CHAMPION IRON

QUARTERLY ACTIVITIES REPORT

CHAMPION IRON REPORTS ITS FY2025 THIRD QUARTER RESULTS, ADVANCES THE DRPF PROJECT AND INITIATES KAMI FEASIBILITY STUDY WITH PARTNERS

- Quarterly production of 3.6M wmt, sales of 3.3M dmt, revenue of $363M and EBITDA of $88M[1]
- DRPF project advancing on budget and as scheduled for commissioning in December 2025, including an additional $69M deployed in the quarter with cumulative investments to date of $288M
- Entered into a binding agreement with Nippon and Sojitz to form a partnership to evaluate the Kami Project and initiated a definitive feasibility study

Montréal, January 29, 2025 (Sydney, January 30, 2025) - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("**Champion**" or the "**Company**") reports its operational and financial results for its financial third quarter ended December 31, 2024.

Champion's CEO, Mr. David Cataford, said, "Our workforce demonstrated their responsiveness and ingenuity during the breakdown of a critical piece of equipment in the period. While events inevitably impacted quarterly results, Bloom Lake has proven its operational stability in the last several years, providing the foundation to grow our position as a leading high-purity iron ore producer. As such, our DRPF project continues to advance towards an expected commissioning in December 2025, further aligning our Company with the green steelmaking transition which supports higher pricing premiums for our products. Additionally, the rare quality of our high-purity iron ore resources, local support and operational expertise enabled our Company to attract global industry leaders as partners for the Kami Project. This newly formed agreement provides an opportunity to further evaluate the Kami Project, including initiating a definitive feasibility study, which is expected to be completed by mid-2026."

Conference Call Details

Champion will host a conference call and webcast on January 30, 2025, at 9:00 AM (Montréal time) / January 31, 2025, at 1:00 AM (Sydney time) to discuss the results of the financial third quarter ended December 31, 2024. Call details are set out at the end of this quarterly activities report.

1. 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

- Gross average realized selling price of US$113.4/dmt[1], compared to the P65 index average of US$118.0/dmt in the period;
- Net average realized selling price of US$78.8/dmt[1], comparable quarter-on-quarter, and representing a decrease of 32% year-on-year;
- C1 cash cost of $78.7/dmt[1] (US$56.3/dmt)[2], comparable quarter-on-quarter, and representing an increase of 8% year-on-year;
- EBITDA of $88.2 million[1], an increase of 18% quarter-on-quarter, and a decrease of 64% year-on-year;
- Net income of $1.7 million, a decrease of 91% quarter-on-quarter, and 99% year-on-year, 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;
- 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); 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.

Growth and Development

- The DRPF project, aimed at upgrading half of Bloom Lake's capacity to DR quality pellet feed iron ore grading up to 69% Fe, is progressing on schedule and on budget, with commissioning 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;
- 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; and
- Additional mining equipment received during the period, increasing the Bloom Lake's mine production capacity, including stripping activities.

2. 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.

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.

	Q3 FY25	Q2 FY25	Q/Q Change	Q3 FY24	Y/Y Change
Operating Data					
Waste mined and hauled (wmt)	**9,694,200**	9,323,600	4 %	6,993,200	39 %
Ore mined and hauled (wmt)	**10,347,500**	9,287,100	11 %	11,215,800	(8)%
Material mined and hauled (wmt)	**20,041,700**	18,610,700	8 %	18,209,000	10 %
Stripping ratio	**0.94**	1.00	(6)%	0.62	52 %
Ore milled (wmt)	**10,305,300**	9,125,000	13 %	11,137,000	(7)%
Head grade Fe (%)	**29.3**	29.1	1 %	29.4	— %
Fe recovery (%)	**79.1**	78.7	1 %	81.4	(3)%
Product Fe (%)	**66.3**	66.3	— %	66.3	— %
Iron ore concentrate produced (wmt)	**3,620,600**	3,170,100	14 %	4,042,600	(10)%
Iron ore concentrate sold (dmt)	**3,287,400**	3,265,700	1 %	3,227,500	2 %

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.

