior-year period.

Investing

i. Purchase of Property, Plant and Equipment

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	**2024**	2023
(in thousands of dollars)				
Tailings lifts	**21,514**	11,662	**65,615**	66,649
Stripping and mining activities	**5,400**	7,227	**33,307**	17,032
Other sustaining capital expenditures	**11,279**	5,142	**43,198**	20,599
Sustaining Capital Expenditures	**38,193**	24,031	**142,120**	104,280
DRPF project	**69,335**	30,989	**192,477**	59,010
Other capital development expenditures at Bloom Lake	**74,741**	41,656	**142,315**	79,442
Purchase of Property, Plant and Equipment as per Cash Flows	**182,269**	96,676	**476,912**	242,732

Sustaining Capital Expenditures

Sustaining capital expenditures were $14.2/dmt sold for the nine-month period ended December 31, 2024, compared to $12.0/dmt for the same prior-year period. This increase was mostly driven by additional mining development and equipment rebuild programs required to support additional production over the LoM.

The tailings-related investments for the three and nine-month periods ended December 31, 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. During the three and nine-month periods ended December 31, 2024, the Company started the expansion of its storage capacity to support the higher level of operation. The Company's tailings work programs are typically executed between May and November due to more favourable weather conditions.

Stripping and mining activities for the three and nine-month periods ended December 31, 2024, were comprised of mine development costs, including topographic and pre-cut drilling work, as part of the Company's mine plan. The increase for the nine-month period ended December 31, 2024, was notably attributable to $6.3 million stripping costs capitalized ($1.8 million for the same period in 2023).

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11. Cash Flows (continued)

Investing (continued)

i. Purchase of Property, Plant and Equipment (continued)

Sustaining Capital Expenditures (continued)

The increase in other sustaining capital expenditures for the three and nine-month periods ended December 31, 2024, was mainly attributable to mining equipment rebuild programs driven by Champion's growing mining fleet, renovations of accommodation complexes, and railcar-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 nine-month periods ended December 31, 2024, $69.3 million and $192.5 million, respectively, were spent in capital expenditures related to the DRPF project ($31.0 million and $59.0 million respectively, for the same prior-year periods). Investments mainly consisted of engineering work, foundations-related civil work and the construction of the building extension. Cumulative investments of $287.8 million were deployed on the DRPF project as at December 31, 2024, with an estimated total capital expenditure of $470.7 million, as per the project study released in January 2023. A detailed description of the project is presented in section 4 — DRPF Project Update.

Other Capital Development Expenditures at Bloom Lake

During the three and nine-month periods ended December 31, 2024, other capital development expenditures at Bloom Lake totalled $74.7 million and $142.3 million, respectively, compared to $41.7 million and $79.4 million, respectively, for the same periods in 2023.

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	**2024**	2023
(in thousands of dollars)				
Infrastructure improvements and conformity (i)	**5,763**	9,292	**30,828**	23,308
Mine maintenance garage expansion (ii)	**612**	5,359	**8,075**	20,543
Deposits or final payment for mining equipment	**117**	7,721	**19,537**	19,398
Railcars (iii)	**59,647**	—	**69,370**	—
Other (iv)	**8,602**	19,284	**14,505**	16,193
Other Capital Development Expenditures at Bloom Lake	**74,741**	41,656	**142,315**	79,442

(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. The construction was completed in the three-month period ended December 31, 2024.

(iii) To improve rail shipment flexibility in the future, Champion ordered 400 additional railcars in July 2024, which were financed by a long-term loan. These were all delivered as at December 31, 2024.

(iv) Other expenditures mainly consisted of capitalized borrowing costs on the DRPF project. In the 2024 financial year, this included investment in third-party facilities to handle additional production from the second plant, partially offset by the receipt of government grants related to the Company's initiatives to reduce GHG emissions and energy consumption.

ii. Other Main Investing Activities

During the three and nine-month periods ended December 31, 2024, the Company made advance payments of $2.5 million and $9.2 million, respectively, to third-party service providers in Sept-Îles for major replacement parts and asset improvement capital expenditures, compared to $3.4 million and $11.5 million, respectively, in the same periods in 2023. During the three and nine-month periods ended December 31, 2024, the Company invested $9.2 million and $16.6 million, respectively, in exploration and evaluation assets, compared to $5.8 million and $13.1 million, respectively, for the same prior-year periods.

