CHAMPION IRON

QUARTERLY ACTIVITIES REPORT

CHAMPION IRON REPORTS RECORD PRODUCTION IN ITS FY2024 THIRD QUARTER, APPROVES THE DRPF PROJECT AND ANNOUNCES THE RESULTS OF THE KAMI PROJECT STUDY

- Record quarterly production of 4.0M wmt, surpassing Bloom Lake's expanded nameplate capacity, revenue of $507M, EBITDA of $247M[1] and EPS of $0.24
- Advanced work programs in connection with the final investment decision for the DRPF Project
- Positive results from the Kami Project Study, positioning the Company to consider strategic partnerships to advance the project

Montréal, January 30, 2024 (Sydney, January 31, 2024) - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("Champion" or the "Company") is pleased to announce its operational and financial results for the 2024 financial year third quarter ended December 31, 2023.

Champion's CEO, Mr. David Cataford, said: "We are excited to implement key elements of our expansion strategy, with the receipt of an allocation of additional hydroelectric power from Hydro-Québec and our recently secured additional financing. Central to this, our Board provided a final investment decision for the DRPF project. This carbon neutral project, which remains on schedule to be completed in calendar H2/2025, positions the Company and the region to contribute to the accelerating green steel transition, particularly considering the recent decisions by the governments of Québec and Newfoundland and Labrador to include high-purity iron ore on their critical mineral lists. Bloom Lake demonstrated its ability to produce at or above its recently expanded nameplate capacity, resulting in a quarterly production record and robust financial results. Our team also achieved another important milestone by announcing the details of the Kami Project Study which evaluated the construction of a 9.0M wmt per year DR quality iron ore operation. The Study enables the Company to consider strategic partnerships prior to advancing the project, providing an opportunity to capitalize on the growing demand for green steel."

Conference Call Details

Champion will host a conference call and webcast on January 31, 2024, at 9:00 AM (Montréal time) / February 1, 2024, at 1:00 AM (Sydney time) to discuss the results for the financial third quarter ended December 31, 2023. Call details are outlined at the end of this quarterly activities report.

1. Quarterly Highlights

Operations and Sustainability

- No serious injuries and no major environmental incidents reported in the quarter;
- Published Champion's 2023 Annual Modern Slavery Statement, highlighting the Company's commitment to upholding human rights;
- Production exceeded Bloom Lake's recently expanded nameplate capacity, resulting in a record quarterly production of 4.0 million wmt (3.9 million dmt) of high-grade 66.3% Fe concentrate for the three-month period ended December 31, 2023, up 17% from the previous quarter, and 36% over the same period last year;

- Record quarterly iron ore concentrate sales of 3.2 million dmt for the three-month period ended December 31, 2023, up 12% and 20% from the previous quarter and the prior-year period, respectively; and
- While Bloom Lake's production capacity increased during the period, exceeding its expanded nameplate capacity, the rail operator did not haul at contracted levels. This haulage shortfall resulted in the inability to ship all of the iron ore concentrate produced during the period. Additionally, rail service was interrupted for several days after heavy rains in late December. Accordingly, iron ore concentrate stockpiled at Bloom Lake increased by 0.8 million wmt to 2.4 million wmt during the three-month period ended December 31, 2023. The Company is engaging with the rail operator to receive contracted haulage services to ensure that Bloom Lake's increased production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods.

Financial Results

- Gross realized selling price of US$144.0/dmt[1], compared to the P65 index average of US$138.7/dmt in the period;
- Net realized selling price of US$115.6/dmt[1], representing a 15% increase quarter-on-quarter, and a 20% increase year-on-year;
- C1 cash cost of $73.0/dmt[1] (US$53.6/dmt)[2], a decrease of 1% quarter-on-quarter, and 4% year-on-year, respectively;
- EBITDA of $246.6 million[1], an increase of 59% quarter-on-quarter, and 109% year-on-year, respectively;
- Net income of $126.5 million, an increase of 94% quarter-on-quarter, and 146% year-on-year, respectively;
- EPS of $0.24, an increase of 85% quarter-on-quarter, and 140% year-on-year, respectively;
- Strong cash position at quarter-end with $387.4 million in cash and cash equivalents as at December 31, 2023, an increase of $70.8 million since September 30, 2023;
- Procured a new US$230 million term loan, maturing in November 2028 with no principal repayment before June 2026 (the "Financing"). Repaid the US$180 million outstanding balance from the Company's existing US$400 million revolving facility, with the proceeds of the Financing, and extended its maturity from May 2026 to November 2027;
- Available liquidity, including amounts available from the Company's credit facilities, totalling $937.6 million[1] at quarter-end, compared to $645.9 million[1] as at September 30, 2023, to support growth initiatives; and
- Paid the fifth semi-annual dividend of $0.10 per ordinary share on November 28, 2023, totalling $51.8 million.

Kamistiatusset Project (the "Kami Project" or the "Project") Study Highlights

- The Kami Project Study (the "Study") evaluated the construction of mining and processing facilities to produce Direct Reduction ("DR") grade pellet feed iron ore from the mining properties of the Kami mine located in the Labrador Trough in southwestern Labrador and Newfoundland. The Study details a 25-year life of mine with average annual DR quality iron ore concentrate production of approximately 9.0M wmt per annum at above 67.5% Fe;
- Project construction period is estimated at 48 months, following a final investment decision, and it benefits from permitting work completed by the Project's previous owner;
- Total capital expenditures of $3,864 million, resulting in a Net Present Value ("NPV") of $541 million and Internal Rate of Return ("IRR") of 9.8% after-tax, based on conservative pricing dynamics compared to prevailing iron ore prices; NPV of $2,195 million and IRR of 14.8% after-tax, based on the previous three calendar year average of the P65 index price;
- Benefiting from expected access to hydroelectric power and significant investments to reduce its GHG emissions, including a near pit crushing facility and conveyor circuit for ore and waste, the Project is expected to have an emission intensity of approximately 6.7 kilogram of CO_2 per tonne of DR grade pellet feed iron ore produced, positioning the Project as potentially one of the lowest emitting producers of DR grade pellet feed iron ore locally and globally; and
- Completion of the Study enables the Company to evaluate the Project in relation to its portfolio of other organic growth opportunities, while aiming to maintain a prudent balance sheet and avoid equity dilution. The Company expects to continue optimizing the Project, engage with stakeholders, evaluate opportunities to improve its economics, advance permitting and work on strategic partnership opportunities prior to considering a final investment decision.

Direct Reduction Pellet Feed Project Update

- With significant available liquidity and allocation of additional hydroelectric power from Hydro-Québec, securing access to renewable power required for the DRPF project, the Board provided a final investment decision to proceed with the DRPF project on January 30, 2024 (Montréal time);
- The DRPF project final investment decision secures the project's expected commissioning in the second half of calendar year 2025, a timeline which is subject to completing key construction milestones in mid-2024 calendar year; and
- Project remains on budget, with quarterly investments of $31.0 million and a cumulative investment of $59.9 million, as at December 31, 2023, from the total capital expenditures of $470.7 million as estimated in the results of the study released in January 2023.

Other Growth and Development

- Recognizing its positive impact in reducing GHG emissions in steelmaking and its importance in the green steel supply chain, high-purity iron ore was listed on the province of Québec's and Newfoundland and Labrador's critical minerals lists, joining other minerals such as nickel, copper and cobalt; and
- Advanced a study, which is expected to be completed in the near term, in collaboration with a major international steelmaking partner, to re-commission the Pointe-Noire Iron Ore Pelletizing Facility (the "Pellet Plant") to produce DR grade pellets.

2. Kami Project Study

Project Description

The Kami Project is a DR grade quality iron ore project near available infrastructure, situated only a few kilometers south-east of the Company's operating Bloom Lake mine, in the Labrador Trough geological belt in southwestern Labrador and Newfoundland, near the Québec eastern border. The Study evaluated the construction of mining and processing facilities, including a concentrator, tailings facilities and related infrastructure to produce DRPF iron ore from the mining properties of the Kami mine.

The Project is expected to benefit from several competitive advantages including:

- a sizeable high-purity iron resource, significantly de-risked by the Project's previous owners;
- location near available infrastructure and Bloom Lake, enabling potential synergies;
- potential Project ranking as one of the lowest emitting high-purity iron ore projects, both locally and globally, by leveraging expected access to hydroelectric power;
- a supportive Newfoundland and Labrador government which identified high-purity iron ore within their critical minerals plan; and
- advanced permitting work completed by the previous owner.

The Study did not incorporate prospects for potential economic support from governments to encourage development of critical minerals, preferential funding opportunities or other economic incentives, which could improve economics and influence a final investment decision.

Economic Summary and Key Assumptions

KEY ASSUMPTION SUMMARY	UNIT	
Mineral reserves	M dmt	643
Production life of mine	Years	25
Average annual production	M dmt	8.6
Average annual production wet	M wmt	9.0
Average Fe In-situ grade to plant	%	29.2%
Average Fe metallurgical recovery	%	76.4%
Average concentrate grade sold	% Fe	DR quality iron ore above 67.5%
Average stripping ratio	Waste:Ore	1.6

MACROECONOMIC AND MARKET ASSUMPTIONS		C$	US$
P65 Index CFR China Iron ore price (Kami iron ore concentrate gross realized price is based on (i) P65 index and (ii) an additional premium for DR grade quality iron ore)	$/dmt	156.0	120.0
Average shipping cost	$/dmt	28.6	22.0
Average foreign exchange rate	C$:US$	1.30	
CAPITAL COSTS		**C$**	**US$**
Construction period	Months	48	
Initial CAPEX	M	3,864	2,972
OPERATING COST PER TONNE SOLD		**C$**	**US$**
Total cash cost (C1 Cost)	$/dmt	76.1	58.5
Total AISC	$/dmt	89.5	68.9

ECONOMIC RESULTS	BASE PRICE SCENARIO		MARKET PRICE SCENARIO *(3-Year Trailing Scenario: CY2021-2023)*	
	C$	US$	C$	US$
P65 Index CFR China Iron ore price (Kami iron ore concentrate gross realized price is based on (i) P65 index and (ii) an additional premium for DR grade quality iron ore)	156.0	120.0	197.9	152.2
C3 Index price ($/wmt)	28.6	22.0	31.2	24.0
PRE-TAX				
NPV in M at 8% discount rate	1,482	1,140	4,034	3,103
IRR	12.1%		18.0%	
AFTER-TAX				
NPV in M at 8% discount rate	541	416	2,195	1,688
IRR	9.8%		14.8%	
Payback period (years)	7		5	
All other assumptions besides P65 index and C3 index are held constant				

Mine

The Kami Project is planned as a conventional open-pit mine combined with an In-Pit Crushing System ("IPCS") for waste rock. Mining operations will utilize drills, haul trucks coupled with hydraulic shovels, and a semi-mobile waste IPCS, with the ore crusher located at the pit exit on the East side. The Project contains the Rose pit, which is to be split into three phases. The peak mining rate is expected to be 81.0 Mtpa over a life of mine of 25 years. A total of 643 Mt of ore will be mined at an average total iron ore grade of 29.2% with a total of 1,019.5 Mt of combined waste and overburden, resulting in a stripping ratio of 1.6 tonnes of waste per tonne of ore mined.

Concentrator Plant

The proposed Kami concentrator plant is based on the flowsheet developed and contained in previous studies completed by the Project's former owner, the 2023 test work and input from the Company and its advisors' engineering teams and manufacturers. The proposed concentrator is designed to process ore grading at 29.2% total Fe over a 25-year mine life. The test work conducted during 2023 resulted in the redesign of a revised process flowsheet that will enable the production of a DR quality iron ore concentrate at or above 67.5% Fe and below 2.5% SiO_2 + Al_2O_3, with an iron recovery of 76.4%, allowing an average life of mine production of 9.0M wmt per year.

The flowsheet includes proven and modern technologies for processing iron ore, including a gyratory crusher, autogenous mill, gravity separation circuit consisting of spirals and Reflux™ Classifiers currently operating in the Bloom Lake Phase II concentrator, a magnetic separation circuit consisting of a ball mill, and low intensity magnetic separators. The flowsheet will also include regrind mills and a reverse flotation circuit that will enable the production of DR quality iron ore concentrate.

Infrastructure and Regional Advantages

The Kami Project is expected to benefit from access to renewable hydroelectric power, water, roads, existing rail and port facilities in a proven regional labour market in a mining friendly jurisdiction with a long history of supporting iron ore operations.

The Kami Project is located directly south of Bloom Lake's existing and operational rail loop infrastructure, with access to end markets via port and rail. Rail access for the Kami Project is expected to consist of three separate segments. The first segment, a new rail spur, will be required to connect the mine site to the Quebec North Shore & Labrador ("QNS&L") railway line north of the Wabush-Labrador airport. The second segment would utilize the existing QNS&L railway, connecting Wabush to the Arnaud junction in Sept-Îles, Québec. The third and last segment, the existing Arnaud railroad, connects the Arnaud junction to the Société Ferroviaire et Portuaire of Pointe-Noire ("SFPPN") port facilities in Sept-Îles, currently utilized by Bloom Lake, where unloading facilities will be upgraded. Once unloaded, the DR quality iron ore will be stockpiled, then loaded onto vessels to supply the Company's global customers. Modifications are expected to be required to the existing railway segments and port infrastructure to accommodate the increased capacity from the Kami Project.

Tailings Management

The Tailings Management Facility ("TMF") will consist of a total of five centerline construction method dams built in nine total embankment stages over the life of the facility. Tailings slurry will be pumped from the plant in two streams, coarse and fines. In addition, the TMF will enable the storage of solid waste tailings from the processing plant, as well as operational, storm and snow water management. Contact water, consisting of runoff and embankment seepage, will be collected with collection ditches.

DRPF Quality Iron Ore and Pricing

The Project is expected to produce a DR quality iron ore. With an increased focus on reducing GHG emissions in the steelmaking processes, the steel industry is experiencing a structural shift in its production methods. This dynamic is expected to create additional demand for higher-purity iron ore products, as the industry transitions towards using alternative technologies to produce liquid iron, such as the use of Direct Reduced Iron in Electric Arc Furnaces instead of Blast Furnaces and Basic Oxygen Furnaces.

As DR grade quality iron ore is a niche product in the iron ore industry, representing approximately 5% of the global seaborne iron ore production, pricing tends to be directly negotiated between producers and buyers without an available global pricing index. Due to its higher Fe content and lower impurities, pricing for DR grade iron ore product, used as a raw material input to make DR grade pellets, is expected to attract a significant premium over the traditional high-grade iron ore P65 index and correlates with the DR grade pellet indices. The Company believes, in tandem with several market experts, that the accelerating transition to reduce emissions in the steelmaking process will result in rising demand for DRPF products. As a result of this expected rising demand and product scarcity, the Company believes that its industry leading DRPF quality product will attract increasing premiums over time. In addition to Bloom Lake's expected production of DRPF quality iron ore, the potential production of Kami Project DRPF quality iron ore would further enable the Company to diversify its customer mix, including steelmakers in closer proximity to the Port of Sept-Îles, which could result in freight advantages for the Company.

The Study's base case economic assumption utilizes a conservative blended net realized price based on a P65 index price of US$120.0/t for the life of mine, a C3 index price of US$22.0/t and a conservative premium for DR quality iron ore. The P65 index price of US$120.0/t utilized in the Study compares to the trailing three calendar years' average price of US$152.2/t and the trailing five calendar years' average price of US$136.5/t.

Project Timeline

The Project benefits from the permitting work completed by its previous owner and has an estimated construction period of approximately 48 months following a final investment decision. The Kami Project is one of several organic growth opportunities currently being considered by the Company. The Company will continue to optimize the Project, engage with stakeholders, evaluate opportunities to upgrade its economics, advance permitting and consider strategic partnerships prior to considering a final investment decision.

Study and Qualified Persons

The Study will be filed 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 within 45 days of the date of this document. The following Qualified Persons participated in the preparation of the Study:

- André Allaire, P. Eng. – BBA Inc.
- Christian Beaulieu, P.Geo. – consultant for G Mining Services Inc.
- Alexandre Dorval, P.Eng. – G Mining Services Inc.
- Mathieu Girard, P.Eng. – Soutex
- Siavash Farhangi, P.Eng. – WSP Canada Inc.
- Marie-Hélène Paquette, P. Eng. – AtkinsRéalis Inc.
- Emmanuelle Millet, P. Geo. – AtkinsRéalis Inc.
- Tarek Khoury, P. Eng. – Systra Canada Inc.

Each of these Qualified Persons has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this document that is relevant to their area of responsibility and verified the data underlying such technical information. Reference is made to the Study that will be filed 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.

Mineral Resource and Mineral Reserve Estimates

The following table presents the mineral resource estimate for the Kami Project, estimated at a cut-off grade of 15% Fe, inside an optimized open-pit shell based on a long-term reference P62 index iron price of US$95/dmt (C$124/dmt) and P65 index iron ore price of US$115/dmt (C$150/dmt). An exchange rate of 1.30 C$/US$ was used. The open-pit measured and indicated mineral resources for the Kami Project, including the Rose and Mills Lake pits, are estimated at 975.5 Mt with an average grade of 29.6% Fe, and the open-pit inferred mineral resources at 163.0 Mt with an average grade of 29.2% Fe. Mineral resources that are not mineral reserves have not demonstrated economic viability.

