



QUARTERLY ACTIVITIES REPORT

CHAMPION IRON REPORTS RECORD IRON ORE SALES IN ITS FY2025 FIRST QUARTER AND ADVANCES THE DRPF PROJECT

- Quarterly production of 3.9M wmt, record sales of 3.4M dmt, revenue of \$467M, EBITDA of \$181M¹ and EPS of \$0.16
- DRPF project advancing as planned for an expected commissioning in calendar H2 2025, including an additional \$58M deployed in the quarter and cumulative investments to date of \$154M
 - High-purity iron ore added to the Canadian government's critical mineral list

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

Champion's CEO, Mr. David Cataford, said, "I am proud of our people who efficiently deployed our emergency protocols in response to nearby forest fires. Their actions prioritized the safety of our employees and contractors by completing a rapid preventive evacuation of Bloom Lake and enabled a swift return to site as fires subsided." Mr. Cataford added, "With respect to our operations, I am happy to report robust quarterly production, record sales and strong financial results for the period. In conjunction with this, we continue to advance our DRPF project, which is expected to significantly reduce emissions in steelmaking, support higher premiums for our products and aligns with the government of Canada's recent recognition of high purity iron ore as a critical mineral."

Conference Call Details

Champion will host a conference call and webcast on July 31, 2024, at 9:00 AM (Montréal time) / 11:00 PM (Sydney time) to discuss the results of the financial first quarter ended June 30, 2024. Call details are set out at the end of this quarterly activities report.

1. Quarterly Highlights

Operations and Sustainability

- No serious injuries or major environmental incidents reported in the three-month period ended June 30, 2024;
- Quarterly production of 3.9 million wmt (3.8 million dmt) of high-grade 66.3% Fe concentrate for the three-month period ended June 30, 2024, up 18% from the previous quarter and up 14% over the same period last year. Production during the period benefited from work programs completed to solidify operations and no major scheduled semi-annual shutdowns;

- Record quarterly iron ore concentrate sales of 3.4 million dmt for the three-month period ended June 30, 2024, up 16% from the previous quarter and up 34% from the prior-year period;
- The Company continues to seek improvements from the rail operator to receive contracted haulage services to ensure that Bloom Lake's production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods. Iron ore concentrate stockpiled at Bloom Lake reached 3.0 million wmt as at June 30, 2024, up from 2.7 million wmt as at March 31, 2024; and
- Following a preventive evacuation of Bloom Lake in response to nearby forest fires on July 12, 2024, the Company announced a gradual return of its workforce on July 15, 2024, and confirmed that the events did not impact its facilities and third parties' infrastructure. With forest fires subsiding in the region, operational cadence subsequently returned to levels experienced prior to recent events.

Financial Results

- Gross realized selling price of US\$125.3/dmt¹, compared to the P65 index average of US\$126.1/dmt in the period;
- Net realized selling price of US\$99.2/dmt¹, representing a 20% increase quarter-on-quarter, and 15% year-on-year;
- C1 cash cost of \$76.9/dmt¹ (US\$56.2/dmt)², comparable quarter-on-quarter, and representing a decrease of 5% year-on-year;
- EBITDA of \$181.2 million¹, an increase of 113% quarter-on-quarter, and 175% year-on-year;
- Net income of \$81.4 million, an increase of 215% quarter-on-quarter, and 388% year-on-year;
- EPS of \$0.16, an increase of 220% quarter-on-quarter, and 433% year-on-year;
- Strong cash position of \$294.7 million as at June 30, 2024, including \$259.9 million in cash and cash equivalents and \$34.8 million in restricted cash for the previously declared dividend payment, an overall decrease of \$105.4 million since March 31, 2024, mainly due to the timing of customer payments associated with the concentration of sales at the end of the quarter, progress on the DRPF project, and tax payments primarily related to the previous financial year; and
- Available liquidity to support growth initiatives, including amounts available from the Company's credit facilities, totalled \$860.8 million¹ at quarter-end, compared to \$942.1 million¹ as at March 31, 2024.