11. Cash Flows (continued)

Financing

During the three and nine-month periods ended December 31, 2024, the Company made net drawdowns on various financing facilities amounting to $161.4 million and $142.4 million, respectively, to support the acquisition of 400 railcars, mining equipment, and DRPF project investments ($72.3 million and $71.6 million, respectively, for the same prior-year periods).

During the three and nine-month periods ended December 31, 2024, the Company paid $51.8 million and $103.6 million, respectively, in dividend payments ($51.7 million and $103.4 million, respectively, for the same prior-year periods) and also made payments on lease liabilities of $2.5 million and $6.0 million, respectively ($2.0 million and $6.8 million, respectively, for the same prior-year periods).

12. Financial Position

The following table details the changes to the interim consolidated statements of financial position as at December 31, 2024, compared to March 31, 2024:

	As at December 31, 2024	As at March 31, 2024	Variance
(in thousands of dollars)			
Cash and cash equivalents	**93,096**	400,061	(77)%
Receivables	**211,315**	120,079	76 %
Inventories	**362,563**	332,611	9 %
Other current assets	**59,755**	47,368	26 %
Total Current Assets	**726,729**	900,119	(19)%
Advance payments	**77,161**	83,374	(7)%
Property, plant and equipment	**1,977,257**	1,545,961	28 %
Exploration and evaluation assets	**142,124**	131,827	8 %
Other non-current assets	**27,930**	28,270	(1)%
Total Assets	**2,951,201**	2,689,551	10 %
Total Current Liabilities	**318,613**	323,071	(1)%
Long-term debt	**671,470**	508,367	32 %
Lease liabilities	**85,208**	70,649	21 %
Provisions	**131,645**	84,593	56 %
Net deferred tax liabilities	**323,781**	281,142	15 %
Other non-current liabilities	**24,224**	25,219	(4)%
Total Liabilities	**1,554,941**	1,293,041	20 %
Total Equity	**1,396,260**	1,396,510	— %
Total Liabilities and Equity	**2,951,201**	2,689,551	10 %

Assets

The Company's cash and cash equivalents balance on December 31, 2024, compared to the amount held on March 31, 2024, is detailed in section 11 — Cash Flows.

The increase in receivables was mostly attributable to higher trade receivables, the timing in the receipt of sales tax receivables and other non-recurring receivables as at December 31, 2024. Trade receivables increased due to the lower impact of the negative re-evaluation of sales subject to provisional pricing as at December 31, 2024, with forward prices used being slightly lower than the average P65 index prices for the period.

Higher inventories were attributable to lower shipments, compared to production, mainly due to the rail haulage interruption in December 2024.

The increase in other current assets was mainly attributable to the income and mining taxes receivable balance as at December 31, 2024, reflecting tax installments that were higher than the tax expenses for the year, compared to a payable balance as at March 31, 2024.

12. Financial Position (continued)

Assets (continued)

The additions to property, plant and equipment are detailed in section 11 — Cash Flows. The increase in property, plant and equipment was also impacted by a non-cash addition of $46.6 million associated with the compensation plans' obligation to fulfill conditions associated with the authorizations received to execute the Company's tailings and waste rock storage expansion plan. The Company recorded the obligation of all compensation plans during the period, with a corresponding addition to property, plant and equipment, as the expansion works started to impact the fish habitats and wetland areas during the period. Refer to note 2 to the Financial Statements for the three and nine-month periods ended December 31, 2024, for more details. The increase in property, plant and equipment was also attributable to additional right-of-use assets for various equipment.

Liabilities and Equity

The decrease in current liabilities was primarily attributable to lower income and mining taxes payable, as taxes related to the 2024 financial year were paid during the first quarter of the 2025 financial year. This decrease was partially offset by higher trade payables mainly resulting from ongoing growth projects investments and the timing of supplier payments due to the December holiday period.