Mineral Resource Estimate

	Category	Density (t/m^3)	Mass (Mt)	TFe (%)	Mag Fe (%)	Hem Fe (%)	Mag+Hem Fe (%)	MnO (%)	SiO2 (%)
Rose Central	Measured	3.47	93.8	29.3	16.9	9.37	26.3	2.2	45.1
	Indicated	3.46	363.7	28.9	17.4	7.39	24.8	1.9	45.6
	M&I	**3.46**	**457.5**	**29.0**	**17.3**	**7.80**	**25.1**	**1.9**	**45.5**
	Inferred	3.44	59.8	28.0	16.7	7.47	24.2	1.6	46.1
Rose North	Measured	3.48	81.7	31.0	9.2	19.8	29.1	1.2	50.7
	Indicated	3.45	338.5	29.9	13.9	13.6	27.5	1.2	50.0
	M&I	**3.46**	**420.2**	**30.1**	**13.0**	**14.8**	**27.8**	**1.2**	**50.2**
	Inferred	3.30	89.8	29.9	11.7	16.1	27.8	0.9	49.5
Mills Lake	Measured	3.59	37.0	30.5	21.4	7.10	28.5	1.3	46.5
	Indicated	3.57	60.8	30.3	21.5	5.91	27.4	1.2	46.0
	M&I	**3.58**	**97.8**	**30.4**	**21.5**	**6.36**	**27.8**	**1.3**	**46.2**
	Inferred	3.55	13.4	29.6	23.1	3.34	26.5	1.2	46.1
Total	**Measured**	**3.49**	**212.4**	**30.2**	**14.8**	**13.0**	**27.8**	**1.6**	**47.5**
	Indicated	**3.46**	**763.0**	**29.5**	**16.2**	**10.0**	**26.2**	**1.5**	**47.6**
	M&I	**3.47**	**975.5**	**29.6**	**15.9**	**10.7**	**26.6**	**1.5**	**47.6**
	Inferred	**3.37**	**163.0**	**29.2**	**14.5**	**11.9**	**26.4**	**1.2**	**48.0**

Notes on Mineral Resources:

1. *The Mineral Resource estimate described above has been prepared in accordance with the CIM Standards (Canadian Institute of Mining, Metallurgy and Petroleum, 2014) and follows the Best Practices Guidelines outlined by the CIM (2019).*
2. *The qualified person for this Mineral Resource Estimate is Christian Beaulieu, P.Geo., consultant for G Mining Services Inc. Mr. Beaulieu is a member of the Professional Engineers and Geoscientists of Newfoundland & Labrador (#10653) and of l'Ordre des géologues du Québec (#1072).*
3. *The effective date of the Mineral Resource Estimate is November 15, 2022.*
4. *The cut-off grade used to report Open Pit Mineral Resources is 15.0% total iron (TFe).*
5. *Density is applied by rock type and is related to the amount of iron in each block.*
6. *Pit optimization parameters are described as follows:*
   i. Based on a P65 index iron price of US$115/dmt
   ii. Concentrate grade of 65.2% Fe
   iii. Exchange rate of 1.30 C$:US$
   iv. Metallurgical recoveries of 83.55%
   v. Mining costs of US$2.11/t mined
   vi. Total ore based costs of US$5.33/dmt
   vii. Overall slope angle varies from 48.4° to 51.6° for the footwall and hanging wall domains respectively.
7. *Measured, indicated and inferred mineral resources have been defined mainly based on drill hole spacing.*
8. *Mineral resources (Rose Central, Rose North and Mills Lake combined) have a stripping ratio of 2.0:1 (W:O).*
9. *The tonnages and grades outlined above are reported inside a block model with parent block size of 10 m x 20 m x 10 m, and subblocks of 5 m x 10 m x 5 m.*
10. *Tonnages have been expressed in the metric system and metal content as percentages. Totals may not add up due to rounding.*
11. *Mineral resources are not mineral reserves as they have not demonstrated economic viability. The quantity and grade of reported inferred mineral resources are uncertain in nature.*
12. *The qualified person is not aware of any factors or issues that materially affect the mineral resource estimate other than normal risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio-economic, marketing, political factors and additional risk factors regarding indicated and inferred resources.*
13. *See the appendix for additional information regarding Joint Ore Reserves Committee ("JORC").*

The proven and probable mineral reserves for the Kami Project are estimated at 643.0 Mt at an average grade of 29.2% Fe based on a cut-off grade of 15% Fe. The mineral reserves were estimated using a long-term P62 index iron ore price of US$80/dmt, a long-term P65 index iron ore price of US$100/dmt and an exchange rate of 1.30 C$/US$. The mineral reserves include mining dilution and ore loss calculated on a block-by-block basis, based on the neighbouring blocks lithology and grade. The average stripping ratio of the open pit is 1.6.

Mineral Reserve Estimate

Mineral Reserves by Category	Unit	Proven	Probable	Proven & Probable
Crude Ore Tonnage	Mt	167	476	643
Crude Hematite Grade	% HemFe	13.84	10.6	11.4
Crude Magnetite Grade	% MagFe	13.18	15.1	14.6
Crude Total Iron Grade	% TotFe	29.7	29.0	29.2
Concentrate Tonnage	Mt	54.8	157.6	212.4
Concentrate Iron Grade	% Fe	67.6	67.6	67.6

Notes on Mineral Reserves:

1. *The qualified person for this Mineral Reserve Estimate is Alexandre Dorval, mining engineer at G Mining Services Inc. Mr. Dorval is a member of the Professional Engineers and Geoscientists of Newfoundland & Labrador (#11042), of the Professional Engineers of Ontario (#100214598) and of l'Ordre des Ingénieurs du Québec (#5027189).*
2. *Mineral Reserves based on an updated Lidar dated September 2011.*
3. *Mineral Reserves are estimated using a long-term iron price reference price (Platt's 62%) of US$ 80/dmt and an exchange rate of 1.30 C$/US$. An Fe concentrate price adjustment of US$ 20/dmt was added as an iron grade premium.*
4. *The effective date of the Mineral Reserve Estimate is November 15, 2022.*
5. *Bulk density of ore is variable but averages 3.1 t/m^3.*
6. *Cut-Off Grade of 15% TotFe used to calculate reserves.*
7. *The average stripping ratio is 1.6:1 W:O.*
8. *The Mineral Reserve includes a 1.4% mining dilution.*
9. *The number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding; with rounding following the recommendations detailed in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").*
10. *See the appendix for additional information regarding Joint Ore Reserves Committee ("JORC").*

3. Bloom Lake Mine Operating Activities

Phase II and Rail Capacity Update

While the Phase II project was completed as planned and ahead of schedule, the Company faced challenges regarding delays in deliveries and commissioning of additional required mining equipment, creating inefficiencies across the site, which negatively impacted the Company's ability to reach its expanded nameplate capacity. Despite such challenges, Phase II reached commercial production in December 2022 and produced at nameplate capacity for thirty consecutive days for the first time during the first quarter of the 2024 financial year. Further to the improvements to stabilize and optimize operations, Bloom Lake demonstrated additional stability during the three-month period ended December 31, 2023, to produce above its recently expanded nameplate capacity over a significant period.

Phase II work on third-party infrastructure was completed in the second quarter of the 2024 financial year, further positioning the Company to benefit from additional flexibility and capacity to handle the Company's expanded nameplate capacity at the port facilities in Sept-Îles. The commissioning of three additional locomotives, an additional stacker reclaimer and associated conveyors, positively impacted the Company's shipment capacity and vessel loading time, required to support the expanded production capacity at Bloom Lake.

Although the commissioning in August 2023 of three additional locomotives, received earlier in June, positively impacted the volume of concentrate transported to Sept-Îles, it was offset by reduced railway services as well as planned and unplanned maintenance activities at the port facilities in Sept-Îles. As a result of the disconnect in railway services and Bloom Lake's increasing production capacity, the iron ore concentrate stockpiled at Bloom Lake increased from 1.6 million wmt at the prior quarter-end to 2.4 million wmt as at December 31, 2023.

The Company is engaging with the rail operator to receive contracted haulage services to ensure that Bloom Lake's increased production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods. The Company expects to incur additional rehandling costs in future periods to reclaim the iron ore concentrate from the stockpile.

Impact of Forest Fires

Forest fires emerged on May 28, 2023, north of Sept-Îles, Québec, resulting in railway service interruptions between Bloom Lake and the port of Sept-Îles from May 30 to June 10, 2023. As forest fires subsided in the region, railway services resumed at partial capacity on June 10, 2023, until they returned to pre-forest fire levels during the three-month period ended September 30, 2023. As a result, shipments and sales were impacted in the first half of the 2024 financial year.

Despite supply chain challenges caused by multiple highway closures impacting operations during the quarter ended September 30, 2023, Bloom Lake operated continuously throughout the railway interruptions and iron ore concentrate was stockpiled at the mining complex. The Company responded to the situation by triggering its emergency response plan and managed supply chain risks by focusing mine operations on critical activities required to feed the two plants. This impacted the Company's ability to move waste and generate blasted ore inventory in the first quarter of the 2024 financial year. The Company also used its crusher's stockpiles to supply the two plants during that period.

Operational Performance

	Q3 FY24	Q2 FY24	Q/Q Change	Q3 FY23	Y/Y Change
Operating Data					
Waste mined and hauled (wmt)	**6,993,200**	6,264,600	12 %	4,371,500	60 %
Ore mined and hauled (wmt)	**11,215,800**	10,593,600	6 %	8,840,400	27 %
Material mined and hauled (wmt)	**18,209,000**	16,858,200	8 %	13,211,900	38 %
Stripping ratio	**0.62**	0.59	5 %	0.49	27 %
Ore milled (wmt)	**11,137,000**	10,339,700	8 %	8,503,400	31 %
Head grade Fe (%)	**29.4**	28.2	4 %	28.5	3 %
Fe recovery (%)	**81.4**	77.8	5 %	80.1	2 %
Product Fe (%)	**66.3**	66.1	— %	66.0	— %
Iron ore concentrate produced (wmt)	**4,042,600**	3,447,200	17 %	2,962,500	36 %
Iron ore concentrate sold (dmt)	**3,227,500**	2,883,800	12 %	2,694,200	20 %

During the three-month period ended December 31, 2023, 18.2 million tonnes of material were mined and hauled, compared to 13.2 million tonnes during the same period in 2022, an increase of 38%, and 16.9 million tonnes during the previous quarter, a quarter-over-quarter increase of 8%. Additional material mined and hauled is attributable to the contribution of additional equipment commissioned during the 2024 financial year, a higher utilization and availability of mining equipment, and reduced trucking cycle time associated with the construction of additional ramp accesses. The stripping ratio of 0.62 for the three-month period ended December 31, 2023, was higher than in the same prior-year period, and increased as planned, compared to 0.59 in the previous quarter. The Company plans to gradually increase stripping activities in accordance with the LoM plan.

During the three-month period ended December 31, 2023, the two plants processed 11.1 million tonnes of ore, compared to 8.5 million tonnes for the same prior-year period and 10.3 million tonnes in the previous quarter, an increase of 31% and 8%, respectively, as the Company surpassed Bloom Lake's expanded nameplate capacity of 15 Mtpa during the three-month period ended December 31, 2023.

The iron ore head grade for the three-month period ended December 31, 2023, was 29.4%, compared to 28.5% for the same period in 2022, and 28.2% 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 81.4% for the three-month period ended December 31, 2023, compared to 80.1% for the same period in 2022, and 77.8% during the previous quarter. The increase in Fe recovery is attributable to work programs that aimed to increase throughput and ore recoveries and optimize operations. Significant improvements were also made to increase the reliability and productivity of the Company's crushed ore conveying systems, which allowed the Company to optimize its recovery circuits level in line with its expected Fe recovery rate target of 82.0% in upcoming quarters, as detailed in the technical report, in respect of Bloom Lake, prepared pursuant to NI 43-101 and Chapter 5 of the ASX Listing Rules entitled "Mineral Resources and Mineral Reserves for the Bloom Lake Mine, Fermont, Québec, Canada", prepared by BBA Inc., SRK Consulting (U.S.) Inc., Soutex and Quebec Iron Ore Inc. and dated September 28, 2023 (the "2023 Technical Report").

With higher head grade and Fe recovery, Bloom Lake delivered record production of 4.0 million wmt (3.9 million dmt) of high-grade iron ore concentrate during the three-month period ended December 31, 2023, an increase of 36% compared to 3.0 million wmt (2.9 million dmt) during the same period in 2022, and an increase of 17% compared to the previous quarter.

4. Financial Performance

	Q3 FY24	Q2 FY24	Q/Q Change	Q3 FY23	Y/Y Change
Financial Data (in thousands of dollars)					
Revenues	**506,891**	387,568	31%	351,233	44%
Cost of sales	**235,457**	212,584	11%	209,070	13%
Other expenses	**27,219**	20,192	35%	23,780	14%
Net finance costs	**8,747**	11,634	(25%)	1,858	371%
Net income	**126,462**	65,281	94%	51,406	146%
EBITDA[1]	**246,609**	155,036	59%	118,206	109%
Statistics (in dollars per dmt sold)					
Gross average realized selling price[1]	**195.8**	169.4	16%	171.6	14%
Net average realized selling price[1]	**157.1**	134.4	17%	130.4	20%
C1 cash cost[1]	**73.0**	73.7	(1%)	76.0	(4%)
AISC[1]	**83.9**	99.1	(15%)	86.7	(3%)
Cash operating margin[1]	**73.2**	35.3	107%	43.7	68%

A. Revenues

Revenues totalled $506.9 million for the three-month period ended December 31, 2023, compared to $351.2 million for the same period in 2022, mainly due to sales volume increasing to 3.2 million tonnes of high-grade iron ore concentrate from 2.7 million tonnes for the same period in 2022, and a higher P65 index price. Sales volume during the quarter was impacted by lower rail services, unplanned maintenance at the port facilities and several days of rail service outages after heavy rains in December 2023.

The gross average realized selling price was US$144.0/dmt[1] during the third quarter of the 2024 financial year, up from US$126.5/dmt[1] for the same period last year, benefiting from higher P65 index prices. During the three-month period ended December 31, 2023, the P65 index averaged US$138.7/dmt, an increase of 25% from the same quarter last year. The P65 index premium was only 8.1% over the P62 index average price of US$128.3/dmt during the quarter, down from a premium of 9.6% in the previous quarter. The high-grade P65 index premium over the P62 index averaged 12.0% during the three-month period ended December 31, 2022. The depressed premiums for high-grade iron ore, compared to recent periods, are mainly attributable to lower European steel output, a key consuming region for high-grade iron ore, struggling profitability at global steel mills, together with the lack of environmental control for the steel industry in China.

The gross average realized selling price of US$144.0/dmt[1] for the three-month period ended December 31, 2023, was higher than the P65 index average price of US$138.7/dmt for the period due to the 1.8 million tonnes in transit as at December 31, 2023, provisionally priced using an average forward price of US$149.6/dmt, which is higher than the P65 index average price for the period. This was partially offset by sales contracts using backward-looking iron ore index prices, when prices were lower than the P65 index average price for the period.

The average C3 Baltic Capesize Index ("C3 index") for the three-month period ended December 31, 2023, was US$24.9/t compared to US$20.6/t for the same period in 2022, representing an increase of 21%, which is higher than the increase in freight and other costs of 11%. Champion typically books vessels three to five weeks prior to the desired laycan period when contracting vessels on the spot market, which 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. Freight and other costs during the three-month period ended December 31, 2023, were also impacted by higher demurrage expenses resulting from a combination of higher demurrage rates, compared to the same period last year, and lower than expected shipment.

Provisional pricing adjustments on prior quarter sales of $16.0 million were recorded during the three-month period ended December 31, 2023, representing a positive impact of US$3.8/dmt over the total volume of 3.2 million dmt sold during the period, due to an increase in the P65 index average in the period. During the three-month period ended December 31, 2023, a final average price of US$135.4/dmt was established for the 1.3 million tonnes of iron ore that were in transit as at September 30, 2023, and which were previously evaluated using an average expected price of US$125.9/dmt.

After taking into account sea freight and other costs of US$32.2/dmt and the positive provisional pricing adjustment of US$3.8/dmt, the Company obtained a net average realized selling price of US$115.6/dmt (C$157.1/dmt)[1] for its high-grade iron ore shipped during the period.

B. Cost of Sales and C1 Cash Cost

For the three-month period ended December 31, 2023, the cost of sales totalled $235.5 million with a C1 cash cost of $73.0/dmt[1], compared to $209.1 million with a C1 cash cost of $76.0/dmt[1] for the same period in 2022, and $212.6 million with a C1 cash cost of $73.7/dmt[1] in the previous quarter. These improvements were mostly driven by production achieving nameplate capacity during the quarter, and to increased shipments amortizing fixed production and handling costs.

The cost of sales and C1 cash cost for the three-month period ended December 31, 2023, continued to be negatively impacted by higher than planned utilization of contractors to fill vacant positions, and below expected run rate shipment levels during the quarter to amortize mostly fixed costs at the port facilities in Sept-Îles. The cost of sales and C1 cash cost for the three-month period ended December 31, 2023, benefitted from lower fuel and explosives prices, much higher production levels and lower rail service costs due to semi-annual fuel price adjustments based on trailing prices, compared to the same prior-year period.

Mining and processing costs for the 3.9 million dmt produced in the three-month period ended December 31, 2023, totalled $45.3/dmt produced, a decrease of 4% compared to $47.3/dmt produced in the previous quarter, reflecting a stronger mining performance, lower quarter-over-quarter planned maintenance activities and production exceeding nameplate capacity.

C. Net Income & EBITDA

For the three-month period ended December 31, 2023, the Company generated EBITDA of $246.6 million[1], representing an EBITDA margin of 49%[1], compared to $118.2 million[1], representing an EBITDA margin of 34%[1], for the same period in 2022. Higher EBITDA was mainly due to higher sales volume and net average realized selling price and lower cash cost, as described above.

For the three-month period ended December 31, 2023, the Company generated net income of $126.5 million (EPS of $0.24), compared to $51.4 million (EPS of $0.10) for the same prior-year period. The year-over-year increase in net income is attributable to higher gross profits partially offset by higher current income and mining taxes.

D. All In Sustaining Cost & Cash Operating Margin

During the three-month period ended December 31, 2023, the Company realized an AISC of $83.9/dmt[1], compared to $86.7/dmt[1] for the same period in 2022. The decrease was attributable to lower C1 cash costs which benefited from Bloom Lake achieving nameplate capacity, partially offset by slightly higher sustaining capital expenditures. Refer to section 6 — Cash Flows for details on sustaining capital expenditures.

The Company generated a cash operating margin of $73.2/dmt[1] for each tonne of high-grade iron ore concentrate sold during the three-month period ended December 31, 2023, compared to $43.7/dmt[1] for the same prior-year period. The variation is due to a higher net average realized selling price for the period and lower AISC.

5. Exploration Activities

During the three and nine-month periods ended December 31, 2023, the Company maintained all of its properties in good standing and did not enter into any farm-in/farm-out arrangements. During the three and nine-month periods ended December 31, 2023, $5.8 million and $13.1 million in exploration and evaluation expenditures were incurred, respectively, compared to $3.8 million and $6.8 million, respectively, for the same prior-year periods. During the three and nine-month periods ended December 31, 2023, exploration and evaluation expenditures mainly consisted of costs associated with work related to updating the Kami Project feasibility study (refer to section 2 — Kami Project Study), claim renewal fees and claim staking around the Kami property. In addition, the Company completed a 1,400 m diamond drill campaign for hydrogeological characterization. Details on exploration projects and maps are available on the Company's website at www.championiron.com under the section Operations & Projects.

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	**2023**	2022
(in thousands of dollars)				
Tailings lifts	**11,662**	10,547	**66,649**	47,972
Stripping and mining activities	**7,227**	3,207	**17,032**	18,000
Mining equipment rebuild and replacement	**5,095**	5,741	**20,330**	16,649
Other sustaining capital expenditures	**47**	—	**269**	—
Sustaining capital expenditures	**24,031**	19,495	**104,280**	82,621
DRPF project	**30,989**	—	**59,010**	—
Other capital development expenditures at Bloom Lake	**41,656**	36,822	**79,442**	174,894
Purchase of property, plant and equipment as per cash flows	**96,676**	56,317	**242,732**	257,515

Sustaining Capital Expenditures

The increases in tailings-related investments for the three and nine-month periods ended December 31, 2023, are part of the Company's long-term plan to prepare the site for a higher level of operations with the commissioning of Phase II. As part of the Company's 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.

Stripping and mining activities for the three-month period ended December 31, 2023, included $1.6 million of capitalized stripping costs (nil for the same prior-year period) and $5.7 million of other mine development costs, including access ramps, topographic and pre-cut drilling ($3.2 million for the same prior-year period). For the nine-month period ended December 31, 2023, capitalized stripping costs totalled $1.8 million ($6.1 million for the same prior-year period) and other mining development costs totalled $15.2 million ($11.9 million for the same prior-year period). The stripping and mining activities for the nine-month period ended December 31, 2023, were slightly lower than planned for the 2024 financial year, due to the prioritization of critical activities to mitigate the impacts of the forest fires in the first quarter.

The increase in the Company's mining equipment rebuild program for the nine-month period ended December 31, 2023, is attributable to the major overhaul of its growing mining fleet over the last two years, used to prepare for additional mining activities driven by the Company's expansion. The mining equipment rebuild program is in line with the Company's fleet management program for the 2024 financial year.