Growth and Development

- The DRPF project, upgrading half of Bloom Lake's capacity to DR quality pellet feed iron ore grading up to 69% Fe, remains on schedule and on budget, with commissioning scheduled for the second half of calendar year 2025;
- Completed first key construction milestones of the DRPF project as planned, with quarterly and cumulative investments of \$58.5 million and \$153.8 million, respectively, as at June 30, 2024, out of the estimated total capital expenditures of \$470.7 million;
- High-purity iron ore was added to Canada's critical minerals list, joining other minerals such as nickel, copper and cobalt, recognizing its positive impact in reducing GHG emissions in steelmaking and its importance in the green steel supply chain;
- Received an additional hydroelectric power allocation from Hydro-Québec, providing access to renewable power that will enable the Company to support growth initiatives required for the green steel supply chain and further decarbonize its operations over time; and
- Acquired additional mining equipment, to be delivered in the near term, which should increase mine production capacity, including stripping activities, and ordered additional railcars to increase the Company's rail shipment flexibility. These additions are also expected to support the Company's ongoing commitment to address the bottleneck of operations and potentially increase Bloom Lake's production and sales beyond its current nameplate capacity in the future.

2. Bloom Lake Mine Operating Activities

During the three-month period ended June 30, 2024, the Company delivered strong operating results with both plants producing at their nameplate capacity. With no major semi-annual shutdowns at the two processing plants and despite a planned two-day annual power interruption during the three-month period ended June 30, 2024, the Company continued to solidify its operations, benefiting from improved

mining equipment availability and plants performance, following major maintenance activities completed in the previous quarter. During the three-month period ended June 30, 2024, the Company exceeded its previous record for iron ore concentrate sold. However, as volumes transported continued to be lower than production, the iron ore concentrate stockpiled at Bloom Lake increased by 0.4 million wmt since March 31, 2024, reaching a total of 3.0 million wmt as at June 30, 2024.

The Company continues to seek improvements from the rail operator to receive contracted haulage services to ensure that Bloom Lake's production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods.

During the three-month period ended June 30, 2024, the Company continued to analyze work programs and investments required to structurally increase Bloom Lake's nameplate capacity beyond 15 Mtpa over time. The recently acquired additional mining equipment is expected to support the mine production capacity, as the Company evaluates opportunities to address the bottleneck of operations, and prepare for an increase of stripping activities in the future, per the mine plan. In July 2024, the Company ordered additional railcars to increase rail haulage flexibility over time as part of considerations to potentially increase production beyond Bloom Lake's existing nameplate capacity.

In June 2024, Société Ferroviaire et Portuaire de Pointe-Noire, a Company's rail and transshipment service provider, concluded a 5-year collective bargaining agreement with its workers, providing additional stability for the Company's operations.

	Q1 FY25	Q4 FY24	Q/Q Change	Q1 FY24	Y/Y Change
Operating Data					
Waste mined and hauled (wmt)	6,733,700	6,498,700	4 %	5,198,500	30 %
Ore mined and hauled (wmt)	10,779,300	9,471,200	14 %	9,593,500	12 %
Material mined and hauled (wmt)	17,513,000	15,969,900	10 %	14,792,000	18 %
Stripping ratio	0.62	0.69	(10)%	0.54	15 %
Ore milled (wmt)	11,084,300	9,349,100	19 %	9,895,600	12 %
Head grade Fe (%)	29.1	28.7	1 %	28.8	1 %
Fe recovery (%)	79.3	80.2	(1)%	78.2	1 %
Product Fe (%)	66.3	66.1	— %	66.1	— %
Iron ore concentrate produced (wmt)	3,876,500	3,275,400	18 %	3,397,200	14 %
Iron ore concentrate sold (dmt)	3,442,800	2,968,900	16 %	2,563,500	34 %

During the three-month period ended June 30, 2024, 17.5 million tonnes of material were mined and hauled, compared to 14.8 million tonnes during the same period in 2023 and 16.0 million tonnes during the previous quarter, representing an increase of 18% and 10%, respectively. The increased production at the mine site was attributable to higher utilization and availability of mining equipment, and reduced trucking cycle time associated with the construction of additional ramp accesses in the previous quarters.

The stripping ratio of 0.62 for the three-month period ended June 30, 2024, was higher than 0.54 for the same prior-year period, which was negatively impacted by forest fires and, consequently, by the focus on critical activities required to feed the plants. The stripping ratio for the three-month period ended June 30, 2024, was slightly lower than the 0.69 achieved in the previous quarter, when lower mills availability enabled the reallocation of mining equipment to move additional waste materials. The Company plans to maintain higher stripping activities in accordance with the LoM plan over the next quarters.