The increase in long-term debt was mainly attributable to the US$49.9 million new financing related to the 400 additional railcars received in the period to increase the Company's shipment flexibility, a US$50.0 million drawdown on the Company's revolving facility to support the construction of the DRPF project, and a net drawdown under the Caterpillar Financial Services Limited facility for the financing of mining equipment to support growth activities. The long-term debt balance was also impacted by the weakening of the Canadian dollar during the nine-month period ended December 31, 2024.

The increase in provisions was attributable to the compensation plans' obligation recognized during the period as outlined above, amounting to $46.6 million.

The increase in net deferred tax liabilities was mainly attributable to temporary differences between the carrying amounts of property, plant and equipment and the tax basis.

Total equity decreased by $0.3 million since the beginning of the financial year as the dividend payments on the Company's ordinary shares were mostly offset by net income.

Liquidity

The Company is well positioned to fund all of its cash requirements for the next 12 months from its existing cash balance, forecasted cash flows from operating activities and undrawn available credit facilities.

As at December 31, 2024, the Company held $93.1 million in cash and cash equivalents, and had $501.9 million in undrawn loans for a total available liquidity of $595.0 million[1].

	As at December 31,
	2024
(in thousands of dollars)	
Senior Credit Facilities	**481,864**
Caterpillar Financial Services Limited	**20,055**
Total available and undrawn loans	**501,919**

The Company's cash requirements for the next 12 months are primarily related to the following activities:

- Sustaining and other capital expenditures, including additional mining equipment;
- Growth projects expenditure, including DRPF project expenditures and costs associated with the completion of the Kami DFS;
- Semi-annual dividend payments to shareholders, if declared;
- Capital repayments related to lease liabilities and long-term debt; and
- Payment of mining and income taxes.

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

13. Financial Instruments

The nature and extent of risks arising from the Company's financial instruments are summarized in note 26 to the audited annual consolidated financial statements for the financial year ended March 31, 2024.

14. Contingencies

The Company is and may be from time to time subject to legal actions, including arbitration and class actions, arising in the normal course of business. It is inherently difficult to predict the outcome of any of these proceedings with certainty, and it is possible that an adverse resolution could have a material adverse effect on the consolidated financial position of the Company. However, based on currently available information, it is not expected that any of the existing legal actions, either individually or in the aggregate, will have a material adverse effect on the consolidated financial position of the Company.

As outlined above in section 5 — Kami Project Update, on December 18, 2024, Champion entered into a binding agreement to form a partnership for the joint ownership and development of the Kami Project. Closing of the Transaction is subject to the Company and the Partners entering into definitive agreements, including a framework agreement and a partnership agreement to advance the Kami Project towards a potential IID and, ultimately, a FID, including permitting and the completion of a DFS. Additional details can be found in the Company's press release dated December 18, 2024 (Montréal), 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.

15. Contractual Obligations, Commitments and Off-Balance Sheet Arrangements

Contractual Obligations and Commitments

The following are the contractual maturities of the Company's liabilities segmented by period, including estimated future interest payments and future minimum payments of the commitments, as at December 31, 2024:

(in thousands of dollars)	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability)	**257,223**	**—**	**—**	**257,223**
Long-term debt	**90,365**	**723,232**	**83,743**	**897,340**
Lease liabilities	**15,429**	**41,925**	**79,027**	**136,381**
Commitments as per note 17 to the Financial Statements	**125,178**	**87,719**	**245,650**	**458,547**
	488,195	**852,876**	**408,420**	**1,749,491**

The Company has obligations for services related to fixed charges for the use of infrastructure over a defined contractual period of time. The service commitment is excluded in the above table as the service is expected to be used by the Company. To the extent that this changes, the commitment amount may change.

In relation to the Kami Project and contingent upon it advancing to commercial production, the Company is subject to:

- A gross sales royalty on iron ore concentrate, refined copper, fine gold bullion, silver bullion, and other refined products;
- Finite production payments on future production;
- An education and training fund for local communities; and
- Special tax payment to the Government of Newfoundland and Labrador's Department of Finance.