DRPF Project

During the three and nine-month periods ended December 31, 2023, $31.0 million and $59.0 million, respectively, were 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 the construction of a lodging complex. Cumulative investments of $59.9 million were deployed on the DRPF project as at December 31, 2023, with an estimated capital expenditure of $470.7 million, as per the study released in January 2023.

Other Capital Development Expenditures at Bloom Lake

During the three-month period ended December 31, 2023, other capital development expenditures at Bloom Lake totalled $41.7 million ($36.8 million for the same period in 2022), including $17.9 million for third-party facilities in Sept-Îles to handle additional production from Phase II ($5.3 million for the same period last year), $9.3 million in infrastructure improvements and conformity ($9.9 million for the same prior-year period), $5.4 million for the garage expansion to support the expanded truck fleet, and $7.7 million in deposits for a shovel and a loader at the mine ($15.8 million for the same prior-year period).

During the nine-month period ended December 31, 2023, other capital development expenditures at Bloom Lake totalled $79.4 million ($174.9 million for the same period in 2022) and comprised $23.3 million in infrastructure improvements and conformity, including the construction of two pads to expand the mine's capacity to stockpile concentrate near the loadout ($19.7 million for the same prior-year period), $20.5 million for the garage expansion, $17.7 million for third-party facilities in Sept-Îles to handle additional production from Phase II ($99.3 million for the same prior-year period) and $19.4 million for mining equipment deposit, including a drill, a haul truck, two loaders as well as a shovel ($35.0 million for the same prior-year period). The addition of this mining equipment made a significant contribution to the Company's recent performance. The expenditures for the nine-month period ended December 31, 2023, also included $1.3 million in capitalized borrowing costs ($14.4 million for the same prior-year period). During the nine-month periods ended December 31, 2023 and 2022, other capital development expenditures were partially offset by the receipt of a $5.2 million government grant related to the Company's GHG emissions and energy consumption reduction initiatives.

7. Qualified Person and Data Verification

Mr. Vincent Blanchet, P. Eng., Engineer at Quebec Iron Ore Inc., the Company's subsidiary and operator of Bloom Lake, is a "qualified person" as defined by NI 43-101 and has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this document and has confirmed that the relevant information is an accurate representation of the available data and studies for the relevant projects. Mr. Blanchet's review and approval does not include statements as to the Company's knowledge or awareness of new information or data or any material changes to the material assumptions and technical parameters underpinning the 2023 Technical Report. Mr. Blanchet is a member of the *Ordre des ingénieurs du Québec*.

The mineral resource qualified person, Christian Beaulieu, P.Geo., undertook data verification and validation of information included in section 2 - Kami Project Study, including, but not limited to, drill core inspection of sampling, logging and mineralization style, outcrop inspection, drill hole collar location, quality assurance and quality control results review, independent sampling, and database verification against laboratory certificates. The qualified person is of the opinion that the drilling database and supporting information can be used for a mineral resource estimate. No major issues were found during data validation, both digitally and on the field.

8. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on January 31, 2024, at 9:00 AM (Montréal time) / February 1, 2024, 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 +1-888-390-0546 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 228228#.

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 sold its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset Project, located a few kilometres south-east of Bloom Lake, and the Cluster II portfolio of properties, located within 60 km south of Bloom Lake.

Cautionary Note Regarding Forward-Looking Statements

This quarterly activities report includes certain information and statements that may constitute "forward-looking information" under applicable Canadian securities laws. 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) the Company's Phase II expansion project, its impact on nameplate capacity, economic and other benefits and associated costs; (ii) Bloom Lake's life of mine, recovery rates, production, economic and other benefits; (iii) 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 expenditure, budget and financing, production metrics, technical parameters, permitting and approvals, efficiencies and economic and other benefits; (iv) the study evaluating the re-commissioning of the Pointe-Noire Iron Ore Pelletizing Facility to produce DR grade pellets, including its anticipated completion timeline; (v) the Kami Project's Study, its purpose, including evaluating the potential to produce a DR grade product, expected project timeline, economics, capital expenditure, budget and financing, production and financial metrics, technical parameters, flowsheet, permitting and approvals, available and planned infrastructure, expected environmental footprint, efficiencies and economic and other benefits and related engagement with stakeholders and strategic partners; (vi) the shift in steel industry production methods towards reducing emissions and green steel production methods, including expected rising demand for higher-grade iron ore products and related market deficit and higher premiums, and the Company's participation therein, contribution thereto and positioning in connection therewith, including related research and development and the transition of the Company's product offering (including producing high quality DRPF products) and expected benefits thereof; (vii) greenhouse gas and CO_2 emissions reduction initiatives, objectives, targets and expectations; (viii) increasing stripping activities; (ix) stockpiled ore levels, shipping and sales of accumulated concentrate inventories and related rehandling costs; (x) increased shipments of iron ore and related railway and port capacity and transportation and handling costs; (xi) the Company’s mining equipment rebuild program, fleet management program, tailings investment plan and related investments and benefits; (xii) production and recovery rate targets and the Company’s performance; (xiii) pricing of the Company’s products; (xiv) the Company's expected iron ore concentrate production and sales; (xv) available liquidity to support the Company’s growth projects; and (xvi) 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.

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; (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; and (xi) 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 2023 Annual Report, Annual Information Form and MD&A for the financial year ended March 31, 2023, 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 Champion's 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), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), Phase II (Phase II expansion project), DRPF (direct reduction pellet feed), GHG (greenhouse gas), G&A (general and administrative), P62 index (Platts IODEX 62% Fe CFR China index), P65 index (Platts IODEX 65% Fe CFR China index), C3 index (C3 Baltic Capesize index), CAPEX (capital expenditures), 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 Chief Executive Officer of Champion Iron Limited, David Cataford.

The Company's unaudited Condensed Consolidated Financial Statements for the three and nine-month periods ended December 31, 2023 (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 and nine-month periods ended December 31, 2023, 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 and nine-month periods ended December 31, 2023, 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

	Q3 FY24	Q2 FY24	Q3 FY23
(in thousands of dollars)			
Income before income and mining taxes	**204,981**	112,187	85,629
Net finance costs	**8,747**	11,634	1,858
Depreciation	**32,881**	31,215	30,719
EBITDA	**246,609**	155,036	118,206
Revenues	**506,891**	387,568	351,233
EBITDA margin	**49%**	40%	34%

Available Liquidity

	As at December 31, 2023	**As at September 30,** 2023
Cash and cash equivalents	**387,373**	316,530
Undrawn amounts under credit facilities	**550,253**	329,386
Available liquidity	**937,626**	645,916

C1 Cash Cost

	Q3 FY24	Q2 FY24	Q3 FY23
Iron ore concentrate sold (dmt)	**3,227,500**	2,883,800	2,694,200
(in thousands of dollars except per tonne)			
Cost of sales	**235,457**	212,584	209,070
Less: Bloom Lake Phase II start-up costs	**—**	—	(4,292)
	235,457	212,584	204,778
C1 cash cost (per dmt sold)	**73.0**	73.7	76.0

All-In Sustaining Cost

	Q3 FY24	Q2 FY24	Q3 FY23
Iron ore concentrate sold (dmt)	**3,227,500**	2,883,800	2,694,200
(in thousands of dollars except per tonne)			
Cost of sales	**235,457**	212,584	209,070
Less: Bloom Lake Phase II start-up costs	**—**	—	(4,292)
Sustaining capital expenditures	**24,031**	60,446	19,495
G&A expenses	**11,206**	12,729	9,212
	270,694	285,759	233,485
AISC (per dmt sold)	**83.9**	99.1	86.7

Cash Operating Margin and Cash Profit Margin

	Q3 FY24	Q2 FY24	Q3 FY23
Iron ore concentrate sold (dmt)	**3,227,500**	2,883,800	2,694,200
(in thousands of dollars except per tonne)			
Revenues	**506,891**	387,568	351,233
Net average realized selling price (per dmt sold)	**157.1**	134.4	130.4
AISC (per dmt sold)	**83.9**	99.1	86.7
Cash operating margin (per dmt sold)	**73.2**	35.3	43.7
Cash profit margin	**47%**	26%	34%

Gross Average Realized Selling Price per dmt Sold

	Q3 FY24	Q2 FY24	Q3 FY23
Iron ore concentrate sold (dmt)	**3,227,500**	2,883,800	2,694,200
(in thousands of dollars except per tonne)			
Revenues	**506,891**	387,568	351,233
Provisional pricing adjustments	**(15,997)**	(1,559)	5,205
Freight and other costs	**140,971**	102,411	105,987
Gross revenues	**631,865**	488,420	462,425
Gross average realized selling price (per dmt sold)	**195.8**	169.4	171.6

PFS OF THE KAMISTIATUSSET (KAMI) IRON ORE PROPERTY

JORC CODE

1. Introduction

1.1. Background

The area in which the Property is located has been explored since the 1950s by various companies and government agencies. In 2004 and 2006, Altius Minerals Corporation ("Altius") acquired some claims and subsequently performed exploration and metallurgical beneficiation works.

In 2010, Alderon Iron Ore Corp. ("Alderon") acquired the Property from Altius and also conducted exploration as well as development works, which resulted in numerous studies. Among them:

- 2011 PEA;
- 2012 Feasibility Study;
- 2018 Updated Feasibility.

On April 1, 2021, Champion Iron Limited ("Champion") acquired the Property from Alderon.

In October 2022, the engineering consulting group BBA has been appointed to perform a study for the development of the Kamistiatusset ("Kami") Iron Ore Property at the request of Champion.

To perform this Pre-feasibility Study ("PFS"), BBA has relied on the contribution of several other groups to complete various aspects of this Study. Among them:

- G Mining Services (resources, reserves, and mine);
- Soutex (metallurgical test work and process plant);
- AtkinsRéalis (site hydrology, hydrogeology and geotechnical);
- WSP (environmental studies and permitting, tailings management);
- Okane (site closure plan);
- SYSTRA (rail facilities studies at Kami and Pointe-Noire, Québec);
- CIMA+ (port facilities at Pointe-Noire, Québec).

The Study also benefited from the studies done by Altius and Alderon, the previous owners of the Project, among them:

- Mineral Resource block model provided by Alderon and audited in 2018 by WGM;
- SGS Minerals Services and Corem test work results;
- Various reports produced prior to 2018 by Stantec, Ausenco, Golder and others regarding rail and port facilities studies, environmental studies and permitting, site hydrology, hydrogeology and geotechnical, tailings management and site closure plan.

The Mineral Resources and Mineral Reserves presented in the PFS are based on the drilling and exploration works done by the previous owners, as no new exploration activities pertaining to the Mineral Resource have been conducted by Champion.

The Ore Reserve Estimate has been derived and reported by Champion according to the guidelines and terminology proposed in the JORC Code (2012 version). It is important to note that the Ore Reserves and Mineral Resources presented in this report are also compliant with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") reporting guidelines as used in National Instrument 43-101 standards ("NI 43-101").

1.2. Project Description

The Kami Project is a high-grade iron ore project near available infrastructure, situated only a few kilometres southeast of the Company's operating Bloom Lake mine ("Bloom Lake"), in the Labrador Trough geological belt in southwestern Newfoundland, near the Québec border. The Property consists of four contiguous licenses and a mining lease forming one block and spans an area that extends approximately 10.5 km east-west and 13.5 km north-south in NTS map areas 23B/14 and 15 and centred at approximately 52°49’N latitude and 66°59’W longitude. The Property perimeter is contiguous to the Wabush Mines mining lease (Lot #2 South) to the northeast, while the mining lease is 6km from the boundary.

The Study evaluated the feasibility of constructing a mining operation, including a concentrator, tailings facilities and related infrastructure to produce Direct Reduction (“DR”) grade pellet feed iron ore ("DRPF") from the mining properties of the Kami mine. The Project is expected to benefit from several competitive advantages including:

- A sizeable high-purity iron resource, significantly de-risked by the Project’s previous owners;
- Located near available infrastructure and Bloom Lake, enabling potential synergies;
- By leveraging expected access to hydroelectric power, the Project could rank as one of the lowest emitting high-purity iron ore projects, both locally and globally;
- A supportive Newfoundland and Labrador government, which identified high-purity iron ore within their critical minerals plan; and
- Advanced permitting work completed by the previous owner.

The Study did not incorporate prospects for potential economic support from governments to encourage development of critical minerals, preferential funding opportunities or other economic incentives, which could improve economics and influence a final investment decision.

1.3. Geology and Mineralisation

The Property is situated in the highly metamorphosed and deformed metasedimentary sequence of the Grenville Province, Gagnon Terrane of the Labrador Trough ("Trough"). The Trough is comprised of a sequence of Proterozoic sedimentary rocks, including iron formation, volcanic rocks and mafic intrusions. Trough rocks in the Grenville Province are highly metamorphosed and complexly folded. Iron deposits in the Gagnon Terrane (the Grenville part of the Trough) include those on the Property and Lac Jeannine, Fire Lake, Mont-Wright, Mont-Reed, and Bloom Lake in the Manicouagan-Fermont area, and the Luce, Humphrey and Scully deposits in the Wabush-Labrador City area.

The high-grade metamorphism of the Grenville Province is responsible for recrystallisation of both iron oxides and silica in primary iron formation, producing coarse-grained sugary quartz, magnetite, and specular hematite schist or gneiss (meta-taconites) that are of improved quality for concentration and processing. The Property is underlain by folded sequences of the Ferriman Group (previously Knob Lake Group) or Gagnon Group containing Wabush/Sokoman Formation iron formation and underlying and overlying units. The stratigraphic sequence varies in different parts of the Property.

The iron formation on the Property is of the Lake Superior-type. Lake Superior-type iron formation consists of banded sedimentary rocks composed principally of bands of iron oxides, magnetite and hematite within quartz (chert)-rich rock with variable amounts of silicate, carbonate and sulphide lithofacies.

The oxide iron formation ("OIF") consists mainly of semi-massive bands, or layers, and disseminations of magnetite and/or specular hematite (specularite) in recrystallised chert and interlayered with bands (beds) of chert with iron carbonates and iron silicates. All variations of the magnetite- or hematite-rich layers exist, mostly as a transition between the two endmembers. Other variants exist, generally with minor amount of magnetite and hematite, dominated by chert (lean iron formation), iron silicates, iron carbonates, iron silicates and carbonates, or quartz-rich iron formations. Grunerite is the most common mineral of the silicate iron formations and is often observed at the footwall for the Rose Central mineralisation. Some sub-members of the OIF contain increased amounts of hematite (specularite) associated with manganese silicates and carbonates.

In the Mills Lake area, approximately 3 km south-southeast of Rose, the iron formation consists of a gently east-northeast dipping tabular main zone with several parallel ancillary zones. The iron formation in the Rose area consists of a series of corrugated steeply plunging, northeast-southwest oriented sub-parallel upright to slightly overturned anticlines and synclines.

1.4. Drilling, Sampling Technique and Analysis

All recent exploration and drilling on the Property were completed either by Altius or Alderon. Altius commenced reconnaissance mapping and rock sampling during the summer of 2006. In 2007, their exploration program also included a high-resolution helicopter airborne magnetic survey and line cutting. The results of the 2007 program were positive and the airborne magnetic survey effectively highlighted the extent of the iron formation. Following the 2007 program, Altius acquired additional property and commenced an exploration program in 2008 consisting of rock sampling, line cutting, a ground gravity and magnetic survey, high-resolution satellite imagery, an integrated 3D geological and geophysical inversion model and 6,013 m of diamond drilling in 25 holes (including two re-drilled abandoned holes). Drilling confirmed the presence of iron oxide-rich iron formation and extended the known occurrences along strike and at depth. All 2008 exploration holes were drilled in BTW (42.1 mm) core diameter.

Following the acquisition of the Property by Alderon in 2010, exploration drilling commenced on June 1st of the same year. Following drilling campaigns took place in winter 2011 and in summer 2011-2012.

The first campaign, in summer 2010, focussed on the Rose Central and Mills Lake deposits; however, a few drill holes were targeted on the Rose North and Southwest Rose zones. A total of 25,900 m in 82 holes were drilled.

In the winter of 2011, Alderon's drilling program consisted of 29 holes totalling 4,625 m on the Rose North deposit, with one hole drilled on Rose Central for metallurgical sampling.

The Summer 2011-2012 program started in June 2011 and continued through to the end of April 2012. The holes were drilled throughout the Rose Lake area and holes were also completed on the Mills Lake deposit. Exploration drilling aggregated to 101 exploration drill holes totalling 29,797 m. An additional 46 geotechnical holes under Stantec's management, including several abandoned drill holes, were drilled for pit slope design and general site planning purposes. Four additional holes of the KXN-series were drilled from the north end of Mills Lake north towards the northern boundary of the Kami Property for condemnation purposes.

The purpose of the most recent drilling program was for mineral resource conversion and to provide more information for mine planning and metallurgical test work.

Drilling campaigns by Alderon was carried out with NQ (47.6 mm), HQ (63.5 mm) and a combination of HQ-NQ core diameter.

Altius and Alderon used similar sample preparation and assaying methods with SGS Minerals Services of Lakefield (ON, Canada) as the primary laboratory for all routine XRF, Satmagan, iron oxide by Titration and Davis Tubes assays. Samples were crushed to 9 mesh (2 mm), then 500 g or 250 g riffle split for pulverisation to 200 mesh (75 µm). Whole rock analysis was performed by lithium metaborate fusion XRF, FeO by H_2SO_4/HF acid digest-potassium dichromate titration, and magnetic Fe by Satmagan. A few samples were taken for S analysis by LECO, based on visual observations of potential sulphide material.

Core logging and sampling procedures were validated by G Mining Services ("GMS") personnel during an extensive site visit where more than 30 drill holes were inspected for mineralised intervals, logging accuracy, sampling intervals and footwall and hanging wall rocks. During that visit, the existing geological models of Rose Central, Rose North and Mills Lake, recovered from Alderon, were reviewed against core observations of mineralised OIF intercepts. GMS also collected samples as independent checks. Sampling was found to be generally consistent with mineralised intervals, and independent samples did not show any bias or inconsistencies with accuracy and precision of the analysis methodologies.

1.5. Estimation Methodology

Mineralisation at Rose and Mills Lake was modelled as magnetite- or hematite-rich layers, or a combination of both, based on the magnetite and hematite content, magnetite/hematite ratio, geological logging, manganese content, specularite occurrences and grain size. The model resulted in several sub-domains for Rose Central, Rose North and Mills Lake. Assays (Fe_2O_3, Magnetite Fe, Silicate/Carbonate Fe, Al_2O_3, CaO, MgO, MnO, SiO_2) were composited to 3.0 m run lengths, with residuals less than 1.0 m retained and included in the previous interval. No capping was applied to any of the elements interpolated.

Two sub-block and rotated block models were generated in Leapfrog Edge v.2021.1 for Rose (Rose Central and Rose North combined) and Mills Lake. A parent block size of 10 m x 20 m x 10 m was used for both block models, with a minimum sub-block size of 5 m x 10 m x 5 m triggered by the topography and overburden surfaces, the geological model, and the 6-m dilution skin around mineralised sub-domains.

Experimental variograms were produced for each sub-domains and each element, aligned with the clearest angle of continuity. Ordinary Kriging ("OK") was used to interpolate all elements, except for Al_2O_3 and MnO which were interpolated with Inverse Distance Square ("ID^2").