During the three-month period ended June 30, 2024, the two plants at Bloom Lake processed 11.1 million tonnes of ore, compared to 9.9 million tonnes for the same prior-year period and 9.3 million tonnes in the previous quarter, an increase of 12% and 19%, respectively. Ore processed during the three-month period ended June 30, 2024, was positively impacted by lower maintenance activities, as the major semi-annual shutdowns were performed at both plants during the previous quarter.

The iron ore head grade for the three-month period ended June 30, 2024, was 29.1%, compared to 28.8% for the same period in 2023, and 28.7% during the previous quarter. The variation in head grade was within expected normal variations in the mine plan.

The Company's average Fe recovery rate was 79.3% for the three-month period ended June 30, 2024, compared to 78.2% for the same period in 2023, and 80.2% during the previous quarter. With continuous efforts made to optimize its recovery circuits, the Company expects ongoing and future work programs to improve recovery rates over time.

With higher Fe recovery and comparable head grade, Bloom Lake produced 3.9 million wmt (3.8 million dmt) of high-grade iron ore concentrate during the three-month period ended June 30, 2024, an increase of 14% compared to 3.4 million wmt (3.3 million dmt) during the same period in 2023, and an increase of 18% compared to 3.3 million wmt (3.2 million dmt) during the previous quarter.

3. Financial Performance

	Q1 FY25	Q4 FY24	Q/Q Change	Q1 FY24	Y/Y Change
Financial Data (in thousands of dollars)					
Revenues	467,084	332,673	40%	297,162	57%
Cost of sales	264,911	227,496	16%	208,485	27%
Other expenses	21,159	20,425	4%	19,645	8%
Net finance costs	8,259	8,831	(6%)	6,926	19%
Net income	81,357	25,791	215%	16,657	388%
EBITDA ¹	181,160	85,099	113%	65,805	175%
Statistics (in dollars per dmt sold)					
Gross average realized selling price ¹	171.6	166.3	3%	168.8	2%
Net average realized selling price ¹	135.7	112.1	21%	115.9	17%
C1 cash cost ¹	76.9	76.6	—%	81.3	(5%)
AISC ¹	91.6	88.0	4%	94.1	(3%)
Cash operating margin ¹	44.1	24.1	83%	21.8	102%

A. Revenues

Revenues totalled \$467.1 million for the three-month period ended June 30, 2024, compared to \$297.2 million for the same period in 2023, mainly due to an increase in sales volume to 3.4 million tonnes of high-grade iron ore concentrate, from 2.6 million tonnes for the same prior-year period, representing a 34% increase. Last year's sales volume was negatively impacted by railway interruptions and reduced services capacity due to the forest fires in June 2023. The year-over-year increase in revenues was also attributable to a 17% increase in the net average realized selling price, driven by positive provisional pricing adjustments on sales recorded during the previous quarter which were finalized at a higher price than expected, and a weaker Canadian dollar offsetting higher freight costs.

Positive provisional pricing adjustments on prior quarter sales of \$27.9 million (US\$20.8 million) were recorded during the three-month period ended June 30, 2024, representing a positive impact of US\$6.0/dmt over 3.4 million dmt sold during the quarter, due to an increase in the P65 index prices early in the period. During the three-month period ended June 30, 2024, a final average price of US\$124.2/dmt was established for the 1.8 million tonnes of iron ore that were in transit as at March 31, 2024, and which were provisionally priced at US\$112.8/dmt.

The gross average realized selling price of US\$125.3/dmt¹ for the three-month period ended June 30, 2024, was in line with the P65 index average price of US\$126.1/dmt for the period. The 1.8 million tonnes in transit as at June 30, 2024, which were evaluated using an average forward price of US\$119.4/dmt, had a negative impact on the gross average realized selling price, which was partially offset by certain sales contracts using backward-looking iron ore index prices, when the index was higher than the P65 index average price for the period. The P65 index premium increased to 12.8% over the P62 index average price of US\$111.8/dmt during the quarter, compared to a premium of 11.7% in the prior-year period, mainly impacted by favourable steelmaking profit margins. The P65 index premium over the P62 index in the current quarter was up from a premium of 10.0% in the previous quarter.