The Company is also subject to limited production payments on its Consolidated Fire Lake North, Lac Lamêlée, Moiré Lake, O'Keefe-Purdy and Harvey-Tuttle properties.

Other Off-Balance Sheet Arrangements

As at December 31, 2024, the undrawn portion of the finance agreement with Caterpillar Financial Services Limited and the available portion of the revolving facility amounting to $20.1 million (US$13.9 million) and $481.9 million (US$334.2 million), respectively, are subject to standby commitment fees.

16. Material Accounting Estimates, Judgments and Assumptions

The Company's material accounting judgments, estimates and assumptions are summarized in note 2 to the Company's audited annual financial statements for the financial year ended March 31, 2024.

17. New Accounting Amendments Issued and Adopted by the Company

The new accounting amendments issued and adopted by the Company are disclosed in note 2 to the Financial Statements for the three and nine-month periods ended December 31, 2024.

18. New Accounting Standards or Amendments Issued to Be Adopted at a Later Date

The new accounting standards or amendments issued but not yet in effect are disclosed in note 2 to the Financial Statements for the three and nine-month periods ended December 31, 2024.

19. Related Party Transactions

Related party transactions consist of transactions with key management personnel. The Company considers members of its Board and senior officers to be key management personnel.

Transactions with key management personnel are disclosed in note 28 to the Company's audited annual financial statements for the financial year ended March 31, 2024. In connection with related party transactions, no significant changes occurred in the three and nine-month periods ended December 31, 2024.

20. Summary of Quarterly Results

The following information is derived from and should be read in conjunction with the Financial Statements for the three and nine-month periods ended December 31, 2024, and the unaudited interim consolidated financial statements for the previous quarters as well as with the audited annual financial statements for the financial year ended March 31, 2024.

All financial data is stated in millions of dollars except for EPS and adjusted EPS.

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Financial Data (in millions of $)								
Revenues	363.2	351.0	467.1	332.7	506.9	387.6	297.2	463.9
Operating income	50.8	39.6	145.5	55.2	211.3	123.6	39.1	153.2
Net income	1.7	19.8	81.4	25.8	126.5	65.3	16.7	88.2
Adjusted net income[1]	1.7	19.8	81.4	25.8	126.5	65.3	19.0	88.2
EBITDA[1]	88.2	74.5	181.2	85.1	246.6	155.0	65.8	195.7
EPS - basic	0.00	0.04	0.16	0.05	0.24	0.13	0.03	0.17
Adjusted EPS - basic[1]	0.00	0.04	0.16	0.05	0.24	0.13	0.04	0.17
EPS - diluted	0.00	0.04	0.15	0.05	0.24	0.12	0.03	0.17
Net cash flow from (used in) operating activities	(6.4)	134.7	31.4	100.5	162.6	162.2	49.3	167.7
Operating Data								
Waste mined and hauled (thousands of wmt)	9,694	9,324	6,734	6,499	6,993	6,265	5,199	5,024
Ore mined and hauled (thousands of wmt)	10,348	9,287	10,779	9,471	11,216	10,594	9,594	9,194
Stripping ratio	0.94	1.00	0.62	0.69	0.62	0.59	0.54	0.55
Ore milled (thousands of wmt)	10,305	9,125	11,084	9,349	11,137	10,340	9,896	9,055
Head grade Fe (%)	29.3	29.1	29.1	28.7	29.4	28.2	28.8	28.4
Fe recovery (%)	79.1	78.7	79.3	80.2	81.4	77.8	78.2	78.6
Product Fe (%)	66.3	66.3	66.3	66.1	66.3	66.1	66.1	66.1
Iron ore concentrate produced (thousands of wmt)	3,621	3,170	3,877	3,275	4,043	3,447	3,397	3,084
Iron ore concentrate sold (thousands of dmt)	3,287	3,266	3,443	2,969	3,228	2,884	2,564	3,093
Statistics (in dollars per dmt sold)								
Gross average realized selling price[1]	158.8	161.8	171.6	166.3	195.8	169.4	168.8	183.2
Net average realized selling price[1]	110.5	107.5	135.7	112.1	157.1	134.4	115.9	150.0
C1 cash cost[1]	78.7	77.5	76.9	76.6	73.0	73.7	81.3	79.0
AISC[1]	93.9	101.4	91.6	88.0	83.9	99.1	94.1	85.7
Cash operating margin[1]	16.6	6.1	44.1	24.1	73.2	35.3	21.8	64.3
Statistics (in U.S. dollars per dmt sold)[2]								
Gross average realized selling price[1]	113.4	118.9	125.3	123.4	144.0	126.2	125.7	135.5
Net average realized selling price[1]	78.8	79.0	99.2	82.9	115.6	100.3	86.3	110.9
C1 cash cost[1]	56.3	56.8	56.2	56.8	53.6	55.0	60.5	58.4
AISC[1]	67.2	74.3	66.9	65.3	61.6	73.9	70.1	63.4
Cash operating margin[1]	11.6	4.7	32.3	17.6	54.0	26.4	16.2	47.5