Parents blocks were estimated using a four-pass estimation approach, with increasing ellipsoid size from 100-120 m x 60-90 m for the first pass to 300 m x 250 m for the fourth pass. The same sample search criteria were used for all domains and all elements with a maximum of three composites per hole, and a minimum of three drill holes for the first and second passes, and two drill holes for the third and fourth passes. The fourth pass is to ensure proper block population throughout the wireframe volumes. All interpolation used variable ellipsoid orientation ("dynamic anisotropy") based on the geometry of each domain. A visual validation was undertaken to ensure that ellipsoid orientation matches the orientation of the folds, and that no artefact were induced due to inconsistent ellipsoid orientation in folded areas. Hard boundaries were used for all sub-domains, except between RN2 and RN3A where a soft boundary was used, based on a gradational transition from hematite to magnetite dominance. Figure 1 and Figure 2 show examples of the resulting block grades for Rose and Mills Lake respectively.

Validation of block grades was undertaken using several methods for all sub-domains: visual checks in section and plan views, global comparison of block grades against Nearest Neighbour estimates ("NN") and composite grades, and local statistical validation with swath plots in all three directions.

Bulk densities were assigned on a block-by-block approach, using a regression formula against Total Fe for each sub-domain, by interpolation for waste material and by fixed value for the overburden and remaining waste material.

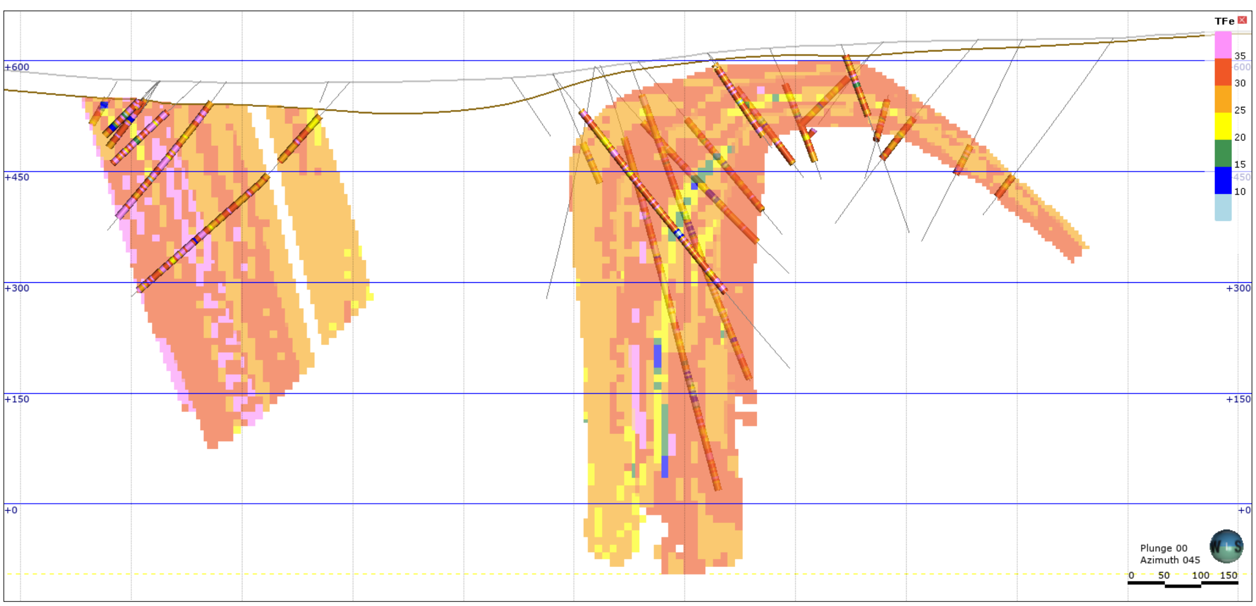


Figure 1: Total Iron Block Grades against Composite Grades – Rose North (left) and Rose Central (right)

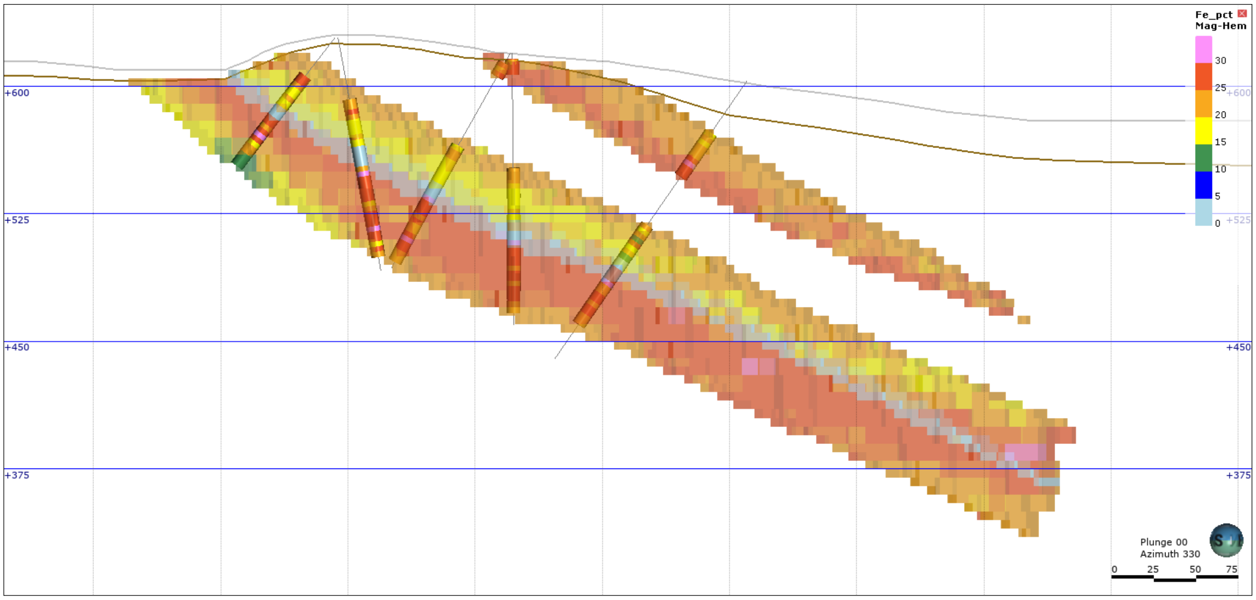


Figure 2: Total Iron associated to Magnetite Block Grades against Composite Grades – Mills Lake

1.6. Resource Classification

Block model grades for the Kami project were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and adhere to the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). The classification also adheres with the JORC Code (2012).

The mineral resource classification considers various factors, such as variogram ranges, but is mostly based on average drill hole spacing, the number of samples used in the interpolation, confidence in the geological interpretation and recovery methods. All potentially limonite-rich blocks were classified as Inferred. In general terms, the following rules defined the resource classification:

- Measured Mineral Resources are defined where blocks have an average distance to the nearest three drill holes of less than 70 m.
- Indicated Mineral Resources are defined where blocks have an average distance to the nearest three drill holes of less than 150 m.
- Inferred Mineral Resources are defined where blocks have an average distance to the nearest three drill holes of less than 200 m. Limonite-rich and Rose North footwall (SIF_RN1) domains are classified as Inferred.

The proportion of Measured, Indicated and Inferred Mineral Resources reported reflects the confidence the Competent Person has on the deposit. The drill spacing is the main factor limiting a classification upgrade, whereas more metallurgical input is needed on limonite-rich areas.

Overviews of block classification is shown in Figure 3 and Figure 4 for Rose (Rose Central and Rose North combined) and Mills Lake respectively.

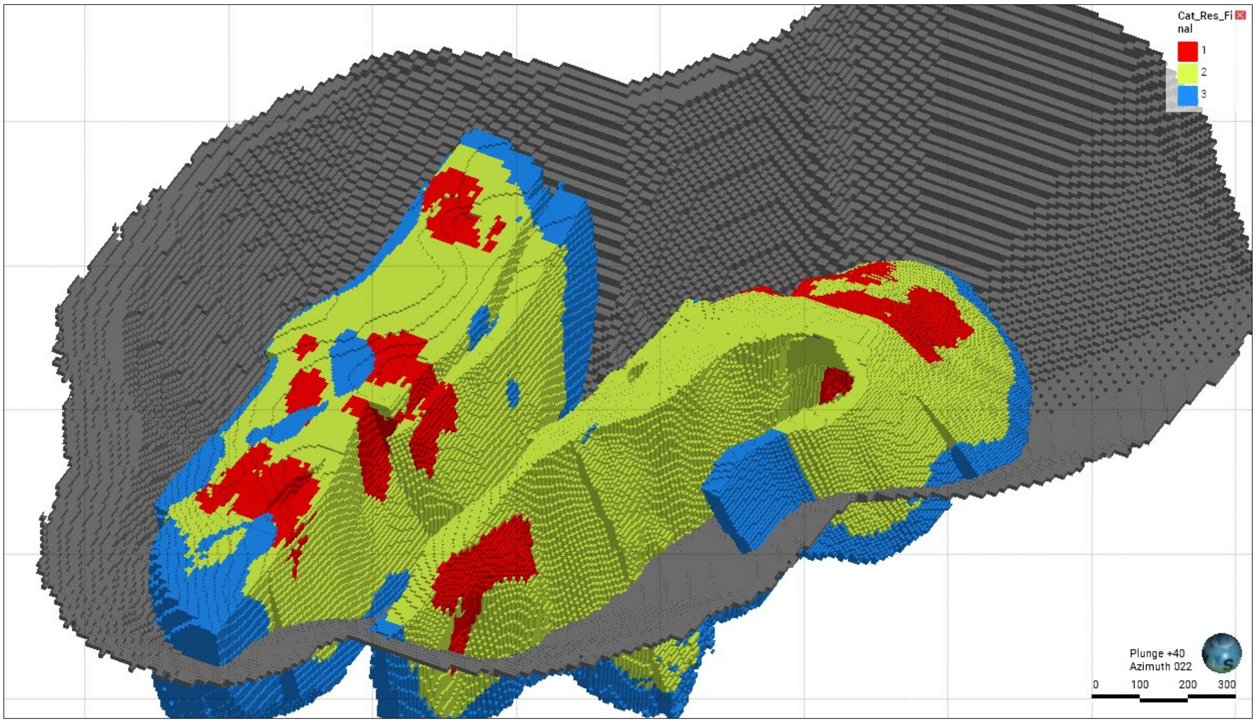


Figure 3: Isometric view of Rose Central (right) and Rose North (left) Classification and Open Pit Optimisation – View looking northeast
Measured in red, Indicated in yellow, and Inferred in blue

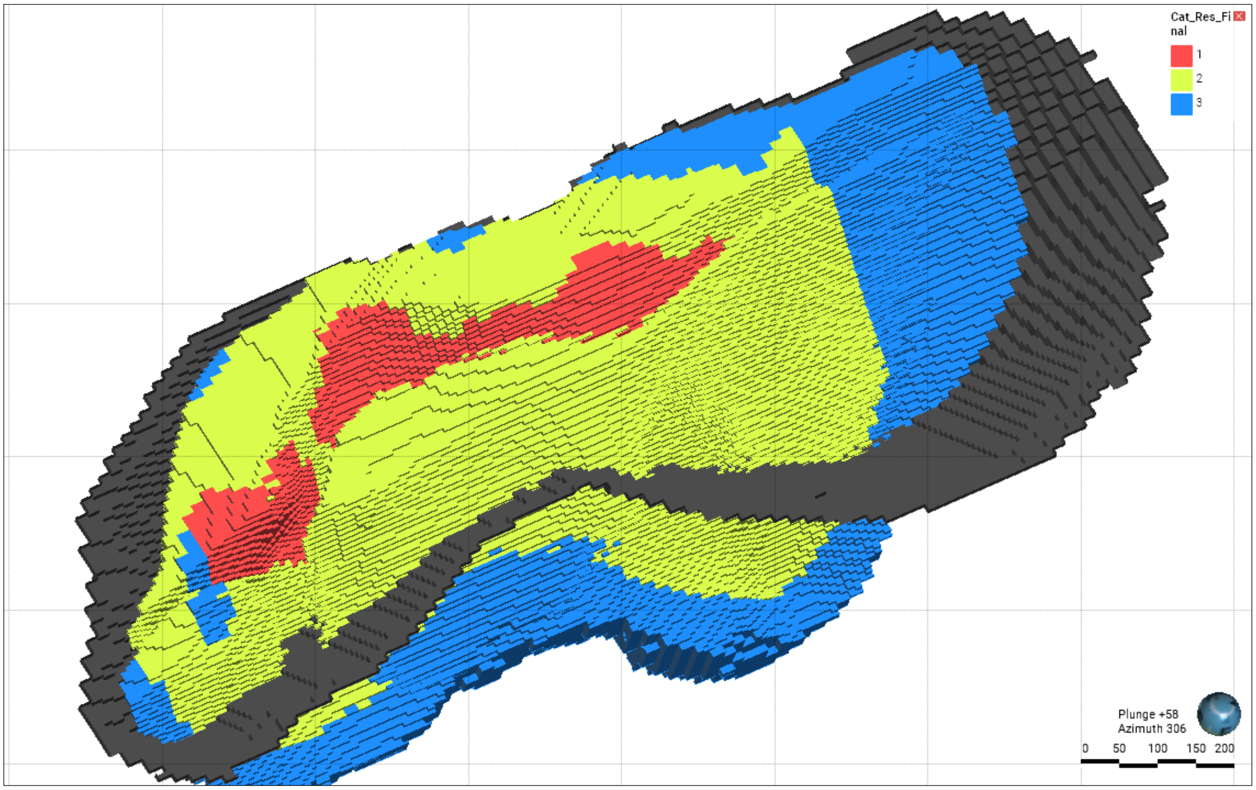


Figure 4: Isometric view of Mills Lake Classification and Open Pit Optimisation – View Looking North-West. Measured in red, Indicated in yellow and Inferred in blue.

1.7. Mineral Resource Cut-off Grade and Modifying Factors

The block model was re-blocked to a regular 10 m x 20 m x 10 m block size before import into GEOVIA Whittle software for pit optimisation. The demonstrate Reasonable Prospects for Eventual Economic Extraction ("RPEEE"), the Mineral Resource stated herein is constrained by an optimised pit shell using the parameters tabulated in Table 1 and only Iron associated to Magnetite and Hematite was used as payable metals. The resulting cut-off was calculated at 7.35% Total Fe and raised to 15% Total Fe.

Table 1: Open Pit Optimisation Parameters – Mineral Resources

Pit Optimisation Parameters		
Mineral Resources	**Unit**	**Value**
Crude Ore	Mt/year	26
Mining Recovery	%	97.50%
Process Recovery	%	85%
Fe Grade	% Fe	28.60%
Final Weight Recovery	%	36.40%
Fe Recovery	%	83.55%
Revenues	**Unit**	**Value**
Concentration Ratio	t con./t ore	0.364
Fe Metal Mined	t metal/t ore	0.239
Concentrate Production	Mt con.	9.452
Concentrate Production Less Concentrate Losses (1%)	Mt con.	9.357
Concentrate Fe Grade	% Fe	65.20%
Concentrate Moisture Content	%	0.00%
CAN$ ($) to US$	CAN$/US$	1.3
Reference Price (China sales Price) 65% Fe	$/dmt con.	150
DR Quality Premium	$/dmt con.	0
Si + Al + P Adjustment	$/dmt con.	0
Royalties & Ocean Freight	$/dmt con.	-37.00
Net Revenue (FOB Sept-Iles)	$/dmt con.	113.00
Railing and Ship Loading	$/dmt con.	-21
Net Revenue (FOB Kami)	$/dmt con.	92.00
Ore Value	$/dmt ore	33.44
Ore Based Costs	**Unit**	**Value**
Processing, Maintenance	$/dmt ore	3.85
G&A Costs	$/dmt ore	2.72
Tailings Sustaining Capital	$/dmt ore	0
Rehabilitation and Closure Cost	$/dmt ore	0.37
Total Ore-based Cost	$/dmt ore	6.93
Operating Margin	$/dmt ore	26.52
Operating Margin Rate (before mining)	%	79%
Mining Costs & Parameters	**Unit**	**Value**
Incremental Bench Cost	$/t/10m	0.032
Reference Elevation	RL	655
Mining Costs	$/t mined	2.74

1.8. Mining Methods

The Kami Project is planned as a conventional open pit mine combined with an In-Pit Crushing System ("IPCS") for waste rock. Mining operations will utilize drills, haul trucks coupled with hydraulic shovels, and a semi-mobile waste IPCS, with the ore crusher located at the pit exit on the East side. The Project contains the Rose pit, which is to be split into three phases. The peak mining rate is expected to be 81.0 Mtpa over a life of mine of 25 years. A total of 643 Mt of ore will be mined at an average total iron ore grade of 29.2% with a total of 1,019.5 Mt of combined waste and overburden, resulting in a stripping ratio of 1.6 tonnes of waste per tonne of ore mined.

1.9. Infrastructure and Modifying Factors in the Mineral Resource and Ore Reserve

The Kami Project is expected to benefit from access to renewable hydroelectric power, water, roads, existing rail and port facilities in a proven regional labour market in a mining friendly jurisdiction with a long history of supporting iron ore operations.

The Kami Project is located directly south of Bloom Lake's existing and operational rail loop infrastructure, with access to end markets via port and rail. Rail access for the Kami Project is expected to consist of three separate segments. The first segment, a new rail spur will be required to connect the mine site to the Quebec North Shore & Labrador ("QNS&L") railway line north of the Wabush-Labrador airport. The second segment would utilize the existing QNS&L railway, connecting Wabush to the Arnaud junction in Sept-Îles, Québec. The third and last segment, the existing Arnaud railroad, connects the Arnaud junction to the Société Ferroviaire et Portuaire of Pointe-Noire ("SFPPN") port facilities in Sept-Îles, currently utilised by Bloom Lake, where unloading facilities will be upgraded. Once unloaded, the DR quality iron ore will be stockpiled, then loaded onto vessels to supply the Company's global customers. Modifications are expected to be required to the existing railway segments and port infrastructure to accommodate the increased capacity from the Kami Project.

The Project is expected to produce a DR quality iron ore. With an increased focus on reducing greenhouse gas emissions in the steelmaking processes, the steel industry is experiencing a structural shift in its production methods. This dynamic is expected to create additional demand for higher-purity iron ore products, as the industry transitions towards using alternative technologies to produce liquid iron, such as the use of Direct Reduced Iron ("DRI") in Electric Arc Furnaces ("EAF") instead of Blast Furnaces ("BF") and Basic Oxygen Furnaces ("BOF").

As DR grade quality iron ore is a niche product in the iron ore industry, representing approximately 5% of the global seaborne iron ore production, pricing tends to be directly negotiated between producers and buyers without an available global pricing index. Due to its higher Fe content and lower impurities, pricing for DR grade iron ore product, used as a raw material input to make DR grade pellets, is expected to attract a significant premium over the traditional high-grade iron ore P65 index and correlate with the DR grade pellet indices. The Company believes, in tandem with several market experts, that the accelerating transition to reduce emissions in the steelmaking process will result in rising demand for DRPF products. As a result of this expected rising demand and product scarcity, the Company believes that its industry leading DRPF quality product will attract increasing premiums over time. In addition to Bloom Lake's expected production of DRPF quality iron ore, the potential production of Kami Project DRPF quality iron ore would further enable the Company to diversify its customer mix, including steelmakers in closer proximity to the Port of Sept-Îles, which could result in freight advantages for the Company.