Freight and other costs of US\$32.1/dmt increased by 24% during the three-month period ended June 30, 2024, compared to US\$25.8/dmt in the same prior-year period. This increase was driven by a significantly higher average C3 index of US\$25.8/t for the period, compared to US\$21.1/t for the same period last year. This can likely be attributed to the conflict in the Red Sea which impacted freight routes during the period, and a

much higher demand for vessels in the Atlantic due to the unseasonably elevated supply of iron ore from Brazil. A year-over-year increase in demurrage expenses, resulting from a combination of higher demurrage rates and delayed shipments caused by lower than contracted railway services, also negatively impacted the Company's freight and other costs during the three-month period ended June 30, 2024.

After taking into account sea freight and other costs of US\$32.1/dmt and the positive provisional pricing adjustments of US\$6.0/dmt, the Company obtained a net average realized selling price of US\$99.2/dmt (C\$135.7/dmt¹) for its high-grade iron ore shipped during the period.

B. Cost of Sales and C1 Cash Cost

For the three-month period ended June 30, 2024, the cost of sales totalled \$264.9 million with a C1 cash cost of \$76.9/dmt¹, compared to \$208.5 million with a C1 cash cost of \$81.3/dmt¹ for the same period in 2023, and \$227.5 million with a C1 cash cost of \$76.6/dmt¹ in the previous quarter. Quarterly C1 cash cost per dmt sold was impacted by mining and processing costs, change in concentrate inventory valuation, as well as land transportation and port handling costs incurred during the period.

Mining and processing costs for the 3.8 million dmt produced in the three-month period ended June 30, 2024, totalled \$47.9/dmt produced¹, representing a significant decrease of 17% compared to \$57.6/dmt produced¹ in the previous quarter. This improvement in mining and processing costs was attributable to better plants' performance which positively impacted fixed production costs, as well as lower maintenance activities as the major semi-annual shutdowns of the facilities were performed in the previous quarter. These improvements were partially offset by slightly higher mining costs. Land transportation and port handling costs for the three-month period ended June 30, 2024, represented \$25.3/dmt sold¹, slightly down from the previous quarter at \$26.0/dmt sold¹. Fixed costs at the port facilities in Sept-Îles were amortized over a higher sales volume and the Company benefited from volume discounts on port duties. Despite these positive factors, C1 cash cost remained comparable to the previous quarter due to the impact of the change in concentrate inventory valuation. The higher mining and processing costs incurred in the fourth quarter of the 2024 financial year, with lower production volume and higher maintenance activities, have had, and will continue to have, an impact on the cost of sales in upcoming quarters through the change in concentrate inventory valuation.

Mining and processing costs per dmt produced¹ for the three-month period ended June 30, 2024, decreased by 5% compared to the same period last year, mainly due to fixed costs amortized over a higher volume of concentrate produced. Land transportation and port handling costs for the three-month period ended June 30, 2024, were also down by nearly \$4/dmt sold. The change in concentrate inventory valuation partially offset these decreases.

C. Net Income & EBITDA

For the three-month period ended June 30, 2024, the Company generated EBITDA of \$181.2 million¹, representing an EBITDA margin of 39%¹, compared to \$65.8 million¹, representing an EBITDA margin of 22%¹, for the same period in 2023. Higher EBITDA was mainly due to higher gross profit.

For the three-month period ended June 30, 2024, the Company generated net income of \$81.4 million (EPS of \$0.16), compared to \$16.7 million (EPS of \$0.03) for the same prior-year period. The year-over-year increase in net income is attributable to higher gross profit partially offset by higher income and mining taxes.

D. All In Sustaining Cost & Cash Operating Margin

During the three-month period ended June 30, 2024, the Company realized an AISC of \$91.6/dmt¹, compared to \$94.1/dmt¹ for the same period in 2023. The decrease was attributable to higher iron concentrate produced and sold, which favourably impacted the Company's C1 cash cost, offset by higher sustaining capital expenditures mainly related to mining activities, tailings management and mining equipment rebuild program associated with the Company's expended fleet that were required to support the mine plan in future years. Refer to section 5 — Cash Flows for details on sustaining capital expenditures.