[1] This 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 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

[2] See the "Currency" subsection of this MD&A included in section 7 — Key Drivers.

21. Non-IFRS and Other Financial Measures

The Company has included certain non-IFRS financial measures, ratios and supplementary financial measures in this MD&A, as listed in the table below, 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.

Non-IFRS and Other Financial Measures	
Non-IFRS Financial Measures	
EBITDA	Earnings before income and mining taxes, net finance costs and depreciation
Adjusted net income	Net income plus Bloom Lake start-up costs, if any, less gain on disposal of non-current investments, plus write-off of non-current investment and the related tax effect of these items
Available liquidity	Cash and cash equivalents plus short-term investments plus undrawn amounts under credit facilities
Non-IFRS Ratios	
EBITDA margin	EBITDA as a percentage of revenues
Adjusted EPS	Adjusted net income per basic weighted average number of ordinary shares outstanding
C1 cash cost per dmt sold	Cost of sales before Bloom Lake start-up costs, if any, divided by iron ore concentrate sold in dmt
AISC per dmt sold	C1 cash cost plus sustaining capital expenditures and general and administrative expenses divided by iron ore concentrate sold in dmt
Cash operating margin	Net average realized selling price less AISC
Gross average realized selling price per dmt sold	Revenues before provisional pricing adjustments and freight and other costs divided by iron ore concentrate sold in dmt
Cash profit margin	Cash operating margin as a percentage of net average realized selling price
Other Financial Measures	
Net average realized selling price or net average realized FOB selling price per dmt sold	Revenues divided by iron ore concentrate sold in dmt
Mining and processing costs per dmt produced	Mining and processing costs divided by iron ore concentrate produced in dmt
Land transportation and port handling costs per dmt sold	Land transportation and port handling costs divided by iron ore concentrate sold in dmt
Operating cash flow per share	Net cash flow from (used in) operating activities per basic weighted average number of ordinary shares outstanding

21. Non-IFRS and Other Financial Measures (continued)

EBITDA and EBITDA Margin

EBITDA is a non-IFRS financial measure that allows comparability of operating results from one period to another by excluding the effects of items that are usually associated with investing and financing activities. EBITDA is not necessarily indicative of operating profit or cash flows from operating activities as determined under IFRS. For simplicity and comparative purposes, the Company did not exclude non-cash share-based payments and other income or expenses.

EBITDA margin is used for the purpose of evaluating business performance. Management believes this financial ratio is relevant to investors to assess the Company's ability to generate liquidity by producing operating cash flows to fund working capital needs and capital expenditures, and service debt obligations.