The Study's base case economic assumption utilizes a conservative blended net realised price based on a P65 index price of US$120.0/t for the life of mine, a C3 index price of US$22.0/t and a conservative premium for DR quality iron ore. The P65 index price of US$120.0/t utilised in the Study compares to the trailing three calendar years' average price of US$152.2/t and the trailing five calendar years' average price of US$136.5/t.

2. Mineral Resources and Ore Reserves Estimation

2.1. Mineral Resource Statement

The Mineral Resource Estimate ("MRE") was prepared by GMS with an effective date of November 15, 2022. The CP has validated and verified the underlying data used to produce and classify this Mineral Resource Estimate.

The Mineral Resource is composed of two distinct deposits: Rose and Mills Lake. Rose, divided in Rose North and Rose Central, accounts for approximately 90% of the Mineral Resource Estimate. The Mineral Resource Estimate is constrained inside an optimised pit shell and is reported for recoverable minerals containing iron (magnetite and hematite).

The following table (Table 2) presents the mineral resource for the Kami Project, estimated at a cut-off grade of 15% Fe, inside an optimised open-pit shell based on a long-term reference iron price of US$95/dmt (CAN$124/dmt) and US$20/dmt (CAN$26/dmt) added as an iron concentrate premium for a concentrate at 65.2% Fe, for a total of US$115/dmt (CAN$150/dmt). An exchange rate of 1.30 CAN$/US$ was used. The open-pit Measured and Indicated Mineral Resource for the Kami Project, including the Rose and Mills Lake pits is estimated at 975.5 Mt with an average grade of 29.6% Fe, and an open-pit Inferred Mineral Resource at 163.0 Mt with an average grade of 29.2% Fe. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 2: Kami Project Mineral Resources

Classification	Mass (Mt)	TFe (%)	Mag Fe (%)	Hem Fe (%)	Mag+Hem Fe (%)	MnO (%)	SiO2 (%)
Measured	212.4	30.2	14.8	13.0	27.8	1.6	47.5
Indicated	763.0	29.5	16.2	10.0	26.2	1.5	47.6
M&I	975.5	29.6	15.9	10.7	26.6	1.5	47.6
Inferred	163.0	29.2	14.5	11.9	26.4	1.2	48.0

1. The Mineral Resource described above has been prepared in accordance with the JORC 2012 Code and the CIM definition of Standards for Mineral Resources and Mineral Reserves.
2. The CP for this Mineral Resource Estimate is Christian Beaulieu, P.Geo., consultant for G Mining Services Inc. Mr. Beaulieu is a member of the Professional Engineers and Geoscientists of Newfoundland & Labrador (#10653) and of l'Ordre des géologues du Québec (#1072). Both organisations are "Recognised Professional Organisations" as defined by the JORC Code 2012.
3. The effective date of the Mineral Resource Estimate is November 15, 2022.
4. The cut-off used to report Open Pit Mineral Resources is 15.0% total iron (TFe).
5. Density is applied by rock type and is related to the amount of iron in each block.
6. Pit optimisation parameters are described as follows:
    a) Iron price of US$115/dm for P65 Index
    b) Concentrate grade of 65.2% Fe
    c) Exchange rate of 1.30 CAN$:US$
    d) Metallurgical recoveries of 83.55%
    e) Mining costs of US$2.11/t mined
    f) Total ore based costs of US$5.33/dmt
7. Overall slope angle varies from 48.4° to 51.6° for the footwall and hanging wall domains respectively.
8. Measured, Indicated and Inferred mineral resources have been defined mainly based on drill hole spacing.
9. Mineral resources (Rose Central, Rose North and Mills Lake combined) have a strip ratio of 2.0:1 (W:O).
10. The tonnages and grades outlined above are reported inside a block model with parent block size of 10 m x 20 m x 10 m, and subblocks of 5 m x 10 m x 5 m.
11. Tonnages have been expressed in the metric system and metal content as percentages. Totals may not add up due to rounding.
12. Mineral resources are not mineral reserves as they have not demonstrated economic viability. The quantity and grade of reported inferred mineral resources are uncertain in nature. The CP is not aware of any factors or issues that materially affect the Mineral Resource Estimate other than normal risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio-economic, marketing, and political factors and additional risk factors regarding Indicated and Inferred resources.

2.2. Ore Reserve Statement

The Ore Reserves Estimate prepared by GMS is based on the latest Mineral Resource Estimated completed by GMS with an effective date of November 15, 2022. GMS has reviewed the quantity and quality of the underlying data and the methodologies used to derive and classify the Mineral Reserve Estimate.

Based on the Mineral Resources contained within the Rose (Rose North and Rose Central combined) pit designs, GMS prepared a LOM plan that will feed the planned processing facilities. The economic input parameters used in the LOM are based on budgetary quotes provided by suppliers and are benchmarked against similar projects, such as QIO's Bloom Lake mine.

The project financial evaluation was produced by BBA and includes costs for mining, ore processing, general and administration costs, as well as related shipping and handling costs.

The Proved and Probable Reserve for the Kami project presented herein are estimated at a cut-off grade of 15% Fe, inside an optimised Whittle open pit shell. The Ore Reserve pit shell is based on a long-term Iron price of US$80/dmt at CRF 62% Fe content. The Iron price was increased by a premium of US$20/dmt for a 65.2% Fe concentrate. The FOB at Sept-Îles port was set to US$72/dmt considering royalties and an ocean freight cost at US$28/dmt. The exchange rate is set at 1.3 CAN$/US$; the price for the 65.2% Fe Concentrate used for the Ore Reserves is CAN$130/dmt.

The financial model adequately supports the Ore Reserves Estimate.

Table 3 presents the Ore Reserves for the Kami Project. Ore Reserves are reported on a dry tonnes basis (i.e. excluding moisture content) and are inclusive of mining dilution and ore loss. Ore tonnes are reported at a cut-off grade of 15% Fe. The effective date on the Ore Reserves is November 15, 2022 and the reference point is the primary crusher feed.

Table 3: Kami Ore Reserves

Classification	Diluted Tonnage (Mt)	Diluted Fe (%)	Hematite (%)	Magnetite (%)
Proved	167	29.7	13.8	13.2
Probable	476	29.0	10.6	15.1
Total Proved & probable	643	29.2	11.4	14.6
Waste	1,019.5			

Notes on Mineral Reserves:

1. The Mineral Reserves described above has been prepared in accordance with the JORC 2012 Code and the CIM definition of Standards for Mineral Resources and Mineral Reserves.

2. The CP for this Mineral Reserve Estimate is Alexandre Dorval, mining engineer at G Mining Services Inc. Mr. Dorval is a member of the Professional Engineers and Geoscientists of Newfoundland & Labrador (#11042), of Professional Engineers Ontario (#100214598) and of l'Ordre des Ingénieurs du Québec (#5027189). All organisations are "Recognised Professional Organisations" as defined by the JORC Code 2012.
3. Mineral Reserves based on an updated Lidar dated September 2011.
4. Mineral Reserves are estimated using a long-term iron price reference price (Platt's 62%) of US$80/dmt and an exchange rate of 1.30 C$ /US$. An Fe concentrate price adjustment of US$20/dmt was added as an iron grade premium.
5. The effective date of the Mineral Reserve Estimate is November 15, 2022.
6. Bulk density of ore is variable but averages 3.1 t/m3.
7. Cut-Off Grade of 15% TotFe used to calculate reserves.
8. The average stripping ratio is 1.6:1 W:O.
9. The Mineral Reserve includes a 1.4% mining dilution calculated with a dilution script.
10. The number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding; with rounding following the recommendations detailed in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

2.3. Competent Person Statement

The statement relating to Mineral Resources in this report is based on information compiled by Christian Beaulieu who is a Professional Geologist registered with the Ordre des géologues du Québec ("OGQ"), and the Professional Engineers and Geoscientists of Newfoundland & Labrador ("PEGNL"), both Recognised Professional Organisation defined by JORC 2012. Mr. Beaulieu is a resource geologist for Mineralis Consulting Service inc., under contract with G Mining Services Inc.

Mr. Beaulieu has sufficient experience relevant to the style of mineralisation under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in JORC Code (2012). The Competent Person, Mr. Christian Beaulieu, has reviewed the Mineral Resource Estimate and has given his consent to the inclusion in the report of the matters based on his information in the form and context within which it appears. The Competent Person relied on other professionals for all manner of things related to the Modifying Factors. These professionals also act has Qualified Persons under NI 43-101 compliant report that will be published on SEDAR with an effective date December 22, 2023.

The statement relating to Ore Reserves in this report is based on information compiled by Alexandre Dorval who is a Professional Engineer registered with the Ordre des Ingénieurs du Québec ("OIQ"). Professional Engineers Ontario ("PEO"), and Professional Engineers and Geoscientists of Newfoundland & Labrador ("PEGNL"). Mr. Dorval is a mining engineer in the mining department at G Mining Services Inc., a consulting company based in Brossard, Canada.

Mr. Dorval has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). The Competent Person, Mr. Alexandre Dorval, has reviewed the Ore Reserve Estimate and has given his consent to the inclusion in the report of the matters based on his information in the form and context within which it appears.

The Competent Person relies on other professionals for all manner of things related to the Modifying Factors. These professionals also act has Qualified Persons under NI 43-101 compliant report that will be published on SEDAR with an effective date of December 22, 2023.

3. Concluding Remarks

Mr. Beaulieu and Mr. Dorval respectively conclude that the Mineral Resource and Ore Reserve Statement presented is reported in accordance with the terms and definitions as included in the JORC Code (2012). Included in Appendix A of this report are the JORC checklist tables, which include additional details and commentary on sections 1 to 4 of the JORC Table 1.

Appendix A: JORC Code (2012) – Table 1

Appendix A: JORC Code (2012) – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	▪ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. ▪ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ▪ Aspects of the determination of mineralisation that are Material to the Public Report. ▪ In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	▪ Diamond drilling core (BTW, NQ, HQ) was cut in half and one half was sampled. In 2008, approximately 50% of samples were 5 m in length, whereas following campaigns (2010 to 2012) targeted 3 m length samples (61% of samples at 3 m length). ▪ SGS Minerals Services Lakefield was the primary lab for routine XRF, Satmagan, Titration and Davis Tube assays. All sample preparation was handled by SGS. ▪ 2008 campaign (Altius): – Samples crushed to 9 mesh (2 mm) – 500 g riffle split – Pulverised to 200 mesh (75 µm) – Standard routine analysis: whole rock analysis by lithium metaborate fusion XRF, FeO by H2SO4/HF acid digest-potassium dichromate titration providing a measure of total Fe++, and magnetic Fe and Fe_3O_4 by Satmagan. 14 samples were analysed for S by LECO (sample selection based on visual observation). ▪ 2010-2012 campaigns (Alderon): – Samples crushed to 75% passing 9 mesh (2 mm) – 250 g riffle split – Pulverised to 80% passing 200 mesh (75 µm) – Standard routine analysis: whole rock analysis by lithium metaborate fusion XRF, FeO by H2SO4/HF acid digest-potassium dichromate titration providing a measure of total Fe++, and magnetic Fe and Fe_3O_4 by Satmagan. Selected samples were analysed for S by LECO (sample selection based on visual observation). Additional Davis Tube tests was riffled out directly from the pulverised Head samples and therefore the grind was not necessarily optimised to reflect potential mine processing plant specifications or optimum liberation requirements. Most FeO samples come from Titration.

Criteria	JORC Code explanation	Commentary
		▪ Downhole density probe measurements (discussed below) were calibrated with 175 bulk density measurements (0.1 m length). Measurements were undertaken by SGS.
Drilling techniques	▪ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	▪ Diamond drilling was carried out with a combination of BTW (42.1 mm core diameter), NQ (47.6 mm core diameter) and HQ (63.5 mm core diameter): – 2018: 6,013 m of BTW size – 2010: 25,900 m of NQ size – 2011-2012: 2,447 m of NQ size – 2011-2012: 29,935 m of HQ size – 2011-2012: 2,040 m of combined HQ and NQ size
Drill sample recovery	▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ Measures taken to maximise sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	▪ After the core was placed in the core trays, the geologists checked the core for meterage blocks and continuity of core pieces. The geotechnical logging was done by measuring the core for recovery and rock quality designation ("RQD"). This logging was done on a drill run block-to-block basis, generally at nominal three metre intervals. Core recovery and rock quality data were measured for all holes. All data was entered in the acQuire database on site. ▪ Recovery is globally very good with an average of 93%. However, locally recovery decreases to values below 60% and is generally related to limonite/goethite alteration. These lower recoveries remain minor in the mineralised areas of the deposit and are essentially limited to Rose North and are captured in a 3D model.
Logging	▪ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. ▪ The total length and percentage of the relevant intersections logged.	▪ Drill core was logged for major and minor lithologies, including lithology descriptions, structures, textures, grain size, weathering, RQD and recovery. Information provided by logging served as support for geologic modelling and Mineral Resource Estimations. ▪ Additional geophysical surveying was employed on selected holes (radioactivity using natural Gamma method, density with Gamma-Gamma method, multiple electromagnetic parameters, and HR 360-derees imagery). ▪ Gamma-gamma densities were used to derive bulk density equations and for density interpolation.

Criteria	JORC Code explanation	Commentary
		▪ Regular logging is mostly qualitative rock descriptions, whereas geotechnical assessments (recovery, RQD) is semi-quantitative. ▪ Geophysical logging is quantitative. ▪ All core was photographed, wet and dry. Core photography was not recovered by Champion. ▪ All drilled core was fully logged, except some minor intercepts outside of the resource area.
Sub-sampling techniques and sample preparation	▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ▪ Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. ▪ Whether sample sizes are appropriate to the grain size of the material being sampled.	▪ Drill core was sawed in half using a rock saw by a geotechnician. ▪ Industry standard diamond drilling techniques were used. The CP inspected core sampling and only found a few minor errors in meterage, corrected in the database. ▪ Core was sawed coaxially, perpendicular to the foliation/banding orientation, as indicated by the markings, and then placed both halves of the core back into the core tray in original order. The sampling technicians completed the sampling procedure, which involved bagging the samples. ▪ Field duplicated (quarter core) were taken at approximately one for every 10 routine samples. ▪ Sample sizes are appropriate considering grain size and type of mineralisation.
Quality of assay data and laboratory tests	▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times,	▪ All assays sent for geochemistry are considered total. Checks between Davis Tube and Titration, as well as independent XRD analyses demonstrates the appropriateness of the iron oxide assaying. ▪ For downhole geophysical surveys, a multi-parameter digital logging system designed by Mount Sopris Instrument Co. along with a gyroscopic downhole survey tool were used. Only density measurements were used in the resource estimation. A good correlation is observed between downhole probe and specific gravity (pycnometer) measurements. The

Criteria	JORC Code explanation	Commentary
	calibrations factors applied and their derivation, etc. ▪ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	downhole survey was calibrated with 175 half-split core samples of 0.1 m length. ▪ Standards, blanks and duplicates were used for quality control and are considered appropriate for this type of mineralisation and no bias was observed. All field duplicate performed well (total Fe, Mag Fe, FeO). ▪ In 2011, a selection of pulp material was sent to a secondary lab (Inspectorate of Vancouver, BC). Checks correlate generally well, but a slight bias is observed in FeO analysis. Is it believed that the method employed by Inspectorate may lead to this bias (HF digestion). ▪ In 2012, a second set of check assays was sent to AcmeLabs (Vancouver, BC). Champion was not able to recover that second check dataset. ▪ Checks for FeO calculated in Davis Tube and by Titration were compared (where both tests are available) and correlate well.
Verification of sampling and assaying	▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes. ▪ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ▪ Discuss any adjustment to assay data.	▪ During the first site visit, the resource CP inspected approximately 30 drill holes, focusing on mineralised intervals, hanging walls and footwalls. ▪ No twin holes were used. ▪ All data and information were stored on an MS Access database and transferred to acQuire, or directly stored in acQuire. ▪ No adjustments were made to assay data.
Location of data points	▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Specification of the grid system used. ▪ Quality and adequacy of topographic control.	▪ Drill hole collars were surveyed using a DGPS by land surveying firms. Twelve drill holes (5%) could not be located on field and were surveyed with a handheld GPS. ▪ Forty-six (46) drill hole collars from the first surveying campaign (2008, 2010, Winter 2011) were resurveyed and found to be in excellent agreement. ▪ The CP located 8 diamond drill hole collars and marked their location with a handheld GPS. Coordinates were found to be within acceptable ranges considering the lower precision of handheld GPS. ▪ Grid system used in the Project is NAD83 UTM Zone 19 North. ▪ Lidar topographic survey fits generally very well with surveyed drill hole collars (Z) and nearby lakes (XY).

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied.	▪ Collar spacing ranges from 50 m to 150 m from centres, but generally is 90 m x 120 m. ▪ Data spacing is sufficient for an iron ore deposit (Lake Superior type), which exhibits continuous iron grades throughout the deposit. It was possible to follow Hematite- and/or Magnetite-rich horizons with good confidence over several hundred of metres, both on strike-length and vertically. ▪ No compositing was applied to samples in the original database. Compositing was only applied prior to resource estimation for length uniformization.
Orientation of data in relation to geological structure	▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	▪ Drill holes are well aligned with mineralisation for Rose North and Mills Lake given its tabular shape. Orientation for Rose Central is also good, but more challenging given the folded shape of the mineralised horizons. Only one drill hole was removed during the resource estimation process because of its orientation along-strike mineralisation and discrepancies with nearby drill holes. ▪ No bias is expected as most drill holes are drilled at good angles with mineralised units. Drill holes with lower angles between dips and beds are generally well supported by nearby drill holes.
Sample security	▪ The measures taken to ensure sample security.	▪ Chain of custody was managed by Altius and Alderon personnel. ▪ Samples were placed into labelled sample bags and stapled closed immediately after the sample was inserted. ▪ Pails, barrels, and crate-pallets were individually labelled with the laboratory address and the samples from each shipment were recorded. The pallets were picked up at the core facility and loaded into a closed van for transport. Altius and Alderon personnel had no contact with the samples once they were sealed. ▪ Since drilling took place between 2008 and 2012, the CP was not able to verify the sample chain of custody.
Audits or reviews	▪ The results of any audits or reviews of sampling techniques and data.	▪ Since no drilling was done since 2012, the sampling was not audited by the authors. However, the former CP of the Project for mineral resources (WGM) inspected the facility and procedures during their site visits.

Section 2: Reporting of Exploration Result

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	▪ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	▪ The Property consists of four contiguous licenses and a mining lease forming one block. The Property is in the Province of Newfoundland and Labrador ("NL"). According to the claim system registry of the Government of Newfoundland and Labrador, the Property is partially marked as registered to Kami General Partner Limited ("Kami GP") and partially to Champion Iron Mines Limited. The claims and lease registered to Kami GP are currently held by 12364042 CANADA INC, which, like Champion Iron Mines Limited, is a wholly owned subsidiary of Champion Iron Limited. The Property includes four map-staked licences, namely 015980M, 017926M, 034335M and 036147M, totalling 447 claim units covering 11,175 hectares. These lands are all crownlands, and their surface rights are held by the provincial government. ▪ Licenses: – 015980M: 191 claims owned by 12364042 CANADA INC. – 017926M: 92 claims owned by 12364042 CANADA INC. – 034335M: 5 claims owned by Champion Iron Mines Limited – 036147M: 159 claims owned by Champion Iron Mines Limited ▪ As December 2023, two agreements are related to the Property: – Since December 2010, a 3% gross sales royalty payable to Altius Resources Inc. – Since April 2021, a production payment of 1$/tonne of concentrate for the first 10Mt, payable to Deloitte Restructuring Inc as part of the dissolution process of Alderon, the Kami LP and Kami GP.
Exploration done by other parties	▪ Acknowledgment and appraisal of exploration by other parties.	▪ All drilling was completed by Altius Minerals Corporation (2008) and Alderon Iron Ore Corp. (2010 to 2012).