3. Financial Performance

	Q3 FY25	Q2 FY25	Q/Q Change	Q3 FY24	Y/Y Change
Financial Data (in thousands of dollars)					
Revenues	**363,170**	350,980	3 %	506,891	(28)%
Cost of sales	**258,728**	252,960	2 %	235,457	10 %
Other expenses	**17,290**	23,153	(25)%	27,219	(36)%
Net finance costs	**30,508**	7,486	308 %	8,747	249 %
Net income	**1,741**	19,807	(91)%	126,462	(99)%
EBITDA[1]	**88,216**	74,536	18 %	246,609	(64)%
Statistics (in dollars per dmt sold)					
Gross average realized selling price[1]	**158.8**	161.8	(2)%	195.8	(19)%
Net average realized selling price[1]	**110.5**	107.5	3 %	157.1	(30)%
C1 cash cost[1]	**78.7**	77.5	2 %	73.0	8 %
AISC[1]	**93.9**	101.4	(7)%	83.9	12 %
Cash operating margin[1]	**16.6**	6.1	172 %	73.2	(77)%

A. Revenues

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 quarterly activities report, 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.

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.

B. Cost of Sales and C1 Cash Cost

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.

Land transportation and port handling costs for the three-month period ended December 31, 2024, were $26.2/dmt sold[1], higher than $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.

C. Net Income & EBITDA

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.

D. All in Sustaining Cost & Cash Operating Margin

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 5 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.

4. Exploration 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 1 - Quarterly Highlights, 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.

5. Cash Flows — 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).

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.

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.

6. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on January 30, 2025, at 9:00 AM (Montréal time) / January 31, 2025, at 1:00 AM (Sydney time). Listeners may access a live webcast of the conference call from the Investors section of the Company's website at www.championiron.com/investors/events-presentations or by dialing toll free +1-888-699-1199 within North America or +61-2-8017-1385 from Australia.

An online archive of the webcast will be available by accessing the Company's website at www.championiron.com/investors/events-presentations. A telephone replay will be available for one week after the call by dialing +1-888-660-6345 within North America or +1-289-819-1450 overseas, and entering passcode 13894#.

About Champion Iron Limited

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentration plants that primarily source energy from renewable hydroelectric power, having a combined nameplate capacity of 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.

Cautionary Note Regarding Forward-Looking Statements

This quarterly activities report includes certain information and statements that may constitute "forward-looking information" under applicable securities legislation. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "aims", "targets" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control.

Specific Forward-Looking Statements

All statements, other than statements of historical facts, included in this quarterly activities report that address future events, developments or performance that Champion expects to occur are forward-looking statements. Forward-looking statements include, among other things, Management's expectations regarding: (i) Bloom Lake's LoM, recovery rates, production, economic and other benefits, nameplate capacity and related opportunities and benefits, as well as potential increase thereof and related work programs and equipment rebuild programs and related investments, delivery, commissioning and financing of new mining equipment and additional railcars and their impact on production, sales and shipment flexibility and capabilities; (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, capital expenditures, budget and financing, production metrics, technical parameters, pricing premiums, efficiencies, economic and other benefits; (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, production and financial metrics, technical parameters, permitting and related studies and work programs, efficiencies and economic and other benefits and evaluation of related opportunities; (iv) the formation of a partnership with Nippon and Sojitz 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 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 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 through the DRPF project (including producing high-quality DRPF products), capital expenditures, economics, expected project timeline, related investments and expected benefits thereof; (vi) green steel, GHG and CO2 emissions reduction initiatives, sustainability and ESG related initiatives, objectives, targets and expectations, expected implications thereof and the Company's positioning in connection therewith; (vii) maintaining higher stripping activities; (viii) stockpiled ore levels, shipping and sales of accumulated concentrate inventories and their impact on the cost of sales; (ix) increased shipments of iron ore, impact of the delivery of 400 additional railcars, haul trucks and loading equipment commissioned by the Company, and related railway and port capacity; (x) the Company's safe tailings strategy, tailings investment plan and related investments and benefits; (xi) the relationship between iron ore prices and ocean freight costs and their impact on the Company; (xii) production and recovery rate targets and levels and the Company's performance and related work programs; (xiii) pricing of the Company's products (including provisional pricing); (xiv) the Company's expected iron ore concentrate production and sales, mining and hauling activities and related costs; (xv) the Company's storage expansion and related compensation plans; (xvi) available liquidity to support the Company's growth projects; and (xvii) the Company's growth and opportunities generally.