EBITDA and EBITDA margin do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2024	2024	2024	**2024**	**2024**
(in thousands of dollars)					
Income before income and mining taxes	46,693	137,377	31,777	**21,347**	**190,501**
Net finance costs	8,831	8,259	7,486	**30,508**	**46,253**
Depreciation	29,575	35,524	35,273	**36,361**	**107,158**
EBITDA	85,099	181,160	74,536	**88,216**	**343,912**
Revenues	332,673	467,084	350,980	**363,170**	**1,181,234**
EBITDA margin	26%	39%	21%	**24%**	**29%**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2023	2023	2023	2023	2023
(in thousands of dollars)					
Income before income and mining taxes	144,457	28,966	112,187	204,981	346,134
Net finance costs	8,774	6,926	11,634	8,747	27,307
Depreciation	42,478	29,913	31,215	32,881	94,009
EBITDA	195,709	65,805	155,036	246,609	467,450
Revenues	463,913	297,162	387,568	506,891	1,191,621
EBITDA margin	42%	22%	40%	49%	39%

21. Non-IFRS and Other Financial Measures (continued)

Adjusted Net Income and Adjusted EPS

Management uses adjusted net income and adjusted EPS to evaluate the Company's operating performance and for planning and forecasting future business operations. Management believes that these financial measures provide investors with an enhanced understanding of the Company's results by excluding certain items that do not reflect the core performance of the Company. By excluding these items, Management believes it provides a better comparability of the Company's results from one period to another and with other mining entities. These financial measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures and ratios presented by other companies.

Management's determination of the components of adjusted net income and adjusted EPS is evaluated periodically and is based, in part, on its review of non-IFRS financial measures and ratios used by mining industry analysts.

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2024	2024	2024	**2024**	**2024**
(in thousands of dollars, except per share)					
Net income	25,791	81,357	19,807	**1,741**	**102,905**
Adjusted net income	25,791	81,357	19,807	**1,741**	**102,905**
(in thousands)					
Weighted average number of ordinary shares outstanding - Basic	518,104	518,080	518,111	**518,251**	**518,147**
Adjusted EPS	0.05	0.16	0.04	**0.00**	**0.20**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2023	2023	2023	2023	2023
(in thousands of dollars, except per share)					
Net income	88,217	16,657	65,281	126,462	208,400
Non-cash item					
Write-off of non-current investment	—	2,744	—	—	2,744
Tax effect of adjustments listed above[1]	—	(370)	—	—	(370)
Adjusted net income	88,217	19,031	65,281	126,462	210,774
(in thousands)					
Weighted average number of ordinary shares outstanding - Basic	517,193	517,193	517,258	517,761	517,405
Adjusted EPS	0.17	0.04	0.13	0.24	0.41

[1] The tax effect of adjustments is calculated using the applicable tax rate.

21. Non-IFRS and Other Financial Measures (continued)

Available Liquidity

Available liquidity is a non-IFRS measure used by Management to prudently monitor the cash accessible by the Company. Available liquidity is comprised of cash and cash equivalents, short-term deposits that mature within twelve months and undrawn amounts under available credit facilities. The Company uses available liquidity to measure the liquidity required to satisfy its lenders, fund capital expenditures and support operations. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

	As at December 31,	As at September 30,
	2024	2024
(in thousands of dollars)		
Cash and cash equivalents	**93,096**	183,776
Undrawn amounts under credit facilities	**501,919**	575,493
Available liquidity	**595,015**	759,269

C1 Cash Cost per dmt Sold

C1 cash cost per dmt is a common financial performance measure in the iron ore mining industry. Champion reports its C1 cash cost on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flows from its mining operations. This measure also enables investors to better understand the performance of the Company's iron ore operations in comparison with other iron ore producers who present results on a similar basis. Management uses this metric as an important tool to monitor operating cost performance. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. The cost of sales includes production costs such as mining, processing and mine site-related general and administrative expenses, as well as rail and port operating costs. Depreciation expense is not a component of C1 cash cost.

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2024	2024	2024	**2024**	**2024**
Iron ore concentrate sold (dmt)	2,968,900	3,442,800	3,265,700	**3,287,400**	**9,995,900**
(in thousands of dollars, except per tonne)					
Cost of sales	227,496	264,911	252,960	**258,728**	**776,599**
C1 cash cost (per dmt sold)	76.6	76.9	77.5	**78.7**	**77.7**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2023	2023	2023	2023	2023
Iron ore concentrate sold (dmt)	3,092,900	2,563,500	2,883,800	3,227,500	8,674,800
(in thousands of dollars, except per tonne)					
Cost of sales	244,444	208,485	212,584	235,457	656,526
C1 cash cost (per dmt sold)	79.0	81.3	73.7	73.0	75.7