Criteria	JORC Code explanation	Commentary
Geology	▪ Deposit type, geological setting and style of mineralisation.	▪ Deposit type: Lake Superior iron formation ▪ Geological setting: the iron formations are hosted in the Wabush Formation (Sokoman Iron Formation), comprised of quartz, magnetite-specularite-silicate-carbonate iron formation. Geology is folded and faulted. ▪ Mineralisation of economic interest on the Property is oxide facies iron formation. The oxide iron formation consists mainly of semi-massive bands or layers, and disseminations of magnetite and/or specular hematite (specularite) in recrystallised chert and interlayered with bands (beds) of chert with iron carbonates and iron silicates
Drill hole Information	▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: – easting and northing of the drill hole collar – elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar – dip and azimuth of the hole – down hole length and interception depth – hole length ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	▪ No exploration results are presented in this report.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.	▪ No exploration results are presented in this report.
Relationship between mineralisation widths and intercept lengths	▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ▪ If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	▪ No exploration results are presented in this report.
Diagrams	▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	▪ No exploration results or discoveries are presented in this report.
Balanced reporting	▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	▪ No exploration results are presented in this report.

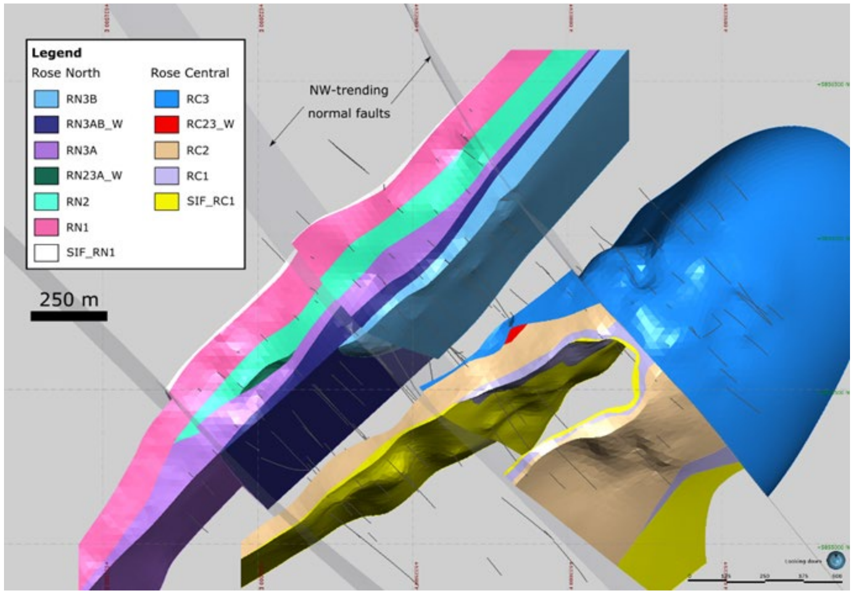
Criteria	JORC Code explanation	Commentary
Other substantive exploration data	▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	▪ Altius' 2007 exploration program included a high-resolution helicopter airborne magnetic survey carried out by Mcphar Geosurveys Ltd. The purpose of the airborne survey was to acquire high resolution magnetic data to map the magnetic anomalies and geophysical characteristics of the geology. A total of 905 line km of data were acquired. Data was acquired by using precision differential GPS positioning. The rock samples were collected from the Property and sent for physical properties testing to support interpretation of the airborne magnetic survey results. The results of the 2007 exploration program were positive with rock samples returning favourable iron values and the airborne magnetic survey effectively highlighting the extent of the iron formation. The 2008 exploration program on the Property consisted of physical properties testing of the rock samples collected in 2007, line cutting, a ground gravity and magnetic survey carried out by Géosig of Québec City, Québec, a high-resolution satellite imagery survey (Quickbird), an integrated 3-D geological and geophysical inversion model and 25 holes totalling 6,129.49 m of diamond drilling. The drilling program was designed to test three known iron ore occurrences on the Property (namely Mills Lake, Mart Lake and Rose Lake) that were targeted through geological mapping and geophysics. Mira Geoscience ("Mira") was contracted to create a 3-D geological and geophysical inversion model of the Property. Mira was provided with the geological cross sections, airborne and ground geophysics data and the physical rock properties from each of the different lithologies. The 3-D geological and geophysical model was completed to help with target definition and drill hole planning. Drilling confirmed the presence of oxide-rich iron formation at the three iron occurrences and was successful in extending the occurrences along strike and at depth. Drilling was also fundamental in testing stratigraphy and structure to help refine the geological and structural models for each area to aid in drill hole targeting.

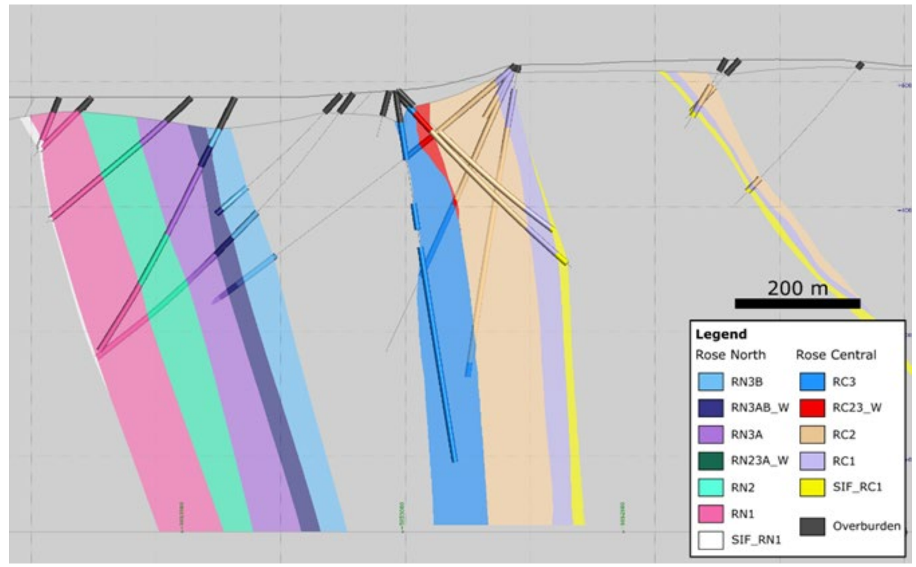
Criteria	JORC Code explanation	Commentary
		▪ The 2010 exploration program started on June 1, 2010 and finished December 1, 2010. The program consisted mainly of a drilling program described under Drilling (Chapter 10), but also included an airborne geophysical survey. The geophysical survey measuring the gradient of the gravity field and magnetics was carried out by Bell Geospace Inc. ("BGI") of Houston, Texas, and flown over the Property from November 8 through November 11, 2010, aboard a Cessna Grand Caravan. ▪ Alderon's winter 2011 program consisted of a drilling program on the Rose North deposit. Drilling started in early February and was completed on April 6. Alderon also completed a LIDAR (Light Detection and Ranging) and air photo survey.
Further work	▪ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	▪ No exploration is currently planned at Kami.

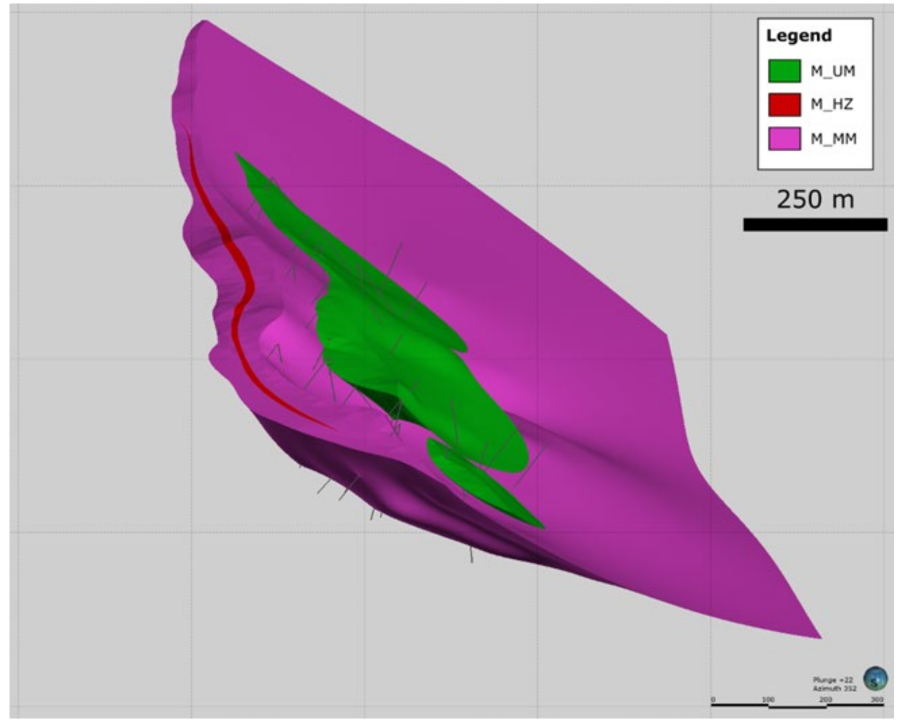
Section 3: Estimation and Reporting of Mineral Resources

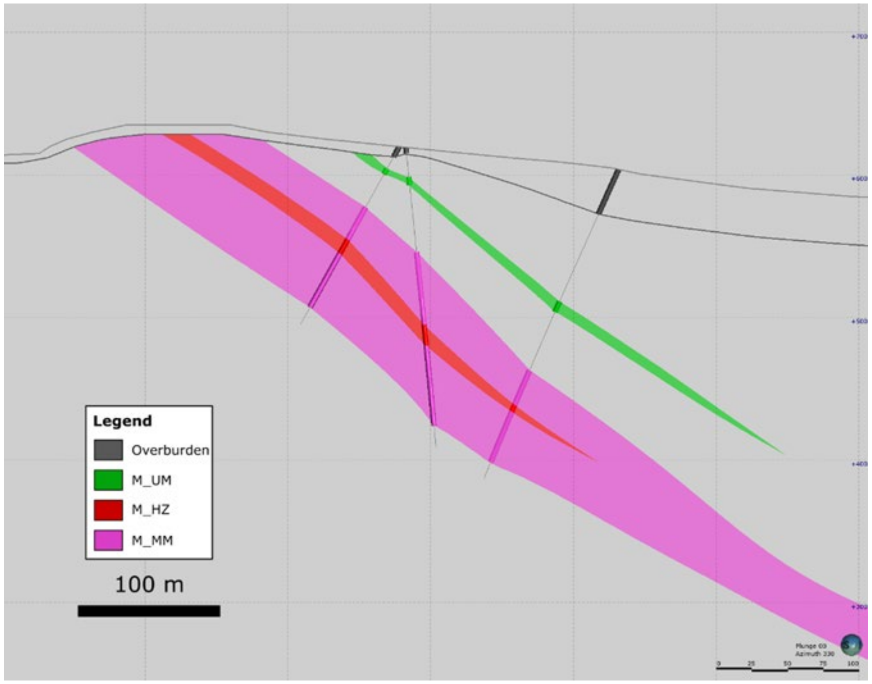
Criteria	JORC Code explanation	Commentary
Database integrity	▪ Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. ▪ Data validation procedures used.	▪ A database verification was undertaken of the original XRF assay certificates (Fe_2O_3, SiO_2, Al_2O_3 and MnO), Satmagan certificates and FeO by Titration (or Davis Tube) certificates checked against the database. No major issues were found in the course of this validation. ▪ Data validation was completed by inspecting the following information: drill hole collar, deviation surveys, hole length, assays, and lithology in 3D.
Site visits	▪ Comment on any site visits undertaken by the Competent Person and the outcome of those visits. ▪ If no site visits have been undertaken indicate why this is the case.	▪ Two site visits were undertaken by the Competent Person. The first site visit consisted in 7 days of core inspection, CP sample collection and core installation review. Approximately 30 drill holes were inspected for mineralised intervals, as well as hanging walls and footwalls. Additional sampling was done mostly in the footwall of Rose Central where some mineralisation was suspected (results showed that the iron content is mostly distributed in iron carbonates and/or silicates). This first visit allowed the CP to gain confidence in the logging and sampling procedures. Independent sampling of 19 intervals also showed good relationship with the database (XRF, Satmagan, Titration for FeO). The second site visit was to inspect the area of the deposit for outcrops and drill hole collars. A total of 8 diamond drill hole collars were located on the field and marked with a handheld GPS. Comparison with the database shows acceptable differences considering the lower precision of the GPS. Mineralised outcrops with magnetite-rich banded iron formation were also located.
Geological interpretation	▪ Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. ▪ Nature of the data used and of any assumptions made. ▪ The effect, if any, of alternative interpretations on Mineral Resource estimation. ▪ The use of geology in guiding and controlling Mineral Resource estimation.	▪ The iron formation is easily followed from section to section. The continuity of mineralisation is well understood, as well as the more complex folded nature of the Rose Central domain. There is some uncertainty on the exact location and attitude of the interpreted NW-SE faults. However, the central fault is observed by damage zones in the core. Thickening and offsets in mineralisation also tend to confirm the presence of such faults. ▪ Geological interpretation was made based on hematite and magnetite content, magnetite/hematite ratio, logged geology, MnO content, specularite occurrences and grain size.

Criteria	JORC Code explanation	Commentary
	▪ The factors affecting continuity both of grade and geology.	▪ The following assumptions were made to derive magnetite and hematite content: – Calculation of iron associated to magnetite (Magn_Fe) from Satmagan assays; – Calculation of Fe^{+2} content from Titration (or Davis Tube tails); – Calculation of iron associated to iron silicates and carbonates (Other_Fe): Fe from titration – 0.33 x Magn_Fe, assuming a 1/2 ratio of Fe^{2+}/Fe^{3+} in magnetite; – Calculation of iron associated to hematite (Hem_Fe): Total Fe (from XRF) – Magn_Fe – Other_Fe. ▪ The geological model used in this resource estimate is a reinterpretation of a previous model. Contacts between domains were changed, as well as shortened lateral and depth extents. Both models are globally similar. When compared inside the same optimised pit shell (Whitte), the new model yields slightly less tonnes (-4%), but with similar Mag, Hem and Total Fe grades, except for the Inferred resources which yields a higher hematite content (+1.4% Hem_Fe in the new model). ▪ The resource estimation relies heavily on the geological model, which was constructed mainly with XRF, Satmagan and Titration assays for Total Fe, Magnetite Fe and Hematite Fe respectively. Geology logs were helpful in determining the geometry of the deposit, precising contacts between sub-domains and assuming the location of fault zones. Geological observations made during the site visit allowed to appreciate the difficulty of discerning a magnetite-rich layer (MIF) from a hematite-rich layer (HIF), hence the primary reliance on assays versus logs. ▪ Continuity of grades are very good throughout the deposit, in terms of iron content but also in mineral content (hematite and magnetite). Domains are generally well defined, but contacts are not always very sharp. There is more uncertainty in waste geology; most waste material was left un-assayed and generally logged as general, large units.

Criteria	JORC Code explanation	Commentary
Dimensions	▪ The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	▪ Rose Central deposit Mineral Resource limits: 2,000 m NE by 85-250 m for the northern flank and 20-30 m for the southern flank, up to 715 m deep. ▪ Rose North deposit Mineral Resource limits: 1,700 m NE by 230-325 m NW (30-55 m dilution between RN3A-3B locally), up to 620 m deep. ▪ Mills Lake deposit Mineral Resource limits: 1,350 m NNW by 70-120 m, 360 m deep (the main domain is separated by 30-55 m of waste with the minor M_UM domain) ▪ Rose Central footprint (in plan view): 2,000 m NE by 650 m NW, 715 m max depth. ▪ Rose North footprint (in plan view): 1,750 m NE by 450 m NW, 620 m max depth. ▪ Mills Lake footprint (in plan view): 1,550 m NNW by 550 m ENE, 600 m max depth.  **Rose Deposit (Rose North upper left, Rose Central lower-right) - Plan view**

Criteria	JORC Code explanation	Commentary
		 **Rose Deposit (Rose North left, Rose Central right) - Vertical section looking NE**

		 **Mills Lake Deposit – 3D plunging view looking NNW**

Criteria	JORC Code explanation	Commentary
		 **Mills Lake Deposit – Vertical section looking NW**
Estimation and modelling techniques	▪ The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer-assisted estimation method was chosen include a description of computer software and parameters used. ▪ The availability of check estimates, previous estimates and/or mine production records and	The following estimation technique was used for Rose and Mills Lake deposits: ▪ Software used: all geological modelling and resource estimation was made with Leapfrog Edge v.2021.1. Statistical analysis and swath plots were conducted in R with in-house scripts and in Leapfrog. ▪ Drill hole database validations and selection of drill holes to be included in the Mineral Resource estimation (described above),

Criteria	JORC Code explanation	Commentary
	whether the Mineral Resource estimate takes appropriate account of such data. ▪ The assumptions made regarding recovery of by-products. ▪ Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). ▪ In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. ▪ Any assumptions behind modelling of selective mining units. ▪ Any assumptions about correlation between variables. ▪ Description of how the geological interpretation was used to control the resource estimates. ▪ Discussion of basis for using or not using grade cutting or capping. ▪ The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	▪ 3D modelling of geological wireframes based on lithology types and magnetite vs. hematite content (described above). A model of limonite-rich areas (based on drill logs) was also constructed and later used for resource classification and density assignment. A dilution skin around all domains was modelled using a buffer distance of 6 m. ▪ Geostatistical analysis for data conditioning: – Statistics and Capping: several chemical elements were investigated for grade capping (Al_2O_3, CaO, Fe, Fe associated to magnetite, Fe associated to iron carbonates/silicates, MgO, MnO and SiO_2). Capping of any of those elements was not judged necessary, based on statistical analysis, histogram distribution, probability plot curves and 3D inspection. The very few outliers found in the database were generally from short length assays and could be explained by the geological context. Statistics, histograms and probability plots were generated for all listed elements, and all sub-domains of each three deposits (namely RC1, RC2, RC3, SIF_RN1, RN1, RN2, RN3A, RN3B, M_MM, M_HZ, M_UM). – Compositing: Composites of 3.0 m (down hole, within boundaries) were generated for all geological domains, with composite residuals less than 1.0 m retained and included in the previous composite interval. A sample coverage of 50% of the composite length was also necessary to create the composite. A visual validation of composite creation was completed with an emphasis on areas with missing intervals. Missing intervals were treated as 0 or ignored, depending on the context. The choice of composite length was based on the most sampled interval length, block size and to better honour locally thinner domains (SIF_RC1, RC1 and SIF_RN1). Approximately 81% of all assays of the database have a sample length equal or lower than 3.0 m. – Variography: Experimental variograms were produced for each sub-domain based on the 3 m composites and were aligned with the clearest angle of continuity. Variograms were produced for the following elements: Total Fe, CaO, MgO and SiO_2. For Total Fe, variogram parameters were applied to iron associated to magnetite and iron associated to silicates/carbonates. Grade distribution of Al_2O_3 and MnO did not yield satisfactory variogram models. Fe associated to hematite was calculated in the block model from Total

Criteria	JORC Code explanation	Commentary
		Fe, Mag Fe and Other Fe estimations (not estimated directly by interpolation). ▪ Block modelling and grade estimation: – Two block models were created: one for Rose (Central and North) and one for Mills. Block sizes were set at 10 m x 20 m x 10 m (Easting, Northing, Elevation), with subblocks of 5 m x 10 m x 5 m. Subblocks are triggered by topography, the overburden surface, the geological model and the dilution skin. All volumes were cross-checked against its respective wireframe. Block size is approximately 15-20% of the nominal drill spacing. – Interpolations were completed based on the variogram models using the Ordinary Kriging method. For the elements lacking robust variogram models (Al_2O_3 and MnO), grade was interpolated using the Inverse Distance square method. Grades were estimated using a four-pass approach, with increasing ellipsoid size from 100-120x60-90 m for the first pass to 300 m x 250 m for the fourth pass. The same sample search criteria were used for all domains and all elements with a maximum of 3 composites per hole, and minimum of 3 drill holes for the first and second passes, and 2 drill holes for the third and fourth passes. The fourth pass is to ensure proper block population throughout the wireframe volumes. All interpolation used variable ellipsoid orientation ("dynamic anisotropy") based on the geometry of each domain. A visual validation was undertaken to ensure that ellipsoid orientation matches the orientation of the folds, and that no artefacts were induced due to inconsistent ellipsoid orientation in folded areas. – All sub-domains frontiers were used as hard boundaries during interpolation, except between RN2 and RN3A which exhibits gradational transition from Hematite to Magnetite dominance. – Blocks were generally extrapolated to a maximum of 225 m for Rose and 200 m for Mills, depending on the geological complexity. ▪ Resource classification: see below.