The Company generated a cash operating margin of \$44.1/dmt¹ for each tonne of high-grade iron ore concentrate sold during the three-month period ended June 30, 2024, compared to \$21.8/dmt¹ for the same prior-year period. The variation is due to a higher net average realized selling price combined with a lower AISC for the period.

4. Exploration Activities

During the three-month period ended June 30, 2024, the Company maintained all of its properties in good standing and did not enter into any farm-in/farm-out arrangements. During the three-month period ended June 30, 2024, \$2.6 million in exploration and evaluation expenditures were incurred, compared to \$2.7 million for the same prior-year period. During the three-month period ended June 30, 2024, exploration and evaluation expenditures mainly consisted of work done in Newfoundland and Labrador

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

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

	Three Months Ended June 30,	
	2024	2023
(in thousands of dollars)		
Tailings lifts	16,104	11,946
Stripping and mining activities	10,325	3,263
Mining equipment rebuild and replacement	10,373	4,552
Other sustaining capital expenditures	1,206	42
Sustaining capital expenditures	38,008	19,803
DRPF project	58,465	11,083
Other capital development expenditures at Bloom Lake	18,988	24,784
Purchase of property, plant and equipment as per cash flows	115,461	55,670

Sustaining Capital Expenditures

Sustaining capital expenditures were \$11.0/dmt sold for the three-month period ended June 30, 2024, compared to \$7.7/dmt for the same prior-year period. This 43% increase reflected the additional mining development, equipment rebuild and tailings lifts required to support additional production over the LoM.

The increase in tailings-related investments is part of the Company's long-term plan to prepare the site for the LoM operations with Bloom Lake's increased nameplate capacity. As part of its ongoing and thorough tailings infrastructure monitoring and inspections, the Company continues to invest in its safe tailings strategy and is implementing its long-term tailings investment plan. The Company's tailings work programs are typically completed in the first half of the financial year due to more favourable weather conditions.

The increase in stripping and mining activities for the three-month period ended June 30, 2024, was attributable to mine development costs, including topographic and pre-cut drilling work, as part of the Company's mine plan. Last year's stripping and mining activities were negatively impacted by limited equipment availability. No stripping costs were capitalized during the three-month period ended June 30, 2024 (\$0.3 million for the same prior-year period).

The increase in the Company's mining equipment rebuild program for the three-month period ended June 30, 2024, was attributable to the major overhaul of its growing mining fleet over the last two years, driven by the Company's expansion. The mining equipment rebuild and replacement program is in line with the Company's fleet management program for the 2025 financial year.

DRPF Project

During the three-month period ended June 30, 2024, \$58.5 million was spent in capital expenditures related to the DRPF project. Investments mainly consisted of on-site preparation activities, engineering work, long lead-time equipment purchasing and finalization of the construction of the lodging complex. Cumulative investments of \$153.8 million were deployed on the DRPF project as at June 30, 2024, with an estimated total capital expenditure of \$470.7 million, as per the project study released in January 2023.

Other Capital Development Expenditures at Bloom Lake

During the three-month period ended June 30, 2024, other capital development expenditures at Bloom Lake totalled \$19.0 million (\$24.8 million for the same period last year), including \$10.2 million in infrastructure improvements and conformity (\$8.4 million for the same prior-year period), \$3.8 million for the mine maintenance garage expansion to support the expanded truck fleet (\$8.4 million for the same prior-year period), and \$2.8 million in deposits for mining equipment (\$6.6 million for the same prior-year period).

6. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on July 31, 2024, at 9:00 AM (Montréal time) / 11:00 PM (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 +1-888-390-0546 within North America or +1-800-076-068 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 +1-888-390-0541 within North America or +1-416-764-8677 overseas, and entering passcode 606573#.

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

Cautionary Note Regarding Forward-Looking Statements

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

Specific Forward-Looking Statements

All statements, other than statements of historical facts, included in this quarterly activities report that address future events, developments or performance that Champion expects to occur are forward-looking statements. Forward-looking statements include, among other things, Management's expectations regarding: (i) Bloom Lake's LoM, recovery rates, production, economic and other benefits, nameplate capacity and related opportunities and benefits, as well as potential increase thereof and related work programs and investments, delivery and commissioning of new mining equipment and railcars and their impact on production, shipments and sales; (ii) the project to upgrade the Bloom Lake iron ore concentrate to a higher grade with lower contaminants and to convert approximately half of Bloom Lake's increased nameplate capacity of 15