21. Non-IFRS and Other Financial Measures (continued)

All-In Sustaining Cost

The Company believes that AISC defines the total cost associated with producing iron ore concentrate more accurately as this measure reflects all the sustaining expenditures incurred to produce high-grade iron ore concentrate. As this measure is intended to represent the cost of selling iron ore concentrate from current operations, it does not include capital expenditures attributable to development projects or mine expansions that would increase production capacity or mine life, including economic evaluations for such projects. It also does not include innovation and growth initiative expenses, start-up costs and exploration expenses that are not sustainable in nature, income and mining tax expenses, working capital, defined as current assets less current liabilities, net finance costs, or other income or expenses. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

The Company calculates AISC as the sum of C1 cash costs, sustaining capital, including deferred stripping costs, and general and administrative expenses divided by the iron ore concentrate sold, to arrive at a per dmt figure. The AISC excludes the Bloom Lake Phase II start-up costs that are included in the cost of sales. Other companies may calculate this measure differently because of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital. The sustaining capital included in the AISC calculation excludes development capital expenditures such as capacity increase projects and studies for future expansion projects.

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2024	2024	2024	**2024**	**2024**
Iron ore concentrate sold (dmt)	2,968,900	3,442,800	3,265,700	**3,287,400**	**9,995,900**
(in thousands of dollars, except per tonne)					
Cost of sales	227,496	264,911	252,960	**258,728**	**776,599**
Sustaining capital expenditures[1]	19,759	38,008	65,919	**38,193**	**142,120**
General and administrative expenses	13,973	12,350	12,114	**11,813**	**36,277**
	261,228	315,269	330,993	**308,734**	**954,996**
AISC (per dmt sold)	88.0	91.6	101.4	**93.9**	**95.5**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2023	2023	2023	2023	2023
Iron ore concentrate sold (dmt)	3,092,900	2,563,500	2,883,800	3,227,500	8,674,800
(in thousands of dollars, except per tonne)					
Cost of sales	244,444	208,485	212,584	235,457	656,526
Sustaining capital expenditures[1]	9,303	19,803	60,446	24,031	104,280
General and administrative expenses	11,466	12,949	12,729	11,206	36,884
	265,213	241,237	285,759	270,694	797,690
AISC (per dmt sold)	85.7	94.1	99.1	83.9	92.0

[1] Purchase of property, plant and equipment as per the consolidated statements of cash flows are classified into sustaining capital expenditures, DPRF project and other capital development expenditures at Bloom Lake. Sustaining capital expenditures are defined as capital expenditures to sustain or maintain the existing assets to achieve operations as per the mine plan, from which future economic benefits will be derived. Refer to section 11 — Cash Flows of this MD&A.

21. Non-IFRS and Other Financial Measures (continued)

Cash Operating Margin and Cash Profit Margin

Cash operating margin per dmt sold is used by Management to better understand the iron ore concentrate margin realized throughout a period. Cash operating margin represents the net average realized selling price per dmt sold less AISC per dmt sold. Cash profit margin represents the cash operating margin per dmt sold divided by the net average realized selling price per dmt sold. These measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2024	2024	2024	**2024**	**2024**
Iron ore concentrate sold (dmt)	2,968,900	3,442,800	3,265,700	**3,287,400**	**9,995,900**
(in thousands of dollars, except per tonne)					
Revenues	332,673	467,084	350,980	**363,170**	**1,181,234**
Net average realized selling price (per dmt sold)	112.1	135.7	107.5	**110.5**	**118.2**
AISC (per dmt sold)	88.0	91.6	101.4	**93.9**	**95.5**
Cash operating margin (per dmt sold)	24.1	44.1	6.1	**16.6**	**22.7**
Cash profit margin	21%	32%	6%	**15%**	**19%**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2023	2023	2023	2023	2023
Iron ore concentrate sold (dmt)	3,092,900	2,563,500	2,883,800	3,227,500	8,674,800
(in thousands of dollars, except per tonne)					
Revenues	463,913	297,162	387,568	506,891	1,191,621
Net average realized selling price (per dmt sold)	150.0	115.9	134.4	157.1	137.4
AISC (per dmt sold)	85.7	94.1	99.1	83.9	92.0
Cash operating margin (per dmt sold)	64.3	21.8	35.3	73.2	45.4
Cash profit margin	43%	19%	26%	47%	33%