Criteria	JORC Code explanation	Commentary
		■ Grade estimation validation: – Visual checks: plan and on-section checks comparing composite grades against block grades and validation of the dynamic anisotropy. Checks confirmed that the block grades are good representation of composite grades, and that folded areas are well replicated. At Mills Lake, the inner hematite-rich domain (M_HZ) is also well represented inside the magnetite-rich main domain (M_MM) where a hard boundary was used. – Global statistical checks: comparison of the various grades of the block model against a nearest neighbour estimate and against composite data. Differences in average block grades are generally within 1% when compared to composites. Composites were not declustered, as tests showed close to no impact on average grades. – Local statistical validation: swath plots were generated for all domains for total iron grades in Eastings, Northings and Elevation. They were investigated for potential over-smoothing of grades, especially for kriged iron grades. It was found that peaks and trough in composite grades generally follow peaks and trough in block grades; no important bias and composite grades are well represented in blocks. ■ Comparison with previous estimate: Since the previous MRE does not appear to be constrained by an optimised pit shell, comparisons are made between the updated block model and Alderon one within the same optimised pit shell as presented in the report. Comparisons are also limited to the Rose deposits, as Mills previous block model was not recovered by Champion. Also, Rose Central and Rose North Inferred Mineral Resources were combined into a single rock code. The main changes in the mineral resource are in the classification, where the current model has significantly less Measured material. Globally, Measured & Indicated Mineral Resources ("M&I") from the current model have 4% less tonnage compared to the Alderon block model within the same optimised pit. Conversely, Inferred Mineral Resources tonnage from the current model is 10% higher than Alderon's. Mean total iron grades are similar, but some differences are observed in magnetite iron versus hematite iron grades, caused by differences in classification. Hematite and magnetite iron grades in M&I are similar in both models.

Criteria	JORC Code explanation	Commentary
Moisture	▪ Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	▪ Tonnages are estimated on a dry basis.
Cut-off parameters	▪ The basis of the adopted cut-off grade(s) or quality parameters applied.	▪ The cut-off grade used to report Mineral Resources was calculated by G Mining Service's Open Pit personnel. The parameters used for the calculation are presented below. The cut-off was calculated at 7.35% TFe and raised at 15% TFe for an open pit resource, considering the very low iron content between 7.35% and 15% TFe and to better compare with similar projects. ▪ To report a Mineral Resource that corresponds to a Reasonable Prospect of Eventual Economic Extraction ("RPEEE"), open pit optimisations were generated. Only Hem_Fe and Magn_Fe were used as payable metals for each block.

Pit Optimization Parameters		
Mineral Resources	**Unit**	**Value**
Crude Ore	Mt/year	**26**
Mining Recovery	%	**97.50%**
Process Recovery	%	**85%**
Fe Grade	% Fe	**28.60%**
Final Weight Recovery	%	**36.40%**
Fe Recovery	%	83.55%
Revenues	**Unit**	**Value**
Concentration Ratio	t con./t ore	0.364
Fe Metal Mined	t metal/t ore	0.239
Concentrate Production	Mt con.	9.452
Concentrate Production Less Concentrate Losses (1%)	Mt con.	9.357
Concentrate Fe Grade	% Fe	**65.20%**
Concentrate Moisture Content	%	**0.00%**
CAN$ to US$	CAN$/US$	**1.3**
Reference Price (China sales Price) 65% Fe	$/dmt con.	**150**
DR Quality Premium	$/dmt con.	**0**
Si + Al + P Adjustment	$/dmt con.	**0**
Royalties & Ocean Freight	$/dmt con.	**-37.00**
Net Revenue (FOB Sept-Iles)	**$/dmt con.**	113.00
Railing and Ship Loading	$/dmt con.	**-21**
Net Revenue (FOB Kami)	**$/dmt con.**	92.00
Ore Value	$/dmt ore	33.44
Ore Based Costs	**Unit**	**Value**
Processing, Maintenance	$/dmt ore	**3.85**
G&A Costs	$/dmt ore	**2.72**
Tailings Sustaining Capital	$/dmt ore	**0**
Rehabilitation and Closure Cost	$/dmt ore	**0.37**
Total Ore-based Cost	**$/dmt ore**	6.93
Operating Margin	$/dmt ore	26.52
Operating Margin Rate (before mining)	%	79%
Mining Costs & Parameters	**Unit**	**Value**
Incremental Bench Cost	$/t/10m	**0.032**
Reference Elevation	RL	**655**
Mining Costs	$/t mined	**2.74**

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	▪ Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	▪ Mining method anticipated is by open pit mining, as described above. The block model was reblocked to a 10x20x10 m block size to account for external and internal dilution. The block size was used for Mineral Reserves.
Metallurgical factors or assumptions	▪ The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	The 2023 Pre-feasibility study is based on historical metallurgical test work performed between 2009 and 2014 by Alderon and a new test work program performed by Champion in 2023. The objective of the 2023 PFS metallurgical test work was to optimize the process flowsheet and to assess the capability of producing a DR grade concentrate suitable for direct reduction. Test work was done using six different mineralisation types from the Rose North ("RN") and Rose Central ("RC") deposits. Samples were selected to be representative of the mineralogical types with good spatial coverage of the deposit, considering the samples available and the weight required for the test work. Final flowsheet performance, including continuous/semi-continuous pilot scale test work, was conducted on three composite samples based on the FS 2018 mine plan. ▪ The major flowsheet improvements brought by the 2023 PFS test work include: – The selection of another spiral model ensuring good Fe recovery and SiO_2 rejection performance. – The replacement of the cleaner and recleaner spirals stages by a cleaner Reflux™ classifier stage to increase the iron recovery in the gravity circuit.

Criteria	JORC Code explanation	Commentary
		– The confirmation of magnetic separation circuit LIMS recoveries and the required regrind liberation size; – The addition of a regrinding and flotation stages in both the gravity and magnetic circuits allowing to reduce final SiO_2 grade. For each processing stage, recovery models have been developed using the test work results and integrated in a mass balance predicting the concentrator recovery. ▪ Based on this modelling, the concentrator is designed to: – Process ore grading 29.2% total Fe and14.6 % magnetic Fe in average at a nominal feed rate of 3200 tph over a 25-year mine life; – Produce a 67.6% Fe iron grade concentrate suitable for direct reduction, with combined silica and alumina grades below 2.35% and MnO content of 1.1% at an iron recovery of 76.4%.
Environmental factors or assumptions	▪ Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	▪ Multiple Account Analysis was completed in 2023 to evaluate different disposal options. The locations selected by the previous owner were maintain. ▪ Project was released by the Newfoundland and Labrador Environmental Departed in 2012. Provincial approvals expired in 2018. ▪ Project footprint is similar from the 2012 release. ▪ Baseline surveys were completed in 2023. No significant changes were observed. ▪ Project was improved by completing additional studies regarding groundwater management in the mining operation and including additional infrastructure to manage contact water. ▪ Tailings facilities design was reviewed and consider now a central line construction. ▪ Preliminary meeting with the regulatory agencies were held in order to define permitting process. Provincial environmental impact assessment should be considered.

Criteria	JORC Code explanation	Commentary
Bulk density	▪ Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. ▪ The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. ▪ Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	▪ Bulk density was assigned on a block-by-block approach, using a regression formula for each domain (Rose North, Rose Central, Mills magnetite rich domains, Mills hematite rich domain and limonite domain), by interpolation for waste material where probe measurements were available and by fixed value for the overburden and remaining waste. ▪ Densities were first determined by bulk density measurements on 175 samples (0.1 m length) to calibrate the downhole density probe. Near-density were used to establish correlations with total iron. A different formula was established for the limonite-rich area, using far-density probe measurements.
Classification	▪ The basis for the classification of the Mineral Resources into varying confidence categories. ▪ Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). ▪ Whether the result appropriately reflects the Competent Person's view of the deposit.	▪ Classification was based on variogram ranges, drill hole spacing, confidence in the geological interpretation, interpolation passes and recovery methods to determine parameters that will define the resource categories. ▪ The final mineral resource classification is mostly based on average drill hole spacing, the number of samples used in the interpolation, specific geological units and manual editing to avoid isolated blocks. All potentially limonite-rich blocks were classified as Inferred, as well as domain SIF_RN1. ▪ Measured Mineral Resources are defined where blocks have an average distance to the nearest three drill holes of less than 70 m. ▪ Indicated Mineral Resources are defined where blocks have an average distance to the nearest three drill holes of less than 150 m. ▪ Inferred Mineral Resources are defined where blocks have an average distance to the nearest three drill holes of less than 200 m. Limonite-rich and Rose North footwall (SIF_RN1) domains are classified as Inferred. ▪ The proportion of Measured, Indicated and Inferred Mineral Resources reported reflects the confidence the Competent Person has on the deposit. The drill spacing is the main factor limiting a classification upgrade, whereas more metallurgical input is needed on limonite-rich areas.

Criteria	JORC Code explanation	Commentary
Audits or reviews	▪ The results of any audits or reviews of Mineral Resource estimates.	▪ No external audits were conducted on the current Mineral Resource Estimation. Internal reviews were completed by James Purchase, P.Geo., formerly VP Geology and Resources for G Mining Services.
Discussion of relative accuracy/ confidence	▪ Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. ▪ The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. ▪ These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	▪ Grades were compared with nearest neighbour estimation to check for global bias. As stated above, no bias was observed in the estimation process. Furthermore, global trends in X, Y Z axis were observed through swath plots. The nature of mineralisation shows that there is a low variability in grades, but more in the magnetite versus hematite content. Emphasis should be put determining adequately the proportion of each mineral contributing to Total Iron. The Competent Person is confident that the current method employed is a good representation of the iron deportment in economic minerals (hematite and magnetite). A certain level of risk still exists since hematite comprises potential limonite and goethite minerals. Drill core observation did not show significant limonite or goethite minerals outside the limonite model discussed. ▪ This Mineral Resource Estimate is a global estimate, given the drill density. Proper grade control should help defining unit boundaries precisely, but mostly gain more precision on contaminants and deleterious elements, which may exhibit more variability. The precision of the Measured and Indicated estimate is judged adequate for mine planning purposes for a pre-feasibility study level.

Section 4: Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	▪ Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. ▪ Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	▪ The Mineral Resource Estimate was prepared by G Mining Services ("GMS"). Details on this mineral resource are presented in the above sections. ▪ Mineral Resources are reported inclusive of Ore Reserves.
Site visits	▪ Comment on any site visits undertaken by the Competent Person and the outcome of those visits. ▪ If no site visits have been undertaken indicate why this is the case.	▪ No site visit was undertaken by the engineer (Alexandre Dorval) as this is a greenfield project. The geologist provided pictures and insight of key elements present on site.
Study status	▪ The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. ▪ The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	▪ The study is a Pre-feasibility study level. Designs, mine plan, cost estimates are based on pre-existing geotechnical reports, other available information such as LIDAR, and quotes from equipment suppliers.
Cut-off parameters	▪ The basis of the cut-off grade(s) or quality parameters applied.	▪ A cut-off grade of 15% Fe (diluted) was applied.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	▪ The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). ▪ The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. ▪ The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling. ▪ The major assumptions made, and Mineral Resource model used for pit and stope optimisation (if appropriate). ▪ The mining dilution factors used. ▪ The mining recovery factors used. ▪ Any minimum mining widths used. ▪ The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. ▪ The infrastructure requirements of the selected mining methods.	▪ The ore body is mined using open pit mining techniques with hydraulic shovels, large wheel loaders, mining trucks, and a semi-mobile crushing and conveying system ("IPCC") for the waste. ▪ The open pit shells were optimised using Whittle. ▪ Overall slope angle varies from 19.9° in overburden to 51.6° in competent rock. ▪ A general double bench design (20 m) was chosen; however single-bench (10 m) is necessary in some weaker areas. ▪ Mining dilution and Ore Loss estimates for Mineral Reserves consists of a dilution skin of 1m along and across strike. The rock type and grade surrounding ore blocks determines if ore loss or dilution happens. Overall, dilution represents 1.4% of the total ore tonnage at a grade of 0% and ore loss is 0% at a grade of 29.2%. ▪ Mining recovery is set at 97.5% for the Whittle pit shells. ▪ Minimum mining width is set at 10 m. ▪ A general mining width of 100 m guides the mining stages design. 60 m is the absolute minimum. ▪ All inferred resources have been treated as waste material in the production schedules and the Project economics. ▪ The selected mining methods will require powerlines and substations to be brought down the pit, a garage for equipment maintenance, a mill to process the ore, an overburden storage facility, a waste storage facility, and a tailings storage facility. ▪ Economic parameters used for shell generation are presented below.

Pit Optimization Parameters - Mineral Reserves	Unit	Value
Crude Ore	Mt/year	**26.00**
Mining Dilution (included in Block Model)	%	**3.4%**
Mining Recovery	%	**97.5%**
Process Recovery	%	**85%**
Fe Grade	% Fe	**28.60%**
Final Weight Recovery	%	**36.4%**
Fe Recovery	%	83.55%
Revenues		
Concentration Ratio	t con./t ore	0.364
Fe Metal Mined	t metal/t ore	0.239
Concentrate Production	Mt con.	9.452
Concentrate Production Less Concentrate Losses (1%)	Mt con.	9.357
Concentrate Fe Grade	% Fe	**65.20%**
Concentrate Moisture Content	%	**0.00%**
CAN$ to US$	CAN$/US$	**1.3**
Reference Price (China sales Price) 65% Fe	$/dmt con.	**130.00**
DR Quality Premium	$/dmt con.	**0.00**
Si + Al + P Adjustment	$/dmt con.	**0.00**
Royalties & Ocean Freight	$/dmt con.	**-36.40**
Net Revenue (FOB Sept-Îles)	**$/dmt con.**	**93.6**
Railing and Ship Loading	$/dmt con.	**-21.00**
Net Revenue (FOB Kami)	**$/dmt con.**	**72.60**
Ore Value	$/dmt ore	26.39
Ore Based Costs		
Processing, Maintenance	$/dmt ore	**3.85**
G&A Costs	$/dmt ore	**2.72**
Tailings Sustaining Capital	$/dmt ore	**0.00**
Rehabilitation and Closure Cost	$/dmt ore	**0.37**
Total Ore-based Cost	**$/dmt ore**	**6.93**
Operating Margin	$/dmt ore	19.46
Operating Margin Rate (before mining)	%	74%
Mining Costs & Parameters		
Incremental Bench Cost	$/t/10 m	**0.032**
Reference Elevation	RL	**655**
Mining Costs	$/t mined	**2.74**

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	▪ The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. ▪ Whether the metallurgical process is well-tested technology or novel in nature. ▪ The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. ▪ Any assumptions or allowances made for deleterious elements. ▪ The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. ▪ For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	▪ The metallurgical process proposed is derived from bench-scale and pilot-scale test work, input from the Company and its advisors' engineering teams and manufacturers. It includes the following stages: – The ore is first crushed and then fed to an autogenous mill grinding circuit. Ground product is sent to gravity concentration using rougher spirals and cleaner Reflux™ classifiers that produce a tailings stream and a gravity concentrate; – The gravity concentrate is reground in a tower mill closed-circuit and processed through an iron ore reverse flotation circuit that produce a low-silica grade final gravity concentrate; – Tailings from the gravity separation circuit are sent to a magnetic separation process in which tails are reground and magnetite is recovered via a multiple stages of low intensity magnetic separation ("LIMS"); – The magnetic concentrate is processed through iron ore reverse flotation columns and produce a low-silica grade final magnetic concentrate; – Gravity and magnetic flotation concentrate are dewatered using pan and press filtration. ▪ The flowsheet includes proven and modern technologies for processing iron ore, including Reflux Classifiers currently operating in the Bloom Lake Phase II concentrator. ▪ Predicted concentrator metallurgical performance is representative of the ore body, given that: – The Fe, SiO_2 and MnO product grades are based on the test work results and iron recoveries are based on the recovery models developed from the test work; – All metallurgical test work was performed on representative mineralisation and according to the LOM; – The concentration plant will process different ore blends coming from the Rose North and Rose Central mineralisation zones during the LOM. Variability of the iron feed grade and magnetic iron proportion occurring from these blends have been taken into account in the mass balance simulations used for the design;

Criteria	JORC Code explanation	Commentary
		– There is no significant content of deleterious elements in the mineralised zones of Kami.
Environmental	▪ The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	▪ Multiple Account Analysis was completed in 2023 to evaluate different mine waste disposal options. The locations selected by the previous owner were maintained. ▪ Project footprint is similar from the 2014 release, which include one Overburden stockpile and one Mine rock storage facility. ▪ Okane Consultants ("Okane") was retained by Champion to characterize metal leaching/acid rock drainage ("ML/ARD") risk of units identified as future mine rock during the mining operations of the Kami Iron Ore Project (Kami Project). Additional samples have been collected and are being analysed for static and kinetic testing. Updated testing will provide to date confirms initial static test results from the initial characterisation completed by Stantec in 2013. ▪ Results from the current characterisation program are generally consistent with previous analyses. ▪ Cross sections of the Kami Project deposit were developed showing sample locations and their respective neutralisation potential ratios ("NPR"). Interpretation of these results show that zones of PAG mine rock may be present at relatively shallow depths in the Kami deposit. ▪ While sufficient neutralisation potential ("NP") is available within the deposit to buffer acid potential ("AP") generated, this assumes mine rock will be sufficiently blended over the life of mine to prevent development of acidic zones or initial sulphide oxidation at the surface during early years of mine life. ▪ Consideration for the extraction or deposition schedule of these zones may be required to ensure a well mixed mine rock stockpile and NAG tailings storage facility embankments to ML/ARD risk.
Infrastructure	▪ The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	▪ The current infrastructure on site includes but is not limited to the administration building, tailings storage facility, waste stockpiles, collection ponds, wastewater treatment plant, pump stations, warehouse, maintenance facility, offices, main gate, wash bay, fuel and lube storage, crusher and concentrator, power lines, train loading facility and site access road.