Risks

Although Champion believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expressed in forward-looking statements include, without limitation: (i) the results of feasibility studies; (ii) changes in the assumptions used to prepare feasibility studies; (iii) project delays; (iv) timing and uncertainty of industry shift to green steel and electric arc furnaces, impacting demand for high-grade feed; (v) continued availability of capital and financing and general economic, market or business conditions; (vi) general economic, competitive, political and social uncertainties; (vii) future prices of iron ore; (viii) future transportation costs; (ix) failure of plant, equipment or processes to operate as anticipated; (x) delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; (xi) geopolitical events; and (xii) the effects of catastrophes and public health crises on the global economy, the iron ore market and Champion's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2024 Annual Report and Annual Information Form for the financial year ended March 31, 2024, all of which are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

Additional Updates

All of the forward-looking information contained in this quarterly activities report is given as of the date hereof or such other date or dates specified in the forward-looking statements and is based upon the opinions and estimates of Champion's Management and information available to Management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of the forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. Readers should carefully consider the above factors as well as the uncertainties they represent and the risks they entail.

Abbreviations

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

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

The Company's unaudited Condensed Consolidated Financial Statements for the three and nine-month periods ended December 31, 2024 (the "Financial Statements") and associated Management's Discussion and Analysis ("MD&A") are available under the Company's profile on SEDAR+ (www.sedarplus.ca), the ASX (www.asx.com.au) and the Company's website (www.championiron.com).

[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 below — Non-IFRS and Other Financial Measures for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable. Additional details for these non-IFRS and other financial measures, have been incorporated by reference and can be found in section 21 of the Company's MD&A for the three and nine-month periods ended December 31, 2024, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website under the Investors section at www.championiron.com.

[2] See the "Currency" subsection of the MD&A for the three and nine-month periods ended December 31, 2024, included in section 7 — Key Drivers, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website under the Investors section at www.championiron.com.

Non-IFRS and Other Financial Measures

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

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

EBITDA and EBITDA Margin

	Q3 FY25	Q2 FY25	Q3 FY24
(in thousands of dollars)			
Income before income and mining taxes	**21,347**	31,777	204,981
Net finance costs	**30,508**	7,486	8,747
Depreciation	**36,361**	35,273	32,881
EBITDA	**88,216**	74,536	246,609
Revenues	**363,170**	350,980	506,891
EBITDA margin	**24%**	21%	49%

Available Liquidity

	As at December 31, 2024	As at September 30, 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

	Q3 FY25	Q2 FY25	Q3 FY24
Iron ore concentrate sold (dmt)	**3,287,400**	3,265,700	3,227,500
(in thousands of dollars except per tonne)			
Cost of sales	**258,728**	252,960	235,457
C1 cash cost (per dmt sold)	**78.7**	77.5	73.0

All-In Sustaining Cost

	Q3 FY25	Q2 FY25	Q3 FY24
Iron ore concentrate sold (dmt)	**3,287,400**	3,265,700	3,227,500
(in thousands of dollars except per tonne)			
Cost of sales	**258,728**	252,960	235,457
Sustaining capital expenditures	**38,193**	65,919	24,031
General and administrative expenses	**11,813**	12,114	11,206
	308,734	330,993	270,694
AISC (per dmt sold)	**93.9**	101.4	83.9

Cash Operating Margin and Cash Profit Margin

	Q3 FY25	Q2 FY25	Q3 FY24
Iron ore concentrate sold (dmt)	**3,287,400**	3,265,700	3,227,500
(in thousands of dollars except per tonne)			
Revenues	**363,170**	350,980	506,891
Net average realized selling price (per dmt sold)	**110.5**	107.5	157.1
AISC (per dmt sold)	**93.9**	101.4	83.9
Cash operating margin (per dmt sold)	**16.6**	6.1	73.2
Cash profit margin	**15%**	6%	47%

Gross Average Realized Selling Price per dmt Sold

	Q3 FY25	Q2 FY25	Q3 FY24
Iron ore concentrate sold (dmt)	**3,287,400**	3,265,700	3,227,500
(in thousands of dollars except per tonne)			
Revenues	**363,170**	350,980	506,891
Provisional pricing adjustments	**17,407**	22,947	(15,997)
Freight and other costs	**141,568**	154,425	140,971
Gross revenues	**522,145**	528,352	631,865
Gross average realized selling price (per dmt sold)	**158.8**	161.8	195.8