21. Non-IFRS and Other Financial Measures (continued)

Gross Average Realized Selling Price per dmt Sold

Gross average realized selling price is used by Management to better understand the iron ore concentrate price throughout a period. The measure excludes the provisional pricing adjustments on sale contracts structured on a provisional pricing basis and freight and other costs, which enables Management to track the level of its iron ore concentrate price, compared to the average P65 index used in the market.

Provisional pricing adjustments represent any difference between the revenue recognized at the end of the previous period and the final settlement price. Excluding this element presents a better understanding of the iron ore price realized on vessels sold during the period. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2024	2024	2024	**2024**	**2024**
Iron ore concentrate sold (dmt)	2,968,900	3,442,800	3,265,700	**3,287,400**	**9,995,900**
(in thousands of dollars, except per tonne)					
Revenues	332,673	467,084	350,980	**363,170**	**1,181,234**
Provisional pricing adjustments	31,005	(27,947)	22,947	**17,407**	**12,407**
Freight and other costs	130,074	151,547	154,425	**141,568**	**447,540**
Gross revenues	493,752	590,684	528,352	**522,145**	**1,641,181**
Gross average realized selling price (per dmt sold)	166.3	171.6	161.8	**158.8**	**164.2**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2023	2023	2023	2023	2023
Iron ore concentrate sold (dmt)	3,092,900	2,563,500	2,883,800	3,227,500	8,674,800
(in thousands of dollars, except per tonne)					
Revenues	463,913	297,162	387,568	506,891	1,191,621
Provisional pricing adjustments	(14,325)	46,806	(1,559)	(15,997)	29,250
Freight and other costs	117,137	88,697	102,411	140,971	332,079
Gross revenues	566,725	432,665	488,420	631,865	1,552,950
Gross average realized selling price (per dmt sold)	183.2	168.8	169.4	195.8	179.0

22. Share Capital Information

The Company's share capital consists of ordinary shares without par value. As of January 29, 2025, there were 518,251,001 ordinary shares issued and outstanding, and 15,000,000 ordinary shares issuable pursuant to warrants. In addition, there were 5,237,168 restricted share units, deferred share units and performance share units issued under the Company's Omnibus incentive plan.

23. Risk Factors

Champion is subject to several risks and uncertainties which could have a material adverse impact on its operations, its financial condition and the trading price of its shares.

The Board oversees Management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, to monitor risks and adherence to market conditions, and the Company's activities.

Refer to the Company's 2024 Annual Information Form and the MD&A for the financial year ended March 31, 2024, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com to see the principal risk factors that apply to the Company and that may have a material adverse effect on its financial condition, results of operations or the trading price of the Company's shares, and for information about the Company's exposure to each of the described risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

24. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") to provide reasonable assurance that:

i. material information relating to the Company is made known to Management by others, particularly during the period in which the annual filings are being prepared; and

ii. information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

The CEO and CFO are also responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes in the Company's ICFR that occurred during the period beginning on October 1, 2024, and ended on December 31, 2024, which have materially affected or are reasonably likely to materially affect the Company's ICFR.

Limitations of DC&P and ICFR

All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems that are determined to be effective can provide only reasonable assurance with respect to the financial statements preparation and presentation.

25. Approval

The Board oversees Management's responsibility for financial reporting and internal control systems through its Audit Committee. The Audit Committee meets quarterly with Management and with the Company's independent auditors to review the scope and results of the annual audit and quarterly reviews, respectively, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board and submitted to the shareholders. The Board has approved the Financial Statements and the disclosure contained in this MD&A as of January 30, 2025.

26. Nature of Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of losing their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

27. Additional Information

Additional information related to the Company is available for viewing under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.