Criteria	JORC Code explanation	Commentary
		▪ A new Railway section will be built to connect the Kami project to the existing Quebec North Shore & Labrador railways ("QNS&L") to transport the concentrate to the existing Pointe-Noire port infrastructure. A new five trainsets will be required to meet demand during all seasons. Société Ferroviaire et Portuaire of Pointe-Noire ("SFPPN") and port facilities in Sept-Îles will be upgraded. ▪ The electrical power needs of the KAMI site are estimated at 172 MW; this power is delivered at 315 kV through a transmission line taking its source at the planned Flora Lake substation 18 km away from the site. At the KAMI site, the incoming 315 kV is stepped down to 34.5 kV using three transformers in a N-1 configuration. The 34.5 kV voltage level is used for site distribution to various load centres where it is further stepped down to 13.8 kV, 7.2 kV, 4.16 kV or 600 V for powering mining, process and auxiliary loads. ▪ A permanent worker camp facility for 600 workers will be built at approximately 1 km northeast of the concentrator and a temporary construction camp for 400 workers will be built beside the permanent camp during the construction.
Costs	▪ The derivation of, or assumptions made, regarding projected capital costs in the study. ▪ The methodology used to estimate operating costs. ▪ Allowances made for the content of deleterious elements. ▪ The source of exchange rates used in the study. ▪ Derivation of transportation charges. ▪ The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. ▪ The allowances made for royalties payable, both Government and private.	▪ Initial Capital costs and sustaining costs were developed by various engineering firms as per the following matrix: – BBA – Process plant and site Infrastructure – G Mining – Rose Pit mine development inclusive of major production equipment, operational blending stockpile, IPCC waste stockpile, blending stockpile, mobile equipment fleet, overburden stockpile and explosives management – WSP – Tailings Management Facility – AtkinsRéalis – Rose Pit and Rose stockpiles water management infrastructure – Systra – Kami railway line to connect the mine south of Wabush to the QNS&L Railway line – Okane – closure costs and calculation of bonds as input to the financial model

Criteria	JORC Code explanation	Commentary
		▪ BBA was mandated by Champion Iron to integrate third party estimates, to assist in development of indirect costs and to perform a contingency analysis. ▪ The current study reflects an advanced PFS with an expected target accuracy of +/-20% based primarily on engineering deliverables developed to a Class 3 estimate as defined in AACE International Recommended Practice No. 47R-11 for the Mine and Concentrator portions of the estimate and a Class 4 level estimate for Tailings and Water Management portion of the estimate. ▪ The capital cost estimate incorporates all capital expenditures covered in pre-production years (Y-4,Y-3,Y-2,Y-1) and ramp-up year Y0, Initial Opex (mine pre-stripping, mine waste stockpile, initial TSF Opex, etc.) and capital costs related to IPCC system. ▪ The BBA portion of costs covers the concentrator and major site infrastructure including: – Site preparation – 600 bed Permanent operator camp (used initially to support construction) – Temporary 400 bed construction camp – Wabush to Kami Site Access Road – 315kV power line from Flora Lake to Kami site – 34.5kV power line from Wabush to Kami site to support construction – Temporary and permanent mine garage, wash bay, warehouse, and offices – Mine haul roads – Main electrical sub-station – Local power lines to feed sub-stations for 3rd party estimates related to Tailings and Water management – Overland conveying, crushing and ore storage – Tailings pipelines and pumping stations

		■ Third party capital cost estimates were received and integrated by BBA for the following scope elements: – Mine – Rose Pit inclusive of major production equipment, operational blending stockpile, IPCC waste stockpile, blending stockpile, mobile equipment fleet, overburden stockpile and explosives management – prepared by G Mining with a specified accuracy exclusive of contingency of -10%; +15% except for the IPCC system which was based on a Class 4 estimating approach with input from BBA – Mine Site Water management infrastructures of Rose Pit, overburden and waste stockpiles including Mid Lake Dam, Rose Pit collection pond, West Side water treatment plant and Pike Lake Dike – prepared by AtkinsRéalis (formerly SNC Lavalin) within a specified accuracy exclusive of contingency of -27%; +20% – Tailings Management Facility – prepared by WSP within a specified accuracy exclusive of contingency of +/-25% – Systra – capital cost related to the Kami railway line to connect the mine south of Wabush to the QNS&L Railway line. Costs developed by Systra are inclusive of indirect costs and 10% contingency. ■ The estimate is expressed in constant Canadian dollars with a base date of December 22, 2023. ■ The estimate base currency is Canadian dollars. ■ All bulk material pricing is based on Canadian dollars. ■ Budgetary pricing received for equipment has been converted to Canadian dollars using the following exchange rates provided by Champion.

Exchanges rate	Unit	Value
US$ to CAN$ exchange rate[1]	US$: CAN$	1.30
Euro to CAN$ exchange rate[2]	Euro : CAN$	1.57
[1] US$ to CAN$ based on direct 5-year analyst consensus		
[2] Euro to CAN$ based on the 5-year Bloomberg forward quote as of November 2023		

Criteria	JORC Code explanation	Commentary
		▪ Budgetary pricing was received from multiple vendors for major equipment packages. Technical reviews were performed by package. Equipment pricing is exclusive of spare parts or vendor assistance for installation and commissioning. These costs are captured separately in the indirect costs. ▪ The approach chosen for the estimate was the standard one of issuing key engineering deliverables to the estimating group in a timely fashion and in such a manner that any subsequent revisions to these key core documents were clearly identified. All material take-offs ("MTOs") and lists were identified with a revision date. ▪ All quantities generated for the estimate exclude contingency. Growth allowances have been applied to the MTO's and are managed with a unique column within the details of the estimate. ▪ Installation labour costs at Kami are based on a seventy-hour work week (7 x 10) deploying a single day shift and a rotation of two weeks in and one week out (2/1). ▪ Wage rates for trades crafts have been established based on construction industry labour collective agreements in Newfoundland and Labrador for industrial projects. Double time is considered after 8 hours per day and weekends. ▪ It is assumed that 100% of construction workers are non-local, residence beyond 120 km from the site, and will require accommodation in the camp. The labour crew rates exclude air travel for contractor direct and indirect staff and room and board allowances as there is enough accommodation within the permanent and temporary accommodations provided for at the Kami site. ▪ Composite crew wage rates have been established for each commodity based on a trade mix comprised of foreman, journeymen, apprentices, and general labour across all construction trades. The composite crew rates include the following costs: – Craft base rates fringe benefits and overtime – Mobilisation & demobilisation of contractor items – Non-manual labour (general foreman, superintendent, project manager, etc.)

Criteria	JORC Code explanation	Commentary
		– Indirect manual labour – Small tools and consumables – Ownership and operational costs of construction equipment (inclusive of fuel) – Construction cranes up to 130T – Health, safety and environmental requirements – Site supervision and administration – Contractor temporary site facilities – Overhead and profit ▪ A permanent 600 bed camp to be used during operations will be built in the early phases of construction to accommodate construction personnel. A 400-bed temporary camp will be leased for 2 years to accommodate the anticipated construction peak on site. ▪ Indirect costs include: – Owner's Costs – EPCM services – Temporary facilities – Contractor travel and heavy lift cranes – Temporary construction camp rental and camp catering – POV, Vendor reps, spare parts (commissioning, capital & first 6 months operational) – Initial fills – Freight – Contingency ▪ Contingency is based on a probabilistic Monte Carlo range analysis resulting in 15.8% at P50 ▪ The estimate accuracy inclusive of contingency measured from P50 is -18.8%; + 18.5% ▪ The Capex excludes 52M of future studies and cost of basic engineering to be spent prior to project approval.

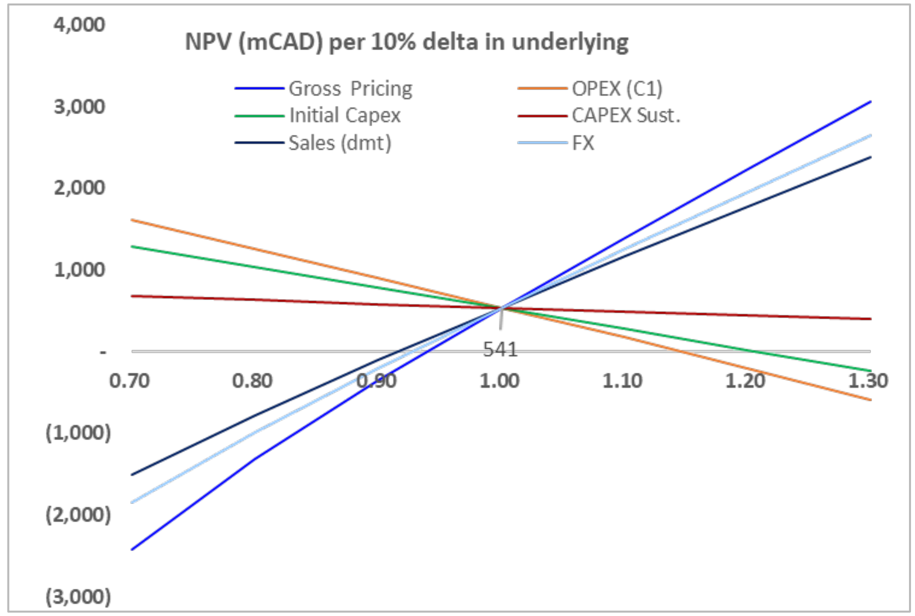
Criteria	JORC Code explanation	Commentary
Revenue factors	▪ The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. ▪ The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	▪ Forecasted iron ore prices, sea freight rates, and exchange rates that were incorporated in the analysis were sourced using a blend of pricing methods and rely heavily on external analysis and recommendations. ▪ The assessment of the Kami realised price is conducted using the 65% Fe iron ore index as the benchmark, augmented by a premium to account for superior chemical properties.
Market assessment	▪ The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. ▪ A customer and competitor analysis along with the identification of likely market windows for the product. ▪ Price and volume forecasts and the basis for these forecasts. ▪ For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	▪ As the global pace of decarbonisation accelerates, steelmakers are increasing investments in Direct Reduction technologies coupled with Electric Arc Furnaces as opposed to the traditional Blast Furnace and Basic Oxygen Furnace steelmaking route. Consequently, the demand for higher quality iron ore is poised to surge, with DR Pellet Feed being a particularly important feedstock for such a transition. Projections indicate that global demand for DR Pellet Feed will reach ~310 million tonnes by 2050. Based on currently committed projects, there is expected to be a shortfall in supply of ~100 million tonnes by 2050, necessitating the emergence of unidentified pellet feed projects to fill this gap. ▪ Demand for DR Pellet Feed is driven by the expansion of pelletizing capacity and the widespread adoption of Direct Reduction technology. Key demand hubs include the Middle East, North Africa, Latin America, and North America. Europe will also see a rise in demand, primarily supplied by domestic mines in the North. Supply will remain concentrated from Latin America and North America, with the Middle East holding a significant captive supply position of DR Pellet Feed. ▪ The iron ore price estimate, complying with JORC and the 43-101 Standard, was assessed using historical trailing prices and reputable analyst firm forecasts. The 65% iron ore index was assessed at USD 120.0 per dry metric tonne. ▪ The product qualifies as DR grade having an iron content above 67.5%Fe and a total content of SiO_2 + Al_2O_3 below 2.5%.

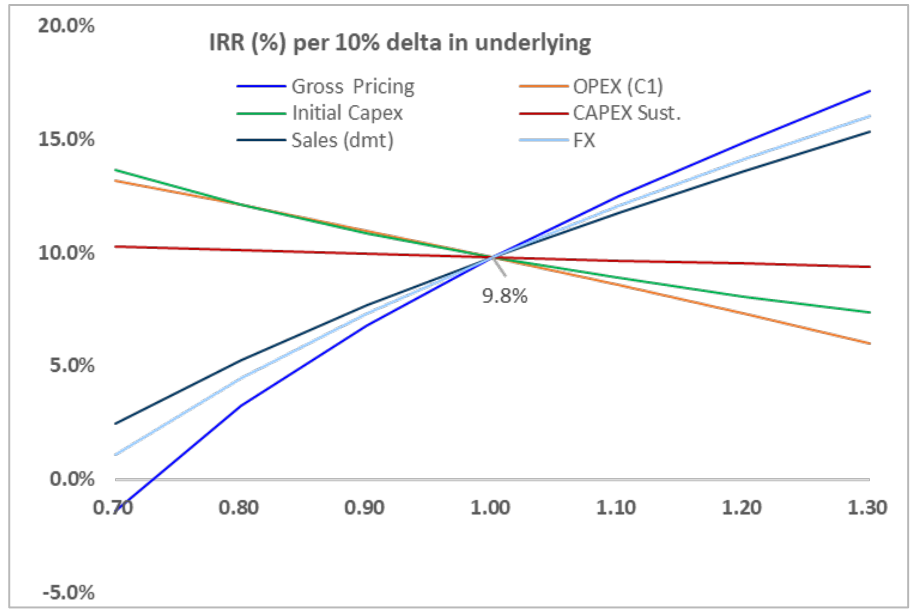
Criteria	JORC Code explanation	Commentary
Economic	▪ The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. ▪ NPV ranges and sensitivity to variations in the significant assumptions and inputs.	The following key assumptions underpin the economic study:

Key Assumption Summary	Unit		
Mineral reserves	M dmt	643	
Production life of mine	Years	25	
Average annual production	M dmt	8.6	
Average annual production wet	M wmt	9.0	
Average Fe In-situ grade to plant	%	29.2%	
Average Fe metallurgical recovery	%	76.4%	
Average concentrate grade sold	% Fe	DR quality iron ore above 67.5%	
Average stripping ratio	Waste:Ore	1.6	
Macroeconomic and Market Assumptions		**CAN$**	**US$**
P65 Index CFR China Iron ore price (Kami iron ore concentrate gross realised price is based on (i) P65 index and (ii) an additional premium for DR grade quality iron ore)	$/dmt	156.0	120.0
Average shipping cost	$/dmt	28.6	22.0
Average foreign exchange rate	US$:CAN$	1.30	
Capital Costs		**CAN$**	**US$**
Construction period	Months	48	
Initial CAPEX	M	3,864	2,972
Operating Cost per Tonne Sold		**CAN$**	**US$**
Total cash cost (C1 Cost)	$/dmt	76.1	58.5
Total AISC	$/dmt	89.5	68.9

Criteria	JORC Code explanation	Commentary
		Total capital expenditures of $3,864 million, resulting in a Net Present Value (“NPV”) of $541 million and Internal Rate of Return (“IRR”) of 9.8% after-tax, based on conservative pricing dynamics compared to prevailing iron ore prices; NPV of $2,195 million and IRR of 14.8% after-tax, based on the previous three calendar year average of the P65 index price. The summary economic results are presented in the figure below:

Economic Results	**Base Price Scenario**		**Market Price Scenario *(3-Year trailing scenario: CY2021-2023)***	
	CAN$	**US$**	**CAN$**	**US$**
P65 Index CFR China Iron ore price (Kami iron ore concentrate gross realised price is based on (i) P65 index and (ii) an additional premium for DR grade quality iron ore)	156.0	120.0	197.9	152.2
C3 Index price ($/wmt)	28.6	22.0	31.2	24.0
Pre-tax				
NPV in M at 8% discount rate	1,482	1,140	4,034	3,103
IRR	12.1%		18.0%	
After-tax				
NPV in M at 8% discount rate	541	416	2,195	1,688
IRR	9.8%		14.8%	
Payback period (years)	7		5	
All other assumptions besides P65 and C3 shipping are held constant				

		The following figures contain sensitivity evolutions for NPV and IRR for a 10 % delta in underlying. 

Criteria	JORC Code explanation	Commentary
		
Social	▪ The status of agreements with key stakeholders and matters leading to social licence to operate.	▪ Champion has reviewed publicly available information, including information directly provided to Champion by Indigenous governments and organisations, to gain a general understanding of the nature of known Indigenous interests in the Project area and the priority Indigenous Groups to be engaged for the Project. ▪ In the previous EIS, Five Indigenous Groups were identified by the Impact Assessment Agency of Canada (IAAC) as having potential Indigenous rights that could be adversely affected by the Project. These include: – Innu Nation; – Innu Takuaikan Uashat mak Mani-Utenam ("ITUM"); – La Nation Innu Matimekush-Lac John ("NIMLJ"); – Naskapi Nation of Kawawachikamach ("NNK"); and – NunatuKavut Community Council ("NCC").

Criteria	JORC Code explanation	Commentary
		▪ Preliminary project-specific engagement activities were undertaken between Champion and Indigenous Rightsholders. As the Project progresses through the Project Registration and provincial EA process, Champion plans to continue to engage with the key communities stakeholders and regulatory agencies. Topics of discussion will be identified collaboratively with key community stakeholders. Some proposed topics for future engagement meetings and events could include, but are not limited to: – Review of previous interests and concerns related to the Kami Project; – Identify new interests and concerns related to the Kami Project; – Follow-up discussions related to identified interests and concerns; – Input and consideration of Project design and alternatives; – Input and consideration of Project baseline studies; – Review and consideration of adverse environmental effects and mitigation.
Other	▪ To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: ▪ Any identified material naturally occurring risks. ▪ The status of material legal agreements and marketing arrangements. ▪ The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	The major risks that could have a material impact on the Project are the following: ▪ Geological structures are connected to surrounding lakes and Insufficient Hydrogeological characterisation could lead to underestimation of Ground water inflows to the Pit from Pike Lake amongst others. ▪ Rock Mass characterisation may be different than expected – Fault zone might influence pit slope and overall pit design reducing LOM. ▪ Insufficient direct and indirect construction and operations workforce. ▪ Electrical Power transmission line construction delays. ▪ Increased cost of electrical power as future pricing for power in N-L is market related. ▪ Indigenous group and local community opposition to the Project with potential impact on permitting timeline.

Criteria	JORC Code explanation	Commentary
Classification	▪ The basis for the classification of the Ore Reserves into varying confidence categories. ▪ Whether the result appropriately reflects the Competent Person's view of the deposit. ▪ The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	▪ The Ore Reserves was classified in accordance with the JORC and the NI 43-101 Standard. ▪ The methods used are considered by the competent person to be appropriate for the style and nature of the deposit. ▪ No Probable Ore Reserves are derived from Measured Mineral Resources.
Audits or reviews	▪ The results of any audits or reviews of Ore Reserve estimates.	None
Discussion of relative accuracy/ confidence	▪ Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. ▪ The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. ▪ Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.	▪ The competent person is of the opinion that the Mineral Reserves for the Kami Project, which have been estimated using core drill and grade control data, appropriately consider modifying factors and have been estimated using industry best practices. – Factors that can affect the Ore Reserves estimates are: – Overburden thickness at the pit limits is not well defined and could affect the overall slope angle. – Geotechnical structures influencing the open pit could differ from the geotechnical study and could affect slope angles. – Dilution and recovery factors are based on assumptions that will be reviewed once mining operations begins. – Changes in commodity price and exchange rate assumptions will have an impact on cut-off grade and optimal size of the pit.

Criteria	JORC Code explanation	Commentary
	▪ It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	