Mtpa to commercially produce a DR quality pellet feed iron ore, expected project timeline, capital expenditure, budget and financing, expected environmental footprint, pricing premiums, efficiencies, economic and other benefits; (iii) the shift in the steel industry towards reducing emissions and green steel production methods, including expected rising demand for higher-grade iron ore products and related market deficit and higher premiums, and the Company's participation therein, contribution thereto and positioning in connection therewith, including related research and development and the transition of the Company's product offering (including producing high-quality DRPF products) and expected benefits thereof; (iv) GHG and CO₂ emissions reduction initiatives, objectives, targets and expectations; (v) maintaining higher stripping activities; (vi) stockpiled ore levels, shipping and sales of accumulated concentrate inventories and related rehandling costs and their impact on the cost of sales; (vii) increased shipments of iron ore and related railway and port capacity and transportation and handling costs; (viii) the Company's safe tailings strategy, tailings investment plan, mining equipment rebuild and replacement program, fleet management program and related investments and benefits; (ix) production and recovery rate targets and the Company's performance and related work programs; (x) pricing of the Company's products (including provisional pricing); (xi) available liquidity to support the Company's growth projects; and (xii) 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, including the impact of COVID-19, 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 (Kamistatusset 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.

For further information, please contact:

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For additional information on Champion Iron Limited, please visit our website at: www.championiron.com.

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-month period ended June 30, 2024 (the "Financial Statements") and associated Management's Discussion and Analysis ("MD&A") are available under the Company's profile on SEDAR+ (www.sedarplus.ca), on 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-month period ended June 30, 2024, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and on the Company's website under the Investors section at www.championiron.com.

² See the "Currency" section of the MD&A for the three-month period ended June 30, 2024, included in note 7 — Key Drivers, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and on 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

	Q1 FY25	Q4 FY24	Q1 FY24
(in thousands of dollars)			
Income before income and mining taxes	137,377	46,693	28,966
Net finance costs	8,259	8,831	6,926
Depreciation	35,524	29,575	29,913
EBITDA	181,160	85,099	65,805
Revenues	467,084	332,673	297,162
EBITDA margin	39%	26%	22%

Available Liquidity

	As at June 30, 2024	As at March 31, 2024
(in thousands of dollars)		
Cash and cash equivalents	259,859	400,061
Undrawn amounts under credit facilities	600,913	542,000
Available liquidity	860,772	942,061

C1 Cash Cost

	Q1 FY25	Q4 FY24	Q1 FY24
Iron ore concentrate sold (dmt)	3,442,800	2,968,900	2,563,500
(in thousands of dollars except per tonne)			
Cost of sales	264,911	227,496	208,485
C1 cash cost (per dmt sold)	76.9	76.6	81.3

All-In Sustaining Cost

	Q1 FY25	Q4 FY24	Q1 FY24
Iron ore concentrate sold (dmt)	3,442,800	2,968,900	2,563,500
(in thousands of dollars except per tonne)			
Cost of sales	264,911	227,496	208,485
Sustaining capital expenditures	38,008	19,759	19,803
General and administrative expenses	12,350	13,973	12,949
	315,269	261,228	241,237
AISC (per dmt sold)	91.6	88.0	94.1

Cash Operating Margin and Cash Profit Margin

	Q1 FY25	Q4 FY24	Q1 FY24
Iron ore concentrate sold (dmt)	3,442,800	2,968,900	2,563,500
(in thousands of dollars except per tonne)			
Revenues	467,084	332,673	297,162
Net average realized selling price (per dmt sold)	135.7	112.1	115.9
AISC (per dmt sold)	91.6	88.0	94.1
Cash operating margin (per dmt sold)	44.1	24.1	21.8
Cash profit margin	32%	21%	19%

Gross Average Realized Selling Price per dmt Sold

	Q1 FY25	Q4 FY24	Q1 FY24
Iron ore concentrate sold (dmt)	3,442,800	2,968,900	2,563,500
(in thousands of dollars except per tonne)			
Revenues	467,084	332,673	297,162
Provisional pricing adjustments	(27,947)	31,005	46,806
Freight and other costs	151,547	130,074	88,697
Gross revenues	590,684	493,752	432,665
Gross average realized selling price (per dmt sold)	171.6	166.3	168.8